INTERIM REPORT FOR THE THREE MONTHS ENDED 31 MARCH 2013

Registered office 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)
Director

Margherita Argenziano
Director

Raffaele Cappiello (1), (2)
Director

Cristian Carnevale
Director

Giovanni Galoppi (1), (2)
Director

Giorgio Angelo Girelli
Director

Giuseppe Guizzi (1), (2), (3)
Director

Giovanni La Croce
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

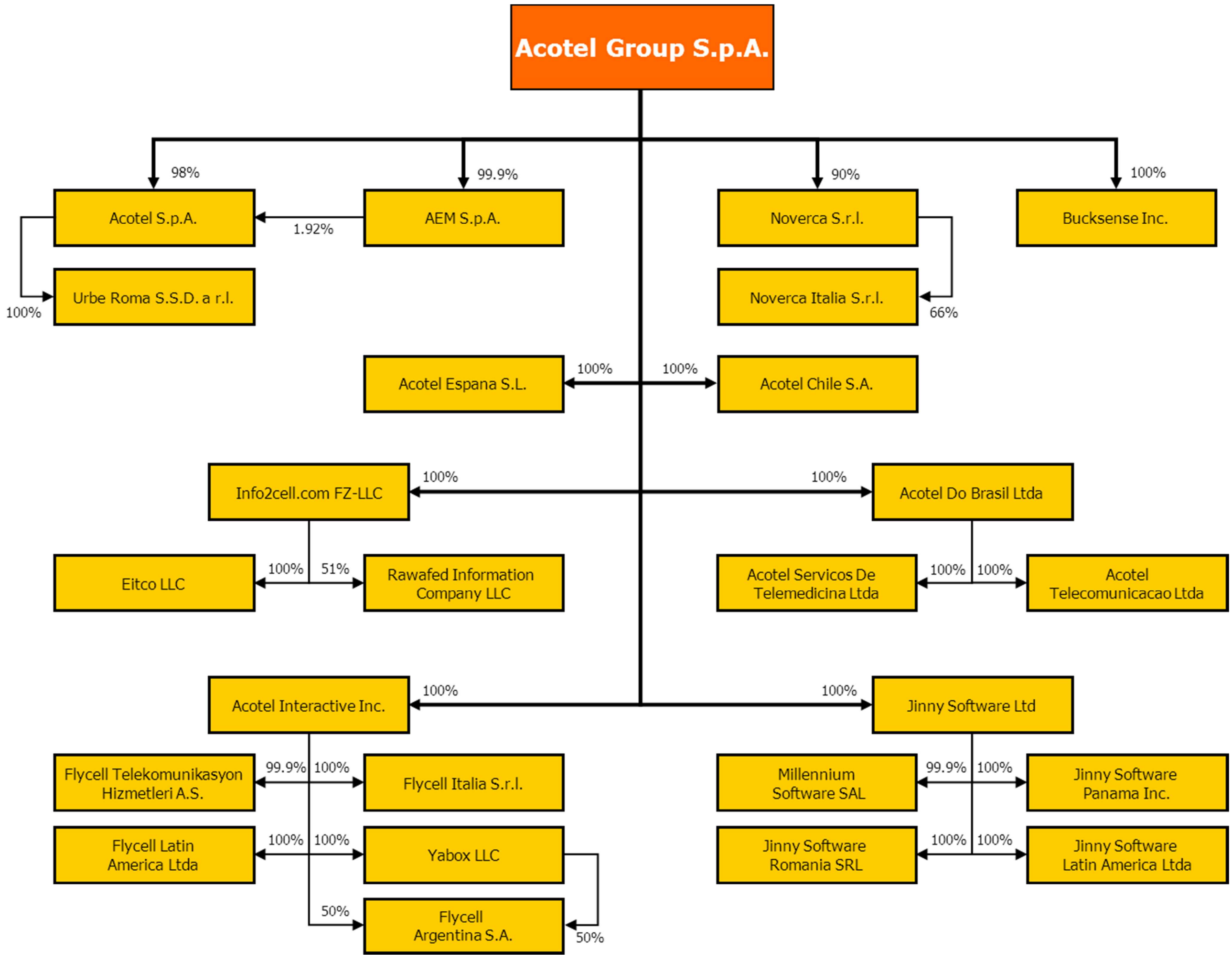
Maurizio Salimei
Auditor

Independent auditors

Reconta Ernst & Young SpA

THE GROUP

The following chart shows the structure of the Acotel Group at 31 March 2013:



The parent of Acotel Group SpA is Clama Srl, which at 31 March 2013 holds 1,727,915 ordinary shares, representing 41.4% of the share capital.

