



## **PRESS RELEASE**

**ACOTEL GROUP: Annual General Meeting approves Annual Report for 2007.**

### **Consolidated results:**

- Revenue approximately €70.3 million (up 11%)
- EBITDA approximately €2.8 million (€4.8 million in 2006)
- EBIT approximately €1.7 million (€3.9 million in 2006)
- Profit before tax €2 million (€3.5 million in 2006)
- Net loss €1.3 million (net profit of €1.2 million in 2006)

**Revenue growth continues, thanks to subsidiaries operating in Ireland, Italy, the United States and Latin America.**

**Parent Company, Acotel Group SpA, reports significant improvement.**

Today's session of the Annual General Meeting (AGM) of Acotel Group S.p.A. has approved the Annual Report for the year ended 31 December 2007.

### **Consolidated financial statements 2007**

The Acotel Group reports total consolidated revenue of approximately €70.3 million for 2007, marking an improvement of 11% on the €63.2 million of the previous year. The figure is even more significant if the strong revenue growth already registered in 2006 (up 126% on 2005) is taken into account.

In terms of business segment, 85.3% of revenue was earned from the supply of services, 12.6% was generated by the design and sale of ICT equipment and the remaining 2.1% by the design of security systems.

The geographical revenue breakdown shows the Group's widespread presence internationally: North America (48.4%), Italy (22.3%), Latin America (11%), Middle East (8%), Africa (5.6%), Asia (2.8%) and other European countries (1.9%).

The Group reports consolidated gross operating profit (EBITDA) of approximately €2.8 million, marking a decrease on the €4.8 million of 2006. The reduction in EBITDA reflects the decision to speed up expansion into new markets with B2C services. This has resulted in a significant increase in the advertising costs in the USA, Turkey and Latin America, above all during the last quarter of the year.

Amortization and depreciation amount to €1.1 million (€813 thousand in 2006). This refers to amortization of the software and licenses utilized by the Group and depreciation of the telecommunications equipment and infrastructures used by Group companies.



Consolidated operating profit (EBIT) amounts to approximately €1.7 million, compared with €3.9 million for 2006. The Group reports a net loss of around €1.3 million, compared with a net profit of approximately €1.2 million for 2006.

Net funds at 31 December 2007 total €24.6 million, compared with the €25.6 million of 31 December 2007. The difference largely reflects the cost of launching B2C services in Brazil and Turkey and IP communications services in Italy.

### **Parent Company's separate financial statements 2007**

Acotel Group S.p.A. reports revenue of approximately €7.5 million, marking an increase of 22% on the €6.1 million of the previous year.

Gross operating profit (EBITDA) is up 150% from the €1.4 million of 2006 to €3.5 million for 2007, due primarily to the above revenue growth.

After amortization, depreciation and impairment charges on non-current assets, operating profit (EBIT) is approximately €3.3 million, marking a significant improvement on the €924 thousand of 2006.

After net finance income, Acotel Group S.p.A.'s profit before tax amounts to €4.8 million, representing a substantial increase (up 215%) on 2006. After taxation for the year, net profit for 2007 amounts to €2.9 million, compared with the €644 thousand of 2006. AGM has approved to take net profit to distributable reserves as retained profit.

AGM has not taken other resolutions.

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*More information:*

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