



## **PRESS RELEASE**

### **ACOTEL GROUP: Annual General meeting approves Annual Report 2008 and elects the Board of Directors and the Board of Statutory Auditors**

#### **Consolidated results:**

- Revenue approximately €89 million (up 26%)
- EBITDA approximately €2.3 million (€2.8 million in 2007)
- EBIT approximately €940 thousand (€1.7 million in 2007)
- Profit before tax €10 million (€2 million in 2007)
- Net profit €6.6 million (net loss of €1.3 million in 2007)

**Board of Directors is authorized to operate on own shares.**

Today's session of the ordinary Annual General Meeting of shareholders (AGM) of Acotel Group SpA under the Chair of Claudio Carnevale at the company's Rome headquarters has approved the Annual Report for the year ended 31 December 2008, has examined the Consolidated Report, has elected the Board of Directors (BoD) and the Board of Statutory Auditors, and has authorized the BoD to operate on own shares.

#### **Consolidated financial statements 2008**

The Acotel Group saw strong revenue growth in 2008, with consolidated revenue up 26% to €88.7 million, compared with the €70.3 million of the previous year.

In terms of business segment, 83.5% of revenue was earned from the supply of services, 14.3% was generated by mobile messaging solutions and the remaining 2.2% by the design of security systems.

The geographical revenue breakdown shows that North America continues to be the principal market (36.2% of total revenue), followed by Latin America (22.2%). Revenues generated in Africa amount to €5.8 million (up 46.6% on the figure for 2007).

The Group reports consolidated gross operating profit (EBITDA) of approximately €2.3 million, marking a slight decrease on the €2.8 million of 2007. The reduction reflects the decision to accelerate the pace of expansion and entry into new countries, which, among other things, has entailed a substantial increase in advertising costs for B2C services, a rise in staff costs and increased purchases of content from external providers.

Amortisation and depreciation amount to €1.4 million (€1.1 million in 2007). This refers to amortisation of the software and licences utilised by the Group, and depreciation of the telecommunications equipment and infrastructures used by Group companies. Consolidated operating profit (EBIT) amounts to approximately €940 thousand, compared with €1.7 million in 2007.



After income from investments of around €7.9 million, deriving from the industrial agreement entered into with Intesa Sanpaolo (described below), net finance income of €1.2 million and taxation for the year, the Group reports a net profit of almost €6.6 million, compared with a net loss of approximately €1.3 million for 2007.

Net funds amount to €38.5 million at 31 December 2008, marking a significant increase compared with the end of 2007, primarily as a result of the financial transactions involving the Intesa Sanpaolo banking group.

### **Parent Company's separate financial statements 2008**

On 31 December 2008 Acotel Group S.p.A. reports revenue of approximately €8.3 million, marking a slight decrease on the €8.5 million of the previous year.

Gross operating profit (EBITDA) is up 8% from the €3.5 million of 2007 to €3.8 million for 2008, due primarily to a reduction in staff costs. After amortisation, depreciation and impairment charges on non-current assets, operating profit (EBIT) is approximately €3.6 million, marking an improvement on the €3.3 million of the previous year.

After net finance income, profit before tax amounts to €6.1 million, representing an increase of 26% on 2007. After taxation for the year, net profit for 2008 amounts to €4.1 million, compared with the €2.9 million of 2007. The AGM has approved the BoD proposal to take net profit to distributable reserves as retained earnings.

### **Election of Corporate Officers**

The AGM has elected the new BoD for the next three years, until the AGM which will approve the Annual Report 2011. The members of the new BoD are: Claudio Carnevale (Chairman), Margherita Argenziano, Cristian Carnevale, Luca De Rita, Giovanni Galoppi and Luciano Hassan (Directors), Francesco Ago, Giuseppe Guizzi and Raffaele Cappiello (Independent Directors).

In addition the General Assembly elected the new Board of Statutory Auditors for the next three years. Members of the Board are: Antonio Mastrangelo (Chairman), Umberto Previti Flesca and Maurizio Salimei (Regular Statutory Auditors), Gabriele Perrotti and Paola Piscopello (Alternate Statutory Auditors).

### **Authorization to operate on own shares**

The AGM has granted to the Board of Directors the authorization to execute, in respect of existing laws and regulations, the purchase and sale of ordinary shares of Acotel Group S.p.A., of nominal value of 0,26 Euro each, for a maximum amount of time of 18 months from 14 May 2009.

The share purchase price should not be more than 10% higher or 20% lower than the official price of Acotel Group shares for the day previous to any single operation.



The sale of company-owned shares may be effected over time according to the market opportunities, at a price in any case not lower than 90% of the average weighted purchase prices.

Rome – April 24, 2009