

TAS S.p.A.  
Quarterly Report  
as at 30 September 2007

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

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Quarterly Report as at 30 September 2007

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**COMPANY BODIES**


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**Board of Directors***expiry: adoption of the balance sheet at 31 December 2008*

Paolo Ottani		Chairman and Managing Director
Giuseppe Caruso		Managing Director
Matteo Tamburini		Non-Executive Director
Marco Zanzi		Independent Non-Executive Director
Sabino Fortunato	1, 2, 3	Independent Non-Executive Director
Marco Nonni	1, 2	Independent Non-Executive Director
Roberto Ludergnani	1, 2	Independent Non-Executive Director

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**Board of Auditors***expiry: adoption of the balance sheet at 31 December 2007*

## Statutory Auditors

Edoardo Cintolesi	Chairman
Federico Alesiani	
Alba Rita Miglietta	

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## Alternate Auditors \*

**Audit Firm**

PricewaterhouseCoopers S.p.A.

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Share Capital		€921,519.04
	no. of shares	1,772,152
	Nominal Value	€0.52

*\* to be integrated in the next shareholders meeting**1 Remuneration Committee member**2 Internal Audit Committee member**3 Lead Independent Director*

## **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 3D attachment 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 2006.

The quarterly report is not subject to audit.

Economic data are provided with regard to the reference quarter and to the period between the beginning of the year and quarter end. These are also compared with data of analogous periods of the previous financial year. The data of the whole 2006 financial year are also reported. The net financial position data for the quarter end date are compared with the data at the precedent quarter end date and with those at 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.

It is reminded that – as communicated to the market by the Audley Capital Management Limited (“Audley Capital”) private equity fund on 4 August 2007 – the holding company NCH S.p.A. concluded an agreement (the “Agreement”) with Audley Capital last 4 August 2007 for the purchase of 67.276% of TAS Tecnologia Avanzata dei Sistemi S.p.A. share capital (the “Company”) by a newly established company indirectly controlled by Audley Capital. The closing of the deal, through the transfer of the control shareholding that is subject to the Agreement (“Closing”), is due to happen by next 14 November, based on the agreement of the counterparts, and is bound to the verification of the fulfilment of certain suspensive terms of the agreement.

This quarterly report as at 30 September 2007 was approved by the Board of Directors of TAS S.p.A. on 9 November 2007.

## **REMARKS ON MANAGEMENT PERFORMANCE**

The third quarter of 2007 was characterised by significant developments with regard to the solutions that had been introduced on the market in the first half of the year. In particular, the projects relating to the IMI-Caboto merger were completed and the system integration project of Banco Popolare and Banca Popolare di Lodi was started.

Moreover, Mifid solutions were implemented and the installation of the entire platform at Banca Antonveneta was carried out.

At last, solutions developed for open source environments were introduced to the market, regarding both the anti-fraud and the SEPA areas.

The results of the 2007 third quarter confirmed the confidence on the achievement of 2007 budget both for returns and margin.

Total revenues of the period were up by 304.5% from 17,809 k€ to 72,034 k€. The return improvement is due to the drastic change in the consolidation area as well as to extraordinary

proceeds following the agreement subscribed on 27 April 2007, between TAS S.p.A. and DS Data Systems S.p.A.. The acquisition price for Tas itself, DS Finance S.r.l., DS Taxi S.r.l. and DS Supporti Direzionali e Strategici S.r.l. was recalculated to 20,433 k€ (and, therefore, more favourable to Tas by 17,381 k€).

The period Ebitda<sup>1</sup>, including the extraordinary proceeds, is 27,083 k€ compared to 2,859 k€ for the same period of 2006. The increase equals 847.3%. The quarter Ebitda is 462 k€

The period operating result is positive by 20,886 k€ It was 1,241 k€ in 2006.

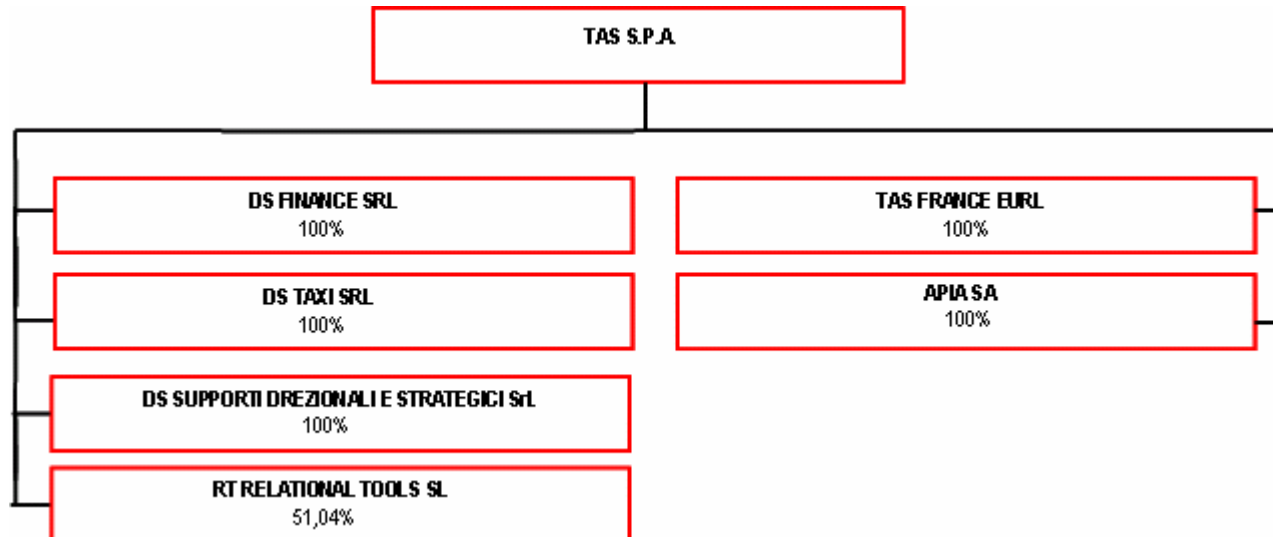
The Net Financial Position as at 30 September 2007 is negative by 77,558 k€ improving by 3,832 k€ compared to 30 June 2007.

