TAS S.p.A.
Quarterly Report
as at 31 March 2005

Quarterly report as at 31st March 2005

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

Introduction

This document is drafted in compliance with Consob Regulation no. 11971 of 14th of May 1999 and following amendments, in the light of the Rules of the Nuovo Mercato organised and managed by Borsa Italiana S.p.A. and respective Instructions. In particular the Company opted for the transitional rules as under Article 82-bis of the aforementioned Consob Regulation.

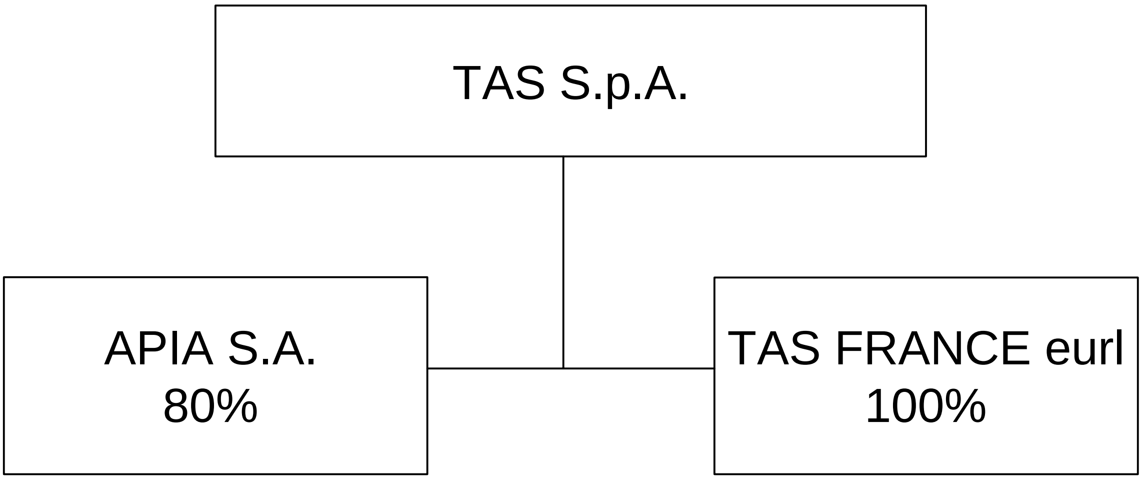
In the light of the opportunity offered by the transitional rules and given the advanced adjustment to the international accounting standards IAS/IFRS, the Company may begin applying them starting from the Half Year Report as at 30/06/2005.

Criteria followed in drafting financial statements are consistent with those followed in 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 related to the reference quarter and compared to data of the same period of the precedent year. Data of the whole financial year 2004 are also provided. Data of the net financial position concerning the closing date of the quarter are compared with data of the last financial year.

Accounting data, expressed in thousands Euro (k€), are referred to the Group as TAS is bound to prepare consolidated data.
TASESPAÑA, included in data of the first quarter 2004, it was sold during the year 2004 and is not present any longer. However, the Spanish company's contribution was none as for revenues and very little as for costs.

1. <u>TAS Group</u>



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

Name	Country	Share Capital	% Ownership	Net Shareholders' Equity
TAS S.p.A.	Italy	922		18,753
TAS FRANCE EURL	France	503	100	(136)
APIA SA	Switzerland	65	80	4,828

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 (Zurich) - 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

