TAS S.p.A.

Consolidated Financial Statements and Annual Financial Statements at 31 December 2015

COMPANY SUBJECT TO THE MANAGEMENT AND COORDINATION OF TASNCH HOLDING S.P.A.

INDEX

CONSOLIDATED FINANCIAL STATEMENTS OF TAS GROUP

TAS S.P.A. FINANCIAL STATEMENTS

CORPORATE BODIES

Board of Directors
expiry: on the approval of the Financial Statements at 31 December 2017

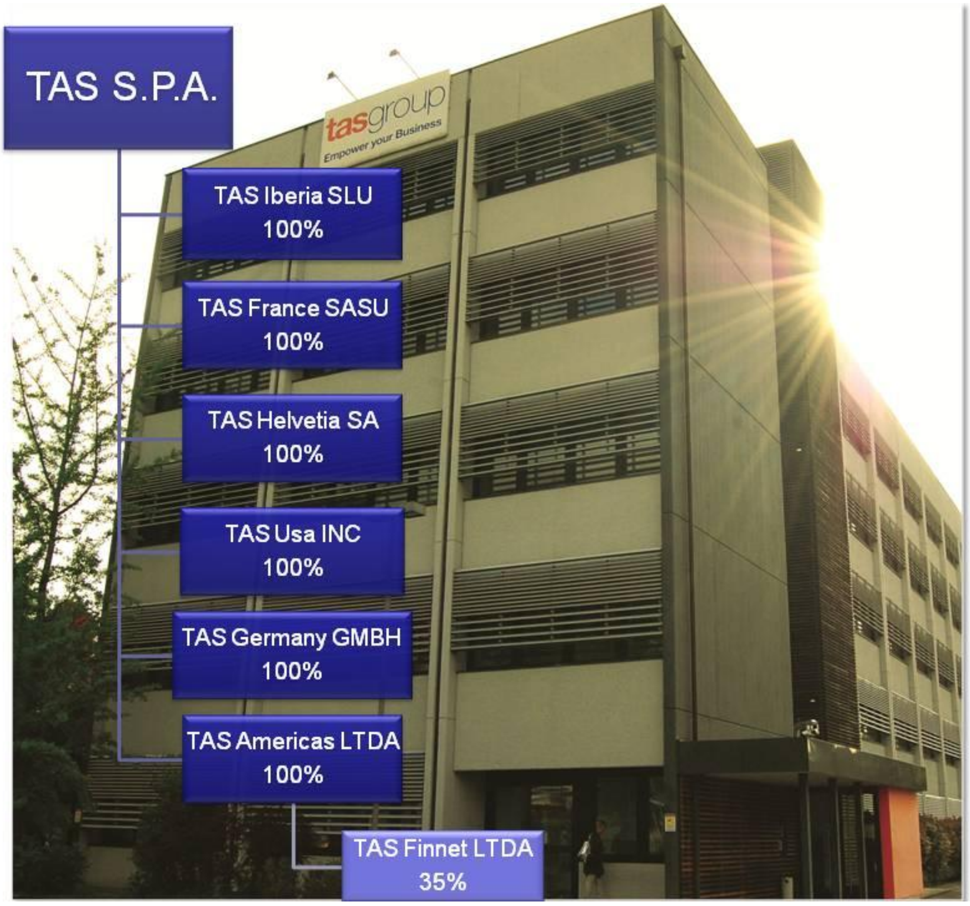
Dario Pardi		Chairman
Valentino Bravi		Chief Executive Officer
Riccardo Pavoncelli	7	Non-executive Director
Andrèe Bazile Suzan	1	Independent non-executive director
Roberta Viglione	2,3	Independent non-executive director
Giancarlo Maria Albini	2,3	Independent non-executive director
Giovanni Damiani	1	Independent non-executive director
Luca Di Giacomo	2	Independent non-executive director
Giorgio Papa	5	Independent non-executive director
Enrico Pazzali	1,3,6	Independent non-executive director

Board of Statutory Auditors
expiry: on the approval of the Financial Statements at 31 December 2016

Statutory Auditors		
Carlo Ticozzi Valerio		Chairman
Simonetta Bissoli		
Antonio Mele		
Alternate Auditors		
Raffaella Farina		
Adolfo Cucinella		
Auditing Firm		Deloitte & Touche S.p.A.
Share capital	€ 14,330,645.50 [4]	Fully subscribed and paid-up
No. shares	41,768,449	

1 Member of the Remuneration Committee
2 Member of the Control and Risks Committee
3 Member of the Related Parties Committee
4 On 29 April 2015, the Shareholders' Meeting resolved to reduce the share capital from Euro 21,919,574.97 to Euro 14,330,645.50.
5 On 6 October 2015, board member Giorgio Papa submitted his resignation as board member, and consequently, as a member of the Committee for Transactions with Related Parties and Chairman of the Remuneration and Appointments Committee of TAS S.p.A.
6 Co-opted by the Board of Directors as board member and Chairman of the Remuneration Committee and member of the Related Parties Committee on 8 January 2016.
7 On 9 March 2016, board member Riccardo Pavoncelli submitted his resignation as a board member.

GROUP STRUCTURE



Value on 31 December 2015

INFORMATION ON TAS S.P.A.

TAS S.p.A. (hereinafter "Tas", the "Company" or the "Parent Company") is the holding company of a Group specialising in software solutions for electronic money, payments, capital markets and ERP systems. Listed on the Italian Stock Exchange ["Mercato Telematico Azionario"] since May 2000, TAS is the market leader in Italy for card management systems, payment networks access and stock exchange order management.
The TAS Group serves the most important commercial and central banks in Italy and Europe, major organisations offering financial services and some of the main global brokers present in the Fortune Global 500 classification.
Standing as a first level on international markets, the TAS Group operates through various subsidiaries: TAS Helvetia S.A. ("TAS Helvetia"), TAS France S.A.S.U. ("TAS France"), TAS IBERIA, S.L.U. ("TAS Iberia"), TASAMERICAS – TECNOLOGIA AVANÇADA DE SISTEMAS LTDA. ("TAS Americas"), TAS USA Inc. ("TAS Usa") and TAS Germany Gmbh ("TAS Germany").
Thanks to the diversification path followed in recent years, the solutions of the TAS Group have been adopted by Public Administrations (Ministries, Regions and other local Entities) and by non-banking companies from many different sectors.
TAS is held for 87.557% by TASNCH Holding S.p.A. (hereinafter "TASNCH" – a company indirectly 100%-controlled by Audley Capital Management Limited, "Audley").

Over 60 million cards managed at international level	A presence in 6 countries and more than 150 customers worldwide	The largest payment carrier in all Europe
Over 100 financial institutions in Italy manage securities using TAS solutions	ISO 9001 2008 compliance certificate	ERP solutions adopted by major service industries and PA entities

GROUP ACTIVITIES

TAS S.p.A. and its subsidiaries (hereinafter the 'Group' or the "TAS Group") operates in the IT sector with particular reference to the development and marketing of software applications and solutions, consulting, providing support and maintenance, and carrying out the ancillary activity of reselling software/hardware products to third parties.

For over thirty years, the Company is one of the leading operators on the Italian market and has been focusing on consolidating its position on the international electronic money sector (over 60 million cards managed via the following services: *Card Lifecycle Management*, *Acquiring channels and Terminal management*, *Authorization Systems*, *Fraud Management*, *EMV Solutions*), payment systems and access to inter-banking networks (with installations within the Eurosystem T2 and T2S infrastructures), in addition to trading and settlement on financial markets, including the aspects of compliance and liquidity management for bank treasuries.

In particular, the more recent TAS solutions include:

- the "cashless 3.0" platform, which is among the most innovative and comprehensive at world level
  for the issuing, authorisation, management and control of all kinds of physical and virtual payment cards;
- the T2S solution for both central and commercial banks;
- the monitoring and centralized and integrated management in real time of Cash and Collateral Securities;
- managing the decoupling between back-office applications and protocols for interfacing with market infrastructures, for the exchange and settlement of inter-banking transactions;
- managing issuing and acquiring processes, and monitoring fraud relating to any kind of physical and virtual payment cards;
- management of B2C, B2B and B2G e-marketplaces, which extends to new smart devices and innovative projects:
    - Multichannel FVC portals for Payment Institutions
    - e-Payment/e-Collection platforms
    - Collaborative order-to-cash solutions;
- receivables management that currently takes advantage of the power of web and mobile channels by streamlining processes and providing competitive advantages to the customer, with solutions for capital markets aimed especially at guaranteeing:
    - Straight Through Processing from trading to settlement
    - *Post-Trade Surveillance;*
- specific ERP for:
    - Public Governance, suite for managing performance management processes in the public administration, currently being used by important Italian PA offices;
    - Services companies, which offer full coverage of administrative-accounting issues, as well as core business processes (project management, billing, procurement) that currently have a significant client base in Italy.
    - the international market, based on the new social and collaborative user model, and implemented on the Oracle Fusion platform.

Application solutions developed by TAS for the market can be installed directly at the customer, or provided in SaaS mode (*Software as a Service*) from the technology infrastructure managed by TAS.

The Company operates abroad through its subsidiaries TAS Helvetia, TAS France, TAS Iberia, TAS Americas, TAS Usa and TAS Germany.

TAS France, a French registered company is a data centre and internet service provider, with extensive experience in e-commerce. This traditional business was complemented by an active collaboration with TAS in the development of new financial software products, as well as the marketing of TAS products in France, Monaco, Belgium and Luxembourg.

TAS Helvetia, a Swiss registered company, focuses primarily on technology solutions for the core activities of financial intermediaries, integrating these progressively with the existing non-core accounting or back office systems, to minimise the organisational and management impact. Furthermore, TAS Helvetia provides solutions for the granting and monitoring of credit, as well as mobile-banking applications. In addition, a commercial proposition for the "loans" solution is currently underway, which has been localised for the South American market, and more specifically for Brazil. It also is responsible for distributing group or partner solutions in Switzerland.

TAS Iberia, a Spanish registered company, operates as the Group's EMV centre for payment cards with chips. In this respect, it provides standardised software solutions, customised software solutions, maintenance and outsourcing services. It supports and markets the Group's solutions throughout the Iberian peninsula and Spanish speaking countries, with special reference to payment networks and capital markets.

TAS Americas, a Brazilian registered company, focuses on developing the local market leveraging its greater proximity to customers, while streamlining the existing TAS business and investments in the South American market, and especially in Brazil. It is also supported by its associated company, TASFinnet Ltda ("service bureau") in this regard.

TAS Usa, a company registered under the Laws of the United States of America was established at the end of 2014, with the objective of driving the Parent Company's solutions on the North American market.

TAS Germany, a company registered under the German Law was established at the end of 2015, with the objective of driving the Parent Company's solutions on the German market.

It should be noted that TAS Helvetia, TAS France, TAS Iberia and TAS Americas have entered into inter-company agreements with the Company aimed at the reciprocal marketing of products in their respective reference markets. These agreements will be finalised with TAS Usa and TAS Germany once these subsidiaries effectively begin operations.

SCOPE OF CONSOLIDATION

Group companies are consolidated using the line-by-line consolidation method, with the exception of TASFinnet, which was consolidated using the net equity method.
The companies held by the Group at 31 December 2015 and the relevant equity investments are detailed in the table below:

Company Name	Nationality	Share capital (€/000) at 31.12.2015	% Ownership 31.12.2015	% Ownership 31.12.2014	Net Equity (€/000) at 31.12.2015
TAS SpA	Italy	14,330			7,585
TAS FRANCE SASU	France	500	100	100	1,056
TAS HELVETIA SA	Switzerland	65	100	100	15
TAS IBERIA SLU	Spain	20	100	100	275
TAS AMERICAS LTDA*	Brazil	365	100	90	498
TASFINNET LTDA**	Brazil	232	35	35	189
TAS USA INC	USA	16	100	100	2
TAS GERMANY GMBH***	Germany	25	100	NA	17

*On 31 July 2015, TAS acquired 100,884 Tasamericas shares, more specifically the entire minority shareholding owned by Afonso Christiano Netto equalling 10% of TASAMERICAS share capital, in addition to a non-competition agreement in respect of the seller, for a total cost of 110,000 Brazilian Real, thus bringing its stake in the Brazilian subsidiary to 100%.
On 26 February 2016, TAS sold 10,088 Tasamericas shares to Massimiliano Quattrocchi for 1% of the share capital in TASAMERICAS.
**The shareholding refers to TAS Americas. The data refers to the Financial Statements in Real at 31.12.2015, converted at the exchange rate on 31.12.2015.
***The company was established on 26 November 2015.

Company Name	Registered office	Secondary Unit	% Share
TAS SpA (Parent Company)	Via Benedetto Croce No. 6, Rome – Italy	- Milan, Via Famagosta No. 75 – Italy; - Verona, Via Museo No. 1 – Italy - Siena, Via Girolamo Gigli, No. 2- Italy - Parma, Via Colorno No. 63/a – Italy - Bologna, Via della Cooperazione No. 21 – Italy	
TAS France Sasu	Route des Crêtes, Sophia Antipolis, France		100.00%
TAS Helvetia Sa	Prati Botta 22, Lugano/Barbengo – Switzerland		100.00%
TAS Iberia SLU	Ronda de Poniente 2 Tres Cantos, Madrid – Spain	- Plaza Ramon y Cayal 1, Cordoba – Spain	100.00%
TAS Americas Ltda	Alameda Campinas No. 463, San Paolo – Brazil		100.00%
TASFINNET Ltda	Avenida Alameda Mamoré No. 911, San Paolo – Brazil		35.00%
TAS Usa Inc	1013 Centre Road, Suite 403S, Wilmington, DE 19805, Delaware		100.00%
TAS Germany Gmbh	Humboldtstraße 3, 60318 Frankfurt		100.00%

DIRECTORS' MANAGEMENT REPORT

INTRODUCTION

Dear Shareholders,

The report at 31 December 2015 that we are submitting for your approval forms an integral part of the TAS S.p.A.'s Consolidated Financial Statements at 31 December 2015 and contains references to the significant events that have occurred during the financial year and their impact on the Financial Statements and Consolidated Financial Statements, together with a description of the principal risks and uncertainties faced by TAS SpA and the Group as a whole.
The Consolidated Financial Statements at 31 December 2015 were drawn up in accordance with the applicable international accounting standards adopted by the European Union under Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002, with the regulations issued to implement Art. 9 of Italian Legislative Decree No. 38/2005, and in compliance with Consob Regulation No. 11971 of 14 May 1999 and subsequent amendments.
In particular, the Consolidated Financial Statements follow the format required by international accounting standards (IAS/IFRS) as adopted by the European Union.
The amounts shown are in thousands of Euro. The corresponding figure for the same period last year is shown next to each figure in the Financial Statements, for comparison purposes.

By referring to what is stated hereby and in the notes to the financial statements for further details, both as regards the balance sheet and the income statement, we note that the financial statements submitted for your consideration include the effects resulting from the following extraordinary events that occurred during the period:

a) non-compliance with the covenants under the existing pool finance agreement. As required by IAS 1, the relative payable raised against this agreement was reclassified under Current financial liabilities;
b) the total write-down of Goodwill that up until the last period had been allocated to the TAS Helvetia CGU for Euro 3,144 thousand, in view of the fact that the CGU was no longer deemed to be independent because this subsidiary's cash flows derived mainly from the resale and support provided to Parent Company products. Furthermore, subsequent to the impairment test conducted on all CGUs, by comparing the recoverable value against the related book values of the net invested capital, a write-down for Euro 1,604 thousand emerged in the balance sheet, referring to the shareholding TAS Helvetia;
c) at 31 December 2015, and following the impact of the impairment test mentioned above, Net Equity in the Company's balance sheet came down by over one third of the share capital, and specifically:

    - losses for the 2015 financial period amounted to Euro 6,489 thousand;
    - share capital at 31 December 2015 was Euro 14,331 thousand;
    - net equity at 31 December 2015 was Euro 7,585 thousand;

    therefore making the provisions under Art. 2446 of the Italian Civil Code applicable.

Over the three-year period 2012-2015, the Company recorded lower revenue than what had been envisaged in the 2012-2016 Plan, and had to take cognisance of both the structural nature of the drop in core business sales on the domestic market compared to the Plan's forecasts, and the need to incur non-recurring extraordinary costs, to complete the staff restructuring and consequent reduction in personnel, as well as dedicating resources to increasing investments focusing on accelerating the development of new products. On the other hand, the policy pursued by the Company to increase efficiency and contain costs, mitigated the reduction in margins. Consequently the refinancing operations for the pool financing of debt falling due on 31 December 2016, were activated with a new Business and Financial plan submitted and the relative financial measures, which made it possible for the Company to recover its financial and asset balance.

On 24 July 2015, the Company appointed KPMG Advisory S.p.A. as its business and financial advisory ("**Advisor**") to assist it in drafting the new business plan for 2016-2020 and the relevant financial measures to support this.

On 2 April 2015, Alex s.r.l., a single-member company that is currently held entirely by Mr Dario Pardi ("**Alex**"), signed a letter of intent with TASNCH regarding a possible investment by Alex in the Company with a share capital increase reserved to Alex itself. The extent of the increase – once all the necessary permits and authorisations have been obtained (including Banks' approval) – would allow the latter to own a stake of not less than 51% of the Company's share capital. To this end, Alex signed an agreement with TASNCH relating to the Company (the "**First Agreement**", which was then amended on 31 July 2015) in terms of which, *inter alia*, and up until 31 December 2015:

(a) TASNCH undertakes to vote in favour of the appointment of Mr Dario Pardi as chairman of the Board of Directors of TAS; and

(b) TASNCH has undertaken to provide Alex with exclusive rights regarding the implementation of possible investments in TAS.

On 30 December 2015, following the successful outcome of negotiations between Alex and GUM, on the one hand, and Rosso, Verde and TASNCH on the other, as well as discussions held with TAS' Creditor Banks (the "**Creditor Banks**"), Alex and TASNCH cancelled the First Agreement and signed a new agreement with the companies GUM, Verde and Rosso, which was in turn amended on 23 March 2016 (the "**Second Agreement**").

The Second Agreement with 87.557% of the share capital in which TAS has voting rights represented, and 100% of the share capital in which TASNCH and Verde have voting rights represented, makes provision, *inter alia*, for Alex and GUM to benefit from an exclusive period up until 30 September 2016 (the "**Exclusive Period**"), during which to negotiate and finalise the purchase of an indirect 87.557% stake in the share capital, comprising shares with TAS voting rights, in the context of a certified plan, pursuant to Art. 67, paragraph 3, letter d) of Royal Decree 267/1942 (the "Bankruptcy Law") relating to TAS (the "**Operation**"). Specifically:

a) GUM International s.r.l. ("**GUM**") would acquire from Rosso S.à.r.l. ("**Rosso**") a 100% stake in the share capital of Verde (the "**Verde Acquisition**") without the payment of any price or fee therefore free of charge;

b) Verde would transfer a 58.20% shareholding in TASNCH's share capital to Alex, without the payment of any price or fee, therefore free of charge, so that following the outcome of this transfer, Verde would hold a 41.80% stake in TASNCH's share capital;

c) Alex undertakes to make a contribution of Euro 10,000,000.00 (ten million) in TASNCH's share capital, and the latter undertakes to make a payment to a future capital increase free of charge, without repetition right, in favour of TAS for the same amount (the "**Free Future Capital Increase Payment**");

d) TAS would resolve a free share capital increase to benefit its shareholders in proportion to the shares held, to be released using the Free Future Capital Increase (the "**Free Capital Increase**"). Should the Free Capital Increase not be released and carried out within a set time frame from the date the Free Future Capital Increase Payment is made, the Free Future Capital Increase Payment will be transformed into a contribution to the equity in favour of TAS, and will be definitively acquired by TAS.

e) TASNCH would purchase from the Creditor Banks on a non-recourse basis, the receivables due from the latter to TAS for a nominal amount of Euro 20,000,000.00 (twenty million) (the "**Bank Receivables**");

f) TASNCH would waive the Bank Receivables, in this way releasing TAS from its debt for Euro twenty million;

g) TAS' residual debt of Euro 5,000,000.00 (five million) will be rescheduled according to the agreements reached between the Parties and the Creditor Banks in the context of a certified plan pursuant to Art. 67, paragraph 3, letter d) of the Bankruptcy Law;

Mr. Valentino Bravi (the current TAS Managing Director) and his immediate family members have decided to invest in GUM, in this way taking part in the Operation.[1]

The execution of the Operation is dependant on the condition precedent, of obtaining a provision from Consob which confirms or rules in favour of the application of the exemption of promoting the takeover bid on TAS. On 2 April 2016, the lawyers for Alex submitted a specific question to Consob.

With the support of the Advisor, the Company drafted the Company's Business Plan and financial measures for 2016-2020 (jointly the "**2016-2020 Plan**") based on the Operation. The 2016-2020 Plan, which aimed to remedy TAS' debt exposure, strengthen its capital and ensure that its financial position is restored, was approved by the Company's Board of Directors on 29 April 2016. In summary, it makes provision *inter alia*:

(i) for a contribution of new resources from Alex, mainly to support TAS' expansion strategy in certain specific market sectors, through the Free Future Capital Increase Payment;

(ii) the Company's capital is strengthened further with TASNCH's non-recourse purchase of the Bank Receivables and subsequent waiver by TASNCH in respect

[1] On the date that a binding agreement is signed relating to the Operation, GUM will be held for 51% (fifty one percent) by GUM Consulting S.r.l. ("GUM Consulting"), for 20% (twenty percent) each by Messrs Fabio Bravi and Matteo Bravi (sons of Mr Valentino Bravi) and for 9% (nine percent) by Bravi Consulting S.r.l. (Company in which the interest is held by Mr Bravi and members of the Bravi family). The shares in GUM Consulting are held as follows: (i) 52% Dario Pardi (current Chairman of the Board of Directors of TAS); (ii) 16% Umberto Pardi; (iii) 16% Matteo Pardi and (iv) 16% Ginevra Pardi (Umberto Pardi, Matteo Pardi and Ginevra Pardi are the children of Mr Dario Pardi).

of the Bank Receivables, thus realising a reduction in the existing net financial debt for a total of Euro 20,000,000.00, and finally,

(iii) the terms and conditions applicable to the portion of Existing Financial Debt for Euro 5,000,000.00 that will remain with the Company subsequent to the sale of the Bank Receivables, will be remodelled and redetermined.

On 26 October 2015, the Company appointed Mr Massimiliano Bonamini, as a duly registered auditor holding the requirements pursuant to Art. 28, letters a) and b) of the Bankruptcy Law (the "**Expert**"), to provide certification of the 2016-2020 Plan pursuant to Art. 67, paragraph three, letter d) of the Bankruptcy Law.

The plan will be subject to certification by the above Expert regarding:

(i) the truthfulness of the corporate date contained in the 2016-2010 Plan;

(ii) the feasibility of the 2016-2020, and

(iii) the suitability of the 2016-2020 Plan in allowing the debt exposure to be remedied, and the Company's financial balance to be restored over the time frame envisaged by the plan.

The contract documentation referring to the Plan should be signed by 11 May 2016, the day on which the certification of the 2016-2020 Plan based on Art. 67, paragraph three, letter d) of the Bankruptcy Law should be ready, as confirmed in the comfort letter received by the Company on 28 April from the Expert.

On 29 April 2016, the Company acknowledged the advanced stage reached in the negotiations to sign the agreement with the Creditor Banks pursuant to Art. 67, paragraph three, letter d) of the Bankruptcy Law, as was confirmed in the comfort letter sent by the Creditor Banks to the Company on 28 April 2016 in which they advised that their decision-making bodies had approved the Operation. The resolution is subject to certain conditions precedent, including the certification of the 2016-2020 Plan pursuant to Art. 67, paragraph three, letter d) of the Bankruptcy Law, reaching agreement and finalising the definitive agreement for the contracts and ancillary documentation, which is already at an advanced stage of negotiation with the Creditor Banks, and Consob issuing a Takeover Bid Exemption in accordance with the Consolidated Finance Law (Legislative Decree 58/1998).

Based on what has been set out above, the Directors supported by legal counsel, and agreeing in substance with the founding arguments of the application forwarded to Consob by the investors' legal consultants on behalf of the latter - and whilst taking due consideration of the uncertainties inherent to the assessments made by the relevant authorities - are reasonably certain of obtaining the necessary provision from Consob, and therefore of being able to go ahead with the Operation as currently envisaged.

On this basis, the Directors deemed the uncertainty profiles detailed above not to be significant, and have consequently prepared the consolidated financial statements on the assumption of the Company as a going concern.

GROUP RESULTS SUMMARY

The following table summarises the key financial results of the Group at 31 December 2015:

TAS GROUP (in thousands of Euro)	31.12.2015	31.12.2014	Change	% change
Total revenue	**47,599**	**43,432**	**4,167**	**9.6%**
- of which typical	*47,233*	*42,777*	*4,456*	*10.4%*
- of which non-typical	*366*	*655*	*(289)*	*(44.1%)*
Ebitda excl. non-recurring costs	**4,504**	**4,148**	**356**	**8.6%**
% of total revenue	9.5%	9.5%	(0.1%)	*(0.9%)*
Non-recurring costs	**(2,212)**	**(1,296)**	**(916)**	**70.7%**
% of total revenue	(4.6%)	(3.0%)	(1.7%)	*55.8%*
Gross operating margin (EBITDA[2])	**2,292**	**2,852**	**(560)**	**(19.6%)**
% of total revenue	4.8%	6.6%	(1.8%)	*(26.7%)*
Operating result	**(7,258)**	**(2,985)**	**(4,273)**	**143.1%**
% of total revenue	(15.2%)	(6.9%)	(8.4%)	*121.9%*
Net profit/(loss) for the period	**(8,705)**	**(6,253)**	**(2,452)**	**39.2%**
% of total revenue	(18.3%)	(14.4%)	(3.9%)	*27.0%*

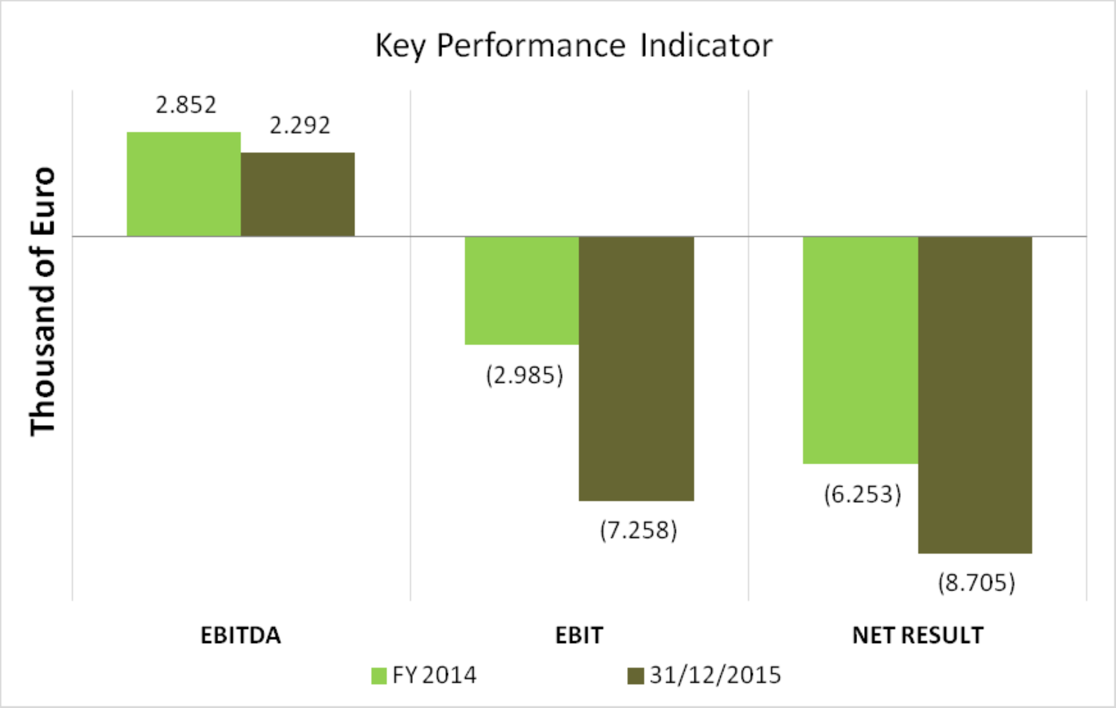
TAS GROUP (in thousands of Euro)	31/12/2015	31/12/2014	Change	% change
Total Assets	**53,448**	**64,523**	**(11,075)**	**(17.2%)**
Total net equity	**520**	**8,267**	**(7,747)**	**(93.7%)**
Net Equity attributable to parent company shareholders	**520**	**8,279**	**(7,759)**	**(93.7%)**
Net Financial Position	**(18,166)**	**(14,216)**	**(3,950)**	**27.8%**
- of which in respect of banks and other lenders	*(18,166)*	*(14,216)*	*(3,950)*	*27.8%*

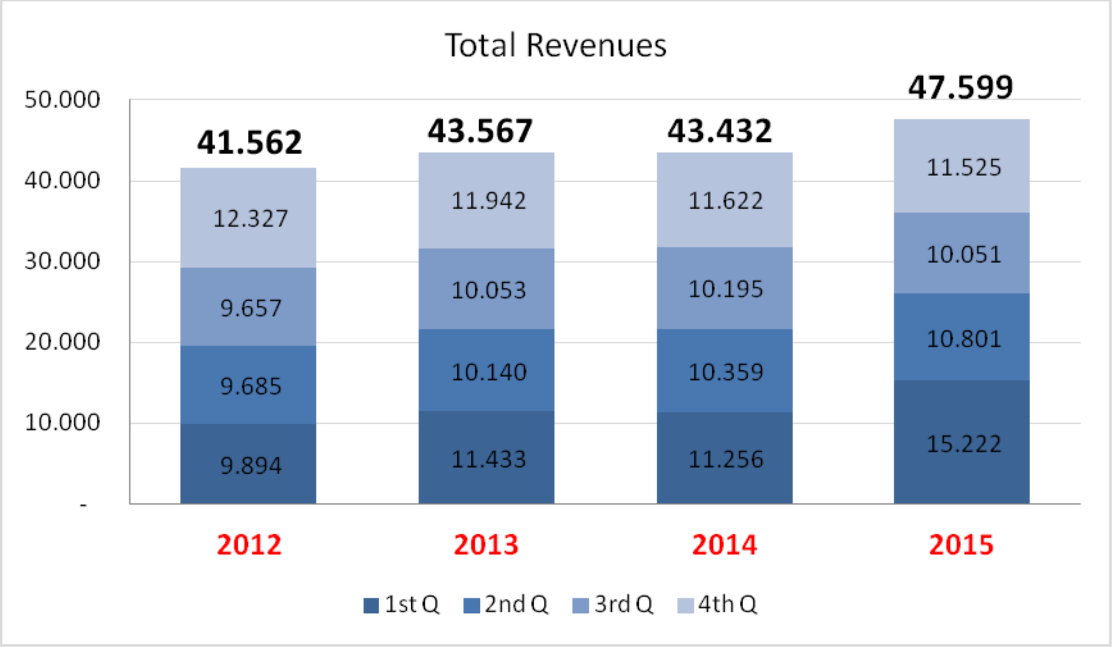
Employees at the end of the period (number)	**401**	**424**	**(23)**	**(5.4%)**
Employees (average for the period)	**413**	**436**	**(24)**	**(5.4%)**

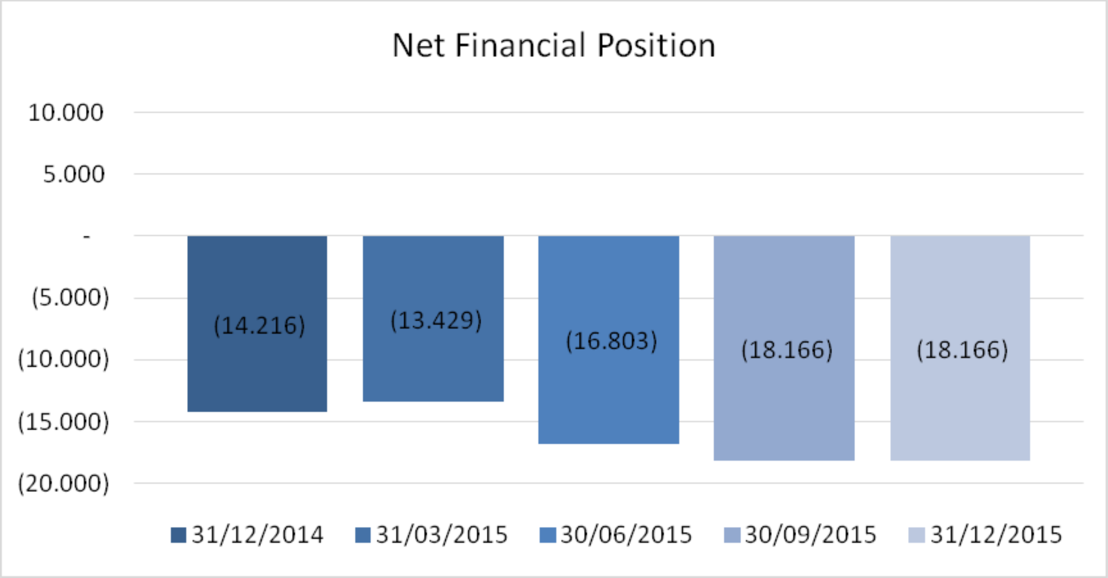
The Group's *Total revenue* at 31 December 2015 amounted to Euro 47.6 million, up around 10% compared to the corresponding period the previous year. Less the revenue from the resale of hardware and software to one of the Group's principal customers (Euro 5.7 million at 31 December 2015 compared to Euro 1.5 million the previous period), revenue was essentially in line with 2014 (Euro 41.9 million compared to Euro 42 million).
Ebitda is positive for Euro 2.3 million and includes non-recurring costs for Euro 2.2 million (Euro 1.3 million at 31 December 2014). Excluding the non-recurring costs, Ebitda stands at Euro 4.5 million, slightly up on the Euro 4.1 million during the corresponding period the previous year. The 9.5% impact on revenue is in line with 2014.
The *operating result* for the period was negative for Euro 7.3 million, which was impacted by depreciation and amortisation for Euro 6.2 million and write-downs for Euro 3.4 million. At 31

[2] EBITDA (Earning Before Interest Taxes Depreciations and Amortisations – Gross Operating Margin) is an alternative performance indicator not defined by IFRS but used nonetheless by the company's management to monitor and evaluate operational performance, as this is not influenced by the volatility arising from different criteria in determining taxable income, the amount and nature of capital employed, and the relevant depreciation policies. This indicator is defined for TAS as Profit/(loss) before depreciation, gross of amortisation and write-downs, tangible and intangible assets, financial income and expenses, and taxes on income.

December 2015, this was negative for Euro 3 million. It should be noted that this figure for 2015 includes the effects of the write-down on Goodwill referred to above for Euro 3.1 million.
The *Net profit for the period* showed a loss of Euro 8.7 million, compared to the loss of Euro 6.3 million in the previous period.
The *Net financial position* was negative for 18.2 million Euro, compared to the 14.2 million Euro at 31 December 2014. The worsening situation was largely attributable to the disbursements made in the period relating to personnel (e.g. early retirement), and the costs to support the drafting of the new business plan and consequent renegotiated pool financing.






Net Financial Position
10.000
5.000
-
(5.000)
(10.000)
(15.000)
(20.000)
(14.216)
(13.429)
(16.803)
(18.166)
(18.166)
31/12/2014
31/03/2015
30/06/2015
30/09/2015
31/12/2015

ANALYSIS OF THE MAIN ECONOMIC AND FINANCIAL DATA

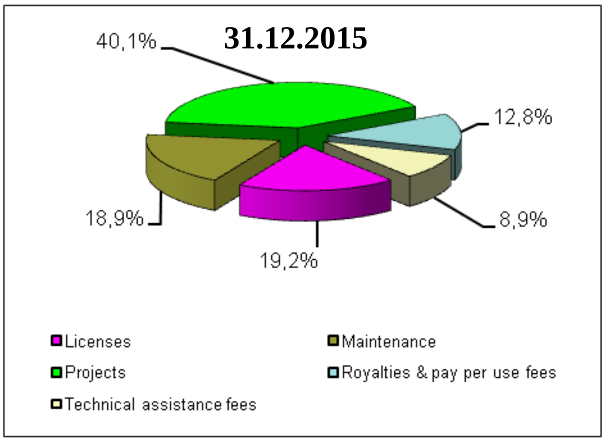
An analysis of the main economic and financial data for 2015 is found below.

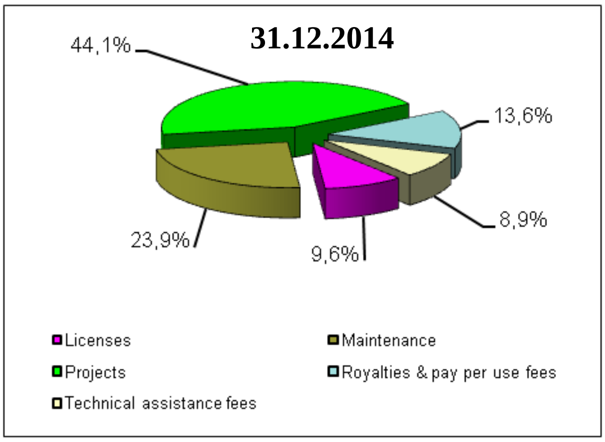
Total revenue

At 31 December 2015, the Group recorded *Total revenue* for Euro 47,599 thousand, compared to Euro 43,432 thousand for the previous year, broken down as follows:

- Euro 47,233 thousand made up of revenue from typical management (Euro 42,777 thousand in 2015);
- Euro 366 thousand made up of other non-typical revenue (Euro 655 thousand in 2014).

Characteristic revenue by type





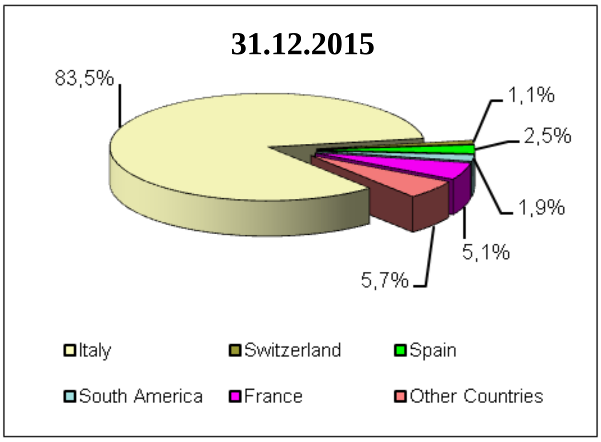
The details of revenue by type are reported below:

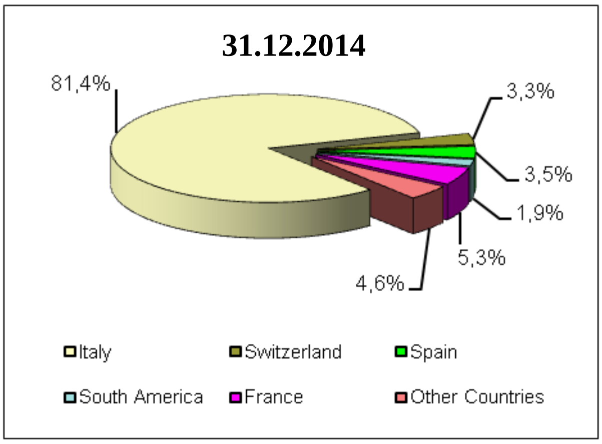
Revenue by type	31/12/2015	% impact	31/12/2014	% impact	Change	Change %
Licenses	9,073	19.2%	4,122	9.6%	4,951	120.1%
Maintenance	8,937	18.9%	10,217	23.9%	(1,280)	(12.5%)
Services	18,947	40.1%	18,850	44.1%	97	0.5%
Royalties and usage fees	6,069	12.8%	5,799	13.6%	270	4.7%
Support fees	4,207	8.9%	3,789	8.9%	418	11.0%
TOTAL	**47,233**	**100.0%**	**42,777**	**100.0%**	**4,456**	**10.4%**

An analysis of the Group’s Total Revenue by type of service provided, showed an increase in the revenue for licences, which at 31 December 2015 made up 19.2% of total revenues, going from Euro 4,122 thousand to Euro 9,073 thousand. The increase relates to the resale of hardware to one of the Group’s primary customers that impacted on the licences’ figure for a total of 5,162 thousand for licences (Euro 997 thousand in 2014). Less the value of these resales, the figure for licences stands at Euro 3,911 thousand compared to Euro 3,125 thousand for the corresponding period the previous year; this is nonetheless up thanks to the sales of licences related to the T2S solution, called Aquarius.
Revenue for maintenance came down Euro 1,280 thousand, from Euro 10,217 thousand in 2014 to Euro 8,937 thousand at 31 December 2015. The decrease is largely due to a leading customer

of the Swiss subsidiary not renewing the maintenance contract during the second half of last year.

Revenue by geographic area





The table below shows the distribution of revenue by geographic area:

Revenue by geographic area	31/12/2015	% impact	31/12/2014	% impact	Change	Change %
Italy	39,454	83.5%	34,837	81.4%	4,617	13.3%
Switzerland	541	1.1%	1,425	3.3%	(884)	(62.0%)
Spain	1,203	2.5%	1,483	3.5%	(280)	(18.9%)
South America:	916	1.9%	811	1.9%	105	12.9%
France	2,415	5.1%	2,269	5.3%	146	6.4%
Other foreign countries	2,704	5.7%	1,952	4.6%	752	38.5%
TOTAL	**47,233**	**100.0%**	**42,777**	**100.0%**	**4,456**	**10.4%**

The distribution of revenue by geographic area largely reflects the location of the companies that make up the Group.
Revenue for *Other Foreign Countries* included mainly Germany and Great Britain.

Operating result

The *Operating result* for the period was negative for Euro 7,258 thousand compared to the negative figure of Euro 2,985 thousand in the corresponding period the previous year. Net of non-recurring costs that impact for Euro 2,212 thousand at 31 December 2015 (Euro 1,296 thousand in 2014), the *Operating result* was negative for Euro 5,046 thousand compared to the negative figure of Euro 1,689 thousand in 2014. The table below sets out a cost comparison at 31 December 2015, against the previous year:

Costs	31/12/2015	31/12/2014	Change	Change %
Raw materials, consumables and goods	5,900	1,778	4,122	>100.0%
- of which software development costs	*(409)*	*(252)*	*(157)*	*62.3%*
Personnel costs	23,430	23,971	(541)	(2.3%)
- of which software development costs	*(2,496)*	*(2,594)*	*98*	*(3.8%)*
For services	11,759	11,134	625	5.6%
- of which software development costs	*(1,113)*	*(961)*	*(152)*	*15.8%*
- of which non-recurring	*265*	*13*	*252*	*>100.0%*
Other costs	4,219	3,696	523	14.2%

- of which non-recurring	*1,947*	*1,283*	*664*	*51.8%*
TOTAL	**45,308**	**40,579**	**4,729**	**11.7%**

The item Raw materials, consumables and goods includes the costs referred to above for the resale of third party hardware and software to a primary customer for Euro 5,285 thousand (Euro 1,134 thousand at 31 December 2014).
Personnel costs, the most significant liabilities item in the Income statement for Euro 23,430 thousand, includes costs for the development of capitalised software for Euro 2,496 thousand (Euro 2,594 thousand in 2014). The breakdown is given below:

Personnel costs	31/12/2015	31/12/2014	Change	Change %
Salaries and wages	19,195	19,518	(323)	(1.7%)
Social security contributions	5,645	5,702	(57)	(1.0%)
TFR provision	1,203	1,237	(34)	(2.7%)
Other costs	(117)	108	(225)	(208.3%)
Capitalised development costs	(2,496)	(2,594)	98	(3.8%)
TOTAL	**23,430**	**23,971**	**(541)**	**(2.3%)**

We note that with the expiry of the agreement with trade union representatives, on 12 April 2015 recourse ended to the Redundancy Benefit Fund [“Cassa Integrazione Guadagni”].
The item *Other costs* includes the IAS 19 actuarial adjustment for the Swiss subsidiary TAS Helvetia on an insurance policy for social security benefits for its employees.

The table below illustrates the TAS Group staff at 31 December 2015:

Staff	31/12/2015	31/12/2014	Change
TAS	353	378	(25)
TAS HELVETIA	12	20	(8)
TAS FRANCE	7	7	-
TAS AMERICAS	4	4	-
TAS IBERIA	16	15	1
TAS GERMANY	-	-	-
TAS USA	-	-	-
Number of employees	**392**	**424**	**(32)**

In accordance with Consob communication DEM/6064293 of 28 July 2006, the non-recurring costs are shown below for Euro 2,212 thousand, which impacted on the results stated above:

BALANCE SHEET ITEM	AMOUNT	DESCRIPTION
“Costs of services”	(265)	Consulting
Total	**(265)**	
“Other costs”	(1,947)	Costs for early retirement
Total	**(1,947)**	
TOTAL NON-RECURRING COSTS	**(2,212)**	

Costs of services mainly include extraordinary legal and financial consulting provided by leading companies to assist with the drafting of the new business plan and the consequent pool financing renegotiation made necessary subsequent to the covenants stipulated in the above contract being broken.
The item *Other costs* referred to transactions relating to incentives for the early retirement of staff and the associated costs.

Profit/(loss) for the consolidated period

At 31 December 2015, a loss of Euro 8,705 thousand was recorded, compared to the loss of Euro 6,253 thousand in 2014.
The loss per share for the period was 0.21 Euro, compared with the loss of 0.15 Euro at 31 December 2014.

Earnings per share	31/12/2015	31/12/2014
Share Capital	14,330,646	21,919,575
Profit/(loss) for the year	(8,705,234)	(6,252,887)
Ordinary shares	41,768,449	41,768,449
Weighted average of number of shares in circulation in financial year	**41,768,449**	**41,768,449**
EARNINGS PER SHARE	**(0.21)**	**(0.15)**

CONSOLIDATED BALANCE SHEET

TAS GROUP (in thousands of Euro)	31.12.2015	31.12.2014
Non-current assets	23,872	28,380
Net working capital	(44)	631
Non-current liabilities	(5,142)	(6,528)
Net Invested Capital	**18,686**	**22,484**
Net financial position in respect of banks	**18,166**	**14,216**
Shareholder financing	**-**	**-**
Total net equity	**520**	**8,267**
- of which profit for the period	*(8,705)*	*(6,253)*

Non-current assets

Non-current assets are broken down as follows:

- Euro 17,412 thousand relating to *goodwill,* of which:
    - Euro 15,915 thousand relating to the Tas CGU;
    - Euro 1,345 thousand relating to the shareholding in Tas Iberia;
    - Euro 91 thousand relating to the Tas France CGU;
- Euro 5,225 thousand related to other intangible fixed assets primarily connected to the customer list and software developed in-house;
- Euro 933 thousand relating to tangible fixed assets;
- Euro 118 thousand mainly includes the shareholding in SIA SpA for Euro 67 thousand and the shareholding in TASFinnet Ltda for Euro 50 thousand;
- Euro 184 thousand relating to deferred tax receivables and other receivables.

Net working capital

Net working capital included:

- Euro 20,707 thousand relating to trade receivables and inventories;
- Euro 5,186 thousand relating to other receivables including accruals and deferrals receivable;
- Euro 11,472 thousand relating to trade payables;
- Euro 14,464 thousand relating to other payables including accruals and deferrals payable;

Non-current liabilities

Non-current liabilities included:

- Euro 4,716 thousand related to the employee severance indemnity provision;
- Euro 426 thousand relating to provisions for risks and charges;

Net Equity

The Company’s accounting position at 31 December 2015 showed that capital had decreased by over one third, and specifically:

- overall losses at 31 December 2015, amounted to Euro 6,489 thousand;
- share capital at 31 December 2015 was Euro 14,331 thousand;

- net equity at 31 December 2015 was Euro 7,585 thousand;

therefore making the provisions under Art. 2446 of the Italian Civil Code applicable.

We note that on 29 April 2015, based on the significant position pursuant to Art. 2446 of the Italian Civil Code according to what had already been communicated on 17 March 2015 and 7 April 2015, the extraordinary Shareholders' Meeting covered the total losses accrued at 31 December 2014 for Euro 89,994,995.49 by utilising the available reserves (with the exception of the IAS 19 valuation reserve) for Euro 82,406,066.02, and for the remaining amount of Euro 7,588,929.47, with a corresponding reduction in the share capital, which consequently went from Euro 21,919,574.97 to Euro 14,330,645.50, without cancelling the shares as these had no nominal value.