To ensure a better representation of the Group ordinary profits, the following chart includes also an Ebitda and an operating result gross of the non current costs/revenues:

Normalisation of accounting data	30/09/2007		30/09/2006		var. 07	var. 06/07	var. 06/07
	Adj.	Actual	Adj.	Actual	Adj./Actual	Adj.	Actual
Total Revenues	54,653	72,034	17,809	17,809	(17,381)	206.9%	304.5%
Total Costs	(40,939)	(44,952)	(14,950)	(14,950)	4,013	173.8%	200.7%
<b>EBITDA</b>	<b>13,715</b>	<b>27,083</b>	<b>2,859</b>	<b>2,859</b>	<b>(13,368)</b>	<b>379.7%</b>	<b>847.3%</b>
Amortizations	(6,105)	(6,105)	(1,618)	(1,618)	-	277.4%	277.4%
Depreciations	(91)	(91)	-	-	-	-	-
<b>EBIT (Operating Result)</b>	<b>7,518</b>	<b>20,886</b>	<b>1,241</b>	<b>1,241</b>	<b>(13,368)</b>	<b>505.7%</b>	<b>1582.7%</b>

The detail of non current costs and revenues equals 13,368 k€ and is reported afterwards in this document.

## TAS GROUP



The companies belonging to the group are consolidated using the full consolidation method.

<sup>1</sup> EBITDA (Earning Before Interest Taxes Depreciations and Amortizations) represents an alternative performance index consisting in the difference between operating revenues and operating costs without depreciation and amortisation of tangible and intangible fixed assets. Alternatively it is possible to define EBITDA as income before financial revenues and charges, current and deferred taxes, amortisation and depreciation of tangible and intangible fixed assets.

Company Name	Nationality	Share Capital	% Ownership	Net Worth
TAS S.p.A.	Italian	922		15,733
TAS FRANCE EURL	French	503	100	(78)
APIA SA	Swiss	65	100	12,744
DS FINANCE S.r.l.	Italian	1,000	100	6,654
DS TAXI S.r.l.	Italian	2,000	100	1,068
DS SUPPORTI DIREZIONALI E STRATEGICI S.r.l.	Italian	10	100	(277)
RT RELATIONAL TOOLS S.L.	Spanish	204	51.04	348

Name	Head office	Local units	% Owners hip
TAS SpA	Largo dei Caduti di El Alamein n.9, Rome - Italu	- Milan, Viale Monte Nero n. 84 - Italy; - Verona, Via Museo n. 1 - Italy. - Casalecchio di Reno (Bologna), Via 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 - Parma, Via Ugozzolo n. 121/a – Italy	
TAS France Eurl	Route des Crêtes, Sophia Antipolis, France		100.00%
APIA SA	Prati Botta 22, Barbengo, Lugano, Switzerland	- Kloten, Lindenstrasse, 12 (Zurigo) – Switzerland	100.00%
DS Taxi Srl	Via Ugozzolo 121/A, Parma, Italy	- Milan, Viale Monte Nero n. 84 - Italy; - Rome, Via Domenico Sansotta n. 97 - Italy.	100.00%
RT Relational Tools SL	Ronda de Poniente 2 Tres Cantos, Madrid, Spain	- Plaza Ramon y Cayal 1- Cordoba - Spain	51.04%
DS Supporti Direzionali Srl	Viale Monte Nero n. 84, Milan, Italy	- Viale Monte Nero n. 84 Milan - Italy	100.00%
DS Finance Srl	Via Ugozzolo 121/A, Parma, Italy	- Milan, Viale Monte Nero n. 84 - Italy; - Rome, Via Domenico Sansotta n. 97 - Italy.	100.00%

## **SIGNIFICANT EVENTS**

- On 22 June 2007 TAS S.p.A. required the disbursement of an additional tranche of the loan granted by the APIA S.A. controlled company in 2006. The disbursement of CHF 4.000.000 took place on 23 July in accordance with the article 3.5 of the loan contract.
- On 18 September, the Company Board of Directors approved the merger through incorporation of DS Supporti Direzionali e Strategici S.r.l. and DS Finance S.r.l, totally controlled companies (hereinafter referred to as the “Companies subject to incorporation”). The merger will take effect at the end of the month of execution of the last of the recordings provided for by the art. 2504 of the Italian Civil Code. In case this date is any day during 2007, the merger will go into operation on 31 December 2007, with the understanding that the operations executed by the Companies subject to incorporation will be recorded in the balance sheet of the incorporating company with effect as from the first day of the current period at the moment of the merger effectiveness. The Company holds the entire share capital of the two Companies subject to incorporation, therefore the merger will be accomplished through the cancellation, without replacement, of all the shares of the Companies subject to

incorporation, without share swap ratio. Following the merger, TAS articles of incorporation and share capital will undergo no modification whatsoever. There are no particular categories of associates or shareholders to which a different treatment should be reserved. No particular advantages have been established for the Administrators of the companies participating in the operation.

