



## PRESS RELEASE

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### **THE PROJECT FOR MERGING ABACO INFORMATION SERVICES SRL INTO AISOFTW@RE HAS BEEN APPROVED**

### **THE MERGER OF ETA BETA SRL AND AIS MEDICAL SPA INTO AISOFTW@RE HAS BEEN APPROVED**

*Milan 30 April 2005.* Further to the pacts in the Frame Agreement drawn up between AISoftw@re S.p.A. and Abaco Software & Consulting S.p.A. on 18 February 2005 and communicated to the market on 21 February 2005 (from now on, the "Frame Agreement"), the Boards of Directors of AISoftw@re S.p.A. and Abaco Information Services Srl (below, also "Abaco Srl", entirely held and formed by Abaco Software & Consulting SpA to abide by the obligations of the Frame Agreement) have today approved the merger project to incorporate Abaco Information Services Srl into AISoftw@re S.p.A. The merger operation will be submitted for approval to the Extraordinary Shareholders' Meetings of AISoftw@re SpA and Abaco Information Services Srl which, in accordance with the provisions in the Frame Agreement, must discuss and approve the operation by 30 June 2005.

With reference to the Frame Agreement, agreements are being completed for securing the financial resources to be contributed at the moment of concluding the merger. As a result, AISoftw@re S.p.A. and Abaco Software & Consulting S.p.A. felt it appropriate to alter one of the merger's conditions for postponement that had been communicated to the market on 21/02/05, envisaging that ABACO can produce evidence of the commitment letter by 30 May 2005.

Below are the key elements of the merger project.

#### **Aims of the operation**

The decision to merge these companies arises from a joint strategic design aimed at becoming of such a size as to be considered one of the prime players in the national market of the software and IT services sector, taking advantage of synergies and complementary features of their respective specific markets.

The two companies believe that the new Group resulting from the merger represents the basis for further development also by means of subsequent mergers which should lead the new company to gain a position among the first ten Groups in Italy in the IT sector within the next three years.

The Group resulting from the merger will have some 650 employees overall, with a pro-forma forecast value of production in 2004 of approximately Euro 46 million, and EBITDA in positive territory at around Euro 3.7 million. This merger will help reinforce the areas of consultancy, software and project development, and remote operating and system integration services, thanks also to the activities found in the Company Branch (below, also "Company Branch") of Abaco Software & Consulting SpA, market leader in these sectors, transferred to Abaco Srl, and will significantly also help the Financial and Medical areas in which AISoftw@re S.p.A. is historically present in Italy and abroad.



### Exchange ratio

The Boards of the companies involved in the merger have established the exchange ratio at 18.43 ordinary AISoftw@re shares of par value Euro 0.52 each for each Euro of nominal share capital in Abaco Srl, which confirms the exchange rate already provided for in the Frame Agreement and communicated to the market.

No cash will change hands for any balance amount.

The exchange ratio was mutually agreed by the directors of AISoftw@re S.p.A. and Abaco Srl and is the result of a careful appraisal of the two companies in the merger, and using criteria generally accepted in procedures of similar operations. For a more detailed breakdown of these criteria, reference should be made to the description of the merger project which is to be made available to the public.

In order to determine the values of AISoftw@re S.p.A. and Abaco Srl, the following appraisal methods were used:

◆ **For AISoftw@re – Stock Exchange quotations:**

The Equity Value of AISoftw@re S.p.A. was calculated from its average market capitalisation values in the 30 days prior to the announcement of the project to merge with Abaco. In this period, the average stock prices for AISoftw@re S.p.A. on the market was Euro 1.148, giving an Equity Value of Euro 16,180,000.

◆ **For Abaco Srl – Stock Exchange Multiples Method:**

Since Abaco Srl's stock capital is not listed on any regulated Market, there was applied the method of Stock Exchange Multiples, by which a selection of similar and comparable publicly listed companies were picked and their ratios of Enterprise Value /Sales, Enterprise Value /EBITDA, Enterprise Value /EBIT were used as "reference multiples".

On this basis, the final valuation of the "Company Branch" of Abaco Software & Consulting S.p.A. – which is the company branch that, as per the Frame Agreement, has been transferred to Abaco Srl and which forms the equity of Abaco Srl and therefore the basis for calculating its value – was calculated to be Euro 21,160,000.

Abaco Software & Consulting S.p.A. engaged Nicola Patrizia Pacifico – a business consultant registered at Trani (Bari) and in the list of Chartered Accountants – to prepare the sworn estimate report in accordance with Article 2465 of the Italian Civil Code, required for the above transfer of the "Company Branch" to Abaco Srl. In this report, Dr Pacifico determined that the value of the Company Branch totals at least Euro 22,297,434.

Nonetheless, the directors of the companies AISoftw@re and Abaco Srl felt that it would be more prudent to assess the value of Abaco Srl at Euro 21,160,000.

