

Acquisition of United Telecom and equity issue

Artilium is pleased to announce the acquisition (the "Acquisition") for €4 million of the entire share capital of United Telecom NV ("United Telecom"), a Belgian telecoms service provider operating in fixed and mobile telecoms. The Company also announces a Subscription (the "Subscription") of approximately €2.0 million of new Artilium ordinary shares ("Ordinary Shares").

The Acquisition will be financed by the issue of 21,678,447 new Ordinary Shares (the "Consideration Shares") to the vendors of United Telecom and, with €1.7 million, from of the cash proceeds of the Subscription. On completion of the Acquisition, the vendors of United Telecom will become a c.12 per cent. shareholder of the enlarged group and intend to be a long term shareholder in Artilium.

The board is also pleased to announce the appointment of Willem van den Brink as board member and Chief Executive Officer (CEO) of the enlarged group. Maarten Bisseling, the current CEO who successfully restructured the company over the last three years and made a major contribution in positioning Artilium for this significant step forward, will remain on the board of Artilium and has been appointed as new Chief Operations Officer and Chief Technology Officer (COO/CTO). Christophe Vanlessen (the CCO of United Telecom) has been appointed as Chief Commercial Officer (CCO).

Commenting on these important steps forward Adrie Reinders, Chairman, said:

"I am happy to see the result of all the hard work that has been done to implement the strategy we have announced last year resulting in the great improvement of our market access capabilities and a structural strengthening of our management team. I really look forward to work with Willem and the rest of the team in growing Artilium."

United Telecom is a service provider and reseller of telecommunication services in Belgium and has been successful in building a loyal customer base. United Telecom has been using the ARTA technology for many years. The acquisition of United Telecom extends Artilium's strategic positioning adding the domains of fixed/mobile offerings, DSL offerings and access to Belgian content. With the sales and marketing power and first line customer care potential of United Telecom, Artilium will be able to bring its technology to the end users without a dependency on other links in the value chain and therefore enable the growth potential of its unique ARTA product. Together with the ARTA technology the newly integrated company will deliver a full quad play (Internet, Television, Fixed and Mobile telephony) telecom services platform able to service, in addition to telecom, the electricity, gas and water sectors and other utility companies.

United Telecom reported sales of €6 million in 2011 with a loss before tax of €0.5 million. After a complete restructuring of the company and of the existing supplier contracts at the beginning of this year, the improvement in the first half of 2012 has led to positive earnings before interest, tax, depreciation and amortisation ("EBITDA") of approximately €60,000 per month. Further growth can be expected based on recently signed contracts for new products and services United Telecom has conditionally signed. These new contracts potentially representing yearly revenue in excess of twice United Telecom's current annual revenues once the contracts have come to their full maturity. These new contracts and services can only be realised in cooperation with Artilium. The ARTA Platform will allow these contracts and new services to be delivered efficiently and cost effectively. For the full year to June 2013 the board expects United Telecom to achieve revenues of at least €6 million and at least €0.75 million of EBITDA on the basis on current business trends and the result of the restructuring of the company undertaken at the beginning of this year.

The board also expects the existing Artilium business to continue to trade in line with current market expectations. The Company has been able to get a steady cashflow and growing revenue stream from the existing contracts as the number of subscribers serviced on ARTA platforms is increasing. Also new potential has been identified and some very positive feedback from potential new markets has been confirmed through some very well connected new marketing and sales partner channels. Our target market is slowly moving east, where Mobile Virtual Network Operators (MVNO) and reseller of mobile telecoms can be launched on the ARTA platform as a result of new, competition improving regulations. This is creating encouraging prospect of new business for Artilium.

The Subscription

Artiliium is also pleased to announce that it has placed 19,316,888 new Ordinary Shares (the "Subscription Shares") with new and existing investors at 8.5p per share to raise approximately €2 million before expenses. The proceeds of the Subscription will be used to fund the cash portion of the consideration for the acquisition of United Telecom and for further development and associated working capital requirements resulting from the Acquisition and necessary to enable the further growth strategy. In addition to the Subscription Shares, 894,744 new Ordinary Shares are being issued for the settlement of expenses.

Director deal

Jan-Paul Menke, a director of the Company, has agreed to participate to the Subscription with €40,000. Following admission of the Subscription Shares to AIM, Jan-Paul Menke will own 1,396,843 Ordinary Shares representing 0.75 per cent. of the enlarged share capital of the Company.

Board and management changes

Willem van den Brink brings an extensive experience as a senior business manager in both telecoms and insurance companies. As Vice President of New Business Development for KPN Mobile International he successfully built brands building partnerships, thus conceptualising telecom strategy and delivering through execution of that strategy. Willem van den Brink has a degree in Experimental Physics from the University of Nijmegen and holds a Ph.D from the University of Utrecht.

Willem van den Brink has agreed to participate to the Subscription with €30,000 and will therefore on admission of the Subscription Shares to AIM indirectly own 284,630 Ordinary Shares representing 0.15 per cent. of the Company's enlarged share capital.

Christophe Vanlessen

Christophe Vanlessen brings extensive commercial experience in the telecoms sector and data warehousing sector. As owner / CEO of several telecom related companies Christophe has built long lasting partnerships in a diversity of sectors. Christophe has a degree in physics and biology.

Application for admission and Total Voting Rights

Application has been made for admission to trading of AIM ("Admission") of 41,890,079 new Ordinary Shares comprising the Subscription Shares, the Consideration Shares and the 894,744 new Ordinary Shares to be issued for the settlement of expenses. It is expected that Admission will become effective on 2 July 2012.

Following admission of the 41,890,079 new Ordinary Shares, the total number of issued Ordinary Shares will be 186,706,349 Ordinary Shares. The Company does not hold any Ordinary Shares in treasury. This figure may be used by shareholders in the Company as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the share capital of the Company under the Financial Service Authority's Disclosure and Transparency Rules.