



PRESS RELEASE

APPROVED THE HALF-YEAR RESULTS FOR THE AISOFTW@RE GROUP

11.5 MILLION EURO CONSOLIDATED INCOME.

IMPROVEMENT OF THE FIRST HALF PER CAPITA REVENUE BY 16%, EBITDA BY 50% AND EBIT BY 17%

Milan, 6 October 2004 – The meeting of AISoftw@re's Board of Directors, held on today's date under the chairmanship of Francesco Gardin, has approved the HY1 2004 AISoftw@re SpA and Group consolidated results.

Today's AISoftw@re Board of Directors, since all the items on the agenda could not be concluded (included the ACS SpA industrial plan), has been suspended and will resume on 11 October 2004.

Below is a selection of the financial highlights.

REPORT FOR FIRST SIX MONTHS 2004

Report on the Group's performance and structure

Highlights of this and subsequent periods

On April 30, 2004, the Shareholders' extraordinary meeting approved a proposed increase in share capital by payment, reserved to the company's shareholders, totalling no more than Euro 4 million inclusive of any share premium. On July 19, the details of the operation were defined, with a subscription ratio of three new shares for every eight shares held at the price of Euro 1.04. The option offer, amounting to a maximum of 3,842,448 shares, began on July 26, 2004. The option Offer was closed on 10/9/04, the result has been that a total of 3,307,110 new ordinary AISoftw@re shares have been subscribed, amounting to 86.07% of the total shares offered. The increase in capital was not backed by Joint Security. The 1,427,568 share option rights that wasn't taken up, valid for subscribing a total of 535,338 new AISoftw@re ordinary shares, has been offered to the Stock Exchange in the meetings of 27, 28, 29, 30 September and 1 October 2004.

Consolidated Group Results

The **value of production** in H1 2004 was Euro 12.5 million, compared to Euro 13.3 million a year earlier. **Consolidated revenues** in the first half 2004 totalled Euro 11.5 million with a decrease of 5.7% compared to H1 2003, but achieved with staff levels reduced by 19% (75 people). As a consequence, the per capita sales improved by 16% on the half-year basis to June 30.

Consolidated **EBITDA** in the period showed a substantial improvement (+ 50%), standing at Euro -740 thousand. This result is to be mainly attributed to the increase in sales margins and to the positive effects resulting from the programme of limiting fixed, direct and indirect costs and staff costs.



The EBITDA for the Financial Solutions and Medical Solutions areas was in positive territory, while a sharp improvement can be seen in the areas Technologies & Solutions and Professional Services.

EBIT in the first half 2004 improved by 17% compared to 2003 (H1 2003: Euro –3.8 million), but settles at Euro –3.2 million because of being affected by inventory allocations amounting to Euro 328 thousand and the write-down for depreciation amounting to Euro 688 thousand.

Pre-tax results in the first half 2004, taking the above into account, amounted to a negative Euro 4.3 million improving of 10.74% comparing to the same period 2003.

A considerable improvement in the Group's **net financial position**: at Euro -8.8 million, it is 16.6% better than at 31/12/2003 (Euro -10.6 million) and a 10.6% improvement since 31/3/2004 (Euro -9.9 million).

As regards **human resources**, AISoftw@re S.p.A. and its controlled companies have staff numbering 292 employees and 38 permanent co-workers, in line with the restructuring and rationalisation plans underway. Compared to H1 2003, there has been a total reduction of 75 staff (19% fewer), of which 62 were employees.

Business Area Results

In the first half 2004, all the Business Areas in the Group's industrial structure accelerated their operations for consolidation and organisational strengthening both on the commercial side and in terms of production, pursuing this year's cost reduction plan.

The **consolidated revenues of the Industrial business areas** are broken down as follows:

Description	30/06/2003	30/06/2004	%
Financial Solutions Area	4,729,527	4,631,792	-2.06%
Medical Solutions Area	2,905,044(*)	3,083,998	6.16%
Technologies & Solutions Area	1,526,238(**)	2,438,465	59.77%
Professional Services Area	3,438,527	2,363,477	-31.26%
Total	12,599,336	12,517,732	

(*) net of revenues from the textiles sector amounting to Euro 453,647

(**) net of revenues from the Knowledge Stones Srl amounting to Euro 149,410 out of the consolidation area in the h1 2004

In the **Financial Solutions Business Area** ((IT solutions in support of corporate decisions in the banking and financial areas, and consisting of the BU Financial Solutions of AISoftw@re S.p.A. and Eta Beta Srl) revenues fell by 2% compared to 2003 but EBITDA improved sharply and amounted to Euro 660,264 thousand improved of 66% compared to the same period 2003.