For information on the decisions taken by the TAS Board of Directors, reference is made to the introductory comments made in this Report. It is also worth noting that following the execution of the implementation agreement for the Operation, the position as per Art. 2446 will be fully remedied.

Net financial position

Pursuant to the requirements set out in Consob Communication no. 15519 of 28 July 2006, the financial position of the Group was as follows:

Consolidated Net Financial Position	***NOTES***	***31.12.2015***	***31.12.2014***
A. Cash and cash equivalents	**15**	(5)	(5)
B. Bank and postal deposits	**15**	(3,000)	(5,736)
C. Securities held for trading		(93)	(93)
D. Cash and cash equivalents (A) + (B) + (C)		**(3,098)**	**(5,833)**
E. Current financial receivables		**(31)**	**(31)**
F. Current bank payables		158	78
G. Short-term portion of medium to long-term bank borrowings		21,641	-
H. Current financing from Shareholders		-	-
I. Other current financial payables		8	12
J. Payables and other current fin. payables (F) + (G) + (H) + (I)	**22**	**21,807**	**90**
K. Current net financial debt (D) + (E) + (J)		**18,678**	**(5,775)**
M. Non-current portion of medium to long-term bank borrowings		-	20,481
N. Non-current financing from Shareholders		-	-
O. Other non-current payables		43	68
P. Net non-current financial debt (L) + (M) + (N) + (O)	**19**	**43**	**20,549**
Q. Net financial debt CESR (K) + (P) (*)		**18,720**	**14,774**
R. Non-current financial receivables	**10**	**(554)**	**(558)**
S. Net financial debt (K) + (R)		**18,166**	**14,216**

(*) The criterion for calculating CESR Net Financial Debt corresponds to the provisions under Paragraph 127 of the CESR Recommendation 05/054b implemented by Regulation CE 809/2004

The *Net financial position* was negative for 18.2 million Euro, compared to the 14.2 million Euro at 31 December 2014. The worsening situation was largely attributable to the disbursements made in the period relating to personnel (e.g. early retirement), and the costs to support the drafting of the new business plan and consequent renegotiated pool financing.

We note that as provided for by IAS 1, following the non-compliance with the covenants of the pool finance agreement, the liability under the previous contract was reclassified under Current financial liabilities.

MACRO-ECONOMIC REFERENCE SCENARIO[3]

Prospects are improving in developed countries, but the weakness in emerging economies is slowing down the expansion of global trade – which continues to fall short of expectations – and contributes to squeezing the price of raw materials. Oil prices fell to below the minimum levels reached in the most acute phase of the 2008-09 crisis. Projections for global business over the current and next year envisage a slight acceleration compared to 2015; at the start of 2016 new significant tension emerged on the financial market in China, accompanied by fears regarding growth in that country’s economy.

The rise in the federal funds rate by the Federal Reserve, driven by the significant improvement in the labour market, marked the end of the zero interest rates adopted in the United States since 2008. Contrary to the concerns of some observers, the decision did not have unfavourable repercussions on financial markets and global currencies, thanks to the announcement that monetary conditions would remain accommodating.

Growth continued in the Eurozone, but remains fragile. The Eurosystem bond purchase programme has proved to be effective in supporting economic activity as a whole, with effects up to now in line with initial assessments. However, the weakening in foreign demand and the drop in oil prices contributed to new downward risks emerging for inflation and growth, which have become more evident during recent months. In December, the ECB Governing Council introduced additional expansionary measures and extended the bond purchase programme; if needed, it is ready to intervene once again.

The recovery is gradually picking up in Italy. With regard to exports that had initially sustained business over the last four years, these are now feeling the weakness in non-EU markets, with a recovery in internal demand, especially in terms of consumables and replenishing inventories. Alongside the recovery in the manufacturing sector, there have also been signs of growth in services, and after a protracted drop, the construction industry is stabilising. The prospects for investments are still being affected by the uncertainties around foreign demand.

Thanks to the gradual improvement in the economy, there has been a drop in new non-performing loans and new overdue positions compared to the peak figures seen in 2013. Profitability levels in the major banking groups increased over the first nine months of 2015 compared with the previous year; capital has strengthened. The improvement in the balance sheets of banks should continue in 2016 following the expected consolidation in the cyclical recovery.

It is envisaged that GDP could increase around 1.5 percent in 2016 and in 2017. Inflation should rise gradually to 0.3 this year, and to 1.2 in the next year. Investments that up until now have been characterised by modest trends could benefit from the demand forecasts and more favourable funding conditions as well as the effects of the stimulus measures introduced by the Stability Law. The recovery in disposable income and the strengthening of the labour market will further the growth in consumables.

There are significant risks that remain however, with the most significant the risks associated with the international context and highlighted over recent weeks: in particular, the possibility of a slowdown in emerging economies could become more marked and prolonged than initially assumed, and have strong repercussions on financial and currency markets. At the same time,

[3] Source: Economic Bulletin No. 1 of 2016

monetary policy must stand up to the risks of downward trends in inflation, which could result both from growth in demand that falls short of expectations should unused production capacity margins remain at the current high levels over an extended period, and further drops in raw material prices, where these would have a retroactive effect on salary trends. The assumptions for this scenario to play out is that confidence levels among households, businesses and financial operators need to be maintained in Italy and in the Eurozone, and that the polices providing cyclical support should continue with determination.

THE IT MARKET SCENARIO IN ITALY IN 2014[4]

After 7 years of crisis, the market as a whole in 2015 once again grew by +1.7%; the recovery is mostly seen in Software (+2.7%), whereas there was some uptake but negative figures remained in terms of Hardware –0.8% and IT Services -1%. Growth continued in the Digital Economy: Digital Marketing applications recorded +31%, the Cloud increased by 20%, Internet of Things +16,7%, Business Intelligence, Analytics and Big Data +7,3%.

The IT spend grew by over 3% in medium to larger companies, especially Banks (+3.7), Insurance companies (+3.4%), Utilities (4.3%), TLC (+3.5%). Remaining at the starting post were Consumer (-1.1%) and the markets associated with Public Administration (under -2%).

Markets are moving towards digital transformation and Italian Information Technology companies are gearing up to support this trend: over half of them are close or have already past the “point of no return”, offsetting the recovery of investments in new innovation projects by larger companies, which is the true driver for the IT industry.

The theme of customer experience became consolidated during 2015, and has become the point of reference for all investment policies on innovation. As proof of this, more than 45% of the 500 IT Managers and CIOs interviewed for the Assintel Report, responded that this is the key driver for new projects initiated for this year. The IT budget of companies interviewed increased for 31% of them, and should increase by 36% in 2016. Running parallel to this, companies declaring that they need to reduce their budget for Information Technology will come down to 22% in 2016. Only the budget related to new Innovation projects will be growing however: this is a significant signal for IT Operators, which tells us that it is more strategic to concentrate on the new rather than try to derive income from existing positions. Falling under the category of “new” for 2016 Business Intelligence stands out as an investment priority, with everything related to monitoring the Customer Experience, from CRM to Digital Marketing to Analytics to Big Data and Cloud Computing, which has now been adopted by 64% of the top companies and is recording growth of +20%.

[4] Source: Assintel Report 2015.

OPERATING TRENDS IN THE AREAS IN WHICH THE GROUP OPERATES

The following is noted in 2015, regarding the TAS Group's typical business:

- On 10 March 2015, the TAS Group signed a partnership agreement with **Dedagroup ICT Network**, one of the leading Italian groups in the IT market, aimed at integrating PayTAS, the multi-channel e-collection platform, e-billing and e-payments (already successfully adopted by the Public Administration and banks), within the Network offering for the entire insurance sector.

- As from 2015, TAS has also extended **the Cloud Computing, Hosting and Housing offering to the market of Italian SMEs,** which has already been operating in France for years through the data centre in Milan and Sophia Antipolis.

- At the end of 2014, TAS worked in conjunction with the **Consorzio Bancomat** to implement certain specifications that enable **PagoBancomat transactions on the web**. Customers can now be supported in activating this new payment method, which will finally allow banking customers to make purchases on the Internet by also debiting their Pagobancomat card. The user will not be required to enter their personal PIN number, which is typical for transactions on physical POS. Nonetheless, all the **security requirements characterising Pagobancomat will be guaranteed**.

- TAS has successfully completed **MasterCard certification** for the leading Brazilian banking customer, which activates the protection for on-line purchases for its retail clients, thanks to the **T3DI** component provided "as a service" by the TAS Data Centres.
  The T3DI solution implements the Verified by VISA (VbV) security protocol for the VISA circuit and the MasterCard SecureCode (MSC) for the Mastercard circuit, thus significantly reducing the risk of fraud for e-commerce transactions.

- On 2 April 2015, the TAS Group and **Net Element, Inc.** ("Net Element"), global provider of technologies and value-added services for Mobile payments, signed a strategic partnership **to develop and sell EMV solutions** that comply with Europay, MasterCard and Visa standards, card management systems and technologies for mobile payments that will be promoted on global markets and in the United States in particular.
  The TAS Group will licence its proprietary EMV technology to Net Element and will promote and sell Net Element services for Mobile payments.
  This collaboration is directed at the global market, with an offering that can be adapted to the specific needs of individual countries, depending also on the stage of their EMV migration. Specifically:

  - **In the United States:** The TAS Group and Net Element will jointly be promoting TAS Campus, a prepaid EMV-ready system aimed at schools, which implements a multi-function payment solution for students and university faculties using an end-to-end card management system, on an open and closed circuit. Net Element will provide systems that can instantly issue secure EMV, prepaid or gift cards for the exclusive use of merchants that use the Aptito Net Element all-in-one digital Point of Sale ("POS") solution;

- **In Latin America:** The partnership will introduce the *Unified Duex Card*, a physical and virtual open circuit card, whereby money transfers can be made and current accounts managed in transactions between the United States and Latin America. The card will be EMV enabled, and will allow for complete management of the life cycle and monitoring of spending by individual card holders, both in respect of the cards issued physically or virtually.
- **In other global markets:** In Russia, CIS, the Middle East, India and Africa, the TAS Group and Net Element will work in conjunction through a local presence, to provide solutions for payments and financial markets to Processors and Financial Institutions.

➢ On 5 May 2015, during Technobank 2015, the annual conference for the Balkan banking industry when major market players come together to discuss the most relevant issues regarding technologies servicing business, **Bassilichi CEE**, a company in the Bassilichi Group with headquarters in Belgrade, specialising in the development of electronic money platforms, announced the partnership initiated with the TAS Group. The agreement includes the option for Bassilichi CEE to integrate and distribute some of the application solutions created by the TAS Group within its own portfolio within Central and Eastern - with these already successfully adopted throughout the world for customising EMV cards and for connectivity to the SWIFT network – in this way, consolidating and extending the Bassilichi offering in respect of the Balkan's market that has considerable potential.

➢ On 29 June 2015, the TAS Group and the PayTipper Payment Institute signed an agreement to offer payment services to the market in the context of the strategic "PagoPa" project. The integration between the PayTipper application platform and the TAS eGO product will provide a solution implementing the rules and standards for connectivity to the SPC Payments Node, which allows private citizens and companies to make payments to Public Administration offices (including car licences, health care fees, school services and various types of taxes). It will also be possible to enable additional services aimed at improving the citizen's user experience, making it simpler and more intuitive.

➢ On 29 July 2015, the TAS Group together with Telecom was awarded the tender for the Lazio Region's payments infrastructure. The platform will become integrated with the Regional Information System of the Lazio Region and will offer payment functions via the national infrastructure of the Agid Payments Node. Specifically, the Lazio Region will prioritise the payment of health care services by those using the Regional Health Care Service. This will then be extended to on-line payments and the collection of other taxes and regional services, such as car licences and the purchase of travel documents. The TAS solution incorporating the Tuscany and Lazio Regions, represents the heart of the digital payment operations for the Public Administration sector, **servicing over 15% of the entire Italian population**.

➢ On 3 August 2015, the TAS Group and NewSOFT, a software development laboratory with a special focus and specialisation in the financial sector and the OTC derivatives leader in Italy, formed a partnership to offer the market joint solutions for managing derivatives and securities by banks, financial intermediaries and trust companies. The partnership refers to the main European counties and the impacts of the regulatory EMIR, FINFRAG, T2S and Basel III changes.

- As from Monday 31 August 2015, Italy is fully operational on the new European Central Bank regulatory Securities platform **Target2-Securities**. TAS played a leading role in this success story with its “Aquarius” solution.

- On 7 September 2015, the TAS Group renewed its use of SOLA 7 in the production environment, namely the Italian Stock Exchange market platform for Derivatives trading.

- On 14 September 2015, the TAS Group in conjunction with FlagPay and PayTipper for ATAC launched **SostaSmart**, the new application to pay for parking in the municipality of Rome. SostaSmart is the new on-line service where one pays for parking on the blue lines in the city of Rome, by simply clicking on the App, without having to worry about finding change for parking metres or having to find the closest “scratch and stop” [“gratta e sosta’] seller.

- On 28 October 2015, during the XXXII National Assembly of the National Association of Italian Municipalities - ANCI, Ancitel selected TAS to simplify subscription to the Payments Node for all Italian Municipalities.

It should be noted that the TAS Group reconfirmed its position among the top 100 companies in the 2015 FinTech IDC Financial Insights ranking. This represents the most complete classification of technology solution vendors for the financial sector, which is drawn up annually on the basis of corporate revenue for the previous year. TAS was also among the top 100 in the FinTech Forward ranking for vendors of technology solutions.

CORPORATE GOVERNANCE

The TAS Group adheres and complies with the new Corporate Governance Code for listed Italian companies issued by the Italian Stock Exchange and available on their website, with the additions and amendments related to the characteristics of the Group.
The "Corporate Governance Report" is drawn up on an annual basis pursuant to regulatory obligations. This document contains a general description of the system of corporate governance adopted by the Group, including information on the ownership structure and adherence to the Self-Regulatory Code of Conduct, covering the main governance practices applied and the characteristics of the system of internal control and risk management in relation to financial reporting process.
The Annual Report on Corporate Governance, which is drawn up pursuant to art. 123-bis of the Consolidated Law on Finance (TUF), is also available on the TAS website http://www.tasgroup.it/investors, under "Documents", whereas notices on updates can be found under "Press releases".
The Self-Regulatory Code of Conduct is publicly available on the website of the Italian Stock Exchange (www.borsaitaliana.it).

REPORT ON CORPORATE GOVERNANCE AND OWNERSHIP STRUCTURE

In accordance with the requirements of Art. 123-*bis* of Legislative Decree No. 58 of 24 February 1998 ("TUF"), we provide the following information:
a) ***Share Capital structure*** - *Art. 123 bis, paragraph 1 letter a) of the TUF* - the share capital of TAS S.p.A. comprises 41,768,449 ordinary shares and amounts to Euro 14,330,645.50. All issued shares are fully subscribed and there are no other share categories. There are no share-based incentive plans involving increases in share capital, including those that are free of charge.
b) ***Restrictions to the transfer of securities*** - *Art. 123 bis, paragraph 1, letter b) of the TUF* - TASNCH Holding S.p.A. ("TASNCH") has a commitment to mandate a leading investment bank or consulting firm, with effect from 12 months after the date execution of the Restructuring Agreement of 27 June 2012, aimed at finding potential buyers of the share held by TASNCH Holding SpA in TAS. In this context, as already communicated to the market on 7/04/2015 and 31/07/2015 and subsequently as an amendment and update on 30/12/2015 and 24/03/2016, TASNCH, Alex, GUM and Verde signed a shareholder agreement pursuant to Art. 122, paragraph 5, letter b) and c) of the TUF detailed under point g) below that makes provision, *inter alia*, for Alex and GUM to benefit from an exclusivity period up until 30 September 2016 during which to negotiate and finalise the purchase of an indirect 87.557% stake in the share capital, comprising shares with TAS voting rights, in the context of a certified plan relating to TAS, pursuant to Art. 67, paragraph 3, letter d) of the Bankruptcy Law. Purely for the sake of completeness, it should be noted that pledge on 28,100,072 TAS shares owned by TASNCH, corresponding to 67.276%, was also confirmed as a guarantee for the restructuring agreement entered into by Creditor Banks with TAS SpA on 27 June 2012.
c) ***Significant investments in the share capital at 31/12/2015*** - *Art. 123, paragraph 1, letter c) of the TUF* - At 31 December 2015, significant investments in the capital of TAS, according to the statements made pursuant to art. 120 of the TUF and other sources of information, were as follows: Audley Capital Management Limited in its capacity as manager (investment manager) of the Audley European Opportunities Master Fund Limited fund indirectly controls TASNCH with 87.557% of the TAS capital.

d) ***Securities conferring special rights****- Art. 123 bis, paragraph 1, letter d) of the TUF* - There are no shares with special controlling rights.
e) ***Employee share ownership: mechanism to exercise voting rights****- Art. 123 bis, paragraph 1, letter e) of the TUF* - There are no special voting arrangements in the event of employee share ownership.
f) ***Restrictions on voting rights*** *- Art. 123 bis, paragraph 1, letter f) of the TUF* - There are no restrictions on voting rights.
g) ***Shareholder Agreements****- Art. 123 bis, paragraph 1, letter g) of the TUF* - At 31/12/2015, TAS had a shareholder agreement in place signed on 30/12/2015 between TASNCH, Alex, GUM, Rosso and Verde pursuant to Art. 122, paragraph 5, letter b) and c) of the TUF (the "Agreement") with 87.557% of the share capital in which TAS has voting rights represented, and 100% of the share capital in which TASNCH and Verde have voting rights represented. At the same time, Alex and TASNCH cancelled the shareholder agreement based on Art. 122, paragraphs 1 and 5, letter b) and c) of the TUF that had been signed on 2 April 2015 and amended with an addendum dated 31 July 2015. As outlined in paragraph b) above, the Agreement dated 30/12/2015 provided Alex and GUM with an exclusive period during which to negotiate and finalise their purchase of an indirect 87.557% stake in the share capital, comprising shares with TAS voting rights, in the context of a certified plan relating to TAS, pursuant to Art. 67, paragraph 3, letter d) of the Bankruptcy Law (the "Operation").
Furthermore, Alex and GUM undertook during the period specified in the press release dated 30/12/2015, not to directly or indirectly carry out, or assume any obligation to carry out, any purchase transaction referring to financial instruments issued by TAS or related to underlying financial instruments issued by TAS, and undertook moreover to ensure that none of their directors, and/or parent companies, subsidiaries or associated companies carried out or assumed any obligation to carry out said transactions during the same period. Finally, GUM and Alex undertook to ensure that Mr Dario Pardi resigned immediately as director and Chairman of the Board of Directors of TAS, without any claims in respect of TAS and/or TASNCH if (i) after the lapsing of the exclusivity period, the assumed Operation is not completed or (ii) in the cases provided for by the Agreement, if required by TASNCH with written notice.
The Agreement was subsequently updated and amended on 23/03/2016.
Reference is made to the Directors' Management Report for details on the Operation.
h) ***Change of control clause*** *- Art. 123, paragraph 1, letter h) of the TUF* - There is no record of the existence of significant agreements to which the Company or its subsidiaries are parties or which take effect, amend or terminate in the event of a change in the control of the company, except as provided for in the bank debt Restructuring Agreement signed on 27 June 2012, which specifically provides that, in case of structural changes in the Company's chain of control, TAS shall repay the outstanding debt in respect of the Creditor Banks. In terms of the takeover bid, the Company's bylaws do not derogate from the provisions on the passivity rule provided for by Art. 104 of the TUF, nor do they provide for the implementation of the neutralisation rules set out in Art. 104-a, paragraphs 2 and 3 of the TUF.
i) ***Mandates to increase the Share Capital*** *- Art. 123 bis, paragraph 1, letter m) of the TUF* - At the 31/12/2015, no mandates were approved to increase the Company's share capital and/or authorisations to purchase treasury shares (pursuant to Art. 123-*bis*, paragraph 1, letter m) of the TUF). At present, the Company's Directors are not authorised to issue equity instruments.
l) The Company is subject to the management and coordination of TASNCH pursuant to Art. 2497 of the Italian Civil Code. In this regard, the Board of Directors issued the certification

pursuant to paragraph 10, Art. 2.6.2 of the Italian Stock Exchange Regulation, regarding compliance with the provisions under Art. 37 et seq. of the Markets' Regulation on the listing of subsidiary's shares subject to the management and coordination of another company. The Company heads up a Group of Companies and prepares the Consolidated Financial Statements. In this respect, given that there are subsidiaries registered and governed by the legislation of countries not belonging to the European Union, the Board of Directors issued the certification pursuant to paragraph 9 of Art. 2.6.2 of the Italian Stock Exchange Regulation, relating to compliance with the provisions under Art. 36 et seq. of the Markets' Regulation on the listing of subsidiaries registered and governed by the laws of countries not belonging to the European Union.

Other information

The information required by Art. 123-bis, paragraph 1, letter I) of the TUF ("the regulations applicable to the appointment and replacement of directors (…) as well as changes to the bylaws, if different from legislative and regulatory rules applicable in addition") is not provided in this Corporate Report because the TAS S.p.A. corporate governance system does not include any of the cases contemplated by the above article.

INTERNAL AUDIT SYSTEM

Following the actions undertaken during the course of previous financial years, the Board continued with the implementation of the internal audit system to ensure that the main risks to which the Company and its subsidiaries are exposed can be correctly identified and properly measured, managed and monitored, while also defining criteria to make such risks compatible with sound and proper management.
The process is continuously updated and strengthened.

The Company's internal audit system consists of an organised system of internal rules, procedures and organisational structures whose purpose is to facilitate the achievement of business objectives through effective and efficient operations and compliance with laws and regulations.

In order to assess the effectiveness of the internal audit system, the governance of TAS provides that the following entities intervene, each according to its respective responsibilities:

- Board of Directors
- Executive director in charge of the internal control and risk management system
- Control and Risks Committee
- Remuneration and Appointments Committee
- Committee for transactions with related parties
- Internal Audit Manager
- Director responsible for preparing corporate accounting documents pursuant to Law No. 262/05
- Supervisory Board formed pursuant to Italian Legislative Decree 231/2001
- Board of Statutory Auditors

The system's functioning is ensured with frequent meetings between the bodies referred to above, mainly through the supervision and coordination of the Control and Risks Committee and the Board of Statutory Auditors, in order to provide the most complete picture of business risks and the mechanisms implemented to control them.

Main characteristics of the risks management and internal control system in relation tot he financial disclosure process - *Art. 123 bis, paragraph 2 letter b) of the TUF*

In terms of risk issues regarding interim financial reporting, the Company has identified a number of measures to achieve the objectives of reliability, accuracy, reliability and timeliness regarding accounting and finance information, which are based on accounting standards.
On the one hand, control is focused on the tasks and responsibilities of the Director in charge, who was granted the powers and means to carry out his duties and, on the other hand, on the definition of a structured system of procedures influencing the administrative and accounting aspects.
Setting the internal rules referred to above was carried out on the basis of an analysis of each operational process, which focused on the Financial Statement items relevant to financial reporting as a way to address the risks identified with appropriate control mechanisms.
Responsibility for maintaining the adequacy of this regulatory system was governed and communicated within the administration-finance-control area, and periodic analyses were carried out by the Internal Audit Manager.

As additional structural elements of the control environment, it is necessary to highlight both the supervision provided by the "Quality" unit and the related business operating procedures governing internal operations.

The organisational structure is formalised through internal regulations issued by the Organisation and Human Resources management following the approval of the Managing Director; these communications are available to all employees on the company and the Board of Directors is regularly informed about the most significant organisational changes.

Based on the information gathered at the meeting on 21 March 2016, the Control and Risks Committee made a positive evaluation of the adequacy, efficiency and effectiveness of the internal control system, referring to the reports of the responsible bodies (Internal Audit structure and Supervisory Body).

Board of Directors

Pursuant to Art. 18 of the bylaws, the entire Board of Directors is elected by the Shareholders' Meeting on the basis of lists that are filed at the registered offices twenty five days prior to the date set for the Meeting, accompanied by all the documents and information required by law.
The Board is appointed by a list voting procedure to ensure that minority shareholders are present among at least one fifth of the Directors. Furthermore Art. 18 of the Articles of Association as amended during the Shareholders' Meeting held on 29 April 2013, contains the mechanisms and criteria required by Italian Law 120 of 20/07/2011 and by Art. 148, paragraph 1-*bis* of the TUF have been included, where these are necessary to ensure gender balance. In addition, a specific inclusion has been made pursuant to the provisions under Art. 147-*ter* of the TUF and in compliance with Art. 3 of the Code relating to a minimum number of independent

directors in the Boards of listed companies. In particular, it makes specific provision regarding the Board of Directors' composition to ensure gender balance in accordance with current regulations. In this sense, each list with three or more candidates must have at least one fifth of the candidates belonging to the least representative gender for the first complete reappointment of the Board subsequent to 12 August 2012; the percentage must be at least one third of the candidates for next two subsequent Board reappointments.
As permitted by Article 147-*ter*, paragraph one of the TUF, or in the interests of the Directors to be elected, the by-laws disregard the lists that have not obtained a percentage of votes equal to at least half of that required by the by-laws for their submission.
In addition, the Articles of Association do not require further requisites of independence with respect to those laid down for statutory auditors under the terms of the Article 148 of the TUF, and/or integrity and/or professionalism for the appointment of Directors. This also applies regarding the requisites stipulated by the Codes of Conduct drawn up by the management companies of the regulated markets or by the category associations.

Executive director in charge of the control and risk management system

The Board has appointed the Chief Executive Officer Valentino Bravi as the Executive Director in charge of the internal control and risk management system.

The Executive Director in charge of the internal control and risk management system has identified the main business risks (strategic, operational, financial and compliance) in the context of the risk assessment process especially, taking into account the characteristics of the activities conducted by the Company and its subsidiaries, and submitted them periodically to the Board; he implemented the guidelines defined by the Board, overseeing the design, implementation and management of the internal control and risk management system, constantly monitoring its adequacy and effectiveness; adapted the system to changes in operating conditions and legislative and regulatory framework, he has proposed the replacement of the Internal Audit Manager, with the appointment now being outsourced; it was not deemed necessary during the financial period to ask the Internal Audit function to conduct any audits on specific operating areas or on compliance with internal rules and procedures in executing corporate operations; he has always reported promptly to the Control and Risk Management Committee and to the Board of Directors regarding any critical issues and problems emerging in the course of its business or of which he might become aware to take appropriate action.

Control and Risks committee

The Control and Risks Committee was established on 4 May 2015 following the reinstatement of the Board of Directors on 29 April 2015. It comprises three members, all non-executive and independent directors, whose work is coordinated by a Chairman. The current Committee consists of Roberta Viglione, Giancarlo Albini and Luca Di Giacomo, with the latter also acting as Chairman of the Committee.

It therefore complies with Application criterion 4.C.1 letter a), which makes provision for Committees to have has no less than three members. It also complies with Principles 7.P.4 of the Code and Art. 37 of the Consob Markets Regulation adopted with resolution no. 16191 on 29.10.2007 and subsequent amendments.

The Control and Risks Committee held 5 meetings during the year, lasting about one hour each. Members were fully represented at the meetings. 4 (four) meetings are scheduled for 2016, of which 1 (one) had already taken place when this report was approved.

Pursuant to and in accordance with the recommendations of Principle 7.P.4 of the Code, members of the Control and Risks Committee have experience and knowledge in the field of accounting and finance risk management, which the Board of Directors deemed adequate at the time of their appointment.

In certain cases referring to single items on the agenda, non-members also attended Control and Risks Committee meetings on the request of the Committee or its Chairman.
The Executive Director in charge of the internal control and risk management system and the Director responsible for preparing the accounting documents were always invited and could partake in the meetings. A secretary from the members of staff was also designated from time to prepare the relevant minutes.

Remuneration and Appointments Committee

The Remuneration and Appointments Committee was established on 4 May 2015 following the reinstatement of the Board of Directors on 29 April 2015. Subsequent to the amendments resolved by the Board of Directors on 8 January 2016, the current Committee comprises three non-executive and independent directors: Andrée Bazile Suzan, Giovanni Damiani and Enrico Pazzali, with the latter appointed Chairman of the Committee.

Committee for Transactions with related parties

In order to implement the recommendations contained in the Consob Regulation on transactions with related parties and based on the opinion of the independent Directors, on 25 November 2010, the Board of Directors approved the procedure governing the execution of transactions with related parties. Pursuant to the applicable Consob Regulation on transactions with related parties, this procedures is available on the Company's website at **www.tasgroup.it**.
Based on the above Consob regulation, on 4 May 2015, following the reinstatement of the Board of Directors on 29 April 2015, the Board established the Committee for Transactions with Related Parties. Subsequent to the amendments resolved by the Board of Directors on 8 January 2016, the current Committee comprises three independent directors, Roberta Viglione, acting as coordinator, Giancarlo Albini and Enrico Pazzali.

The Committee is responsible for:

- prior to the adoption, evaluating this procedure by issuing a formal opinion;
- monitoring its implementation and making the necessary updates where necessary;
- issuing its formal opinion regarding any related-party transaction within the scope of this procedure, with reference to the interests of the company upon completion of the same, for the purposes and pursuant to the principles of substantive and procedural fairness.

In carrying out its activities and if deemed necessary, the Committee is entitled to request any support and coordination with other controlling structures such as the Director in Charge in accordance with Italian Legislative Decree 262/2005, the Internal Audit function, etc.

The Committee may also require the support of an independent expert for the most important or specialised aspects.
The selection of experts shall be made from persons with recognised professionalism and whose independence must be verified according to the same principles applicable to Directors and Statutory Auditors, in respect of whom there must be no conflicts of interest in connection with the operation. The selection must be justified and the appointment duly formalised.
A provision has been made for a maximum expenditure for services rendered by independent experts of 20,000 Euro for each operation of minor significance.

4 (four) meetings were held by the Committee during the financial period.
On 17 December 2014, the Board of Directors assessed the adequacy or alternatively whether to revise the current Procedure for Transactions with Related Parties that had been approved on 25/11/2010, with special reference to paragraph 6.1 of Consob Communication no. DEM/10078683 dated 24 September 2010. Based on the opinion of the independent directors comprising the Committee for Transactions with Related Parties, the Procedure for Transactions with Related Parties was considered to still be adequate and appropriate and was confirmed in its current version.

Person in charge of Internal Audit function

Based on the proposal of the Executive Director in charge of Internal Audit and Risk Management, and the favourable opinion of the Control and Risks Committee and the Board of Statutory Auditors, the Board of Directors appointed Gerardo Diamanti as the new Internal Audit Manager as from 1 June 2014.
The Company has therefore continued with its commitment to ensure maximum independence with the appointment of an external person to be responsible for this function. Without prejudice to him reporting to the Board of Directors in accordance with the Italian Civil Code, he reports on a functional level to the Chairman of the Board of Directors, and to the Board and the Control and Risks Committee on an information level.

Director responsible for preparing corporate accounting documents

Mr Paolo Colavecchio, Director of Administration and Finance, was appointed Director in charge of preparing the corporate accounting documents on 29 November 2007 and again on 12 July 2010.

Under the provisions of Art. 27 of the Articles of Association, the appointment was made with a Board resolution, after consulting the Board of Statutory Auditors. Mr Paolo Colavecchio was deemed suitable given his professional skills in the accounting, economic and financial areas, as well as his familiarity with the assignment carried out thus far. In fact, as he was already specifically responsible for the preparation of the accounting documents, he was the obvious choice as candidate.

With the adoption of procedures in accordance with Law 262/2005, the precise and appropriate responsibilities for carrying out the tasks laid down in the laws and regulations have been described in detail as procedures.

Supervisory Board formed pursuant to Italian Legislative Decree 231/2001

From 2008, TAS SpA follows an organisation, management and control model pursuant to Art. 6 of Legislative Decree 231/2001.
On 13 November 2008, the Board of Directors appointed a Supervisory Board tasked with ensuring compliance and the proper functioning of the model and seeing to its updating.
This new Board currently consists of two parties external to the Group (the Chairman, Massimiliano Lei and member Gerardo Diamanti, Manager of the Internal Audit function) and the Director responsible for preparing the accounting documents, Mr Paolo Colavecchio.
The behavioural protocols were also subsequently formalised, which provide guidelines for the management of activities abstractly exposed to risk – offence within the meaning and for the purposes of Legislative Decree no. 231/2001.

The Supervisory Board constantly monitors the changes introduced in legislation and case law relating to the responsibility of entities pursuant to Italian Legislative Decree no. 231/01, so that it may make the necessary updates to the Organisation, Management and Control Model adopted by the Company, which implemented said updates in order to incorporate the intervening amendments to Italian Legislative Decree 231/2001.

The model also paid particular attention to the following elements, which are considered essential in terms of its adequacy:

- the appointment of a Supervisory Board, consisting of the Internal Audit Manager, a director of the Company, and an outside professional with proven and specific experience on various legal aspects of the “231” within the Company. The Supervisory Board meets at least twice a month and reports regularly to the Board of Directors, also through the Audit and Risk Management Committee and the Board of Statutory Auditors.
- the formalisation of the code of ethics as a fundamental element of corporate ethics. The document has been communicated to all employees and is considered an integral part of internal organisational model and is available on a special directory within the corporate intranet, and is also published on the Company’s website together with the general part of the model, on the page http://www.tasgroup.it/investors/governance;

- An extensive program of staff training, ended in the first quarter of 2010 and followed by further updates in subsequent years and once again during the current period, aimed at specific areas potentially relevant to the risks associated with crimes covered by the Decree.

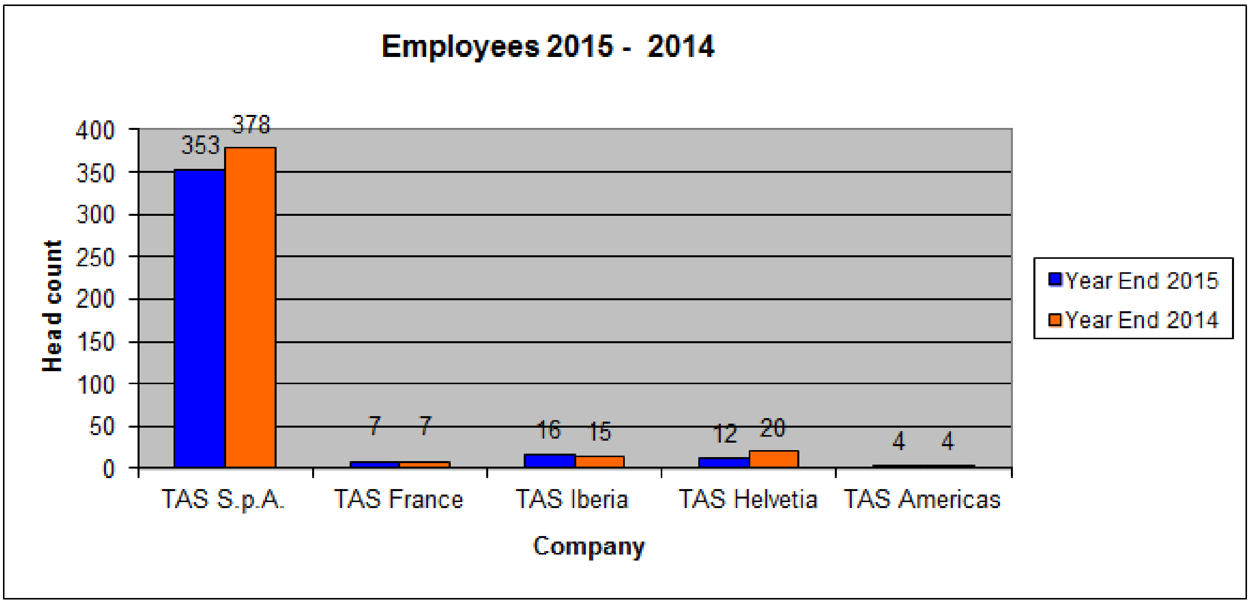
This Model represents a further step towards the seriousness, transparency and a sense of responsibility required within the Company and towards the external world, while guaranteeing shareholders efficient and proper management.
During the financial year, and up until the approval of the Report, no infringements of the Organisational Model or notices of critical areas have been received by the Supervisory Body.

Board of Statutory Auditors

Pursuant to Art. No. 31 of the by-laws, the appointment of the Board of Statutory Auditors is made on the basis of lists filed at the registered offices at least twenty five days prior to the date set for the meeting, accompanied by the candidate's declaration accepting the candidacy. In the declaration, each candidate declares that there are no reasons for ineligibility or incompatibility, and that the candidate complies with the requirements prescribed by applicable regulations. This is accompanied by detailed information on the candidates' personal and professional profiles. In particular, Art. 31 of the bylaws provides that no person can assume the office of Statutory Auditor or be included in lists if they have exceeded the limits on the number of management and control positions held, if incompatible or failing to meet the requirements of integrity and professionalism pursuant to applicable legislation and regulations, specifying, for the purposes thereof, that business matters and sectors closely connected to that of the company shall be understood as matters and the sectors of information technology and communications. The nomination is done on the basis of a voting list system, which ensures representation to the minority and gender balance, following the changes approved to the Articles of Association by the Shareholders' Meeting on 29 April 2013 referring to the introduction of the mechanisms and criteria referred to under Italian Law no. 120 of 20/07/2011 and Art. 148, section 1-*bis* of the TUF.

ENVIRONMENT

For the TAS Group, the attention paid to the valuable assets in its human resources is a central and critical factor for a Group that focuses on innovation within rapidly and continuously changing scenarios.
Continuous training enables the development of knowledge and innovation capacity and the systematic transfer of skills, in a process of continuous improvement, focusing on human resources, their motivation and their involvement in the company's objectives.
A great deal of attention is therefore given every year to staff development and training based on a needs analysis, the definition of plans and training programmes, conducting courses internally and with reliable external institutes, and evaluating training activities.
With the expiry of the agreement with trade union representatives, on 12 April 2015 recourse by the Parent Company to the Redundancy Benefit Fund ["Cassa Integrazione Guadagni"] ended.
The table below presents a comparison between staff at the end of 2015 and 2014.



RESEARCH AND DEVELOPMENT

Research and Development are recognised by the Group as a fundamental necessity for its growth and consolidation strategy in the domestic and international markets. In 2015, the Group therefore confirmed its commitment in this area, with an increase compared to the previous financial year.

Investments in fixed assets	31/12/2015	31/12/2014	Change
Software development	4,018	3,807	211
Other intangible fixed assets	62	87	(25)
Electronic office equipment and hardware	235	362	(127)
Other tangible fixed assets	106	138	(32)
TOTAL	**4,421**	**4,394**	**27**

The item *Software development* for Euro 4,018 thousand relates to capitalised internal costs for the development of new computer applications.

The investments for the period mainly involved:

- the **Payment Systems** area in consolidating and extending the Network Gateway offering to support the launch of the first wave of migration to the new European Bonds settlement T2S system that took place in June 2015, so as to integrate specifications during the Bank of Italy's release phase for the new CIT-Check Image Truncation procedure, as well as the new access protocols to the market networks and/or infrastructure at international level, which include the protocol based on the American blockchain Ripple;
- the **Financial Value Chain** area, with the *MyBANK* offer extended to the new services lined to the Sepa collections (*Direct Debit* and *e-Mandate)*, and with the analysis to adapt the advanced PayTAS collections and payment platform to the needs of the insurance sector. This runs parallel to developing the offering of the PayTAS suite for eGovernment with access modules to the AgID Payments Node finalised for PSP (Payment Service Providers) and central and local Public Administration bodies;
- the **Electronic Money** area, with the project to complete and launch the new platform for issuing and managing Cards on the Open utechnology called *CashLess 3.0*, which aims to support and gradually replace the traditional TAS mainframe components for all customer segments: Interbanking Bank *Issuer*, *Acquirer* and *Processor*, together with new players in the payments process, such as Payment Institutions, Electronic Money Institutions and other TPP (Third Party Payment Service Providers) introduced with the EU PSD (*Payment Service Directive*). Special attention was also focused on the international certifications required to compete in this market;
- the **Finance Markets and Treasury** area, with testing and support provided to access the new European securities settlement system *Target2 Securities* (T2S) for the Commercial Banks subscribing in direct or indirect mode, and the continuation of the development programme for the *Aquarius* platform, to manage liquidity according to Basel 3 standards, in an integrated way in respect of securities, cash and collateral. This was conceived for the international market and integrated with the *Target2* and *Target 2 Securities* platforms and the *triparty collateral management* systems;
- the **Extended ERP** area that continues with the project to reposition TAS' ERP offering, which changes from a proprietary solution into a market-orientated solution with an international reach, focusing on the *Cloud*, *Customer eXperience* and *Social business collaboration*, built with the *Oracle (Fusion) Cloud Applications* as a starting point.

Special emphasis in all the above areas was given to the choice of investments and the internationalisation aspects of products, to ensure their best positioning in market sectors other than banks, with priority given to specific foreign markets (for example. the USA and South American market).

Other investments relate mainly to electronic office equipment and hardware of the Parent Company.

SIGNIFICANT FACTS

In addition to what has been referred to, the activities and noteworthy events for the financial period included:

- with the expiry of the agreement with trade union representatives, on 12 April 2015 recourse by the Parent Company to the Redundancy Benefit Fund [“Cassa Integrazione Guadagni”] ended.

- On 27 April 2015, voluntary procedures began and were finalised involving 19 people.

- on 29 April 2015, the Shareholders’ Meeting:
  - appointed the new Board of Directors, which will remain in office for three financial periods, expiring on the date the Shareholders’ Meeting approves the financial statements at 31/12/2017, and appointed Mr Dario Pardi as Chairman (appointment contemplated by the letter of intent referred to above);
  - appointed the auditing firm Deloitte & Touche S.p.A. for the audit of accounts for the financial periods 2015-2023;
  - pursuant to Art. 2446 of the Italian Civil Code according to what had already been communicated on 17 March 2015 and 7 April 2015, covered the total losses accrued at 31 December 2014 for Euro 89,994,995.49 by utilising the available reserves (with the exception of the IAS 19 valuation reserve) for Euro 82,406,066.02, and for the remaining amount of Euro 7,588,929.47, with a corresponding reduction in the share capital, which consequently went from Euro 21,919,574.97 to Euro 14,330,645.50, without cancelling the shares as these had no nominal value.

- On 30 April 2015, mobility procedures initiated, which terminated after the relevant formalities with the dismissal of 9 people.

- on 4 May 2015, the newly elected Board of Directors:
  - confirmed the appointment of Valentino Bravi as Managing Director;
  - established the Control and Risks Committee, the Remuneration and Appointments Committee, and the Committee for Transactions with Related Parties, all comprising independent and non-executive directors.

- On 31 July 2015, TAS acquired 100,884 Tasamericas shares, more specifically the entire minority shareholding owned by Afonso Christiano Netto equalling 10% of TASAMERICAS share capital, in addition to a non-competition agreement in respect of the seller, for a total cost of 110,000 Real, thus bringing its stake in the Brazilian subsidiary to 100%.

- On 6 October 2015, the market was notified of board member Giorgio Papa’s termination as a board member, and consequently, as member of the Company’s Committee for Transactions with Related Parties and Chairman of the Remuneration and Appointments Committee. Following his appointment as Managing Director of Banca Popolare di Bari, Mr Papa deemed it would not be possible for him to adequately cover his functions, and consequently submitted his resignation.

MAIN RISKS AND UNCERTAINTIES TO WHICH TAS S.P.A. AND THE GROUP WERE EXPOSED

In carrying out its activities, the Group is exposed to various financial risks, related to the economic-regulatory and market conditions that may affect the Group's performance.
The Group has an internal control system consisting of a system of rules, procedures and organisational structures intended to enable sound, correct business management, which includes the proper identification, management and monitoring of the principal risks that could threaten the achievement of corporate objectives.
The Group constantly monitors the risks to which it is exposed, in order to value the potentially negative effects in advance, and so that the best action can be taken to mitigate them.
TAS SpA, as the parent company, is exposed to the same risks and uncertainties described below for the Group.

Exposure to various types of risk

FINANCIAL RISKS

(i) Foreign exchange risks

The Group is not particularly exposed to currency risk except for the conversion of the Financial Statements of its subsidiaries TAS Helvetia (Switzerland), TAS Americas (Brazil) and TAS USA (United States).
At 31 December 2015, there were no significant business transactions denominated in a currency other than the functional currency of the company (Euro).
At the reporting date, there was no hedging in place to protect from such exposure.

(ii) Interest rate risks (of fair value and cash flow)

Interest rate risk is defined as the risk of changes to a financial instrument's value as a result of fluctuations in market interest rates.
The interest rate risk to which the Group is exposed originates almost exclusively from the pool finance, details of which are disclosed in the Notes to the Financial Statements. It should be noted, however, that, as a result of the features of the Restructuring Agreement signed on 27 June 2012, which does not provide for the accrual of interest on new, rescheduled lines, there were no significant risks of fluctuations in market interest rates as at the date of these Financial Statements.

(iii) Credit risk

Credit risk is defined as the probable financial loss arising from a third party's default on its payment obligation towards the Group.
The Company deals with known and reliable customers almost exclusively in the banking sector and has focused on this industry which has never presented solvency issues.
The receivables balance is monitored constantly throughout the year. In particular, all overdue items are specifically analysed.

Financial assets are entered in the balance sheet net of depreciation calculated on the basis of the risk of a counterparty default, which is determined based on the available information on customers' creditworthiness.

(iv) Liquidity risk

Liquidity risk management deals with the risk of the financial resources available to the company proving insufficient to meet the financial and commercial obligations under the agreed terms and deadlines.
The cash flows, financing needs and the liquidity of the Group companies are constantly monitored, with the aim of ensuring effective and efficient management of financial resources.
It cannot be ruled out that, should the situation of weakness and uncertainty in the market continue or if longer collection times or significant write-offs occur, there could be a risk of reduced liquidity with the consequent need to seek recourse to external financing. This risk is currently fully mitigated with the execution of the agreements implementing the Operation, as detailed in the introduction to this Report.

At 31 December 2015, the reserve of liquid assets was as follows:

Bank credit lines	***Loans 31.12.2015***	***Utilisation 31.12.2015***	***Availability of credit 31.12.2015***	***Availability of credit 31.12.2014***
Cash credit line	165	(45)	120	45
Financing Lines (POOL)	25,000	(25,000)	-	-
Other Financing Lines	153	(151)	2	35
Total Bank Credit Lines	**25,318**	**(25,197)**	**121**	**81**
Cash and cash equivalents			3,005	5,740
Total	**25,318**	**(25,197)**	**3,127**	**5,821**

The value of the pool loan mentioned above represents the nominal value of renegotiated debt. The balance sheet value, at the amortised cost, stood at Euro 21,641 thousand.
The Group's liquidity reserve of 3.1 million Euro was considered sufficient to meet the existing commitments at the balance sheet date, based also on the introductory comments made in this Report.

EXTERNAL RISKS

(i) Risks associated with general economic and sector conditions

The market for IT consulting is linked with economic trends in industrialised countries, where the demand for high technology content products is much higher. The ongoing weakness in the global economy at both national and/or international level could reduce demand for the Group's products, with a consequent negative impact on the Group's economic, asset and financial position.
The Group's main market is currently banks and financial institutions, sectors that are traditionally not affected by significant critical aspects. As from 2008, the financial markets experienced strong turbulence at global level, which resulted in a significant deterioration in the economy. The global economic recession in 2008 and 2009 essentially impacted on all geographic areas and economic sectors in developed countries, resulting in a strong drop in

demand. More recent financial periods have shown weak signs of a recovery at global level, but economic prospects remain uncertain.
If this weak position should continue or worsen further, it could have a negative impact on the Group's economic, asset and financial position.

(ii) Risks associated with rapidly changing technologies, customer needs and the reference regulatory framework

The industry in which the Group operates is characterised by rapid and profound technological change and constant developments in skills and professionalism. In addition, the increase in customer requirements, together with any change in the regulatory framework, demand constant software updates for the banking sector and other financial institutions.
The Group invests heavily in the development of new projects and technologies, not only in order to respond quickly to its target market demand, but also to anticipate potential development lines, thus offering a range of new products that are suitable to influence user demand. Therefore, any reduction in the customers' spending propensity in respect of new technologies could expose the Group to the risk of not gaining adequate returns on its investments.
Regardless, these investments cannot guarantee that the Group will always be able to recognise and use innovative technological tools, eliminate the risk of obsolescence of existing products, or ensure the Group's ability to develop and introduce new products or renew existing ones, and do so at an appropriate time for customers that is acceptable for the market. The situations described pose a significant potential risk to the business and the Group's economic and financial results.