The above explained merger for incorporation aims at concentrating the involved companies so to obtain both savings on running fixed costs and a rationalisation of the company productive structure, presently distributed over the above mentioned companies. The benefits arising from the concentration of the productive functions into a single juridical entity essentially pertain to improved decisional promptness and flexibility and to avoiding any form of resource waste caused by the number of different companies.

The deposit of the documents provided for in the art. 2501-septies of the Italian Civil Code and of the Notes on the merger operation prescribed by the art. 70 of the 11971/99 CONSOB Regulation, also containing the information required by the art. 71bis of the same Regulations concerning operations among related parties, shall be executed by 12 November 2007.

- On 20 September, the Company appointed Intesa Sanpaolo S.p.A. (“Intesa”) to arrange, on a “best effort” basis, a medium/long term loan for overall 72 million euros destined, *inter alia*, to the above mentioned re-financing. The disbursement of the loan will be subject to various terms and conditions, among which the full subscription of it by a bank pool and the agreement on the contractual documentation.
- As already communicated to the market on 9 October 2007, the Company has definitely allocated the goodwill originating from the aggregation executed on 1 August 2006. The adjustments to the temporary values were made in compliance with the IFRS 3 international accounting principle, with effect as from the date of initial entry (1 August 2006).

The following immaterial assets emerged from the *purchase price allocation*, executed by the Board of Directors with the assistance of a major independent consultant:

- Software products;
- Customer relationship / contracts.

For a better understanding, the following chart reports all the effects on the net worth at 31.12.2006, relating to the allocation of the goodwill arising from the *business combination*:

	31.12.2006 Before allocation	Effects of the allocation	31.12.2006 after allocation
<b>Intangible fixed assets</b>	<b>114,226</b>	<b>(2,021)</b>	<b>112,204</b>
- Goodwill	98,067	(18,972)	79,095
- Other intangible fixed assets	16,158	16,951	33,109
<b>Deferred taxes</b>	<b>786</b>	<b>449</b>	<b>1,236</b>
<b>Tax assets (also for deferred taxes)</b>	<b>(1,352)</b>	<b>1,134</b>	<b>(219)</b>
<b>Consolidated net worth</b>	<b>(9,000)</b>	<b>438</b>	<b>(8,562)</b>

It is drawn particular attention to an adjustment of the goodwill value for total 18,972 k€ of which 17,688 k€ due to the customer relationship and 1,284 k€ due to software products. At 31 December 2006 the effect of the allocation on the net worth was negative and equal to 438 k€ due to the presence of higher amortizations and deferred active taxes.

The data reported in the balance sheet chart relating to the entire 2006 highlight all the effects of the above mentioned goodwill allocation. Moreover, it is pointed out that the 2007 amortizations that are attributable to the above mentioned intangible fixed assets (equal to 1,327 k€) were entirely recorded in the third quarter.

## **OPERATING CONDITIONS AND DEVELOPMENT OF THE ACTIVITY**

TAS S.p.A., 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 is currently the main operator on the Italian market in the banking software sector for payment systems, treasury and inter-bank networks (RNI [Italian inter-bank network] and SWIFT).

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, Viale Monte Nero nr. 84;
- Verona, Via Museo nr. 1.
- Casalecchio di Reno (Bologna), Via Caduti del Lavoro nr. 47
- Rome, Via Domenico Sansotta nr. 97
- Siena, Via Girolamo Gigli, nr. 2
- Seriate, (Bergamo) Via Nazionale, nr. 93
- Parma, Via Ugozzolo, nr. 121/a

TAS France is an Internet Service Provider, with a large 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, Bâtiment 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 ten 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, securities 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 “dsTaxi” product suite of solutions. These solutions are focused 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, Viale Monte Nero 84.

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.

## **ACCOUNTING DATA**

<b>2.1 Profit &amp; Loss Account 1/01/2007 to 30/09/2007</b>	<b>30.09.2007</b>	<b>30.09.2006</b>	<b>31.12.2006</b>
Revenues	53,730	17,687	37,792
<i>(of which from related parties )</i>	13,203	863	5,100
Work in progress	248	59	107
Other revenues	18,056	63	240
<i>(of which non current)</i>	17,381	-	-
<i>(of which from related parties)</i>	17,381	-	-
<b>Total revenues</b>	<b>72,034</b>	<b>17,809</b>	<b>38,139</b>
Consumables and raw materials	(658)	(148)	(207)
Staff costs	(21,633)	(8,212)	(16,067)
<i>(of which non recurrent)</i>	972	-	-
Costs of services	(18,269)	(5,043)	(10,432)
<i>(of which non recurrent)</i>	(3,333)	-	-
<i>(of which from related parties)</i>	(8,438)	(3,980)	(5,938)
Other costs	(4,392)	(1,547)	(2,663)
<i>(of which non recurrent))</i>	(1,652)	-	-
<b>Total costs</b>	<b>(44,952)</b>	<b>(14,950)</b>	<b>(29,369)</b>
Amortizations	(6,105)	(1,618)	(4,027)

