

**QUARTERLY REPORT FOR THE THREE MONTHS
ENDED 30 SEPTEMBER 2009**



Registered offices in Via della Valle dei Fontanili 29/37 – 00168 Rome, Italy
Share capital: €1,084,200.00 fully paid-in
Rome Companies' Register,
Tax Code and VAT number: 06075181005

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CORPORATE OFFICERS

BOARD OF DIRECTORS

Claudio Carnevale
Chairman and CEO

Francesco Ago ^{(1), (2), (3)}
Director

Margherita Argenziano
Director

Luca De Rita
Director

Giovanni Galoppi ^{(1), (2)}
Director

Giuseppe Guizzi ^{(1), (2)}
Director

Luciano Hassan
Director

Cristian Carnevale
Director

Raffaele Cappiello ^{(1), (2)}
Director

- (1) Member of the Remuneration Committee
- (2) Member of the Internal Audit Committee
- (3) Lead Independent Director

BOARD OF STATUTORY AUDITORS

Antonio Mastrangelo
Chairman

Umberto Previti Flesca
Auditor

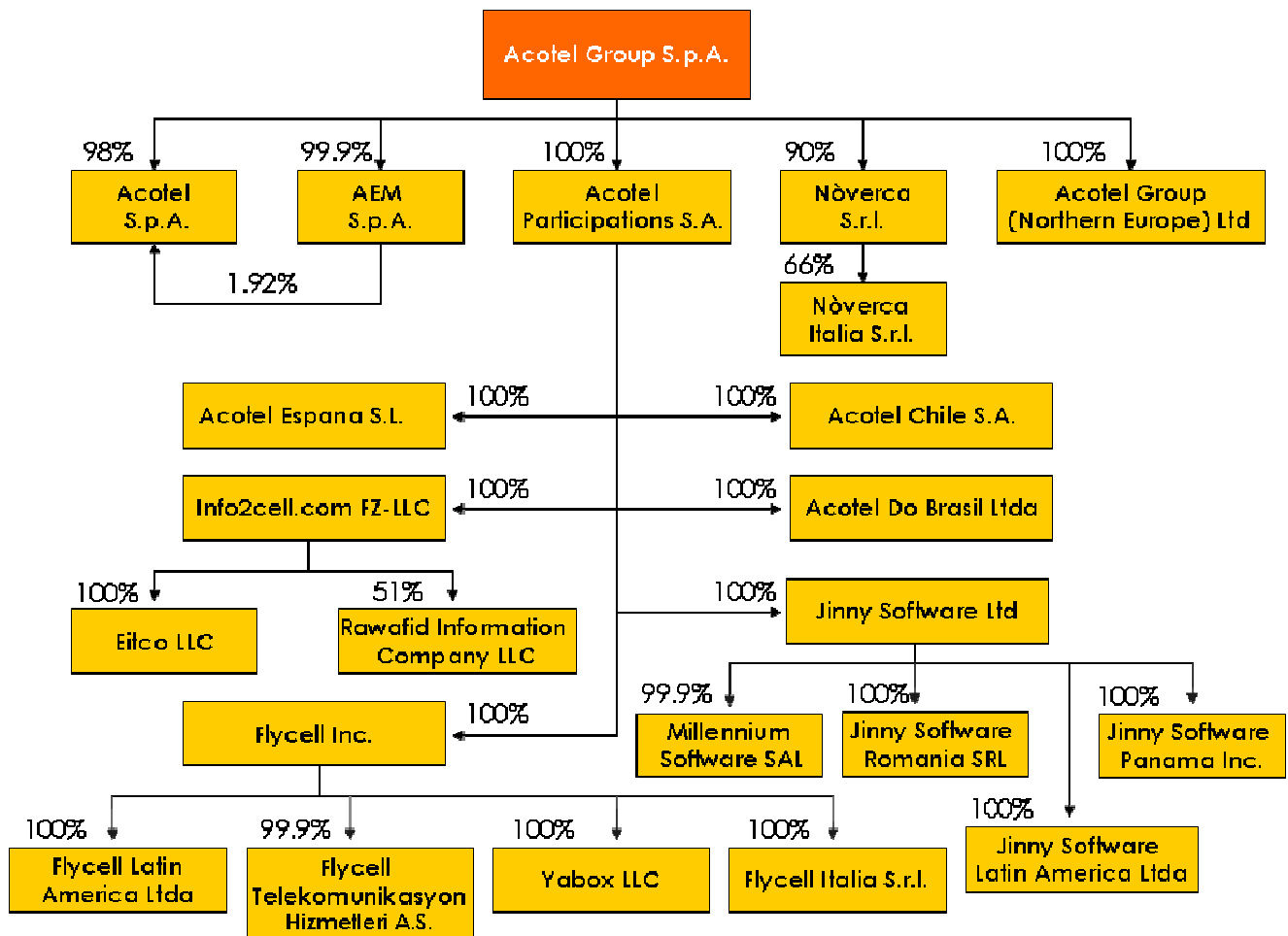
Maurizio Salimei
Auditor

INDEPENDENT AUDITORS

Deloitte & Touche S.p.A.

THE GROUP

The following chart shows the structure of the Acotel Group at 30 September 2009:



The parent company of Acotel Group S.p.A. is Clama S.r.l., which at 30 September 2009 holds 1,727,915 ordinary shares, representing 41.4% of the share capital. Clama S.r.l. does not carry out management and coordination activities pursuant to art. 2497 of the Italian Civil Code.

BASIS OF PRESENTATION

The Acotel Group's quarterly report for the three months ended 30 September 2009 has been prepared in compliance with art. 154-ter (*Financial reporting*) of Legislative Decree 58/1998 (the Consolidated Finance Act) and subsequent amendments and additions, and the CONSOB's Regulations for Issuers. The quarterly report has been prepared under the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and endorsed by the European Union.

