PRESS RELEASE

ACOTEL GROUP: Board approves report for Q4 2007

Results for full year 2007:

- **Consolidated revenue approximately €70.2 million (up 11%)**
- **Consolidated EBITDA approximately €2.9 million (€4.8 million in 2006)**
- **Consolidated EBIT approximately €1.7 million (€3.9 million in 2006)**
- **Consolidated net loss approximately €1.2 million (profit of €1.2 million in 2006)**

Revenue growth continues, partly thanks to the subsidiaries, Flycell Inc., Acotel do Brasil, Jinny Software and Info2Cell.

Today's meeting of the Board of Directors of Acotel Group SpA has approved the Group's report for the fourth quarter of 2007.

Full year 2007 (1 January - 31 December)

The Acotel Group reports total consolidated revenue of approximately €70.2 million for 2007, marking an improvement of 11% on the €63.2 million of the previous year. The figure is even more significant if the strong revenue growth already registered in 2006 (up 126% on 2005) is taken into account.

In terms of business segment, 85.3% of revenue was earned from the supply of services, 12.6% was generated by the design and sale of ICT equipment and the remaining 2.1% by the design of security systems.

Around 59.1% of service revenues (€59.9 million) were generated by B2C services provided by the US subsidiary, Flycell Inc., in the USA, Brazil and Turkey. The remaining 36.8% of service revenues were generated by the provision of services to network operators by the subsidiaries, *Acotel S.p.A.* (Italy), *Acotel do Brasil* (Latin America) and *Info2Cell* (Middle East). These companies have seen revenue growth of over 24.5% compared with 2006. The balance regards services supplied to corporate customers (2.3%) and media companies (1.8%).

Revenues from the design of ICT equipment amount to €8.9 million, which is up 42% on 2006, and are generated by the activities of the Irish subsidiary, *Jinny Software*. This company further increased the number of customers and geographical markets served in 2007, and now has supply and maintenance contracts in place with mobile operators in the Middle East, Africa, North America, Latin America, Asia and Europe.

Revenues from the Group's third area of business, the design of electronic security systems, amount to €1.5 million (€1.7 million in 2006) and regard the activities of the Italian subsidiary, AEM S.p.A.. They derive from the supply, installation, servicing and maintenance of remote surveillance equipment installed at Italian police headquarters, at certain provincial branches of the Bank of Italy and for certain companies in the Acea Group.

The geographical revenue breakdown shows the Group's widespread presence internationally: North America (48.3%), Italy (22.3%), Latin America (11.1%), Middle East (8%), Africa (5.6%), Asia (2.8%) and other European countries (1.9%).

In terms of earnings, the Group reports consolidated gross operating profit (EBITDA) of approximately €2.9 million for 2007, marking a decrease on the €4.8 million of 2006. The reduction in EBITDA reflects the decision, taken partly in response to the current round of consolidation in the sector, to speed up expansion of the business and the Group's entry into new markets with its B2C services. This has resulted in a significant increase in the advertising costs incurred by the companies operating B2C services in the USA, Turkey and Latin America, above all during the last quarter of the year.

Amortisation and depreciation amount to €1.1 million. This refers to amortisation of the software and licences utilised by the Group and depreciation of the telecommunications equipment and infrastructures used by Group companies.

As a result of the above items, consolidated operating profit (EBIT) amounts to approximately €1.7 million, compared with €3.9 million for 2006.

After net finance income of €291 thousand and taxation for the period, the Group reports a net loss of around €1.2 million, compared with a net profit of approximately €1.2 million for 2006.

Net funds at 31 December 2007 total €24.5 million, compared with the €25.6 million of 30 September 2007. The reduction largely reflects the cost of launching B2C services by *Flycell Telekomünicasyon Hizmetleri AS* (Turkey) and *Flycell Latin America* (Brazil).

Fourth quarter 2007 (1 October - 31 December)

The Acotel Group reports consolidated revenue of approximately €21.3 million for the fourth quarter of 2007, marking an increase of 24% on the same period of 2006. This largely reflects the activities of the subsidiaries, *Flycell Inc.*, *Acotel do Brasil*, *Jinny Software* and *Info2Cell*.

As noted above with regard to the full year results, revenue for the fourth quarter of 2007 was also driven by significant growth in the services business (up 26.8% on the fourth quarter of 2006), above all in B2C services and those provided to network operators. The ICT equipment design segment also recorded growth of around 31.6% in the period.