(iii) Risks associated with the high levels of competition in the sector where the Group operates

The IT market is highly competitive, and some competitors could attempt to expand at the expense of the Group's market share. In addition, the increased intensity in competition levels and the possible entry of new players in the Group's target sectors, with human resources and financial and technological capabilities that offer more competitive prices, could affect the Group's business and its ability to consolidate or expand its competitive position in the sector, negatively impacting on the business and economic situation and the Group's financial position.

(iv) Risks associated with protecting intellectual property

The Group's software procedures and programmes are protected under Italian copyright legislation. The Group also holds the exclusive rights to the usage of certain programmes and procedures that have been registered in the Special Public Register for Computer Programmes held at the Italian Author and Publishers Association – SIAE [*Società Italiana degli Autori ed Editori*].
Management also believes that the level of technology in the products offered by the Group, combined with the necessary technical know-how to constantly and progressively implement and update these, in themselves constitute elements that limit the risks associated with potential and current competitors gaining significant competitive advantages. Nonetheless, it can be said that the protection afforded by Italian copyright legislation
does not exclude other sector operators from independently developing similar products or duplicating the Group's products that are not registered, or further, designing new ones that could replicate the same systems and functions without however, violating the Group's rights. The Group's technology could also become exposed to piracy from outside parties.

INTERNAL RISKS

(i) Risks related to dependence on key personnel

The Group is strongly characterised by the extremely high technical skills of its staff. The future success of its business therefore depends largely on the continuity of the functions carried out by specialised technical employees, and the ability to attract and retain highly qualified personnel.
Within the IT field, personnel costs represent a critical development factor. The difficulties of the Group in managing staff could have an adverse effect on its business, its financial position and operating profits.

(ii) Risks related to sales deadlines and implementation cycles

Sales cycles of the Group's software products demand major investments in terms of time, particularly due to the need to illustrate the potential benefits of the Group's products and provide customer training to allow for the products to be used properly. Negotiations and the consequential requirements arising from the sale of products extend for an average period of time ranging from several months to a year. Furthermore, the implementation process for the Group products often requires the customer to engage human and economic resources for extended periods. Sales activities and adjustment cycles of the product to the customer's computer system may suffer potential delays caused, for example, by the completion of the implementation process on the product itself, unexpected events outside of the Group's control such as sudden budget constraints or the client or business restructuring or, more generally, the complexity of the customer's technical requirements. Any delays due to extended sales cycles or related to the use of the product by the customer could affect business development and the Group's financial position and operating profits.

(iii) Risks related to dependence on customers

The Group offers its products and services to small, medium and large companies operating in different markets. A significant part of the Group's revenue is concentrated on a relatively small

number of customers whose potential loss could, therefore, adversely affect future business and the Group's economic and financial position.
Management believes, however, that Group profits do not significantly depend on any specific customer in particular, because these customers update their information systems at different times and with rather long intervals.

(iv) Risks associated with internationalisation

The Group has made significant efforts in recent years as part of its internationalisation strategy and expects that an increasingly large part of its revenue will be generated from foreign customers. Therefore, the Group could be exposed to risks inherent to international operations, which include those relating to changes in economic, political, tax and local regulations, as well as to changes in the currency exchange rate in the case of countries outside the Euro area. The occurrence of adverse developments in these areas could adversely affect the Group's business and future prospects.

(v) Risks relating to breaches in contractual obligations and potential liabilities in respect of customers

Highly complex software products such as those offered by the Group can, even when duly tested, present inefficiencies and anomalies in the installation process and integration into the customer's computer system. These circumstances may damage the image of the company and its products, as well as expose the same to claims for damages suffered by customers and the application of contractual penalties for failure to comply with deadlines and/or quality standards.
Furthermore, the Group may need to allocate significant resources for the implementation of corrective actions and be forced to stop, delay or discontinue the provision of services to the customer.
To date, there have been no significant events of this nature that could lead to conflict in customer relationships.

CAPITAL RISK MANAGEMENT

The Group manages its capital with the aim of protecting its continuity, ensuring returns to shareholders, benefits to stakeholders, and maintaining an optimal capital structure while reducing the relevant costs. In line with industry practices, the Group monitors capital on the basis of the gearing ratio. This index is calculated as the relationship between net debt and net equity. Net debt is calculated by subtracting cash and cash equivalents calculated for the purposes of the cash flow from the remaining financial assets and liabilities shown in the balance sheet. Total capital corresponds with the "net equity" shown in the Consolidated Financial Statements plus net debt, as defined above. Compared to 2014, the gearing ratio for the Group decreased by 34 percentage points, as shown in the table below:

	31.12.2015	**31.12.2014**
Financial assets/liabilities	21,170	19,956
Less: cash and cash equivalents	(3,004)	(5,740)
Net debt (A)	18,166	14,216
Net Equity (B)	520	8,279
Total Capital [(A) + (B)] = (C)	18,686	22,496
gearing ratio (A)/(C)	**97%**	**63%**

The worsening in these levels is due to the loss for the period and increase in net debt.

TRANSACTIONS WITH SUBSIDIARIES, WITH COMPANIES PURSUANT TO ART. 2497-*BIS* OF THE CIVIL CODE AND RELATED PARTIES

With regard to transactions with related parties, including intra-group transactions, it should be noted that these were not classified as atypical or unusual, but rather as part of the Group's normal course of business.
These transactions are regulated at arm's length given the characteristics of the goods and services provided.
In order to implement the recommendations contained in Consob Regulation No. 17221 of 12 March 2010 (the "**Regulation**"), and based on the opinion of the independent Directors, the Board of Directors of TAS, on 25 November 2010, approved the procedure governing the execution of transactions with related parties (the "**Procedure**"). Pursuant to Consob regulations, this procedure is published on the Company's website at **www.tasgroup.it**.
Furthermore, in accordance with the above Consob Regulation, the Board of Directors has appointed the Committee for Transactions with Related Parties.
Based on the amendments resolved by the Board of Directors on 8 January 2016, the Committee comprises three independent directors, Roberta Viglione, as coordinator, Giancarlo Albini and Enrico Pazzali.

Information on related-party transactions, including the information required by Consob Communication of 28 July 2006, is presented in Note 43 of the Consolidated Financial Statements and Note 38 of the Financial Statements.

TREASURY SHARES AND SHARES/SHAREHOLDINGS OF PARENT COMPANIES

During the financial year, the Company did not purchase or sell any treasury shares or parent company shares. The Company does not directly or indirectly retain ownership of treasury shares or parent companies' shares.

SUBSEQUENT EVENTS AND EXPECTED BUSINESS OUTLOOK

In addition to what has been detailed above, from the close of the period, we note:

- On 8 January 2016, the Board of Directors co-opted Mr Enrico Pazzali as a new Board member. On the same date, the Board appointed Mr Enrico Pazzali, an independent and non-executive board member, as Chairman of the Remuneration and Appointments Committee, and member of the Committee for Transactions with Related Parties. Mr Pazzali will remain in office until the next Shareholders' Meeting pursuant to Art. 2386 of the Italian Civil Code;

- On 9 March 2016, board member Riccardo Pavoncelli submitted his resignation as a board member.

The recovery is gradually picking up in Italy. Profitability levels in the major banking groups increased over the first nine months of 2015 compared with the previous year; capital has strengthened. The improvement in the balance sheets of banks should continue in 2016 following the expected consolidation in the cyclical recovery.
It is envisaged that GDP could increase around 1.5 percent in 2016 and in 2017.

The new Board of Directors is paying close attention to market requirements, so as to guide the Group's management and development strategies and maintain high efficiency levels that will make positive results possible into the future.

More specifically, the more significant aspects of the 2016-2020 Plan are detailed below:

- **Development of foreign markets**: consolidating the structure that oversees and promotes the Group's offering at international level. In particular, the Group will concentrate its direct presence in Europe, the USA and Latin America. In addition to the countries overseen directly, it will also develop a strategy to cover the markets not detailed above, using a sales partner network and integrator system to market and support the products in the offering portfolio.
- **Software Digital Factory**: updating the offering portfolio, increasing the roadmap with the development of innovative processes and technology architecture that can be used at both national and international level, improving margins and the effectiveness of the personalised services requested.
- **Corporate/Retail**: extending the Core solutions in the offering portfolio in the Electronic Money and integrated Payment Systems areas with new products for the Retail market.
- **Rightsizing the organisational structure**: launching a project to realign and re-qualify production staff so as to the promote and support the Group's products at national and

international level through training, research and development.

SHAREHOLDINGS HELD BY MEMBERS OF THE ADMINISTRATIVE AND CONTROLLING STRUCTURES, GENERAL MANAGERS AND DIRECTORS WITH STRATEGIC RESPONSIBILITIES

Pursuant to and for the purposes of the provisions of Art. 84-*quater*, paragraph 4 of Consob Regulation 11971/1999 and subsequent amendments, and according to the criteria set out in Annex 3A diagram 7-*ter*, at 31 December 2015, no TAS SpA shares or shares in any of its subsidiaries are held by directors, statutory auditors and TAS directors with strategic responsibilities, or by spouses unless legally separated and minor children, either directly or through subsidiaries, trust companies or nominees, as per the Shareholders' Register, communications received and other information obtained from the same members of the administrative and control structures, general managers and directors with strategic responsibilities, with the exception of those indicated in the table below.

Number of directors with strategic responsibilities	Company in which the interest is held	Number of shares held at the end of the previous year	Number of shares acquired	Number of shares sold	Number of shares held at year-end
2	TAS S.p.A.	19,550	10,281	0	29,831

FINANCIAL POSITION OF TAS SPA

The tables presented and discussed below have been prepared on the basis of referenced separate financial statements at 31 December 2015, prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and approved by the European Union, and the provisions implementing article 9 of Legislative Decree 38/2005.

ECONOMIC PERFORMANCE

The table below summarises the key financial results of TAS at 31 December 2015 and the comparison for the same period last year:

TAS (in thousands of Euro)	31.12.2015	31.12.2014	Change	% change
Total Revenue	**43,480**	**38,516**	**4,964**	**12.9%**
- of which typical	*43,078*	*37,738*	*5,341*	*14.2%*
- of which non-typical	*402*	*779*	*(376)*	*(48.3%)*
Ebitda excl. non-recurring costs	**4,498**	**4,281**	**217**	**5.1%**
% of total revenue	*10.3%*	*11.1%*	*(0.8%)*	*(6.9%)*
Non-recurring costs	**(2,078)**	**(1,037)**	**(1,041)**	**>100.0%**
% of total revenue	*(4.8%)*	*(2.7%)*	*(2.1%)*	*77.5%*
Gross operating margin (EBITDA)	**2,421**	**3,244**	**(824)**	**(25.4%)**
% of total revenue	*5.6%*	*8.4%*	*(2.9%)*	*(33.9%)*
Operating result	**(5,178)**	**(706)**	**(4,473)**	**>100.0%**
% of total revenue	*(11.9%)*	*(1.8%)*	*(10.1%)*	*>100.0%*
Net profit/(loss) for the period	**(6,489)**	**(3,517)**	**(2,972)**	**84.5%**
% of total revenue	(15%)	*(9.1%)*	*(5.8%)*	*63.4%*
Net Financial Position	**(19,149)**	**(15,604)**	**(3,545)**	**22.7%**
- of which in respect of banks and other lenders	*(19,149)*	*(15,604)*	*(3,545)*	*22.7%*

At 31 December 2015, TAS recorded growth in *Total revenue* compared to the previous financial period, going from Euro 38.5 million to Euro 43.5 million. Less the revenue from the resale of hardware and software to one of the Group’s principal customers (Euro 5.7 million at 31 December 2015 compared to Euro 1.5 million the previous period), revenue grew by 2%, going from Euro 37.1 million to Euro 37.8 million.

Ebitda for the period, excluding non-recurring costs, stood at Euro 4.5 million up by 5% compared to the Euro 4.3 million at 31 December 2014. This impacted for 10.3% on Total revenue.

The *operating result* for the period, influenced by depreciation, amortisations and write-downs for a total of Euro 7.6 million, was negative for Euro 5.2 million compared with a negative value of Euro 0.7 million in 2014. The figure for 2015 includes the effects of the impairment test for Euro 1.6 million, whereas the 2014 figure included the recovery in the value of the TAS Iberia shareholding for 1.5 million Euro.

The *Net profit for the period* showed a loss of Euro 6.5 million, compared to the loss of Euro 3.5 million in the previous period.

The *Net Financial Position* worsened compared to 2014, and was negative for Euro 19.1 million, compared to Euro 15.6 million at 31 December 2014. The worsening in the position is related to the non-recurring costs incurred by the Company during 2015.

As shown in the table, there were non-recurring costs totalling Euro 2,078 thousand, broken down as follows:

BALANCE SHEET ITEM	AMOUNT	DESCRIPTION
"Costs of services"	(265)	Consulting
Total	**(265)**	
"Other costs"	(1,813)	Costs for early retirement
Total	**(1,813)**	
TOTAL NON-RECURRING COSTS	**(2,078)**	

Costs of services mainly include extraordinary legal and financial consulting provided by leading companies to assist with renegotiating the pool financing made necessary subsequent to the covenants stipulated in the above contract being broken.
The item *Other costs* referred to transactions relating to incentives for the early retirement of staff.

BALANCE SHEET

The Balance Sheet for the Parent Company can be summarised in the following table:

TAS (in thousands of Euro)	31.12.2015	31.12.2014
Non-current assets	31,474	33,456
Net working capital	(289)	1,366
Non-current liabilities	(4,451)	(5,403)
Net Invested Capital	**26,734**	**29,418**
Net financial position in respect of banks	**19,149**	**15,604**
Total net equity	**7,585**	**13,815**
- of which profit for the period	*(6,489)*	*(3,517)*

NON-CURRENT ASSETS

Non-current assets are broken down as follows:

- Euro 15,393 thousand relating to *goodwill*, of which Euro 12,947 thousand in respect of business units acquired on 1.08.2006 from the former holding company C.I.B. Euro 2,446 thousand relating to the former company DS Finance Srl, merged during 2007;
- Euro 5,076 thousand related to other intangible fixed assets primarily connected to the customer list and software developed in-house;
- Euro 548 thousand relating to tangible fixed assets;
- Euro 10,324 thousand relating to the controlling interests of the Group;
- Euro 67 thousand relating to the shareholding in SIA SpA;
- Euro 65 thousand relating to other receivables.

NET WORKING CAPITAL

Net working capital included:

- Euro 20,095 thousand relating to trade receivables and inventories;
- Euro 4,977 thousand relating to other receivables including accruals and deferrals receivable;
- Euro 11,602 thousand relating to trade payables;
- Euro 13,758 thousand relating to other payables including accruals and deferrals payable;

NON-CURRENT LIABILITIES

Non-current liabilities included:

- Euro 4,025 thousand related to the employee severance indemnity provision;
- Euro 426 thousand relating to provisions for risks and charges;

NET EQUITY

The Company's accounting position at 31 December 2015 showed that Net Equity had decreased by over one third of capital, and specifically:

- overall losses at 31 December 2015, amounted to Euro 6,489 thousand;
- share capital at 31 December 2015 was Euro 14,331 thousand;
- net equity at 31 December 2015 was Euro 7,585 thousand;

therefore making the provisions under Art. 2446 of the Italian Civil Code applicable.

We note that on 29 April 2015, based on the significant position pursuant to Art. 2446 of the Italian Civil Code according to what had already been communicated on 17 March 2015 and 7 April 2015, the extraordinary Shareholders' Meeting covered the total losses accrued at 31 December 2014 for Euro 89,994,995.49 by utilising the available reserves (with the exception of the IAS 19 valuation reserve) for Euro 82,406,066.02, and for the remaining amount of Euro 7,588,929.47, with a corresponding reduction in the share capital, which consequently went from Euro 21,919,574.97 to Euro 14,330,645.50, without cancelling the shares as these had no nominal value.

For information on the decisions taken by the TAS Board of Directors, reference is made to the introductory comments made in this Report.

NET FINANCIAL POSITION

The *Net Financial Position* was negative and amounted to Euro 19,149 thousand. The breakdown is shown below:

Statutory Net Financial Position	***NOTES***	***31.12.2015***	***31.12.2014***
A. Cash and cash equivalents		(2)	(2)
B. Bank and postal deposits		(2,078)	(4,397)
C. Securities held for trading		-	-
D. Cash and cash equivalents (A) + (B) + (C)	**20**	**(2,080)**	**(4,399)**
E. Current financial receivables	**19**	**(21)**	**(71)**
of which in respect of related parties		*-*	*(50)*
F. Current bank payables		12	9
G. Current portion of medium to long-term bank borrowings		21,641	-
H. Current financing from Shareholders		-	-
I. Other current financial payables		26	16
of which in respect of related parties		*26*	*16*
J. Payables and other current financial liabilities (F) + (G) + (H) + (I)	**27**	**21,678**	**25**
K. Current net financial debt (D) + (E) + (J)		**19,577**	**(4,445)**
L. Non-current bank payables		-	-
M. Non-current portion of medium to long-term bank borrowings		-	20,481
N. Non-current financing from Shareholders		-	-
O. Other non-current payables		-	-
P. Net non-current financial debt (L) + (M) + (N) + (O)		**-**	**20,481**
Q. Net financial debt CESR (K) + (P) (*)		**19,577**	**16,036**
L. Non-current financial receivables	**13**	**(428)**	**(432)**
S. Net financial debt (K) + (R)		**19,149**	**15,604**
of which excludes Shareholder financing		*19,149*	*15,604*

(*) The criterion for calculating CESR Net Financial Debt corresponds to the provisions under Paragraph 127 of the CESR Recommendation 05/054b implemented by Regulation CE 809/2004

The Statutory Net Financial Position went from Euro 15,604 thousand on 31 December 2014 to Euro 19,149 on 31 December 2015. The worsening situation was largely attributable to the disbursements made in the period relating to personnel (e.g. early retirement), and the costs to support the drafting of the new business plan and consequent renegotiated pool financing.
We note that as provided for by IAS 1, following the non-compliance with the covenants of the pool finance agreement, the liability under the previous contract was reclassified under Current financial liabilities.

RECONCILIATION OF NET EQUITY

The reconciliation between net equity and the profits of the Parent Company and the corresponding consolidated figures is as follows:

	31 December 2015		31 December 2014	
(in thousands of Euro)	***Net Equity***	***Profit***	***Net Equity***	***Profit***
Net Equity and profit for the year as reported in the Parent Company's Financial Statements	**7,585**	**(6,489)**	**13,815**	**(3,517)**
Elimination of the book value of consolidated equity investments				
- difference between book value and pro-quota value of equity	(7,514)	1,604	(8,034)	(1,500)
b) pro-rata profit of subsidiaries	(982)	(878)	(858)	(821)
c) carrying value and capital gains/losses attributed at the date of acquisition of subsidiaries	2,020	(3,144)	4,728	-
Elimination of the effects of transactions between consolidated companies	(584)	(86)	(1,050)	(415)
Effect of changes in exchange rates of foreign currencies	425	262	95	-
Other changes	(430)	26	(417)	-
Net Equity and profit/(loss) for the year attributable to the Group	**520**	**(8,705)**	**8,279**	**(6,253)**
Net Equity and profit for the year attributable to third parties	-	-	29	(35)
Consolidated net equity and profit	**520**	**(8,705)**	**8,308**	**(6,288)**

OTHER INFORMATION

Management systems

The Company has adopted and maintains the following management systems:

(i) Quality Management System, compliant with UNI EN ISO 9001:2008 regulation, for the design, development, installation, support and maintenance of infrastructure and application software for payment systems, electronic money, bank services, financial markets, public administration and IT consulting on the products supplied. Design and provision of *Data Centre Hosting* and *Housing* services.

During 2015, TAS S.p.A. successfully passed the Audits by the Certification Authorities to renew and maintain existing certification.

Note on branches

The Company has five branches where software development and maintenance activities are conducted:

- Milan, Via Famagosta No. 75 – Italy;
- Verona, Via Museo No. 1 – Italy
- Bologna, Via della Cooperazione No. 21 – Italy
- Siena, Via Girolamo Gigli No. 2 - Italy
- Parma, Via Colorno No. 63/A – Italy

PROPOSAL FOR THE APPROVAL OF THE FINANCIAL STATEMENTS AND ALLOCATION OF THE PROFIT/(LOSS) FOR THE 2015 FINANCIAL PERIOD

Dear Shareholders,
We believe that the Management Report in support of the Company's Financial Statements and the Consolidated Financial Statements of the TAS Group provide a comprehensive representation of the trends and results achieved in 2015.
Taking into account that a net loss is recorded in the TAS S.p.A. Balance Sheet for Euro 6,488,941, and based on existing reserves, this results in a decrease in Net Equity to Euro 7,585,065, which falls below the two thirds of the share capital of Euro 14,330,645, thus making the provisions under Art. 2446 of the Italian Civil Code applicable.

You are therefore requested to:

- approve the Financial Statements for the year ended 31 December 2015;
- approve the proposal to carry over the loss for the financial period for Euro 6,488,941.

Reference is made to the Board of Directors' Report prepared in accordance with Art. 2446 of the Italian Civil Code for the proposal as to whether to adopt the provisions contemplated by Art. 2446, section 2 of the Italian Civil Code.

For the Board of Directors

Chief Executive Officer

VALENTINO BRAVI

FINANCIAL STATEMENTS

Consolidated Balance Sheet	**Notes**	***31.12.2015***	***31.12.2014***
Intangible fixed assets	**10**	22,638	26,959
- Goodwill		*17,412*	*20,120*
- Other intangible fixed assets		*5,225*	*6,839*
Tangible fixed assets	**11**	933	1,084
Investments and other securities	**12**	118	97
Financial fixed asset receivables	**13**	554	558
Deferred tax receivables	**14**	118	165
Other receivables	**15**	65	74
Total non-current assets		**24,426**	**28,938**
Net inventories	**16**	2,593	2,244
Trade receivables	**17**	22,747	26,774
(of which trade accruals and deferrals)		*4,633*	*5,830*
Other receivables	**18**	369	558
Receivables for current taxes on income	**19**	184	144
Equity investments and other current securities	**20**	93	93
Financial receivables	**21**	31	31
Cash and cash equivalents	**22**	3,005	5,740
Total current assets		**29,022**	**35,585**
TOTAL ASSETS		**53,448**	**64,523**
Share capital		14,331	21,920
Premium reserve		-	13,666
Other reserves		639	68,433
Profit/(loss) of previous years		(5,745)	(89,487)
Profit (loss) for the period		(8,705)	(6,253)
Group net equity		**520**	**8,279**
Capital and reserves attributable to third parties		-	31
Profit/(loss) attributable to third parties		-	(43)
Net equity attributable to third parties		**-**	**(12)**
Consolidated net equity	**23**	**520**	**8,267**
Employee severance indemnity provision	**24**	4,716	6,120
Provisions for risks and charges	**25**	426	408
Financial payables	**26**	43	20,549
Total non-current liabilities		**5,185**	**27,077**
Trade payables	**27**	18,714	21,144
(of which trade accruals and deferrals)		*7,243*	*8,516*
(of which in respect of related companies)		*148*	*-*
Other payables	**28**	7,206	7,917
Current income tax payables	**29**	16	29
Financial payables	**30**	21,807	90
(of which financial accruals and deferrals)		*5*	*5*
Total current liabilities		**47,743**	**29,179**
TOTAL LIABILITIES AND NET EQUITY		**53,448**	**64,523**

Consolidated Income Statement	***Notes***	***31.12.2015***	***31.12.2014***
Revenue		46,899	43,450
Work in progress		334	(673)
Other revenue		366	655
Total revenue	**32**	**47,599**	**43,432**
Raw material consumables	**34**	(5,900)	(1,778)
Personnel costs	**33**	(23,430)	(23,971)
Costs of services	**34**	(11,759)	(11,134)
(of which non-recurring)		*(265)*	*(13)*
(of which in respect of related companies)		*(261)*	*(120)*
Other costs	**34**	(4,219)	(3,696)
(of which non-recurring)		*(1,947)*	*(1,283)*
(of which in respect of related companies)		*(1)*	-
Total costs		**(45,308)**	**(40,579)**
Depreciation and amortisation		(6,186)	(5,378)
Write-downs		(3,363)	(460)
Operating result	**35**	**(7,258)**	**(2,985)**
Financial revenue		13	29
Financial charges		(1,399)	(1,299)
Results of financial management	**36**	**(1,386)**	**(1,270)**
Net profit/(loss) on investments valued using the net equity method	**37**	**20**	**(66)**
Profit/(loss) before tax		**(8,623)**	**(4,322)**
Taxes	**38**	(82)	(1,974)
Profit/(loss) from continuing operations		**(8,705)**	**(6,296)**
Profit/(loss) from non-continuing operations		-	-
Profit/(loss) for the year		**(8,705)**	**(6,296)**
Net profit/(loss) attributable to third parties		-	(43)
Net profit/(loss) attributable to the Group		**(8,705)**	**(6,253)**
Earnings per share	**39**		
- base		**(0.21)**	**(0.15)**
- diluted		**(0.21)**	**(0.15)**

Comprehensive Consolidated Income Statement	***Notes***	***31.12.2015***	***31.12.2014***
Net profit/(loss) for the year (A)		**(8,705)**	**(6,296)**
Other profit/(loss), net of tax effect that will not subsequently be reclassified in the financial year profit/(loss):			
Actuarial profit/(loss) on defined benefit plans		505	(946)
Tax effect		(49)	133
Total Other profit/(loss), net of tax effect that will not subsequently be reclassified in the financial year profit/(loss) (B1)	**40**	**456**	**(813)**
Other profit/(loss) that will subsequently be reclassified in the financial year profit/(loss):			
Profit/(loss) deriving from the conversion of foreign companies' Financial Statements		115	(18)
Profit/(loss) deriving from the adjustment of the goodwill of foreign companies		375	57
Profit/(loss) arising from the delta change on dividends of foreign companies		-	49
Tax effect		-	-
Total Other profit/(loss), net of tax effect that will subsequently be reclassified in the financial year profit/(loss) (B2)	**40**	**490**	**88**
Total Other profit/(loss), net of tax effect (B1 + B2=B)		**946**	**(725)**
Total Profit/(loss) (A) + (B)		**(7,759)**	**(7,021)**
Total Profit/(loss) attributable to:			
Shareholders of parent company		**(7,759)**	**(6,979)**
Third-party interests		**-**	**(41)**

Consolidated Cash Flow Statement	***Notes***	***31/12/2015***	***31/12/2014***
Profit/(loss) for the year		(8,705)	(6,296)
Amortisations and depreciations	**35**	9,550	5,837
Change to employee severance provision	**24**	(1,072)	(21)
Change in provisions for risks and charges	**25**	19	(232)
Change in deferred tax provisions		-	(43)
Payment of income taxes		(72)	(886)
Other non-monetary changes		1,360	2,037
Decrease/(increase) in inventories and other current assets		3,665	(4,359)
Increase/(decrease) in accounts payable and other liabilities		(3,153)	10,136
Cash flow from operating activities		**1,592**	**6,173**
Change in intangible fixed assets	**10**	(4,141)	(3,890)
Change in tangible fixed assets	**11**	(342)	(497)
Change in financial fixed assets	**12**	(21)	65
Change in securities		-	31
Cash flow from investments		**(4,504)**	**(4,292)**
Change to financial fixed asset receivables	**13**	4	1
Change to other financial payables	**26/30**	51	(212)
Paid financial charges		(5)	(85)
Change in third-party net equity	**23**	12	2
Effect of changes in exchange rates of foreign currencies	**23**	115	29
Cash flow from financing		**177**	**(265)**
Change in cash and cash equivalents		**(2,735)**	**1,617**
Cash and cash equivalents - initial balance		**5,740**	**4,124**
CASH AND CASH EQUIVALENTS – CLOSING BALANCE	**22**	**3,005**	**5,740**

Statement of changes in Consolidated Net Equity

€ thousand	***Share capital***	***Share prem. res.***	***Conv. res.***	***Legal res.***	***Extr. res.***	***IAS 19 res.***	***Cap. contr. res.***	***Loss cov. res.***	***Profit/(loss) carried forward***	***Profit/(loss) for the year***	***Tot. Group net equity***	***Cap. and Minority Share Res.***	***Minority share***	***Tot. Third party net equity***	***Total net equity***
Balances at 31 December 2013	**21,920**	**13,666**	**1,010**	**228**	**6**	**(572)**	**50,688**	**17,799**	**(85,334)**	**(4,153)**	**15,259**	**64**	**(35)**	**29**	**15,288**
allocation of 2013 profit									(4,153)	4,153	-	(35)	35	-	-
profit from comprehensive profit and loss account			86			(813)				(6,253)	(6,979)	2	(43)	(41)	(7,021)
other changes											-				-
Balances at 31 December 2014	**21,920**	**13,666**	**1,096**	**228**	**6**	**(1,384)**	**50,688**	**17,799**	**(89,487)**	**(6,253)**	**8,280**	**31**	**(43)**	**(12)**	**8,268**
allocation of 2014 profit									(6,253)	6,253	-	(43)	43	-	-
reduction in share capital	(7,589)	(13,666)		(228)	(25)		(50,688)	(17,799)	89,995		-				-
profit from comprehensive profit and loss account			490			456				(8,705)	(7,759)				(7,759)
change in consolidation scope											-	12	-	12	12
Balances at 31 December 2015	**14,331**	**-**	**1,586**	**-**	**(18)**	**(929)**	**-**	**-**	**(5,745)**	**(8,705)**	**520**	**-**	**-**	**-**	**520**

INTRODUCTION

TAS S.p.A. (hereinafter “Tas”, the “Company” or the “Parent Company”) is an Italian registered joint-stock company [*società per azioni*] listed on the Milan Stock Exchange [Borsa Italiana S.p.A] on the standard segment of the MTA market. It is held for 87.557% by TASNCH Holding S.p.A. (hereinafter “TASNCH” – a company indirectly 100%-controlled by Audley Capital Management Limited, “Audley”).
The Consolidated Financial Statements at 31 December 2015 include TAS SpA and its subsidiaries (hereafter referred to as the “Group”).

These Financial Statements were prepared by the Board of Directors on 29 April 2016, for approval by the Shareholders’ Meeting called for 31 May 2016 at the first call, and 1 June 2016 at the second call.

1)
INFORMATION REQUIRED BY CONSOB PURSUANT TO ART. 114 OF LEGISLATIVE DECREE 58/98

According to the Consob requirements, pursuant to Art. 114 of Legislative Decree 58/98, the following information is provided regarding the:

a) possible lack of compliance regarding covenants, negative pledges and other debt clauses for the Group involving restrictions in the utilisation of financial resources, with confirmation and updated date of level of compliance of said clauses;
b) approval and progress status on Group’s debt restructuring plan;
c) approval and/or status of implementation of the Group’s business plan, highlighting possible disparities between actual and forecast figures.

a) The current Restructuring Agreement, signed on 27 June 2012 requires that the following financial parameters are adhered to, which are to be calculated at the end of each financial period (31 December):

	Tas Net Debt/Tas EBITDA <	TAS Net Debt/TAS Equity <
31.12.13	4.27	1.85
31.12.14	4.02	1.56
31.12.15	3.26	1.20
31.12.16	2.89	0.98

According to the Restructuring Agreement, default on the covenants occurs when both parameters have not been respected.
At 31 December 2015, the financial parameters had not been complied with. Consequently, as required by IAS 1, the relative payables raised against this agreement were reclassified under Current financial liabilities;

b/c) Over the three-year period 2012-2015, the Company recorded lower revenue than what had been envisaged in the 2012-2016 Plan, and had to take cognisance of both the structural nature of the drop in core business sales on the domestic market compared to the Plan’s forecasts, and the need to incur non-recurring extraordinary costs, to complete the staff restructuring and consequent reduction in personnel, as well as dedicating resources to increasing investments focusing on accelerating the development of new products. On the other hand, the policy pursued by the Company to increase efficiency and contain costs, mitigated the reduction in margins. Consequently the refinancing operations for the pool financing of debt falling due on 31 December 2016, were activated with a new Business and Financial plan submitted and the relative financial measures, which made it possible for the Company to recover its financial and asset balance

On 24 July 2015, the Company appointed KPMG Advisory S.p.A. as its business and financial advisory ("**Advisor**") to assist it in drafting the new business plan for 2016-2020 and the relevant financial measures to support this.

On 2 April 2015, Alex s.r.l., a single-member company that is currently held entirely by Mr Dario Pardi ("**Alex**"), signed a letter of intent with TASNCH regarding a possible investment by Alex in the Company with a share capital increase reserved to Alex itself. The extent of the increase – once all the necessary permits and authorisations have been obtained (including Banks' approval) – would allow the latter to own a stake of not less than 51% of the Company's share capital. To this end, Alex signed an agreement with TASNCH relating to the Company (the "**First Agreement**", which was then amended on 31 July 2015) in terms of which, *inter alia*, and up until 31 December 2015:

(a) TASNCH undertakes to vote in favour of the appointment of Mr Dario Pardi as chairman of the Board of Directors of TAS; and

(b) TASNCH has undertaken to provide Alex with exclusive rights regarding the implementation of possible investments in TAS.

On 30 December 2015, following the successful outcome of negotiations between Alex and GUM, on the one hand, and Rosso, Verde and TASNCH on the other, as well as discussions held with TAS' Creditor Banks (the "**Creditor Banks**"), Alex and TASNCH cancelled the First Agreement and signed a new agreement with the companies GUM, Verde and Rosso, which was in turn amended on 23 March 2016 (the "**Second Agreement**").

The Second Agreement with 87.557% of the share capital in which TAS has voting rights represented, and 100% of the share capital in which TASNCH and Verde have voting rights represented, makes provision, *inter alia*, for Alex and GUM to benefit from an exclusive period up until 30 September 2016 (the "**Exclusive Period**"), during which to negotiate and finalise the purchase of an indirect 87.557% stake in the share capital, comprising shares with TAS voting rights, in the context of a certified plan, pursuant to Art. 67, paragraph 3, letter d) of Royal Decree 267/1942 (the "Bankruptcy Law") relating to TAS (the "**Operation**"). Specifically:

a) GUM International s.r.l. ("**GUM**") would acquire from Rosso S.à.r.l. ("**Rosso**") a 100% stake in the share capital of Verde (the "**Verde Acquisition**") without the payment of any price or fee therefore free of charge;

b) Verde would transfer a 58.20% shareholding in TASNCH's share capital to Alex, without the payment of any price or fee, therefore free of charge, so that following the outcome of this transfer, Verde would hold a 41.80% stake in TASNCH's share capital;

c) Alex undertakes to make a contribution of Euro 10,000,000.00 (ten million) in TASNCH's share capital, and the latter undertakes to make a payment to a future capital increase free of charge, without repetition right, in favour of TAS for the same amount (the "**Free Future Capital Increase Payment**");

d) TAS would resolve a free share capital increase to benefit its shareholders in proportion to the shares held, to be released using the Free Future Capital Increase (the "**Free Capital Increase**"). Should the Free Capital Increase not be released and carried out within a set time frame from the date the Free Future Capital Increase Payment is made, the Free Future Capital Increase Payment will be transformed into a contribution to the equity in favour of TAS, and will be definitively acquired by TAS.

e) TASNCH would purchase from the Creditor Banks on a non-recourse basis, the receivables due from the latter to TAS for a nominal amount of Euro 20,000,000.00 (twenty million) (the "**Bank Receivables**");

f) TASNCH would waive the Bank Receivables, in this way releasing TAS from its debt for Euro twenty million;

g) TAS' residual debt of Euro 5,000,000.00 (five million) will be rescheduled according to the agreements reached between the Parties and the Creditor Banks in the context of a certified plan pursuant to Art. 67, paragraph 3, letter d) of the Bankruptcy Law;

Mr. Valentino Bravi (the current TAS Managing Director) and his immediate family members have decided to invest in GUM, in this way taking part in the Operation.[5]

The execution of the Operation is dependant on the condition precedent, of obtaining a provision from Consob which confirms or rules in favour of the application of the exemption of promoting the takeover bid on TAS. On 2 April 2016, the lawyers for Alex submitted a specific question to Consob.

With the support of the Advisor, the Company drafted the Company's Business Plan and financial measures for 2016-2020 (jointly the "**2016-2020 Plan**") based on the Operation. The 2016-2020 Plan, which aimed to remedy TAS' debt exposure, strengthen its capital and ensure that its financial position is restored, was approved by the Company's Board of Directors on 29 April 2016. In summary, it makes provision *inter alia*:

(i) for a contribution of new resources from Alex, mainly to support TAS' expansion strategy in certain specific market sectors, through the Free Future Capital Increase Payment;

(ii) the Company's capital is strengthened further with TASNCH's non-recourse purchase of the Bank Receivables and subsequent waiver by TASNCH in respect of the Bank Receivables, thus realising a reduction in the existing net financial debt for a total of Euro 20,000,000.00, and finally,

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[5] On the date that a binding agreement is signed relating to the Operation, GUM will be held for 51% (fifty one percent) by GUM Consulting S.r.l. ("GUM Consulting"), for 20% (twenty percent) each by Messrs Fabio Bravi and Matteo Bravi (sons of Mr Valentino Bravi) and for 9% (nine percent) by Bravi Consulting S.r.l. (Company in which the interest is held by Mr Bravi and members of the Bravi family). The shares in GUM Consulting are held as follows: (i) 52% Dario Pardi (current Chairman of the Board of Directors of TAS); (ii) 16% Umberto Pardi; (iii) 16% Matteo Pardi and (iv) 16% Ginevra Pardi (Umberto Pardi, Matteo Pardi and Ginevra Pardi are the children of Mr Dario Pardi).

(iii) the terms and conditions applicable to the portion of Existing Financial Debt for Euro 5,000,000.00 that will remain with the Company subsequent to the sale of the Bank Receivables, will be remodelled and redetermined.

On 26 October 2015, the Company appointed Mr Massimiliano Bonamini, as a duly registered auditor holding the requirements pursuant to Art. 28, letters a) and b) of the Bankruptcy Law (the "**Expert**"), to provide certification of the 2016-2020 Plan pursuant to Art. 67, paragraph three, letter d) of the Bankruptcy Law.

The plan will be subject to certification by the above Expert regarding:

(i) the truthfulness of the corporate date contained in the 2016-2010 Plan;

(ii) the feasibility of the 2016-2020, and

(iii) the suitability of the 2016-2020 Plan in allowing the debt exposure to be remedied, and the Company's financial balance to be restored over the time frame envisaged by the plan.

The contract documentation referring to the Plan should be signed by 11 May 2016, the day on which the certification of the 2016-2020 Plan based on Art. 67, paragraph three, letter d) of the Bankruptcy Law should be ready, as confirmed in the comfort letter received by the Company on 28 April from the Expert.

On 29 April 2016, the Company acknowledged the advanced stage reached in the negotiations to sign the agreement with the Creditor Banks pursuant to Art. 67, paragraph three, letter d) of the Bankruptcy Law, as was confirmed in the comfort letter sent by the Creditor Banks to the Company on 28 April 2016 in which they advised that their decision-making bodies had approved the Operation. The resolution is subject to certain conditions precedent, including the certification of the 2016-2020 Plan pursuant to Art. 67, paragraph three, letter d) of the Bankruptcy Law, reaching agreement and finalising the definitive agreement for the contracts and ancillary documentation, which is already at an advanced stage of negotiation with the Creditor Banks, and Consob issuing a Takeover Bid Exemption in accordance with the Consolidated Finance Law (Legislative Decree 58/1998).

Based on what has been set out above, the Directors supported by legal counsel, and agreeing in substance with the founding arguments of the application forwarded to Consob by the investors' legal consultants on behalf of the latter - and whilst taking due consideration of the uncertainties inherent to the assessments made by the relevant authorities - are reasonably certain of obtaining the necessary provision from Consob, and therefore of being able to go ahead with the Operation as currently envisaged.

On this basis, the Directors deemed the uncertainty profiles detailed above not to be significant, and have consequently prepared the consolidated financial statements on the assumption of the Company as a going concern.

2)
VALUATION CRITERIA

REFERENCE ACCOUNTING STANDARDS

The 2015 consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and endorsed by the European Union, and the measures implementing Art. 9 of Italian Legislative Decree 38/2005. IFRS also means the currently applicable International Accounting Standards (IAS) and all of the interpretation documents issued by the IFRS Interpretations Committee, formerly known as International Financial Reporting Interpretations Committee (IFRIC) and Standing Interpretations Committee before that (SIC).

The Financial Statements were prepared on the basis of the historic cost principle, modified where required for the valuation of certain assets and liabilities, where the fair value principle was applied, and the assumption of a going concern, as detailed under paragraph 1) Information required by Consob pursuant to Art. 114 of Legislative Decree 58/98.

FINANCIAL STATEMENTS

The Consolidated Financial Statements are presented in thousands of Euro.
Accounting policies have been uniformly applied in all Group companies and for all the periods presented.
The Financial Statements adopted by the Group have the following characteristics:

- in the Consolidated Balance Sheet, assets and liabilities were analysed according to when they fall due, separating current and non-current items with due dates within or after 12 months from the date of the Financial Statements, respectively; Pre-paid and deferred taxes were offset per country and recorded under the assets or liabilities in the Financial Statements according to the net deferred taxes for each country;
- the Consolidated Income Statement and the Consolidated Comprehensive Income Statement were presented with the different items analysed based on their nature;
- the Statement of changes in the consolidated equity statements were prepared in accordance with IAS 1 provisions;
- the Consolidated Cash Flow Statement shows consolidated cash flows based on the "indirect method", as permitted by IAS 7.

It should be noted that, with reference to Consob Resolution no. 15519 of 27 July 2006 on Financial Statements, the Balance Sheet provides information on transactions with related parties and the Consolidated Income Statement on non-recurring income items (whether positive or negative).

<u>Use of estimates and assumptions in preparing the Consolidated Financial Statements</u>

The preparation of the Consolidated Financial Statements also requires the use of estimates and assumptions that can determine significant effects on the values posted on the balance sheet and income statement, as well as on the disclosure relative to the potential liabilities and assets stated on the financial statements. The production of such estimates involves the use of available information and the adoption of subjective assessments based on past experience, which are used to formulate reasonable assumptions for the recognition of operations. By their nature, these estimates and assumptions may change from year to year and, therefore, cannot be excluded that, in future years, the current values entered in the Financial Statements may differ significantly as a result of changes in the subjective valuations.

The main areas where subjective judgments by management were required include:

- the quantification of losses for impairment of loans and, generally, other financial assets;
- calculating the fair value of financial instruments;
- an assessment on whether the goodwill, other intangible fixed assets and investments are appropriate (it is noted that, due to the importance of this particular item, a sensitivity analysis was carried out. Reference is made in this regard to Note 9);
- an estimate of contract costs for WIP on order based on the criteria relating to the completed percentage;
- the quantification of severance indemnity provisions and the risks and charges provisions;
- estimates and assumptions relating to the recognition of deferred tax receivables.

The description of the accounting principles applied to the main items in the Financial Statements provides the information needed to identify the main assumptions and subjective judgments used in preparing the Consolidated Financial Statements. Reference is made to the specific sections of the Notes for more information and details on the item's composition and amounts involved in these estimates.

CONSOLIDATION PRINCIPLES

The Consolidated Financial Statements include the Financial Statements of TAS SpA and those of companies over which TAS exercises direct or indirect control.

Subsidiaries

IFRS 10 provides a new definition of control: a company has control of a subsidiary when it is exposed, or has rights to the returns based on its involvement in the management of the latter and if the power exercised by the company could affect the subsidiary's returns. The exercising power over the subsidiary stems from the rights that make it possible for TAS to manage the subsidiary's significant assets in its own interests. Subsidiaries are consolidated as from the date on which control is effectively acquired by the Group.
Changes in the shareholdings held by the Group in subsidiaries that do not involve the loss of control are recorded as net equity transactions.
The Net Equity book value attributed to shareholders of the parent company and the relevant third-party interests were adjusted to reflect the change in the shareholding. Any difference between the book value of the relevant third-party interests and fair value of the fee paid or received was recorded directly in Net Equity and allocated to the Net Equity relating to the relevant holding company shareholders.

Transactions eliminated on consolidation

In preparing the Consolidated Financial Statements, all balances and transactions entered into between Group companies were eliminated. Similarly, for unrealised profits and losses on inter-company transactions.

Consolidation of foreign subsidiaries

All assets and liabilities of foreign subsidiaries in currencies other than the Euro that fell within scope of consolidation were converted using the exchange rate applicable at the Financial Statements date (current exchange rate method). Income and expense items were converted at the average exchange rate for the period. Exchange rate differences resulting from the application of this method were recorded in the Comprehensive Income Statement and accumulated in the specific equity reserve until the investment was sold. In preparing the Consolidated Cash Flow Statement, cash flows of foreign subsidiaries were converted using exchange rates that approximate the effective ones.
Goodwill and fair value adjustments resulting from the acquisition of foreign companies were recorded in the relevant currency and converted using the exchange rate at the end of the period.
On first-time adoption of IAS/IFRS (1 January 2004), the cumulative conversion differences arising from the consolidation of foreign subsidiaries outside the Euro area were cleared, as permitted by IFRS 1.
Capital gains/losses on the subsequent disposal of said companies will only include the cumulative conversion differences arising after 1 January 2004.

The exchange rates used were as follows:

Currency	Average		Close	
	2015	2014	2015	2014
Swiss Franc	1.067	1.215	1.083	1.202
Brazilian Real	3.692	3.123	4.311	3.221
US dollar	1.109	1.329	1.088	1.214

INTANGIBLE FIXED ASSETS

Goodwill

Goodwill acquired in a business combination represents a payment made by the acquirer in anticipation of future economic benefits from assets that are not individually identified and separately recognised, or it is determined as the positive difference between the consideration transferred (equal to the fair value at the acquisition date) and the net amounts at the date of acquisition of the assumed identifiable assets and liabilities. It should be noted that if the difference is negative, a gain is recognised in the Income Statement.
It is entered in the balance sheet as an intangible asset.
Goodwill is recorded at cost and is not amortised but is subject to impairment tests once a year or more frequently if any events or changes in circumstances indicate possible losses in value, according to the provisions of IAS 36 – Impairment of assets.
After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

In the context of First-time Adoption IAS/IFRS, it was decided not to apply IFRS 3 retrospectively to the business combinations that occurred before 1 January 2005; as a consequence, goodwill arising on acquisitions before the date of transition to IFRS was retained at the previous Italian GAAP amounts, subject to impairment testing at that date.

Research and development expenses

Research costs were charged to the Income Statement at the time the cost was incurred on the basis of IAS 38.
When the costs incurred in respect of software development meet the following conditions, they are recognised as an intangible assets on the asset side of the balance sheet.
Capitalisation begins when the company can demonstrate:

a) the technical possibility of completing the software solution so that it is available for use or sale;
b) its intention to complete the software solution to use it or sell it;
c) its ability to use or sell the software solution;
d) the procedure to generate future economic profits, e.g., by demonstrating the existence of a market for any software-based product or for software itself, or its internal use;
e) the availability of adequate technical, financial and other resources to complete the development of software and the use or sale of the software;
f) the ability to reliably assess the cost attributable to the software during the development phase.

The amortisation of capitalised software development costs is based on a systematic criterion from the initial product availability for use through to the estimated useful life, which is normally three years. The straight-line method is the chosen amortisation approach.

Other intangible fixed assets

Other intangible assets are recognised as assets in accordance with IAS 38 – *Intangible fixed assets*, when it is probable that the use of said assets will generate future economic benefits and if their costs can be reliably measured. Assets are valued at purchase cost and amortised on a straight-line basis over their estimated useful life.

The useful life for each category is as follows:

CATEGORY	**RATES**
Goodwill	Indefinite useful life
Development costs	33%
Industrial patent rights	20%
Trademarks	10%
Customer List	10%

TANGIBLE FIXED ASSETS

Property, plants and machinery

Tangible fixed assets are recognised at cost and entered at the purchase price or cost of production including the directly attributable ancillary costs necessary to make the assets available for use.

Assets acquired under financial leases, where all the risks and benefits of ownership are substantially transferred to the Company, are classified as tangible assets at their fair value or, if lower, at the present value of minimum lease payments under the lease. The corresponding liability to the lessor, equal to the capital portion of future lease payments, is recognised as a financial liability. If there is no reasonable certainty that the right of redemption can be exercised, the asset is depreciated over the life of the lease, if shorter than the asset's useful life.
Leases where the lessor substantially retains all the risks and benefits of ownership are classified as operating leases. The costs of operating leases are recognised in the Income Statement over the term of the lease contract.

