ANNUAL BALANCE SHEET

on 31/12/2005

TAS S.p.A.

TAS TECNOLOGIA AVANZATA DEI SISTEMI S.P.A.

-NCH Group-

INDEX

BALANCE SHEET TAS S.P.A.

TAS ADVANCED TECHNOLOGICAL SYSTEMS S.P.A.

-NCH Group-

Headquarters in Largo dei Caduti di El Alamein, 9-00173 Rome (RM) –Share capital:

Euro 921,519.04 Company reg. and Tax identification number 05345750581-Rea 732344

REPORT ON THE MANAGEMENT OF THE COMMERCIAL BALANCE SHEET FOR THE 2005 FINANCIAL YEAR

Dear Shareholders,

The balance sheet of your company, year end 31.12.2005 is reported as follows:

- Total revenue: 6,042 In thousands of Euro, -8% relating to the 2004 financial year
- Gross operating margin: 387 thousand Euro, - 61% relating to the 2004 financial year
- Net result: -240 thousand Euro in comparison to a 193 thousand Euro profit in 2004;

We continue to operate in a market characterized by low prices and low demand which inevitably lowers margins and requires extra attention to costs.
Rather than deter us, this only motivates us to continue investing in new and better performing products and add-on services.
Only by focusing on client requirements and keeping a keen eye on technological, regulatory and financial advances will we retain our position as market leader
The centralisation of the banking systems reduces our client base, but at the same time offers the opportunity to propose more modern, structured and integrated solutions, broadening the product ranges installed for the individual client and its related services.

Operating conditions and business development

TAS S.P.A. operates in the IT sector with specific reference to the commercial development of software products, offering advise, assistance and maintenance of such products, as well as the additional service of decommissioning of hardware products.
The software programmes that have been developed mainly to manage the automatic input, negotiation and regulation of purchase orders and the sale of financial products.
TAS also offers (Application Service Provisioning) ASP in the same sectors, using its own applications.

The Company has launched the sale of software solutions developed by APIA S.A. in Italy.
The Company operates abroad through the subsidiaries APIA S.A. and TAS France Eurl.
The TAS S.p.A. business is conducted from its Headquarters in Rome, Largo dei Caduti di El Alamein n. 9, and from the following offices:

- Milan, Via Quintino Sella n. 4;
- Verona, Via Museo n. 1.

Development of demand and overview of the market in which the Company operates

The key reference market for TAS is the financial software market, specifically in the management of stock and share trading.
The value of this market sector is determined by the bank and financial operators' investment budgets for the purchase of new software and the costs of managing the existing structures.
In an undoubtedly positive world economy with sustained growth continuing for a number of years, propelled by the Chinese, Indian and American economies, Continental Europe will start to show signs of recovery.
Italy is likely to benefit quantitatively and over time from the growth prospects within the German economy, albeit to a limited degree.
The prospects of small growth in the Italian IT sector will however be related to increased family spending. This trend does not seem to be reversing until companies restrict themselves to short term investments.
Demand in the service sector from companies remains weak, with forecasts of negative growth and a consequent decrease in prices.
Suppliers react to market conditions, seeking new forms of supply with a consequent grouping and concentration of market players.

In relation to trading of stocks and shares, the following table shows the number of exchanges on the main markets on the Italian Stock Exchange.
After a peak at the end of the '90's and 2000, the number of contracts negotiated in the Exchange indicates a decisive 34% , increase confirming values above those of 2000.

Italian Stock Exchange-Exchange value of contracts

	2000	2001	2002	2003	2004	2005	05/04
Shares	869,135	658,042	633,659	679,017	732,592	954,796	30%
Securities derivatives	31,079	20,800	18,284	10,833	16,468	49,363	200%
Bonds	12,331	10,981	10,089	12,544	10,890	11,067	2%
Total	912,545	689,823	662,032	702,394	759,950	1,015,226	34%

Source: Italian Stock Exchange Monthly Analysis

On the same level there is a 35% increase in the number of contracts registered in 2005 compared to the previous year. The biggest noticeable increase is stock and share activities, a 38% increase, which can easily be explained by a positive trend in the share indices. The number of Stock exchange transactions does not immediately follow the improved indices trend in that retail operators, who can determine the variations in the number of transactions, have longer decision time available, as opposed to professional operators, especially following a bubble on the stock exchange markets, similar to the one experienced at the end of the 90's.

Italian Stock Exchange-Number of contracts

	2000	2001	2002	2003	2004	2005	05/04
Shares	58,559,754	44,225,201	40,363,607	38,582,718	34,198,656	47,232,908	38%
Securities derivatives	8,079,416	6,635,598	5,987,199	4,395,103	3,748,814	4,169,567	11%
Bonds	597,011	563,169	540,540	726,473	636,332	695,722	9%
Total	67,236,181	51,423,968	46,891,346	43,704,294	38,583,802	52,098,197	35%

Source: Italian Stock Exchange Monthly Analysis

Competitor analysis

TAS' direct competitors are software application manufacturers and providers of services with solutions spanning front and back office titles.
The sector is permeated with both strong competition and a decisive competitive pressure on prices, where a conservative attitude on the part of the customers means existing accounts need to be protected.
TAS continues to expand its product range proposing new solutions offered by organic development from collaboration with the NCH group to which TAS belongs, as well as the purchase of new technologies and the forging of partnership agreements.
With this strategy, your company can continuously market itself as a model technological partner for financial operators, distinguishing itself from its competitors for the reliability of its solutions and the advanced level of customer services. Consistent with this competitive strategy your Company continually invests in developing its own products and services to respond to the demands of emerging markets with the greatest degree of flexibility, concentrating on the use of Java, Unix and Internet technologies.

Management performance in the operating industry sectors of the Company

TAS activity has been specifically involved in the installation of Teletrading on Unix, which numbers continue to increase, as well as applications for backup in the event of a crisis, Disaster Recovery, and the analyses of new the European community directives in terms of markets and financial management tools such as the 2004/39, c.d. “MIFID”, and the 2004/72, c.d. “Market Abuse Directive”.
TAS therefore continues to maintain strategic relationships with its clients, constantly improving its service for its clients, guaranteeing a high quality after-sales service and expanding the solutions on offer to them.
These efforts have resulted in 70% of incomes resulting from repeat business revenue, that is business originating from contracts already in place.

- Support and maintenance for existing installations;
- Annual licences;
- Applied services.

Management performance of the business in 2005

Referring you to our supplementary note for greater detail, both in relation to our balance sheet and our profit and loss account, we outline and comment on some of the accounting statements.

The actual figures are expressed in thousands of euros (k€) Beside each numeric data in the accounting statements is listed the end of year figures for the business in 2004. To enable easier comparisons with the same period for the preceding business year, where possible, we have listed percentile variations for the two periods.

Reclassified Profit and Loss account	31/12/2005	31/12/2004	var.
Incomes from sales and services	6,146	6,630	-7%
Contracted work in progress	-105	-35	-202%
Other incomes and income streams	1		
Production value	6,042	6,595	-8%
Costs of primary material consumables and goods.	-91	-85	8%
Service costs and other operating costs	-1,842	-1,859	-1%
Added value	4,109	4,651	-12%
Labour costs	-3,722	-3,647	2%
Gross operating margin:	387	1,004	-61%
Amortisations	-188	-466	-60%
Net operatng result	199	538	-63
Net financial Incomes (charges)	171	181	-6%
Result of ordinary activities	370	719	-48%
Corrections to the values of the financial assets	-327	-60	442%
Net extraordinary Incomes (charges)	-2	-31	-92%
Pre-tax results	41	628	-94%
Taxes on company incomes	-281	-435	-35%
Net result	-240	193	

Production value

The “Production value” has decreased 8%.
In the reference market a low demand base persists. Little technological and regulatory innovation leads financial operators stalling on investments.

Production value	31/12/05	31/12/04	Var.
Product Sales	87	195	-55%
Services	5,954	6,400	-7%
Total incomes	6,041	6,595	-8%
Other incomes and revenue streams	1		
Total production value	6,042	6,595	-8%

The impact of product sales represents a negligible value in relation to the total production value. The Company strategy is increasingly to provide qualified assistance to the client, and on the account side to consolidate the incomes streams generated by “Services” to almost 99% of the total incomes.

The following table shows the break down of the income streams:

Product type	2005	%	2004	%	Var.
Teletrading	3,858	64%	4,436	67%	-13%
T1x	312	5%	435	7%	-28%
Teleclearing / Back-office	967	16%	1,001	15%	-3%
ASP	680	11%	579	9%	17%
Payment systems	100	2%	105	2%	-5%
Other	125	2%	39	1%	221%
Total	6,042	100%	6,595	100%	-8%

The “Teletrading” system of channeling orders onto the equity market remains the key product, representing 64% of income, however in comparison to 2004 it has decreased by 13%.

Even the programme for the Unix operating system, "Tlx”, which provides improved efficiency performance has shown a decrease of 28% in income.

The only positive note comes from the internal “ASP” service (Application Service Provisioning), which provides financial operators (Banks, Asset Management Companies and Brokers) with either the total or partial technical management of negotiation transactions, clearing and settlement (Order Management) as well as the interface, link and the operating system with international brokers (Hub) as well as the technological management of order entry via the internet (Trading On Line) which has shown an increase of 15%. The biggest incomes originate from the increase of operators using the service and the increase of fund flows. This is the only income related to the quantity of orders placed on the market, therefore it very much reflects financial activity on the international stock exchanges/markets.

The incomes received from “Teleclearing”, a back-office service for financial market operators, are showing a below average decrease for services related to clearing and international settlements, taking advantage of the good state of the global financial markets.

Gross operating margin:

The maintenance of financial year running costs, which for services has increased by 3%, maintains the "gross operating margin" at 387k€ from 1,000k€ of the previous year with a decrease of 61% on the preceding year.
The “purchases of goods” net of goods for sale, has dropped by 9%.
“Software consulting” also decreases significantly, -23% for a small use of third parties assistance in software development, whilst "Legal, administrative and tax consultancy charges" have increased by 23% for expenditure due to the migration from consolidated accounting to the IFRS international principles of accounting.
"Communication costs” drop by 13% due to a restructuring of the telecommunication networks.
The “travel costs” increase by 24%, due to the increased travel of personnel involved in the implementation of ongoing projects.
"Other services” relate to residual items. The increase of 52%, due in part to assistance costs associated with the public take over bid in which the company was involved in the second part of the year.

TAS	31.12.2005	31.12.2004	var.
Purchase of goods	91	84	8%
Third party software development and consultancy services.	559	723	-23%
Legal, administrative and tax consultancy fees	217	176	23%
Telefone costs, etc. (communication costs)	201	231	-13%
Travel costs	136	110	24%
Other services	491	323	52%
Costs for services	1,604	1,563	3%
Costs for the use of third party facilities	228	252	-10%
Personnel costs	3,722	3,647	2%
Depreciation	188	467	-60%
Other operating costs	10	45	-78%

The release of a property in Milan reduced the "costs for the use of third party facilities” by 10%.

“Personnel costs”, the most consistent item within the cost entries has varied by 2% which is 62% of the income stream.

Amortisations

The consistent reduction of “Amortisations”, -60% is due to the disappointing performance of the shares in relation to costs sustained in 2000 at the time of the TAS share title listing on the Italian Stock exchange.

Financial result

The net financial incomes equal to 171 thousand Euros are derived from the return from available short term cash investments exclusively in the money market. The 6% drop is due to the smaller amount of funds available in comparison to the previous financial year.

Net result:

The increase in “Adjustment of values of the financial assets " from-60k€ to -327k€, for the devaluation of the subsidiary, TAS FRANCE, has contributed to a negative “net result” of 240k€ from the preceding profit of 193k€.

Net Financial Position

The following table outlines the development of the net financial position during the year and its constituent parts:

Description	31/12/05	31/12/04
Cash, current bank accounts and shares	7,786	9,442
Loans from subsidiaries	548	436
Other loans	59	43
Short term bank loans		
Short term net financial balance sheet	**8,393**	**9,921**
Medium / long term loans	4	202
Med / long term bank and other financial institution loans		
Med/long term net financial balance sheet	**8,397**	**10,123**
Net financial balance sheet	**8,397**	**10,123**

The cash flow generated by the operating activities, around 400k€, is insufficient to counterbalance the exit of ca.2 million euro for the purposes of buying the last 5% of Apia which reduces the “Net balance sheet” by 1,726k€ .This however, remains a positive figure of 8,397k€

Investments

During this period investments were made in the following areas in thousands of Euro:

Description	31/12/05	31/12/04	Var.
Software development	651	547	19%
Other intangible fixed assets	85	23	270%
Electronic office equipment and Hardware	72	44	64%
Other fixed tangible assets	1	8	-88%
Subsidiary shareholdings	1,999	1,009	98%
Total investments over the period	2,808	1,631	72%

The net increase in investments, +72%, from 1,631k€ to 2,809k€ is mainly due to two items
The "software development", 651k€, is related to the costs of developing new IT applications. The 19% increase is for the greater use of personnel on new products. The Company has decided not to capitalize on the software produced in-house so this is the reason why this figure is not reported in the balance sheet except within personnel costs.
The purchase of another 5% of the Apia subsidiary is the starting point of "Subsidiary shareholding" for 2 million euro. This transaction had already been defined at the time of the purchase of the first majority stake in October 2003, although variable in amount, as reported in this document. The doubling in price can be explained by the fact that the price paid in 2005 was determined by the gross operating result of the total Apia 2004 financial year, whereas the figure from the previous year was determined on the basis of Apia results for only the second half of 2003.
The "Other intangible assets" are for the most part rights on software used for the Group's activities. The increase of 62k€ of this item + 27% is principally related to the renewal of the operating systems.
The "electronic office equipment and hardware" have increased from 44k€ to 72k€ with an increase of 64%. This mainly relates to personal computers and servers for the running of the business.

Research and Development Activity

focussed on:

-Re-engineering the "Teletrading" application in a UNIX environment so that:

- reliability and performance were improved;
- the acceleration of future developments was increased
- the functional developments were ready for the impact of the new MIFID directives (which will come into play in 2006/7);

– Re-engineering the "ASP" application in a UNIX environment so that:

- reliability and performance were improved;

- the acceleration of future developments was increased;

Development of an application for “Disaster recovery”. This service provided financial operators a Teletrading platform which guarantees disaster recovery both from the access point of view to the Italian and foreign Stock Exchanges, as well as links to their client banks.

Relationship with subsidiaries

During this period, commercial and financial relationships were ongoing between TAS S.p.A. and the subsidiary TAS FRANCE EURL. This subsidiary was also a service provider and client of TAS S.p.A. The subsidiary is the distributor of the Teletrading product in France, and royalties are accrued from the sales of this product for the Parent group, which can also request add-on services related to these sales. The sales transactions have been conducted based on market prices. Services have been invoiced based on personnel costs plus a small add-on charge.

Relationship with Companies pursuant to art. 2497 bis of the Civil Code

During the financial year purchases of hardware and software, required for the running of the business, were made from DS Data Systems S.p.A, a company belonging to the NCH Network Computer House S.p.A, which is a holding company of TAS S.p.A..

Such purchases for a total spend of 60,018 euro, have only added minor costs of between 5%-10% in comparison to market prices obtained by TAS, this is due to the fact that DS Data Systems S.p.A, given its greater size, is in a position to obtain better value from its suppliers.

Own shares and share/quotas of holding companies

The Company does not have direct or indirect ownership of its own shares nor those of the holding company.

Important facts at the close of the financial year

Information memos for the end of the financial year:

- o the resignations of Dott.r.
- o the appointment of Dr. Giuseppe La Commare as TAS Managing Director with Board of Directors from the 28th of February 2006.
- o the intense operational involvement in the development and sale of the product which manages problems relating to the "Market Abuse Directive", Directive 2004/72/CE:

  - § Definition of privileged information;
  - § of a register of people allowed to access privileged information;
  - § Identification of suspicious activities.

Foreseeable development of the business

At the time of compiling the following report no incidents have been reported that would have any significant effect on the balance sheet, assets and overall commercial standing of the Company.
The financial standing should not undergo any particular variations from the current situation.

Other particulars

Allocation of financial year result

It is motioned at the AGM, that in order to cover the financial year loses totalling 240,382.78 euro, the extraordinary reserve should be used above the legal reserve.

CORPORATE GOVERNANCE

In order to ensure an appropriate system of "Corporate Governance" the Company has adopted the Self-Disciplinary Code for Publicly Listed Companies. Even the Statutes, which were modified during the listing on the New Market, have been adjusted to comply with the recommendations contained both in the aforementioned Code and those contained in the Consolidated Act 58/98 and the relative rules regarding the implementation and integration of these, as well as compliance with the new civil code have been adapted during the EGM on the 07/04/2004.
The strong adherence of the Company to the recommendations and rules contained in the Self-Disciplinary Code have been evident, and for more detailed information please consult the annual report on Corporate Governance and subsequent updates in accordance with articles.

SECURITY POLICY DOCUMENT

In relation to D.Lgs 30/06/2003 n.196 (Consolidated Privacy Act) it is acknowledged that the annual policy document on security, draft in accordance with the standards provided for in appendix B * Technical Guidelines for minimum security protection procedures* from the Consolidated Act on Privacy, pursuant to enclosure 26 from the previously mentioned Appendix B.

Composition of the Board of Directors-Independent Administrators

The Law requires a minimum of 5 but not more than eleven members
The Board of Directors which was appointed during the AGM of the 16th of April 2003 and within the deadline of the budget approval on the 31/12/2005 is now composed of:

- Pompeo Busnello, President of the Board of the Directors;
- Paolo Ottani, Non-executive Director;
- Matteo Tamburini, Non-executive Director;
- Angelo Bassi, Independent non-executive Director;
- Fabio Massimo Ferri, Independent non-executive Director .

Board of Internal Auditors.

Pursuant to art. unto final approval of the financial statement on the 31/12/2007, the following members of the Board of Internal Auditors are:

- Edoardo Cintolesi, President of the Board of Auditors;
- Fulvio Tranquilli,Acting Auditor
- Francesca Beatrice Surace,Acting Auditor
- Frederico Alesiani, Alternate Auditor
- Alba Rita Miglietta, Alternate Auditor

PROCEDURES, CONDITIONS AND TERMS FOR THE PURCHASE OF APIA AND RELATIVE FORMS AND PAYMENT SCHEDULES; PARTIES FROM WHOM ASSETS HAVE BEEN PURCHASED

75% of APIA S.A. of Sase Holding AG, based in ZUG (Switzerland), Via Chamerstrasse, no with a share capital of 100,000 Swiss Francs, registered with the Trade Registry of Zug no. number 189280, for a value of 7,500,000 euro in cash on the date of 3rd of October 2003. The agreement also provides for a Put and Call options mechanism for the purchase of the remaining 25% retained by Sase Holding A.G., which can be exercised over the following four years at a price related to the future results of Apia itself.
In order to incentivise the founding managers of Sase Holding AG, who continue to manage Apia, based on future results, five put shares tranches are available, each of 5% of the remaining shares, with the corresponding call options in the case of the non-use of the put, with the purpose of the total shares being transferred by January 2008;
the first put was exercised in June 2004;
the second put was exercised in June 2005;
the third put can be exercised from the 30.5.2006 until 15.06.2006 on the condition that the minimum objective of one EBIT per financial year 2005 equal to €750,000 is

attained, with the consequent right for Sase Holding AG to sell to TAS this 5% share at a price derived from the following formula:
If the 2005 EBIT is equal or superior to 750,000€ and less than 3,000,000€: Price in €=EBIT divided by 1.6;

If the 2005EBIT is equal or superior to 3,000,000€;Price in €=1,875,000+(EBIT-3,000,000)*0.2.
TAS in its turn can exercise the Call option for the same 5% of the Company capital shares still belonging to Sase, in the case that Sase does not exercise the put as above, from 30.6.2006 and unto the 15.07.2006, at the price of €1,000.
the fourth put can be exercised from the 30.5.2007 until 15.06.2007 on the condition that the minimum objective of the EBIT for the financial year 2006 is equal to €750,000, with the consequent right for Sase Holding AG to sell to TAS this 5% share at a price calculated from the following formula:
If the 2006 EBIT is equal or superior to 750,000€ and less than 3,00,000€ Price in €=EBIT divided by 1.6;
if the EBIT 2006 is equal or superior to 3,000,00€: price in €=1,875,000+ (EBIT-3,000,000)*0.2.
AS in its turn can exercise the Call option for the same 5% of the Company capital shares still belonging to Sase, in the case that Sase does not exercise the put as mentioned above, from 30.6.2007 and unto the 15.12 2007, at the price of €1,000.
the fifth put can be exercised from the 30.11.2007 until 15.12.2007 on the condition that the minimum objective of the EBITFOR the first six months of 2007 is equal to €375,000, with the consequent right for Sase Holding AG to sell to TAS this 5% share at a price derived from the following formula
If the EBIT in the first six months of 2007 is equal to or superior to 375, 00€ and less than 1,500, 000€: price in €=EBIT divided by 1.6;
if the EBIT in the first six months of 2007 is equal or superior to 1,500, 000€: Price in €=937,000. + (EBIT-1,500,000)*0.2.
AS in its turn can exercise the Call option for the same 5% of the Company capital shares still belonging to Sase, in the case that Sase does not exercise the put option as mentioned above, from 30.12.2007 and unto the 15.01.2008, at the price of €1,000.

