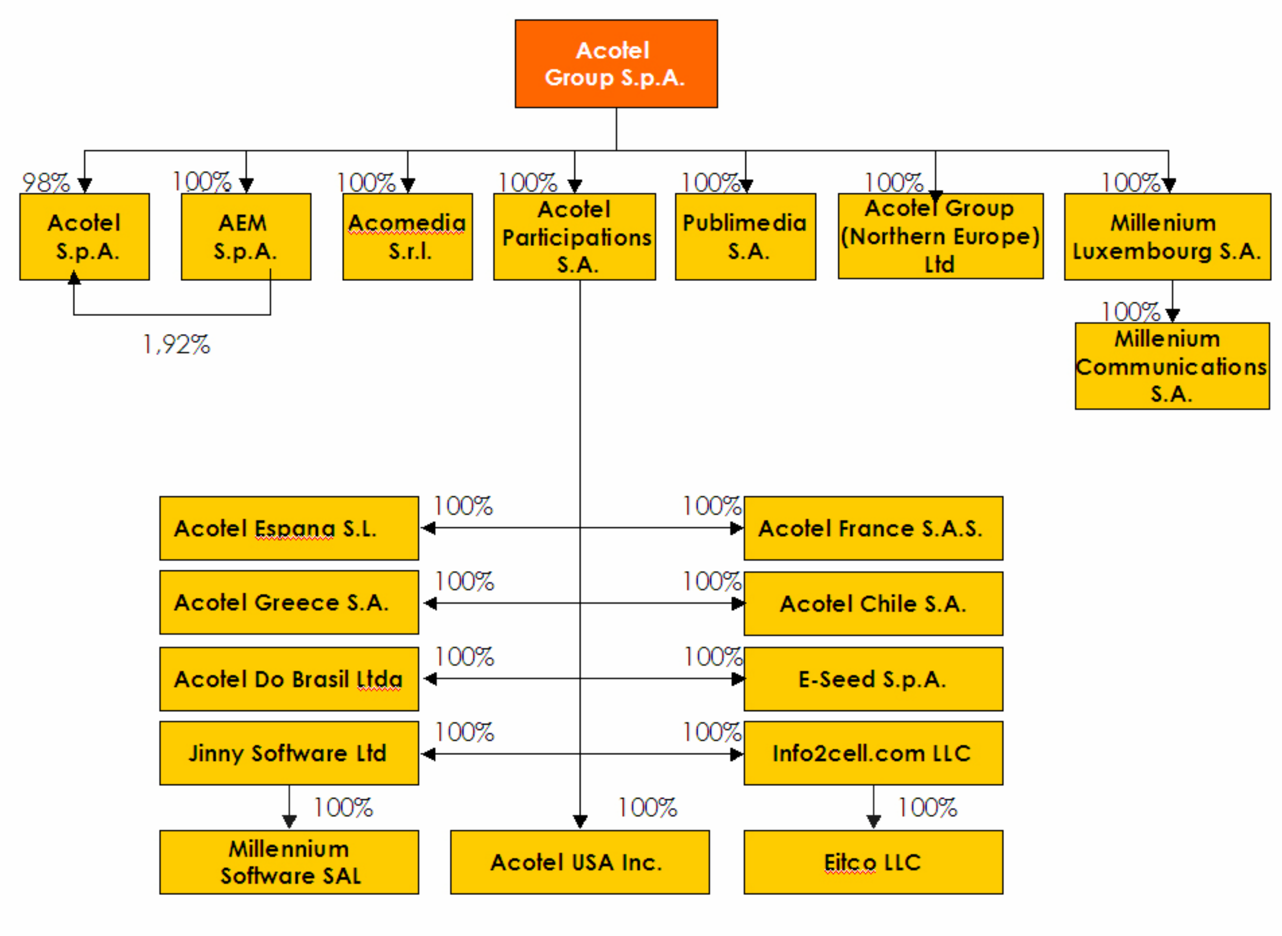
REPORT ON GROUP OPERATIONS
FOR THE FIRST SIX MONTHS OF 2004

THE ACOTEL GROUP



Acotel Group S.p.A. is the leader of a Group of companies operating in the ICT sector, based on a single business project.

The main companies in the *Acotel* Group, in addition to *Acotel Group S.p.A.*, which basically performs management functions and manages the Acotel Platform, through which it operates directly on the market as an Application Service Provider, are:

- *Acotel S.p.A.*, which markets the multimedia services for Italy;
- *Acomedia S.r.l.*, which acts as Content Provider, managing the processing of editorial content for information services;
- *A.E.M. S.p.A.*, which deals with the design and production of security systems;
- *Acotel Participations S.A.* which acts as a sub-holding and controls the Group's foreign companies, including *Acotel Do Brasil Ltda, Acotel Chile S.A., Acotel Espana S.L.,* and *Acotel Greece S.A.* , which are responsible for business development in their local markets;
- *Jinny Software Ltd*, acquired in 2001, deals with the design, production and development of high-technology ICT equipment;
- *Info2cell.com Llc*, which has been 100% owned since January 2003, operates as a Wireless Application Services Provider in partnership with leading Middle-eastern mobile telephone operators;
- *Acotel Group (Northern Europe) Ltd,* set up at the end of May 2004, has taken on all activities relating to the supply of value added services previously carried out by *Jinny Software* in Ireland and other countries in northern Europe.

OPERATING REVIEW: FINANCIAL REVIEW

RESULTS OF OPERATIONS

RECLASSIFIED CONSOLIDATED INCOME STATEMENT

(thousands of euros)	Jan 1 - June 30 2004		Jan 1- June 30 2003		change	% change
Total revenues	10.414		9.015		1.399	15,52%
Materials and service costs	4.825		5.701		(876)	-15,37%
Gross margin	**5.589**		**3.314**		**2.275**	**68,65%**
Labor costs	4.357		3.576		781	21,84%
EBITDA	**1.232**		**(262)**		**1.494**	**-570,23%**
	11,83%		*-2,91%*			
Depreciation	533		502		31	6,18%
Amortization	1.072		1.056		16	1,52%
Provisions for doubtful accounts	52		11		41	372,73%
EBIT	**(425)**		**(1.831)**		**1.406**	**-76,79%**
	-4,08%		*-20,31%*			
Net financial (expense) income	262		104		158	151,92%
Income (loss) from ordinary activities	**(163)**		**(1.727)**		**1.564**	**-90,56%**
	-1,57%		*-19,16%*			
Adjustments to financial assets	(83)		-		(83)	-
Extraordinary income (loss), net	9		(199)		208	-104,52%
Income (loss) for the period	**(237)**	(*)	**(1.926)**	(*)	**1.689**	**-87,69%**
	-2,28%		*-21,36%*			
Minority interest in income (loss)	-		(2)		2	-100,00%
Group interest in income (loss)	**(237)**	(*)	**(1.924)**	(*)	**1.687**	**-87,68%**
	-2,28%		*-21,34%*			

(*) results for the period are pre-tax

The *Acotel* Group's accounts for the period ended June 30, 2004 report total revenues of 10,414 thousand euros, representing an increase of 15.5% with respect to the same period in 2003. Moreover, compared with the first six months of 2003, the result for the period rose considerably.

Operating performance improved with regard to EBITDA as well as financial income and extraordinary income.

Total revenues include revenues from sales and services, broken down in the table below:

(thousands of euros)	**Jan 1 - June 30 2004**	**%**	**Jan 1 - June 30 2003**	**%**
SERVICES TO NETWORK OPERATORS	6.835	76,7%	6.149	70,5%
CORPORATE SERVICES	199	2,2%	177	2,0%
SOFTWARE DEVELOPMENT	-	0,0%	256	2,9%
DESIGN OF ICT EQUIPMENT	1.115	12,5%	1.678	19,2%
DESIGN AND OPER. OF SECURITY SYSTEM	761	8,5%	457	5,2%
OTHER	1	0,0%	5	0,1%
	8.911	**100%**	**8.723**	**100%**

Value added services (VAS) provided to network operators generated revenues of 6,835 thousand euros, up 11.2% compared with the same period in 2003. This continues to represent the Group's principal revenue source, contributing more than 76% of the total.
Almost all revenues in this segment derive from our long-term relationship with *Telecom Italia Mobile*, which generated revenues of 5,398 thousand euros during the first half of 2004, confirming the results posted for the first half of the previous year.

Notably, the contract between *TIM* and *Acotel S.p.A.* was renewed in April, a full year before the deadline, and extended up to December 31, 2008.
The new agreement is the same as the previous one in that it provides for the recognition of fees in favor of Acotel calculated in accordance with the revenue sharing method. In the five years the contract will be in effect, should at least the same volumes of traffic as those generated in 2003 be reached, the contract will generate total related revenues of at least 55 million euros.
On the basis of this renewed collaboration, during the first half of 2004, 38 new services were developed and made available to *TIM* customers. On average, these new services are enjoying considerable success with the public. For example, the following services have reported monthly growth rates topping 30%: *Tarocchi*, available via both *SMS* and *MMS*, *Top News* and *True tones*.

As regards relations with *TIM,* mention should also be made of the start of operations of a multiplayer platform for *java* games, the new voice portal and the agreement reached with the publishing house, Zanichelli.
The new platform, which allows players to challenge one another at a distance and in real time, was wholly developed by Acotel and could prove to be a critical factor in gaining an important position in the mobile game sector, perhaps the most profitable area of the mobile entertainment market.
April saw the launch of the new voice portal which, in addition to improved graphics, allows for the use of various new services, including spiritual ones. Once again, its success with customers is shown by the considerable increase in the number of minutes that customers use the services.
In collaboration with Zanichelli and via the use of java technology, the Company is now offering an entirely new, first-time ever service called "Babel's dictionary". This new product allows users to look up words in a complete, multi-lingual dictionary via their cell phone.