Tangible assets are systematically depreciated on a straight-line basis throughout their useful life, with this understood as the estimated period in which the asset will be used by the company. Should tangible fixed assets consist of several components with different useful lives, depreciation is calculated separately for each component. The depreciation value is represented by the recognition value less the presumed net value of disposal at the end of its useful life, if significant and reasonably determinable.

When events occur that lead to expectations of an impairment in the value of tangible assets, their recoverability is verified by comparing the recognition and value against the related recoverable value, represented by the higher of the fair value, net of disposal costs, and the value in use.

In the absence of any binding sale agreement, fair value is estimated on the basis of the values expressed by an active market, by recent transactions, or on the basis of the best information available to reflect the amount that the company could obtain from selling the assets.
The value in use is determined by discounting the expected cash flows deriving from use of the assets and, if significant and reasonably determinable, from its disposal at the end of its life. Cash flows are determined on the basis of reasonable and documented assumptions representing the best estimate of future economic conditions during the asset's remaining life. Discounting takes place at a rate that takes into account the implicit risk in the business sector.
Should the grounds for impairment lapse, the assets would be revalued and the adjustment recognised in the Income Statement as a revaluation (reversal of impairment) up to the amount of the write-down, or the lower of the recoverable value and the carrying value before previous write-downs and reduced by the depreciation had it not been written down.
Depreciation begins when the asset is available for use, taking into account the actual time that condition is realised.
The rates applied by the Company are as follows:

CATEGORY	**RATES**
Specific plants and machinery	15%
Equipment:	15%-20%-25%
Other assets:	
- Cellphones	40%
- Furniture and furnishings	12%
- Electronic office machinery	40%
- Hardware	40%

Impairment of assets (impairment test)

Goodwill, intangible assets with an indeterminate life, and current development costs are subjected to a systematic impairment test, at least once a year or whenever indications of value impairments arise.
Tangible fixed assets and equity investments in subsidiaries, affiliates and joint ventures, as well as intangible fixed assets subject to amortisation undergo an impairment test, whenever impairment indicators occur, and in any case at least once a year.
The reductions in value correspond to the difference between the book value and the recoverable value of an asset. The recoverable value is the higher of the fair value of an asset or a cash generating unit, less the sale costs, and its value in use, defined on the basis of discounted future cash flows. The value in use is the sum of the cash flows expected from the use of an asset, or their sum in the case of cash-generating units.
The discounting of the expected cash flows is carried out according to the weighted average cost of capital (WACC). If the recoverable value is less than the book value, it is entered at the recoverable value, and the impairment in value is recorded on the Income Statement. If the value impairment of the assets (excluding goodwill) ceases to exist, the book value of the assets (or CGU) is increased up to the new estimate of the recoverable value without exceeding the original value.

FINANCIAL ASSETS

Financial assets are removed from the balance sheet when there is no longer any right to receive cash flows from the related asset, and the company has essentially transferred all the risks and benefits to it, and the related control.

Loans and receivables

These financial instruments mainly consist of trade receivables, non-derivatives, not listed on an active market, which expected to yield fixed or determinable payments. They are entered under the current section with the exception of those expiring more than 12 months after the balance sheet date, in which case they are classified in the non-current section. These assets are valued at cost amortised on the basis of the effective interest rate method. If there is are clear indications of value impairments the asset value is reduced so that it is equivalent to the future flows obtainable in the future. Value impairments are recorded in the Income Statement. If, in subsequent periods, the reasons for the previous write-downs no longer exist, the asset value is restored up to the value that would have resulted from application of the amortised cost, had no write-down taken place.

Investments held to maturity

The Group does not hold these types of investments at the date of the Financial Statements.

Investments available for sale

The Group does not hold these types of investments at the date of the Financial Statements.

Financial assets measured at fair value through profit or loss

These are financial assets acquired mainly with the aim of making a profit from short-term price fluctuations or designated as such from the outset.
They are entered at fair value and the related changes for the period are recognised in the Income Statement.
The fair value of listed securities is based on current market prices.

Derivative financial instruments

The Group does not hold these types of instruments at the date of the Financial Statements.

Work in progress on order

This relates to Work in Progress on order, for installation activities and services subject to completion.
They are entered in accordance with the completion percentage and provisions of IAS 11 – Construction contract; the costs, revenue and resulting margins are entered in the Income Statement according to the works' stage of completion. The stage of completion of goods or services is valued reliably using the cost-to-cost method: the margin is recorded by taking into account the proportion between the order costs incurred during the year and the total costs incurred, plus the estimated costs needed to finish. If it is likely that the total order costs will exceed the total order revenue, the expected loss is immediately entered as a cost regardless of the stage of completion.

Cash and cash equivalents

Cash and cash equivalents include liquid assets, bank and postal deposits.

FINANCIAL LIABILITIES

Financial liabilities measured at fair value through profit or loss

The Group does not hold these types of liabilities at the date of the Financial Statements.

Financial liabilities valued at amortised cost

Financial liabilities are recorded initially at the cost corresponding to the fair value. Subsequently, financial liabilities held until maturity are valued at the amortised cost.

Transaction costs directly attributable to the issue of the liabilities are amortised throughout the life of the loan.
In the event of contract changes associated with renegotiations, the Group's internal accounting policy requires that both a qualitative and quantitative test are carried out.

Employee severance indemnity provision (TFR)

The employee severance indemnity (TFR) is classified as a post-employment benefit and consists of payments due to employees after the termination of their employment contracts.
Under IAS 19 Revised – *Employee benefits*, the related liability is considered on the basis of a valuation made on the date of the balance sheet, in respect of the service rendered during the current year, and in previous years. The method used is the projected unit credit method applied by independent actuaries.
This calculation consists of estimating the amount of benefit that the employee will receive on the estimated date of termination, using demographic assumptions (such as the rate of mortality and staff rotation rate) and financial assumptions (such as the discount rate and future salary increments). The total calculated in this way is discounted and re-proportioned on the basis of the length of service accumulated, compared to the total length of service, and represents a reasonable estimate of the benefits already accrued by each employee in return for their work.
The actuarial gains and losses deriving from the actuarial calculation are recorded in the Balance Sheet under Reserves IAS 19 and accounted for in the Comprehensive Income Statement. The cost components relating to work and net financial expenses are accounted for in the Income Statement.
With reference to the TFR provision, considered as a defined-benefits plan until 31 December 2006, Law no. 296 of 27 December 2006 (the "2007 Finance Act") and the subsequent decrees and regulations issued during 2007 introduced significant reforms to the way in which quotas of severance pay are allocated, as part of the reforms to the welfare and pensions system.
Specifically, workers can now decide to allocate new TFR benefits to supplementary pension schemes or keep them with the company (for companies with less than 50 staff), or transfer them to the National Pension Fund (INPS) (for companies with more than 50 staff). Following these reforms, the Company has based itself on the generally accepted interpretation and has decided that:

- for TFR benefits accruing up until 31 December 2006 the provision will be a defined-benefits plan to be valued according to the existing actuarial rules but without including the component relating to future salary increases;
- for subsequent TFR benefits, whether they are destined for supplementary pension schemes or the Treasury fund held by INPS, they are classified as defined-benefit plans. Components subject to actuarial estimates are excluded from the calculation of the accrual cost.

Provisions for potential risks and liabilities

Provisions for risks and charges relate to costs and charges of a certain nature, or risks and charges which are certain or likely to exist on the closing date but whose amount or date of occurrence is not yet known. The provisions are recorded when: (i) the existence of a legal or implied obligation deriving from a past event is probable; (ii) it is probable that fulfilment of the liability will involve expenditure; (iii) the amount of the liability can be reliably estimated. The provisions are booked at the value representing the best estimate of the amount that the company would reasonably pay to discharge the obligation or to transfer it to a third party, on the closing date. When the temporal financial effect is significant and the payment dates can be reasonably estimated the provision is discounted.
The costs that the company expects to incur by carrying out restructuring programmes are recognised in the year in which the programme is formally defined, and when the interested parties have a reasonable expectation that the restructuring will take place.
The provisions are periodically updated to reflect any changes in the costs' estimates, realisation times and discounting rates. The revised estimates of the provisions are charged to the same Income Statement headings under which the provision was previously booked, or, when the liability relates to material assets, as a contra-entry to the assets in question.

Foreign currency transactions

Transactions in foreign currencies are recorded at the foreign exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are converted at the spot exchange rate prevailing on that date. Exchange differences arising from the settlement of monetary items or from their conversion at rates other than those at which they were initially recorded during the period or in previous financial statements, are recognised in the Income Statement.

Revenue

Revenue from sales and services are recognised when the risks and benefits relating to goods ownership are transferred to the customer, the sale price is agreed or determinable and receipt of payment can be assumed.

Specifically:

- Revenue from standard proprietary software applications are booked to the Income Statement when the test environment is installed with the client. As this relates to user licences, the installation of the test environment is considered to represent the transfer of the intangible asset to the client, because, as from that time onwards, the client has the standard software version available.
- Revenue from customised software applications are recognised according to the terms and conditions of the related contract, when the test environments are installed with the client.
- The revenue for maintenance services governed by periodic contracts are recognised on an accrual basis.
- The revenue for fixed-price orders are recognised with reference to the stage of completion on the balance sheet date, according to the completion percentage criterion.

- The revenue for other types of order are recognised at the time when the services were rendered, on an accruals basis.

Government grants

According to the provisions of IAS 20, government grants are only recognised if there is reasonable certainty that:

a. the company will meet the required conditions; and
b. the grants have been received.

Public grants are booked as income, according to a systematic principle, in the years needed to set them against the related costs that the grant is intended to offset.

Taxes

Income taxes include all taxes based upon the taxable profits. Taxes on income are recognised in the Income Statement unless they relate to items directly charged or credited to net equity, in which case the effect is recognised directly in net equity. Provisions for income taxes that could arise on the distribution of the subsidiaries' undistributed profits are only made where there is a real intention to distribute such profits. Deferred taxes are recognised using the full liability method. Deferred tax receivables on unused tax losses and tax credits carried forward are recognised to the extent that is it probable that future profits will be available against which they can be recovered. Current and deferred income tax assets and liabilities are offset when the income taxes are levied by the same tax authority and where there is a legally enforceable right of offset. Deferred tax assets and liabilities are measured at the tax rates expected to apply in the periods in which temporary differences will be realised or discharged.
Deferred taxes are not discounted and are classified under non-current assets/liabilities.

Management, coordination and Tax Consolidation

In accordance with Legislative Decree No. 6/2003, it is noted that the Company is subject to the management and coordination of TASNCH Holding S.p.A.
The contract, signed in 2008 between the Company and TASNCH Holding, now the parent company of TAS, governs the reciprocal relations resulting and consequent to exercising the consolidation option, and reproduced the contents of the previous agreement with C.I.B.
On 30 June 2014, the Company and TASNCH Holding renewed the tax consolidation contract for a further three years.

Dividends

Dividends payable are reported as a movement in net equity in the period in which they are approved by the Shareholders' Meeting.

Earnings per share

Basic earnings per share are calculated by dividing the Company's net profit by the weighted average number of shares in circulation during the year, excluding treasury shares. For the calculation of the diluted earnings per share, the weighted average number of shares in circulation is adjusted assuming conversion of all potentially diluting shares.

3) ACCOUNTING PRINCIPLES, AMENDMENTS AND INTERPRETATIONS APPLIED FROM 1 JANUARY 2015 THAT ARE SIGNIFICANT FOR THE GROUP

The following accounting principles, amendments and interpretation were applied for the first time by the Group as from 1 January 2015:

- On 20 May 2013 publication of the interpretation **IFRIC 21** – ***Levies***, which provides clarification on the moment of recognition of a liability associated with levies (other than income taxes) imposed by a government body. The principle deals with liabilities relating to levies that fall under the scope of application of IAS 37 - *Provisions, contingent liabilities and contingent assets*, and those relating to levies where the timing and amount are certain. The interpretation applies retrospectively for the periods starting at the latest from 17 June 2014 or a subsequent date. The adoption of this new interpretation has not had any effect on the Group's consolidated financial statements.

- On 12 December 2013, the IASB published the document "***Annual Improvements to IFRSs: 2011-2013 Cycle***" that incorporates the amendments to certain standards in the scope of annual improvements review (including: IFRS 3 *Business Combinations – Scope exception for joint ventures*, IFRS 13 *Fair Value Measurement – Scope of portfolio exception*, IAS 40 *Investment Properties – Interrelationship between IFRS 3 and IAS 40).* The amendments apply as from the periods starting from 1 January 2015 or a subsequent date. The adoption of these amendments has not had any effect on the Group's consolidated financial statements.

4) ACCOUNTING PRINCIPLES, AMENDMENTS AND INTERPRETATIONS NOT YET APPLICABLE AND NOT ADOPTED EARLY BY THE COMPANY

The Group has not applied the following new and amended principles that have been issued, but are not yet applicable.

- Amendment to IAS 19 "***Defined Benefit Plans: Employee Contributions***" (published on 21 November 2013): relating to the recognition of contributions made by employees or by third parties to defined benefit plans. The amendment applies at the latest as from the periods starting from 1 February 2015 or a subsequent date.

- Amendment to **IFRS 11** ***Joint Arrangements*** – "***Accounting for acquisitions of interests in joint operations***" (published on 6 May 2014): relating to the recognition of acquisitions of interests in a joint operation, where the activity constitutes a business. The amendment is applicable as from 1 January 2016, with early adoption permitted.

- Amendments to **IAS 16** ***Property, plant and Equipment*** and to **IAS 38** ***Intangibles Assets*** – "***Clarification of acceptable methods of depreciation and amortisation***" (published on 12 May 2014): according to which using revenue-based methods to calculate the amortisation of an asset was not appropriate, because the revenue generated by an asset that includes its usefulness, generally represents aspects other than the economic benefits arising from the asset, which is the prerequisite for amortisation. The amendment is applicable as from 1 January 2016, with early adoption permitted.

- Amendment to **IAS 1** – "***Disclosure Initiative***" (published on 18 December 2014): the purpose of the amendment is to provide clarification on aspects of disclosure that could be perceived as an impediment to a clear and intelligible preparation of the financial statements. The amendment is applicable as from 1 January 2016, with early adoption permitted.

Finally within the scope of the annual process to improve principles, on 12 December 2013 the IASB published the documents "Annual Improvements to IFRSs: 2010-2012 Cycle" (including IFRS 2 Share Based Payments – Definition of vesting condition, IFRS 3 Business Combination – Accounting for contingent consideration, IFRS 8 Operating segments – Aggregation of operating segments and Reconciliation of total of the reportable segments' assets to the entity's assets, IFRS 13 Fair Value Measurement – Short-term receivables and payables) and on 25 September 2014, the "Annual Improvements to IFRSs: 2012-2014 Cycle" (including: IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations, IFRS 7 – Financial Instruments: Disclosure and IAS 19 – Employee Benefits) which partially integrate previous principles. The amendments apply at the latest as from the periods starting from 1 February 2015 or a subsequent date, and as from the financial periods starting 1 January 2016 or a subsequent date.

The Directors do not expect the adoption of these amendments to have a significant effect on the Group's consolidated Financial Statements.

5) ACCOUNTING PRINCIPLES, AMENDMENTS AND INTERPRETATIONS NOT YET APPROVED

At the reference date of these consolidated Financial Statements, the European Union had not yet concluded the approval process necessary for the adoption of the following amendments and accounting principles.

- Principle **IFRS 15** – ***Revenue from Contracts with Customers*** (published on 28 May 2014) that aims to replace IAS 18 – *Revenue* and IAS 11 – *Construction Contracts*, as well as the interpretations IFRIC 13 – *Customer Loyalty Programmes*, IFRIC 15 – *Agreements for the Construction of Real Estate*, IFRIC 18 – *Transfers of Assets from Customers* and SIC 31 – *Revenues-Barter Transactions Involving Advertising Services*. The principle sets a new recording model for revenue, which will apply to all contracts signed with customers, with the exception of those falling under the scope of application of other IAS/IFRS principles like leasing, insurance contracts and financial instruments. The basic steps for recognising revenue according to the new model are:
  - identifying the contract with the customer;
  - identifying the performance obligations in the contract;
  - determining the price;

  - assigning the price to the contract's performance obligations;
  - the recording criteria for revenue when the entity satisfies each performance obligation.

The principle is applicable as from 1 January 2018, with early adoption permitted. The Directors expect that applying IFRS 15 could have a significant impact on the amounts recorded as revenue and on the relative disclosure contained in the Group's consolidated Financial Statements. It is not possible to provide a reasonable estimate for these effects until the Company has conducted a detailed analysis of its contracts with customers.

- Final version of **IFRS 9 – Financial instruments** (published on 24 July 2014). The document contains the results of the stages relative to the Classification and valuation, impairment and hedge accounting of the IASB project aiming to replace IAS 39:
  - introduces new criteria for the classification and valuation of financial assets and liabilities;
  - With regard to the impairment model, the new principle requires that the losses estimate on receivables is based on the expected losses model (and not on the incurred losses modelused by IAS 39), by using information that is supported and available without unreasonable effort or expense, and includes historic, current and forecast data;
  - introduces a new hedge accounting model (increasing the types of transactions eligible for hedge accounting, change in the way forward contracts and options are recognised when included in a hedge accounting report, changes to the effectiveness test).

The new principle that replaces the previous versions of IFRS 9, must be applied to financial statements starting 1 January 2018 or later.

The Directors do not expect that applying IFRS 9 could have a significant impact on the amounts and disclosures contained in the Group's consolidated Financial Statements.

- On 13 January 2016, the IASB published **IFRS 16** – ***Leases*** that will replace IAS 17 – *Leases*, and the interpretations IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC-15 *Operating Leases—Incentives* and SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

  The principles provides a new definition for a *lease* and introduces a criterion based the on control (*right of use*) on an asset to distinguish leasing contracts from services contracts, using as differentiating factors: the identification of an asset, the right to its replacement, the right to essentially obtain all the economic benefits deriving from the use of the asset and the right to direct the use of the asset underlying the contract.

  The principle provides a single model for recognising and evaluating leasing contracts for the lessee, which requires the leased asset to be recorded under assets with a counter entry under financial payables, whilst also providing for contracts referring to low-value assets and leasing contracts with a term of 12 months or less not to be recognised as leasing contracts. The standard does not envisage any significant changes on the other hand for the lessor.

The principle becomes applicable as from 1 January 2019 with early application permitted only for companies that have applied IFRS 15 - *Revenue from Contracts with Customers* in advance. The Directors do expect that applying IFRS 16 could have a significant impact on the recording of leasing contracts and on the relative disclosure contained in the Group's consolidated Financial Statements. It is not possible to provide a reasonable estimate for these effects until the Company has conducted a detailed analysis of the relevant contracts.

- Document "***Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28)***" (published on 18 December 2014), containing the amendments relating to issues that emerged subsequent to the application of the consolidation exception allowed for investment entities. The amendments introduced by the document must be applied as from the periods starting 1 January 2016 or a subsequent date, with early adoption permitted. The Directors do not expect the adoption of these amendments to have a significant effect on the Group's consolidated Financial Statements, as the Company does not meet the requirements to be classified as an investment entity.

- On 11 September 2014, the IASB published an amendment to ***IFRS 10 and IAS 28 Sales or Contribution of Assets between an Investor and its Associate or Joint Venture***. The document was issued to resolve the current conflict between IAS 28 and IFRS 10 relating to the measurement of a profit or loss resulting from the sale or transfer of a non-monetary asset to a joint venture or associated company in exchange for a stake in the latter's share capital. At this time, the IASB has suspended the application of this amendment.

6)
MAIN RISKS AND UNCERTAINTIES TO WHICH TAS S.P.A. AND THE GROUP WERE EXPOSED

In carrying out its activities, the Group is exposed to various financial risks, related to the economic-regulatory and market conditions that may affect the Group's performance.
The Group has an internal control system consisting of a system of rules, procedures and organisational structures intended to enable sound, correct business management, which includes the proper identification, management and monitoring of the principal risks that could threaten the achievement of corporate objectives.
The Group constantly monitors the risks to which it is exposed, in order to value the potentially negative effects in advance, and so that the best action can be taken to mitigate them.
TAS SpA, as the parent company, is exposed to the same risks and uncertainties described below for the Group.

The Group's risk management policies seek to identify and analyse the risks the Company is exposed to, by establishing appropriate limits and controls and monitoring risks and compliance with such limits.
These policies and related systems are reviewed on a regular basis in order to reflect any changes in market conditions and the Group's activities. For more details on the principal risks and

uncertainties facing the Group, please refer to the relevant section of the Group Report on Operations.

7) FINANCIAL LIABILITIES BASED ON DUE DATE

The table below analyses the Group's net financial liabilities and traded derivatives, which have been grouped according to residual maturity and contractual expiry date, compared to the balance sheet date.
The amounts shown below, relating to bank financing, represent the discounted contractual cash flows. However, these amounts do not include an interest portion, as the Restructuring Agreement does not provide for the accrual of interest for either of the lines of credit.
As illustrated above, at 31 December 2015, the financial parameters had not been complied with. Consequently, as required by IAS 1, the relative payables raised against this agreement were reclassified under Current financial liabilities (from 0 to 1 year).

At 31 December 2015	**From 0 to 1 year**	**From 1 to 5 years**	**More than 5 years**	**Total**
Financial payables	21,807	43	-	**21,850**
Trade and other payables	18,693	-	-	**18,693**
Commitments: rents payable	600	450	-	**1,050**

At 31 December 2014	**From 0 to 1 year**	**From 1 to 5 years**	**More than 5 years**	**Total**
Financial payables	90	13,566	6,983	**20,639**
Trade and other payables	20,574	-	-	**20,574**
Commitments: rents payable	600	1,050	-	**1,650**

8) FINANCIAL INSTRUMENTS BY CATEGORY

The financial instruments referring to the accounting items in the Financial Statements are detailed below:

At 31 December 2015	Loans and receivables	Assets measured at fair value through profit or loss	Total
Non-current financial assets	**619**	**-**	**619**
Derivatives	-	-	-
Other receivables	619	-	619
Current financial assets	**26,336**	**93**	**26,429**
Trade receivables and accruals and deferrals	22,747	-	22,747
Other receivables	584	-	584
Securities	-	93	93
Cash and other equivalent assets	3,005	-	3,005

At 31 December 2014	Loans and receivables	Assets measured at fair value through profit or loss	Total
Non-current financial assets	**632**	**-**	**632**
Derivatives	-	-	-
Other receivables	632	-	632
Current financial assets	**33,247**	**93**	**33,340**
Trade receivables and accruals and deferrals	26,774	-	26,774
Other receivables	733	-	733
Securities	-	93	93
Cash and other equivalent assets	5,740	-	5,740

At 31 December 2015	Other financial liabilities	Hedging derivatives	Total
Non-current financial liabilities	**43**	**-**	**43**
Other payables	**-**	**-**	-
Financial payables	43	-	43
Current financial liabilities	**47,743**	**-**	**47,743**
Trade payables and accruals and deferrals	18,714	-	18,714
Other payables	7,222	-	7,222
Financial payables	21,807	-	21,807

At 31 December 2014	Other financial liabilities	Hedging derivatives	Total
Non-current financial liabilities	**20,549**	**-**	**20,549**
Other payables	**-**	**-**	-
Financial payables	20,549	-	20,549
Current financial liabilities	**29,180**	**-**	**29,180**
Trade payables and accruals and deferrals	21,144	-	21,144
Other payables	7,946	-	7,946
Financial payables	90	-	90

9) FAIR VALUE

The table below lists the assets and liabilities measured at "fair value" and classified according to a three-level hierarchy which takes into account the different variables used for valuation purposes.

	Level 1	Level 2*	Level 3	Total
ASSETS				
Financial assets (12)	-	93	-	**93**
Total Assets	**-**	**93**	**-**	**93**

The classification of financial instruments at fair value required by IFRS 13, measured according to the quality of the input sources used, results in the following hierarchy:

Level 1: fair value determined based on the listed prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: fair value determined based on inputs other than the listed prices included under "Level 1", that are directly or indirectly observable.

Level 3: fair value determined based on the evaluation models where the inputs are not founded on unobservable market data.

INFORMATION ON THE BALANCE SHEET - ASSETS

Below are the comments on the financial accounting data. This is compared with the figures at 31 December 2014.
It is noted that pre-paid and deferred tax payables were recognised under the assets or liabilities according to the net deferred taxes for each country.

NON-CURRENT ASSETS

10)
INTANGIBLE FIXED ASSETS

GOODWILL

Goodwill	31/12/2015	31/12/2014	Change
Goodwill	17,412	20,120	(2,708)
TOTAL	**17,412**	**20,120**	**(2,708)**

The value of *Goodwill* is made up as follows:

Description	31/12/2015	31/12/2014	Change
TAS	15,915	15,915	-
TAS Americas	61	-	61
TAS Helvetia	-	2,769	(2,769)
TAS Iberia	1,345	1,345	-
TAS France	91	91	-
Total	**17,412**	**20,120**	**(2,708)**

In line with the provisions of the international accounting principle IAS 36, an impairment test was carried out to verify whether any losses existed in value for all the CGUs identified below, by comparing the recoverable value against the related book values of the net invested capital (including the assets with an undefined useful life).

The tested CGUs were “TAS”, “TAS France” and “TAS Iberia”, to which goodwill was allocated according to the table below:

CGU	Goodwill 31.12.2014	Impairment	Other changes	Goodwill 31.12.2015
TAS	18,684	(3,144)	436	15,976
TAS Iberia	1,345	-	-	1,345
TAS France	91	-	-	91
Total	**20,120**	**(3,144)**	**436**	**17,412**

These CGUs respond to the requirements of IAS 36 para. 6, i.e. they represent “the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets” and see also IAS 36 para. 80 paragraphs a) and b).

It should be noted that the TAS CGU also includes the cash flows generated by the subsidiaries TAS Americas and TAS Helvetia (from the 2015 impairment exercise), given that these derive mainly from the resale and support to Parent Company products.

Consequently, we note that:

a) a weighted WACC was used, based on 2015 revenue;
b) the *goodwill* existing at 31 December 2014, in respect of the TAS Helvetia CGU was written down entirely for Euro 3,144 thousand (including the adjust of Euro 375 thousand, as required by IAS 21, at the closing rate at 31 December 2015 given that this was denominated in Swiss Francs). This full write down results from the lower incoming cash flows to support the goodwill allocated up until the last financial period to the TAS Helvetia CGU. As from the 2015 financial period. cash flows for this subsidiary are no longer independent but derive mainly from relations with TAS S.p.A.

The other changes for the period mainly relate to the currency adjustment referred to above.

For the purposes of estimating the recoverable value, the value in use of the net invested capital of each CGU was calculated by using the "Discounted Cash Flow – asset side" principle, which considers the company's expected cash flows based on plans approved by management.

The calculation formula for the above methodology is given below:

$$V = \sum_{i=1}^{n} FCF_i \Big/ (1 + WACC)_i + TV$$

FCF = free cash flow, or cash flow generated by operations;
WACC = weighted average cost of capital;
n = specific forecast period;
TV = current terminal value, i.e. the value deriving from the cash flows generated beyond the forecast period.

In determining the value in use of the net invested capital, the cash flow projections were based on a 5-year time frame, as reported in the new business plan up to 2020 that was approved by the Board of Directors on 29 April 2016. It is noted that this plan is nominally in line with the WACC used.
The cash flows for the period after the fifth year were calculated with the following formula (Gordon formula):

$$TV = FCF_n * (1 + g) \Big/ WACC - g$$

where:

FCFn = cash flow sustainable beyond the forecast period;
g = business growth rate beyond the period of the plan in question
WACC = weighted average cost of capital.
The main assumptions used in calculating the value in use are given below:

- Discount rate (Weighted Average Cost of Capital – WACC) post tax:
    - 6.4% for the TAS CGU
    - 5.5% for the TAS France CGU

  - 6.4% for the TAS Iberia CGU

The WACC, as mentioned above, was determined on the basis of the following values:

a. Sector financial structure (debt/equity ratio = 4.91%)
b. Risk free rate:
   - 1.7% for the TAS CGU
   - 0.9% for the TAS France CGU
   - 1.7% for the TAS Iberia CGU
c. Sector unlevered beta: 0.81
d. Risk premium: 6.0% for all the CGUs

- The criteria for estimating future financial flows: the cash flows – net of taxes – contained in the new business plan up to 2020 were taken as references.
- A total was then calculated for the discounted values (using the WACC mentioned above) of the expected cash flows after the last year of the plan extrapolated on the basis of a constant growth rate of 2%.
- The principal values used to determine the value in use are given in the table below:

	TAS Iberia	TAS France	TAS
Average weighted rate of growth of income	6.3%	2.0%	8.1%
Average gross operating margin (EBITDA)	9.1%	19.6%	9.1%
Rate of growth in cash flow after plan period	2.0%	2.0%	2.0%
Post-tax discounting rate (WACC - post tax)	6.4%	5.5%	6.4%

The discounting rate used reflected the specific risk of the sector in which the TAS Group companies operate.
As permitted by paragraph 55 of IAS 36, the discounting rate was estimated post-tax, as the unlevered cash flows of each Cash Generating Unit (CGU) were also estimated post-tax, calculated on the basis of the specific tax rate of each CGU.

TAS CGU RESULTS

The criteria used for estimating the value in use led to the recording of recoverable values that were higher than the book value of the net invested capital (CIN) for the TAS CGU on 31 December 2015, inclusive of goodwill. In the light of the results of the impairment test, no significant value impairments were recorded.

A sensitivity analysis appears below, in which the book value of the invested capital of the TAS CGU on 31 December 2015 was compared against the related value in use calculated on the basis of an 6.4% discount rate and a long-term growth rate “g” of 2%, selected by the company and with the value in use calculated on the basis of a discounting rate and a “g” rate that were respectively half a percentage point lower (5.9%, 1.5%) or higher (6.9%; 2.5%) than the parameters used.

“g”=2.0%

Amounts in €/000	**5.9% rate**	**6.4% rate**	**6.9% rate**
Value in use - TAS CGU	70,163	60,473	52,756
CIN carrying amount at 31 December 2015	17,111	17,111	17,111
Surplus value in use on book value	53,052	43,362	35,645

with an EBITDA figure in the last year of the Plan that is 10% lower, results were as follows:

Amounts in €/000	**5.9% rate**	**6.4% rate**	**6.9% rate**
Value in use - TAS CGU	57,615	49,535	43,095
CIN carrying amount at 31 December 2015	17,111	17,111	17,111
Surplus value in use on book value	40,504	32,424	25,984

“g”=1.5%

Amounts in €/000	**5.9% rate**	**6.4% rate**	**6.9% rate**
Value in use - TAS CGU	62,007	54,111	47,675
CIN carrying amount at 31 December 2015	17,111	17,111	17,111
Surplus value in use on book value	44,896	37,000	30,564

with an EBITDA figure in the last year of the Plan that is 10% lower, results were as follows:

Amounts in €/000	**5.9% rate**	**6.4% rate**	**6.9% rate**
Value in use - TAS CGU	50,852	44,260	38,881
CIN carrying amount at 31 December 2015	17,111	17,111	17,111
Surplus value in use on book value	33,741	27,149	21,770

“g”=2.5%

Amounts in €/000	**5.9% rate**	**6.4% rate**	**6.9% rate**
Value in use - TAS CGU	80,711	68,461	58,987
CIN carrying amount at 31 December 2015	17,111	17,111	17,111
Surplus value in use on book value	63,600	51,350	41,876

with an EBITDA figure in the last year of the Plan that is 10% lower, results were as follows:

Amounts in €/000	**5.9% rate**	**6.4% rate**	**6.9% rate**
Value in use - TAS CGU	66,361	56,159	48,262
CIN carrying amount at 31 December 2015	17,111	17,111	17,111
Surplus value in use on book value	49,250	39,048	31,151

TAS FRANCE CGU RESULTS

The criteria used for estimating the value in use led to the recording of recoverable values that were higher than the book value of the net invested capital (CIN) of the TAS France CGU on 31 December 2015, inclusive of goodwill. In the light of the results of the impairment test, no significant value impairments were recorded.

A sensitivity analysis appears below, in which the book value of the invested capital of the TAS France CGU on 31 December 2015 was compared against the related value in use calculated on the basis of an 5.5% discount rate and a long-term growth rate "g" of 2%, selected by the company and with the value in use calculated on the basis of a discounting rate and a "g" rate that were respectively half a percentage point lower (5.0%, 1.5%) or higher (6.0%; 2.5%) than the parameters used.

"g"=2.0%

Amounts in €/000	**5.0% rate**	**5.5% rate**	**6.0% rate**
Value in use - TAS France CGU	6,490	5,573	4,883
CIN carrying amount at 31 December 2015	495	495	495
Surplus value in use on book value	5,995	5,078	4,388

with an EBITDA figure in the last year of the Plan that is 10% lower, results were as follows:

Amounts in €/000	**5.0% rate**	**5.5% rate**	**6.0% rate**
Value in use - TAS France CGU	5,565	4,795	4,216
CIN carrying amount at 31 December 2015	495	495	495
Surplus value in use on book value	5,070	4,300	3,721

"g"=1.5%

Amounts in €/000	**5.0% rate**	**5.5% rate**	**6.0% rate**
Value in use - TAS France CGU	5,687	4,982	4,432
CIN carrying amount at 31 December 2015	495	495	495
Surplus value in use on book value	5,192	4,487	3,937

with an EBITDA figure in the last year of the Plan that is 10% lower, results were as follows:

Amounts in €/000	**5.0% rate**	**5.5% rate**	**6.0% rate**
Value in use - TAS France CGU	4,892	4,300	3,838
CIN carrying amount at 31 December 2015	495	495	495
Surplus value in use on book value	4,397	3,805	3,343

"g"=2.5%

Amounts in €/000	**5.0% rate**	**5.5% rate**	**6.0% rate**
Value in use - TAS France CGU	7,611	6,359	5,462
CIN carrying amount at 31 December 2015	495	495	495
Surplus value in use on book value	7,116	5,864	4,967

with an EBITDA figure in the last year of the Plan that is 10% lower, results were as follows:

Amounts in €/000	**5.0% rate**	**5.5% rate**	**6.0% rate**
Value in use - TAS France CGU	6,504	5,454	4,701
CIN carrying amount at 31 December 2015	495	495	495
Surplus value in use on book value	6,009	4,959	4,205

TAS IBERIA CGU RESULTS

The criteria for estimating the value in use led to the recording of recoverable values higher than the book value of the net invested capital (NIC) of the TAS Iberia CGU on 31 December 2015, including goodwill. In the light of the results of the impairment test, no significant value impairments were recorded.

A sensitivity analysis appears below, in which the book value of the net invested capital of the Tas Iberia CGU on 31 December 2015 was compared against the related value in use calculated on the basis of an 6.4% discount rate and a long-term growth rate “g” of 2%, selected by the company and with the value in use calculated on the basis of a discounting rate and a “g” rate that were respectively half a percentage point lower (5.9%, 1.5%) or higher (6.9%; 2.5%) than the parameters used.

“g”=2.0%

Amounts in €/000	**5.9% rate**	**6.4% rate**	**6.9% rate**
Value in use - TAS Iberia CGU	3,617	3,213	2,888
CIN carrying amount at 31 December 2015	1,302	1,302	1,302
Surplus value in use on book value	2,315	1,911	1,586

with an EBITDA figure in the last year of the Plan that is 10% lower, results were as follows:

Amounts in €/000	**5.9% rate**	**6.4% rate**	**6.9% rate**
Value in use - TAS Iberia CGU	3,301	2,936	2,642
CIN carrying amount at 31 December 2015	1,302	1,302	1,302
Surplus value in use on book value	1,999	1,634	1,340

“g”=1.5%

Amounts in €/000	**5.9% rate**	**6.4% rate**	**6.9% rate**
Value in use - TAS Iberia CGU	3,299	2,965	2,691
CIN carrying amount at 31 December 2015	1,302	1,302	1,302
Surplus value in use on book value	1,997	1,663	1,389

with an EBITDA figure in the last year of the Plan that is 10% lower, results were as follows:

Amounts in €/000	**5.9% rate**	**6.4% rate**	**6.9% rate**
Value in use - TAS Iberia CGU	3,016	2,714	2,464
CIN carrying amount at 31 December 2015	1,302	1,302	1,302
Surplus value in use on book value	1,714	1,412	1,162

“g”=2.5%

Amounts in €/000	**5.9% rate**	**6.4% rate**	**6.9% rate**
Value in use - TAS Iberia CGU	4,028	3,524	3,131
CIN carrying amount at 31 December 2015	1,302	1,302	1,302
Surplus value in use on book value	2,726	2,222	1,829

with an EBITDA figure in the last year of the Plan that is 10% lower, results were as follows:

Amounts in €/000	**5.9% rate**	**6.4% rate**	**6.9% rate**
Value in use - TAS Iberia CGU	3,669	3,214	2,859
CIN carrying amount at 31 December 2015	1,302	1,302	1,302
Surplus value in use on book value	2,367	1,912	1,556

OTHER INTANGIBLE FIXED ASSETS

The *Other intangible fixed assets* came down by Euro 1,614 thousand compared to 31 December 2014. The net value of Euro 5,225 thousand was made up as follows:

Other intangible fixed assets	**31/12/2015**	**31/12/2014**	**Change**
Software developed internally	4,061	3,827	234
Industrial patents and intellectual property rights	5	2	3
Customer List	1,032	2,801	(1,769)
Other intangible fixed assets	127	209	(82)
TOTAL	**5,225**	**6,839**	**(1,614)**

Changes for the year are shown below:

Description	**Value on 31/12/2013**	**Increases for the year**	**Reductions for the year**	**Amortisation for the year**	**Value on 31/12/2014**
- Software developed internally	3,080	3,808	-	(3,061)	3,827
- Industrial patent rights	9	-	(4)	(3)	2
- Customer List	4,569	-	-	(1,768)	2,801
- Others	258	86	-	(135)	209
TOTAL	**7,916**	**3,894**	**(4)**	**(4,967)**	**6,839**

Description	**Value on 31/12/2014**	**Increases for the year**	**Reductions for the year**	**Amortisation for the year**	**Value on 31/12/2015**
- Software developed internally	3,827	4,018	-	(3,784)	4,061
- Industrial patent rights	2	4	-	(1)	5
- Customer List	2,801	-	-	(1,769)	1,032
- Others	209	58	-	(140)	127
TOTAL	**6,839**	**4,080**	**-**	**(5,694)**	**5,225**

The balance of the item *Software developed internally*, which amounted to Euro 4,061 thousand was made up of development costs which were capitalised as they met the requirements of IAS 38 and referred mainly to the Parent Company.
The investments for the period mainly involved:

- the **Payment Systems** area in consolidating and extending the Network Gateway offering to support the launch of the first wave of migration to the new European Bonds settlement T2S system that took place in June 2015, so as to integrate specifications during the Bank of Italy's release phase for the new CIT-Check Image Truncation procedure, as well as the new access protocols to the market networks and/or infrastructure at international level, which include the protocol based on the American blockchain Ripple;

- the **Financial Value Chain** area, with the *MyBANK* offer extended to the new services lined to the Sepa collections (*Direct Debit* and *e-Mandate)*, and with the analysis to adapt the advanced PayTAS collections and payment platform to the needs of the insurance sector. This runs parallel to developing the offering of the PayTAS suite for eGovernment with access modules to the AgID Payments Node finalised for PSP (Payment Service Providers) and central and local Public Administration bodies;
- the **Electronic Money** area, with the project to complete and launch the new platform for issuing and managing Cards on the Open utechnology called *CashLess 3.0*, which aims to support and gradually replace the traditional TAS mainframe components for all customer segments: Interbanking Bank *Issuer, Acquirer* and *Processor*, together with new players in the payments process, such as Payment Institutions, Electronic Money Institutions and other TPP (Third Party Payment Service Providers) introduced with the EU PSD (*Payment Service Directive*). Special attention was also focused on the international certifications required to compete in this market;
- the **Finance Markets and Treasury** area, with testing and support provided to access the new European securities settlement system *Target2 Securities* (T2S) for the Commercial Banks subscribing in direct or indirect mode, and the continuation of the development programme for the *Aquarius* platform, to manage liquidity according to Basel 3 standards, in an integrated way in respect of securities, cash and collateral. This was conceived for the international market and integrated with the *Target2* and *Target 2 Securities* platforms and the *triparty collateral management* systems;
- the **Extended ERP** area that continues with the project to reposition TAS' ERP offering, which changes from a proprietary solution into a market-orientated solution with an international reach, focusing on the *Cloud*, *Customer eXperience* and *Social business collaboration*, built with the *Oracle (Fusion) Cloud Applications* as a starting point.

Special emphasis in all the above areas was given to the choice of investments and the internationalisation aspects of products, to ensure their best positioning in market sectors other than banks, with priority given to specific foreign markets (for example. the USA and South American market).

The value of the customer list is the result of the goodwill allocated in 2007. This asset was amortised on the basis of a residual life of 10 years.

11)
TANGIBLE FIXED ASSETS

These went from Euro 1,084 thousand in 2014 to Euro 933 thousand in December 2015. The net value was made up as follows:

Tangible fixed assets	31/12/2015	31/12/2014	Change
Plants and machinery	196	246	(50)
Industrial and commercial equipment	4	3	1
Other assets	733	835	(102)
TOTAL	**933**	**1,084**	**(151)**

The operations for the period are reported below:

Description	Value on 31/12/2013	Increases for the year	Reductions for the year	Amortisation for the year	Value on 31/12/2014
Plants and machinery	273	53	-	(80)	246
Industrial and commercial equipment	4	-	-	(1)	3
Other assets	720	447	(3)	(329)	835
TOTAL	**997**	**500**	**(3)**	**(410)**	**1,084**

Description	Value on 31/12/2014	Increases for year	Reductions for year	Amortisation for the year	Value on 31/12/2015
Plants and machinery	246	14	-	(64)	196
Industrial and commercial equipment	3	2	-	(1)	4
Other assets	835	325	-	(427)	733
TOTAL	**1,084**	**341**	**-**	**(492)**	**933**

The item *Other assets* relates mainly to electronic office equipment and furniture of the Parent Company.

12)
EQUITY INVESTMENTS AND OTHER INVESTMENT SECURITIES

This item amounted to Euro 118 thousand and was made up as follows:

Other investments and investment securities	31/12/2015	31/12/2014	Change
Equity investments valued using the equity method	50	30	20
Equity investments in other companies valued at cost	68	67	1
TOTAL	**118**	**97**	**21**

The item *Equity investments valued using the equity method* referred to the company TASFINNET Ltda which is 35% owned by TAS Americas.

Equity investments in other companies included Euro 67 thousand for the shareholding in the company SIA S.p.A. The value represented the purchase cost which is considered to approximate the fair value.

13)
FINANCIAL FIXED ASSET RECEIVABLES

Financial fixed asset receivables amounted to Euro 554 thousand and related mainly to Parent Company security deposits:

financial fixed asset receivables	31/12/2015	31/12/2014	Change
Security deposits	554	558	(4)
Financial instruments fair value	-	-	-
TOTAL	**554**	**558**	**(4)**
Within the following year	-	-	-
From 1 to 5 years	554	558	(4)
More than 5 years	-	-	-
TOTAL	**554**	**558**	**(4)**
Overdue – less than 1 month	-	-	-
Overdue – more than 1 month	-	-	-
TOTAL	**-**	**-**	**-**

The book value of the financial receivables is considered to reflect their fair value.

14)
DEFERRED TAX ASSET AND LIABILITIES

Deferred tax assets and liabilities recognised in the assets or liabilities according to the net taxes resulting for each country at 31 December 2015 are as follows:

Deferred tax asset and liabilities	31/12/2015	31/12/2014	Change
Italy	-	-	-
Switzerland	118	165	(47)
TOTAL	**118**	**165**	**(47)**

The decision was taken not to allocate all the deferred tax receivables to the Parent Company’s tax losses, given that on the balance sheet date, there was no reasonable certainty that they would be used within the Plan’s time frame. However, in the light of the elimination of the 5-year restriction on the carrying-over of tax losses, the Company has not lost the option of entering the deferred tax receivables on those losses in the future. The total unregistered amount is approximately 12.4 million Euro (of which 11.2 million Euro relates to the parent company and 1.2 million Euro to the Spanish subsidiary TAS Iberia). It is worth highlighting that following the execution of the Operation, and more specifically the waiver by the Parent Company TASNCH regarding Bank Receivables for Euro 20 million in respect of TAS, in the 2016 tax return, a portion of the previous losses referred to above (around Euro 5.5 million) will be utilised in the application of Art. 88, paragraph 4 of the Consolidated Law on Income Tax (TUIR).

The deferred taxes for Switzerland referred mainly to the accounting effects of the Parent Company TAS Helvetia’s pension plans.

The changes are shown below:

SWITZERLAND

DEDUCTIBLE TEMPORARY DIFFERENCES	Discounting employee severance indemnity	Potential dividends from subsidiary	Other	TOTAL
1.12.2014	**91**	**(6)**	**(128)**	**(43)**
Increases/decreases on Income Statement	1	6	68	75
Changes on Comprehensive Income Statement	133	-	-	133
31.12.2014	**225**	**-**	**(60)**	**165**

DEDUCTIBLE TEMPORARY DIFFERENCES	Discounting employee severance indemnity	Potential dividends from subsidiary	Other	TOTAL
1.12.2015	**225**	**-**	**(60)**	**165**
Increases/decreases on Income Statement	(40)	-	42	2
Changes on Comprehensive Income Statement	(49)	-	-	(49)
31.12.2015	**136**	**-**	**(18)**	**118**

15)
OTHER NON-CURRENT RECEIVABLES

Other receivables totalling Euro 65 thousand referred to advances paid to employees of the parent company in accordance with the harmonisation agreement signed with workers' representatives.

Other fixed-asset receivables	31/12/2015	31/12/2014	Change
Loans to employees	65	74	(9)
Other	-	-	-
TOTAL	**65**	**74**	**(9)**
Within the following year	-	-	-
From 1 to 5 years	65	74	(9)
More than 5 years	-	-	-
TOTAL	**65**	**74**	**(9)**
Overdue – less than 1 month	-	-	-
Overdue – more than 1 month	-	-	-
TOTAL	**-**	**-**	**-**

The book value is considered to reflect their fair value.

CURRENT ASSETS

16) NET INVENTORIES

Amounted to Euro 2,593 thousand. The value of WIP on order referred mainly to the installation activities and services currently being completed by the Parent Company. They are made up as follows:

Inventories	Gross value at 31/12/2015	Write-down provision	Net value at 31/12/2015	Net value at 31/12/2014
Work in progress on order	2,593	-	2,593	2,244
Finished products and goods	-	-	-	-
TOTAL	**2,593**	**-**	**2,593**	**2,244**

17) TRADE RECEIVABLES

The value of trade receivables, totalling Euro 22,747 thousand also included trade-related accruals and deferrals receivable, and was made up as follows:

Trade receivables and accruals and deferrals receivable	31/12/2015	31/12/2014	Change
Trade receivables	18,114	20,944	(2,830)
Receivables from related parties	-	-	-
Trade accruals and deferrals receivable	4,633	5,830	(1,197)
TOTAL	**22,747**	**26,774**	**(4,027)**
Within the following year	22,747	26,774	(4,027)
From 1 to 5 years	-	-	-
More than 5 years	-	-	-
TOTAL	**22,747**	**26,774**	**(4,027)**
Overdue – less than 1 month	935	1,040	(105)
Overdue – more than 1 month	391	471	(80)
TOTAL	**1,326**	**1,512**	**(186)**

Trade receivables amounted to Euro 18,114 thousand (net of the write-down provision of Euro 4,714 thousand), with a 14% decrease compared to the figure at 31 December 2014. It is noted that the *Trade receivables* figure at 31 December 2015 includes the resale to one of the Group’s principal customers for Euro 5,438 thousand (Euro 6,801 thousand in 2014).

The book value of the trade receivables is considered to reflect their fair value.

The receivables write-down provision underwent the following changes during 2015:

Write-down provision	31/12/2014	Provisions	Utilisation	31/12/2015
Write-down provision (trade receivables)	4,518	224	(28)	4,714
TOTAL	**4,518**	**224**	**(28)**	**4,714**

On the balance sheet date the maximum credit risk exposure was equal to the fair value of each of the categories indicated above.

