



PRESS RELEASE

ACOTEL GROUP: Board approves quarterly report for Q3 2009

Consolidated data for the first nine months (9M) of the year:

- **Total revenue close to €100 million (up 54% on 9M 2008)**
- **EBITDA €4.5 million (compared with negative €2.1 million of 9M 2008)**
- **EBIT €2.9 million (compared with negative €3.1 million of 9M 2008)**
- **Net profit €1.8 million (€3.7 million for 9M 2008)¹**

Net funds total €40 million

Today's meeting of the Board of Directors of Acotel Group S.p.A. has approved the Group's report for the three months ended 30 September 2009.

Results for 9M 2009

During the nine-month period the Group saw a considerable increase in revenue, which is up 54% to €99.1 million compared with the €64.6 million of the first nine months of 2008.

The improvement was driven by growth in the Services segment achieved by the US subsidiary, Flycell, which offers B2C services, and by the subsidiaries, Info2cell and Acotel do Brasil, which primarily provide B2B services (services to mobile operators, media companies and corporate customers, above all banks).

92.1% of total revenue was generated by the Services business, 6.5% by the Mobile Messaging Solutions business and 1.3% by Security Systems. In contrast, due to the fact that it has only been operating for a few months, the Mobile Telecommunications business made only a small contribution to revenue for the period.

Within the **Services** business (€91.3 million), B2C services provided by Flycell and its subsidiaries in the USA, Brazil, Turkey, Spain, Italy and Mexico account for the lion's share of revenues, with 82.8% of the total. In the B2B segment, in which the subsidiaries, Acotel S.p.A., Acotel do Brasil and Info2cell, operate, revenues are generated by sales to mobile operators (11.5%), corporate customers (4.9%) and media companies (0.8%).

In the **Mobile Messaging Solutions** business, Jinny Software generated revenues of €6.4 million from sales to mobile operators in Africa, North America, Latin America, Asia, the Middle East and Europe.

Revenues from the design and production of **Security Systems** total €1.3 million for the first nine months of 2009 (substantially in line with 2008). These revenues were generated entirely by the subsidiary, AEM, from the installation, supply, servicing and maintenance of remote

¹ *The net result for 9M 2008 benefited from income from investments of €7.94 million, deriving from Intesa San Paolo's purchase of equity interests in Noverca and Noverca Italia.*

surveillance equipment installed at Italian police headquarters, at a number of branches of the Bank of Italy and at certain companies in the Acea Group.

Mobile Telecommunications revenues, generated entirely by the subsidiary, Noverca Italia, remain of little importance in view of the fact that the business is still at the start-up stage.

The geographical revenue breakdown highlights the growth in turnover in Latin America, Italy and Spain, thanks primarily to the B2C services provided by Flycell and its subsidiaries, increased turnover in North America, and revenue growth in the Middle East as a result of Info2cell's commercial activities.

In terms of earnings, consolidated EBITDA – again with reference to the first nine months of 2009 – is close to €4.5 million, marking a significant improvement on negative EBITDA of approximately €2.1 million recorded in the same period of 2008.

Amortisation and depreciation of around €1.6 million (€1 million in 2008) primarily regard property, plant and equipment (telecommunications equipment and infrastructure) and to a lesser extent intangible assets (software and licences).

Consolidated EBIT is approximately €2.9 million, having also recorded a substantial improvement on the negative EBIT of €3.1 million of the same period of the previous year.

After net finance income of €301 thousand, estimated tax expense for the period of around €1.2 million and profit attributable to minority interests of €197 thousand, net profit for the period attributable to the Parent Company totals approximately €1.8 million, marking a reduction on the €3.7 million of the first nine months of 2008. This reflects the fact that the comparable period for the previous year benefitted from €7.9 million in extraordinary income from the corporate transactions entered into with Intesa Sanpaolo.

Net funds at 30 September 2009 total €39.8 million, marking an increase on the end of the previous year (€38.5 million).

Results for Q3 2009

Third-quarter revenue of €39.1 million is up 67% on the €23.4 million of the same period of 2008, thanks to the above-noted positive performances of Flycell, Info2cell and Acotel do Brasil.

Consolidated EBITDA is €4.7 million, compared with negative EBITDA of €2.4 million for the same period of 2008. After amortisation and depreciation (€639 thousand), EBIT is €4.1 million, compared with a negative figure of €2.7 million in 2008.

After net finance costs of €198 thousand, estimated tax expense for the period of around €1.1 million and profit attributable to minority interests of €173 thousand, net profit for the period attributable to the Parent Company totals approximately €2.6 million, marking an improvement of over €5 million compared with the loss reported for the same period of 2008.

Significant events during the third quarter

In the Services segment, the subsidiaries, Flycell, Info2cell and Acotel do Brasil, registered strong growth in customers and revenues.

The Mobile Messaging Solutions business (Jinny Software) saw the addition of a new customer in the Maltese operator, *Melita Mobile*, which has been supplied with a full suite of products that will allow it to offer its customers a vast range of value added services.

The commercial rollout of the Mobile Telecommunications services offered by Nòverca, set up in partnership with Intesa Sanpaolo, was completed during the quarter. Particular attention was paid to defining the offering and the commercial initiatives to be carried out in cooperation with Intesa Sanpaolo.

A campaign was run to promote the Extended SIM Nòverca, which was distributed together with Intesa Sanpaolo's Superflash prepaid card, offering the card's holders the chance to sign up for a Nòverca SIM card at a reduced price.

