



Management Report and Consolidated Financial Statements

as at 31 December 2009

TABLE OF CONTENTS

Management Report	5
Composition of the group and scope of consolidation	6
Economic results	10
Profit for the year and shareholders' equity	10
Financial Statements Data	11
Profit and Loss Account position.....	11
Balance Sheet position	14
Significant events subsequent to closure of the financial year and business outlook.	15
SIA-SSB Group Consolidated Financial Statements.....	17
Balance Sheet.....	18
Profit and loss account.....	22
Explanatory Notes	25
Breakdown of Balance Sheet items	35
Assets	36
Liabilities	41
Breakdown of Profit and Loss Account items	47
Supplementary Information	55
Statement of changes in intangible assets.....	56
Statement of changes in property, plant and equipment.....	58
Cash Flow Statement (Section I)	60
Reconciliation between parent company and consolidated shareholders' equity and profit (loss) for the year.....	62
Statement of changes in Shareholders' Equity	63
Board of Statutory Auditors' report	65
Independent Auditors' report	69



Management Report

Dear Shareholders,

We hereby present to you, pursuant to Italian Legislative Decree 127/91, the consolidated financial statements as at 31 December 2009, composed of the Balance Sheet, the Profit and Loss Account and the Explanatory Notes, and 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.

COMPOSITION OF THE GROUP AND SCOPE OF CONSOLIDATION

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

GBC - GIRO BANKKARTYA Z.R.t.

The company, 100% owned by SIASSB and acquired in 2007, has its principal place of Budapest (Hungary) and share capital of 177,000,000 Hungarian Forint. The company, a leader in Hungary in payment and processing systems, provides management services for ATM and POS terminals, transaction switching, fraud monitoring and other payment system services mostly to banks, payment card issuers and acquirers.

The financial statements record a value of production of € 6.8 million and an operating margin of € 2.1 million. The financial year closed with net profits for the year of € 1.9 million.

Perago AG

The company, with headquarters in Unterägeri (Switzerland, canton of ZUG), 100% owned by SIA-SSB, was incorporated in the last quarter of 2005. The company has a share capital of CHF 100,000. During the previous year, SIA-SSB, by means of a transfer transaction at the original acquisition value, transferred to Perago AG the shareholdings in the companies Perago FSE (75%) and Perago Africa (30%); moreover, Perago AG directly executed the acquisition of the remaining 25% of Perago FSE. At the end of these two transactions, Perago AG owns 100% of Perago FSE and 30% of Perago Africa.

The financial statements record a value of production of € 2.2 million and an operating margin of € 1.4 million. The year ended with a net loss of € 6.2 million, mainly caused by restructuring costs and by the write-downs of equity investments in Perago FSE and Perago Africa.

Perago FSE Ltd.

Company with registered office in Pretoria, Republic of South Africa, that, based on experience gained from the transformation of the South African payment systems, 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.

In Year 2009, there was a net estimated loss of € 1.5 million.

TSP S.r.l.

This company, with headquarters in Milan and 100% owned by SIA-SSB, has a share capital of € 5,647,000 and shareholders' equity of € 13,103,366, including the profit (loss) for the year.

TSP is a leading company in Italy in the provision of mobile phone top-ups, payment of utilities, inquiries 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.

The company had a value of production equal to € 16.0 million, an operating margin of € 8.4 million, and a net profit of € 5.7 million.

In March 2009, the company incorporated T.Fin S.r.l., with its headquarters in Milano and with share capital of € 600,000.

T.Fin S.r.l.

The company, 100% owned by TSP with share capital of € 600,000, is registered in the general list of financial brokers per Article 106 of Legislative Decree 385/1993 (no. 41597) and its exclusive purpose is to carry out financial activities for the public and, specifically, to provide payment services supporting the TSP business. The year ended with a loss of € 0.1 million, due to the start-up costs of the company.

Kedrios S.p.A.

The company, with headquarters in Milan and 81.24% owned by SIA-SSB, has a share capital of € 2,402,500 and shareholders' equity of € 5,276,514, including profit for the year.

Kedrios is one of the primary operators in Italy; in the sector of the supply of back office and IT and administrative outsourcing services towards financial intermediaries/deposit banks, SGR. In addition, it offers technical consulting, application consulting and financial reporting services to the entire financial sector.

In 2009, the reference market confirmed the downturn already noted during the final quarter of the previous year; moreover, the reference industry of the company's customers, was once again characterised by the ongoing concentration in the banking system, which had significant effects of the company's sales outlook. The performance of the reference markets, the uncertainties on the future and the times needed to come

out of a downturn whose effects are still not altogether known, makes financial operators extremely prudent in the definition of investment plans, with potential effects on the company's short-term economic outlook.

The Kedrios financial statements presented a value equal to € 23.4 million, a negative operating margin of € 2.9 million, and a net loss for the year of € 2.9 million.

Simbologica S.r.l., a company with headquarters in Milan and share capital of € 0.1 million. The company is 61% owned by Kedrios and mainly provides consulting services. 2009 closed with net profits for the year of € 0.1 million.

RA Computer S.p.A.

A company with registered office in Milan and share capital of € 3,000,000, the 65% investment in which was completed in 2006. The company records shareholders' equity inclusive of profit (loss) for the year of € 4,262,000. RA Computer is specialised in the production of application packages and the provision of services to the banking and Public Administration sectors. RA Computer is specialised in the creation of "back-office" products in Euro and divided for the banking market and web applications for the bank and the Public Administration, looking, in particular, for opportunities deriving from the evolution of Bank-Business and Bank-Public Administration relations. The company's response to opportunities offered by the imminent launch of the SEPA focused on the development of the new SAPA architecture (Single Architecture for Payment Area).

The presence of RA Computer in the Group allows for an increase in the offer in order to provide wider coverage of the financial system value chain: from infrastructure to application solutions.