Depreciations	(91)	-	(17,189)
<b>Operating Result</b>	<b>20,886</b>	<b>1,241</b>	<b>(12,446)</b>
Financial Income (Charges)	(4,177)	(183)	(1,317)
<b>EBT</b>	<b>16,709</b>	<b>1,059</b>	<b>(13,763)</b>
Taxes	(1,476)	(754)	(1,088)
<b>Result of ongoing activities</b>	<b>15,234</b>	<b>305</b>	<b>(14,851)</b>
Result of non recurring activities	-	-	-
<b>Result of the financial period</b>	<b>15,234</b>	<b>305</b>	<b>(14,851)</b>
Minority Net result	(437)	(98)	62
<b>Net result pertaining to the group</b>	<b>15,671</b>	<b>403</b>	<b>(14,913)</b>

**Earnings per share**

- base	8.84	0.23	(8.42)
- diluted	8.84	0.23	(8.42)

<b>2.2 Profit &amp; Loss Account from 1/07/2007 to 30/09/2007</b>	<b>III Q 07</b>	<b>III Q 06</b>	<b>Var. III/III</b>
Revenues	13,195	11,108	19%
(of which from related parties)	2,837	-	-
Work in progress	1,313	(101)	-1398%
Other revenues	166	43	285%
(of which non recurrent)	-	-	-
(of which from related parties)	-	-	-
<b>Total revenues</b>	<b>14,673</b>	<b>11,050</b>	<b>33%</b>
Consumables and raw materials	(110)	(83)	33%
Staff costs	(7,107)	(5,434)	31%
(of which non recurrent)	(79)	-	-
Costs for services	(5,760)	(4,046)	42%
(of which non recurrent)	(1,707)	-	-
(of which from related parties)	(2,732)	-	-
Other costs	(1,234)	(1,290)	-4%
(of which non recurrent)	(35)	-	-
<b>Total costs</b>	<b>(14,211)</b>	<b>(10,853)</b>	<b>31%</b>
Amortizations	(3,061)	(1,330)	130%
Depreciations	11	-	-
<b>Operating Result</b>	<b>(2,588)</b>	<b>(1,133)</b>	<b>128%</b>
Financial Income (Charges)	(1,852)	(395)	369%
<b>EBT</b>	<b>(4,440)</b>	<b>(1,527)</b>	<b>191%</b>
Taxes	784	21	3631%
<b>Result of ongoing activities</b>	<b>(3,656)</b>	<b>(1,506)</b>	<b>143%</b>
Result of non recurring activities	-	-	-
<b>Result of the financial period</b>	<b>(3,656)</b>	<b>(1,506)</b>	<b>143%</b>
Minority Net result	(373)	(98)	280%
<b>Net result pertaining to the group</b>	<b>(3,283)</b>	<b>(1,408)</b>	<b>133%</b>

<b>2.3. Consolidated Net Financial Position</b>	<b>30.09.2007</b>	<b>30.06.2007</b>	<b>31.03.2007</b>	<b>31.12.2006</b>
Cash, bank current accounts and securities	2,322	4,028	7,042	5,709
Securities other than fixed assets	158	178	179	98
Financial receivables from related parties	16,977	14,631	12,314	10,043
Payables to banks and other financial institutions	(83,805)	(87,111)	(86,580)	(81,047)
Financial payables (Apia's put)	-	-	(1,000)	(3,000)
<b>Current Net Financial Position</b>	<b>(64,348)</b>	<b>(68,274)</b>	<b>(68,045)</b>	<b>(68,197)</b>
Financial receivables	645	927	438	358
Fixed assets securities	126	33	32	-
Payables to banks and other financial institutions	(4,162)	(4,258)	(4,565)	(4,508)

Financial payables (Vendor loan - NCH)	(9,819)	(9,819)	(27,200)	(27,200)
<b>Medium/long term Net Financial Position</b>	<b>(13,210)</b>	<b>(13,116)</b>	<b>(31,295)</b>	<b>(31,350)</b>
<b>Net Financial Position</b>	<b>(77,558)</b>	<b>(81,390)</b>	<b>(99,340)</b>	<b>(99,547)</b>

<b>2.4. Financial Statement</b>	<b>(indirect method)</b>	<b>30/09/2007</b>	<b>31/12/2006</b>
Profit (loss) of the period before taxes, (charges)/financial income		18,995	(14,475)
Amortizations and depreciations		6,196	20,479
Change in the severance pay fund		(1,398)	578
Change in fund for risks and liabilities		167	(5)
Tax paid		(1,173)	226
Interest paid		(2,151)	(98)
Reduction/(Increase) in inventories and other working capital assets		2,766	(38,276)
Increase/(Reduction) of payables and other liability items		2,503	36,151
Aggregation (*)		-	(2,974)
<b>Cash flow from operating activities</b>		<b>25,904</b>	<b>1,606</b>
Net change of intangible fixed assets		(2,929)	(3,120)
Net change of tangible fixed assets		(174)	(178)
Net change of securities		(186)	(47)
Acquisition of interest in DS TAXI		-	(19,612)
Acquisition of interest in DS FINANCE		-	(9,612)
Acquisition of interest in DS SDS		-	(1,000)
Acquisition of subsidiary RT Spain		-	(2,027)
Acquisition of the lines of business from NCH SpA		-	(77,155)
<b>Cash flow from investing activities</b>		<b>(3,289)</b>	<b>(112,752)</b>
Change of Vendor loan		(17,381)	27,200
Change of BNL financing		(500)	5,000
Change of Intesa Pool Financing		341	70,246
Provision of financial receivables to related companies		(6,934)	(10,043)
Other financial receivables		(287)	(358)
Other banking payables		2,571	8,129
Acquisition of 10% of Apia subsidiary		(3,000)	
<b>Cash flow from financial activities</b>		<b>(25,189)</b>	<b>100,174</b>
<b>Change in cash on hand</b>		<b>(2,575)</b>	<b>(10,971)</b>
Minority Net worth		(437)	608
Changes in tax exchange rates of foreign currencies		(376)	(378)
Change of Net Worth		-	-
<b>Initial cash on hand as at 1 January 2007</b>		<b>5,709</b>	<b>16,450</b>
<b>CASH ON HAND AT END OF PERIOD</b>		<b>2,322</b>	<b>5,709</b>

(\*) This item refers to net cash flows absorbed by the aggregation concerning the purchase of two business lines and of shareholdings in DS Taxi, DS Finance, DS SDS and RT Spain.