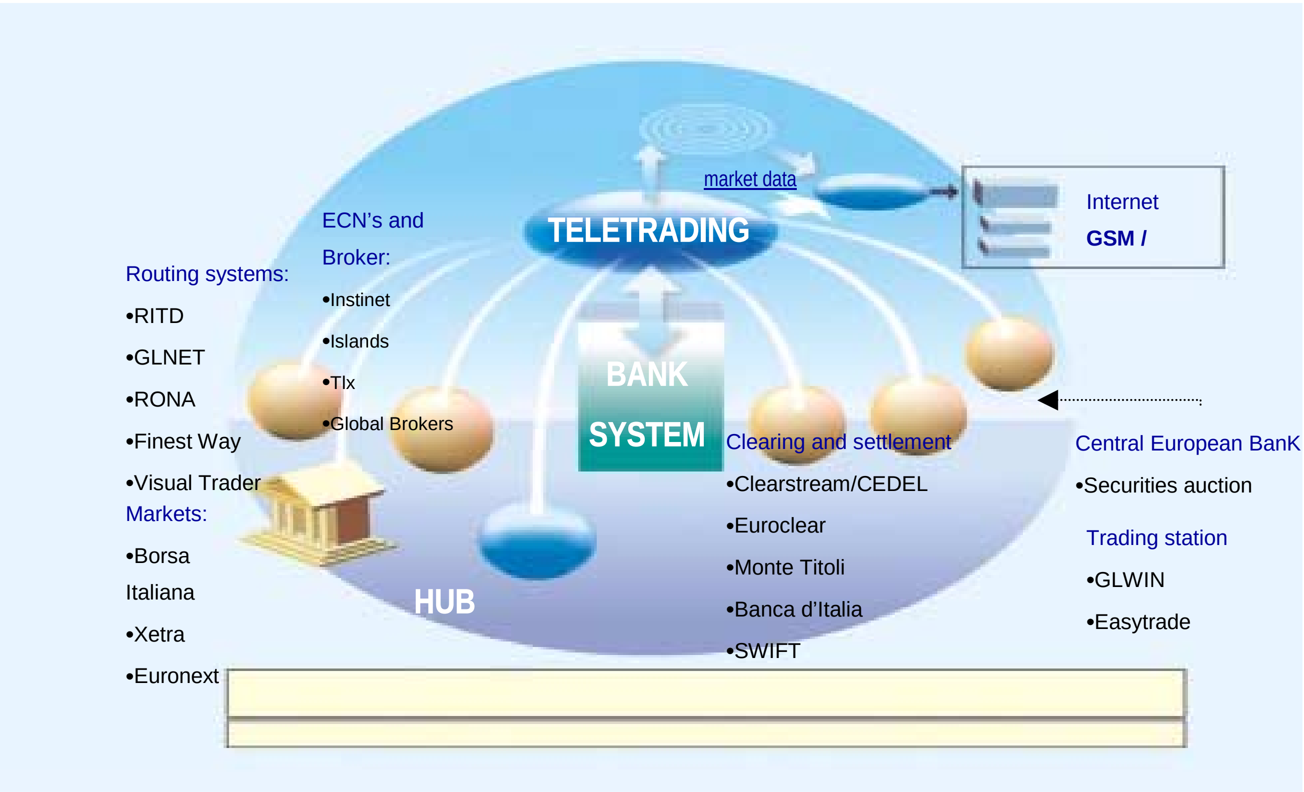
TAS S.p.A. operates in the field of the information technology with particular reference to software's development and commercialisation, consulting, support and maintenance of the same and it also has an accessory activity of sale of hardware.

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

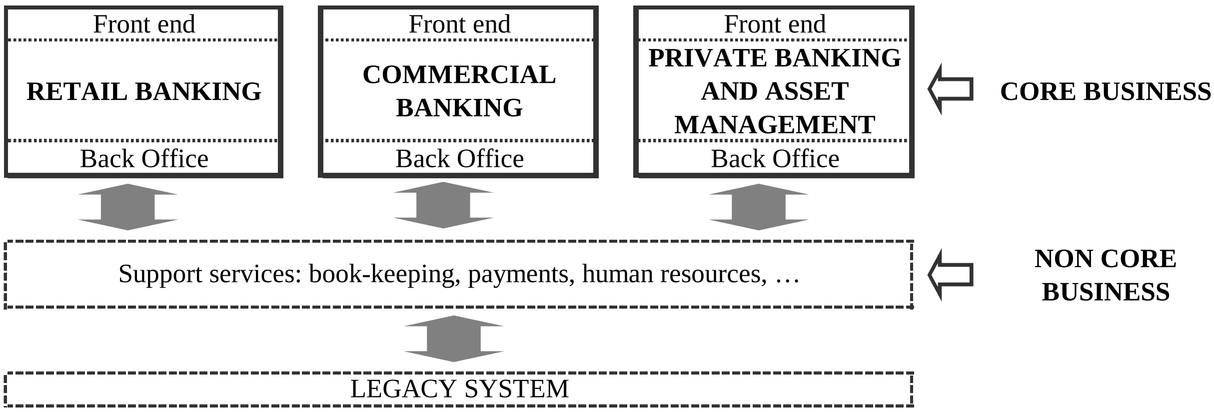
Since 2001 TAS offers services for Order Management, Order Routing and Trading on Line as ASP (Application Service Provider).