The trade accruals and deferrals receivable related mainly to:

Trade accrued income and prepaid expenses	31/12/2015	31/12/2014	Change
Insurance	111	120	(9)
Rentals payable	2	2	-
Leases and maintenance and other services	149	298	(149)
Purchase of hardware/software for resale	4,204	5,179	(975)
Others	167	231	(64)
TOTAL	**4,633**	**5,830**	**(1,197)**

18)
OTHER RECEIVABLES

This item amounted to Euro 369 thousand and was made up as follows:

Other receivables	31/12/2015	31/12/2014	Change
Tax receivables	62	67	(5)
Receivables from personnel	74	93	(19)
Advances to suppliers	52	52	-
Various receivables	181	346	(165)
TOTAL	**369**	**558**	**(189)**
Within the following year	369	558	(189)
From 1 to 5 years	-	-	-
More than 5 years	-	-	-
TOTAL	**369**	**558**	**(189)**
Overdue – less than 1 month	-	-	-
Overdue – more than 1 month	-	-	-
TOTAL	**-**	**-**	**-**

The item *Various receivables* is recognised net of the trade receivables write-down provision for Euro 59 thousand, which recorded the following changes.

Write-down provision (other receivables)	31/12/2014	Provisions	Utilisation	31/12/2015
Write-down provision (other receivables)	59	-	-	59
TOTAL	**59**	**-**	**-**	**59**

The book value of the other receivables is considered to reflect their fair value.

19)
CURRENT TAX RECEIVABLES

Receivables for current taxes on income for Euro 184 thousand referred mainly to IRAP tax advances and to the Parent Company's direct taxes awaiting reimbursement:

Current tax receivables	31/12/2015	31/12/2014	Change
Current tax receivables	184	144	40
Receivables from related parties	-	-	-
TOTAL	**184**	**144**	**40**
Within the following year	184	144	40
From 1 to 5 years	-	-	-
More than 5 years	-	-	-
TOTAL	**184**	**144**	**40**
Overdue – less than 1 month	-	-	-
Overdue – more than 1 month	-	-	-
TOTAL	**-**	**-**	**-**

20)
EQUITY INVESTMENTS AND OTHER CURRENT SECURITIES

This item for Euro 93 thousand referred exclusively to shares in mutual monetary investment funds relating to the subsidiary TAS France. They are either short-term or negotiable and represent a temporary liquid investment but do not meet all the requirements for classification in the item *Cash and cash equivalents*. These shares are valued at their fair value, with a contra entry in the Income Statement.

21)
FINANCIAL RECEIVABLES

The value of Financial receivables expiring within 12 months amounting to Euro 31 thousand recorded no changes compared to the previous financial period.

The book value of the financial receivables is considered to reflect their fair value.

22)
CASH AND CASH EQUIVALENTS

Cash and cash equivalents amounted to Euro 3,005 thousand and were made up as follows:

Cash and cash equivalents	31/12/2015	31/12/2014	Change
Cash and cash equivalents	5	5	-
Bank and postal deposits	3,000	5,735	(2,735)
TOTAL	**3,005**	**5,740**	**(2,735)**

The balance represents cash and cash equivalents and the number and values that existed at the date the financial year ended. The values stated may be converted readily into cash and are subject to an insignificant risk of a change in value. The changes compared to the previous

period are shown in the Cash Flow Statement.
It is considered that the book value of the cash and cash equivalents is aligned with their fair value on the balance sheet date.

The credit risk related to the cash and cash equivalents is limited, as the counterparties are leading national banks.

Pursuant to the requirements set out in Consob Communication No. 15519 of 28 July 2006, we note that Group's Net Financial Position was as follows:

Consolidated Net Financial Position	***NOTES***	***31.12.2015***	***31.12.2014***
A. Cash and cash equivalents	**15**	(5)	(5)
B. Bank and postal deposits	**15**	(3,000)	(5,736)
C. Securities held for trading		(93)	(93)
D. Cash and cash equivalents (A) + (B) + (C)		**(3,098)**	**(5,833)**
E. Current financial receivables		**(31)**	**(31)**
F. Current bank payables		158	78
G. Short-term portion of medium to long-term bank borrowings		21,641	-
H. Current financing from Shareholders		-	-
I. Other current financial payables		8	12
of which in respect of related parties		-	-
J. Payables and other current fin. payables (F) + (G) + (H) + (I)	**22**	**21,807**	**90**
K. Current net financial debt (D) + (E) + (J)		**18,678**	**(5,775)**
L. Non-current bank payables		-	-
M. Non-current portion of medium to long-term bank borrowings		-	20,481
N. Non-current financing from Shareholders		-	-
O. Other non-current payables		43	68
P. Net non-current financial debt (L) + (M) + (N) + (O)	**19**	**43**	**20,549**
Q. Net financial debt CESR (K) + (P) (*)		**18,720**	**14,774**
R. Non-current financial receivables	**10**	**(554)**	**(558)**
S. Net financial debt (K) + (R)		**18,166**	**14,216**
of which excludes Shareholder financing		*18,166*	*14,216*

(*) The criterion for calculating CESR Net Financial Debt corresponds to the provisions under Paragraph 127 of the CESR Recommendation 05/054b implemented by Regulation CE 809/2004

The negative net consolidated financial position went from Euro 14,216 thousand on 31 December 2014 to Euro 18,166 thousand at 31 December 2015.
The worsening situation was largely attributable to the disbursements made in the period relating to personnel (e.g. early retirement), and the costs to support the drafting of the new business plan and consequent renegotiated pool financing.

We note that as provided for by IAS 1, following the non-compliance with the covenants of the pool finance agreement, the liability under the previous contract was reclassified under Current financial liabilities.

INFORMATION ON THE BALANCE SHEET - LIABILITIES

23)
NET EQUITY

A breakdown of the net equity items is given below, while the related changes are shown in the relevant schedule annexed below.

Net Equity	31/12/2015	31/12/2014	Change
Share capital	14,331	21,920	(7,589)
Share premium reserve	-	13,666	(13,666)
Legal Reserve	-	228	(228)
Extraordinary reserve	(18)	6	(24)
Conversion reserve	1,586	1,096	490
Capital account reserve	-	50,688	(50,688)
IAS 19 actuarial valuation reserve	(929)	(1,384)	455
Reserve to cover conversion losses *Shareholders Loan* - TasNch	-	17,799	(17,799)
Profit/(loss) carried forward	(5,745)	(89,487)	83,742
Profit (loss) for the period	(8,705)	(6,253)	(2,452)
TOTAL	**520**	**8,279**	**(7,759)**

We note that on 29 April 2015, based on the significant position pursuant to Art. 2446 of the Italian Civil Code according to what had already been communicated on 17 March 2015 and 7 April 2015, the extraordinary Shareholders' Meeting covered the total losses accrued at 31 December 2014 for Euro 89,994,995.49 by utilising the available reserves (with the exception of the IAS 19 valuation reserve) for Euro 82,406,066.02, and for the remaining amount of Euro 7,588,929.47, with a corresponding reduction in the share capital, which consequently went from Euro 21,919,574.97 to Euro 14,330,645.50, without cancelling the shares as these had no nominal value.

As was also outlined in the introductory remarks of the Management Report for the Parent Company at 31 December 2015, capital decreased by over one third, and specifically:

- overall losses at 31 December 2015, amounted to Euro 6,489 thousand;
- share capital at 31 December 2015 was Euro 14,331 thousand;
- net equity at 31 December 2015 was Euro 7,585 thousand;

therefore making the provisions under Art. 2446 of the Italian Civil Code applicable.

Consequently the Board of Directors resolved to call a Shareholders' Meeting to approve the 2015 Financial Statements and to adopt the relevant provisions pursuant to Art. 2446 of the Italian Civil Code. It is also worth noting that following the execution of the implementation agreement for the Operation, the position as per Art. 2446 will be fully remedied.

The *Share capital* was made up as follows:

Shares/shareholding	Number	Nominal value in Euro
Ordinary shares	41,768,449	No nominal value
Total	**41,768,449**	

No new shares were subscribed during the reference period.

Therefore on the closing date the following shares were in circulation: 41,768,449 ordinary shares with no nominal value.

The *Conversion reserve* was generated from the process of converting the Financial Statements of the foreign subsidiaries TAS Helvetia, TAS Americas and TAS Usa. The changes for the period also include the adaptation, as required by IAS 21, on the closing date of 31 December 2015, of the goodwill of the Swiss subsidiary TAS Helvetia expressed in Swiss francs.

The *Actuarial valuation reserve* was generated by the recognition of actuarial gains and losses in the Comprehensive Income Statement. The changes were as follows:

Movements in the actuarial valuation reserve	2014
Actuarial valuation reserve 1.1.2014	**(571)**
Effect of actuarial valuation	(946)
Tax effect on actuarial valuation	133
Actuarial valuation reserve 31.12.2014	**(1,384)**

Movements in the actuarial valuation reserve	2015
Actuarial valuation reserve 1.1.2015	**(1,384)**
Effect of actuarial valuation	504
Tax effect on actuarial valuation	(49)
Actuarial valuation reserve 31.12.2015	**(929)**

With regard to the comments on the Comprehensive Income Statement reference is made to Note 39 in this section.

NON-CURRENT LIABILITIES

24)
EMPLOYEE SEVERANCE INDEMNITY PROVISION

The provision represents the severance pay liability to be paid to employees in the case of contract termination, and is represented net of the advances paid. This item mainly reflected the Group's residual liability relating to the indemnity granted to employees in Italy until 31 December 2006. If specific conditions occur, it may be paid in advance to an employee during his service. The changes compared to the previous year are as follows:

Employee severance indemnity provision (TFR)	31/12/2015	31/12/2014	Change
Employee severance indemnity provision	4,716	6,120	(1,404)
TOTAL	**4,716**	**6,120**	**(1,404)**

The fund is made up as follows:

Employee severance indemnity provision (TFR)	31/12/2015	31/12/2014	Change
Italian TFR	4,025	4,996	(971)
TAS Helvetia pension plans	691	1,124	(433)
TOTAL	**4,716**	**6,120**	**(1,404)**

Changes were as follows:

employee severance indemnity provision changes	31.12.2014
Severance indemnity provision 1.1.2014	**5,362**
Provision for the period	1,237
Interest costs	101
Amount paid to INPS Treasury fund	(1,234)
Indemnities and advances paid during the year	(291)
Actuarial profit/(loss)	945
Severance indemnity provision 31.12.2014	**6,120**

employee severance indemnity provision changes	31.12.2015
Severance indemnity provision 1.1.2015	**6,120**
Provision for the period	1,203
Interest costs	74
Amount paid to the INPS Treasury fund and other supplementary funds	(1,156)
Indemnities and advances paid during the year	(833)
Actuarial profit/(loss)	(692)
Severance indemnity provision 31.12.2015	**4,716**

The movements in liabilities during the period included Euro 1,203 thousand of provisions, of which Euro 1,156 thousand were paid to the INPS Treasury Fund; utilisations from indemnities paid during the year for Euro 833 thousand, and a positive effect from the actuarial valuation for Euro 692 thousand.

The actuarial model used for the valuation of severance pay is based on various demographic, economic and financial assumptions.

Where possible, for some of the assumptions express reference has been made to the direct experience of the parent company while for others, industry best practices have been applied.

The main assumptions of the model are given below:

Financial assumptions	
Annual discounting rate	2.06% 1.00% for TAS Helvetia
Annual inflation rate: - **2016** - **2017** - **2018** - **2019** - **2020 and later**	 1.50% 1.80% 1.70% 1.60% 2.00% 0.00% for TAS Helvetia
Annual rate of increase in employee severance indemnity	3.00% 0.00% for TAS Helvetia
Demographic assumptions	
Mortality	RG48 mortality table
Disability	INPS tables divided by age and gender
Pension age	100% upon reaching the Mandatory General Insurance requirements

From the historical experience of the parent company and based on the available data, an annual turnover rate of 5% and an anticipation rate of 2% were deduced.

In particular, we note that:

- the **Annual discounting rate** in Italy used to calculate the current figure for the obligation was determined according to par. 78 of IAS 19, with reference to the IBoxx Eurozone Corporate AA 10+ index.
- the **inflation rate curve** in Italy applicable to the current economic situation that is especially volatile in terms of most of the economic indicators, was changed as shown in the table. This assumption was drawn from the Economy and Finance Document 2014 – Update at September 2014 Sec. II-Tab II.1" issued by the Ministry of the Economy and Finance (MEF) and the "Trends for the pension and socio-health system over the medium-long term – Report No. 15" published by the State General Accounting Office;
- the **Annual rate of increase in employee severance indemnity** in Italy pursuant to Art. 2120 of the Italian Civil Code is 75% of inflation plus 1.5 percentage points.

The sensitivity analysis for the Italian TFR appears below:

Sensitivity analysis of main evaluation parameters on data at 31.12.2015	**TFR [Employee Severance Pay]**	**Delta**	**%**
+ 1% on turnover rate	4,014	- 11.30	-0.3%
- 1% on turnover rate	4,038	12.77	0.3%
+ 1/4% on annual inflation rate	4,081	55.84	1.4%
- 1/4% on annual inflation rate	3,970	- 54.69	-1.4%

+ 1/4% on annual discounting rate	3,938	- 87.12	-2.2%
- 1/4% on annual discounting rate	4,116	90.54	2.2%

The sensitivity analysis of TAS Helvetia's pension plan appears below:

Sensitivity analysis of main evaluation parameters on figures at 31.12.2015	PENSION PLAN	Delta	%
+ 0.50% on annual inflation rate	694	3.45	0.5%
- 0.50% on annual inflation rate	NA	NA	NA
+ 0.50% on annual discounting rate	640	- 50.44	-7.3%
- 0.50% on annual discounting rate	750	58.73	8.5%
+1 year on mortality rate	703	11.75	1.7%
-1 year on mortality rate	681	- 10.36	-1.5%

25) PROVISIONS FOR RISKS AND CHARGES

This item amounted to Euro 426 thousand and referred to provisions made exclusively by the Parent Company:

Risk provisions	31/12/2015	31/12/2014	Change
Provision for risks	286	268	18
Other provisions	140	140	-
TOTAL	**426**	**408**	**18**

The changes are shown below:

Risk provision changes	31.12.2014
Opening balance at 1.1.2014	**640**
Increases	143
Utilisation	(375)
Risk provision at 31.12.2014	**408**

Risk provision changes	31.12.2015
Opening balance at 1.1.2015	**408**
Increases	192
Utilisation	(174)
Risk provision at 31.12.2015	**426**

The item *Provisions for risks* refers mainly to disputes with customers and former employees.
The item *Other provisions* related to orders where it is likely that the total cost will exceed the corresponding revenue.

26) NON-CURRENT FINANCIAL LIABILITIES

Non-current financial liabilities for Euro 43 thousand referred to the following:

Non-current financial liabilities	31/12/2015	31/12/2014	Change
Payables to other lenders	43	68	(25)
Payables to banks	-	-	-
Pool finance (nominal value)	-	25,000	(25,000)
Effect of recognition at the amortised cost of pool finance	-	(4,519)	4,519
TOTAL	**43**	**20,549**	**(20,506)**
Within the following year	-	-	-
From 1 to 5 years	43	13,566	(13,523)
More than 5 years	-	6,983	(6,983)
TOTAL	**43**	**20,549**	**(20,506)**
Overdue – less than 1 month	-	-	-
Overdue – more than 1 month	-	-	-
TOTAL	**-**	**-**	**-**

As required by IAS 1, following the non-compliance with the covenants of the pool finance agreement in existence, the liability under that contract had been fully reclassified under current financial liabilities (see Note 30).

CURRENT LIABILITIES

27)
TRADE PAYABLES

The value of trade payables, totalling Euro 18,714 thousand also included trade-related accruals and deferrals payable, and was made up as follows:

Trade payables	31/12/2015	31/12/2014	Change
Advances	247	650	(403)
Payables to suppliers	11,076	11,978	(902)
Payables to related parties	148	-	148
Trade accruals and deferrals payable	7,243	8,516	(1,273)
TOTAL	**18,714**	**21,144**	**(2,430)**
Within the following year	18,714	21,144	(2,430)
From 1 to 5 years	-	-	-
More than 5 years	-	-	-
TOTAL	**18,714**	**21,144**	**(2,430)**
Overdue – less than 1 month	600	612	(12)
Overdue – more than 1 month	2,187	1,783	404
TOTAL	**2,787**	**2,395**	**392**

The figure for *Payables to suppliers* at 31 December 2015 includes the invoices for the resale to one of the Group's principal customers for a total of Euro 5,105 thousand (Euro 6,809 thousand in 2014).
The item *Advances* included the advances received from customers in relation to supply goods and services not yet completed.
As seen in the table, at 31 December 2015, there were overdue trade payables totalling Euro 2,787 thousand (Euro 2,395 thousand on 31 December 2014). The overdue amount includes Euro 102 thousand relating to disputed positions, some of which are currently being resolved, in relation to which the company considers it has justified grounds to refuse or delay all or part of the payment, while Euro 1,107 thousand relates to supplies made by a single supplier. If payment for that amount is due, the Parent Company considers that it should be paid after collection of the corresponding amounts from the final customer.
With reference to this last position the supplier served a non-executive injunction on the company in January 2010, and the company objected to that injunction considering that its reasons for doing so were valid. On 21 December 2010, accepting the Parent Company's reasons, the Court dismissed the application for provisional enforcement of the injunction. During September 2012, the preliminary activities relating to the summonsing of witnesses concluded, and the case was adjourned until 18 December 2014 for the statement of conclusions. Several hearings were postponed for the concluding statements, with the most recent on 16 March 2016, postponed till the 6 April 2016. During the hearing, the Judge withheld his decision, allowing the parties the usual deadlines based on Art. 190 of the Italian Civil Procedure Code to file their concluding statements; specifically the 6 June 2016 to file the final statement and the 27 June 2016 to file the reply brief.

The book value of the trade payables on the balance sheet date is considered to reflect their fair value.

With regard to relations with related companies, reference is made to Note 43 in this section.

The trade-related accruals and deferrals related mainly to the deferral of orders in progress already invoiced to the customer but not yet completed on the year-end date. Specifically, the item includes Euro 3,414 thousand relating to the resale to one of the Group's principal customers (Euro 5,081 thousand in 2014).

28) OTHER PAYABLES

Other payables for Euro 7,206 thousand, related to:

Other payables	31/12/2015	31/12/2014	Change
Tax payables	2,020	2,003	17
Payables to social security institutions	1,859	2,002	(143)
Various payables	3,327	3,912	(585)
TOTAL	**7,206**	**7,917**	**(711)**
Within the following year	7,206	7,917	(711)
From 1 to 5 years	-	-	-
More than 5 years	-	-	-
TOTAL	**7,206**	**7,917**	**(711)**
Overdue – less than 1 month	-	-	-
Overdue – more than 1 month	-	-	-
TOTAL	**-**	**-**	**-**

The details relating to the other payables appear below:

Tax payables	31/12/2015	31/12/2014	Change
IRPEF payables	1,105	1,123	(18)
VAT payables	907	875	32
Other tax payables	8	5	3
TOTAL	**2,020**	**2,003**	**17**
Within the following year	2,020	2,003	17
From 1 to 5 years	-	-	-
More than 5 years	-	-	-
TOTAL	**2,020**	**2,003**	**17**
Overdue – less than 1 month	-	-	-
Overdue – more than 1 month	-	-	-
TOTAL	**-**	**-**	**-**

IRPEF payables related to the tax retentions on the December payroll.

Social security payables	31/12/2015	31/12/2014	Change
Payable to INPS [pension fund]	1,591	1,754	(163)
Payables to INAIL and other institutions	268	248	20
Other social security payables	-	-	-
TOTAL	**1,859**	**2,002**	**(143)**
Within the following year	1,859	2,002	(143)
From 1 to 5 years	-	-	-
More than 5 years	-	-	-
TOTAL	**1,859**	**2,002**	**(143)**
Overdue – less than 1 month	-	-	-
Overdue – more than 1 month	-	-	-
TOTAL	**-**	**-**	**-**

Payables to social security institutions mainly related to contributions payable on the December payroll, and on salaries accruing on the balance sheet date in relation to additional monthly salary payments, holidays not taken and bonuses.

Various payables	31/12/2015	31/12/2014	Change
Payables to personnel	3,036	3,633	(597)
Various other payables	291	279	12
TOTAL	**3,327**	**3,912**	**(585)**
Within the following year	3,327	3,912	(585)
From 1 to 5 years	-	-	-
More than 5 years	-	-	-
TOTAL	**3,327**	**3,912**	**(585)**
Overdue – less than 1 month	-	-	-
Overdue – more than 1 month	-	-	-
TOTAL	**-**	**-**	**-**

The decrease in Payables to personnel arises mainly from the lower number of employees at 31 December 2015 compared to 31 December 2014.

There were no outstanding payables to employees on 31 December 2015.

The book value of the Other payables on the balance sheet date is considered to reflect their fair value.

29)
CURRENT INCOME TAX PAYABLES

Payables for current taxes amounted to Euro 16 thousand and referred to the American holding company's current income tax.

Current tax payables	31/12/2015	31/12/2014	Change
Current tax payables	16	29	(13)
TOTAL	**16**	**29**	**(13)**
Within the following year	16	29	(13)
From 1 to 5 years	-	-	-
More than 5 years	-	-	-
TOTAL	**16**	**29**	**(13)**
Overdue – less than 1 month	-	-	-
Overdue – more than 1 month	-	-	-
TOTAL	**-**	**-**	**-**

30)
CURRENT FINANCIAL PAYABLES

Total current financial payables at 31 December 2015 were Euro 21,807 thousand.

Current financial payables	31/12/2015	31/12/2014	Change
Payables to other lenders	7	12	(5)
Payables to banks	154	73	81
Intesa SanPaolo pool finance (nominal value)	25,000	-	25,000
Effect of recognition at the amortised cost of pool finance	(3,359)	-	(3,359)
Financial accruals and deferrals	5	5	-
TOTAL	**21,807**	**90**	**21,717**
Within the following year	21,807	90	21,717
From 1 to 5 years	-	-	-
More than 5 years	-	-	-
TOTAL	**21,807**	**90**	**21,717**
Overdue – less than 1 month	-	-	-
Overdue – more than 1 month	-	-	-
TOTAL	**-**	**-**	**-**

As noted previously, following the non-compliance with the covenants of the pool finance agreement in existence, the liability under that contract had been fully reclassified under current financial liabilities.

The following table contains the breakdown of the pool finance on 31 December 2015.

(In thousands of	**Date loan taken out**	**Date loan falling due**	**Base rate of interest (1)**	**Spread (1)**	**Nominal Value**	***Delta Nom. V. and Fair Value* at 30.11.2012 (2)**	***Residual to ammort.* at 31.12.2015 (3)**	**Balance at 31.12.2015**
Line 2016	30/11/12	31/12/16	N.a.	N.a.	15,000	(2,907)	(772)	14,228
Line 2020	30/11/12	31/12/20	N.a.	N.a.	10,000	(3,835)	(2,587)	7,413
Pool finance					**25,000**	**(6,742)**	**(3,359)**	**21,641**

(1) Under the restructuring agreement, no interest will accrue or be payable on either of the new lines of credit.

(2) Less fair value compared to the nominal value at the date the restructuring agreement is valid.

(3) Residual cost to amortise.

As provided for in the international accounting principle IAS 39 (AG57 and AG 62), the pool finance liability was recognised at the fair value on the date on which the Restructuring Agreement was signed. It was then valued at amortised cost.
As seen in the table, the effect of recognising the debt at amortised cost was Euro 3,359 thousand at 31 December 2015.

The bank loan is guaranteed by a lien on 67.276% of the share capital of TAS owned by TASNCH, already completed on 30 November 2007, and provides for compliance with certain financial covenants, failing which the pool of lenders can demand immediate repayment of the loan.

In accordance with Consob communication DEM/6064293 of 28 July 2006, the following financial parameters relating to the outstanding debt are provided below:

- Company's net financial debt/EBITDA;
- Company's net financial debt/Net Equity;

Below is a summary of the covenants that were not complied with at 31 December 2015 as referred to above.

	Tas Net Debt/Tas EBITDA <	**TAS Net Debt/TAS Equity <**
31.12.14	4.02	1.56
31.12.15	3.26	1.20
31.12.16	2.89	0.98

The fair value of financing (current and non-current), largely corresponded with the book value.

The structure of the current and non-current financial payables, in terms of the annual interest rate of 31 December 2014 and debt currency was as follows:

Financial payables	zero rate	less than 5%	between 5% and 10.0%
Euro	25,005	-	204
Real	-	-	-
CHF	-	-	-
TOTAL	**25,005**	**-**	**204**

The column of interest-free financial payables includes:

- the pool finance, whose nominal value at 31 December 2015 was Euro 25,000 thousand, as it did not provide for the accrual of interest for either of the new credit facilities, for the entire period;
- Euro 5 thousand related to financial commissions accrued but not yet overdue as of 31 December 2015.

The rest of the debt for Euro 204 thousand was mainly made up of variable-rate finance (referring only to foreign subsidiaries), with a rate of between 5 and 10%.

On the balance sheet date the Group's exposure to changes in interest rates, and the dates for the review of the rates, were as follows:

Rate review period	31.12.2014	31.12.2013
From 0 to 6 Months	204	153
From 6 to 12 Months	-	-
From 1 to 5 years	-	-
More than 5 years	-	-

It is noted that the pool finance negotiated with the lender banks has not been included, as interest does not accrue on either of the new lines of credit.

The table below shows the changes in the Group's financial payables (balance sheet values):

Financial payables	31/12/2015	31/12/2014	Change
Non-current	43	20,549	(20,506)
Current	21,807	90	21,717
TOTAL	**21,850**	**20,639**	**1,211**

Changes	31.12.2014
Opening balance at 1.1.2014	**19,752**
Effect of recognition at the amortised cost of the new pool finance	1,098
Changes in other bank and financial payables	(211)
Closing balance at 31.12.2014	**20,639**

Changes	31.12.2015
Opening balance at 1.1.2015	**20,639**
Effect of recognition at the amortised cost of the new pool finance	1,161
Changes in other bank and financial payables	50
Closing balance at 31.12.2015	**21,850**

At 31 December 2015, the reserve of liquid assets was as follows:

Bank credit lines	Loans 31.12.2015	Utilisation 31.12.2015	Availability of credit 31.12.2015	Availability of credit 31.12.2014
Cash credit line	165	(45)	120	45
Financing Lines (POOL)	25,000	(25,000)	-	-
Other Financing Lines	153	(151)	2	35
Total Bank Credit Lines	**25,318**	**(25,197)**	**121**	**81**
Cash and cash equivalents			3,005	5,740
Total	**25,318**	**(25,197)**	**3,127**	**5,821**

The value of the pool loan mentioned above represents the nominal value of renegotiated debt. The balance sheet value, at the amortised cost, stood at Euro 21,641 thousand.
The Group's liquidity reserve of Euro 3.1 million was considered sufficient to meet the existing commitments at the balance sheet date, based also on the comments in Note 1 of this Section.

31) COMMITMENTS AND OTHER POTENTIAL LIABILITIES

At 31 December 2015, the Parent Company had commitments for rentals payable, totalling Euro 1,050 thousand (Euro 600 thousand due within one year and Euro 450 thousand due between one and five years).

On 24 September 2007 the company and a former consultant of DS Data Systems S.p.A. (a company controlled by NCH Network Computer House S.p.A., now C.I.B. S.p.A., which at the time used to control the company), had entered into a novation agreement determining the joint and several liability of the company and DS Data Systems S.p.A. with regard to the provisions of a Framework Agreement entered into on 2 January 2007 between DS Data Systems S.p.A. and the ex-consultant. The framework agreement provided that DS Data Systems S.p.A. had to pay Euro 350 thousand by way of a general novative settlement in relation to the termination of all past and present relations between the parties, and was to transfer to the ex-consultant two share packages owned by DS Data Systems S.p.A. at the cost of Euro 500 each. One of those packages has already been transferred, the 90% of the DS Data Systems Iberia S.A. shares has not. A business unit owned by DS Data Systems S.p.A. was to be transferred to one of the above companies at a price of Euro 100 thousand. The company objected that the cause and object of the novation was invalid and/or unenforceable. The ex-consultant served an injunction on the company, which was dismissed by the court, who authorised the summonsing of the principal debtor, DS Data Systems S.p.A. which was finally wound up during the case.
The first level Judge partially accepted the ex-consultant's application, without prejudice to DS Data System's being ordered to hold TAS harmless for what was paid to the Company by the ex-consultant, and ordered TAS to pay the counterparty 350 thousand Euro excluding interest, and expenses for a total of about Euro 426 thousand. It is noted that the entire amount has been duly settled. The ex-consultant has nonetheless served the Company with an appeal against the first level judgement, where it was the losing party; the Company has filed a cross appeal. During the most recent hearing on 17 November 2015, the case was retained for a decision and on 22 March 2016, judgement was handed down, in terms of which the Appeal Court refused the main and cross appeal demands, except for partially accepting the main demand that TAS makes provision for Matte Bon to acquire 90% of the shares in DS Data Systems Iberia S.A. at the price of Euro 500.00, and ordering TAS to pay the legal costs incurred by the main appellant. The terms for filing objections was still pending at the date the draft Financial Statements are approved.

INFORMATION ON THE INCOME STATEMENT

Comments on the Income Statement follow. These are compared with the relevant figures for the corresponding period in 2014.
It also shows the revenue and costs accruing with regard to related parties.
For more details on the non-recurring items, please refer to the Report on Operations, while for more information on the related-party relations, please refer to Note 43 in this section.

32)
REVENUE

Revenue	31/12/2015	31/12/2014	Change	Change %
Revenue	46,899	43,450	3,449	7.9%
Work in progress	334	(673)	1,007	>(100.0%)
Other revenue	366	655	(289)	(44.1%)
TOTAL	**47,599**	**43,432**	**4,167**	**9.6%**

At 31 December 2015, the Group recorded *Total revenue* for Euro 47,599 thousand, compared to Euro 43,432 thousand for the previous year, broken down as follows:

- Euro 47,233 thousand made up of revenue from typical management (Euro 42,777 thousand in 2014);
- Euro 366 thousand made up of other non-typical revenue (Euro 655 thousand in 2014).

For more details on the trend in revenue, please refer to the Report on Operations.

33)
PERSONNEL COSTS

Personnel costs	31/12/2015	31/12/2014	Change	Change %
Salaries and wages	19,195	19,518	(323)	(1.7%)
Social security contributions	5,645	5,702	(57)	(1.0%)
TFR provision	1,203	1,237	(34)	(2.7%)
Other costs	(117)	108	(225)	>(100.0%)
Capitalised development costs	(2,496)	(2,594)	98	(3.8%)
TOTAL	**23,430**	**23,971**	**(541)**	**(2.3%)**

*Personnel cost*s, the highest payable item on the Income Statement, went from Euro 23,971 thousand to Euro 23,430 thousand, a reduction of about Euro 541 thousand (-2.3%), compared to 2014.
We note that with the expiry of the agreement with trade union representatives, on 12 April 2015 recourse ended to the Redundancy Benefit Fund ["Cassa Integrazione Guadagni"].
The item *Other costs* includes the IAS 19 actuarial adjustment for the Swiss subsidiary TAS Helvetia on an insurance policy for social security benefits for its employees.
Reference is made to Note 9 in this section regarding *Capitalised development costs.*

34)
COSTS OF SERVICES AND OTHER COSTS

Costs of services and other costs of production amounting to Euro 21,877 thousand, are detailed in the table below:

Costs of services and other costs	31/12/2015	31/12/2014	Change	Change %
Raw material consumables	5,900	1,778	4,122	>100.0%
- of which software development costs	*(409)*	*(252)*	*(157)*	*62.3%*
For services	11,759	11,134	625	5.6%
- of which software development costs	*(1,113)*	*(961)*	*(152)*	*15.8%*
- of which non-recurring	*265*	*13*	252	*>100.0%*
- of which in respect of related companies	*261*	*120*	141	*>100.0%*
For use of third-party assets	1,863	1,920	(57)	(3.0%)
Various operating charges	2,163	1,632	531	32.5%
- of which non-recurring	*1,804*	*731*	1,073	>100.0%
Provisions for risks	192	143	49	34.3%
- of which non-recurring	*143*	*552*	*(409)*	*(74.1%)*
TOTAL	**21,877**	**16,607**	**5,270**	**31.7%**

The increase in *Raw material consumables* is mainly linked to the resale of hardware and software to one of the Group’s principal customers referred to on a number of occasions, which at 31 December 2015 impacted for Euro 4,819 thousand (Euro 969 thousand at 31 December 2014).

As shown in the table, there were non-recurring costs totalling 1,296 thousand Euro, broken down as follows:

BALANCE SHEET ITEM	AMOUNT	DESCRIPTION
“Costs of services”	(265)	Consulting
Total	**(265)**	
“Other costs”	(1,947)	Costs for early retirement
Total	**(1,947)**	
TOTAL NON-RECURRING COSTS	**(2,212)**	

Costs of services mainly include extraordinary legal and financial consulting provided by leading companies to assist with the drafting of the new business plan and the consequent pool financing renegotiation made necessary subsequent to the covenants stipulated in the above contract being broken.
The item *Other costs* referred to transactions relating to incentives for the early retirement of staff and the associated costs.

The *Cost of services* for Euro 11,134 thousand were made up as follows:

Costs of services	31/12/2015	31/12/2014	Change	Change %
External consulting on projects and orders	3,841	3,732	109	2.9%
Capitalised development costs	(1,113)	(961)	(152)	15.9%
Professional services from third parties for resale	1,933	1,510	423	28.0%
Royalties payable	6	43	(37)	(86.1%)
Cash remuneration to directors and auditors	402	528	(126)	(23.8%)
Travel costs	897	889	8	0.9%
Commercial, administrative, legal and tax advisory services	2,341	1,717	624	36.3%
Outsourced IT services	827	832	(5)	(0.6%)
Maintenance and repair fees	187	177	10	5.6%
Telephone and energy bills	489	570	(81)	(14.2%)
Advertising, trade fairs and sponsorships	161	274	(113)	(41.3%)
Insurance	280	280	0	0.0%
Other services	1,508	1,543	(35)	(2.3%)
TOTAL	**11,759**	**11,134**	**625**	**5.6%**

The increase in the Costs of services refers mainly to the increased consulting costs, partly associated with the assistance provided to renegotiate financing.

The item *Costs for use of third-party assets* for Euro 1,863 thousand was made up as follows:

Costs for use of third-party assets	31/12/2015	31/12/2014	Change	Change %
Rentals payable	1,474	1,509	(35)	(2.3%)
Leasing and hiring	389	411	(22)	(5.4%)
TOTAL	**1,863**	**1,920**	**(57)**	**(3.0%)**

35) AMORTISATIONS AND DEPRECIATIONS

Amortisations and depreciations amounted to Euro 9,550 thousand and was broken down as follows:

Amortisations and depreciations	31/12/2015	31/12/2014	Change	Change %
Capitalised software	3,784	3,061	723	23.6%
Other intangible fixed assets	1,909	1,906	3	0.2%
Tangible fixed assets	493	411	82	20.0%
Other fixed asset impairments	3,144	-	3,144	-
Impairment of trade receivables	220	459	(239)	(52.1%)
TOTAL	**9,550**	**5,837**	**3,713**	**63.6%**

The impairment in trade receivables for Euro 220 thousand mainly related to the Parent Company.
For further information on *Other fixed asset impairments*, reference is made to Note 10 in this section.

36)
FINANCIAL INCOME AND CHARGES

The balance of financial management was negative for Euro 1,386 thousand and was made up as follows:

Financial income/(expenses)	31/12/2015	31/12/2014	Change	Change %
Income from non-current receivables	8	20	(12)	(60.0%)
Income from securities	2	1	1	100.0%
Other income	3	8	(5)	(62.5%)
TOTAL FINANCIAL INCOME	**13**	**29**	**(16)**	**(55.2%)**
Interest payable and other financial charges	(1,328)	(1,288)	(40)	3.1%
Exchange rate losses	(71)	(11)	(60)	>100.0%
TOTAL FINANCIAL CHARGES	**(1,399)**	**(1,299)**	**(100)**	**7.7%**
TOTAL RESULT OF FINANCIAL MANAGEMENT	**(1,386)**	**(1,270)**	**(116)**	**9.1%**

The item *Interest payable and other financial charges,* which went from Euro 1,288 thousand in 2014 to Euro 1,328 thousand at 31 December 2015, included:

- interest payable on loans, current bank accounts and factoring accounts for Euro 21 thousand (Euro 39 thousand in 2014);
- bank charges for Euro 72 thousand (Euro 73 thousand in 2014);
- the effect for the period for Euro 1,161 thousand relating to the recognition of the amortised cost of the pool finance (Euro 1,098 thousand in 2014);
- the effect for the period for Euro 74 thousand (Euro 78 thousand in 2014) relating to the recognition of interest costs linked to the actuarial valuation of the employee severance indemnity provision.

The company has not determined the effect of a potential 0.5% increase or decrease in the level of interest rates applicable to existing loans at 31 December 2014, as they are not significant considering that neither of the credit lines are subject to the accrual of interest throughout their term.

37)
PROFIT/(LOSS) FROM INVESTMENTS

The profit from investments is positive in the amount of Euro 20 thousand and only includes the share of the net profit of the subsidiary TASFinnet Ltda. valued using the net equity method.

38)
TAXES

Current taxes amounted to Euro 84 thousand, while the net balance of the deferred taxes is positive for Euro 2 thousand.

Current and deferred taxes	31/12/2015	31/12/2014	Change	Change %
Current taxes	84	668	(584)	(87.4%)
Deferred taxes	(2)	1,306	(1,308)	(100.2%)
TOTAL	**82**	**1,974**	**(1,892)**	**(95.8%)**

The taxes included adjustments relating to the recognition of the deferred tax payable and receivable, details of which are given in Note 14 in this section. They have been calculated according to the global allocation principle, taking into account the cumulative effect of all the temporary differences based on the rates expected to be in force at the time when those differences are realised.

39) PROFIT/(LOSS) PER SHARE

The net result showed a loss of Euro 8,705 thousand compared to the loss of Euro 6,253 thousand for the corresponding period in the previous year.
The loss per share for 2015 was 0.21 Euro compared to the loss of 0.15 Euro at 31 December 2014. The breakdown is given below:

Earnings per share	31/12/2015	31/12/2014
Share Capital	14,330,646	21,919,575
Profit/(loss) for the year	(8,705,234)	(6,252,887)
Ordinary shares	41,768,449	41,768,449
Weighted average of number of shares in circulation in financial year	**41,768,449**	**41,768,449**
EARNINGS PER SHARE	**(0.21)**	**(0.15)**

As there are no potential shares or any other circumstances that could lead to dilutions, the dilutive earnings per share are the same as the basic earnings per share calculated above.

40) OTHER PROFIT/(LOSS)

The value of the Other profit/(loss) is made up as follows:

Other profit/(loss)	31/12/2015	31/12/2014
Profit/(loss) deriving from the conversion of foreign companies' Financial Statements	115	(18)
Profit/(loss) deriving from the adjustment of the goodwill of foreign companies	375	57
Profit/(loss) deriving from the conversion of foreign companies' Financial Statements	**490**	**39**
Actuarial profit/(loss) on defined benefit plans	505	(946)
Profit/(loss) arising from the delta change on dividends of foreign companies	-	49
Income tax relating to Other profit/(loss)	(49)	133
Total Other profit/(loss), net of tax effect	**946**	**(725)**

The income tax effect relating to Other profit/(loss) is made up as follows:

	31/12/2015			31/12/2014		
	Gross value	tax (burden)/benefit	Net value	Gross value	tax (burden)/benefit	Net value
Profit/(loss) deriving from the conversion of foreign companies' Financial Statements	490	-	490	39	-	39
Profit/(loss) arising from the delta change on dividends of foreign companies	-	-	-	49	-	49
Actuarial profit/(loss) on defined benefit plans	505	(49)	456	(946)	133	(813)
Total Other profit/(loss)	**995**	**(49)**	**946**	**(858)**	**133**	**(725)**

41)

DISCLOSURE OF AUDITING FIRM'S REMUNERATION

According to the provisions of Article 149-*duodecies* of the Issuers Regulations, enacting Legislative Decree No. 58 of 24 February 1998, below are the details of the services rendered by the auditing firm in 2015.

The table below indicates the fees in thousands of Euro, for the accounts auditing and other services.

Type of services	Service provider	Service recipient	Compensation
Accounts auditing	Parent company auditor	Parent company TAS S.p.A.	116
	Parent company auditor (DELOITTE)	Parent company TAS S.p.A.	44
	Parent company auditor	Subsidiaries	18

42)
INFORMATION ON OPERATING SEGMENTS

INFORMATION ON OPERATING SEGMENTS

An operating segment is part of an entity that undertakes business activities that generate costs and revenue, the results of which are periodically reviewed at the highest operational decision-making level so that decisions can be taken about the resources to be allocated to the segment, and the evaluation of its results. A geographical segment refers to a group of activities that supply products or services within a specific economic environment subject to risks and returns that differ from those of segments operating in other economic environments.

We note that at the reporting date for these consolidated Financial Statements, both the operating and geographic segments did not meet the requirements of IFRS 8 to provide for a separate disclosure.
Nonetheless, the information relating to the geographic segment is provided below, as Management considers this information useful to readers of the Financial Statements.

GEOGRAPHIC SEGMENT

The other information about geographic segments is provided below:

Income statement	*31.12.2015*						
€ thousand	*Italy*	*Switzerland*	*Spain*	*South America*	*France*	*Other foreign countries*	*Cons.*
Total revenue	**39,454**	**541**	**1,203**	**916**	**2,415**	**3,071**	**47,599**
(of which non-recurring)	-	-	-	-	-	-	-
Personnel costs	(20,216)	(1,151)	(709)	(390)	(620)	(344)	(23,430)
(of which non-recurring)	-	-	-	-	-	-	-
Other costs	(18,406)	226	(370)	(492)	(1,227)	(1,608)	(21,878)
(of which non-recurring)	*(2,212)*	-	-	-	-	-	*(2,212)*
Total costs	**(38,622)**	**(925)**	**(1,079)**	**(883)**	**(1,848)**	**(1,951)**	**(45,308)**
Depreciation and amortisation	(5,824)	(191)	(17)	(15)	(138)	-	(6,186)
Write-downs	(171)	(3,144)	(35)	-	(13)	-	(3,363)
Operating result	**(5,163)**	**(3,720)**	**72**	**18**	**416**	**1,120**	**(7,258)**
Financial revenue	9	3	0	0	2	-	13
Financial charges	(1,320)	(26)	(0)	(49)	(4)	(0)	(1,399)
Result of financial management	**(1,311)**	**(24)**	**(0)**	**(49)**	**(2)**	**(0)**	**(1,386)**
Net profit on investments valued by net equity method	**-**	**-**	**-**	**20**	**-**	**-**	**20**
Profit/(loss) before tax	**(6,474)**	**(3,743)**	**72**	**(11)**	**413**	**1,120**	**(8,623)**
Taxes		0	-	(68)	(14)	-	(82)
Profit from on-going activities	**(6,474)**	**(3,743)**	**72**	**(79)**	**399**	**1,120**	**(8,705)**
Profit from discontinued activities	-	-	-	-	-	-	-
Profit/(loss) for the year	**(6,474)**	**(3,743)**	**72**	**(79)**	**399**	**1,120**	**(8,705)**
Net profit attributable to third parties	-	-	-	-	-	-	-
Profit attributable to Group	**(6,474)**	**(3,743)**	**72**	**(79)**	**399**	**1,120**	**(8,705)**

Income statement	*31.12.2014*						
€ thousand	*Italy*	*Switzerland*	*Spain*	*South America*	*France*	*Other foreign countries*	*Cons.*
Total revenue	**34,837**	**1,425**	**1,483**	**811**	**2,269**	**2,607**	**43,432**
(of which non-recurring)	-	-	-	-	-	-	-
Personnel costs	(19,953)	(1,748)	(861)	(454)	(750)	(206)	(23,971)
(of which non-recurring)	-	-	-	-	-	-	-
Other costs	(12,962)	(194)	(411)	(463)	(1,139)	(1,439)	(16,608)
(of which non-recurring)	*(1,296)*	-	-	-	-	-	*(1,296)*
Total costs	**(32,915)**	**(1,941)**	**(1,272)**	**(917)**	**(1,889)**	**(1,645)**	**(40,579)**
Depreciation and amortisation	(5,010)	(213)	(18)	(15)	(122)	-	(5,378)
Write-downs	(440)	-	(5)	-	(14)	-	(460)
Operating result	**(3,528)**	**(730)**	**189**	**(121)**	**243**	**963**	**(2,985)**
Financial revenue	23	4	0	-	1	-	29
Financial charges	(1,282)	(1)	(5)	(6)	(4)	-	(1,299)
Result of financial management	**(1,259)**	**3**	**(5)**	**(6)**	**(3)**	**-**	**(1,270)**
Net profit on investments valued by net equity method	**-**	**-**	**-**	**(66)**	**-**	**-**	**(66)**
Profit/(loss) before tax	**(4,787)**	**(727)**	**184**	**(194)**	**240**	**963**	**(4,322)**
Taxes	(1,957)	68	-	(76)	(9)	-	(1,974)
Profit from on-going activities	**(6,744)**	**(659)**	**184**	**(270)**	**231**	**963**	**(6,296)**
Profit from discontinued activities	-	-	-	-	-	-	-
Profit/(loss) for the year	**(6,744)**	**(659)**	**184**	**(270)**	**231**	**963**	**(6,296)**
Net profit attributable to third parties	-	-	-	(43)	-	-	(43)
Profit attributable to Group	**(6,744)**	**(659)**	**184**	**(227)**	**231**	**963**	**(6,253)**

Balance Sheet	31.12.2015						31.12.2014					
€ thousand	*Italy*	*Switzerland*	*Spain*	*South America*	*France*	*Cons.*	*Italy*	*Switzerland*	*Spain*	*South America*	*France*	*Cons.*
Intangible fixed assets	20,992	98	1,389	62	98	22,638	21,969	3,066	1,362	471	91	26,959
- Goodwill	15,915	0	1,345	61	91	17,412	15,915	2,769	1,345	-	91	20,120
- Other intangible fixed assets	5,076	98	44	0	6	5,225	6,054	297	18	471	-	6,839
Tangible fixed assets	548	4	6	37	338	933	639	4	13	51	376	1,084
Financial fixed assets	67	-	1	50	-	118	54	-	1	42	-	97
Deferred taxes and other Intangible receivables	65	118	-	-	-	183	74	165	-	-	-	239
Non-current assets	**21,672**	**220**	**1,397**	**148**	**435**	**23,872**	**22,736**	**3,236**	**1,377**	**564**	**467**	**28,380**
Net inventories	2,586	6	-	-	-	2,593	2,233	11	-	-	-	2,244
Trade receivables	17,188	140	402	119	266	18,114	19,633	278	490	65	476	20,943
Other receivables	394	68	55	9	26	552	502	98	71	12	19	702
Accruals and deferrals receivable	4,585	5	5	0	38	4,633	5,760	14	8	0	48	5,830
Profit/loss for the period	**24,753**	**219**	**461**	**128**	**330**	**25,892**	**28,128**	**402**	**570**	**78**	**543**	**29,720**
Trade payables	(10,976)	-	(163)	(146)	(186)	(11,472)	(11,221)	-	(466)	(902)	(38)	(12,627)
Other payables	(6,683)	(162)	(98)	(37)	(242)	(7,222)	(7,239)	(220)	(129)	(134)	(223)	(7,945)
Accruals and deferrals payable	(7,081)	(39)	(104)	(3)	(17)	(7,243)	(8,363)	(40)	(86)	-	(27)	(8,516)
Liabilities for the year	**(24,740)**	**(201)**	**(365)**	**(185)**	**(444)**	**(25,936)**	**(26,824)**	**(260)**	**(681)**	**(1,036)**	**(289)**	**(29,089)**
Net working capital	**13**	**18**	**96**	**(57)**	**(114)**	**(44)**	**1,305**	**142**	**(111)**	**(959)**	**254**	**631**
Employee severance indemnity	(4,025)	(691)	-	-	-	(4,716)	(4,986)	(1,135)	-	-	-	(6,120)
Provision for risks and charges	(426)	-	-	-	-	(426)	(408)	-	-	-	-	(408)
Non-current liabilities	**(4,451)**	**(691)**	**-**	**-**	**-**	**(5,142)**	**(5,393)**	**(1,135)**	**-**	**-**	**-**	**(6,528)**
Net Invested Capital	**17,233**	**(452)**	**1,493**	**91**	**321**	**18,686**	**18,648**	**2,243**	**1,266**	**- 395**	**721**	**22,484**
Cash and cash equivalents	2,111	171	22	185	517	3,005	4,399	953	12	249	128	5,740
Net debt, excl. Shareholders	(21,229)	10	(121)	33	135	(21,172)	(20,036)	9	(44)	9	105	(19,957)
Total net financial position	**(19,118)**	**181**	**(99)**	**218**	**652**	**(18,166)**	**(15,637)**	**962**	**(33)**	**258**	**233**	**(14,216)**
Total net equity						**(520)**						**(8,267)**
Own assets and financial liabilities	**(19,118)**	**181**	**(99)**	**218**	**652**	**(18,686)**	**(15,637)**	**962**	**(33)**	**258**	**233**	**(22,484)**

The distribution of revenue by geographic area largely reflects the location of the companies that make up the Group. South America included the turnover for TAS Americas. Spain essentially included the turnover of TAS Iberia, and the revenue from Switzerland and France mainly referred to the subsidiaries TAS Helvetia and TAS France.
Revenue for *Other Foreign Countries* included mainly Germany and Great Britain.