Value added services to network operators also include revenues earned by *Info2cell, Jinny Software, Acotel Group (Northern Europe)* and *Acotel do Brazil*.
Info2cell earned revenues through the supply of information and entertainment services to mobile telephone operators in United Arab Emirates, Jordan, Oman, Qatar, Kuwait, Bahrain and other Middle-eastern countries.
Revenues earned by *Jinny Software*, and since its incorporation, *Acotel Group (Northern Europe)*, regard services provided to mobile operators in Ireland, Sweden, Hungary, Holland, Croatia, Denmark, Austria, Belgium and Poland.

Finally, Acotel do Brasil earned its revenues through the supply of services to the Brazilian operator, *TIM Celular*.

Services to network operators also include revenues (amounting to 64 thousand euros) generated by agreements signed with media companies, including television and radio broadcasters, newspapers, etc..
In this regard, an agreement was signed with *Universal Studios Network Italia*, one of the SKY Platform's movie channels (Universal Studios).
The purpose of the agreement is to produce and sell monophonic and polyphonic ringtones based on the soundtracks of western movies that Universal Studios has aired as part of an initiative devoted to the type of television genre described above. The ringtones are advertised by means of promotional material produced directly by Universal Studios.
In March an agreement was signed with the record company, *BMG,* for the sale of ringtones linked to the compilation entitled "Solo Hits". The ringtones were based on the songs on the CD and were advertised via a leaflet placed inside the CD container. Given the success of this initiative, the same operation was carried out when the second compilation entitled "Solo Hits Spring" came out.
May saw the start of a service, offered on an experimental basis, for the television channel, MTV, and linked to the program entitled "Mobile Chart", a television format based solely on the classification of the ringtones most downloaded by television viewers. Given the success enjoyed by the early episodes, June saw the signing of a commercial agreement with *MTV* involving, amongst other things, the launch of new services linked to other televisions programs.
Among the services already launched, the most successful in terms of traffic (around 15,000 text messages in an hour of broadcasting) was *Match Maker.* This service allows a television viewer to confirm, via a text message, his or her affinity with another person. It is especially attractive as it gives the user the chance to take part in the television show and see the results of his or her request not only via a text message but also directly on the television screen.
Within the framework of relations with *MTV,* considerable attention was also given to integrating the TV viewer and mobile user communities. The television program *Playground,* during which users were able to send text messages that were immediately shown on the screen or start up a dialogue via text messaging, provided a place where web community users could meet with mobile community users.

Revenues from the provision of corporate services, consisting of value added information services supplied to companies that request mobile telephony services to use as a further means of accessing and extending their commercial services, totaled 199 thousand euros, compared with the 177 thousand euros reported during the same period in 2003.

In contrast to the first half of the previous year, during the first six months of 2004, the Group did not report any revenues from the development of software applications. This was due to the agreed termination of the contract with *Voinoi S.p.A.*.
During the first half of 2004, ACEA S.p.A. and Acotel Group S.p.A. signed a new agreement replacing all past agreements between the two companies or between any of their respective subsidiaries. This contract goes beyond the partnership for which Voinoi was set up and states that the Acotel Group will provide support to ACEA for the start-up of the platform already supplied and software applications, both developed and to be developed. The contract also specifies that the Acotel Group is responsible for both the ordinary and extraordinary maintenance of hardware components and software applications, and for training ACEA personnel so that ACEA can autonomously manage the platform.
On the basis of the above activities, during the four years in which the contract will be in effect (2004 – 2007), fees to be paid by ACEA to the Acotel Group will total no less than 2.1 million euros.

Revenues from the design and implementation of ICT equipment, totaling 1,115 thousand euros, relate entirely to the Irish subsidiary, *Jinny Software*. This segment's customers are mobile operators and companies that opt to develop value added multimedia services autonomously and then provide them directly to their own customers. The Group supplies them with high-tech ICT equipment and is able to offer multiple personalized versions based on the requirements of the client company.
Revenues from the design of ICT equipment were mainly earned in Ireland, Yemen, Finland, Sudan, Italy and Uganda.
As regards *Jinny Software's* operations, it should be noted that in order to respond more effectively and efficiently to the apparent recovery in the network equipment market, during the first half of 2004, activities regarding the supply of infrastructure were separated from those regarding the supply of services and content for cell phones, with the latter being spun off to the newly incorporated company, *Acotel Group (Northern Europe) Ltd,* which has been assigned the task of serving the Group's northern European markets.
Consequently, *Jinny Software* now focuses wholly on the design, construction and marketing of ICT platforms such as the *Short Message Service Center (SMS-C)*, the *Value Added Service Platform (VAS)*, the *Multimedia Message Service Center (MMS-C)*, the *Jinny Application Router (JAR)* and the *Total Messaging Solution (VAS2GO)*.
During the first six months of this year, *Jinny Software* stipulated an unprecedented number of contracts in new countries, thereby penetrating new markets and selling *SMS-C* in Bangladesh, Turkmenistan, Iran, Liberia and Uganda. Moreover, orders were acquired from established customers in Ireland (*Vodafone*), the Middle East and Africa.
This increase in orders was also partly due to the decision to develop commercial partnerships with some of the world's leading suppliers of mobile network infrastructure.

Revenues from the design and production of electronic security equipment relate mainly to the activities of design, construction and installation of peripheral security stations and of the supply, installation and maintenance of hardware and software for remote surveillance. This activity, carried out via the subsidiary, *AEM S.p.A.*, primarily covers technical assistance and maintenance for remote surveillance systems installed at police headquarters, and, as of the second half of 2003, at some of the Bank of Italy's provincial offices.
During the period, *AEM* renewed its contract with *Telecom Italia* for the maintenance of remote-controlled CS9000 alarm systems installed at Italian police headquarters. Given that AEM was also made responsible for the maintenance of 60 remote-controlled UGM2020 systems developed with *Bosch* technology, the company obtained a contract for the maintenance of 159 systems, thereby becoming *Telecom Italia's* main supplier for this type of service.
During the period, *AEM* was also involved in the ordinary and extraordinary maintenance and upgrading of the remote-controlled Sintesi 90 alarm systems installed at the Bank of Italy's offices. These additional activities, not included in the fixed maintenance fee set forth in the related contract, have allowed the Group to noticeably increase revenues earned in this business segment.

The geographical distribution of revenues from sales and services is as follows:

(thousands of euros)	**Jan 1 - June 30 2004**	**%**	**Jan 1 -June 30 2003**	**%**
ITALY	6,410	71.9%	6,336	72.6%
OTHER EUROPEAN COUNTRIES	851	9.5%	618	7.1%
MIDDLE EAST	1,252	14.1%	949	10.9%
AFRICA	214	2.4%	820	9.4%
LATIN AMERICA	138	1.5%	-	0.0%
OTHER	46	0.6%	-	0.0%
	8,911	**100%**	**8,723**	**100%**

The increase in the proportion of revenues from overseas customers confirms the Group's constant commitment to internationalize revenue sources, and is essentially due to the recovery in turnover posted by *Acotel do Brasil* and to the increased in revenues earned by *Info2cell* and *Jinny Software* from Middle-eastern and European customers.

Total revenues include 27 thousand euros regarding changes in work in progress, semi-finished goods and finished goods and 1,476 thousand euros regarding other revenues and income. The latter includes 1,231 thousand euros relating to the final settlement on the part of the subsidiary *Jinny Software* of the portion of revenues connected to the supply contract signed with *Voinoi* and, as explained above, rescinded by mutual consent during the first half of 2004. It also includes 207 thousand euros from the recovery of part of the amount posted to provisions for doubtful accounts in the 2003 financial statements.

Operating costs totaled 9,182 thousand euros, compared with 9,277 thousand euros in the first half of 2003.
The item "Raw and ancillary materials and consumables" totaled 145 thousand euros and refers primarily to the procurement of materials for the construction of telecommunications equipment.
Service costs for the period amounted to 3,892 thousand euros, compared with 3,714 thousand euros in the corresponding period in 2003.
The most significant increase in this item regarded the costs of services purchased from external content providers, which totaled 1,049 thousand euros, or 27% of total acquired services.
The second most important component of the increase in service costs is represented by consultants' fees. These regard management, tax, legal and commercial consultancy and technical assistance (totaling 717 thousand euros) provided to Group companies to support their activities, to provide technical and technological updates of operating and development systems for services and equipment, and to manage the outsourcing of certain administrative activities.
Other service costs include travel expenses (304 thousand euros), fees paid to Directors and Statutory Auditors (287 thousand euros), and telephone expenses (226 thousand euros).
The remaining amount relates to other, general costs (utilities, connection fees, the cost of managing and maintaining buildings in which Group companies operate, insurance costs, etc.) connected to ordinary operations.

Labor costs rose from 3,576 thousand euros during the first six months of 2003 to 4,357 thousand euros during the first six months of 2004, due essentially to the inclusion of 9 employees of Ac*otel USA* and 4 employees of *Acotel France*. The average unit cost rose from 22.1 thousand euros in the first half of 2003 to 23.6 thousand euros in the first half of 2004, essentially due to the recruitment of managers able to aid in the start-up of commercial activities in countries where the Group is newly present.

Amortization of intangible assets mainly relates to goodwill arising from consolidation of equity investments in the subsidiaries *AEM, Jinny Software, Millenium Software, Info2cell* and *EITCO*. Information regarding the value of goodwill arising from consolidation and the related amortization are provided in the notes to the respective items.

Depreciation of tangible assets relates to telecommunications equipment and the infrastructure needed to carry out the Group's activities.

Treasury management reported a profit of 262 thousand euros, up from the 158 thousand euros reported in the corresponding period in 2003. This was due also to the dollar-euro exchange rate, which generated a net profit on foreign exchange transactions of 65 thousand euros, compared with a net loss of around 160 thousand euros during the same period in 2003.
This item also includes 256 thousand euros in interest income earned on the short-term investment of liquidity in bonds or repurchase agreements, or accruing on current account deposits held by Group companies. This figure is stated net of interest expense and bank charges, totaling 59 thousand euros.

