

AISoftw@re SpA – H1 2000 Report (unaudited figures)

Although on 31th August 2000 we already delivered the Q2–2000 results, we are also required to report the H1–2000 results following Italian law

AISoftw@re reports significant growth in Group structure and performance

Milan, 26st September 2000

Highlights of the period

- Three majority acquisitions completed and three minority investments made. After 30th June, the Group has completed three further investments and one of them is a majority acquisition.
- 30% increase in sales on like-for-like basis- 217% increase in sales, including acquisitions.
- Positive EBITDA achieved in the first half of a year for the first time.
- Promising development of international channels.
- Increase in staff (including technical consultants) from 95 to 239.

The last six months have seen a period of rapid structural and commercial developments for the group, and I am pleased to report results that demonstrate the success that we have had in implementing a strategy defined two years ago.

In the first half of this year the group completed three majority acquisitions, and created INFUSION, an industrial and financial accelerator (holding company) through which a further three minority investments have been made. We have continued to strengthen our international distribution channels, while increasing critical mass in the Italian market. And finally during H1, we also undertook the listing of AISoftw@re on the "Nuovo Mercato" in Milan, which was completed on 1st August.

This intense period of corporate development has inevitably placed many demands upon the daily management of the business, but I am pleased to report strong revenue growth also on a like for like basis despite these distractions. Total sales in our businesses grew by 217% to Euros 8.4 million.

In our Banking Area revenues grew by 10%, and the group signed an important framework distribution contract with the Italian Association of Popular Banks for distribution of our credit rating banking products to its member banks within the Italian market. The division also deployed its redesigned version of Daisy, the treasury management system, at its German reference customer's site. This was an important milestone which bodes well for the future exploitation of this major technological development. Moreover an online mortgages auction system for Italia-Invest was delivered on schedule at the end of Q2.

In Medical Imaging Area, like for like revenues grew 45% in H1 2000 compared to the same period of 1999. This result is in line with the plan and a major contribution is originated by Program Srl, a Group's company, with a Lit. 1.370 million (Euros 2,652 million) revenues obtained through software sales and services to 12 hospital institutions.

The Internet Technology Area (Internet/Intranet solutions, database management systems and knowledge management) performed over expectations, with a sales increase of 385% to Euros 6.8 million.

I'd like to underline that, in addition to the different achievements of AISoftw@re Internet Business Unit, significant contributions to revenues growth derived from:

- ODX with an important contract for object database products delivery to an Israeli company.
- SE Informatica with new service contracts from repetitive customers such as EDS, Oracle, Compaq, Bull, Elsag and Hewlett Packard.
- Itaca with sales of product licences to Alenia Spazio, solutions development for Alenia Marconi Systems and a spanish new customer Centro Satellitare di Torrejon.

Most of proceeds from our listing on Easdaq were utilized to finance the following acquisitions and investments:

Company	Activity	Shareholding
Global Euro Net	Internet services	0.5%
SE Informatica	IT services	60%
Itaca	Software	60%
Program	Medical Imaging	60%
ACS	Software	23%

Other acquisitions concluded after 30th June 2000:

Company	Activity	Shareholding
Tiltan Geosim	Software	15,79%
Impression	Web services	20%
Farm	Web consult	60%

This investment program, outlined at the time of our IPO in November 1999, had strongly positively impacted upon the size, structure and profitability of the group. The personnel, including technical consultants, have increased from 95 to 239 people at the end of Q2. This growth includes the recruitment of additional management and administration staff at Head Office in order to strengthen management reporting and controls during this period of change and group integration. Despite the higher overhead structure, the group achieved a profit at the EBITDA level of Euros 87,000 for the first half (1% on revenues), compared to losses of Euros 230,000 in H1 1999. This was a particularly pleasing result, and is the first time that the group has made an operating profit during the first half of the year (the first half has historically been loss-making due to seasonality of revenues).

The result demonstrates the stabilising of the group's operating cashflow, which was one of our key objectives in

adopting our acquisition strategy. At the EBIT level, after depreciation and amortisation (including amortisation of Euros 290,000 of goodwill), the group made a loss of Euros 1.3 million, or 16% on revenues, up from Euros 1.1 million in 1999, or 41% on revenues. H1 Financial charges, minority interests and costs of Nuovo Mercato listing up to H1, increased this loss to Euros 1.8 million before tax (22% of revenues) and Euros 2.5 million after tax, or 30% on revenues.

These results are a better performance if compared with the same period of last year and specifically versus the 1,4 Million Euro loss before taxes (51% of revenues) and 1,45 million Euro after taxes (53% of revenues). The group's net financial position is Euros 1.1 million in June 2000. Subsequent to the period end, the group raised a further Euros 21.2 million in net proceeds from its listing on Nuovo Mercato. These funds will be used to support further acquisitions, organic growth (including acquisition integration and international expansion) and speed up the group's R&D programme.

Prof. Francesco Gardin

President & CEO

AISoftw@re

AISoftw@re SpA founded in 1983 and with a consolidated value of production in 1999 of Euros 11,882 million - is a company specialised in the development of decision-supporting knowledge processing and data intelligence technologically innovative Internet and Intranet solutions. Its technical expertise in proprietary products distributed on reference markets positions AISoftw@re as a leading company in medical imaging, communications & networking, and financial market software solutions.

AISoftw@re has been listed on Easdaq since 23rd November 1999, and on Nuovo Mercato since 1st August 2000, and has started a program of growth based both on international expansion and aggressive recruitment, acquisitions and equity investments in software companies working in the area of Internet applications development.

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