TAS S.p.A.
Quarterly Report
as at 31 December 2006

The English version is a free translation of the Italian one, which remains the original and definitive version.

Quarterly Report as at 31 December 2006

CONTENTS

COMPANY BODIES

Board of Directors

§ expiry: adoption of the balance sheet at 31 December 2008
** expiry: 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 Auditors

expiry: adoption of the balance sheet at 31 December 2007

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

Audit Firm PricewaterhouseCoopers S.p.A.

Share capital		€ 921,519.04
	no. of shares	1,772,152
	Nominal value	€ 0.52

1 Remuneration Committee member
2 Internal Audit Committee member

Introduction

This document has been drawn up in compliance with art. 82 of the Regolamento Emittenti (Issuer Regulation) of Consob (Italian National Commission for Companies and the Stock Exchange) no. 11971 of 14 May 1999 and subsequent amendments, bearing in mind the Regulation of the Markets, organized and managed by Borsa Italiana S.p.A., and the relevant Instructions. The quarterly report has been prepared according to the indications in the attachment 3D of the above-mentioned Issuer Regulation.
As from 1 January 2005, the Group has adopted the IAS/IFRS international accounting standards currently in force.
The adopted accounting standards and evaluation criteria are the same as those adopted for drafting the Balance Sheet at 31 December 2005.
The quarterly report is not subject to audit.

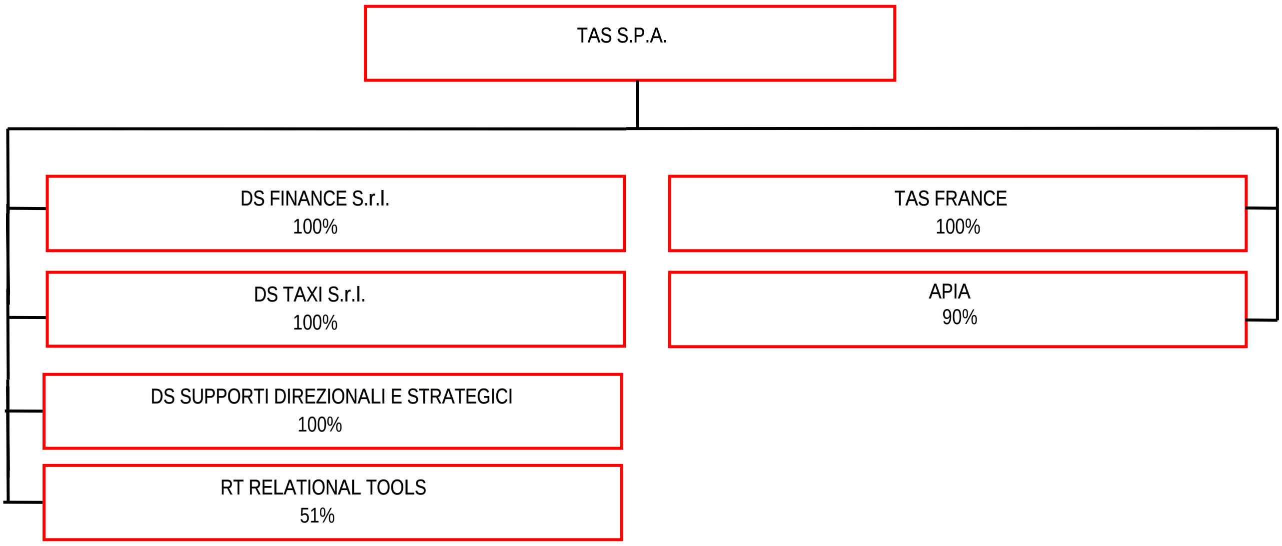
Economic data are provided with regard to the reference quarter and to the period from the beginning of the financial year to the quarter end date. These are also compared with data of analogous periods of the previous financial year. The data of the whole financial year 2005 are also reported. The net financial position data for the quarter end date are compared with the data of each quarter end and of the end of the last financial year.

The accounting data, expressed in thousands of Euro (k€), are related to the Group since TAS is obliged to draw up consolidated accounts.

This report reflects the accounting consequences of the acquisition, executed on 1 August, in the context of the combination project (the Combination) started on 1 June 2006, of two lines of business of NCH S.p.A. and of the holdings 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 date of effect of the operation was fixed for 1 August 2006.
The total price of the acquisition was stipulated as 89.2 million euros, which is the *enterprise value* of 115 million euros net of the total net financial position of 25.8 million euros. Therefore, the total consideration payable by TAS to DS and NCH is 90.1 million euros of wich 0.9 million euros due to price adjustments.
In order to pay the consideration, carried out on 10 November 2006, TAS availed itself of 15 million euros from its own resources, a loan of 35 million euros that NCH made available to TAS and, for the rest, a line of financing made available by Banca Intesa (syndicated in a pool with other banks).

This quarterly report as at 31 December 2006 was approved by the Board of Directors of TAS S.p.A. on 14 February 2007.

1. TAS Group



The companies belonging to the group are consolidated using the full consolidation method. For the situation as at 31 December 2006, the economic values of the subsidiary companies acquired on 1 August 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.) were consolidated for five months (1 August 2006 – 31 December 2006). The same goes for the economic values regarding the two lines of business acquired from NCH.

Company Name	Nationality	Share Capital	% Ownership	Net Worth
TAS S.p.A.	Italian	922		15.355
TAS FRANCE EURL	French	503	100	-184
APIA SA	Swiss	65	90(1)	10.347
DS FINANCE S.r.l.	Italian	1.000	100	6.669
DS TAXI S.r.l.	Italian	2.000	100	3.356
DS SUPPORTI DIREZIONALI E STRATEGICI S.r.l.	Italian	90	95	20
RT RELATIONAL TOOLS	Spanish	204	51	1.278

(1)with reference to the holding in Apia S.A., 100% of the capital of the subsidiary company is considered, even though the share owned is 90%, since the remaining 10% share is the subject of put & call options;
(2)since 27 November 2006 the holding in the DS Supporti Direzionali e Strategici S.r.l. company is 100% having acquired the remaining 5%.

