

TAS S.p.A.
Quarterly Report
as at 31 March 2007

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

Quarterly Report as at 31 March 2007

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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 2006.

The quarterly report is not subject to audit.

Economic data are provided with regard to the reference quarter. These are also compared with data of analogous periods of the previous financial year. The data of the whole financial year 2006 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.

As communicated to the market, the Company purchased two business lines from NCH S.p.A. (“NCH”) and holdings held by DS Data Systems S.p.A. (“DS”) in the companies DS Finance S.r.l., DS Taxi S.r.l. and DS Supporti Direzionali e Strategici S.r.l. (the Combination). The price of the assets, with the support of the fairness opinion issued by independent experts, has been determined on the basis of values resulting from a 2006-2008 plan drafted by a major consultancy firm containing also results of the financial year 2006. Part of the consideration has been paid at the time of execution of the sale and purchase agreement, the remaining 35 million euros was to be paid later and therefore accounted for in the Company balance sheets among liabilities towards the parent company (hereinafter “The Vendor Loan”).

For the purposes of drafting 2006 financial statements, values of assets deriving from the Combination have been submitted to verification (in particular goodwill concerning the purchase of two business lines from NCH has been recorded under ‘start-up’ and cost of the three holdings purchased from DS under ‘shareholding in controlled companies’), considering different cash generating units, each corresponding to the different business lines and holdings purchased.

As a consequence of such evaluation activity, confirming essentially the value of the business lines purchased from NCH, different indications emerged in relation to the value of holdings sold by DS, with the need of its rectification for a total amount of 17.38 million Euros.

Consequently, in TAS consolidated financial statements, impairment test concerning the CGU corresponding to the single legal entities determined a value reduction of goodwill of 17.17 million Euros.

Hence, following the results of the 2006 financial year and the provisions of the contract of sale for the lines of business, also in the light of this impairment, the directors of TAS have undertaken the needed actions with the vendors (NCH and DS Data Systems) to:

- a) DS holding: negotiate an adjustment to the purchase price of the holding acquired from DS in the amount of 17.381 million Euros, in order to reflect the impairment correction that has emerged.

The effect on the holding as at 31st December 2006, of the posting of the impairment that has emerged, could be offset in 2007 by a corresponding reduction in financial accounts payable following the request of the price difference that has been provisionally accepted and is in the process of completion. In terms of the accrual of the related accounting entries, however, the effect of the impairment test emerges in the 2006 financial reports. On the other hand, the cancellation of the payable, in the same amount, can be entered only in 2007.

- b) NCH lines: determine, on the basis of what is laid down in the sale contract, the income price adjustment of the ex-NCH lines of business. In this regard it is specified that the maximum term for determining this price correction was contractually established as the 45th day following approval of the Company's accounts; however, since it has been possible to determine the price correction prior to the date of the meeting called to approve the financial report, the Board of Directors arranged for the Company's financial reports to be modified in line with the new determination;

The price correction, to be determined on the basis of the EBITDA¹ produced during the whole of the 2006 financial year, quantified with a higher amount, was settled at the maximum amount provided for contractually, of 7.8 million Euros. This price adjustment as at the date of the financial statements was probable and measurable and, in accordance with the provisions of IFRS 3, the Company has adjusted the acquisition cost of the lines of business and to offset it, as mentioned above, the Vendor Loan.