Shareholding plan

STOCK OPTION SHAREHOLDING PLAN

The AGM of the 11th of April 2001 has considered it necessary to adopt an incentivisation management tool, mainly aimed at stimulating the creation of value, with the ultimate goal of encouraging loyalty and rewarding employees.
The instrument of stock options, already widely used in Italy and abroad, allows for salaries to be linked to the growth in share value for the shareholders: in fact subscription rights (options) offered against a specific increase in share capital can be exercised because TAS shares would have reached satisfactory rates above the price of converting the options.

From the resolution passed on the 11th of April 2001 by the EGM granting the Board of Directors, pursuant to art. of the civil code, the power to increase the share capital several times, within a five year period, to a maximum amount of 92,962.24 Euro, starting from the aforementioned resolution, by the issue of the maximum no. of 180,000 ordinary shares of a nominal value of 0.52 Euro each, with the exclusion of option rights pursuant to art. last comma, of the civil code and pursuant to art. 134 of the D.Lgs of the 24th February 1998, no. 5o be offered as an option to TAS employees and/or employees of their subsidiaries, pursuant to article f the civil code, establishing moreover that the subscription price of the shares issued shall be equal to the normal value pursuant to art. of the D.P.R The Board of Directors has also been granted the power to determine the regulations of the stock option plans.
In implementing the power conferred upon it, as per above, the Board of Directors, at the meeting on 9th May 2001, has also discussed:

- he approval of the Regulations;
- increasing the share capital to a maximum amount of 92,962.24 Euro by the issue of the maximum no. of 180,000 ordinary shares at the nominal value of 0.52 Euro each, to be offered on subscription, pursuant to art. last comma, civil code and pursuant to art. D134 del D.Lgs. 24th February 1998, no. to beneficiaries identified amongst TAS employees and/or employees of their subsidiaries pursuant to article in accordance with the procedures, terms and conditions as provided by the regulation;
- the plan provides for a maximum of 5 tranches and the beneficiaries are chosen at the discretion of the Company Board of Directors. The options can be exercised.: Up to 30%, up to 60%, up to 100% of the assigned options assigned to each individual beneficiary respectively from the twelfth, twenty-forth, thirty-sixth month following the date of the instruction;
- the options assigned to each beneficiary for each single tranche should be exercised within a maximum period of forty-eight months from the date of the instruction relating to the same tranche. The plan will continue until the 1st of January 2006.

There are no outstanding distribution rights today.

<u>Operations with correlated parts</u>

There is available, information on operations that are closely-related which have not been included in other parts of this document.
Within the remit of the Group reports with closely related items over the year, there are no atypical and unusual activites to be noted apart from the release of the 5% of Apia, which has been dealt with in other parts of this document. Two Directors of the Board are also shareholders of Sase Holding A.G.

During the financial year, there have been ongoing commercial relationships between TAS S.p.A and the companies controlling the Board of Directors and/or their near relatives for a total amount of 2,611 euro.
The transactions have been conducted at market prices.

Summary of the operations carried out during the period by "Important Persons "

The Company within its own Disciplinary Code for the Negotiation of financial instruments ("Internal dealing") has also established that in order to give the market a strong signal of transparency and correctness, in its six monthly report and in its the annual balance sheet, it will summarise the operations effected on the Company financial instruments by "Important Persons" namely the Administrators, Acting Auditors, Managing Director, the Financial, Marketing, Sales and Technical Directors of the Company.

Summary of the operations carried out by Important Persons

Surname and name	Position	Total sales	Total purchases	Average price	Value	Source
Nardo Renato	Finance	3,158		23.93	75,564	Market
Zancarli Silvio	Sales	8,106		20.73	168,058	Market
Mendia Mario	Marketing	600		22.12	13,272	Market

Shareholding of Board of Directors, Auditors and Managing Director

Shareholding in TAS S.p.A.

Surname and name	Shareholding title and terms	No.of shares held on the 31.12.05	No. of shares purchased during the period	No. of shares sold during the period	No.of shares held on the 31.12.04
Paolo Ottani (A)	Ac)	1,192,230 (1)	1,192,230 (1)		
Bassi Angelo (A)	(P)	50	-	-	50

(A) Director TAS S.p.A, (P) Ownership, (Ac) Purchased, (As) Free allocation pursuant to art. through the NCH Network Computer House S.p.A.

For the Board of Directors

The President

POMPEO BUSNELLO

TAS ADVANCED TECHNOLOGICAL SYSTEMS S.p.A.

Headquarters in Largo dei Caduti di El Alamein, 9-00173 Rome (RM) –Share Capital:
Imp and Tax identification number 05345750581-Rea 732344

BALANCE SHEET AND PROFIT AND LOSS ACCOUNT on the 31/12/05

Balance sheet assets		**31/12/2005**	**31/12/2004**
A) Subscribed capital, unpaid			
(of which recalled))			
B) Fixed assets			
I Intangible			
1) Costs of installations and expansion		800	4,996
) Industrial patent rights and use of intellectual property		63,774	99,311
Concessions, Licenses, trade names and similar rights		1,375	1,658
Other		49	4,374
		65,998	110,339
II. Tangible			
Plant and machinery		24,496	35,494
Other assets		80,225	54,379
		104,721	89,873
Financial			
Shares in:			
subsidiaries	10,915,280		9,243,983
other companies	66,820		66,820
		10,982,100	9,310,803
Receivables			
a) from subsdiaries			
within 12 months	548,239		435,662
		548,239	435,662
other parties			
-within 12 months	59,494		42,833
-after 12 months	3,564		201,611
		63,058	244,444
		611,297	680,106
		11,593,397	9,990,909
Total Fixed Assets		**11,764,116**	**10,191,121**
C) Current/floating assets			
.			
Works in progress		50,399	155,222
		50,399	155,222
.Receivables			
due from clients			
-within 12 months	716,041		918,855
		716,041	91,855
due from subsidiaries			
-within 12 months	56,712		22,417
		56,712	22,417
tax credits			
within 12 months	164,994		64,767
		164,994	64,767
For pre-paid taxes			
within 12 months	17,313		15,544
		17,313	15,544
5) from third parties			
within 12 months	34,723		19,920
		34,723	19,920
		989,783	1,041,503
Liquid assets			
Bank and postal deposits		782,877	9,438,754
Cash and liquid assets		3,258	3,374
		7,786,135	9,442,128

Total current or floating assets		**8,826,317**	**10,638,853**
D) Accruals and deferrals			
miscellaneous	59,844		64,020
		59,844	64,020
Assets		**20,650,277**	**20,893,994**
Liabilites balance sheet		**31/12/2005**	**31/12/2004**
A) Net assets			
Capital		921,519	921,519
Share premium fund		17,241,655	17,241,655
Legal share fund		271,457	271,457
Other share funds			
Extraordinary share fund	196,850		3,506
Reserves for conversion/round up/ in EURO	1		(1)
Reserve of share fund	24,579		24,579
		221,430	28,084
		(240,383)	193,344
Net assets		**18,415,678**	**18,656,059**
B) Provisions for liabilities and charges			
Other assets		13	32
Total provisions for liabilities and charges		**13**	**32**
C) Trattamento fine rapporto di lavoro subordinato		**996,713**	**847,638**
D) Debts			
within 12 months	17		9
		17	9
within 12 months	181,154		247,920
		181,154	247,920
7) Payables to suppliers			
within 12 months	311,134		171,173
		311,134	171,173
due to subsidiaries			
within 12 months	19,162		69,226
		19,162	69,226
Tax liabilities			
within 12 months	122,096		241,925
		122,096	241,925
within 12 months	200,654		199,905
		200,654	199,905
Other liabilites due			
within 12 months	215,515		217,124
		215,515	217,124
Total Payables		**1,049,732**	**1,147,282**
E) Accruals and deferrals			
premium on loans			
miscellaneous	188,141		242,983
		188,141	242,983
Total liabilities		**20,650,277**	**20,893,994**
Interim accounts		**31/12/2005**	**31/12/2004**
3) Improper systems of risks		1,081,084	1,441,084
4) Connection between civil and fiscal regulations		51,807	48,299

Total Interim accounts		**1,132,891**	**1,489,383**

Profit and Loss Account		**31/12/2005**	**31/12/2004**
A) Total production value			
1)Incomes from sales and services		6,145,792	6,629,717
2)Adjustments/Variations for inventory in work in progress, semi-finished and finished			
3)Variations in contracted work in progress		(104,823)	(34,757)
4)Increase in assets for in-house work			
5)Other income and revenue streams			
-miscellaneous	867		388
-grants for the fiscal year			
-equipment grants (allocation per business)			
		867	388
Total production value		**6,041,836**	**6,595,348**
B) Production costs			
6)For primary,secondary materials, consumables and goods		91,334	84,725
7)For services		1,604,057	,563,571
8)Costs for use of third party facilities		227,613	251,765
9) For personnel			
Wages and salaries	2,662,286		2,622,878
Social security contributions	838,532		824,327
Severance pay	208,597		199,576
Pension and similar payments			
Other costs	12,191		
		3,721,606	3,646,781
10) Amortizations, depreciations			
Amortization of intangible assets	129,477		399,569
Amortization of tangible assets	58,159		66,934
Other asset depreciation			
Depreciation of credits included in the current or floating assets and of the liquid assets			
		187,636	466,503
11) Variations in inventory for primary, secondary materials, consumables and goods			
12) Provision for risks			
13)Other provisions			
14)Sundry operating expenses		10,333	44,344
Total production costs		**5,842,579**	**6,057,689**
Difference between net worth and production costs(A-B)		**199,257**	**537,659**

C) Incomes and financial charges				
15) Incomes from stakeholdings:				
from subsidiaries				
from affiliates				
other	1,210			1,210
		1,210		1,210
16)Other financial incomes				
from credits inherent in assets				
from subsidiaries	12,576			5,662
from associated companies				
-from parent companies				
other	1,812			3,028
from credits inherent in assets				
from shares inherent in current or floating assets				
sources other than the aforementioned:				
from subsidiaries				
from affiliates				
from parent companies				
other	161,888			179,555
		176,276		188,245
		177,486		189,455
17) Interest and other financial charges:				
from subsidiaries				
from affiliates				
from parent companies				
other	5,778			7,698
		5,778		7,698
17-bis) Profit and Loss on exchange rate		(317)		28
Total incomes and financial charges		**171,391**		**181,785**
D) Justments of the financial activity				
18) Appreciation:				
a)shares				
b) of financial assets				
c) shares inherent in current or floating assets				
19) Depreciation				
a) shares	327,386			60,350
b) of financial assets				
c) shares inherent in current or floating assets				
		327,386		60,350
Total adjustment of the value of the financial activity		(327,386)		**(60,350)**
E) Incomes and extraordinary charges				
20) Incomes:				
Capital gains on the sale of the tangible fixed assets				
	2,668			12,858
		2,668		12,858
21) Charges;,				
Captial losses from transfer				9,933
previous financial year taxes				300
	5,138			33,847
		5,138		44,080
Total of extraordinary losses		**(2.470)**		**(31.222)**

Result before taxes(A-B±C±D±E)		**40,792**	**627,872**
22)Current, deferred and advanced income taxes for the fiscal year			
a) Current taxes	282,945		345,210
b) Deffered (advanced) taxes	(1,770)		89,318
		281,175	434,528
23) Profit (Loss) for financial year		**(240,383)**	**193,344**

TAS ADVANCED TECHNOLOGICAL SYSTEMS S.P.A.

Headquarters in Largo dei Caduti di El Alamein, 9-00173 Rome (RM) –Share capital:
– and Tax identification number 05345750581-Rea 732344

Supplementary note for the balance sheet 31/12/2005

Introduction

The present supplementary note contains all information required by law with regard financial year balance sheets. In the drafting of this document the requirements to provide complementary information, even information not specifically required by law, has been taken into account, so that a veritable and correct representation is given in the clearest possible manner.
The variations are recorded by referring to the values of the balance sheet on the 31/12/2005

Activities undertaken

Your company operates in the IT sector specifically in sectors relating to the commercial development of software products, offering advise, assistance and maintenance of such products, as well as the additional service of hardware decommissioning. T he software that has been developed principally manages the automatic input, negotiation and regulation of purchase orders and the sale of financial products.

Prospective Group membership

Since 18/08/2005 your company belongs to the NCH Group which directs and controls the business through the N.C.H Company, with head offices in Bologna, Strada Maggiore 51.

The following prospectus provides key data from the last balance sheet approved by the aforementioned Company, which is responsible for management and planning. We also wish to highlight that the N.C.H Company. has draft the consolidated balance sheet.

(in thousands of euro).	31/12/2004	31/12/2003
Net intangible assets	2,441	4,154
Net tangible assets	295	206
Shares	14,991	2,709
Asset credits	210	210
Capital Assets –(A)	**17,937**	**7,279**
Remainder	400	348
Trade debtors	25,035	29,258
Other current assets	4,043	681
Accrued and deferred income	453	583
Assets-(B)	**29,931**	**30,870**
Trade creditors	(4,143)	(4,986)
Advances from clients	(2,243)	(3,270)
Other current liabilities	(6,181)	(5,561)
Accrued and deferred liabilities	(555)	(328)
Balance sheet liabilities –(C)	**(13,122)**	**(14,145)**
Net balance sheet capital-(D)=(B+C)	**16,809**	**16,725**
Provisions for liabilities and charges (E)	(52)	(518)
Severance pay	(3,368)	(2,858)
Invested capital –(G)= (A+D+E)	**31,326**	**20,628**
Financial indebtedness in the medium and long term	(17,418)	(6,223)
Long term financial credits	2,500	0
Short term financial indebtedness	(11,758)	(12,649)
Liquid assets and short term financial credits	6,553	4,392
Net financial status	**(20,123)**	**(14,480)**
Total net assets	**(11,203)**	**(6,148)**
Own funds and financial debts	**(31,326)**	**(20,628)**

Profit and Loss Statement (figures in thousands of euro).	**31/12/2004**	**31/12/2003**
Incomes from sales and services	43,771	54,589
Variations on remainder/excess	10	(91)
Other incomes and income streams	570	788
Total production value	**44,351**	**55,286**
Cost of asset purchases	(380)	(847)
Variations on remainder	41	342
ts for services	(16,294)	(18,663)
Costs for use of third party assets	(2,167)	(1,666)
Personnel costs	(19,368)	(19,857)
Other management charges	(1,083)	(825)
Gross operating margin:	**5,100**	**13,770**
Provisions and depreciations	(127)	(278)
Amortisations	(1,937)	(1,843)
Operating result	**3,036**	**11,649**
Adjustment of the financial activity	(3)	(12)
Net financial Incomes streams (charges)	(1,147)	(897)
Result Ordinary activities	**1,886**	**10,740**
Extraordinary incomes (charges)	(237)	(746)
Result before taxes	**1,649**	**9,994**
Tax on operating income	(440)	(5,512)
Net result	**1,209**	**4,482**

Points of note occurring during the financial year

The most important events to be recorded during the course of the financial year are:

- The 13th of January saw the end of the free stock option plan for TAS S.p.A agreed by the Board of Directors five years previously. Of the 120,000 ordinary shares within the scheme 72,152 were actually allotted.
- On the 28th of April at the TAS S.p.A. AGM a new Board of Auditors was nominated, its composition is reported in this document.

The same AGM also decided:

- that subsequent to the revocation of the preceding autorisation of the 28th of April 2004, it had discussed the purchase of its own shares, pursuant to the conditions of art. for a period of eighteen months from the date of the aforementioned decision, to a maximum turnover of 175,914 ordinary shares at an ordinary price, including the charges associated with the purchase of same, not less than the minimum of 0.52 Euro-which is equal to the nominal value of each share-and not greater than the maximum of

10% in relation to the reference price the share would have registered during stock market trading of the previous day for each single share The total maximum amount of the proposed investment is 4,500,00. Euro;

- In June 2005 TAS bought another 5% of the company controlled by Apia Switzerland APIA S.A. and therefore, including its previous shares, now holds 85% of APIA S.A. capital. The cost of the quota of no.50 shares, paid in cash, was 1,998,683.65 Euro, including brokerage fees and it is related to the operating performance of the Swiss company. This transaction is part of the Put and Call mechanism provided for in the buying and selling contract of the first quota equal to 75% of APIA S.A capital, completed by October 2003, and finalised by the purchase of up to 100% of the Swiss subsidiary over the next four years, the price being related to the future results of this company.
- On the 2nd of September 2005 both Ms. Lucia Busnello and Ms.Barbara Busnello resigned as Directors, and two new Directors, namely Matteo Tamburini and Paolo Ottani, were co-opted to take their place on the 7th of September, their term of office ending with the first AGM as well as with the approval of financial statements on the 31/12/2005;
- At the end of the period relating to the OPA (Public Offer Bid 28th October 2005) NCH Network Computer Houses S.p.A had brought its quota to no. 1, 192,230 ordinary shares. For more details regarding this transaction we refer to the offer document dated October 2005.

Basis of Preparation

The following financial statement complies with articles 2423 and subsequent clauses of the Civil Code, as follows from this supplementary note, pursuant to article 2427 of the Civil Code, which pursuant to the clauses of article 2423 constitute an integral part of the financial year statements.

Principles of Assessment

The principles used for the preparation of the closing financial year statement on the 31/12/05 do not digress from the principles used for the prep aration of the balance sheet for the previous financial year specifically in relation to the assessment and the continuity of the same principles, except for variations derived from the application of new principles introduced by the legislative decree no. contains the reforms on corporate law.
The evaluation of the entries in the balance sheet has been guided by the general principles of prudence and accrual based accounting within the probability of the business continuing, whilst at the same time taking into account the economic functions of the reckonable assets and liabilities.
The continued application of the principle of conservatism has ensured the individual evaluation of each constituent element of the single postings or entries relate d to assets or liabilities, so as to to avoid

compensation between losses which should have been acknowledged and profits which are not to be acknowledged because they have yet to materialise.
In compliance with the accrual basis principle of accounting, the outcome of the activities and other events have been recorded in the balance sheet and attributed to the financial year to which such transactions and events refer, and not to the year where relative numeric movements are realized(receipts and payments).
The continuity in the application of the evaluation method over time represents a necessary element for the purposes of comparing the balance sheets of the companies in their various financial years.
The evaluation method, taking into account the economic function of the reckonable assets and liabilities which express the principle of prevalence of substance over form, compulsory where it is not in express contradiction to other specific norms in the balance sheet, enables the representation of the transactions in relation to the economic reality underlying the formal aspects.

Derogations

No derogation has been applied to the aforementioned.
Specifically, the criteria for evaluation adopted in the drafting of the balance sheet have been reported below.

Fixed assets

Intangible

These have been entered into the historic costs of purchases and posted net of the amortisations effected during the course of the financial years and related to individual entries.
The costs of equipment and expansion costs have been posted within the assets by agreement with the Board of Auditors and the Auditing Company, and are amortised over five financial years.
The rights from industrial patents and licences from intellecutal property have been amortised with an annual 33.3% aliquot, trade names are amortised with an annual aliquot of 10%.
Improvements of the third party assets are amortised with aliquots dependent on the duration of the contract.
If independent of the amortisations already accounted for, there is a lasting loss of value, the assets will be accordingly devalued. If in the following financial years the predictions on depreciation do not occur, the original values, readjusted by individual amortisation, will be reassigned.

Tangible

These have been posted under the cost of purchases and readjusted by the corresponding provisions for amortisations.
In the values posted in the balance sheet, accessory charges and the costs sustained by the use of fixed assets, which reduce the costs of the sales discounts and the cash discounts by a substantial amount, have been taken into account.