TAS S.p.A.

Parent Company

- Largo dei Caduti di El Alamein n. 9, Rome - Italy

  local units:

  - Milan, Via Quintino Sella n. 4 - Italy;

- Verona, Via Museo n. 1 - Italy.
- Casalecchio di Reno (Bologna), Via Caduti del Lavoro n. 47 - Italy
- Rome, Via Domenico Sansotta, n. 97- Italy
- Siena, Via Girolamo Gigli, n. 2- Italy
- Seriate, (Bergamo) Via Nazionale, n. 93 - Italy
- Milan, Viale Tunisia, n. 45 - Italy
- Milan, Via Verzieri, n. 11 - Italy

APIA S.A.

90% stake.

- Prati Botta, 22 Barbengo (Lugano) - Switzerland

secondary factory in:

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

TAS France Eurl

100% stake.

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

DS TAXI S.r.l.

100% stake.

- Via Ugozzolo 121/a – Parma - Italy

local units:

- Milan, Via Francesco Gonin n. 58 - Italy;
- Rome, Via Domenico Sansotta n. 97 - Italy.

DS FINANCE S.r.l.

100% stake.

- Via Ugozzolo 121/a – Parma - Italy

local units:

- Milan, Via Francesco Gonin n. 58 - Italy;
- Rome, Via Domenico Sansotta n. 97 - Italy.

DS SUPPORTI DIREZIONALI E STRATEGICI S.r.l.

100% stake.

- Via Arbe n. 92 Milan - Italy

RT RELATIONAL TOOLS S.L.

51% stake.

- Ronda de Poniente 2 Tres Cantos - Madrid - Spain

  local units:

  – Plaza Ramon y Cayal 1 - Cordoba - Spain

1.1 Operating conditions and development of the activity

TAS S.p.A., a NCH Group company, operates in the computer science sector with particular reference to the development and marketing of software products, advice, assistance and their maintenance, and also carries on the additional activity of supplying hardware products.
The software made mainly regards the automation of the processes for collecting, negotiating and controlling purchase and sale orders for financial products.
TAS also offers ASP (Application Service Provider) services in the same areas, using its own applications.
The Company, following its acquisition from NCH of two lines of business, is currently the main operator on the Italian market in the banking software sector for payment systems, treasury and interbank networks (RNI [Italian interbank network] and SWIFT).
The Company has started the promotion and marketing activity on the Italian market of the solutions developed by APIA.
The Company operates abroad through its subsidiaries APIA S.A., TAS France Eurl and RT Relational Tools S.l..
TAS S.p.A.'s activity is carried on at its head office situated in Rome, Largo dei Caduti di El Alamein n. 9, and also at the following local units:

- Milan, Via Quintino Sella n. 4;
- Verona, Via Museo n. 1.
- Casalecchio di Reno (Bologna), Via Caduti del Lavoro n. 47
- Rome, Via Domenico Sansotta n. 97
- Siena, Via Girolamo Gigli, n. 2
- Seriate, (Bergamo) Via Nazionale, n. 93
- Milan, Viale Tunisia, n. 45
- Milan, Via Verzieri, n. 11

TAS France is an Internet Service Provider, with a great deal of experience in the e-commerce sector; at the same time, it has expanded its Housing and Hosting capacity for its own systems and for those of third parties. Alongside this historical activity, there is an activity of collaboration with TAS for the development of new financial software products and for marketing TAS products in France, Monaco, Belgium and Luxemburg. For this purpose, a distribution agreement has been entered into between the two companies.
TAS France Eurl's activity is carried on at its head office situated in Sophia Antipolis, Batiment B7 1300 Route des Crêtes.
APIA S.A. was set up in 1992 on the initiative of two entrepreneur-managers, previously active in the world of Information Technology in large Swiss banking groups for about 10 years, and set itself the objective of offering technological solutions able to guarantee bank operators an appreciable recovery of operating efficiency at the same time as maximising end customer satisfaction.
APIA's main focus is in technological solutions for the core business of financial intermediaries, gradually integrated with existing accounting systems or “non core” back office to minimise the organisational and managerial impacts. It provides solutions for credit allocation and control.
APIA's head office is in Prati Botta, 22 Barbengo (Lugano, Switzerland). Its activity is carried on at its head office and at its branch in Kloten (Zurich, Switzerland) in Lindenstrasse, 12.

DS Finance, a company recently acquired from Ds Data Systems S.p.A., has as its core business the realization of application solutions aimed at the world of banks, real estate brokerage companies (SIM) and savings companies (SGR) through solutions in the field of finance (stock, etc), current account balances, communications to customers, on-line trading and applications for managed saving (DAM – DS Asset Management).
Ds Finance S.r.l.'s activity is carried on at its head office situated in Parma, Via Ugozzolo 121/a and at its local units in Rome and Milan.
DS Taxi, a company recently acquired from Ds Data Systems S.p.A., has as its core business the realization of application solutions aimed mainly at the world of services and central and local government through the "Ds Taxi" product suite of solutions. These solutions are focussed on the themes of management control, strategic control, company balance sheet, etc.
Ds Taxi S.r.l.'s activity is carried on at its head office situated in Parma, Via Ugozzolo 121/a and at its local units in Rome and Milan.
DS Supporti Direzionali e Strategici S.r.l., a company recently acquired from Ds Data Systems S.p.A., has as its core business an advisory service for management control problems and outsourcing of the marketing information system and help in the decisions of credit institutions.
DS Supporti Direzionali e Strategici S.r.l.'s activity is carried on at its head office situated in Milan, Via Arbe 93.
RT Relational Tools S.L., a company recently acquired from N.C.H. S.p.A., has as its core business the realization of standardized software solutions, software solutions to order, maintenance and outsourcing services.
RT Relational Tools' activity is carried on at its head office situated in Tres Cantos (Madrid), Ronda de Ponente 2 and at its local unit in Cordoba.