FINANCIAL POSITION
RECLASSIFIED CONSOLIDATED BALANCE SHEET

(thousands of euros)	June 30, 2004	December 31, 2003	change	% change
ASSETS				
Fixed assets	**14,933**	**16,105**	**(1,172)**	**-7.28%**
Intangible assets	13,231	14,081	(850)	-6.04%
Tangible assets	1,181	1,438	(257)	-17.87%
Investments	521	586	(65)	-
Current assets	**44,568**	**45,938**	**(1,370)**	**(2.98%)**
Inventories	96	83	13	15.66%
Accounts receivable	10,305	11,799	(1,494)	(12.66%)
Marketable securities	29,712	16,466	13,246	80.44%
Cash and cash equivalents	4,455	17,590	(13,135)	(74.67%)
Accrued income and prepaid expenses	**312**	**268**	**44**	**16.42%**
Total assets	**59,813**	**62,311**	**(2,498)**	**(4.01%)**
LIABILITIES				
Shareholders' equity	**53,855**	**54,037**	**(182)**	**(0.34%)**
Group shareholders' equity	**53,825**	**54,007**	**(182)**	**(0.34%)**
Share capital	1,084	1,084	-	0.00%
Share premium reserve	55,106	55,106	-	0.00%
Legal reserve	213	213	-	0.00%
Reserve for treasury stock in portfolio	498	498	-	0.00%
Other reserves	667	612	55	8.99%
Retained earnings (accumulated losses)	(3,506)	1,480	*(4,986)*	(336.89%)
Group net income (loss) for the period	(237) (*)	(4,986)	4,749	-95.25%
Minority interest	**30**	**30**		**0.00%**
Allowances for risks and charges	**28**	**99**	**(71)**	**-**
Employee severance indemnities	**681**	**623**	**58**	**9.31%**
Accounts payable	**5,002**	**6,058**	**(1,056)**	**-17.43%**
bonds				
- payable within 12 months	*162*	-	162	-
- payable beyond 12 months	-	*158*	(158)	-100.00%
debt				
- payable within 12 months	*48*	*47*	*1*	*2.13%*
- payable beyond 12 months	*104*	*104*	-	*0.00%*
other lenders				
- payable within 12 months	*27*	*27*	-	*0.00%*
- payable beyond 12 months	*249*	*249*	-	*0.00%*
advances	108	111	(3)	-2.70%
trade payables	2,421	2,993	(572)	-19.11%
taxes due	410	1,341	(931)	(69.43%)
due to social security agencies	294	314	(20)	-6.37%
other	1,179	714	465	65.13%
Accrued expenses and deferred income	**247**	**1,494**	**(1,247)**	**(83.47%)**
Total liabilities	**59,813**	**62,311**	**(2,498)**	**(4.01%)**

(*) As of June 30, 2004, the Company exercised the option to report pre-tax data

The changes in financial position compared with December 31, 2003 are essentially due to the investment of liquidity in short-term transactions, mutual investment funds, insurance products and corporate bonds.

Fixed assets, amounting to 14,933 thousand euros, registered a net decrease of 1,172 thousand euros.
The most significant movement regards intangible assets, which decreased due to amortization of goodwill arising from consolidation. Further details of movements in fixed assets are provided in the relevant annexes.

Changes in current assets are due to investments in mutual investment funds managed by the Banca di Roma Group, totaling 12,000 thousand euros, and to increased investments in insurance products and in Monte dei Paschi di Siena corporate bonds.

As regards changes in liabilities, the most significant movement regards the decrease in deferred income following the receipt of the revenues earned by *Jinny Software* from *Voinoi*, as explained above.

ANALYSIS OF NET DEBT

(thousands of euros)

	June 30, 2004	December 31, 2003
Short-term investments	29,712	16,466
Cash and cash equivalents	4,455	17,590
Short-term bank debt and current portions of long-term bank debt	(237)	(74)
Net cash and cash equivalents (A)	**33,930**	**33,982**
Bonds issued falling due beyond 12 months	-	(158)
Medium-to long-term debt	(353)	(353)
Medium- to long-term indebtedness (B)	**(353)**	**(511)**
Net liquidity (A)+(B)	**33,577**	**33,471**

Net liquidity amounts to 33,577 thousand euros, up 106 thousand euros on December 31, 2003.

(thousands of euros)	**Jan 1 - June 30 2004**	**Jan 1 - Dec 31 2003**	**Jan 1 - June 30 2003**
A. NET CASH AT THE BEGINNING OF THE PERIOD	**33,982**	**36,273**	**36,273**
B. CASH FLOWS FROM (FOR) OPERATING ACTIVITIES	**619**	**2,435**	**894**
Cash flows from operating activities before changes in working capital	**1,490**	**951**	**(243)**
Net income for the period (pre-tax)*	(237)	(4,986)	(1,924)
Amortization, depreciation and write-downs	1,657	5,623	1,569
Write-downs of long-term financial assets	83	-	-
Net change in employee severance indemnities	58	215	75
Net change in allowances for risks and charges	(71)	99	37
(Increase) / decrease in accounts receivable	1,494	467	294
(Increase) / decrease in inventories	(13)	(29)	(47)
Increase / (decrease) in accounts payable	(2,308)	770	720
Changes in other items of working capital	(44)	276	170
C. CASH FLOWS FROM (FOR) INVESTING ACTIVITIES	**(568)**	**(3,047)**	**(2,772)**
(Investments)/disposals of fixed assets			
- Intangibles	317	(209)	(82)
- Tangibles	(815)	(222)	(93)
- Financial	(70)	(586)	(567)
- Net effect on fixed assets of consolidation of Info2cell	-	(2,030)	(2,030)
D. CASH FLOWS FROM (FOR) FINANCING ACTIVITIES	**(103)**	**(1,679)**	**(1,538)**
Increase/ (decrease) in medium- to long-term debt	(158)	66	151
Dividends distributed	-	(1,668)	(1,668)
Other changes in shareholders' equity	55	1	56
Change in minority interest	-	(78)	(77)
E. CASH FLOW FOR THE PERIOD (B+C+D)	**(52)**	**(2,291)**	**(3,416)**
F. NET CASH AT THE END OF THE PERIOD (A+E)	**33,930**	**33,982**	**32,857**

(*) As of June 30, 2004 and June 30, 2003 the Company exercised the option to report pre-tax data

RELATED PARTY TRANSACTIONS

Relations with associated companies

As of June 30, 2004, the Group does not hold equity investments in associated companies.

Shareholdings of Directors and Statutory Auditors

The following table shows a breakdown of Directors' holdings in the Group:

NAME	GROUP COMPANY	NO. OF SHARES HELD AT 1-1-2004	NO. OF SHARES PURCHASED	NO. OF SHARES SOLD	NO. OF SHARES HELD AT 06-30-2004
Claudio Carnevale (a)	Acotel Group S.p.A.	691,730	-	-	691,730
Andrea Morante	Acotel Group S.p.A.	99,827	-	-	99,827
Claudio Carnevale	Acotel S.p.A.	20,000	-	-	20,000
Claudio Carnevale	AEM S.p.A.	16,500	-	-	16,500

(a) Ownership is exercised via Clama S.A. of which Claudio Carnevale owns 99.9% of the share capital

Claudio Carnevale and Margherita Argenziano each hold 25% of the share capital of *Clama S.r.l.,* which, in turn, holds 1,800,000 shares in *Acotel Group S.p.A.*

No shareholdings are owned by Statutory Auditors.

Remuneration of shareholders for membership in corporate bodies

Claudio Carnevale earned the following fees during the first half of 2004:
- 110 thousand euros as Chairman of the Board of Directors of *Acotel Group S.p.A.*;
- 28 thousand euros as Chairman of the Board of Directors of *Acotel S.p.A.*;
- 25 thousand euros as Chairman of the Board of Directors of *AEM S.p.A.*

Margherita Argenziano earned the following fees during the first half of 2004:
- 5 thousand euros as a member of the Board of Directors of *Acotel Group S.p.A.*;
- 28 thousand euros as the CEO of *Acotel S.p.A.*;
- 25 thousand euros as the CEO of *AEM S.p.A.*

Andrea Morante earned 5,000 euros during the first half of 2004 as a member of the Board of Directors of Acotel Group S.p.A.

OTHER INFORMATION

As of June 30, 2004 *Acotel Group S.p.A.* owns 28,320 of its own shares purchased in accordance with the mandate granted by the General Meeting of April 24, 2002. The shares, which are recorded at a value of 498 thousand euros, equal to an average unit cost of 17.58 euros, have a nominal value of 7,363.20 euros and represent 0.68% of the share capital. An appropriate equity reserve of the same value has also been posted.

Other Group companies do not own shares in *Acotel Group S.p.A.*, either directly or through a trust company or proxy, nor did they buy or sell such shares during the period.

ADOPTION OF INTERNATIONAL ACCOUNTING STANDARDS

As more fully explained in the Report on Operations forming part of the Annual Report 2003, to which reference should be made for more information, the Group has completed the diagnostic phase aimed at identifying the main differences between the accounting standards adopted by the Group and international ones (I.A.S., now I.F.R.S. – *International Financial Reporting Standards*).

