INTERIM REPORT FOR THE THREE MONTHS ENDED 31 MARCH 2015

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), (3)
Director

Margherita Argenziano
Director

Rubens Esposito (1), (2)
Director

Giovanni Galoppi
Director

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

Board of Statutory Auditors

Sandro Lucidi
Chairman

Antonio Mastrangelo
Auditor

Monica Rispoli
Auditor

Independent auditors

Reconta Ernst & Young SpA

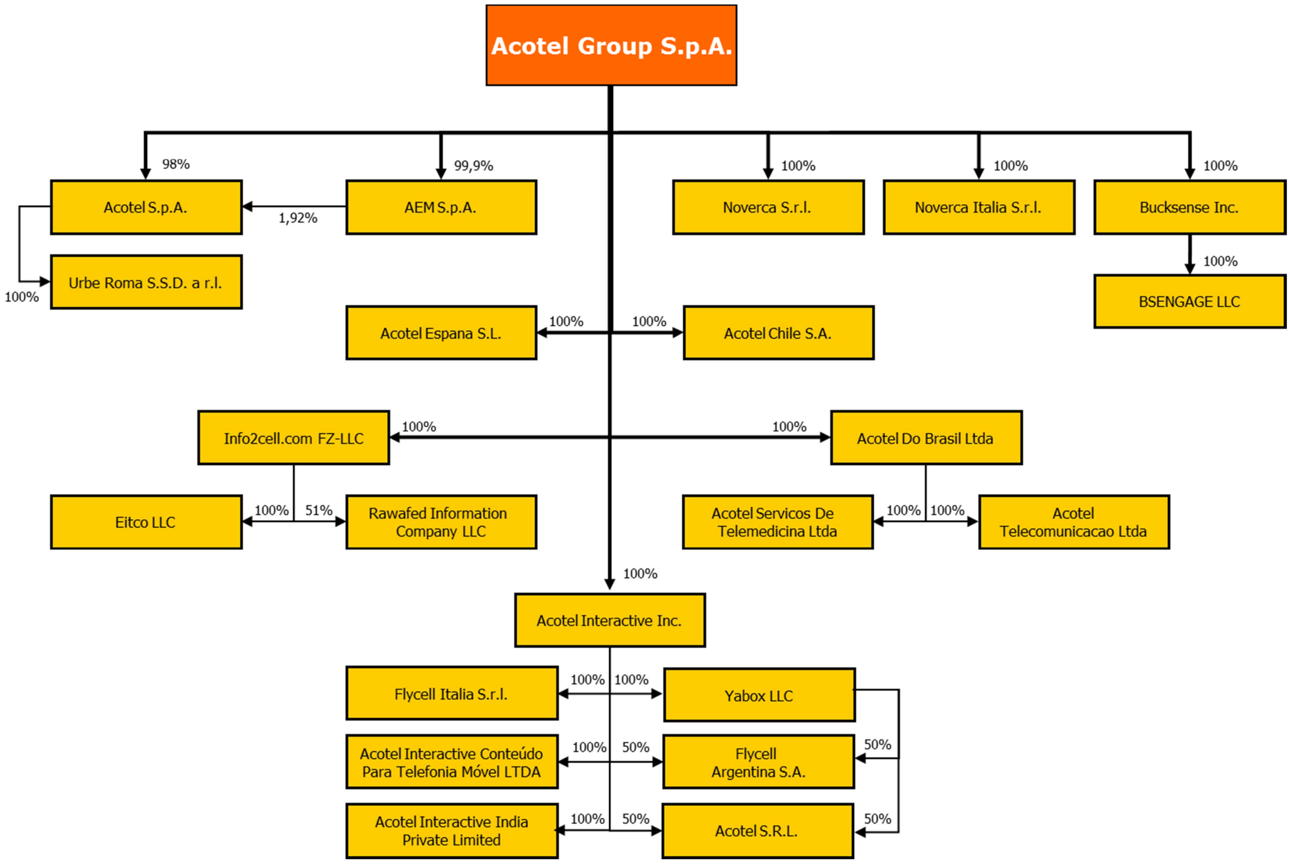
Acotel Group SpA's Board of Directors and Board of Statutory Auditors were elected by the Annual General Meeting of 24 April 2015, which also elected Claudio Carnevale as Chairman. The two Boards and the Chairman will remain in office until approval of the financial statements for the year ended 31 December 2017.

