TAS S.p.A.
Quarterly Report
As at 30 September 2006

This document is a translation into English of the original document in Italian. In case of any disagreement or discrepancy between the two, the Italian version shall prevail.

Quarterly report as at 30 September 2006

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CORPORATE BODIES

Board of Directors

§ until the approval of Financial Statements as at 31 December 2008
** until the next general meeting*

Paolo Ottani §		Chairman and Managing Director
Giuseppe Caruso §		Managing Director
Matteo Tamburini §	1, 2	Non-Executive Director
Marco Nonni §	1, 2	Independent Non-Executive Director
Francesco Vella *	1, 2	Independent Non-Executive Director

Board of Statutory Auditors

Until the approval of Financial statements as at 31 December 2007

Statutory Auditors	
Edoardo Cintolesi	Chairman
Fulvio Tranquilli	
Francesca Beatrice Surace	
Alternate Statutory Auditors	
Federico Alesiani	
Alba Rita Miglietta	

External Auditors PricewaterhouseCoopers S.p.A.

Share Capital		€ 921,519.04
	No. Of shares	1,772,152
	Nominal Value	€ 0.52

1 Member of the Remuneration Committee
2 Member of the Internal Control Committee

Introduction

This document is drafted in compliance with Article 82 of Consob Regulation no. 11971 of 14th May 1999 and subsequent amendments, in the light of the Rules of the Markets organised and managed by Borsa Italiana S.p.A. and related Instructions. The quarterly report is drafted according to Annexe 3D of the above mentioned Consob Regulation.
As of the 1st of January 2005, the Group adopted the IAS/IFRS international accounting standards currently in force.
The accounting standards and evaluation criteria adopted are consistent with those followed in the yearly report as at 31 December 2005.
The quarterly report has not been subjected to an audit of accounts.

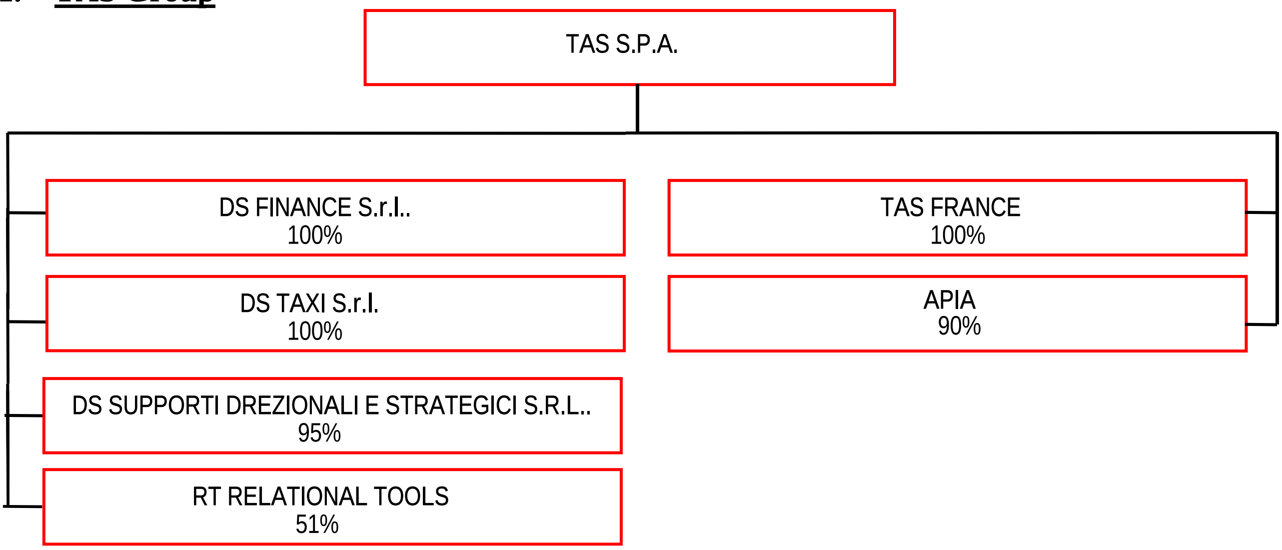
The economic data that appear in this report refer to the quarter of reference as well as to the period between the beginning of the financial year and the quarter-end. This data is also compared to the data of the same period of the previous year. The data for the whole financial year 2005 are also provided. The data of the net financial position at the end of the quarter are compared with the data of the previous quarter at quarter end and with those of the previous financial year at year-end.

The accounts, expressed in thousands of Euro (k€), refer to the entire Group, as TAS is bound by law to provide consolidated data.

This report reflects the economic consequences of the acquisition completed on the 1st August by TAS, within the context of the integration project that began on the 1st June 2006, of two business units from NCH S.p.A. and of the shareholdings held by DS Data Systems S.p.A. in the companies DS Finance S.r.l., DS Taxi S.r.l. and DS Supporti Direzionali e Strategici S.r.l.. The effective date of the operation was defined as the 1st August 2006 (the Aggregation).
The total price of the acquisition has been agreed at 89.2 million euro, equal to 115 million euro of enterprise value less the net financial position equal to 25.8 million euro. Therefore, the total purchase price due to DS and NCH by TAS is 89.2 million euro.
The purchase price was paid on the 10th November 2006. The funds required for the transaction derived from the following sources: TAS used its own financial means to pay 15 million euro, along with a loan of 35 million euro that NCH granted to TAS, and for the balance, used a loan granted by Banca Intesa, in pool with other banks.

The quarterly report as at 30 September 2006 has been approved by the Board of Directors of TAS S.p.A. on the 13th of November 2006.

1. TAS Group



The companies of the group are consolidated on a line by line basis.
For the situation as at 30th September 2006, the economic values of the subsidiaries purchased on the 01/08/2006 (Ds Finance S.r.l., Ds Taxi S.r.l., Ds Supporti Direzionali e Strategici S.r.l. and RT Relational Tools S.L.) have been consolidated for a two month period (01/08/2006 – 30/09/2006). This also applies to the economic values related to the two business units purchased from NCH.