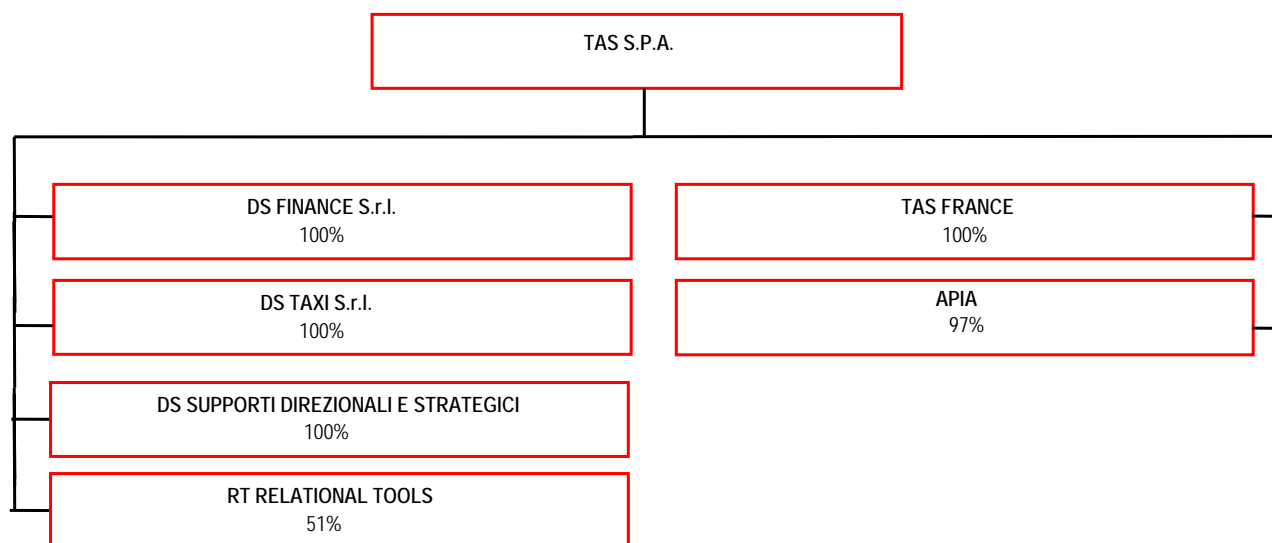
- c) obtain recognition of the amounts relating to points a) and b) by means of a reduction of the same amount in the Vendor Loan. The reduction of the Vendor Loan in the light of the price correction as per point b) constitutes a natural off-set of TAS' receivable resulting from the price correction and the corresponding part of NCH's receivable represented by the Vendor Loan. The reduction of the Vendor Loan as a result of the price correction as per point a) came about by the NCH Board deciding on 24th April 2007 that they would assume the debt of its subsidiary DS payable to TAS, that was the consequence of this correction.

It should be pointed out in this regard that both the reduction in price as per points a) and b) and the corresponding reduction in the Vendor Loan mentioned at point c), have been formalised by agreements made subsequently between the parties. Please see paragraph 4 of this document for details.

This quarterly report as at 31 March 2007 was approved by the Board of Directors of TAS S.p.A. on 15 May 2007.

¹ EBITDA (Earning Before Interest Taxes Depreciations and Amortisations) 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.

1. TAS Group



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

Company Name	Nationality	Share Capital	% Ownership	Net Worth
TAS S.p.A.	Italian	922		451
TAS FRANCE EURL	French	503	100	-118
APIA SA	Swiss	65	97(1)	11.168
DS FINANCE S.r.l.	Italian	1,000	100	6.628
DS TAXI S.r.l.	Italian	2,000	100	2.806
DS SUPPORTI DIREZIONALI E STRATEGICI S.r.l.	Italian	90	95	3
RT RELATIONAL TOOLS	Spanish	204	51.04	751

(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;

In the month of January a further 7% of the controlled company APIA S.A. has been purchased, as under the agreement, increasing the owned shareholding up to 97%.

Name	Head office	Local units	% Owners hip.
TAS SpA	Largo dei Caduti di El Alamein no. 9, Rome - Italy	- Milan, Via Quintino Sella no. 4 - Italy; - Verona, Via Museo no. 1 - Italy. - Casalecchio di Reno (Bologna), Via del Lavoro no. 47 - Italia - Rome, Via Domenico Sansotta, no. 97- Italy - Siena, Via Girolamo Gigli, no. 2- Italy - Seriate, (Bergamo) Via Nazionale no. 93- Italy - Milan, Via Verziere no. 11 – Italy - Milan, Viale Tunisia no. 45 – 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	97,00%

