sia ssb

Consolidated Financial Statements

as at 31 December 2007

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Management Report

Dear Shareholders,

We hereby present to you, pursuant to Legislative Decree 127/91, the consolidated financial statements as at 31 December 2007, composed of the Balance Sheet, the Profit and Loss Account and the Explanatory Notes, accompanied by the Group Cash Flow Statement.

The context in which the group operated during the year is fully illustrated in the Management Report accompanying the financial statements of the parent company, to which reference should be made.

INTRODUCTION

2007 was strongly characterised by the effects of the SIA S.p.A. merger in May and the acquisition of GBC, a Hungarian company operating in the payment and processing systems sector.

Technically, the merger was by incorporation of SIA S.p.A. into SSB S.p.A. backdated for accounting and tax purposes to 1 January 2007. The balance sheet and profit and loss account data are therefore compared to the corresponding 2006 figures for the acquiring company, in order to appreciate the increase in business generated externally. It is also worthwhile mentioning that the industrial plan leading to the integration of the two companies, as expressed by the shareholders, sees the operation as combining two companies similar in terms of size, operations and market approach. A significant comparison cannot therefore be drawn from the aggregation of 2006 financial statements data for the SIA and SSB groups, used in various sections of the report and explanatory notes to include and explain the differences compared to 2007.

COMPOSITION OF THE GROUP AND SCOPE OF CONSOLIDATION

The scope of consolidation includes, in addition to the parent company, SIA-SSB S.p.A., the following companies:

GBC – Giro Bankkartya Zrt, with headquarters in Budapest (Hungary), 100% owned by SIA-SSB. The company has a share capital of HUF 177,000,000. 2007 saw completion of the 100% acquisition of this company, a leader in Hungary in payment and processing systems, providing management services for ATM and POS terminals, transaction switching, fraud monitoring and other payment system services to banks, payment card issuers and acquirers. In the last three years the company has recorded a turnover growth rate of 63%, increasing the number of terminals and transactions managed and seizing upon the opportunities offered by a rapidly-developing country. Hungary, in fact, offers a hitherto unexpressed growth potential in the use of payment cards if compared to other EU countries. Through this acquisition, SIA-SSB strengthens its presence in Europe, consistent with the Group's expansion strategy. This company was consolidated with the line-by-line method.

The financial statements record a value of production of € 7.5 million and an operating margin of € 3.8 million. The financial year closed with net profits for the year of € 3 million.

Perago AG, with headquarters in Unterägeri (Switzerland), 100% owned by SIA-SSB al 100%, was incorporated in the last quarter of 2005. The company has a share capital of CHF 100,000. This company was consolidated with the line-by-line method.

During the year, a special shareholders' equity reserve was created with an allocation of € 1.9 million. This transaction, pursuant to Swiss accounting standards, was recognised to Perago AG's profit and loss account and therefore profits for the year, which felt the impact of this operation, recorded a positive € 1.2 million. A reclassification of the reserve amount of € 1.9 million to shareholders' equity results in a loss of € 0.7 million.

TSP - Tecnologie e Servizi per il Pubblico S.r.l., with headquarters at Viale Certosa 218, Milan**.** This company, 100% owned by SIA-SSB, has share capital of € 5,647,000 and shareholders' equity of € 13,374,476, including profit for the year. TSP is a leading company in Italy in the provision of mobile phone top-ups, payment of utilities, inquiry and top-up of bank- and privately-issued credit cards distributed via the banking and private networks. It designs, develops and manages solutions based on a multi-channel infrastructure capable of providing services to businesses and Public Administration. This company was consolidated with the line-by-line method.

In 2007 the company achieved revenues of € 10.9 million, an increase of approximately 12% over the previous year. The operating margin was € 6.7 million (+15%) and net profits for the year totalled € 6.6 million compared with the € 5.8 million of 2006.

Kedrios S.p.A., with headquarters at Via Taramelli 26, Milan, 81.24% owned by SIA-SSB, has share capital of € 2,402,500 and shareholders' equity of € 7,639,593, including profit for the year.

Kedrios is a leading Italian company in the provision of IT and administration back office and outsourcing products and services for the Financial Services industry. In addition, it offers technical consulting, application consulting and financial reporting services to the entire financial sector.

The Kedrios strategy can be summarised as a readily-available process not only of consolidation and enhancement, but also of expansion and diversification of traditional core competence.

In recent years, in fact, Kedrios has made substantial investments to guarantee the highest levels of efficiency and adequacy in new technology terms. The development plan led to the creation of new-generation products and services for Custodian Banks and Asset Management Companies (SGRs) involved in collective asset management. The IT solutions developed are flexible, capable of evolving in line with the regulatory framework and of enhancement as new needs emerge, customisable and guaranteeing integration with future developments. The latest upgrade now also includes solutions for SGRs offering individual asset management services. This company was consolidated with the line-by-line method.

The Kedrios financial statements record a value of production of € 30.5 million compared with € 32.9 million in the previous year, with profits of € 0.2 million (€ 0.6 million in 2006).

Perago FSE Ltd, with headquarters in Pretoria (South Africa), 75% owned by SIA-SSB. The company has a share capital of ZAR 5,820,000. Based on experience gained from the transformation of South African payment systems, Perago FSE has developed its own RTGS (Real Time Gross Settlement) product, considered by the market to be a sophisticated, modular, scalable system based on the most advanced technology for the sector. Positive feedback has already arrived in the form of contracts awarded from Sweden, Norway and more recently from Egypt. This company was consolidated with the line-by-line method.

2007 figures show a value of production of € 4.3 million and net profits for the year of € 0.2 million.

RA Computer S.p.A., with headquarters in Milan and share capital of € 3 million, control of 65% of which was acquired in 2006. RA Computer is a specialised in the production of application packages and the provision of services to the banking and Public Administration sectors. Established in 1980, RA Computer specialised in creating back office products in Euro and other currencies for the banking sector, and web applications for banking and Public Administration. Since 1980, RA Computer has grown rapidly in the banking sector through the proven skills of its professionals, seriousness of the management team and the reliability of its IT solutions. As of 2003 RA Computer began to produce web solutions for Public Administration to accompany e-government implementation in Italy. Its operations have allowed RA Computer to accumulate a significant business heritage of software solutions, technical, application and operating know-how.

This company was consolidated with the line-by-line method.

2007 closed with an increase in revenues of over 30% compared with the previous year (over 12 months). It should be remembered that the 31 December 2006 figures referred to a period of only 9 months to align the financial statements year-end date with that of the parent company.

The value of production was around € 32.8 million with profits for the year of € 1.3 million. The calculation of this result included extraordinary income of € 1.8 million. Shareholders' equity, including profits for the year, totalled € 5 million.

SiNSYS S.A., with headquarters at Chaussèe de Haecht 1426, Brussels, was incorporated on 23 September 2003 with share capital of € 6,000,000 and is 51% owned by SIA-SSB. SiNSYS is one of the leading operators in the field of full processing services on the European market. Confirmation of its position on the European full processing market was achieved through the acquisition of service agreements with leading Pan-European banking groups. SiNSYS has achieved significant results in several European countries (Belgium, Netherlands, Poland, Slovakia, Czech Republic, Hungary, Germany and Ukraine), by launching and completing migration to the SMAC and CAMS platforms for banks in the leading European banking groups. This company was consolidated with the line-by-line method.

The SiNSYS financial statements record revenues of € 44.8 million and an operating margin of € 0.1 million. The financial year closed with a net loss for the year of € 0.2 million.

Simbologica S.r.l., a company with headquarters in Milan and share capital of € 65 thousand. The company is 61% owned by Kedrios and mainly provides consulting services. This company was consolidated with the line-by-line method. 2007 closed with a slight loss.

Equity investments in associated companies, valued at equity, are as follows:

Glesia S.r.l, the company formed from the joint venture between SIA-SSB and GL TRADE SA, a world leader in electronic solutions for trading on financial markets. Glesia products are targeted to Italian banks and financial institutions, with a complete range of STP tools for e-markets including Front and Back Office solutions, e-trading systems, Internet platforms and a single international remote trading network. The services offered cover management of the entire lifecycle of an order from Front to Back Office. Glesia is 51% owned by GL TRADE and 49% owned by SIA-SSB, with a highly specialised professional staff.

Despite contraction of the market following mergers between banking groups and the constant drive to optimise and reduce costs, the 2007 results record a value of production of € 15.2 million (€ 16.8 million in 2006), and net profits for the year of € 1.4 million (€ 1.2 million in 2006).

Actalis S.p.A., with headquarters at Via Taramelli, 26, Milan**.** The company has share capital of € 6,300,000, is 44.6% owned by SIA-SSB and operates as a Certification Authority on the Italian market.

The new Almaviva Group management set the objective of expanding business, amongst other things by relaunching the National Services Card (CNS) activities related to the CNIPA contract, developing Certified Electronic Mail, increasing consulting on logical security and the dematerialisation of documents.

In 2007 the company achieved revenues of € 8 million, a decrease of approximately 20% on the previous year. The gross operating margin was a negative € 1.3 million, in line with the previous year which recorded a negative € 1.4 million. The financial year closed with a net loss for the year of € 1.6 million.

ATS S.p.A., of which SIA-SSB owns 30%, has share capital of € 120 thousand. This is a software development company, operating mainly in the banking and finance sectors, and is a qualified SIA-SSB business partner and supplier.

2007 recorded a value of production of approximately € 8.6 million (€ 8.0 million in 2006) and estimated gross profits for the year of € 0.3 million (€ 0.3 million in 2006).

Perago Africa Ltd, a company in which a 30% minority interest was acquired in 2005, is a financial services provider for SWIFT network members in sub-Saharan Africa.

2007 ended with net profits for the year of € 0.5 million.

INVOICING S.r.l., with headquarters at Via Verziere n. 11, Milan**,** incorporated on 27 March 2003 with share capital of € 10,000. This company, 45% owned, has focused its business activities and investments on development of the Bankpass Bollette e-billing service, a joint ABI and e-Committee initiative. The equity investment in Invoicing S.r.l. was not included in the scope of consolidation as, given the uncertainty regarding future prospects and the lack of potential customers in this market sector, shareholders have resolved to wind up the company.