The amortisation quotas, posted in the profit and loss accounts have been calculated both on the expected use and purpose, as well as the technical and economical durability of the assets, on the basis of the residual potential use criteria, criteria which we believe best represents the following aliquots, which remain unchanged in comparison to the previous financial year and reduced by half in the financial year in which the asset was first used to take into account the smaller period of use of the asset in such a year:

Plant and specific machinery	15%
Equipment	15%
Other assets; Mobile phones	40%
Furniture and fittings	12%
Electronic office equipment	40%
Hardware	40%

Regardless of the amortisations already accounted for, if there is a lasting loss of value, the assets will be devalued accordingly. If in the following financial years the predictions on depreciation do not occur, the original value is readjusted by the amortisations alone.

Appreciations have not been carried out.

Financial Leasing transactions.

The company does not hold assets acquired through financial leasings.

Credits

Are noted at their nominal encashment value. The adjustment of the nominal value of the credits at the presumed encashment value is obtained through the appropriate fund for credit devaluations, taking into consideration the age of the credits and the general economic conditions of the industry sector.

Debits

re taken up at their nominal value, modified in the case of returns or and adjustments to invoices

Accruals and deferrals

Have been established in accordance with the criteria of effective temporal accrual of the financial year.
There are no accruals and deferrals of a consolidated duration.

Remaining stock

Work in progress is entered based on the degree of completion or how advanced the work in progress is, the costs, the incomes and the margins on the order are recognised in relation to the advancement of the production activity. For the application of such criteria the method relating to the number of hours worked is used.
In the case that the total estimated costs for each single order exceeds the estimated incomes, the total projected loses are

acknowledged in total in the profit and loss account for the financial year in which such loses emerge.

Shares

The company does not possess shares at the date of closing of the balance sheet.

Shareholding

The shareholding in subsidiaries, posted under financial assets are valued at purchase price.
The shareholding in the TAS France subsidiary has been devalued in that it has suffered substantial long term value loses.

Own shares

The Company does not hold own shares.

Provisions for risks and charges

Have been provided to cover losses or confirmed existing or probable debts, the amount of which nor their expiry date could be determined at the close of the financial year.
In the evaluation of such provisions the general accounting method of prudence and accrual based accounting and no generic risk funds are created when there is no economic justification.
The potential liabilities in the balance sheet have been recorded and posted in the provisions as they are considered probable and relative charges can be reasonably estimated.

TFR Fund

Presents the effective mature debt owed to the employees in compliance with the prevailing legislative and labour contracts, taking into account that every form of remuneration is a continuum.
This provision in total corresponds to the single indemnities matured for the benefit of employees at the date of closure of the financial year, net of advances, and is equal to the hypothetical amount payable to employees in the case of severance payment at such a date.

Taxes on operating income

Taxes are provided for according to the accounting principle of accrual; which represents however:

- for taxes paid or to be paid for the financial year, are calculated in accordance with tax rates and the prevailing tax legislation.
- the total amount of deferred or advanced taxes in relation to unexpected temporary differences or differences cancelled during the course of the financial year;

Acknowledgement of incomes

The incomes from the sales of products are recognised at the time of the transfer of the property, which normally can be identified with the delivery or dispatch of goods.
Incomes of a financial nature and those deriving from services provided are posted in accordance with the temporal accrual method.
The incomes and revenues, the costs and charges relating to currency transactions are determined by the current rate of exchange in which the relative transaction takes place.
There are no incomes and charges relating to the transactions of buying and selling with obligatory reconveyance/repurchase agreements.

Criteria for corrections

No criteria for corrections have been adopted.

Criteria for the conversion of shares expressed in foreign currency

The incomes and charges pertained to transactions originally conducted in foreign currencies, at the close of the year are respectively accredited and debited to the Profit and Loss account under item 17 bis. Profits and loses on the exchange rates.

The credits and debits and the liquid assets, originally expressed in foreign currencies, posted on the basis of the exchange rates prevailing at the date and which they occurred and present at the closing of the financial year, are linked to the current rates of exchange at the closing of balance sheet, on the basis of UIC records. The eventual profits and losses derived from the adjustment of the rates of exchange at the close of the financial year of the posted currencies do not concur with the creation of the balance sheet result, but are recorded in a specific fund for exchange rate fluctuations.

Guarantees, liabilities, third party assets and risks

Represent:

- <u>Non standard risk guarantees:</u>
  Details of the value of the surety bond guarantees (instead of a security deposit) issued by a credit institute against the properties of the Rome and Milan offices where the business is conducted, as well as the value of the guarantee released in favour of the company, including the shareholding of the Swiss subsidiary APIA, have been discussed previously under the share entry.

- <u>Reconciliation between civil and fiscal norms:</u>
  Is the amount of costs sustained during the present and previous financial year, which are tax deductible in the subsequent periods, within the limits of these amounts, and for which taxes are reasonably likely to be recovered.

Information on labour

The average company workforce in terms of personnel is divided into categories. In comparison to the preceding financial year the following changes have occurred.

Workforce	**31/12/2005**	**31/12/2004**	**Variations**
Directors	5	4	1
Managers	15	16	1
Employees	42	42	
	62	**62**	

The labour force has remained unvaried in relation to the preceding financial year. Only one manager has been promoted to the position of director.
The national labour contracts applied are those related to the commercial and tertiary sector contracts for both employees and managers, whilst those applied for directors are the those used for directors in the manufacturing industry.

Subscribed capital, unpaid

No credits due to shareholders for outstanding payments

Assets

I. Intangible assets

Balance on the 31/12/2005	Balance on the 31/12/2004	Variations
65,998	110,339	(44,341)

Total movements of Intangible Assets

Description of costs	**Value 31/12/2004**	**Increase for the financial year**	**Decrease for the financial year**	**Amortisation for the financial year**	**Value 31/12/2005**
Plant and expansion	4,996			4,196	800
Royalties from industrial patents	99,311	85,136		120,673	63,774
Concessions, licences and trade names	1,658			283	1,375
Other	4,374			4,325	49
	110,339	**85,136**		**129,477**	**65,998**

The amortisations relative to items " Plant and expansion" refer to charges sustained in 2001 and 2002 for the increases in share capital, for modifications of the statutes, for the conversion of the nominal capital into Euro.
“ Royalties from industrial patents” include the costs sustained for the purchase of accessory or complementary software for the production of in-house software programmes.

The “concessions, licences, trademarks” refer to costs incurred for the registration of the company trade names.

The entry "other" pertains to costs incurred on rented third party assets.

Previous appreciations, amortisations and depreciations

The historic costs from the beginning of the year are broken down as follows:

Description of costs	**Historic costs**	**Total provision**	**Re-valuations**	**Devaluations**	**Net value**
Expansion of plant	1,601,653	1,596,657			4,996
Royalties from industrial patents	731,184	631,873			99,311
Concessions, licences and trade names	2,838	1,180			1,658
Other	44,514	40,140			4,374
	2,380,189	**2,269,850**			**110,339**

Displacement from one entry to another

None have taken place

Appreciations and depreciations exercised during the course of the year

No appreciations or depreciations have been exercised during the course of the year.

Cost of plant and expansion

Description of costs	**Value 31/12/2004**	**Increase for the financial year**	**Decrease for the financial year**	**Amortisation for the financial year**	**Value 31/12/2005**
Increase in share capital	696			696	
Other variations	4,300			3,500	800
Deed of incorporation					
	4,996			**4,196**	**800**

Tangible assets

Balance on the 31/12/2005	Balance on the 31/12/2005	Variations
104,721	89,873	14,848

Plant and machinery

Description	**Amount**
Historic costs	106,677
Amortisations from previous financial year	(71,183)
Balance on the 31/12/2005	**35,494**
Purchase for the financial year	997
Amortisations for the financial year...	(11,995)
Balance on the 31/12/2005	**24,496**

Industrial and commercial equipment

Description	**Amount**
Historic cost	35,983

Amortisations from previous financial years	(35,983)
Balance on the 31/12/2004	
Purchases for the financial year	
mortisations for the financial year	
Balance on the 31/12/2005	

Other assets

Description	Amount
Historic cost	982,253
Amortisations from previous financial years	(927,874)
Balance on the 31/12/2004	**54,379**
Purchase for the financial year	72,010
Amortisations for the financial year	(46,164)
Balance on the 31/12/2005	**80,225**

No appreciations or depreciations has been exercised on the tangible assets.

Financial assets

Balance on the 31/12/2005	Balance on the 31/12/2004	Variations
11.593.397	9.990.909	

Shares

Description	31/12/2004	Increase	Decrease	31/12/2005
Subsidiaries	9,243,983	1,998,683	327,386	10,915,280
Other companies	66,820			66,820
	9,310,803	**1,998,683**	**327,386**	**10,982,100**

The variations that have occurred are due to

Increases	Purchases	Appreciations	Amount
Subsidiaries	1,998,683		1,998,683
	1,998,683		**1,998,683**

Decreases	Disposal values	Depreciations	Amount
Subsidiaries		327,386	327,386
		327,386	**327,386**

The increase refers to the acquisition of a further 5% of the capital of the Swiss subsidiary APIA S.A., and includes related charges incurred for the acquisition.

For the aforementioned transaction please refer to explanations provided in paragraph " Significant events occurring during the financial year".

The decrease, on the other hand, refers to the depreciation of the shares in the French subsidiary TAS France due to the lasting loss in value.

Although the shareholding has always ended the financial year with losses, from the last financial year there has been a noticeable net reduction of the same, half in respect of 2004. The improvement of the accounts in 2005 is essentially due to the reduction in costs, primarily in the reduction of personnel.

The following information pertained to shares owned directly or indirectly from subsidiaries and other companies.

Subsidiaries

Name	Headquarters	Capital.	Net Assets	Profits/ Losses	%Poss.	Net value of balance sheet
	Route des Greters, Sophia, Antipolis, France.	503,082	(309,573)	(212,506)	100	0
	Prati Botta 22, Barbengo, Lugano,Switzerland.	64,767	7,789,822	3,921,060	85	10,915,280

Other companies

Name	Headquarters	Capital.	Net Assets	Profits/ Losses	%Poss.	Net value of balance sheet
Sia Cedborsa SpA	Via Taramelli, 26 Milan, Italy.	18,123,684	85,223,568	9,260,292	0.0003	66,820

The shares held in assets represent a durable and strategic investment on behalf of the company.
The shareholding in subsidiaries are assessed in accordance with the principle of continuity of assessment, at the purchase price.
Other shares are posted at the purchase price
The depreciation of the shares affected during the previous financial years are as follows:

	Balance sheet	Depreciation amount
AS France Eurl	2001	475,140
TAS France Eurl	2002	1,109,633
TAS France Eurl	2003	572,865
		2,157,638

For shares in the APIA S.A. subsidiary, assessed at purchase price, which has a posting value on the balance sheet superior to the value calculated from the accounting method of net assets, it is acknowledged that the greater posting value is calculated by the existence of goodwill.
No capitalised shares have been re-allocated.
On none of the capitalised ssets is there a restrictions on availability on behalf of the shareholding company nor does there exist option rights or other privileges.
During the financial year no shareholding company had discussed a free or paying capital increase.

Whilst with the shareholding company APIA SA, no significant transaction has been posted in relation to this, with the parent company TAS France Eurl there exist commercial relationships (this entity is a TAS SpA supplier and client) and a financial relationship for financing provisions for this company (as detailed below).

Credits

.

Description	31/12/2004	Increase	Decrease	31/12/2005
Subsidiaries	435,662	112,577		548,239
Other	244,444	1,515	182,901	63,058
	680,106	**114,092**	**182,901**	**611,297**

Increases for subsidiaries relate to lump sum payments to the parent company TAS France in 2005 in the form of finance.
The entry credits due to others, include s amounts which relate to security deposits for 3,564 euro, as well as the residual price of 59,494 euro, relative to lump sum payments to employees in 2002 and 2004 to deal with the increasing social and fiscal contributions due to the stock option grant effected in those periods. The amounts indicated are gross of annual accrued interest.

The division of credits on the 31/12/2005 in relation to geographical territory is reported in the following table.

Credits for Geographical Territory	To/subsidiar	To/affiliates	To/parent companies	To/others	Total
Italy				63,058	63,058
France	548,239				548,239
Total	**548,239**			**63,058**	**611,297**

Own shares

The Company does not hold own shares.

Information relative to financial assets entered with a value superior to fair value

In the balance sheet no financial assets have been listed for values above their fair value.

CURRENT OR FLOATING ASSETS

I. Remainders

Balance on the 31/12/2005	Balance on the 31/12/2004	Variations
50,399	155,222	(104,823)

The assessment criteria adopted have not changed in relation to the previous financial year and are justified by this supplementary note.
For variations corresponding to individual categories, please refer to the information highlighted in the Profit and Loss account.
The remainders relate to contracted works , regarding installation activities and provision of services which are being finished.

Credits

Balance on the 31/12/2005	Balance on the 31/12/2004	Variations
989,783	1,041,503	(51,720)

The balance is subdivided as follows in relation to due dates:

Description	12 months	After 12 months	After 5 years	Total
Credits/from to clients	716,041			716,041
From subsidiaries	56,712			56,712
For Taxes due/ payables	164,994			164,994
For advanced taxes	17,313			17,313
Due to others	34,723			34,723
	989,783			**989,783**

There are no transactions which require conveyance.
Credit due to subsidiaries relates to the commercial credit due to the parent company TAS France.
The tax credits refer to:

- o Direct taxes from preceding financial periods, pending a refund of Euro 62,988 and other credits for 64 Euro;
- o To 2005 for advances paid and taxes recovered, which were above taxes due for Euro 81.803 and for VAT credits to the value of 20,139 Euro.

The foreseeable taxes for 17,313 Euro are relative to the temporal deductible differences. For further details please refer to the relative paragraph of the last part of the present supplementary note.
Credits due to others on the 31/12/2005, equal to 34,723 Euro are broken down as follows:

Description	Amount
For security deposits	221
Due to social entities	3,274
Due to French inland revenue for VAT	18,123
Due to suppliers	13,083
Other	22
	34 ,723

There are no credits pertaining to transactions which require conveyance.

The adjustment of the nominal value of the credits at the assumed encashment date is obtained through the appropriate fund for credit devaluations, which has remains unchanged during the course of the financial year.

Description	Depreciation fund Pursuant to art. 2426 Civil Code	Depreciation fund pursuant to art. 106 917/1986	Total
Balance on the 31/12/2004	110,709		110,709
Use during financial year			
Provision financial year			
Balance on the 31/12/2005	**110,709**		**110,709**

The provision fund is suitable for related risks, and is in compliance with the regulations of the Civil code and is not impinged upon by provisions executed for solely tributary purposes.

The division of credits on the 31/12/2005 by geographical territory is reported in the following table.

Credits for Geographical Territory	ToClients	To/subsidiar	To/affiliates	To/parent companies	To/Others	Total
Italy	567,850				16,600	584,450
France		56,712			18,123	74,835
Republic of San Marino	16,000					16,000
Great Britain	120,148					120,148
Germany	12,043					12,043
Total	**716,041**	**56,712**			**34,723**	**807,476**

Financial activites

No financial assets are present in the balance sheet.

Liquid assets

Balance on the 31/12/2005	Balance on the 31/12/2005	Variations
7,786,135	9,442,128	(1,655,993)

Description	31/12/2005	31/12/2004
Bank and postal deposits	7,782,877	9,438,754
Cash and other cash assets	3,258	3,374
	7,786,135	**9,442,128**

The balance represents liquid assets and the existence of figures and values at the close of the financial year.
For the entry "cash and other cash assets" there is liquid foreign currency (swiss francs), which is calculated as discussed in our previous paragraph " Criteria for the conversion of values expressed in currencies".

D) Accruals and deferrals

Balance on the 31/12/2005	Balance on the 31/12/2004	Variations
59,844	64,020	(4,176)

These measure incomes and charges for which the accruals are anticipated or post-ticipated in relation to numeric records and/or documents; these precede the date of payment or the encashment of the relevant incomes and charges, common to two or more businesses and are divisible because of time differences.

There are no accruals and deferrals which were originally expressed in foreign currencies.
There are no accruals and deferrals which have a duration above five years.

The breakdown of the entries is detailed as follows:

Description	Amount
Active accruals: financial incomes	7.838
Active deferrals: technical services	22.289
Active deferrals: user fees	2.796
Active deferrals: properties	1.394
Active deferrals: maintenance and other services	10.273
	59.844

Liabilities

A) Net Assets

Balance on 31/12/2005	Balance on 31/12/2004	Variations
18,415,678	18,656,059	(240,381)

Description	31/12/2004	Increases	Decreases	3/12/2005
Capital	921,519			921,519
Share premium fund	17,241,655			17,241,655
Legal reserve	271,457			271,457
Extraordinary reserve	3,506	193,344		196,850
Reserve for conversion/rounding up in Euro Euro	(1)	2		1
Share issue fund	4,579			24,579
Profits (losses) financial year	193,344	(240,383)	193,344	(240,383)
	18,656,059	**(47,037)**	**193,344**	**18,415,678**

The details of the movement of assets is outlined in the table below.

	Capital share	Legal Reserve	Other Riserve	Operating Result	Total
At the beginning of the previous finnancial year.	**914,754**	**180,410**	**17,276,506**	**91,047**	**18,462,717**
Allocation of financial year results					
- Allocation of dividends					
- Provision for legal reserve		91,047		(91,047)	
Increase in share capital share	6,765		(6,765)		
Other movements			(2)		(2)
Result from previous financial year				193,344	193,344
At the close of the previous financial year:	**921,519**	**271,457**	**17,269,739**	**193,344**	**18,656,059**
Allocation of final year results					
- Allocation of dividends					
- Provision for extraordinary reserve funds			193,344	(193,344)	
Other movements			2		2
Result from current financial year				(240,383)	(240,383)
At the close of current financial year	**921,519**	**271,457**	**17,463,085**	**(240,383)**	**18,415,678**

The share capital is broken down as follows.

Shares/Quota	Number	Nominal Value in Euro
Ordinary shares	1,772,152	0.52
Total	**1,772,152**	

During the financial year no new shares were subscribed. However, at the close of the financial year the shares in circulation are as follows:
no. 1.772,152 ordinary shares of a nominal value of 0.52 euro each with the share capital share totalIng 921,519.04 Euro.
The postings of the net assets are distinguished according to their origin, their possible use, the distribution potential of the same and their use in the three previous financial years.

Type / Description	Amount	Possible use (*)	Available quota	Effect. Use during the 3 previous financial years/for covering losses	Effect use during the 3 prev. financial years for other reasons
Capital	921,519	B			
Premium share fund	17,241,655	A, B, C	17,241,655		
Legal reserve	271,457	B	271,457		
Extraordinary reserve fund	196,850	A, B, C	196,850	1,229,311	3,078,499
Share fund for issue of shares	24,579	A	24,579		19,469
Reserve for conv/rounding to. Euro	1		1		
Profits (losses) brought forward		A, B, C			
Total			**17,734,542**		
Non distributible quotae			(296,037)		
Residual distribuible quota			**17,438,505**		

(*) A: for share capital share increase; B: for loss coverage; C:for distribution to shareholders

In compliance with the accountancy principle n.28 on net assets, the following complementary information is provided:
a) Breakdown of the entry “Statutory reserve”

Reserve	Price
Reserve share issue	
	24, 579

In net assets the following postings are present:
Reserves or other funds in the case of distribution do not concur to create a taxable income on the shareholders independent of the period of creation.

Reserve	Value
Share premium fund	17,241,655
	17,241,655

Neither are the following postings present:

- Reserves or other funds which when distributed concur to create taxable income on the company independent of the period of their creation.
- Reserves or other funds which when distributed concur to create taxable income on the company, independent of the period of their creation for the free increase of the share capital with use of the reserve.

B) Provision for risks and charges

Balance on 31/12/2005	Balance on 31/12/2004	Variations
13	32	(19)

Description	31/12/2004	Increases	Decreases	31/12/2005
Other	32		19	13
	32		**19**	**13**

C) Severance pay for contracted work

Balance on the 31/12/2005	Balance on the 31/12/2004	Variations
996,713	847,638	149,075

The variation is broken down as follows.

Variations	31/12/2004	Increases	Decreases	31/12/2005
TFR, movements in the period	847,638	208,597	59,522	996,713

The total TFR relative to the eventual terminated labour contracts, for which payment is due before the 31/12/2005 has been posted under item D.14 of the assets and liabilities amongst other debts.

D) Debts

Balance on the 31/12/2005	Balance on the 31/12/2004	Variations
1,049,732	1,147,282	(97,550)

Debts are estimated at their nominal value and their due date is broken down as follows:

Description	Within 12 months	After 12 months	After 5 years	Total
Bank loans	17			17
Down payments	181,154			181,154
Trade debts	311,134			311,134
Debts owed to subsidiaries	19,162			19,162
Social contributions owed	122,096			122,096
Debts owed to pension funds,	200,654			200,654
Other loans	215,515			215,515
	1,049,732			**1,049,732**

The entry “ Down payments” includes payments received by clients relating to the provision of goods or services which have not yet been delivered.