Company name	Country	Share Capital	% Ownership	Net Shareholders' Equity
TAS S.p.A.	Italy	922		15,801
TAS FRANCE EURL	France	503	100	-341
APIA SA	Switzerland	65	90(1)	9,992
DS FINANCE S.r.l.	Italy	1,000	100	6,775
DS TAXI S.r.l.	Italy	2,000	100	3,473
DS SUPPORTI DIREZIONALI E STRATEGICI S.r.l.	Italy	90	95	-62
RT RELATIONAL TOOLS S.L.	Spain	204	51	952

(1)the shareholding in Apia S.A. is considered to be 100% of the share capital, even though the actual percentage owned is 90%, as the remaining 10% is subject to put & call options

TAS S.p.A.

Parent Company

- Largo dei Caduti di El Alamein No. 9, Rome - Italy

Other sites:

- Milan, Via Quintino Sella No. 4 - Italy;
- Verona, Via Museo No. 1 - Italy.
- Casalecchio di Reno (Bologna), Via Caduti del Lavoro No. 47 - Italy

- Rome, Via Domenico Sansotta, No. 97- Italy
- Siena, Via Girolamo Gigli, No. 2- Italy
- Seriate, (Bergamo) Via Nazionale, No. 93 - Italy
- Milan, Viale Tunisia, No. 45 - Italy
- Milan, Via Verzieri, No. 11 - Italy

APIA S.A.

90% controlled.

- Prati Botta, 22 Barbengo (Lugano) - Switzerland

  Secondary site in:

  - Kloten, Lindenstrasse, 12 (Zurigo) - Switzerland.

TAS France Eurl

100% controlled.

- Sophia Antipolis, W.T.C. 1, Batiment B7, 1300 Route des Crêtes – France.

DS TAXI S.r.l.

100% controlled.

- Via Ugozzolo 121/a – Parma - Italy

  Other sites:

  - Milan, Via Francesco Gonin No. 58 - Italy;
  - Rome, Via Domenico Sansotta No. 97 - Italy.

DS FINANCE S.r.l.

100% controlled.

- Via Ugozzolo 121/a – Parma - Italy

  Other sites:

  - Milan, Via Francesco Gonin No. 58 - Italy;
  - Rome, Via Domenico Sansotta No. 97 - Italy.

DS SUPPORTI DIREZIONALI E STRATEGICI S.r.l.

95% controlled.

- Via Arbe No. 92 Milan - Italy

RT RELATIONAL TOOLS S.L.

51% controlled.

- Ronda de Ponente 2 Tres Cantos – Madrid - Spain

Other sites:

- Plaza Ramon y Cayal 1 Cordoba - Spain

1.1 Operational conditions and business development

The NCH Group company TAS S.p.A., operates in the field of information technology with particular reference to the development, commercialisation, consultancy, assistance and maintenance of software products, and it also has an ancillary activity of sale of hardware.
The majority of the software developed concerns the automation of the processes of the collection, submission and execution of orders to purchase and sell financial products.
TAS also offers ASP (Application Service Provisioning) services in the same business areas through the use of proprietary applications.
Following the purchase of two business units from NCH, the Company is currently the leading operator on the Italian market in the financial software sector for payment systems, treasury and inter-bank networks (domestic networks and SWIFTNet).
The Company has started to market APIA's solutions on the Italian market.
The Company operates abroad through its controlled undertakings APIA S.A., TAS France Eurl and RT Relational Tools S.l.
In addition to the headquarters situated in Rome, Largo dei Caduti di El Alamein, No. 9, the business activity of TAS S.p.A. is also carried out at the following locations:

- Milan, Via Quintino Sella No. 4;
- Verona, Via Museo No. 1.
- Casalecchio di Reno (Bologna), Via del Lavoro No. 47
- Rome, Via Domenico Sansotta No. 97
- Siena, Via Girolamo Gigli, No. 2
- Seriate, (Bergamo) Via Nazionale, No. 93
- Milan, Viale Tunisia, No. 45
- Milan, Via Verzieri, No. 11

TAS France is an Internet Service Provider with a great deal of experience in e-commerce; the company is currently broadening its Housing and Hosting capacity for proprietary and third party systems. In addition, the company also co-operates with TAS on the development of new financial software products and the marketing of TAS products in France, the Principality of Monaco, Belgium and Luxemburg through the controlled company TAS France Enrl. For this purpose a distribution agreement was stipulated between the two companies.
The business activity of TAS France Eurl is carried out at the registered offices situated in Sophia Antipolis, Batiment B7 1300 Route des Crêtes.
APIA S.A. was founded in 1992 and is the brainchild of two entrepreneurs who were already well established in the IT world having worked for large Swiss banking groups for around 10 years. The company aims to offer technological solutions that enable banking operators to obtain a significant increase in efficiency levels combined with optimum end customer satisfaction.
The main focus of APIA resides therefore in technological solutions for the core business of financial intermediaries, gradually integrated with the existing accounting or back office "non core" systems, in order to reduce the impact on organisation and management. APIA also offers solutions for credit supply and control.
APIA's registered office is at Prati Botta, 22 Barbengo (Lugano, Switzerland). All business activities are carried out at this location and in the secondary office at Kloten (Zurich, Switzerland) in Lindenstrasse, 12.

