

<p style="text-align: center;"><b>TAMBURI INVESTMENT PARTNERS SpA</b> <b>Annual Financial Report for year ended on 31 December 2007</b></p>
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**Disclaimer:** This document is a partial translation of the FY2007 Annual Financial Report of Tamburi Investment Partners SpA originally issued in Italian ("Bilancio di esercizio al 31 dicembre 2007"). "Partial" means that the translation does not include the reports of the Board of Statutory Auditors and of the Independent Auditor. This translation has been prepared solely for the convenience of non-Italian, English-speaking readers. Only the original Italian report, in its complete form, is legally valid and it shall always prevail over the English translation.

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## Corporate bodies and management

### Board of Directors of Tamburi Investment Partners SpA

Giovanni Tamburi	President & Managing Director
Alessandra Gritti	Vice President & Managing Director
Claudio Berretti	Executive director & General Manager
Francesco Baggi Sisini	Non-executive director
Niccolò Branca di Romanico	Non-executive director
Cesare d'Amico	Independent director
Giuseppe Ferrero	Independent director
Claudio Gagnani	Independent director
Mario Davide Manuli	Non-executive director
Sandro Alberto Manuli	Non-executive director
Marco Merati Foscarini	Non-executive director
Maurizio Petta	Non-executive director
Edoardo Rossetti	Non-executive director

### Board of Statutory Auditors

Giorgio Rocco	President
Enrico Cervellera	Standing statutory auditor
Emanuele Cottino	Standing statutory auditor
Giuseppe Merlini	Substitute statutory auditor
Maurizio Barbieri	Substitute statutory auditor

### Independent Auditor

KPMG SpA

### Management

Claudio Berretti	General Manager
Alessandro Martinoni	Head of advisory area
Matteo Gatti	Head of equity area
Paolo Prati	Head of equity area
Francesca Bassi	Co-head of advisory area

## **Report on the operating performance of Tamburi Investment Partners SpA in the year ended on 31 December 2007**

The accounts of Tamburi Investment Partners SpA (hereinafter also “TIP”) for the financial year (FY) ended on 31 December 2007 show profit after tax of € 11,334,134 (+32% YoY).

The year that ended on 31 December 2007 was very singular. Having started with all financial markets surging upwards, it ended with strong fears of systemic crisis. The media insisted hard on the liquidity crises caused by the crisis of so-called subprime mortgages – but in reality the real turning point of 2007 was the entry into crisis mode of a finance model that had exaggerated in many respects. Such exaggeration ranged from unrestrained use of derivatives (and, above all, no longer as protection against risks but as pure speculation) and of structured products to equally senseless use of securitisations – moreover often undertaken via “off-balance sheet” vehicles. It also ranged from the granting of loans to parties – both natural persons and legal entities – clearly unable, with their assets, to honour their commitments and to the explosion of consumer credit. The latter was a further destabilising factor, if nothing else because of the erroneous perception of creditworthiness that it progressively created.

In the years leading up to 2007, assets of all types had appreciated: from buildings to companies and from bonds to securities of any type and nature. Many had the impression that this was not an eternal phenomenon. You shareholders well know how hard TIP tried, already in 2006, to build an albeit small barrier to protect it from such events by buying put options on the S&P MIB Index, but making a loss in the process. In effect, successful guessing of the timing of such events is not easy.

The thing that hit TIP during 2007 and in the early months of 2007 in a manner difficult to foresee was loss of value of mid and small cap equities. In other words, the equities that had been the most attractive ones for institutional and retail investors in previous years, suffered share price downturns entirely unrelated both to their respective business performance and to general market trends. For small and mid caps, there was creation of disaffection and lack of stock liquidity that has no precedents in other market crises. These downturns hit TIP stock and nearly all listed investee companies. The cause of some of them has been identified as being the copious and unexpected redemptions of funds that had invested in such stocks and, more generally, the fear that these equities’ low level of liquidity would make them really impossible to sell. It is clear to everyone that many fund redemptions and part of the disaffection for the stocks in question were triggered by commercial banks’ desire to regain possession of customer liquidity in order to pilot their own issues and shortages better in the short term.

What is most important for TIP, however, is the fact that the underlying companies, its investee companies, had a year, in 2007, that was truly outstanding. The following table summarises outright amounts and the growth rate of sales, EBITDA, and profit after taxes for each individual investee company, together with some indicators of balance-sheet soundness. The latter show investee companies’ low average level of indebtedness, with all that this implies in terms both of risk and of further room for growth.

Company	Market cap. (€ mn) <sup>(1)</sup>	2007 results (€ mn)					Growth indicators (2007 vs. 2006)		Balance sheet indicators	
		Revenue	EBITDA/ Margin	Profit/ Margin	NFP	Equity	Revenue growth	EBITDA growth	D / EBITDA	D / Equity
<b>Datalogic</b>	373.2	404.0	50.1 12.4%	18.1 4.5%	62.5	173.5	5.9%	31.0%	1.2x	0.4x
<b>Mariella Burani F. G.</b> <sup>(2)</sup>	512.9	654.4	93.3 14.3%	29.5 4.5%	185.9	145.3	11.7%	17.2%	2.0x	1.3x
<b>Monrif</b>	103.6	282.9	9.7 3.4%	-11.4 -4.0%	141.3	69.0	-3.3%	-38.6%	14.6x	2.0x
<b>NH Hoteles</b> <sup>(3)</sup>	1,612.9	1,505.7	283.0 18.8%	77.4 5.1%	1,065.6	854.6	38.0%	49.8%	3.8x	1.2x
<b>Marr</b>	483.2	1,064.7	69.7 6.5%	29.3 2.7%	122.9	180.6	9.5%	13.1%	1.8x	0.7x
<b>Sol</b>	446.7	427.1	97.1 22.7%	26.7 6.3%	114.2	275.6	8.5%	11.1%	1.2x	0.4x
<b>Engineering</b>	294.3	457.1	70.5 15.4%	25.9 5.7%	-5.3	229.1	7.4%	10.3%	-0.1x	0.0x
<b>Zignago</b>	375.4	240.7	64.3 26.7%	24.9 10.4%	46.0	77.2	14.9%	19.5%	0.7x	0.6x
<b>Arkimedica</b>	124.4	123.4	12.4 10.0%	0.9 0.7%	72.0	66.5	27.1%	12.6%	5.8x	1.1x
<b>Bolzoni</b>	76.4	145.6	17.8 12.2%	6.7 4.6%	25.9	43.3	36.0%	34.7%	1.5x	0.6x
<b>Servizi Italia</b>	85.9	143.0	41.8 29.2%	6.7 4.7%	29.6	54.3	5.8%	8.0%	0.7x	0.5x
<b>Monti Ascensori</b>	40.3	31.6	4.6 14.4%	0.7 2.3%	6.9	17.3	20.2%	15.0%	1.5x	0.4x
<b>Noemalife</b>	35.9	22.5	4.8 21.3%	1.4 6.1%	7.5	15.0	37.6%	62.4%	1.6x	0.5x
<b>Caleffi</b>	36.4	58.2	6.0 10.2%	2.4 4.2%	3.8	17.5	2.5%	-10.1%	0.6x	0.2x
<b>d'Amico</b> <sup>(4)</sup>	311.7	310.3	106.0 34.2%	75.1 24.2%	157.9	282.7	3.6%	1.8%	2.7x	0.6x
<b>Valsoia</b>	55.6	54.8	7.7 14.1%	3.2 5.9%	-4.9	17.7	7.9%	34.9%	-0.6x	-0.3x
<b>RGI</b> <sup>(5)</sup>	42.2	27.8	8.5 30.4%	4.1 14.9%	-3.1	14.0	48.5%	37.9%	-0.4x	-0.2x

N.B.: income statement and balance sheet results disclosed by companies (updated to 29 March 2008).