The Board of Directors' meeting that approved the interim report elected:

- Claudio Carnevale to serve as the Company's Chief Executive Officer, granting him the powers necessary to ensure effective and timely management of the Company;
- Francesco Ago as Lead Independent Director;
- Francesco Ago and Professor Rubens Esposito as members of the Remuneration Committee and the Internal Audit Committee. Mr Ago was also appointed Chairman of the Remuneration Committee, whilst Professor Rubens Esposito was appointed Chairman of the Internal Audit Committee;
- Giovanni Galoppi as the Director responsible for the internal control and risk management system;
- Davide Carnevale as Investor relator;
- and granted the Director, Margherita Argenziano, the executive powers consistent with her duties.

THE GROUP

The following chart shows the structure of the Acotel Group at 31 March 2015:



The parent of Acotel Group SpA is Clama Srl, which at 31 March 2015 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, as, despite holding sufficient voting rights to submit the majority list for election of the Board of Directors, Acotel Group SpA's Board of Directors is operationally independent.

BASIS OF PRESENTATION

The Acotel Group's interim report for the three months ended 31 March 2015 has been prepared in compliance with art. 154-ter (*Financial reporting*) of Legislative Decree 58/1998 (the Consolidated Finance Act), as amended, 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 2014, 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 2015 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, litigation and taxation.

Above all, a portion of the turnover generated by Digital Entertainment services, and a number of related cost items, in addition to the proceeds generated during the period from the sale of *Nòverca*'s customer base to *TIM*, include preliminary figures, derived primarily from internal reporting systems, and estimates that have yet to be confirmed by mobile transaction network providers and/or operators.

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.

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 Acotel Engineering and Manufacturing 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
Info2cell.com FZ-LLC	29 January 2003 (2)	100%	Dubai	USD	5,000,000
Emirates for Information Technology Co.	29 January 2003	100% (4)	Amman	JD	710,000
Acotel Interactive, Inc.	28 June 2003 (1)	100%	Wilmington	USD	10,000
Acotel Interactive Conteúdo Para Telefonia Móvel LTDA	6 June 2006 (1)	100% (5)	Rio de Janeiro	BRL	250,000
Yabox LLC	24 October 2007 (1)	100% (5)	Wilmington	USD	1
Rawafed Information Company LLC	24 February 2008 (1)	51% (4)	Riyadh	SAR	500,000
Flycell Italia Srl	10 July 2008 (1)	100% (5)	Rome	EURO	90,000

Flycell Argentina SA	26 October 2009	100% (6)	La Plata	ARS	12,000
Acotel Serviços De Telemedicina Ltda.	28 March 2011 (1)	100% (7)	Rio de Janeiro	BRL	400,000
Acotel Teleçomunicação Ltda.	28 March 2011 (1)	100% (7)	Rio de Janeiro	BRL	400,000
Bucksense, Inc.	28 June 2011 (1)	100%	Nevada	USD	10,000
Urbe Roma S.S.D. a r.l.	2 February 2012	100% (8)	Rome	EURO	10,000
Noverca Srl	10 July 2002 (9)	100% (10)	Rome	EURO	10,000
Noverca Italia Srl	9 May 2008 (1)	100% (10)	Rome	EURO	10,000
Acotel SRL	30 July 2013 (1)	100% (6)	Buenos Aires	ARS	20,000
Acotel Interactive India Private Limited	22 August 2013 (1)	100% (5)	Mumbai	Rs	100,000
BSENGAGE LLC	9 January 2015	100% (11)	Nevada	USD	1

(1) The date of the company's entry into the Group coincides with its incorporation.
(2) Prior to this date the Group owned 33% of this company, accounted for in investments in associates.
(3) AEM owns 1.92% of the share capital.
(4) Controlled via Info2cell.com FZ-LLC.
(5) Controlled via Acotel Interactive Inc.
(6) Controlled via Acotel Interactive Inc. and Yabox LLC.
(7) Controlled via Acotel do Brasil Ltda.
(8) Controlled via Acotel SpA.
(9) Prior to this date the Group owned 50% of this company, accounted for in investments in associates.
(10) Since 20 May 2013 the Group has full control of this company.
(11) Controlled via Bucksense, Inc..