The core business activities of DS Finance, recently purchased from Ds Data Systems S.p.A., include the design and creation of applications for financial institutions, stock brokerage companies and asset management companies through Finance solutions (Securities etc), Current Account Settlement, Customer Communications, On-Line Trading and applications for Asset Management (DAM – DS Asset Management).
The business activity of Ds Finance S.r.l. is carried out at the registered company premises in Parma, Via Ugozzolo 121/a and in the offices situated in Rome and Milan.
The core business activities of DS Taxi, recently purchased from Ds Data Systems S.p.A., include the design and creation of applications for the Service and Public Administration sectors, both Central (PAC) and local (PAL) through the suite of solutions of the product “Ds Taxi”. These solutions focus on the following issues; management control, strategic control, corporate accounts, etc.
The business activity of Ds Taxi S.r.l. is carried out at the company’s offices in Parma, Via Ugozzolo 121/a and in the offices situated in Rome and Milan.
The core business activities of DS Supporti Direzionali e Strategici S.r.l., recently purchased from Ds Data Systems S.p.A., include consultancy services regarding issues related to management control and the outsourcing of IT systems for marketing purposes and for the support of the decisions of Credit Institutions.
The business activity of DS Supporti Direzionali e Strategici S.r.l. is carried out in the company offices located in Milan, Via Arbe 93.
The core business activities of RT Relational Tools S.l, recently purchased from N.C.H. S.p.A., include the design and creation of standardised software solutions, personalised software solutions and maintenance and outsourcing services.
The business activity of RT Relational Tools, is carried out in the registered company offices situated in Tres Cantos (Madrid), Ronda de Ponente 2 and in the offices in Cordoba.

2. Financial statements

2.1.a Income Statement 01/01-09/30/2006 k€	*09.30.2006*	*09.30.2005*	*Var. 06/05*	*12.31.2005*
Income	17,687	10,691	65.4%	14,282
Variations for inventory of works in progress	59	70	-184.1%	-186
Other incomes	63	8	686.9%	29
Total income	**17,809**	**10,629**	**67.5%**	**14,125**
Costs for capitalised working days	962	502	91.6%	651
Consumables	148	148	-0.2%	-186
Personnel costs	9,173	4,740	93.5%	-6,371
Other costs	6,590	1,928	241.8%	-2,368
Total costs	**14,950**	**6,314**	**136.8%**	**8,274**
EBITDA	**2,859**	**4,315**	**-33.7**	**5,851**
Depreciation and write down	1,618	429	277.1	832
Operating result	**1,241**	**3,886**	**-68.1%**	**5,019**
Financial incomes (charges)	183	172	-206.1%	277
Pre-tax result	**1,059**	**4,058**	**-73.9%**	**5,296**
Taxes	754	1,140	-33.9%	-1,432
Results from ongoing activities	**305**	**2,918**	**-89.6%**	**3,864**
Results from non recurring activities				
Result of the period	**305**	**2,918**	**-89.6%**	**3,864**
Net Minority result	98			
Net group result accrual/liability	**403**	**2,918**	**-86.2%**	**3,864**

2.1.b Income Statement 07/01-09/30/2006 k€	*III trim. 06*	*III trim. 05*	*Var. III/III*
Incomes	11,108	2,894	284%
Variations for inventory of works in progress	-101	40	-353%
Other incomes	43	4	974%
Total income	**11,050**	**2,938**	**276%**
Costs for capitalised working days	492	166	196%
Consumables	-83	-39	112%
Personnel costs	-5,925	-1,504	294%
Other costs	-5,336	-534	899%
Total costs	**-10,853**	**-1,911**	**468%**
EBITDA	**197**	**1,027**	**-81%**
Depreciation and write down	-1,330	-144	823%
Operating result	**-1,133**	**883**	**-228%**
Financial incomes (charges)	-395	50	-889%
Pre-tax result	**-1,527**	**933**	**-264%**
Taxes	21	-261	-108%
Results from ongoing activities	**-1,506**	**672**	**-324%**
Results from non recurring activities			
Result of the period	**-1,506**	**672**	**-324%**
Net Minority result	-98		
Net group result accrual/liability	**-1,408**	**672**	**-310%**

2.3. Net Financial Position k€	*09.30.2006*	*09.30.2006*	*03.31.2006*	*12.31.2005*
Cash, bank current accounts and shares	3,610	17,104	16,164	16,450
Securities other than fixed assets	107	149	0	51
Other receivables	-	44	44	59
Short term payables to banks and other financial institution	- 66,832	-18	-25	-75
Financial payables due in 12 (Apia's put)	- 3,123	-3,226	-5,324	-2,097
Short term net financial position	**- 66,238**	**14,053**	**10,859**	**14,388**
Medium / Long term receivables	255	161	161	161
Medium/ Long term payables to bank and other financial institution	- 3,547	-8	-8	-15
Financial payables due over 12 (Apia's put)	-			-3,226
Financial payables due over 12 (NCH loan)	- 35,000			
Medium / Long term net financial position	**- 38,292**	**153**	**153**	**-3,080**
Net financial position	**- 104,530**	**14,206**	**11,012**	**11,308**

2.4. Cash Flow Statement k€	**09.30.2006**
Net Profits(Losses) of the period	403
Depreciation and write down	1,611
Variaitons in severance fund	6,134
Variations in the funds for risks and charges	38
Deferred tax liabilities	1,681
Decrease(increase) of receivables	- 31,273
Increase (decrease) of payables	33,067
(A) Cash flow from operating business	**11,661**
Investments infixed assets	- 127,548
Intagible fixed assets	- 126,724
Tangible assets	- 823
Financial assets	-
(B) Cash flow investment operations	**- 127,548**
Variation adoption of IFRS	49
(C) Cash flow from financial operations	**49**
(D) Variation in the net financial position (A+B+C)	**- 115,838**
(E) Initial net Financial position	**11,308**
(F) INITIAL NET FINANCIAL POSITION AT THE END OF THE PERIOD (D+E)	**- 104,530**