The accounting standards applied are consistent with those adopted for preparation of the Acotel Group's consolidated financial statements for the year ended 31 December 2008, integrated where necessary by the application of standards to take account of aspects not present at that date. The consolidated financial statements for the three months ended 30 September 2009 have been prepared on the basis of the underlying accounting records at that date, as adjusted in accordance with the matching principle.

Preparation of this report required management to make estimates and assumptions which, based primarily on internal records, essentially have an effect on revenues and costs that have yet to be confirmed by customers and suppliers. Above all, turnover generated by *Flycell Inc.* and its subsidiaries, in addition to certain related cost items, include preliminary figures and estimates that have yet to be confirmed.

Estimates and assumptions are primarily used in order to account for any refunds that may be payable to B2C customers, and for the portion of revenues deriving from subscriptions for B2C services billed in September 2009 and carried forward to the following accounting period.

In addition, certain evaluation processes, above all those of a complex nature relating to the estimate of potential impairments of fixed assets, are generally only fully carried out during preparation of the annual financial statements, unless events or changes in circumstances indicate that there may be an impairment requiring an immediate evaluation of any loss.

This quarterly report is unaudited.

BASIS OF CONSOLIDATION

The following tables provide summary information on consolidated companies held, directly or indirectly, by *Acotel Group S.p.A.*, the Parent Company. There were no changes in the basis of consolidation during the third quarter of 2009 compared with the previous two quarters.

