Globo plc
29 September 2014

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GLOBO plc

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2014

Globo PLC (LSE-AIM: GBO), the international provider of enterprise mobility management solutions and software as a service, is pleased to announce its unaudited interim results for the six months ended 30 June 2014.

Financial highlights

- Revenue up 45% to €46.5 million (H1 2013: €32.0 million)
  - GO!Enterprise revenue up 95% to €19.9 million (H1 2013: €10.2 million)
  - CitronGO! and GO!Social revenue up 12% to €20.1 million (H1 2013: €17.9 million)
- EBITDA increased 23% to €22.0 million (H1 2013: €17.9 million[1])
- Profit before tax up 11% to €16.1 million (H1 2013: €14.5 million)
- Earnings per share increased 5% to €0.043 (H1 2013: €0.041)
- Free Cash Flow[2] of €4.2 million (H1 2013: €(3.7) million)
  - Last Twelve Months Free Cash Flow €13.1 million
- EBITDA Cash Conversion Ratio[3] of 83% (H1 2013: 15%)
- Net cash position of €46.0 million as at 30 June 2014 (H1 2013: €10.8 million)

Operating highlights

- Significant growth in licence and end user base:
  - GO!Enterprise Enterprise Mobility Management ("EMM") business-to-employee device licences up 67% to 569,500 at the half year (31 December 2013: 340,600)
  - GO!Enterprise Mobile Application Development Platform ("MADP") business-to-consumer licences up 90% to 24.9 million (31 December 2013: 13.1 million)
  - CitronGO! and GO!Social monthly active users up 13% to 3.4 million (31 December 2013: 3.0 million)

- Additional enterprise customer wins, including new GO!Enterprise EMM licence customers such as Siemens, TUI, TNT, PeopleCert and Intracom Telecom.

[1] During the 2013 year-end audit there was a reclassification of income from associates amounting to €0.7 million (for H1 2013), which was moved to below the operating profit line. As a result EBITDA for H1 2013 has been recalculated as €17.9 million instead of €18.6 million. This reclassification had no impact on PBT or EPS figures.
[2] We calculate FCF as net cash from operating activities minus all expenditures required to maintain or expand our organic business, including purchases of intangible assets and property, plant, and equipment; it does not include purchases made in connection with business combinations or acquisitions.
[3] EBITDA Cash Conversion Ratio (ECCR) measures the proportion of profits that are converted to cash flow. We calculate ECCR by dividing Operating Cash Flow by EBITDA.

- Integrated contract win for licences, application development, consulting and services with new customer, the New South Wales Health Administration, in Australia
- Acquisition of mobile applications developer Sourcebits Inc., for a cash consideration of US$12 million brings integrated MADP capability and access to new customers
- Significant expansion of US operations following acquisition of Notify Technology Inc.; CEO relocation to the US to focus on US operations and growth opportunity
- Launch of new products and services: GO!AppZoneStudio and GO!Enterprise WorkSpace

Post period end highlights

- €7.5 million integrated product project win with new customer, the Greek Ministry of Public Order and Citizen Protection
- Additional project work with existing Sourcebits customers Intel, McKinsey, SAP, EMC and ING
- Globo included in Ovum's Decision Matrix report 2014-15, with recognition as a market challenger amongst the top 11 EMM vendors globally

Trading outlook

- Trend of growth in enterprise customer and new project wins during H1 expected to continue
- Strong business momentum expected due to traditionally stronger second half and continued US expansion

Commenting on the results, Costis Papadimitrakopoulos, CEO of Globo, said:
"Globo's growing reputation in the enterprise mobile markets around the world is translating into strong growth in revenue and profits. Demand for our market-leading products and services is being supported by positive industry trends, particularly the growth of Bring Your Own Device. Globo continues to invest in developing new products to strengthen our offering and I am confident that Globo is well positioned to continue the positive growth story reflected in these results."

Interim Results Presentation

A presentation to analysts and private client brokers hosted by Costis Papadimitrakopoulos, Chief Executive Officer, and Dimitris Gryparis, Chief Financial Officer, will be held at 9.30 on 29 September 2014 at the MWB Business Exchange, 60 Cannon Street, London, EC4N 6NP.