(1) As at 7 April 2008.

(2) FY2006 and FY2007 revenues adjusted for extraordinary operations and non-recurring income (source: presentation during "4Q 2007 Conference Call" on 15 February 2008), profit inclusive of extraordinary operations and non-recurring income.

(3) Equity as at 31 December 2006.

(4) Income statement and balance sheet data in USD mn. FY2006 EBITDA and profit adjusted for income from ship disposals (source: "Consolidated and Statutory Financial Statements - Year ended 31 December 2007").

(5) Total equity (inclusive of minority interest).

This table confirms that the decision to invest in excellent companies directed towards an attractive growth path has in no way changed.

17% growth in revenue (average figure) and growth of over 20% in operating margins is the best indicator of these companies' qualities.

FY2007 also shows that the advisory business continued to feature attractive growth. Revenue of € 7.4 mn vs. € 6.6 mn in 2006 (+12%) and, above all, 24 merger & acquisition deals completed during the year (including those supporting the investment business) are a further demonstration of a vitality that makes the Tamburi & Associati division a player always in the top echelons of the advisory business in Italy. Following the positive start on the international development front of the partnership with Palazzari & Turries Ltd. in Asian markets (recently joined by a new French partner who has contributed new skills and relations), this vitality – together with the dynamic set of the TIP team – has created the basis for entry into one of the most go-ahead international corporate finance networks.

As from February 2008 TIP is in fact part of the CFI (Corporate Finance International) network together with advisory companies specialised in medium-sized companies and located – at present – in the USA, Canada, Germany, the UK, Spain, Portugal, Switzerland, and Holland. In the international expansion direction, TIP has also made commercial arrangements with an advisory company featuring strong roots in the Turkish market.

The year can thus be considered more than satisfactory also in this respect.

As already mentioned, the FY's business result was particularly positive. Going into greater detail, profit after taxes of € 11,334,134 was the result, in particular, of:

- ? Revenue for services of € 7,383,174 (+12%)
- ? Net finance income (inclusive of realised capital gains, dividends received, and net interest/finance income from cash management) of € 17,278,480 (+75.8%)
- ? Write-ups of the value of investments in associates of € 490,361
- ? Write-down of an associate investment (referring to Gruppo IPGH, the company that owns the relative majority of Interpump Group SpA) of € -5,010,117).

... together with fixed operating costs that are always very limited and variable costs linked solely to results.

From the balance sheet standpoint, as at 31 December 2007 the effect of the decrease in market prices on investments in listed companies – net of investments made during the FY – led to a decrease of some € 13 million (mn) in the valuation of available-for-sale (AFS) financial assets. This effect, together with distribution of the FY2006 dividend (totalling € 5.5 mn) and taking into account the positive effect of the year's profit, reduced equity by € 8.3 mn.

What has already been presented concerning individual investee companies' performance places TIP in secure conditions as regards the real value – i.e. medium-term value – of the companies in which it has invested. Moreover, for what it is worth, 2007 stock market performance of the majority of listed stocks that TIP – directly and indirectly – has in its portfolio demonstrates that the

choices made were for a lower risk set than that of the indexes.

2007 was also the year of the agreement with Azimut to start activity in the private banking sector and, specifically, in the family-office segment – a joint venture that will become operational during 2008.

Furthermore, 2007 also featured a promising start of operations of the investee company SeconTip SpA. The fact that this company, having invested in private equity funds and having promptly disinvested following extraordinary operations activated by the funds themselves during 2007, enabled it to achieve profit after taxes of € 1,094,819. Annualised returns on the investments made ranged from a minimum of 88% to a maximum of 176%. Pre-tax annual return for shareholders – net of all costs and in any case on average invested capital in the year of over € 12 mn – was approximately 12%, also after having taken into account the performance fees paid to TIP.

During February 2008, SeconTip announced purchase on the market of 6.04% of Management & Capitali SpA (hereinafter also M&C), becoming its second largest shareholder, also in order to implement joint investment projects.

In order to optimise exploitation of opportunities now offered by financial markets, M&C already some time ago extended its business scope from turnarounds to investments in industrial aggregations and, more in general, in underperforming assets. In this scenario, the relative majority shareholder, Romed, and the management of M&C have made a strategic agreement with SeconTip SpA to exploit their reciprocal assets of skill and liquidity.

By virtue of this agreement, M&C and SeconTip will share their assets of managerial skill, contacts, and expertise in the secondary private equity area. They will also work together in the turnaround sector and in investments in underperforming assets, to be in conditions to participate jointly in larger deals.

The international credit crunch currently underway has in fact made it more difficult to finance private equity deals. This is because the debt component is more complex to structure and in any case tangibly scaled down compared with what was possible up to a few months ago.

In summary, TIP presents itself at the start of 2008 with:

- ? An excellent portfolio of investments in listed companies that are growing, profitable, and with little debt
- ? A company (Gruppo IPGH) that, in turn, owns the relative majority of Interpump Group SpA, a company that, as is known, performs particularly well
- ? Only one company effectively in the turnaround phase
- ? An outstanding portfolio, albeit limited in size, of unlisted companies
- ? Great potential connected with the investee company SeconTip
- ? A significant amount of liquidity at TIP yet to be invested and an even greater amount at SeconTip level
- ? Leverage potential that thus far is totally unexploited
- ? A dynamic and profitable advisory business that is no longer just Italian

- ? A promising project with Azimut Holding in the high-end private banking sector and, in particular, in the family-office segment

... all managed by a lean, results-motivated team of people – and consequently with a cost structure that is largely variable.

With this configuration TIP faces 2008 – a year that will certainly not be easy, during which financial markets are likely still to suffer a great deal. This however must not unduly concern a company that has equity investments featuring extremely healthy fundamentals, that not only has leverage capacity but also still has liquidity – direct and indirect – that is profitably active in advisory services, and that – to manage all this – has limited fixed costs.

At present, TIP has the configuration shown overleaf.