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, 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 more 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 “non core” back office systems, in order to reduce the impact on organisation and management.

2. Accounting data

2.1. Reclassified Consolidated Income Statement

k€	31/03/05	31/03/04	var I/I	31/12/04
Revenues from sales and services	3,398	2,975	14.2%	11,974
Work in progress on order	112	-31	-460.5%	77
Increase of internal work in progress	147	0		
Other revenues		3	-100.0%	24
Total revenues	**3,657**	**2,947**	24.1%	**12,075**
Costs of Materials and goods	-37	-24	55.6%	-168
Services costs and other costs	-541	-592	-8.6%	-2,207
Gross profit	3,078	2,331	32.1%	9,700
Personnel costs	-1,639	-1,704	-3.8%	-6,442
EBITDA	**1,439**	**627**	129.6%	**3,258**
Depreciation	-302	-335	-9.8%	-1,405
Write-downs and accruals	-112	0		-46
EBIT	**1,025**	**292**	251.2%	**1,807**
Financial income and charges	73	33	119.9%	224
Value adjustments				-60
Non recurring income (charges)	-2	-20	-92.4%	-87
EBT	**1,096**	**305**	**259%**	**1,884**

2.2. Consolidated Investments in fixed assets

k€	31/03/05	31/03/04	var I/I	31/12/04
Intangible assets	221	13	1,600%	26
Tangible assets	13	57	-77%	150
Financial assets				1,009
Total	**234**	**70**	**234%**	**1,185**

2.3. Consolidated Net Financial Position

k€	31/03/05	31/12/04
Description		
Cash, bank current accounts	14,805	14,838
Financial assets other than fixed assets		
Other receivables	116	45
Short-term payables to banks	0	0
Short term net financial position	**14,921**	**15,883**
Medium/long term receivables	264	365
Medium/long term payables to banks and other financial institutions	0	0
Medium/long term net financial position	**264**	**365**
Net financial position	**15,185**	**15,248**

	2.4. –Consolidated Cash Flow Statement	31/03/2005
	Sources of financing	
	Result of the period	1,096
	Depreciation	302
	Other	(12)
A	**Self financing**	**1,386**
	Decrease (increase) in Trade receivables	(4,439)
	Decrease (increase) in prepayments and accrued income	(72)
	Decrease (increase) in Inventory	(111)
	Decrease (increase) in payables to suppliers	1,256
	Decrease (increase) in other payables (tax and social security)	110
	Decrease (increase) in other current liabilities	185
	Decrease (increase) in accrued liabilities and deferred income	1,856
B	**Net operating working capital**	**(1,215)**
C = A+B	**Total sources of financing**	**171**
	Cash Flow used	
	Investments in fixed assets	234
D	**Total Cash Flow used**	**234**
E = C-D	**Cash and cash equivalents**	**(63)**
F	**Initial Net Financial Position**	**15,248**
F+E	**Net Financial Position at the end of the period**	**15,185**