With regard to the balance sheet, considering the insignificance of the values relating to Other foreign countries, we considered it appropriate for these to be included in the Italy area.

43)
TRANSACTIONS WITH RELATED PARTIES

The following related-party transactions took place during the period. For the definition of "Related parties", reference has been made to IAS 24 R, approved by Regulation (EC) No 632/2010.
Related-party transactions as defined by IAS 24R were carried out in accordance with laws in force, at normal market prices.
The table below summarises the economic, capital and financial relations with related parties on 31 December 2015:

	TASNCH HOLDING	**CONTENT INTERFACE ITALIA SRL**
Trade receivables	-	-
Trade payables	(122)	(26)
Other payables	-	-
Costs		
Costs of services	(166)	(95)
Other costs	(1)	-

The only relations with related parties for the period related to:

- the relations between the Company and the parent company TASNCH referring to Group management and coordination services;
- the relations between the Content Interface Italia, a company in which the Chairman Dario Pardi is the sole director and referred to days worked on projects and jobs for the Company. The balance of the costs of services includes the compensation as Chairman of the Company's Board of Directors.

The following information contains details of the impact that related-party transactions had on the Group's financial and asset position:

Impact of related-party transactions			
		Related parties	
	Total	**Absolute Amount**	**%**
a) Impact of related-party transactions on items on the Balance Sheet			
Trade receivables	22,747	-	0.00%
Financial receivables	585	-	0.00%
Other receivables	552	-	0.00%
Trade payables	(18,714)	(148)	0.79%
Financial payables	(21,850)	-	0.00%
Other payables	(7,206)	-	0.00%
b) Impact of related-party transactions on items on the Income Statement			
Costs of services	(11,759)	(261)	2.22%
Other costs	(4,219)	(1)	0.01%
Trade revenue	46,899	-	0.00%
Other revenue	366	-	0.00%
c) Impact of related-party transactions on cash flow			
Financial revenue	13	-	0.00%
Financial charges	(1,399)	-	0.00%

44)
NUMBER OF EMPLOYEES

Staff	31/12/2015	31/12/2014	Change
TAS	353	378	(25)
TAS HELVETIA	12	20	(8)
TAS FRANCE	7	7	-
TAS AMERICAS	4	4	-
TAS IBERIA	16	15	1
TAS GERMANY	-	-	-
TAS USA	-	-	-
Number of employees	**392**	**424**	**(32)**

45)

REMUNERATION TO DIRECTORS, STATUTORY AUDITORS, GENERAL MANAGERS AND DIRECTORS WITH STRATEGIC RESPONSIBILITIES

Below are the details of the remuneration (in Euro) payable to the directors, members of the Board of Statutory Auditors, General Managers and directors with strategic responsibilities in the year 2015.

Name and Surname	Position held during the year	Period in which the position was held	Expiry of office	Emoluments payable for position within TAS S.p.A. *	Non-monetary benefits **	Bonuses and other incentives ***	Other benefits ****
Renzo Vanetti	Chairman	1/01-30/04/2015	Approval FS 2014	33,333			
Valentino Bravi	Chief Executive Officer	1/01-30/04/2015	Approval FS 2014	16,667	1,083		100,000
Francesco Guidotti	Board member	1/01-30/04/2015	Approval FS 2014	6,667			
Michael Treichl	Board member	1/01-30/04/2015	Approval FS 2014	6,667			
Luca Di Giacomo	Board member	1/01-30/04/2015	Approval FS 2014	10,000			
Richard Launder	Board member	1/01-30/04/2015	Approval FS 2014	9,333			
Total remuneration to directors (up until shareholders' meeting to appoint new BoD)				**82,667**	**1,083**	**-**	**100,000**
Dario Pardi	Chairman	1/05-31/12/2015	Approval FS 2017	30,000			
Valentino Bravi	Chief Executive Officer	1/05-31/12/2015	Approval FS 2017	30,000	2,166		185,000
Giorgio Papa	Board member	1/05-06/10/2015	Approval FS 2017	10,417			
Riccardo Pavoncelli	Board member	1/05-31/12/2015	Approval FS 2017	10,000			
Luca Di Giacomo	Board member	1/05-31/12/2015	Approval FS 2017	13,333			
Giovanni Damiani	Board member	1/05-31/12/2015	Approval FS 2017	13,333			
Giancarlo Albini	Board member	1/05-31/12/2015	Approval FS 2017	16,667			
Roberta Viglione	Board member	1/05-31/12/2015	Approval FS 2017	16,667			
Suzan Andrèe Bazile	Board member	1/05-31/12/2015	Approval FS 2017	13,333			
Total remuneration to directors (from 01/05/2015 new composition)				**153,750**	**2,166**	**-**	**185,000**
Total remuneration to directors for 2015				**236,417**	**3,249**	**-**	**285,000**
Carlo Ticozzi Valerio	Chairman	1/01-31/12/2015	Approval FS 2016	41,600			
Paolo Sbordoni	Chairman[6]	1/01-30/04/2014		7,760			
Alberto Righini	Standing Auditor[6]	1/01-30/04/2014		15,621			
Antonio Mele	Standing Auditor	1/01-31/12/2015	Approval FS 2016	43,051			
Simonetta Bissoli	Standing Auditor	1/01-31/12/2015	Approval FS 2016	31,200			

[6] Residual remuneration recorded as accrued.

Total auditors' remuneration	**139,232**	**-**	**-**	**-**
TOTAL REMUNERATION	**375,649**	**3,249**	**-**	**285,000**
Directors with strategic responsibilities*****		**7,722**	**45,000**	**923,638**

* The amounts stated refer to the payment authorised by the Shareholders' Meeting.
** Included fringe benefits.
*** The stated amounts refer to the variable portion of remuneration.
**** Includes salary from paid employment. Does not include welfare contributions payable by employer.
***** Included the 9 managers in office on 31 December 2015.
For more details, please refer to the Remuneration Report.

For the Board of Directors
the Chief Executive Officer
VALENTINO BRAVI

Certification of the Consolidated Financial Statements pursuant to Art. 81-*ter* of the Consob Regulation No.11971 of 14 May 1999, as amended.

The undersigned Valentino Bravi, Chief Executive Officer, and Paolo Colavecchio, as Officer in charge of the preparation of the company accounting documents for TAS S.p.A. also considering that as established by Art. 154-*bis*, paragraphs 3 and 4 of Legislative Decree No. 58 of 24 February 1998, certify:

- the adequacy in respect of the Company's characteristics, and
- the effective application

of the administrative and accounting procedures for the preparation of the Consolidated Financial Statements during the financial period from January-December 2015.

It is also hereby certified that the Consolidated Financial Statements at 31 December 2015:

a. have been drawn up according to the international accounting standards applicable and recognised in the European Community pursuant to the Regulation (EC) No. 1606/2002 of the European Parliament and Council of 19 July 2002;
b. correspond to the balances in the accounting records;
c. provide a true and correct representation of the equity and economic and financial situation of the issuer and of all the companies included in the consolidation.

The Report on Operations includes a reliable analysis of the trend and operating profit, in addition to the position of TAS and all businesses included in the consolidation and a description of the main risks and uncertainties to which they are exposed.

Bologna, 29 April 2016

Chief Executive Officer
Valentino Bravi

Financial Reporting Officer
Paolo Colavecchio

Tas SpA
Administrative Headquarters
Via della Cooperazione 21
40129 Bologna
T [+39] 051 458011
F [+39] 051 4580248
www.tasgroup.it

Tas SpA
Registered Office
Via Benedetto Croce 6
00142 Rome
T [+39] 06 7297141
F [+39] 06 72971444

Share Capital € 14,330,645.50 fully paid up
R.E.A. No. RM 732344
VAT number 03984951008
Tax code and Rome Co. Reg. no. 05345750581
PEC: amministrazione@pec-tasgroup.it

Company subject to the direction and coordination of TASNCH Holding S.p.A. based in Milan, Via Appiani 12 - Tax Code and Milan Company

TAS TECNOLOGIA AVANZATA DEI SISTEMI S.p.A.

Registered Office Via Benedetto Croce, 6 - 00142 Rome (RM) - Fully paid-up Share Capital: 21,919,574.97 Euro fully paid up - Registration Company Reg. and Tax Code 05345750581 - Rea 732344

Balance sheet	***Notes***	***31.12.2015***	***31.12.2014***
Intangible fixed assets	**10**	20,469	21,926
- Goodwill		*15,393*	*15,393*
- Other intangible fixed assets		*5,076*	*6,534*
Tangible fixed assets	**11**	548	643
Investments and other securities	**12**	10,391	10,813
Financial fixed asset receivables	**13**	428	432
Other receivables	**14**	65	74
Total non-current assets		**31,902**	**33,888**
Net inventories	**15**	2,586	2,233
Trade receivables	**16**	22,093	27,089
(of which in respect of related companies)		*322*	*1,177*
(of which trade accruals and deferrals)		*4,585*	*5,760*
Other receivables	**17**	209	420
Receivables for current taxes on income	**18**	184	144
Financial receivables	**19**	21	71
(of which in respect of related companies)		*-*	*50*
Cash and cash equivalents	**20**	2,080	4,399
Total current assets		**27,173**	**34,356**
TOTAL ASSETS		**59,075**	**68,244**
Share capital		14,331	21,920
Premium reserve		-	13,666
Other reserves		(257)	68,224
Profit/(loss) of previous years		-	(86,478)
Profit/(loss) for the year		(6,489)	(3,517)
Net Equity	**21**	**7,585**	**13,815**
Employee severance indemnity provision	**22**	4,025	4,996
Provisions for risks and charges	**23**	426	408
Financial payables	**24**	-	20,481
Total non-current liabilities		**4,451**	**25,884**
Trade payables	**25**	18,677	21,281
(of which in respect of related companies)		*782*	*519*
(of which trade accruals and deferrals)		*7,075*	*8,363*
Other payables	**26**	6,683	7,239
Financial payables	**27**	21,678	25
(of which in respect of related companies)		*26*	*16*
(of which financial accruals and deferrals)		*5*	*5*
Total current liabilities		**47,039**	**28,545**
TOTAL LIABILITIES		**59,075**	**68,244**

Income statement	***Notes***	***31.12.2015***	***31.12.2014***
Revenue		42,725	38,107
(of which in respect of related companies)		*457*	*553*
Work in progress		353	(369)
Other revenue		402	779
(of which in respect of related companies)		*200*	*141*
Total revenue	**29**	**43,480**	**38,516**
Raw materials, consumables and goods	**31**	(5,400)	(1,390)
(of which in respect of related companies)		*(18)*	*-*
Personnel costs	**30**	(20,830)	(20,445)
Costs of services	**31**	(11,104)	(10,477)
(of which non-recurring)		*(265)*	*(13)*
(of which in respect of related companies)		*(1,280)*	*(978)*
Other costs	**31**	(3,726)	(2,960)
(of which non-recurring)		*(1,813)*	*(1,024)*
(of which in respect of related companies)		*(1)*	*(6)*
Total costs		**(41,060)**	**(35,272)**
Depreciation and amortisation	**32**	(5,824)	(5,010)
Write-downs	**32**	(1,775)	(440)
Impairment reversal	**32**	-	1,500
Operating result		**(5,178)**	**(706)**
Financial revenue		9	433
(of which in respect of related companies)		-	*410*
Financial charges		(1,320)	(1,282)
Results of financial management	**33**	**(1,311)**	**(849)**
Profit/(loss) before tax		**(6,489)**	**(1,555)**
Taxes	**34**	-	(1,962)
Profit/(loss) from continuing operations		**(6,489)**	**(3,517)**
Profit/(loss) from non-continuing operations		-	-
Profit/(loss) for the year		**(6,489)**	**(3,517)**
Earnings per share			
-base		**(0.16)**	**(0.08)**
- diluted		**(0.16)**	**(0.08)**

Comprehensive income statement	***Notes***	***31.12.2015***	***31.12.2014***
Net profit/(loss) pertaining to Company (A)		**(6,489)**	**(3,517)**
Other profit/(loss), net of tax effect that will not subsequently be reclassified in the financial year profit/(loss):			
Actuarial profit/(loss) on defined benefit plans		259	(280)
Tax effect		-	-
Total Other profit/(loss), net of tax effect that will not subsequently be reclassified in the financial year profit/(loss) (B)	35	**259**	**(280)**
Total Profit/(loss) (A) + (B)		**(6,230)**	**(3,797)**

Cash Flow Statement	***Notes***	***31/12/2015***	***31/12/2014***
Profit/(loss) for the year		(6,489)	(3,517)
Amortisations and depreciations	**32**	7,599	5,450
Impairment reversal	**32**	-	(1,500)
Change to employee severance provision	**22**	(785)	(291)
Change in provisions for risks and charges	**23**	19	(232)
Change in deferred tax provisions		-	-
Payment of income taxes		(40)	(738)
Other non-monetary changes		1,339	1,600
Decrease/(increase) in inventories and other current assets		4,652	(4,479)
Increase/(decrease) in accounts payable and other liabilities		(4,291)	10,158
Cash flow from operating activities		**2,004**	**6,451**
Net change in intangible fixed assets	**10**	(4,033)	(3,894)
Net change in tangible fixed assets	**11**	(239)	(333)
Establishment of TAS USA INC (100% control)	**12**	-	(16)
Payment to TAS USA INC share capital	**12**	(27)	-
Establishment of (100% control) TAS GERMANY GMBH	**12**	(25)	-
Cash flow from investments		**(4,324)**	**(4,243)**
Change in financial payables to related parties/subsidiaries	**24/27**	9	16
Change in financial payables to related parties/subsidiaries	**19**	50	(50)
Change in other financial receivables	**13**	4	2
Change in other financial payables (including factoring)	**24/27**	3	(209)
Dividends paid by subsidiaries	**33**	-	410
Paid financial charges		(65)	(73)
Cash flow from financing		**1**	**96**
Change in cash and cash equivalents		**(2,319)**	**2,305**
Cash and cash equivalents - initial balance		**4,399**	**2,094**
CASH AND CASH EQUIVALENTS — CLOSING BALANCE	**20**	**2,080**	**4,399**

Statement of Changes in Statutory Net Equity

	Share capital	Share prem. res.	Legal res.	Extr. res.	Other res.	Actuarial valuation reserve	Profit/(loss) carried forward	Reserve for the year	Total
Balances at 31 December 2013	**21,920**	**13,666**	**228**	**25**	**68,487**	**(236)**	**(85,277)**	**(1,202)**	**17,612**
Allocation of 2013 profit	-	-	-	-	-	-	(1,202)	1,202	-
Profit/(loss) for the period	-	-	-	-	-	(280)	-	(3,517)	(3,797)
Other changes	-	-	-	-	-	-	-	-	-
Balances at 31 December 2014	**21,920**	**13,666**	**228**	**25**	**68,487**	**(516)**	**(86,478)**	**(3,517)**	**13,815**
Allocation of 2014 profit	-	-	-	-	-	-	(3,517)	3,517	-
reduction in share capital	(7,589)	(13,666)	(228)	(25)	(68,487)	-	89,995	-	-
Profit/(loss) for the period	-	-	-	-	-	259	-	(6,489)	(6,230)
Other changes	-	-	-	-	-	-	-		-
Balances at 31 December 2015	**14,331**	**-**	**-**	**-**	**-**	**(257)**	**-**	**(6,489)**	**7,585**

NOTES TO THE STATUTORY FINANCIAL STATEMENTS

INTRODUCTION

TAS S.p.A. (hereinafter "Tas", the "Company" or the "Parent Company") is an Italian registered joint-stock company [*società per azioni*] listed on the Milan Stock Exchange [Borsa Italiana S.p.A] on the standard segment of the MTA market. It is held for 87.557% by TASNCH Holding S.p.A. (hereinafter "TASNCH" – a company indirectly 100%-controlled by Audley Capital Management Limited, "Audley").

These Financial Statements were prepared by the Board of Directors on 29 April 2016, for approval by the Shareholders' Meeting called for 31 May 2016 at the first call, and 1 June 2016 at the second call.

1) INFORMATION REQUIRED BY CONSOB PURSUANT TO ART. 114 OF LEGISLATIVE DECREE 58/98

According to the Consob requirements, pursuant to Art. 114 of Legislative Decree 58/98, the following information is provided regarding the:

a) possible lack of compliance regarding covenants, negative pledges and other debt clauses for the Group involving restrictions in the utilisation of financial resources, with confirmation and updated date of level of compliance of said clauses;
b) approval and progress status on Group's debt restructuring plan;
c) approval and/or status of implementation of the Group's business plan, highlighting possible disparities between actual and forecast figures.

a) The current Restructuring Agreement, signed on 27 June 2012 requires that the following financial parameters are adhered to, which are to be calculated at the end of each financial period (31 December):

	Tas Net Debt/Tas EBITDA <	**TAS Net Debt/TAS Equity <**
31.12.13	4.27	1.85
31.12.14	4.02	1.56
31.12.15	3.26	1.20
31.12.16	2.89	0.98

According to the Restructuring Agreement, default on the covenants occurs when both parameters have not been respected.
At 31 December 2015, the financial parameters had not been complied with. Consequently, as required by IAS 1, the relative payables raised against this agreement were reclassified under Current financial liabilities;

b/c) Over the three-year period 2012-2015, the Company recorded lower revenue than what had been envisaged in the 2012-2016 Plan, and had to take cognisance of both the structural nature of the drop in core business sales on the domestic market compared to the Plan's forecasts, and the need to incur non-recurring extraordinary costs, to complete the staff restructuring and consequent reduction in personnel, as well as dedicating resources to increasing investments focusing on accelerating the development of new products, even though the policy pursued by the Company to increase efficiency and contain costs, did reduce margins. Consequently the refinancing operations for the pool financing of debt falling due on 31 December 2016, were activated with a new Business and Financial plan submitted and the relative financial measures, which made it possible for the Company to recover its financial and asset balance

On 24 July 2015, the Company appointed KPMG Advisory S.p.A. as its business and financial advisory ("**Advisor**") to assist it in drafting the new business plan for 2016-2020 and the relevant financial measures to support this.

On 2 April 2015, Alex s.r.l., a single-member company that is currently held entirely by Mr Dario Pardi ("**Alex**"), signed a letter of intent with TASNCH regarding a possible investment by Alex in the Company with a share capital increase reserved to Alex itself. The extent of the increase – once all the necessary permits and authorisations have been obtained (including Banks' approval) – would allow the latter to own a stake of not less than 51% of the Company's share capital. To this end, Alex signed an agreement with TASNCH relating to the Company (the "**First Agreement**", which was then amended on 31 July 2015) in terms of which, *inter alia*, and up until 31 December 2015:

(a) TASNCH undertakes to vote in favour of the appointment of Mr Dario Pardi as chairman of the Board of Directors of TAS; and

(b) TASNCH has undertaken to provide Alex with exclusive rights regarding the implementation of possible investments in TAS.

On 30 December 2015, following the successful outcome of negotiations between Alex and GUM, on the one hand, and Rosso, Verde and TASNCH on the other, as well as discussions held with TAS' Creditor Banks (the "**Creditor Banks**"), Alex and TASNCH cancelled the First Agreement and signed a new agreement with the companies GUM, Verde and Rosso, which was in turn amended on 23 March 2016 (the "**Second Agreement**").

The Second Agreement with 87.557% of the share capital in which TAS has voting rights represented, and 100% of the share capital in which TASNCH and Verde have voting rights represented, makes provision, *inter alia*, for Alex and GUM to benefit from an exclusive period up until 30 September 2016 (the "**Exclusive Period**"), during which to negotiate and finalise the purchase of an indirect 87.557% stake in the share capital, comprising shares with TAS voting rights, in the context of a certified plan, pursuant to Art. 67, paragraph 3, letter d) of Royal Decree 267/1942 (the "Bankruptcy Law") relating to TAS (the "**Operation**"). Specifically:

a) GUM International s.r.l. ("**GUM**") would acquire from Rosso S.à.r.l. ("**Rosso**") a 100% stake in the share capital of Verde (the "**Verde Acquisition**") without the payment of any price or fee therefore free of charge;

b) Verde would transfer a 58.20% shareholding in TASNCH's share capital to Alex, without the payment of any price or fee, therefore free of charge, so that following the outcome of this transfer, Verde would hold a 41.80% stake in TASNCH's share capital;

c) Alex undertakes to make a contribution of Euro 10,000,000.00 (ten million) in TASNCH's share capital, and the latter undertakes to make a payment to a future capital increase free of charge, without repetition right, in favour of TAS for the same amount (the "**Free Future Capital Increase Payment**");

d) TAS would resolve a free share capital increase to benefit its shareholders in proportion to the shares held, to be released using the Free Future Capital Increase (the "**Free Capital Increase**"). Should the Free Capital Increase not be released and carried out within a set time frame from the date the Free Future Capital Increase Payment is made, the Free Future Capital Increase Payment will be transformed into a contribution to the equity in favour of TAS, and will be definitively acquired by TAS.

e) TASNCH would purchase from the Creditor Banks on a non-recourse basis, the receivables due from the latter to TAS for a nominal amount of Euro 20,000,000.00 (twenty million) (the "**Bank Receivables**");

f) TASNCH would waive the Bank Receivables, in this way releasing TAS from its debt for Euro twenty million;

g) TAS' residual debt of Euro 5,000,000.00 (five million) will be rescheduled according to the agreements reached between the Parties and the Creditor Banks in the context of a certified plan pursuant to Art. 67, paragraph 3, letter d) of the Bankruptcy Law;

Mr. Valentino Bravi (the current TAS Managing Director) and his immediate family members have decided to invest in GUM, in this way taking part in the Operation.[7]

The execution of the Operation is dependant on the condition precedent, of obtaining a provision from Consob which confirms or rules in favour of the application of the exemption of promoting the takeover bid on TAS. On 2 April 2016, the lawyers for Alex submitted a specific question to Consob.

With the support of the Advisor, the Company drafted the Company's Business Plan and financial measures for 2016-2020 (jointly the "**2016-2020 Plan**") based on the Operation. The 2016-2020 Plan, which aimed to remedy TAS' debt exposure, strengthen its capital and ensure that its financial position is restored, was approved by the Company's Board of Directors on 29 April 2016. In summary, it makes provision *inter alia*:

(i) for a contribution of new resources from Alex, mainly to support TAS' expansion strategy in certain specific market sectors, through the Free Future Capital Increase Payment;

(ii) the Company's capital is strengthened further with TASNCH's non-recourse purchase of the Bank Receivables and subsequent waiver by TASNCH in respect

[7] On the date that a binding agreement is signed relating to the Operation, GUM will be held for 51% (fifty one percent) by GUM Consulting S.r.l. ("GUM Consulting"), for 20% (twenty percent) each by Messrs Fabio Bravi and Matteo Bravi (sons of Mr Valentino Bravi) and for 9% (nine percent) by Bravi Consulting S.r.l. (Company in which the interest is held by Mr Bravi and members of the Bravi family). The shares in GUM Consulting are held as follows: (i) 52% Dario Pardi (current Chairman of the Board of Directors of TAS); (ii) 16% Umberto Pardi; (iii) 16% Matteo Pardi and (iv) 16% Ginevra Pardi (Umberto Pardi, Matteo Pardi and Ginevra Pardi are the children of Mr Dario Pardi).

of the Bank Receivables, thus realising a reduction in the existing net financial debt for a total of Euro 20,000,000.00, and finally,

(iii) the terms and conditions applicable to the portion of Existing Financial Debt for Euro 5,000,000.00 that will remain with the Company subsequent to the sale of the Bank Receivables, will be remodelled and redetermined.

On 26 October 2015, the Company appointed Mr Massimiliano Bonamini, as a duly registered auditor holding the requirements pursuant to Art. 28, letters a) and b) of the Bankruptcy Law (the "**Expert**"), to provide certification of the 2016-2020 Plan pursuant to Art. 67, paragraph three, letter d) of the Bankruptcy Law.

The plan will be subject to certification by the above Expert regarding:

(i) the truthfulness of the corporate date contained in the 2016-2010 Plan;

(ii) the feasibility of the 2016-2020, and

(iii) the suitability of the 2016-2020 Plan in allowing the debt exposure to be remedied, and the Company's financial balance to be restored over the time frame envisaged by the plan.

The contract documentation referring to the Plan should be signed by 11 May 2016, the day on which the certification of the 2016-2020 Plan based on Art. 67, paragraph three, letter d) of the Bankruptcy Law should be ready, as confirmed in the comfort letter received by the Company on 28 April from the Expert.

On 29 April 2016, the Company acknowledged the advanced stage reached in the negotiations to sign the agreement with the Creditor Banks pursuant to Art. 67, paragraph three, letter d) of the Bankruptcy Law, as was confirmed in the comfort letter sent by the Creditor Banks to the Company on 28 April 2016 in which they advised that their decision-making bodies had approved the Operation. The resolution is subject to certain conditions precedent, including the certification of the 2016-2020 Plan pursuant to Art. 67, paragraph three, letter d) of the Bankruptcy Law, reaching agreement and finalising the definitive agreement for the contracts and ancillary documentation, which is already at an advanced stage of negotiation with the Creditor Banks, and Consob issuing a Takeover Bid Exemption in accordance with the Consolidated Finance Law (Legislative Decree 58/1998).

Based on what has been set out above, the Directors supported by legal counsel, and agreeing in substance with the founding arguments of the application forwarded to Consob by the investors' legal consultants on behalf of the latter - and whilst taking due consideration of the uncertainties inherent to the assessments made by the relevant authorities - are reasonably certain of obtaining the necessary provision from Consob, and therefore of being able to go ahead with the Operation as currently envisaged.

On this basis, the Directors deemed the uncertainty profiles detailed above not to be significant, and have consequently prepared the separate financial statements on the assumption of the Company as a going concern.

2) VALUATION CRITERIA

REFERENCE ACCOUNTING STANDARDS

The Statutory Financial Statements for 2015 were prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and endorsed by the European Union, and the measures implementing Art. 9 of Legislative Decree No. 38/2005. IFRS also means the currently applicable International Accounting Standards (IAS) and all of the interpretation documents issued by the IFRS Interpretations Committee, formerly known as International Financial Reporting Interpretations Committee (IFRIC) and Standing Interpretations Committee before that (SIC).

The Financial Statements were prepared on the basis of the historic cost principle, modified where required for the valuation of certain assets and liabilities, where the fair value principle was applied, and the assumption of a going concern.

FINANCIAL STATEMENTS

The Financial Statements are presented in thousands of Euro.
The Financial Statements structures adopted by the Group have the following characteristics

- in the Balance Sheet, assets and liabilities were analysed according to when they fall due, separating current and non-current items with due dates within or after 12 months from the date of the Financial Statements, respectively;
- the Income Statement and the Comprehensive Income Statement were presented with the different items analysed based on their nature;
- the Statement of changes in the equity statements were prepared in accordance with IAS 1 provisions;
- the Cash Flow Statement shows cash flows based on the “indirect method”, as permitted by IAS 7.

<u>Use of estimates and assumptions in the preparation of the annual Financial Statements</u>

The preparation of the Consolidated Financial Statements requires the use of estimates and assumptions that may have a significant effect on the amounts recognised in the Balance Sheet and Income Statement, as well as the disclosure of contingent assets and liabilities reported in the Financial Statements. The production of such estimates involves the use of available information and the adoption of subjective assessments based on past experience, which are used to formulate reasonable assumptions for the recognition of operations. By their nature, these estimates and assumptions may change from year to year and, therefore, cannot be excluded that, in future years, the current values entered in the Financial Statements may differ significantly as a result of changes in the subjective valuations.

The main areas where subjective judgments by management were required include:

- the quantification of losses for impairment of loans and, generally, other financial assets;
- calculating the fair value of financial instruments;

- an assessment on whether the goodwill, other intangible fixed assets and investments are appropriate (it is noted that, due to the importance of this particular item, a sensitivity analysis was carried out. Reference is made in this regard to Note 9 and 11);
- an estimate of contract costs for WIP on order based on the criteria relating to the completed percentage;
- the quantification of severance indemnity provisions and the risks and charges provisions;
- estimates and assumptions relating to the recoverability of deferred tax assets.

The description of the accounting policies applied to the main aggregates of the Financial Statements provides the information needed to identify the key assumptions and subjective evaluations used in the preparation of the Financial Statements. Reference is made to the specific sections of the Notes for more information and details on the item's composition and amounts involved in these estimates.

INTANGIBLE FIXED ASSETS

Goodwill

Goodwill acquired in a business combination represents a payment made by the acquirer in anticipation of future economic benefits from assets that are not individually identified and separately recognised, or it is determined as the positive difference between the consideration transferred (equal to the fair value at the acquisition date) and the net amounts at the date of acquisition of the assumed identifiable assets and liabilities.
It is entered in the balance sheet as an intangible asset.
Goodwill is recorded at cost and is not amortised but is subject to impairment tests once a year or more frequently if any events or changes in circumstances indicate possible losses in value, according to the provisions of IAS 36 – Impairment of assets.
After initial recognition, goodwill is measured at cost less any accumulated impairment losses.
In the context of First-time Adoption IAS/IFRS, it was decided not to apply IFRS 3 retrospectively to the business combinations that occurred before 1 January 2005; as a consequence, goodwill arising on acquisitions before the date of transition to IFRS was retained at the previous Italian GAAP amounts, subject to impairment testing at that date.

Research and development expenses

Research costs were charged to the Income Statement at the time the cost was incurred on the basis of IAS 38.
When the costs incurred in respect of software development meet the following conditions, they are recognised as an intangible assets on the asset side of the balance sheet.
Capitalisation begins when the company can demonstrate:

a) the technical possibility of completing the software solution so that it is available for use or sale;
b) its intention to complete the software solution to use it or sell it;
c) its ability to use or sell the software solution;
d) the procedure to generate future economic profits, e.g., by demonstrating the existence of a market for any software-based product or for software itself, or its internal use;

e) the availability of adequate technical, financial and other resources to complete the development of software and the use or sale of the software;
f) the ability to reliably assess the cost attributable to the software during the development phase.

The amortisation of capitalised software development costs is based on a systematic criterion from the initial product availability for use through to the estimated useful life, which is normally three years. The straight-line method is the chosen amortisation approach.

Other intangible fixed assets

Other intangible assets are recognised as assets in accordance with IAS 38 – *Intangible fixed assets*, when it is probable that the use of said assets will generate future economic benefits and if their costs can be reliably measured. Assets are valued at purchase cost and amortised on a straight-line basis over their estimated useful life.

The useful life for each category is as follows:

DESCRIPTION	**YEARS**
Goodwill	Indefinite useful life
Development costs	3 years
Industrial patent rights	5 years
Trademarks	10 years
Customer List	10 years

TANGIBLE FIXED ASSETS

Property, plants and machinery

Tangible fixed assets are recognised at cost and entered at the purchase price or cost of production including the directly attributable ancillary costs necessary to make the assets available for use.

Tangible assets are systematically depreciated on a straight-line basis throughout their useful life, with this understood as the estimated period in which the asset will be used by the company. Should tangible fixed assets consist of several components with different useful lives, depreciation is calculated separately for each component. The depreciation value is represented by the recognition value less the presumed net value of disposal at the end of its useful life, if significant and reasonably determinable.

The cost of improvements, modernisation or transformation that increases the working life of tangible assets are allocated to the relevant category and depreciated throughout the asset's residual life.

When events occur that lead to expectations of an impairment in the value of tangible assets, their recoverability is verified by comparing the recognition and value against the related recoverable value, represented by the higher of the fair value, net of disposal costs, and the value in use.

In the absence of any binding sale agreement, fair value is estimated on the basis of the values expressed by an active market, by recent transactions, or on the basis of the best information available to reflect the amount that the company could obtain from selling the assets.
The value in use is determined by discounting the expected cash flows deriving from use of the assets and, if significant and reasonably determinable, from its disposal at the end of its life. Cash flows are determined on the basis of reasonable and documented assumptions representing the best estimate of future economic conditions during the asset’s remaining life. Discounting takes place at a rate that takes into account the implicit risk in the business sector.

Should the grounds for impairment lapse, the assets would be revalued and the adjustment recognised in the Income Statement as a revaluation (reversal of impairment) up to the amount of the write-down, or the lower of the recoverable value and the carrying value before previous write-downs and reduced by the depreciation had it not been written down.

Depreciation begins when the asset is available for use, taking into account the actual time that condition is realised.

The rates applied by the Company are as follows:

CATEGORY	**RATES**
Specific plants and machinery	15%
Equipment:	15%-20%-25%
Other assets:	
- Cellphones	40%
- Furniture and furnishings	12%
- Electronic office machinery	40%
- Hardware	40%

Impairment of assets (impairment test)

Goodwill, intangible assets with an indeterminate life, and current development costs are subjected to a systematic impairment test, at least once a year or whenever indications of value impairments arise.
Tangible fixed assets and equity investments in subsidiaries, affiliates and joint ventures, as well as intangible fixed assets subject to amortisation undergo an impairment test, whenever impairment indicators occur, and in any case at least once a year.
The reductions in value correspond to the difference between the book value and the recoverable value of an asset. The recoverable value is the higher of the fair value of an asset or a cash generating unit, less the sale costs, and its value in use, defined on the basis of discounted future cash flows. The value in use is the sum of the cash flows expected from the use of an asset, or their sum in the case of cash-generating units.
The discounting of the expected cash flows is carried out according to the weighted average cost of capital (WACC). If the recoverable value is less than the book value, it is entered at the recoverable value, and the impairment in value is recorded on the Income Statement. If the value impairment of the assets (excluding goodwill) ceases to exist, the book value of the assets (or CGU) is increased up to the new estimate of the recoverable value without exceeding the original value.

FINANCIAL ASSETS

Financial assets are removed from the balance sheet when there is no longer any right to receive cash flows from the related asset, and the company has essentially transferred all the risks and benefits to it, and the related control.

Equity investments

Equity investments in subsidiaries, jointly-owned subsidiaries and affiliated companies are valued on the basis of cost adjusted to reflect value impairments. The other equity investments are valued at the fair value. When the fair value cannot be reliably determined, equity investments are valued at cost, adjusted to reflect losses in value.
The risks arising from any losses exceeding the investment's book value is recognised in a specific provision, to the extent that the company is obliged to fulfil legal or implied obligations towards the subsidiary, or to cover its losses.

Loans and receivables

These financial instruments mainly consist of trade receivables, non-derivatives, not listed on an active market, which expected to yield fixed or determinable payments. They are entered under the current section with the exception of those expiring more than 12 months after the balance sheet date, in which case they are classified in the non-current section. These assets are valued at cost amortised on the basis of the effective interest rate method. If there is are clear indications of value impairments the asset value is reduced so that it is equivalent to the future flows obtainable in the future. Value impairments are recorded in the Income Statement. If, in subsequent periods, the reasons for the previous write-downs no longer exist, the asset value is restored up to the value that would have resulted from application of the amortised cost, had no write-down taken place.

Investments held to maturity

The Company does not hold these types of investments at the date of the Financial Statements.

Investments available for sale

The Company does not hold these types of investments at the date of the Financial Statements.

Financial assets measured at fair value through profit or loss

The Company does not hold those types of assets at the date of the Financial Statements.

Derivative financial instruments

The Company does not hold those types of derivative financial instruments at the date of the Financial Statements.

Work in progress on order

This relates to Work in Progress on order, for installation activities and services subject to completion.
They are entered in accordance with the completion percentage and provisions of IAS 11 – Construction contract; the costs, revenue and resulting margins are entered in the Income Statement according to the works' stage of completion. The stage of completion of goods or services is valued reliably using the cost-to-cost method: the margin is recorded by taking into account the proportion between the order costs incurred during the year and the total costs incurred, plus the estimated costs needed to finish. If it is likely that the total order costs will exceed the total order revenue, the expected loss is immediately entered as a cost regardless of the stage of completion.

Cash and cash equivalents

Cash and cash equivalents include liquid assets, bank and postal deposits.

FINANCIAL LIABILITIES

Financial liabilities measured at fair value through profit or loss

The Group does not hold those types of liabilities at the date of the Financial Statements.

Financial liabilities valued at amortised cost

Financial liabilities are recorded initially at the cost corresponding to the fair value. Subsequently, financial liabilities held until maturity are valued at the amortised cost. Transaction costs directly attributable to the issue of the liabilities are amortised throughout the life of the loan.
In the event of contract changes associated with renegotiations, the Group's internal accounting policy requires that both a qualitative and quantitative test are carried out.

Employee severance indemnity provision (TFR)

The employee severance indemnity (TFR) is classified as a post-employment benefit and consists of payments due to employees after the termination of their employment contracts.
Under IAS 19 Revised 2011 – *Employee benefits*, the related liability is considered on the basis of a valuation made on the date of the balance sheet, in respect of the service rendered during the current year, and in previous years. The method used is the projected unit credit method applied by independent actuaries.
This calculation consists of estimating the amount of benefit that the employee will receive on the estimated date of termination, using demographic assumptions (such as the rate of mortality and staff rotation rate) and financial assumptions (such as the discount rate and future salary increments). The total calculated in this way is discounted and re-proportioned on the basis of the length of service accumulated, compared to the total length of service, and represents a reasonable estimate of the benefits already accrued by each employee in return for their work.
The actuarial gains and losses deriving from the actuarial calculation are recorded in the Balance Sheet under Reserves IAS 19 and accounted for in the Comprehensive Income Statement. The

cost components relating to work and net financial expenses are accounted for in the Income Statement.
With reference to the TFR provision, considered as a defined-benefits plan until 31 December 2006, Law no. 296 of 27 December 2006 (the "2007 Finance Act") and the subsequent decrees and regulations issued during 2007 introduced significant reforms to the way in which quotas of severance pay are allocated, as part of the reforms to the welfare and pensions system.
Specifically, workers can now decide to allocate new TFR benefits to supplementary pension schemes or keep them with the company (for companies with less than 50 staff), or transfer them to the National Pension Fund (INPS) (for companies with more than 50 staff). Following these reforms, the Company has based itself on the generally accepted interpretation and has decided that:

- for TFR benefits accruing up until 31 December 2006 the provision will be a defined-benefits plan to be valued according to the existing actuarial rules but without including the component relating to future salary increases. The difference resulting from the new calculation, compared to the previous one was dealt with a curtailment, in accordance with the provisions under paragraph 109 of IAS 19 and, consequently recorded in the Income Statement;
- for subsequent TFR benefits, whether they are destined for supplementary pension schemes or the Treasury fund held by INPS, they are classified as defined-benefit plans. Components subject to actuarial estimates are excluded from the calculation of the accrual cost.

Provisions for potential risks and liabilities

Provisions for risks and charges relate to costs and charges of a certain nature, or risks and charges which are certain or likely to exist on the closing date but whose amount or date of occurrence is not yet known. The provisions are recorded when: (i) the existence of a legal or implied obligation deriving from a past event is probable; (ii) it is probable that fulfilment of the liability will involve expenditure; (iii) the amount of the liability can be reliably estimated. The provisions are booked at the value representing the best estimate of the amount that the company would reasonably pay to discharge the obligation or to transfer it to a third party, on the closing date. When the temporal financial effect is significant and the payment dates can be reasonably estimated the provision is discounted.
The costs that the company expects to incur by carrying out restructuring programmes are recognised in the year in which the programme is formally defined, and when the interested parties have a reasonable expectation that the restructuring will take place.
The provisions are periodically updated to reflect any changes in the costs' estimates, realisation times and discounting rates. The revised estimates of the provisions are charged to the same Income Statement headings under which the provision was previously booked, or, when the liability relates to material assets, as a contra-entry to the assets in question.

Foreign currency transactions

Transactions in foreign currencies are recorded at the foreign exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are converted at the spot exchange rate prevailing on that date. Exchange differences arising from the settlement of monetary items or from their conversion at rates other than those at which they were initially recorded during the period or in previous financial statements, are recognised in the Income Statement.

Revenue

Revenue from sales and services are recognised when the risks and benefits relating to goods ownership are transferred to the customer, the sale price is agreed or determinable and receipt of payment can be assumed.

Specifically:

- Revenue from standard proprietary software applications are booked to the Income Statement when the test environment is installed with the client. As this relates to user licences, the installation of the test environment is considered to represent the transfer of the intangible asset to the client, because, as from that time onwards, the client has the standard software version available.
- Revenue from customised software applications are recognised according to the terms and conditions of the related contract, when the test environments are installed with the client.
- The revenue for maintenance services governed by periodic contracts are recognised on an accrual basis.
- The revenue for fixed-price orders are recognised with reference to the stage of completion on the balance sheet date, according to the completion percentage criterion.
- The revenue for other types of order are recognised at the time when the services were rendered, on an accruals basis.

Government grants

According to the provisions of IAS 20, government grants are only recognised if there is reasonable certainty that:

a. the company will meet the required conditions; and
b. the grants have been received.

Public grants are booked as income, according to a systematic principle, in the years needed to set them against the related costs that the grant is intended to offset.

Taxes

Income taxes include all taxes based upon the taxable profits. Taxes on income are recognised in the Income Statement unless they relate to items directly charged or credited to net equity, in which case the effect is recognised directly in net equity. Provisions for income taxes that could arise on the distribution of the subsidiaries' undistributed profits are only made where there is a real intention to distribute such profits. Deferred taxes are recognised using the full liability method. Deferred tax receivables on unused tax losses and tax credits carried forward are recognised to the extent that is it probable that future profits will be available against which they can be recovered. Current and deferred income tax assets and liabilities are offset when the income taxes are levied by the same tax authority and where there is a legally enforceable right of offset. Deferred tax assets and liabilities are measured at the tax rates expected to apply in the periods in which temporary differences will be realised or discharged.

Deferred taxes are not discounted and are classified under non-current assets/liabilities.

Management, coordination and Tax Consolidation

In accordance with Legislative Decree No. 6/2003, it is noted that the Company is subject to the management and coordination of TASNCH Holding S.p.A.
The contract, signed in 2008 between the Company and TASNCH Holding, now the parent company of TAS, governs the reciprocal relations resulting and consequent to exercising the consolidation option, and reproduced the contents of the previous agreement with C.I.B.
On 30 June 2014, the Company and TASNCH Holding renewed the tax consolidation contract for a further three years.

Dividends

Dividends payable are reported as a movement in net equity in the period in which they are approved by the Shareholders' Meeting.

Earnings per share

Basic earnings per share are calculated by dividing the Company's net profit by the weighted average number of shares in circulation during the year, excluding treasury shares. For the calculation of the diluted earnings per share, the weighted average number of shares in circulation is adjusted assuming conversion of all potentially diluting shares.

3) ACCOUNTING PRINCIPLES, AMENDMENTS AND INTERPRETATIONS APPLIED FROM 1 JANUARY 2015 THAT ARE SIGNIFICANT FOR THE COMPANY

The following accounting principles, amendments and interpretation were applied for the first time by the Company as from 1 January 2015:

- On 20 May 2013 publication of the interpretation **IFRIC 21** – ***Levies***, which provides clarification on the moment of recognition of a liability associated with levies (other than income taxes) imposed by a government body. The principle deals with liabilities relating to levies that fall under the scope of application of IAS 37 - *Provisions, contingent liabilities and contingent assets*, and those relating to levies where the timing and amount are certain. The interpretation applies retrospectively for the periods starting at the latest from 17 June 2014 or a subsequent date. The adoption of this new interpretation has not had any effect on the Company's financial statements.

- On 12 December 2013, the IASB published the document "***Annual Improvements to IFRSs: 2011-2013 Cycle***" that incorporates the amendments to certain standards in the scope of annual improvements review (including: IFRS 3 *Business Combinations – Scope exception for joint ventures*, IFRS 13 *Fair Value Measurement – Scope of portfolio exception*, IAS 40 *Investment Properties – Interrelationship between IFRS 3 and IAS 40).* The amendments apply as from the periods starting from 1 January 2015 or a subsequent date. The adoption of these amendments has not had any effect on the Company's financial statements.

4) ACCOUNTING PRINCIPLES, AMENDMENTS AND INTERPRETATIONS NOT YET APPLICABLE AND NOT ADOPTED EARLY BY THE COMPANY

The Company has not applied the following new and amended principles that have been issued, but are not yet applicable.

- Amendment to IAS 19 "***Defined Benefit Plans: Employee Contributions***" (published on 21 November 2013): relating to the recognition of contributions made by employees or by third parties to defined benefit plans. The amendment applies at the latest as from the periods starting from 1 February 2015 or a subsequent date.

- Amendment to **IFRS 11** ***Joint Arrangements*** – "***Accounting for acquisitions of interests in joint operations***" (published on 6 May 2014): relating to the recognition of acquisitions of interests in a joint operation, where the activity constitutes a business. The amendment is applicable as from 1 January 2016, with early adoption permitted.

- Amendments to **IAS 16** ***Property, plant and Equipment*** and to **IAS 38** ***Intangibles Assets*** – "***Clarification of acceptable methods of depreciation and amortisation***" (published on 12 May 2014): according to which using revenue-based methods to calculate the amortisation of an asset was not appropriate, because the revenue generated by an asset that includes its usefulness, generally represents aspects other than the economic benefits arising from the asset, which is the prerequisite for amortisation. The amendment is applicable as from 1 January 2016, with early adoption permitted.

- Amendment to **IAS 1** – "***Disclosure Initiative***" (published on 18 December 2014): the purpose of the amendment is to provide clarification on aspects of disclosure that could be perceived as an impediment to a clear and intelligible preparation of the financial statements. The amendment is applicable as from 1 January 2016, with early adoption permitted.

- Amendment to ***IAS 27 - Equity Method in Separate Financial Statements*** (published on 12 August 2014): introduces the option of using the net equity method in the separate financial statements of an entity to measure shareholdings in subsidiaries, jointly controlled companies and associated companies. The amendment is applicable as from 1 January 2016, with early adoption permitted.

Finally within the scope of the annual process to improve principles, on 12 December 2013 the IASB published the documents "Annual Improvements to IFRSs: 2010-2012 Cycle" (including IFRS 2 Share Based Payments – Definition of vesting condition, IFRS 3 Business Combination – Accounting for contingent consideration, IFRS 8 Operating segments – Aggregation of operating segments and Reconciliation of total of the reportable segments' assets to the entity's assets, IFRS 13 Fair Value Measurement – Short-term receivables and payables) and on 25 September 2014, the "Annual Improvements to IFRSs: 2012-2014 Cycle" (including: IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations, IFRS 7 – Financial Instruments: Disclosure and IAS 19 – Employee Benefits) which partially integrate previous principles. The amendments apply at the latest as from the periods starting from 1 February 2015 or a subsequent date, and as from the financial periods starting 1 January 2016 or a subsequent date.

The Directors do not expect the adoption of these amendments to have a significant effect on the Company's Financial Statements.

5) ACCOUNTING PRINCIPLES, AMENDMENTS AND INTERPRETATIONS NOT YET APPROVED

At the reference date of these consolidated Financial Statements, the European Union had not yet concluded the approval process necessary for the adoption of the following amendments and accounting principles.