To join via conference call:

Dial +44 (0) 330 221 0085
Access Code: 313 959 789

To join via the website:

https://global.gotomeeting.com/join/313959789
Meeting ID: 313-959-789
Meeting Password: cannonstreet

To join from an iPhone®, iPad®, Android® or Windows Phone® device via the GoToMeeting app.:

http://www.gotomeeting.co.uk/meeting/ipad-iphone-android-apps

The slides for the presentation will be available on Globo's website:

http://www.globoplc.com/en-GB/results-and-presentations/

For further information please contact:

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About Globo plc
Globo plc is a global provider of complete enterprise mobility solutions and Software-as-a-Service ("SaaS"). Our GO!Enterprise (EMM) and GO!AppZone (MADP) offerings help businesses expand their engagement with employees and customers through the mobile channel via a secure and extensible environment that runs on all smart devices. The Group operates internationally through subsidiaries and offices in US, UK, Europe, Middle East and South East Asia. Globo was recognised in the 2014 Gartner Enterprise Mobility Management Magic Quadrant report (http://www.globoplc.com/en-GB/gartner-magic-quadrant-for-enterprise-mobility-management-2014)

For more information visit www.globoplc.com

CHIEF EXECUTIVE OFFICER'S REPORT

Overview

In the six months to 30 June 2014 Globo maintained strong growth momentum, with emphasis on expansion of our Enterprise Mobility product suite, Mobility Business Solutions (MBS) offering, and direct sales leading to both revenue growth and cash generation. During the period we continued to improve our competitive position in an enterprise mobility market which is being driven by strong demand for enterprise use of smartphones and tablets and increasing interest in mobile-based applications.

Our Enterprise and Consumer mobile product lines continued to deliver significant growth, forming the basis for future recurring revenues and profit generation for the Group. We saw strong underlying demand and new customer wins for our **GO!Enterprise** platform, leading to revenue growth of 95% to €19.9 million (H1 2013: €10.2 million). Our consumer mobility revenue (**CitronGO!** and **GO!Social**) also performed well, growing 12% to €20.1 million (H1 2013: €17.9 million).

Overall Group revenue grew by 45% to €46.5 million (H1 2013: €32.0 million). EBITDA increased by 23% to €22 million (H1 2013: €17.9 million[4]), whilst profit before tax grew 11% to €16.1 million (H1 2013: €14.5 million).

Free Cash Flow[5] totalled €4.2 million in the first half compared to €(3.7) million in the same period last year. This is a reflection of the shift in revenue balance towards enterprise mobility with an associated improvement in the payment cycle.

Acquisition of Sourcebits Inc.

The Group's acquisition in June 2014 of the services division of Sourcebits Inc., a San Francisco-based developer of mobile applications with a significant developer capability in Bangalore, brings enhanced scale to our Mobility Business Solutions (MBS) division. Sourcebits has an established client base including Intel, SAP, P&G, The Coca-Cola Co., Bank of America, Columbia University and Hershey's, which does not overlap with Globo's existing base, and adds notable User Interface (UI) software capability. Since integrating Sourcebits into our MBS division we have:

- Continued Sourcebits' existing project business on Mobile Applications Development;
- Won new project work with existing Sourcebits customers, such as McKinsey and EMC; and
- Expanded its development capabilities to include GO!Enterprise MADP (GO!AppZone) technology, resulting in additional new customers.

[4] During the 2013 year-end audit there was a reclassification of income from associates amounting to €0.7 million (for H1 2013), which was moved to below the operating profit line. As a result EBITDA for H1 2013 has been recalculated as €17.9 million instead of €18.6 million. This reclassification had no impact on PBT or EPS.

[5] We calculate FCF as net cash from operating activities minus all expenditures required to maintain or expand our organic business, including purchases of intangible assets and property, plant, and equipment; it does not include purchases made in connection with business combinations or acquisitions.

Customer and contract wins

As mentioned in our trading update on 28 July 2014, we have won a significant new contract to provide an integrated mobility solution, including licences, application development services, consulting and support, with a new customer the New South Wales Health Administration in Australia, which will be delivered through MobiliseIT (Globo's partner) and Optus (Australia's second largest mobile network operator). This contract is a significant achievement as it allows Globo to expand its business in Australia and in the meantime gain significant knowledge in the developing market of mobile health. The contract has already yielded an initial sale of 6,000 GO!Enterprise licences, with more expected. At the same time we have continued to acquire new GO!Enterprise customers, notably Siemens, TUI, TNT, PeopleCert and Intracom Telecom.