2009 closed with value of production of about € 29.5 million, negative operating margin of € 0.2 million and a net loss of € 0.8 million.

SiNSYS SA

This Belgian company with headquarters in Brussels, 51% owned by SIA-SSB, has a share capital of € 6,000,000 and a shareholders' equity of € 8,514,000, including profit for the year.

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, Holland, 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, recording a notable increase in turnovers of issuing and acquiring services managed.

The financial statements of SiNSYS record a value of production of € 61.0 million and an operating margin of € 3.5 million. The financial year closed with net profits for the year of € 2.5million.

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

ATS S.p.A.

In December 2000 SIA-SSB acquired a 30% holding in ATS S.p.A., which has a 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.

2009 had a value of production of approximately € 8.6 million, and a net profit of € 0.1 million.

Perago Africa Ltd.

The company is a service provider for the members of the SWIFT network in the sub-Saharan area and carries out activities of development maintenance of software applications for the financial and telecommunications sector.

2009 had a value of production equal to € 6.6 million, an operating margin of € 1.0 million, and net profit of € 0.8 million.

In December 2009, an agreement was stipulated for the sale of the entire interest in GLESIA S.r.l. to GL TRADE SA (SunGard). This agreement contemplated a total sale value of € 5,500,000. Moreover, in March 2009 an agreement was stipulated for the sale of the entire interest in Actalis S.p.A. to ARUBA S.p.A. This agreement specified a total sale value of € 2,170,337.

Other equity investments:

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 value of the equity investment was adjusted during the year to match it to shareholders' equity, therefore the equity investment is recorded at a value of € 10,000.

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 € 3.8 million. Total revenues from services and product sales amounted to € 350.3 million, the value of production amounted to € 364.2 million and the operating margin amounted to € 24.4 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".

FINANCIAL STATEMENTS DATA

Profit and Loss Account position

(amounts in Euro/000)

Profit and Loss Account results		2009	2008	Changes
	Revenues from sales and services	350,294	378,603	-28,309
	Other value of production items	13,861	18,525	-4,664
A	Value of production	364,155	397,128	-32,973
B	Cost of production	339,797	365,853	-26,056
A-B	Added value	24,358	31,275	-6,917
C	Financial income and charges	5,143	1,386	3,757
D	Value adjustments to financial assets	-2,340	136	-2,476
C+D	Financial result	2,803	1,522	1,281
E	Extraordinary income and charges	-9,787	-5,632	-4,155
A-B+C+D+E	Profit (loss) before tax	17,374	27,165	-9,791
	Income taxes for the year	13,224	14,828	-1,604
	Profit (loss) including minority interests	4,150	12,337	-8,187
	Profit (loss) - minority interests	399	703	-304
	Profit for the year	3,751	11,634	-7,883

The analysis of the items, comparing 2009 with the previous year, shows a decrease in the value of production, primarily due to the decrease in revenues for the services dedicated to financial markets only partially offset by a reduction increase of the operating costs resulting in a € 6.9 million decrease in added value (€ 24.4 million in 2009 compared to € 31.3 million in 2008). The financial management, on the other hand, improved by € 1.3 million. We also point out a significant difference in extraordinary income and charges, which worsened by € 4.2 million subsequent to lesser costs for personnel reorganisation activities. Profit before tax amounted to € 17.4 million versus € 27.2 for the previous year.

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 € 364.2 million compared to € 397.1 million in the previous year (- 8.3%). The following factors, in particular, contributed to these results:
 - a. Network services: higher revenues for logic and physical network services, only partly offset by lower revenues for the CBI service;
 - b. Card processing: lower revenues, mainly due to the reduced contract work demanded by customers;
 - c. Payment systems: Revenues were lower, as a result of the exhaustion of the effect of the introduction of the IBAN on the ICI service in Collections and Payments, as well as of lower revenues for database management services, in addition to reduced design activities;
 - d. Capital Market: there was a decrease in revenues deriving from the shutting down of some services, the renegotiation of some contracts with important customers, bank concentrations and the downturn that hit financial markets particularly hard.
- > The costs of production were also lower compared to the previous year by approximately 7.1%, i.e. from € 339.8 million to € 365.9 million. This change was mainly due to:
 - a. Lower costs for professional services as a result of a reduction in developments and consultation activities. The latter derive from the conclusion of technological projects contemplated in the integration plan which started after the merger of 2007, from the replacement of external resource with internal resources;
 - b. Lower personnel costs as a result of the restructuring and reorganization process;
 - c. Lower amortisation of intangible assets due to the completion of the amortisation process of some important software developments and lower depreciation of property, plant and equipment as a result of the policy to acquire infrastructure through operating leases;
- > The added value, i.e. the difference between the value and cost of production, was € 24.4 million against the € 31.3 million for the previous year;

- > Financial management recorded a positive result for € 2.8 million versus € 1.5 million of the previous year; the result is mainly due to the capital gains generated by the sale of the equity investments in Company Glesia S.r.l. and Actalis S.p.A.;
- > Extraordinary income and charges recorded a negative balance of € 9.8 million, mainly due to the cost of personnel reorganisation procedures, up by € 4.2 million over the previous year.