<b>2.5 Reclass. statement of assets &amp; liabilities from 01/01/07 to 30/09/07</b>	<b>30.09.2007</b>	<b>30.09.2006</b>	<b>31.12.2006</b>
Intangible fixed assets	109,287	139,195	112,204
- Goodwill	79,095	122,780	79,095
- Other intangible fixed assets	30,192	16,415	33,109
Tangible fixed assets	923	984	1,007
Shareholdings and other securities	193	67	67
Financial receivables among fixed assets	645	255	358
Deferred tax assets	1,692	454	1,236
Other receivables	64	131	110
<b>Total non-current assets</b>	<b>112,804</b>	<b>141,086</b>	<b>114,982</b>
Net balance	3,675	1,747	3,538
Trade receivables	32,008	29,334	34,906
(of which from related parties)	6,101	1,027	7,456
Other receivables	1,305	1,718	1,466
(of which from related parties)	936	305	955
Shareholdings and other current assets	158	107	98
Financial receivables due within 12 months	17,181	-	10,381
(of which from related parties)	16,977	-	10,043
Cash on hand	2,322	3,610	5,709
<b>Total current assets</b>	<b>56,649</b>	<b>36,516</b>	<b>56,098</b>
<b>TOTAL ASSETS</b>	<b>169,453</b>	<b>177,602</b>	<b>171,080</b>
Share capital	922	922	922
(part of which is not paid up)	-	-	-
Premium reserve	16,950	16,950	16,950
Revaluation reserve	-	-	-
Other reserves	(465)	67	(89)
Profits/(Losses) of previous financial periods	(9,827)	4,884	5,085
Profits/(Losses) of the financial period	15,671	403	(14,913)
<b>Group net worth</b>	<b>23,250</b>	<b>23,226</b>	<b>7,955</b>
Minority Capital and reserves	607	543	546
Minority Profit (loss)	(437)	(98)	62
<b>Minority Net worth</b>	<b>170</b>	<b>444</b>	<b>607</b>
<b>Consolidated net worth</b>	<b>23,420</b>	<b>23,670</b>	<b>8,562</b>
Severance pay fund	5,874	7,287	7,272
Funds for risks and liabilities	197	73	30
Funds for taxes and deferred taxes	430	2,137	219
Other payables	-	45	45
Financial payables due after more than 12 months	13,981	38,547	31,708
(of which from related parties)	9,819	35,000	27,200
<b>Total non-current liabilities</b>	<b>20,483</b>	<b>48,089</b>	<b>39,274</b>
Trade payables	29,862	26,434	26,690
(of which from related parties)	11,122	1,538	3,971
Other payables	11,882	9,453	12,507
(of which from related parties)	1,566	381	1,638
Financial payables due within 12 months	83,805	69,956	84,047
(of which from related parties)	28,984	33,745	31,179
<b>Total current liabilities</b>	<b>125,550</b>	<b>105,843</b>	<b>123,243</b>
<b>TOTAL LIABILITIES</b>	<b>169,453</b>	<b>177,602</b>	<b>171,080</b>

## 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..

The revenues of the individual companies come almost totally from the Countries in which they have their head office.

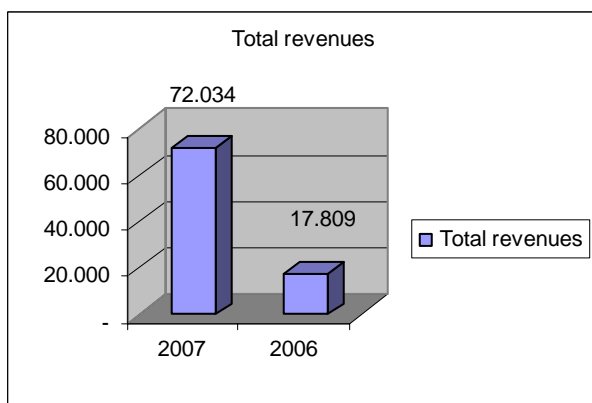
Comments are made below on the accounting data statements in comparison with the same period of 2006. Comparison between the two periods is heavily affected by the change in the consolidation perimeter.

Also data of the whole 2006 financial year are indicated, underlining all the above described effects of the final entering of the goodwill originating from the aggregation of TAS carried out last 1 August 2006.

