PRESS RELEASE
ACOTEL GROUP: Board approves interim report for Q1 2013.

Consolidated results:

- **Revenue €28.1 million (€25.2 million in Q1 2012)**
- **Negative EBITDA €2.8 million (positive EBITDA of €155 thousand in Q1 2012)**
- **Negative EBIT €3.8 million (a negative €955 thousand in Q1 2012)**
- **Net loss €4.3 million (a loss of €1.3 million for Q1 2012)**

Today's meeting of the Board of Directors of Acotel Group SpA approved the interim report for the three months ended 31 March 2013.

The Acotel Group reports consolidated revenue of approximately €28.1 million, up 12% on the €25.2 million of the same period of the previous year. This reflects both increased in investment in advertising during the period and the different method of accounting for revenues adopted. The latter follows changes, introduced in a number of countries in which the Group operates, to contracts governing the provision of consumer services.

81% of revenues was generated by the Acotel Interactive business, 18% by the Acotel TLC business and around 1% by the Acotel Net business.

In the **Acotel Interactive** business, Digital Entertainment services generated revenues of approximately €17.9 million, up 14% on the same period of 2012. Mobile Service revenues amount to approximately €4.89 million (€4.95 million in the same period of 2012) and include revenues generated by the subsidiaries, Info2cell Llc, Acotel SpA and Acotel do Brasil Ltda.

Revenues generated by the **Acotel TLC** business amount to €4.99 million (€4.12 million in the first quarter of 2012), with 56% generated by the subsidiary, Jinny Software Ltd., from the supply of telecommunications equipment and the related maintenance, and 44% by Noverca Italia Srl, Acotel SpA and Acotel do Brasil Ltda, who operate in Mobile Communications.

Finally, revenues generated by the **Acotel Net** business, totalling €312 thousand, essentially regard the design, production and maintenance of electronic security systems in Italy by the subsidiary, AEM SpA.

The geographical revenue breakdown confirms the high degree of diversification of the Group's revenue sources, with revenue generated as follows: Italy (32.3%), Latin America (26.6%), North America (16.3%), the Middle East (16.3%), other European countries (5.9%), Africa (1.8%) and Asia (0.8%).

The gross operating profit (positive EBITDA) of €155 thousand recorded in the first quarter of 2012 contrasts with a gross operating loss (negative EBITDA) of €2.78 million in the quarter just ended, primarily as a result of investment in advertising (up €3.6 million compared with the first quarter of 2012) by Acotel Interactive Inc., its direct subsidiaries and Acotel SpA in order to support the launch of new services and the entry into new geographical markets.

After amortisation and depreciation (€992 thousand), and impairments of non-current assets (€1 thousand), the Group reports an operating loss (negative EBIT) of €3.79 million, compared with a loss of €955 thousand for the first quarter of 2012.

After net finance costs of €20 thousand, estimated taxation for the period (€330 thousand), and profit attributable to non-controlling interests (€141 thousand), the loss attributable to owners of the Parent for the first quarter of 2013 amounts to €4.27 million (a loss of €1.28 million for the same period of the previous year).

Net funds at 31 March 2013 amount to approximately €28.7 million, compared with €29.6 million at 31 December 2012.

Significant events during the first quarter

The results for the first quarter reflect significant investment in advertising (up 113% on the first quarter of 2012) by subsidiaries operating in the Acotel Interactive business area. This reflects efforts to promote the new services aimed at customers who play digital games on smartphones and PCs, and to support the start-up of operations in Colombia, Peru, Ecuador, the Netherlands and Poland.

This investment is proving effective in enlarging the customer base, with more than 800 thousand games played during the quarter. This leads us to already expect a recovery in earnings in the Interactive business area by the end of the current year.

In the same business area, the subsidiary, Info2cell has successfully launched its Mazajak Plus and Turkish Drama club services for the operators, Q-Tel and Umniah, respectively.

In the Acotel TLC business area, the subsidiary, Jinny Software Ltd. made a very good start to 2013, among other things signing its first contract with one of Latin America’s leading mobile operators. Jinny also launched its Diameter Router, an innovative product designed to help operators handle signalling traffic on new generation networks.

In the Mobile Communications segment of the same area of business, Noverca Srl continued to prepare for the launch of its operations as a Mobile Virtual Network Enabler (MVNE) and Mobile Virtual Network Aggregator (MVNA) in Italy and overseas, including outside of the intercompany relationship with Noverca Italia Srl.

During the first quarter, the Acotel Net business area witnessed the start-up of a number of partnerships aimed at providing a launchpad for commercialisation of the energy and water consumption management solution developed entirely in-house by the Group.

Other information

The deadlines for the exercise of pre-emptive rights deriving from the two rights issues approved, pursuant to article 2482-ter of the Italian Civil Code, by the general meetings of the shareholders of Noverca Srl and Noverca Italia Srl on 18 April 2013, are still in progress.

Declaration by the manager responsible for financial reporting

The manager responsible for the Group's financial reporting, Luca De Rita, hereby declares, pursuant to article 154 *bis*, paragraph 2, of the Consolidated Law on Finance, that the information in this press release is consistent with the underlying accounting records.