DS Taxi Srl	Via Ugozzolo 121/A, Parma, Italy	- Milan, Via Francesco Gonin no. 58 - Italy; - Rome, Via Domenico Sansotta no. 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	Via Arbe n. 92, Milan, Italy	- Via Arbe no. 92 Milano - Italy	100,00%
DS Finance Srl	Via Ugozzolo 121/A, Parma, Italy	- Milan, Via Francesco Gonin no. 58 - Italy; - Rom, Via Domenico Sansotta no. 97 - Italy.	100,00%

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

TAS France is an Internet Service Provider, with a great deal of experience in 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 1/01/2007 to 31/03/2007 k€	31.03.2007	31.03.2006	31.12.2006
Revenues	18,416	3,122	37,792
<i>(of which from related parties)</i>	2,905	-	5,100
Change in balance of work in progress	(130)	273	107
Other revenues	201	8	240
Total revenues	18,487	3,403	38,139
Consumable raw materials	(206)	(29)	(207)
Staff costs	(7,760)	(1,447)	(16,067)
Costs of services	(5,613)	(531)	(10,432)
<i>(of which from related parties)</i>	(2,952)	-	(5,938)
Other costs	(996)	(234)	(2,663)
Total costs	(14,575)	(2,241)	(29,369)
Amortization	(1,445)	(144)	(3,290)
Depreciation	-	-	(17,189)
Operating Result	2,467	1,018	(11,709)
Financial Income (Charges)	(1,427)	147	(1,317)
Pre-tax result	1,039	1,165	(13,026)
Taxes	(749)	(387)	(1,387)
Result of ongoing activities	290	778	(14,413)
Result of intermittent activities	-	-	-
Result of the financial year	290	778	(14,413)
Net result pertaining to third parties	(44)	-	62
Net result pertaining to the group	334	778	(14,475)

2.2. Net Financial Position	k€	31.03.2007	31.12.2006
Cash, bank current accounts and stock		7,042	5,709
Non-asset securities		179	98
Financial receivables		12,314	10,043
Debts with banks and other financial institutions		(86,580)	(81,047)
Financial payables (Apia put)		(1,000)	(3,000)
Short-term net financial position		(68,045)	(68,197)
Financial receivables		438	358
Asset securities		32	-
Debts with banks and other financial institutions		(4,565)	(4,508)
Financial payables related parties		-	-
Financial payables (Apia put)		-	-
Financial payables (Nch)		(27,200)	(27,200)
Medium/long-term net financial position		(31,295)	(31,350)
Net Financial Position		(99,340)	(99,547)

2.3. Financial Statement	k€	31/03/2007	31/12/2006
Net profit (loss) of the period		334	(14,475)
Amortization and depreciation		1,445	20,479
Change in the severance pay fund		268	578
Change in fund for risks and liabilities		98	(5)
Tax paid		-	226
Interests paid		(47)	(98)
Reduction/(Increase) in inventories and other working capital assets		(4,724)	(38,276)
Increase/(Reduction) of payables and other liability items		4,030	36,151

Changes in working capital attributable to DS TAXI	-	(4,818)
Changes in working capital attributable to DS FINANCE	-	(4,901)
Changes in working capital attributable to DS SDS	-	184
Changes in working capital attributable to RT SPAIN	-	352
Changes in working capital attributable to the Lines of Business	-	6,209
(A) Cash flow from operating activities	1,404	1,606
Acquisition of intangible fixed assets	(1,012)	(3,120)
Acquisition of tangible fixed assets	(87)	(178)
Acquisition of securities	(113)	(47)
Acquisition 7% Apia	(2,000)	-
Acquisition of interest in DS Taxì	-	(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 lines of business from NCH SpA	-	(77,155)
(B) Cash flow from investing activities	(3,212)	(112,752)
Setting up of Vendor Loan	-	27,200
Setting up of BNL financing	-	5,000
Setting up of Intesa Pool Financing	94	70,246
Provision of financial receivables to related companies	(2,271)	(10,043)
Other financial accounts receivable	(80)	(358)
Other banking accounts payable	5,543	8,129
(C) Cash flow from financial activities	3,286	100,174
(D) Change in net financial position (A+B+C)	1,478	(10,971)
Net worth of third parties	(26)	608
Changes in Net Worth	(119)	(378)
(E) Initial Net Financial Position	5,709	16,450
(F) NET FINANCIAL POSITION AT END OF PERIOD (D+E)	7,041	5,709

