



PRESS RELEASE

QUARTERLY RESULTS, IN LINE WITH THE 2004 BUDGET, APPROVED FOR THE AISOFTW@RE GROUP.

THE POSITIVE EFFECTS OF RATIONALISING THE BUSINESS AND ORGANISATIONAL RESTRUCTURING HAVE BEEN CONFIRMED, WITH A 20% REDUCTION IN STAFF COMPARED TO THE FIRST QUARTER 2003.

COMPARED TO Q1 2003, EBITDA SHOWS AN IMPROVEMENT OF 43% AND THE PERIOD RESULT INCREASED 37%. IMPROVEMENT ALSO IN THE NET FINANCIAL POSITION BY 7% COMPARED TO 31 DECEMBER 2003.

CONSOLIDATED REVENUES AT 5 MILLION EURO, SHOWING SUBSTANTIAL GROWTH FROM THE FINANCIAL SOLUTIONS AND TECHNOLOGIES & SOLUTIONS AREAS.

Milan, 12 May 2004 – The meeting of AISoftw@re's Board of Directors, held on today's date under the chairmanship of Francesco Gardin, has approved the Q1 2004 AISoftw@re SpA and Group consolidated results.

Below is a selection of the financial highlights.

First Quarter Results 2004

Highlights of the quarter

- On 27 February 2004, the Board of Directors passed resolution to submit for approval to the Shareholders' Extraordinary Meeting a proposed increase in share capital by payment, reserved to the company's shareholders, for a total amount not exceeding four million Euro inclusive of any share premium. This share capital increase was approved by the Extraordinary shareholders' meeting on 30 April 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**. The new Dicomware10 Suite makes it possible to extend the digitising of diagnostic images (X-rays, cardiology, endoscope, etc.) to a whole range of other clinical documentation wherever it comes from and whatever its nature, also enabling cataloguing and archiving all the clinical documentation in the optimum and most intelligent way so that it can be used by specialist centres for further medical consultation, whether within the hospital or outside by means of controlled access via Internet.



Group Consolidated Results

Consolidated revenues at 31 March 2004 were 5 million Euro compared to 5.6 million Euro in the same period 2003, but with a 20% reduction in staff (85 people). Considering the same area of consolidation, revenues in 2004 reduced by only 6%, while the reduction in staff net of areas disposed of and sold (operational and textiles) was 16% (68 fewer staff).

Compared to 2003, own work capitalised reduced by 15%, while other revenues and income increased by 8%.

The **value of production** in the first quarter 2004 therefore amounted to 5.5 million Euro, comparing to 6.2 million Euro in the same period of 2003.

Consolidated **EBITDA** for the period recorded a substantial improvement (+43%), standing at -600 thousand Euro. This result is primarily attributable to increased margins from sales and to the positive effects of the planned limiting of fixed costs, direct and indirect, of staff costs (reduced by 20%) and the plans for rationalising non-strategic areas of business.

Positive EBITDA for the Financial Solutions area, and sharp improvement in EBITDA for the Technologies & Solutions and Professional Services areas.

EBIT in the first quarter 2004 has strongly recovered (+33%) from the negative value of 2.1 million Euro in 2003, standing at -1.4 million Euro.

Also the **pre-tax result** in Q1 2004 has improved by 37% compared to the negative value of 2.4 million Euro in 2003, standing at -1.5 million Euro.

A considerable improvement in the **Group's net financial position**, standing at a negative value of 9.9 million Euro which is a 7% improvement over the figure at 31/12/2003 (-10.6 million Euro). This change is due to an improvement in the management of working capital.

Certain actions aimed at further improving the financial position are underway. These include the increase in capital (recently approved) and aggregating with other companies in the relevant market sectors, with possibilities already currently being ascertained.

As regards **human resources**, AISoftw@re S.p.A. and its subsidiaries now have 310 employees and 35 permanent collaborators, in line with the restructuring and rationalisation plans underway. Compared to Q1 2003, there has been a 17% reduction in the number of employees (63 people) and 39% fewer collaborators (22 people).

Business Area Results

In the first quarter 2004, all the Business Areas in the Group's industrial structure have accelerated the work of consolidation and organisational strengthening of both the commercial and the productive sectors, pursuing the cost reduction plan envisaged once again for the current year.