Clama Srl does not carry out management and coordination activities pursuant to art. 2497 of the Italian Civil Code.

BASIS OF PRESENTATION

The Acotel Group’s interim report for the three months ended 31 March 2013 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 interim 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 2012, 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 31 March 2013 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, any impairments of goodwill and inventories, and provisions for bad debts and taxation.

Above all, a portion of the turnover generated by *Acotel Interactive Inc.* and its subsidiaries, in addition to certain related cost items, include preliminary figures, is derived primarily from internal reporting systems, and estimates that have yet to be confirmed by mobile transaction network providers and/or operators.

Estimates and assumptions are also used in order to account for any refunds that may be payable to Digital Entertainment customers, and for the portion of revenues deriving from subscriptions for Digital Entertainment services billed in March 2013 and carried forward to the following accounting period.

Finally, certain measurement 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 measurement of any loss.

This interim report is unaudited.

BASIS OF CONSOLIDATION

The following table provides key information on consolidated companies held, directly or indirectly, by *Acotel Group SpA*, the Parent Company. There were no changes in the basis of consolidation during the first quarter of 2013 compared with 31 December 2012.

Companies consolidated on a line-by-line basis

Company	**Date of acquisition**	**Group's % interest**	**Registered office**	**Share capital**	
Acotel SpA	28 April 2000	99.9% (3)	Rome	EURO	13,000,000
AEM Advanced Electronic Microsystems SpA	28 April 2000	99.9%	Rome	EURO	858,000
Acotel Chile SA	28 April 2000	100%	Santiago, Chile	USD	17,330
Acotel Espana SL	28 April 2000	100%	Madrid	EURO	3,006
Acotel Do Brasil Ltda	8 August 2000 (1)	100%	Rio de Janeiro	BRL	1,868,250

Jinny Software Ltd.	9 April 2001	100%	Dublin	EURO	3,201
Millennium Software SAL	9 April 2001	99.9% (4)	Beirut	LPD	30,000,000
Info2cell.com FZ-LLC	29 January 2003 (2)	100%	Dubai	USD	5,000,000
Emirates for Information Technology Co.	29 January 2003	100% (5)	Amman	JD	710,000
Acotel Interactive Inc.	28 June 2003 (1)	100%	Wilmington	USD	10,000
Flycell Telekomunikasyon Hizmetleri A.S.	2 July 2005 (1)	99.9% (6)	Istanbul	TRY	50,000
Flycell Latin America Conteúdo Para Telefonia Móvel LTDA	6 June 2006 (1)	100% (6)	Rio de Janeiro	BRL	250,000
Jinny Software Romania SRL	26 June 2007 (1)	100% (4)	Bucharest	RON	200
Yabox LLC	24 October 2007 (1)	100% (6)	Wilmington	USD	1
Jinny Software Latin America Importação e Exportação Ltda	11 February 2008 (1)	100% (4)	Sao Paolo	BRL	3,714,816
Rawafed Information Company LLC	24 February 2008 (1)	51% (5)	Riyadh	SAR	500,000
Jinny Software Panama Inc.	1 July 2008 (1)	100% (4)	Panama City	USD	10,000
Flycell Italia Srl	10 July 2008 (1)	100% (6)	Rome	EURO	90,000
Flycell Argentina SA	26 October 2009	100% (7)	La Plata	ARS	12,000
Acotel Serviços De Telemedicina Ltda.	28 March 2011	100% (8)	Rio de Janeiro	BRL	400,000
Acotel Teleçomunicação Ltda.	28 March 2011	100% (8)	Rio de Janeiro	BRL	400,000
Bucksense, Inc.	28 June 2011	100%	Nevada	USD	10,000
Urbe Roma S.S.D. a r.l.	2 February 2012	100% (9)	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 Jinny Software Ltd.
(5) Controlled via Info2cell.com FZ-LLC.
(6) Controlled via Acotel Interactive Inc.
(7) Controlled via Acotel Interactive Inc. and Yabox LLC.
(8) Controlled via Acotel do Brasil Ltda.
(9) Controlled via Acotel SpA.