The basis of consolidation changed during the first quarter of 2015, as a result of the sale of the 100% interest in *Flycell Telekomunikasyon Hizmetler AS* and the incorporation of *BSENGAGE LLC* by the subsidiary, *Bucksense, Inc.*.

SIGNIFICANT EVENTS DURING THE FIRST QUARTER

The Group completed a number of important corporate transactions during the first quarter of 2015, involving the sale of assets no longer deemed to be core and the consolidation of existing businesses.

On 9 January 2015, an agreement was signed with *Telecom Italia SpA* regarding the transfer of approximately 170,000 customers of Noverca to TIM. The sale will enable the **Acotel TLC** business area to reduce the variable costs linked to the management of retail customers and to retain the licenses needed in order to continue operating as a Mobile Virtual Network Aggregator ("MVNA"), whilst also ensuring that the Group has access to its own Machine to Machine SIM cards, representing a further competitive advantage for the **Acotel Net** business area.

Under the agreement, *Nòverca*'s customers were able to transfer their numbers to TIM from February, whilst substantially maintaining the same price plans.

Noverca is to receive a consideration that will depend on the number and type of customer transferring: at 31 March 2015, as a result of approximately 97,000 customers migrating from Nòverca, income of €1,949 thousand has been recognised in "Profit/(Loss) from discontinued operations", in accordance with IFRS 5.

On 26 February 2015, an extraordinary general meeting of *Noverca Italia Srl*''s shareholders voted to place the company in liquidation.

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

At the end of March, *Acotel Interactive Inc.* exited the Turkish market with the sale of its 100% stake in *Flycell Telekomunikasyon Hizmetler A.S.*, in the belief that this market does not have sufficient revenue potential. As a result of this transaction, in accordance with IFRS 5, a loss of €245 thousand has been recognised in "Profit/(Loss) from discontinued operations". Cost and revenue items attributable to *Flycell Telekomunikasyon Hizmetler A.S.* for the first quarter of 2015 and, for comparative purposes, the first quarter of 2014 have been classified in "Profit/(Loss) from discontinued operations". Cost and revenue items attributable to *Jinny Software Ltd.* and all its subsidiaries, which were sold in 2014, have also been classified in this line item.

As the following table shows, compared with the results for the same period of 2014, the Acotel Group's results for the first quarter of 2015 reveal a reduction in revenue and a deterioration in earnings from continuing operations.

	Q1 2015				
(€000)	**ACOTEL INTERACTIVE**	**ACOTEL TLC**	**ACOTEL NET**	**Eliminations / Other**	**Total**
Revenue	12,271	2,878	424	-	**15,573**
EBITDA	(998)	(517)	(467)	(11)	**(1,993)**
Profit/(Loss) for the period before tax	(905)	(877)	(493)	138	**(2,137)**

	Q1 2014				
(€000)	**ACOTEL INTERACTIVE**	**ACOTEL TLC**	**ACOTEL NET**	**Eliminations / Other**	**Total**
Revenue	15,412	2,404	281	-	**18,097**
EBITDA	1,211	(1,643)	(456)	2	**(886)**
Profit/(Loss) for the period before tax	1,049	(2,401)	(469)	95	**(1,726)**

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

- total turnover is down 14% from €18.1 million in the first quarter of 2014 to €15.6 million in the first quarter of 2015;
- the Group has registered a gross operating loss (negative EBITDA) of €2 million, compared with a loss of €0.9 million in the same period of 2014.

The reduction in quarterly revenues essentially reflects reduced turnover at the **Acotel Interactive** business area. In addition to the decline in revenues, EBITDA was significantly affected by large-scale spending on advertising (up 71% on the first quarter of 2014), primarily linked to completion of the launch of services in India, where revenues for the first quarter of 2015 are up by over 30% on the last quarter of the previous year.