Consolidated Balance Sheet of TAS Group k€	09.30.2006	09.30.2005	12.31.2005
InIntangible assets	139,195	14,333	13,891
- Goodwill	122,780	13,260	13,011
- Other Intangible assets	16,415	1,073	880
Tangible assets	984	340	352
- Tangible assets	984	340	352
Shareholding and other shares among fixed assets	67	67	67
Financial receivable among fixed assets	255	160	161
Active deferred taxes	397	45	45
Other receivables	131	25	537
-of which financial accruals and deferrals			*512*
Total non current assets	**141,029**	**14,970**	**15,053**
Net remainder	1,747	83	31
Trade payables	29,334	2,100	1,157
(of which sale accruals and deferrals)	*385*	*155*	*113*
Other receivables	1,718	188	212
Shareholdings and other current assets	107	51	51
Financial receivables due within 12 months		0	86
(of which financial accruals and deferrals)		*0*	*27*
Liquid assets	3,610	15,837	16,450
Active deferred taxes	57	54	98
Total current assets	**36,573**	**18,313**	**18,085**
TOTAL ASSETS	**177,602**	**33,283**	**33,138**
Share capital	922	922	922
Share premium fund	16,950	16,950	16,950
Revaluation fund			
Other funds	67	470	468
Operating Profits/Losses in previous financial periods	4,884	1,284	1,042
Profits/Losses of the financial period	403	2,918	3,864
Group net assets and liabilities	**23,226**	**22,544**	**23,246**
Minority share capital and funds	543	0	0
Minority Profit (loss)	98	0	0
Minority net shareholders equity	**444**		**0**
Net consolidated shareholders equity	**23,671**	**22,544**	**23,246**
Severance fund	7,287	1,041	1,153
Provisions for risks and charges	73	47	35
Tax and deferred tax provisions	54	396	287
Other liabilities	45		
Financial liabilities/payables due over 12 months	38,547	2,524	3,241
Total non current liabilities	**46,006**	**4,008**	**4,716**
Trade payables	26,434	2,613	850
(of which sale accruals and deferrals)	*4,479*	*584*	*244*
Other liabilities	9,453	1,703	2,015
Financial liabilities/payables due within 12 months	69,956	2,339	2,172
(of which sale accruals and deferrals)	*41*		
Deferred tax liabilities	2,083	76	139
Total non current liabilities	**107,925**	**6,731**	**5,176**
TOTAL LIABILITIES	**177,602**	**33,283**	**33,138**

3. COMMENTS ON THE FINANCIAL STATEMENTS

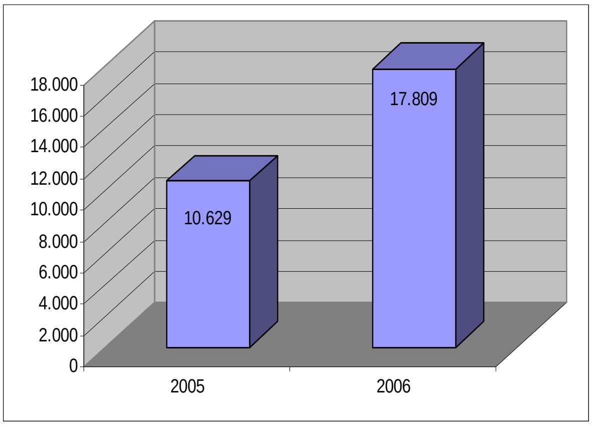
The consolidated results refer to the Parent Company TAS S.p.A., the controlled Swiss company APIA S.A., the French company TAS FRANCE EURL., the Spanish company RT Relational Tools S.L. and the Italian companies Ds Taxi S.r.l., Ds Finance S.r.l. and Ds Supporti Direzionali e Strategici S.r.l..
For those companies that were purchased from Ds Data Systems S.p.A. on the 1st August 2006, the consolidation of financial statements refers to the two month period from August to September. The financial statements of the two business units purchased from N.C.H. S.p.A. refer to the same two month period.

The vast majority of revenues from each individual company derive from the country in which the company resides.
Instead of comparing the results of the third quarter of 2006 with the third quarter of 2005, the comments provided herebelow favour the comparison between the data concerning the first nine months of 2006 and the corresponding period of 2005, as a period of just three months is not sufficient to provide a normalised representation of the economic data.

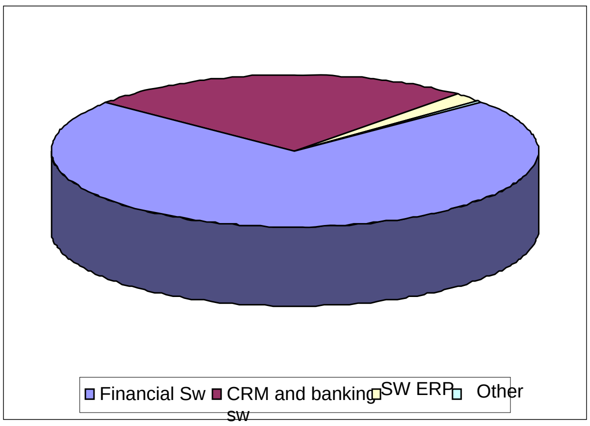
Revenues

The company reports total revenues of 17,809 k€ compared to 10,629 k€ as at 30/09/2005. This increase of 67.5% can be mainly attributed to the change in the scope of the area of consolidation as a result of the acquisitions completed over the last quarter. It should be noted that the revenues as at 30/09/2005 include additional revenues of approximately 1,000 k€ resulting from a non-recurring event that occurred during the second quarter of 2005.
During the third quarter, the revenues record an increase of 276% compared to the same period of 2005, passing from 2,894 k€ to 10,058 k€.