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

Company	Date of acquisition	Group’s interest (%)	Registered office	Share capital	
Noverca Srl	10 July 2002 (1)	90%	Rome	EURO	2,949,289
Noverca Italia Srl	9 May 2008 (2)	59.4% (3)	Rome	EURO	196,077

(1) Prior to this date the Group held a 50% interest in the company, posted to investments in associates. As of 9 May 2008 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) Investment held through Noverca Srl.

SIGNIFICANT EVENTS DURING THE PERIOD

The results for the first quarter reflect significant investment in advertising (up 113% on the first quarter of 2012) by subsidiaries operating in the **Acotel Interactive** business area. This reflects efforts to promote the new services aimed at customers who play digital games on smartphones and PCs, and to support the start-up of operations in a number of Latin American countries (Colombia, Peru and Ecuador) and in Europe (the Netherlands and Poland).

An analysis of the Group's quarterly results reveals that:

- turnover is up 12% from €25.1 million in the first quarter of 2012 to €28.1 million in the same period of 2013, partly due to changes in contract terms and conditions compared with the past;
- the Group recorded a gross operating loss (negative EBITDA) of €2.9 million, compared with a profit of €0.2 million for the same period of 2012. This reflects the Group's expenditure on advertising during the period, with the related costs amounting to €6.8 million, compared with the €3.2 million incurred in the first three months of 2012.

The Group's significant investment in advertising to support the sale of new services is proving effective in enlarging the customer base, with more than 800 thousand games played during the quarter. This leads us to already expect a recovery in earnings in the Interactive business area by the end of the current year.

In the same business area, the subsidiary, *Info2cell*, which operates in the Middle East, has successfully launched its *Mazajak Plus* and *Turkish Drama club* services for the operators, *Q-Tel* and *Umniah*, respectively.

In the **Acotel TLC** business area, the subsidiary, Jinny Software Ltd., which operates in the Mobile VAS Technology segment, made a very good start to 2013, among other things signing its first contract with one of Latin America's leading mobile operators. In addition, during the quarter *Jinny* launched its Diameter Router, an innovative product that we expect to attract market interest due to the fact that it is designed to help operators handle signalling traffic on new generation networks.

In the Mobile Communications segment of the same area of business, *Noverca Srl* continued to prepare for the launch of its operations as a Mobile Virtual Network Enabler (MVNE) and Mobile Virtual Network Aggregator (MVNA) in Italy and overseas, including outside of the intercompany relationship with *Noverca Italia Srl*.

During the first quarter, the **Acotel Net** business area witnessed the start-up of a number of partnerships aimed at providing a launchpad for commercialisation of the energy and water consumption management solution developed by the Group.
The first was launched in Italy with a multi-utility firm that has distributed the gateway designed and built by Acotel to its SME customers in order to boost customer loyalty by providing a useful and innovative additional service. A further agreement was concluded with one of the most important Italian service companies that is currently beginning a trial in over one hundred of its offices as part of an internal project aimed at cutting electricity consumption.
Commercialisation of the energy management solution has, on the other hand, begun in Brazil, where it has aroused strong interest among both drinking water distributors and large condominiums in the city of Rio de Janeiro.

OTHER INFORMATION

With regard to the Nòverca project, it should be noted that:

a) Noverca Italia Srl is currently engaged in renegotiating the contract for the distribution of SIM cards through Intesa Sanpaolo's branch network;
b) the deadlines for the exercise of pre-emptive rights deriving from the two rights issues approved, pursuant to article 2482-*ter* of the Italian Civil Code, by the general meetings of the shareholders of Noverca Srl and Noverca Italia Srl on 18 April 2013, are still in progress.