Revenues generated by the **Acotel TLC** business area during the quarter just ended are up approximately 20% on the same period of 2014, benefitting from both increased phone traffic generated by the retail customers of the Mobile Virtual Network Operator ("MVNO"), *Nòverca*, and revenue from the provisions of MVNA services, which consist in the Group enabling parties interested in becoming MVNOs.

In the **Acotel Net** business area, in addition to proceeding with work on the development of products and services for managing the consumption of energy, water and gas, talks have continued during the first quarter with a number of major commercial partners.

During the period, the delivery and activation of devices in around 8,500 offices belonging to *Poste Italiane* also continued. The use of Acotel Net's solution in Poste Italiane's offices is proving a success, as the devices not only enable the customer to make significant energy savings, but also enable it to identify the numerous outages that occur in real time. The new system enables the problems, caused by interruptions to electricity supply or malfunctioning automatic switch-off devices, to be rapidly dealt with and normal service restored to the offices concerned.

RESULTS OF OPERATIONS

RECLASSIFIED CONSOLIDATED INCOME STATEMENT (*)

(€000)	Note	Q1 2015	Q1 2014	Increase/ (Decrease)
Revenues	1	15,573	18,097	(2,524)
Other income		48	46	2
Total		**15,621**	**18,143**	**(2,522)**
Movements in work in progress, semi-finished and finished goods		(42)	104	(146)
Raw materials		(95)	(245)	150
External services	2	(13,129)	(14,511)	1,382
Rentals and leases	3	(335)	(310)	(25)
Staff costs	4	(3,856)	(3,994)	138
Internal capitalised costs	5	247	208	39
Other costs	6	(404)	(281)	(123)
Gross operating profit/(loss)		**(1,993)**	**(886)**	**(1,107)**
Amortisation and depreciation	7	(479)	(861)	382
Operating profit/(loss)		**(2,472)**	**(1,747)**	**(725)**
Net finance income/(costs)	8	335	21	314
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS		**(2,137)**	**(1,726)**	**(411)**
Taxation	9	(512)	(521)	9
PROFIT/(LOSS) FROM CONTINUING OPERATIONS		**(2,649)**	**(2,247)**	**(402)**
Profit/(Loss) from discontinued operations	10	1,704	(1,429)	3,133
PROFIT/(LOSS) BEFORE NON-CONTROLLING INTERESTS		**(945)**	**(3,676)**	**2,731**
Profit/(Loss) attributable to non-controlling interests		(82)	(8)	(74)
PROFIT/(LOSS) ATTRIBUTABLE TO OWNERS OF THE PARENT		**(863)**	**(3,668)**	**2,805**
Earnings per share	11	(0.21)	(0.89)	
Diluted earnings per share	11	(0.21)	(0.89)	

(*): The subsidiary, Flycell Telekomunikasyon Hizmetler A.S., was sold on 30 March 2015. As a result, cost and revenue item have been classified in "Profit/(Loss) from discontinued operations". The estimated proceeds, at 31 March 2015, from the transfer of Nòverca's customer base to TIM have also been classified in this item. Amounts for 2014 have been reclassified, for comparative purposes and in accordance with IFRS 5, to take account of the sale of Jinny Software Ltd. in 2014.

Nota 1 - Revenue

Revenue for the first quarter of 2015 amounts to €15,573 thousand, down on the €18,097 thousand of the same period of the previous year.

As shown in the table below, the decrease in revenue essentially reflects the performances of the Acotel Interactive business area (down 20%).

(€000)	Q1 2015	%	Q1 2014	%
ACOTEL INTERACTIVE	12,271	78.8%	15,412	85.1%
ACOTEL TLC	2,878	18.5%	2,404	13.3%
ACOTEL NET	424	2.7%	281	1.6%
Total	**15,573**	**100%**	**18,097**	**100%**

ACOTEL INTERACTIVE

The Acotel Interactive business area 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 this business area's revenues is given in the following table:

(€000)	Q1 2015	Q1 2014	Increase/ (Decrease)
Digital Entertainment	8,743	11,924	(3,181)
Mobile Services	3,528	3,488	40
Total	**12,271**	**15,412**	**(3,141)**

In the first quarter of 2015, Digital Entertainment services generated revenues of €8,743 thousand, down 27% on the same period of 2014. These services are supplied by *Acotel Interactive Inc.* and its direct subsidiaries, accounting for a total of €5,813 thousand (down 18% on the first quarter of 2014), by *Acotel SpA*, accounting for €1,526 thousand (down 52% on the first quarter of 2014), and *Info2cell*, accounting for €1,404 thousand (down 13% on the first quarter of 2014).