Declaration by the manager responsible for the Group's 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 Finance Act, that the information in this press release is consistent with the underlying accounting records.

Availability of corporate documents

Copies of the quarterly report for the three months ended 30 September 2009 will be available to the public, within the deadline established by art. 154-ter of Legislative Decree 158/1998 (the Consolidated Law on Finance), at the registered office and at the offices of Borsa Italiana S.p.A.. The report may also be viewed on line at www.acotel.com.

Note: the following schedules summarise operating and financial highlights from the quarterly report for the third quarter of 2008 approved by the Board of Directors.

Rome, 13 November 2009

More information

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ACOTEL GROUP
Reclassified consolidated income statement (€000)

	Q3			9M		
	2009	2008	Inc./ (Dec.)	2009	2008	Inc./ (Dec.)
Revenues	39,112	23,441	15,671	99,143	64,577	34,566
Other income	88	47	41	229	143	86
Total revenue	39,200	23,488	15,712	99,372	64,720	34,652
Movements in work in progress, semi-finished and finished goods	577	-	577	586	(3)	589
Raw materials	(990)	(507)	(483)	(1,566)	(1,930)	364
External services	(28,766)	(20,199)	(8,567)	(77,634)	(49,957)	(27,677)
Rentals and leases	(416)	(395)	(21)	(1,288)	(1,165)	(123)
Staff costs	(4,865)	(4,501)	(364)	(15,161)	(13,162)	(1,999)
Internal capitalised costs	363	258	105	1,342	767	575
Other costs	(402)	(545)	143	(1,119)	(1,371)	252
Gross operating profit/(loss)	4,701	(2,401)	7,102	4,532	(2,101)	6,633
Amortisation and depreciation	(639)	(347)	(292)	(1,613)	(1,015)	(598)
Impairment charges/reversal of impairment charges on non-current assets	-	-	-	(1)	(1)	-
Operating profit/(loss)	4,062	(2,748)	6,810	2,918	(3,117)	6,035
Income from investments	-	-	-	-	7,940	(7,940)
Net finance income/(costs)	(198)	730	(928)	301	945	(644)
Profit/(Loss) before tax	3,864	(2,018)	5,882	3,219	5,768	(2,549)
Taxation	(1,130)	(704)	(426)	(1,188)	(1,979)	791
Profit/(Loss) before minority interests	2,734	(2,722)	5,456	2,031	3,789	(1,758)
Net profit/(loss) attributable to minority interests	173	(17)	190	197	83	114
Profit/(Loss) attributable to Parent Company	2,561	(2,705)	5,266	1,834	3,706	(1,872)
Earnings/(Loss) per share	0.62	(0.66)		0.45	0.90	
Diluted earnings/(loss) per share	0.62	(0.66)		0.45	0.90	

ACOTEL GROUP
Reclassified consolidated statement of financial position (€000)

	30 Sept 2009	31 Dec 2008	Inc. /(Dec.)	% inc./ (dec.)
Non-current assets:				
Property, plant and equipment	4,925	4,084	841	21%
Intangible assets	13,633	12,379	1,254	10%
Other assets	2,167	481	1,686	351%
Total non-current assets	20,725	16,944	3,781	22%
Net current assets:				
Inventories	994	396	598	151%
Trade receivables	29,070	22,220	6,850	31%
Other current assets	3,825	2,340	1,485	63%
Trade payables	(16,803)	(9,404)	(7,399)	(79%)
Other current liabilities	(6,983)	(4,319)	(2,664)	(62%)
Total net current assets	10,103	11,233	(1,130)	(10%)
Staff termination and other employee benefits	(1,331)	(1,146)	(185)	(16%)
Non-current provisions	(426)	(294)	(132)	(45%)
Net invested capital	29,071	26,737	2,334	9%
Shareholders' equity:				
Share capital	1,084	1,084	-	-
Reserves and retained earnings / (accumulated losses)	65,691	57,522	8,169	14%
Net profit/(loss) for the period	1,834	6,564	(4,730)	(72%)
Minority interests	272	30	242	807%
Total shareholders' equity	68,881	65,200	3,681	6%
Medium/long-term debt	101	101	-	-
Net cash and cash equivalents:				
Current financial assets	(26,423)	(18,764)	(7,659)	(41%)
Cash and cash equivalents	(16,936)	(23,439)	6,503	28%
Current financial liabilities	3,448	3,639	(191)	(5%)
	(39,911)	(38,564)	(1,347)	(3%)
Net funds	(39,810)	(38,463)	(1,347)	(4%)
Total shareholders' equity and net funds	29,071	26,737	2,334	9%

ACOTEL GROUP

Analysis of consolidated net funds (€000)

	30 Sept 2009	30 June 2009	31 Dec 2008
A. Cash and cash equivalents	16,936	17,477	23,439
B. Assets held for trading	9,265	9,113	16,147
C. Liquidity (A + B)	26,201	26,590	39,586
D. Other current financial assets	17,158	17,084	2,617
E. Current bank borrowings	(3,416)	(3,546)	(3,607)
F. Current portion of non-current debt	(32)	(32)	(32)
G. Current financial liabilities (E + F)	(3,448)	(3,578)	(3,639)
H. Net current funds (C+D+G)	39,911	40,096	38,564
I. Non-current financial liabilities	(101)	(101)	(101)
L. Non-current debt (I)	(101)	(101)	(101)
M. Net funds (H + L)	39,810	39,995	38,463