

TAS S.p.A.

QUARTERLY REPORT

as at 30 September 2004



Quarterly report as at 30 September 2004

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Introduction

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

This document is drafted in compliance with Consob Regulation no. 11971 of 14 May 1999 and following amendments, in the light of the Rules of the Nuovo Mercato organised and managed by Borsa Italiana and respective Instructions.

Criteria followed in drafting the financial statements are consistent with those followed in the financial statements of previous years, in particular as regards the evaluation and continuity of the same principles. The accounting charts adopted and the quantities therein may be compared with those in the half year report and in the consolidated yearly report.

Economic data and investments in fixed assets are referred both to the reference quarter and to the period between the beginning of the year and the closing date of the quarter. They are also compared with the data of the same periods of the precedent year. Data of the Net Financial Position concerning the closing date of the quarter are compared with data of the last quarter and of the last financial year.

Accounting data, expressed in Euro thousands (k€), are referred to the Group as TAS is bound to prepare consolidated data.

1. TAS Group

The financial statements of the Companies included in the consolidation area are assumed with the integral method.

Name	Country	Share Capital	% Ownership	Change on % of ownership	Net Shareholders' Equity
TAS S.p.A.	Italy	921,519			18,500,197
TAS FRANCE EURL	France	503,082	100		81,331
APIA SA	Switzerland	64,767	80	+5% (1)	3,189,786

(1) purchased in the month of June

TAS S.p.A.

Parent Company

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

Local entities:

- Milan, Via Quintino Sella no. 4 - Italy;
- Verona, Via Museo no. 1 - Italy.

APIA S.A.

Controlled 80%

- Prati Botta, 22 Barbengo (Lugano) - Switzerland

Secondary establishment:

- Kloten, Lindenstrasse, 12 - Switzerland

TAS France Eurl

Controlled 100%

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



1.1. Operative conditions and activity development

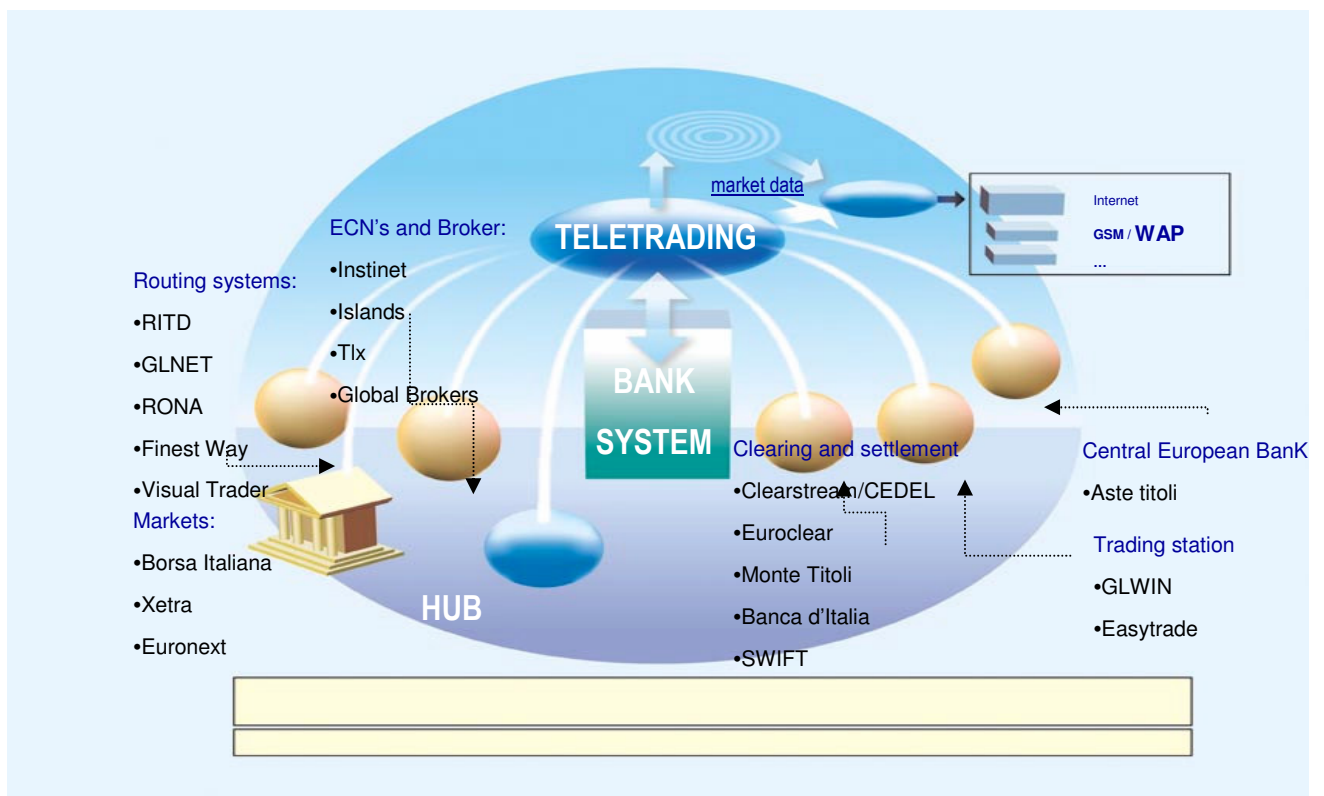
TAS S.p.A. operates in the field of the information technology with particular reference to development and commercialisation of software products, consulting, support and maintenance of the same and it also has an accessory activity of sale of hardware.