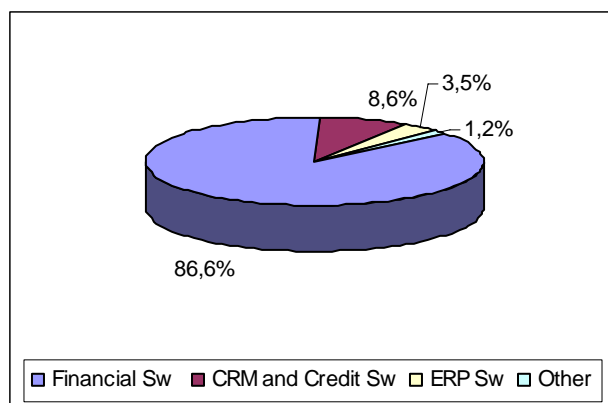
### **Revenues**

The total of the revenues is 72,034 k€ compared to 17,809 k€ at al 30/09/2006. The 304.5% increase is due to the changed consolidation area following the purchases that took place in 2006, as well as to the non recurring revenues originating from the agreement made by S.p.A. and DS Data Systems S.p.A. last 27 April. The acquisition price paid by TAS for DS Finance S.r.l, DS Taxi S.r.l. and DS Supporti Direzionali e Strategici S.r.l. was recalculated to 20,433 k€ (and, therefore, more favourably to Tas by 17,381 k€).

Revenues at 30/09/2007



Revenues by sector at 30/09/2007



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 86.6% 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	30/09/2007	30/09/2006	var. 07/06
Financial Sw	47,336	12,836	268.8%
CRM and Credit Sw	4,726	4,577	3.3%
ERP SW	1,916	332	476.3%
Other	675	63	963.6%

Non recurring income	17,381	-	-
<b>Total</b>	<b>72,034</b>	<b>17,809</b>	<b>304.5%</b>

Data mainly show an increase in TAS's revenues, as a consequence of the changed consolidation perimeter.

Revenues by geographic area	30/09/2007	30/09/2006	var. 07/06
Italy	44,303	11,920	271.7%
Switzerland	4,746	4,584	3.5%
France	784	820	-4.4%
Spain	2,881	373	672.4%
England	276	-	-
Other	1,663	112	1384.8%
Non recurring income	17,381	-	-
<b>TOTAL</b>	<b>72,034</b>	<b>17,809</b>	<b>304.5%</b>

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 grows by 3.5%. *Spain* basically comprises RT Spain's turnover.

The *Other* geographic area mainly comprises: Holland, Germany, Monaco and San Marino.

### **EBITDA and Operating Result**

The EBITDA<sup>2</sup> of the period, inclusive of the above mentioned non recurring revenues for 17,381 k€ is 27,083 k€ while for the corresponding period in 2006 it was 2,859 k€ Increase is equal to 847.3%. The quarterly Ebitda is 462 k€

The *Operating Result* of the period is positive by 20,886 k€, whereas it was 1,241 k€ for the corresponding period of 2006 financial year, with an increase of 1,582.7%.

The above results are affected by non recurring revenues for 13,368 k€, detailed as follows:

BALANCE SHEET ITEM	AMOUNT	DESCRIPTION
"Other revenues"	17,381	Adjustment of purchase price
<b>Total</b>	<b>17,381</b>	
"Staff costs"	972	Curtailment – Severance pay fund
<b>Total</b>	<b>972</b>	
"Costs for services"	(3,333)	Reorganisation plan
<b>Total</b>	<b>(3,333)</b>	
"Other costs"	(1,652)	Incentives to resignation and non recurring costs
<b>Totale</b>	<b>(1,652)</b>	
<b>TOTAL NON RECURRING REVENUES</b>	<b>13,368</b>	

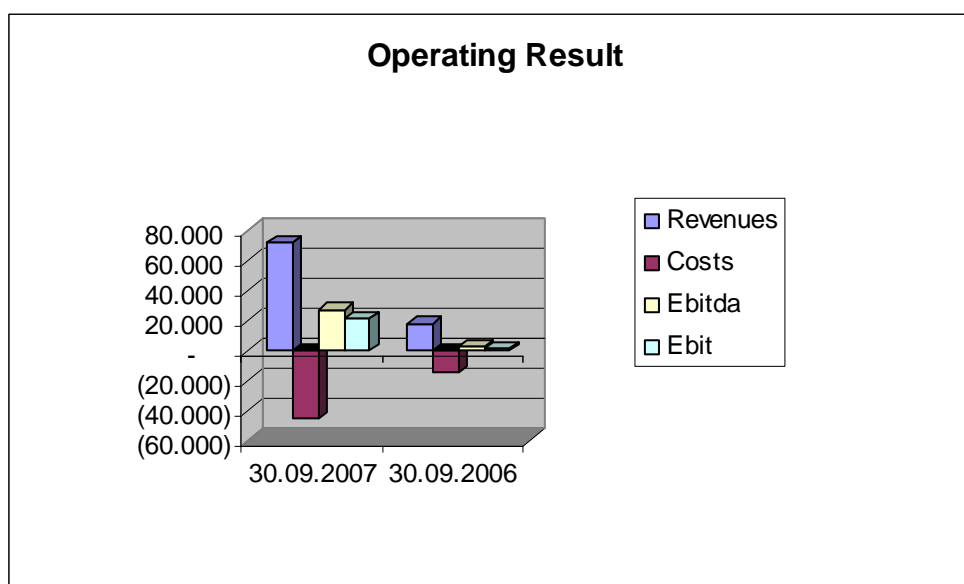
As already explained earlier in this document, the "Other revenues" item includes non recurring income of 17,381 k€ following the agreement made by TAS S.p.A. and DS Data Systems S.p.A last 27 April, which recalculated to 20,433 k€ (and therefore more favourably to TAS by 17,381 k€) the acquisition price paid by TAS for DS Finance S.r.l., DS Taxi S.r.l. and DS Supporti Direzionali e Strategici S.r.l.