Continuing our indirect channel approach, we signed a strategic partnership agreement with Bechtle UK in March, and a distribution agreement in April with Qast Software Group, which addresses the Far East markets of China, Taiwan, Hong Kong and Singapore, with access to a significant number of global organisations. At the same time we have expanded our North American Distribution Agreement with Ingram Micro Mobility to provide the full portfolio of GO!Enterprise products to larger enterprises, in addition to the small- and medium-sized business segment within the US and Canada.

US Expansion

Globo has continued to expand operations in the US, adding executives, sales and technical personnel following the acquisition of Notify Technology Inc., in October 2013. Underlining the significance of the US market opportunity and the importance of our US operations, Globo's CEO Costis Papadimitrakopoulos has relocated to Palo Alto to oversee operations and the Group's US expansion.

Recognition in Gartner's "Magic Quadrant for Enterprise Mobility Management Suites" report

Globo was the only new entrant amongst a group of fourteen service providers. This latest overview by Gartner in June 2014 introduces more wide-ranging and stringent criteria for Magic Quadrant inclusion, notably the ability to provide content management alongside secure device management. Globo was recognised for its ability to augment device management (our EMM solutions) with provision for mobile application development (MADP).

Launch of new products and services

During the first half of the year we expanded the capability of our **GO!Enterprise** offering with the launch of **GO!AppZone Studio** at Mobile World Congress (MWC) in Barcelona in February. This is a comprehensive mobile application development platform (MADP) for building cross-platform mobile apps, with associated test and deployment. As a result of this development **GO!Enterprise** now encapsulates the two key functionalities identified by Gartner and IDC: EMM capability, for device management and the deployment of services on any device (as either a fully-controlled Mobile Device Managed solution, or within a "Container" on a personal device), and MADP provision. At MWC we also launched **GO!Enterprise WorkSpace**, offering an improved user experience with Secure Office Editor also embedded as a free utility.

Strategy

Globo's strategic goal remains unchanged:

- To become a global leader in the field of enterprise mobility.

Our near-term objectives are:

- To continue to grow organically, seeking well-timed entries into key markets;
- To increase our business development efforts notably in the US, where we see the Enterprise Mobility trend as most advanced, and also in Western Europe;
- To continue to expand product capabilities through continued investment, albeit monitored and balanced against revenue contribution opportunities; and
- To pursue suitable acquisition opportunities, which will improve our product capabilities, extend our personnel skill-sets, enable entry into new markets and expand our client base.

Operational performance: GO!Enterprise, CitronGO! and GO!Social

During the period, our combined mobile solutions revenues grew 43% to €40.0 million compared to €28 million in the same period last year.

GO!Enterprise

Our expansion plans are underpinned by the combination of global growth in demand for smartphones and tablets and the BYOD trend. This is a market which IDC predicts will reach US$7.0 billion by 2017.

The first half of the year showed our commitment to continued product expansion and improvement, with the launch of **GO!AppZone Studio** and **GO!Enterprise WorkSpace.**

As outlined at our Capital Markets Day (June 19, 2014), we have added Value Added Resellers, such as System Integrators, Software Vendors and Consultants, to our main sales and distribution channels. We continue to build our direct sales force, notably in the US and UK. Finally we have expanded our MBS capability, adding personnel in Greece and integrating the resources of Sourcebits, in San Francisco and Bangalore.

Revenue from **GO!Enterprise** is recognised in two categories:

- Via licensing options on a per user/device basis, which are renewable annually or on a perpetual basis. These are accompanied by software assurance service contracts.
- Via consulting and implementation services for the development of tailor-made solutions and apps for customers or partners within the MBS division.

During H1, our GO!Enterprise Business grew significantly in both users and revenues:

- GO!Enterprise EMM business-to-employee licences grew by 67% to 569,500 licences (December 31, 2013: 340,600). Revenues from GO!Enterprise EMM were €4.96 million
- GO!Enterprise MADP business-to-consumer licences grew by 90% to 24.9 million licences (December 31, 2013: 13.1 million). Revenues from GO!Enterprise MADP were €4.99 million
- GO!Enterprise Project Services revenues reached €9.9 million

We are planning to launch a significant expansion in our GO!AppZone (MADP) family of products with the introduction of GO!AppZone cloud services during October 2014. GO!AppZone cloud services will offer Application Test services, Application Native Build services for iOS, Android, Windows8 and BlackBerry as well as a Cloud Connector

(MBAAS) which can interconnect applications and Back End Systems in a secure and flexible way.