“Trade debts” are posted net of commercial discounts; the cash discounts on the other hand are recorded at the time of payment.

Debts owed to subsidiaries represent the commercial debt to the TAS France subsidiary for services provided.

The entry “ Fiscal debts” exclusively refers to the debt for income taxes on employees and for independent contractors during the month of December for 122,096 euro.

Debts owed to pension institutes are exclusively related to social security contribution paid to employees during the month of December and on the mature retributions on the date of closure of the balance sheet, referring to accurals for the thirteenth month, unused holiday

leave and bonuses.
The entry other debts is mainly composed of debts owed to employees for the added monthly payment, bonuses, reimbursement of expenses and accumulated holiday pay for holidays not taken on the 31st of December 2005 for a total of 139,573, for debts owed to clients for erroneous xxx received for a total of Euro 55,020, and debts owed to shareholders and directors for 17,117 Euro and other debts for 3,805 Euro.

No bonds were issued during the financial year.
Ther are no debts relating to transactions which require conveyance.
The distribution of Debts on the 31/12/2005 in accordance with geographical sector is shown in the following table.a

Receivables per geographical zone	**To/suppliers**	**To/subsidiarie**	**To/affiliates**	**To/ parent companies**	**To/others**	**Total**
Italy	295,844				215,515	511,359
Spain	7,900					7,900
Great Britain	4,341					4,341
France	3,049	19,162				22,211
Total	**311,134**	**19,162**			**215,515**	**545,811**

E) Accruals and Deferrals

Balance on the 31/12/2005	Balance on the 31/12/2004	Variations
188,141	242,983	(54,842)

Represent adjusting entries of the financial year counted on the basis of the temporary accrual criteria.
There do not exist deferals and accruals and deferrals which were originally expressed in foreign currency.
There do not exist on the 31/12/2006 accruals and deferrals which are longer than five years.

The breakdown of the entries is summarised as follows.

Description	Amount
Passive deferrals; financial charges	192
Passive accruals; incomes on future accruals	187,949

Interim accounts

Description	31/12/2005	31/12/2004	Variations
Non standard risk guarantees	1,081,084	1,441,084	(360,000)
Agreement between civil and fiscal nomrsi	51,807	48,299	3,508
	1,132,891	**1,489,383**	**(356,492)**

The assessment criteria in relation to guarantees, commitments , third party assets and risks.
From the Interim accounts above the entry " non standard risk guarantees" includes a residual from the guarantee given by the sellers of Apia S.A., in case of potential liabilities, non-existence, capital losses of the sold company, and are not an outcome of the reference assets and liabilities , for the sum of 1.000,000 Euro until completion. This also includes the value of the gurantees given by the credit institutes on the property for the offices of Roma and Milan for 81,084 Euro.
The entry "agreement between civil and fiscal regulations" represents the total amount of the temporal differences deductible for the following financial years for fiscal regulations.

Profit and Loss Account

A) Production value

Balance on the 31/12/2005	Balance on the 31/12/2005	Variations
6,041,836	6,595,348	(553,512)

Description	31/12/2005	31/12/2004	Variations
Incomes from sales and services	145,792	6,629,717	(483,925)
Variations for work in progress	(104,823)	(34,757)	(70,066)
Other incomes and income streams	867	388	479
	6,041,836	**6,595,348**	**(553,512)**

The variation correlates closely to the information outlined in the Management Report.
Incomes from sales and services are broken down as follows:

Incomes per category of activity.

Category	31/12/2005	31/12/2004	Variations
Sales of products and accessories	86,630	182,136	(121,506)
Services provided	6,059,162	6,447,581	(362,419)
Variations for work in progress	(104,823)	(34,757)	(70,066)
Other incomes and income streams	867	388	479
	6,041,836	**6,595,348**	**(553,512)**

Incomes per geographical sector

	Sales	Services	Various	Total
	73,630	5,607,824	867	5,682,321
France		34,294		34,294
Great Britain		240,583		240,583
Germany		45,541		45,541
Switzerland		4,400		4,400
Republic of San Marino		34,697		34,697
	73,630	**5,967,339**	**867**	**6,041,836**

B) Production costs

Balance on the 31/12/2005	Balance on the 31/12/2004	Variations
5,842,579	6,057,689	(215,110)

Description	31/12/2005	31/12/2004	Variations
Primary and secondary materials and goods	91,334	84,725	6,609
Services	1,604,057	1,563,571	40,486
Use of third party facilities	227,613	251,765	(24,152)
Wages and salaries	2,662,286	2,622,878	39,408
Social security contributions	838,532	824,327	14,205
Severance pay	208,597	199,576	9,021
Other personnel costs	12,191		12,191
Amortisation intangible assets	129,477	399,569	(270,092)
ortisation tangible assets	58,159	66,934	(8,775)
Other operating expensess	10,333	44,344	(34,011)
	5,842,579	**6,057,689**	**(215,110)**

Costs for primary and secondary materials, consumables, goods and costs for services

This correlates closely with the information outlined in the management Report on the management and running of Point A (Production Value) of the Profit and Loss account.

Personnel costs

This entry encompasses the full personnel costs including promotions, change in rank, cost of living increase, unused holiday pay, legal and collective contract provisions.

Amortisation of tangible assets

With regard to amorisations it needs to be specified that these have been calculated on the basis of the useful durability of the asset and its deployment during the production phase.

Other asset depreciations.

No other depreciation has been carried out

Depreciation of credits included in the current assets and in the liquid assets.

It does not seem necessary to proceed to further provisions for depreciations of commercial credits given that the existing fund seems more than adequate.

Provision for risks

As well as the provision of a fund for the fluctuation in exchange rates no other provision has been made.

ther provisions.

No other provision has been made.

Other miscellaneous operating costs

This entry covers all the residual costs which are not allocated in the other postings of the profit and loss account. The entry is for a small sum

C) Incomes and financial charges

Balance on the 31/12/2005	Balance on the 31/12/2004	Variations
171,391	181,785	(10,394)

Description	31/12/2005	31/12/2004	Variations
From shares	1,210	1,210	
From receivables in assets	14,388	8,690	5,698
Incomes different from previous	161,888	179,555	(17,667)
(Interest and other financial charges)	(5,778)	(7,698)	1,920
Profits (losses) on exchange rates	(317)	28	(345)
	171,391	**181,785**	**(10,394)**

Incomes from shares

Description	Subsidiaries	Affiliates	Other
Dividends			1.210
			1.210

Relates to dividends received from the SIA Cedborsa SpA. subsidiary.

Other financial incomes

Description	Parent Groups	Subsidiaries	Affiliates	Other	Total
Interests on loans		12,576		1,515	14,091
Interests on security deposits				297	297
Bank and post-office interests				161,888	161,888
		12,576		**163,700**	**176,276**

Bank interestes relate to the charges matured on the ordinary current accounts and on the "time deposit accounts" (time notification accounts).
The interests on loans are subsequent to loans provided to the parent company TAS France Eurl and to employees, which is dealt with in the paragraph relating to financial assets.

Interests and other financial charges

Description	Parent Groups	Subsidiaries	Affiliates	Other	Total
Bank interests charges				1	1
Financial costs and charges				5,777	5,777
				5,778	**5,778**

Profits (losses) on exchange rates

Represents the balance from income and charges pertaind to transactions originally expressed in foreign currencies and concluded during the course of the year.

D) Adjustments of value of financial activities

Balance on the 31/12/2005	Balance on the 31/12/2004	Variations
(327,386)	(60,350)	(267,036)

Appreciations

No appreciation has been made.

Depreciations

Description	31/12/2005	31/12/2004	Variations
In shares	327,386	60,350	67,036
	327,386	**60,350**	**267,036**

On the other hand, as indicated by the depreciation in 2005 of the TAS France shareholding, the amount of the depreciation outlined in the previous balance sheet pertains to the shareholding in TAS-ESPANA SA which was terminated ceassed during the course of the same financial year.

E) Income and extraordinary charges

Balance on the 31/12/2005	Balance on the 31/12/2004	Variations
(2,470)	(31,222)	28,752

Description	31/12/2005	31/12/2004
Income from fees of previous financial years		11,667
Corrections for costs from previous financial years	2,668	
Miscellaneous		1,191
Total income	**2,668**	**12,858**
Capital Loss		(9,933)
axes from previous financial years (tax amnesty)		(300)
Readjustments of incomes from previous financial years	(4,770)	(31,576)
Costs from previous financial years	(216)	(722)
Inexsistence of assets		(1,550)
Miscellaneous	(152)	(1)
Total charges	**(5,138)**	**(44,080)**
	(2,470)	**1,222)**

Taxes on operating income

Balance on the 31/12/2005	Balance on the 31/12/2004	Variations
281,175	434,528	(153,353)

Taxes	Balance on the 31/12/2005	Balance on the 31/12/2004	Variations
Current taxes:	282,945	345,210	(62,265)
IRES	109,949	163,210	(53,261)
IRAP	172,996	181,999	(9,003)
Deferred taxes (advanced)	(1,770)	89,318	(91,088)
IRES	(2,283)	89,883	(92,166)
IRAP	513	(564)	1,077
	281,175	**434,528**	**(153,353)**

Taxes for the financial year have been posted.

The reconciliation between the theoretical charge resulting from the balance sheet and the theoretical tax charge are explained below.

Reconciliation between the tax burden on the balance sheet and the theoretical tax burden (IRES)

Description	Valuexxx	Taxes
Result before taxes	**40,792**	
Theoretical tax burden (%)	33	13,461
Temporary taxable differences in subsequent financial years:		
Non-taxable incomes:		
Share dividends	(1,150)	
Other incomes and income streams	(691)	
	(1,841)	
Temporary differences deductible in subsequent financial years:		
Representation fees	5,228	
Costs for services	23,000	
Administrators' remuneration	15,580	
	43,808	
Reversal of temporary differences from previous financial years		
Representation fees	(4,739)	
Costs for services	(35,560)	
Unrealised quota on capital losses asset depreciation	(133,926)	
	(174,225)	
Differences which will not be forwarded into the following financial years		
Costs which are not tax-deductible,	94,369	
5% excess in the provision account for bad debts	2,891	
Unrealised capital loss share depreciation	327,386	
	424,646	
Taxable incomes	**333,180**	
Current taxes on operating income		109,949

Calculation of taxable income IRAP

Description	Value	Taxes
Difference between value and production costs	**199,256**	
Costs not relevant for IRAP purposes		
Personnel costs	3,721,607	
Fees and charges for administrators and internal collaborators.	129,591	
	3,851,198	
Income not relevant for IRAP purposes		
	4,050,454	
Theoretical tax burden (%)	4.25	172,144
Temporary differences deductible in subsequent financial years:		
Representation fees	5,228	
Costs for services	23,000	
	28,228	
Reversal of temporary differences from previous financial years		
Representation fees	(4,739)	
Costs for services	(35,560)	
	(40,299)	
Differences which will not be reversed into the following financial years		
Non tax-deductible costs	109,006	
	109,006	
Other tax variables increasing or decreasing		
Non-taxable incomes and revenues	(691)	
Personnel costs pursuant to article of the law 68/99	(55,726)	
Personnel costs for personnel hired under training contract.		
INAIL Accident premium	(12,607)	
Contingency liabilities correlated to IRAP income in previous financial years	(4,770)	
Costs for services	(5,777)	
Contingent assets correlated to IRAP costs during previous financial years.	2,668	
	(76,903)	
Taxable IRAP	**4,070,486**	
Current IRAP for financial year.		172,996

Pursuant to point 14) of art2427 of the Civil code the information required on deferred and advanced taxes is reported

Deferred and anctipated taxes

No deferred taxes have been identified there being no positive income present for which taxes have been deferred into future balance sheets. Advanced taxes have been recorded to the extent that there exists, within a reasonable degree of certainty, in the financial years in which the temporary deductible differences have been reversed, and against which advanced taxes have been posted, a taxable income not less than the total sum of the differences which would be cancelled.

The principles of temporary differences which involved the recording of advanced taxes are outlined in the following table together with relevant effects.

Outline of advanced taxes and consequent effects:

	Financial year 31/12/2005 End.		Financial year 31/12/2004 End.	
	Sum total of the temporary differences	Tax effect	Total of the temporary differences	Tax effect
Advanced taxes;				
Depreciation for long lasting losses of tangible assets				
Depreciation for long lasting losses of ntangible assets				
Provisions for risks and charges				
Other	(43,808)	(16,308)	(40,882)	(15,229)
Total advanced taxes;	(43,808)	(16,308)	(40,882)	(15,229)
Deferred taxes (advanced)				
Advanced amortisations				
Excess amortisations				
Depreciation of credits				
Total deferred taxes				
Net deferred (advanced) taxes	(43,808)	(16,308)	(40,882)	(15,229)
taxes pertaining to fiscal losses of the financial year.				
taxes pertaining to fiscal losses of the previous financial year.				
Temporary differences excluded from the calculation of the (advanced) and deferred taxes.				
Fiscal losses brought forward				
Net	**(43,808)**	**(16,308)**	**(40,882)**	**(15,229)**

The temporary differences which involved the recording of advanced taxes in the financial year for the purposes of IRES and IRAP are applicable to costs for services and agency fees for a total of 43,808 Euro.

Repeal of fiscal interference/intervention

As noted, pursuant to the principle outlined in art. with the legislative decree nl introducing reforms in Corporate governance, the second comma of article 2426 which allowed corrections in values and provisions exclusively for the purpose of applying the fiscal norms.
The cancellation of this facility is not aimed at causing the loss of the right to deduct liabilities from income given that the opportunity to deduct these elements off balance sheet pursuant to art.109, comma 4, letter b), of the TUIR, as reformulated by the legislative decree n.344/2003 which introduced the reform of the state tax system.
As the company in previous financial years,did not make any provisions or corrections of value without civil justification, it has not be necessary to proceed to their payment and there to record the consequence of this.

Information on the financial instruments posted by the company

The company, apart from the shares emitted discussed in the paragraph relating to net worth, has not emitted any other financial instruments,

Informations relating to the fair value of the derivative financial instruments.

Pursuant to art. comma 1, point 1) of the civil code underlines that there are no derivative financial instruments posted as such by the company.

Other information.

Below is an outline of the total remuneration paid or due to the Directors, Board of Auditors and Directors General.

Subject Surname and name	Description of position	Duration of position	Emoluments per task	Recompense Benefit in kind	Bonuses and other incentives	Other payments
Busnello Pompeo	President	Until approval of the 2005 balance sheet	76,000			
Busnello Lucia	Director	Until 02/09/2005	1,500			70,554
Busnello Barbara	Director	Until 02/09/2005	1,500			
Bassi Angelo	Director	Until approval of the 2005 balance sheet	4,000			
Ferri Fabio Massimo	Director	Until approval of the 2005 balance sheet	4,000			
Tamburini Matteo	Director	Until next AGM	2,080			
Ottani Paolo	Director	Until next AGM	2,500			
Total Directors' remuneration			91580			70,554
Cintolesi Edoardo	President of the Board of Auditors	Until approval of the 2007 balance sheet	4,254			
Tranquilli Falvio	Regular auditor	approval of the 2007 balance sheet	16,107			
Surace Francesca	Regular auditor	Until approval of the 2007 balance sheet	11,999			
Alesiani Federico	Regular auditor	Until 28/04/2005	8,998			
Total remuneration Auditors			41,358			
Grand total remunerations			132,938			70,554

The "other remunerations" relating to Directors have been paid salaried employees.

The present balance sheet, comprising the state of assets and liabilities, profit and loss accounts and supplementary note to financial statements, represent a veritable and correct representation of the financial and asset and liability status as well as the the profit and loss status in the financial year and is consistent with the results of the accounting books.

For the Board of Directors
The President
BUSNELLO POMPEO

TAS Consolidated Balance Sheet on the 31st of December 2005

BOARD OF DIRECTORS AND AUDIT COMMITTEE IN OFFICE

Board of Directors

(*) term of office; Approval of the balance sheet on the 31st December 2005

Until next AGM

Pompeo Busnello		President and CEO (*)
Paolo Ottani		Non executive Director ( )
Matteo Tamburini	1, 2	Non executive Director ( )
Angelo Bassi	1, 2	Independent non-executive Director (*)
Ferri Fabio Massimo	1, 2	Independent non-executive Director (*)

President of the Board of Auditors

Term office: Until approvall of the balance sheet on the 31st December 2007

Acting auditors		
Edoardo Cintolesi		President
Fulvio Tranquilli		
Francesca Beatrice Surace		
Alternate Auditors		
Frederico Alesiani		
Alba Rita Miglietta		

Auditing Company		MAZARS & GUERARD S.p.A.
Share capital	€ 921,519,04	
No. of shares	1,772,152	
Nominal value	€0.52	

Member of the remuneration Committee

Member of the Internal Auditing Committee

REPORT

INTRODUCTION

From the 1st of January 2005 the Group has adopted the IAS/IFRS international principles of accounting approved by the European Commission; therefore the present document has been draft in accordance with these same prevailing principles. Following the introduction of the European Regulation n. 606 of 2002.
A reconciliation between the financial year result and the net worth in accordance with the preceding principles and the current principles has been provided so that comparisons can be made with the 2004 financial year.
The present balance sheet 2005, has been approved by the Board of Directors on the 28th of February 2006.

SUMMARY OF RESULTS

The total income during the 2005 financial year has increased by 16% from 12,228k € to 14,125k€ The improvement of the Apia contract of circa 1,000k€ during the preceding financial year has contributed to the increase in income
The operating result has improved by 59% , to 5,019k€ during the same period as for the previous year, when it was 3,166k€, with a 36% impact on income.
The profit for the financial year is of 3,864k€ with an increase of 82% on the reclassified earnings IAS/IFRS 2004 when it was 2,124k€.
Even with an outgoing of 2 million Euro last June for the purposes of acquiring a further 5% of Apia, the net Financial status increased by the 1st of January 2005 to 2,693k€ and is positioned at +11,308k€

OBSERVATIONS ON THE OPERATIONAL MANAGEMENT

The combination of cost control coupled with increased incomes, even after restructuring activities, has brought the Group to achieve outstanding results.
The diversification of the incomes, different products/services offered in each of the three countries where the Group operates, Italy, Switzerland and France, has built the basis for structural growth.
The Swiss subsidiary operation Apia SA, has played a crucial role in contributing to the Group profits. In fact the APIA SA growth of 54% has counteracted the light dip in TAS S.p.A profits, -8% and TAS France EURL, -12%,.
Cost control, + 2% and the financial incomes generated by the increasing availability of cash have produced a net result of 3,864k€ equal to 27% of the total incomes.

RESEARCH AND DEVELOPMENT ACTIVITY

Research and development activity within the group is lead by TAS, with the assistence of both the French subsidiary TAS FRANCE in relation problems concerning the financial markets, and of Apia for basic banking processes(e.g. current accounts), Supplychain, Management and Credit Controls and for Asset Management processes.

During the financial year the activity has concentrated on:

- The re-engineering of the “Teletrading” application within a Unix environment so that:
    - reliability and performance is improved
    - the development timescale for new processes is accelerated.
    - the functional developments for the impact of the new MIFID Directive (which will come into effect in 2006/2007) is ready

  The re-engineering of the “ASP” application within a Unix environment to:
    - increase reliability and performance;
    - accelerate the development timescale for new processes;
- The development of the “Disaster recovery” application.This services provides financial operators with a Teletrading platform which guarantees disaster recovery both from the point of view of access to the Italian and foreign Stock Markets, as well as the links between banks and their end clients.

POINTS OF NOTE

Points of note during the operating financial year are as follows:

- The 13th of January 2005 saw the end of the first free TAS S.p.A stock option plan which had been agreed by the Board of Directors five years previously. Of the 120,000 ordinary shares within the plan only 72,152 were allocated;

- On the 28th of April AGM of TAS S.p.A appointed a new Board of Auditors. Its structure is outlined in the present document.

The same AGM has also discussed:

- having revoked the previous authorisation of the 28th of April 2004, it discussed the purchase of its own shares pursuant to art. of the civil code for a period of eighteen months from the date of the cited discussion, with a maximum turnover of 175,914 ordinary shares, at the ordinary share price, including extra purchase charges, not less than the minimum of 0.52 Euro-equal to the nominal value of each share-and not greater than the maximum of 10% in relation to the reference price which the title would have registered at the previous day’s trading for each single transaction. The maximum investment amount indicated is 4,500,000 Euro;

- In June 2005 TAS acquired a further 5% shareholding of the Swiss subsidiary APIA S.A. and therefore, including its previous shareholding now holds 85% of the APIA S.A. capital. The cost of the quota of no.shares, paid in cash, is of the order of 1.998,683.65 Euro including added brokerage charges and is linked to the best profit performance of the Swiss company. This transaction is within the remit of the Put and Call mechanism provided for by the contract of sale of the first quota equal to 75% of the APIA S.A. capital, completed in October 2003, and finalized by the purchase of up to 100% shares of the Swiss subsidiary during the course of the following four years, this price being linked to the future results of this company.