2.4 Reclass. statement of assets & liabilities 01/01/07 to 31/03/07 K€	31.03.2007	31.03.2006	31.12.2006
Intangible assets	113,729	14,030	114,075
- Goodwill	97,917	13,011	97,917
- Other intangible assets	15,812	1,019	16,158
Tangible assets	1,007	354	1,007
- Tangible assets	1,007	354	1,007
Holdings and other fixed securities	99	67	67
Fixed financial receivables	438	162	358
Deferred tax assets	743	136	786
Other receivables	109	534	110
Total non-current assets	116,125	15,282	116,404
Net			
balance	3,330	346	3,538
Trade receivables	37,849	4,644	35,056
(of which from related parties)	7,956	-	7,456
Other receivables	3,677	141	1,466
(of which from related parties)	929	-	955
Holdings and other money securities	179	-	98
Financial receivables due within 12 months	12,608	62	10,381
(of which from related parties)	12,314	-	10,043
Cash on hand	7,042	16,164	5,709

Total current assets	64,684	21,357	56,248
TOTAL ASSETS	180,809	36,639	172,652
Share capital (part of which is not paid up)	922 -	922 -	922 -
Premium reserve	16,950	16,950	16,950
Revaluation reserve	-	-	-
Other reserves	- 209	368	- 89
Profits/Losses for previous financial years	- 9,389	4,877	5,085
Profits/Losses for the financial year	334	778	- 14,475
Group net worth	8,608	23,895	8,393
Capital and reserves of third parties	625	-	546
Profit (loss of third parties)	- 44	-	62
Net worth of third parties	581	-	607
Consolidated net worth	9,189	23,895	9,000
Severance pay fund	7,540	1,163	7,272
Funds for risks and liabilities	128	76	30
Funds for taxes and deferred taxes	1,334	497	1,352
Other payables	45	-	45
Financial payables due after more than 12 months <i>(of which from related parties)</i>	31,765 27,200	8 -	31,708 27,200
Total non-current liabilities	40,813	1,744	40,408
Trade payables <i>(of which from related parties)</i>	32,414 3,832	3,673 -	26,690 3,971
Other payables <i>(of which from related parties)</i>	10,812 1,759	1,978 -	12,507 1,638
Financial payables due within 12 months <i>(of which from related parties)</i>	87,580 27,892	5,349 -	84,047 31,179
Total current liabilities	130,807	11,000	123,243
TOTAL LIABILITIES	180,809	36,639	172,652

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..

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 to the first quarter 2006. Comparison between the two periods is heavily affected by the change in perimeter.

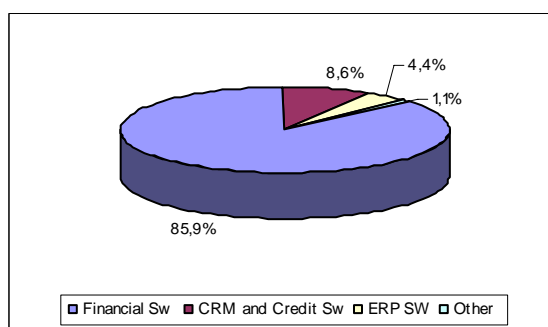
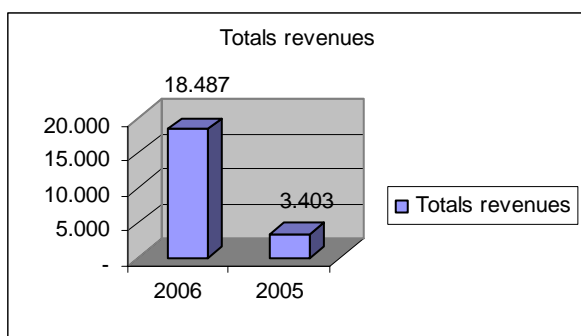
Also data of the whole financial year 2006 are indicated.