By offering those services we are aiming to create the basis for a developer community of users and the follow-on potential for revenue streams built on the desire to secure, deploy and monetise the resulting apps.

We are confident that the breadth of services that **GO!Enterprise** offers (EMM and MADP) combined with the momentum of demand for mobile first services and our US sales and distribution initiative in particular will enable Globo to build on its recognised position as one of the leading mobile enterprise software and solution providers.

CitronGO! / GO!Social

CitronGO! / GO!Social saw first half revenue of €20.1 million (H1 2013: €17.9 million), up 12% from the previous year, and representing 43% of total Group revenue compared to 56% in H1 2013.

Despite the aggressive development and price reductions in the smartphone market we anticipate that the demand for our **CitronGO!** and **GO!Social** consumer offering will continue, focusing on the opportunities offered in emerging markets which are still at an early stage of development with mobile networks continuing to expand.

Globo provisions the **CitronGO!** and **GO!Social** offering on a white label basis with an emerging markets emphasis (given the continuing prevalence of feature phone use).

Revenues are generated from services provided to end users via Mobile Value Added Service Providers (MVASPs) and Mobile Network Operators (MNOs) as part of their own content offerings. As of 30 June 2014, **CitronGO!** and **GO!Social** were being offered in 35 countries throughout Europe, Africa, Latin America, Asia and the Middle East, principally via mobile value added service providers (MVASPs) as part of their own subscription application and content offerings. At the end of the first half we had recorded 6.7 million unique users and registered 3.39 million as active on a monthly basis. Globo receives a fixed service fee per active user on a monthly basis.

Telecom - S.a.a.S Solutions

Telecom - S.a.a.S Solutions saw first half revenue of €6.5 million (H1 2013: €3.6 million), an increase of 81% on the previous year. This strong growth resulted from utilisation of investments we have made in the previous two years in order to enrich our service portfolio with new services.

In this division Globo provides its *WiPLUS* WiFi service, a fully-managed deployment for hotels, airports or marinas etc., and similar locations, for which venue owners pay a monthly fee. Secondly, via Reach Further Communications Globo provides MVAS Services to MNOs and other VASPs. Finally, Globo Mobile Inc., provides other telecom services to international telecom carriers. Globo continues to expand its product offering within this segment, which is EBITDA enhancing to overall performance and supports the Group's overall mobile offering whilst increasing market footprint.

Outlook
Globo remains on a growth trajectory for both revenues and profits, underpinned by growing recurring revenues from its Enterprise Mobility products and services, and further reinforced by its consumer offering.

Globo's EMM, MADP and MBS offerings have been recognised for their quality and breadth of vision, forming the basis for future growth as mobile access becomes a mainstream requirement in both the workplace and personal environments.

The first half of 2014 saw greater recognition of our Enterprise Mobility offering and we have increased our focus on the US as the market of greatest short-term potential. Combined with a continuing emphasis on product expansion these developments have reaffirmed our belief that Globo can become a leader in this exciting market segment.

Following a successful record of customer and project wins during the first half, we have continued to win new business in all segments of our business including, in partnership with our 49%-owned associate Globo Technologies S.A, a major project of €7.5 million with the Greek Ministry of Public Order and Citizen Protection as well as additional projects with existing Sourcebits customers such as Intel, McKinsey, SAP, EMC and ING.

We are now in the traditionally stronger second half of the year, and with our North America operations gathering momentum, we look forward to an exciting period of growth for the Group into 2015 and beyond.

Costis Papadimitrakopoulos
Chief Executive Officer

Financial Review

The Group delivered a strong financial performance across all business areas in the first half of 2014.

Revenue increased by 45% to €46.50 million (H1 2013: €32.03 million), reflecting predominantly good growth in the mobile sector of the Group.

Gross profit increased by 58% to €27.00 million (H1 2013: €17.05 million) with a gross margin of 58% (H1 2013: 53%).

Earnings before interest, tax, depreciation and amortisation (EBITDA) increased 23% to €22.04 million (H1 2013: €17.91 million).

Depreciation and amortisation of non-current assets was €5.61 million (H1 2013: €4.11 million), reflecting significant investment in product development.

Operating profit increased by 19% to €16.43 million (H1 2013: €13.80 million).

Profit before tax was €16.06 million, an increase of 11% over the same period last year (H1 2013: €14.47 million).