- On the 2nd of September 2005 Directors Lucia Busnello and Barbara Busnello resigned, and were co-opted by the appointment of two new Directors, on the 7th of September 2005 namely by Matteo Tamburini and Paolo Ottani, whose terms of office end with the first AGM and therefore with the approval of the balance sheet on the 31/12/2005;

- At the end of the /adhesion/subscription period to the Public Offer (28th October 2005) NCH Network Computer House S.p.A, has brought its own quota to no. 1.192.230 ordinary TAS shares which is equal to 67.276% of the TAS capital. With regard to the details of the operation please consult the October 2005 offer document.

Financial and commercial relationships between TAS S.p.A and the subsidiary TAS FRANCE EURL, were ongoing during this period. The latter was a service supplier and customer of TAS S.p.A. The subsidiary is a distributor of the Teletrading product in France and from these sales royalties are paid to the parent company and it can request additional services in relation to these sales.
These commercial transactions took place at market price.The service invoices covered personnel costs and included a small surcharge.
During the financial year TAS has mainly purchased hardware and software specific to the company operations, from DA Data Systems S.p.A, a company which is part of the NCH Network Computer House S.p.A, and a TAS S.p.A. subsidiary.
These transactions for a grand total of 60,018 Euro represent a small cost of 5%-10%, especially when compared with the prices obtained by TAS on the market, in that DS Data Systems S.p.A, given its size manages to obtain favourable prices from its suppliers.

SHARES AND SHARES/QUOTA OF PARENT COMPANIES

During the course of the financial year the Company has neither bought nor transferred its own shares or those of the parent companies. The Company does not possess, directly or indirectl, own shares or parent company shares.

POINTS OF NOTE POST FINANCIAL YEAR

The 1st of January 2006 ended the TAS stock option scheme which is discussed below.
On the 28th February 2006 the Board of Directors of TAS S.p.A nominated Dr. Giuseppe La Commare as Director General of TAS.Dr. Commare also holds the same position in NCH Network Computer House S.p.A and in its subsidiary DS Data Systems S.p.A.
Mario Mendia, TAS Marketing Director and Silvio Zancarli TAS Sales Director have also resigned.

FORESEEABLE DEVELOPMENT OF THE OPERATION FOR THE CURRENT FINANCIAL YEAR

At the date of compiling this report there have been no points of interest which should significantly impact on the financial, net worth and economic status of the Company.
The financial structure should not hav

OPERATING CONDITIONS AND DEVELOPMENT OF THE BUSINESS

TAS S.P.A. operates in the IT sector with specific reference to the development and sales of software products, offering advise, assistence and maintenance of such products, as well as the additional service of decommissioning hardware products.

The software programmes that have been developed mainly manage the automated processes of inputting, negotiationing and regulation of purchase orders and the sale of financial products.

TAS also offers (Application Service Provisioning) ASP in the same fields, using its own applications.

The Company has launched the business of offering and selling software solutions developed by APIA S.A. within Italy.

The Company operates abroad through the subsidiaries APIA S.A. and TAS France Eurl.

TAS S.p.A conducts its business not only from its Headquarters in Rome in in Largo dei Caduti di El Alamein n. but also from offices in Milan, via Quintino Sella n.4 and in Verona, Via Museo no.1 . and in the following locations:

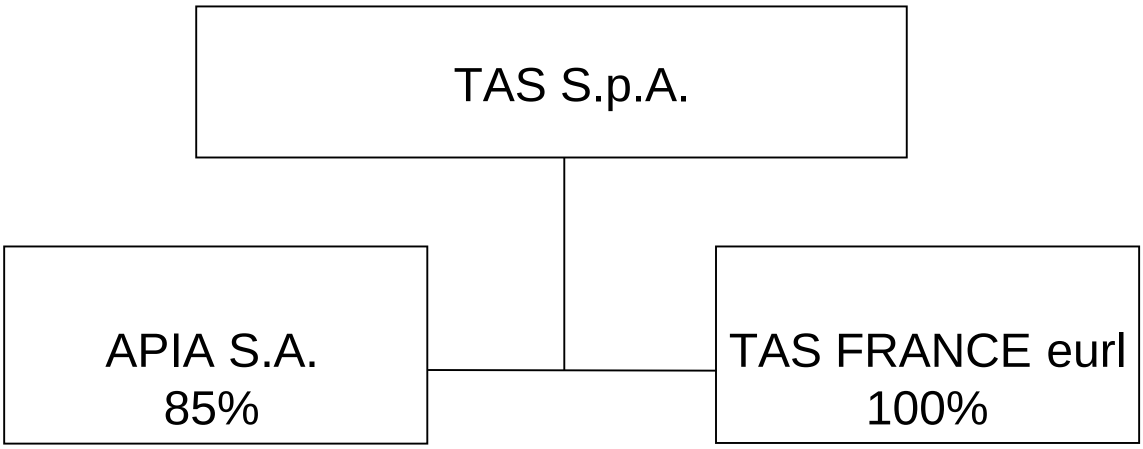
- Milan, Via Quintino Sella n. 4;
- Verona, Via Museo n. 1.

TAS France is an Internet Service Provider with a wealth of experience in the field of electronic commerce and has also recently expanded its Housing and Hosting capabilities for its own systems as well as for third parties. It also collaborates with TAS for the development of new financial software products and the sale of TAS products in France, Monaco, Belgium and Luxembourg. For this purpose a sales agreement has been agreed between the two companies.

TAS France Eurl conducts its business from its headquarters in Sophia Antipolis, Batiment B7 1300 Route des Gretes.

APIA S.A. was set up in 1992 by two entrepreneurs who had been involved in IT for over 10 years within a large Swiss banking group, their aim being to offer technological solutions which would ensure bank operators a considerable increase in operating efficiencies whilst maximising end- customer satisfaction.

The main focus of APIA is in technological solutions for the core business of financial brokers, gradually integrating them with existing accounting or "non core" back office sytems to minimise the organisational, and management impacts, and providing solutions for the supply and control of credit. APIA is based in Prati Bott, 22 Barbengo (Lugana, Switzerland).The business operates from its headquarters and from the branch office in Kloten (Zurich, Switzerland) in 12 Lindenstrasse.



Profit and Loss Account

(in euro)	31.12.2005	31.12.2004	var.
Incomes	14,282,847	11,974,017	19%
Variations for inventory of works in progress	-186,404	76,854	-343%
Other incomes	28,920	77,286	-63%
Total income	**14,125,363**	**12,128,157**	**16%**
Costs for capitalised working days	651,375	547,160	19%
Primary consumable goods	-186,390	-168,100	11%
Personnel costs	-6,371,282	-6,420,428	-1%
Amortisations	-831,760	-493,172	69%
Other costs	-2,368,001	-2,427,410	-2%
Total costs	**-9,106,058**	**-8,961,950**	**2%**
Operating result	**5,019,305**	**3,166,207**	**59%**
Financial incomes (charges)	277,068	221,216	25%
Pre-tax result	**5,296,373**	**3,387,423**	**56%**
Taxes	-1,432,300	-1,263,462	13%
Results from ongoing activities	**3,864,073**	**2,123,961**	**82%**
Results from discontinued activities	0	0	
Operating result	**3,864,073**	**2,123,961**	**82%**
of third party accrual /liability	0	0	
Net group result accrual/liability	**3,864,073**	**2,123,961**	**82%**

Company Assets

(in euro)	*on 31.12.2005*	*on 31.12.2004*
Intangible assets	13,890,617	14,422,601
Goodwill	13,010,784	13,606,962
- Other Intangible assets	879,833	815,639
Tangible assets	352,556	399,157
- Tangible assets	352,556	399,157
Shares and other share assets	66,820	66,820
Financial receivable assets	160,569	172,822
Active deferred taxes	45,272	74,424
Othe receivables	537,569	25,221
-of which financial accruals and deferrals	512,485	
Total non current assets	**15,053,403**	**15,161,045**
Net remainder	30,584	112,267
Trade debtors	1,157,190	1,312,133
(of which sale accruals and deferrals)	112,443	136,715
Othe receivables	211,880	100,473
Shares and other current share assets	50,700	
Financial receivables due within 12 months	86,615	237,464
(of which financial accruals and deferrals)	27,121	
Liquid assets	16,450,323	14,837,976
Active deferred taxes	98,038	45,996
Total current assets	**18,085,330**	**16,646,309**
TOTAL ASSETS	**33,138,733**	**31,807,354**
Share capital	921,519	921,519
Share premium fund	16,950,304	16,950,304
Other funds	468,384	310,262
Operating Profits/Losses in previous financial years	1,041,488	43,410
Profits/Losses financial year	3,864,073	2,123,961
Company net assets and liabilities	**23,245,768**	**20,262,636**
Capital and reserve liabilities		
Profit (loss and liabilities)		
Net third party assets/liabilities		
Net consolidated assets	**23,245,768**	**20,262,636**
Severance fund	1,152,995	942,151
Provisions for risks and charges	34,883	46,590
Tax and deferred tax provisions		847,578
Referred tax liabilities	286,989	217,766
Financial liabilities/payables due within 12 months	3,241,033	4,609,389
Total non current liabilities	**4,715,900**	**6,663,474**
Bank loans due within 12	50,595	9
Ttrade creditors	850,040	831,491
(of which sale accruals and deferrals)	244,119	370,816
Other liabilities	2,015,339	1,922,314
Financial liabilities/payables due within 12 months	2,121,854	2,023,624
Deferred tax liabilities	139,237	103,806
Total non current liabilities	**5,177,065**	**4,881,244**
TOTAL LIABILITIES	**33,138,733**	**31,807,354**

Overview of variations occurring in the net consolidated assets

thousands of euro	*Nom. Cap.*	*Risva sovr.zo*	*Legal reserv*	*Risva str.*	*Other*	*Risva conv.*	*P & L forwar*	*Prof/Loss for period*	*Group Net assets/liabilities*	*Int. di min*	*Tot.net assts/liabilites*
Balance on the 01/01/2004	**915**	**17,242**	**180**	**3**	**31**	**-22**		**485**	**18,834**		**18,834**
Consequence of adopting IFRS		-292					-161		-453		-453
Balance on the 01/01/2004 IFRS	**915**	**16,950**	**180**	**3**	**31**	**-22**	**-161**	**485**	**18,381**		**18,381**
Increase c.s Stock grant for employees	7				-7				0		0
Allocation of profit 2003			92			22	371	-485	0		0
Result for financial year								526	526		526
Difference exchage rates financial statements foreign currencies						12			12		12
Consequence of adopting IFRS							-254	1,598	1,344		1,344
Balance on the 31st December 2004	**922**	**16,950**	**272**	**3**	**24**	**12**	**-44**	**2,124**	**20,263**		**20,263**
Profit allocation 2004				193			333	-526	0		0
Profit allocation 2004							1,598	-1,598			
Result for period								2,206	2206		2,206
Difference exchage rates financial statements foreign currencies						-34			-34		-34
Consequence of adopting IFRS						-2	-846	1,659	811		811
Balances on the 31st December 2005	**922**	**16,950**	**272**	**196**	**24**	**-24**	**1,041**	**3,865**	**23,246**		**23,246**

Annual Financial Report

Consolidated Financial Report-consolidated	**2005**
Net Profits(Losses) during the period	3,864,073
Amortisations and depreciations	831,760
Severance fund	210,844
Variations in the funds for risks and charges	-859,285
Decrease(increase) of credits	-437,140
Increase (decrease) of liabilities	216,228
Cash flow from operating business	**3,826,480**
Investments in assets	-849,569
Intangible assets	-748,874
Tangible	-100,695
Cash flow investment operations	**-849,569**
Variations in Net Assets	-41,961
Variation adoption of IFRS	-242,296
Cash flow from financial operations	**-284,257**
Variances in the net financial status (A+B+C)	**2,692,654**
(E) Initial net Financial status	**8,615,240**
INITIAL NET FINANCIAL STATUS AT THE END OF THE PERIOD (D+E)	**11,307,894**

VARIANCES IN THE GROUP STRUCTURE

During the month of June the formal acquistion of the last 5% of the Apia S.A. subsidiary, as contractually agreed took place and this has increased the shareholding in hand to 85%.
On the basis of the sales purchase of the Apia shares, discussed in other parts of this document, TAS is formally 100% owner, even though the remaining 15% of the shares are still in the hands of the sellers will take place in tranches of 5% with the price linked to the performing profits of the Swiss company.
In the consolidated accounts the shareholding is taken as 100%, revealing a liability which is explained below.

Scope of the consolidation	Company Name	Nationality	Share Capital(€)		Var. ownership	Net Assets (€)
Actual	AS. S.p.A.	Italian	921,519			18,415,678
	TAS FRANCE EURL	French	503,082	100		(309,573)
	SA	Swiss	64,767	85	+5%(1)	7,789,822

(1) shares purchased in June 2005

RATES OF EXCHANGE USED FOR THE CONVERSION OF BALANCE SHEETS FOR FOREIGN COMPANIES

The fully consolidated statement of accounts in foreign currency for the Swiss subsidiary Apia S.A., has been converted into the acount currency using the exchange rates on the 31st December 2005 for the company assets and the average exchange rate during the financial year for the profit and loss statement. The same criteria has been adopted for the comparative financial status on the 31st December 2004. The items of net company assets, excluding the result for the period have been converted in relation to historic exchange rates by which they had been formatted.

Detail:

Currency	Average		Closing	
	2005	2004	2005	2004
Swiss franc	1.54828	1.5438	1.5551	1.5429

ECONOMIC PERFORMANCE OF THE GROUP

Consolidated Profit and Loss statement ***k€***	***31/12/2005***	***31/12/2004***	***Var.***
Incomes	14,282	11,974	19%
Variations of the remainders for works in progress	-186	77	-343%
Other incomes	29	77	-63%
Total incomes	**14,125**	**12,128**	**16%**
Costs for capitalised working days	651	547	19%
Primary consumable goods	-186	-168	11%
Personnel costs	-6,371	-6,420	-1%
Amortisations	-832	-493	69%
Other costs	-2,368	-2,427	-2%
Total costs	**-9,106**	**-8,962**	**2%**
Operating result	**5,019**	**3,166**	**59%**
Financial incomes (charges)	277	221	25%
Pre-tax result	**5,296**	**3,387**	**56%**
Taxes	-1,432	-1,263	13%
Results from ongoing operations	**3,864**	**2,124**	**82%**
Operating result	**3,864**	**2,124**	**82%**
Result of third party accrual	0	0	
Result net of group accrual	**3,864**	**2,124**	**82%**

Incomes

Incomes have increased from 12,128k€ to 14,125k€ a 16% annual increase.
The conclusion of a contract for 1,000k€, brought forward from the previous financial year, has contributed to the increase in incomes.
The Parent company TAS' contributions to incomes on the consolidated incomes has decreased from 54% to 43%, but the TASFRANCE's remains at 6% whilst APIA's has increased from 40% to 51% .

Operating result

The operating result of 5,019k€ represents an increase of 59% in relation to the previous financial year when it was 3,166k€. This good result is due to increases in incomes, +16%, and cost control, costs having increased by 2%. The increased development activity has also had a positive impact on the operating result, it has increased by 19% due to the greater use of TAS technicians in the development of new software products.
Personnel costs, the most substantial liability in the profit and loss statement, have passed from 6,420 k€ to 6,371 k€ with a reduction of 1%. This saving can be entirely attributed to the Swiss subsidiary which from 13 employees on average in 2004 has gone to 9 in 2005, a 28% reduction in personnel costs.

	31/12/2005	31/12/2004	Var. I
Wages and salaries	4,819	4,947	-3%
Social security contributions	1,269	1,294	-2%
TFR provision	270	178	52%
Other costs	13	1	1.078%
TOTAL	**6,371**	**6,420**	-1%

	2005	2004	Variation
Number of employees at the end of the financial year	99	102	-3
Average number of employees	100	104	-4

Total *amortisations* are 832k€ and are increasing by 69%

	31/12/2005	31/12/2004	Var. /I
Licences and software	680	334	104%
Other Intangible assets	5	5	0%
Tangible assets	147	154	-5%
TOTAL	**832**	**493**	**69%**

The increase in amortisations is linked to the costs for capitalised worked days or in other words the costs of developing the software. The increase of 104% is due to the completion of projects undertaken during the previous year and therefore not written off. The software development during the financial year has mainly concentrated on redesign and programming of the leading TAS product "Teletrading" and the development of the ASP service within a Unix environment, moving on from the preceding operating system MVS.

Other costs have increased by 11% as detailed in the following table:

	31/12/2005	31/12/2004	Var.
Costs for services	1,837	1,637	12%
Use of third party assets	415	461	-10%
Depreciation of sales receivables	10	6	67%
Miscellaneous operating expenses	58	82	-29%
Share depreciation	0	60	
Capital loss from share transfer xxx c check	2	22	-91%
Miscellaneous extraordinary expenses	46	118	-61%
Risk provision	0	41	-100%
TOTAL	**2,368**	**2,427**	**2%**

The most signification variations pertain to:

- “service” costs which increase by 12% for greater TAS costs pertaind to consultancy services for the change of the accountancy methods to the international IFRS principles and for the Public Share Offer (OPA) which was undertaken during the second half of the 2005 financial year. Both these costs are a once off and therefore not continuous.
- the reduction in "leased assets", -10% due to the release of a property used as offices in Milan.

Net result

The pre-tax result increase of 56% from 3,387 k€ to 5,296 k€, positively influenced by the improvements of the *financial incomes* which move from 221 k€ to 277 k€ with a 25% increase. The balance of incomes and financial charges totalling 277 k€ is

	2005	**2004**	**Variation**
Incomes from shares	1	1	0
Incomes from non current receivables	2	3	-1
Incomes from bank current accounts	292	224	68
Profits on exchange rates	0	37	-37
Interest liabilitesand other financial charges.	-18	-44	26
Total	**277**	**221**	**56**

The result of the financial managment has improved in relation to the period in comparison due to the increase in financial incomes from the Apia S.A. Swiss subsidiary which increase by 86 k€

The *taxes* total 1,432 k€ of which 173 k€ is IRAP

	2005	**2004**	**Variation**
Current taxes	1,350	875	475
(Advanced) deferred taxes	82	388	-306
Total	**1,432**	**1,263**	**169**

The taxes include adjustments relative to the disclosure of deferred taxes both receivable and payable. The particulars are reported in the notes on the balance sheet. The Group tax rate declines by 10 percentage points passing from 37% to 27% in that the taxable income is mainly produced in Switzerland, by the Apia subsidiary, where tax rate on operating income is a lot lower than the Italian rat

The *net result* highlights a profit of 3,864 k€ compared to 2,124 k€ with an increase of 82%. The *profit per share* is 2.18€, in 2004 it was equal to 1.20 euro.

in euro	2005	2004
Share capital	921 ,519	921 ,519
Profit	3,864,073	2,123,961
Ordinary shares	1,772,152	1,772,152
Average weighted number of shares issued during the financial year.	**1,772,152**	**1,765,218**
PROFIT PER SHARE	**2.18**	**1.20**

Investments

The investments have been equal to 849 k€ and are broken down as follows:

Description	31/12/2005	31/12/2004	Var. I
Software development	651	547	19%
Other Intangible assets	97	22	341%
Electronic office equipment and hardware	84	100	-16%
Other tangible assets	17	47	-64%
TOTAL INVESTMENTS FOR THE PERIOD	**849**	**716**	**19%**

Software development, 651 k€, a 19% increase. This pertains to internal capitalised costs for the development of new IT applications and exclusively includes the cost of technical personnel involved in the projects.
The *other intangible assets* are for the most part rights on software used for Group operations. Their increase, +252, is mainly due to the renewal of the TAS operating systems.
The *electronic office equipment and hardware* decreases from 100 k€ to 84k€ a 16% decrease. This item mainly refers to personal computers and servers for the function of the business.

Net Financial Status

The *Net Financial Status* consolidated is positive by 11,308 k€ an increase of 2,693 from 31/12/2204. This amount included the obligation to purchase the remaining 15% APIA S.A. shareholding for an updated amount of 5,323 k€ linked to projected results from the Swiss company.

Neither the Company nor its subsidiaries have existing bank loans check client.