In brief, the company achieved a value of production of € 1.2 million and a negative € 1.6 million operating margin (in 2006 the margin was a positive € 0.2 million). The net loss for 2007 was € 1.7 million compared with profits of € 0.1 million the previous year.

Other equity investments:

Isnova S.c.r.l., the investment in which (of 22.22%), acquired by the parent company in previous years and not included in the scope of consolidation, allows the group to participate in national and international programmes for new technology development and promotion.

Waini S.r.l., 11.91% owned, sells, distributes and provides marketing services on its own account and for third parties, and promotes high-volume consumer goods of any category, particularly wine market products and advance sales certificates on wines. These activities are conducted traditionally, by teleservice, by telephone and online. As of the end of the previous year negotiations were launched - still in progress - to dispose of this investment.

ECONOMIC RESULTS

The costs and revenues structure largely mirrors that of the parent company. For a detailed analysis, reference should be made to the parent company Management Report.

PROFIT FOR THE YEAR AND SHAREHOLDERS' EQUITY

Group profit for the year amounted to € 2.3 million. Total revenues from services and product sales amounted to € 384.9 million, the value of production was € 403.4 million and the operating margin € 35 million. The reconciliation statement of parent company shareholders' equity and profit (loss) for the year and those of the group is attached to the Explanatory Notes of the consolidated financial statements under "Supplementary information".

PRO-FORMA FINANCIAL STATEMENTS DATA FOR THE ACQUIRING COMPANY

This section contains the figures as at 31 December 2007 and 31 December 2006 (2006 Aggregate), which illustrate the significant effects of the merger by incorporation of SIA S.p.A. The pro-forma data was obtained by aggregating values from the consolidated financial statements of both Groups (SSB and SIA) and reclassifying certain items in order to illustrate and compare 2007 data. The 2006 column instead indicates values for the SSB Group only, subsequently commented in the Explanatory Notes.

Profit and Loss Account position (pro-forma)

(amounts in Euro/000)

	Profit and Loss Account results	2007	2006 Aggregate (*)	Change	2006
	Revenues from sales and services	384,882	376,413	8,469	163,040
	Other value of production items	18,481	23,701	-5,220	9,139
A	Value of production	403,363	400,114	3,249	172,179
B	Cost of production	368,313	367,090	1,223	155,806
A-B	**Added value**	**35,050**	**33,024**	**2,026**	**16,373**
C	Financial income and charges	2,016	1,997	19	1,019
D	Value adjustments to financial assets	-2,262	-1,636	-626	-1,179
C+D	**Financial management**	**-246**	**361**	**-607**	**-160**
E	Extraordinary income and charges	-17,989	548	-18,537	4,355
A-B+C+D+E	**Profit (loss) before tax**	**16,815**	**33,933**	**-17,118**	**20,568**
	Income taxes for the year	14,109	19,708	-5,599	8,243
	Profit (loss) including minority interests	**2,706**	**14,225**	**-11,519**	**12,325**
	Profit (loss) - minority interests	393	1,268	**5,920**	1,387
	Profit (loss) for the year	**2,313**	**12,957**	**-10,644**	**10,938**

(*) Data aggregated on a matching basis to take into account the merger between SSB and SIA.

An analysis of these items, comparing 2007 and aggregate 2006 statements, shows an increase in the value of production, mainly due to increased revenues from services, partly offset by an increase in the cost of production, therefore resulting in a € 2 million improvement in the operating margin (€ 35 million in 2007 compared with € 33 million in 2006). Financial management, on the other hand, fell by € 0.6 million. The strongest difference between the two financial years is in extraordinary income and charges, which decreased by € 18.5 million. Profit before tax amounted to € 14.1 million.

The items with the greatest impact on the year can be summarised as follows:

> The value of production, which also takes into account increases in own work capitalised, changes in projects under development, changes in long-term contracts and other revenues and income, amounted to € 403.4 million, compared to € 400.1 million in the previous year (-0.8%). The following factors contributed to this results:

a. increased revenues, also from the incorporation of GBC, not included in the scope of consolidation in 2006;

b. with regard to other items under the value of production, of note is the reduction in own work capitalised;

> The cost of production increased by 0.39% over the previous year's figure, from € 367.1 million to € 368.3 million. This change, in addition to the effect of the GBC acquisition, is mainly due to:

a. increased personnel costs largely deriving from the effect of the reduced financial statements for RA Computer in 2006 (the 2006 statements covered a period of nine months only so as to align with the parent company year-end);

b. lower amortisation of intangible fixed assets due to completion of the amortisation process on CAMS licences, partly offset by consolidation differences from the acquisition of GBC;

c. lower allocation to provisions for risks and charges;

d. a reduction in other operating costs mainly justified by the reduced costs for non-deductible VAT following the 3 percentage-point drop in the pro-rata domestic rate and by a decrease in parent company purchase volumes;

e. increased service costs and IT infrastructure leasing costs.

> The added value, i.e. the difference between the value and cost of production, was € 35 million against the € 33 million for the previous year;

> Financial management recorded an overall € 0.2 million loss compared to the positive € 0.4 million in 2006.

> Extraordinary income and charges recorded a negative balance of € 18 million, mainly due to the cost of personnel reorganisation procedures;

> The increased percentage impact of taxes on profits is primarily due to non-deductible write-downs of equity investments and the partly deductible (80%) costs for parent company telecommunications systems, as introduced by the 2007 Finance Act.

Balance Sheet position (pro-forma)

(amounts in Euro/000)

	Balance Sheet results	31/12/2007	31/12/2006 Aggregate (*)	Change	31/12/2006
	Intangible fixed assets	81,340	43,220	38,120	10,749
	Tangible fixed assets	14,177	13,487	690	8,136
	Financial fixed assets	15,505	17,192	-1,687	1,536
A	Total fixed assets	111,022	73,899	37,123	20,421
	Inventories	7,250	6,514	736	2,704
	Receivables	134,711	118,250	16,461	48,693
	Short-term investments	9,441	11,060	-1,619	5,000
	Cash and cash equivalents	19,137	63,640	-44,503	44,262
B	Total current assets	170,539	199,464	-28,925	100,659
C	Accruals and deferrals	7,001	4,883	2,118	3,300
A+B+C	**Total assets**	**288,562**	**278,246**	**10,316**	**124,380**
	Capital	22,091	28,888	-6,797	10,764
	Reserves	82,806	72,130	10,676	3,962
	Profit (loss) carried forward	16,440	12,629	3,811	41,947
	Profit (loss) for the year	2,313	12,955	-10,642	10,938
	Minority interest capital	5,588	4,345	1,243	1,188
	Profit (loss) for the year - minority interests	393	1,268	-875	1,386
A	**Total Shareholders' Equity**	**129,631**	**132,215**	**-2,584**	**70,185**
B	Provisions for risks and charges	16,999	10,727	6,272	5,100
C	Employee severance indemnity	28,368	29,765	-1,397	9,911
D	Payables	107,086	102,964	4,122	39,103
E	Accruals and deferrals	6,478	2,575	3,903	81
A+B+C +D+E	**Total liabilities**	**288,562**	**278,246**	**10,316**	**124,380**

(*) Data aggregated on a matching basis to take into account the merger between SSB and SIA.

The main changes emerging from a comparative analysis between the balance sheet position and the pro-forma balance sheet for 2006 are:

> Fixed assets:
- increased values for intangible fixed assets, primarily due to goodwill on the acquisition during the year of GBC;

> Current assets:
- a reduction in cash and cash equivalents from acquisition of the equity investment in GBC, partly offset by an increase in trade receivables.

> Provisions for risks and charges:
- these increased following parent company allocations for company reorganisation and for potential future risks (claims for damages, associated company loss cover).

SIGNIFICANT EVENTS SUBSEQUENT TO CLOSURE OF THE FINANCIAL YEAR AND BUSINESS OUTLOOK.

The significant events subsequent to the closure of the financial year and the business outlook are fully commented in the Management Report of the parent company, to which reference should be made.

SIA-SSB Group Consolidated Financial Statements

BALANCE SHEET

(amounts in Euro/000)

Assets		31/12/2007		31/12/2006	Change
A) Subscribed capital unpaid					
Called share		0		0	0
Uncalled share		0		0	0
Total due from shareholders A)		**0**		**0**	**0**
B) Fixed assets					
I - Intangible fixed assets:					
1) Formation costs		0		0	0
2) Research, development and advertising costs		3		0	3
3) Industrial patent and intellectual property rights		19,625		6,527	13,098
4) Franchise, licences, trademarks and similar rights		13		4	9
5) Goodwill		229		0	229
5 bis) Consolidation differences		54,567		0	54,567
6) Work in progress and payments on account		4,255		3,064	1,191
7) Other		2,648		1,154	1,494
Total intangible fixed assets		81,340		10,749	70,591
II - Tangible fixed assets:					
1) Land and buildings		3			
2) Plant and equipment		11,684		5,418	6,266
3) Industrial and commercial equipment		296		0	296
4) Other assets		2,191		1,132	1,059
5) Work in progress and payments on account		3		1,586	-1,583
Total tangible fixed assets		14,177		8,136	6,041
III - Financial fixed assets					
1) Equity investments in:		4,287		1,477	2,810
a) subsidiaries	0				
b) associates	4,131		1,425		
c) parent companies	0		0		
d) other companies	156		52		
2) Receivables		214		59	155
a) from subsidiaries			0		
b) from associates			0		
c) from parent companies			0		
d) from others	214		59		
3) Other securities		11,004		0	11,004
4) Treasury shares		0		0	0
Total financial fixed assets		15,505		1,536	13,969
Total Fixed Assets (B)		**111,022**		**20,421**	**90,601**

Assets	31/12/2007	31/12/2006	Change
***C)* Current assets**			
I) Inventories:			
1) Raw materials, consumables and goods	2	0	2
3) Long-term contracts	7,177	2,647	4,530
4) Finished products and goods	71	57	14
Total	7,250	2,704	4,546
II) Receivables			
1) From customers	109,389	43,218	66,171
2) From subsidiaries	0	0	0
3) From associates	4,747	1,480	3,267
4) From parent companies	0	0	0
4bis) Tax credits	4,813	546	4,267
4ter) Prepaid taxes	9,374	3,155	6,219
5) From others	6,388	294	6,094
Total	134,711	48,693	86,018
III) Short-term investments			
4) Other equity investments		0	0
6) Other securities	9,441	5,000	4,441
Total	9,441	5,000	4,441
IV) Cash and cash equivalents			
1) Bank and postal deposits	17,880	43,352	-25,472
2) Cheques	17	0	17
3) Cash on hand	1,240	910	330
Total	19,137	44,262	-25,125
Total Current Assets (C)	**170,539**	**100,659**	**69,880**
***D)* Accrued income and prepayments**			
- Loan discount	0	0	0
- Other accrued income and prepayments	7,001	3,300	0
Total Accrued Income and Prepayments (D)	**7,001**	**3,300**	**3,701**
Total assets (A+B+C+D)	**288,562**	**124,380**	**164,182**