Balance Sheet position

(amounts in Euro/000)

Balance Sheet results		31/12/2009	31/12/2008	Changes
	Intangible assets	64,612	73,477	-8,865
	Property, plant and equipment	11,654	11,722	-68
	Financial assets	3,495	11,515	-8,020
A	Fixed assets	79,761	96,714	-16,953
	Inventories	1,698	5,002	-3,304
	Receivables	114,425	121,519	-7,094
	Short-term investments	2,500	5,678	-3,178
	Cash and cash equivalents	56,358	30,766	25,592
B	Total current assets	174,981	162,965	12,016
C	Accrued liabilities and deferred income	11,066	10,590	476
A+B+C	Total assets	265,808	270,269	-4,461
	Capital	22,091	22,091	0
	Reserves	84,095	83,258	837
	Retained earnings	19,578	11,754	7,824
	Profit for the year	3,751	11,634	-7,883
	Minority interest capital	6,346	5,714	632
	Profit for the year - minority interests	399	703	-304
A	Total Shareholders' Equity	136,260	135,154	1,106
B	Provisions for risks and charges	10,829	12,954	-2,125
C	Employee severance indemnity	25,127	26,258	-1,131
D	Payables	88,368	90,055	-1,687
E	Accrued liabilities and deferred income	5,224	5,848	-624
A+B+C+D+E	Total liabilities	265,808	270,269	-4,461

The main changes emerging from a comparative analysis between the balance sheet position and the balance sheet for the previous year are:

- > Fixed assets:
 - Lesser values relating to intangible assets, due primarily to the normal process of amortisation mainly referred to the consolidation differences and to lesser acquisitions in 2009.

- > Current assets:
 - The overall increase is justified by the significant increase in cash and cash equivalents, which amply offsets the decrease in trade receivables, inventories and financial assets not included among fixed assets.

- > Provisions for risks and charges:
 - The reduction is due mainly to the use by the parent company of the provision related to the corporate reorganization activity.

SIGNIFICANT EVENTS SUBSEQUENT TO FINANCIAL YEAR END 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	31/12/2009	31/12/2008	Changes
A) Subscribed capital unpaid			
Called share	0	0	0
Total due from shareholders A)	0	0	0
B) Fixed assets			
I - Intangible assets:			
1) Formation costs	1	0	1
2) Research, development and advertising costs	6,004	5,215	789
3) Industrial patent and intellectual property rights	13,676	15,137	-1,461
4) Franchise, licences, trademarks and similar rights	4	9	-5
5) Goodwill	100	106	-6
5 bis) Consolidation differences	37,588	46,354	-8,766
6) Work in progress and payments on account	5,577	4,512	1,065
7) Other	1,662	2,144	-482
Total intangible assets	64,612	73,477	-8,865
II - Property, plant and equipment:			
2) Plant and equipment	8,842	9,655	-813
3) Industrial and commercial equipment	385	276	109
4) Other assets	1,521	1,779	-258
5) Work in progress and payments on account	906	12	894
Total property, plant and equipment	11,654	11,722	-68
III - Financial assets			
1) Equity investments in:	1,310	4,364	-3,054
b) associates	1,285	4,297	
d) other companies	25	67	
2) Receivables	121	160	-39
d) from others	121	160	
3) Other securities	2,003	6,991	-4,988
4) Treasury shares	61	0	61
Total financial assets	3,495	11,515	-8,020
Total Fixed Assets (B)	79,761	96,714	- 16,953

Assets	31/12/2009	31/12/2008	Changes
<i>C) Current Assets</i>			
I) Inventories:			
1) Raw materials, consumer goods	0	42	-42
3) Long-term contracts	1,615	4,942	-3,327
4) Finished products and goods	83	18	65
Total	1,698	5,002	-3,304
II) Loans			
1) To customers	94,195	102,353	-8,158
3) To associates	0	1,535	-1,535
4bis) Tax credits	1,321	5,254	-3,933
4ter) Prepaid taxes	5,789	8,008	-2,219
5) To others	13,120	4,369	8,751
Total	114,425	121,519	-7,094
III) Short-term investments			
6) Other securities	2,500	5,678	-3,178
Total	2,500	5,678	-3,178
IV) Cash and cash equivalents			
1) Bank and postal deposits	55,823	30,407	25,416
2) Cheques	1	16	-15
3) Cash on hand	534	343	191
Total	56,358	30,766	25,592
<i>Total Current Assets (C)</i>	174,981	162,965	12,016
D) Total Accrued Income and Prepayments			
- Other accrued income and deferred prepayments	11,066	10,590	476
<i>Total Accrued Income and Prepayments (D)</i>	11,066	10,590	476
Total assets (A+B+C+D)	265,808	270,269	-4,461

LIABILITIES	31/12/2009	31/12/2008	Changes
A) Shareholders' Equity			
<i>Group:</i>			
I Capital	22,091	22,091	0
IV Legal reserve	3,825	2,988	837
VII Other reserves:	80,270	80,270	0
- split-off surplus	1,426	1,426	
- merger surplus	78,844	78,844	
VIII Undistributed profits and other reserves	19,578	11,754	7,824
IX Profit / Loss for the year	3,751	11,634	-7,883
Total Group shareholders' equity	129,515	128,737	778
<i>Minority interests:</i>			
X Capital and reserves	6,346	5,714	632
XII Profit / Loss for the year	399	703	-304
Total Minority Interest shareholders' equity	6,745	6,417	328
Total shareholders' equity A)	136,260	135,154	1,106
B) Provisions for Risks and Charges			
1) For pensions and similar obligations	0	0	0
2) For taxes	2,157	1,292	865
3) Other	8,672	11,662	-2,990
Total Provisions for Risks and Charges (B)	10,829	12,954	-2,125
Employee severance indemnity C)	25,127	26,258	-1,131
D) Payables			
4) Due to banks	12,748	11,815	933
5) Due to other lenders	71	0	71
6) Advances	1,760	2,747	-987
7) Due to suppliers	27,192	35,714	-8,522
10) Due to associates	963	753	210
12) Tax payables	6,653	7,465	-812
13) Due to social security authorities	14,673	10,704	3,969
14) Other payables	24,308	20,857	3,451
Total Payables (D)	88,368	90,055	-1,687
E) Accruals and Deferrals			
- Other accrued liabilities and deferred income	5,224	5,848	-624
Total accrued liabilities and deferred income (E)	5,224	5,848	-624
Total liabilities (A+B+C+D+E)	265,808	270,269	-4,461
Memorandum accounts			
Memorandum accounts			
1. Personal guarantees given	7,024	6,384	640
A) Guarantees to others	7,024	6,384	
4. Other	55,609	51,339	4,270
Total Memorandum Accounts	62,633	57,723	4,910