#### **LISTED COMPANIES**

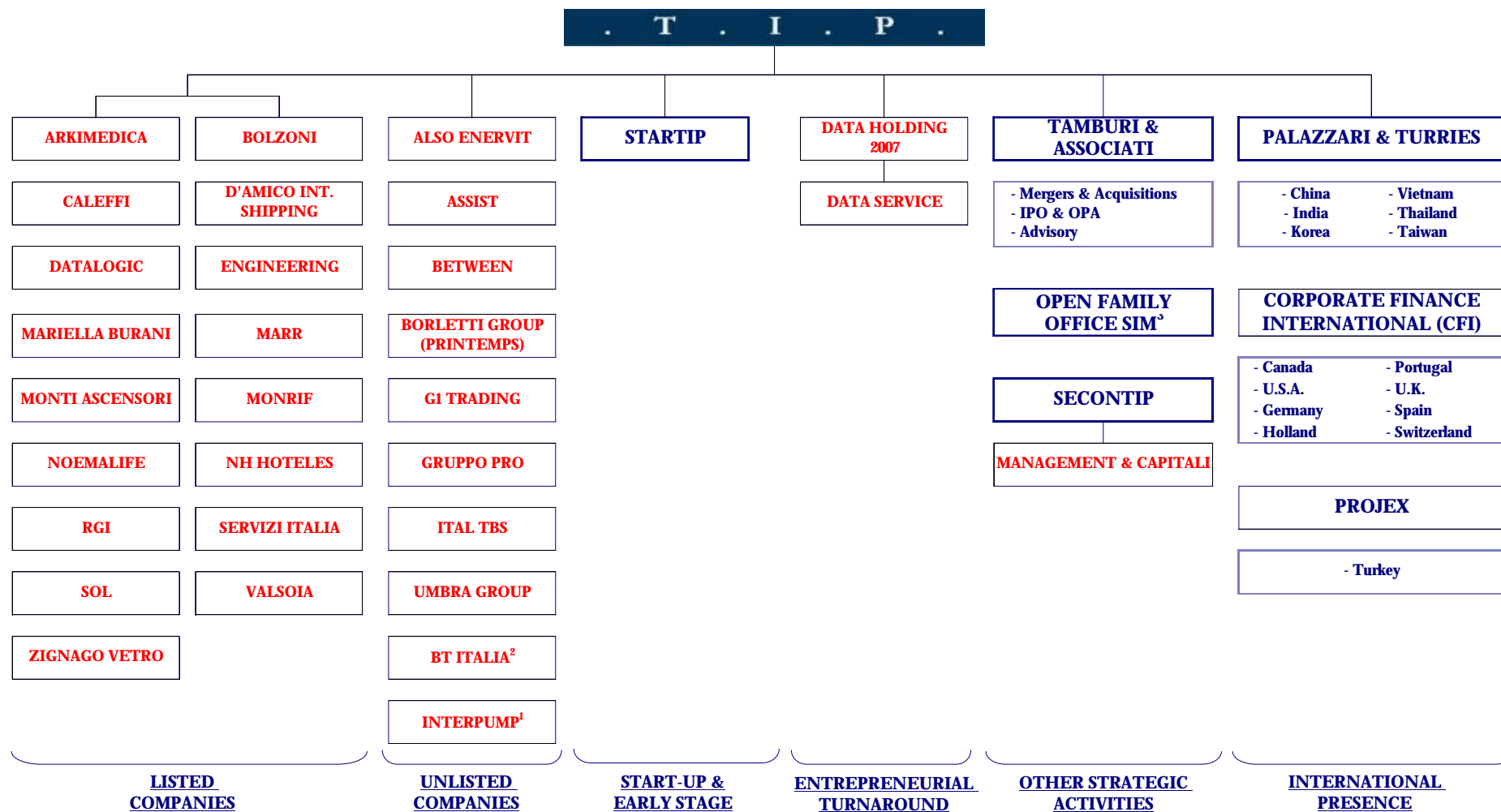
As regards investments made in listed companies, during FY2007 we acquired equity interests in the following companies:

Bolzoni SpA  
Caleffi SpA  
d'Amico International Shipping SA  
Engineering SpA  
I.Net SpA  
Marr SpA  
Noemalife SpA  
NH Hoteles SA  
Servizi Italia SpA  
Valsoia SpA  
Zignago Vetro SpA

TIP also purchased its own shares, as detailed later on.

#### **UNLISTED COMPANIES**

As far as investments in unlisted companies are concerned, in FY2007 the most important investment made was the purchase of 19.71% of Umbra Cuscinetti SpA, the world's No.1 producer of ball screws for aviation applications. TIP invested some € 11 mn, partly going to shareholders and partly for a capital increase, designed to support the business plan for forthcoming years.



<sup>1</sup> Through Gruppo IPG Holding S.r.l.

<sup>2</sup> BT Italia S.p.A. took over the TIP equity investment held in I.Net, which has been delisted from the Italian Stock Exchange since January 11, 2008 (effective date of the merger between I.Net S.p.A. and BT Italia S.p.A.)

<sup>3</sup> Project in development phase/ provisional name

**ENTREPRENEURIAL TURNAROUNDS**

TIP had long had a project to enter the sector of business turnarounds and so-called distressed assets.

The philosophy pursued has been to invest – as is also TIP’s established tradition – in entrepreneurs, i.e. in people ready to play a direct role in commercial/industrial restructuring by also to share a significant part of the financial enterprise risk, not in plain managers. After analysing many deals and various business segments, the first investment was made together with Mr. Rocco Sabelli (ex-Telecom Italia, IMMSI, and Piaggio) in Data Holding 2007 Srl. The company, in which TIP currently owns a stake of some 28%, in turn owns about 46% of Data Service SpA, a company listed on the Milan Bourse. In this deal, besides the investment, TIP guaranteed full financial coverage of the capital increase and the following mandatory PTO, concluded on 10 July 2007. As at 31 December 2007, TIP’s investment amounted to € 3,185,000 based on a price of Data Service SpA stock of € 2.59 per share. TIP also has amounts receivable from Data Holding and Data Service of over € 2 mn

**STARTIP SRL**

During the year TIP set up StarTip Srl, a company conceived to receive possible partners contributing know-how for early-stage initiatives.

**DISINVESTMENTS**

During FY2007, the Company completed two disinvestments regarding Interpump Group SpA and Bioera SpA, as well as some minor partial disinvestments.

As regards Interpump Group SpA, as already highlighted in our Half-Yearly Report, during July 2007 TIP signed an agreement with Fulvio Montipò’s family, with Mais SpA, with Gruppo Ferrero SpA, with Mr. & Mrs. Giovanni Cavallini, and with Sergio Erede to set up the company Gruppo IPG Holding Srl. Each of the signatories of the agreement sold their respective shareholdings in Interpump Group SpA (except for 728,420 shares owned by Giovanni Cavallini) to this new company for a total of 17,763,854 shares accounting for 22.227% of the share capital of Interpump Group SpA.

By so doing, the new company has become – at present – the largest shareholder of Interpump Group SpA.

We point out that the syndicate pact – now expired – to which the signatories of the new agreement adhered, owned 19.334% of Interpump Group SpA. The Interpump Group SpA shares were sold at € 9.00 each. For TIP, this deal aimed to (a) maximise the investment’s financial efficiency and (b) at the same time participate with a liaison relationship in the company that will be the key stakeholder in the shareholder group of Interpump Group SpA.

We also point out that, in March 2008, the equity interest owned by Gruppo IPGH in Interpump Group SpA rose to approximately 26%.