Mobile Service revenues, amounting to €3,528 thousand, are substantially in line with the first quarter of 2014. These include the revenues generated by *Info2cell Llc* from the services it provides to the leading mobile operators in the Middle East, amounting to €1,801 thousand, the revenues from services rendered by the subsidiary, *Acotel do Brasil*, to the Brazilian operator, *TIM Celular*, amounting to €1,454 thousand, and those generated by the services provided to *Telecom Italia* by the subsidiary, *Acotel SpA*, totalling €273 thousand.

ACOTEL TLC

The revenues generated by the Acotel TLC business area in the first quarter of 2015 amount to €2,878 thousand, up 20% on the same period of 2014, as shown in the following table:

(€000)	Q1 2015	Q1 2014	Increase/ (Decrease)
Mobile Communications	2,684	2,404	280
Mobile Virtual Network Aggregator services	194	-	194
Total	**2,878**	**2,404**	**474**

Mobile Communications revenues include €2,572 thousand in MVNO revenues generated by *Noverca Italia Srl*, €111 thousand generated in Italy by *Acotel SpA*, primarily from services provided to leading banks, and €1 thousand generated from the services provided by *Acotel do Brasil Ltda.* The increase of 12%, compared with the first quarter of 2014, reflects growth in Nòverca's customer base during the previous year.

The Group generated revenues of €194 thousand from the provision of Mobile Virtual Network Aggregator services in the first quarter of 2015, reflecting the phone traffic generated by the customers of Noitel Italia Srl (an airtime reseller) and *Linkem SpA* (an MVNO) and the services provided to *Ringo Mobile SpA* in order to enable it to operate as an MVNO.

ACOTEL NET

Revenues generated by the **Acotel Net** business area, totalling €424 thousand, are up 51% on the same period of 2014, as shown in the following table:

(€000)	Q1 2015	Q1 2014	Increase/ (Decrease)
Security Systems	271	280	(9)
Energy	153	1	152
Total	**424**	**281**	**143**

The Security Systems segment generated revenues of €271 thousand. These revenues relate to the design, production and maintenance of electronic security systems and are generated entirely in Italy by the subsidiary, *AEM Acotel Engineering and Manufacturing SpA*. They derive from the installation, supply, servicing and maintenance of remote surveillance equipment primarily installed at certain provincial branches of the Bank of Italy, at Italian police headquarters and at a number of companies in the *ACEA* Group.

The Energy segment generated revenues of €153 thousand during the quarter. These relate primarily to the project being carried out by *AEM Acotel Engineering and Manufacturing SpA* on behalf of *Poste Italiane SpA*, regarding the management of energy consumption at approximately 8,500 post offices.

The following table provides an analysis of the Group's sales in the various geographical segments, regardless of the nature of the goods and services sold:

(€000)	Q1 2015	%	Q1 2014	%
ITALY	5,617	36.1%	6,878	38.0%
LATIN AMERICA	5,290	34.0%	6,976	38.5%
MIDDLE EAST	3,205	20.6%	3,357	18.6%
INDIA	1,279	8.2%	-	-
OTHER EUROPEAN COUNTRIES	156	1.0%	472	2.6%
NORTH AMERICA	20	0.1%	404	2.2%
AFRICA	6	-	10	0.1%
	15,573	**100%**	**18,097**	**100%**

Note 2 - External services

The cost of external services totals €13,129 thousand, down 10% on the first quarter of 2014.