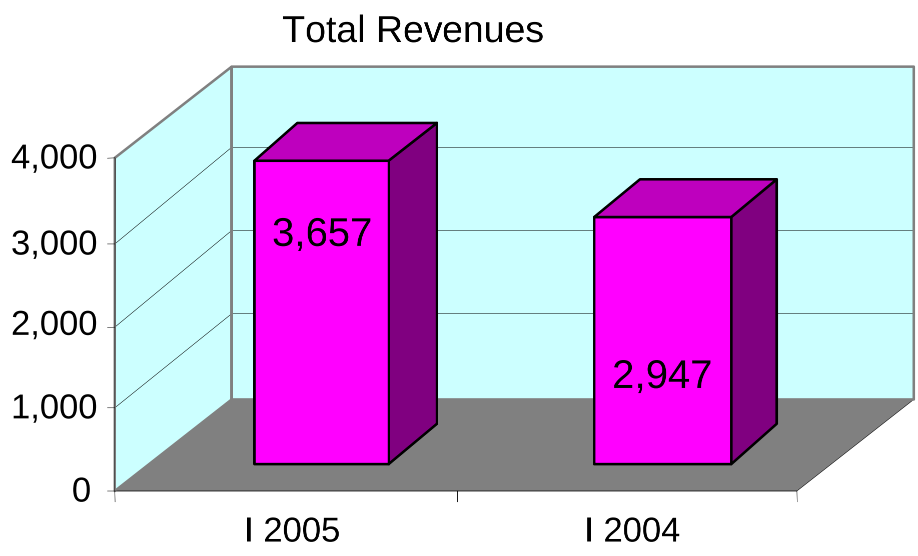
2.5. Reclassified Consolidated Balance Sheets	31/03/05	31/03/04	31/12/04
Assets			
Cash and bank accounts	14,805	13,698	14,838
Trade receivables	5,615	4,872	1,175
Other receivables	142	326	141
Other current assets		114	
Stock	379	166	267
Prepayments and accrued income	209	203	137
Total current assets	**21,150**	**19,379**	**16,559**
Intangible assets	7,392	7,552	7,442
Tangible assets	314	335	328
Financial assets	446	665	477
Total fixed assets	**8,152**	**8,552**	**8,247**
Total Assets	**29,302**	**27,931**	**24,806**
Liabilities and Shareholders' equity			
Banks	0	0	0
Trade payables	1,844	1,727	589
Taxes payables	1,772	1,115	1,662
Other payables	444	477	260
Accrued liabilities and deferred income	2,255	2,243	398
Total current liabilities	**6,315**	**5,562**	**2,909**
Employees' leaving indemnity	**852**	**713**	**848**
Provisions for liabilities and charges	891	2,032	894
Total Provisions for liabilities and charges	**891**	**2,032**	**894**
Total liabilities	**8,058**	**8,307**	**4,651**
Share capital	922	915	922
Legal reserve	271	180	271
Other reserves	17,274	17,277	17,281
Retained earnings (loss) carry forwards	900	464	372
Profit (loss) of the year before taxes	1,096	305	526
Total shareholders' equity	**20,463**	**19,141**	**19,372**
Total Minority Interests	**781**	**483**	**783**
Total liabilities and shareholders' equity	**29,302**	**27,931**	**24,806**

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.

