



PRESS RELEASE

ACOTEL GROUP SpA: Independent Auditor issues disclaimer of opinion

Acotel Group SpA announces that its Independent Auditor, EY SpA, has issued its report on the Interim condensed consolidated financial statements at 30 June 2017, which contain disclaimers of opinion. This is due to the large number of significant uncertainties giving rise to doubts about the ability of the Group to continue to operate on a going concern basis, with potential interactions and cumulative effects on the financial statements.

With regard to the risks regarding application of the going concern basis of accounting, reference should be made to the section, “*Directors’ assessment of compliance with going concern requirements*” in the notes to the Interim condensed consolidated financial statements, published in accordance with statutory requirements and, therefore, available on the Company’s website.

Note: the full texts of the Independent Auditors’ reports are attached.

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Rome, 29 September 2017



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Review report on the interim condensed consolidated financial statements (Translation from the original Italian text)

To the Shareholders of
Acotel Group S.p.A.

Introduction

We have reviewed the interim condensed consolidated financial statements, comprising the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity, the consolidated statement of cash flows and the related notes of Acotel Group S.p.A. and its subsidiaries (the "Acotel Group") as of 30 June 2017. The Directors of Acotel Group S.p.A. are responsible for the preparation of the interim condensed consolidated financial statements in conformity with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with review standards recommended by Consob (the Italian Stock Exchange Regulatory Agency) in its Resolution no. 10867 of 31 July 1997. A review of interim condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the interim condensed consolidated financial statements.

Basis for disclaimer of our conclusion

The interim condensed consolidated financial statements at 30 June 2017 close with a profit of Euro 23 thousand (loss of Euro 6,929 thousand at 30 June 2016), a consolidated net equity of Euro 10,120 thousand (Euro 10,942 thousand at 31 December 2016) and a positive net financial position amounting to Euro 9,617 thousand (Euro 8,049 thousand at December 31, 2016).

In the interim management report and in the section "Assessment Of Compliance With Going Concern Requirements" of the notes, the Directors indicate that in 2016 a Business Plan was approved for the period 2016-2020, which outlined the path supporting revenue and margin growth necessary to reverse the cash outflows and the related impacts on the Group's net assets and how the deviations between the economic results at the end of the previous financial year in the various business areas compared with the forecasts set out in the above-mentioned plan, required an update and approval of a new 2017-2021 business plan. In this context, they point out that the closure of certain extraordinary transactions, notwithstanding the further overall deterioration in turnover and operating margins, allowed the Group to achieve an economic result of substantial breakeven at the

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end of the first half of 2017, which did not affect the net financial position that on the contrary, showed a significant negative cash outflow from operating activities. The Directors, in fact, illustrate how the period of operating difficulties across the various business areas continues to show a decline in turnover and margins compared to the previous six months due to a further contraction in the historical business (Acotel Interactive) and negative results drawn from the new lines of business. In light of these considerations, the Directors report that a new CEO was appointed, and with the powers attributed to him, will have the task of outlining the actions and initiatives including extraordinary ones in order to address the acquisition of additional market share as well as new financial resources. They also indicate that it is necessary to proceed on a timely manner in preparing a new business plan, which includes the working scenarios currently under study and that they have prepared the interim condensed consolidated financial statements on a going concern basis notwithstanding the presence of significant uncertainties that raise doubts about such. These uncertainties, according to the Directors, relate to the dynamics of economic and financial performance and the potential risk that the Group may not reverse in the short-term the erosion process experienced in recent years with the consequent need to raise additional financial resources in the form of equity or debt.

The profiles of uncertainty described above, which could have adverse effects on the valuations made on the recoverability of certain items on the balance sheet, cast significant doubt on the Acotel Group's ability to continue to operate on the assumption of a going concern. In particular, the assumption of going concern is subject to multiple and significant uncertainties with potential interactions and possible cumulative effects on the interim condensed consolidated financial statements.

Disclaimer of conclusion

Based on our review, due to significance of the matter described in the paragraph "Basis for disclaimer of our conclusions," we are unable to express our conclusions on the conformity of the condensed consolidated financial statements of Acotel Group at 30 June 2017 with the International Accounting Standard applicable to interim financial reporting (IAS 34) as adopted by the European Union.

Rome, 29 September 2017
EY S.p.A.
Signed by: (Simone Scettri), Partner

This report has been translated into the English language solely for the convenience of international readers