Consolidated revenues of the industrial Business Areas are broken down as follows:

(K Euro)	31/3/2004	31/3/2003	Change %
Financial Solutions	2,355	2,216	6%
Medical Solutions	893	1,122 *	-20%
Technologies & Solutions	967	637**	51%
Professional Services	1,215	1,777	-32%

* net of revenues from the textiles sector

** net of revenues from the operational sector and Knowledge Stones Srl

In the **Financial Solutions Business Area** (IT solutions to back corporate decisions in the banking and financial areas) revenues grew by 6% compared to 2003 and EBITDA is in positive territory at 386 thousand Euro compared to -31 thousand in the same period 2003.

This result bears witness to the validity and quality of the products and offer, also confirmed by the numerous negotiations underway with leading banks.

During the quarter, a new banking reference was acquired with one of the top 10 Italian bank groups.

New solutions for the credit area are currently being developed for factoring companies.

In the **Medical Solutions Business Area** (health service IT, digital radiology systems, voice reporting and electronic signatures) the companies AISoftw@re Medical S.p.A. and GST Srl have achieved revenues for 893 thousand Euro, down compared to a year earlier.

EBITDA passed from 87.9 thousand Euro in Q1 2003 to a negative value of 164 thousand Euro in Q1 2004.

The sales results were penalised by certain trade contracts being delayed, although they should be successfully concluded within the first half 2004.

One of the features of the first quarter 2004 was the effort put in by technical staff to develop the new Dicomware 10 Suite which will make it possible to offer new functions to the over 140 hospitals that already satisfactorily use the previous application solutions.

In the **Technologies & Solutions Business Area** (high added value IT solutions and projects), revenues in the first quarter sharply increased from those of 2003 (+51%), amounting to 967 thousand Euro.



Sales focused on the IT security sector, knowledge management and the integration of complex systems, with particular success being achieved in the Defence and Aerospace sector.

Also EBITDA improved by 71% compared to Q1 2003, at -211 thousand Euro. This result is largely due to the sharp reduction in direct and indirect costs and to the improvement in margins from single projects.

The **Professional Services Business Area** (supply of professional consultancy and training for complex technological projects) recorded a fall in revenues, from 1.7 million Euro in the first quarter 2003 to 1.2 million Euro in the same period of this year.

The strategy of a quality review of the customer portfolio, in order to improve the company's margins, led to a reduction in revenues. However, this was offset by a substantial improvement of EBITDA by 59% compared to Q1 2003, going from -221 thousand Euro in Q1 2003 to -90 thousand in Q1 2004.

Nonetheless, part of the reduction in revenues is due to the continuing market slump concerning the Information Technology sector, which includes some of the company's main customers, and which results in a reduction in investments by the major private customers.

To improve margins, actions are in progress to reassess the professional qualifications of many staff employed in order to be able to apply the more remunerative rates of professional figures.

AISoftw@re S.p.A. results

For the parent company, AISoftw@re S.p.A, which includes the Financial Solutions Business Area, the **value of production** at 31/3/2004 was 1.7 million Euro, largely unchanged compared to the same period in 2003.

Revenues were 1 million Euro, a 49% improvement compared to Q1 2003 (701 thousand Euro).

AISoftw@re S.p.A.'s **EBITDA margin** improved by 23%, showing a negative value of 200 thousand Euro, while **EBIT** improved by 32% at a negative value of 424 thousand Euro.

The **pre-tax result** for AISoftw@re recorded a negative value of 1.2 million Euro at 31/3/2004 compared to -741 thousand Euro in the same period of 2003. This worsening of the figure is mainly due to the waiving of the amount receivable by AISoftw@re S.p.A. from subsidiary AIS Technologies & Solutions S.p.A., which amounted to 650 thousand Euro.

Other decisions

In the course of today's meeting, the Board of Directors decided to transfer to the Chairman, Prof. Francesco Gardin, also the powers attributed to the departing Alessandro Malacart.

AISoftw@re

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

AISoftw@re works through the Financial Solutions Business Area, specialised in software solutions for the banking and financial world and three vertical companies: AISoftw@re Medical Solutions S.p.A. (digital imaging), AISoftw@re Technologies & Solutions S.p.A. and AISoftw@re Professional Services S.p.A.



(complex technological projects). AISoftw@re Group has over 360 staff between employees and collaborators, and has operative sites in Milan (headquarters), Rome, Trento, Vicenza and Bologna.

Contacts:

Press Office and Investor Relations:

Dott.ssa Alessia Vanzini

Phone. +39-02-28014.1

Fax. +39-02-2610853

E-mail: avanzini@ais.it