- Principle **IFRS 15** – ***Revenue from Contracts with Customers*** (published on 28 May 2014) that aims to replace IAS 18 – *Revenue* and IAS 11 – *Construction Contracts*, as well as the interpretations IFRIC 13 – *Customer Loyalty Programmes*, IFRIC 15 – *Agreements for the Construction of Real Estate*, IFRIC 18 – *Transfers of Assets from Customers* and SIC 31 – *Revenues-Barter Transactions Involving Advertising Services*. The principle sets a new recording model for revenue, which will apply to all contracts signed with customers, with the exception of those falling under the scope of application of other IAS/IFRS principles like leasing, insurance contracts and financial instruments. The basic steps for recognising revenue according to the new model are:

- identifying the contract with the customer;
- identifying the performance obligations in the contract;
- determining the price;
- assigning the price to the contract's performance obligations;
- the recording criteria for revenue when the entity satisfies each performance obligation.

The principle is applicable as from 1 January 2018, with early adoption permitted. The Directors expect that applying IFRS 15 could have a significant impact on the amounts recorded as revenue and on the relative disclosure contained in the Company's Financial Statements. It is not possible to provide a reasonable estimate for these effects until the Company has conducted a detailed analysis of its contracts with customers.

- Final version of **IFRS 9** – **Financial instruments** (published on 24 July 2014). The document contains the results of the stages relative to the Classification and valuation, impairment and hedge accounting of the IASB project aiming to replace IAS 39:
  - introduces new criteria for the classification and valuation of financial assets and liabilities;
  - With regard to the impairment model, the new principle requires that the losses estimate on receivables is based on the expected losses model (and not on the incurred losses modelused by IAS 39), by using information that is supported and available without unreasonable effort or expense, and includes historic, current and forecast data;
  - introduces a new hedge accounting model (increasing the types of transactions eligible for hedge accounting, change in the way forward contracts and options are recognised when included in a hedge accounting report, changes to the effectiveness test).

The new principle that replaces the previous versions of IFRS 9, must be applied to financial statements starting 1 January 2018 or later.

The Directors do not expect that applying IFRS 9 could have a significant impact on the amounts and disclosures contained in the Company's Financial Statements.

- On 13 January 2016, the IASB published **IFRS 16** – ***Leases*** that will replace IAS 17 – *Leases*, and the interpretations IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC-15 *Operating Leases—Incentives* and SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

  The principles provides a new definition for a *lease* and introduces a criterion based the on control (*right of use*) on an asset to distinguish leasing contracts from services contracts, using as differentiating factors: the identification of an asset, the right to its replacement, the right to essentially obtain all the economic benefits deriving from the use of the asset and the right to direct the use of the asset underlying the contract.

  The principle provides a single model for recognising and evaluating leasing contracts for the lessee, which requires the leased asset to be recorded under assets with a counter entry under financial payables, whilst also providing for contracts referring to low-value assets and leasing contracts with a term of 12 months or less not to be recognised as leasing contracts. The standard does not envisage any significant changes on the other hand for the lessor.

The principle becomes applicable as from 1 January 2019 with early application permitted only for companies that have applied IFRS 15 - *Revenue from Contracts with Customers* in advance. The Directors do expect that applying IFRS 16 could have a significant impact on the recording of leasing contracts and on the relative disclosure contained in the Company's Financial Statements. It is not possible to provide a reasonable estimate for these effects until the Company has conducted a detailed analysis of the relevant contracts.

- Document "***Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28)***" (published on 18 December 2014), containing the amendments relating to issues that emerged subsequent to the application of the consolidation exception allowed for investment entities. The amendments introduced by the document must be applied as from the periods starting 1 January 2016 or a subsequent date, with early adoption permitted. The Directors do not expect the adoption of these amendments to have a significant effect on the Company's Financial Statements, as the Company does not meet the requirements to be classified as an investment entity.

- On 11 September 2014, the IASB published an amendment to ***IFRS 10 and IAS 28 Sales or Contribution of Assets between an Investor and its Associate or Joint Venture***. The document was issued to resolve the current conflict between IAS 28 and IFRS 10 relating to the measurement of a profit or loss resulting from the sale or transfer of a non-monetary asset to a joint venture or associated company in exchange for a stake in the latter's share capital. At this time, the IASB has suspended the application of this amendment.

6) PRINCIPAL RISKS AND UNCERTAINTIES TO WHICH TAS S.P.A IS EXPOSED

In carrying out its business, the Company is exposed to various risks of a financial nature, related to the financial-regulatory and market context which might influence the Company's performance.
The Company has an internal control system consisting of a system of rules, procedures and organisational structures intended to enable sound, correct business management, which includes the proper identification, management and monitoring of the principal risks that could threaten the achievement of corporate objectives.
The Company constantly monitors the risks to which it is exposed, in order to assess the potentially negative effects in advance, and so that the best action can be taken to mitigate them.

The Company's risk management policies seek to identify and analyse the risks the Company is exposed to, by establishing appropriate limits and controls and monitoring risks and compliance with such limits.
These policies and related systems are reviewed on a regular basis in order to reflect any changes in market conditions and the Company's activities. For more details on the principal risks and uncertainties facing the Company, please refer to the relevant section of the Group Report on Operations.

7)
FINANCIAL LIABILITIES BASED ON DUE DATE

The table below analyses the Company's net financial liabilities and traded derivatives, which have been grouped according to the residual maturity and contractual expiry date, compared to the balance sheet date.
The amounts shown below, relating to bank financing, represent the discounted contractual cash flows. However, these amounts do not include an interest portion, as the Restructuring Agreement does not provide for the accrual of interest for either of the lines of credit.
As illustrated above, at 31 December 2015, the financial parameters had not been complied with. Consequently, as required by IAS 1, the relative payables raised against this agreement were reclassified under Current financial liabilities (from 0 to 1 year).

At 31 December 2015	**From 0 to 1 year**	**From 1 to 5 years**	**More than 5 years**	**Total**
Bank financing	21,678	-	-	**21,678**
Trade and other payables	18,285	-	-	**18,285**
Commitments: rents payable	600	450	-	**1,050**
At 31 December 2014	**From 0 to 1 year**	**From 1 to 5 years**	**More than 5 years**	**Total**
Bank financing	25	13,498	6,983	**20,506**
Trade and other payables	20,157	-	-	**20,157**
Commitments: rents payable	600	1,050	-	**1,650**

8) FINANCIAL INSTRUMENTS BY CATEGORY

The financial instruments referring to the accounting items in the Financial Statements are detailed below:

At 31 December 2015	Loans and receivables	Hedging derivatives	Total
Non-current financial assets	**494**	**-**	**494**
Derivatives	-	-	-
Other receivables	494	-	494
Current financial assets	**24,587**	**-**	**24,587**
Trade receivables and accruals and deferrals receivable	22,093	-	22,093
Other receivables	413	-	413
Cash and other equivalent assets	2,080	-	2,080

At 31 December 2014	Loans and receivables	Hedging derivatives	Total
Non-current financial assets	**506**	**-**	**506**
Derivatives	-	-	-
Other receivables	506	-	506
Current financial assets	**32,123**	**-**	**32,123**
Trade receivables and accruals and deferrals receivable	27,089	-	27,089
Other receivables	635	-	635
Cash and other equivalent assets	4,399	-	4,399

At 31 December 2015	Other financial liabilities	Hedging derivatives	Total
Non-current financial liabilities	**-**	**-**	**-**
Derivatives	-	-	-
Financial payables	-	-	-
Current financial liabilities	**47,039**	**-**	**47,039**
Derivatives	-	-	-
Trade payables and accruals and deferrals payable	18,677	-	18,677
Other payables	6,683	-	6,683
Financial payables	21,678	-	21,678

At 31 December 2014	Other financial liabilities	Hedging derivatives	Total
Non-current financial liabilities	**20,481**	**-**	**20,481**
Derivatives	-	-	-
Financial payables	20,481	-	20,481
Current financial liabilities	**28,545**	**-**	**28,545**
Derivatives	**-**	-	-
Trade payables and accruals and deferrals payable	21,281	-	21,281
Other payables	7,239	-	7,239
Financial payables	25	-	25

FAIR VALUE HIERARCHY BASED ON IFRS 13

The classification of financial instruments at fair value required by IFRS 13, measured according to the quality of the input sources used, results in the following hierarchy:
Level 1: fair value determined based on the listed prices (unadjusted) in active markets for identical assets or liabilities. At this time, there are no instruments falling into this category;
Level 2: fair value determined based on inputs other than the listed prices included under "Level 1", that are directly or indirectly observable. At this time, there are no instruments falling into this category;
Level 3: fair value determined based on the evaluation models where the inputs are not founded on unobservable market data. At this time, there are no instruments falling into this category.

9)
CAPITAL RISK MANAGEMENT

The Company manages its capital with the aim of protecting its continuity, ensuring shareholders' return and stakeholders' benefits, and maintaining an optimal capital structure while reducing its cost. In line with practices in the sector, the Company monitors capital based on the gearing ratio. This index is calculated as the relationship between net debt and net equity. Net debt is calculated by subtracting cash and cash equivalents calculated for the purposes of the cash flow from the remaining financial assets and liabilities shown in the balance sheet. The total capital corresponds to the "net equity", as shown in the Balance Sheet for the year plus the net debt, as determined above.

Compared to 2014, the Company's *gearing ratio* increased by 19 percentage points, as shown in the table below:

	2015	2014
Financial assets/liabilities	21,229	20,003
Less: cash and cash equivalents	(2,080)	(4,399)
Net debt (A)	19,149	15,604
Net Equity (B)	7,585	13,815
Total Capital [(A) + (B)] = (C)	26,734	29,418
gearing ratio (A)/(C)	**72%**	**53%**

The worsening in these levels is due to the loss for the period and increase in net debt.

INFORMATION ON THE BALANCE SHEET - ASSETS

Below are the comments on the financial accounting data. These are compared with the relevant figures for the corresponding period in 2014.

NON-CURRENT ASSETS

10)
INTANGIBLE FIXED ASSETS

The balance for the item was made up as follows:

Intangible fixed assets	31/12/2015	31/12/2014	Change
Goodwill	15,393	15,393	-
Other intangible fixed assets	5,076	6,534	(1,457)
TOTAL	**20,469**	**21,926**	**(1,457)**

In line with the provisions of the international accounting principle IAS 36, an impairment test was carried out on 31 December 2015 to verify whether any losses in value existed for the CGU, by comparing the recoverable value against the related book values of the net invested capital (including the assets with an indefinite useful life).

The Company CGU was tested, to which the entire goodwill value was allocated. Nonetheless, it should be noted that the CGU also includes the cash flows generated by the subsidiary TAS Americas and TAS Helvetia, given that these derive mainly from the resale and support to Parent Company products. Consequently, a weighted WACC was used, based on 2015 revenue.
These CGUs respond to the requirements of IAS 36 para. 6, i.e. they represent “the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets” and see also IAS 36 para. 80 paragraphs a) and b).

For the purposes of estimating the recoverable value, the value in use of the net invested capital of each CGU was calculated by using the “Discounted Cash Flow – asset side” principle, which considers the company’s expected cash flows based on plans approved by management.

The calculation formula for the above methodology is given below:

$$V = \sum_{i=1}^{n} FCF_i \Big/ (1 + WACC)_i + TV$$

FCF = free cash flow, or cash flow generated by operations;
WACC = weighted average cost of capital;
n = specific forecast period;
TV = current terminal value, i.e. the value deriving from the cash flows generated beyond the forecast period.

In determining the value in use of the net invested capital, the cash flow projections were based on a 5-year time frame, as reported in the new business plan up to 2020 that was approved by the

Board of Directors on 29 April 2016. It is noted that this plan is nominally in line with the WACC used.
The cash flows for the period after the fifth year were calculated with the following formula (Gordon formula):

$$TV = {FCF_n * (1+g)} \big/ {WACC - g}$$

where:

FCFn = cash flow sustainable beyond the forecast period;
g = business growth rate beyond the period of the plan in question
WACC = weighted average cost of capital.

The main assumptions used in calculating the value in use are given below:

- Discount rate (Weighted Average Cost of Capital – WACC) post tax: 6.4%
  The WACC, as mentioned above, was determined on the basis of the following values:
  a. Sector financial structure (debt/equity ratio = 4.91%)
  b. Risk free rate: 1.7%
  c. Sector unlevered beta: 0.81
  d. Risk premium: 6.0%
- The criteria for estimating future financial flows: the cash flows – net of taxes – contained in the business plan up to 2020 were taken as references.
- A total was then calculated for the discounted values (using the WACC mentioned above) of the expected cash flows after the last year of the plan extrapolated on the basis of a constant growth rate of 2%.
- The principal values used to determine the value in use are given in the table below:

	TAS CGU
Average weighted rate of growth of income	8.1%
Average gross operating margin (EBITDA)	9.1%
Rate of growth in cash flow after plan period	2.0%
Post-tax discounting rate (WACC - post tax)	6.4%

The discounting rate used reflected the specific risk of the sector in which the TAS Company operates.
As permitted by paragraph 55 of IAS 36, the discounting rate was estimated post-tax, as the unlevered cash flows of each Cash Generating Unit (CGU) were also estimated post-tax, calculated on the basis of the specific tax rate of each CGU.

TAS CGU RESULTS

The criteria used for estimating the value in use led to the recording of recoverable values that were higher than the book value of the net invested capital (CIN) for the TAS CGU on 31 December 2015, inclusive of goodwill. In the light of the results of the impairment test, no significant value impairments were recorded.

A sensitivity analysis appears below, in which the book value of the invested capital of the TAS CGU on 31 December 2015 was compared against the related value in use calculated on the basis of an 6.4% discount rate and a long-term growth rate “g” of 2%, selected by the company and with the value in use calculated on the basis of a discounting rate and a “g” rate that were respectively half a percentage point lower (5.9%, 1.5%) or higher (6.9%; 2.5%) than the parameters used.

“g”=2.0%

Amounts in €/000	**5.9% rate**	**6.4% rate**	**6.9% rate**
Value in use - TAS CGU	70,163	60,473	52,756
CIN carrying amount at 31 December 2015	17,111	17,111	17,111
Surplus value in use on book value	53,052	43,362	35,645

with an EBITDA figure in the last year of the Plan that is 10% lower, results were as follows:

Amounts in €/000	**5.9% rate**	**6.4% rate**	**6.9% rate**
Value in use - TAS CGU	57,615	49,535	43,095
CIN carrying amount at 31 December 2015	17,111	17,111	17,111
Surplus value in use on book value	40,504	32,424	25,984

“g”=1.5%

Amounts in €/000	**5.9% rate**	**6.4% rate**	**6.9% rate**
Value in use - TAS CGU	62,007	54,111	47,675
CIN carrying amount at 31 December 2015	17,111	17,111	17,111
Surplus value in use on book value	44,896	37,000	30,564

with an EBITDA figure in the last year of the Plan that is 10% lower, results were as follows:

Amounts in €/000	**5.9% rate**	**6.4% rate**	**6.9% rate**
Value in use - TAS CGU	50,852	44,260	38,881
CIN carrying amount at 31 December 2015	17,111	17,111	17,111
Surplus value in use on book value	33,741	27,149	21,770

"g"=2.5%

Amounts in €/000	**5.9% rate**	**6.4% rate**	**6.9% rate**
Value in use - TAS CGU	80,711	68,461	58,987
CIN carrying amount at 31 December 2015	17,111	17,111	17,111
Surplus value in use on book value	63,600	51,350	41,876

with an EBITDA figure in the last year of the Plan that is 10% lower, results were as follows:

Amounts in €/000	**5.9% rate**	**6.4% rate**	**6.9% rate**
Value in use - TAS CGU	66,361	56,159	48,262
CIN carrying amount at 31 December 2015	17,111	17,111	17,111
Surplus value in use on book value	49,250	39,048	31,151

The item *Other intangible fixed assets* is broken down as follows:

Other intangible fixed assets	**31/12/2015**	**31/12/2014**	**Change**
Software developed internally	3,921	3,526	394
Customer list	1,032	2,801	(1,769)
Other intangible fixed assets	124	207	(83)
TOTAL	**5,076**	**6,534**	**(1,457)**

The operations for the period are reported below:

Description	**Value on 31/12/2013**	**Increases for the year**	**Amortisation for the year**	**Value on 31/12/2014**
Other intangible fixed assets:	**7,383**	**3,894**	**(4,743)**	**6,534**
- Software developed internally	2,561	3,807	(2,842)	3,526
- Customer list	4,569		(1,769)	2,801
- Others	252	87	(132)	207
TOTAL	**7,383**	**3,894**	**(4,743)**	**6,534**

Description	**Value on 31/12/2014**	**Increases for the year**	**Amortisation for the year**	**Value on 31/12/2015**
Other intangible fixed assets:	**6,534**	**4,033**	**(5,490)**	**5,076**
- Software developed internally	3,526	3,977	(3,583)	3,921
- Customer list	2,801	-	(1,769)	1,032
- Others	207	56	(138)	124
TOTAL	**6,534**	**4,033**	**(5,490)**	**5,076**

The balance of the item *Software developed internally*, which amounted to Euro 3,921 thousand was made up of development costs which were capitalised as they meet the requirements of IAS 38.

The investments for the period mainly involved:

- the **Payment Systems** area in consolidating and extending the Network Gateway offering to support the launch of the first wave of migration to the new European Bonds settlement T2S system that took place in June 2015, so as to integrate specifications during the Bank of Italy's release phase for the new CIT-Check Image Truncation procedure, as well as the new access protocols to the market networks and/or infrastructure at international level, which include the protocol based on the American blockchain Ripple;

- the **Financial Value Chain** area, with the *MyBANK* offer extended to the new services lined to the Sepa collections (*Direct Debit* and *e-Mandate)*, and with the analysis to adapt the advanced PayTAS collections and payment platform to the needs of the insurance sector. This runs parallel to developing the offering of the PayTAS suite for eGovernment with access modules to the AgID Payments Node finalised for PSP (Payment Service Providers) and central and local Public Administration bodies;
- the **Electronic Money** area, with the project to complete and launch the new platform for issuing and managing Cards on the Open utechnology called *CashLess 3.0*, which aims to support and gradually replace the traditional TAS mainframe components for all customer segments: Interbanking Bank *Issuer*, *Acquirer* and *Processor*, together with new players in the payments process, such as Payment Institutions, Electronic Money Institutions and other TPP (Third Party Payment Service Providers) introduced with the EU PSD (*Payment Service Directive*). Special attention was also focused on the international certifications required to compete in this market;
- the **Finance Markets and Treasury** area, with testing and support provided to access the new European securities settlement system *Target2 Securities* (T2S) for the Commercial Banks subscribing in direct or indirect mode, and the continuation of the development programme for the *Aquarius* platform, to manage liquidity according to Basel 3 standards, in an integrated way in respect of securities, cash and collateral. This was conceived for the international market and integrated with the *Target2* and *Target 2 Securities* platforms and the *triparty collateral management* systems;
- the **Extended ERP** area that continues with the project to reposition TAS' ERP offering, which changes from a proprietary solution into a market-orientated solution with an international reach, focusing on the *Cloud*, *Customer eXperience* and *Social business collaboration*, built with the *Oracle (Fusion) Cloud Applications* as a starting point.

Special emphasis in all the above areas was given to the choice of investments and the internationalisation aspects of products, to ensure their best positioning in market sectors other than banks, with priority given to specific foreign markets (for example. the USA and South American market).

The value of the customer list is the result of the goodwill allocated in 2007. This asset was amortised on the basis of a residual life of 10 years.

11) TANGIBLE FIXED ASSETS

The balance for the item was made up as follows:

Tangible fixed assets	31/12/2015	31/12/2014	Change
Plants and machinery	24	38	(14)
Industrial and commercial equipment	4	3	1
Other assets	520	601	(82)
TOTAL	**548**	**643**	**(95)**

The operations for the period are reported below:

Description	Value on 31/12/2013	Increases for the year	Reductions for the year	Amortisation for the year	Value on 31/12/2014
- Plants and machinery	66	5		(33)	38
- Industrial and commercial equipment	4	0		(1)	3
- Other assets	507	330	(3)	(233)	601
TOTAL	**577**	**336**	**(3)**	**(266)**	**643**

Description	Value on 31/12/2014	Increases for the year	Reductions for the year	Amortisation for the year	Value on 31/12/2015
- Plants and machinery	38	7	(1)	(20)	24
- Industrial and commercial equipment	3	1		(1)	4
- Other assets	601	232	(0)	(313)	520
TOTAL	**643**	**240**	**(1)**	**(334)**	**548**

The item Other assets relates mainly to electronic office equipment and furniture of the Company.

12) EQUITY INVESTMENTS AND OTHER INVESTMENT SECURITIES

The balance for the item was made up as follows:

Investments and other securities	31/12/2015	31/12/2014	Change
Equity investments in subsidiaries	10,324	10,746	(421)
Equity investments in other companies	67	67	-
TOTAL	**10,391**	**10,813**	**(421)**

Information relating to subsidiaries is provided below.

Subsidiaries

Company Name	Registered office	Share Capital	Net Equity	Profit/(loss)	% Share	Carrying Value
TAS France Eurl	Route des Gretes, Sophia Antipolis -France	500	1,056	205	100.00	2,769
TAS Helvetia Sa	Prati Botta 22, Barbengo, Lugano -Switzerland	65	15	(657)	100.00	3,449
TAS Iberia SLU	Ronda de Poniente 2 Tres Cantos, Madrid - Spain	20	275	81	100.00	2,579
TAS Americas Ltd	San Paolo, Av.Paulista No. 2300 - Brazil	365	498	(427)	100.00	1,459
TAS Usa Inc	Karina Lednev c/o Blumberg Excelsior Corporate Services – Brooklyn, NY 11241	16	2	-	100.00	43
TAS Germany Gmbh	Humboldtstraße 3, 60318 Frankfurt	25	17	-	100.00	25
					Total	**10,324**

A detailed breakdown for the movements of shareholdings in subsidiaries that occurred in the period is provided below:

Shareholdings in subsidiaries changes	31.12.2013	Increases	Decreases	Write-downs	31.12.2014
Shareholdings in Tas Helvetia	5,053	-	-	-	5,053
Shareholdings in Tas Americas	329	-	-	-	329
Shareholdings in Tas Iberia	1,079	1,500	-	-	2,579
Shareholdings in Tas France	2,769	-	-	-	2,769
Shareholdings in Tas USA	-	16	-	-	16
TOTAL	**9,230**	**1,516**	**-**	**-**	**10,746**

Shareholdings in subsidiaries changes	31.12.2014	Increases	Decreases	Write-downs	31.12.2015
Shareholdings in Tas Helvetia	5,053	-	-	(1,604)	3,449
Shareholdings in Tas Americas	329	1,131	-	-	1,459
Shareholdings in Tas Iberia	2,579	-	-	-	2,579
Shareholdings in Tas France	2,769	-	-	-	2,769
Shareholdings in Tas Germany	-	25	-	-	25
Shareholdings in Tas USA	16	27	-	-	43
TOTAL	**10,746**	**1,183**	**-**	**(1,604)**	**10,324**

The increases for *Equity investment in subsidiaries* refer to the following events during the period:

- On 31 July 2015, TAS acquired 100,884 Tasamericas shares, more specifically the entire minority shareholding owned by Afonso Christiano Netto equalling 10% of TASAMERICAS share capital, in addition to a non-competition agreement in respect of the seller, for a total cost of 110,000 Real, thus bringing its stake in the Brazilian subsidiary to 100%. The shareholding increased by Euro 25 thousand.

- On 30 December 2015, in order to recapitalise the subsidiary Tasamericas waived the trade receivables from the subsidiary for a total of Euro 1,106 thousand.

- the establishment of TAS Germany Gmbh. on 11 December 2015 with a share capital of Euro 25 thousand, held 100% by TAS SpA. The company was established with the aim of developing the local market and leveraging its greater proximity to customers while rationalising the existing activities and investments made by the Company in Germany.
- On 25 June 2015, TAS made a contribution to the share capital of the subsidiary TAS Usa for USD 30 thousand (Euro 27 thousand).

Other companies

Company Name	Registered office	Share Capital	Net Equity	Profit/(loss)	% Share	Carrying Value
SIA SpA	Via Francesco Gonin, 36, Milan, Italy	22,091	175,891	59,613	0.02	67
					Total	**67**

The shareholdings entered under assets referred to a long-term strategic investment by the Company.
The value of the SIA S.p.A. shareholding referred to the purchase as it is believed it approximates the fair value.
No availability restrictions on the part of the investing company existed on any term equity holdings, nor were there any option rights or other privileges.

The depreciation of investments carried out in previous financial years is as follows:

Summary of depreciation of shareholdings	Financial Year	Amount
TAS France E.u.r.l.	2001	475
TAS France E.u.r.l.	2002	1,110
TAS France E.u.r.l.	2003	573
TAS France E.u.r.l.	2005	327
TAS Iberia SLU	2009	860
TAS Iberia SLU	2010	669
TAS Iberia SLU	2011	1,169
TAS Helvetia Sa	2011	9,992
TOTAL		**15,175**

The recovery in investments carried out in previous financial years is as follows:

Summary of recoveries in the value of shareholdings	Financial Year	Amount
TAS France E.u.r.l.	2013	2,485
Tas Iberia Slu	2014	1,500
TOTAL		**3,985**

With reference to the impairment test of the above-mentioned shareholdings, the following load values were noted at 31 December 2015, with an indication of net equity and the financial result for the year:

Company Name	Net Equity	Profit/(loss)	% Share	Carrying Value	Delta
TAS France Eurl	1,056	392	100.00	2,769	(1,713)
TAS Helvetia Sa	15	(603)	100.00	3,449	(3,434)
TAS Iberia SLU	275	(31)	100.00	2,579	(2,304)
TAS Americas Ltd	498	(605)	100.00	1,459	(961)
TAS Usa Inc	2	(43)	100.00	43	(41)
TAS Germany Gmbh	17	(8)	100.00	25	(8)

As stipulated by the international accounting principle IAS 36, an impairment test was carried out to check for the possible existence of losses in value for all the shareholdings in subsidiaries in which the value of the net equity is lower than the load value of the shareholding.

Based on the results in the table, all CGUs were tested with the exception of TAS Usa Inc and TAS Germany Gmbh as their differences are not significant.

The test was carried out by comparing the recoverable value of the shareholdings net of the net financial position ("PFN") on 31 December 2015 ("Economic Value") with the relative accounting load values of the shareholdings on 31 December 2015.
In order to estimate the recoverable value, the economic value of the shareholdings was determined, using the "Discounted Cash Flow – asset side" criterion, which considers the operating cash flows expected by the company based on plans approved by the management, subtracting the net financial position on the date of the Balance Sheet.

The calculation formula for the above methodology is given below:

Valore Economico = V – PFN

dove:

$$V = \sum_{i=1}^{n} FCF_i \Big/ (1 + WACC)_i + TV$$

PFN = net financial position;
FCF = free cash flow, or cash flow generated by operations;
WACC = weighted average cost of capital;
n = specific forecast period;
TV = current terminal value, i.e. the value deriving from the cash flows generated beyond the forecast period.

In determining the value in use of the net invested capital, the cash flow projections were based on a 5-year time frame, as reported in the new business plan up to 2020 that was approved on 29 April 2016. It is noted that this plan is nominally in line with the WACC used.
The cash flows for the period after the fifth year were calculated with the following formula (Gordon formula):

$$TV = {FCF_n * (1+g)} / {WACC - g}$$

where:

FCFn = cash flow sustainable beyond the forecast period;
g = business growth rate beyond the period of the plan in question
WACC = weighted average cost of capital.
The main assumptions used in calculating the value of the shareholdings are given below:
The main assumptions used in calculating the value in use are given below:

- Discount rate (Weighted Average Cost of Capital – WACC) post tax:
    - 6.4% for the TAS Iberia CGU;
    - 5.5% for the TAS France CGU ;
    - 4.7% for the TAS Helvetia CGU
    - 11.9% for TAS Americas CGU;

  The WACC, as mentioned above, was determined on the basis of the following values:
    a. Sector financial structure (debt/equity ratio = 4.9%)
    b. Risk free rate:
        i. 1.7% for the TAS Iberia CGU,
        ii. 0% for the TAS Helvetia CGU,
        iii. 2.1% for TAS Americas CGU
        iv. 0.9% for the TAS France CGU
    c. Sector unlevered beta: 0.81
    d. Risk premium: 6% for all the CGUs
- The criteria for estimating future financial flows: the cash flows – net of taxes – contained in the business plan up to 2020 were taken as references.
- A total was then calculated for the discounted values (using the WACC mentioned above) of the expected cash flows after the last year of the plan extrapolated on the basis of a constant growth rate of 2%.
- The principal values used to determine the value in use are given in the table below:

	TAS Iberia	TAS Americas	TAS Helvetia	TAS France
Average weighted rate of growth of income	6.3%	24.4%	-4.4%	2.0%
Average gross operating margin (EBITDA)	9.1%	16.6%	2.3%	19.6%
Rate of growth in cash flow after plan period	2.0%	2.0%	2.0%	2.0%
Post-tax discounting rate (WACC - post tax)	6.4%	11.9%	4.7%	5.5%

The discounting rate used reflects the specific risk of the sector in which the TAS Company operates.
As permitted by paragraph 55 of IAS 36, the discounting rate was estimated post-tax, as the unlevered cash flows of each Cash Generating Unit (CGU) were also estimated post-tax, calculated on the basis of the specific tax rate of each CGU.

RESULTS OF SHAREHOLDINGS IN TAS IBERIA

The criterion to estimate the economic value of the shareholdings led to the collection of recoverable values higher than the accounting carrying value in TAS' separate Balance Sheet at 31 December 2015. In the light of the results of the impairment test, no significant value impairments were recorded.

A sensitivity analysis appears below, in which the book value of the shareholdings in TAS Iberia on 31 December 2015 was compared against the related economic value calculated on the basis of an 6.4% discount rate and a long-term growth rate "g" of 2%, selected by the company and with the economic value calculated on the basis of a discounting rate and a "g" rate that were respectively half a percentage point lower (5.9%, 1.5%) or higher (6.9%; 2.5%) than the parameters used.

As can be seen in the table below, the TAS Iberia CGU could present write downs under certain scenarios. The risk profiles were not considered significant to the extent that a write-down was needed.

"g"=2.0%

Amounts in €/000	**5.9% rate**	**6.4% rate**	**6.9% rate**
Value in use - TAS Iberia	3,617	3,213	2,888
PFN at 31 December 2015	-99	-99	-99
Economic value of shareholding in Tas Iberia	3,518	3,114	2,790
Load value of shareholding	2,579	2,579	2,579
Surplus value in use on book value	939	535	211

with an EBITDA figure in the last year of the Plan that is 10% lower, results were as follows:

Amounts in €/000	**5.9% rate**	**6.4% rate**	**6.9% rate**
Value in use - TAS Iberia	3,301	2,936	2,642
PFN at 31 December 2015	-99	-99	-99
Economic value of shareholding in Tas Iberia	3,202	2,837	2,543
Load value of shareholding	2,579	2,579	2,579
Surplus value in use on book value	623	258	-36

"g"=1.5%

Amounts in €/000	**5.9% rate**	**6.4% rate**	**6.9% rate**
Value in use - TAS Iberia	3,299	2,965	2,691
PFN at 31 December 2015	-99	-99	-99
Economic value of shareholding in Tas Iberia	3,200	2,866	2,592
Load value of shareholding	2,579	2,579	2,579
Surplus value in use on book value	621	287	13

with an EBITDA figure in the last year of the Plan that is 10% lower, results were as follows:

Amounts in €/000	**5.9% rate**	**6.4% rate**	**6.9% rate**
Value in use - TAS Iberia	3,016	2,714	2,464
PFN at 31 December 2015	-99	-99	-99
Economic value of shareholding in Tas Iberia	2,917	2,615	2,365
Load value of shareholding	2,579	2,579	2,579
Surplus value in use on book value	338	36	-214

“g”=2.5%

Amounts in €/000	**5.9% rate**	**6.4% rate**	**6.9% rate**
Value in use - TAS Iberia	4,028	3,524	3,131
PFN at 31 December 2015	-99	-99	-99
Economic value of shareholding in Tas Iberia	3,929	3,425	3,032
Load value of shareholding	2,579	2,579	2,579
Surplus value in use on book value	1,350	846	453

with an EBITDA figure in the last year of the Plan that is 10% lower, results were as follows:

Amounts in €/000	**5.9% rate**	**6.4% rate**	**6.9% rate**
Value in use - TAS Iberia	3,669	3,214	2,859
PFN at 31 December 2015	-99	-99	-99
Economic value of shareholding in Tas Iberia	3,570	3,115	2,760
Load value of shareholding	2,579	2,579	2,579
Surplus value in use on book value	991	536	181

RESULTS OF SHAREHOLDINGS IN TAS HELVETIA

The criterion to estimate the economic value of the shareholdings led to the collection of recoverable values higher than the accounting carrying value in TAS’ separate Balance Sheet at 31 December 2015. In the light of the results of the impairment test, losses were recorded for Euro 1,604 thousand.

A sensitivity analysis appears below, in which the book value of the invested capital of TAS Helvetia on 31 December 2015 was compared against the related value in use calculated on the basis of an 4.7% discount rate and a long-term growth rate “g” of 2%, selected by the company and with the value in use calculated on the basis of a discounting rate and a “g” rate that were respectively half a percentage point lower (4.2%, 1.5%) or higher (5.2%; 2.5%) than the parameters used.

As can be seen in the table below, the TAS Helvetia CGU could present a significant write down under certain scenarios. The risk profiles were not considered such that a higher write-down would result than what has been recorded.

"g"=2.0%

Amounts in €/000	**4.2% rate**	**4.7% rate**	**5.2% rate**
Value in use - TAS Helvetia	4,078	3,268	2,707
PFN at 31 December 2015	181	181	181
Economic value of shareholding in Tas Helvetia	4,259	3,449	2,888
Load value of shareholding	5,053	5,053	5,053
Surplus value in use on book value	-794	-1,604	-2,165

with an EBITDA figure in the last year of the Plan that is 10% lower, results were as follows:

Amounts in €/000	**4.2% rate**	**4.7% rate**	**5.2% rate**
Value in use - TAS Helvetia	3,657	2,929	2,427
PFN at 31 December 2015	181	181	181
Economic value of shareholding in Tas Helvetia	3,838	3,110	2,608
Load value of shareholding	5,053	5,053	5,053
Surplus value in use on book value	-1,215	-1,943	-2,445

"g"=1.5%

Amounts in €/000	**4.2% rate**	**4.7% rate**	**5.2% rate**
Value in use - TAS Helvetia	3,338	2,766	2,348
PFN at 31 December 2015	181	181	181
Economic value of shareholding in Tas Helvetia	3,519	2,947	2,529
Load value of shareholding	5,053	5,053	5,053
Surplus value in use on book value	-1,534	-2,106	-2,524

with an EBITDA figure in the last year of the Plan that is 10% lower, results were as follows:

Amounts in €/000	**4.2% rate**	**4.7% rate**	**5.2% rate**
Value in use - TAS Helvetia	2,993	2,480	2,105
PFN at 31 December 2015	181	181	181
Economic value of shareholding in Tas Helvetia	3,174	2,661	2,286
Load value of shareholding	5,053	5,053	5,053
Surplus value in use on book value	-1,879	-2,392	-2,767

"g"=2.5%

Amounts in €/000	**4.2% rate**	**4.7% rate**	**5.2% rate**
Value in use - TAS Helvetia	5,244	3,991	3,197
PFN at 31 December 2015	181	181	181
Economic value of shareholding in Tas Helvetia	5,425	4,172	3,378
Load value of shareholding	5,053	5,053	5,053
Surplus value in use on book value	372	-881	-1,675

with an EBITDA figure in the last year of the Plan that is 10% lower, results were as follows:

Amounts in €/000	**4.2% rate**	**4.7% rate**	**5.2% rate**
Value in use - TAS Helvetia	4,704	3,580	2,867
PFN at 31 December 2015	181	181	181
Economic value of shareholding in Tas Helvetia	4,885	3,761	3,048
Load value of shareholding	5,053	5,053	5,053
Surplus value in use on book value	-168	-1,292	-2,005

RESULTS OF SHAREHOLDINGS IN TAS AMERICAS

The criterion to estimate the economic value of the shareholdings led to the collection of recoverable values higher than the accounting carrying value in TAS' separate Balance Sheet at 31 December 2015. In the light of the results of the impairment test, no significant value impairments were recorded.

A sensitivity analysis appears below, in which the book value of the shareholdings in Tas Americas on 31 December 2015 was compared against the related economic value calculated on the basis of an 11.9% discount rate and a long-term growth rate "g" of 2%, selected by the company and with the shareholding's economic value calculated on the basis of a discounting rate and a "g" rate that were respectively half a percentage point lower (11.4%, 1.5%) or higher (12.4%; 2.5%) than the parameters used.

"g"=2.0%

Amounts in €/000	**11.4% rate**	**11.9% rate**	**12.4% rate**
Value in use - TAS Americas	2,156	2,033	1,922
PFN at 31 December 2015	218	218	218
Economic value of shareholding in Tas Americas	2,374	2,251	2,140
Load value of shareholding	1,459	1,459	1,459
Surplus value in use on book value	915	792	681

with an EBITDA figure in the last year of the Plan that is 10% lower, results were as follows:

Amounts in €/000	**11.4% rate**	**11.9% rate**	**12.4% rate**
Value in use - TAS Americas	1,965	1,855	1,756
PFN at 31 December 2015	218	218	218
Economic value of shareholding in Tas Americas	2,183	2,073	1,974
Load value of shareholding	1,459	1,459	1,459
Surplus value in use on book value	724	614	515

"g"=1.5%

Amounts in €/000	**11.4% rate**	**11.9% rate**	**12.4% rate**
Value in use - TAS Americas	2,070	1,956	1,854
PFN at 31 December 2015	218	218	218
Economic value of shareholding in TAS Americas	2,288	2,174	2,072
Load value of shareholding	1,459	1,459	1,459
Surplus value in use on book value	829	715	613

with an EBITDA figure in the last year of the Plan that is 10% lower, results were as follows:

Amounts in €/000	**11.4% rate**	**11.9% rate**	**12.4% rate**
Value in use - TAS Americas	1,888	1,787	1,696
PFN at 31 December 2015	218	218	218
Economic value of shareholding in Tas Americas	2,106	2,005	1,914
Load value of shareholding	1,459	1,459	1,459
Surplus value in use on book value	647	546	454

"g"=2.5%

Amounts in €/000	**11.4% rate**	**11.9% rate**	**12.4% rate**
Value in use - TAS Americas	2,252	2,117	1,997
PFN at 31 December 2015	218	218	218
Economic value of shareholding in TAS Americas	2,470	2,335	2,215
Load value of shareholding	1,459	1,459	1,459
Surplus value in use on book value	1,011	876	756

with an EBITDA figure in the last year of the Plan that is 10% lower, results were as follows:

Amounts in €/000	**11.4% rate**	**11.9% rate**	**12.4% rate**
Value in use - TAS Americas	2,050	1,930	1,823
PFN at 31 December 2015	218	218	218
Economic value of shareholding in Tas Americas	2,268	2,148	2,041
Load value of shareholding	1,459	1,459	1,459
Surplus value in use on book value	809	689	582

RESULTS OF SHAREHOLDINGS IN TAS FRANCE

The criterion to estimate the economic value of the shareholdings led to the collection of recoverable values higher than the accounting carrying value in TAS' separate Balance Sheet at 31 December 2015. In the light of the results of the impairment test, no significant value impairments were recorded.

A sensitivity analysis appears below, in which the book value of the invested capital of the TAS France CGU on 31 December 2015 was compared against the related value in use calculated on the basis of an 5.5% discount rate and a long-term growth rate "g" of 2%, selected by the company and with the value in use calculated on the basis of a discounting rate and a "g" rate that were respectively half a percentage point lower (5.0%, 1.5%) or higher (6.0%; 2.5%) than the parameters used.

"g"=2.0%

Amounts in €/000	**5.0% rate**	**5.5% rate**	**6.0% rate**
Value in use - TAS France CGU	6,490	5,573	4,883
PFN at 31 December 2015	652	652	652
Economic value of shareholding in TAS France	7,142	6,225	5,535
Load value of shareholding	2,769	2,769	2,769
Surplus value in use on book value	4,373	3,456	2,766

with an EBITDA figure in the last year of the Plan that is 10% lower, results were as follows:

Amounts in €/000	**5.0% rate**	**5.5% rate**	**6.0% rate**
Value in use - TAS France CGU	5,565	4,795	4,216
PFN at 31 December 2015	652	652	652
Economic value of shareholding in TAS France	6,217	5,447	4,868
Load value of shareholding	2,769	2,769	2,769
Surplus value in use on book value	3,448	2,678	2,099

“g”=1.5%

Amounts in €/000	**5.0% rate**	**5.5% rate**	**6.0% rate**
Value in use - TAS France CGU	5,687	4,982	4,432
PFN at 31 December 2015	652	652	652
Economic value of shareholding in TAS France	6,339	5,634	5,084
Load value of shareholding	2,769	2,769	2,769
Surplus value in use on book value	3,570	2,865	2,315

with an EBITDA figure in the last year of the Plan that is 10% lower, results were as follows:

Amounts in €/000	**5.0% rate**	**5.5% rate**	**6.0% rate**
Value in use - TAS France CGU	4,892	4,300	3,838
PFN at 31 December 2015	652	652	652
Economic value of shareholding in TAS France	5,544	4,952	4,490
Load value of shareholding	2,769	2,769	2,769
Surplus value in use on book value	2,775	2,183	1,721

“g”=2.5%

Amounts in €/000	**5.0% rate**	**5.5% rate**	**6.0% rate**
Value in use - TAS France CGU	7,611	6,359	5,462
PFN at 31 December 2015	652	652	652
Economic value of shareholding in TAS France	8,263	7,011	6,114
Load value of shareholding	2,769	2,769	2,769
Surplus value in use on book value	5,494	4,242	3,345

with an EBITDA figure in the last year of the Plan that is 10% lower, results were as follows:

Amounts in €/000	**5.0% rate**	**5.5% rate**	**6.0% rate**
Value in use - TAS France CGU	6,504	5,454	4,701
PFN at 31 December 2015	652	652	652
Economic value of shareholding in TAS France	7,156	6,106	5,353
Load value of shareholding	2,769	2,769	2,769
Surplus value in use on book value	4,387	3,337	2,584

13)
FINANCIAL FIXED ASSET RECEIVABLES

Financial fixed asset receivables amounted to Euro 428 thousand and related exclusively to security deposits.

Financial receivables	31/12/2015	31/12/2014	Change
Guarantee deposits for rentals	428	432	(4)
Receivables from related parties	-	-	-
TOTAL	**428**	**432**	**(4)**
Within the following year	-	-	-
From 1 to 5 years	428	432	(4)
More than 5 years	-	-	-
TOTAL	**428**	**432**	**(4)**
Overdue – less than 1 month	-	-	-
Overdue – more than 1 month	-	-	-
TOTAL	**-**	**-**	**-**

The book value of the financial receivables is considered to reflect their fair value.

14)
OTHER NON-CURRENT RECEIVABLES

Other non-current receivables totalling Euro 65 thousand referred exclusively to advances paid to employees of the Company in accordance with the harmonisation agreement signed with the workers' representatives.

Other fixed-asset receivables	31/12/2015	31/12/2014	Change
Receivables from personnel	65	74	(8)
Other	-	-	-
TOTAL	**65**	**74**	**(8)**
Within the following year	-	-	-
From 1 to 5 years	65	74	(8)
More than 5 years	-	-	-
TOTAL	**65**	**74**	**(8)**
Overdue – less than 1 month	-	-	-
Overdue – more than 1 month	-	-	-
TOTAL	**-**	**-**	**-**

The book value of the other receivables is considered to reflect their fair value.

CURRENT ASSETS

15)
NET INVENTORIES

The net inventories referred to WIP on order related to the installation work and performance of services that are being finalised:

Inventories	Gross value at 31/12/2015	Write-down provision	Net value at 31/12/2015	Net value at 31/12/2014
Work in progress on order	2,586	-	2,586	2,233
Finished products and goods	-	-	-	-
TOTAL	**2,586**	**-**	**2,586**	**2,233**

16)
TRADE RECEIVABLES

The value of trade receivables, totalling Euro 22,093 thousand also included trade-related accruals and deferrals receivable, and was made up as follows:

Trade receivables	31/12/2015	31/12/2014	Change
Trade receivables	17,187	20,152	(2,966)
Receivables from related parties	322	1,177	(855)
Trade accruals and deferrals receivable	4,585	5,760	(1,175)
TOTAL	**22,093**	**27,089**	**(4,996)**
Within the following year	22,093	27,089	(4,996)
From 1 to 5 years	-	-	-
More than 5 years	-	-	-
TOTAL	**22,093**	**27,089**	**(4,996)**
Overdue – less than 1 month	785	862	(77)
Overdue – more than 1 month	421	2,894	(2,473)
TOTAL	**1,206**	**3,756**	**(2,550)**

Trade receivables amounted to Euro 17,187 thousand (net of the write-down provision of Euro 4,530 thousand), with a 15% decrease compared to the figure at 31 December 2014. It is noted that the *Trade receivables* figure at 31 December 2015 includes the resale to one of the Group's principal customers for Euro 5,438 thousand (Euro 6,801 thousand in 2014).
Reference is made to point 37 in this section regarding *Receivables from related parties*.

The book value of the trade receivables is considered to reflect their fair value.

The receivables write-down provision underwent the following changes during 2015:

Write-down provision	31/12/2014	Provisions	Utilisation	31/12/2015
Write-down provision (trade receivables)	4,374	171	(14)	4,530
TOTAL	**4,374**	**171**	**(14)**	**4,530**

On the balance sheet date the maximum credit risk exposure was equal to the fair value of each of the categories indicated above.

The accruals and deferrals receivable are made up of:

Trade accrued income and prepaid expenses	31/12/2015	31/12/2014	Change
Insurance	111	120	(9)
Rentals payable	2	2	0
Leases and maintenance and other services	149	298	(149)
Purchase of hardware/software for resale	4,204	5,179	(975)
Others	119	160	(41)
TOTAL	**4,585**	**5,760**	**(1,175)**

17)
OTHER RECEIVABLES

This item amounted to Euro 209 thousand and was made up as follows:

Other receivables	31/12/2015	31/12/2014	Change
Tax receivables	2	2	(0)
Receivables from personnel	74	93	(19)
Advances to suppliers	22	13	9
Various receivables	111	312	(201)
TOTAL	**209**	**420**	**(211)**
Within the following year	209	420	(211)
From 1 to 5 years	-	-	-
More than 5 years	-	-	-
TOTAL	**209**	**420**	**(211)**
Overdue – less than 1 month	-	-	-
Overdue – more than 1 month	-	-	-
TOTAL	**-**	**-**	**-**

The item *Various receivables* is recognised net of the trade receivables write-down provision for Euro 59 thousand, which recorded the following changes.

Write-down provision (other receivables)	31/12/2014	Provisions	Utilisation	31/12/2015
Write-down provision (other receivables)	59	-	-	59
TOTAL	**59**	**-**	**-**	**59**

The book value of the other receivables is considered to reflect their fair value.

18)
CURRENT TAX RECEIVABLES

Receivables for current taxes on income for Euro 184 thousand referred mainly IRAP tax advances and to the Company's direct taxes awaiting reimbursement:

Current tax receivables	31/12/2015	31/12/2014	Change
Current tax receivables	184	144	39
Receivables from related parties	-	-	-
TOTAL	**184**	**144**	**39**
Within the following year	184	144	39
From 1 to 5 years	-	-	-
More than 5 years	-	-	-
TOTAL	**184**	**144**	**39**
Overdue – less than 1 month	-	-	-
Overdue – more than 1 month	-	-	-
TOTAL	**-**	**-**	**-**

19)
CURRENT FINANCIAL RECEIVABLES

The value of financial receivables due within 12 months totals Euro 21 thousand.

Current financial receivables	31/12/2015	31/12/2014	Change
Receivables from others	21	21	-
Receivables from related parties	-	50	(50)
Financial accruals and deferrals receivable	-	-	-
TOTAL	**21**	**71**	**(50)**
Within the following year	21	71	(50)
From 1 to 5 years	-	-	-
More than 5 years	-	-	-
TOTAL	**21**	**71**	**(50)**
Overdue – less than 1 month	-	-	-
Overdue – more than 1 month	-	-	-
TOTAL	**-**	**-**	**-**

The book value of the financial receivables is considered to reflect their fair value.

20)
CASH AND CASH EQUIVALENTS

Cash and cash equivalents amounted to Euro 2,080 thousand and were made up as follows:

Cash and cash equivalents	31/12/2015	31/12/2014	Change
Cash and cash equivalents	2	2	0
Bank and postal deposits	2,078	4,397	(2,319)
TOTAL	**2,080**	**4,399**	**(2,319)**

The balance represents cash and cash equivalents and the number and values that existed at the date the financial year ended. The values stated may be converted readily into cash and are subject to an insignificant risk of a change in value.