PROFIT AND LOSS ACCOUNT

(amounts in Euro/000)

Profit and loss account	2009	2008	Changes
A) Value of production			
1) Revenues from sales and services	350,294	378,603	-28,309
3) Var. work in progress	-929	2,667	-3,596
4) Increases in own work capitalised	10,204	6,006	4,198
4) Other revenues and income	4,586	9,852	-5,266
Total A)	364,155	397,128	- 32,973
B) Cost of production			
6) For raw materials, consumer goods	3,981	4,644	-663
7) For services	107,646	122,049	-14,403
8) For use of third party assets	53,161	52,241	920
9) For personnel	126,981	128,660	-1,679
a) wages and salaries	86,846	88,735	
b) social security costs	24,822	24,751	
c) employee severance indemnity	6,200	6,453	
e) other costs	9,113	8,721	
10) Amortisation, depreciation and write-downs	28,562	32,946	-4,384
a) amortisation of intangible assets	23,711	24,147	
b) depreciation of property, plant and equipment	4,447	5,987	
c) other write-downs of fixed assets	325	2,664	
d) write-down of debts included under current assets, cash and cash equivalents	79	148	
11) Change in raw materials, consumer goods	8	9	-1
12) Provisions for risks and charges	396	1,922	-1,526
14) Other operating costs	19,062	23,382	-4,320
Total B)	339,797	365,853	- 26,056
Difference between value and cost of production (A-B)	24,358	31,275	-6,917

Profit and loss account	2009	2008	Changes
C) Financial Income and Charges			
15) Income from investments:	4,674	61	4,613
- dividends and other income from associates	4,674	61	
16) Other financial income:	954	2,826	-1,872
a) other interest income	295	549	
d) other income:	659	2,277	
17) Interest and other financial charges	-649	-1,757	1,108
- bank charges	-649	-1,757	
17-bis) Exchange gains and losses	164	256	-92
Total C)	5,143	1,386	3,757
D) Value adjustment to financial assets			
18) Revaluations	71	346	-275
a) of investments, including shares of profits from non-consolidated equity investments	66	346	
c) of securities classified as current assets	5	0	-2,201
19) Write-downs	-2,411	-210	
a) of investments, including shares of profits from non-consolidated equity investments	-2,411	-198	
c) of securities classified as current assets	0	-12	
Total D)	-2,340	136	-2,476
E) Extraordinary Income and Charges			
20) Income	285	15	270
- Other	285	15	
21) Charges	-10,072	-5,647	-4,425
- Other	-10,072	-5,647	
Total E)	-9,787	-5,632	-4,155
Profit (loss) before tax (A-B+C+D+E)	17,374	27,165	-9,791
22) Current, deferred and prepaid income tax for the year			
- current	13,224	14,828	-1,604
- deferred (prepaid)	13,926	14,641	
	-702	187	
Profit (loss) including minority interests	4,150	12,337	-8,187
22 bis) Minority interest profit / loss due to third parties	399	703	-703
23) Profit / Loss for the year	3,751	11,634	-7,883



Explanatory Notes

Dear Shareholders,

The financial statements which we submit for your approval, comprised 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) and were unchanged during the year. 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.

Pursuant to 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:

COMPANY NAME	REGISTERED OFFICE	SHARE CAPITAL	amounts in Euro/000		
			% OWNED BY THE GROUP		
			DIRECT	INDIRECT	THROUGH
SIA-SSB S.p.A. (Parent Company)	MILAN	22,091			
GBC Z.r.t.	BUDAPEST (HUN)	655	100.00%		
Perago AG	ZUG (CH)	68	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		100.00%	Perago AG
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.
T.Fin	MILAN	600		100.00%	TSP S.r.l.

(*) Perago FSE is 100% controlled by Perago AG

(**) Simbologica S.r.l. is 61% controlled by Kedrios

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. This company, acquired in July 2007, was consolidated with the line-by-line method.

Perago AG, with headquarters in Unterägeri (Switzerland) 100% owned by SIA-SSB, 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. The company directly owns 100% of Parago FSE.

Perago FSE Ltd., with headquarters in Pretoria (Republic of South Africa) is 100% owned by Perago AG. The company has a share capital of ZAR 5,820,000. This company was consolidated with the line-by-line method.

TSP - Tecnologie e Servizi per il Pubblico S.r.l., with headquarters in Milan, and a 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.

T.Fin S.r.l., a company with its headquarters in Mila, was incorporated in 2009 with share capital of € 600,000 it is 100% controlled by TSP, it is registered in the general list of financial brokers per Article 106 of Legislative Decree 385/1993 (no. 41597) and its exclusive purpose is to carry out financial activities for the public and, specifically, to provide payment services supporting the TSP business. This company was consolidated with the line-by-line method.

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

Simbologica S.r.l., with headquarters in 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.

RA Computer S.p.A., with headquarters in 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 in 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.

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 2009; 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, unchanged from the previous year, are discussed 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 consolidation area is cancelled against the corresponding portion of the 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 applying the year-end exchange rate to balance sheet items and the year-average exchange rate to profit and loss account items.

RECONCILIATION BETWEEN THE SHAREHOLDERS' EQUITY AND PROFIT (LOSS) OF THE PARENT COMPANY AND THE SHAREHOLDERS' EQUITY AND PROFIT (LOSS) FOR SUBSIDIARIES

The reconciliation statement between the parent company shareholders' equity and profit (loss) for the year as at 31 December 2009 and the consolidated figures as at the same date are 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.