A breakdown of the service costs is shown below:

(€000)	Q1 2015	Q1 2014	Increase/ (Decrease)
Interconnection and billing services	4,743	6,604	(1,861)
Advertising	2,663	1,560	1,103
Content providers	1,896	1,905	(9)
Telecommunications services	1,612	1,619	(7)
Professional consultants	527	489	38
Connectivity and sundry utilities	417	404	13
Remuneration of corporate officers	215	215	-
Travel expenses	112	142	(30)
Call centre	110	293	(183)
Routine maintenance	96	103	(7)
Commissions on telephone topups	76	40	36
Auditors' fees	64	63	1
Outsourcing	63	65	(2)
Customer acquisitions	53	394	(341)
Purchase of SMS packages	50	98	(48)
Other minor expenses	432	517	(85)
Total	**13,129**	**14,511**	**(1,382)**

The reduction compared with the first quarter of 2014 essentially reflects the decrease in variable costs linked to managing *Nòverca*'s retail customers, which are transferring to TIM under the sale agreement signed on 9 January 2015.

Note 3 - Rentals and leases

Rentals and leases amount to €335 thousand and mainly include rentals on offices occupied by Group companies.

Note 4 – Staff costs

Staff costs include:

(€000)	Q1 2015	Q1 2014	Increase/ (Decrease)
Salaries and wages	2.833	2.946	(113)
Social security contributions	623	680	(57)
Staff termination benefits	129	128	1
Finance costs	(16)	(24)	8
Other costs	287	264	23
Total	**3.856**	**3.994**	**- 138**

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 2015 and a comparison of the average numbers for the first quarters of 2015 and 2014 are reported in the following table:

	At 31 March 2015	Average Q1 2015	Average Q1 2014
Managers	18	18	22
Supervisors	58	58	58
White- and blue-collar staff	218	220	249
Total	**294**	**296**	**329**

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

	At 31 March 2015	At 31 March 2014
Italy	141	142
Brazil	55	61
Jordan	51	62
USA	27	30
Spain	11	16
United Arab Emirates	6	5
Saudi Arabia	3	5
Total	**294**	**321**

During the first quarter of 2015, the interest in the subsidiary, *Flycell Telekomunikasyon Hizmetler AS* was sold, whilst the investment in the subsidiary, *Jinny Software*, and all its subsidiaries was sold in the third quarter of 2014. As a result, in order to provide a like-for-like basis for comparison, the figures shown above regarding the geographical distribution of the Group's staff and the breakdown of staff by category for 2014 exclude the staff of these companies. For the sake of completeness, the total workforce employed by *Flycell Telekomunikasyon Hizmetler AS* and *Jinny Software* at 31 March 2014 was 185.

Note 5 – Capitalised internal costs

Capitalised internal costs, totalling €247 thousand, include €167 thousand relating to staff employed in the development of software and new functions used in delivering NET, MVNO and MVNA services, and €80 thousand relating to the devices used in the provision of energy management services, which are distributed to Acotel's customers on free loan, and *Nòverca* SIM cards.

Note 6 - Other costs

Other costs amount to €404 thousand in the first quarter of 2015, including €171 thousand for indirect taxes payable by *Acotel do Brasil* and *Acotel Interactive LTDA* 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 2015	Q1 2014	Increase/ (Decrease)
Amortisation of non-current intangible assets	85	154	(69)
Depreciation of property, plant and equipment	394	707	(313)
Total	**479**	**861**	**(382)**

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 MVNA services provided.

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

Note 8 - Finance income and costs

Net finance income for the first quarter of 2015 totals €335 thousand and breaks down as follows:

(€000)	Q1 2015	Q1 2014	Increase/ (Decrease)
Income from investments	679	176	503
Foreign exchange gains	230	75	155
Interest income on bank deposits	1	-	1
Total finance income	**910**	**251**	**659**
Foreign exchange losses	(435)	(109)	(326)
Interest expense and bank charges	(109)	(87)	(22)
Other interest expense	(31)	(34)	3
Total finance costs	**(575)**	**(230)**	**(345)**
Net finance income/(costs)	**335**	**21**	**314**

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 €512 thousand, reflects estimated income tax expense and deferred tax income and expense recognised by Group companies, net of the related reversals.

Note 10 – Profit/(Loss) from discontinued operations

The profit of €1,704 thousand from discontinued operations includes €1,949 thousand relating to the proceeds generated, at 31 March 2015, from the transfer of *Nòverca*’s retail customers to TIM, and €245 thousand represented by the loss incurred on the sale of the 100% interest in the subsidiary, *Flycell Telekomunikasyon Hizmetler AS*, on 30 March 2015.