The costs related to the reorganisation plan mainly represent consulting fees paid following the

<sup>2</sup> EBITDA (Earning Before Interest Taxes Depreciations and Amortizations) represents an alternative performance index consisting in the difference between operating revenues and operating costs without depreciation and amortisation of tangible and intangible fixed assets. Alternatively it is possible to define EBITDA as income before financial revenues and charges, current and deferred taxes, amortisation and depreciation of tangible and intangible fixed assets.

aggregation carried out by TAS S.p.A. and the renegotiation of the bank payables as better described later in this document.

The “Other costs” includes, in addition to incentives to employees resignations, non recurring cost for 1,279 k€ almost exclusively related to a normally accepted client order that was blocked by the client itself while in progress. Not having completed the project and delivered the product to the client, the company has deleted all the states of advancement of the work in progress that were active as at 31 December 2006.



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

On 9 November 2007, following the termination of intercompany agreements within the scope of fulfilments related to the transfer of the controlling shares to TASNCH Holding s.r.l., the mother company NCH requested higher fees for services of the period July-October 2007. The Company is evaluating if and what amount at this stage not yet determined, is payable.

### ***Financial year result***

At 30 September 2007 there is a profit of 15,671 k€ against a profit of 403 k€ for the corresponding period of the previous financial period.

The *Earnings per share* for the period are 8.84 euro, against 0.23 at 30 September 2006.

	in euro	<b>30/09/2007</b>	<b>30/09/2006</b>
Share Capital		921,519	921,519
Profit (Loss)		15,670,726	402,945
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
<b>Result per share</b>		<b>8.84</b>	<b>0.23</b>

### Net Financial Position

The *Net Financial Position* at 30 September 2007 is negative by 77,558 k€ and improving by 3,832 k€ compared to 30 June 2007.

<b>2.3. Consolidated Net Financial Position</b>	<b>30.09.2007</b>	<b>30.06.2007</b>	<b>31.03.2007</b>	<b>31.12.2006</b>
Cash, bank current accounts and securities	2,322	4,028	7,042	5,709
Securities other than fixed assets	158	178	179	98
Financial receivables from related parties	16,977	14,631	12,314	10,043
Payables to banks and other financial institutions	(83,805)	(87,111)	(86,580)	(81,047)
Financial payables (Apia's put)	-	-	(1,000)	(3,000)
<b>Current Net Financial Position</b>	<b>(64,348)</b>	<b>(68,274)</b>	<b>(68,045)</b>	<b>(68,197)</b>
Financial receivables	645	927	438	358
Fixed assets securities	126	33	32	-
Payables to banks and other financial institutions	(4,162)	(4,258)	(4,565)	(4,508)
Financial payables (Vendor loan - Nch)	(9,819)	(9,819)	(27,200)	(27,200)
<b>Medium/long term Net Financial Position</b>	<b>(13,210)</b>	<b>(13,116)</b>	<b>(31,295)</b>	<b>(31,350)</b>
<b>Net Financial Position</b>	<b>(77,558)</b>	<b>(81,390)</b>	<b>(99,340)</b>	<b>(99,547)</b>

As already communicated to the market on several occasions, to meet the financial requirements of the Combination, a loan contract with a pool of banks headed by Banca Intesa S.p.A (now Intesa San Paolo 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 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 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.

Financial parameters for 2006 have not been met and the same is foreseeable for the following



years 2007-2009.

On this subject, it is reminded that last 20 September the Company appointed Intesa Sanpaolo S.p.A. (“Intesa”) for the organisation, on a “best effort” basis, of a medium/long term loan for overall 72 million euro destined, inter alia, to the above mentioned refinancing. The disbursement of the loan will be subject to various terms and conditions, among which the full underwriting of the same by a pool of banks and the agreement on the contractual documentation.

Financial payables due after 12 months include the loan (“Vendor Loan”) issued by NCH to TAS at the same time as the payment of the price of the lines of business sold by NCH. This loan, of 35,000 k€ expiring on 31/12/2012, has an interest rate of six-month Euribor plus a margin of 175 bps and has been reduced to 9.8 million Euros upon the adjustment of the purchase price for the lines of business sold by NCH and the shareholdings in DS Finance S.r.l., DS Taxi S.r.l. and DS Supporti Direzionali e Strategici S.r.l. sold by DS Data Systems S.p.A..

On the basis of what has just been described with reference to the financial parameters of the financing, Tranche A and B of the pool financing have been reclassified among short term payables.

### **Investments**

Investments in the period totalled 3,103 k€ and can be broken down as follows:

<b>Investments in Fixed Assets</b> k€	<b>30/09/07</b>	<b>30/09/06</b>	<b>var. 07/06</b>
Software development	2,672	962	178%
Other intangible fixed assets	257	2	10232%
Electronic office machines and Hardware	91	45	102%
Other tangible fixed assets	83	15	453%
<b>TOTAL INVESTMENTS IN THE PERIOD</b>	<b>3,103</b>	<b>1,025</b>	<b>202.7%</b>

*Software development*, amounting to 2,672 k€, includes the capitalized internal costs for the development of new computer applications.

Investments in the period have mostly concerned, in order of importance:

- the Payment Systems Area, mainly with the aim of developing the products’ offer according to the new SEPA requirements (Target2 projects, EBA2) and the new business solutions offered by SWIFT. Other investments in this area were linked to compliance with expiring deadlines and small implementation of existing products.
- the Electronic Payment System Area, with several development projects with reference to security software for monitoring and development of new products for open environments and new functionalities for POS, ATM and cards.
- the Financial System Area (in particular for smart routing) and Bank Services (minor evolution CBI suite).