Liabilities	31/12/2007		31/12/2006		Change
A) Shareholders' equity					
Group:					
I Capital		22,091		10,764	11,327
II Share premium reserve					
IV Legal reserve		2,536		2,536	0
V Reserve for treasury shares portfolio		0			
VII Other reserves:		80,270		1,426	78,844
- consolidation reserve			0		
- extraordinary reserve			0		
- split-off surplus	1,426		1,426		
- merger surplus	78,844		0		
- translation reserve			0		
VIII Undistributed profits and other reserves		16,440		41,947	-25,507
IX Profit / Loss for the year		2,313		10,938	-8,625
Total Group shareholders' equity		123,650		67,611	56,039
Minority interests:					
X Capital and reserves		5,588		1,188	4,400
XII Profit / Loss for the year		393		1,386	-993
Total Minority Interest shareholders' equity		5,981		2,574	3,407
Total shareholders' equity A)		**129,631**		**70,185**	**59,446**
B) Provisions for Risks and Charges					
1) for pensions and similar obligations					
2) for taxes		1,887		2,168	-281
3) other		15,112		2,932	12,180
Total Provisions for Risks and Charges (B)		**16,999**		**5,100**	**11,899**
Employee severance indemnity C)		**28,368**		**9,911**	**18,457**
D) Payables					
4) Due to banks		12,369		0	12,369
6) Advances		4,916		0	4,916
/) Due to suppliers		50,599		22,453	28,146
10) Due to associates		1,405		704	701
12) Tax payables		6,553		5,326	1,227
13) Due to social security authorities		7,974		2,825	5,149
14) Other payables		23,270		7,795	15,475
Total Payables (D)		**107,086**		**39,103**	**67,983**
E) Accrued liabilities and deferred income					
- Other accrued liabilities and deferred income		6,478		81	6,397
Total accrued liabilities and deferred income (E)		**6,478**		**81**	**6,397**
Total liabilities (A+B+C+D+E)		**288,562**		**124,380**	**164,182**

Memorandum accounts	31/12/2007		31/12/2006		Change
Memorandum accounts					
1 Personal guarantees given		5,403		25,857	-20,454
A) Guarantees					
to others	5,403		25,857		
4 Other		0		316	-316
Total Memorandum Accounts		**5,403**		**26,173**	**-20,770**

PROFIT AND LOSS ACCOUNT

(amounts in Euro/000)

Profit and loss account		2007		2006	Change
A) Value of production					
1) Revenues from sales and services		384,882		163,040	221,842
3) Long-term contracts		1,256		970	286
4) Increases in own work capitalised		9,537		4,444	5,093
4) Other revenues and income		7,688		3,725	3,963
Total A)		**403,363**		**172,179**	**231,184**
B) Cost of production					
6) For raw materials, consumables and goods		3,507		724	2,783
7) For services		131,673		54,762	76,911
8) For use of third party assets		51,641		27,151	24,490
9) For personnel		125,913		43,495	82,418
a) wages and salaries	86,716		30,611		
b) social security costs	25,051		8,431		
c) employee severance indemnity	6,431		2,091		
d) pension costs and similar charges	2,932		1,141		
e) other costs	4,783		1,221		
10) Amortisation, depreciation and write-downs		31,641		12,246	19,395
a) amortisation of intangible fixed assets	22,652		8,655		
b) depreciation of tangible fixed assets	7,269		3,290		
c) other write-downs of fixed assets	1,672		29		
d) write-down of debts included under current assets, cash and	48		272		
11) Change in raw materials, consumables and goods		-9		-31	22
12) Provisions for risks and charges		698		2,670	-1,972
14) Other operating costs		23,249		14,789	8,460
Total B)		**368,313**		**155,806**	**212,507**
Difference between value and cost of production (A-B)		**35,050**		**16,373**	**18,677**

Profit and loss account	2007		2006		Change
C) Financial Income and Charges					
15) Income from investments:		33		0	33
- dividends and other income from associates	0		0		
16) Other financial income:		3,545		1,103	2,442
b) from securities recorded under fixed assets but not classed as investments	2,909				
c) from securities recorded under current assets but not classed as investments	46				
d) other income:	590				
17) Interest and other financial charges		-1,466		-86	-1,380
- bank charges	-1,466				
- other	0				
17-bis) Exchange gains and losses		-96		2	
Total C)		**2,016**		**1,019**	**997**
D) Value adjustments to financial assets					
18) Revaluations		782		35	747
a) of investments, including shares of profits from non-consolidated equity investments	782				
19) Write-downs		-3,044		-1,214	-1,830
a) of investments, including shares of profits from non-consolidated equity investments	-3,024		-1,214		
c) of securities classed as current assets	-20				
Total D)		**-2,262**		**-1,179**	**-1,083**
E) Extraordinary Income and Charges					
20) Income		1,135		5,211	-4,076
- other	1,135		5,211		
21) Charges		-19,124		-856	-18,268
- other	-19,124		-856		
Total E)		**-17,989**		**4,355**	**-22,344**
Profit (loss) before tax (A-B+C+D+E)		**16,815**		**20,568**	**-3,753**
22) Current, deferred and prepaid income tax for the year		14,109		8,243	5,866
- current	15,399		9,330		
- deferred (prepaid)	-1,290		-1,087		
Profit (loss) including minority interests		**2,706**		**12,325**	**-9,619**
22 bis) Minority interest profit / loss		393		1,387	-1,387
23) Profit / Loss for the year		**2,313**		**10,938**	**-8,625**

Explanatory Notes

Dear Shareholders,

The financial statements which we submit for your approval, composed of the Balance Sheet, Profit and Loss Account and Explanatory Notes, have been prepared according to Italian GAAP supplemented with the accounting standards developed by the Italian National Councils of Public and Chartered Accountants and, if none, with those issued by the International Accounting Standards Board (IASB). In order to provide full disclosure, the financial statements were integrated with the Cash Flow Statement which analyses cash flows generated during the year.

The purpose of the Explanatory Notes is to illustrate, analyse and in some cases supplement data in the Consolidated Balance Sheet and Profit and Loss Account statements. The Explanatory Notes contain all information required under applicable regulations.

As per art. 2428 of the Italian Civil Code, the nature of the group's business, the situation and development of group management, relations with subsidiaries and associated companies, significant events subsequent to the closure of the financial year and the business outlook for the group are described in the Management Report prepared by the parent company directors, to which reference should be made for a more complete disclosure.

In addition to the parent company SIA-SSB S.p.A., the scope of consolidation includes the following companies:

					amounts in Euro/000
COMPANY NAME	**REGISTERED OFFICE**	**SHARE CAPITAL**	**% OWNED BY THE GROUP**		
			DIRECT	INDIRECT	THROUGH
SIA-SSB S.p.A. (Parent company)	MILAN	22,091			
GBC Z.r.t.	BUDAPEST (HUN)	719	100.00%		
Perago AG	ZUG (CH)	60	100.00%		
TSP S.r.l.	MILAN	5,647	100.00%		
Kedrios S.p.A.	MILAN	2,403	81.24%		
Perago FSE Ltd	PRETORIA (SAF)	2	75.00%		
RA Computer S.p.A.	MILAN	3,000	65.00%		
SiNSYS S.A.	BRUSSELS (B)	6,000	51.00%		
Simbologica S.r.l. (*)	MILAN	65		49.56%	KEDRIOS S.p.A.
(*) Simbologica S.r.l. is 61% controlled by Kedrios					

GBC – Giro Bankkartya Zrt, with headquarters in Budapest (Hungary), is 100% owned by SIA-SSB. The company has a share capital of HUF 177,000,000. This company, acquired in July 2007, was consolidated with the line-by-line method.

With respect to the financial statements as at 31 December 2006, the scope of consolidation has changed as a result of the merger by incorporation of SIA S.p.A. and the acquisition of GBC - Giro Bankkartya Zrt during 2007. GBC was consolidated for six months of the year as the acquisition was finalised in July.

Perago AG, with headquarters in Unterägeri (Switzerland), 100% owned by SIA-SSB al 100%, was incorporated in the last quarter of 2005. The company has a share capital of CHF 100,000. This company was consolidated with the line-by-line method.

TSP - Tecnologie e Servizi per il Pubblico S.r.l., with headquarters in Milan in Viale Certosa no.218 with share capital of € 5,647,000, composed of a single stake wholly-owned by the sole shareholder SIA-SSB. This company was consolidated with the line-by-line method.

Kedrios S.p.A., with headquarters at Via Taramelli 26, Milan, 81.24% owned by SIA-SSB S.p.A. has share capital of € 2,402,500. This company was consolidated with the line-by-line method.

Perago FSE Ltd, with headquarters in Pretoria (South Africa), is 75% owned by SIA-SSB. The company has a share capital of ZAR 5,820,000. This company was consolidated with the line-by-line method.

RA Computer S.p.A., with headquarters at Via Padre Giuliani 10, Milan, has share capital of € 3,000,000 and is 65% owned by SIA-SSB. This company was consolidated with the line-by-line method.

SiNSYS SA, with headquarters at Chaussèe de Haecht 1426, Brussels, was incorporated on 23 September 2003 with share capital of € 6,000,000, 51% subscribed by SIA-SSB and 49% by Atos Worldline SA/NV with registered office in Brussels. This company was consolidated with the line-by-line method.

Simbologica S.r.l., with headquarters at Via Taramelli 26, Milan, has share capital of € 65,000. The company is indirectly owned through Kedrios which owns 61%. This company was consolidated with the line-by-line method.

The closing date of the financial statements coincides for all companies included in the scope of consolidation, and corresponds to that of the parent company.

