



PRESS RELEASE

Annual General Meeting approves separate and consolidated financial statements for 2010

Consolidated results:

- **Revenue approximately €154 million (up 11% on 2009)**
- **EBITDA approximately €5.2 million (up 9% on 2009)**
- **EBIT approximately €1.4 million (down 37% on 2009)**
- **Profit before tax €1.4 million (down 47% on 2009)**
- **Net loss €2.2 million (€+1.3 million in 2009)**

Today's session of the ordinary Annual General Meeting of shareholders (AGM) of Acotel Group SpA under the Chair of Claudio Carnevale at the company's Rome headquarters has approved the separate and consolidated financial statements for the year ended 31 December 2010.

Consolidated financial statements 2010

The Acotel Group reports consolidated revenue of €154.1 million for 2010 (up 11% on 2009), continuing the improvement seen over previous years.

The largest proportion of revenues, 89.5%, was generated by the supply of services. 8.5% was generated by mobile messaging solutions, with security systems and mobile telecommunications accounting for approximately 1% each.

The geographical revenue breakdown shows that North America continues to be the Group's principal market, with revenues of €47.7 million (up 30%). Thanks to the results achieved by both the Services and Mobile Messaging Solutions segments, Latin America generated revenues of €42.9 million (up 18%). Europe, with revenues of €40.7 million (down 21.5%), suffered the effects of a fall in consumer sales in Spain and Italy, whilst in the Middle East revenues of €17.3 million are up 70%. Finally, in Africa and Asia revenues amount to €3.6 million and €1.9 million, respectively, and are substantially in line with 2009.

Revenue growth is also reflected in an improvement in EBITDA, with gross operating profit totalling €5.2 million (up 9%). It should be noted that in the last quarter of the year the Group succeeded in turning around the consolidated gross operating loss (negative EBITDA) of approximately €3.5 million reported for the first nine months of the year, achieving EBITDA of approximately €8.6 million.

Flycell Inc. made a significant contribution to this result by adopting a different method of managing its advertising expenditure, the positive impact of which was seen in the second half of the year, as predicted in the interim report for 2010. Jinny Software Ltd. also reports a strong improvement in earnings. This reflects the fact that the company normally earns a significant proportion of its revenues in the last quarter of the year, when its customers, primarily mobile operators, complete their annual capital expenditure plans.



After amortisation and depreciation of approximately €3.5 million, and impairment losses on non-current assets, amounting to €0.24 million, consolidated operating profit (EBIT) of €1.4 million is down 37% on 2009.

After net finance income of an albeit modest €0.1 million, the Group's profit before tax is €1.45 million (down 47% on 2009). After tax expense for the year (€3.4 million) and the profit attributable to non-controlling interests (€0.25 million), the Group reports a loss for the year of €2.2 million, compared with a profit of €1.3 million for the previous year.

Net funds of €34.2 million at 31 December 2010 are down on the €43.30 million of 31 December 2009. The reduction largely reflects the funding requirements of the start-ups, Noverca Italia Srl and Noverca Srl.

Parent Company's separate financial statements 2010

During 2010 the Parent Company, Acotel Group SpA, generated total revenue of €2.66 million, in line with the €2.61 million of 2009, reflecting substantially stable turnover from its activities as an Applications Service Provider for the subsidiary, Acotel SpA.

The Company reports a gross operating loss (negative EBITDA) of approximately €0.85 million, marking a deterioration with respect to the figure of around €0.4 million in 2009. The operating loss (negative EBIT) is €1.14 million, after amortisation and depreciation of approximately €0.29 million.

After net finance income approximately €0.6 million, and a tax benefit of around €0.3 million deriving from the decision to adopt a tax consolidation arrangement for the Group, the Company reports a loss of approximately €0.23 million for the year.

Resolution of Extraordinary General Meeting

The shareholders, in the extraordinary General Meeting, have also approved some changes to the company's bylaws made necessary, or opportune, by the entry into force of Legislative Decree 27 January 2010, n.27.

Rome, 22 April 2011

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