The reduction in revenues in this quarter, although in line with the budget plans for the current year, is mainly due to concentrating on offering application solutions and to the reduction in the work of integrating third party systems which were resulting in low margins.

The project for creating the "new version of electronic loan issuing" was begun during the second quarter, following the directives of Basle II on the new technological platform IBM Websphere.

In addition, the first solutions for handling the provision of factoring services were installed.

The second quarter also saw the operative start of the Global Credit Management platform at seven banks in New Europe (Poland, Czech Republic, Slovak Republic, Croatia, Bulgaria, Rumania and Turkey).

These results testify to the importance and quality of the products and the offer, also confirmed by the numerous negotiations underway with some of the top banks.



In the **Medical Solutions Business Area** (health service IT, digital radiology systems, voice reporting and digital signatures) the companies AISoftw@re Medical S.p.A. and GST Srl achieved revenues of Euro 2.9 million, showing growth of 6.16% over the same period in 2003 for the same consolidation area.

EBITDA reduced compared to the first half 2003 by 46%, to Euro 326 thousand due to a different mix of revenues as forecasted in the budget.

During the first quarter 2004, AIS Medical S.p.A. renewed its offer for the medical imaging market and launched the new Dicomware10 Suite for diagnosis from images and remote-consulting.

During the second quarter, the inter-provincial remote-consultation network was created, referring to the hospital group of Padua.

6 new public and private hospital groups were acquired as customers in the second quarter, and sales operations continued in the German market with new installations.

In the **Technologies & Solutions Business Area** (IT solutions and projects of high added value), revenues in the second quarter rose sharply compared to H1 2003 (+ 60%), to Euro 2.4 million for the same consolidation area.

Also EBITDA improved compared to the same period last year, to Euro -626 thousand with a relevant improvement comparing to the same period 2003 (Euro -1,49 Million) as a consequence of the revenues increase and the cost reduction according to the rationalisation plan started in the year.

Consequently, the EBIT stood at a negative value of Euro 863 thousand improving of 54% comparing to the same period of 2003.

During the second quarter 2004, the portal of the new ABI Energia Consortium was created for ABI (the Italian Banking Association).

In the Defence sector, for AMS (Alenia Marconi Systems), the primary functions relating to the middleware (services based on Real-Time Corba) for the Combat Management System (CMS) were implemented for an important order.

Lastly, for EAI (Enterprise Application Integration), certain services for Postel are being engineered.

The **Professional Services Business Area** (providing professional consultancy for complex technological projects) recorded a reduction in revenues from Euro 3.4 million in h1 2003 to Euro 2.4 million in the same quarter of this year.

Nonetheless, results for the H1 are in line with the new rationalisation plan of the area's operations.

EBITDA for h1 2004 is Euro 103 thousand equal to 4.4% of the revenues but with a significant improvement of the operative losses of 75% comparing to the same period 2003.

EBIT was a negative value of about Euro 279 thousand comparing with Euro 570 thousand of the same period 2003.

The management is ongoing on a rationalisation project for the business area whereby operations will focus on specialised services of high technological content with their improved margins, abandoning the area of generalised professional services.

Results of AISoftw@re S.p.A

For the parent company, AISoftw@re S.p.A, which includes the Financial Solutions Business Unit, the **value of production** in the first half of 2004 was Euro 3.6 million, an improvement over the same period a year earlier (Euro 3.4 million).

Revenues were Euro 1.96 Million, improving by 30.6% year on year (Euro 1,5 Million).

AISoftw@re S.p.A.'s **EBITDA margin** improved of 15% comparing the same period 2003, to Euro -332 thousand, while **EBIT** improved by 24% to a negative value of Euro 806 thousand.

The **pre-tax result** for AISoftw@re in the first half 2004 stood at a negative Euro 5 million, compared to Euro 1.2 Million in the same period of 2003. This worsening of results is largely due to AISoftw@re S.p.A. waiving the amounts receivable from its subsidiary AIS Technologies & Solutions S.p.A. totalling Euro 3,320 million.



AISoftw@re

AISoftw@re SpA is a company specialised in the design and development of innovative software technologies aimed at financial, medical imaging vertical markets, and horizontal markets for high technological content integration projects. Founded in 1983, the company is currently listed on the Nuovo Mercato of the Italian Stock Exchange (AISW). Consolidated revenues in 2003 were about Euro 25 million.

AISoftw@re presently operates on the market through its Financial Solutions Business Area, specialised in software solutions for the banking and finance world, and three vertical companies: AISoftw@re Medical Solutions SpA (digital imaging), AISoftw@re Technologies & Solutions S.p.A. and AISoftw@re Professional Services SpA (complex technological projects). The AISoftw@re Group has over 320 staff between employees and collaborators, and has operative sites in Milan (Headquarters), Rome, Trento, Vicenza and Bologna.

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