2. Accounting data

2.1 Profit & Loss Account 1/01/2006 to 31/12/2006 k€	31.12.2006	31.12.2005	Var. 06/05
Revenues	37.792	14.282	164,6%
Change in balance of work in progress	107	- 186	-157,3%
Other revenues	1.011	29	3386,7%
Total revenues	**38.910**	**14.125**	**175,5%**
Costs for capitalized direct labour	2.359	651	262,4%
Consumable raw materials	- 207	- 186	11,5%
Staff costs	- 17.726	- 6.371	178,2%
Other costs	- 14.566	- 2.368	515,1%
Total costs	**- 30.140**	**- 8.274**	**264,3%**
EBITDA	**8.770**	**5.851**	**49,9%**
Amortization and depreciation	- 3.306	- 832	297,4%
Operating Result	**5.463**	**5.019**	**8,9%**
Financial Income (Charges)	- 1.376	277	-596,9%
Pre-tax result	**4.087**	**5.296**	**-22,8%**
Taxes	- 1.416	- 1.432	-1,1%
Result of ongoing activities	**2.671**	**3.864**	**-30,9%**
Result of intermittent activities		-	
Result of the financial year	**2.671**	**3.864**	**-30,9%**
Net result pertaining to third parties	62	-	
Net result pertaining to the group	**2.609**	**3.864**	**-32,5%**

2.2 Profit & Loss Account 1/10/2006 to 31/12/2006 k€	4th qtr. 06	4th qtr. 05	Var. 4th/4th
Revenues	20.106	3.591	460%
Change in balance of work in progress	48	- 116	-141%
Other revenues	948	21	4415%
Total revenues	**21.101**	**3.496**	**504%**
Costs for capitalized direct labour	1.398	149	838%
Consumable raw materials	- 60	- 38	57%
Staff costs	- 8.553	- 1.631	424%
Other costs	- 7.975	- 440	1713%
Total costs	**- 15.191**	**- 1.960**	**675%**
EBITDA	**5.911**	**1.536**	**285%**
Amortization and depreciation	- 1.689	- 403	319%
OPERATING RESULT	**4.222**	**1.133**	**273%**
Financial Income (Charges)	- 1.194	105	-1237%
Pre-tax result	**3.028**	**1.238**	**145%**
Taxes	- 662	- 292	127%
Result of ongoing activities	**2.366**	**946**	**150%**
Result of intermittent activities	-	-	
Result of the financial year	**2.366**	**946**	**150%**
Net result pertaining to third parties	**160**	-	
Net result pertaining to the group	**2.206**	**946**	**133%**

2.3. Net Financial Position ***k€***	***31.12.2006***	***30.09.2006***	***30.06.2006***	***31.03.2006***	***31.12.2005***
Cash, bank current accounts and stock	5.709	3.610	17.104	16.164	16.450
Stocks that are not fixed assets	98	107	149	-	51
Short-term financial receivables	10.381	-	44	44	59
Short-term debts with banks and other financial institutions	- 25.242	- 10.379	- 18	- 25	- 75
Financial payables due within 12 months (Apia put)	- 3.000	- 3.123	- 3.226	- 5.324	- 2.097
Short-term net financial position	**- 12.054**	**- 9.785**	**14.053**	**10.859**	**14.388**
Medium/long-term financial receivables	358	255	161	161	161
M/L-term debts with banks and other financial institutions	- 59.861	- 60.000	- 8	- 8	- 15
Financial payables due after 12 months (Apia put)	-	-	-	-	- 3.226
Financial payables due after 12 months (Nch)	- 35.000	- 35.000			
Medium/long-term net financial position	**- 94.503**	**- 94.745**	**153**	**153**	**- 3.080**
Net Financial Position	**- 106.557**	**- 104.530**	**14.206**	**11.012**	**11.308**

2.4. Financial Statement ***k€***	***31/12/2006***
Net profit (loss) of the period	2.609
Amortization and depreciation	3.291
Change in the severance pay fund	6.119
Change in fund for risks and liabilities	- 5
Deferred taxes	689
Decrease (increase) in receivables	- 38.454
Increase (decrease) in payables	36.887
(A) Cash flow from operating activities	**11.137**
Investments in fixed assets	- 129.150
non tangible	- 128.220
tangible	- 883
financial	- 47
(B) Cash flow from investing activities	**- 129.150**
Change with adoption of IFRS	148
(C) Cash flow from financial activities	**148**
(D) Change in net financial position (A+B+C)	**- 117.865**
(E) Initial Net Financial Position	**11.308**
(F) NET FINANCIAL POSITION AT END OF PERIOD (D+E)	**- 106.557**

2.5 Reclass. statement of assets & liabilities 01/01/06 to 31/12/0	at 31.12.2006	at 31.12.2005
Intangible assets	139.048	13.891
- Goodwill	122.889	13.011
- Other intangible assets	16.158	880
Tangible assets	1.007	352
- Tangible assets	1.007	352
Holdings and other fixed securities	67	67
Fixed financial receivables	358	161
Deferred tax assets	142	45
Other receivables	110	537
(of which financial accruals and deferrals)		*512*
Total non-current assets	**140.732**	**15.053**
Net balance	3.538	31
Trade receivables	35.051	1.157
(of which trade accruals and deferrals)	*349*	*113*
Other receivables	1.693	212
Holdings and other money securities	98	51
Financial receivables due within 12 months	10.381	86
(of which financial accruals and deferrals)	*338*	*27*
Cash on hand	5.709	16.450
Deferred tax assets	647	98
Total current assets	**57.116**	**18.085**
TOTAL ASSETS	**197.848**	**33.138**
Share capital	922	922
(part of which is not paid up)	-	-
Premium reserve	16.950	16.950
Revaluation reserve	-	-
Other reserves	- 89	468
Profits/Losses for previous financial years	5.085	1.042
Profits/Losses for the financial year	2.609	3.864
Group net worth	**25.477**	**23.246**
Capital and reserves of third parties	546	-
Profit (loss of third parties)	62	-
Net worth of third parties	**607**	-
Consolidated net worth	**26.084**	**23.246**
Severance pay fund	7.272	1.153
Funds for risks and liabilities	30	35
Funds for taxes and deferred taxes	54	287
Other payables	45	-
Financial payables due after more than 12 months	94.861	3.241
Total non-current liabilities	**102.263**	**4.716**
Trade payables	28.667	850
(of which trade accruals and deferrals)	*2.092*	*244*
Other payables	11.041	2.015
Financial payables due within 12 months	28.242	2.172
(of which financial accruals and deferrals)		
Deferred tax liabilities	1.551	139
Total current liabilities	**69.501**	**5.176**
TOTAL LIABILITIES	**197.848**	**33.138**

