



## PRESS RELEASE

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**APPROVED THE Q3 2004 RESULTS FOR AISOFTW@RE GRUPPO WITH 3,5 MILLION EURO REVENUES IN LINE WITH THE BUDGET.**

**THE CONSOLIDATED EBITDA IS EQUAL TO -1,2 MILLION EURO IN LINE WITH THE BUDGET ALTHOUGH INFLUENCED BY THE EXTRAORDINARY COSTS FOR THE CAPITAL INCREASE.**

**RELEVANT IMPROVEMENT OF THE NET FINANCIAL POSITION 40.93% COMPARING 31/12/2003 AND HIGHER THAN THE BUDGET.**

*Milan, 12 November 2004* – The meeting of AISoftw@re's Board of Directors, held today under the chairmanship of Francesco Gardin, has approved the Q3 2004 AISoftw@re SpA and Group consolidated results.

Below is a selection of the financial highlights.

### **REPORT FOR Q3 2004**

#### ***Highlights of the period***

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.

At the end of the operation, 3,842,433 shares have been subscribed amounting to 100% of the offer equalling a global offer value of Euro 3,996,130.32 of which Euro 1,998,065.16 par value and Euro 1,998,065.16 of share premium reserve.

At the end of those subscriptions the share capital will be equal to Euro 7,326,262.32 consisting of 14,088,966 ordinary shares of which the Chairman Francesco Gardin owns about the 22,16%.

#### ***Consolidated Group Results***

**Consolidated revenues** in the Q3 2004 totalled Euro 3.5 million with a decrease of 39% compared to the same period 2003, but achieved with staff levels reduced by 18% (66 people less) and with abandoning the area of generalised professional services with a low marginality. Considering the first 9 months the



consolidated revenues totalled 15 Million Euro with a slight negative difference comparing to the budget and with a decrease, comparing with the same period 2003, of 3 Million Euro.

The **value of production** in Q3 2004 was Euro 3.8 Million compared to Euro 6.084 Million in the same period 2003. This is due essentially to the revenues decrease in the AISoftw@re Professional Services as forecasted in the new rationalization plan of the company. Considering the first 9 months, the value of production totalled Euro 16.3 Million lined up with the budget

Consolidated **EBITDA** in the period standing at Euro –1,180 Million improving the budget forecasted even if with a decrease of Euro 785 thousand comparing with the same period 2003. Considering the first 9 months, EBITDA is negative for Euro 1.920 Million in line with the budget. This result is basically unchanged compared to 2003, although value of production for the same period in 2004 has decreased by 16% compared to the same period in 2003 and an increase of provision for risks of approximately 220.000 euros has been applied in the first nine months of 2004 compared to the same period in 2003.

**EBIT** in the Q3 2004 stand at Euro –2.073 Million lined up with the budget even if with a decrease comparing to 2003 of Euro 846 thousand. Considering the first 9 months, EBIT, that is negative for Euro 5.3 Million, is lightly decrease comparing to the value at the same period 2003.

**Pre-tax results** in the Q3 2004, taking the above into account, amounted to a negative Euro 2.4 million while at 30 September 2003 it was Euro –2.3 Million.

A considerable improvement in the Group's **net financial position** that stands at a negative value of Euro 6.28 Million improving of 40.93% comparing 31/12/2003 (Euro -10.6 Million).

As regards **human resources**, AISoftw@re S.p.A. and its controlled companies have staff numbering 278 employees and 20 permanent co-workers, in line with the restructuring and rationalisation plans underway. Compared to Q3 2003, there has been a total reduction of 66 staff (18% fewer), of which 58 were employees.