CONSOLIDATED ACCOUNTS

CONSOLIDATED BALANCE SHEET

ASSETS

(thousands of euros)	June 30, 2004	December 31, 2003	June 30, 2003
Unpaid, called up share capital due from shareholders	-	-	-
Fixed assets:			
Intangible assets:			
- incorporation and expansion costs	59	68	33
- research, development and advertising costs	180	209	47
- industrial patents and intellectual property rights	200	143	1.461
- concessions, licenses, trademarks and similar rights	937	922	47
- goodwill arising from consolidation	11.814	12.690	13.445
- intangibles in process and advances	-	-	5
- other	41	49	58
Total	***13.231***	***14.081***	***15.096***
Tangible assets:			
- plant and machinery	572	820	1.630
- industrial and commercial equipment	399	400	297
- other	210	217	169
Total	***1.181***	***1.438***	***2.096***
Long-term financial assets:			
- accounts receivable:			
from others:			
due beyond 12 months	*23*	*88*	*70*
-treasury stock:	498	498	497
Total	***521***	***586***	***567***
Total fixed assets	**14.933**	**16.105**	**17.759**
Current assets:			
Inventories:			
- raw and ancillary materials and consumables	44	43	61
- work in progress and semi-finished goods	20	35	40
- finished goods and goods for resale	32	5	-
Total	***96***	***83***	***101***
Accounts receivable:			
- trade:			
receivable within 12 months	6.672	7.041	9.397
- other:			
receivable within 12 months	3.590	4.711	4.598
receivable beyond 12 months	43	47	102
Total	***10.305***	***11.799***	***14.097***
Marketable securities:			
- other securities	29.712	16.466	28.191
Total	***29.712***	***16.466***	***28.191***
Cash at bank and on hand:			
- bank and post office deposits	4.375	17.538	4.924
- cash and notes on hand	80	52	15
Total	***4.455***	***17.590***	***4.939***
Total current assets	**44.568**	**45.938**	**47.328**
Accrued income and prepaid expenses			
- other	312	268	250
TOTAL ASSETS	**59.813**	**62.311**	**65.337**

CONSOLIDATED BALANCE SHEET

LIABILITIES AND SHAREHOLDERS' EQUITY

(thousands of euros)	June 30, 2004	December 31, 2003	June 30, 2003
Shareholders' equity:			
Share capital	1,084	1,084	1,084
Share premium reserve	55,106	55,106	55,106
Legal reserve	213	213	213
Reserve for treasury stock in portfolio	498	498	497
Other reserves:			
- *Consolidation reserve*	909	909	909
- *Reserve for exchange rate differences*	(242)	(297)	(242)
Retained earnings (accumulated losses)	(3,506)	1,480	1,481
Net income (loss) for the period	(237) (*)	(4,986)	(1,924) (*)
Total	**53,825**	**54,007**	**57,124**
Minority interest:			
Minority interest in shareholders' equity	30	33	33
Minority interest in net income (loss) for the period	-	(3)	(2)
Total	**30**	**30**	**31**
Total shareholders' equity	**53,855**	**54,037**	**57,155**
Allowances for risks and charges:			
other	28	99	37
Total	**28**	**99**	**37**
Employee severance indemnities	**681**	**623**	**483**
Accounts payable:			
- bonds			
payable within 12 months	162	-	-
payable beyond 12 months	-	158	184
- banks:			
payable within 12 months	48	47	244
payable beyond 12 months	104	104	137
- other lenders			
payable within 12 months	*27*	27	*29*
payable beyond 12 months	249	249	275
- advances			
payable within 12 months	108	111	123
- trade:			
payable within 12 months	2,421	2,993	3,654
- taxes:			
payable within 12 months	410	1,341	277
- social security agencies:			
payable within 12 months	294	314	286
- other:			
payable within 12 months	1,179	687	1,083
payable beyond 12 months	-	27	-
Total	**5,002**	**6,058**	**6,292**
Accrued expenses and deferred income			
- other	247	1,494	1,370
TOTAL LIABILITIES AND SHAREHOLDERS' EQUI'	**59,813**	**62,311**	**65,337**

(*) As of June 30, 2004 and June 30, 2003 the Company exercised the option to report pre-tax data

MEMORANDUM ACCOUNTS

	June 30, 2004	Dec 31, 2003	June 30, 2003
General guarantees granted			
General guarantees in favor of others	246	247	156
Commitments			
Lease rentals	-	-	51
Other memorandum accounts:			
Third-party assets held by the Company	6,200	6,200	6,200
Total	**6,446**	**6,447**	**6,407**

(thousands of euros)	Jan 1 - June 30 2004	Jan 1 - Dec 31 2003	Jan 1 -June 30 2003
Total revenues:			
- revenues from the sale of goods and services	8.911	18.007	8.723
-change in work in progress, semi-finished goods and finished goods	27	1	289
- capitalized costs and expenses	-	-	-
- other revenues and income	1.476	14	3
Total	**10.414**	**18.022**	**9.015**
Operating costs:			
- raw and ancillary materials and consumables	145	612	285
- service costs	3.892	7.365	3.714
- lease expense	690	1.391	637
- labor costs:	4.357	7.086	3.576
wages and salaries	*3.221*	*5.264*	*2.767*
social security contributions	*682*	*1.168*	*541*
employee severance indemnities	*189*	*326*	*110*
other	*265*	*328*	*158*
- amortization, depreciation and write-downs:	1.730	5.623	1.569
amortization of intangible fixed assets	*1.072*	*2.198*	*1.056*
depreciation of tangible fixed assets	*533*	*1.289*	*502*
other write-downs of fixed assets	*73*	-	-
provisions for doubtful accounts	*52*	*2.136*	*11*
- change in raw and ancillary materials, consumables and goods for resale	14	(17)	243
- other expenses	84	886	822
Total	**10.912**	**22.946**	**10.846**
Operating income	**(498)**	**(4.924)**	**(1.831)**
Financial income and expense:			
- other financial income:			
from long-term accounts receivable:			
from others	-	-	*6*
from marketable securities	181	304	217
other:			
from others	159	411	116
- expense			
to others	(78)	(469)	(235)
Financial income (expense), net	**262**	**246**	**104**
Adjustments to financial assets:			
- write-downs of equity investments	(10)	-	-
Adjustments to financial assets	**(10)**	**-**	**-**
Extraordinary income and expense:			
- income	53	208	150
- expense	(44)	(1.056)	(349)
Extraordinary income (expense), net	**9**	**(848)**	**(199)**
Income (loss) before taxes	**(237)**	**(5.526)**	**(1.926)**
- income taxes	-	537	-
Net income (loss) before minority interest	**(237)**	**(4.989)**	**(1.926)**
Minority interest	-	(3)	(2)
Group net income (loss)	**(237)** (*)	**(4.986)** (*)	**(1.924)** (*)

The net result reported as of December 31, 2003 is shown after taxes, whilst in the case of the half-year data the Company has exercised the option to report pre-tax data

NOTES TO THE CONSOLIDATED ACCOUNTS

The consolidated accounts as of June 30, 2004 have been prepared on the basis of the accounting policies established by the Italian Regulatory Commission for Companies and the Stock Market (CONSOB) in resolution no. 11971 of May 14, 1999, and in accordance with the "Regulations of the New Market Organized and Managed by Borsa Italiana S.p.A.".

The Company has adopted the faculty granted by the above resolution of the CONSOB, reporting net income before taxes.

The accounts as of June 30, 2004 used as the basis for the consolidated financial statements were prepared on the basis of the accounting records at such date, integrated by the adjustments necessary to comply with the accruals principle.

The consolidated six-monthly accounts include the accounts of *Acotel Group S.p.A.* and those of the Italian and foreign registered companies over which *Acotel Group S.p.A.* exercises direct or indirect control via control of a majority of the voting rights or of sufficient voting rights to have significant influence at ordinary general meetings.

The following companies have been consolidated as of June 30, 2004:

Company	Date of acquisition	Group's ownership (%)	Registered office	Share capital	
Acotel S.p.A.	April 28, 2000	99.9% (4)	Rome	EURO	13,000,000
AEM Advanced Electronic Microsystems S.p.A.	April 28, 2000	99.9%	Rome	EURO	858,000
Acomedia S.r.l.	April 28, 2000	100%	Rome	EURO	15,600
Acotel Participations S.A..	April 28, 2000	100%	Luxembourg	EURO	1,200,000
Acotel Chile S.A.	April 28, 2000	100% (5)	Santiago, Chile	USD	17,310
Acotel Espana S.L.	April 28, 2000	100% (5)	Madrid	EURO	3,000
Acotel Greece S.A.	April 28, 2000	100% (5)	Athens	EURO	60,000
Acotel Do Brasil LTDA	August 8, 2000 (1)	100% (5)	Rio de Janeiro	BRL	1,127,500
Acotel France S.A.S.	October 22, 2002 (1)	100% (5)	Paris	EURO	40,000
Jinny Software Ltd.	April 9, 2001	100% (5)	Dublin	EURO	2,972
Millennium Software SAL	April 9, 2001	99.9% (7)	Beirut	LPD	30,000,000
Info2cell.com LLC-FZ	January 29, 2003 (3)	100% (5)	Dubai	Dh	18,350,000
Emirates for Information Technology Co.	January 29, 2003	100% (8)	Amman	JD	710,000
E-Seed Telecommunications S.p.A.	July 10, 2002 (2)	100%	Rome	EURO	400,000
Millenium Luxembourg S.A.	April 28, 2000	100% (5)	Luxembourg	EURO	38,850
Millenium Communications S.A.	April 28, 2000	100% (6)	Luxembourg	EURO	199,800
Publimedia S.A.	April 28, 2000	100%	Luxembourg	EURO	38,850
Acotel USA Inc.	June 28, 2003 (1)	100% (5)	Wilmington	USD	100,000
Acotel Group (Northern Europe) Ltd	May 27, 2004 (1)	100%	Dublin	EURO	100,000

(1) The date of the company's entry into the Group coincides with its incorporation.
(2) Prior to such date the Group already held 50% of the company's share capital under equity investments in associated companies.
(3) Prior to such date the Group already held 33% of the company's share capital under equity investments in associated companies.
(4) AEM owns 1.92% of the share capital.
(5) Controlled via Acotel Participations S.A.
(6) Controlled via Millenium Luxembourg S.A.
(7) Controlled via Jinny Software Ltd.
(8) Controlled via Info2cell.com LLC-FZ.

It should be noted that:

- on January 27, 2004 the subsidiary *Acotel do Brasil LTDA* increased its share capital by 1,077,500 Brazilian reals, thereby raising its fully paid-up share capital to 1,127,500 reals;
- the scope of consolidation was changed due to the incorporation of the subsidiary, *Acotel Group (Northern Europe) Ltd,* by *Acotel Group S.p.A.* on May 27, 2004.

