



PRESS RELEASE

ACOTEL GROUP: Board approves report for H1 2012

- **Consolidated revenue €51 million (€54.2 million in H1 2011)**
- **Consolidated EBITDA €3.7 million (€3.4 million in H1 2011)**
- **Consolidated EBIT €1.5 million (€1.6 million in H1 2011)**
- **Profit for period €555 thousand (€234 thousand for H1 2011)**

Net funds total €37.1 million.

Today's meeting of the Board of Directors of Acotel Group SpA has approved the Group's interim report for the six months ended 30 June 2012. Compared with a slight reduction in revenue to approximately €51 million, the Group reports an improvement in gross operating profit and profit for the period.

A breakdown by business areas shows that 77% of revenue was generated by Acotel Interactive, 22% by Acotel TLC and the remaining 1% by Acotel Net.

In the **Acotel Interactive** area, Digital Entertainment services generated revenues of approximately €26.9 million, down on the €32.3 million of the same period of 2011. Mobile Services, on the other hand, saw revenues rise to approximately €12.2 million from the €11.8 million of the same period of 2011.

Revenues generated by the **Acotel TLC** area amount to €11.2 million (up 19% on the same period of 2011), with 67% generated by the Mobile VAS Technology segment, in which the subsidiary, Jinny Software Ltd., operates, and with the remaining 33% generated by Mobile Communications, which includes the mobile virtual network operator, Noverca Italia Srl, Acotel SpA and Acotel do Brasil Ltda.

Finally, revenues generated by the **Acotel Net** area amount to €728 thousand, up on the €670 thousand of the same period of the previous year. They 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 (32.7%), Latin America (24.7%), North America (15.8%), the Middle East (13.7%), other European countries (5.1%), Africa (4.9%) and Asia (3.1%).

EBITDA is up 7% to approximately €3.7 million from the €3.4 million of the same period of 2011. After amortisation and depreciation and impairments of non-current assets, the Group reports an operating profit of approximately €1.5 million, compared with the profit of approximately €1.6 million for the same period of the previous year.

After net finance income (€0.6 million euros), estimated taxation for the period (€1.5 million), and profit attributable to non-controlling interests (€0.1 million), the profit attributable to owners of the Parent for the first half of 2012 amounts to €0.6 million, marking a significant improvement (up 137%) on the result for the same period of 2011.

Net funds at 30 June 2012 amount to approximately €37.1 million, substantially in line with the €37.2 million of 31 December 2011.



Significant events during the first half

In the Acotel Interactive area, a commercial offering based on three business segments has been devised:

- Digital Entertainment, with services offered under consumer brands like Yabox, Flycell, SurveyLotto, GiocaNews, Palpitamos and SkillDerby;
- Mobile Services, consisting of services distributed primarily on a white label basis to mobile operators, such as, for example, TIM in Italy, TIM Brasil and a number of Middle Eastern operators;
- Interactive Advertising, managed by Bucksense Inc., an agency that produces performance-based advertising campaigns.

Geographical footprint has also been boosted by launching operations in Austria, Ecuador and Peru. It now operates in around 30 countries in five continents.

In the Acotel TLC area, Jinny Software completed technological development for new products and presented its 4GMC (4G Messaging Centre) product, which allows mobile operators to offer next generation services thanks to its native integration with the IMS (IP Multimedia Subsystem) and LTE (Long Term Evolution) networks.

Noverca Italia Srl completed the migration of all customers to the new Full MVNO platform, an asset that distinguishes Noverca Italia Srl from the other MVNOs operating in Italy in technological and regulatory terms.

Finally, in the Acotel Net area, the Security Systems segment has renewed contracts to provide and maintain remote surveillance systems at Italian police headquarters, whilst the Energy and Health segments equipment developed and produced in-house by the Group for use in providing the services was piloted at a number of the Group's offices and at third-party premises.

Events after 30 June 2012

Between the end of the first half of 2012 and the date of approval of the interim report , Acotel Interactive has proceeded with the commercial launch of its new-generation mobile Digital Entertainment services in the Netherlands and Australia.

Outlook

The Acotel Interactive area plans to continue with its geographical expansion, involving the launch of new-generation mobile services in Saudi Arabia and the United Arab Emirates, the two Middle Eastern countries with the greatest smartphone penetration. The area also plans to promote services increasingly integrated with the iOS (Apple) and Android (Google) systems.

With regard to the Mobile VAS technology segment of the Acotel TLC area, the size of the order book at 30 June 2012 and the market success of the new products developed by the Irish subsidiary, Jinny Software Ltd., lead to expect a positive performance during the second half of the current year.



In the Mobile Communications segment of the Acotel TLC area, Noverca Italia Srl is committed to developing an initiative aimed at enabling third-parties to distribute own-brand SIM cards to their customers.

Noverca will also be engaged in a series of commercial initiatives with its shareholder and partner, Intesa Sanpaolo, designed to acquire new customers and drive the take-up of mobile payments based on NFC technology.

Following rollout of the www.acotelnet.com website during the first half of the year, the Acotel Net division will start the promotion of the related services, above all those provided by the Energy segment.

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 Legislative Decree 158/1998 (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 six months ended 30 June 2012 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 and on the Company's website at www.acotel.com.

Rome, 9 August 2012

Note: the condensed income statement and statement of financial position included in the interim report for the six months ended 30 June 2012 approved today by the Board of Directors are attached.