The software products developed mainly concern the automation of the process of collection, trade and settlement of orders to buy and sell financial products and the credit provision and control.

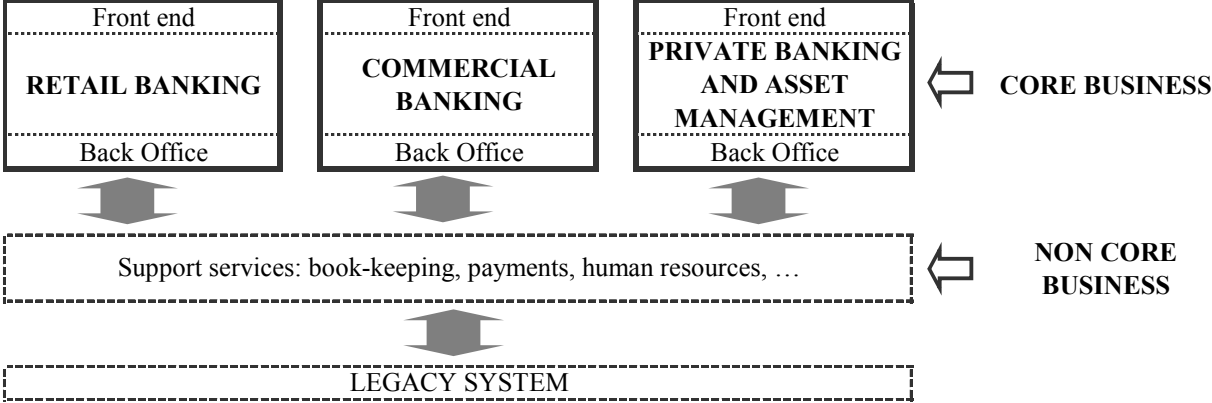
Since 2001 TAS offers services for Order Management, Order Routing and Trading on Line as ASP (Application Service Provider).

The Company operates abroad through its subsidiaries APIA and TAS France.

TAS France is an Internet Service Provider with a wide experience in e-commerce. Besides this historical activity, it actively co-operates with TAS in developing new financial software products and in commercialising TAS products in France, Principate of Monaco, Belgium and Luxemburg. For this purpose a distribution agreement was stipulated between the two companies.



APIA S.A. was established in 1992 from the idea of two managers entrepreneurs, being already operative in the IT world inside the big Swiss banking groups for 10 years, with the aim of offering technological solutions able to guarantee to banking operators a relevant efficiency in their operations and highest customer satisfaction.



The main focus of Apia resides therefore in the technological solutions for 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.