Note 11 – Earnings per share

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

(€000)	Q1 2015	Q1 2014
Profit/(loss) for the period (€000)	**(863)**	**(3,668)**
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 **	**(0.21)**	**(0.89)**

* : net of treasury shares held at the same date.
**: basic earnings for the first quarters of 2015 and 2014 coincide with diluted earnings per share as the conditions provided for by IAS 33 do not exist.

FINANCIAL POSITION

RECLASSIFIED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(€000)	31 March 2015	31 December 2014	Increase/ (Decrease)
Non-current assets:			
Property, plant and equipment	7,448	7,881	(433)
Intangible assets	3,822	3,759	63
Other assets	4,313	4,198	115
TOTAL NON-CURRENT ASSETS	**15,583**	**15,838**	**(255)**
Net current assets:			
Inventories	461	442	19
Trade receivables	18,413	19,278	(865)
Other current assets	2,957	3,091	(134)
Trade payables	(23,173)	(24,767)	1,594
Other current liabilites	(5,452)	(5,459)	7
TOTAL NET CURRENT ASSETS	**(6,794)**	**(7,415)**	**621**
PROVISIONS FOR STAFF TERMINATION AND OTHER EMPLOYEE BENEFITS	**(3,768)**	**(3,665)**	**(103)**
NON-CURRENT PROVISIONS	**(620)**	**(519)**	**(101)**
NET INVESTED CAPITAL	**4,401**	**4,239**	**162**
Equity:			
Share capital	1,084	1,084	-
Reserves and retained earnings/(accumulated losses)	26,447	45,396	(18,949)
Profit/(Loss) for the period	(863)	(19,347)	18,484
Non-controlling interests	88	170	(82)
TOTAL EQUITY	**26,756**	**27,303**	**(547)**
Net cash and cash equivalents:			
Current financial assets	(14,099)	(17,063)	2,964
Cash and cash equivalents	(13,924)	(11,548)	(2,376)
Current financial liabilities	5,668	5,547	121
	(22,355)	**(23,064)**	**709**
NET FUNDS	**(22,355)**	**(23,064)**	**709**
TOTAL EQUITY AND NET FUNDS	**4,401**	**4,239**	**162**

The Acotel Group's net invested capital at 31 March 2015 amounts to €4,401 thousand, made up of non-current assets of €15,583 thousand, net current liabilities of €6,794 thousand, provisions for staff termination benefits of €3,768 thousand and other non-current provisions of €620 thousand.

Net invested capital is financed by consolidated equity of €26,756 thousand and net funds of €22,355 thousand.

Analysis of changes in the principal components of the financial position shows that:

- the value of non-current assets has decreased essentially due to amortisation and depreciation for the period;
- changes in net current liabilities are primarily connected to the increase in trade payables;
- net funds at 31 March 2015 total €22,355 thousand and are down €709 thousand on 31 December 2014, as shown in the following table.

NET FUNDS

(€000)

	31 March 2015	31 December 2014	Increase/ (Decrease)
A. Cash and cash equivalents	13,924	11,548	2,376
B. Assets held for trading	12,499	15,463	(2,964)
C. Liquidity (A + B)	**26,423**	**27,011**	**(588)**
D. Other current financial receivables	1,600	1,600	-
E. Current financial assets (D)	**1,600**	**1,600**	**-**
F. Current bank borrowings	(5,668)	(5,547)	(121)
G. Current financial liabilities (F)	**(5,668)**	**(5,547)**	**(121)**
H. Non-current debt	**-**	**-**	**-**
I. Net funds (C+E+G+H)	**22,355**	**23,064**	**(709)**

DECLARATION BY THE MANAGER RESPONSIBLE FOR FINANCIAL REPORTING

The manager responsible for the Group's financial reporting, Luca De Rita, hereby declares, pursuant to article 154-*bis*, paragraph 2 of Legislative Decree 58/1998 (the Consolidated Law on Finance), that the information in this consolidated interim report is consistent with the underlying accounting records.