REPORTING CRITERIA FOR THE CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements were drafted on the basis of financial statements prepared by the respective companies as at 31 December 2007 in compliance with applicable law, and submitted for approval of the company bodies. All statements are expressed in thousands of euro unless specified otherwise.

CONSOLIDATION PRINCIPLES

The consolidation principles adopted are illustrated below.

Asset and liability items, as well as income and charges of the companies included in the scope of consolidation are reported on a line-by-line basis.

The book value of equity investments in the companies included in the scope of consolidation is eliminated against the corresponding portion of shareholders' equity. The difference in the cost of the equity investment compared to the shareholders' equity of the investee at the date of acquisition is proportionally recognised to the asset and liability items to which it can be attributed. The remainder, if positive, is recognised to assets under consolidation differences and, if negative, to consolidated shareholders' equity as consolidation reserves. Otherwise, if it is expected that the acquired company will incur losses in the financial years immediately following acquisition, it is recognised to the liability item "Consolidation provisions for risks and charges". These provisions will be used in future years to cover any losses incurred.

Payables and receivables existing between companies included in the scope of consolidation as at the balance sheet date are eliminated.

Costs and revenues regarding intercompany transactions during the year are eliminated.

If significant, the profits and losses resulting from transactions between the companies included in the scope of consolidation are eliminated.

Dividends, loss coverage and write-downs of equity investments included in the scope of consolidation are eliminated.

The translation to euro of foreign investee company financial statements applies the year-end exchange rate to balance sheet items and the year-average exchange rate to profit and loss account items.

RECONCILIATION OF PARENT COMPANY AND CONSOLIDATED SHAREHOLDERS' EQUITY AND PROFIT (LOSS) FOR THE YEAR

The reconciliation statement of parent company shareholders' equity and profit (loss) for the year as at 31 December 2007 and the consolidated figures as at the same date is attached to these Explanatory Notes.

VALUATION CRITERIA

In drafting the consolidated financial statements, the valuation criteria and accounting standards adopted are inspired by the general criteria of prudence and accrual with a view to business continuity.

The valuation criteria adopted for the most significant items are indicated below.

<u>Intangible fixed assets</u>

Intangible fixed assets, based on article 2426 of the Italian Civil Code, are recognised at purchase or production cost, including any accessory charges. Intangible fixed assets subject to transfer or split are recognised at the value established in the related agreement. The values recorded are amortised on a straight-line basis depending on their future useful lives. If at the balance sheet date any fixed assets have undergone impairment, they are written down accordingly.

Industrial patent and intellectual property rights

- Patents:

The amortisation period corresponds with the duration of the patent.

- Software licences:

This item includes costs for the purchase of user licences for third-party software. The recorded costs all relate to long-term utilisation and are amortised according to the user licence duration. If the licence has an unlimited duration, the related cost is amortised over 3 years. Infrastructure and application software licences of particular strategic importance are examined on a case-by-case basis to assess the fair useful technical and economic life, which in exceptional circumstances may be more than 3 years. Annual licence instalments are charged directly to the Profit and Loss Account under "Costs for use of third party assets".

- Projects developed during the year:

This item includes in-house software development projects already at production stage as at the balance sheet date. Third-party services are recognised as a direct cost, whereas production costs are calculated according to art. 2426, subsection 1, paragraph 1 of the Italian Civil Code through identification of the specific cost of related internal resources. The amortisation period is 3 years. Infrastructure and application software projects of particular strategic importance are examined on a case-by-case basis to assess the fair useful technical and economic life, which in exceptional circumstances may be more than 3 years. Costs relating to projects completed as at the end of the year for which future utilisation is certain are recorded under Balance Sheet assets.

Software programmes under development and advances:

This item includes production and purchase costs for the production of new software programmes as part of projects not yet completed or at final testing stage, and therefore not yet in operation at the end of the year. These relate to projects for which completion by the Company is reasonably certain from a technical point of view. Should these requisites not be met, the project costs are charged to the Profit and Loss Account for the year. It is only when the procedures using such software programmes go into production that the costs are reclassified to "Projects developed during the year", with subsequent commencement of related amortisation.

Goodwill:

In compliance with art. 2426, paragraph 6 of the Italian Civil Code and subject to Board of Statutory Auditors consent, goodwill is recognised to the extent of costs incurred and normally amortised over 5 years. If amortisation is applied for a period exceeding five years, justification is provided in the Explanatory Notes.

Consolidation differences:

This item includes the positive differences between the acquisition cost of investments in subsidiaries and the corresponding portion of shareholders' equity acquired as at the date of consolidation, adjusted according to group accounting principles. Consolidation differences are normally amortised over five years from the equity investment acquisition date. If amortisation is applied for a period exceeding five years, justification is provided in the Explanatory Notes. For controlling interests acquired during the year, amortisation for the first year is calculated in proportion to the period of control.

Other intangible fixed assets:

This item includes long-term charges relating to third-party assets. Amortisation is calculated according to the duration of the contract concerned and the residual useful life of the investment, and in any event for a period not exceeding 5 years.

Tangible fixed assets

Tangible fixed assets are recorded at their purchase cost, inclusive of related start-up costs. The values recorded are adjusted by their respective accumulated depreciation. If at the balance sheet date the value proves persistently lower than the net book value, the value is written down accordingly. If the reasons for write-down should at any time no longer apply, the write-down is not carried forward to future years. Depreciation recognised to the profit and loss account was calculated systematically and on a straight line basis - reduced by 50% for assets purchased during the year - according to the domestic rate considered most representative of the estimated useful technical and economic life of the assets. These rates are detailed later in this report in comments on the balance sheet items.

Costs for maintenance and repairs are charged to the Profit and Loss Account for the year in which they are incurred when they are of an ordinary nature, or capitalised if extraordinary.

Financial fixed assets

Equity investments in associated companies are valuated by the equity method; equity investments in other companies are recorded at their purchase cost and are written down in case of impairment. Long-term investment portfolio securities are recognised to "Other securities" under Financial Fixed Assets. This item includes both the purchase cost of the securities and directly attributable accessory charges, excluding accumulated interest which is recorded under "Accrued income and prepayments" or, if interest has already matured in full, to "Other receivables" under Current Assets. If at the time of preparation of the financial statements the security proves to be impaired, or if a change in economic use of the asset is decided, e.g. from a capitalised asset to an asset held for trading, the cost criteria is replaced by the lower of the cost and the market value of the security. Securities classed as long-term investments are held until their natural maturity.

Change in long-term contracts

Inventories of products and goods are valued at the lower of the purchase price and the realisable value deriving from the market trend. The cost is determined using the weighted average cost method. Values deriving from adoption of the weighted average cost method do not significantly differ from those resulting from current costs at the end of the year. The value of final inventories is adjusted for several articles depending on the market price and the estimated realisable value in case of obsolete articles.

The valuation of long-term contracts with duration beyond the year is based on percentage completion criteria pursuant to art. 2426, subsection 11 of the Italian Civil Code. The percentage completion of the contracts was calculated according to the cost-to-cost method. Any losses on the contract, expected on the basis of objective, reasoned assessment, are charged to the profit and loss account in the period in which they become known, allocating the year-end inventories value to a special fund or reducing the value as appropriate.

Receivables and payables

Receivables are recorded according to their estimated realisable value, corresponding to the difference between the nominal value and the bad debt provision created during the previous years and increased by the amount allocated during the year. Payables are shown at their nominal value.

Short-term investments

Securities classed as short-term investments are valued at the lower between the purchase cost and market value, defined as the market value on the last day of trading for the year.

Cash and cash equivalents

Cash and cash equivalents are recorded at nominal value and represent the existence of cash and equivalent calculable sums as at the balance sheet date.

Accrued income

The item Accrued Income includes the shares of revenues for the year to be received in future financial years.

Accruals and deferrals

These are recognised according to the cost matching principle. The item prepayments includes costs, the extent of which is time-dependent, incurred by the end of the financial year but relating to future financial years. The item deferred income includes income for the year that will be collected in future years.

Provisions for risks and charges

The provisions for risks and charges include allocations for loss cover or debts of a calculable nature, whose existence is certain or probable, where the total or date of the contingency asset cannot be calculated as at year-end.

Employee severance indemnity

Allocation is performed in compliance with legal regulations and current employment contracts, and represents the debt matured in favour of employees as at the end of the financial year.

Costs and Revenues

These are recorded using the cost matching principle, also in observance of the principle of prudence.

Income from investments

Dividends from investments in limited companies, not consolidated by the global integration method and not valuated by the equity method, are recorded in the year in which they are collected.

Derivatives

The derivatives comprise interest rate swap (IRS) hedges.

The IRS interest spread is recorded financial charges in the profit and loss account according to the matching principle. If any transaction is not in perfect alignment with the underlying financial position, it is assessed under market conditions.

Taxes

The allocation of taxes for the year, recorded in the financial statements, was calculated based on the forecast of taxable income pursuant to current regulations. Deferred tax assets and liabilities are calculated on the temporary differences between the value of assets and liabilities according to Italian GAAP criteria and their value for tax purposes. Deferred tax assets are recorded only when there is a reasonable certainty of their future recovery. The temporary difference relating to tax losses which can be carried forward is recorded in the financial statements when its recovery through future taxable income is reasonably certain.

sia ssb

Breakdown of Balance Sheet items

ASSETS

Fixed assets - 111,022 €/000

Intangible fixed assets

Intangible fixed assets totalled € 81,340 thousand (€ 10,749 thousand in 2006) and were primarily composed of:

Industrial patent and intellectual property rights

Software programmes for services to customers

These refer to software programmes required to provide services to customers. The increases refer to new applications or increases in old applications, in order to manage the changing needs of the market or to comply with new rules regarding the provision of services.

Software programmes for internal use

These refer to basic software programmes which, along with the Operating System, allow full use of the services offered by the data processing system hardware, to software applications allowing data processing according to different needs and software for the Corporate Office Automation System.

Patents and trademarks

This represents the cost, net of direct amortisation, for the research and registration of patent applications in Italy and abroad, and the trademarks used to identify the products/services offered by the group.

Software programmes under development and advances

These costs refer to the development of software programmes for which, at the end of the year, their completion and future use is certain in providing profitable services to customers. It is only after these programmes advance to production stage and external procedures testing that the costs relating to such projects are classified under "Software programmes for services to customers" with subsequent commencement of the amortisation process.