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

## **EVENTS THAT HAVE TAKEN PLACE AFTER 30 SEPTEMBER 2007**

- On 19 October 2007 TAS has requested a further tranche of the loan granted by APIA in 2006. The amount of CHF 1.700.000 was disbursed on 24 October 2007 pursuant the article 3.5 of the loan agreement;

- On 29 October 2007 TAS S.p.A. Board of Directors decided the merger through incorporation of the totally owned subsidiaries DS Supporti Direzionali e Strategici S.r.l. and DS Finance S.r.l. (hereinafter the “Merged Companies”) into the holding TAS S.p.A.. Communication was given to the market on 18 September 2007. The same decision was made on the same date by the shareholders’ meetings of the Merged Companies. As pointed out earlier in this document, the Company owns the total share capital of the two Merged Companies, therefore the merger will be accomplished through the cancellation, without replacement, of all the shares of the Companies subject to incorporation, without share swap ratio.

The deposit of the documents on the merger provided for in the art. 70 of the 11971/99 CONSOB Regulation, also containing the information required by the art. 71bis of the same Regulations concerning operations among related parties, shall be executed by 12 November 2007.

- On 29 October 2007 the Board of Directors also decided to purchase the line of business operating in the supply of IT and administrative services to the banking and financial sectors and to the local and central government of DS Data Systems S.p.A. (the “DS line of business”), a company controlled by N.C.H. Network Computer House S.p.A. and therefore belonging to the same group as TAS.

The purchase deed was concluded on 30 October 2007 and the date of effectiveness of the operation was set on 1 November 2007.

The DS line of business was purchased upon the payment of a price of 1 (one) euro including the goodwill value equal to zero, trade receivables and other receivables for Euro 189,240.45 and cash on hand for Euro 533,630.95, to which it will correspond an amount for liabilities, severance pay fund and other payables to transferred employees not greater than Euro 722,870.40.

The deposit of the documents on the acquisition provided for in the art. 70 of the 11971/99 CONSOB Regulation, also containing the information required by the art. 71bis of the same Regulations concerning operations among related parties, shall be executed within the legislative and regulatory deadline.

- On 29 October 2007 the Board of Director also decided to purchase shares in the controlled DS Taxi, owned by N.C.H. (the “NCH Share”). In fact, on 25 October 2007 the DS Taxi shareholders’ meeting increased the share capital from Euro 2,000,000 to Euro 3,531,000.00, of which Euro 1,531,000.00 totally free through contribution to DS Taxi of the NCH line of business operating in the supply of IT and administrative services on Smartware and management control to the banking and financial sector and to the central and local government (the “NCH line of business”). The value of the NCH line of business was set, to the extent of the contribution, to Euro 2,200,000.00 by a major independent consultant, who was appointed for this purpose. Therefore, of this amount, Euro 1,531,000.00 was recorded as share capital of DS Taxi srl and Euro 669,000.00 as premium reserve. The contribution of the NCH line of business was automatically recorded for the underwriting of the said share capital increase, with real effect as from the date of the decision and accounting effects as from 1 November 2007.

TAS Board of Director also decided the acquisition of the NCH share upon payment of 2,200,000 Euro, based on the above-mentioned assessment by a major independent consultant.

Following this operation, whose purchase deed was signed on 30 October 2007, TAS has repurchased the ownership of 100% of the shares of the controlled DS Taxi.

The deposit of the documents on the acquisition provided for in the art. 70 of the 11971/99 CONSOB Regulation, also containing the information required by the art. 71bis of the same Regulations concerning operations among related parties, shall be executed within the legislative and regulatory deadline.

**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.
<b>Balances at 31 December 2004</b>	<b>922</b>	<b>16,950</b>	<b>272</b>	<b>3</b>	<b>24</b>	<b>12</b>	<b>(44)</b>	<b>2,124</b>	<b>20,263</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20,263</b>
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)
<b>Balances at 31 Dec. 2005</b>	<b>922</b>	<b>16,950</b>	<b>272</b>	<b>196</b>	<b>24</b>	<b>(24)</b>	<b>1,041</b>	<b>3,865</b>	<b>23,246</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>23,246</b>
allocation of result 2005			(44)	(196)			4,105	(3,865)	-				-
allocation of res. to share issue				24	(24)				-				-
result of the period								(14,913)	(14,913)		62	62	(14,851)
Other changes						(318)	(60)		(378)				(378)
<b>Balances at 31 Dec. 2006</b>	<b>922</b>	<b>16,950</b>	<b>228</b>	<b>24</b>	<b>-</b>	<b>(342)</b>	<b>5,086</b>	<b>(14,913)</b>	<b>7,955</b>	<b>546</b>	<b>62</b>	<b>608</b>	<b>8,562</b>
allocation of result 2006							(14,913)	14,913	-	62	(62)	-	-
allocation of res. to share issue									-			-	-
result of the period								15,671	15,671		(437)	(437)	15,234
Other changes						(376)			(376)			-	(376)
<b>Balances at 30 September 2007</b>	<b>922</b>	<b>16,950</b>	<b>228</b>	<b>24</b>	<b>-</b>	<b>(718)</b>	<b>(9,827)</b>	<b>15,671</b>	<b>23,250</b>	<b>608</b>	<b>(437)</b>	<b>170</b>	<b>23,420</b>