**EQUITY INVESTMENTS**

As at 31 December 2007, Tamburi Investment Partners SpA owned equity interests in the following companies:

**A) Subsidiary companies****StarTip Srl**

% ownership as at 31 December 2007: 100.0%

StarTip, a company wholly owned by TIP, was founded in December 2007 with the aim of making investments – also in partnership with independent parties specialised in the individual segments concerned – in start-up and early-stage initiatives. The company is currently reviewing a number of investment opportunities in some companies with high growth potential active in various sectors (alternative energy, biomedical, and state-of-the-art engineering). The company has been founded with the intention of getting parties with specific expertise in the sectors identified above to buy into its capital.

**B) Associate companies****SeconTip SpA**

% ownership as at 31 December 2007: 39.4%

SeconTip SpA, founded following TIP's initiative, has the priority purpose of acquiring – with a primary, although not exclusive, focus on the Italian market:

- ? Portfolios of equity investments owned, also indirectly, by funds/private equity players, banks, insurers, holding companies of equity investments interested in reducing their presence in the private equity sector
- ? Shares of private equity funds
- ? Equity interests in legal vehicles owning, also indirectly, shares of private equity funds or shareholdings acquired in a private equity perspective
- ? Equity interests in management companies managing private equity funds or companies active in the private equity sector
- ? Portions of shareholdings owned by private equity players requiring incremental resources for further development of their business. In this case SeconTip SpA can act as a partner for making additional investments in some of these players' investee companies.

SeconTip SpA is also able to consider deals:

- ? With international secondary private equity funds
- ? For relaunches of management companies..

SeconTip is therefore a means of refining asset allocation – in a totally independent way given the shareholder base of SeconTip and also of TIP – with an innovative, high-profile

instrument in the most anti-cyclical and fastest growing private equity segment. In this initiative TIP co-ordinates a pool of institutional investors, which includes the Assicurazioni Generali group and 11 private/family office investors.

During 2007, the company continued the intensive development of contacts started in 2006, with both Italian and international institutional counterparties, with the aim of identifying investment markets on the Italian market.

The company made several purchase proposals. These however did not materialise in the year, largely for reasons relating to the persistence for most of the year – and continuously in 2006 – of unduly high asking prices for the assets analysed. These were judged not to be in line with the future performance that the companies held might have been able to express, not even in the short term.

In 2007, in line with the approach initiated at the end of 2006, SeconTip continued to invest available cash in the shares of listed private equity mutual funds that – according to analyses performed by SeconTip – were at a big discount to their fair value. More specifically, the company invested – mainly during the first half of the year – a total of some € 3.1 mn in shares of the IGI Investimenti fund and € 2.8 mn in shares of the Sofipa Equity Fund. All shares purchased were sold in the second part of the year.

As regards the company's outlook, apart from what has already been outlined earlier, we once again highlight the partnership agreement completed with Management & Capitali SpA during the early months of 2008. For this, readers should refer to the Management Report and to the section "Significant events after balance sheet date".

### **Palazzari & Turries Ltd.**

% ownership as at 31 December 2007: 30%

The business of Palazzari & Turries Ltd. is based on the skills and know-how built up in the People's Republic of China and in Hong Kong SAR by the company's professionals, who have been assisting Italian companies in the first operations to set up establishments in China since 1997. More specifically, over the years the company's professionals have built-up first-hand experience, helping companies in operations concerning the incorporation of companies with all-foreign capital and joint ventures with local partners, acquisitions, disposals, and restructuring efforts. They are thus able to cover preliminary activities concerning feasibility and identification of the best type of legal entity and financial structure, documentation for deals and related negotiations, preparation of shareholder agreements and non-competition clauses, negotiations with the public administration, and definition of business plans, up to presence on numerous boards of administration.

The company ends its financial year on 30 June. Financial statements as at 30 June 2007

(expressed in Hong Kong dollars – 1 HKD = € 0.094) showed service revenues of some HKD 3.6 mn, costs of about HKD 2.3, and profit after tax of HKD 1.2 mn.

### **C) Other companies**

#### **EQUITY INVESTMENTS IN LISTED COMPANIES**

##### **Arkimedica SpA**

% ownership as at 31 December 2007: 4.83%  
Listed on the Milan Bourse's Expandi market

Arkimedica is active in the medical and biomedical sector, with special reference to managed care, i.e. the development and marketing of products and services for healthcare and for the management of clinical and residential facilities for the elderly and people lacking self-sufficiency.

Arkimedica is one of the main Italian players in the sector and, in 2006, launched the "Domani Sereno" (= Serene Tomorrow) project to create a platform of services for families whose members include elderly and other people lacking self-sufficiency.

Arkimedica's consolidated accounts for the year ended on 31 December 2007 showed revenues of approximately € 123.4 mn - with growth of 27.1% YoY - EBITDA of € 12.4 mn, (+12.6% YoY) and a profit of € 0.9 mn after taxes totalling € 2.1 mn.

##### **Bolzoni Auramo SpA**

% ownership as at 31 December 2007: 3.73%  
Listed on the Milan Bourse's screen-based equity market (Mercato Telematico Azionario) – STAR segment

The Bolzoni Auramo group, based in Podenzano (province of Piacenza), is active in the design, production, and sale of forklift truck attachments and of industrial handling equipment (lift tables).

The group is present with its products in over 40 countries in the world. In its core market, i.e. forklift truck accessories, it holds a leadership position in Europe with a market share of about 40%, whilst on a global level it is the second largest player, after the US group Cascade, with a market share of about 25%.

In 2007 the group achieved total revenues of € 145.6 mn, up by 36.0% YoY, EBITDA of € 17.8 mn (+34.7% vs. 2006), and a profit of € 6.7 mn, after taxes totalling € 3.1 mn.

**Caleffi SpA**

% ownership as at 31 December 2007: 2.4%

Listed on the Milan Bourse's Expandi market

The company is specialised in the production and marketing of luxury homeware. It fast became leader of the segment, thanks to well-researched design, technological innovation, and attention to detail and finish.

In 2007, Caleffi achieved total revenues of € 58.2 mn, progressing by 2.5% YoY, EBITDA of € 6.0 mn (-10.1% YoY), and a profit of € 2.4 mn, after taxes totalling € 2.0 mn.

**d'Amico International Shipping SA**

% ownership as at 31 December 2007: 0.22%

Listed on the Milan Bourse's screen-based equity market – STAR segment

d'Amico International Shipping SA is a Luxembourg holding company heading a group active in international marine transportation.

d'Amico's market of reference is marine tanker transportation. The group is positioned in the product-tanker segment and, specifically in the medium-range compartment – i.e. tankers with capacity in the 25,000-55,000 dwt (deadweight tons) range for transportation of petroleum derivatives, palm oil, other vegetable oils, and some chemical products. In this segment, the d'Amico company is one of the global top 10 players and has a fleet of 35 ships in operation. In April 2007, the company was admitted to trading in the STAR segment of the Milan Bourse, collecting resources totalling USD 73.5 mn. TIP was financial advisor to the company in the IPO process.

