PRESS RELEASE

ACOTEL GROUP: Board approves report for Q2 2007

Consolidated data for H1 2007:

- **Consolidated revenue €33.3 million (up 23%)**
- **Consolidated EBITDA €1.5 million (a negative €1.9 million for H1 2006)**
- **Consolidated EBIT €1.1 million (a negative €2.4 million for H1 2006)**
- **Group net loss €137 thousand (net loss of €4 thousand for H1 2006)**

Consolidated data for Q2 2007:

- **Consolidated revenue €18.9 million (down 9%)**
- **Consolidated EBITDA €3 million (up 285%)**
- **Consolidated EBIT €2.8 million (up 399%)**
- **Group net profit €2.1 million (net loss of €614 thousand in Q2 2006)**

Net funds of €25.8 million, on the increase at 30 June 2007

Today's meeting of the Board of Directors of Acotel Group S.p.A. – the parent of the Wireless Application Service Provider (WASP) that provides tailor-made ICT services in Italy and overseas – has approved the Group's report for the second quarter of 2007, which includes data for the first six months of the year.

Consolidated financial statements for H1 2007

For the first half of 2007, the Group reports consolidated revenues of €33.3 million, up 23% on the €27.2 million of the first half of 2006.

In terms of business segment, 86% of revenue was earned from the supply of services, 12% was generated by the design of ICT equipment and the remainder by the design of security systems.

Service revenues, of around €28.8 million, include B2C services aimed directly at end customers (61% of total revenues from this specific area of business), which continues to represent the main type of service supplied by the Group, value added services (VAS) to network operators (around 35% of total revenues) and services provided to media and corporate customers (4%).

Revenues from ICT equipment design amount to €3.9 million, up sharply (112%) on the first half of 2006, due to the activities carried out by Jinny Software, above all supply and maintenance contracts in place with mobile operators in North America, the Middle East, Africa, Latin America, Asia and Europe.

Revenues from the design of electronic security systems (approximately €593 thousand euros) regard the installation, supply, maintenance and servicing 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 reflects the Group's strategy to expand its business into new geographical areas. In addition to the traditional markets of Europe, North America and the Middle East, the subsidiary, Jinny Software, has started generating substantial turnover in Africa (5.7% of total revenue) and Asia (1.8%) through the sale of its own platforms.

In terms of earnings, the Group reported consolidated gross operating profit (EBITDA) of €1.5 million in the first half of 2007, a substantial improvement on the loss of around €1.9 million recorded in the same period of 2006. The improvement was due to better performances from certain subsidiaries (Flycell Inc., Jinny Software and Acotel S.p.A.) and to the process of rationalisation that took place within the Group during 2006, which involved a halt to certain overseas activities whose ability to generate earnings was viewed as too remote.

Amortisation and depreciation amount to €419 thousand (in line with the €421 thousand of the first half of 2006), and primarily refer to depreciation of the Group's telecommunications equipment and infrastructures and amortisation of the software and licenses used by the Group.

A consolidated operating profit (EBIT) of €1.1 million was reported, compared with a loss of €2.4 million in the same period of the previous year.

After net finance income of €221 thousand (net finance costs of €590 thousand in the first half of 2006) and taxation for the period of approximately €1.4 million, the Group reported a small net loss of €137 thousand, marking a substantial improvement on the net loss of around €4 million incurred in the first half of 2006.

Net funds at 30 June 2007 total approximately €25.8 million, up on 30 March 2007 (€24.7 million) and 31 December 2006 (€25.4 million), confirming the Group's capacity to support its expansion through self-financing of operations, which primarily entails incurring substantial promotional costs and increased staff costs.

Consolidated financial statements for Q2 2007

Specifically regarding the second quarter of 2007, the Acotel Group reported consolidated revenue of approximately €18.9 million (€20.8 million in the second quarter of 2006). The decrease is due to the use of a different criterion for measuring the commercial activities carried out in the USA by Flycell Inc. in the first quarter of 2006.

Consolidated gross operating profit (EBITDA) amounts to €3 million, a sharp increase (285%) on the approximately €782 thousand in the same period of 2006. This improvement was due to the above-mentioned good performances posted by some of the main subsidiaries.

After amortisation and depreciation of €249 thousand, consolidated operating profit (EBIT) totals €2.8 million, up 399% on the approximately €553 thousand recorded in the second quarter of 2006.