Net Financial Position-consolidated k€	**31/12/2005**	**31/12/2004**
Cash, bank current accounts and shares	16,450	14,838
Shares which do not constitute assets	51	0
Othe receivables	59	237
Short term bank and other financial institution loans	-75	-25
Financial debts due in 12 (put Apia)	-2,097	-1,999
Short term net financial status	**14,388**	**13,051**
Long and short term credits	161	173
Med and Long term bank and other financial institution loans	-15	-39
Financial deb. after 12 (Apia put)	-3,226	-4,570
Medium and long term net financial status	**-3,080**	**-4,436**
Net financial status	**11,308**	**8,615**

Asset balance sheet per activity

Statement of assets and liabilities per business activity	2005				2004			
K€	*Financial*	*Credit-related*	*Other*	*Consolidated*	*Financial*	*Credit-related*	*Other*	*Consolidated*
Intangible assets	13,877	0	14	13,891	14,406	0	17	14,423
Goodwill	13,011	0	0	13,011	13,607	0	0	13,607
Other Intangible assets	866	0	14	880	799	0	17	816
Tangible assets	120	70	162	353	109	101	188	399
Tangible assets	120	70	162	353	109	101	188	399
Shares and other share assets	67	0	0	67	67	0	0	67
Financial receivable assets	82	0	79	161	91	0	82	173
Active deferred taxes	0	45	0	45	0	74	0	74
Othe receivables	512	25	0	538	0	25	0	25
(of which financial accruals and deferrals)	512	0	0	512	0	0	0	0
Total non current assets	**14,659**	**140**	**254**	**15,053**	**14,674**	**201**	**287**	**15,161**
	0	0	0	0	0	0	0	0
Net remainder	0	30	0	31	0	112	0	112
Trade debtors	825	276	57	1,157	1,074	147	91	1,312
(of which sale accruals and deferrals)	66	33	14	112	80	41	16	137
Othe receivables	205	1	6	212	91	3	7	100
Shares and other current share assets	25	0	25	51	0	0	0	0
Financial receivables due within 12 months	341	19	0	87	454	0	1	237
(of which financial accruals and deferrals)	8	19	0	27	0	0	0	0
Liquid assets	7,786	8,664	0	16,450	9,484	5,312	42	14,838
Active deferred taxes	69	29	0	98	17	29	0	46
Total current assets	**9,252**	**9,020**	**88**	**18,085**	**11,121**	**5,602**	**141**	**16,646**
	0	0	0	0	0	0	0	0
TOTAL ASSETS	**23,911**	**9,160**	**342**	**33,139**	**25,794**	**5,803**	**428**	**31,807**
	0	0	0	0	0	0	0	0
Company net assets	**15,712**	**7,594**	**-61**	**23,246**	**16,606**	**3,637**	**19**	**20,263**
	0	0	0	0	0	0	0	0
Net third party assets/liabilites	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	0	0	0	0	0	0	0	0
Net consolidated assets	**15,712**	**7,594**	**-61**	**23,246**	**16,606**	**3,637**	**19**	**20,263**
	0	0	0	0	0	0	0	0
Severance fund	1,153	0	0	1,153	942	0	0	942
Provisions for risks and charges	17	0	17	35	23	0	23	47
Tax and deferred tax provisions	0	0	0	0	0	848	0	848
Other liabilities	0	0	0	0	0	0	0	0
Deferred tax liabilities	286	1	0	287	217	1	0	218
Financial liabilities/payables due within 12 monthsx	3,217	24	0	3,241	4,584	25	0	4,609
Total non current liabilities	**4,673**	**25**	**17**	**4,716**	**5,767**	**874**	**23**	**6,663**
	0	0	0	0	0	0	0	0
Trade debtors	657	166	27	850	604	131	97	831
(of which sale accruals and deferrals)	187	43	14	244	258	70	42	371
Other liabilities	597	1,359	59	2,015	730	1,121	71	1,922
Financial liabilities/payables due within 12 months	2,132	15	299	2,172	1,984	39	218	2,024
(of which financial accruals and deferrals)	0	0	0	0	0	0	0	0
Deferred tax liabilities	139	0	0	139	104	0	0	104
Total non current liabilities	**3,526**	**1,540**	**385**	**5,177**	**3,422**	**1,292**	**386**	**4,881**
	0	0	0	0	0	0	0	0
TOTAL LIABILITIES	**23,911**	**9,160**	**342**	**33,139**	**25,794**	**5,803**	**428**	**31,807**

Profit and Loss account per activity K€	*2005* Financial	*Credit-related*	*Other*	*Consolidated*	*2004* Financial	*Credit-related*	*Other*	*Consolidated*
Total incomes	**6,061**	**7,324**	**754**	**14,125**	**6,701**	**4,765**	**672**	**12,128**
Costs for capitalised work	651	0	0	651	547			547
Primary consumables	-93	-58	-35	-186	-81	-41	-46	-168
Personnel costs	-4,124	-1,943	-304	-6,371	-4,164	-1,900	-357	-6,421
Amortisations	-779	-31	-22	-832	-405	-31	-57	-493
Other costs	-1,755	-315	-312	-2,368	-1,617	-330	-490	-2,427
Total costs	**-6,100**	**-2,347**	**-673**	**-9,106**	**-5,720**	**-2,302**	**-950**	**-8,962**
Operating result	**-39**	**4,977**	**81**	**5,019**	**981**	**2,463**	**-278**	**3,166**
Financial incomes (charges)	165	120	-7	277	179	48	-6	221
Pre-tax result	**126**	**5,097**	**74**	**5,296**	**1,160**	**2,511**	**-284**	**3,387**
Taxes	-359	-1,073	-1	-1432	-733	-521	-9	-1,263
Results from ongoing operations	**-233**	**4,024**	**73**	**3,864**	**427**	**1,990**	**-293**	**2,124**
Results from discontinued operations	0	0	0	0				0
Operating result	**-102**	**4,024**	**-58**	**3,864**	**427**	**1,990**	**-293**	**2,124**
Resutlt of third party accrual	0	0	0	0				0
Net group accrual result	**-102**	**4,024**	**-58**	**3,864**	**427**	**1,990**	**-293**	**2,124**

Incomes per operating sector

Incomes	**31/12/2005**	**31/12/2004**	**Var.**
Sw Finance	6,061	6,701	-10%
Sw CRM and Credit activity	7324	4,765	54%
Other	754	672	12%
	-14	-10	40%
TOTAL	**14,125**	**12,128**	**16%**

“ Financial software” is mainly related to the principle TAS business and in some part to the activity of TASFRANCE

The incomes from the sector have dropped 10% due to reasons related to the reference market which over the years is in decline and has difficulty in recovering. In Italy the Group remains the market leader but has defended and paid for its market share through the lowering of its prices.

In France the client base has increased but still remains small, incomes have increased.

The sector “CRM and Credit” are businesses conducted exclusively by Apia, and have enjoyed a significant increase, +54% Even eliminating the non repeatable income of one million euro in value, as of above, this is still a good increase.

During the period no new clients were acquired. The biggest incomes are due to the expansion of the range of products installed for clients. The consequences of this are in increase in repeatable incomes, from maintenance to assistance, which will have a positive effect on future balance sheets.

The *other incomes* refer to the ISP business undertaken by TASFRANCE, which substantially remains at the same level during the period of the previous year 574 k€ agains 555 k€, as well as the sale of hardware and miscellaneous.

Incomes per geographical sector

	31/12/2005	**31/12/2004**	**Var. /I**
Italy	5,682	6,794	-12%
Switzerland	7,329	4795	53%
France	1,103	748	10%
Other	322	286	12%
Equalising of currency exchanges between sectors	-311	-495	-35%
TOTAL	14,125	12,128	16%

The subdivision of incomes by geographical sector mostly reflects the locations of the three companies which comprise the group. Net of the total group, only TAS has sales outside its country of origin for 322 k€, which divided , based on the value of the amount, between England, Germany, San Marino and Switzerland.
The reduction in the Italian incomes can be attributed to reduced turnover and due to a lesser quantity of services than those that TAS France had provided to the Parent company.
The good performance of the Apia group has improved the Swiss sales. The increase in incomes from other countries can be attributed to the service in ASP that TAS provides to foreign Brokers.
The Intragroup turnover, through TAS and the French subsidiary has fallen.

Operating result per sector Activity

Operating result	**31/12/2005**	**31/12/2004**	**Var.**
Sw Finance	-39	981	
Sw CRM and Credit activity	4,977	2,463	102%
Other	81	-278	
Intersector equalisation	0	0	
TOTAL	5,019	3,166	59%

The biggest contribution to the Group operating result comes from the CRM Software and Leasing, Credit activities undertaken in Switzerland by Apia which has improved 10% in comparison to the 2004 financial year. This good result is attributable to the intelligent architecture and interface quality of the product and the optimisation of costs ensuring an aggressive pricing policy.
The contribution of the Financial Software sector to the consolidated result has worsened, closing with a negative balance, due to lesser sales as outlined above.
The other marginal activities such as the ISP in France have moved into positive. This improvement can be attributed to the small costs following the reduction in personnel.

Investments per Area of Activity

Investments per sector	**31/12/2005**	**31/12/2004**	**Var. I/I**
Sw Finance	811	625	30%
Sw CRM and Credit activity	-	-	
Other	38	91	-58%
TOTAL	849	716	19%

On the sectorial level the greatest investments are in the financial software section which essentially coincides with the costs of developing the software. The marginal sectors include primarily investments made in France for the ISP portion of the business and are principally related to hardware.

REPORTS WITH CORRELATED PARTS

Herein is provided information with co-related elements which have not been dealt with in the other sections of the present document.
Within the Group reports with co-related parts, during this period there are no unusual operations to highlight other than the 5% Apia share transfer, which has been dealt with in other parts of this document, and that two Directors of Apia are also shareholders of Sase Holding A.G..

Financial and commercial relationships between TAS S.p.A and the subsidiary TAS FRANCE EURL, were ongoing during this period. The latter was a service supplier and customer of TAS S.p.A.The subsidiary is a distributor of the Teletrading product in France, from the sales of this product royalties are paid to the parent company and it can request services additional to these sales.

The service invoices covered personnel costs and included a small surcharge.

During the financial year TAS has mainly purchased hardware and software specific to the company operations, from DA Data Systems S.p.A, a company which is part of the NCH Network Computer House S.p.A, and a TAS S.p.A. subsidiary.

These purchases for a grand total of 60,018 Euro represent a small cost of 5%-10%, compared with the prices obtained by TAS on the market, in that DS Data Systems S.p.A, given its size, manages to obtain favourable prices from its suppliers.

During the course of the financial year TAS S.p.A and the companies over which the Board of Directors and/or their close relatives have engaged in commercial exchanges for a total value of 2,611 euro.

The transactions have taken place at market prices.

MODALITIES, AND TERMS AND CONDITIONS OF THE PURCHASE OF APIA AND RELEVANT FORMS AND PAYMENT TERMS: ENTITIES FROM WHOM THE BUSINESSES HAVE BEEN BOUGHT

TAS has bought 75% of Apia S.A. from Sase Holding AG, based in ZUG(Switzerland), Via Chamerstrasse, no. with a share capital share of 100,000 Swiss Francs and is registered with the Companies Office in Zug as no. of the Principal Register, on the 3rd October 2003 tax code 189280, against the amount of 7,500,000 in cash on the 3rd October 2003.

The agreement has provided for a Put and Call share mechanism for the purchase of the remaining 25% held by Sase Holding A.G, which can be exercised over the next four years at a price linked to the future results of the same Apia.

So as to incentivise the founding managers of Sase Holding AG, who continue to administer Apia, on the future results there are foreseen five put tranches, each of 5% of the remaining quota, with corresponding call in the case of the non-exercise of the put option, to transfer the total amount of the quota by January 2008:

the first put was exercised in June 2004;

the second put was exercised in June 2005;

The third put will be excerisable from the 30.05.2006 until 15.06.2006 on condition that the minimum EBIT objective is met for the 2005 financial year equal to €750,000. with the consequent right for Sase Holding AG to sell to TAS such a quota of 5% at a price derived from the following formula:

If the EBIT 2005 is equal or greater to 750,000 € and less than 3,000,000€ price in €= EBIT dividd by 1.6;

If the EBIT 2005 is equal or greater than 3,000,000€;Price in €= 1,875,000 + (EBIT-3,000,000)*0.2.

TAS in its turn can exercise the call option on the same 5% capital share of the Company still belonging to Sase, in the case that Sase does not exercise the Put as above, from the 30.06.2006 and until the 15.07.2006 at the price of €1,000.

The fourth put will be exercisable from the 30.05.2007 and until 15.06.2007 on condition that the minimum EBIT objective is met for the 2006 financial year equal to €750,000, with the subsequent right for Sase Holding AG to sell to TAS such a quota of 5% at a price derived from the following formula:

If the EBIT 2006 is equal or greater to 750,000 € and less than 3.000,000€ price in €= EBIT divided by 1.6;

if the EBIT 2006 is equal or greater than 3,000,000€. Price in € = 1,875,000 + (EBIT-3,000,000)*0.2.

TAS in its turn can exercise the Call option on the same 5% share capital share of the Company still belonging to Sase, in the case that Sase does not exercise the Put as above, from the 30.06.2007 and until the 15.07.2007 at the price of €1,000.

The fifth put will be exercisable from the 30.11.2007 and until 15.12.2007 on condition that the minimum objective of one EBIT is achieved for the first six months of the 2007 financial year equal to €375,000, with the consequent right for Sase Holding AG to sell to TAS such 5% quota at a price derived from the following formula:

If the EBIT in the first six months of 2007 is equal or superior to 375,000€ and less than 1,500,000€: price in €= EBIT divided by 1.6;

if the EBIT in the first six months of 2007 is equal or greater than 1.500,000€ Price in € = 937.00,+ (EBIT- 1,500,000)*0.2.
TAS in its turn can exercise the Call option on the same 5% capital share of the Company still belonging to Sase, in the case that Sase does not exercise the Put as above, from the 30.12.2007 and until the 15.01.2008 at the price of €1,000.

STOCK OPTION SHARE PLAN

The AGM of the 11th of April 2001 has considered it opportune to adopt the management tool of incentivisation, aimed mainly at adding value, which in the long run will ensure loyalty and bonuses to employees.
The stock option instrument widely used in Italy and abroad, allows to link part of the salaries to the growth in value for shareholders.
During the Extraordinary AGM on the 11th of April 2001 allocated to the Board of Directors, pursuant to art. 2443 of the Civil Code, the power to increase, within a five year time limit from the date of aforementioned consideration, and several times the share capital shares for a total amount of 92,962.24 Euro by the issue of the maximum no. 180,000 of ordinary shares of a nominal value of 0.52 Euro each with the exclusion of option rights pursuant to art. 2441, last comma, of the Civil Code and of art. 134 of the D.Lgs dated the 24th February 1998, no. 58, to be offered in shares to TAS employees and/or employees of its subsidiaries pursuant to art. 2359 of the Civil Code, establishing also that the subscription price of the shares released will be equal to the normal value pursuant to art. 9 comma 4, lett. a) del D.P.R. 917/86. The Board of Directors has also been conferred the facility to define the rules relating to the stock option plan.
In the implementation of the power conferred the Board of Directors, during the meeting on the 9th of May 2001 considered other motions:

- the approval of the Regulations;
- the increase of the share capital to a maximum price of 92,962.24, by the issue of the maximum no.of 180,000 ordinary shares of a nominal value of 0.52 Euro each with the exclusion of option rights pursuant to art. 2441, last comma, of the Civil Code and of art. 134 del D.Lgs. 24th February 1998, n. 58, to be offered to beneficiaries identified amonst the TAS employees and/or employees of this subsidiary pursuant to art. 2359 of the Civil Code, in accordance with the modalities, terms and conditions provided by the rules;
- The plan provides for up to a maximu of 5 tranches and the identification of the beneficiairies will be at the discretion of the Company Board of Directors. The exercise of the options can be effected: Up to 30%, up to 60%, up to 100% of the shares allocated to each beneficiary from respectively the twelfth, twenty-fourth and thirty-sixth of the following month from the date of the memo;
- the shares assigned to each beneficiary for each individual tranche should be exercised within a maximum period of forty-three months from the date of the memo relating to the same tranche. The plan will last until 1st January 2006.

To date there are no rights outstanding

Summary of operations effected during the period by“Important Personnel”

The Company under its own Procedural Code for the negotiation of financial instruments (“Internal dealing”) has also established, that in order to convey a strong message to the market of transparency and correctness, that in its six month statement and in its annual balance sheet, are listed the operations effected on the financial instruments of the Company by Important Persons, that is: the Administrators, and the effective Auditors, the Director General, the Finance, Marketing, Sales and the Technical Directors of the Company

Summary of operations effected by Important Personnel

Surname and name	Position	Total sales	Total purchases	Average Amount	Value	Source
Nardo Renato	Finance	3,158		23,93	75,564	Market
Zancarli Silvio	Sales	8,106		20,73	168,058	Market
Mendia Mario	Marketing	600		22,12	13,272	Market

Shareholding of Board of Directors, Auditors and Directors General

Shares in TAS S.P.A.

Surname and name	Title of shareholding and modality	No of shares held on the 31.12.05	No of shares bought during the period	No of shares sold during the period	No of shares held on the 31.12.04
Paolo Ottani (A)	(Ac)	1,192,230 (1)	1,192,230 (1)		-
Bassi Angelo (A)	(P) (Ac)	50	-	-	50

(A) Director of TAS S.p.A (P) Possession (Ac) Acquired / bought (As) Freely assigned pursuant to art. 2349 c.c., (1) through NCH Network Computer House S.p.A.

REMUNERATION TO BOARD OF DIRECTORS, AUDITORS AND DIRECTORS GENERAL

Here is outlined the complete remuneration to the Board, the Auditors and to the Directors General.

1- The Board of Directors

Surname and Name	Position	Term of office	Emoluments for posts	Other recompense
Pompeo Busnello	President	Unitl approval of the 2005 balance sheet	76,000	0
Lucia Busnello	Director	Resigned 02/09/2005	1,500	70,554
Barbara Busnello	Director	Resigned 02/09/2005	1,500	0
Angelo Bassi	Director	Unitl approval of the 2005 balance sheet	4,000	0
Fabio Massimo Ferri	Director	Unitl approval of the 2005 balance sheet	4,000	0
Tamburini Matteo	Director	Until the next AGM	2,080	0
Ottani Paolo	Director	Until the next AGM	2,500	0

Other recompense for Lucia Busnello for services as an employee

2-Board of Auditors

Surname and Name	Position	Term of office	Emoluments for posts	Other recompense
Edoard Cintolesi	President	Unitl approval of the 2007 balance sheet	4,254	
Fulvio Tranquilli	Effective Auditor	Unitl approval of the 2007 balance sheet	16,107	
Francesca Beatrice Surace	Effective Auditor	Unitl approval of the 2007 balance sheet	11,999	
Frederico Alesiani	Effective Auditor	until 28/04/05	8,998	

GROUP ASSETS AND LIABILITIES

Here below are recorded comments and tables on the main entries for assets and liabilities

NON CURRENT ASSETS

Intangible assets

Goodwill

From the application of the IFRS 32 principle in goodwill-*Financial instruments: Presentation and supplementary information*, with reference to the Apia S.A. shareholding, the 100% share capital of the shares of the holding company taken into consideration, even though the quota owned is 85%, in that the residual quota, updated by 15% is the object of the put and call options. The equivalent amount is estimated and updated, for the purchase of the residual quota is equal to 5,323 k€, which represents the financial debt, posted in the liabilities of the statement of assets and liabilities. From the amount above, 3,641 k€ makes up a goodwill increment, 1,170 k€ represent a variation of the net assets and liabilities, whilst the remainder of 512 k€ represents accruals of implied interests.

	2005	2004	Variations
Goodwill	13,011	13,607	-596
Total	**13,011**	**13,607**	**-596**

The decrease in the goodwill by 596 k€ compared to the previous balance sheet derives from the difference between the estimated and updated price at the end of 2004 on the remaining quota of 20% and the amount actually paid for the purchase of 5% of the Apia shareholding in June 2005 and estimated and updated to the end of 2005 on the remaining quota of 15%

Intangible assets

The *Other intangible assets* have increased by 65 k€ compared to the previous financial year. The increase can mainly be imputed to development costs capitalised which in the financial year under scrutiny amount to 651 k€, against 547 k€ in 2004.