Intangible assets

Intangible assets, based on article 2426 of the Italian Civil Code, are recognised at purchase or production cost, including any accessory charges. Intangible 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. If the reasons for write-down should at any time no longer apply, the write-down is not carried forward to future years.

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 software application 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 at their 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 duration of the period of control.

Other intangible 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.

Property, plant and equipment

Property, plant and equipment 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 then detailed in comments to 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 assets

Equity investments in associated companies are valued 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 recorded in the item "Other securities" under Financial 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 classified as long-term investments are held until their natural maturity.

Change in long-term contracts

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.

Inventories of finished products and goods

Inventories of products and goods are valued at the lower of the purchase price and the consumer goods 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 consumer goods value in case of obsolete articles.

Receivables and payables

Receivables are recorded according to their estimated consumer goods 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 classified 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 valued 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 tax benefit 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.



Breakdown of Balance Sheet items

ASSETS

Fixed Assets – 79,761 €/000

Intangible assets

Intangible assets totalled € 64,612 thousand (€ 73,477 thousand in 2008) 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 programs 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 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 assets were not revaluated and do not include capitalised financial charges. The changes in intangible 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 consolidation area. Amortisation is spread over 5 years, except for GBC for which it was considered reasonable to opt for a 10-year period. In establishing 10 years as the goodwill amortisation period, reference was made to the GBC three-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 also confirmed by an independent expert.

Property, plant and equipment

The net book value of property, plant and equipment amounted to € 11,654 thousand (€ 11,722 thousand in 2008). Property, plant and equipment were revaluated and do not include capitalised financial charges. Depreciation recognised during the year amounted to € 4,457 thousand and was calculated on all assets depreciable as at 31 December 2009, applying the 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 property, plant and equipment during the year are illustrated in the Supplementary Information section of the Explanatory Notes.

Financial assets

The net book value of property, plant and equipment amounted to € 3,495 thousand (€ 11,515 thousand in 2008).

Equity investments in associates and other companies

As at 31 December 2009, equity investments in associated companies totalled € 1,285 thousand, whilst investments in other companies amounted to € 25 thousand, for a total recorded value of € 1,310 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 31/12/2009
ATS S.p.A.	30.00%	692
Perago Africa Ltd.	30.00%	593
Other		
Isnova S.c.r.l.	16.34%	9
Banca Etica S.p.A.	-	16
Total		1,310

Perago Africa Ltd.

The company is a service provider for the members of the SWIFT network in the sub-Saharan area and carries out activities of development maintenance of software applications for the financial and telecommunications sector.

2009 ended with net profits for the year of € 0.8 million.

ATS S.p.A.

2009 closed with a value of production of approximately € 8.6 million and substantially balanced net profits.

Equity investments in other companies

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

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 € 9 thousand.

Banca Etica S.p.A.

This equity investment is held by the subsidiary RA Computer.

Due from others consumer goods beyond the following financial year

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

Due from others	31/12/2009	31/12/2008
Other	121	160
Total	121	160

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 31/12/2008	Acquisitions	Disinvestments/ Redemptions	Write-downs/ write-backs	Balance as at 31/12/2009
Government securities	1,998	-	-	5	2,003
Corporate bonds	4,993	-	-4,993	-	0
Total	6,991	-	-4,993	5	2,003

Current assets – 174,981 €/000

As at 31 December 2009, current assets were composed as follows:

Current assets	31/12/2009	31/12/2008
Inventories	1,698	5,002
Receivables	114,425	121,519
Short-term investments	2,500	5,678
Cash and cash equivalents	56,358	30,766
Total	174,981	162,965

The main differences on the decrease are in the reduction in trade receivables following an important action of recovery and return of various portfolio bonds, compensated by an increase in the cash on hand.

Accrued income and prepayments – 11,066 €/000

Prepayments

These can be broken down as follows:

Prepayments	31/12/2009	31/12/2008
Other	11,066	10,590
Total	11,066	10,590

With regard to their nature, prepayments concern costs incurred in advance for services to be used in 2010. 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 – 129,515 €/000

Share capital

The share capital amounts to € 22,091 thousand, divided into 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	31/12/2009	31/12/2008
Share capital	22,091	22,091
Total	22,091	22,091

Legal Reserve

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

Legal Reserve	31/12/2009	31/12/2008
Legal Reserve	3,825	2,988
Total	3,825	2,988

The reserve has not yet reached a fifth of the share capital pursuant to art. 2430 of the Italian Civil Code.

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	31/12/2009	31/12/2008
Split-off of Servizi Interbancari	1,426	1,426
Total	1,426	1,426

Reserve for split-off surplus

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

Reserve for merger surplus	31/12/2009	31/12/2008
Merger by incorporation of SIA S.p.A.	78,844	78,844
Total	78,844	78,844

Undistributed profits and other reserves

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

Undistributed profits and other reserves	31/12/2009	31/12/2008
Undistributed profits and other reserves	19,578	11,754
Total	19,578	11,754

Provisions for risks and charges – 10,829 €/000

Provision	Balance as at 31/12/2008	Increases	Utilisation	Balance as at 31/12/2009
Claims risk	413	8	-262	159
Future charges	2,964	395	-556	2,803
Restructuring costs	8,285	4,617	-7,192	5,710
Deferred tax reserve	1,292	865	-	2,157
Total	12,954	5,885	-8,010	10,829

The provision for damages was allocated as a result of claims for damages made by various 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 refers to costs that could 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 and its considerable use is due to the foreseen leaving of personnel; its significant change is due to the activation of the reorganisation plan.