The resulting outcomes could have a significant impact on both the marketing strategy adopted by the Group's MVNO and on the ownership structures of the two Noverca joint ventures, with the ensuing consequences to be assessed in the coming months.

RESULTS OF OPERATIONS

RECLASSIFIED CONSOLIDATED INCOME STATEMENT

(€000)	Note	Q1 2013	Q1 2012	Inc./(Dec.)
Revenues	1	28,091	25,165	2,926
Other income		74	96	(22)
Total		**28,165**	**25,261**	**2,904**
Movements in work in progress, semi-finished and finished goods		14	(74)	88
Raw materials	2	(506)	(477)	(29)
External services	3	(23,507)	(17,703)	(5,804)
Rentals and leases	4	(443)	(490)	47
Staff costs	5	(6,110)	(6,043)	(67)
Internal capitalised costs		78	89	(11)
Other costs	6	(480)	(408)	(72)
Gross operating profit/(loss)		**(2,789)**	**155**	**(2,944)**
Amortisation and depreciation	7	(992)	(1,076)	84
Impairment charges/reversal of impairment charges on non-current assets		(1)	(34)	33
Operating profit/(loss)		**(3,782)**	**(955)**	**(2,827)**
Net finance income/(costs)	8	(20)	594	(614)
PROFIT/(LOSS) BEFORE TAX		**(3,802)**	**(361)**	**(3,441)**
Taxation	9	(330)	(885)	555
PROFIT/(LOSS) BEFORE NON-CONTROLLING INTERESTS		**(4,132)**	**(1,246)**	**(2,886)**
Profit/(Loss) attributable to non-controlling interests		141	35	106
PROFIT/(LOSS) FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE PARENT		**(4,273)**	**(1,281)**	**(2,992)**
Earnings per share	10	(1.04)	(0.31)	
Diluted earnings per share	10	(1.04)	(0.31)	

Compared with the results for the same period of the previous year, the Acotel Group's results for the first quarter of 2013 show an improvement in revenue and a deterioration in earnings.

Revenue of €28,091 thousand is up 12% on the figure for the same period of 2012, reflecting both increased in investment in advertising during the period and the different method of accounting for revenues adopted. The latter follows changes, introduced in a number of countries in which the Group operates, to contracts governing the provision of consumer services.

The gross operating profit of €155 thousand recorded in the first quarter of 2012 contrasts with a gross operating loss of €2,789 thousand in the quarter just ended. The deterioration is essentially due to the cost of investment in advertising by *Acotel Interactive Inc.*, its direct subsidiaries and *Acotel SpA* in order to support the launch of new services and the entry into new geographical markets.

After amortisation and depreciation, amounting to €992 thousand, and impairments of non-current assets, totalling €1 thousand, the Group reports an operating loss of €3,782 thousand.

After net finance costs of €20 thousand, estimated taxation for the period of €330 thousand, and profit attributable to non-controlling interests of €141 thousand, the loss attributable to owners of the Parent for the first quarter of 2013 amounts to €4,273 thousand.

Note 1 - Revenue

Revenue for the first quarter of 2013 amounts to €28,091 thousand, up from the €25,165 thousand of the same period of the previous year.

As shown in the table below, the increase in revenue essentially reflects the performances of the Acotel Interactive and Acotel TLC businesses, which saw growth of 10% and 21%, respectively, versus the first quarter of 2012.

(€000)	**Q1 2013**	**%**	**Q1 2012**	**%**
ACOTEL INTERACTIVE	22,788	81.1%	20,698	82.2%
ACOTEL TLC	4,991	17.8%	4,120	16.4%
ACOTEL NET	312	1.1%	347	1.4%
Total	**28,091**	**100%**	**25,165**	**100%**

ACOTEL INTERACTIVE

The Acotel Interactive business includes the services provided directly to consumers (Digital Entertainment), and those supplied to telephone operators and commercial companies (Mobile Services), and has the primary purpose of supplying value added content and services over mobile phones and the web.