FY2007 featured total revenues of USD 310.3 mn (the USD is the industry's conventional currency of reference), progressing by 3.6% vs. 2006, EBITDA of USD 106.0 mn (+1.8% YoY net of non-recurring income), and profit after tax of USD 75.1 mn.

**Datalogic SpA**

% ownership as at 31 December 2007: 5.85%

Listed on the Milan Bourse's screen-based equity market – STAR segment

The Datalogic group designs, manages and markets, on a global basis, barcode readers, portable devices for data capture and transmission, and radio-frequency identification devices. In the group also entered the segment of production of laser sources for industrial marking and for medical applications.

In 2006, Datalogic completed the largest acquisition in its history, gaining 100% ownership of the US corporation PSC, one of the world's leading manufacturers of barcode readers.

Datalogic is one of the most innovative technological companies in the industry. Each year it dedicates some 8% of its sales revenue to R&D activities. It generates over 90% of its sales abroad, via a network of branches present throughout the world.

In 2007 the group achieved total revenues of € 404.0 mn, up by 5.9% YoY, EBITDA of € 50.1 mn (+31% vs. 2006), and profit of € 18.1 mn after taxes totalling € 8.5 mn.

### **Engineering Ingegneria Informatica SpA**

% ownership as at 31 December 2007: 0.94%

Listed on the Milan Bourse's screen-based equity market – STAR segment

Engineering Ingegneria Informatica SpA is leader in Italy in IT/system integration services and products. Its customers include major operators in finance, public healthcare, and in the Public Administration.

Engineering operates in the consultancy and services marketing, working on business organisation and IT architectures to improve customers' efficiency via the integration of systems, networks, products, and technologies. It also provides organisational consulting assistance for the revision of business processes.

At the end of 2007 the company announced the following deals (completed in the early months of 2008):

- ? Acquisition of Atos Origin Italia SpA, the company that controlled the Italian assets of the Atos Origin Group. The company has annual turnover of some € 270 mn and is active in outsourcing and consulting services and in the system integration business, mainly serving customers in the Industry & Utilities and Telecommunications segments
- ? Acquisition of Xaltia SpA, a company active in VAS (value-added services) for mobile telecommunications, broadband, Internet, media, and TV.
- ? Sale of 60% of the share capital of BIP-Business Integration Partners, a consulting company founded in 2003 together with its managers.

Thanks to these deals, the Engineering group has become the No.1 player in Italy in the system integration sector.

In 2007, the Engineering group achieved total revenues of € 457.1 mn, growing by 7.4% YoY, EBITDA of € 70.5 mn (+10.3% YoY), and a profit of € 25.9 mn, after taxes totalling € 24.3 mn.

### **I.Net SpA**

% ownership as at 31 December 2007: 3.78%

Listed on the Milan Bourse's screen-based equity market – STAR segment

I.Net SpA is one of the leaders in Italy in the supply of services assuring business continuity in the area of management of ICT/IP network infrastructure and business factories (Web farms). Its services include value-added services such as messaging and management of corporate networks and extend to management of ICT security and consulting services. I.Net currently has 3 Web farms.

Consolidated accounts for the FY ending on 31 March 2007 showed total revenues of € 75.2 mn, up by 13.8% YoY, EBITDA of € 13.1 mn (+37.2% YoY) and a profit of € 4.8 mn, after taxes totalling € 2 mn.

In the first half ending on 30 September 2007, the group achieved total revenues of € 38.4 mn, with growth of 14.2% over the same period in the previous FY, and EBITDA of € 5.8 mn (+23.1%), and a bottom line at breakeven, after taxes totalling € 1.2 mn.

As already reported in the Half-Yearly Report as at 30 June 2007, during 2007 I.Net's majority shareholder, British Telecommunications Plc, initiated the process of merging I.Net in the shareholder's Italian subsidiary BT Italia SpA. This was then completed in January 2008. In the light of the numerous and serious criticalities emerging during the merger process, following the resolution of the company's ordinary general meeting of shareholders on 10 September 2007, which approved – with the sole favourable vote of the majority shareholder – the merger plan, TIP has taken legal action against the company. Such action is still underway.

### **Mariella Burani Fashion Group SpA**

% ownership as at 31 December 2007: 3.19%

Listed on the Milan electronic screen-based equity market - STAR segment

Mariella Burani Fashion Group (MBFG) creates, manufactures, and distributes affordable-luxury collections of apparel, leather goods, and accessories with a diversified portfolio of prestige proprietary and licensed brands.

The group's divisions are:

- Apparel: the main proprietary brands are Mariella Burani and Renè Lezard, whilst those under license are Alviero Martini, Patrizia Pepe, and Killah
- Leather goods: under the operating sub-holding company Antichi Pellettieri, this division comprises group companies active in the design, production, and distribution of collections of footwear, handbags, and leather accessories and apparel. The main proprietary brands are Francesco Biasia, Coccinelle, Baldinini, Braccialini, and Sebastian, whilst the main licensed brands are Missoni, Miss Sixty, and Vivienne Westwood
- Digital fashion: production, sale and installation of software and hardware sale and maintenance
- Jewellery: the division comprises group companies active in the jewellery segment. The proprietary brands are Facco, Rosato, Valente Gioielli, Calgaro, and Sweet Years.

In June 2007, MBFG sold its Multibrand Retail Division (revenues of € 118 mn in 2006). The deal is part of the Group's strategic project of focusing on the Leather Goods and Jewellery segments, which are well known for their higher margins.

During 2007, the Group acquired, via its Jewellery division and, in some cases with TIP's support, majority interests in the Valente, Calgaro and Rosato Gioielli companies, all active in the jewellery sector.

In 2007 the Group achieved total revenues of € 700.3 mn, up by 4.1% vs. 2006 sales (+11.7% net of non-recurring income), EBITDA of € 109.5 mn (+17.2% net of non-recurring income), and profit of € 29.5 mn, after taxes totalling € 3.0 mn.

### **MARR SpA**

% ownership as at 31 December 2007: 1.61%

Listed on the Milan electronic screen-based equity market - STAR segment

MARR is the leading company in Italy in the specialised distribution of food products to the commercial foodservice sector (restaurants, pizzerias, hotels, and holiday villages) and institutional foodservice sector (company canteens, schools, and hospitals). It has a product portfolio comprising some 10,000 food items and 8,000 non-food items (including equipment, tableware, and table linen).

MARR positions itself as a service and product supplier positioned between food producers or processors and commercial and institutional foodservice operators.

In 2007 the group achieved revenues totalling € 1,064.7 mn, with growth of 9.5% YoY, EBITDA of € 69.7 mn (+13.1% vs. 2006), and a profit of € 29.3 mn after taxes totalling € 21.4 mn.

We highlight the fact that in 2007 MARR, besides acquiring several other minor players active in the same sector as the group, also acquired the company division of Jolly Hotels SpA that distributes food products to some hotels of the NH Group in Italy.

### **Monrif SpA**

% ownership as at 31 December 2007: 7.82%

Listed on the Milan electronic screen-based equity market

Monrif SpA is a holding company active in the following sectors: publishing, printing, hotels, real estate, Internet and multimedia technologies.

