PRESS RELEASE
ACOTEL GROUP: Board approves interim report for H1 2015

- **Revenue €25.5 million (€29.6 million in H1 2014)**
- **Negative EBITDA €2.9 million (negative €1.1 million in H1 2014)**
- **Negative EBIT €3.6 million (negative €2.4 million in H1 2014)**
- **Loss for period €2.3 million (loss of €8.9 million for H1 2014)**

Net funds total approximately €18.5 million.

During the first half of 2015 ("H1 2015"), *Acotel Group SpA* completed a number of important transactions aimed at strengthening its new role as a provider of energy management services, selling non-core assets and consolidating its existing businesses.

With regard to the former, at the end of June, ENI launched its new *myEnergy* offering, based on Acotel's *Energy meter*, an innovative smart metering solution using hardware and software designed, developed, produced and tested in-house.
MyEnergy service enables ENI's SoHo customers to make rational and efficient use of energy, by adopting consumption patterns and initiatives designed to eliminate the waste identified thanks to devices that are easy to install, offer a highly intuitive user interface and can be accessed via the web (from a PC or tablet) or via an Android or iOs smartphone app.

The delivery and activation of devices in around 8,500 offices belonging to *Poste Italiane* also continued, as did further talks with a number of major commercial partners.

One of the most important developments in this regard is the signature of a partnership agreement with *Bartucci SpA*, one of the most respected and established names in the Italian energy efficiency market, accredited as an E.S.Co. (*Energy Service Company*) by the country's energy market regulator. This agreement will involve the offer of energy diagnostics to large companies and businesses with high levels of energy consumption, in compliance with the requirements and obligations introduced by Legislative Decree 102/2014. This new service will be provided via an online platform to be presented in Rome in September.

With regard to the sale of non-core assets, the migration of Nòverca's retail customers to *Telecom Italia SpA* was also completed in June. This transaction has generated income of approximately €2.9 million from the transfer of around 130 thousand customers. It will also enable the Acotel TLC business area to reduce the variable costs linked to the management of such customers, whilst retaining the Full MVNO licence needed to enable, in partnership with TIM, other parties interested in operating as Mobile Virtual Network Operators.

In March, *Acotel Interactive Inc.* exited the Turkish market with the sale of its 100% stake in *Flycell Telekomunikasyon Hizmetler A.S.,* in the belief that this market does not have sufficient revenue potential.

Finally, with regard to consolidating our existing businesses, in February 2015, *Acotel SpA* and *Flycell Italia Srl* extended their agreement with *Telecom Italia SpA* until 31 December 2016. This agreement covers the provision of services using Decade 4 premium-rate numbers assigned to *Telecom Italia SpA* and aimed at customers of TIM and those of other mobile operators.
In the same month, *Acotel SpA* extended its agreement with *Telecom Italia SpA* covering the supply of ScripTIM branded services through to 31 December 2016.

Readers of the interim report for the six months ended 30 June 2015 should bear in mind that cost and revenue items attributable to *Nòverca*'s retail business and *Flycell Telekomunikasyon Hizmetler AS* for the first half of 2015 and, for comparative purposes, the same period of 2014 have been classified in "Profit/(Loss) from discontinued operations", in accordance with IFRS 5. Cost and revenue items for the first half of 2014 attributable to *Jinny Software Ltd.* and all its subsidiaries, which were sold in 2014, have also been classified in this line item.

Revenue generated by the Group in the first six months of the year amounts to €25.5 million, down 14% on the €29.6 million of the first half of 2014. This reflects reduced turnover at the Acotel Interactive business area, primarily due to regulatory interventions that have altered the way in which the sector operates and a slowdown in its Italian and South American markets.

94% of revenue was generated by the Acotel Interactive business area, 4% by the Acotel Net business area and the remaining 2% by the Acotel TLC business area.

In the **Acotel Interactive** business area, Digital Entertainment services generated revenues of approximately €17.4 million, down from €21.9 million in the first half of 2014. Mobile Service revenues amount to around €6.7 million, in line with the same period of 2014.

Turnover generated by the **Acotel Net** business area, totalling €0.9 million, is up on the €0.6 million of the same period of 2014. The Security Systems segment generated revenue of €0.5 million and the Energy segment revenue of €0.4 million.

Revenues generated by the **Acotel TLC** business area amount to €0.6 million, up on the €0.4 million of the same period of the previous year. The Group generated revenue of €0.3 million in each of the Mobile Virtual Network Aggregator and Mobile Communications segments of this business area.