3. COMMENTS ON THE ACCOUNTING STATEMENTS

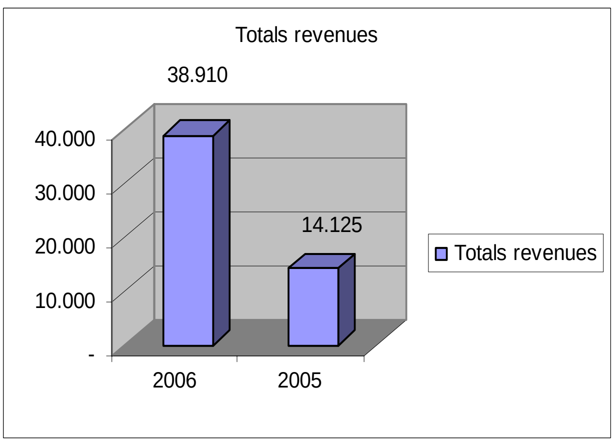
The consolidation area includes, besides the parent company TAS S.p.A., the Swiss subsidiary APIA S.A., the French subsidiary TAS FRANCE EURL, the Spanish subsidiary RT Relational Tools S.L. and the Italian companies Ds Taxi S.r.l., Ds Finance S.r.l. and Ds Supporti Direzionali e Strategici S.r.l..
As regards the companies that were the subject of acquisition from the Ds Data Systems S.p.A. company on 1 August 2006, the economic data were consolidated only for five months (1 August 2006 – 31 December 2006). The economic effects of the two lines of business sold by N.C.H. S.p.A. and of the Spanish subsidiary RT Relational Tools S.L. were also considered only for the same period.

The revenues of the individual companies come almost totally from the countries in which they have their head office.
Comments are made below on the accounting data statements giving preference to comparison between 2006 and the corresponding period of 2005, rather than comparing the fourth quarter of 2006 with the fourth quarter of 2005, since the effect of the change in the consolidation perimeter is at its maximum on that quarter; in fact, the fourth quarter is the first to include, for its entire duration, the data of the companies and the lines of business acquired on 1 August 2006. However, as highlighted below, even the comparison between two whole solar years is heavily affected by the change in perimeter, even if to a lesser degree than the fourth quarter, since the consolidation of the acquired entities has an impact on it for only five months out of twelve.

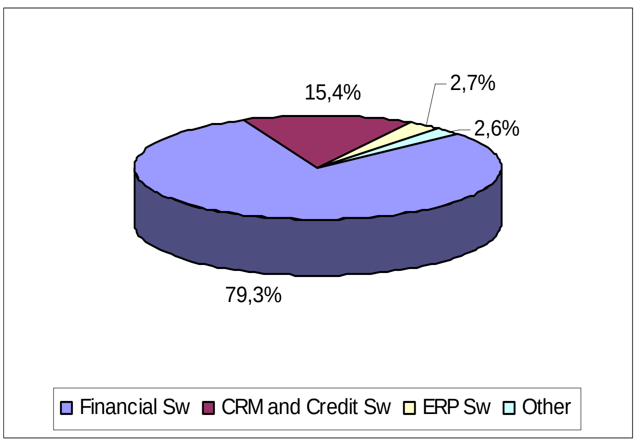
Revenues

The total of the revenues is 38,910 k€ compared to 14,125 k€ at 31/12/2005. The 175.5% increase can be attributed mainly to the changed consolidation perimeter as a consequence of the acquisitions that occurred during the period of reference. It should be borne in mind that the revenues at 31/12/2005 contain 1,000 k€ of non-recurring revenues following an event that took place during the second quarter of 2005.
During the fourth quarter, there was a 504% increase in revenues on the same quarter of 2005, from 3,496 k€ to 21,101 k€.

Revenues as at 31/12/2006



Revenues by activity sector as at 31/12/2006



As the illustration shows, the diagram of revenues by sector highlights the distribution of revenues in the business activity areas. The *Financial Software* sector is 79.3% of total revenues, and has increased thanks to the revenues relevant to the lines of business acquired from NCH and to the holdings acquired from Ds Data Systems S.p.A. The *CRM and Credit Software* sector is linked exclusively to APIA's activity. With the acquisition of the holding in Ds Taxi, the business activity has expanded to the new sector of ERP applications for companies and general government.

Revenues by sector	31/12/2006	31/12/2005	Var 06/05
Financial Sw	30.864	6.061	409,2%
CRM and Credit Sw	5.999	7.324	-18,1%
ERP SW	1.036	0	na
Other	1.011	740	36,6%
total	**38.910**	**14.125**	**175,5%**

Against the increase in TAS's revenues, also as a consequence of the changed consolidation perimeter, there is a drop in Apia's revenues due to the effect of the unrepeatable revenue of 1,000 k€, pointed out above.