The taxation charge for the period was €0.43 million (H1 2013: €0.57 million).
Basic earnings per share for the period increased by 5% to €0.043 (H1 2013: €0.041).

At the end of the current period the Group had net assets of €155.57 million (H1 2013: 98.45 million) and total assets of €203.94 million (H1 2013: €119.68 million). Total assets included €71.92 million in non-current assets, €5.64 million in inventories and work in progress, and €58.60 million in trade and other receivables, prepayments and other current assets. Total liabilities, including the Sourcebits acquisition, increased by 128% to €48.36 million (H1 2013: €21.23 million).

Trade receivables increased by 18% compared to a 45% increase in the Group's revenue, with 60% of trade receivables outstanding for less than 90 days).
On 30 June 2014, cash and cash equivalents totaled €67.78 million (30 June 2013: €21.50 million) and net cash was €45.97 million.

On 30 June 2014, the Group announced the acquisition of the services division of Sourcebits Inc., a developer of mobile applications and proprietary products for enterprise customers. Sourcebits Inc. was consolidated on the Group's balance sheet with a total cash position of €0.79 million at 30 June 2014.

The total cash consideration for the acquisition was US$12 million and was paid to the sellers on 24 July 2014. As a result, the Group's net cash position at 30 June 2014 was unaffected by the acquisition. A liability of €9.58 million has been recorded on the Group's balance sheet at the end of the current period. This has been eliminated subsequent to the payment of the acquisition consideration.

Improved working capital performance resulted in operating cash flow of €18.23 million (H1 2013: €2.70 million). This resulted in an EBITDA cash conversion ratio of 83% (H1 2013: 15%).

Net operating cash flow increased by 602% to €16.56 million (H1 2013: €2.36 million) demonstrating the overall improvement of operations.

During the period a total of €12.69 million (H1 2013: €6.01 million) was invested in product development and infrastructure, mainly relating to the mobile products and services of the Group. The Group is committed to maintaining its industry leading investment policy in product development.

The Group has recorded Free Cash Flow[6] of €4.2 million (H1 2013: (€3.7) million), underpinned by the increase in GO!Enterprise sales which have a much shorter collection cycle and a well-balanced investment strategy.

Revenue at Globo Technologies S.A., an associate of the Group, increased by 37% to €18.74 million (H1 2013: €13.64 million). Profit after tax was €1.71 million (H1 2013: €1.49 million), with profit attributable to the Group of €0.84 million (H1 2013: €0.73 million). Globo Technologies S.A. paid the third instalment, required under the terms of divestment, on 30 June 2014, thus maintaining the schedule of payments which is due for completion in December 2016.

Dimitris Gryparis
Chief Financial Officer

[6] We calculate FCF as net cash from operating activities minus all expenditures required to maintain or expand our organic business, including purchases of intangible assets and property, plant, and equipment; it does not include purchases made in connection with business combinations or acquisitions.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the 6 months ended 30 June 2014

	Six months ended 30 June 2014	Six months ended 30 June 2013	Year ended 31 December 2013 Continuing Operations
	€'000	€'000	€'000
	(unaudited)	(unaudited)	(audited)
Continuing Operations			
Revenue (Note 2)	**46,499**	**32,029**	**71,514**
Cost of sales	(19,498)	(14,978)	(31,273)
Gross Profit	**27,001**	**17,051**	**40,241**
Other operating income	3,092	1,748	1,785
Distribution expenses	(2,929)	(1,552)	(4,009)
Administrative expenses	(6,021)	(3,296)	(10,129)
Other operating expenses	(4,713)	(149)	(570)
Operating Profit	**16,430**	**13,802**	**27,318**
Finance income	347	262	621
Finance costs	(1,554)	(324)	(1,701)
Share of gain / (loss) of associate	835	728	1,161
Profit before Tax	**16,058**	**14,468**	**27,399**
Taxation	(435)	(569)	(2,067)
Profit for the period from continuing operations	**15,623**	**13,899**	**25,332**
Total	**15,623**	**13,899**	**25,332**
Other comprehensive income from continued operations			
Exchange differences on translating foreign discontinuing operations	**2,103**	**(1,413)**	(339)
	2,103	**(1,413)**	**(339)**
Other comprehensive income for the period, net of tax			
Total comprehensive income for the period	**17,726**	**12,486**	**24,993**
Attributable to :			
Equity holders of the Company from continuing operations	15,623	13,899	16,543
Equity holders of the Company from discontinuing operations		-	1,261
Non-controlling interests		**-**	-
	15,623	**13,899**	**17,804**
Total comprehensive income attributable to:			
Equity holders of the Company from continuing operations	17,226	12,486	16,537