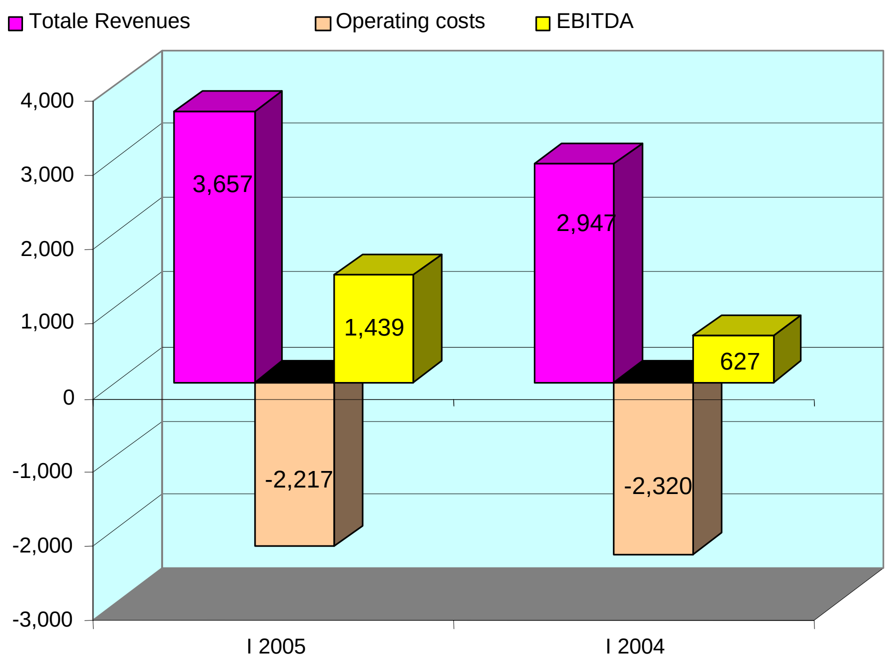
Total Revenues

Total Revenues is up 24%.
The strong growth is mainly due to the good trend of sales in Switzerland whilst TAS S.p.A., in Italy, and TAS FRANCE, in France, have not recorded significant changes in their contribution to the Group's total revenues.
The new item "*Increase of internal work in progress*" weighs slightly on total revenues, i.e. 4%. It refers to personnel costs borne for software development. Capitalisation of development costs is consequent to the choice of harmonisation of data during the year. According to IAS standards, development costs must be capitalised, whilst according to Italian law this is a faculty. Without such an item, however, the growth would be up 19%.



EBITDA

EBITDA, equal to 1,439 k€, increases its growth amounting to 39% of Total Revenues.
The double positive effect, i.e. growth of revenues and reduction of operative costs by 4%, leads to an EBITDA up 130%.
All components of operating costs are decreasing: -4% “Personnel costs”, -9% “Service costs and other costs” and –4% “Costs of materials and goods”, net of goods for resale.



EBIT

EBIT totals more than 1 million Euro and is up 251%.
Depreciation reduces by 10% changing its composition: no more IPO costs of the year 2000 and a new entry with the depreciation quota of software development. The main entry concerns depreciation of APIA’s goodwill for 193 k€.

EBT

EBT has strongly improved compared to the same period of the precedent year amounting to 1,096 k€ against 305 k€ as at March 2004.
Growing of 259%, EBT totals more than half of the value in the whole 2004, 1,884 k€.
In addition to above highlighted components there are also the following: higher financial income, up 120%, consequent to the increasing Group’s cash; lower non recurring charges.

Net Financial Position

Net Financial Position is almost unchanged. It amounted to 15,248 k€ as at 31/12/2004 and keeps being positive for 15,185 k€ as at 31/03/2005.
The positive effect of self-financing is absorbed by the opposite trend of net operating working capital, negative at the beginning of the year as usual, when invoices for yearly services are issued, because of increase of commercial credits.

Investments

During the quarter *Investments* total 234 k€.
Investments, net of development costs, equal to 87 k€, are increased compared to the first quarter 2004, when amounted to 70 k€.

4. COMMENTS ON THE MANAGEMENT TREND

The good trend of results in the first quarter and the restoring policy carried out in the year 2004 determined an excellent closing of the quarter and a good starting point for the whole 2005.
Whilst as for costs reorganisation has long lasting benefits, future revenues are hardly foreseeable, as subject to stormy trends and expenditure decisions by customers, so that values may be postponed from one quarter to the next. The last quarter 2004 was quite weak, on the other hand the first of this year very alive. The non execution of an agreement worth about 1,000 k€ weighed on the last quarter 2004 but will have a positive influence on the second quarter and therefore in the Half Year Report as at 30 June 2005.
Given the different products or services offered in the three Country where the Group operates, i.e. Italy, Switzerland and France, in the next months we will know whether such just started diversification of revenues may be the basis for a structural growth.
In the month of June a further 5% of the controlled company APIA S.A. is to be purchased, according to the agreement, so that TAS' stake will be equal to 85% with a financial expenditure of about 2 millions euro.

TAS Tecnologia Avanzata dei Sistemi S.p.A.
(The Chairman of the Board of Directors)
Pompeo Busnello