

## Highlight

### Growth of the Group's structure in the year 2000

- Dual Listing on Nuovo Mercato Borsa Italiana on August 1<sup>st</sup>.
- Expansion of the Group through increasing the number of controlled companies from one to five with an investment of 10.199 Billions Liras (5,267,340 Euro)
- Creation of INFUSION S.p.A., as an industrial-financial accelerator of the Group;
- Growth of the number of minority participations through Infusion from one to six, two of which abroad, with an investment of 12.648 Billions Liras (6,532,150 Euro).

### Business Overview

- The consolidated growth of the Group on production value, including the results of the new acquisitions, is equal to 100% and the revenues growth is equal to 112% (for AISoftw@re S.p.A the growth on production value is equal to 16% while the revenues growth is equal to 15.5%)
- The analysis of consolidated revenues by business area vis-à-vis is:
  - Advanced Software Systems: +193%
  - Banking & Insurance: -3%
  - Medical Imaging: +73%
- Strong consolidated revenues growth on 4th quarter with an EBITDA margin of 35,6% (5.774 billion liras - 2,982,020 Euro) and an EBIT margin of 27% (4.388 Billions liras - 2,266,210 Euro)
- Agreement with Eastman Kodak to supply the Medical Imaging Dicomware solution into the European market.
- Definition and launch of the new Global Credit Management and Global Finance Management solutions offer in the Business Unit Banking & Insurance.

### Significant financial data

- Consolidated EBITDA margin is equal to 16% of revenues and EBIT margin equal to 2.4% (987 Millions liras - 509,740 Euro) of revenues including the amortization of the goodwill relating to the new acquisitions (659 millions liras - 340,350 Euro); the EBITDA margin of AISoftw@re S.p.A. is equal to 19% of its revenues;
- Losses after taxes of 3.257 billion liras (1,682,100 Euro) for AISoftw@re S.p.A. (including the total costs for the Nuovo Mercato listing of 3.319 Billions liras - 1,714,120 Euro fully expensed in the year) and losses after taxes of 4.287 billions liras (2,214,050 Euro) at Group's consolidated level (of which 1.341 billions liras - 692,570 Euro of taxes).
- Investments for research and development of new products for 4.799 billions liras (2,478,480 Euro).
- Net financial position: 27.115 billions liras (14,003,730 Euro)

## Group's growth

During the year 2000, AISoftw@re growth in term of acquired minority participation and companies has been higher than the forecasted plan.

This result was achieved through the use of funds raised at EASDAQ and Nuovo Mercato listings that allowed to benefit of a purchasing power strongly higher than other companies listed later in the year.

A senior and high qualified staff with specific expertise on acquisitions, the Group formalised 4 new acquisitions: SE Informatica , Itaca, Program and Farm for a global amount of 10.199 billions liras (5,267,340 Euro) with the aim to integrate and expand the offers in terms of products and services of each AISoftw@re Business Unit.

In the first half of the year, AISoftw@re set up INFUSION S.p.A., a company founded with the aim to fulfil all the

Group's minority participations.

in line with AISoftw@re strategies, Infusion SpA, invests on high technology companies for the creation and the delivery of contents and services via Internet.

Through this company, the AISoftw@re Group has acquired 5 new minority participations: ACS, Global Euro Net, Geosim Systems, Impression and Ludonet.

After the listing on Easdaq market, on November 1999, in the first half of 2000 the Group started activities in order to obtain the dual listing on Nuovo Mercato Borsa Italiana, and the process was completed with the trading on August 1<sup>st</sup>.

## **Business Overview**

The internationalisation strategy was implemented both through international commercial agreements with strong groups, and through partnership and minority acquisitions of international organisations.

In the meantime, there was a consolidation of the relationship with partners that operate on Italian market, and a market share expansion of each Business Unit through acquisitions of complementary companies.

In spite of the efforts for the listing activities, the operating results of this year is characterized by a consistent growth in volumes higher than the related market growth.

The growth of the consolidated production value is equal to 100%, from 23.007 to 45.943 billions liras (from 11,880,000 to 23,727,580 Euro). AISoftw@re SpA has a growth on production value equal to 16% increasing from 19.388 to 22.510 billions liras - from 10,013,070 to 11,625,440 Euro.

The growth of revenues confirms a positive trend of the strategies implemented by the AISoftw@re's Group in year 2000: there is a growth in the Group's consolidated revenues equal to 112% from 19.406 to 41.144 billions liras - from 10,022,360 to 21,249,100 Euro (AISoftw@re S.p.A. shows an increase in revenues of 15,5% from 15.787 to 18.232 billions liras - from 8,153,310 to 9,416,040 Euro).

### ***Advanced Software Systems Business Unit***

The Advanced Software Systems Business Unit (Internet/Intranet solutions, database management system and knowledge management), achieved a consolidated revenues equal to 193% growing from 9.474 to 27.722 billions liras (from 4,892,910 to 14,317,220 Euro).

This growth is the result of the rationalisation of organisational and commercial structure together with the cooperation between the acquired companies for the offer integration (SE Informatica, Itaca, Farm).