Other intangible fixed assets

These mainly comprise long-term charges regarding works on leased assets, and mainly refer to the costs incurred in 2003 for the design and development of new offices.

Intangible fixed assets were not revaluated and do not include capitalised financial charges. The changes in intangible fixed assets during the year are illustrated in the Supplementary Information section of the Explanatory Notes.

Consolidation differences

These refer to residual differences on items not attributable to the Profit and Loss Account, between the cost of acquisition of equity investments and the related portion of shareholders' equity at the time of their inclusion in the scope of consolidation. It should be mentioned that amortisation is spread over 5 years, though for GBC only it is considered reasonable to opt for a 10-year period. SIA-SSB's acquisition of GBC is fully consistent with the strategic objectives of the Group to strengthen its presence, particularly in central Europe. In establishing 10 years as the goodwill amortisation period, reference was made to the GBC 3-year plan. The residual value of goodwill to be amortised will be reviewed on an annual basis to confirm its recoverability, guaranteeing an adequate return on the capital invested. Such assessments were confirmed by an independent expert.

Tangible fixed assets

The net book value of tangible fixed assets was € 14,177 thousand (€ 8,135 thousand in 2006).

Tangible fixed assets were revaluated and do not include capitalised financial charges. Depreciation recognised during the year amounted to € 7,269 thousand and was calculated on all assets depreciable as at 31 December 2007, applying the depreciation rates deemed to best represent the economic-technical life of the assets. The increases for the year refer mainly to IT infrastructure enhancements. The changes in tangible fixed assets during the year are illustrated in the Supplementary Information section of the Explanatory Notes.

Financial fixed assets

The net book value of tangible fixed assets was € 15,505 thousand (€ 1,536 thousand in 2006).

Equity investments in associates and other companies

As at 31 December 2007, equity investments in associated companies totalled € 4,131 thousand, whilst investments in other companies amounted to € 156 thousand, for a total recorded value of € 4,287 thousand. These companies were not consolidated, but rather assessed using the equity method on the corresponding percentage investment.

Equity investments in non-consolidated companies can be summarised as follows:

Associated Companies	**Percentage owned**	**Value as at 31/12/2007**
Glesia S.r.l.	49.00%	688
INVOICING S.r.l.	45.00%	-
Actalis S.p.A.	44.60%	1,988
ATS S.p.A.	30.00%	597
Perago Africa Ltd.	30.00%	858
Other		
Isnova S.c.r.l.	22.23%	52
Waini S.r.l.	11.91%	50
Banca Etica S.p.A.	-	16
Perago FSE Share Trust	-	38
Total		**4,287**

Glesia S.r.l.

2007 figures recorded a value of production of € 15.3 million (€ 16.8 million in 2006) and net profits for the year of € 1.4 million (€ 1.2 million in 2006).

INVOICING S.r.l.

The investee company has focused its business activities and investments on development of the Bankpass Bollette e-billing service, a joint ABI and e-Committee initiative.

The uncertainty regarding future prospects and the lack of potential customers in this market sector led to a shareholder decision to consider liquidation. For this reason, intangible and tangible fixed assets were cancelled from the financial statements as at 31 December 2007, and a provision for risk was allocated to cover costs for the early termination of existing contracts. In brief, the company achieved a value of production of € 1.2 million and a negative € 1.6 million operating margin compared to the positive margin of € 0.2 million in 2006. The net loss for 2007 was € 1.7 million compared with profits of € 0.1 million the previous year. Shareholders' equity recorded a negative € 1.5 million.

Actalis S.p.A.

2007 figures show a value of production of € 8.7 million and net losses for the year of € 1.6 million.

ATS S.p.A.

2007 recorded a value of production of approximately € 8.6 million (€ 8.0 million in 2006) and estimated gross profits for the year of € 0.3 million (€ 0.3 million in 2006).

Perago Africa Ltd.

2007 ended with net profits for the year of € 0.5 million.

> Equity investments in other companies

For an analysis of the business activities and performance in 2007 of the various companies, reference should be made to the Management Report.

Waini S.r.l.

Waini s.r.l. share capital amounts to € 65 thousand of which SIA possesses 11.91%. Negotiations began in 2007 with a view to reaching agreements for disposal of this equity investment. As at the balance sheet date a decision had not yet been reached by the board of directors.

Isnova S.c.r.l.

This is a non-profit making organisation for new technology development and promotion on the national and international markets. The equity investment recorded was € 52 thousand.

Banca Etica S.p.A.

This equity investment is held by the subsidiary RA Computer.

Perago FSE Share Trust

This equity investment is held by the subsidiary Perago FSE.

Due from associated companies realisable beyond the following financial year

These refer to the amount due from associated company Invoicing for the amount financed in 2003 and 2004, expiring on 31 December 2007, further extended during the financial year. The bad debt provision was established in a prudential manner given that, upon valuation of the equity shareholding, Invoicing's losses were deemed to be lasting.

Associated Companies	31/12/2007	31/12/2006
Invoicing s.r.l. loan	1,350	1,350
Bad debt provision	-1,350	-1,350
Total	**-**	**-**

Due from others realisable beyond the following financial year

These refer to security deposits on service supply contracts and real estate lease agreements.

Due from others	31/12/2007	31/12/2006
Lease agreements	150	49
Other	64	10
Total	**214**	**59**

Other securities

Details of this item are illustrated in the following table, which includes changes and value adjustments for the year. Changes in the portfolio mainly relate to the redemption of securities on maturity.

Securities	Balance as at 31/12/2006	Effects of merger	Acquisitions	Disinvestments/ Redemptions	Write-downs/ write-backs	Balance as at 31/12/2007
Government securities	-	5,017	-	-1,000	-7	**4,010**
Corporate bonds	-	7,014	-	-	-20	**6,994**
Total	**-**	**12,031**	**-**	**-1,000**	**-27**	**11,004**

Current assets – 170,539 €/000

As at 31 December 2007, current assets were composed as follows:

Current assets	**31/12/2007**	**31/12/2006**
Inventories	7,250	2,704
Receivables	134,711	48,693
Short-term investments	9,441	5,000
Cash and cash equivalents	19,137	44,262
Total	**170,539**	**100,659**

The difference primarily refers to the merger by incorporation of SIA S.p.A.

Accrued income and prepayments – 7,001 €/000

Prepayments

These can be broken down as follows:

Prepayments	**31/12/2007**	**31/12/2006**
Other	7,001	3,300
Total	**7,001**	**3,300**

With regard to their nature, prepayments concern costs incurred in advance for services to be used in 2008. These essentially relate to hardware and software rentals, maintenance agreements and insurance premiums.

There are no prepayments with a duration greater than five financial years.

LIABILITIES

Shareholders' equity – 123,650 €/000

Share capital

The share capital of the parent company, fully subscribed and paid up, increased as a result of the merger by incorporation of SIA S.p.A. in 2007. The increase of € 11,327 thousand from the issue of 87,133,095 ordinary shares with a nominal value of € 0.13 each reserved without cash adjustments to shareholders of the acquired company.

The share capital totals € 22,091 thousand, comprising 169,932,974 ordinary shares with a nominal value of € 0.13 each. For an analysis of changes in capital during the year, reference should be made to the attached statement.

Share capital	**31/12/2007**	**31/12/2006**
Share capital	22,091	10,764
Total	**22,091**	**10,764**

Legal reserves

The legal reserve of the parent company recorded the following changes:

Legal reserves	**31/12/2007**	**31/12/2006**
Opening Balance	2,536	2,313
Allocation of TSP profits	-	223
Total	**2,536**	**2,536**

Reserves for split-off surplus

This represents the difference between the total value of assigned SIA-SSB shares and the book value of assets transferred in the year 2000 following the partial split-off of the "processing" branch of Servizi Interbancari S.p.A..

Reserve for split-off surplus	**31/12/2007**	**31/12/2006**
Split-off of Servizi Interbancari	1,426	1,426
Total	**1,426**	**1,426**

Reserve for merger surplus

This represents the total difference of € 78,844 generated from the merger by incorporation of SIA S.p.A. in 2007.

Reserve for merger surplus	**31/12/2007**	**31/12/2006**
Merger by incorporation of SIA S.p.A.	78,844	0
Total	**78,844**	**0**

Undistributed profits and other reserves

The item undistributed profits and other reserves includes the effects on group results in previous financial years.

Undistributed profits and other reserves	**31/12/2007**	**31/12/2006**
Undistributed profits and other reserves	16,440	41,947
Total	**16,440**	**41,947**

Provisions for risks and charges – 16,999 €/000

Provision	Balance as at 31/12/2006	Increases	Increases from merger	Utilisation	Balance as at 31/12/2007
Claims risk	1,256	762	-	-877	1,141
Future charges	1,676	-	2,738	-4,011	403
Restructuring costs	-	11,468	1,662	-1,537	11,593
Equity investment risk	-	698	1,277	-	1,975
Deferred tax reserve	2,168	-	-	-281	1,887
Total	**5,100**	**12,928**	**5,677**	**-6,706**	**16,999**

The deferred tax reserve mainly refers to the deferred tax effect deriving from the residual clean-up of advance depreciation on tangible fixed assets of the parent company. This depreciation was applied only in order to take advantage of related tax relief.

The provision for future charges were allocated in observance of the principle of prudence.

The provision for claims risk was allocated as a result of claims for damages made by certain customers as a result of discrepancies occurring in the current and previous years. It should be mentioned that certain positions are partly covered by insurance.

The provision for future charges mainly relates to costs that may be incurred for advance termination of the lease agreement on the Roncaglia property.

The provision for restructuring costs was established to meet personnel reorganisation costs.

The provision for equity investment risks relates to losses generated by the subsidiaries Perago AG and INVOICING.

Employee severance indemnity – 28,368 €/000

Adjustment of the debt was performed in compliance with current regulations and covers sums matured by employees as at 31 December 2007. Movements during the year were as follows:

Employee severance indemnity	**31/12/2007**	**31/12/2006**
Opening Balance	9,911	9,283
Increases from merger	19,853	-
Utilisation for termination of employment contracts, advances and pension funds	-7,827	-1,463
Allocations accrued during the year	6,431	2,091
Total	**28,368**	**9,911**

Payables – 107,086 €/000

Due to suppliers

Payables to suppliers totalled € 50,599 (€ 22,453 in 2006). The difference is primarily related to the merger by incorporation of SIA S.p.A.