Revenues as at 30/09/2006



Revenues per sector as at 30/09/2006



The charts illustrated above provide a break down of the revenues per sector and highlight the distribution of the revenues between the different areas of business. The *Financial Software* sector contributes to 72% of the total revenues. This sector has experienced an increase as a result of the contribution of the Business Units purchased from NCH and of the shareholdings purchased from Ds Data Systems S.p.A. The *Banking and CRM Software* sector refers exclusively to the business activities of APIA. Following the acquisition of the shareholding in Ds Taxi, the business activity of the company has expanded into a new sector that concerns ERP applications for private companies and public bodies.

Revenues by business area	09/30/2006	09/30/2005	Var 06/05
Financial Software	12,836	4,469	187,2%
Banking and CRM Software	4,577	5,507	-16.9%
ERP Software	332	0	na
Other	63	653	-90.4%
Total	**17,809**	**10,629**	**67.6%**

The increase of the revenues of TAS, as a result of the change in the scope of consolidation, is offset by the decrease in APIA's revenues resulting from the non-recurring contribution mentioned above that had a significant impact on APIA's revenues in 2005.

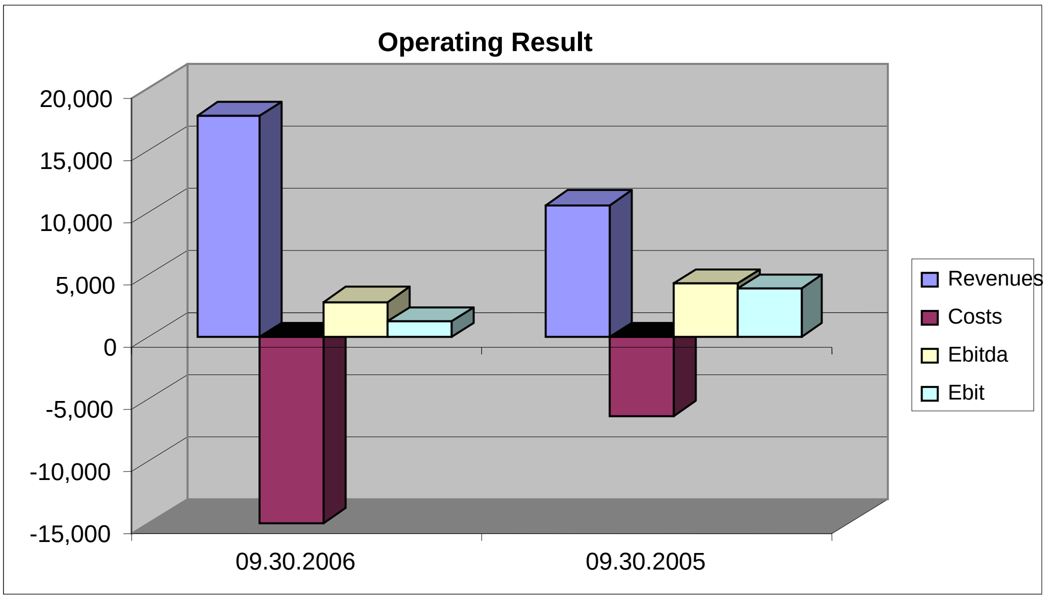
Revenues by geographical area	09/30/2006	09/30/2005	Var 06/05
Italy	11,920	4,320	175.9%
Switzerland	4,584	5,507	-16.8%
France	820	803	2.1%
Spain	373	0	Na
Other	330	251	31.4%
Equalizing of currency exchanges between sectors	-218	-252	-13.6%
TOTAL	**17,809**	**10,629**	**67.6%**

The breakdown of revenues by geographical area reflects by and large the location of the companies that form the Group. *Italy* grows significantly due to the recent acquisitions, *Switzerland* decreases by 16.8% as a result of the non-recurring revenues registered in 2005, while *France* experiences a slight increase.
The geographical area *Other* includes: Great Britain, Germany, Monaco, Holland and San Marino.

EBITDA and Operating Result

The EBITDA of the quarter is equal to 197 k€, while the figure for the first nine months of the financial year is 2,859 k€. Compared to the first nine months of the previous financial year, the EBITDA records a decrease of 33,7%.
The *Operating Result* of the quarter is negative for 1,133 k€, while the first nine months of the financial year is positive for 1,241 k€.
The results outlined above are affected by extraordinary non-recurring costs of approximately 538 k€ that were sustained during the third quarter of 2006, (due to severance packages resulting from industrial re-structuring operations). If we were to normalize the results by excluding the non-recurring revenues from the previous financial year of 1,000 k€ and the aforementioned extraordinary costs, we would obtain an improvement of 2.5% on the EBITDA level compared to the first nine months of 2005, as illustrated in the following table:

Normalisation of quarterly financial statements	09/30/2006	09/30/2005	Var 06/05
Total Revenues	17,809	9,629	**85,0%**
Total Costs	14,412	6,314	**128,3%**
EBITDA Adjusted	**3,397**	**3,315**	**2,5%**
Extraordinary revenues / costs	(538)	1,000	**-153,8%**
Amortization and Depreciation	(1,618)	(429)	**277,2%**
EBIT	**1,241**	**3,886**	**-68,1%**



The decrease in the *Operating Result* of the quarter can mostly be attributed to the increase in the item "Total Costs", that is not completely absorbed by the corresponding increase in the "Total Revenues". This is mostly as a result of the non-recurring costs of approximately 538k€ sustained during the quarter and by the significant seasonal variation in the revenues relating to the business units purchased from NCH: in fact, the last quarter has always constituted approximately 50% of the revenues for the entire financial year. In the light of the radical change to the scope of the area of consolidation following the acquisition operations completed on the 1st August 2006, a comparison between this period and the same period of the previous financial year is of little relevance.