Equity holders of the Company from discontinuing operations		-	1,261
Non-controlling interests		**-**	-
	17.226	**12,486**	**17,798**
Earnings per share for profit from continuing operations attributable to the equity holders of the Company			
Basic and diluted earnings per share continuing operations (€ per share) (Note 3)	0.043	0.041	0.074
Basic and diluted earnings per share total operations (€ per share) (Note 3)	0.043	0.041	0.074

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 30 June 2014

	As at 30 June 2014	As at 30 June 2013	As at 31 December 2013
	€'000	€'000	€'000
	(unaudited)	(unaudited)	(audited)
ASSETS			
Non–Current Assets			
Property, plant and equipment	2,692	1,381	2,601
Intangible assets	39,849	23,001	32,382
Goodwill	9,019	742	836
Deferred tax assets	394	-	507
Other receivables	7,452	9,312	8,231
Investment in an associate	12,459	11,225	11,625
Other investments	51	-	51
Total Non-Current Assets	**71,916**	**45,661**	**56,323**
Current Assets			
Inventories and work in progress	5,642	6,058	6,136
Trade receivables	32,958	27,905	28,608
Other receivables	3,174	2,936	2,716
Other current assets	22,465	15,615	16,730
Cash and cash equivalents	67,780	21,502	64,194
Total Current Assets	**132,019**	**74,016**	**118,384**
TOTAL ASSETS	**203,935**	**119,677**	**174,707**
EQUITY AND LIABILITIES			
Shareholders' Equity			
Ordinary shares	4,653	4,254	4,653
Share premium	65,890	39,411	65,890
Other reserves	5,115	5,104	5,115
Translation reserve	2,140	(1,037)	37
Retained earnings	77,774	50,718	62,151
Total Equity - Capital and Reserves	**155,572**	**98,450**	**137,846**
Non–Current Liabilities			
Borrowings	21,814	10,661	21,433
Retirement benefit obligations	283	113	139
Finance lease liabilities	8	16	8
Other liabilities	425	157	-
Provisions for other liabilities and charges	-	13	457
Deferred tax liabilities	872	1,981	2,954
Total Non - Current Liabilities	**23,402**	**12,941**	**24,991**

Current Liabilities			
Trade and other payables	4,682	5,092	4,642
Income tax payable	3.668	775	1,379
Taxes payable	416	253	439
Finance lease liabilities	13	7	14
Other liabilities	16,182	2,159	5,396
Total Current Liabilities	**24,961**	**8,286**	**11,870**
TOTAL EQUITY AND LIABILITIES	**203,935**	**119,677**	**174,707**

CONSOLIDATED CASH FLOW STATEMENT
For the 6 months ended 30 June 2014

	Six months ended 30 June 2014 €'000 (unaudited)	Six months ended 30 June 2013 €'000 (unaudited)	Year ended 31 December 2013 €'000 (audited)
Cash Flows from Operating Activities			
Cash generated from operations (Note 4)	18,228	2,697	22,724
Interest paid	(1,554)	(324)	(1,701)
Income tax paid	(115)	(13)	(397)
Net Cash from Operating Activities	**16,559**	**2,360**	**20,626**
Cash Flow used in Investing Activities			
Acquisition of subsidiary, net of cash acquired	(627)	-	(3,869)
Cash consideration for fixed asset investments	-	(33)	-
Purchases of tangible and intangible assets	(12,690)	(6,013)	(16,007)
Proceeds from sale of tangible and intangible assets	-	-	-
Interest received	347	6	621
Net Cash used in Investing Activities	**(12,970)**	**(6,040)**	**(19,255)**
Cash Flows from Financing Activities			
Proceeds from issue of share capital	-	372	28,752
Share issue expenses	-	-	(1,502)
Proceeds from borrowings	-	12,296	24,500
Repayment of borrowings	-	(5,022)	(5,022)
Repayments of obligations under finance leases	(3)	(3)	(13)
Financing Fees of Senior Secured Term Loan	-	(1,635)	(3,066)
Net Cash from Financing Activities	**(3)**	**6,008**	**43,649**
Net Increase in Cash and Cash Equivalents	**3,586**	**2,328**	**45,020**
Movement in Cash and Cash Equivalents			
Cash and cash equivalents at the beginning of the period	64,194	19,174	19,174
Exchange gain / (loss) on cash and cash equivalents	-	-	-
Net increase in cash and cash equivalents	3,586	2,328	45,020
Cash and Cash Equivalents at the End of the Period	**67,780**	**21,502**	**64,194**