Companies consolidated on a line-by-line basis

Company	Date of acquisition	Group's interest (%)	Registered office	Share capital	
				Currency	Amount
Acotel S.p.A.	28 April 2000	99.9% (3)	Rome	EURO	13,000,000
AEM Advanced Electronic Microsystems S.p.A.	28 April 2000	99.9%	Rome	EURO	858,000
Acotel Participations S.A.	28 April 2000	100%	Luxembourg	EURO	1,200,000
Acotel Chile S.A.	28 April 2000	100% (4)	Santiago, Chile	USD	17,330
Acotel Espana S.L.	28 April 2000	100% (4)	Madrid	EURO	3,006
Acotel Do Brasil LTDA	8 August 2000 (1)	100% (4)	Rio de Janeiro	BRL	1,868,250
Jinny Software Ltd.	9 April 2001	100% (4)	Dublin	EURO	3,201
Millennium Software SAL	9 April 2001	99.9% (5)	Beirut	LPD	30,000,000
Info2cell.com FZ-LLC	29 January 2003 (2)	100% (4)	Dubai	DH	18,350,000
Emirates for Information Technology Co.	29 January 2003	100% (6)	Amman	JD	710,000
Flycell Inc.	28 June 2003 (1)	100% (4)	Wilmington	USD	10,000
Acotel Group (Northern Europe) Ltd	27 May 2004 (1)	100%	Dublin	EURO	101,000
Flycell Telekomunikasyon Hizmetleri A.S.	2 July 2005 (1)	99.9% (7)	Istanbul	TRY	50,000
Flycell Latin America Conteúdo Para Telefonia Móvel LTDA	6 June 2006 (1)	100% (7)	Rio de Janeiro	BRL	250,000
Jinny Software Romania SRL	26 June 2007 (1)	100% (5)	Bucharest	RON	200
Yabox LLC	24 October 2007 (1)	100% (7)	Wilmington	USD	1
Jinny Software Latin America Importação e Exportação LTDA	11 February 2008 (1)	100% (5)	Sao Paolo	BRL	250,000
Rawafid Information Company LLC	24 February 2008 (1)	51% (6)	Riyadh	SAR	500,000
Jinny Software Panama Inc.	1 July 2008 (1)	100% (5)	Panama City	USD	10,000
Flycell Italia S.r.l.	10 July 2008 (1)	100% (7)	Rome	EURO	10,000

- (1) The date of the company's entry into the Group coincides with its incorporation.
(2) Prior to such date the Group held 33% of the company's share capital, posted to investments in associates.
(3) AEM owns 1.92% of the share capital.
(4) Controlled via Acotel Participations S.A.
(5) Controlled via Jinny Software Ltd.
(6) Controlled via Info2cell.com FZ-LLC.
(7) Controlled via Flycell Inc.

Jointly controlled entities (joint ventures) consolidated using the proportionate method

Company	Date of acquisition	Group's interest (%)	Registered office	Share capital	
				Currency	Amount
Noverca S.r.l.	10 July 2002 (1)	90%	Rome	EURO	2,949,289
Noverca Italia S.r.l.	9 May 2008 (2)	59.4% (3)	Rome	EURO	120,000

- (1) Prior to such date the Group held 50% of the company's share capital, posted to investments in associates. As of 9 May 2008, following the acquisition of an interest by Intesa SanPaolo S.p.A., the Group holds a 90% interest in the company.

- (2) The date of the company's entry into the Group coincides with its incorporation.
- (3) Held via Noverca S.r.l.

SIGNIFICANT EVENTS DURING THE PERIOD

In the Services segment, the subsidiaries, *Flycell Inc.*, which operates in the B2C segment, and *Info2cell* and *Acotel do Brasil*, which primarily provide B2B services, registered strong growth in customers and revenues in their respective geographical markets.

The Mobile Messaging Solutions business, in which *Jinny Software Ltd.* operates, saw the addition of a new customer in the Maltese operator, *Melita Mobile*, which has been supplied with a full suite of products - SMSC, MMSC, WAP Gateway, Ringback Tone Server, Real-time Charging Gateway, Missed Call Notification, VAS Application Suite (including SMS Push/Pull, Voting and a Media Download Engine), Message Router and Voice Mail System (VMS) – that will allow it to offer its customers a vast range of value added services.

The Mobile Telecommunications business, representing the most important development in terms of the Group's activities, has been set up by the *Nòverca* project launched in partnership with the *Intesa Sanpaolo* banking group and, from a corporate viewpoint, organised around two companies: *Noverca S.r.l.* (90% owned by *Acotel Group S.p.A.*, 10% by *Intesa Sanpaolo*), which acts as a technology enabler, and *Noverca Italia S.r.l.* (66% owned by *Noverca S.r.l.*, 34% by *Intesa Sanpaolo*), which is responsible for marketing, commercial activities and customer care.