A breakdown of revenues from this business is given in the following table:

(€000)	Q1 2013	Q1 2012 *	Inc./(Dec.)
Digital Entertainment	17,894	15,745	2,149
Mobile Services	4,894	4,953	(59)
Total	**22,788**	**20,698**	**2,090**

(*): Amounts for 2012 have been restated to provide a better basis for comparison without, however, modifying the total balance.

In the first quarter of 2013 Digital Entertainment services generated revenues of €17,894 thousand, up 14% on the same period of 2012. These services are supplied by *Acotel Interactive Inc.* and its direct subsidiaries, accounting for a total of €12,178 thousand, by *Acotel SpA*, accounting for €4,483 thousand, and *Info2cell*, which reports revenues of €1,233 thousand. The increase on the same period of 2012 reflects increased turnover at *Acotel SpA* and *Info2cell*, in part due to changes to contracts governing the provision of consumer services.

Mobile Service revenues, amounting to €4,894 thousand, are essentially in line with the first quarter of 2012. These include the revenues generated by *Info2cell Llc* from the services it provides to the leading mobile operators in the Middle East, amounting to €3,163 thousand, the revenues from services rendered by the subsidiary, *Acotel do Brasil*, to the Brazilian operator, *TIM Celular*, amounting to €1,073 thousand, and those generated by the services provided to *Telecom Italia* by the subsidiary, *Acotel SpA*, totalling €658 thousand.

ACOTEL TLC

The revenues generated by the Acotel TLC business amount to €4,991 thousand, up 21% on the same period of 2012, as shown in the following table:

(€000)	Q1 2013	Q1 2012	Inc./(Dec.)
Mobile VAS Technology	2,782	2,625	157
Mobile Communications	2,209	1,495	714
Total	**4,991**	**4,120**	**871**

Turnover generated by the Mobile VAS Technology segment is generated by *Jinny Software* from the supply of new equipment and the provision of maintenance to mobile operators in Africa, the Middle East, Latin America, Asia, Europe and North America.

Mobile Communications revenues include €1,081 thousand in MVNO revenues generated by *Noverca Italia Srl*, recognised, in accordance with the proportionate method of consolidation, on the basis of *Acotel Group* SpA's 59.4% direct and indirect interest in *Noverca Italia Srl*, €873 thousand generated in Italy by *Acotel SpA*, primarily from services provided to leading banks, and €255 thousand generated from the services provided to the Brazilian operator, *TIM Celular*, by *Acotel do Brasil Ltda*. The growth in Mobile Communications revenues compared with the previous first quarter is due to increased turnover at *Noverca Italia Srl* and *Acotel do Brasil Ltda*.

ACOTEL NET

Revenues of €312 thousand generated by the Acotel Net business almost exclusively regard the design, production and maintenance of electronic security systems in Italy by the subsidiary, *AEM SpA*.

A geographical breakdown of the Group's revenue is as follows, regardless of the nature of the goods and services sold:

(€000)	Q1 2013	%	Q1 2012	%
ITALY	9,062	32.3%	8,922	35.5%
LATIN AMERICA	7,475	26.6%	6,749	26.8%
NORTH AMERICA	4,586	16.3%	3,844	15.3%
MIDDLE EAST	4,574	16.3%	3,294	13.1%
OTHER EUROPEAN COUNTRIES	1,664	5.9%	1,321	5.2%
AFRICA	509	1.8%	950	3.8%
ASIA	221	0.8%	85	0.3%
	28,091	**100%**	**25,165**	**100%**

The geographical breakdown shows that revenue growth was achieved in the first quarter of 2013 in all the countries in which the Group has a commercial presence, with the exception of Africa.

Note 2 - Raw materials

The cost of raw materials during the quarter, amounting to €506 thousand, refers principally to the purchase of materials for the construction of telecommunications systems by *Jinny Software* (€444 thousand).