CONSOLIDATION PRINCIPLES

The assets and liabilities of consolidated companies are recorded on a line-by-line basis, eliminating the book value of the shareholdings consolidated in relation to the shareholders' equity of subsidiaries.

The difference between the cost of acquisition and the fair value of the shareholders' equity of subsidiaries on the date of acquisition is recorded as "Goodwill arising from consolidation" under intangible assets and amortized, or under shareholders' equity at "Consolidation reserve", if the cost of acquisition is lower than the value of the adjusted value of shareholders' equity.

The Consolidated Balance Sheet and Income Statement also reflect the elimination of all inter-company payables, receivables, costs and revenues, in addition to the elimination of inter-company profits.

The minority interest in shareholders' equity and in net income for the period is shown under the specific items in the Consolidated Balance Sheet and Income Statement.

ACCOUNTING POLICIES

Intangible assets

These are stated at purchase price or production cost, including incidental expenses. They are systematically amortized over their estimated useful lives. In the event of a permanent impairment in value, the asset is written down accordingly.

The incorporation and expansion costs of the companies and the related subsequent expenses, concessions, licenses and trademarks and similar rights are amortized on a straight-line basis over five years.

Research and development costs are capitalized, if identifiable and measurable, after assessing their recoverability as a result of the economic benefits expected from the projects to which they refer, and which are expected to be completed. These costs are amortized in five years.

Industrial patents and intellectual property rights, related to software acquired or developed by the Company, are capitalized after assessing their recoverability as a result of the economic benefits expected from the projects to which they refer, and which are expected to be completed. These costs are amortized over three years, in view of the rapid technological deterioration to which they may be subject.

Leasehold improvements are amortized on the basis of the duration of the related rental contracts.

Goodwill arising from consolidation is amortized on a straight-line basis over a period of 10 years, taking into account future cash flows deriving from the investment to which the item refers. In the case of a permanent impairment in value, the asset is written down accordingly.

Tangible assets

These are stated at purchase price or production cost, including directly attributable incidental expenses.

They are systematically depreciated on a straight-line basis at a rate reflecting the estimated useful life of the relevant asset. Depreciation starts when the asset comes into operation and is reduced to 50% for the first year.

Ordinary maintenance and repair costs are expensed as incurred.

No monetary or economic revaluations or capitalization of interest expense was carried out.

The rates of depreciation applied for the different categories of assets are as follows:

ICT platform	50%
Specific plant	10-20%
Other plant and machinery	15-20%
Computers	20%
Other equipment	15-25%
Vehicles	25%
Furniture, fixtures and fittings	12%

In the event of a permanent impairment in value, the asset is written down accordingly, regardless of the depreciation already charged. If, in subsequent periods, the reasons for the write down are no longer valid, the original value is reinstated, adjusted solely to take account of depreciation.

Long-term investments

Equity investments in associated companies are valued in accordance with the equity method.
Equity investments in other companies are valued at cost, and may be reduced in order to reflect a permanent impairment in value.

Inventories

Inventories of finished and semi-finished goods, raw materials and goods for resale are stated on the basis of the LIFO method and valued at the lower of their purchase or production cost and their estimated realizable value, based on market prices.

Accounts receivable

Accounts receivable are entered at nominal value, reduced by provisions for doubtful accounts in order to reflect their estimated realizable value.

Marketable securities

Such assets are stated at the lower of purchase cost and market value.

Cash at bank and on hand

Such items are stated at nominal value at the end of the period.

Accruals and deferrals

Accruals and deferrals include the portion of revenues and expenses covering two or more periods, allocated on an accruals basis.

Employee severance indemnities

Severance indemnities are stated in accordance with the provisions of the national collective labor contract for the category, with supplementary company agreements and in compliance with the regulations in force. It corresponds to the effective commitment to each employee at June 30, 2003, net of any advances paid.

Accounts payable

These are stated at nominal value.

Accounts receivable and payable expressed in foreign currency

Receivables and payables expressed in foreign currency are translated at historical exchange rates. They are adjusted on the basis of closing exchange rates as of the date of the financial statements. The exchange rate differences resulting from the conversion are charged to the Income Statement.

Revenues

These are recognized in accordance with the prudence and matching principles.

Revenue relating to the services rendered to Network Operators and Corporate Customers is recognized on the basis of the services effectively performed during the period.
Revenue relating to the sale of software licenses is recognized at the moment the transfer of title takes place.
Revenue relating to the design, production and installation of electronic equipment is recognized at the moment the service is supplied or at the time of delivery, subject to acceptance by the customer.

Memorandum accounts

These are stated at nominal value, including the existing commitments and risks at the end of the period.

NOTES TO THE BALANCE SHEET

ASSETS

FIXED ASSETS

Intangible assets

Net intangible assets as of June 30, 2004 amount to 13,231 thousand euros.

The item “Incorporation and expansion costs” totals 59 thousand euros and includes costs related to amendments to Group companies’ articles of association.

The costs of research and development total 180 thousand euros and include both the costs incurred in past years by *AEM* for two different research projects (for which the Group has received subsidized loans, duly posted to liabilities) as well as costs relating to technical and IT development incurred in past years by the subsidiary, *Info2cell*.

Industrial patent and intellectual property rights, totaling 200 thousand euros, consist of the specific software purchased from third parties and used by the Group in the provision of computerized services and for the internal information system utilized by Group companies. The increase compared with December 31, 2003 is essentially due to the acquisition of software to upgrade the capacity of the ICT platform owned by *Acotel Group S.p.A*.

The item “Concessions, licenses, trademarks and similar rights”, totaling 937 thousand euros, includes the costs of the software used by the subsidiary, *Info2cell,* for the supply of value added services.

The item “Goodwill arising from consolidation” comprises the difference arising between prices paid for the purchase of equity investments and the corresponding value of the subsidiaries’ shareholders’ equity on the date of acquisition. This item breaks down as follows:

(in thousands of euros)

Company	Price	Shareholders' equity	Goodwill arising from consolidation	Amortization as of June 30, 2004	Book value as of June 30, 2004
AEM	1,549	1,086	463	(192)	271
Jinny Software	12,324	(1,109)	13,433	(4,366)	9,067
Millenium Software	115	72	44	(16)	28
Info2Cell	6,150	2,784	3,366	(1,018)	2,348
Eitco	792	570	222	(122)	100
Total	**20,930**	**3,403**	**17,528**	**(5,714)**	**11,814**

The item “Other” essentially includes leasehold improvements, consisting of the costs incurred during recent years in order to renovate the building located in Rome, which is rented from third parties and used as the registered offices and operational headquarters of the Group’s Italian companies. The relevant lease expires in 2006.

Movements in intangible assets during the period ended June 30, 2004 are shown in an annex.

Tangible assets

Net tangible assets as of June 30, 2004 amounted to 1,181 thousand euros, representing a net decrease of 257 thousand euros compared with December 31, 2003 due mainly to depreciation during the period.

Plant and machinery mainly consists of data transmission platforms installed in Rome, Dubai, Dublin, Rio De Janeiro and Boston, used by the Group to provide value added services and equipment for the production of security equipment.

Industrial and commercial equipment includes the computers used by the Group for development and maintenance of hardware and software products, for use by the Company or for sale to third parties, relating to the development and management of value added services and internal operating activities.

The item “Other” primarily regards furniture, fixtures and fittings and company vehicles.

Movements in tangible assets during the period between January 1 and June 30, 2004 are shown in an annex.

Long-term financial assets

As of June 30, 2004 the Group does not hold equity investments in associated companies.

As of June 30, 2004 the Group reports treasury stock amounting to 498 thousand euros. Such shares, which were purchased by *Acotel Group S.p.A.*, have a nominal value of 7,363.20 euros and represent 0.68% of the share capital. An appropriate equity reserve of the same value has also been posted.
The treasury stock consists of 28,320 ordinary shares of *Acotel Group S.p.A.* purchased on the stock market. The shares have been bought with a view to future acquisitions of other companies and for this reason posted to long-term financial assets at an average cost of 17.58 euros. The corresponding reference price as of June 30, 2004 is 13.86 euros.

CURRENT ASSETS

Inventories

Inventories, totaling 96 thousand euros, are valued according to the weighted average cost method and stated net of the allowance for stock write-downs of 686 thousand euros, provided to adjust them to their estimated market value. In detail:

(thousands of euros)

	Gross value	Write-downs	Book value as of June 30, 2004	Book value as of Dec 31, 2003	Book value as of June 30, 2003
Raw and ancillary materials, and consumables	212	(168)	44	43	61
Work in progress and semi-finished goods	288	(268)	20	35	40
Finished goods and goods for resale	282	(250)	32	5	-
Total	**782**	**(686)**	**96**	**83**	**101**

Accounts receivable

These consist of trade receivables net of write-downs carried out to bring them into line with their estimated value, as follows:

(thousands of euros)

	June 30, 2004	Dec 31, 2003	June 30, 2003
Trade receivables	6,882	9,235	9,575
Provisions for doubtful accounts	(210)	(2,194)	(178)
Total	**6,672**	**7,041**	**9,397**

All trade receivables for which provisions have not been made are held to fall due within 12 months.

A total of 63.3% of all trade receivables relate to receivables due from *Telecom Italia Mobile*.

Other

Other accounts receivable amount to 3,633 thousand euros and mainly consist of accrued tax credits.

This item breaks down as follows:

(thousands of euros)

	June 30, 2004	Dec 31, 2003	June 30, 2003
Banks for repurchase agreements	-	-	1,599
VAT credits	1,243	2,326	1,390
Income tax credits	1,141	1,150	698
Deferred tax assets	1,030	1,004	650
Other	176	231	261
Total other receivables falling due within 12 months	**3,590**	**4,711**	**4,598**
Other receivables falling due beyond 12 months	43	47	102
Total other receivables	**3,633**	**4,758**	**4,700**

Income tax credits primarily include the balance of IRPEG and IRAP credits due to *Acotel Group, Acotel* and *Acomedia,* reflecting the fact that the advances paid during the year underway and in previous years exceeded the amount effectively due.