Amounts due to suppliers are composed of trade receivables payable within the next financial year.

Due to associates

Amounts due to associates can be broken down as follows:

Due to associates	**31/12/2007**	**31/12/2006**
INVOICING	213	542
Actalis	399	162
ATS	726	-
Other	67	-
Total	**1,405**	**704**

The amounts due to INVOICING represent payments for technology and maintenance services on Bankpass Bollette service application software invoiced to parent companies by INVOICING. The amounts due to ATS relate to consulting services, whereas the amount payable to Actalis refers mainly to product purchases.

Tax payables

Tax payables can be broken down as follows:

Tax payables	**31/12/2007**	**31/12/2006**
Due to tax authorities for withholding taxes	3,154	854
VAT payables	2,730	713
Due to tax authorities for IRES and IRAP (Corporate and Regional Business Tax)	179	3,636
Other	490	123
Total	**6,553**	**5,326**

Due to social security authorities

The amount can broken down as follows:

Due to social security authorities	**31/12/2007**	**31/12/2006**
INPS (Social Security)	7,904	2,780
Other	70	45
Total	**7,974**	**2,825**

The payables indicated above mainly refer to social security contributions on wages and salaries for December 2007, as well as contributions for leave accrued but not taken.

Other payables

The total of € 23,270 thousand (€ 7,795 thousand in 2006) is composed mainly of amounts due to employees for sums due but not yet paid. The amount due to employees includes variable pay components, i.e. MBO system payments and bonuses, together with sums relating to personnel reorganisation procedures implemented by the parent company, all considered final and certain.

Accrued liabilities and deferred income – 6,478 €/000

This item amounts to € 6,478 thousand (€ 81 thousand in 2006) and refers to revenues recorded as at 31 December 2007 but receivable in future years.

Memorandum accounts – 5,403 €/000

The memorandum accounts primarily illustrate Group commitments and guarantees to third parties. They amount to € 5,403 thousand (€ 25,857 in 2006). The reduction is mainly due to disinvestment of the guarantee for the acquisition of GBC.

Breakdown of Profit and Loss Account items

Value of production – 403,363 €/000

Revenues from services and sales of products

Revenues from ordinary operations are broken down as follows:

Revenues from services and sales of products	**2007**	**2006**
Network services	58,429	-
Payment systems	85,592	35,713
Credit and debit card services	141,639	107,628
Capital market	99,222	-
Other	-	19,699
Total	**384,882**	**163,040**

The increase in revenues over the previous year is largely due to the merger by incorporation of SIA S.p.A. In fact, the network and capital market services were not managed by the SSB Group in 2006. Furthermore, the increase in revenues from credit and debit card services is justified mainly by the increase in volumes, but also by acquisition of the equity investment in GBC.

Change in long-term contracts

Changes in long-term contracts totalled € 1,256 thousand and relate to progress on RTGS project contracts for Egypt, Sweden and Norway and completion of the "NAI" and "Applicazione Snodo" projects for customers.

Increases in own work capitalised

The total for this item was € 9,537 thousand (€ 4,444 thousand in 2006) and relates to:

Software programmes developed during the year

These refer to costs incurred during the year for the completion of software programmes, for which the amortisation procedure has been initiated.

Software programmes under development

These refer to costs for the development of software programmes, for which, at the end of the year, the completion and future use for the provision of services to customers is certain. It is only after these programmes advance to production stage and external procedures testing that the costs relating to such projects are classified under "Software programmes for services to customers" with subsequent commencement of the amortisation process.

Other revenues

Other operating revenues are broken down as follows:

Other revenues	**2007**	**2006**
Other revenues	3,552	1,553
Contingent assets	4,124	1,856
Capital gains on disposal of assets	12	316
Total	**7,688**	**3,725**

Contingent assets refer mainly to certain insurance reimbursements against customer claims incurred in the previous year, release of part of the provisions for risk allocated in previous years and the definition of data transfer invoicing adjustments for a number of banks.

The item "Other revenues" includes disbursements from the Fondazione Forte, reimbursement of contributions allowances from previous years and chargeback amounts relating to seconded personnel.

Cost of production – 368,313 €/000

The cost of production is composed of:

Cost of production	**2007**	**2006**
Purchase costs	3,507	724
Service costs	131,673	54,762
Costs for use of third-party assets	51,641	27,151
Personnel costs	125,913	43,495
Amortisation, depreciation and write-downs	31,641	12,246
Changes in inventories of raw materials	-9	-31
Provisions for risks	698	2,670
Other operating costs	23,249	14,789
Total	**368,313**	**155,806**

The main changes are due to expansion of the scope of consolidation, also as a result of the incorporation of SIA S.p.A.

Amortisation, depreciation and write-downs include the consolidation differences of € 5.5 million regarding GBC, RA Computer, Perago FSE and Simbologica. It should also be mentioned that the residual amount of consolidation differences totalling € 54.5 million includes € 44.2 million regarding GBC, € 8.1 million RA Computer and € 2.2 million Perago FSE.

Amortisation is spread over 5 years, except for GBC for which it was considered reasonable to opt for a 10-year period. SIA-SSB's acquisition of GBC in July 2007 was fully consistent with the strategic objectives of the Group to strengthen its presence, particularly in central Europe, and can be attributed to the following rationales:

- the option to use GBC as the Group's Centre of Competence for the provision of front-end processing and terminal handling services;

- the gradual transformation of this Centre into the European regional hub, enhancing and increasing available competences in order to provide additional back-office services;
- the direct monitoring of the Hungarian market and allowing the acquisition of a significant number of new customers not only in Hungary, but also in other countries (Romania, Serbia, Montenegro, the Czech Republic and Slovakia);
- optimisation of current development costs for the Terminal Handling platform, transferring the monitoring of this platform to Hungary and reducing the reliance on outsourcing for the provision of local services following creation of the regional hub;
- highly positive contribution to the SIA-SSB economic results on completion of the SIA-SSB Group integration project).

Therefore, in order to calculate a reasonably long timespan in which to optimise the launch of this project, reference was made to the GBC 3-year plan, which indicates that the company will reach break-even point at the end of the three-year period, the net profits forecast allowing the amortisation of goodwill within six and a half years. To conclude, these combined circumstances led the company to reasonably assume a 10-year period for the systematic amortisation of goodwill. The residual value of goodwill to be amortised will be reviewed on an annual basis to confirm its recoverability, guaranteeing an adequate return on the capital invested. Such assessments were confirmed by an independent expert.

As at 31 December 2007, employees numbered 1,853. The average number of employees, divided by category, is as follows:

	2007	2006
Top Management and Executives	97	32
Middle managers and staff	1,791	566
Total	**1,888**	**598**

Financial income and charges – 2,016 €/000

These include income from securities, current accounts and integration of the share of dividends allocated in 2007 by associated companies. The item also comprises interest expense on the medium/long-term loan obtained for acquisition of equity investments and from the economic effects of interest rate swaps on this loan.

Other financial income

These are composed of:

Other financial income	**2007**	**2006**
Interest income from current accounts and short-term credit facilities.	2,288	967
Interest on bonds	476	-
Interest income on IRS	483	-
Other interest income	298	136
Total	**3,545**	**1,103**

Financial interest and charges

These are composed of:

Financial interest and charges	**2007**	**2006**
Interest expense on medium/long-term loans	589	-
Bank charges	141	-
Interest expense on IRS	573	-
Interest expense to suppliers	13	6
Other	150	80
Total	**1,466**	**86**

Exchange gains (losses)

Exchange gains (losses)	**2007**	**2006**
Exchange gains (losses)	-96	2
Total	**-96**	**2**

Value adjustments to financial assets – 2,262 €/000

Revaluation of Equity investments

This item refers to revaluation of the equity investments in Glesia S.r.l. and ATS S.p.A. following their valuation using the equity method.

Revaluation of Equity investments	**2007**	**2006**
Revaluation of Equity investments	782	35
Total	**782**	**35**

Write-down of Equity investments

Write-down of Equity investments	**2007**	**2006**
Write-down of Perago Africa	1,600	-
Write-down of Actalis	707	1,214
Write-down of Thesia	640	-
Write-down of INVOICING	77	-
Total	**3,024**	**1,214**

Extraordinary income and charges – 17,989 €/000

Extraordinary income and charges	**2007**	**2006**
Extraordinary income	1,135	5,211
Extraordinary charges	-19,124	-856
Total	**-17,989**	**4,355**

Extraordinary charges include costs incurred as a result of implementation of the personnel reorganisation process.

Income taxes for the year – 14,109 €/000

These are composed of:

Income taxes for the year	**2007**	**2006**
Current tax	15,399	9,330
Deferred/prepaid tax	-1,290	-1,087
Total	**14,109**	**8,243**

The increased tax burden compared to the previous year is mainly due to costs for the write-down of equity investments no longer being deductible, and telecommunications system costs being only 80% deductible as introduced by the 2007 Finance Act.