Revenues

The total of the revenues is 18,487 k€ compared to 3,403 k€ at 31/03/2006. The 443.3% increase can be attributed mainly to the changed consolidation perimeter as a consequence of the acquisitions that occurred during 2006.

Revenues as at 31/03/2007

Revenues by sector as at 31/03/2007



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 85.8% 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	31/03/2007	31/03/2006	var. 07/06
Financial Sw	15,886	1,492	964.7%
CRM and Credit Sw	1,593	1,728	-7.8%
ERP SW	807	0	na
Other	201	183	9.6%
totale	18,487	3,403	443.3%

Against the increase in TAS's revenues, also as a consequence of the changed consolidation perimeter, there is a drop in Apia's revenues.

Revenues by geographic area	31/03/2007	31/03/2006	var. 07/06
Italy	15,061	1,466	927.4%
Switzerland	1,593	1,728	-7.8%
France	253	169	49.5%
Spain	1,183	-	-
England	75	-	-
Other	321	40	702.8%
TOTAL	18,487	3,403	443.3%

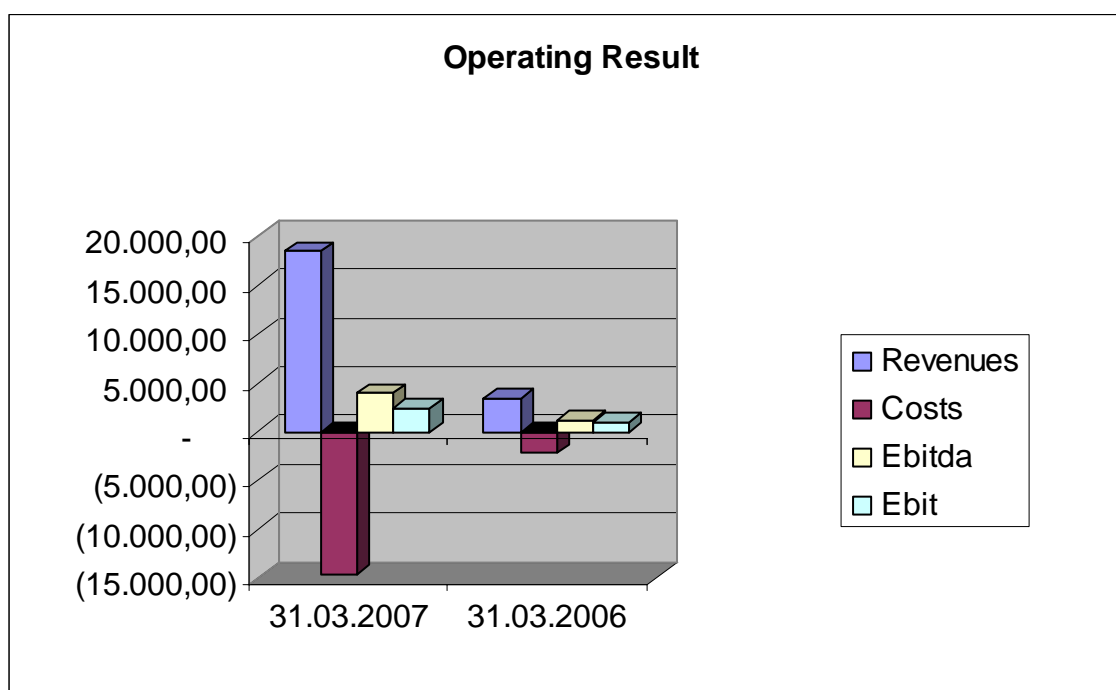
The distribution of revenues by geographic area mostly reflects the national location of the companies that make up the Group. *Italy* has grown considerably as a consequence of the recent acquisitions, *Switzerland* has decreased by 7.8% and *France* has grown. *Spain* basically comprises RT Spain's turnover.