Deferred tax assets derive from temporary differences between the book values of assets and liabilities and their tax base. These receivables primarily relate to the taxation on provisions for doubtful receivables which results in a decrease in the reporting of revenues relating to the current year.

Other receivables include 54 thousand euros regarding advances paid to suppliers.

The part of receivables due beyond 12 months includes guarantee deposits given to third parties in relation to lease and utility contracts entered into by Group companies.

Marketable securities

This item, amounting to 29,712 thousand euros, refers to the short-term investment of a part of the Group's liquidity in securities and shares in mutual funds. Investments in bonds issued by *Banca Nazionale del Lavoro* and by *Monte dei Paschi di Siena* amount to 14,150 thousand euros, while investments in money market funds issued by *Banca di Roma* amount to 12,000 thousand euros. The remaining amount, totaling 3,562 thousand euros, relates to investments in insurance products issued by *Monte dei Paschi di Siena* and comprises interest accrued to June 30, 2004.

Cash at bank and on hand

This item includes bank deposits of 4,375 thousand euros and cash and notes on hand totaling 80 thousand euros.
Bank deposits represent the balances held at various institutes as of June 30, 2004.

ACCRUED INCOME AND PREPAID EXPENSES

The balance of 312 thousand euros as of June 30, 2004 refers to accrued income deriving from short-term investments (63 thousand euros) and the prepaid expenses on service contracts, insurance and other costs not accruing during the first half (249 thousand euros).

LIABILITIES AND SHAREHOLDERS' EQUITY

LIABILITIES AND SHAREHOLDERS' EQUITY

Group interest

As of June 30, 2004 this item was as follows:

(thousands of euros)	Share capital	Share premium reserve	Legal reserve	Reserve for treasury stock in portfolio	Consolidation reserve	Reserve for exchange rate differences	Retained earnings	Net income for the period	TOTAL
Balances at Dec. 31, 2003	**1,084**	**55,106**	**213**	**498**	**909**	**(297)**	**1,480**	**(4,986)**	**54,007**
Allocation of net income for 2003							(4,986)	4,986	**-**
Other changes						55			**55**
Net income for the period (*)								(237)	**(237)**
Balances at June 30, 2004	**1,084**	**55,106**	**213**	**498**	**909**	**(242)**	**(3,506)**	**(237)**	**53,825**

(*) As of June 30, 2004 the Company exercised the option to report pre-tax income

As of June 30, 2004 the entirely paid-up share capital of *Acotel Group S.p.A.* consists of 4,170,000 ordinary shares with a nominal value of 0.26 euros each.

Minority interest

As of June 30, 2004 this item amounts to 30 thousand euros, net of the result for the first half of 2004, and represents the share of shareholders' equity attributable to minority shareholders in subsidiaries and associated companies.

Reconciliation of the Parent Company's net income and shareholders' equity with consolidated net income and shareholders' equity

The reconciliation of the shareholders' equity of *Acotel Group S.p.A.* and the corresponding consolidated items is as follows:

(thousands of euros)	**Shareholders' equity positive/(negative)**	**Result for the period income / (loss)**
Shareholders' equity and result for the period as reported in the Parent Company's accounts	**56.904**	**683**
Effect of consolidation of Group companies	1.806	(57)
Consolidation reserve	909	-
Reserve for exchange rate differences	(242)	-
Amortization of goodwill arising from consolidation	(5.552)	(863)
Group shareholders' equity and result for the period	**53.825**	**(237)**
Minority interest in shareholders' equity and result for the period	30	-
Consolidated shareholders' equity and result for the period	**53.855**	**(237)**

ALLOWANCES FOR RISKS AND CHARGES

This item, totaling 28 thousand euros, represents the prudent provisions made to cover any future liabilities linked to the Group's commercial operations.

EMPLOYEE SEVERANCE INDEMNITIES

The total balance includes the amounts due as severance indemnities, net of advances already paid to employees.

The following table shows movements during the first half of 2004:

(thousands of euros)	Jan 1 - June 30 2004	Jan 1- Dec 31 2003	Jan 1 - June 30 2003
Opening balance	**623**	**408**	**408**
Increases due to newly consolidated companies	-	31	-
Provisions	121	326	95
Releases	(63)	(142)	(20)
Closing balance	**681**	**623**	**483**

ACCOUNTS PAYABLE

Bonds

This item, totaling 162 thousand euros, regards the bonds issued by *Acotel Participations* in relation to the agreements reached in January 2003 for the acquisition of additional share capital in *Info2cell.* Such bonds were subscribed by previous owners of the company who have continued to play a managerial role in the company.
The nominal value of the loan, totaling 200,000 US dollars, does not involve the payment of any interest to the subscribers and is to be redeemed in a lump sum on maturity on February 28, 2005.

Banks

Short-term bank liabilities as of June 30, 2004 amount to 48 thousand euros, whilst bank liabilities due for repayment beyond 12 months total 104 thousand euros.

The short-term component includes 12 thousand euros regarding current account overdrafts obtained from banks by Group companies. The remaining 36 thousand euros and the medium- to long-term portion refer to the loan granted by *S.Paolo-IMI* to the subsidiary *AEM S.p.A*. to finance the research and development costs relating to remote surveillance and household automation systems.
The above loan is subject to interest at 3.7%, is not secured by any form of guarantee and will be wound up at the end of 2005.

Other lenders

A similar loan granted by the Ministry of Industry, amounting to 276 thousand euros, is classified under this item. 27 thousand euros is due in the short-term and 249 thousand euros is due beyond 12 months.

Repayment began in 2003 and will be completed by the end of 2012.
This loan is subject to interest at 3.625% and is not secured by any form of guarantee.

Advances

This item regards amounts received on account by the subsidiary, *Acotel do Brasil,* for services rendered to the Brazilian subsidiary of the *Telecom* Group in view of the expected formalization of the related contract for VAS services.

Trade

This item, which amounts to 2,421 thousand euros, compared with 2,993 thousand euros as of December 31, 2003, is made up of trade payables due within 12 months. These essentially regard the purchase of content from providers outside the Group.

Taxes

As of June 30, 2004 this item breaks down as follows:

(thousands of euros)

	June 30, 2004	Dec 31, 2003	June 30, 2003
Income tax payables	88	3	7
VAT payable	219	1.124	197
Employee withholding tax	103	113	73
Other	-	101	-
Total	**410**	**1.341**	**277**

This item includes amounts payable for income taxes, net of advances paid, and amounts payable for VAT by Acotel Group companies, as well as amounts due for taxes withheld from employees and freelancers in the capacity of withholding agent and payable to tax authorities.

No Group company is in dispute with tax authorities, nor are any tax audits in progress.

Social security agencies

As of June 30, 2004, this item amounts to 294 thousand euros and includes social security contributions to be paid.

Other

This item, totaling 1,179 thousand euros, is made up as follows:

(thousands of euros)

	June 30, 2004	Dec 31, 2003	June 30, 2003
Due to employees	765	437	645
Due to directors	35	35	51
Other	379	242	387
Total	**1.179**	**714**	**1.083**

Amounts payable to employees relate to wages and salaries, bonuses and outstanding vacation pay. Amounts due to Directors regard fees yet to be paid.

ACCRUED EXPENSES AND DEFERRED INCOME

This item, amounting to 247 thousand euros, primarily regards accrued expenses linked to the ordinary operations of Group companies.

MEMORANDUM ACCOUNTS

This item breaks down as follows as of June 30, 2004:

(thousands of euros)

	June 30, 2004	Dec 31, 2003	June 30, 2003
General guarantees granted			
Guarantees in favor of others	246	247	156
Commitments			
Lease rentals	-	-	51
Other memorandum accounts:			
Third-party assets held by the Company	6.200	6.200	6.200
Total	**6.446**	**6.447**	**6.407**

Guarantees totaling 175 thousand euros relate to the guarantee given to the owner of the building rented by the Parent Company, where all the Italian companies of the Group have their headquarters. The remaining amount regards guarantees given in accordance with contracts with third parties.

Third-party assets include 6,197 thousand euros relating to the ICT equipment supplied to *Voinoi*, but which the customer has requested initially to install on the premises of *Acotel Group S.p.A.*, whilst the customer's own facilities designed to house the equipment are being prepared. To this regard, the transfer of the related equipment was completed in July 2004.
The residual amount, totaling 3 thousand euros, regards equipment granted free of charge to Acotel S.p.A. by the provider, *Il Sole 24 ore,* for connection to its information network.

NOTES TO THE INCOME STATEMENT

TOTAL REVENUES

The *Acotel* Group's total revenues for the period amounted to 10,414 thousand euros.

Revenues from goods and services rendered break down as follows by segment:

(thousandsof euros)

	Jan 1 - June 30, 2004	Jan 1 - Dec 31, 2003	Jan 1 - June 30, 2003
Services to network operators	6,835	13,369	6,149
Corporate services	199	385	177
Software development	-	520	256
Design of ICT equipment	1,115	2,777	1,678
Design of electronic security equipment	761	956	457
Other	1	-	5
Total	**8,911**	**18,007**	**8,723**

Revenues from value added services (VAS) provided to network operators, amounting to 6,835 thousand euros, mainly regard revenues (5,429 thousand euros) deriving from the provision of services to *Telecom Italia Mobile*.
This item also includes revenues earned by the subsidiary, *Info2cell,* from the supply of services to leading mobile operators in the Middle East (717 thousand euros), revenues earned by *Jinny Software* and, since its incorporation, by *Acotel Group (Northern Europe)* with European and non-European operators, totaling 513 thousand euros. The total also includes revenues earned by *Acotel do Brasil* from the services provided to the Brazilian mobile operator, *TIM Celular*, totaling 138 thousand euros.

Services to network operators also includes revenues (totaling 64 thousand euros) generated by agreements signed with media companies, such as television and radio broadcasters, newspapers, etc..

Revenues from corporate services amounted to 199 thousand euros and related entirely to the Italian activities of *Acotel S.p.A.* (147 thousand euros) and of *Acotel Group S.p.A* (52 thousand euros).