Having completed preparations for the commercial rollout of services, including activation of the distribution channels through which the *Extended SIM Nòverca* is to be sold (Intesa Sanpaolo branches and web-banking sites, Lottomatica outlets and the company's website, www.noverca.it), during the third quarter particular attention was paid to defining the offering and the commercial initiatives to be carried out in cooperation with Intesa Sanpaolo.

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

RESULTS OF OPERATIONS

RECLASSIFIED CONSOLIDATED INCOME STATEMENT

(€000)	Note	Q3			9M		
		2009	2008	Inc./((Dec.)	2009	2008	Inc./((Dec.)
Revenues	1	39,112	23,441	15,671	99,143	64,577	34,566
Other income		88	47	41	229	143	86
Total		39,200	23,488	15,712	99,372	64,720	34,652
Movements in work in progress, semi-finished and finished goods		577	-	577	586	(3)	589
Raw materials	2	(990)	(507)	(483)	(1,566)	(1,930)	364
External services	3	(28,766)	(20,199)	(8,567)	(77,634)	(49,957)	(27,677)
Rentals and leases	4	(416)	(395)	(21)	(1,288)	(1,165)	(123)
Staff costs	5	(4,865)	(4,501)	(364)	(15,161)	(13,162)	(1,999)
Internal capitalised costs	6	363	258	105	1,342	767	575
Other costs	7	(402)	(545)	143	(1,119)	(1,371)	252
Gross operating profit/(loss)		4,701	(2,401)	7,102	4,532	(2,101)	6,633
Amortisation and depreciation	8	(639)	(347)	(292)	(1,613)	(1,015)	(598)
Impairment charges/reversal of impairment charges on non-current assets		-	-	-	(1)	(1)	-
Operating profit/(loss)		4,062	(2,748)	6,810	2,918	(3,117)	6,035
Income from investments		-	-	-	-	7,940	(7,940)
Net finance income/(costs)	9	(198)	730	(928)	301	945	(644)
PROFIT/(LOSS) BEFORE TAX		3,864	(2,018)	5,882	3,219	5,768	(2,549)
Taxation	10	(1,130)	(704)	(426)	(1,188)	(1,979)	791
NET PROFIT/(LOSS) BEFORE MINORITY INTERESTS		2,734	(2,722)	5,456	2,031	3,789	(1,758)
Net profit/(loss) attributable to minority interests		173	(17)	190	197	83	114
NET PROFIT/(LOSS) FOR THE PERIOD ATTRIBUTABLE TO PARENT COMPANY		2,561	(2,705)	5,266	1,834	3,706	(1,872)
Earnings per share	11	0.62	(0.66)		0.45	0.90	
Diluted earnings per share	11	0.62	(0.66)		0.45	0.90	

Compared with the results for the same period of the previous year, the Acotel Group's results for the third quarter of 2009 show strong improvements in both revenue and earnings. The same trend can be

seen in the results for the first nine months, given that the pre-tax result for the same period of 2008 benefitted from income from investments of 7,940 thousand euros generated by *Intesa Sanpaolo's* purchase of equity interests in *Noverca S.r.l.* and *Noverca Italia S.r.l.*

Quarterly revenue of 39,112 thousand euros marks a 67% increase on the third quarter of 2008, reflecting the positive performances achieved primarily by *Flycell Inc.*, together with its direct subsidiaries, and by *Info2cell* and *Acotel do Brasil*.

Gross operating profit of 4,701 thousand euros is significantly ahead of the figure for the third quarter of 2008, which recorded a loss of 2,401 thousand euros.

After amortisation and depreciation, totalling 639 thousand euros, operating profit is 4,062 thousand euros.

After net finance costs of 198 thousand euros, estimated tax expense for the period of around 1,130 thousand euros and profit attributable to minority interests of 173 thousand euros, net profit for the period attributable to the Parent Company totals approximately 2,561 thousand euros, marking an improvement of over 5 million euros compared with the loss reported for the same period of 2008.

Note 1 - Revenue

Revenue for the third quarter of 2009 amounts to 39,112 thousand euros, representing an increase on the 23,441 thousand euros of the same period of the previous year.