Employee severance indemnity – 25,127 €/000

Adjustment of the debt was performed in compliance with current regulations and covers sums matured by employees as at 31 December 2009. Movements during the year were as follows:

Employee severance indemnity	31/12/2009	31/12/2008
Opening Balance	26,258	28,368
Utilisation for termination of employment contracts, advances and pension funds	-2,051	-8,563
Allocations accrued during the year	920	6,453
Total	25,127	26,258

Payables – 88,368 €/000

Due to suppliers

Amounts due to suppliers amount to € 27,192 (€ 35,714 in 2008) and are made up of trade payables due within the next financial year. The decrease is mainly relevant to minor purchases and a contract and supplier conditions optimisation policy.

Due to associates

Amounts due to associates can be broken down as follows:

Due to associates	31/12/2009	31/12/2008
Actalis	-	281
ATS	927	447
Other	36	25
Total	963	753

Payables to ATS refer to advisory activities.

Tax payables

Due to tax authorities for withholding taxes

Tax payables	31/12/2009	31/12/2008
Due to tax authorities for withholding taxes	978	3,292
VAT payables	1,368	1,463
Due to tax authorities for IRES and IRAP (Corporate and Regional Business Tax)	4,301	2,542
Other	6	168
Total	6,653	7,465

Due to social security authorities

The amount can be broken down as follows:

Due to social security authorities	31/12/2009	31/12/2008
INPS (Social Security)	13,988	10,129
Other	685	575
Total	14,673	10,704

The payables indicated above mainly refer to social security contributions on wages and salaries for December 2009, as well as contributions for leave accrued but not taken.

Other payables

The overall amount of € 24,308 thousand (€ 20,857 thousand in 2008) is composed mainly of amounts due to employees for remuneration accrued 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, for the final and certain component.

Accrued liabilities and deferred income – 5,224 €/000

This item amounts to € 5,224 thousand (€ 5,848 thousand in 2008) and refers to revenues recorded as at 31 December 2009 but receivable in future years.

Memorandum accounts – 62,633 €/000

Memorandum accounts	31/12/2009	31/12/2008
Guarantees	7,024	6,384
Other	55,609	51,339
Total	62,633	57,723

The values referred to sureties relate mainly to participations in tenders and to real estate lease agreements. "Others" relate to the residual debt for the purchases of technological infrastructures carried out through operating leases and to the value of the microprocessor cards owned by customers and to the nominal value of the PIN codes held on customers' behalf.



Breakdown of Profit and Loss Account items

Value of production – 364,155 €/000

Revenues from services and sales of products

Revenues from ordinary operations are broken down as follows:

Revenues from services and sales of products	2009	2008
Network services	60,047	56,929
Payment Systems	77,363	88,579
Card processing	158,148	163,489
Capital Market	54,736	69,606
Total	350,294	378,603

With regard to Network Services, there was an increase consequent to logic and physical network services, only partly offset by lower revenues for the CBI service, whilst the “other network services” overall offset the reduction in contract design activities.

With respect to Card Processing, revenues were lower mainly because of the “Card Production” service, for customer-contracted development activities, partly offset by lower revenues on other services.

The Payment Systems area, revenues were lower because of the tapering off of the effect of the introduction of IBAN on the ICI service in Collections and Payments, which took place in 2008, in addition to the lower revenues for contract design activities and to the conclusion, during the year, of the management of database management services.

In the Capital Market area, parent company revenues were lower because of the closure of the eMID service and of the renegotiation of some contracts with important customers, only partly offset by the increased design activity. Moreover, we point out the significant reduction in the revenues of the subsidiary Kedrios, mainly deriving from the crisis in the financial markets and from the phenomenon of bank concentrations.

Change in long-term contracts

Changes on long-term contracts amount to € 929 thousand and refer mainly to the positive conclusion of the contracts pertaining to the projects RTGS Norway and Clearing CFD for the London Stock Exchange (LSE) and to new developments of the subsidiary SiNSYS.

Increases in own work capitalised

The overall amount was equal to € 10,204 thousand (€ 6,006 thousand in 2008) 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	2009	2008
Other revenues	2,278	5,701
Contingent assets	2,308	4,151
Total	4,586	9,852

The contingent assets mainly refer to provisions allocated in previous years, for which no invoice was received, to loans pertaining to education granted by social security institutions and to the release of certain amounts previously allocated to risk provisions.

Cost of production – 339,797 €/000

The cost of production is composed of:

Cost of production	2009	2008
Purchase costs	3,981	4,644
Service costs	107,646	122,049
Costs for use of third-party assets	53,161	52,241
Personnel costs	126,981	128,660
Amortisation, depreciation and write-downs	28,562	32,946
Changes in inventories of raw materials	8	9
Provisions for risks	396	1,922
Other operating costs	19,062	23,382
Total	339,797	365,853

The Amortisation item includes the consolidation differences of € 7.8 million regarding GBC, RA Computer, Perago FSE and Simbologica. The residual amount of consolidation differences totalling € 37.6 million includes € 34.0 million regarding GBC and € 3.6 million regarding RA Computer. During the year, the residual value referred to Perago FSE was reduced all the way to zero and the value referred to GBC was reduced by € 1.0 million as a result of a price adjustment contemplated by the agreement when the company was acquired.

Amortisation is spread over 5 years, except for GBC for which it was considered reasonable to opt for a 10-year period. Therefore, in order to calculate a reasonably long time span 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. In conclusion, it was deemed reasonable to establish the duration of 10 years in which the goodwill shall be systematically amortised. 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 2009, employees numbered 1,795, divided by category as follows:

	2009	2008
Top Management and Executives	68	69
Middle managers and staff	1,727	1,764
Total	1,795	1,833

Financial income and charges – 5,143 €/000

Financial Income and Charges	2009	2008
Income from investments	4,674	61
Interest revenue	295	549
Other income	659	2,277
Interest banking expense	-649	-1,757
Exchange gains (losses)	164	256
Total	5,143	1,386

Revenues mainly comprise the capital gain realised from the sale of the equity investments in Glesia S.r.l. (€ 4.5 million) and Actalis S.p.A. (€ 0.2 million), interest on securities and bank accounts, whilst the charges refer to interest payable on the medium and long term loan obtained for the acquisition of the stock and to bank charges.