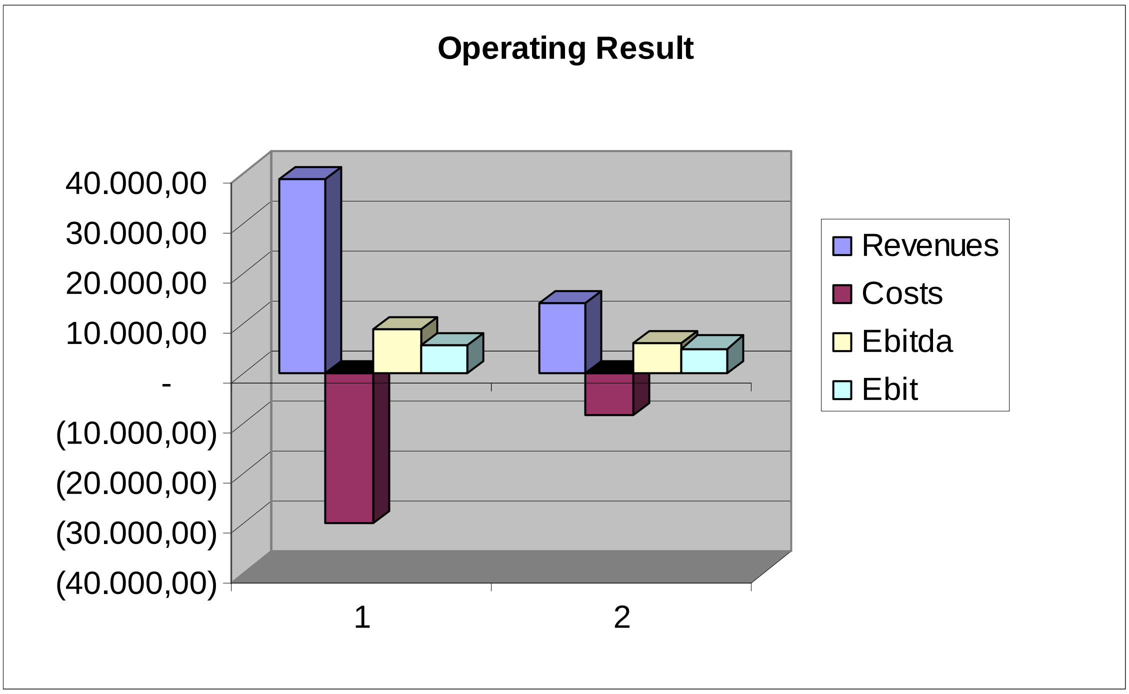
Revenues by geographic area	31/12/2006	31/12/2005	var. 06/05
Italy	30.112	5.682	430,0%
Switzerland	6.003	7.329	-18,1%
France	1.320	1.103	19,7%
Spain	1.728	-	na
England	243	-	na
Other	344	322	6,7%
Exclusions for exch. bet. areas	(839)	(311)	169,7%
TOTAL	**38.910**	**14.125**	**175,5%**

The distribution of revenues by geographic area mostly reflects the national location of the companies that make up the Group. *Italy* has grown considerably as a consequence of the recent acquisitions, *Switzerland* has decreased by 18.1%, again as a consequence of the non-recurring revenues obtained in 2005, and *France* has grown. *Spain* basically comprises RT Spain's turnover.
The geographic area *Other* mainly comprises: Germany, Monaco, Holland and San Marino.

EBITDA and Operating Result

The quarterly EBITDA is 5,911 k€, while for financial year 2006 it is 8,770 k€. Compared to the previous financial year the EBITDA has increased by 49.9%.
The quarterly *Operating Result* is positive by 4,222 k€, while it is 5,463 k€ for the entire financial year 2006.
Non-recurring extraordinary charges of about 1,060 k€ (for exodus incentives for the industrial restructuring operations) that occurred during 2006 affect the results shown above. If the results were to be standardized by excluding the abovementioned non-recurring Apia revenues of 1,000 k€ of the previous financial year and the abovementioned extraordinary charges, an improvement of 102.6% in the Ebitda compared to financial year 2005 would be obtained, as illustrated by the following table.

Standardization of quarterly accounting data	31/12/2006	31/12/2005	var. 05/06
Total Revenues	38.910	13.125	196,5%
Total Costs	29.080	8.274	251,5%
EBITDA Adjusted	**9.830**	**4.851**	**102,6%**
(Extraordinary charges) / income	(1.060)	1.000	-206,0%
EBITDA	**8.770**	**5.851**	**49,9%**
Amortization and depreciation	(3.306)	(832)	297,4%
EBIT	**5.463**	**5.019**	**8,9%**



In the light of the radical change in the consolidation perimeter in consequence of the acquisition executed on 1 August 2006, it is not very meaningful to make comparisons at quarterly level with the same period of TAS's previous financial year.

Financial year result

At 31 December 2006 there is a profit of 2,609 k€ against a profit of 3,864 k€ for the corresponding period of the previous financial year.
The *Earnings per share* for 2006 are 1.47 euro, against 2.18 at 31 December 2005.

in euro	31/12/06	31/12/05
Share Capital	921,519	921,519
Profit (Loss)	2,609,000	3,864,000
Ordinary shares	1,772,152	1,772,152
Average weighted number of shares in circulation during the financial year.	1,772,152	1,772,152
Result per share	**1.47**	**2.18**

Net Financial Position

The *Net Financial Position* at 31 December 2006 is negative by 106,557 k€ in comparison to the 104,530 k€ of 30 September 2006. As already highlighted in the half-year report and in the third quarterly report, the combination transaction initiated on 1 August 2006 has radically modified the financial and asset aspects of the TAS Group.