Net Result

Net profit as at 30/09/2006 totals 403 k€ compared to a net profit of 2,918 k€ for the corresponding period of the previous financial year.
The *Profit per share* during the first nine months of 2006 is equal to 0.23 euro, compared to 1.65 as at 30 September 2005.

in euro	09/30/06	09/30/05	12/31/05
Share Capital	921,519	921,519	921,519
Net Profit (Loss)	403,000	2,918,000	3,864,000
Common shares	1,772,152	1,772,152	1,772,152
Weighed mean number of circulating shares in the period.	1,772,152	1,772,152	1,772,152
Profit per share	**0.23**	**1.65**	**2.18**

Net Financial Position

The *Net Financial Position* as at 30 September 2006 is negative for 104,530 k€ compared to the 14,206 k€ of the 30/06/2006. As highlighted in the half year report, the aggregation operation of the 1/08/2006 has radically modified both the financial and economic aspects of the TAS Group.

2.3 Net Financial Position k€	*09.30.2006*	*09.30.2006*	*03.31.2006*	*12.31.2005*
Cash, bank current accounts and shares	3,610	17,104	16,164	16,450
Securities other than fixed assets	107	149	0	51
Other receivables	-	44	44	59
Short term payables to banks and other financial institution	- 66,832	-18	-25	-75
Financial payables due in 12 (Apia's put)	- 3,123	-3,226	-5,324	-2,097
Short term net financial position	**- 66,238**	**14,053**	**10,859**	**14,388**
Medium / Long term receivables	255	161	161	161
Medium/ Long term payables to bank and other financial institution	- 3,547	-8	-8	-15
Financial payables due over 12 (Apia's put)	-			-3,226
Financial payables due over 12 (NCH loan)	- 35,000			
Medium / Long term net financial position	**- 38,292**	**153**	**153**	**-3,080**
Net financial position	**- 104,530**	**14,206**	**11,012**	**11,308**

The loan agreement from NCH to TAS stipulated at the time of the payment of the fee of the Business Units purchased from NCH, features in the financial payables due over 12 months. In addition TAS' financial payables towards DS and NCH relating to the acquisition operation also features in the financial payables due over 12 months. Upon completion of the loan agreement stipulated on the 10 November 2006, the details of which are provided in paragraph 4, the payables towards banks and other creditors in the short term can be reclassified as follows:

Net Financial Position *proforma* k€	*09.30.2006*	*09.30.2006*	*03.31.2006*	*12.31.2005*
Cash, bank current accounts and shares	3,610	17,104	16,164	16,450
Securities other than fixed assets	107	149	-	51
Other receivables	-	44	44	59
Short term payables to banks and other financial institution	-10,379	-18	-25	-75
Financial payables due in 12 (Apia's put)	-3,123	-3,226	-5,324	-2,097
Short term net financial position	**-9,785**	**14,053**	**10,859**	**14,388**
Medium / Long term receivables	255	161	161	161
Medium/ Long term payables to bank and other financial institution	-60,000	-8	-8	-15
Financial payables due over 12 (Apia's put)	-	-	-	-3,226
Financial payables due over 12 (NCH loan)	-35,000	-	-	-
Medium / Long term net financial position	**-94,745**	**153**	**153**	**-3,080**
Net financial position	**-104,530**	**14,206**	**11,012**	**11,308**

Investments

Investments in Fixed Assets k€	09/30/06	09/30/05	var. 06/05
Software development	962	502	92%
Other Intangible fixed assets	2	77	-97%
Electronic office equipment and hardware	45	49	-8%
Other tangible fixed assets	15	1	na
TOTAL INVESTMENTS FOR THE PERIOD	**1,025**	**629**	**63.0%**

The above table highlights the investments made in the period of reference, by cleaning the data as at 30/09/06 of the additional assets relating to the shareholdings and business units purchased during the operation of the 1/08/2006.
Software development, 962 k€, concerns capitalised internal costs for the developments of new software applications. The increase of 92% regarding TAS is mainly due to the developments of the following applications: the *New Hub*, in Unix environment and *TeleMonitor-IOS.* The *TeleMonitor-IOS* module is a screening system of trade operations specialised in the definition of operations that may give rise to cases of *Insider Trading* and Market Manipulation as defined by CONSOB (CONSOB Communication No. DME/5078692) and by the Committee of European Securities Regulators *(Market Abuse Directive).*
Investments relating to the development of applications of the business units purchased from NCH (for the two months of consolidation), concern:

- For the Networks and Payment Systems Business Unit, the development of the GARI and CLM line of products, regarding the issues relating to the new European payment system evolutions (TARGET2);
- For the Electronic Money Business Area, the software development of the Multivendor ATM solution and the porting of a series of TAS/NCH products onto the Open Source platform.

Other intangible fixed assets mainly concern rights on software used for the Group's activities. Their decrease is mainly due to the renewal of operating systems in TAS carried out in 2005.
Other items are of little relevance.

Accounting principles of the Aggregation and the application of IFRS 3

Detailed and exhaustive information regarding the Aggregation has already been provided to the market within the context of the Informative Document drafted in accordance with article 71 and article 71-bis of the implementation regulation of Italian Legislative Decree No. 58 of the 24 February 1998, concerning the disciplinary procedures of the issuer (adopted by CONSOB with deliberation No. 11971 of the 14 May 1999 and subsequently amended) and in accordance with the provisions specified in the explanatory notes of the proforma data. Even though the aforementioned operation is (formally) classified as a corporate aggregation between organisations or business activities under common control, and therefore for accounting purposes it is not necessary to apply the IFRS 3 for Corporate Aggregations, nonetheless the aggregation has been subjected to the details and criteria of representation specified by the aforementioned standards.
In fact, in the absence of a specific accounting principle that can be applied to such operations, this disparity must be integrated according to the disciplinary rules specified by paragraphs 10, 11 and 12 of IAS 8, or in other words, through the application of accounting principles stipulated for similar matters. We therefore maintain that it is correct to apply the "purchase method" contemplated in IFRS 3, that involves the registration of the assets and liabilities acquired on the basis of the relative market value, in order to represent the effective economic substance of the Aggregation. On the other hand, an evaluation of the values corresponding to the business activities involved in the Aggregation would result in misleading information that would not provide a correct representation of the financial and economic effects of the Aggregation.