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

EBITDA and Operating Result

The quarterly EBITDA² is 3,912 k€, while for the corresponding period in 2006 it was 1,162 k€. Increase is equal to 236.7%.

The quarterly *Operating Result* is positive by 2,467 k€, while it is 1,018 k€ for the entire financial year 2006, with an increase of 142.3%.



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

² EBITDA (Earning Before Interest Taxes Depreciations and Amortisations) 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.

At 31 March 2007 there is a profit of 334 k€ against a profit of 778 k€ for the corresponding period of the previous financial period.

The *Earnings per share* for the first quarter 2007 are 0.19 euro, against 0.44 at 31 March 2006.

	in euro	31/03/07	31/03/06
Share Capital		921,519	921,519
Profit (Loss)		334,019	778,000
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		0.19	0.44

Net Financial Position

The *Net Financial Position* at 31 March 2007 is negative by 99,340 k€ in comparison to the 99,547 k€ of 31 December 2006.

2.2. Net Financial Position	k€	31.03.2007	31.12.2006
Cash, bank current accounts and stock		7,042	5,709
Non-asset securities		179	98
Financial receivables		12,314	10,043
Debts with banks and other financial institutions		(86,580)	(81,047)
Financial payables (Apia put)		(1,000)	(3,000)
Short-term net financial position		(68,045)	(68,197)
Financial receivables		438	358
Asset securities		32	-
Debts with banks and other financial institutions		(4,565)	(4,508)
Financial payables related parties		-	-
Financial payables (Apia put)		-	-
Financial payables (Nch)		(27,200)	(27,200)
Medium/long-term net financial position		(31,295)	(31,350)
Net Financial Position		(99,340)	(99,547)

As already mentioned in the fourth quarter report, 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 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.

It should also be pointed out that, in a letter dated 27th April 2007, Intesa San Paolo, in its capacity as Agent Bank, also in the name of and on behalf of the other financing banks, communicated that while it was not at that date in a position to grant the contractual changes requested by TAS, all the provider banks of the Pool Financing have presented, with a favourable opinion, to their decision makers:

- the commitment to suspend until 31/12/2007 the exercise of their rights and the actioning of the remedies available in the Pool Financing contract for the violations committed by the Company (that is, as far as TAS is aware, and in summary, the failure to comply with the financial parameters, the resorting to other financing and, to the extent to which this could constitute a violation, which is doubtful, the partial use of the Vendor Loan in connection with the oft-mentioned price correction);
- the commitment to renegotiate in good faith the necessary changes so that the Pool Financing contract may be adapted as quickly as possible to the new actual circumstances and can find a new balance that is to the mutual benefit of the parties.

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 and has been reduced to 27.2 million Euros upon the price adjustment, as explained above.

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

Investments

Investments in the period totalled 1,099 k€ and can be broken down as follows:

Investments in Fixed Assets k€	31/03/07	31/03/06	var. 07/06
Software development	912	244	274%
Other intangible fixed assets	100	2	4900%
Electronic office machines and Hardware	61	28	118%
Other tangible fixed assets	26	6	333%
TOTAL INVESTMENTS IN THE PERIOD	1,099	280	292,6%

Software development, amounting to 912 k€ includes the capitalized internal costs for the development of new computer applications. The increase, as regards the mother Company, is due mainly to developments of the applications:

- for the Networks and Payment Systems Area, mainly with the aim of developing the products' offer according to the new SEPA requirements (Target 2);
- for the Electronic Payment System Area, with several development projects with reference to security and authorisation systems, ATM Multivendor software developments, software products for monitoring and statistics, development of new functionalities for POS and ATM and new products for cards.

Other investments concern the Financial System Area (smart routing and new GAM interface) Bank Services (minor evolution CBI suite) and Framework (minor standard development evolution).

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

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. It is evident that the overall price of the acquisition was agreed at 89.2 million Euros, equal to the enterprise value of 115 million Euros net of the net overall financial position which was 25.8 million Euros. Hence, the total consideration due by TAS to DS and NCH was 90.1 million Euros of which 0.9 million Euros was by way of a balance sheet price adjustment. An additional correction was the income price adjustment, provided for contractually and estimated in advance on the basis of the data available, in the maximum amount of 7.8 million Euros deriving from the impairment test concerning the CGU of each legal entity with a value reduction of goodwill amounting to 17.7 millions Euro.