Availability of company documents

The interim report for the three months ended 31 March 2013 will be available to the public, within the deadline established by art. 154-ter of Legislative Decree 158/1998 (the Consolidated Finance Act), at the Company's registered office. A copy of the document is also available on the Company's website at www.acotel.com.

Note: the condensed income statement and statement of financial position and the analysis of net funds included in the interim report for the thee months ended 31 March 2013 approved by the Board of Directors are attached.

Rome, 15 May 2013

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Consolidated income statement

Statement 1 of 3

(€000)	Q1 2013	Q1 2012	Inc./(Dec.)
Revenues	28,091	25,165	2,926
Other income	74	96	(22)
Total	**28,165**	**25,261**	**2,904**
Movements in work in progress, semi-finished and finished goods	14	(74)	88
Raw materials	(506)	(477)	(29)
External services	(23,507)	(17,703)	(5,804)
Rentals and leases	(443)	(490)	47
Staff costs	(6,110)	(6,043)	(67)
Internal capitalised costs	78	89	(11)
Other costs	(480)	(408)	(72)
Gross operating profit/(loss)	**(2,789)**	**155**	**(2,944)**
Amortisation and depreciation	(992)	(1,076)	84
Impairment charges/reversal of impairment charges on non-current assets	(1)	(34)	33
Operating profit/(loss)	**(3,782)**	**(955)**	**(2,827)**
Net finance income/(costs)	(20)	594	(614)
PROFIT/(LOSS) BEFORE TAX	**(3,802)**	**(361)**	**(3,441)**
Taxation	(330)	(885)	555
PROFIT/(LOSS) BEFORE NON-CONTROLLING INTERESTS	**(4,132)**	**(1,246)**	**(2,886)**
Profit/(Loss) attributable to non-controlling interests	141	35	106
PROFIT/(LOSS) FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE PARENT	**(4,273)**	**(1,281)**	**(2,992)**
Earnings per share	(1.04)	(0.31)	
Diluted earnings per share	(1.04)	(0.31)	

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Consolidated statement of financial position

Statement 2 of 3

(€000)	31 March 2013	31 December 2012	Inc./(Dec.)
Non-current assets:			
Property, plant and equipment	11,321	10,445	876
Intangible assets	14,043	14,299	(256)
Other assets	3,447	3,489	(42)
TOTAL NON-CURRENT ASSETS	**28,811**	**28,233**	**578**
Net current assets:			
Inventories	721	721	-
Trade receivables	31,516	32,742	(1,226)
Other current assets	4,785	4,833	(48)
Trade payables	(24,687)	(23,850)	(837)
Other current liabilites	(8,740)	(8,414)	(326)
TOTAL NET CURRENT ASSETS	**3,595**	**6,032**	**(2,437)**
PROVISIONS FOR STAFF TERMINATION AND OTHER EMPLOYEE BENEFITS	**(2,238)**	**(2,256)**	**18**
NON-CURRENT PROVISIONS	**(678)**	**(629)**	**(49)**
NET INVESTED CAPITAL	**29,490**	**31,380**	**(1,890)**
Equity:			
Share capital	1,084	1,084	-
Reserves and retained earnings/(accumulated losses)	60,428	65,099	(4,671)
Profit/(Loss) for the period	(4,273)	(6,053)	1,780
Non-controlling interests	953	812	141
TOTAL EQUITY	**58,192**	**60,942**	**(2,750)**
Net cash and cash equivalents:			
Current financial assets	(15,482)	(16,722)	1,240
Cash and cash equivalents	(13,924)	(11,853)	(2,071)
Current financial receivables	(1,689)	(1,646)	(43)
Current financial liabilities	2,393	659	1,734
	(28,702)	**(29,562)**	**860**
NET FUNDS RECEIVABLE FROM OTHERS	**(28,702)**	**(29,562)**	**860**
TOTAL EQUITY AND NET FUNDS RECEIVABLE FROM OTHERS	**29,490**	**31,380**	**(1,890)**

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Analysis of consolidated net funds ***Statement 3 of 3***

(€000)

	31 March 2013	31 December 2012	Inc./(Dec.)
A. Cash and cash equivalents	13,924	11,853	2,071
B. Assets held for trading	14,471	15,710	(1,239)
C. Liquidity (A + B)	**28,395**	**27,563**	**832**
D. Financial receivables due from related parties	1,689	1,646	43
E. Other current financial receivables	1,011	1,012	(1)
F. Current financial assets (D + E)	**2,700**	**2,658**	**42**
G. Current bank borrowings	(2,393)	(659)	(1,734)
H. Current financial liabilities (G)	**(2,393)**	**(659)**	**(1,734)**
I. Non-current debt	**-**	**-**	**-**
L. Net funds (C+F+H+I)	**28,702**	**29,562**	**(860)**
- receivable from related parties	1,689	1,646	43
- receivable from others	27,013	27,916	(903)