For further information contact:

Acotel Group SpA Carlo Ficini Investor Relations Tel. +3906 6114 1000 e-mail carlo.ficini@acotel.com	Barabino&Partners Andrea Pagano Mariano Tel. +3906 6792929 e-mail A.PaganoMariano@barabino.it
--	--



ACOTEL GROUP

Consolidated income statement

<i>(€000)</i>	H1 2012	H1 2011	% inc./ (dec.)
Revenues	51,000	54,200	(6%)
Other income	1,410	271	420%
Total	52,410	54,471	(4%)
Gross operating profit/(loss)	3,665	3,433	7%
Operating profit/(loss)	1,534	1,643	(7%)
Share of the profit/(loss) of associates and joint ventures	-	12	(100%)
Net finance income/(costs)	564	582	(3%)
PROFIT/(LOSS) BEFORE TAX	2,098	2,237	(6%)
PROFIT/(LOSS) BEFORE NON-CONTROLLING INTERESTS	618	334	85%
PROFIT/(LOSS) ATTRIBUTABLE TO OWNERS OF THE PARENT	555	234	137%
Earnings per share	0.13	0.06	
Diluted earnings per share	0.13	0.06	



ACOTEL GROUP

Consolidated statement of financial position

<i>(€000)</i>	30 June 2012	31 December 2011	Inc./ (Dec.)
Non-current assets:			
Property, plant and equipment	9.461	9.661	(200)
Intangible assets	14.620	14.266	354
Other assets	4.478	4.755	(277)
TOTAL NON-CURRENT ASSETS	28.559	28.682	(123)
Net current assets:			
Inventories	599	533	66
Trade receivables	29.836	29.616	220
Other current assets	6.222	5.939	283
Trade payables	(21.478)	(20.878)	(600)
Other current liabilities	(7.609)	(8.242)	633
TOTAL NET CURRENT ASSETS	7.570	6.968	602
PROVISIONS FOR STAFF TERMINATION AND OTHER EMPLOYEE BENEFITS	(2.079)	(1.950)	(129)
NON-CURRENT PROVISIONS	(622)	(365)	(257)
NET INVESTED CAPITAL	33.428	33.335	93
Equity:			
Share capital	1.084	1.084	-
Reserves and retained earnings/(accumulated losses)	66.672	65.765	907
Profit/(Loss) for the period	555	1.860	(1.305)
Non-controlling interests	782	719	63
TOTAL EQUITY	69.093	69.428	(335)
MEDIUM-/LONG TERM DEBT	-	-	-
Net cash and cash equivalents:			
Current financial assets	(18.087)	(21.913)	3.826
Cash and cash equivalents	(17.625)	(14.215)	(3.410)
Current financial liabilities	47	35	12
	(35.665)	(36.093)	428
NET FUNDS RECEIVABLE FROM OTHERS	(35.665)	(36.093)	428
TOTAL EQUITY AND NET FUNDS RECEIVABLE FROM OTHERS	33.428	33.335	93



ACOTEL GROUP

Consolidated statement of cash flows

(€000)

	H1 2012	H1 2011
A. NET CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	36.093	34.183
B. CASH FLOWS FROM (FOR) OPERATING ACTIVITIES	2.809	7.098
Cash flows from operating activities before changes in working capital	3.068	2.159
Profit/(loss) for the period	555	234
Amortisation and depreciation	2.096	1.774
Share of profit/(loss) of associates and joint ventures	-	(12)
Impairment of assets	27	20
Net change in staff termination benefits	129	142
Net change in deferred tax liabilities	257	2
Net change in provisions	4	(1)
(Increase) / decrease in receivables	(156)	6.544
- due from related parties	191	(250)
- other	(347)	6.794
(Increase) / decrease in inventories	(66)	(40)
Increase / (decrease) in payables	(37)	(1.565)
- due to related parties	53	168
- other	(90)	(1.733)
C. CASH FLOW FROM (FOR) INVESTING ACTIVITIES	(1.973)	(2.286)
(Purchases)/disposals of fixed assets:		
- Intangible assets	(885)	(747)
- Property, plant and equipment	(1.365)	(1.630)
- Financial assets	277	79
Share of profit/(loss) of associates and joint ventures	-	12
D. CASH FLOW FROM (FOR) FINANCING ACTIVITIES	(1.264)	(1.718)
Net loans:	(374)	(945)
- due from related parties	(374)	(945)
Other changes in equity	(953)	(873)
Change in non-controlling interests	63	100
E. CASH FLOW FOR PERIOD (B+C+D)	(428)	3.094
F. NET CASH AND CASH EQUIVALENTS AT END OF PERIOD (A+E)	35.665	37.277

ACOTEL GROUP

Analysis of consolidated net funds

(€000)

	30 June 2012	31 December 2011	Inc./ (Dec.)
A. Cash and cash equivalents	17,625	14,215	3,410
B. Assets held for trading	16,048	19,326	(3,278)
C. Liquidity (A + B)	33,673	33,541	132
D. Loans and receivables due from related parties	1,474	1,100	374
E. Other current financial assets	2,039	2,587	(548)
F. Current financial assets (D + E)	3,513	3,687	(174)
G. Current financial liabilities	(47)	(35)	(12)
H. Net funds (C + F + G)	37,139	37,193	(54)
- receivable from related parties	1,474	1,100	374
- receivable from others	35,665	36,093	(428)