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# **TELEUNIT S.p.A.**

**Consolidated statements  
as at 31 December 2008**

**CONSOLIDATED INCOME STATEMENT**  
**For the year ended 31 December 2008**

<i>In thousands of Euro</i>	<b>2008</b>	<b>2007</b>
Revenue for services	18,183	87,306
Other revenues	11,983	2,443
<b>Total revenues</b>	<b>30,166</b>	<b>89,748</b>
Purchase of services and materials		
- Purchase of traffic and line rental costs	(13,623)	(55,466)
- Infrastructure costs	(1,683)	(2,043)
- Marketing costs	(1,474)	(13,877)
Personnel costs	(4,161)	(5,242)
Other operating costs	(8,647)	(12,422)
<b>Operating profit before depreciation, ammortization, and impairment of non-current activities</b>	<b>578</b>	<b>699</b>
Amortisation and depreciation	(4,902)	(5,012)
Impairment of non-current activities	(4,453)	(4,255)
<b>Operating profit (loss)</b>	<b>(8,777)</b>	<b>(8,568)</b>
Financing income	74	107
Financing costs	(1,470)	(1,639)
Profit (Loss) on foreign exchange	3	30
<b>Profit (loss) before tax</b>	<b>(10,170)</b>	<b>(10,070)</b>
Tax	(2,120)	(20)
<b>Net Profit (loss)</b>	<b>(8,050)</b>	<b>(10,090)</b>

**CONSOLIDATED BALANCE SHEET**  
**As at 31 December 2008**

	31/12/2008	31/12/2007
<b>ASSETS</b>		
Property, plant and equipment	8,028	13,404
Intangible assets	1,865	3,093
Investments	55	1,421
Other financial assets	1,135	57
Deferred tax assets	3,014	1,014
<b>Total non-current assets</b>	<b>14,097</b>	<b>18,989</b>
Trade receivables	11,605	25,779
Other current assets	1,572	2,494
Cash and cash equivalents	3,005	6,215
Assets classified as held for sale	22,616	-
<b>Total current assets</b>	<b>38,798</b>	<b>34,488</b>
<b>Total assets</b>	<b>52,895</b>	<b>53,477</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	2,334	2,334
Share premium	7,131	12,542
Legal reserve	467	467
Reserve for revaluation of investments	19,942	-
Treasury shares	(749)	(512)
Retained earnings or losses carried forward at 31/12/2008	(8,050)	(2,648)
<b>Total Group Equity</b>	<b>21,075</b>	<b>12,183</b>
Minority interests		<b>(3)</b>
<b>Liabilities</b>		
Financial liabilities	13,451	15,847
Post-employment benefits	232	258
Provisions for risks	1,617	963
Deferred tax liabilities	1,316	1,064
<b>Total non-current liabilities</b>	<b>16,616</b>	<b>18,132</b>
Bank overdrafts and loans	1,872	1,647
Other loans and borrowings	2,507	3,365
Trade payables	8,874	15,343
Other liabilities	1,416	1,953
Tax liabilities	535	857
<b>Total current liabilities</b>	<b>15,204</b>	<b>23,165</b>
<b>Total Liabilities</b>	<b>31,820</b>	<b>41,297</b>
<b>Total Equity and Liabilities</b>	<b>52,895</b>	<b>53,477</b>

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**As at 31 December 2008**

*In thousands of Euro*

	Share capital	Legal reserve	Share premium	Reserve for revaluation	Treasury shares	Retained earnings	Total
<b>Balance at 1 January 2007</b>	2,334	467	12,542		(214)	7,473	22,602
Other variations						(31)	(31)
Loss for 2007						(10,090)	(10,090)
<b>Balance at 31 December 2007</b>	2,334	467	12,542	-	(214)	(2,648)	12,481
<b>Balance at 1 January 2008</b>	2,334	467	12,542	-	(512)	(2,648)	12,183
Allocation 2007 equity			(5,411)	2,797		2,614	-
Purchase of own shares					(237)		(237)
Other variations						34	34
Change to the <i>fair value</i> of equity available for sale				17,145			17,145
Profit (loss) for 2008						(8,050)	(8,050)
<b>Balance at 31 December 2008</b>	2,334	467	7,131	19,942	(749)	(8,050)	21,075

(\*) Please note that on 2 July 2009 the Group liquidated the EBT (Employee Benefit Trust), a *blind trust* established in line with UK regulations at the time of primary listing on AIM. The Trust, whose assets could be distributed to Employees by request of the Group, could invest at its own discretion in shares and other financial instruments. During liquidation it emerged that the Trust invested all its assets in Teleunit shares at the time the accounts were being prepared and, as a result, the balance as at 31.12.2008 has been classified as own shares, reducing initial Net Equity.

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**For the year ended 31 December 2008**

*In thousands of Euro*

	2008	2007
<b>Operating Activities</b>		
<b>Loss for the year, net of taxes</b>	<b>(8,769)</b>	<b>(12,602)</b>
<i>Adjustments for:</i>		
Depreciation and amortization	4,903	4,732
Post-employment benefits	19	(15)
Deferred taxes	(901)	(1,920)
(Gains) losses from sale of investment (subsidiaries)	(10,426)	-
(Gains) losses on disposal of non-current asset	359	(334)
Impairment of investments	2,085	3,971
Impairment of tangible and intangible assets	2,400	-
Changes fondi rischi ed oneri	746	569
	<u>(9,584)</u>	<u>(5,599)</u>
(Increase) decrease in trade receivables	5,549	7,997
(Increase) decrease in other receivables	670	(802)
Increase (decrease) in trade and other payables	1,193	(3,091)
Income tax paid	-	(243)
Post-employment benefits paid	(14)	(36)
<b>Cash flows from operating activities</b>	<b><u>(2,186)</u></b>	<b><u>(1,774)</u></b>
<b>Investing activities</b>		
Sale (purchase) of property, plant and equipment	(951)	(2,383)
Proceeds from sale of machinery	126	1
Purchase of intangible assets	(1,134)	(1,388)
Sale of intangible assets	12	-
Purchase (sale) of investments	9,624	(2,395)
Sale of non-current assets in liquidation	-	1,740
<b>Cash flows from investing activities</b>	<b><u>7,677</u></b>	<b><u>(4,424)</u></b>
<b>Financing activities</b>		
Increase (decrease) in long-term loans	(2,648)	(2,786)
Proceeds from the issue of share capital	800	-
Other financing activities	(1,060)	-
Purchase of own shares	(238)	-
Dividends paid	-	-
<b>Cash flows from financing activities</b>	<b><u>(3,146)</u></b>	<b><u>(2,786)</u></b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>2,345</b>	<b>(8,985)</b>
<b>Cash and cash equivalents at 1 January 2008</b>	<b>(1,212)</b>	<b>7,773</b>
<b>Cash and cash equivalents at 31 December 2008</b>	<b>1,133</b>	<b>(1,212)</b>