SIA-SSB

The Chairman of the Board of Directors

Carlo Tresoldi

Supplementary Information

Statement of changes in intangible fixed assets

	Historical cost					
	Balance as at 31/12/2006 (a)	Currency translation differences (b)	Reclassifications (c)	Increases (d)	Decreases (e)	Balance as at 31/12/2007 (f=a+b+c+d-e)
Formation costs	174	0	0	87	0	261
Research and development costs	295	0	0	13	0	308
Industrial patent and intellectual property rights	120,274	0	0	121,399	91	241,582
Franchise, licences and trademarks	5	0	0	40	0	45
Goodwill	830	0	0	3,047	0	3,877
Consolidation differences	0	0	0	101,428	0	101,428
Projects under development	3,064	0	0	10,414	9,223	4,255
Other intangible fixed assets	7,291	0	0	16,134	1,242	22,183
Total intangible fixed assets in use	**131,933**	**0**	**0**	**252,562**	**10,556**	**373,939**

Accumulated amortisation							12/31/2006	12/31/2007
Balance as at 31/12/2006	Currency translation differences	Reclassifications	Increases for acquisitions	Amortisation for the year	Decreases for adjustments	Balance as at 31/12/2007	Net intangible fixed assets	Net intangible fixed assets
(g)	(h)	(i)	(j)	(k)	(l)	(m=g+h+i+j+k-l)	(n=a-g)	(o=f-m)
174	0	0	87		0	261	0	0
295	0	0	6	4	0	305	0	3
113,747	0	0	92,117	16,183	90	221,957	6,527	19,625
1	0	0	26	5	0	32	4	13
830	0	0	2,797	21	0	3,648	0	229
0	0	0	41,382	5,479	0	46,861	0	54,567
							3,064	4,255
6,137	0	0	12,438	960	0	19,535	1,154	2,648
121,184	**0**	**0**	**148,853**	**22,652**	**90**	**292,599**	**10,749**	**81,340**

Statement of changes in tangible fixed assets

	Historical cost					
	Balance as at 31/12/2006	Reclassifications	Increases	Decreases	Write-downs	Balance as at 31/12/2007
	(a)	(b)	(b)	(c)	(d)	(e=a+b-c-d)
Land and buildings	0	0	3	0	0	3
Plant and equipment	31,623	0	72,504	1,525	0	102,602
Fixtures and fittings	0	0	939	36	0	903
Other assets	4,183	0	11,054	645	0	14,592
Work in progress and payments on account	1,586	0	3	1,586	0	3
Total tangible fixed assets	**37,392**	**0**	**84,500**	**3,792**	**0**	**118,103**

Accumulated depreciation							31/12/2006	31/12/2007
Balance as at 31/12/2006	Reclassifications	Increases for acquisitions	Depreciation for the year	Decreases for the year	Decreases for write-downs	Balance as at 31/12/2007	Net tangible fixed assets	Net tangible fixed assets
(f)	(g)	(h)	(i)	(l)	(m)	(n=f+g+h+i-l-m)	(o=a-e)	(p=e-n)
0	0	0	0	0	0	0	0	3
26,205	0	60,041	6,341	1,669	0	90,918	5,418	11,684
0	0	504	151	48	0	607	0	296
3,051	0	8,983	777	410	0	12,401	1,132	2,191
0	0	0	0	0	0	0	1,586	3
29,256	**0**	**69,528**	**7,269**	**2,127**	**0**	**103,926**	**8,136**	**14,177**

Cash flow statement

(in Euro/000)	2007	2006
SOURCES OF FINANCING		
Profit (loss) for the year	2,315	10,938
Third-party profit (loss) for the year	393	1,386
Amortisation, depreciation and write-downs	31,641	11,945
Allocations to employee severance indemnity	6,431	2,091
Other allocations	0	29
Allocations to deferred taxes	0	1,015
Allocations to bad debt provision	48	279
Allocations to provisions for risks and charges	12,928	2,704
Deferred taxes	(1,292)	(1,087)
Change in employee severance indemnity fund due to merge	19,854	0
Change in provisions for risk due to merger	5,627	0
Change in shareholders' equity due to merger	58,992	0
Change due to extension of the scope of consolidation	3,743	0
Write-downs of equity investments	0	1,180
Subscribed capital unpaid	0	980
NET WORKING CAPITAL GENERATED BY OPERATIONS	**140,680**	**31,460**
Book value of disposed tangible and intangible assets	35	1,033
Book value of equity investments sold	0	852
TOTAL SOURCES	**140,715**	**33,345**
USE OF FUNDS		
Investments in tangible fixed assets	7,960	7,698
Investments in intangible fixed assets	60,771	2,785
Change in tangible fixed assets due to merger	5,350	0
Change in intangible fixed assets due to merger	32,472	0
Change in financial fixed assets due to merger	15,654	0
Net change in financial fixed assets	(1,685)	0
Changes in equity investments in associated companies	0	1,772
Use of bad debt provision	650	7
Disbursement of employee severance indemnities	7,828	1,478
Dividend distribution	5,856	1,368
Decrease in minority share capital	0	1,960
Use of provisions for risks and charges	6,658	537
TOTAL USE	**141,514**	**17,605**
Increase (Decrease) in Net Working Capital	**(799)**	**15,740**

Statement of changes in net current assets

(in Euro/000)	**2007**	**2006**
CHANGES IN CURRENT ASSETS		
Inventories	4,546	1,001
Receivables		
- Due from customers	66,171	1,916
- Due from associates	3,267	770
- Due from others	16,580	949
Other securities	4,441	5,000
Cash and cash equivalents	-25,125	11,380
Accrued income and prepayments	3,701	1,290
TOTAL CURRENT ASSETS	**73,581**	**22,306**
CHANGES IN CURRENT LIABILITIES		
Payables		
- Due to banks	12,369	0
- Advances	4,916	0
- Due to suppliers	28,146	2,129
- Due to associates	701	344
- Tax payables	1,227	2,574
- Due to Social Security	5,149	376
- Other payables	15,475	1,092
- Deferred tax provisions		51
Accrued liabilities and deferred income	6,397	
TOTAL CURRENT LIABILITIES	**74,380**	**6,566**
Increase (Decrease) in Net Working Capital	**(799)**	**15,740**

Reconciliation between parent company and consolidated shareholders' equity and profit (loss) for the year

	shareholders' equity	including profit (loss) for the year
SIA-SSB S.p.A.	**163,752**	**9,064**
Profit or (loss) for consolidated companies	8,657	8,657
Profit or (loss) for consolidated minority interests	-393	-393
Amortisation of consolidation differences	-46,861	-5,479
Differences due to accounting standard alignment (amortisation)	-1,049	31
Tax differences due to accounting standard alignment (amortisation)	296	-51
Elimination of capital gains from RA Computer	-832	-832
Elimination of unrealised profits on projects under development	-24	0
Elimination of unrealised profits on capitalisations and related amortisation	-19	52
Reversal of dividends	-8,958	-9,034
Reversal of provisions for risks on investments	1,277	0
Reversal of subsidiary write-downs	8,204	2,494
Equity method valuation of associated companies	-2,094	-2,196
Consolidation reserve	1,694	0
SIA-SSB S.p.A. Group	**123,650**	**2,313**

Statement of changes in Shareholders' Equity

	Share capital	Legal reserve	Reserve for split-off surplus	Reserve for merger surplus	Undistributed profits and other reserves	Profit (loss) for the year	Shareholders' equity
Balances as at 31 December 2006	**10,764**	**2,536**	**1,426**	**0**	**41,947**	**10,938**	**67,611**
Allocation of previous year's profits					7,870	-7,870	
Dividend distribution						-3,068	
Merger by incorporation SIA SpA	11,327			78,844			
Change in scope of consolidation due to SIA group consolidation					-33,829		
Exit of Ra Service and Thesia from the scope of consolidation					452		
Profit (loss) for the year						2,313	
Balances as at 31 December 2007	**22,091**	**2,536**	**1,426**	**78,844**	**16,440**	**2,313**	**123,650**

Breakdown of Shareholders' Equity

Type/Description	Amount	Utilisation options	Available share
Capital	**22,091**		
Capital reserves			
Legal reserves	2,536	B	-
Reserve for merger surplus	78,844	A,B,C	78,844
Split-off reserves	1,426	A,B,C	1,426
Profit reserves:			
Revaluation reserve for equity investments	0	B	-
Reserves for distributable exchange gains	0	B	-
Profits carried forward	16,440	A,B,C	16,440
Total			**96,710**

Pro-forma financial statements

The pro-forma data was obtained by aggregating values from the consolidated financial statements of both Groups (SSB and SIA) and reclassifying certain items in order to illustrate and compare 2007 data.

Balance Sheet (pro-forma)

Assets	31/12/2007	31/12/2006 Aggregate	Change
A) Subscribed capital unpaid			
Called share	0	0	0
Uncalled share	0	0	0
Total due from shareholders A)	**0**	**0**	**0**
B) Fixed assets			
I - Intangible fixed assets:			
1) Formation costs	0	5	-5
2) Research, development and advertising costs	3	6,341	-6,338
3) Industrial patent and intellectual property rights	19,625	7,027	12,598
4) Franchise, licences, trademarks and similar rights	13	1,574	-1,561
5) Goodwill	229	358	-129
5 bis) Consolidation differences	54,567	13,559	41,008
6) Work in progress and payments on account	4,255	7,739	-3,484
7) Other	2,648	6,617	-3,969
Total intangible fixed assets	81,340	43,220	38,120
II - Tangible fixed assets:			
1) Land and buildings	3		
2) Plant and equipment	11,684	9,627	2,057
3) Industrial and commercial equipment	296	42	254
4) Other assets	2,191	2,232	-41
5) Work in progress and payments on account	3	1,586	-1,583
Total tangible fixed assets	14,177	13,487	690
III - Financial fixed assets			
1) Equity investments in:	4,287	4,948	-661
a) subsidiaries	0		
b) associates	4,131	4,830	
c) parent companies	0	0	
d) other companies	156	118	
2) Receivables	214	212	2
a) from subsidiaries		0	
b) from associates		0	
c) from parent companies		0	
d) from others	214	212	
3) Other securities	11,004	12,032	-1,028
4) Treasury shares	0	0	
Total financial fixed assets	15,505	17,192	-1,687
Total Fixed Assets (B)	**111,022**	**73,899**	**37,123**

Assets	31/12/2007	31/12/2006 Aggregate	Change
***C)* Current assets**			
I) Inventories:			
1) Raw materials, consumables and goods	2	0	2
3) Long-term contracts	7,177	6,432	745
4) Finished products and goods	71	82	-11
Total	7,250	6,514	736
II) Receivables			
1) From customers	109,389	97,981	11,408
2) From subsidiaries	0	0	0
3) From associates	4,747	5,673	-926
4) From parent companies	0	0	0
4bis) Tax credits	4,813	1,302	3,511
4ter) Prepaid taxes	9,374	8,858	516
5) From others	6,388	4,436	1,952
Total	134,711	118,250	16,461
III) Short-term investments			
4) Other equity investments		109	-109
6) Other securities	9,441	10,951	-1,510
Total	9,441	11,060	-1,619
IV) Cash and cash equivalents			
1) Bank and postal deposits	17,880	62,716	-44,836
2) Cheques	17	0	17
3) Cash on hand	1,240	924	316
Total	19,137	63,640	-44,503
Total Current Assets (C)	**170,539**	**199,464**	**-28,925**
***D)* Accrued income and prepayments**			
- Loan discount	0	0	0
- Other accrued income and prepayments	7,001	4,883	2,118
Total Accrued Income and Prepayments (D)	**7,001**	**4,883**	**2,118**
Total assets (A+B+C+D)	**288,562**	**278,246**	**10,316**