Consolidated EBITDA for the fourth quarter of 2007 is approximately €1.5 million, compared with the €5.7 million of the same period of the previous year. This reflects the above-noted increase in advertising costs incurred in order to grow the B2C business.

After amortisation and depreciation of €408 thousand, the Group reports consolidated operating profit (EBIT) of approximately €1.1 million (€5.5 million for the fourth quarter of 2006).
After net finance costs of €37 thousand and estimated taxation of approximately €1,111 thousand, the net loss for the fourth quarter of 2007 totals €24 thousand (compared with a net profit of €4.9 million for the fourth quarter of 2006).

Outlook

The Group's expansion strategy will remain unchanged in the immediate future. Achieving the Group's growth targets, together with development of the new commercial offering for IP communications services offered under the Noverca brand, will continue to be the main priorities.

Regarding this initiative, on 28 December 2007 *Intesa Sanpaolo S.p.A.* and *Acotel Group S.p.A.* signed an agreement that will see the bank purchase a 4.75% stake in the Company and a 10% interest in the subsidiary, *Noverca S.r.l.*. The agreement also envisages the establishment of *Noverca Italia S.r.l.*, which will be 66% owned by *Noverca S.r.l.* and 34% owned by *Intesa Sanpaolo S.p.A.*.

Noverca Italia will operate in Italy as a mobile virtual operator and will offer telecommunications services, added value IP services and electronic money and mobile banking services to be developed jointly with Intesa Sanpaolo. The agreement also envisages that the parties will cooperate in marketing and commercialising Noverca Italia's offering, on an exclusive basis for the banking sector, to Intesa Sanpaolo's customers.

Declaration by the manager responsible for the Group's financial reporting

The manager responsible for preparing the company's financial reports, Luca De Rita, hereby declares, pursuant to article 154 *bis*, paragraph 2, of the Consolidated Law on Finance, that the accounting information contained in this consolidated quarterly report is consistent with the underlying accounting records.

Rome, Italy
14 February 2008

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ACOTEL GROUP

Reclassified consolidated income statement

(€000)

	Q4			
	2007	**2006**	**Increase/ (Decrease)**	
Revenues	21,266	17,171	4,095	24%
Other income	-	62	(62)	(100%)
Total	**21,266**	**17,233**	**4,033**	**23%**
Gross operating profit/(loss)	**1,532**	**5,733**	**(4,201)**	**(73%)**
Operating profit/(loss)	**1,124**	**5,545**	**(4,421)**	**(80%)**
Net finance income/(costs)	(37)	(34)	(3)	(10%)
Profit/(loss) before tax	**1,087**	**5,511**	**(4,424)**	**(80%)**
Net profit/(loss) attributable to Parent Company	**(24)**	**4,942**	**(4,966)**	**(100%)**

	FY			
	2007	**2006**	**Increase/ (Decrease)**	
Revenues	70,246	63,223	7,023	11%
Other income	9	75	(66)	(87%)
Total	**70,255**	**63,298**	**6,957**	**11%**
Gross operating profit/(loss)	**2,868**	**4,752**	**(1,884)**	**(40%)**
Operating profit/(loss)	**1,742**	**3,902**	**(2,160)**	**(55%)**
Net finance income/(costs)	291	(359)	650	181%
Profit/(loss) before tax	**2,033**	**3,543**	**(1,510)**	**(43%)**
Net profit/(loss) attributable to Parent Company	**(1,209)**	**1,231**	**(2,440)**	**(198%)**

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Analysis of consolidated net funds at 31 December 2007

(€000)

	31 Dec 2007	30 Sept 2007	31 Dec 2006
A. Cash and cash equivalents	12,186	10,343	10,620
B. Assets held for trading	10,050	8,880	8,236
C. Liquidity (A + B)	**22,236**	**19,223**	**18,856**
D. Other current financial assets	**2,651**	**6,598**	**6,814**
E. Current bank borrowings	(265)	(68)	(31)
F. Current portion of non-current debt	(30)	(29)	(29)
G. Current financial liabilities (E + F)	**(295)**	**(97)**	**(60)**
H. Net current funds (C+D+G)	**24,592**	**25,724**	**25,610**
I. Non-current financial liabilities	(133)	(163)	(163)
L. Non-current debt (I)	**(133)**	**(163)**	**(163)**
M. Net funds (H + L)	**24,459**	**25,561**	**25,447**