Its most important investment is the equity interest of some 60% in the Poligrafici Editoriale group, publisher of the Quotidiano Nazionale national daily, which comprises the local dailies Il Resto del Carlino, La Nazione, and Il Giorno. Its second most important investment is its 100% ownership of Emiliana Grandi Alberghi SpA, which owns four hotels in Milan and Bologna with a total of over 650 rooms, as well as a hotel under management. The value of the group's property assets is particularly major.

In 2007 the group achieved revenues of € 282.9 mn, down by -3.3% YoY and EBITDA of € 9.7 mn (-38.6% YoY), making a loss of € -11.4 mn, after taxes totalling € 4.2 mn.

**Monti Ascensori SpA**

% ownership as at 31 December 2007: 4.11%

Listed on the Milan Bourse's Expandi market

Monti Ascensori SpA is active in maintenance services for elevator equipment. Specifically, it is specialised in services of design, installation, and routine and extraordinary maintenance of lifts, goods lifts, escalators, mobile walkways, and elevator platforms.

Monti Ascensori is the 5th leading Italian player in the sector of elevator equipment maintenance services.

In 2007 the company achieved total revenues of € 31.6 mn, with 20.2% YoY growth, EBITDA of € 4.6 mn (+15% vs. 2006), and a profit of € 0.7 mn after taxes of € 0.6 mn.

**NH Hoteles SA**

% ownership as at 31 December 2007: 0.38%

Listed on the Madrid and New York Stock Exchanges

NH Hoteles is a Madrid-based Spanish group, active in the ownership and operation of one of the world's most important "city hotel" chains. Besides the hotel business, the group is also active in property development and management, mainly via its Sotogrande subsidiary. More recently, it has entered the commercial foodservice sector via development of two restaurant chains (Nhube and Fast Good).

During 2007 TIP assisted NH Hoteles in the PTO, residual PTO, and squeeze-out operations on Jolly Hotels shares.

In 2007 NH Hotels achieved total revenues of € 1,505.7 mn, with 38% YoY growth, EBITDA of € 238.0 mn (+49.8% YoY), and profit of € 77.4 mn, after taxes totalling € 8.5 mn.

**Noemalife SpA**

% ownership as at 31 December 2007: 2.79%

Listed on the Milan Bourse's Expandi market

Noemalife is active in the development and sale of software, both proprietary and third-party, for advanced computerisation of diagnostic laboratories and integrated management of clinical data and of the local clinical treatment process, as well as in the supply of advisory, assistance, and maintenance services for the software marketed.

During 2007 Noemalife (a) completed 3 acquisitions (Unitech United Technologies Srl, Praezision Life Srl, and GSI Computer), (b) set up a joint venture with the Almagora group (one of the main players in the IT sector in Italy), and (c) signed an important partnership agreement with Intel for presentation of a comprehensive computerised clinical patient-history system.

In 2007, the company achieved total revenues of € 22.5 mn, with 37.6% growth YoY, EBITDA of € 4.8 mn (+62.4% vs. 2006), and a profit of € 1.4 mn, after taxes of € 1.3 mn.

### **RGI SpA**

% ownership as at 31 December 2007: 1.96%  
Listed on the Milan Bourse's Expandi market

RGI is one of the main Italian groups specialised in the production of software and provision of consulting services for the insurance industry (insurance companies and brokers) and for the banking industry (banks and bancassurance).

In 2007, RGI achieved total production value of € 27.8 mn, up by 48.5% YoY, EBITDA of € 8.5 mn (+37.8% YoY), and a profit of € 4.1 mn, after taxes of € 2.9 mn.

### **Servizi Italia SpA**

% ownership as at 31 December 2007: 1.7%  
Listed on the Milan Bourse's Expandi market

Servizi Italia is the main Italian player in the sector of integrated rental, laundry, sterilisation, and logistical services for textile items (gowns, bed linen, and towels, etc.) and surgical equipment for social-service units and hospitals.

Over the years, the extensive diversification of its services has enabled Servizi Italia to position itself as a strategic partner and preferential counterparty of the main Italian social service and hospital facilities.

In 2007, the company acquired a 50% equity interest in AMG Srl (a company active in rental & laundry services in the Piedmont region). It also signed a joint-venture agreement with the US group Fresh LLC to develop the hotel textile rental & laundry business in the United Arab Emirates, Qatar, and Saudi Arabia.

In 2007 the company achieved total revenues of € 143.0 mn, up by 5.8% YoY, EBITDA of € 41.8 mn (+8.2% YoY), and profit of € 6.7 mn, after taxes of € 5.8 mn.

### **Sol SpA**

% ownership as at 31 December 2007: 1.08%  
Listed on the Milan screen-based equity market

Sol is internationally active in the production and distribution of pure and special gases and of related equipment and in home-care services for the elderly and for people with health problems.

Sol has 31 production sites located throughout Europe, present mainly in Italy, France and the ex-Yugoslavian countries. With these facilities, the group produces a very extensive range of gases (oxygen, nitrogen, acetylene, and argon, etc.) used in various industries (chemicals, pharmaceuticals, electronics, steel, glass, ceramics, and food). Via the company Vivisol Srl, the

group also operates in home-care services, providing equipment, telemedicine, diagnostic, and other related services. Vivisol Srl operates via 30 district centres in Italy, France, Belgium, Holland, Germany, Austria, Slovenia, Croatia, Macedonia, Greece, Albania, and Serbia.

In 2007 the company achieved total revenues of € 427.1 mn, up by 8.5% YoY, EBITDA of € 97.1 mn (+11.1% YoY), and a profit of € 26.7 mn, after taxes totalling € 12.3 mn.

### **Valsoia SpA**

% ownership as at 31 December 2007: 1.8%

Listed on the Milan Bourse's Expandi market

Valsoia is the market leader in Italy in the production, distribution, and marketing of healthful food products using soya and rice as their basic ingredients. The main product lines are: vegetable beverages, ice creams, vegetable desserts, meal solutions and other vegetable-based products.

Valsoia products are mainly distributed in supermarket and hypermarket chains via its house brands, i.e. Valsoia Bontà e Salute, Rys Riso e Benessere, Vitasoya, Naturattiva, Yogurtal, Only Yo, Yo Snack, and Yo Vit. Valsoia is also the exclusive distributor in Italy of products under the Weetabix, Minibix, Alpen, and Weetos brands.

In 2007, the company achieved total revenues of € 54.8 mn, up by 7.9% YoY, EBITDA of € 7.7 mn (+34.9% YoY), and a profit of € 3.2 mn, after taxes of € 2.5 mn.

### **Zignago Vetro SpA**

% ownership as at 31 December 2007: 1%

Listed on the Milan Bourse – STAR segment

Zignago Vetro produces glass containers for foods & beverages and for fragrances & cosmetics, as well as special bottles for the wines & spirits sector, serving both the domestic and international market.

The group operates throughout the world with a business-to-business model via three divisions, i.e.

- Industrial customers
- Luxury perfumery
- Special containers.

Its products are made at production sites located in Italy and France.