In fact, the economic substance of the Aggregation is highlighted by the fact that the operation occurred:
− under market conditions, as declared and certified by leading and independent investment banks, in particular with regard to the fairness of the purchase price paid by TAS;
− with cash settlement;
− in the presence of relevant minority interests;
− with the aim of achieving a concrete economic objective.
And in particular that:

1. the Business Units all operate in the financial software market with a client base consisting almost exclusively of financial institutions, as detailed in the fairness opinion on the price issued by the independent financial advisor duly appointed;

2. from a geographical perspective, NCH and DS predominantly operate in Italy, with a presence in France, United Kingdom and Spain, while the most relevant business activity of TAS is carried out in Switzerland: therefore there are certain complimentary territorial interests between the companies, as the business activities of NCH and DS may be able to enter onto the Swiss market through TAS, while TAS' products may be introduced onto other European markets by taking advantage of the existing commercial structure of NCH and DS, that was not available to TAS before the Aggregation;

3. the significant and relevant industrial synergies of the Aggregation, are illustrated in terms of their quality in the aforementioned fairness opinion about the price;

4. in order to guarantee the total fairness, correctness and transparency of the operation, the directors considered it appropriate to implement the Aggregation according to the following modalities: (i) firstly, NCH, DS and TAS stipulated an integration agreement that defined the industrial content of the Aggregation, on the basis of an aggregation plan drawn up with the support of a leading industrial advisor (Bain & Co); (ii) NCH and DS appointed Société Générale as an independent financial advisor to determine a value range of the Business Units and the Shareholdings involved in the Aggregation; (iii) on the basis of the evaluation carried out by Société Générale, NCH and DS formulated a proposal of sale to TAS for a value in line with the lower end of the value range; (iv) TAS appointed an independent advisor of primary standing to formulate an opinion confirming the fairness of the sale price. The Aggregation was only completed after the aforementioned fairness opinion on the total sale price of the Business Units and Shareholdings proposed by DS and NCH was issued;

5. there are several different significant minority interests present in NCH (that owns approximately 98,01% of DS) and TAS. Banca Intesa and the Development Capital 1 fund possess a total share of approximately 21%, while TAS is quoted with a floating value of approximately 33%; the minority shareholders of TAS are therefore different from the minority shareholders of NCH;

6. the majority of the Aggregation is settled in cash while the balance (approximately 35 million Euro) is settled thanks to a loan granted by the holding company NCH, under market conditions;

7. following the Aggregation, the industrial, financial and economic structure of TAS has changed drastically both in terms of the turnover and the number of personnel.
In addition, the Aggregation project is characterised by a strong industrial and financial logic and therefore will result in significant benefits for TAS. From an industrial perspective, these benefits include:

− *cross selling*: as highlighted above, the business activities of NCH and DS involved in the transfer are complimentary to the business activities currently performed by TAS in terms of know-how, software solutions and clients. This factor should enable TAS to consolidate the shared aim of enlarging the company portfolio. The portfolio of products is completed thanks to the integration of NCH and DS Finance in TAS (products for electronic money, networks, finance and securities, corporate banking) while the integration of DS Taxi and DS Supporti Direzionali e Strategici in TAS enables the TAS portfolio of products to be extended to the public sector, with DS Taxi, and industry/services with DS Supporti Direzionali e Strategici;
− entry onto new markets both in terms of the number of clients and in terms of the geographical areas covered, in addition to the possibility of rationalising and optimising the business and technological partnerships with operators of international standing in order to extend the offer and the penetration of TAS into national and international markets. Upon conclusion of the operation, TAS will be able to rely on a unitary presence in Italy, Spain, Switzerland, the United Kingdom, France and other European countries;
− improved visibility of the group headed by NCH with international financial institutions in preparation for the implementation of a new growth and development plan.
From a financial perspective, the benefits for TAS consist in the optimisation of its financial structure, that in the past did not invest its available liquidity in growth. This will enable the company to take advantage of growth plans, while maintaining considerable financial leverage.
In the budget for 2007 of the TAS Group, and in the medium term post Aggregation plan that is currently being drafted, the synergies deriving from the Aggregation will be analysed in quantifiable terms, along with the impacts that this will have on the cash flow of the entities involved.

Accounting principles of the Aggregation and the application of IFRS 3

In accordance with the provisions of IFRS 3, the Aggregation has been provisionally accounted for by charging the entire difference between the price paid and the book values to goodwill. During the drafting of the financial statements for the financial year as at 31/12/2006, and therefore within 12 months of the acquisition date, the accounting will be completed by identifying and evaluating the intangible assets acquired.

Breakdown of goodwill

The table provided herebelow provides the calculation of the elimination of the shareholdings purchased from DS and the registration of the assets and liabilities of the Business Units purchased from NCH including the shareholding in the controlled company RT Spain and also any other additional costs.