The geographical revenue breakdown shows how the revenue's sources remain well diversified, with 42.3% of revenues generated in Latin America, 22.9% in the Middle East, 22.9% in Italy, 10.8% in India and 1.1% in other European countries.

The consolidated gross operating loss (negative EBITDA) for the first half is approximately €2.9 million (a loss of €1.1 million for the same period of 2014). This reflects the losses incurred by *Acotel Interactive Inc.*, in part due to large-scale spending on advertising (up 53% on the first half of 2014) primarily in order to complete the launch of its Digital Entertainment services in India, where revenues for the first half of 2015 amount to approximately €2.8 million (€0.2 million in the first half of 2014). Currently this market accounts around 16% of total turnover from the Group's Digital Entertainment business, with further significant growth expected.

After amortisation and depreciation (€0.8 million), the Group's operating loss (negative EBIT) is approximately €3.6 million, compared with a loss of €2.4 million for the same period of the previous year.
After net finance income of €0.3 million, estimated tax expense for the period (€1 million), the profit from discontinued operations (€1.9 million) and the loss attributable to non-controlling interests (€0.1 million), the loss attributable to owners of the Parent for the period amounts to approximately €2.3 million (a loss of €8.9 million in the first half of 2014).

Net funds at 30 June 2015 amount to approximately €18.5 million, down on the €23.1 million of 31 December 2014.

Events after 30 June 2015

In July and August, Noverca signed two new Mobile Virtual Network Aggregator (MVNA) contracts, thus increasing the number of Mobile Virtual Network Operators (MVNOs) to which it provides its Mobile Virtual Network Enabler (MVNE) services.

Outlook

In the **Acotel Interactive** business area, we expect to see further growth in the customer base in India, where the Group has identified enormous earnings potential. In Mexico, we also expect to see turnover return to significant levels, thanks to our existing relationship with one of the leading local operators.
In the same business area, we expect Bucksense Inc. to conclude agreements with a number of commercial partners for the launch of advertising services outside the Acotel Group.

In the **Acotel Net** business area, in addition to proceeding with work on the development of products and services for managing the consumption of energy, water and gas, we aim to conclude ongoing talks with a number of major commercial partners.

In the **Acotel TLC** business area, following our withdrawal from the provision of services to Nòverca's retail customers, the Group will be able to focus on its MVNA activities, taking advantage of our significant investment, over the last few years, in development of a platform and of innovative technological solutions capable of enabling parties looking to operate in Italy as MVNOs.

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 58/1998 (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 2015 will be available to the public, within the deadline established by art. 154-*ter* of Legislative Decree 58/1998 (the Consolidated Law on Finance), at the Company's registered office. A copy of the document is also available on the Company's website at www.acotel.com.

Rome, 6 August 2015

Note: the condensed income statement and statement of financial position included in the interim report for the six months ended 30 June 2015 approved today by the Board of Directors are attached.

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ACOTEL GROUP
Reclassified consolidated income statement

(€000)	H1 2015	H1 2014 (*)	Increase/ (Decrease)
Revenues	25,546	29,609	(4,063)
Other income	71	46	25
Total	**25,617**	**29,655**	**(4,038)**
Gross operating profit/(loss)	**(2,864)**	**(1,060)**	**(1,804)**
	-11.21%	*-3.58%*	
Amortisation and depreciation	(775)	(1,345)	570
Operating profit/(loss)	**(3,639)**	**(2,405)**	**(1,234)**
	-14.24%	*-8.12%*	
Net finance income/(costs)	346	223	123
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	**(3,293)**	**(2,182)**	**(1,111)**
	-12.89%	*-7.37%*	
Taxation	(1,036)	(64)	(972)
PROFIT/(LOSS) FROM CONTINUING OPERATIONS	**(4,329)**	**(2,246)**	**(2,083)**
Profit/(Loss) from discontinued operations	1,921	(6,639)	8,560
PROFIT/(LOSS) BEFORE NON-CONTROLLING INTERESTS	**(2,408)**	**(8,885)**	**6,477**
Profit/(Loss) attributable to non-controlling interests	(81)	(29)	(52)
PROFIT/(LOSS) ATTRIBUTABLE TO OWNERS OF THE PARENT	**(2,327)**	**(8,856)**	**6,529**
Earnings per share	(0.57)	(2.15)	
Diluted earnings per share	(0.57)	(2.15)	

(*): As required by IFRS 5, amounts for the first half of 2014 have been reclassified.