In short, the assessments made have resulted in an "aggregated" evaluation of AISoftw@re S.p.A. and Abaco Srl as shown in the table below:



	Amounts in Euro k
Equity Value AIS@re S.p.A.	16,180
Abaco Srl evaluation	21,160
<b>Aggregate Equity Value</b>	<b>37,340</b>
AIS shareholder representation	43.33 %
Abaco Srl shareholder representation	56.67 %

### Method of allocating the shares

The extraordinary meeting of AIS@re S.p.A., which will be called to approve the merger, will discuss the increase in its own share capital for the purposes of the merger, and therefore excluding the pre-emption right, for a maximum of Euro 9,583,600 by the issue of a maximum of 18,430,000 shares at par value Euro 0.52 each. This will be to ensure the swap of the shareholding in Abaco Information Services S.r.l. at the ratio indicated above.

AIS@re S.p.A. will allocate the new-issue shares, coming from the increase in share capital for the purposes of the merger, at Monte Titoli S.p.A. for their centralised management of dematerialisation.

The shares issued by AIS@re S.p.A. for the share swap will have the same rights as those of AIS@re S.p.A. in circulation in the moment prior to the merger coming into effect.

The shares issued by AIS@re S.p.A. for the share swap will be traded on the *Nuovo Mercato* of Milan Stock Exchange organised and run by Borsa Italiana S.p.A.

The share swap operations will be carried out through authorised brokers, as of the date of the merger coming into effect, with no expenses or commission charged to shareholders in Abaco Srl.

### Composition of the post-merger shareholding structure

Bearing in mind the exchange ratio proposed, once the merger has been completed as well as the other operations on the share capital (particularly if the maximum number of 1,408,896 ordinary new shares for the capital increase approved on 8 April 2005, currently being placed, is fully subscribed), and before putting into effect the shareholders' agreement between Francesco Gardin and Abaco Software & Consulting S.p.A., the composition of the shareholding structure of the incorporating company would be as follows:

Abaco Software & Consulting S.p.A.	54.32 %
Prof. Gardin	8.80 %



Market stock	36.88 %
Total	100.00 %

### Times of the operation

Considering the technical times necessary for achieving the entire operation, it is envisaged that the merger process could be completed by the end of October 2005.

### Terminating and postponing conditions

As already described in the press release of 21 February 2005, the Frame Agreement is subject to terminating and postponing conditions.

Regarding the postponing conditions, since the agreements for securing the financial resources that Abaco has to provide in the moment of concluding the merger are currently being finalised, AIS@re S.p.A. and Abaco Software & Consulting S.p.A. feel that it is appropriate to alter one of the postponing conditions that had been communicated to the market on 21/02/05 (specifically, the condition at point (ii) of the Release of that date), envisaging that ABACO can produce evidence of the commitment letter by 30 May 2005.

## **MERGER BY INCORPORATING ETA BETA SRL AND AIS MEDICAL SPA IN AIS@RE SPA**

During today's meeting of the Board of AIS@re S.p.A., there was also approved the merger by incorporation of Eta Beta Srl and AIS Medical SpA (currently entirely controlled by AIS@re SpA) into AIS@re S.p.A. This operation forms part of those projects already begun during the fourth quarter of 2004 with the aim of continuing to further streamline the structure, improve efficiency in the production processes with reduction of costs, and optimising relations with banks (see press release of 28/02/05).

### AIS@re

AIS@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.

AIS@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: AIS@re Medical Solutions SpA (digital imaging), AIS@re Technologies & Solutions S.p.A. and AIS@re Professional Services SpA (complex technological projects). The AIS@re Group has over 298 staff between employees and collaborators, and has operative sites in Milan (Headquarters), Rome, Trento, Vicenza and Bologna.

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Iscrizione R.E.A. n. 1264995 – Capitale Sociale i.v. €. 7.326.262,32



## **Abaco Srl**

Abaco Information Services Srl. is a company of Information & Communication Technology, specialised in the design and development of custom software, specialist consultancy and integration of systems on the most evolved technological platforms, including SAP, Oracle, Microsoft, Sun Microsystem, Business Objects and Tibco.

Aiming for solutions that integrate the most advanced technologies, Abaco Srl brings to the vertical markets – Telco, Finance, Industry and Public Sector – the specialised skills and best practices in the areas of Business Intelligence, Extended Enterprise Solutions, Web Services, EAI and System & Network Management. A company entirely owned by Abaco Software & Consulting S.p.A into which converge all the operating activities of the parent company, including the controlling stake in Spring Consulting S.p.A., it has about 320 staff in offices at Bari, Milan, Rome and Bologna, and its pro-forma consolidated revenues in 2004 exceeded Euro 21 million.

## **Contacts**

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