2.3. *Net Financial Position* **k€**	**31.12.2006**	**30.09.2006**	**30.06.2006**	**31.03.2006**	**31.12.2005**
Cash, bank current accounts and stock	5.709	3.610	17.104	16.164	16.450
Stocks that are not fixed assets	98	107	149	-	51
Short-term financial receivables	10.381	-	44	44	59
Short-term debts with banks and other financial institutions	- 25.242	- 10.379	- 18	- 25	- 75
Financial payables due within 12 months (Apia put)	- 3.000	- 3.123	- 3.226	- 5.324	- 2.097
Short-term net financial position	**- 12.054**	**- 9.785**	**14.053**	**10.859**	**14.388**
Medium/long-term financial receivables	358	255	161	161	161
M/L-term debts with banks and other financial institutions	- 59.861	- 60.000	- 8	- 8	- 15
Financial payables due after 12 months (Apia put)	-	-	-	-	- 3.226
Financial payables due after 12 months (Nch)	- 35.000	- 35.000			
Medium/long-term net financial position	**- 94.503**	**- 94.745**	**153**	**153**	**- 3.080**
Net Financial Position	**- 106.557**	**- 104.530**	**14.206**	**11.012**	**11.308**

To meet the financial requirements of the Combination, a loan contract with Banca Intesa S.p.A was signed on 10 November 2006 and has the following basic characteristics:

- Tranche A of 42 million euros: medium-term loan *amortizing* over a five-year period (with one year of pre-amortization), with variable interest rate of 6-month Euribor plus 160 bps per year, with a *margin ratchet* mechanism that provides for a reduction of the *spread* linked to the relationship between TAS's post-combination net financial position and EBITDA.

- Tranche B of 18 million euros: three-year medium-term *revolving* line of credit of a financial nature, which can be used for current account overdrafts or raising six-month loans, whilst maintaining the final due date obligation; this line of credit has a variable interest rate of Euribor, for the respective due dates, plus 125 bps.

- Tranche C of 15 million euros: made up of various 15-month short-term *revolving* lines of credit, which can be used for raising advances on invoices; this line of credit has a variable interest rate of Euribor, for the respective due dates, plus 90 bps.

Banca Intesa's loan is guaranteed by a pledge granted by NCH on 1,192,215 TAS shares, corresponding to 67.267%, subject to possible adjustments in the event of subsequent increases in TAS's capital.
The loans raised for the acquisition of the two lines of business and of the holdings are structured according to the cash flows expected to be obtained during the period.
The financial contract requests the verification of some financial parameters whose lack may influence the term of the granted loans.
The first verification on compliance and respect of such financial terms will take place within thirty days from the date of approval, by the General Shareholders Meetings, of the balance sheet as at 31 December 2006 and however not later than the 31 July 2007. The verification for the first year is to be done on pro forma data of the whole financial year 2006 not yet available.
The loan issued by NCH to TAS at the same time as the payment of the price of the lines of business sold by NCH is included in the financial payables due after 12 months. This loan, of 35,000 k€, which expires on 31/12/2012, has an interest rate of six-month Euribor plus a margin of 175 bps.

Investments

Investments in Fixed Assets k€	31/12/06	31/12/05	var. 06/05
Software development	2.635	651	305%
Other intangible fixed assets	2	97	-98%
Electronic office machines and Hardware	61	84	-27%
Other tangible fixed assets	15	17	-9%
TOTAL INVESTMENTS IN THE PERIOD	**2.714**	**849**	**219,7%**

The table highlights the investments, made during the period considered, cleaning the data at 31 December 2006 of the asset contribution related to the holdings and lines of business acquired with the transaction of 1 August 2006.
Software development, amounting to 2,635 k€, includes the capitalized internal costs for the development of new computer applications. The increase, as regards the TAS company, is due mainly to developments of the applications:

- of *Nuovo Hub*, in Unix environment;
- of the *TeleMonitor-IOS* module, a Screening system for negotiation operativity specialized in the definition of transactions that can be traced 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).*

As regards the developments of applications pertaining to the lines acquired from NCH (for the five months of consolidation) these regard:

- for the Networks and Payment Systems Area, the developments of the GARI and CLM line concerning the problems related to certified European payment systems (Target2);
- for the Electronic Payment System Area, the ATM Multivendor software developments and the porting of a whole series of TAS/NCH products to an Open Source platform.

The other *intangible fixed assets* consist mostly of software rights used for the Group's activity.
The other headings are of little significance.

Accounting treatment of the Combination and application of IFRS 3

The Combination has already been the subject of a wide and exhaustive information report to the market in the context of the Information Document drawn up pursuant to article 71 and article 71-

bis of regulations for implementation of the Decreto Legislativo (Italian legislative decree) 24 February 1998, no. 58, concerning rules and regulations governing issuers (adopted by CONSOB with decision no. 11971 of 14 May 1999 and subsequently amended) and according to what is specified in the explanatory notes to the proforma data. Although the said transaction (formally) comes under the so-called business combinations between business entities or activities placed under common control, to which, in principle, IFRS 3 – Business Combinations, is not applied for accounting purposes, it has nevertheless been subjected to the dictates and to the representation criteria provided for by the said principle.
Indeed, in the absence of a specific accounting principle that can be applied to these types of transactions, this gap must be integrated according to the rules of behaviour decreed by sections 10, 11 and 12 of IAS 8, namely that of the application, by analogical interpretation, of accounting principles dictated for similar cases. It is therefore considered correct to apply the "purchase method" contemplated in IFRS 3, which entails the registration of the acquired assets and liabilities according to their market value, to represent the actual economic substance of the Combination. On the other hand, recording to values corresponding to those loaded on the activities that are the subject of the Combination would produce results that are misleading and unsuitable for correctly representing the economic, asset and financial effects of the Combination.
In fact, the economic substance of the Combination is highlighted by the circumstance that it takes place:
− at market conditions, as certified and confirmed by the opinion of major and independent business banks, with particular regard to the congruity of the purchase price on TAS's part;
− with cash settlement;
− in the presence of considerable minority interests;
− in order to pursue a concrete economic aim.
In particular, the following are pointed out:

1. The Lines of Business all operate in the finance software market, and their customers are essentially the banks, as illustrated in the price congruity opinion issued by the independent financial advisor appointed for the purpose.