As shown in the table below, revenue growth was achieved across all the Group's areas of business:

(€000)	2009		2008	
	Q3	9M	Q3	9M
SERVICES	36,461	91,280	21,001	55,384
MOBILE MESSAGING SOLUTIONS	2,160	6,419	2,052	7,922
SECURITY SYSTEMS DESIGN	413	1,334	388	1,271
MOBILE TELECOMMUNICATIONS	78	110	-	-
	39,112	99,143	23,441	64,577

SERVICES

The Services business segment, which recorded growth of 74% compared with the third quarter of 2008, includes services supplied directly to end customers (B2C) and the activities carried out for telephone and commercial companies, and has the primary purpose of supplying value added services and content to mobile phone users.

A breakdown of service revenues is given in the following table:

(€000)	Q3			9M		
	2009	2008	Inc./.(Dec.)	2009	2008	Inc./.(Dec.)
B2C services	30,109	15,341	14,768	75,603	37,977	37,626
Network Operator services	4,199	4,679	(480)	10,499	14,292	(3,793)
Corporate services	1,871	786	1,085	4,454	2,172	2,282
Media services	282	195	87	724	943	(219)
Total	36,461	21,001	15,460	91,280	55,384	35,896

At 30,109 thousand euros, B2C service revenues for the third quarter of 2009 are up 96% on the same period of the previous year, representing approximately 83% of total service revenues. These revenues are generated primarily by the US subsidiary, *Flycell Inc.* in North America, Spain and Mexico (20,470 thousand euros) and by its direct subsidiaries, *Flycell Italia* (5,897 thousand euros), *Flycell Latin America* (3,151 thousand euros) and *Flycell Telekomünikasyon Hizmetleri A.Ş* (563 thousand euros) operating in Italy, Brazil and Turkey.

Revenues from the provision of Network Operator services, amounting to 4,199 thousand euros, are down 10% on the third quarter of 2008. They principally include revenues from services rendered by the subsidiary, *Acotel S.p.A.*, to *Telecom Italia*, totalling 1,872 thousand euros, revenues from services rendered by the Brazilian subsidiary, *Acotel do Brasil*, to the Brazilian operators, *TIM Celular* and *TIM Nordeste Telecomunicações*, amounting to 1,527 thousand euros, and revenues generated by activities carried out by *Info2cell* for the main mobile telephony operators in the Middle East, totalling 792 thousand euros. The reduction compared with the same period of the previous year is principally due to lower turnover reported by the Italian subsidiary.

Revenues from Corporate services amount to 1,871 thousand euros, and relate primarily to services provided in the Middle East by *Info2cell*, which generated revenues of 1,281 thousand euros, and in Italy by *Acotel S.p.A.*, primarily to banks, totalling 590 thousand euros. The increase compared with the third quarter of 2008 reflects increased turnover at the above subsidiaries.

Revenues from services provided to media companies, amounting to 282 thousand euros, are almost entirely generated in the Middle East by the subsidiary *Info2cell* and, in Italy, by *Acotel S.p.A.*

MOBILE MESSAGING SOLUTIONS

Revenues from this line of business, amounting to 2,160 thousand euros in the third quarter of 2009, are 5% up on the figure for the same period of 2008. These revenues are generated by *Jinny Software* from the supply of new equipment and the provision of maintenance to mobile operators in Africa, North America, Latin America, Asia, the Middle East and Europe.

SECURITY SYSTEMS DESIGN

Revenues from the design and production of electronic security systems amount to 413 thousand euros for the third quarter and are entirely generated by the subsidiary, *AEM S.p.A.*. These revenues, which are up slightly (6%) on the figure for the third quarter of 2008, essentially regard the installation, supply, servicing and maintenance of remote surveillance equipment installed at Italian police headquarters, at a number of branches of the Bank of Italy and at certain companies in the *ACEA* Group.

