Approved the quarterly results for the AISoftw@re Group showing the first positive effects of the business rationalisation and organisational restructuring in progress.

Consolidated income of 6.8 million Euro, showing an increase of 15% compared to Q1 2003, and with growth exceeding 35% in the medical solutions and technologies & solutions areas.

Compared to Q1 2003, EBITDA for the Group has improved by 78% and EBIT improves by 13%.

Milan, 4 August 2003

The meeting of AISoftw@re's Board of Directors, held on today's date under the chairmanship of Francesco Gardin, has approved the Q2 2003 AISoftw@re SpA and Group consolidated results.

Below is a selection of the financial highlights.

Second Quarter Results 2003
(uncertified report)

Report on the Group's performance and structure

Highlights of this and subsequent quarter

- The separation of the financial area from the industrial has been put into effect by the transfer through dividend to shareholders of the equity investment in Brainspark;
- The textiles sector business unit has been sold to TXT e-solutions for a countervalue of 1.3 million Euro;
- The non-strategic areas in management software and multimedia & communications have been divested;
- The operation for a capital increase reserved to AISoftw@re shareholders totalling 5 million Euro has begun.

Main Figures for the Group

- Consolidated revenues at 6.870 million Euro, showing 15.5% growth on Q1 results.
- Despite a 13% reduction in revenues compared to Q2 2002, as a result of focusing the business and the divestment on sectors no longer held strategic, EBITDA and EBIT considerably improved following on the actions taken to limit costs.
- Improvement in EBITDA which stands in the period at a negative value of 230,099 Euro. The improvement amounts to 89.45% over Q2 2002 and 78.62% higher than Q1 2003
- An improvement in EBIT figures, showing a negative value of 1.2 million Euro. The improvement amounts to 68.28% over Q2 2002 and 40.16% compared to Q1 2003
- Substantial reduction in period losses before taxes, going from 9.353 million Euro in Q2 2002 to 2.083 million Euro in Q2 2003 despite including 666 thousand Euro in exceptional restructuring costs.
- Improved net financial position compared to the previous quarter by about 1.015 million Euro
- Reduction of shareholders' equity by 8.5 million Euro, partly as a result of the reduction by about 6.3 million Euro in the share premium reserve due to the transfer through dividend to shareholders of the equity investment in Brainspark.

Business Area Results
In the second quarter 2002, all the Group's Business Areas accelerated the action of consolidation and organisational strengthening in both sales and production, following through the plan to cut down costs which was begun at the end of 2002.

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

(Euro)	Q2 2003	Q2 2002	Changes
Financial Solutions	2.487	2.916	- 14,7%
Medical Solutions	1.968	1.066	+ 84,6%
Technologies & Solutions	947	918	+ 3,2%
Professional Services	1.658	2.778	- 40,3%

In the **Financial Solutions Business Area** (complex financial trading applications and IT solutions to back corporate decisions in the banking and financial areas), revenues fell compared to 2002 (-14.7%), but grew by 12% compared to the first quarter. EBITDA was positive in this period, and stands at 4.7% of revenues compared to the generally equalised figure in the first three months of 2003.
The implementation of two projects for Facility Management was completed in the second quarter, while an important order for a user licence in the Credit Management area has been postponed to the second half of the year.

In the **Medical Solutions Business Area** (health service IT, digital radiology systems, voice reporting and digital signatures) the companies AISoftw@re Medical Solutions & Program S.p.A. and GST Srl have achieved a strong upturn in revenues year on year (+86.4%) and compared to the first quarter 2003 (+42.8%).
EBITDA moved from being largely equalised in the first quarter 2003 to a positive value amounting to over 29% of revenues, as had previously been budgeted.
The growth in revenues and EBITDA was brought about by the provision of assistance and maintenance services, the sale of specialised hardware for storing images and the acquisition of new important customers through commercial co-operation with Kodak.
The first orders in Austria and Germany were won during the second quarter.

In the **Technologies & Solutions Business Area** (high added value IT solutions and projects), the revenues of the second quarter were largely unchanged compared to 2002 (3.2%) but showed strong growth compared to Q1 2003 (30%). This increase was achieved as a result of the strengthening of business with a strategic customer in the defence and aerospace sector, and because of an increase in the sale of third party applications and in the relative maintenance and assistance services.
EBITDA for the period, although still in negative territory, improved by 46% against Q1 2003. This is the business area that has achieved the highest beneficial effects from the organisational and business restructuring being carried out since the early part of the year.

The **Professional Services Business Area** (supply of professional consultancy and training for complex technological projects) registered a substantial fall in revenues year on year (-40.3%) but a lower fall compared to the previous quarter (-7%).
These reductions are attributable, as envisaged in the industrial plan, to the specific commercial strategy which aims at selecting customers on the basis of their profitability and solvency.
Although still negative, EBITDA for the period improved by 16% compared to Q1 2003. This improvement has only partially been brought about by the benefits deriving from the reorganisation that is still underway.
Positive effects on the Business Area's profitability are expected in the second half thanks to the continuation of implementing the industrial plan and to the benefits arising from the acquisition of a major job order as part of a Temporary Association of Companies.

Group consolidated results
The value of production in the second quarter 2003 amounted to 7.145 million Euro comparing to 8.141 million Euro in the same period of 2002, maintaining the same level of investments for the development of new application solutions in the strategic business sectors (274,000 Euro). This reduction is a result of the rationalisation and focusing of the various Business Areas and the abandoning of businesses that were no longer strategic.

EBITDA for the period registered a substantial improvement compared to the same period in 2002 (89.45%), settling at a negative value of 230 thousand Euro.
This result is primarily attributable to the positive effects of the cost cutting programme with staff (further reduced by 4.2% since Q1 2003), the organisational rationalising plans and the divestment of non-performing businesses, as was envisaged in the industrial plan implemented at the beginning of the year.

EBIT in the second quarter 2003 made a strong recovery (68.28%) compared to the negative value of 4.086 million Euro in 2002, standing at -1.296 million Euro.

The Group's **net financial position** at 30 June 2003 stands at a negative value of 12.285 million Euro, showing an improvement of around 1 million Euro compared to 31/3/03. It is to be noted that, at 30 June, the transfer of the Textile business unit led to a contribution of 200,000 Euro as the payment of the first tranche.

The l**oss for the period before taxes** reduced by 9.353 million Euro to 2.083 million Euro, showing an improvement of 77.72%, despite the fact that exceptional costs for restructuring during the period of 661 thousand Euro were entirely expensed.

As regards **human resources**, at 30 June 2003 AISoftw@re S.p.A. and its subsidiaries could count on staff numbering 354 employees and 51 regular external collaborators in line with the restructuring and reorganisation plans underway. At 1 August 2003, the number of staff fell further to 337 employees and 47 consultants.

"The results of the Group in the second quarter of 2003 – remarks Prof. Gardin, Chairman and CEO of AISoftw@re SpA – *accentuate the reversal of the trend, already noted in the first quarter of 2003, and therefore confirms the expectations of the 2003 plans which envisage an equalisation of EBIT by the end of the year."*

AISoftw@re
AISoftw@re Group is a company specialised in the design and development of software technologies with a high content of innovation, aimed at vertical, financial, medical imagining 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 2002 were about Euro 30 million.
AISoftw@re works through 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). The current Financial Solutions Business Area, specialised in software solutions for the banking and financial world, will form the Group's fourth industrial company. AISoftw@re has over 380 staff between employees and collaborators, and has operative sites in Milan (headquarters), Rome, Trento, Vicenza and Bologna.

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