Revenues from the design and implementation of ICT equipment totaled 1,115 thousand euros during the first half of 2004 compared with 1,678 thousand euros during the first half of 2003. Revenues produced by this line of business essentially relate to the activities carried out by *Jinny Software* and, specifically, derive from contracts with mobile operators in Yemen, Ireland, Sudan, Italy and Uganda.

Revenues from the design and production of electronic security equipment amounted to 761 thousand euros, representing an increase of approximately 66.5% compared with the same period in 2003. This increase relates essentially to the assistance and maintenance services provided for remote surveillance installations provided to some Bank of Italy provincial branched starting from the second half of 2003.

The geographical distribution of revenues from sales and services is as follows:

(thousands of euros)

	Jan 1 - June 30 2004	Jan 1 - Dec 31 2003	Jan 1 - June 30 2003
Italy	6,410	13,128	6,336
Europe	851	1,917	618
Middle East	1,252	2,078	949
Africa	214	879	820
Latin America	138	-	-
Other	46	5	-
Total	**8,911**	**18,007**	**8,723**

Other revenues

Other revenues, totaling 1,476 thousand euros, relate primarily to the final settlement of amounts (1,231 thousand euros) due to *Jinny Software.* Such amounts related to past years in relation to the supply contract then in effect with *Voinoi* (an *Acea* Group company) and had been posted to deferred income.
This item also includes an amount of 207 thousand euros relating to the recovery of a part of the provisions for doubtful accounts posted in the 2003 accounts.

OPERATING COSTS

Materials, service costs and lease expense

This item includes the following costs:

(thousands of euros)

	Jan 1 - June 30 2004	Jan 1 - Dec 31 2003	Jan 1 - June 30 2003
Raw and ancillary materials and consumables	145	595	285
Service costs	3,892	7,365	3,714
Lease expense	690	1,391	637
Total	**4,727**	**9,351**	**4,636**

The *costs of raw and ancillary materials, consumables and goods for resale* as of June 30, 2004 total 145 thousand euros and refer to the acquisition of materials used in the construction of telecommunications equipment (88 thousand euros) on the part of *Acotel Group S.p.A.* and *Jinny Software Ltd* and electronic security systems (57 thousands euros) on the part of *AEM S.p.A.*

Service costs, amounting to 3,892 thousand euros, rose by around 5% with respect to the first half of 2003. Such an increase was essentially caused by a rise in costs incurred by the Company for commercial and marketing consultancy, and for travel expenses, linked to efforts to speed up the Acotel Group's penetration of overseas markets. The most relevant item continued to be the acquisition of content from external providers, which accounted for 27% of total acquired services during the first half of 2004.

Lease expense, totaling 690 thousand euros, primarily includes costs related to the buildings in which Group companies operate.

Labor costs

Labor costs break down as follows:

(thousands of euros)

	Jan 1 - June 30 2004	Jan 1 - Dec 31 2003	Jan 1- June 30 2003
Wages and salaries	3,221	5,264	2,767
Social security contributions	682	1,168	541
Employee severance indemnities	189	326	110
Other costs	265	328	158
Total	**4,357**	**7,086**	**3,576**

The increase in labor costs with respect to the first half of 2003 is largely due to the entrance into the Group of 9 employees of *Acotel USA* and 4 of *Acotel France*.

The following table shows the number of staff by category as of June 30, 2004 and the average for the period compared with the full year of 2003 and the first half of 2003.

	June 30, 2004	average for first half 2004	average for all of 2003	average for first half of 2003
Managers	17	17	16	15
Supervisors	27	26	25	25
White-collar/Blue-collar	142	142	142	122
Total	**187**	**184**	**183**	**162**
Labor costs (€000)	4,357	4,357	6,089	3,576
Average unit cost of labor	**23.3**	**23.6**	**33.3**	**22.1**

The following table shows the geographical distribution of the Group's personnel compared with the end of the previous year:

	June 30, 2004	Dec 31, 2003
Italy	85	84
Ireland	21	18
France	4	2
Lebanon	27	30
Brazil	7	7
United Arab Emirates	12	12
Jordan	22	24
USA	9	5
Total	**187**	**182**

Amortization, depreciation and write-downs

Amortization, depreciation and write-downs relate to:

(thousands of euros)

	Jan 1 - June 30 2004	Jan 1 -Dec 31 2003	Jan 1 - June 30 2003
amortization of intangible assets	1,072	2,198	1,056
depreciation of tangible assets	533	1,289	502
other write-downs of fixed assets	73	-	-
provisions for doubtful accounts	52	2,136	11
Total	**1,730**	**5,623**	**1,569**

The amortization of intangible assets mainly relates to amortization of goodwill arising from consolidation regarding holdings in the subsidiaries AEM, Jinny Software, Millenium Software, Info2cell and EITCO. The relevant sums for the period amount to 23 thousand euros, 672 thousand euros, 2 thousand euros, 168 thousand euros and 11 thousand euros.

Depreciation of tangible assets relates to telecommunications equipment, other plant and machinery and the infrastructure used by Group companies.

"Other write-downs of fixed assets" refers to provisions made to cover the full value of prepayments made to a technological partner for the development of new services, and was carried out in view of the difficulties encountered in operating the services.

Provisions for doubtful accounts relate to provisions prudently allocated for possible doubtful receivables.

Other operating costs

This item amounts to 84 thousand euros and includes other general costs and expenses deriving from the Group's ordinary activities.

FINANCIAL INCOME AND EXPENSE

Net financial income amounts to 262 thousand euros.
This amount derives from 340 thousand euros in interest income from the short-term investment of liquidity in bonds and repurchase agreements, or accrued on current account deposits held by Group companies. Interest income is stated net of interest expense and bank charges of 78 thousand euros.
In accordance with the correct application of accounting principles, additional financial income, totaling 83 thousand euros, from short-term investments in money market funds was not posted to the Income Statement in that, although such an amount had accrued by June 30, 2004, it had not been collected as of that date.

The average gross yield on short-term investments of liquidity during the first half of 2004 was 1.9%.

EXTRAORDINARY INCOME AND EXPENSE

Extraordinary items reported a net positive result of 9 thousand euros during the period under review.

SUBSEQUENT EVENTS

During the period from July 1, 2004 to the date of this report no significant events have taken place.

OPERATING OUTLOOK

The Group's positive performance during the first half of 2004, especially as regards the increase in EBITA (up 1,494 thousand euros compared with June 30, 2003) and the result for the period (up 1,687 thousand euros), indicates that 2004 as a whole should record considerable improvements with respect to 2003, which was penalized by negative, non-recurring charges amply described in the Report on Operations to the 2003 Annual Report.

In addition to the five-year extension of the agreement with *TIM*, within the framework of which the Group plans to take advantage of its competitive edge deriving from the development of a multiplayer platform, a further boost to performance is expected to result from progressively greater collaboration with media companies in the development of new formats. This represents a natural meeting point between content providers and the suppliers of technological solutions capable of facilitating real interaction with users.

The recent sale to the Kuwait-based mobile operator of an upgraded *SMS-C* evidences the fact that *Jinny Software*, now that it has refocused on the design and manufacture of ICT platforms, is well positioned to take advantage of the recovery, in its main market, both directly and via agreements reached with channel partners.

Positive contributions are also expected from the subsidiary, *AEM,* in the security sector, especially as regards extraordinary maintenance and upgrading work carried out in accordance with the contract signed with the *Bank of Italy*.

ANNEX 1

Statement of movements in intangible assets and related amortization

(thousands of euros)

Item	Historical cost				Accumulated amortization				Total
	Balance at 12/31/2003	*Increases due to purchases*	*Decreases*	*Balance at 6/30/2004*	*Balance at 31/12/2003*	*Movements during the period*	*Amortization for the period*	*Balance at 6/30/2004*	**6/30/2004**
Incorporation and expansion costs	120	2	-	122	(52)	1	(12)	(63)	**59**
Research, development and advertising costs	810	13	-	823	(601)	(4)	(38)	(643)	**180**
Industrial patents and intellectual property rights	685	117	-	802	(542)	(1)	(59)	(602)	**200**
Concessions, licenses, trademarks and similar rights	1.267	108	-	1.375	(345)	(15)	(78)	(438)	**937**
Goodwill arising from consolidation	17.528	7	-	17.535	(4.838)	(6)	(877)	(5.721)	**11.814**
Other	177	1	-	178	(128)	(1)	(8)	(137)	**41**
Total	**20.587**	**248**	-	**20.835**	**(6.506)**	**(26)**	**(1.072)**	**(7.604)**	**13.231**

ANNEX 2

Statement of movements in tangible assets and related amortization

(thousands of euros)

Item	Historical cost				Accumulated amortization				Total
	Balance at 12/31/2003	*Increases due to purchases*	*Decreases*	*Balance at 6/30/2004*	*Balance at 31/12/2003*	*Movements during the period*	*Amortization for the period*	*Balance at 6/30/2004*	**6/30/2004**
Plant and machinery	3.774	170	(4)	3.939	(2.954)	(10)	(403)	(3.367)	**572**
Industrial and commercial equipment	1.389	107	(23)	1.473	(989)	5	(90)	(1.074)	**399**
Other	600	34	-	634	(383)	(1)	(40)	(424)	**210**
Work in progress and advances	1	-	(1)	-	-	-	-	-	-
Total	**5.764**	**311**	**(28)**	**6.046**	**(4.326)**	**(6)**	**(533)**	**(4.865)**	**1.181**

Information provided in accordance with Decree 196/2003

The Company has opted to take advantage of the provisions of the Decree dated June 22, 2004 and, therefore, expects to satisfy the requirement regarding the “Security Planning Document” by December 31, 2004.

PARENT COMPANY’S ACCOUNTS

BALANCE SHEET OF THE PARENT COMPANY, ACOTEL GROUP S.p.A.