In 2007 it featured total revenues of € 240.7 mn, with 14.9% YoY growth, EBITDA of € 64.3 mn (+19.5% YoY), and a profit of € 24.9 mn, after taxes totalling € 14.1 mn.

## EQUITY INVESTMENTS IN UNLISTED COMPANIES

### **Gruppo IPG Holding Srl**

% ownership as at 31 December 2007: 16.43%

In July 2007, TIP signed an agreement with the Cavallini, Erede, and Montipò families and with the Mais SpA and Gruppo Ferrero SpA to found the company Gruppo IPG Holding Srl.

Each of the signatories of the agreement sold all their respective shareholdings in Interpump Group SpA (except for 728,420 shares owned by Giovanni Cavallini) to this new company for a total accounting for 22.227% of the share capital of Interpump Group SpA.

The aim of the deal was to (a) maximise the investment's financial efficiency, collecting debt-financed resources of € 100 mn and (b) at the same time participate with a liaison relationship in the company that will be the key stakeholder in the shareholder group of Interpump Group SpA.

As at 27 March 2008, Gruppo IPG Holding SpA owned approximately 26% of Interpump's share capital.

Interpump is a diversified industrial group that is global leader in the production of piston pumps, with a market share of close to 50%. It is also one of the world's most significant producers in the hydraulics segment, where it is global No.1 in the production of power take-offs.

In February 2007, Interpump completed acquisition of the US group NLB, which is the global No.2 player in ultra-high pressure (UHP) systems and pumps.

In 2007 the group achieved total revenues of € 432.2 mn, with 18.4% YoY growth, EBITDA of € 94.3 mn (+19.1% YoY), and profit of € 42.9 mn, after taxes totalling € 28.6 mn.

### **Also SpA**

% ownership as at 31 December 2007: 3.99%

The company – owner of the Enervit and Enerzone brands – is leader in Italy of the market for food supplements for sport and an active life. During its history, Also has always identified research and testing of innovative products designed to provide an optimal response to athletes' needs as a primary objective. Products developed and marketed include sports products, dietetic/slimming products, and products for proper nutrition.

In 2007 the company achieved total revenues of 36.4 mn, up by 9.9% YoY, EBITDA of € 3.5 mn (+100% YoY), and a profit of € 1.0 mn, after taxes of € 1.1 mn.

**Borletti Group SCA**

% ownership as at 31 December 2007: 8.77%

Borletti Group is a company founded in 2006, together with the Borletti family and a small group of investors, for the purpose of acquiring a 30% interest in Printemps, France's second most important department store chain, from the PPR (Pinault-Printemps-Redoute) group. Printemps retailing activities can be classified in three main categories, based on the sales channel concerned, i.e.

- Department-store category - consisting of the Paris-Haussmann shopping mall and of Printemps' other large-scale shopping malls present in France and Italy
- Sport category – consisting of the Citadium showroom and of the specialised store chain “Made in Sport”
- The menswear store Madelios, located in Paris.

Consolidated Printemps results for the year ended on 31 December 2007, showed total gross sales of € 1,228 mn, progressing by 3.4% YoY, EBITDA of € 70.1 mn (+18% YoY), and profit after tax of € 129.6 mn (including a pre-tax capital gain of € 182.3 mn made on the sale of three buildings).

For FY2008, Printemps plans to split the “real estate” business from the “commercial” side of the business. The retail business, in particular, must focus further on sales in the “Luxury” and “fashion” segments, able to assure higher margins than other lower value-added product categories (household goods, lingerie, and children's apparel). Printemps' budget shows an increase in sales and profitability.

The last set of Borletti Group SCA year-end accounts approved by shareholders relates to the FY that ended on 31 December 2006 (i.e. covering a period of about 3 months). They show revenue of € 52 thousand from bank interest income and a profit of € 2.4 thousand after taxes of € 640 thousand. These accounts are not in any case indicative of performance of the investment in Printemps, which is the company's main balance sheet asset.

**Umbra Cuscinetti SpA**

% ownership as at 31 December 2007: 19.71%

The company is the world's main producer of ball screws to action the flaps, stabilisers and thrust inverters of aircraft made by the main global aircraft manufacturers, i.e. Boeing, Airbus, Embraer, and Bombardier

The group is also global leader in the production of ball screws for machine tools. Besides the aviation and machine tool sectors, the group also has an exclusive multiannual agreement with the German group Schaeffler for the production of large-scale ball bearings, many of which are used for wind turbines and oil extraction equipment. Umbra Cuscinetti is also a founding shareholder of New Cortec, an Italian biomedical company that has developed an artificial heart (a VAD – ventricular assist device), which is now being tested on patients in premier European cardiology centres

In 2006, the period to which the last set of accounts approved by shareholders refers, Umbra Cuscinetti reported consolidated production value of € 97.2 mn (with growth of 30% vs. 2005) with EBITDA of some € 12.7 mn (+45% v s. 2005). The group generates over 90% of its sales revenues abroad.

### **Other minor companies**

As at 31 December 2007, TIP also owned equity interests in other companies, for a total amount of € 1.3 mn. The investee companies concerned are:

- Assist Consulting Srl
- Between SpA
- G.1 Trading SpA
- Gruppo Pro SpA
- Ital TBS SpA.

## **ENTREPRENEURIAL TURNAROUNDS**

### **Data Holding 2007 Srl**

% ownership as at 31 December 2007: 27.94%

In April 2007, Mr. Rocco Sabelli (ex-CEO of the Piaggio Group and of IMMSI), via the company Orizzonti Srl, and TIP initiated an operation aiming at acquisition of control of Data Service SpA. This company is listed in the ordinary segment of the Milan Bourse and is active in the market of technological and operational outsourcing for the bancassurance sector and for central and local Public Administration.

The operation was implemented via Data Holding 2007 Srl, a newly founded company and owned by Mr. Sabelli with an initial 29.08% stake, by TIP (with an initial 27.94% stake), and by Fingest SpA (a company controlled by Mr. Stefano Arvati, ex-president and ex-lead shareholder of Data Service) with a 42.98% stake. Data Holding 2007 controls a 45.43% interest in Data Service SpA. The overall operation permitted recapitalisation of Data Start to start the restructuring effort, which is still underway.

## **THE ADVISORY BUSINESS**

As already highlighted earlier, FY2007 was a particularly positive year for our advisory business.

The Tamburi & Associati division acted as advisor in some important public operations, such as the listing of d'Amico International Shipping SA, the Jolly Hotel PTO, and the Data Service PTO.

Advisory services targeting medium-sized companies also continued successfully.

During the year, 24 operations were completed, including those supporting investment activity, as well as fairness opinions, business plans, and other activities typical of financial advisory services.

### **EXPECTED BUSINESS PROGRESS**

The first aspect that we must necessarily underline is further deterioration of the situation in financial markets.

Downward acceleration of all equity indexes in the early months of 2008 is in fact causing further decreases in share prices and – far more importantly – is making perception of recovery seem farther away.

This situation, which almost certainly will continue for a good part of 2008, may once again affect the share prices of TIP and of its investee companies, even although – as already highlighted – the types of company, their sectors, and scarce use of debt should enable them to reflect positive, more than negative, aspects.