The net value of the other intangible assets, equal to 880 k€, is broken down as follows:

	2005	2004	Variations
User licences and external software	79	118	-39
Software developed in-house	687	290	397
Current Assets	112	401	-289
Other Intangible assets	2	6	-4
Total	**880**	**815**	**65**

Tangible assets

Tangible assets

These have moved from 399 k€ in 2004 to 352 in 2005. The net value is broken down as follows:

	2005	2004	Variations
Plant and machinery	94	97	-3
Other			
Goods	212	231	-19
Equipment leasing	46	71	-25
Total	**352**	**399**	**-47**

The item “other equipment” is mainly related to electronic office equipment. Equipment leased pertains to vehicles used by the Apia SA subsidiary.

Shares and other title assets

These amount to a total figure of 67 k€ and are broken down as follows:

	2005	**2004**	**Variations**
Shares in other companies	67	67	-
Total	**67**	**67**	**-**

The indicative value refers to shareholding of the parent company in the SIA Cedborsa S.p.A company.

	2005	**2004**	**Variations**
Property deposits	161	173	-12
Total	**161**	**173**	**-12**

Active deferred taxes /payable deferred taxes

The greater amount is attributable to the reversal of the net value of private rights relating to the Swiss subsidiary Apia S.A.

Credits for deferred payable taxes, for a total amount of 45 k€ are referred to :

	2005	**2004**	**Variations**
Cost of plant and expansion	0	0	0
User licences and software	43	71	-28
Equipment leasing	2	3	-1
Total	**45**	**74**	**-29**

Other credits

The other credits for a total amount of 537 k€ are referred to in other cautionary non assets and include active incomes related to interests implied on the Apia put operation

	2005	2004	Variations
Security deposits	25	25	0
Deferred financial charges	512	0	512
Total	**537**	**25**	**512**

CURRENT ASSETS

Net remainder

Totalling 31 k€. The value of contracted is outlined net of advance payments received and passive deferrarls. They are broken down as follows:

	2005	2004	Variations
Contract works in progress	30	111	-81
Finished goods and products	1	1	0
Total	**31**	**112**	**-81**

Trade debtors/commercial credits

The value of trade debtors/commercial credits, which totals 1,158 k€ also includes active accruals and deferrals of a commercial nature and are broken down as follows:

	2005	2004	Variations
Credits due to clients	1.045	1.176	-131
Accrual and deferral for commercial assets	113	137	-24
Total	**1.158**	**1.313**	**-155**

Other credits

Totalling 212 k€ and are referred to :

	2005	2004	Variations
Taxes due/ payables	174	79	95
Other payables	38	22	16
Total	**212**	**101**	**111**

The tax credits mainly refer to direct taxes due to be refunded, for the excess of advanced payments made relating to taxes owed for the financial year and to VAT credits for year-end for the parent group. Other credits are nearly exclusively broken down to credits due to social entities and to the French tax office for the refund of VAT.

Shares and other share titles

These total 51 k€and are related to investments in shareholding of the subsidiary TAS France.

	2005	2004	Variations
Other share titles	51	-	51
Total	**51**	**-**	**51**

Financial Credits due within 12 months

The value of the financial credits due within 12 months, which total 86k€ include also financial accruals and deferrals and are broken down as follows:

	2005	2004	Variations
Loans to employees	59	237	-178
Financial Accruals and deferrals and deferrals	27	0	27
Total	**86**	**237**	**-151**

Liquid Assets

Total liquid assets amount to 16.450 k€ and are broken down as follows

	2005	2004	Variations
Cash and values in hand	5	5	0
Bank and Post office deposits	16.445	14.833	1.612
Total	**16.450**	**14.838**	**1.612**

Active deferred taxes

The credits for active deferred taxes for a total of 98 k€, are pertaind to:

	2005	2004	Variations
Costs of plant and expansion	0	2	-2
Licences for software use	29	28	1
TFR update	52	0	52
Temporal differences	17	16	1
Total	**98**	**46**	**52**

Taxes due on licences for use of software are related to the cancellation of the net value of private users relaing to the Swiss subsidiary Apia SA.

NET ASSETS AND LIABILITIES

In the estimation of net assets the 100% Apia S.A. shares have been taken into account, by the application of the IFRS 32-*financial intruments: presentation and supplementary information*, as outlined in detail in the paragraph which covers goodwill assets and liabilitites as already outlined in the paragraph on goodwill.

NON CURRENT LIABILITIES

Severance fund

This fund represents debts for severance pay due to employees in the case of the termination of contracts and is posted net of the anticipated provision. Its value has been updated. The variation compared to the previous financial year is as follows:

	2005	2004	Variations
Severance fund	1,153	942	211
Total	**1,153**	**942**	**211**

Provisions for risks and charges

These amount to 35 k€ and relate to the provisions for operating risks of the subsidiary TAS France:

	2005	2004	Variations
Provisions for litigation	30	30	0
Other provisions	5	17	-12
Total	**35**	**47**	**-12**

Provisions for deferred taxes

This fund is at zero for the financial year under review. It is pertaind to the Swiss group Apia S.A..

	2005	2004	Variazione
Provisions for taxes	0	848	-848
Total	**0**	**848**	**-848**

Passive deferred taxes

Debts owed for deferred taxes, for a total of 287 k€, are pertaind to:

	2005	2004	Variations
Capitalisation development costs	117	22	95
Current Assets	42	132	-90
Goods under financial leases	1	1	0
Potential profits from subsidiaries	127	62	65
Total	**287**	**217**	**70**

The greatest amount can be attributed to the capitalisation of development costs. The provision for deferred taxes on profits from subsidiaries relate to potential dividends due/posted related to from the Apia S.A. shares

Financial Debts due after 12 months

The financial debts for a total of 2.172 k€, and pertain to:

	2005	2004	Variations
Goods under financial leasing	24	25	-1
Put Option on APIA shares	2.097	1.998	99
Bank Loans	51		51
Total	**2.172**	**2.023**	**149**

These pertain to loan due to the Leasing compnay which financed the purchase of vehicles on behalf of the Apia S.A. subsidiary for 24k€ and the debt for share purchase options in Apia S.A. for 2.097 k€. The bank loan pertaind to the French subsidiary TAS France.

CURRENT LIABILITIES

Trade creditors

The value of commercial debts which totals 850 k€ includes passive commercial accruals and deferrals and is broken down as follows:

	2005	2004	Variations
Down payments	149	122	27
Debts owed to suppliers	457	339	118
Commercial accruals and deferrals and deferrals	244	371	-127
Total	**850**	**832**	**18**

Other Debts

Other debts which total 2,015 k€, pertain to:

	2005	2004	Variazione
Tax debts	1.431	1.343	88
Debts owed to pension funds	329	319	10
Other debts	255	260	-5
Total	**2.015**	**1.922**	**93**

The tax debts include debts due for direct taxes of 1,198 k€ of which the Apia S.A. subdidiary is liable for 1,196 k€ and for TAS France for 2 k€, debts for fiscal receipts operated at source during the month of December 2005 for k€ 122 and Vat debts for k€ 111. Monies owed to pension funds are slightly more compared to the previous financial year and pertain to social security contributions owed on wages and salaries paid in the last month of the year on matured accruals. Other debts are attributable due to their size to the wages accrued by employees for the added 13th month's payment, and for bonuses, holidays and for non- utilized holidays and other related social security contributions.

Financial Debts due within 12 months

Financial debts totalling 2.384 k€, pertain to:

	2005	2004	Variations
Leased assets	24	25	-1
Put options on the Apia Shares	2,309	1,998	311
Bank Loans	51	-	51
Total	**2,384**	**2,023**	**361**

This again pertains to leasing for the purchase of vehicles by Apia S.A. for 24 k€ and the debt for third party share options in Apia S.A. for 2,309 k€. The bank loans pertains to the French subsidiary TAS France.

Deferred passive taxes

Debts for deferred passive taxes for a total of 139 k€, are posted as follows:

	2005	2004	Variations
Capitalisation costs of software development	139	86	53
Current assets	0	18	-18
Total	**139**	**104**	**35**

In this case the total amount is attributible to the capitalisaton of the software costs.

PRINCIPLES OF ACCOUNTING METHODOLOGY AND NOTES

MAIN ACCOUNTING PRINCIPLES

The regulation (EU) n. 1606/2002 relating to the application of international accountancy principles has established that share-issuing companies in a regulated market from any member State must draw up their consolidaed balances sheets in compliance with the international principles adopted by the European community for every Social entity registered from the 11th of January 2005 and any date thereafter. The member states can extend this requirement to the individual balance sheet to the issuing parties and to the consolidated and/or individual balance sheets of the non-listed companies. On the 25th February 2005 the Italian Government has approved a scheme D.Lgs. which authorises the adoption of the international accounting principles on a voluntary basis and making it compulsory from 2006. From 2006 even non-listed entities, excluding subjects who draw up abbreviated accounts, can voluntarily draw up individual and consolidated Company balance sheets in compliance with international accounting practices.
From the 1st of January 2006 the Group has adopted the international accounting principles IAS/IFRS; therefore the present document is compliant with the IAS/IFRS principles prevailing.
On the 28th February 2006 the Board of Directors of TAS S.p.A. authorised the publication of the present *financial year 2005 consolidated balance sheet*.

GENERAL PRINCIPLES

The consolidatted balance sheet is draft in Euro, this being the currency which the Parent Company uses. The figures are expressed in k€ if not otherwise indicated.
Foreign subsidiaires are included in accordance with the principles outlined above. Normally/ IAS/IFRS compliance requires a retrospective application of the principles and analyses to enable comparisons between current data and comparable data. However, as a waiver to this generl rule IFRS 1 does allow limited exemptions to this rule in specific cases and for practical reasons or if the costs deriving from this compliance would exceed the benefits for those interested in the balance sheet, and in this case requires a subjective evaluation by the Company directorship on past conditions once the outcome of a specific transaction has already been recorded. As a reminder, all the variations of value which pertain to the application of international accounting principles, during the migratory period, have counterbalanced the net assets and liablilites as well as the Profit and Loss Account.

PRINCIPLES OF CONSOLIDATION

Subsidiaries

These are companies TAS S.p.A controls. Control means the parent company has the power either directly or indirectly to determine the financial and operating policy of the company so it can benefit from its activities. The balance sheets of subsidiaries are included in the consolidated balance sheet from the date in which the company was taken over upto the date in which it no longer controls that company.

Transactions eliminated during the consolidation process

In the preparation of the consolidated balance sheet both balances and important transactions between the companies within the Group were eliminated. Profits and losses on transactions between group members have also been eliminated.

Foreign currency transactions

Transactions in foreign currency have been recorded at the rate of exchange prevailing at the time of the transaction. Curency assets and liabilities in foreign currencies at the time of recording of the balance sheet have been converted at the rate of exchange prevailing on that date. In the profit and loss account the currency differences generated by the elimination of currency postings or due to their conversion at different exchange rates than those by which they were converted at the time of being individually recorded in the financial year or in previous balance sheets..

All the assets and liabilities of the companies in foreign non-euro currencies which enter into the scope of consolidation have been converted using the rates of exchange prevailing on the date of recording the balance sheet (current rate method). Incomes and costs have therefore been converted at the average rate over the financial year. The differences in rates of exchange due to the application of this method are classified under net assets and liabilities until the end of the shareholding term. In the preparation of the consolidated financial report average rates of exchange have been used to conver the cash fluctuations of the foreign subsidiaries. The implementation and the adaption to fair value due to the acquistion of a foreign company have been recorded into the relevant currency and converted using the rate of exchang at the end of the period
At the time of the first implementation of the IAS/IFRS policies, the cumulative differences due to the consolidation of the foreign companies outside the eurozone were zeroed, as allowed by IFRS 1. The capital gains and losses derived by the subsequent disposalof such companies should cover only the cumulative conversions which were subsequently generated from the 1st of January 2004

Start-up/intiation

The initiation of a purchase of a group of companies represents a payment by the purchaser in provision of the future economic benefits of the business which cannot be individually identified and recorded seperately. This is posted in the balance sheet as irrelevant activity.

The launch/start-up is not amortisised, but is checked annually or more frequently if events or changes in circumstances indicate a possible loss in value, to identify eventual decrease in value, as provided by IAS 36-*Reduction in the value of the businesses.*After the initial recording, the set-up is valued at cost, net of accumulated loses in value.
At the intial stages of adopting the IAS/IFRS principles, the IFRS 3 was not retrospectively applicable for groupings of companies before 1st January 2004; therefore the set-up generated by purchases anteceding the date of migration to IFRS procedures was maintained at the previous value, calculated in accordance with Italian accountancy principles, xxxx check and recording of eventual losses in value.

Development costs

Once the costs for software development satisfy the conditions as above these are inseted into the assets as intangible fixed assets.
The capitalisation initiates when the company is in a position to demonstrate:

a) The technical competencies to complete the software solution so this is available for use and sale;

b) its intention to complete the software solution, to use or sell it

c) Its ability to use or sell the software solution;

d)The means of generating future economic benefits, e.g showing the existence of a market for the product developed from the software or for the software itself, or in-house usage of same

e) the availability of technical, financial and other resources sufficient to complete the software development and the use or sale of the software itself;

f)the ability to evaluate credibly the costs attributible to the software during the development phase.

The amortisations of the costs of the development of the software capitalized, occur on the basis of systematic criteria from the initial availability to the use of the product during its estimated three year life span.The other method used is constant quota

Other intangible assets

The other intangible assets recoreded in the assets, as provided for by IAS 38-*Intangible assets,* when the likelihood that the use of the activity will generate future economic benefits and when the cost of the activity can be estimated credibly.The activities are valued on the cost of purchase and amortised at a constant quota throughout their life span until final estimated usage date.

Property, plants and machinery

The item of property, plants and machinery can be recorded as an activity and should be valued at cost.
The costs sustained following the purchases are capitalized only if the future economic benefits increase inherently on the items to which it pertains.
The activities owned through leasing contracts, where the Group assumes in the main all the risks and benefits of the property, are recognized as activities of the Group at their actual value or if less, are recognized at the value updated to the contractual fluctuations on the date of the

contract. Such assets are posted under depreciations if necessary at the end of each financial year. The corresponding liabilities to the leasor is represented in the balance sheet under financial debts.
The amortisation is calculated on the basis of principle of constant xx on the estimated useful lifespan of the assets.

Loss of Asset value

At least once a year, the Group checks, the possibility of recovering the value of the intangible assets, property, plant and equipment(including the costs of capitalising on developments) to determine if there is any indication that such assets might have decreased in value. If such is the case, it is necessary to estimate the potential recoup value of the activity to determine the exact loss in value.
The loss in value is posted if the recoverable value is less than the accounting value .When, subsequently, a loss on an activity, separate to the start-up, does not occur or is reduced, the accountable value of the activity or the unit generating the financial fluctuation is increased until a new estimate of the recoverable value which cannot exceed the value which would be determined if no loss occurred due to the reduction in value.The recovery of a loss in value is immediately posted in the profit and loss account.

Financial instruments

Non current
These include shares and other financial assets which include shareholdings in non-consolidated companies and non current financial assets (titles retained with the intention of holding them in a portfolio until due date, credits and non current finances and other non-currentfinancial acitivities available for sale)
Shareholdings in other companies are highlighted at cost net of eventual depreciations.The other financial assets are accounted in compliance with IAS 39-*financial instruments;Postings and assessments*

Current
Included in financial instruments are; Commercial credits , current titles, other current financial assets, including derived instruments, as well as the availability of equivalent means.
This last category includes bank deposits and other highly negotiable titles which could be converted into cash quickly and which are subject to a insignificant value variation risk
The current titles include titles available for sale, short term titles, negotiable titles which represent temporary liquid investments and which do not respect the requirements to be classified as disposable equivalent means and as shares and titles retained for negotiation.
The financial assets are accounted in compliance with IAS 39-financial instruments; *Postings and evaluations*

Liabilities
Liabilities include financial debts, other financial liabilites and comnercial debts. The financial activities are accounted in compliance with IAS 39-financial instruments; Postings and assessments.

Work in progress

This pertains to work in progress for installation and service provision activities nearing completion.
Their posting in the balance sheet is based on the principle of the percentage of completion, as provided by the IAS 11-Construction contracts; costs, incomes and the subsequent margin are recognized in the loss and profit account in relation to the completion of the production activity. The state of progress of the production activity for goods or provision of services is estimated credibly using the cost-to-cost method.; the margin is recorded taking into account the proportion between the costs of the contract sustained over the financial year and the cumulative costs sustained, with the addition of the costs estimated to complete the workThe IAS 11 provides that whenever it is likely that the total costs of the contract exceed the total incomes from the contract then the expected loss should be immediately recorded as a cost, independent of the status of the work in progress.

TFR Fund

The TFR belongs to the category of benefits pursuant to a contract of employment (post employment benefits) which are made up of payments due to employees at the end of their contract of employment.
The relative liabilities, in accordance with IAS 19-*employee benefits*, is assessed in relation to the maturity of the same at the date of the balance sheet in relation to the service provided within the current financial year and with the previous years The evaluation method "projected unit credit method" is applied by independent arbitrators.

Risk funds and potential liabilites

In accordane with IAS37-*Active, passive and potential liabilities,* the funds are liabilities with due dates and/or uncertain amounts.The funds are distinct from debts and from potential liabilities because in relation to the former there is a degree of uncertainty relating to the date of the amount of future spending and for the latter there is the certainty of the existence of a xxxx event which required a payment xxxx at the time of drawing up of the balance sheet which will require an estimate of a certain provision

Incomes

Incomes are defined by the IAS 18-*Incomes,*
In particular incomes from sales are recorded when the risks and associated benefits connected to the ownership of the asssets are transferred to the buyer, the sale price is agreed or estimated if encashment is not foreseen.
Incomes from the provision of services are recorded when the services are delivered. The incomes for commissioned work are recorded in relation to the state of progress of the work status in accordance with the principle of the percentage of completion.

Taxes

Taxes on income include all the fiscal taxes calculated on the Group taxable incomes. The taxes on income are posted in the Profit and Loss account, except those relating to entries directly debited or credited to the net assets, in which case the result is recognised in the net assets. Provisons for taxes which could be generated from the tansfer of non allocated subsidiary profits are only carried out where there is the real intention to transfer such profits. Deferred taxes have been attributed according to the global principle of of allocation of liabilities. Deferred taxes on fiscal losses and unused tax credits brought forward are recognised to the extent that it is likely that there is an available future income which can be recovered. Current and deferred fiscal assets and liabilites are compensated when the taxes on income are applied by the same tax authority and when there is a legal right to compensation. Deferred fiscal assets and liabilites are estimated by the tax aliquots which are foreseen to be applied, in the financial years where the temporal differences are realised or extinct.

Dividends

Payable dividends are represented as a movement of the net assets and liabilites in the financial year during which they were approved by the shareholders meeting.

Profit per share

The base profit per share is calculated dividing the result of the economic result of the Group by the avereage price of the shares in cccc during the financial year, excluding own shares. For the purposes of calculating the profite diluted per share, the average price of the shares in circulation is modified assuming the conversion of all the potential shares causing dilutive effects.

RECONCILIATIONS REQUIRED BY IFRS 1

The accounting principles and the criteria for assessment adopted are the same as those adopted for the compilation of the six monthly report on the 30th of June 2005, except for eventual modifications that occurred in the intervening time, to which we refer for the purposed of analysing the effects produced by the migration to the IFRS principles.