Note 3 – External services

The cost of external services totals €23,507 thousand for the quarter, up 33% on the first quarter of 2012. A breakdown of the service costs is shown below:

(€000)	Q1 2013	Q1 2012	Inc./(Dec.)
Interconnection and billing services	9,291	7,255	2,036
Advertising	6,756	3,166	3,590
Content providers	3,138	2,729	409
Telecommunications services	1,003	335	668
Professional consultants	640	909	(269)
Connectivity and sundry utilities	479	442	37
Travel expenses	457	372	85
Purchase of SMS packages	423	778	(355)
Remuneration of corporate officers	221	190	31
Call centre	173	169	4
Outsourcing	111	155	(44)
Auditors' fees	70	133	(63)
Other minor expenses	745	1,070	(325)
Total	**23,507**	**17,703**	**5,804**

The increase in the cost of external services primarily reflects greater investment in advertising and the increased cost of interconnection and billing services linked to the growth in turnover.

Note 4 – Rentals and leases

Rentals and leases amount to €443 thousand and mainly include rentals on offices occupied by Group companies.

Note 5 – Staff costs

Staff costs include:

(€000)	Q1 2013	Q1 2012	Inc./(Dec.)
Salaries and wages	4,716	4,685	31
Social security contributions	792	804	(12)
Staff termination benefits	103	101	2
Finance costs	(19)	(24)	5
Other costs	518	477	41
Total	**6,110**	**6,043**	**67**

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 31 March 2013 and a comparison of the average numbers for the first quarters of 2013 and 2012 are reported in the following table:

	At 31 March 2013	Average Q1 2013	Average Q1 2012
Managers	27	27	27
Supervisors	88	89	89
White- and blue-collar staff	369	366	335
Total	**484**	**482**	**471**

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

	At 31 March 2013	At 31 March 2012
Italy	120	119
Lebanon	80	75
Brazil	76	75
Jordan	62	54
USA	45	47
Ireland	35	33
Romania	14	15
United Arab Emirates	13	13
Spain	11	10
Kenya	10	8
Malaysia	7	7
Saudi Arabia	5	7
Turkey	2	2
Indonesia	2	1
Sudan	1	1
Mexico	1	-
Total	**484**	**467**

Note 6 – Other costs

Other costs amount to €480 thousand in the first quarter of 2013, including €234 thousand for indirect taxes payable by *Acotel do Brasil*, *Flycell Latin America* and *Jinny 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 7 - Amortisation and depreciation

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

(€000)	Q1 2013	Q1 2012	Inc./(Dec.)
Amortisation of non-current intangible assets	289	250	39
Depreciation of property, plant and equipment	703	826	(123)
Total	**992**	**1,076**	**(84)**

Amortisation of intangible assets includes amortisation of the software and licences utilised by various Group companies, and the expenses paid to Telecom Italia in return for preparation and configuration of the technology infrastructure used in delivering the services provided by the MVNO, *Nòverca*.

Depreciation of property, plant and equipment primarily refers to depreciation of the telecommunications equipment and infrastructures used by Group companies and leasehold improvements to offices.

Note 8 - Finance income and costs

Net finance costs of €20 thousand for the first quarter of 2013 break down as follows:

(€000)	Q1 2013	Q1 2012	Inc./(Dec.)
Income from investments	204	592	(388)
Foreign exchange gains	132	523	(391)
Interest income on bank deposits	1	4	(3)
Total finance income	**337**	**1,119**	**(782)**
Interest expense and bank charges	(63)	(125)	62
Foreign exchange losses	(267)	(370)	103
Other interest expense	(27)	(30)	3
Total finance costs	**(357)**	**(525)**	**168**
Net finance income/(costs)	**(20)**	**594**	**(614)**

Income from investments includes gains on investment of the Group’s liquidity in short-term instruments.

Foreign exchange gains and losses essentially regard realised and unrealised gains and losses generated by *Acotel Interactive Inc.* and its subsidiaries.

Note 9 – Taxation

Taxation for the period, amounting to €330 thousand, reflects estimated income tax expense and deferred tax income and expense recognised by Group companies, net of the related reversals.