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2014

	Attributable to equity holders of the Company					
				Currency		
	Share	Share	Other	Translation	Retained	
	Capital	Premium	Reserves	Reserve	Earnings	Total
	€'000	€'000	€'000	€'000	€'000	€'000
Balance at 1 January 2013	**4,224**	**39,067**	**5,221**	**376**	**36,679**	**85,567**
Profit for the period	-	-	-	-	13,899	13,899
Other comprehensive income of the period	-	-	-	(1,413)	-	(1,413)
Total comprehensive income of the period	-	-	-	(1,413)	13,899	12,486
Increase in Capital	30	344	-	-	-	374
Share issue costs	-	-	(117)	-	140	23
Total contributions by and distributions to owners of the Company	4,254	39,411	5,104	(1,037)	50,718	98,450
Balance at 30 June 2013	**4,254**	**39,411**	**5,104**	**(1,037)**	**50,718**	**98,450**
Balance at 1 January 2014	**4,653**	**65,890**	**5,115**	**37**	**62,151**	**137,846**
Profit for the period	-	-	-	-	15,623	15,623
Other comprehensive income for the period	-	-	-	2,103	-	2,103
Total comprehensive income for the period	**-**	**-**	**-**	**2,103**	**15,623**	**17,726**
Increase in Capital	-	-	-	-	-	-
Share options lapsed	-	-	-	-	-	-
Total contributions by and distributions to owners of the Company	**4,653**	**65,890**	**5,115**	**2,140**	**77,774**	**155,572**
Balance at 30 June 2014	**4,653**	**65,890**	**5,115**	**2,140**	**77,774**	**155,572**

NOTES TO THE INTERIM FINANCIAL STATEMENTS
For the 6 months ended 30 June 2014

1 Basis of preparation
The condensed consolidated interim financial information for the 6 months ended 30 June 2014 has been prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting'. The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2013, which have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

2 Segment information
The following segments are based on the management reports received by the Board of Directors (who are the chief operating decision makers) which are used to make strategic decisions. The Directors consider the business from a product perspective. The main segments are:

Mobile products and services: The main activity of the Group. The Group sells its own mobile software products and services to its clients.

Telecom services (S.a.a.S): The Group combines telecom services with its own software products (e-business and WiFi services) that are then sold on a “software as a service” basis.

Third party goods: The Group resells third party goods, to its customers, mainly comprising mobile accessories.

Transactions between segments are recorded at cost.

The Directors assess the performance of the operating segments based on revenue from external customers and gross profit. The segment information provided to the Directors for the reportable segments for the year ended 31 December 2013 is as follows:

The segment information for the 6 months ended 30 June 2014 is as follows:

	Third party goods	Telecom services-S.a.a.S	Mobile products and services	Total
	€' 000	€' 000	€' 000	€' 000
Revenue from external customers	2,118	4,313	40,068	46,499
Inventory costs	(1,921)	-	-	(1,921)
Other expenses	-	(1,509)	(10,779)	(12,288)
Amortisation	-	(1,120)	(4,169)	(5,289)

Gross Profit	**197**	**1,684**	**25,120**	**27,001**
Depreciation	-	53	270	323
Expenditure on tangible fixed assets	-	64	337	401
Expenditure on intangible fixed assets	-	100	12,189	12,289
Total assets	902	21,765	145,005	167,672
Total liabilities	160	2,266	11,674	14,100

A further analysis of the Group's revenue for the period ended 30 June 2014 is shown below:

Revenue for the six months ended 30 June 2014 (€'000)	**Third party goods**	**Telecom services (S.a.a.S.)**	**Mobile products and services**	**Total**
Consumer mobility services	-	-	20,125	20,125
Enterprise mobility licenses & subscriptions	-	-	9,948	9,948
Mobile software projects	-	-	9,995	9,995
Third party goods	2,118	-	-	2,118
Wi-Fi Broadband services	-	225	-	225
Software as a Service	-	4,088	-	4,088
Total	2,118	4,313	40,068	46,499

The segment information provided to the Directors for the period ended 30 June 2013 is as follows:

	Third party goods	Telecom services-S.a.a.S	Mobile products and services	Total
	€' 000	€' 000	€' 000	€' 000
Revenue from external customers	373	3,641	28,015	32,029
Inventory costs	(320)	-	-	(320)
Other expenses	-	(2,069)	(8,624)	(10,693)
Amortisation	-	(1,473)	(2,492)	(3,965)
Gross Profit	**53**	**99**	**16,899**	**17,051**
Depreciation	-	55	85	140
Expenditure on tangible fixed assets	-	146	45	191
Expenditure on intangible fixed assets	-	185	5,658	5,843
Total assets	300	12,309	43,460	56,069
Total liabilities	212	2,190	8,114	10,516

A further analysis of the Group's revenue for the period ended 30 June 2013, is shown below:

Revenue for the six months ended 30 June 2013 (€'000)	Third party goods	Telecom services (S.a.a.S.)	Mobile products and services	Total
Consumer mobility services	-	-	17,851	17,851
Enterprise mobility licenses & subscriptions	-	-	5,818	5,818
Mobile software projects	-	-	4,346	4,346
Third party goods	373	-	-	373
Wi-Fi Broadband services	-	243	-	243
Software as a Service	-	3,398	-	3,398
Total	373	3,641	28,015	32,029

A reconciliation of gross profit to profit before taxation is provided as follows:

	Six months ended 30 June 2014 €'000 (unaudited)	Six months ended 30 June 2013 €'000 (unaudited)
Gross profit for reportable segments	27,001	17,051
Other operating income	3,092	1,748
Distribution expenses	(2,787)	(1,552)
Administrative expenses	(6,163)	(3,296)
Other operating expenses	(4,713)	(149)
Income from associates	835	728
Finance costs (net)	(1,207)	(62)
Profit before tax	**16,058**	**14,468**

Revenue from external customers

	Six months ended 30 June 2014 €'000 (unaudited)	Six months ended 30 June 2013 €'000 (unaudited)
Greece	7,176	3,628
South Eastern Europe / Eastern Europe	15,575	8,970
Western Europe	2,725	437
Africa	1,502	4,550
Latin America	8,197	6,434
North America	2,134	372
Asia/Middle East	9,190	7,638
Total	**46,499**	**32,029**

3 Earnings per Share

Basic earnings per share are calculated by dividing the profit after tax attributable to equity holders by the weighted average number of ordinary shares in issue during the period.

	Six months ended 30 June 2014 (unaudited)	Six months ended 30 June 2013 (unaudited)	Year ended 31 December 2013 (audited)
Profit from continuing operations attributable to equity holders of the Company (€000's)			
Profit from total operations attributable to equity holders of the Company (€000's)	15,623	13,899	25,332
Weighted average number of ordinary shares in issue	**363,107,113**	**339,808,261**	**344,532,666**

Diluted earnings per share assumes that options and warrants outstanding at 30 June 2014 were exercised at 1 July 2014, for options and warrants where the exercise price was less than the average price of the ordinary shares during the period. On this basis, the calculation of diluted earnings per share is based on the profit attributable to ordinary shareholders divided by 363,107,113 (six months ended 30 June 2013: 339,808,261, year ended 31 December 2013: 344,537,617) ordinary shares.

4 Cash generated from Operations

	Six months ended 30 June	Six months ended 30 June	Year Ended 31 December
	2014	**2013**	**2013**
	€'000	**€'000**	**€'000**
	(unaudited)	(unaudited)	(audited)
Profit for the period before tax	16,058	14,468	27,399
Adjustments for:			
Profit on disposal of tangible/intangible assets	-	-	-
Depreciation of property, plant and equipment	323	143	381
Amortisation of intangible assets	5,289	3,966	8,253
Movement in provisions	(32)	(70)	220
Share of (profit) of associate	(835)	(728)	(1,161)
Share-based payments	-	23	33
Foreign exchange on operating activities	2,104	(1,413)	-
Finance costs (net)	1,207	318	1,080
Adjustments for changes in working capital			
Decrease in inventory and work in progress	495	(1,521)	(1,599)
Increase in trade receivables	(2,941)	(8,021)	(7,394)
Increase in other current assets	(5,168)	(4,364)	(5,401)
(Decrease)/increase in trade and other payables	1,728	(104)	913
Cash generated from Operations	**18,228**	**2,697**	**22,724**