ACOTEL GROUP

Reclassified consolidated statement of financial position

(€000)	30 June 2015	31 December 2014	Increase/ (Decrease)
Non-current assets:			
Property, plant and equipment	7,181	7,881	(700)
Intangible assets	3,931	3,759	172
Other assets	4,105	4,198	(93)
TOTAL NON-CURRENT ASSETS	**15,217**	**15,838**	**(621)**
Net current assets:			
Inventories	470	442	28
Trade receivables	14,674	19,278	(4,604)
Other current assets	2,910	3,091	(181)
Trade payables	(17,487)	(24,767)	7,280
Other current liabilites	(5,161)	(5,459)	298
TOTAL NET CURRENT ASSETS	**(4,594)**	**(7,415)**	**2,821**
PROVISIONS FOR STAFF TERMINATION AND OTHER EMPLOYEE BENEFITS	**(3,442)**	**(3,665)**	**223**
NON-CURRENT PROVISIONS	**(566)**	**(519)**	**(47)**
NET INVESTED CAPITAL	**6,615**	**4,239**	**2,376**
Equity:			
Share capital	1,084	1,084	-
Reserves and retained earnings/(accumulated losses)	26,310	45,396	(19,086)
Profit/(Loss) for the period	(2,327)	(19,347)	17,020
Non-controlling interests	89	170	(81)
TOTAL EQUITY	**25,156**	**27,303**	**(2,147)**
Net cash and cash equivalents:			
Current financial assets	(12,267)	(17,063)	4,796
Cash and cash equivalents	(12,028)	(11,548)	(480)
Current financial liabilities	5,754	5,547	207
	(18,541)	**(23,064)**	**4,523**
NET FUNDS	**(18,541)**	**(23,064)**	**4,523**
TOTAL EQUITY AND NET FUNDS	**6,615**	**4,239**	**2,376**

ACOTEL GROUP
Consolidated statement of cash flows

(€000)	H1 2015	H1 2014
A. NET CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**23,064**	**18,229**
B. CASH FLOWS FROM (FOR) OPERATING ACTIVITIES	**(4,312)**	**1,071**
Cash flows from operating activities before changes in working capital	**(1,605)**	**(5,493)**
Profit/(Loss) for the period from continuing operations	(4,248)	(5,235)
Profit/(Loss) for the period from discontinued operations	1,921	(3,621)
Amortisation and depreciation for continuing operations	775	1,760
Amortisation and depreciation for discontinued operations	167	-
Net change in staff termination benefits	(223)	408
Net change in deferred tax liabilities	90	(159)
Net change in provisions	(114)	(2)
Currency translation differences	27	1,356
(Increase) / Decrease in receivables	5,765	4,296
(Increase) / Decrease in inventories	(28)	(165)
Increase / (Decrease) in payables	(7,038)	(242)
Cash flows from (for) operating activities attributable to discontinued operations	(1,406)	2,675
C. CASH FLOWS FROM (FOR) INVESTING ACTIVITIES	**(364)**	**(2,204)**
(Purchases)/disposals of fixed assets:		
- Intangible assets	(353)	(168)
- Property, plant and equipment	(37)	(1,226)
- Financial assets	50	(369)
Cash flows from (for) investing activities attributable to discontinued operations	(24)	(441)
D. CASH FLOWS FROM (FOR) FINANCING ACTIVITIES	**153**	**(216)**
Other changes in equity	234	(187)
Change in non-controlling interests	(81)	(29)
E. CASH FLOW FOR THE PERIOD (B+C+D)	**(4,523)**	**(1,349)**
F. NET CASH AND CASH EQUIVALENTS AND NET CURRENT FINANCIAL ASSETS AT END OF PERIOD (A+E)	**18,541**	**16,880**
of which: cash and cash equivalents and net current assets included in assets and liabilities held for sale and discontinued operations	-	440
G. NET CASH AND CASH EQUIVALENTS AND NET CURRENT FINANCIAL ASSETS AT END OF PERIOD (A+E) AS REPORTED IN FINANCIAL STATEMENTS	**18,541**	**16,440**

ACOTEL GROUP
Analysis of consolidated net funds

(€000)

	30 June 2015	31 December 2014	Increase/ (Decrease)
A. Cash and cash equivalents	12,028	11,548	480
B. Assets held for trading	10,667	15,463	(4,796)
C. Liquidity (A + B)	**22,695**	**27,011**	**(4,316)**
D. Other current financial receivables	1,600	1,600	-
E. Current financial assets (D)	**1,600**	**1,600**	**-**
F. Current bank borrowings	(5,754)	(5,547)	(207)
G. Current financial liabilities (F)	**(5,754)**	**(5,547)**	**(207)**
H. Net funds (C+E+G)	**18,541**	**23,064**	**(4,523)**