MOBILE TELECOMMUNICATIONS

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

A geographical breakdown of the Group's revenue is as follows:

(€000)	2009				2008			
	Q3	%	9M	%	Q3	%	9M	%
LATIN AMERICA	10,928	27.9%	25,176	25.4%	5,850	25.0%	15,224	23.6%
ITALY	8,867	22.7%	20,737	20.9%	3,785	16.1%	11,562	17.9%
NORTH AMERICA	8,843	22.6%	26,329	26.5%	9,241	39.4%	23,962	37.1%
OTHER EUROPEAN COUNTRIES	6,933	17.7%	17,240	17.4%	1,778	7.6%	4,734	7.3%
MIDDLE EAST	2,572	6.6%	6,824	6.9%	1,764	7.5%	4,466	6.9%
AFRICA	638	1.6%	1,726	1.7%	748	3.2%	3,440	5.3%
ASIA	331	0.9%	1,111	1.2%	275	1.2%	1,189	1.9%
	39,112	100%	99,143	100%	23,441	100%	64,577	100%

The geographical revenue breakdown for the third quarter of 2009 reveals:

- revenue growth in Latin America, Italy and other European countries thanks above all to the B2C services supplied by *Flycell Inc.* and its subsidiaries, *Flycell Latin America*, *Flycell Italia* and *Flycell Telekomünikasyon Hizmetleri A.Ş.*;
- a slight reduction in quarterly revenues at *Flycell Inc.* in North America, even if overall turnover for the first nine months of 2009 is higher than in the same period of 2008;
- revenue growth generated by the subsidiary, *Info2cell*, in the Middle East

Note 2 – Raw materials

The cost of raw materials during the quarter, amounting to 990 thousand euros, refers principally to the purchase of materials for the construction of telecommunications and security systems by *Jinny Software* (330 thousand euros). The remaining amount essentially regards products purchased by

Noverca Italia S.r.l. at the end of September and held in stock by the company in order to be sold through its virtual shop at www.noverca.it, which was launched in October.

Note 3 – External services

The cost of external services totals 28,766 thousand euros for the quarter, representing an increase of 42% on the third quarter of 2008. A breakdown of the service costs is shown below:

(€000)	2009		2008	
	Q3	9M	Q3	9M
Interconnection and billing services	14,791	36,952	6,816	16,779
Advertising	8,423	25,224	8,515	20,393
Content providers	2,128	5,921	2,141	5,119
Professional consultants	764	2,126	644	1,448
Purchase of SMS packages	568	1,442	469	1,207
Connectivity and sundry utilities	403	1,101	346	1,018
Travel expenses	390	1,367	494	1,351
Call Centre costs	210	480	46	117
Remuneration of governance bodies	196	551	173	502
Outsourcing	130	376	118	377
Auditors' fees	122	356	57	199
Other minor expenses	641	1,738	380	1,447
Total	28,766	77,634	20,199	49,957

The most significant components of this item reflect the operating methods adopted by *Flycell Inc.* and its direct subsidiaries, *Flycell Italia S.r.l.*, *Flycell Latin America* and *Flycell Telekomünikasyon Hizmetleri A.Ş.*, to develop business in their principal markets. This entails significant costs (14,791 thousand euros) charged by telephone operators and mobile transaction network providers for interconnection and billing services and substantial promotional costs (7,817 thousand euros out of a Group total of 8,423 thousand euros) in order to raise market awareness of the companies' services and increase their customer base.

The other most significant costs regard the cost of acquiring content from external content providers, amounting to 2,128 thousand euros, the fees paid to marketing, administrative, legal, tax and technical consultants by Group companies (764 thousand euros), the cost of purchasing SMS packages from mobile operators (568 thousand euros), the cost of connecting to terrestrial and satellite transmission networks, together with other utilities (403 thousand euros), and travel expenses (390 thousand euros). Other cost items, in order of importance, regard the cost of external call centres (210 thousand euros), fees paid to governance bodies (196 thousand euros), the cost of outsourcing (130 thousand euros), and auditors' fees (122 thousand euros).

Note 4 – Rentals and leases

Rentals and leases amount to 416 thousand euros and mainly include rentals on offices occupied by Group companies.