Value adjustments to financial assets - - 2,340 €/000

Revaluations

The item refers to the revaluation of the equity investment in ATS S.p.A. as a result of its valuation according to the shareholders' equity method, and to the revaluation of the securities recorded among fixed assets.

Revaluations	2009	2008
Of equity investments	66	346
Of securities recorded under current assets but not classified as investments	5	-
Total	71	346

Write-down of Equity investments

The item refers to the write-down of the equity investment in Perago FSE for € 2,326 thousand and to the write-down of the investment in Perago Africa for € 85 thousand, as a result of its evaluation according to the shareholders' equity method.

Write-downs	2009	2008
Of equity investments	-2,411	-210
Total	-2,411	-210

Extraordinary income and charges - - 9,787 €/000

Extraordinary income and charges	2009	2008
Income	285	15
Charges	-10,072	-5,647
Total	-9,787	-5,632

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

Income taxes for the year – 13,224 €/000

These are composed of:

Income taxes for the year	2009	2008
Direct taxes for the year	13,926	14,641
Deferred taxes	-702	187
Total	13,224	14,828



Supplementary Information

Statement of changes in intangible assets

	Historical cost					Balance as at 31/12/2009 (f=a+b+c+d-e)
	Balance as at 31/12/2008 (a)	Currency Translation differences (b)	Reclassifications (c)	Increases (d)	Decreases (e)	
Formation costs	261			26	20	267
Research and development costs	14,274		1,119	2,940		18,333
Industrial patent and intellectual property rights	242,287	-384	-37	10,372	258	251,980
Franchise, licences and trademarks	45					45
Goodwill	3,999					3,999
Consolidation differences	101,813				999	100,814
Projects under development	4,512		-1,119	7,375	5,191	5,577
Other intangible assets	22,949	-1	-13	745	4	23,676
Total intangible assets in use	390,140	-385	-50	21,458	6,472	404,691

Accumulated amortisation							31/12/2008	31/12/2009
Balance as at 31/12/2008	Currency translation differences	Reclassifications	Increases for acquisitions	Amortisation/ depreciation for the year	Decreases for adjustments	Balance as at 31/12/2009	Fixed assets net intangible assets	Fixed assets net intangible assets
(g)	(h)	(i)	(j)	(k)	(l)	(m=g+h+i+j+k-l)	(n=a-g)	(o=f-m)
261				5		266	0	1
9,058				3,271		12,329	5,216	6,004
227,150	-6	-37		11,717	520	238,304	15,137	13,676
36				5		41	9	4
3,893				6		3,899	106	100
55,459				7,766		63,225	46,354	37,589
							4,512	5,577
20,807	1	-13		1,224	4	22,015	2,142	1,661
316,664	-5	-50	0	23,994	524	340,079	73,476	64,612

Statement of changes in property, plant and equipment

	Historical cost					Balance as at 31/12/2009
	Balance as at 31/12/2008	Currency translation differences	Increases	Decreases	Write-downs	
	(a)	(b)	(b)	(c)	(d)	
Land and buildings	0					0
Plant and equipment	104,243	-113	3,007	4,765		102,372
Fixtures and fittings	983	-123	324			1,184
Other assets	14,879		431	59		15,251
Work in progress and payments on account	12		894			906
Total property, plant and equipment	120,117	-236	4,656	4,824	0	119,713

Accumulated amortisation							31/12/2008	31/12/2009
Balance as at 31/12/2008	Currency translation differences	Increases for acquisitions	Amortisation/ depreciation for the year	Decreases for the year	Decreases for write-downs	Balance as at 31/12/2009	Fixed assets net tangible assets	Fixed assets net tangible assets
(f)	(g)	(h)	(i)	(l)	(m)	(m=f+g+h+i-l-m)	(o=a-e)	(p=e-n)
0						0	0	0
94,588	-114		3,808	4,752		93,530	9,655	8,842
707	26		66			799	276	385
13,100	-85	146	569			13,730	1,779	1,521
0						0	12	906
108,395	-173	146	4,443	4,752	0	108,059	11,722	11,654

Cash Flow Statement (Section I)

	2009	2008
<i>(in Euro/000)</i>		
SOURCES OF FINANCING		
Profit (loss) for the year	3,751	11,634
Third-party profit (loss) for the year	399	703
Amortisation, depreciation and write-downs	28,158	30,134
Allocations to employee severance indemnity	6,200	6,453
Allocations to provisions for risks and charges	396	1,922
Deferred taxes	865	(595)
Change in consolidation reserves	616	(815)
Write-downs of equity investments	2,411	-
NET WORKING CAPITAL GENERATED FROM OPERATIONS	42,796	49,436
TOTAL SOURCES	42,796	49,436
USE OF FUNDS		
Investments in property, plant and equipment	4,379	3,532
Investments in intangible assets	14,846	16,284
Net change in financial assets	(4,988)	(4,013)
Changes in equity investments in associated companies	(3,054)	77
Change to locked-up receivables	(39)	(54)
Change in treasury shares	61	-
Disbursement of employee severance indemnities	7,331	8,563
Dividend distribution	6,071	5,999
Use of provisions for risks and charges	3,386	5,372
TOTAL USE	27,993	35,760
Increase (Decrease) in Net Working Capital	14,803	13,676

Cash Flow Statement (Section II)