After net finance income of €85 thousand (net finance costs of €530 thousand in the same period of 2006) and taxation for the period, estimated at around 757 thousand, net consolidated profit for Q2 2007 is almost €2.1 million, marking a significant improvement on the loss of €614 thousand registered in the second quarter of 2006.

Subsequent events and outlook

In addition to its consolidated lines of business, during the second half of 2007 the Group will be engaged in drawing up the final agreements provided for in the memorandum of understanding signed with Intesa SanPaolo on 20 July 2007. Under these agreements the bank will become a core shareholder in Acotel Group S.p.A., with an interest of 4.75%, and also take a 10% interest in Noverca S.r.l. and a 34% interest in the newly established Noverca Italia S.r.l.

Whilst undoubtedly significant in corporate and financial terms, the deal that is being completed with Intesa SanPaolo is even more important in terms of business growth as, through preferential access to the bank's customers, it will give a strong boost to the Group's Noverca initiative launched via the portal www.noverca.com in June.

At today's meeting the Board of Directors also verified ongoing compliance independence requirements regarding the directors, Francesco Ago and Giuseppe Guizzi, in accordance with the evaluation criteria set out in article 3.C.1 of the Corporate Governance Code and the Instructions accompanying the Rules of the Markets organised and managed by Borsa Italiana S.p.A.

Mr Francesco Ago, Chairman of the Internal Audit Committee and the Remuneration Committee, was appointed lead independent director and will be responsible for:

- collaborating with the Chairman and CEO in order to guarantee that directors are provided with complete and timely information;
- calling special meetings, on his own behalf or at the request of other directors, of only independent directors to discuss matters regarding the running of the Board or corporate management;
- collaborating with the Chairman on drawing up an annual schedule of Board meetings;
- informing the Chairman of any matters to be submitted to the Board of Directors for examination and assessment.

Finally, the Board of Directors has made the Chairman, Claudio Carnevale, responsible for establishing – including with regard to any further obligations that the transaction closing with Intesa SanPaolo might require – the date and agenda of an upcoming meeting of shareholders called to authorise the Board of Directors to buy and sell treasury shares in accordance with the provisions of current legislation.

Note: the summary income statements included in the quarterly report for the three months ended 30 June 2007 and the interim report for the six months ended June 30 2007, as well as the analysis of net funds included in the quarterly report for the three months ended June 30 2007, as approved by the Board of Directors, are attached.

Rome, Italy
10 August 2007

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Reclassified consolidated income statement
(€000)

	H1			Q2		
	2007	**2006**	**Increase/ (Decrease)**	**2007**	**2006**	**Increase/ (Decrease)**
Revenues	**33,299**	**27,163**	**23%**	**18,933**	**20,836**	**-9%**
Other income	10	13	-23%	10	8	25%
Total revenues	**33,309**	**27,176**	**23%**	**18,943**	**20,844**	**-9%**
Gross operating profit/(loss)	1,503	(1,946)	177%	3,010	782	285%
Operating profit/(loss)	1,084	(2,368)	146%	2,761	553	399%
Net finance income/(costs)	221	(590)	137%	85	(530)	116%
PROFIT/(LOSS) BEFORE TAX	**1,305**	**(2,958)**	**144%**	**2,846**	**23**	**12274%**
Taxation	(1,442)	(1,041)	39%	(757)	(637)	19%
NET PROFIT/(LOSS) ATTRIBUTABLE TO PARENT COMPANY	**(137)**	**(3,999)**	**97%**	**2,089**	**(614)**	**440%**
Earnings per share	(0.03)	(1.02)	97%	0.53	(0.16)	440%
Diluted earnings per share	(0.03)	(1.02)	97%	0.53	(0.16)	440%

ACOTEL GROUP

Analysis of consolidated net funds
(€000)

	30 Jun 2007	31 Mar 2007	31 Dec 2006
A. Cash and cash equivalents	10,435	6,162	10,620
B. Assets held for trading	8,744	8,483	8,236
C. Liquidity (A + B)	**19,179**	**14,645**	**18,856**
D. Other current financial assets	6,878	10,347	6,814
E. Current bank borrowings	(76)	(78)	(31)
F. Current portion of non-current debt	(29)	(29)	(29)
G. Current financial liabilities (E + F)	**(105)**	**(107)**	**(60)**
H. Net current funds (C+D+G)	**25,952**	**24,885**	**25,610**
I. Non-current financial liabilities	(163)	(163)	(163)
L. Non-current debt (I)	**(163)**	**(163)**	**(163)**
M. NET FUNDS (H + L)	**25,789**	**24,722**	**25,447**