### **Business Area Results**

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

<b>Business Area</b>	<b>9 Months Revenues</b>		<b>9 Months EBITDA</b>	
	<b>2003</b>	<b>2004</b>	<b>2003</b>	<b>2004</b>
<b>B.A. Financial Solutions</b>	7.053	6.178	302	660
<b>B.A. Medical Solutions</b>	4.337(*)	3.939	611	24
<b>Technologies &amp; Solutions</b>	2.314(**)	3.266	-1.715	-921
<b>AISoftw@re Professional Services</b>	4.771	3.192	-686	-125

(\*) net of revenues from the textiles sector amounting to Euro 454

(\*\*)net of revenues from the Knowledge Stones Srl amounting to Euro 238 out of the consolidation area in the Q3 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) focusing in the offering application solutions and in third parties system integration with low margins has resulted in a reduction of revenues to 1,8 million revenues, however 9 months EBITDA of 600.000 euros doubled compared to the same period in 2003.

During Q3 the “electronic credit workflow system” compliant with Basel 2 directives has been completed using the IBM Websphere software development platform.

Following the delivery of the factoring workflow management software solution, in Q3 the launch to the market has taken place.

Moreover two new implementations of financial data distribution solution for heterogeneous platforms have been implemented.

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 during the first 9 months revenues of Euro 3.9 million, of which the Q3 component has been 749,000 euros

EBITDA for the first nine months of this Business Area achieved 24,000 euros while EBITDA for Q3 closed at – 302,000 euros.

During the third quarter the business relationship with Techosp Group has been consolidated by extending the Business Area solutions for medical imaging to Gavezzani Clinics in Bergamo; the same products have already been adopted by Humanitas Clinic in Milan

L'EBITDA nei primi nove mesi del 2004 si è attestato a – 921 Mila Euro migliorando sensibilmente rispetto allo stesso periodo 2003.

In the **Technologies & Solutions Business Area** (IT solutions and projects of high added value), revenues in the third quarter rose compared to Q3 2003 to Euro 828.000 while revenues for the first 9 months have achieved 3,9 million euros.

EBITDA during the first 9 months of 2004 at Euro –921 thousand with a small improvement compared to the same period in 2003.

During the third quarter 2004, contract for the supply of professional services in the Defence area and to the Postl client have been renewed. Moreover a new commercial agreement for delivery to EDA (Enterprise Digital Architect) of a GIS system has been signed.

The **Professional Services Business Area** (providing professional consultancy for complex technological projects) recorded a reduction in revenues from Euro 4.7 million during the first nine months of 2003 to Euro 3.1 million in the same quarter of this year.

However, Q3 results are in line with the new rationalization plan of the Business Area operations. It is worthwhile noticing that despite the reduction of revenues in Q3 in 2004 a 92% increase of EBITDA (-270,000 Euros in Q3 2003 and –21,000 Euros in Q3 2004) has been achieved.

These results confirm the strategy adopted by the Business Area to focus its activity on highly specialized professional services moving away from the generic services market.

On 3<sup>rd</sup> November 2004 an agreement has been signed under the supervision of the Ministry of Labour and Social Policies for the adoption of an employees reduction scheme, the procedure which formally began on 10 September, involves 28 staff and technicians.



## **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 Q3 of 2004 was Euro 1.2 million, while in the first 9 months stands at Euro 4.8 millions.

**Revenues** of the Q3 2004 stands at Euro 587 thousand while in the first 9 months stands to Euro 2.5 Million lightly decreasing comparing the same period 2003 (Euro 2.6 Million).

AISoftw@re S.p.A.'s **EBITDA margin** in Q3 2004 decrease comparing the same period 2003 standing to – Euro 588 thousand, while the **EBIT** stands at a negative value of Euro 840 thousands.

The **pre-tax result** for AISoftw@re stood in the Q3 2004 at a negative of Euro 1.7 million, improving of 11% comparing to the same period 2003.

## **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.

## **Contacts**

### **Press Office and Investor Relations**

Ms. Alessia Vanzini

Phone +39-02-28014.1

Fax +39-02-2610853

E-mail: [avanzini@ais.it](mailto:avanzini@ais.it)