Many orders have been acquired, some of which, by company:

- AISoftw@re: contracts for consultancy and Web solutions development, object oriented applications, information system and knowledge management projects development;
- ODX: agreement with B2Biscom, an Ebiscom Group company, for the marketplace "Catalogue Management" product development in XML format;
- SE Informatica: orders for technical support from strategic customers like EDS, Oracle, Compaq, Bull, Eltag and Hewlett Packard;
- Itaca: delivery of solutions in the space market sector to Alenia Spazio SpA, Alenia Marconi Systems and Centro Satellitare Europeo of Torrejon (Spain).

### ***Banking & Insurance Business Unit***

The AISoftw@re Business Unit Banking & Insurance revenues achieved a 3% decrease compared to 1999 results (from 5.266 down to 5.098 billions liras - from 2,719,660 down to 2,632,900 Euro).

This result is related to the changed strategy, started during the second half of the year, in the Business Unit

technical and commercial offer that moved from a specialised product offering to a global solution proposals for both the Credit and the Financial areas (products, services and consultancy).

The new offers, named as Global Credit Management and Global Finance Management, allow to provide innovative global solutions in line with new rules published on the matter of the global banking risk control.

The delivery and the installation of a new version of Daisy, integrated treasury software system, was successfully concluded in an important German major bank.

The total investment for the implementation of the new offering was equal to 1.282 billions liras (662,100 Euro)

- The most important agreements signed during the year 2000 in the banking area are the global agreement with "Associazione Nazionale fra le Banche Popolari" (ANBP) and with Euros Consulting.

### ***Medical Imaging Business Unit***

The Medical Imaging sector has achieved a significant growth in the consolidated Group revenues equaling to 73% from 4.482 to 7.775 billion liras (from 2,314,760 to 4,015,450 Euro); in AISoftw@re S.p.A. the growth was equal to 58%.

Such increase was mainly generated in the second half of the year after the agreement signed with EASTMAN KODAK S.A. relating to exclusive licensing in the EEC Countries plus Switzerland, Norway and Island of the DicomWare solutions for the radiological digital images.

This is a further step through the implementation of AISoftw@re strategy with the goal of an increasing of the market share to keep the competitive advantage of the technological leadership position.

The Business Unit Medical Imaging offer has been completed and enforced with the acquisition of Program S.r.l., a company dedicated in the management of hospital medical imaging complementary to AISoftw@re solutions: a rationalisation of the offer and a commercial structure took place with the goal to strengthen the leadership of the market share already acquired.

### **Other significant events**

- A project sponsored by AISoftw@re and Alétheia was implemented with the participation of DISCO (Dipartimento di Informatica Sistemistica e Comunicazione) of Milano-Bicocca University.

This project is aimed to create an Excellence School, named "Management and Technological Innovation", to teach and prepare professional profiles as Manager, Project Leader and Programmers to let them move into emerging technological, business and organisational scenarios.

The Excellence School, opened to all the IT companies, will allow to take a Master after a learning path integrated with the working activity.

- The Group resources has been increased in all the companies of the Group increasing from 232 people at the end of 1999 to 331 people at the end of year 2000. Such growth includes the hiring of staff and administration personnel of AISoftw@re in order to strengthen the reporting and control activities and the general services staff.

### **Significant financial data**

The EBITDA consolidated result has achieved the value of 6.502 billions liras (3,358,000 Euro) with a growth of 33.3% vis-à-vis 1999 consolidated result (AISoftw@re and ODX) equal to 4.877 billion liras (2,518,760 Euro). This result is to be considered very positive since it considers the organisation costs of all activities of the Group and enforce the positive trend of the operative margin in the first half.

The result demonstrates the stabilisation of the operative cashflow of the Group, one of the key objectives of the

acquisition strategy.

The consolidated EBIT is equal to 987 billions liras (509,740 Euro). The consolidated EBIT margin is equal to 2.4% of consolidated revenues. This value includes the amortisation relating to the goodwill for the acquisitions.

The consolidated losses after taxes is equal to 4.287 Million liras (2,214,050 Euro) mainly due to the extraordinary costs equal to 4.120 Million liras - 2,127,800 Euro (of which the cost for Nuovo Mercato listing is the main amount).

The losses after taxes of AISoftw@re is equal to 3.257 million liras (1,682,100 Euro)

The consolidated net financial position in billion liras is as follows:

	31/12/2000	31/12/1999
Cash & Bank	51,842	28,576
Banking debts within the year	21,816	4,047
Banking debts after the year	2,911	4,256
Net financial position	27,115	20,273

#### Relevant Consolidated Data of 4th Quarter 2000

- Consolidated revenues equal to 16.202 billion liras (8,367,000 Euro);
- Consolidated value of production equal to 18,116 billion liras (9,381,960 Euro);
- Positive consolidated EBITDA equal to 5.774 billions liras with an EBITDA margin of 35.6% of the revenues;
- Positive EBIT equal to 4.388 billion liras (2,266,210 Euro) with an EBITDA margin equal to 27% of the revenue;
- Net result after taxes equal to 5.034 billion liras with a margin of 31% of consolidated revenues.

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