2. Accounting data

2.1. Reclassified consolidated Profit and Loss Account

	k€	III 04	III 03	III/III	30/09/04	30/09/03	09/09	31/12/03
Revenues from sales and services	2,870	1,581	82%	9,310	4,816	93%	13,818	
Work in progress on order	108	433	-75%	45	565	-92%	112	
Work capitalised	0			0	0		8	
Other revenues	8	1	700%	14	13	0%	30	
Total revenues	2,986	2,014	48%	9,369	5,394	74%	13,968	
Costs of materials and goods	-59	-1	5,800%	-113	-77	47%	-359	
Services costs and other costs	-465	-492	-5%	-1,610	-1,482	9%	-3,987	
Gross profit	2,462	1,520	62%	7,646	3,836	99%	9,622	
Personnel costs	-	-1,111	35%	-4,814	-3,514	37%	-6,610	
EBITDA	960	409	135%	2,832	322	780%	3,012	
Depreciation	-359	-126	185%	-1,033	-392	164%	-831	
Accruals and write-downs	5			-7	0		-47	
EBIT	606	278	118%	1,792	-70		2,134	
Financial income (charges)	97	66	47%	139	302	-54%	358	
Value adjustments of financial activities	0			-60				
Non recurring income (charges)	-6	-34	-82%	-87	-156	-44%	-1,204	
EBT	697	310	125%	1,784	76	2,247%	1,288	

2.2. Investments in fixed assets

	k€	III trim. 04	III trim. 03	III/III	30/09/2004	30/09/2003	III/III
Intangible assets				1	20	7	186%
Tangible assets	26	12	%	117	116	44	164%
Financial assets					1,096		
Total	26	13	%	100	1,232	51	%

2.3. Consolidated Net Financial Position

Description	30/09/0			
	k€	4	30/06/04	31/12/03
Cash, bank accounts and securities	14,38	3	15,112	11,229
Marketable securities			72	1,780
Other receivables	32		130	59
Short-term payables to banks	0		0	0
	14,41		15,314	13,068
Short Term Net Financial Position	5			
Medium/long term receivables	400		400	460
Medium/long term payables to banks and other financial institutions			0	0
Medium/long term net financial position	400		400	460
	14,81		15,714	13,528
Net financial position	5			

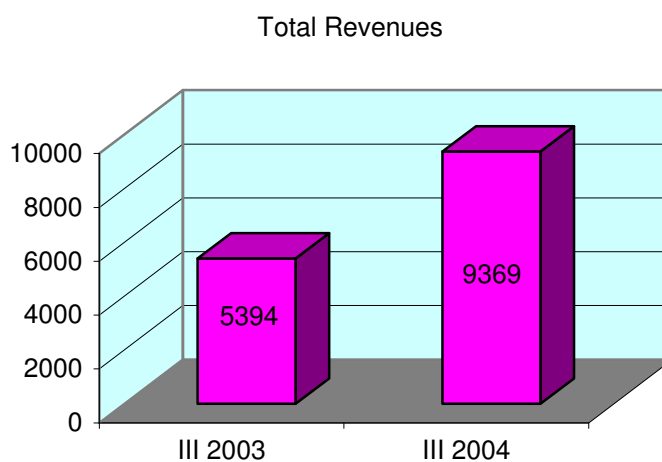
3. NOTES TO FINANCIAL STATEMENTS

The consolidation area includes TAS S.p.A., the controlled Swiss Company APIA S.A. and the French TAS FRANCE EURL. Revenues of each Company come almost completely from the Countries where their head offices are located.

With the inclusion of the Swiss Company APIA in the consolidation area the comparison with the aggregates over the corresponding period in 2003 cannot be useful, as such data do not comprehend the values of the Company recently purchased. Comparison of margins and in terms of their relative value, instead, are still meaningful.