Liabilities	31/12/2007	31/12/2006 Aggregate	Change
A) Shareholders' equity			
Group:			
I Capital	22,091	28,888	-6,797
II Share premium reserve			
IV Legal reserve	2,536	0	2,536
V Reserve for treasury shares portfolio	0	6,161	-6,161
VII Other reserves:	80,270	65,969	14,301
- consolidation reserve		0	
- extraordinary reserve		64,568	
- split-off surplus	1,426	1,426	
- merger surplus	78,844	0	
- translation reserve		-25	
VIII Undistributed profits and other reserves	16,440	12,629	3,811
IX Profit / Loss for the year	2,313	12,955	-10,642
Total Group shareholders' equity	123,650	126,602	-2,952
Minority interests:			
X Capital and reserves	5,588	4,345	1,243
XII Profit / Loss for the year	393	1,268	-875
Total Minority Interest shareholders' equity	5,981	5,613	368
Total shareholders' equity A)	**129,631**	**132,215**	**-2,584**
B) Provisions for Risks and Charges			
1) for pensions and similar obligations			
2) for taxes	1,887	2,592	-705
3) other	15,112	8,135	6,977
Total Provisions for Risks and Charges (B)	**16,999**	**10,727**	**6,272**
Employee severance indemnity C)	**28,368**	**29,765**	**-1,397**
D) Payables			
4) Due to banks	12,369	15,562	-3,193
6) Advances	4,916	4,552	364
/) Due to suppliers	50,599	43,446	7,153
10) Due to associates	1,405	2,134	-729
12) Tax payables	6,553	10,316	-3,763
13) Due to social security authorities	7,974	7,193	781
14) Other payables	23,270	19,761	3,509
Total Payables (D)	**107,086**	**102,964**	**4,122**
E) Accrued liabilities and deferred income			
- Other accrued liabilities and deferred income	6,478	2,575	3,903
Total accrued liabilities and deferred income (E)	**6,478**	**2,575**	**3,903**
Total liabilities (A+B+C+D+E)	**288,562**	**278,246**	**10,316**

Memorandum accounts	31/12/2007	31/12/2006 Aggregate	Change
Memorandum accounts			
1 Personal guarantees given	5,403	27,979	-22,576
A) Guarantees			
to others	5,403	27,979	
4 Other	0	4,760	-4,760
Total Memorandum Accounts	**5,403**	**32,739**	**-27,336**

Profit and Loss Account (pro-forma)

Profit and loss account	2007		2006 Aggregate		Change
A) Value of production					
1) Revenues from sales and services		384,882		376,413	8,469
3) Long-term contracts		1,256		3,426	-2,170
4) Increases in own work capitalised		9,537		12,431	-2,894
4) Other revenues and income		7,688		7,844	-156
Total A)		**403,363**		**400,114**	**3,249**
B) Cost of production					
6) For raw materials, consumables and goods		3,507		2,101	1,406
7) For services		131,673		129,488	2,185
8) For use of third party assets		51,641		46,071	5,570
9) For personnel		125,913		121,372	4,541
a) wages and salaries	86,716		84,771		
b) social security costs	25,051		23,785		
c) employee severance indemnity	6,431		5,797		
d) pension costs and similar charges	2,932		1,141		
e) other costs	4,783		5,878		
10) Amortisation, depreciation and write-downs		31,641		34,685	-3,044
a) amortisation of intangible fixed assets	22,652		26,342		
b) depreciation of tangible fixed assets	7,269		7,854		
c) other write-downs of fixed assets	1,672		43		
d) write-down of debts included under current assets, cash and	48		446		
11) Change in raw materials, consumables and goods		-9		-31	22
12) Provisions for risks and charges		698		5,434	-4,736
14) Other operating costs		23,249		27,970	-4,721
Total B)		**368,313**		**367,090**	**1,223**
Difference between value and cost of production (A-B)		**35,050**		**33,024**	**2,026**

Profit and loss account		2007		2006 Aggregate	Change
C) Financial Income and Charges					
15) Income from investments:		33		320	-287
- dividends and other income from associates	0		320		
16) Other financial income:		3,545		3,080	465
b) from securities recorded under fixed assets but not classed as investments	2,909				
c) from securities recorded under current assets but not classed as investments	46		75		
d) other income:	590		3,005		
17) Interest and other financial charges		-1,466		-1,397	-69
- bank charges	-1,466		-1,311		
- other	0		-86		
17-bis) Exchange gains and losses		-96		-6	
Total C)		**2,016**		**1,997**	**19**
D) Value adjustments to financial assets					
18) Revaluations		782		685	97
a) of investments, including shares of profits from non-consolidated equity investments	782		685		
19) Write-downs		-3,044		-2,321	-723
a) of investments, including shares of profits from non-consolidated equity investments	-3,024		-2,319		
c) of securities classed as current assets	-20		-2		
Total D)		**-2,262**		**-1,636**	**-626**
E) Extraordinary Income and Charges					
20) Income		1,135		5,211	-4,076
- other	1,135		5,211		
21) Charges		-19,124		-4,663	-14,461
- other	-19,124		-4,663		
Total E)		**-17,989**		**548**	**-18,537**
Profit (loss) before tax (A-B+C+D+E)		**16,815**		**33,933**	**-17,118**
22) Current, deferred and prepaid income tax for the year		14,109		19,708	-5,599
- current	15,399		22,008		
- deferred (prepaid)	-1,290		-2,300		
Profit (loss) including minority interests		**2,706**		**14,225**	**-11,519**
22 bis) Minority interest profit / loss		393		1,268	-875
23) Profit / Loss for the year		**2,313**		**12,957**	**-10,644**

sia ssb

Board of Statutory Auditors' report

SIA–SSB S.p.A.

Registered office: Via Faravelli 14, Milan

Share capital € 22,091,286.62, fully paid-up

VAT number, tax code and Milan Register of Companies no. 10596540152.

Milan Economic and Administrative Index no. 1385874

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Board of Statutory Auditors' Report on the consolidated financial statements as at 31 December 2007 pursuant to art. 25 et seq of Italian Legislative Decree no. 127, 9 April 1991.

Dear Shareholders,

2007 was strongly characterised by the effects of the SIA S.p.A. merger in May and the acquisition of GBC Bankkartya Zrt, a Hungarian company operating in the payment and processing systems sector. The scenario in which the Group has operated is widely illustrated in the Management Report.

As specified in the documents referred to below, the scope of consolidation as at 31 December 2007 includes, along with the parent company SIA-SSB, the financial statements of GBC and TSP - Tecnologie e Servizi per il Pubblico S.r.l. - both 100% owned by SIA-SSB; Kedrios S.p.A. - 81.24% owned by SIA-SSB; Simbologica S.r.l. controlled by Kedrios, and Perago AG (Switzerland) 100% owned by Perago FSE Ltd. (South Africa) - 75% owned by SIA-SSB; RA Computer - 65% owned by SIA-SSB and SiNSYS S.A. - 51% controlled by SIA-SSB.

Excluded from the scope of consolidation, on the other hand - and valued using the equity method - are the associates in which SIA-SSB does not have majority control and over which the Group has no dominant influence.

The SIA-SSB Directors prepared the consolidated financial statements as at 31 December 2007 in accordance with the Italian Civil Code, interpreted and integrated with current Italian GAAP.

As such, the consolidated financial statements are composed of the balance sheet, profit and loss account and the Explanatory Notes. They are accompanied by a Management Report prepared by the Directors.

All of the above documentation is then completed by a statement of reconciliation between parent company and consolidated results.

A reading of the documents allows us to confirm that the information contained in the Report on the nature and composition of the group, management aspects and - in the Explanatory Notes - information of the consolidation principles adopted and their means of application in the case in point, are clear and complete. With regard to the results of operations, it must be emphasised that, following the merger by incorporation of SIA S.p.A. in May 2007, a comparison with SSB Group balances from the previous financial year is not significant in economic terms. For comparison purposes, in fact, it is necessary to consider the results achieved in 2007 by the SIA-SSB Group with the pro-forma financial statements for 2006, obtained by aggregation of values from the consolidated financial statements of the two groups (SSB and SIA).

With regard to input from the Board of Statutory Auditors, the Board has expressed its consent to recognition of intangible asset values to Balance Sheet assets, included among the costs of such items.

Audit was duly performed on the content of the statement of reconciliation and, in this respect, the Board has no findings to report.

Overall, the Board of Statutory Auditors considers that the consolidated financial statements as at 31 December 2007, as prepared by your Directors, satisfy the requirements of law on such matters and may be deemed an appropriate means of disclosure to all relevant parties.

Milan, 8 April 2008

The Board of Statutory Auditors

The Chairman:	Mario Cattaneo
Standing Auditor:	Giorgio Silva
Standing Auditor:	Fausto Gobbi

Independent Auditors' report

Deloitte.

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AUDITORS' REPORT PURSUANT TO ARTICLE 2409-TER OF THE CIVIL CODE

To the Shareholders of
SIA-SSB S.p.A.

1. We have audited the consolidated financial statements of Sia-Ssb S.p.A. and subsidiaries (the Sia-Ssb Group) as of December 31, 2007. These consolidated financial statements are the responsibility of the Company's Directors. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

2. We conducted our audit in accordance with Auditing Standards generally accepted in Italy. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion. The responsibility for the audit of the financial statements of some subsidiaries, representing 24% of total consolidated assets and 23% of total consolidated revenues, rests with other auditors.

   For the opinion on the consolidated financial statements of the prior year, which are presented for comparative purposes, reference should be made to the auditors' report issued by other auditors on March 27, 2007.

3. In our opinion, the consolidated financial statements present fairly the financial position of the Sia-Ssb Group as of December 31, 2007, and the results of its operations for the year then ended in accordance with the Italian law governing financial statements.

DELOITTE & TOUCHE S.p.A.

Signed by
Maurizio Ferrero
Partner

Milan, Italy,
April 8, 2008

This report has been translated into the English language solely for the convenience of international readers.