Note 5 – Staff costs

Staff costs include:

(€000)	2009		2008	
	Q3	9M	Q3	9M
Salaries and wages	3,886	11,962	3,575	10,294
Social security contributions	595	1,870	465	1,581
Staff termination benefits	79	250	99	233
Finance costs	(12)	(42)	(14)	(38)
Other costs	317	1,121	376	1,092
Total	4,865	15,161	4,501	13,162

The 8% increase in staff costs is due essentially to the additional staff recruited by *Noverca Italia S.r.l.* and overseas Group companies due to expansion of their activities.

Other staff costs include charges incurred in relation to professional training and refresher courses, prevention and health care expenses, and contributions for defined-contribution pension plans for the staff of foreign subsidiaries.

The number of staff by category at 30 September 2009 and a comparison of the average figures for the third quarter and first nine months of 2009 and 2008 are reported in the following table:

	At 30 Sept 2009	Average Q3 2009	Average Q3 2008	Average 9M 2009	Average 9M 2008
Managers	30	30	27	30	27
Supervisors	67	66	64	62	66
White- and blue-collar staff	362	364	327	353	306
Total	459	460	418	445	399

The geographical distribution of the Group's staff is shown in the table below:

	At 30 Sept 2009	At 30 Sept 2008
Italy	113	109
Lebanon	82	79
Jordan	64	65
USA	57	68
Brazil	38	27
Ireland	37	30
Romania	22	9
United Arab Emirates	20	20
Malaysia	8	8
Kenya	6	-
Spain	4	2
Turkey	4	4
South Africa	3	2
Panama	1	-
Total	459	423

Note 6 - Internal capitalised costs

Internal capitalised costs, totalling 363 thousand euros, include 273 thousand euros relating to staff employed in the development of software and new applications needed for the supply of the MVNO services launched under the *Nòverca* brand.

The remaining amount regards the cost of staff employed by *Acotel Group S.p.A.* on development of the new *Acotel* platform during the period.

Note 7 – Other costs

Other costs amount to 402 thousand euros in the third quarter of 2009, including 356 thousand euros for indirect taxes due from *Acotel do Brasil* and *Flycell Latin America* in compliance with local legislation.

The balance includes other general expenses and charges incurred by Group companies in connection with their ordinary activities.

Note 8 - Amortisation and depreciation

Details of the amortisation and depreciation of assets are given below:

(€000)	2009		2008	
	Q3	9M	Q3	9M
Amortisation of non-current intangible assets	188	474	67	198
Depreciation of property, plant and equipment	451	1,139	280	817
Total	639	1,613	347	1,015

Amortisation of intangible assets mainly refers to amortisation of the software and licences utilised by various Group companies, and the costs incurred in the installation and configuration of the Telecom Italia technology infrastructure used in providing its services by the new mobile virtual network operator, *Nòverca*.

Depreciation of property, plant and equipment essentially refers to depreciation of the telecommunications equipment and infrastructure used by Group companies in their activities.

Note 9 - Finance income and costs

Net finance costs of 198 thousand euros for the third quarter of 2009 break down as follows:

(€000)	2009		2008	
	Q3	9M	Q3	9M
Interest income from investments	190	655	235	576
Interest income on bank deposits	8	75	94	246
Foreign exchange gains	-	341	437	363
Other interest income	67	68	67	139
Total finance income	265	1,139	833	1,324
Interest expense and bank charges	(118)	(320)	(103)	(247)
Foreign exchange losses	(332)	(474)	-	(93)
Other interest expense	(13)	(44)	-	(39)
Total finance costs	(463)	(838)	(103)	(379)
Net finance income/(costs)	(198)	301	730	945

Interest income from investments includes gains on investment of the Group's liquidity in short-term instruments.

The balance of foreign exchange gains and losses reflects the impact of closing exchange rates on the value of intercompany loans originally disbursed in dollars.

Note 10 - Taxation

Taxation for the period, amounting to 1,130 thousand euros, reflects estimated income taxes and deferred tax assets and liabilities recognised by Group companies.

Note 11 – Earnings per share

The calculation of basic and diluted earnings per share is based on the following data:

	2009		2008	
	Q3	9M	Q3	9M
(€000)				
Net profit/(loss) (€000)	2,561	1,834	(2,705)	3,706
Number of shares (000)				
Shares in circulation at the start of the period*	4,114	4,114	3,916	3,916
Weighted average of treasury shares acquired/sold in the period	-	-	(198)	(198)
Weighted average of ordinary shares in circulation	4,114	4,114	4,114	4,114
Basic and diluted earnings per share **	0.62	0.45	(0.66)	0.90

* : net of treasury shares held at the same date.