Total Revenues

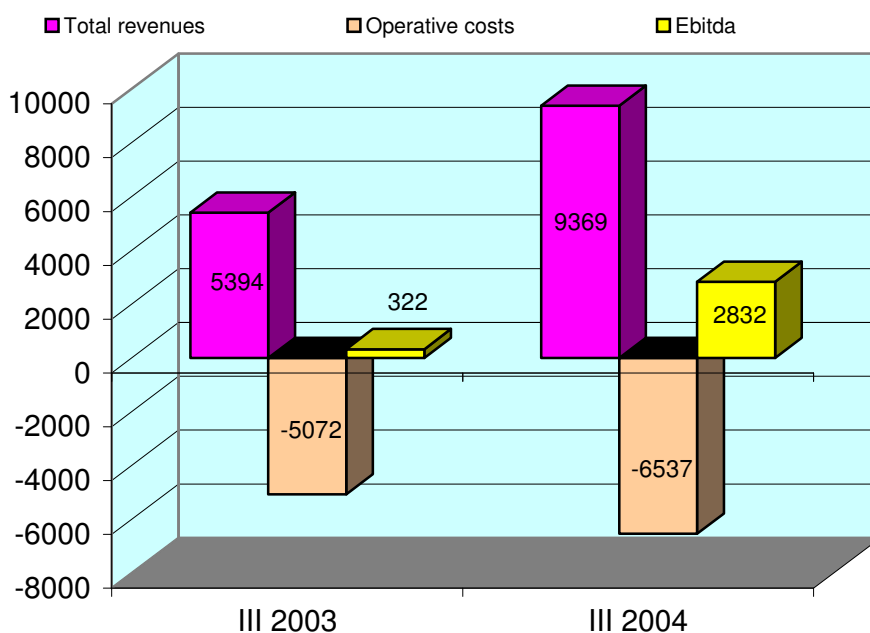
Total Revenues in the period grow of 74%. Such increase is almost completely attributable to the new company entered in the consolidation area. The contribution of each single entity to Total Revenues, amounting to 9,369 k€, can be broken down as follows: the Parent Company TAS totals 53%, Apia 41% and the remaining 6% comes from the French TAS FRANCE EURL.



EBITDA

EBITDA, equal to 2,832 k€, continues its trend amounting to 30% of Total Revenues and growing of 780% over the first nine months of the previous year.

Upon the growth of 74% of Revenues, costs adjusted of 29% only, with up 9% of service costs and up 37% of personnel costs.



EBIT

Also EBIT witnesses a change of trend, from – 70 k€ as at 30/09/2003 to up 1,792 k€ as at 30/09/2004.

With regards to the nine months of the precedent year depreciation is increasing and financial income is decreasing. Both changes are due to the same event, i.e. the purchase of 75% of APIA by the Parent Company TAS on the 3rd of October 2003 and of an additional 5% in June this year. This operation determined a growth of depreciation for the same portion of goodwill and reduced cash with a consequent decrease of active interest arising from this. The payment of the purchase took place in cash.

Depreciation is therefore increasing of 164%, passing from 392 k€ to 1,033 k€.

EBT

A relevant improvement is shown by *EBT* against the same period of the precedent year, i.e. 1,784 k€ against 76 k€.

Non recurring charges have a lower influence than in the last period, whilst financial income totals 139 k€ against 302 k€ with a decrease of 54% for the above mentioned reasons.

Item *Value adjustment of financial activities* refers to the write-down of the former subsidiary TASESPAÑA.

Net Financial Position

Net Financial Position improves of 1,286 k€ in comparison to the beginning of the year and decreases of 899 k€ in the quarter because of the settlement of previous debts.

As already explained, during the year 994 k€ in cash have been spent for purchasing an additional 5% of APIA.

Investments

Investments in software development, significant in all the Companies of the Group, are not included nor capitalised.

In the nine months investments in tangible fixed assets, equal to 116 k€, grow of 164% in comparison to the same period of the precedent year (44 k€), but are consistent with the yearly investments in the field totalling 156 k€.

Financial assets, amounting to 1,096 k€, are mainly referred to the purchase of an additional 5% of Apia for 1,009 k€.

4. COMMENTS ON THE MANAGEMENT TREND

Since Apia's purchase almost one year elapsed.

Following the purchase, the turnover almost doubled and we have again interesting margins.

Furthermore we widened the range of our offer which we are going to test on the Italian market.

As a consequence of the sale of the controlled Spanish Company TASESPAÑA, all costs borne since its establishment are cut down, as we benefited of no revenues during these years.

In the current financial period no relevant economic, equity or financial changes are to be expected compared to the trend of the year 2004.

TAS Tecnologia Avanzata dei Sistemi S.p.A.

(The Chairman of the Board of Directors)

Pompeo Busnello