2. From a geographical point of view, NCH and DS operate essentially in Italy, but are also present in France, the United Kingdom and Spain, while TAS's most important activity is carried on in Switzerland. There is therefore a territorial complementarity, since it will be possible for NCH and DS activities to have access to the Swiss market through TAS, while it will be possible for TAS's products to be introduced into other European markets through NCH and DS, making use of the commercial structure of the selling companies, which was not available to TAS before the Combination.

3. The industrial synergies of the Combination, objectively significant and substantial, are qualitatively illustrated in the abovementioned price congruity opinion.

4. In order to guarantee the full congruity, correctness and transparency of the transaction, the directors considered it necessary to realize the Combination with the following methods: (i) in the first place, NCH, DS and TAS entered into an integration agreement, with definition of the industrial content of the Combination, also on the basis of a combination plan prepared with the help of an industrial *advisor* of major *standing* (Bain & Co); (ii) NCH and DS appointed Société Générale as independent financial *advisor* to determine a value range for the Lines of Business and of the Holding that are the subject of the Combination; (iii) NCH and DS formulated an offer of sale to TAS, at a price in line with the lower value of the range determined by Société Générale; (iv) TAS requested a congruity opinion from an independent *advisor* of major international standing and

the Combination was executed only after the issue of the said opinion confirming the congruity of the total prices of the Lines of Business and of the Holdings offered by DS and NCH.

5. Various and important minority interests are present in NCH (that possesses a holding of approx 98.01% in DS) and in TAS. In fact, Banca Intesa and the Development Capital 1 fund have a participation in NCH's capital with a total share of approx 21%, while TAS is listed with approx 33% free float; TAS's minority shareholders are therefore different to those of NCH.

6. The Combination is paid for predominantly in cash and, the remainder (approx 35 million euros), through a loan issued by the parent company NCH, at market terms.

7. Following the Combination, TAS's industrial, asset and economic structure has deeply changed in terms of both turnover and staff.
Furthermore, the project underlying the Combination is distinguished by a strong industrial and financial logic and will therefore guarantee TAS considerable benefits. From the industrial point of view, the benefits consist of:
− *cross selling*: since, as has been said, the NCH and DS businesses that are the subject of transfer are complementary and synergic in terms of skills, developed solutions and customers served compared to the business currently carried on by TAS, they should allow TAS to consolidate the synergies in terms of widening the supply portfolio. In fact, integration of NCH and DS Finance in TAS allows a complete product portfolio to be created (products for electronic payment systems, networks, finance and stock, *corporate banking*), while the integration of DS Taxi and DS Supporti Direzionali e Strategici in TAS allows TAS's product portfolio to be extended to the public sector, with DS Taxi, and to industry/services with DS Supporti Direzionali e Strategici;
− entrance into new markets in terms of both number of customers and geographic areas, and also the possibility of rationalizing and increasing the number of commercial and technological partnerships with operators of international standing, in order to expand supply and TAS's penetration into the national and international market. On completion of the Combination, TAS will be able to count on a unified presence in Italy, Spain, Switzerland, the United Kingdom, France and other European countries;
− increase in the visibility of the group headed by NCH with foreign financial institutions, in preparation for undertaking a new growth and development plan.
From the financial point of view, the benefits TAS expects consist of the optimization of its financial structure, which up to now has consisted of cash on hand that has not been invested for growth, so as to make it more suited to growth programmes, while maintaining a sustainable degree of leverage.
In the TAS Group's 2007 budget, and in the medium-term post-Combination plan, of which the final version is currently being drawn up, the synergies that will arise from the Combination, and the impact that it will have on the cash flows of the entities involved, will be analytically quantified.

Accounting treatment of the Combination and application of IFRS 3

According to the provisions of IFRS 3, the Combination has been provisionally recorded, charging the entire difference between the price paid and the acquired book values to *goodwill*. During preparation of the balance sheet at 31/12/2006, and therefore within 12 months from the date of acquisition, recording will be completed with identification and evaluation of the acquired intangible assets.

Detailed statement for the recorded goodwill

Shown below is the table of the calculation regarding the elimination of the holdings acquired from DS and the registration of the assets and liabilities of the Lines of Business acquired from NCH including the holding in the subsidiary R.T. and the additional charges.

DETAILED STATEMENT OF TAS GOODWILL AT 31.12.2006	
Goodwill pertaining to the NCH Lines	
	Euro/000
Enterprise Value of the NCH lines of business and of RT resulting from the contract	85.000
Net financial position of the NCH lines of business and of RT at 30 June 2005	(33.613)
First estimate of the price of the lines of business and of RT before Financial and Income adjustmer	**51.387**
(less) Book value of the holding in the subsidiary Relational Tools SL in the balance sheet of NCH	(1.986)
Price pertaining to the NCH lines	**49.401**
Additional Charges	*1.039*
Price adjustments	*902*
Cost of acquisition of the NCH lines (a)	**51.342**
Financial deficit of the NCH lines	
- Line 1 (deficit resulting from the statement of assets and liabilities ITA GAAP)	(14.821)
- Line 2 (deficit resulting from the statement of assets and liabilities ITA GAAP)	(14.125)
- IFRS adjustments pertaining to the NCH lines	2.258
Total (b)	**(26.688)**
Goodwill pertaining to the NCH lines [(a) - (b)]	**78.030**
Goodwill pertaining to the subsidiaries acquired from DS	
	Euro/000
Enterprise Value of DS Finance, DS Taxi and DS SDS resulting from the contract	30.000
Net financial position of DS Finance, DS Taxi and DS SDS at 30 June 2005	7.814
First estimate of the price of DS Finance, DS Taxi and DS SDS	**37.814**
Additional Charges	*223*
Cost of acquisition of the subsidiaries acquired from DS (a)	**38.037**
Accounting net worths of the DS holdings	
- DS Finance (resulting from the balance sheet ITA GAAP)	6.917
- DS Taxi (resulting from the balance sheet ITA GAAP)	3.926
- DS SDS (resulting from the balance sheet ITA GAAP)	(53)
- IFRS adjustments pertaining to the above listed companies	1.008
Total (b)	**11.799**
Goodwill pertaining to the subsidiaries acquired from DS [(a) - (b)]	**26.238**
Goodwill pertaining to Relational Tools SL	
Price (set equal to the book value of the holding in the balance sheet of NCH)	**1.986**
Additional Charges	*41*
Cost of acquisition of the subsidiary RT (a)	**2.027**
Accounting net worth of Relational Tools SL	
- Relational Tools (resulting from the balance sheet drawn up according to local principles)	1.152
- IFRS adjustments pertaining to the above listed companies	(37)
Total (b)	**1.115**
Share pertaining to TAS	51,04%
Goodwill pertaining to the subsidiary RT [(a) - (b)*51,04%]	**1.458**
Total goodwill for acquisitions	**105.726**
Acquisition of 5% of the subsidiary SDS	**36**
Goodwill in the balance sheet of the subsidiary Finance	**834**
Goodwill in the balance sheet of the subsidiary Taxi	**2.860**
Goodwill in the sold lines of business	**422**
Goodwill at 31.12.2005	**13.011**
Total goodwill at 31.12.2006	**122.889**