ASSETS

(Euros)

	June 30, 2004	December 31, 2003	June 30, 2003
Unpaid, called-up share capital due from shareholders	-	-	-
Fixed assets:			
Intangible assets:			
- incorporation and expansion costs	1,599	3,198	4,798
- industrial patents and intellectual property rights	194,312	141,178	95,003
- concessions, licenses, trademarks and similar rights	49,378	2,412	-
- other	38,623	45,759	54,359
Total	***283,912***	***192,547***	***154,160***
Tangible assets:			
- plant and machinery	144,525	191,069	149,914
- industrial and commercial equipment	143,150	142,172	144,837
- other	88,875	91,096	92,525
Total	***376,550***	***424,337***	***387,276***
Long-term financial assets:			
- equity investments in:			
Subsidiaries	*16,266,338*	*15,431,362*	*14,104,565*
- accounts receivable:			
from subsidiaries:			
.. *falling due within 12 months*	*15,581,032*	*14,926,792*	*16,866,213*
. other:			
.. *falling due beyond 12 months*	-	*73,475*	*70,000*
-treasury stock:	497,745	497,745	497,270
Total	***32,345,115***	***30,929,374***	***31,538,048***
Total fixed assets	**33,005,577**	**31,546,258**	**32,079,484**
Current assets:			
Accounts receivable:			
- trade:			
falling due within 12 months	66,028	19,381	1,468,612
- subsidiaries:			
. loans:			
.. *falling due within 12 months*	*2,234,831*	*1,481,985*	*3,088,106*
. other:			
.. *Falling due within 12 months*	*9,289,593*	*9,415,197*	*10,171,502*
- other:			
falling due within 12 months	1,675,803	1,692,469	923,690
falling due beyond 12 months	1,654	1,654	1,654
Total	***13,267,909***	***12,610,686***	***15,653,564***
Marketable securities:			
- other securities	21,104,151	9,083,151	20,873,939
Total	***21,104,151***	***9,083,151***	***20,873,939***
Cash at bank and on hand:			
- bank and post office deposits	268,480	13,887,997	824,137
- cash and notes on hand	6,962	1,451	7,353
Total	***275,442***	***13,889,448***	***831,490***
Total current assets	**34,647,502**	**35,583,285**	**37,358,993**
Accrued income and prepaid expenses			
- other	100,151	67,488	57,186
TOTAL ASSETS	**67,753,230**	**67,197,031**	**69,495,663**

BALANCE SHEET OF THE PARENT COMPANY, ACOTEL GROUP S.p.A.

LIABILITIES AND SHAREHOLDERS' EQUITY

(Euros)

	June 30, 2004		December 31, 2003	June 30, 2003	
Shareholders' equity					
Share capital	1.084.200		1.084.200	1.084.200	
Share premium reserve	55.106.013		55.106.013	55.106.013	
Legal reserve	212.895		212.895	212.895	
Reserve for treasury stock in portfolio	497.745		497.745	497.270	
Other reserves:					
Retained earnings (accumulated losses)	(680.443)		211.262	211.737	
Net income (loss) for the period	683.479	(*)	(891.705)	857.028	(*)
Total	**56.903.890**		**56.220.410**	**57.969.145**	
Allowances for risks and charges:					
other	100.199		100.199	1.020.655	
Total	**100.199**		**100.199**	**1.020.655**	
Employee severance indemnities	**284.423**		**232.373**	**189.347**	
Accounts payable:					
- bonds					
- banks:					
payable within 12 months	27		3.454	5.830	
- trade:					
payable within 12 months	721.328		791.954	727.548	
- subsidiaries:					
payable within 12 months	*8.790.629*		*8.812.376*	*8.839.650*	
- taxes:					
payable within 12 months	278.178		546.998	196.170	
- social security agencies:					
payable within 12 months	140.969		149.495	155.841	
- other:					
payable within 12 months	477.979		315.152	391.477	
Total	**10.409.110**		**10.619.429**	**10.316.516**	
Accrued expenses and deferred income					
- other	55.608		24.620	-	
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**67.753.230**		**67.197.031**	**69.495.663**	

(*) For the first six months to June 30, 2003 and June 30, 2004 the company exercised the option to report pre-tax data

MEMORANDUM ACCOUNTS

(Euros)

	June 30, 2004	December 31, 2003	June 30, 2003
General guarantees granted			
- Guarantees in favor of others	224,361	224,361	156,000
Other memorandum accounts			
- Third party assets held by the Company	6,197,483	6,197,483	6,197,483
TOTAL MEMORANDUM ACCOUNTS	**6,421,844**	**6,421,844**	**6,353,483**

INCOME STATEMENT

(Euros)

	Jan 1 - June 30, 2004	Jan 1 -Dec 31, 2003	Jan 1 - June 30, 2003
Total revenues:			
- revenues from sales and services	51.616	6.588.632	256.108
- other revenues and income	3.388.475	324.038	3.921.941
Total	**3.440.091**	**6.912.670**	**4.178.049**
Operating costs:			
- raw and ancillary materials and consumables	33.753	21.871	9.299
- srevice costs	1.103.548	1.642.211	865.633
- lease expense	329.552	658.056	338.362
- labor costs:	1.233.477	2.091.228	1.032.515
wages and salaries	*853.051*	*1.433.038*	*792.157*
social security contributions	*296.364*	*502.504*	*138.983*
employee severance indemnities	*58.284*	*109.124*	*51.595*
other	*25.778*	*46.562*	*49.780*
- amortization, depreciatoin and write-downs:	254.100	2.241.231	129.638
amortization of intangible fixed assets	*77.658*	*110.462*	*36.314*
depreciation of tangible fixed assets	*126.442*	*210.778*	*93.324*
provisions for doubtful accounts	-	1.919.991	-
- other expenses	28.514	113.427	85.501
Total	**2.982.944**	**6.768.024**	**2.460.948**
Operating income	**457.147**	**144.646**	**1.717.101**
Financial income and expense:			
- other financial income:			
. from long-term accounts receivable:			
.. *subsidiaries*	*178.588*	*1.531.250*	*235.621*
.. *others*	-	-	*4.106*
. *from marketable securities*	78.286	156.953	94.232
other:			
.. *from subsidiaries*	-	496.618	-
from others	64.722	334.542	54.456
- expense			
to subsidiaries	-	(1.965.290)	-
to others	(34.261)	(193.937)	(996.508)
Financial income (expense), net	**287.335**	**360.136**	**(608.093)**
Adjustments to financial assets:			
- write-downs of equity investments	(83.475)	(1.362.156)	(252.000)
Adjustments to financial assets	**(83.475)**	**(1.362.156)**	**(252.000)**
Extraordinary income and expense			
- income	22.846	105.424	91.323
- expense	(374)	(256.769)	(91.303)
Extraordinary income (expense), net	**22.472**	**(151.345)**	**20**
Income (loss) before taxes	**683.479**	**(1.008.719)**	**857.028**
- income taxes	-	117.014	-
Net income (loss) for the period	**683.479** (*)	**(891.705)** (*)	**857.028** (*)

(*): The net result reported as of December 31, 2003 is shown after taxes, whilst in the case of the half-year data, the Company has exercised the option to report pre-tax data.

Deloitte.

Deloitte & Touche S.p.A.
Via della Camilluccia, 589/A
00135 Roma
Italia

Tel: +39 06 367491
Fax: +39 06 36749282
www.deloitte.it

RELAZIONE DELLA SOCIETÀ DI REVISIONE SULLA REVISIONE CONTABILE LIMITATA DELLA RELAZIONE SEMESTRALE

Agli Azionisti di
Acotel Group S.p.A.

1. Abbiamo effettuato la revisione contabile limitata dei prospetti contabili consolidati e delle relative note esplicative ed integrative inclusi nella relazione semestrale al 30 giugno 2004 di Acotel Group S.p.A. La responsabilità della redazione della relazione semestrale compete agli Amministratori della Società. E' nostra la responsabilità della redazione della presente relazione in base alla revisione contabile limitata svolta. Abbiamo inoltre verificato la parte delle note contenente le informazioni sulla gestione ai soli fini della verifica della concordanza con la restante parte della relazione semestrale.

2. Il nostro lavoro è stato svolto secondo i criteri per la revisione contabile limitata raccomandati dalla Consob con Delibera n. 10867 del 31 luglio 1997. La revisione contabile limitata è consistita principalmente nella raccolta di informazioni sulle poste dei prospetti contabili e sull'omogeneità dei criteri di valutazione, tramite colloqui con la direzione della Società, e nello svolgimento di analisi di bilancio sui dati contenuti nei prospetti contabili. La revisione contabile limitata ha escluso procedure di revisione quali sondaggi di conformità e verifiche o procedure di validità delle attività e delle passività ed ha comportato un'estensione di lavoro significativamente inferiore a quella di una revisione contabile completa svolta secondo gli statuiti principi di revisione. Di conseguenza, diversamente da quanto effettuato sul bilancio consolidato di fine esercizio, non esprimiamo un giudizio professionale di revisione sulla relazione semestrale.

3. Per quanto riguarda i dati comparativi relativi al bilancio consolidato di fine esercizio ed alla relazione semestrale dell'anno precedente, si fa riferimento alle nostre relazioni emesse rispettivamente in data 8 marzo 2004 e 30 settembre 2003.

4. Sulla base di quanto svolto, non siamo venuti a conoscenza di variazioni e integrazioni significative che dovrebbero essere apportate ai prospetti contabili consolidati ed alle relative note esplicative ed integrative, identificati nel paragrafo 1 della presente relazione, per renderli conformi ai criteri di redazione della relazione semestrale previsti dal regolamento Consob adottato con Delibera n. 11971 del 14 maggio 1999 e successive modifiche ed integrazioni.

5. Si richiama l'attenzione sul fatto che, come illustrato nelle note esplicative ed integrative, la Società si è avvalsa della facoltà concessa dal comma 7 dell'articolo 81 del sopra citato regolamento Consob, ed ha presentato il risultato del periodo al lordo delle imposte.

Roma, 30 settembre 2004

DELOITTE & TOUCHE S.p.A.

Domenico Falcone
Socio