DETAILED STATEMENT OF TAS GOODWILL AT 31.03.2007

Goodwill pertaining to the NCH Lines

	Euro/000
<i>Enterprise Value</i> 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 2006	<u>(33,613)</u>
First estimate of the price of the lines of business and of RT before Financial and Income adjustment	51,387
(less) Book value of the holding in the subsidiary Relational Tools SL in the balance sheet of NCH	<u>(1,986)</u>
Price pertaining to the NCH lines	49,401
Additional Charges	1,039
Price adjustments	902
Price adjustments	<u>(7,800)</u>
Cost of acquisition of the NCH lines (a)	43,542
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	<u>2,258</u>
Total (b)	(26,688)
Goodwill pertaining to the NCH lines [(a) - (b)]	70,230

Goodwill pertaining to the subsidiaries acquired from DS

	Euro/000
<i>Enterprise Value</i> 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	97,926
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
Imparment test TAXI	(14,320)
Imparment test FINANCE	(2,230)
Imparment test SDS	(622)
Total goodwill at 31.03.2007	97,917

It should be remembered that on the basis of the request made to the vendor, the effect on the value of holding as at 31st December 2006, equal to 17.17 millions Euro, of posting the impairment that arose, can be offset in 2007 and in particular in the second quarter report, by a corresponding reduction in financial accounts payable following the negotiation of the price difference formally agreed between the parties with a contract amendment.

4. EVENTS THAT HAVE TAKEN PLACE AFTER 31 MARCH 2007

- On 30 April 2007 the company acquired a further 3% of the Swiss subsidiary Apia S.A., at the price of 1 million euros and exercised in advance the call option on 30 Apia shares.

- The Audit firm PricewaterhouseCoopers on 11 April 2007 informed Consob and the Statutory Auditors of some censures because, due to new elements occurred in 2007 (coming from the new industrial plan approved by the Company on 27 March 2007) there were doubts about the well known operation of Combination in particular whether it took place at standard conditions and about its financial sustainability, in the light of the failure by the Company to comply with covenants provided for in the Pool Financing contract and as the cash flows destined to pay the relative debt in the new McKinsey plan seem insufficient compared to the commitments of the same Financing contract.

To this purpose please refer to what already indicated with reference to the price adjustment of lines of business and holdings during 2007. as for the failure to comply by the Company to covenants it should also be pointed out that, in a letter dated 27th of April 2007, Intesa San Paolo, in its capacity as Agent Bank, also in the name of and on behalf of the other financing banks, communicated that while it was not at that date in a position to grant the contractual changes requested by TAS, all the provider banks of the Pool Financing have presented, with a favourable opinion, to their decision makers:

- the commitment to suspend until 31/12/2007 the exercise of their rights and the actioning of the remedies available in the Pool Financing contract for the violations committed by the Company (that is, as far as TAS is aware, and in summary, the failure to comply with the financial parameters, the resorting to other financing);
- the commitment to renegotiate in good faith the necessary changes so that the Pool Financing contract may be adapted as quickly as possible to the new actual circumstances and can find a new balance that is to the mutual benefit of the parties.

- On 27 April 2007 TAS S.p.A. and DS Data Systems S.p.A. executed the amendment to the agreement about the price adjustment, already mentioned, concerning the holdings in DS Finance s.r.l., DS Taxi s.r.l. and DS Supporti Direzionali e Startegici s.r.l.. This amendment was necessary following the impairment test on the holdings that, pursuant to the law, TAS directors effected in view of the drafting of the balance sheet as at 31 December 2006 and from which it resulted a value reduction of the holdings equal to 17,381,000 Euros. In this amendment to the agreement the vendor DS Data Systems S.p.A. acknowledge its obligation to give back to the purchaser TAS S.p.A. the aforesaid amount by way of assumption by its parent company NCH of the corresponding debt who, as a consequence and with a separate agreement, shall rule the modalities of payment to TAS.