4. EVENTS THAT HAVE TAKEN PLACE AFTER 31 DECEMBER 2006

On 15 January 2007 the company acquired a further 7% of the Swiss subsidiary Apia S.A., at the price of 2 million euros and exercised in advance the call option on 70 Apia shares. The acquisition of a further 3% of Apia at the agreed price of 1 million euros is planned to take place by 30 April 2007.

5. REMARKS ON MANAGEMENT PERFORMANCE

During the fourth quarter, a significant company reorganization was put into effect to better focus activities on the areas considered strategic for the near future: Electronic Payment Systems, Payment Systems, Banking Solutions, with particular emphasis on Corporate Banking, Financial Solutions and relations with General Government.

The foreign subsidiaries also refer to these areas, with the objective of completing the portfolio of solutions and obtaining greater synergies in terms of application development and markets.

Activities linked to the manufacture and marketing of products have been undertaken to seize all the regulatory discontinuities expected over the coming years, in particular as regards SEPA, TARGET2 and MIFID, for which future investments by the banks are envisaged.
In particular, as regards SEPA and TARGET2, which respectively require the definition of a European standard for receipt and payment products and the creation of a new system for gross settlement, TAS can count on an excellent competitive placing (on both commercial banks and central banks), on a wide installed base and on a contiguous supply regarding network access systems.

The abolition of the principle of concentrating exchanges on controlled markets and the obligation of the best execution (MIFID) also sees TAS well placed to play a leading role in realizing the new structure for the markets. The evolution of the current Order Routing platform will be directed in particular towards analysing the transaction for the best execution and towards developing intelligent routing systems directing to trading platforms and brokers.

The partnership with SWIFT, will also be able to create the conditions for backing the evolution of message systems standards and the creation of a new series of services with added value (Business Solution).

The company's objective is to continue being the leader in the supply of products and solutions on the Electronic Payment System, Payment Systems and Securities markets, with evolution of its supply in Italy and broadening of its geographic presence. In particular, the strategic lines of growth will be made clear with:

- valorization of the supply existing in the core areas, taking advantage of its leadership position in Italy and of the subsidiary companies to develop the business in Europe, with primary focus on Spain, France, Holland and Switzerland;
- evolution of the supply with relaunching of the development of new products to maintain the level of excellence in the proposed solutions, in a market scenario characterized, as previously stated, by serious discontinuities;
- enhancement of the supply portfolio in areas with significant growth potential and contiguous with the core areas, to be achieved through targeted acquisitions, such as for example, extension to credit card management, fraud management and to core applications for the management of payments in banks (bank transfers, portfolio);

- improvement in the efficiency of the manufacturing machine, to increase profitability and allow the necessary investments for the development of products and to increase internal skills.

This new strategy will allow the Company to reinforce its competitive placing with a “leading edge” supply that takes advantage of its historical skills and the Group's innovative capacity.

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

Annex

Statement of the changes that have occurred in the consolidated net worth

k€	*Share cap.*	*Premium Res.*	*Legal Res.*	*Surpl. Res.*	*Other Res.*	*Conv. Res.*	*Profit/(Loss) br. fwd*	*Profit/(Loss)*	*Group Tot. N.W.*	*3rd P. Cap.& Res.*	*3rd Party profit*	*3rd P. Tot. N.W.*	*Tot. N.W.*
Bal. at 01/01/2004 PC Italian	**915**	**17.242**	**180**	**3**	**31**	**- 22**		**485**	**18.834**	-	-	-	**18.834**
Effect of adopting the IFRS		- 292					- 161		- 453				- 453
Balances at 01/01/2004 IFRS	**915**	**16.950**	**180**	**3**	**31**	**- 22**	**- 161**	**485**	**18.381**	-	-	-	**18.381**
increase in s. c. stock grant dip.	7				- 7				-				-
allocation of profit 2003			92			22	371	- 485	-				-
result of the period							-254	2.124	1.870				1.870
Other changes						12			12				12
Balances at 31 Dec. 2004	**922**	**16.950**	**272**	**3**	**24**	**12**	**- 44**	**2.124**	**20.263**	-	-	-	**20.263**
allocation of profit 2004				193			1.931	- 2.124	-				-
result of the period						-2	-846	3.865	3.017				3.017
Other changes						- 34			- 34				- 34
Balances at 31 Dec. 2005	**922**	**16.950**	**272**	**196**	**24**	**- 24**	**1.041**	**3.865**	**23.246**	-	-	-	**23.246**
allocation of result 2005			- 44	- 196			4.105	- 3.865	-				-
allocation of res. to share issue				24	- 24				-				-
result of the period								2.609	2.609		62	62	2.671
Other changes						- 318	- 60		- 378				- 378
Balances at 31 Dec. 2006	**922**	**16.950**	**228**	**24**	-	**- 342**	**5.086**	**2.609**	**25.477**	**546**	**62**	**608**	**26.085**