BREAKDOWN OF TAS GOODWILL AS AT 09.30.2006

Goodwill concerning NCH business units

	Euro/000
Enterprise Value of NCH business units and of RT as resulting from the agreement	85.000
Net Financial Position of NCH business units and of RT as at 30 June 2005	(33.613)
First estimate of the purchase price of the business units and of RT before price adjustment	**51.387**
(minus) Book value of shareholding in the controlled Relational Tools SL in NCH yearly report	(1.986)
Price of the NCH business units	**49.401**
Ancillary costs	*999*
Price adjustment	*902*
Cost of the purchase of the business units from NCH (a)	**51.302**

Equità loss of NCH business units	
- Business unit 1 (loss resulting from the balance sheet ITA GAAP)	(14.821)
- Business 2 (loss resulting from the balance sheet ITA GAAP)	(14.125)
- IFRS adjustment concerning NCH business unit	2.258
Total (b)	**(26.688)**
Goodwill concerning NCH business units [(a) - (b)]	**77.990**

Goodwill concerning shareholdings purchased from DS

	Euro/000
Enterprise Value of DS Finance, DS Taxi and DS SDS as resulting from the agreement	30.000
Net Financial Position of DS Finance, DS Taxi and DS SDS as at 30 June 2005	7.814
First estimate of the purchase price of DS Finance, DS Taxi and DS SDS	**37.814**
Ancillary costs	*193*
Cost of the purchase of shareholdings purchased from DS (a)	**38.007**
Net shareholders equity of DS shareholdings	
- DS Finance (as resulting from yearly report ITA GAAP)	6.917
- DS Taxi (as resulting from yearly report ITA GAAP)	3.926
- DS SDS (as resulting from yearly report ITA GAAP)	(53)
- IFRS adjustments concerning the abovementioned companies	1.008
Total (b)	**11.799**
Goodwill concerning shareholdings purchased from DS [(a) - (b)]	**26.208**

Goodwill concerning Relational Tools SL

Price (equal to the book value of the shareholding in the NCH yearly report)	**1.986**
Ancillary costs	*39*
Cost of the purchase of RT (a)	**2.025**
Net shareholders equity of Relational Tools SL	
- Relational Tools (as resulting from the yearly report drafted according to applicable local standards)	1.152
- IFRS adjustments concerning the abovementioned companies	(37)
Total (b)	**1.115**
TAS ownership	51,04%
Goodwill concerning RT [(a) - (b)*51,04%]	**1.456**
Total Goodwill of the purchase	**105.654**
Goodwill as indicated in the yearly report of the controlled DS Finance	**834**
Goodwill as indicated in the yearly report of the controlled DS Taxi	**2.860**
Goodwill of the purchase business units	**422**
Goodwill as at 31.12.2005	**13.011**
Total Goodwill as at 30.09.2006	**122.780**

4. SIGNIFICANT EVENTS AFTER 30 SEPTEMBER 2006

The loan agreement with Banca Intesa was completed on the 10 November with the following essential characteristics:

- Tranche A of 42 million Euro, five year amortizing medium term loan (including one year of pre-amortization), with a variable interest rate equal to Euribor 6 months increased by 160 bps per year, with a mechanism of *margin ratchet* that involves a reduction of the *spread* connected to the relation between the net financial position and the post aggregation EBITDA of TAS;

- Tranche B of 18 million Euro, a three year medium term revolving line of credit of a financial nature, that may be used to cover overdrawn current accounts or raise payments for a duration of 6 months, notwithstanding the limitation of the expiry date; this line of credit has a variable interest rate equal to the Euribor for the respective intervals, increased by 125 bps;

- Tranche C of 15 million Euro, composed of different short term revolving lines of credit with a duration of 15 months, that can be used for raising payments for invoices; these lines of credit have a variable interest rate equal to the Euribor, for the respective intervals, increased by 90 bps.

Banca Intesa's loan is guaranteed by a pledge from NCH on No. 1,192,215 shares of TAS, corresponding to 67.267%, with possible adjustments in the case of subsequent increases in the capital of TAS.
The loans required for the acquisition of the two business units and shareholdings are structured on the basis of the cash flows forecast for the period.

5. COMMENTS ON MANAGEMENT TREND

At the third quarter end, the company embarked on a process of significant corporate re-organization, in order to better focus on the activities of those business areas considered to be strategic for the coming years: Electronic Money, Payment Systems, Banking Solutions, with particular emphasis on Corporate Banking, Financial Solutions and relations with the Public Administration.

The foreign subsidiaries of the company also refer to these business areas with the aim of completing the portfolio of solutions and improving synergies in terms of application and market development.

In fact, the main objectives of the company's industrial policy include the rationalization of applications, by adapting solutions to the changing needs of the market, and the harmonization of applications, with the aim of optimizing complementary aspects and maximizing economies of scale.

TAS Tecnologia Avanzata dei Sistemi S.p.A.
(The Chairman)
Paolo Ottani

Attachment

K€	Share capital	Share premium reserve	Legal reserve	Extraordinary reserve	Other reserves	Conversion reserve	Retained earnings/ Losses carried forward	Profit/ Loss of the period	Net Group Financial Position	Minority reserves and share capital	Minority Profit/Loss	Minority Net Financial Position	Total Net Financial Position
Balance as at 01/01/2004 Italian accounting standards	**915**	**17,242**	**180**	**3**	**31**	**-22**	-161	**485**	**18,834**				**18,834**
Effect of IFRS adoption		-292							-453				-453
Balance as at 01/01/2004 IFRS	**915**	**16,950**	**180**	**3**	**31**	**-22**	**-161**	**485**	**18,381**				**18,381**
Employees' stock grant share capital increase	7				-7				0				0
2003 Profit destination			92			22	371	-485	0				0
Result of the period							-254	2,124	1,870				1,870
Other differences						12			12				12
Balance as at 31 December 2004	**922**	**16,950**	**272**	**3**	**24**	**12**	**-44**	**2,124**	**20,263**				**20,263**
2004 Profit destination				193			1,931	-2,124	0				0
Result of the period						-2	-846	3,865	3,017				3,017
Other differences						-34			-34				-34
Balance as at 31 December 2005	**922**	**16,950**	**272**	**196**	**24**	**-24**	**1,041**	**3,865**	**23,246**				**23,246**
2005 Profit destination			-44	-196			4,105	-3,865	0				0
Shares reserve destination				24	-24				0				0
Result of the period								403	403		-98	-98	305
Other differences						-161	-262		403				-423
Balance as at 30 September 2006	**922**	**16,950**	**228**	**24**	**0**	**-185**	**4,884**	**403**	**23,226**	**543**	**-98**	**445**	**23,671**