- On 27 April 2007 TAS S.p.A. and NCH S.p.A. executed the amendment to the agreement about the balance sheet price adjustment , already mentioned, concerning the business lines formerly owned by NCH. This amendment arises from a provision in the sale and purchase agreement of NCH business lines, where the price was to be determined on the basis of the EBITDA produced during the whole of the 2006 financial year, with no reference to the recoverable amount at such date. The price correction of the business lines (unnecessary under the impairment test) has been settled at the maximum amount provided for contractually, of 7.8 million Euros. This price adjustment as at the date of the financial statements was probable and measurable and, in accordance with the provisions of IFRS 3, the Company has adjusted the acquisition cost of the lines of business and to offset it, as mentioned above, the Vendor Loan (while waiting for the negotiation of the Pool Financing contract).

- On 7 May Director Francesco Vella, whose appointment was to expire with the next shareholders meeting, informed the Company of his resignation.

- On 14 May 2007 Intesa Sanpaolo, in its capacity as Agent Bank, informed that the decision makers of all the provider banks of the Pool Financing except one (whose decision process is still in course) approved the request of suspension subject to the commitment of the parent company NCH to:

- subordinate to the Financing Pool the interest payments on the amount of the Vendor Loan which will remain net of the effects of the price correction mentioned above;
- issue a commitment to grant to TAS, by the 31st December 2007, a secondary loan of € 15 million, providing adequate real guarantees in support of this commitment.

- The Audit firm PricewaterhouseCoopers in the report to the balance sheet as at 31/12/2006 highlighted that the Company recorded, in the profit and loss account of financial year ending on 31 December 2006, revenues for 869 k€ for the extra time compared to the contractual agreement occurred in carrying out a specific project towards a customer without a formal commitment by the latter to accept such extra costs.

- On 15 May 2007 the General Shareholder Meeting appointed three new independent Directors:

- Roberto Ludernani
- Sabino Fortunato
- Marco Zanzi

Furthermore the alternate auditors

- Alba Rita Miglietta
- Federico Alesiani

replaced the Statutory members Fulvio Tranquilli and Francesca Beatrice Surace who resigned with efficacy starting from 16 May.

5. REMARKS ON MANAGEMENT PERFORMANCE

During 2006, a significant company reorganization was put into effect to create a player able to efficiently compete in the new context of the market proposing a more rational offer of the Group in the reference market, improving the commercial approach towards customers and creating the necessary conditions for a better and more efficient global costs structure.

Such deep change determined a strong focusing of top management in the integration of the new entities with great organisational efforts, some of them taking place in the last quarter of 2006, among which the total renewal of top management and of the management of each business unit, in order to allow the company to operate successfully in the new competition scenario.

Furthermore during the first quarter 2007, continuously from 2006, some interventions on the employees lead to a new structure divided in business units on one hand and, on the other hand, aimed to rationalise the corporate governance structure with centralised staff and sales functions of the three companies for a more efficient process and better integration and spread of the Group solutions.

In addition new company's process, adapted to the new structure, have been enhanced, so to obtain higher efficiency in productivity and towards the market.

Those process obtained, in the first quarter 2007, **the quality certification by the TUV.**

The first quarter 2007 results, in particular the backlog of the activities started in the first part of the year, give faith about the achievement of 2007 budget as for both revenues and margins.

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

	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.
k€													
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								-14,475	- 14,475		62	62	- 14,413
Other changes						- 318	- 60		- 378				- 378
Balances at 31 Dec. 2006	922	16,950	228	24	-	- 342	5,086	-14,475	8,393	546	62	608	9,000
allocation of result 2006							- 14,475	14,475	-	62	- 62	-	-
allocation of res. to share issue									-				-
result of the period								334	334		- 44	- 44	290
Other changes						- 119			- 119	17		17	- 102
Balances at 31 Mar. 2007	922	16,950	228	24	-	- 461	- 9,389	334	8,608	625	- 44	581	9,189