	2009	2008
<i>(in Euro/000)</i>		
CHANGES IN CURRENT ASSETS		
Inventories	-3,304	-2,248
Receivables		
- Due from customers	-8,158	-7,036
- Due from associates	-1,535	-3,212
- Taxes payable	-3,933	441
- Prepaid taxes	-2,219	-1,366
- Due from others	8,751	-2,019
Other securities	-3,178	-3,763
Cash and cash equivalents	25,592	11,629
Accrued income and prepayments	476	3,589
TOTAL CURRENT ASSETS	12,492	-3,985
CHANGES IN CURRENT LIABILITIES		
Payables		
- Due to banks	933	-554
- Due to other lenders	71	-
- Advances	-987	-2,169
- Due to suppliers	-8,522	-14,885
- Due to associates	210	-652
- Taxes payable	-812	912
- Due to Social Security	3,969	2,730
- Other payables	3,451	-2,413
Accrued liabilities and deferred income	-624	-630
TOTAL CURRENT LIABILITIES	-2,311	-17,661
Increase (Decrease) in Net Working Capital	14,803	13,676

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

	shareholders' equity	including result for the year
SIA-SSB S.p.A.	147,760	-20,727
Shareholders' equity and profit (loss) consolidated companies	19,034	-1,337
Shareholders' equity and profit (loss) consolidated companies minority interests	-6,744	-429
Elimination of carrying value of consolidated equity investments	-78,886	0
Amortisation of consolidation differences	37,587	-7,767
Differences due to the alignment of accounting principles	796	366
Tax effects on differences for the alignment of accounting principles (amortisations)	-196	-116
Elimination of capitalised costs	-201	-201
Reversal of dividends	-7,959	-7,959
Reversal of provisions for risks on shareholdings	19,369	16,960
Reversal of equity investment write-downs	0	25,978
Shareholders' Equity method valuation of associated companies	-260	-19
Sale of equity investments	0	-998
Consolidation reserve	-785	0
SIA-SSB S.p.A. Group	129,515	3,751

Statement of changes in Shareholders' Equity

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
Balance as at 31 December 2008	22,091	2,988	1,426	78,844	11,754	11,634	128,737
Allocation of previous year's profits		837				-5,563	
Dividend distribution						-6,071	
Translation reserve changes					78		
Consolidation reserves					7,746		
Profit for the year						3,751	
Balance as at 31 December 2009	22,091	3,825	1,426	78,844	19,578	3,751	129,515



Board of Statutory Auditors' Report

SIA-SSB S.p.A.

Registered office: Milano, Via Taramelli n. 26

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

* * *

Board of Statutory Auditors' Report on the consolidated financial statements as at 31 December 2009 pursuant to art. 25 et seq. of Italian Legislative Decree no. 127, 9 April 1991.

Dear Shareholders,

The year 2009, which proved to be a very difficult year for the world's economy, nonetheless saw the consolidation of a leadership position of the Group in its own industry, on foreign markets as well. The scenario in which the Group operated is widely illustrated in the Management Report.

As specified in the documents referred to below, the consolidation area as at 31 December 2009 includes, along with the parent company SIA-SSB, the financial statements of GBC – Giro Bankkartya Zrt, TSP - Tecnologie e Servizi per il Pubblico S.r.l. and Perago AG - 100% owned by SIA-SSB; T.Fin S.r.l., 100% owned by TSP S.r.l.; of Perago FSE Ltd. 100% owned by Perago AG; Kedrios S.p.A., 81.24% owned by SIA-SSB; of Simbologica S.r.l. 61% owned by Kedrios,; RA Computer 65% owned by SIA-SSB; SiNSYS S.A., 51% owned by SIA-SSB.

Excluded from the consolidation area, 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 2009 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 also accompanied by a Management Report, also 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.

We also point out that the Independent Auditors' Report certified without observations the compliance of the consolidated financial statements to the legislations that regulate the preparation, as well as the coherence of the Management Report with the financial statements.

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.

The audit was duly performed on the content of the statement of reconciliation between the financial statement of the parent company and the consolidated financial statements 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 2009, 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, 09 April 2010

The Board of Statutory Auditors

The Chairman: Mr. Mario Cattaneo

Standing Auditor: Mr. Giorgio Silva

Standing Auditor: Mr. Paolo Golia



Independent Auditors' Report

**AUDITORS' REPORT
PURSUANT TO ARTICLE 2409-TER OF THE CIVIL CODE
(NOW ART. 14 OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010)**

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

1. We have audited the consolidated financial statements of SIA-SSB S.p.A. and its subsidiaries (the "SIA-SSB Group") as of December 31, 2009. These consolidated financial statements prepared in accordance with the Italian law governing 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 issued by the Italian Accounting Profession (CNDCEC) and recommended by Consob, the Italian Commission for listed Companies and the Stock Exchange. 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 audit of the financial statements of subsidiaries and associates, which statements reflect total assets representing 12% of consolidated total assets and revenues representing 11% of consolidated revenues, is the responsibility of other auditors.

The audit of the consolidated financial statements as of December 31, 2009 has been performed in accordance with the legal requirements in force during that period.

For the opinion on the prior year's consolidated financial statements, the balances of which are presented for comparative purposes as required by law, reference should be made to our auditors' report issued on April 9, 2009.

3. In our opinion, the consolidated financial statements give a true and fair view of the financial position of SIA-SSB Group as of December 31, 2009, and of the results of its operations for the year then ended in accordance with the Italian law governing financial statements.

4. The Directors of SIA-SSB S.p.A. are responsible for the preparation of the Management Report in accordance with the applicable law. Our responsibility is to express an opinion on the consistency of the Management Report with the consolidated financial statements, as required by law. For this purpose, we have performed the procedures required under Auditing Standard n. 001 issued by the Italian Accounting Profession (CNDCEC). In our opinion the Management Report is consistent with the consolidated financial statements of SIA-SSB Group as of December 31, 2009.

DELOITTE & TOUCHE S.p.A.

Signed by
Maurizio Ferrero
Partner

Milan, Italy,
April 9, 2010

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