Note 10 – Earnings per share

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

(€000)	Q1 2013	Q1 2012
Profit/(loss) for the period (€000)	**(4,273)**	**(1,281)**
Number of shares (000)		
Shares in circulation at the start of the period*	4,114 *	4,114 *
Weighted average of treasury shares acquired/sold in the period	-	-
Weighted average of ordinary shares in circulation	**4,114**	**4,114**
Basic and diluted earnings per share **	**(1.04)**	**(0.31)**

* : net of treasury shares held at the same date.
**: basic earnings for the first quarters of 2013 and 2012 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)	31 March 2013	31 December 2012	Inc./(Dec.)
Non-current assets:			
Property, plant and equipment	11,321	10,445	876
Intangible assets	14,043	14,299	(256)
Other assets	3,447	3,489	(42)
TOTAL NON-CURRENT ASSETS	**28,811**	**28,233**	**578**
Net current assets:			
Inventories	721	721	-
Trade receivables	31,516	32,742	(1,226)
Other current assets	4,785	4,833	(48)
Trade payables	(24,687)	(23,850)	(837)
Other current liabilites	(8,740)	(8,414)	(326)
TOTAL NET CURRENT ASSETS	**3,595**	**6,032**	**(2,437)**
PROVISIONS FOR STAFF TERMINATION AND OTHER EMPLOYEE BENEFITS	**(2,238)**	**(2,256)**	**18**
NON-CURRENT PROVISIONS	**(678)**	**(629)**	**(49)**
NET INVESTED CAPITAL	**29,490**	**31,380**	**(1,890)**
Equity:			
Share capital	1,084	1,084	-
Reserves and retained earnings/(accumulated losses)	60,428	65,099	(4,671)
Profit/(Loss) for the period	(4,273)	(6,053)	1,780
Non-controlling interests	953	812	141
TOTAL EQUITY	**58,192**	**60,942**	**(2,750)**
Net cash and cash equivalents:			
Current financial assets	(15,482)	(16,722)	1,240
Cash and cash equivalents	(13,924)	(11,853)	(2,071)
Current financial receivables	(1,689)	(1,646)	(43)
Current financial liabilities	2,393	659	1,734
	(28,702)	**(29,562)**	**860**
NET FUNDS RECEIVABLE FROM OTHERS	**(28,702)**	**(29,562)**	**860**
TOTAL EQUITY AND NET FUNDS RECEIVABLE FROM OTHERS	**29,490**	**31,380**	**(1,890)**

The Acotel Group's net invested capital at 31 March 2013 amounts to €29,490 thousand, made up of non-current assets of €28,811 thousand, net current assets of €3,595 thousand, provisions for staff termination benefits of €2,238 thousand and other non-current provisions of €678 thousand.

Net invested capital is financed by consolidated equity of €58,192 thousand and net funds of €28,702 thousand.

A detailed analysis of changes in the principal components of the financial position shows that:

- the value of non-current assets has risen, essentially due to construction work on the property in Rio de Janeiro owned by the subsidiary, *Acotel do Brasil*, after depreciation of the Group's property, plant and equipment for the period;
- changes in net current assets reflect the performance of the Acotel Group's businesses;
- net funds receivable from others at 31 March 2013 amount to €28,702 thousand, marking a decrease of €860 thousand on 31 December 2012, as shown in the following table.

NET FUNDS

(€000)

	31 March 2013	31 December 2012	Increase/ (Decrease)
A. Cash and cash equivalents	13,924	11,853	2,071
B. Assets held for trading	14,471	15,710	(1,239)
C. Liquidity (A + B)	**28,395**	**27,563**	**832**
D. Financial receivables due from related parties	1,689	1,646	43
E. Other current financial receivables	1,011	1,012	(1)
F. Current financial assets (D + E)	**2,700**	**2,658**	**42**
G. Current bank borrowings	(2,393)	(659)	(1,734)
H. Current financial liabilities (G)	**(2,393)**	**(659)**	**(1,734)**
I. Non-current debt	-	-	-
L. Net funds (C+F+H+I)	**28,702**	**29,562**	**(860)**
- receivable from related parties	1,689	1,646	43
- receivable from others	27,013	27,916	(903)

DECLARATION BY THE MANAGER RESPONSIBLE FOR FINANCIAL REPORTING

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