Effects of the transition to IFRS on the asseta and liabilites on the 31st of December 2004

(in thousands of euro)	*Principles of Italian accountancyi*	*Reclassification*	*Adjustments*	*IAS/IFRS*
Intangible assets	7,442		6,980	14,422
- Goodwill	6,929		6,678	13,607
- Other intangible assetsi	513		302	815
Tangible assets	328		71	399
- tangible assets:	328		71	399
Shares and other assets	67			67
Finacial credit assets	410	-237		173
Deferred active taxes	0	-30	104	74
Other credtis	0	25		25
Total non current assets	**8,247**	**-242**	**7,156**	**15,160**
Net remainder	267	-155		112
Commercial credits	1,175	137		1,312
- (of which commercial accruals and deferrals and deferrals				137
Other credits	126	212		338
Shares and other circulating titles	0			0
Liquid assets	14,838			14,838
Active deferred taxes	16	30	0	46
Total current activity	**16,422**	**224**		**16,647**
				0
Commercial accruals and deferrals and deferrals	137	-137		0
Financial accruals and deferrals	0			0
TOTAL ASSETS	**24,806**	**-155**	**7,156**	**31,807**
				0
Net assets and liabilities	**20,155**		**108**	**20,263**
Severance fund	847		95	942
Provision for risks and charge	47			47
Provision for deferred taxes	848			848
Other debts	0			0
Defferred tax liabilities	0	-63	280	217
Finacial dates due within 12 monthsi	0	-25	4,634	4,609
Total non current liabilities	**1,742**	**-88**	**5,009**	**6,663**
Commercial debtsi	589	243		832
- (of which accruals and deferrals and deferrals)				371
Other debts.	1,922			1,922
Financial debts due within 12 months	0	25	1,998	2,023
Defferred tax liabilities	0	63	41	104
Total current liabilities	**2,511**	**331**	**2,039**	**4,881**
				0
Commercial accruals and deferrals and deferrals	398	-398		0
Financial accruals and deferrals and deferrals	0			0
TOTAL LIABILITIES	**24,806**	**-155**	**7,156**	**31,807**

Reconciliation of the Net Assets and Liabilities		
(in thousands of euro)		31.12.2004
Net Assets and Liabilities in accordance with Italian accounting principles		**20,155**
Of which net Group assets and liabilities of the Group		**19,372**
Of which net third party assets and liabilities		**783**
Cancellation of immaterial immobilisation depreciations	***B***	-390
Capitalisation of development costs	***C***	692
Capitalisation of tangible assets for leased assets	***D***	71
Computation / recording of active deferred taxes		105
Updated TFR Fund	***E***	-95
Computation/ recoring of passive deferred taxes		-322
Financial debts for leased assets	***D***	-64
Reversal goodwill amortisationl	***A***	752
Share purchase of the APIA subsidiary	***A***	- 642
Net assets and liabilities in accordance with IAS/IFRS		**20,263**
Of which net Group assets and liabilities		**20,263**
Of which net third party assets and liabilities		

Cost-analysis related to the effects of migration to the IFRS on the assets and liabilities

The letters relate to specific descriptive notes on the entries reconciling Italian and IFRS accounting principles

NON CURRENT ASSETS

Goodwill

Adjustments

(in thousands of euro)			31.12.2004
Reversal goodwill amortisation	***A***		752
Additional goodwill for purchase of subsidiary shares	***A***		5,926
			6, 678

Other intangible assets

Adjustments

(in thousands of euro)			31.12.2004
Reversal of capitalised costs	***B***	-	803
Capitalisation of development costs	***C***		922
Amortisation reversal for costs of plant and expansion	***B***		303
Amortisations development costs	***C***	-	230
Amortisation reversal exclusive rights	***B***		110
			302

Tangible assets

Adjustments

(in thousands of euro)			31.12.2004
Leased assets	***D***		97
Amortisations of leased assets	***D***	-	26
			71

Non capitalised financial credits

Reclassifications

(in thousands of euro)	31.12.2004	
Reclassification of other credits of the current assets	-	237
	-	237

Accrued deferred taxes

Reclassifications

(in thousands of euro)	31.12.2004	
Reclassification of deferred assets on the costs of plant and expansion	-	2
Reclassification of deferred taxes on exclusive rights	-	28
	-	30

Adjustments

(in thousands of euro)		31.12.2004
	B	1
Additional deferred receivable taxes for reverals costs of plant and expansion	B	100
Additional deferred receivable taxes for leased assets	D	3
		104

Other credits

Reclassifications

(in thousands of euro)	31.12.2004
Reclassification from/of other credits of the current assets	25
	25

CURRENT ASSETS

Net remainders

Reclassifications

(in thousands of euro)	31.12.2004	
Reclassification trade creditors anticipated on works in progress	-	128
Reclassifaction for passive deferrals on works in progress	-	27
	-	155

Trade debtors

Reclassifications

(in thousands of euro)	31.12.2004
Reclassification from commercial accruals and deferrals	137
	137

Other receivables

Reclassifications

(in thousands of euro)	31.12.2004
Reclassificaition from non-capitalised financial credits	237
Reclassification to other receivables of the non current assets	- 25
	212

Receivable deferred taxes

Reclassifications

(in thousands of euro)	31.12.2004
Reclassification of deferred assets on the costs of plant and expansion	2
Reclassification of deferred receivable taxes	28
	30

Adjustments

(in thousands of euro)		31.12.2004
Additional deferred receivable taxes for reversal costs of plant and expansion	***B***	
Additional deferred receivable taxes for reversal costs of plant and expansion	***B***	
Additional deferred receivable taxes for reversal costs of plant and expansion	***B***	
Additionaldeferred receivable taxes for reversal costs of plant and expansion	***B***	
		-

Commercial Accruals and deferrals

Reclassifications

(in thousands of euro)	31.12.2004
Reclassifcation from commercial accruals and deferrals	- 137
	- 137

NON CURRENT LIABILITIES

Provision for severance fund

Adjustments

(in thousands of euro)		31.12.2004
Updated TFR Fund	***E***	95
		95

Deferred tax liabilites

Reclassifications

(in thousands of euro)	31.12.2004
Reclassificaion for deferred tax liabilites on the current liabilities under development	- 63
	- 63

Adjustments

(in thousands of euro)		31.12.2004
Additional tax receivables for capitalisation on development costs	***C***	85
Additional ax receivables for capitalisation on intangible assets in progress	***C***	132
Additional deferred receivable taxes for leased assets	***D***	-
Additional deferred payable taxes for pontential profits from subsidiaries	***F***	63
		280

Financial debts due after 12 months

Reclassifed

(in thousands of euro)	31.12.2004
Financial debts due within 12 months	- 25
	- 25

Adjustments(in thousands of euro)		31.12.2004
Additional Financial debts for leased assets	***D***	64
Additional financial debrs for share purchase options	***A***	4,570
		4, 634

CURRENT LIABILITIES

Trade debtors

Reclassification

(in thousands of euro)	31.12.2004
Reclassification from commercial accruals and deferrals and deferrals	371
Reclassification for commercial debts anticipated on works in progress	- 128
	243

Financial debts due within 12 months

Reclassification

(in thousands of euro)	31.12.2004
Reclassification fininancial debts due after 12 months	25
	25

Adjustments

(in thousands of euro)		31.12.2004
Additional debts for leased assets	***D***	24
Reversal debts for payment of leasing installments	***D***	- 24
Additional financial debrs for share purchase options	***A***	1,998
		1,998

Deferred tax liabilites

Reclassification

(in thousands of euro)	31.12.2004
Reclassification deffered tax liabilites on the current liabilities under development	63
	63

Adjustments

(in thousands of euro)		31.12.2004
Additional tax receivables for capitalisation on development costs	***C***	86
Additional tax payables for capitalisation on assetsin progress	***C***	18
Transfer deferred tax liabilites on development costs	***C***	- 63
		41

Commercial Accrual and deferrals

Reclassification

(in thousands of euro)	31.12.2004
Reclassifcation trade creditorss	- 371
Reclassifcation from net remainder	- 27
	- 398

	31.12.2004
Total reclassification of assets	**- 155**
Total reclassification of liabilites	**- 155**
Total asset adjustments	**7, 155**
Total liabilites adjustments	7, 047
Total adjustments of net assets and liabilities	108
Total adjustments of liabilites and net assets and liabilities	**7, 155**

Consequnces of the migration to IFRS on the Profit and Loss account 2004

(in thousands of euro)	*Italian accounting principles*	*Reclassifications*	*Adjustments*	
Revenues	11,974			11,974
Variations of inventorires for works in progress	77			77
Other revenues	77			77
Total revenues	**12,128**	**0**	**0**	**12,128**
Costs for working days capitalised	0		547	547
Primary consumables	-168			-168
Personnel costs	-6,442		21	-6,421
Depreciation	-1,404		911	-493
Other costs	-2,454		27	-2,427
Total costs	**-10,468**	**0**	**1,506**	**-8,962**
Operating result	**1,660**	**0**	**1,506**	**3,166**
Financial incomes(charges)	224		-3	221
Incomes from affiliates	0			0
Pre-tax result	**1,884**	**0**	**1,503**	**3,387**
Taxes	-964		-299	-1,263
Result from ongoing assets	**920**	**0**	**1,204**	**2,124**
Result from discontinued assets	0			0
PROFITS(LOSSES) FINANCIAL YEAR	**920**	**0**	**1,204**	**2,124**
Net result from third party interests	-394	394		0
NET RESULT FROM GROUP INTEREST accruals	**526**	**394**	**1,204**	**2,124**

Reconciliation of the Net Result (in thousands of euro)		2004
Net Assets and Liabilities in accordance with Italian accounting principles		**920**
Of which net assets and liabilities of the Group		**526**
Net result from third party interests		**394**
Transfer of depreciation of intangible assets	***B***	414
Capitalisation of development costs	***C***	317
Amortisation of leased assets	***D***	-25
Minor deferred tax receivables		-141
Updated TFR Fund	***E***	22
Additional deferred tax liabilites		-159
Reversal installments lfinancial leasing	***D***	24
Reversal goodwill amortisations	***A***	752
Net result in accordance with IAS/IFRS		**2,124**
Of which net Group result		**2,124**
Net result from third party interests		**0**

Cost-analysis related to the effectsof migration to the IFRS on the Profit and Loss account

The letters relate to specific descriptive notes on the entries reconciling the Italian and the IFRS accounting principles

OTHER COSTS

Capitalised Costs for working days

Adjustments

(in thousands of euro)		31.12.2004
Capitalisation of development costs	***C***	547
		547

Personnel costs

Adjustments

(in thousands of euro)		31.12.2004
Updated TFR Fund	***E***	22
		22

Amortisations

Adjustments

(in thousands of euro)		31.12.2004
Reversal amortisation of cost of plant and expansion	***B***	303
Reversal goodwill amortisation	***A***	752
Reversal amortisations exclusivity rights	***B***	111
Amortisation of development costs	***C***	- 230
Amortisation of leased assets	***D***	- 25
		911

Other costs

Adjustments

(in thousands of euro)		31.12.2004
Reversal installments on lfinancial leasing	***D***	27
		27

Financial Incomes (charges)

Adjustments

(in thousands of euro)		31.12.2004
Financial charges on goods leased	***D***	- 3
		- 3

Taxes

Adjustments

(in thousands of euro)		31.12.2004
Reversal deferred receivable taxes for costs of plant and expansion	***B***	- 112
Reversal deferred tax liiabilites or exclusivity rights	***B***	- 29
Reversal of deffered tax liabilities on development costs	***C***	63
Posting of deferred tax liabilites on development costs	***C***	- 181
Posting of deferred tax liabilities on subsidiary profits	***F***	- 40
		- 299

Group net accrual result

Reclassifications

(in migliaia di euro)		31.12.2004
Consolidation resulting from third party interests	***A***	394
		394

	31.12.2004
Total adjustments	**1.204**
Total reclassifications	**394**

DESCRIPTION OF THE PRINCIPLE RECONCILIATION ENTRIES WITHIN THE ITALIAN AND IFRS ACCOUNTANCY PRINCIPLES

A. Goodwill

In accordance with IaS 36 this has undergone an Impairment Test and in the case where values are lost it is devalued with the deduction on the Profit and Loss account. During the periods examined, impairment tests were carried out on in startups from which no substainal loss in value was identified and therefore it was not necessary to depreciate these.
From January 1st 2004 the Profit and Loss account no longer included the quotas for goodwill amortisation.

B. Other intangible assets – reversal capitalised costs

On the basis of the Italian accounting principles the group capitalises some costs (mainly plant and expansion costs) which IFRS requires to be posted in the Profit and Loss account when they occur. Specifically, costs sustained for the increase in capital share at the time of the listing on the the new market of the Italian stock Exchange have been transfer to correct the share premium fund.

C. Intangible assets-development costs

In accordance with Italian accounting principles, development costs can either capitalised or the full costs can be recognised during the financial year in which they occurred. The IAS 38 does not allow such a facility but makes capitalisation obligatory in the presence of all the requirements. This has involved the entry of the full software development costs into intangible assetsfor the 2003 and 2004 financial years.
Opposite such entries the amortisation quotas, limited to the finished development were also recorded

D) Tangible assets

For goods held on lease the IFRS recommends the applicaton of the financial method, which is different from the asset calculation method used in Italy. The financial method provides that the leasee enters the value of the good leased into its own balance sheet and in balance has to account for the financial debts towards the leasor. The value entered pertains to the actual value of the leasing premiums, calculated on the basis of the interest implied in the contract, which constitutes the intangibility of the assets and the financial debt of the liability. The value of the goods posted in the asset sheet is then amortised like all other owned assets. The leasing premiums are not completely entered into the profit and loss account. In fact the capital quota of the premium will constitute a corresponding reduction of the recognised liabilities to the residual debt due to the leasor, whilst the interest quota is posted in the profit and loss account as financial charges.
The asset and liabilities method, on the other hand, treats the assets as owned assets only when the asset is xxx.. and therefore until such time, it posts the amount of the premiums accrued during that period. This method, is the only method accepted by the fiscal norms prevailing in Italy.

D. Severance Fund

The severance fund has been accounted for in compliance with the Civil Code. Currently the IAS-19 benefit is applied to employees and the fund in calculated with the method " unitary projection of credit".
The TFR is recalculated with acturial valuatiosns, that is in accordance with the amounts that will be paid to employees when their contract with the company ends, taking into account relevant variables such as the estimated and projected future pay increases, mortality rates and staff turnover etc.. Fxxx or this purpaose a xxx has been entrusted with estimating the value of the fund during the various reference periods, with the subsequent adoption of this estimation.

E. Deferred tax liabilites

In the postings of the deferred taxes, as well as the postings relating to the attribution of development costs, taxes due on potential dividends which could originate from the Swiss Apia S.A. shares have also been posted.

APPENDIX:
PROJECTED ACCOUNTS OF THE COMPANY GROUPS; BY ITALIAN ACCOUNTING PRINCIPLES

TAS S.p.A. – Reclassified Profit and Loss Account	31/12/2005	31/12/2004	Var.
Incomes from sales and services	6,145,792	6,629,717	-7%
Contract works in progress	-104,823	-34,757	202%
Other incomes and incomess	867	388	123%
Production Value	**6,041,836**	**6,595,348**	**-8%**
Costs of primary materials and goods	-91,334	-84,725	8%
Service costs and other operating costs	-1,842,003	-1,859,680	-1%
Added Value	4,108,499	4,650,943	-12%
Labour Costs	-3,721,606	-3,646,781	2%
Gross operating margin	**386,893**	**1,004,162**	**-61%**
Amortisataions	-187,636	-466,503	-60%
Net Operating result	**199,257**	**537,659**	**-63%**
Net Financial incomes (charges)	171,391	181,785	-6%
Risult of the ordinary activities management	**370,648**	**719,444**	**-48%**
Readjustment of the value of the financial activites	-327,386	-60,350	442%
Net extraoridinaryincomes (charges)	-2,470	-31,222	-92%
Pre-tax result	**40,792**	**627,872**	**-94%**
Taxes on financial year operating income	-281,175	-434,528	-35%
Net Result	**-240,383**	**193,344**	**-224%**

TAS S.p.A. –Reclassifications of Assets and Liabilities	31/12/2005	31/12/2004
Activity(		
Cash and Bank	7,786,135	9,442,128
Commercial credits	716,041	918,855
Receivables from subdiaires	56,712	22,417
Other receivables	217,030	100,231
Contract works in progress	50,399	155,222
Active Referrals and Accruals	59,844	64,020
Total shor term activity	8,886,161	10,702,873
Intangible assets	65,998	110,339
Tangible Assets	104,721	89,873
Financial Assets	11,593,397	9,990,909
Total Asset Activity	11,764,116	10,191,121
Total Activity	20,650,277	20,893,994
Liabilities and Neta Assets		
Bank	17	9
Commerical	492,288	419,093
Debts due to subsidiaries	19,162	69,226
Taxc and social contribution owings	322,750	441,830
Other debts	215,515	217,124
Deferrals and Accrurals	188,141	242,983
Total short term Liabilities	1,237,873	1,390,265
Severance pay	996,713	847,638
Provisions for risks and charges	13	32
Total provisions for riskc and charges	13	32
Total Liabilities	2,234,599	2,237,935
Share Capital	921,519	921,519
Legal Reserve	271,457	271,457
Other Reserve	17,463,085	17,269,739
Profits (loses) for the financial year	-240,383	193,344
Total Net Assets	18,415,678	18,656,059

Total Liabilities and Net Assets	20,650,277	20,893,994

Apia S.A. –Reclassified Profit and Loss Acount	31/12/2005	31/12/2004	var
Incomes from sales and services	7,406,094	4,653,058	59%
Variations in contract works in progress	-81,581	111,611	-173%
Other incomes and revenue streams	0	413	-100%
Production value	7,324,513	4,765,082	54%
Costs of primary materials and goods	-57,954	-40,990	41%
Service sost and other operating costs	-316,834	-281,977	12%
Added value	6,949,725	4,442,115	56%
Labour costs	-1,942,959	-1,900,385	2%
Gross operating margin	5,006,766	2,541,730	97%
Amortisations	-116,387	-116,725	0%
Provisions and Deprciations	-7,298	-5,571	31%
Net operating result	4,883,081	2,419,434	102%
Net financial Incomes (charges)	121,312	47,830	154%
Result from ordinary activities	5,004,393	2,467,264	103%
Net extraordinary incomes (charges)	-17,916	21,620	-183%
Pre-tax result	4,986,477	2,488,884	100%
Financial year tax on profits	-1,065,417	-521,050	104%
Net result	3,921,060	1,967,834	99%

APIA S.A. –STATEMENT OF ASSETS AND LIABILITES	31/12/2005	31/12/2004
Assets		
Cash and Bank	8,664,188	5,312,080
Commercial credits (Trade debtors)	243,063	105,417
Other receivabless	26,213	27,740
Contracte works in progress	30,030	111,611
Active Accruals and deferrals	52,267	41,286
Total short term assets	9,015,761	5,598,134
Intangible assets	275,223	388,360
Tangible assets	24,114	30,138
Total assets	299,337	418,498
Total Activity	9,315,098	6,016,632
Net Liabilites and Net Balance sheet		
Commercial	122,816	61,003
Social contributions and tax debts	1,352,043	1,112,473
Other debts	7,119	8,672
Deferrals and Accrural	43,298	70,219
Total short term liabilities	1,525,276	1,252,367
Provisions for risks and charges	0	847,578
Total provisions for risks and charges	0	847,578
Total Liabilities	1,525,276	2,099,945
Capital share	64,767	64,767
Legal Reserve	77,817	77,817
Other reserves	-30,445	18,628
Profits(loses)brought forward	3,756,623	1,787,641
Profits (loses) for financial year	3,921,060	1,967,834
Total Net Assets	7,789,822	3,916,687
Total Liabilites and Net Assets	9,315,098	6,016,632

TAS France –Reclassified Profit and Loass Account	31/12/2005	31/12/2004	var
Incomes from sales an d services	1,050,606	1,187,122	-11%
Other incomes	17,921	23,053	-22%
Production Value	1,068,527	1,210,175	-12%
Costs of primary materials and	-37,102	-42,385	-12%
Service costs and other operating costs	-494,669	-553,366	-11%
Added value	536,756	614,424	-13%
Production costs	-646,703	-895,108	-28%
Gross operating margin	-109,947	-280,684	-61%
Amortisations	-70,716	-70,812	0%
Provisions and Depreciations	-2,234	-40,902	-95%
Net operating result	-182,897	-392,398	-53%
Net financial Incomes (charges)	-13,796	-5,544	149%
Result Ordinary activities	-196,693	-397,942	-51%
Net incomes (charges)	-15,813	-17,774	-11%
Pre-tax Result	-212,506	-415,716	-49%
Tax on financial year profits	0	-8,736	-100%
Net result	-212,506	-424,452	-50%

TAS FRANCE EURL -ASSETS	31/12/2005	31/12/2004
Assets		
Cash and Bank	0	83,768
Commercial Credits	85,643	151,146
Other receivables	30,196	82,493
Remainder	554	656
Activities which de not constitute assets	50,700	0
Other Accruals and deferrals	27,453	31,409
Total short term activity	194,546	349,472
Intangible assets	18,491	18,469
Tangible assets	180,416	209,418
Financial assets	157,005	165,842
Total Assets assets	355,912	393,729
Total Activitiy	550,458	743,201
Net Assets and Liabilities		
Banks	50,578	0
Commercial	26,536	108,429
Tax owed and social contributions	83,648	107,813
Debts owed to Parent group	604,951	458,080
Other payables	32,089	34,402
Accruals and deferrals and deferrals	27,359	84,986
Total short term liabilities	825,161	793,710
Provisions for risks and charges	34,870	46,558
Provisions for risks and charges	34,870	46,558
Total Liabilities	860,031	840,268
Share capital	503,082	503,082
Legal reserve	4,572	4,572
Profits(losses) brought forward xxx	-604,721	-180,270
Profits(losses) financial year	-212,506	-424,452
Total Net assets	-309,573	-97,068
Total Liabilites and net Assets and Liabilites	550,458	743,200