** : basic earnings for the third quarter and first nine months of 2009 and 2008 coincide with diluted earnings per share as the conditions provided for by IAS 33 do not exist.

FINANCIAL POSITION AND CASH FLOW

RECLASSIFIED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(€000)	<u>30 Sept 2009</u>	<u>31 Dec 2008</u>	<u>Inc./ (Dec.)</u>	<u>% inc./ (dec.)</u>
Non-current assets:				
Property, plant and equipment	4,925	4,084	841	21%
Intangible assets	13,633	12,379	1,254	10%
Other assets	2,167	481	1,686	351%
TOTAL NON-CURRENT ASSETS	20,725	16,944	3,781	22%
Net current assets:				
Inventories	994	396	598	151%
Trade receivables	29,070	22,220	6,850	31%
Other current assets	3,825	2,340	1,485	63%
Trade payables	(16,803)	(9,404)	(7,399)	(79%)
Other current liabilities	(6,983)	(4,319)	(2,664)	(62%)
TOTAL NET CURRENT ASSETS	10,103	11,233	(1,130)	(10%)
STAFF TERMINATION AND AND OTHER EMPLOYEE BENEFITS	(1,331)	(1,146)	(185)	(16%)
NON-CURRENT PROVISIONS	(426)	(294)	(132)	(45%)
NET INVESTED CAPITAL	29,071	26,737	2,334	9%
Shareholders' equity:				
Share capital	1,084	1,084	-	-
Reserves and retained earnings/(accumulated losses)	65,691	57,522	8,169	14%
Net profit/(loss) for the period	1,834	6,564	(4,730)	(72%)
Minority interests	272	30	242	807%
TOTAL SHAREHOLDERS' EQUITY	68,881	65,200	3,681	6%
MEDIUM-/LONG TERM DEBT	101	101	-	-
Net cash and cash equivalents:				
Current financial assets	(26,423)	(18,764)	(7,659)	(41%)
Cash and cash equivalents	(16,936)	(23,439)	6,503	28%
Current financial liabilities	3,448	3,639	(191)	(5%)
	(39,911)	(38,564)	(1,347)	(3%)
NET FUNDS	(39,810)	(38,463)	(1,347)	(4%)
TOTAL SHAREHOLDERS' EQUITY AND NET FUNDS	29,071	26,737	2,334	9%

The Acotel Group's net invested capital at 30 September 2009 amounts to 29,071 thousand euros, made up of non-current assets of 20,725 thousand euros, net working capital of 10,103 thousand euros, staff termination benefits of 1,331 thousand euros and other non-current provisions of 426 thousand euros.

Net invested capital is financed by consolidated shareholders' equity of 68,881 thousand euros and net funds of 39,810 thousand euros.

A detailed analysis of changes in the principal balance sheet items shows that:

- non-current assets have increased compared to the end of the previous year, primarily reflecting investments linked to the launch of the Group's Mobile Virtual Network Operator business at the end of March and a rise in deferred tax assets;
- movements in net working capital reflect the increase in business volumes, but above all a better match between collection and payment periods due to an extension of the latter;
- net funds at 30 September 2009, the composition of which is provided in the following table, amount to 39,810 thousand euros, marking an increase of 1,347 thousand euros on 31 December 2008.

ANALYSIS OF NET FUNDS

(€000)

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

DECLARATION BY THE MANAGER RESPONSIBLE FOR THE GROUP'S FINANCIAL REPORTING PURSUANT TO THE PROVISIONS OF ARTICLE 154 BIS, PARAGRAPH 2, OF LEGISLATIVE DECREE 58/1998

The manager responsible for the Group's financial reporting, Luca De Rita, hereby declares, pursuant to article 154 *bis*, paragraph 2 of the Consolidated Finance Act, that this consolidated quarterly report is consistent with the underlying accounting records.