It is considered that the book value of the cash and cash equivalents is aligned with their fair value on the balance sheet date.

The credit risk related to the cash and cash equivalents is limited, as the counterparties are leading national banks.

Pursuant to the requirements set out in Consob Communication No. 15519 of 28 July 2006, we note that the Company's Net Financial Position was as follows:

Statutory Net Financial Position	***NOTES***	***31.12.2015***	***31.12.2014***
A. Cash and cash equivalents		(2)	(2)
B. Bank and postal deposits		(2,078)	(4,397)
C. Securities held for trading		-	-
D. Cash and cash equivalents (A) + (B) + (C)	**20**	**(2,080)**	**(4,399)**
E. Current financial receivables	**19**	**(21)**	**(71)**
of which in respect of related parties		-	*(50)*
F. Current bank payables		12	9
G. Current portion of medium to long-term bank borrowings		21,641	-
H. Current financing from Shareholders		-	-
I. Other current financial payables		26	16
of which in respect of related parties		*26*	*16*
J. Payables and other current financial liabilities (F) + (G) + (H) + (I)	**27**	**21,678**	**25**
K. Current net financial debt (D) + (E) + (J)		**19,577**	**(4,445)**
L. Non-current bank payables		-	-
M. Non-current portion of medium to long-term bank borrowings		-	20,481
N. Non-current financing from Shareholders		-	-
O. Other non-current payables		-	-
P. Net non-current financial debt (L) + (M) + (N) + (O)		**-**	**20,481**
Q. Net financial debt CESR (K) + (P) (*)		**19,577**	**16,036**
L. Non-current financial receivables	**13**	**(428)**	**(432)**
S. Net financial debt (K) + (R)		**19,149**	**15,604**
of which excludes Shareholder financing		*19,149*	*15,604*

(*) The criterion for calculating CESR Net Financial Debt corresponds to the provisions under Paragraph 127 of the CESR Recommendation 05/054b implemented by Regulation CE 809/2004

The negative net financial position went from Euro 15,604 thousand on 31 December 2014 to Euro 19,149 thousand on 31 December 2015.

The worsening situation was largely attributable to the disbursements made in the period relating to personnel (e.g. early retirement), and the costs to support the drafting of the new business plan and consequent renegotiated pool financing.
We note that as provided for by IAS 1, following the non-compliance with the covenants of the pool finance agreement, the liability under the previous contract was reclassified under Current financial liabilities.

INFORMATION ON THE BALANCE SHEET - LIABILITIES

21)
NET EQUITY

A breakdown of the net equity items is given below, while the related changes are shown in the relevant schedule.

Net Equity	31/12/2015	31/12/2014	Change
Capital	14,331	21,920	(7,589)
Share premium reserve	-	13,666	(13,666)
Legal Reserve	-	228	(228)
Extraordinary reserve	-	25	(25)
Vendor Loan relinquishment reserve - TasNch	-	728	(728)
Reserve to cover conversion losses *Shareholders Loan* - TasNch	-	17,071	(17,071)
Reserves in capital account	-	50,688	(50,688)
IAS 19 actuarial valuation reserve	(257)	(516)	259
Profit/(loss) carried forward	-	(86,478)	86,478
Profit (loss) for the period	(6,489)	(3,517)	(2,972)
TOTAL	**7,585**	**13,815**	**(6,230)**

The Share capital was made up as follows:

Shares	Number	Nominal value
Ordinary shares	41,768,449	No value
Total	**41,768,449**	

No new shares were subscribed during the reference period.
Therefore on the closing date the following shares were in circulation: 41,768,449 ordinary shares with no nominal value.

We note that on 29 April 2015, based on the significant position pursuant to Art. 2446 of the Italian Civil Code according to what had already been communicated on 17 March 2015 and 7 April 2015, the extraordinary Shareholders' Meeting covered the total losses accrued at 31 December 2014 for Euro 89,994,995.49 by utilising the available reserves (with the exception of the IAS 19 valuation reserve) for Euro 82,406,066.02, and for the remaining amount of Euro 7,588,929.47, with a corresponding reduction in the share capital, which consequently went from Euro 21,919,574.97 to Euro 14,330,645.50, without cancelling the shares as these had no nominal value.

From the Company's asset position at 31 December 2015, and as already referred to in the introduction to the Management Report, Net Equity came down by over one third of the share capital, and specifically:

- overall losses at 31 December 2015, amounted to Euro 6,489 thousand;
- share capital at 31 December 2015 was Euro 14,331 thousand;
- net equity at 31 December 2015 was Euro 7,585 thousand;

therefore making the provisions under Art. 2446 of the Italian Civil Code applicable.

Consequently the Board of Directors resolved to call a Shareholders' Meeting to approve the 2015 Financial Statements and to adopt the relevant provisions pursuant to Art. 2446 of the Italian Civil Code. It is also worth noting that following the execution of the implementation agreement for the Operation, the position as per Art. 2446 will be fully remedied.

The *Actuarial valuation reserve* was generated by the recognition of actuarial gains and losses in the Comprehensive Income Statement. The changes were as follows:

Movements in the actuarial valuation reserve	**2014**
Actuarial valuation reserve 1.1.2014	**(236)**
Effect of actuarial valuation	(280)
Tax effect on actuarial valuation	-
Actuarial valuation reserve 31.12.2014	**(516)**

Movements in the actuarial valuation reserve	**2015**
Actuarial valuation reserve 1.1.2015	**(516)**
Effect of actuarial valuation	259
Tax effect on actuarial valuation	-
Actuarial valuation reserve 31.12.2015	**(257)**

The table below shows the origin, possibility of use and availability for each item in the net equity, as well as actual uses in the previous financial years:

				Summary of uses over the three previous years	
Nature/description	Amount	Possibility for use	Unrestricted portion	to replenish losses	for other reasons
Capital	14,331	B		7,589	-
Capital reserve					
Share premium reserve	-	A,B,C	-	13,666	-
Other Reserves					
Reserve to cover conversion losses Shareholders Loan - TasNch	-	A,B	-	17,071	-
Waiver of Vendor Loan	-	A,B	-	728	-
Reserves in capital account	-	A,B	-	50,688	-
IAS 19 actuarial valuation reserve	(257)				
Profit reserve					
Legal Reserve	-	B	-	228	-
Extraordinary reserve	-	A,B,C	-	25	-
Profit/(loss) carried forward	-	A,B,C	-	-	-
Total			**-**	**89,995**	**-**
Non-distributable portion			**-**		
Remaining distributable portion			**-**		

Key:

A: for capital increase

B: to cover losses

C: for distribution to shareholders

With regard to the comments on the Comprehensive Income Statement reference is made to Note 36 in this section.

NON-CURRENT LIABILITIES

22)
EMPLOYEE SEVERANCE INDEMNITY PROVISION

The provision represents the severance pay liability to be paid to employees in the case of contract termination, and is represented net of the advances paid. Its value has been updated.
The changes compared to the previous year are as follows:

Employee severance indemnity provision (TFR)	31/12/2015	31/12/2014	Change
Employee severance indemnity provision	4,025	4,996	(970)
TOTAL	**4,025**	**4,996**	**(970)**

Changes were as follows:

employee severance indemnity provision changes	Year 14
Severance indemnity provision 1.1.2014	**4,905**
Provision for the period	1,234
Interest costs	101
Amount paid to the INPS Treasury fund and other funds	(1,234)
Indemnities and advances paid during the year	(291)
Actuarial profit/(loss)	280
Severance indemnity provision 31.12.2014	**4,996**

employee severance indemnity provision changes	Year 15
Severance indemnity provision 1.1.2015	**4,996**
Provision for the period	1,203
Interest costs	74
Amount paid to the INPS Treasury fund and other funds	(1,156)
Indemnities and advances paid during the year	(833)
Actuarial profit/(loss)	(259)
Severance indemnity provision 31.12.2015	**4,025**

Changes to liabilities included Euro 1,203 thousand of provisions for the period, of which Euro 1,156 thousand were paid to the INPS Treasury fund and other funds; there were uses for Euro 833 thousand, and a positive effect for the actuarial valuation for Euro 259 thousand.

The actuarial model used for the valuation of severance pay is based on various demographic, economic and financial assumptions.
Where possible, for some of the assumptions express reference was made to the direct experience of the Company while for others, industry best practices were applied.

The main assumptions of the model are given below.

Financial assumptions	
Annual discounting rate	2.06%
Annual inflation rate: - 2016 - 2017 - 2018 - 2019 - 2020 and later	 1.50% 1.80% 1.70% 1.60% 2.00%
Annual rate of increase in employee severance indemnity	3.00%

Demographic assumptions	
Mortality	RG48 mortality table
Disability	INPS tables divided by age and gender
Pension age	100% upon reaching the Mandatory General Insurance requirements

From the historical experience of the Company and based on the available data, an annual turnover rate of 5% and an anticipation rate of 2% were deduced.

In particular, we note that:

- the **Annual discounting rate** in Italy used to calculate the current figure for the obligation was determined according to par. 78 of IAS 19, with reference to the IBoxx Eurozone Corporate AA 10+ index.
- the **inflation rate curve** applicable to the current economic situation that is especially volatile in terms of most of the economic indicators, was changed as shown in the table. This assumption was drawn from the Economy and Finance Document 2014 – Update at September 2014 Sec. II-Tab II.1" issued by the Ministry of the Economy and Finance (MEF) and the "Trends for the pension and socio-health system over the medium-long term – Report No. 15" published by the State General Accounting Office;
- the **Annual rate of increase in employee severance indemnity** pursuant to Art. 2120 of the Italian Civil Code is 75% of inflation plus 1.5 percentage points.

The sensitivity analysis for the Italian TFR appears below:

Sensitivity analysis of main evaluation parameters on data at 31.12.2015	**TFR [Employee Severance Pay]**	**Delta**	**%**
+ 1% on turnover rate	4,014	- 11.30	-0.3%
- 1% on turnover rate	4,038	12.77	0.3%
+ 1/4% on annual inflation rate	4,081	55.84	1.4%
- 1/4% on annual inflation rate	3,970	- 54.69	-1.4%
+ 1/4% on annual discounting rate	3,938	- 87.12	-2.2%
- 1/4% on annual discounting rate	4,116	90.54	2.2%

23) PROVISIONS FOR RISKS AND CHARGES

The details of the provisions for risks and charges in the Balance Sheet are as follows:

Risk provisions	31/12/2015	31/12/2014	Change
Provision for risks	286	267	19
Other provisions	140	140	-
TOTAL	**426**	**408**	**19**

Changes were as follows:

Risk provision changes	Year 14
Opening balance at 1.1.2014	**640**
Increases	143
Utilisation	(376)
Risk provision at 31.12.2014	**408**

Risk provision changes	Year 15
Opening balance at 1.1.2015	**408**
Increases	192
Utilisation	(173)
Risk provision at 31.12.2015	**426**

The item *Provisions for risks* refers mainly to disputes with customers and former employees. The item *Other provisions* related to orders where it is likely that the total cost will exceed the corresponding revenue.

24) NON-CURRENT FINANCIAL LIABILITIES

At 31 December 2015 there were no non-current financial payables, because as required by IAS 1, following the non-compliance with the covenants of the pool finance agreement in existence, the liability under that contract had been fully reclassified under current financial liabilities (see Note 27).

Non-current financial liabilities	31/12/2015	31/12/2014	Change
Payables to other lenders	-	-	-
Intesa SanPaolo pool finance (nominal value)	-	25,000	(25,000)
Effect of recognition at the amortised cost of pool finance	-	(4,519)	4,519
TOTAL	**-**	**20,481**	**(20,481)**
Within the following year	-	-	-
From 1 to 5 years	-	13,498	(13,498)
More than 5 years	-	6,983	(6,983)
TOTAL	**-**	**20,481**	**(20,481)**
Overdue – less than 1 month	-	-	-
Overdue – more than 1 month	-	-	-
TOTAL	**-**	**-**	**-**

CURRENT LIABILITIES

25)
TRADE PAYABLES

The value of trade payables, totalling Euro 18,677 thousand also included trade-related accruals and deferrals payable, and was made up as follows:

Trade payables	31/12/2015	31/12/2014	Change
Advances	247	650	(403)
Payables to suppliers	10,573	11,749	(1,175)
Payables to related parties	782	519	263
Trade accruals and deferrals payable	7,075	8,363	(1,288)
TOTAL	**18,677**	**21,281**	**(2,604)**
Within the following year	18,677	21,281	(2,604)
From 1 to 5 years	-	-	-
More than 5 years	-	-	-
TOTAL	**18,677**	**21,281**	**(2,604)**
Overdue – less than 1 month	613	611	2
Overdue – more than 1 month	2,541	1,772	769
TOTAL	**3,154**	**2,384**	**771**

The figure for *Payables to suppliers* at 31 December 2015 includes the invoices for the resale to one of the Group’s principal customers for a total of Euro 5,105 thousand (Euro 6,809 thousand in 2014).

The item *Advances* included the advances received from customers in relation to supply goods and services not yet completed.

As seen in the table, at 31 December 2015, there were overdue trade payables totalling Euro 3,154 thousand (Euro 2,384 thousand on 31 December 2014). The overdue amount includes 102 thousand Euro relating to disputed positions, some of which are currently being resolved, in relation to which the company considers it has justified grounds to refuse or delay all or part of the payment, while 1,107 thousand Euro relates to supplies made by a single supplier. If payment for that amount is due, the company considers that it should be paid after collection of the corresponding amounts from the final customer.
With reference to this last position the supplier served a non-executive injunction on the company in January 2010, and the company objected to that injunction considering that its reasons for doing so were valid. On 21 December 2010, accepting the company’s reasons, the Court dismissed the application for provisional enforcement of the injunction. During September 2012, the preliminary activities relating to the summonsing of witnesses concluded, and the case was adjourned until 18 December 2014 for the statement of conclusions. Several hearings were postponed for the concluding statements, with the most recent on 16 March 2016, postponed till the 6 April 2016. During the hearing, the Judge withheld his decision, allowing the parties the usual deadlines based on Art. 190 of the Italian Civil Procedure Code to file their concluding statements; specifically the 6 June 2016 to file the final statement and the 27 June 2016 to file the reply brief.

With regard to relations with related companies, reference is made to Note 37 in this section.

The trade-related accruals and deferrals related mainly to the deferral of orders in progress already invoiced to the customer but not yet completed on the year-end date. The breakdown is given below:

Trade accruals and deferrals payable	31/12/2015	31/12/2014	Change
Deferrals payable maintenance	720	463	258
Deferrals payable installation and consulting	2,484	2,718	(235)
Deferrals payable fees	448	98	350
Deferrals payable for resale hardware/software	3,414	5,081	(1,666)
Other accrued liabilities	9	4	5
TOTAL	**7,075**	**8,363**	**(1,288)**

The book value of the trade payables on the balance sheet date is considered to reflect their fair value.

26) OTHER PAYABLES

Other payables for Euro 6,683 thousand, related to:

Other payables	31/12/2015	31/12/2014	Change
Tax payables	1,848	1,831	18
Payables to social security institutions	1,779	1,899	(119)
Various payables	3,055	3,510	(455)
TOTAL	**6,683**	**7,239**	**(556)**
Within the following year	6,683	7,239	(556)
From 1 to 5 years	-	-	-
More than 5 years	-	-	-
TOTAL	**6,683**	**7,239**	**(556)**
Overdue – less than 1 month	-	-	-
Overdue – more than 1 month	-	-	-
TOTAL	**-**	**-**	**-**

The details relating to other payables appear below:

Tax payables	31/12/2015	31/12/2014	Change
IRPEF payables	1,046	1,059	(13)
VAT payables	801	772	30
Other tax payables	1	-	1
TOTAL	**1,848**	**1,831**	**18**
Within the following year	1,848	1,831	18
From 1 to 5 years	-	-	-
More than 5 years	-	-	-
TOTAL	**1,848**	**1,831**	**18**
Overdue – less than 1 month	-	-	-
Overdue – more than 1 month	-	-	-
TOTAL	**-**	**-**	**-**

IRPEF payables related to the tax retentions on the December payroll.

Social security payables	31/12/2015	31/12/2014	Change
Payable to INPS [pension fund]	1,562	1,724	(162)
Payables to INAIL and other institutions	217	174	43
Other social security payables	-	-	-
TOTAL	**1,779**	**1,899**	**(119)**
Within the following year	1,779	1,899	(119)
From 1 to 5 years	-	-	-
More than 5 years	-	-	-
TOTAL	**1,779**	**1,899**	**(119)**
Overdue – less than 1 month	-	-	-
Overdue – more than 1 month	-	-	-
TOTAL	**-**	**-**	**-**

Payables to social security institutions mainly related to contributions payable on the December payroll, and on salaries accruing on the balance sheet date in relation to additional monthly salary payments, holidays not taken and bonuses.

Various payables	31/12/2015	31/12/2014	Change
Payables to personnel	2,770	3,298	(528)
Various other payables	286	212	74
TOTAL	**3,055**	**3,510**	**(455)**
Within the following year	3,055	3,510	(455)
From 1 to 5 years	-	-	-
More than 5 years	-	-	-
TOTAL	**3,055**	**3,510**	**(455)**
Overdue – less than 1 month	-	-	-
Overdue – more than 1 month	-	-	-
TOTAL	**-**	**-**	**-**

The decrease in Payables to personnel results from the lower number of employees compared to the previous year.

There were no outstanding payables to employees on 31 December 2015.

The book value of the Other payables on the balance sheet date is considered to reflect their fair value.

27) CURRENT FINANCIAL PAYABLES

Total current financial payables at 31 December 2015 were Euro 21,678 thousand.

Current financial payables	31/12/2015	31/12/2014	Change
Payables to other lenders	-	-	-
Payables to banks	7	4	3
Payables to related parties	26	16	9
Intesa SanPaolo pool finance (nominal value)	25,000	-	25,000
Effect of recognition at the amortised cost of pool finance	(3,359)	-	(3,359)
Financial accruals and deferrals	5	5	-
TOTAL	**21,678**	**25**	**21,653**
Within the following year	21,678	25	21,653
From 1 to 5 years	-	-	-
More than 5 years	-	-	-
TOTAL	**21,678**	**25**	**21,653**
Overdue – less than 1 month	-	-	-
Overdue – more than 1 month	-	-	-
TOTAL	**-**	**-**	**-**

As noted previously, following the non-compliance with the covenants of the pool finance agreement in existence, the liability under that contract had been fully reclassified under current financial liabilities.

The following table contains the breakdown of the new pool finance on 31 December 2015.

(In thousands of	**Date loan taken out**	**Date loan falling due**	**Base rate of interest (1)**	**Spread (1)**	**Nominal Value**	***Delta Nom. V. and Fair Value* at 30.11.2012 (2)**	***Residual to ammort.* at 31.12.2015 (3)**	**Balance at 31.12.2015**
Line 2016	30/11/12	31/12/2016	N.a.	N.a.	15,000	(2,907)	(772)	14,228
Line 2020	30/11/2012	31/12/2020	N.a.	N.a.	10,000	(3,835)	(2,587)	7,413
Pool finance					**25,000**	**(6,742)**	**(3,359)**	**21,641**

(1) Under the restructuring agreement, no interest will accrue or be payable on either of the new lines of credit.

(2) Less fair value compared to the nominal value at the date the restructuring agreement is valid.

(3) Residual cost to amortise.

As provided for in the international accounting principle IAS 39 (AG57 and AG 62), the pool finance liability was recognised at the fair value on the date on which the Restructuring Agreement was signed. It was then valued at amortised cost.
As seen in the table, the effect of recognising the debt at amortised cost was Euro 3,359 thousand at 31 December 2015.

The bank loan is guaranteed by a lien on 67.276% of the share capital of TAS owned by TASNCH, already completed on 30 November 2007, and provides for compliance with certain financial covenants, failing which the pool of lenders can demand immediate repayment of the loan.

In accordance with Consob communication DEM/6064293 of 28 July 2006, the following financial parameters relating to the outstanding debt are provided below:

- Company’s net financial debt/EBITDA;
- Company’s net financial debt/Net Equity;

Below is a summary of the covenants that were not complied with at 31 December 2015 as referred to above.

	Tas Net Debt/Tas EBITDA <	TAS Net Debt/TAS Equity <
31.12.14	4.02	1.56
31.12.15	3.26	1.20
31.12.16	2.89	0.98

The fair value of financing (current and non-current), largely corresponded with the book value.

The structure of the current and non-current financial payables, in terms of the annual interest rate at 31 December 2015 and debt currency is as follows (nominal value):

Financial payables	zero rate	less than 5%	between 5% and 10.0%
Euro	25,012	-	-
USD	-	-	-
Real	26	-	-
CHF	-	-	-
TOTAL	**25,037**	**-**	**-**

The column of interest-free financial payables includes:

- the pool finance, whose nominal value at 31 December 2015 was Euro 25,000 thousand, as it did not provide for the accrual of interest for either of the new credit facilities, for the entire period;
- Euro 26 thousand (Real 110 thousand) referring to payables to the subsidiary TAS Americas to acquire the entire minority shareholding of the subsidiary belonging to Afonso Christiano Netto equalling 10% of the share capital;
- Euro 7 thousand relating to other bank payables and Euro 5 thousand to financial commissions accrued but not yet overdue as of 31 December 2015.

On the balance sheet date there was no financing exposed to fluctuations in interest rates.

The table below shows the changes in the Company's financial payables (book value):

Financial payables	31/12/2015	31/12/2014	Change
Non-current	-	20,481	(20,481)
Current	21,678	25	21,653
TOTAL	**21,678**	**20,506**	**1,173**

Changes	Year 14
Opening balance at 1.1.2014	**19,600**
Effect of recognition at the amortised cost of the new pool finance	1,098
Change in bank payables	(192)
Closing balance at 31.12.2014	**20,506**

Changes	Year 15
Opening balance at 1.1.2015	**20,506**
Effect of recognition at the amortised cost of the pool finance	1,161
Change in bank payables	12
Closing balance at 31.12.2015	**21,678**

At 31 December 2015, the reserve of liquid assets was as follows:

Bank credit lines	*Loans 31.12.2015*	*Utilisation 31.12.2015*	*Availability of credit 31.12.2015*	*Availability of credit 31.12.2014*
Financing Lines (POOL)	25,000	(25,000)	-	-
Self-liquidating (POOL)	-	-	-	-
Total Bank Credit Lines	**25,000**	**(25,000)**	**-**	**-**
Cash and cash equivalents			**2,080**	**4,399**
Total			**2,080**	**4,399**

The value of the pool loan mentioned above represents the nominal value of renegotiated debt. The balance sheet value, at the amortised cost, stood at Euro 21,641 thousand.

The Company's liquidity reserve of Euro 2 million was considered sufficient to meet the existing commitments at the balance sheet date, based also on the comments in Note 1 of this Section.

28)
COMMITMENTS AND OTHER POTENTIAL LIABILITIES

At 31 December 2015, the Parent Company had commitments for rentals payable, totalling Euro 1,050 thousand (Euro 600 thousand due within one year and Euro 450 thousand due between one and five years).

On 24 September 2007 the company and a former consultant of DS Data Systems S.p.A. (a company controlled by NCH Network Computer House S.p.A., now C.I.B. S.p.A., which at the time used to control the company), had entered into a novation agreement determining the joint and several liability of the company and DS Data Systems S.p.A. with regard to the provisions of a Framework Agreement entered into on 2 January 2007 between DS Data Systems S.p.A. and the ex-consultant. The framework agreement provided that DS Data Systems S.p.A. had to pay Euro 350 thousand by way of a general novative settlement in relation to the termination of all

past and present relations between the parties, and was to transfer to the ex-consultant two share packages owned by DS Data Systems S.p.A. at the cost of Euro 500 each. One of those packages has already been transferred, the 90% of the DS Data Systems Iberia S.A. shares has not. A business unit owned by DS Data Systems S.p.A. was to be transferred to one of the above companies at a price of Euro 100 thousand. The company objected that the cause and object of the novation was invalid and/or unenforceable. The ex-consultant served an injunction on the company, which was dismissed by the court, who authorised the summonsing of the principal debtor, DS Data Systems S.p.A. which was finally wound up during the case.
The first level Judge partially accepted the ex-consultant’s application, without prejudice to DS Data System’s being ordered to hold TAS harmless for what was paid to the Company by the ex-consultant, and ordered TAS to pay the counterparty 350 thousand Euro excluding interest, and expenses for a total of about Euro 426 thousand. It is noted that the entire amount has been duly settled. The ex-consultant has nonetheless served the Company with an appeal against the first level judgement, where it was the losing party; the Company has filed a cross appeal. During the most recent hearing on 17 November 2015, the case was retained for a decision and on 22 March 2016, judgement was handed down, in terms of which the Appeal Court refused the main and cross appeal demands, except for partially accepting the main demand that TAS makes provision for Matte Bon to acquire 90% of the shares in DS Data Systems Iberia S.A. at the price of Euro 500.00, and ordering TAS to pay the legal costs incurred by the main appellant. The terms for filing objections was still pending at the date the draft Financial Statements are approved.

INFORMATION ON THE INCOME STATEMENT

Comments on the Income Statement follow. These are compared with the relevant figures for the corresponding period in 2014.
It also shows the revenue and costs accruing with regard to related parties.
For additional details on the relations with related parties, please refer to Note 37 in this section.

29)
REVENUE

Revenue	31/12/2015	31/12/2014	Change	Change %
Revenue	42,725	38,107	4,618	12.1%
(of which in respect of related companies)	*457*	*553*	*(95)*	(17.3%)
Work in progress	353	(369)	722	>(100.0%)
Other revenue	402	779	(376)	(48.3%)
(of which in respect of related companies)	*200*	*141*	*58*	*41.1%*
TOTAL	**43,480**	**38,516**	**4,964**	**12.9%**

At 31 December 2015 the Company recorded *Total revenue* for Euro 43,480 thousand, compared to Euro 38,516 thousand the previous financial year. These are made up as follows:

- Euro 43,078 thousand made up of revenue from typical management (Euro 37,738 thousand in 2014);
- Euro 402 thousand made up of other non-typical revenue (Euro 779 thousand in 2014).

The details of revenue by type are reported below:

Revenue by type	31/12/2015	Impact %	31/12/2014	Impact %	Change	Change %
Licenses	8,653	19.9%	3,694	9.6%	4,959	>100.0%
Maintenance	8,099	18.6%	8,141	21.1%	(41)	(0.5%)
Professional services	17,849	41.1%	17,755	46.1%	94	0.5%
Royalties and usage fees	4,332	10.0%	4,383	11.4%	(52)	(1.2%)
Support fees	4,146	9.5%	3,764	9.8%	381	10.1%
Other	402	0.9%	779	2.0%	(376)	(48.3%)
TOTAL	**43,480**	**100.0%**	**38,516**	**100.0%**	**4,964**	**12.9%**

An analysis of the Company’s Total Revenue by type of service provided, showed an increase especially in the revenue for licences, which at 31 December 2015 made up 19.9% of total revenues, going from Euro 3,694 thousand to Euro 8,653 thousand. The increase relates mainly to the resale of hardware to one of the Group’s primary customers that impacted for around Euro 5,162 thousand (Euro 997 thousand in 2014). Less the value of these resales, the figure for licences stands at Euro 3,491 thousand compared to Euro 2,697 thousand for the corresponding period the previous year; this is nonetheless up thanks to the sales of licences related to the T2S solution, called Aquarius.

The *Other* item includes revenue from non-typical operations.

The table below shows the distribution of revenue by geographic area:

Revenue by geographic area	31/12/2015	Impact %	31/12/2014	Impact %	Change	Change %
Italy	39,101	89.9%	34,056	88.4%	5,045	14.8%
Germany	1,903	4.4%	1,814	4.7%	89	4.9%
Great Britain	900	2.1%	422	1.1%	478	113.2%
Brazil	309	0.7%	326	0.8%	(17)	(5.3%)
Other	1,267	2.9%	1,897	4.9%	(630)	(33.2%)
TOTAL	**43,480**	**100.0%**	**38,516**	**100.0%**	**4,964**	**12.9%**

The increase for Italy refers mainly to the information provided above.
The geographic area *Other* mainly includes the United States, Spain and Cuba, and revenue from non-typical operations.

30)
PERSONNEL COSTS

Personnel costs	31/12/2015	31/12/2014	Change	Change %
Salaries and wages	16,914	16,677	237	1.4%
Social security contributions	5,161	5,127	34	0.7%
TFR provision	1,203	1,234	(31)	(2.5%)
Other costs	8	0	7	>100.0%
Capitalised development costs	(2,456)	(2,594)	139	(5.3%)
TOTAL	**20,830**	**20,445**	**385**	**1.9%**

Personnel costs, the highest payable item on the Income Statement, went from Euro 20,445 thousand to Euro 20,830 thousand, recording an increase of 1.9% compared to 2014. Excluding development costs, the increase was for 1.1% (Euro 247 thousand).
We note that with the expiry of the agreement with trade union representatives, on 12 April 2015 recourse ended to the Redundancy Benefit Fund [“Cassa Integrazione Guadagni”].

The table below illustrates the TAS Group staff at 31 December 2015:

Staff	31/12/2015	31/12/2014	Change
- Managers	26	28	(2)
- Executive	99	104	(5)
- Workers	228	246	(18)
TOTAL	**353**	**378**	**(25)**

31)
COSTS OF SERVICES AND OTHER COSTS

Costs of services and other costs for Euro 20,230 thousand, are detailed in the table below:

Costs of services and other costs	31/12/2015	31/12/2014	Change	Change %
Raw materials, consumables and goods	5,400	1,390	4,009	>100.0%
- of which capitalised development costs	*(409)*	*(252)*	*(156)*	*61.9%*
For services	11,104	10,477	627	6.0%
- of which non-recurring	*265*	*13*	*252*	>100.0%
- of which in respect of related companies	*1,280*	*978*	*302*	30.8%
- of which capitalised development costs	*(1,113)*	*(961)*	*(152)*	*15.9%*
For use of third-party assets	1,592	1,615	(23)	(1.4%)
Provision for risks	192	143	49	33.9%
- of which non-recurring	*192*	*143*	*49*	*33.9%*
Various management charges and other charges	1,942	1,201	740	61.6%
- of which non-recurring	*1,621*	*881*	*740*	*84.0%*
TOTAL	**20,230**	**14,827**	**5,403**	**36.4%**

The increase in *Raw material consumables* is mainly linked to the resale of hardware and software to one of the Group’s principal customers referred to on a number of occasions, which at 31 December 2015 impacted for Euro 4,819 thousand (Euro 969 thousand at 31 December 2014).

As shown in the table, there were non-recurring costs totalling Euro 2,078 thousand, broken down as follows:

BALANCE SHEET ITEM	AMOUNT	DESCRIPTION
“Costs of services”	(265)	Extraordinary consulting
Total	**(265)**	
“Other costs”	(1,813)	Extraordinary charges
Total	**(1,813)**	
TOTAL NON-RECURRING COSTS	**(2,078)**	

Costs of services mainly include extraordinary legal and financial consulting provided by leading companies to assist with the drafting of the new business plan and the consequent pool financing renegotiation made necessary subsequent to the covenants stipulated in the above contract being broken.
The item *Other costs* referred to transactions relating to incentives for the early retirement of staff and the associated costs.

The *Cost of services* for Euro 11,104 thousand were made up as follows:

Costs of services	31/12/2015	31/12/2014	Change	Change %
Consulting	1,251	874	377	43.1%
Insurance	277	279	(2)	(0.8%)
Software design and development	3,543	3,385	158	4.7%
- of which capitalised development costs	*(1,113)*	*(961)*	*(152)*	15.9%
Professional services from third parties for resale	1,931	1,653	278	16.8%
Telephone and energy bills	311	385	(74)	(19.2%)

Royalties payable	74	115	(42)	(36.2%)
Cash remuneration to directors and auditors	401	480	(79)	(16.5%)
Travel costs	753	777	(24)	(3.0%)
Outsourced IT services	870	823	48	5.8%
Maintenance and repair fees	181	172	9	5.2%
Advertising, trade fairs and sponsorships	145	232	(87)	(37.5%)
Other services	1,367	1,301	66	5.1%
TOTAL	**11,104**	**10,477**	**627**	**6.0%**

The increase in the costs of services relates to the information above regarding the support provided for renegotiating financing.

The item *Costs for use of third-party assets* for Euro 1,615 thousand was made up as follows:

Costs for use of third-party assets	31/12/2015	31/12/2014	Change	Change %
Rent of premises	1,207	1,206	0	0.0%
Leasing and hiring	386	409	(23)	(5.7%)
TOTAL	**1,592**	**1,615**	**(23)**	**(1.4%)**

32)
AMORTISATIONS, DEPRECIATIONS AND IMPAIRMENT REVERSALS

This item went from Euro 3,950 thousand to Euro 7,599 as follows:

Amortisations, depreciations and impairment reversals	31/12/2015	31/12/2014	Change	Change %
Capitalised software	3,583	2,842	741	26.1%
Other intangible fixed assets	1,907	1,901	6	0.3%
Tangible fixed assets	334	266	67	25.3%
Impairment of shareholdings	1,604	-	1,604	-
Impairment reversal	-	(1,500)	1,500	(100.0%)
Impairment of trade receivables and other receivables	171	440	(269)	(61.1%)
TOTAL	**7,599**	**3,950**	**3,649**	**92.4%**

For further information on “Impairment of shareholdings”, reference is made to Note 12 in this section.

33)
FINANCIAL INCOME AND CHARGES

The balance of financial management was negative for Euro 1,311 thousand and was made up as follows:

Financial income/(expenses)	31/12/2015	31/12/2014	Change	Change %
Income from subsidiary shareholdings	-	410	(410)	(100.0%)
Income from non-current receivables	8	20	(12)	(59.9%)
Other income	1	4	(3)	(71.6%)
TOTAL FINANCIAL INCOME	**9**	**433**	**(424)**	**(97.9%)**
Interest payable and other financial charges	(1,310)	(1,277)	(33)	2.6%
Interest payable in respect of APIA subsidiary	-	-	-	#DIV/0!
Exchange rate losses	(10)	(6)	(4)	81.2%

TOTAL FINANCIAL CHARGES	**(1,320)**	**(1,282)**	**(37)**	**2.9%**
TOTAL RESULT OF FINANCIAL MANAGEMENT	**(1,311)**	**(849)**	**(461)**	**54.3%**

The item *Interest payable and other financial charges,* which went from Euro 1,277 thousand in 2014 to Euro 1,310 thousand at 31 December 2015, included:

- interest payable on loans, current bank accounts and factoring accounts for Euro 3 thousand (Euro 5 thousand in 2014);
- bank charges for Euro 72 thousand (Euro 73 thousand in 2014);
- the effect for the period for Euro 1,161 thousand (Euro 1,098 thousand in 2014) relating to the recognition of the amortised cost of the pool finance;
- the effect for the period for Euro 74 thousand (Euro 101 thousand in 2014) relating to the recognition of interest costs linked to the actuarial valuation of the employee severance indemnity provision.

The company has not determined the effect of a potential 0.5% increase or decrease in the level of interest rates applicable to existing loans at 31 December 2015, as they are not significant considering that neither of the new lines of credit are subject to the accrual of interest throughout their term.

34) TAXES

At 31 December 2015, there was no impact from taxes.

Current and deferred taxes	31/12/2015	31/12/2014	Change	Change %
Current taxes	-	581	(581)	(100.0%)
Deferred taxes	-	1,381	(1,381)	(100.0%)
TOTAL	**-**	**1,962**	**(1,962)**	**(100.0%)**

The decision was taken not to allocate all the deferred tax receivables to the Company’s tax losses, given that on the balance sheet date, there was no reasonable certainty that they would be used within the Plan’s time frame. However, in the light of the elimination of the 5-year restriction on the carrying-over of tax losses, the Company has not lost the option of entering the deferred tax receivables on those losses in the future. The overall amount not entered is about 11.2 million Euro. It is worth highlighting that following the execution of the Operation, and more specifically the waiver by the Parent Company TASNCH regarding Bank Receivables for Euro 20 million in respect of TAS, in the 2016 tax return, a portion of the previous losses referred to above (around Euro 5.5 million) will be utilised in the application of Art. 88, paragraph 4 of the Consolidated Law on Income Tax (TUIR).

The reconciliation of the IRES and IRAP tax charges is reported below:

Reconciliation of tax charges	31/12/2015	31/12/2014
Pre-tax profit	(6,489)	(1,555)
Theoretical rate (IRES)	27.5%	27.5%
Theoretical taxes	(1,784)	(428)
Higher taxes from non-deductible costs	1,480	881
Less taxes from non-taxable income/deductible costs	(419)	(1,173)

Net variation in deferred tax recorded and not recorded	722	2,100
IRAP (regional business tax)	-	581
TOTAL	**-**	**1,962**

35)
OTHER PROFIT/(LOSS)

The value of the Other profit/(loss) is made up as follows:

Other profit/(loss)	31/12/2015	31/12/2014	Change
Actuarial profit/(loss) on defined benefit plans	259	(280)	539
Income tax relating to Other profit/(loss)	-	-	-
Total Other profit/(loss), net of tax effect	**259**	**(280)**	**539**

There was no tax effect relating to Other profit/(loss).

36)
DISCLOSURE OF AUDITING FIRM'S REMUNERATION

According to the provisions of article 149-*duodecies* of the Issuers Regulations, enacting Legislative Decree No. 58 of 24 February 1998, below are details of the services rendered by the auditing firm in 2014, in thousands in Euro.
The table below indicates the fees for the accounts auditing and other services.

Type of services	Service provider	Service recipient	Compensation
Accounts auditing	Parent company auditor	TAS S.p.A.	116
	Parent company auditor (DELOITTE)	TAS S.p.A.	44

37)
TRANSACTIONS WITH RELATED PARTIES

The following related-party transactions took place during the period. For the definition of “Related parties”, reference has been made to IAS 24 R, approved by Regulation (EC) No 632/2010.
The table below summarises the economic, capital and financial relations with related parties on 31 December 2015:

	TAS HELVETIA SA	TAS FRANCE EURL	TAS IBERIA SLU	TAS AMERICAS LTDA	TASNCH HOLDING	CONTENT INTERFACE ITALIA SRL
Trade receivables	-	1	221	99	-	-
Trade payables	(360)	(174)	(28)	(72)	(122)	(26)
Financial payables	-	-	-	(26)	-	-
Costs						
Raw material consumables	-	-	(18)	-	-	-
Costs of services	(665)	(50)	(232)	(72)	(166)	(95)
Other costs	-	(0)	-	-	(1)	-
Revenue						
Revenue for services	-	-	148	309	-	-
Other revenue	-	200	-	-	-	-

Related-party transactions as defined by IAS 24 were carried out in accordance with laws in force, at normal market prices.

- Relations with the subsidiary TAS Helvetia S.A. referred to the days worked by the parent company’s employees on the Company’s jobs and projects.
- The subsidiary company TAS France is the distributor in France for the Teletrading product, on the sales in respect of which it pays royalties to the Company and can ask for additional sales services to be carried out.
- The balance of the trade receivables from the subsidiary TAS Iberia for Euro 221 thousand referred to the royalties due to the Company on the subsidiary’s revenue. The balance of the trade payables, on the other hand, referred to the residual debt at 31.12.2015 for days worked by employees of the subsidiary on Company orders;
- The relations between the Company and the parent company TASNCH related to Group management and coordination services;
- The costs of services to the subsidiary Tas Americas related to sales commissions recognised by the subsidiary company to the Parent Company on products invoiced by the Company; Revenue referred to maintenance and consulting carried out for the Parent Company;
- the relations between the Content Interface Italia, a company in which the Chairman Dario Pardi is the sole director and referred to days worked on projects and jobs for the Company. The balance of the costs of services includes the compensation as Chairman of the Company’s Board of Directors.

The following information contains details of the impact that related-party transactions had on the Company’s financial and asset situation.

Impact of related-party transactions			
		Related parties	
	Total	**Absolute Amount**	**%**
a) Impact of related-party transactions on items on the Balance Sheet			
Other intangible fixed assets	5,076	-	0.0%
Trade receivables	22,093	322	1.5%
Current financial receivables	21	-	0.0%
Other receivables	209	-	0.0%
Trade payables	(18,677)	(782)	4.2%
Non-current financial liabilities	-	-	0.0%
Current financial payables	(21,678)	(26)	0.1%
Other payables	(6,683)	-	0.0%
b) Impact of related-party transactions on items on the Income Statement			
Raw material consumables	(5,400)	(18)	0.3%
Costs of services	(11,104)	(1,280)	11.5%
Other costs	(3,726)	(1)	0.0%
Trade revenue	42,725	457	1.1%
Other revenue	402	200	49.6%
c) Impact of related-party transactions on cash flow			
Financial revenue	9	-	0.0%
Financial charges	(1,320)	-	-

38)
NUMBER OF EMPLOYEES

Staff	31/12/2015	31/12/2014	Change
- Managers	26	28	(2)
- Executive	99	104	(5)
- Workers	228	246	(18)
TOTAL	**353**	**378**	**(25)**

39)

REMUNERATION TO DIRECTORS, STATUTORY AUDITORS, GENERAL MANAGERS AND DIRECTORS WITH STRATEGIC RESPONSIBILITIES

Below are the details of the remuneration (in Euro) payable to the directors, members of the Board of Statutory Auditors, General Managers and directors with strategic responsibilities in the year 2015.

Name and Surname	Position held during the year	Period in which the position was held	Expiry of office	Emoluments payable for position within TAS S.p.A. *	Non-monetary benefits **	Bonuses and other incentives ***	Other benefits ****
Renzo Vanetti	Chairman	1/01-30/04/2015	Approval FS 2014	33,333			
Valentino Bravi	Chief Executive Officer	1/01-30/04/2015	Approval FS 2014	16,667	1,083		100,000
Francesco Guidotti	Board member	1/01-30/04/2015	Approval FS 2014	6,667			
Michael Treichl	Board member	1/01-30/04/2015	Approval FS 2014	6,667			
Luca Di Giacomo	Board member	1/01-30/04/2015	Approval FS 2014	10,000			
Richard Launder	Board member	1/01-30/04/2015	Approval FS 2014	9,333			
Total remuneration to directors (up until shareholders' meeting to appoint new BoD)				**82,667**	**1,083**	**-**	**100,000**
Dario Pardi	Chairman	1/05-31/12/2015	Approval FS 2017	30,000			
Valentino Bravi	Chief Executive Officer	1/05-31/12/2015	Approval FS 2017	30,000	2,166		185,000
Giorgio Papa	Board member	1/05-06/10/2015	Approval FS 2017	10,417			
Riccardo Pavoncelli	Board member	1/05-31/12/2015	Approval FS 2017	10,000			
Luca Di Giacomo	Board member	1/05-31/12/2015	Approval FS 2017	13,333			
Giovanni Damiani	Board member	1/05-31/12/2015	Approval FS 2017	13,333			
Giancarlo Albini	Board member	1/05-31/12/2015	Approval FS 2017	16,667			
Roberta Viglione	Board member	1/05-31/12/2015	Approval FS 2017	16,667			
Suzan Andrèe Bazile	Board member	1/05-31/12/2015	Approval FS 2017	13,333			
Total remuneration to directors (from 01/05/2015 new composition)				**153,750**	**2,166**	**-**	**185,000**
Total remuneration to directors for 2015				**236,417**	**3,249**	**-**	**285,000**
Carlo Ticozzi Valerio	Chairman	1/01-31/12/2015	Approval FS 2016	41,600			
Paolo Sbordoni	Chairman[8]	1/01-30/04/2014		7,760			
Alberto Righini	Standing Auditor[8]	1/01-30/04/2014		15,621			
Antonio Mele	Standing Auditor	1/01-31/12/2015	Approval FS 2016	43,051			
Simonetta Bissoli	Standing Auditor	1/01-31/12/2015	Approval FS 2016	31,200			

[8] Residual remuneration recorded as accrued.

Total auditors' remuneration	**139,232**	**-**	**-**	**-**
TOTAL REMUNERATION	**375,649**	**3,249**	**-**	**285,000**
Directors with strategic responsibilities*****		**7,722**	**45,000**	**923,638**

* The amounts stated refer to the payment authorised by the Shareholders' Meeting.
** Included fringe benefits.
*** The stated amounts refer to the variable portion of remuneration.
**** Includes salary from paid employment. Does not include welfare contributions payable by employer.
***** Included the 9 managers in office on 31 December 2015.
For more details, please refer to the Remuneration Report.

For the Board of Directors
the Chief Executive Officer
VALENTINO BRAVI

ANNEX 1:

The basic data on the parent company TASNCH Holding S.p.A. set out in the summary chart required by article 2497-*bis* of the Civil Code, was taken from the respective Balance Sheet for the financial year ending 31 December 2014. For a full and complete understanding of the Balance Sheet and financial situation of TASNCH Holding S.p.A. at 31 December 2014, as well as the financial profit achieved by the company in the financial year which ended on that date, reference is made to the Financial Statements which, together with the auditing firm's report, is available in the forms and formats set down by law.

TASNCH HOLDING S.P.A.
Registered Office: Via Andrea Appiani, 12 - Milan
Tax code/Milan Registry of Businesses No. 03222440160

BALANCE SHEET		
ASSETS **Amounts in Euro**	**31/12/2014**	**31/12/2013**
A Receivables from shareholders for outstanding payments	-	-
B Fixed assets	-	-
C Current assets	20,992,293	20,957,267
D Accruals and deferrals	-	-
TOTAL ASSETS	**20,992,293**	**20,957,267**
LIABILITIES **Amounts in Euro**	**31/12/2014**	**31/12/2013**
A Net Equity	20,886,809	20,816,814
Share capital	*120,000*	*120,000*
Reserves	*20,876,662*	*20,792,424*
Profit/(loss) carried forward	*(95,610)*	-
Profit (loss) for financial year	*(14,243)*	*(95,610)*
B Provisions for risks and charges	-	-
C Severance pay for end of employment	-	-
D Payables	105,484	140,453
E Accruals and deferrals	-	-
TOTAL LIABILITIES	**20,992,293**	**20,957,267**
INCOME STATEMENT **Amounts in Euro**	**31/12/2014**	**31/12/2013**
A Value of production	136,011	106,837
B Costs of production	(150,126)	(190,368)
C Financial income and charges	214	259
D Impairment of financial assets	-	-
E Extraordinary income and expenses	(1)	(12,338)
Income tax for financial year	(341)	-
Profit (loss) for the period	**(14,243)**	**(95,610)**

Certification of the Financial Statements pursuant to Art. 81-*ter* of the Consob Regulation No. 11971 of 14 May 1999, as amended.

The undersigned Valentino Bravi, Chief Executive Officer, and Paolo Colavecchio, as Officer in charge of the preparation of the company accounting documents for TAS S.p.A. also considering that as established by Art. 154-*bis*, paragraphs 3 and 4 of Legislative Decree No. 58 of 24 February 1998, certify:

- the adequacy in respect of the Company's characteristics, and
- the effective application

of the administrative and accounting procedures for the preparation of the Financial Statements during the financial period from January-December 2015.

It is also hereby certified that the Financial Statements at 31 December 2015:

a. have been drawn up according to the international accounting standards applicable and recognised in the European Community pursuant to the regulation (EC) No. 1606/2002 of the European Parliament and Council of 19 July 2002;
b. correspond to the balances in the accounting records;
c. provide a true and correct representation of the equity and economic and financial situation of the issuer and of all the companies included in the consolidation.

The Report on Operations includes a reliable analysis of the trend and operating profit, in addition to the position of TAS and all businesses included in the consolidation and a description of the main risks and uncertainties to which they are exposed.

Bologna, 29 April 2016

Chief Executive Officer
Valentino Bravi

Financial Reporting Officer
Paolo Colavecchio

Tas SpA
Administrative Headquarters
Via della Cooperazione 21
40129 Bologna (BO)
T [+39] 051 458011
F [+39] 051 4580248
www.tasgroup.it

Tas SpA
Registered Office
Via Benedetto Croce 6
00142 Rome
T [+39] 06 7297141
F [+39] 06 72971444

Share Capital € 14,330,645.50 fully paid up
R.E.A. No. RM 732344
VAT number 03984951008
Tax code and Rome Co. Reg. no. 05345750581
PEC: amministrazione@pec-tasgroup.it

Company subject to the direction and coordination of TASNCH Holding S.p.A. based in Milan, Via Appiani 12 - Tax Code and Milan Company Reg.