Moreover, the further sharp depreciation of the US dollar versus the euro may penalise the 2008 accounts of some investee companies. Lastly, the banking crisis currently underway will necessarily have effects – besides those already experienced – on the prices and liquidity of debt securities held in our portfolio.

TIP's activity will focus, in particular, on rationalising its portfolio, on taking opportunities that will arrive in the so-called secondary private equity segment, and on seeking new opportunities concerning both unlisted and listed companies, offering special possibilities of revaluation.

As far as the investment banking business is concerned, although the present situation of financial markets may limit further development, our positioning in the segment of small and mid-cap companies, together with the international development now initiated, should in any case permit the achievement of positive performance.

### **RESEARCH & DEVELOPMENT ACTIVITIES**

The company did not incur any research & development costs during FY2007.

### **TREASURY SHARES**

Treasury shares held as at 31 December 2007 numbered 2,362,619, purchased at an average price of € 1.9414 per share. During FY2007, the company purchased 1,204,371 shares at an average price of € 2.3180 per share.

**ALLOCATION OF THE YEAR'S EARNINGS**

To Our Shareholders

We ask you to approve FY2007 financial statements as submitted and we propose that you allocate the year's earnings of € 11,334, 134 in the following manner:

- 5% to the legal reserve	€	566,707
- Allocation to ordinary shares, in the amount of € 0.052 per share (*), for a total of:	€	5,607,361
- Carrying forward of the remainder of:	€	5,160,066

(\*) Net of the 3,086,208 treasury shares held by the company or of any different number of shares held by the company at the time of dividend detachment, taking/paying the amount necessary from/to residual retained earnings

On behalf of the Board of Directors

Giovanni Tamburi  
President

Milan, 27 March 2008

## Income statement

### Tamburi Investment Partners SpA

(Euro)	2007	2006 Consolidated	2006 Separate	Note
Revenues from sales and services	7,383,174	6,571,024	0	4
Other revenues and income	93,352	30,481	1,003	
Costs for materials, services, and other items	(1,199,300)	(1,156,790)	(1,479,849)	5
Payroll costs and employee benefits	(4,930,926)	(4,329,256)	(83,225)	6
Depreciation & amortisation and write-downs	(140,037)	(32,919)	(350)	
<b>Operating profit</b>	<b>1,206,263</b>	<b>1,082,540</b>	<b>(1,562,421)</b>	
Finance income	18,083,733	11,453,242	12,188,926	7
Finance expense	(805,253)	(1,614,663)	(1,435,356)	7
Impairment of investments in associates	(4,522,228)	(221,583)	(221,583)	8
<b>Profit before tax</b>	<b>13,962,515</b>	<b>10,699,536</b>	<b>8,969,566</b>	
Income tax – current, deferred, and prepaid	(2,628,381)	(2,132,566)	(936,899)	9
<b>Profit after tax</b>	<b>11,334,134</b>	<b>8,566,970</b>	<b>8,032,667</b>	
<b>Attributable to:</b>				
<b>Equity holders of parent</b>		<b>8,468,067</b>		
<b>Minority interest</b>		<b>98,903</b>		
<b>Basic earnings per share</b>	<b>0.10</b>	<b>0.08</b>	<b>0.07</b>	
Number of shares outstanding	108,557,463	108,182,344	108,182,344	
<b>Profits recognised directly in equity</b>				
Gains on revaluation of available-for-sale financial assets	15,868,011	7,876,999	7,896,996	13
Net capital gains on sale of treasury shares	-	-	-	
<b>Total profits recognised directly in equity</b>	<b>15,868,011</b>	<b>7,876,999</b>	<b>7,896,996</b>	

## Balance sheet

### Tamburi Investment Partners SpA

(Euro)	31 December 2007	31 December 2006 Consolidated	31 December 2006 Separate	Note
<b>Non-current assets</b>				
Property, plant, and equipment	87,945	104,654	0	10
Goodwill	9,806,574	9,806,574	0	11
Other intangible assets	4,261	6,412	2,100	
Investments in subsidiaries	7,528	0	10,853,494	12
Investments in equity-accounted associates	11,823,609	1,975,067	1,975,067	13
Investments in associates measured at fair value	3,185,000	0	0	14
Available-for-sale financial assets	125,902,840	119,221,636	119,221,636	15
Tax receivables	186	186	186	
Deferred tax assets	1,104,424	1,659,307	1,076,821	16
<b>Total non-current assets</b>	<b>151,922,367</b>	<b>132,773,836</b>	<b>133,129,304</b>	
<b>Current assets</b>				
Trade receivables	3,111,979	3,664,070	0	17
Current financial assets	26,615,591	47,671,080	44,739,925	18
Available-for-sale financial assets	165,275	0	0	19
Financial receivables	6,049,722	20,228,619	20,228,619	20
Cash & cash equivalents	3,664,111	2,633,589	2,445,293	21
Tax receivables	0	193,653	193,653	22
Total current assets	295,505	215,431	173,256	
<b>Total current assets</b>	<b>39,902,183</b>	<b>74,606,442</b>	<b>67,780,746</b>	
<b>Total assets</b>	<b>191,824,550</b>	<b>207,380,278</b>	<b>200,910,050</b>	
<b>Equity</b>				
Share capital	56,449,881	56,254,819	56,254,819	23
Reserves	118,624,326	131,990,999	131,035,628	24
Retained earnings	421,957	588,725	270,095	
Profit after tax for the year	11,334,134	8,468,067	8,032,667	25
<b>Total equity</b>	<b>186,830,298</b>	<b>197,302,610</b>	<b>195,593,209</b>	
<b>Non-current liabilities</b>				
Post-employment benefit & end-of-service obligations	211,565	1,289,057	0	26
Deferred tax liabilities	346,801	4,660,655	4,621,944	16
<b>Total non-current liabilities</b>	<b>558,366</b>	<b>5,949,712</b>	<b>4,621,944</b>	
<b>Current liabilities</b>				
Trade liabilities	326,650	329,370	398,311	
Current financial liabilities	74,313	74,284	74,289	27
Tax liabilities	857,765	676,193	7,089	28
Other liabilities	3,177,158	3,048,109	215,208	29
<b>Total current liabilities</b>	<b>4,435,886</b>	<b>4,127,956</b>	<b>694,897</b>	
<b>Total liabilities</b>	<b>4,994,252</b>	<b>10,077,668</b>	<b>5,316,841</b>	
<b>Total equity and liabilities</b>	<b>191,824,550</b>	<b>207,380,278</b>	<b>200,910,050</b>	

## Cash flow statement

### Tamburi Investment Partners SpA

(€ '000)	31 December 2007	31 December 2006 Consolidated	31 December 2006 Separate
<b>A- OPENING NET CASH &amp; CASH EQUIVALENTS</b>	<b>2,634</b>	<b>1,758</b>	<b>1,595</b>
<b>B – CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit for the year	11,334	8,566	8,033
Depreciation & amortisation	40	33	0
Impairment (revaluation) of non-current assets		0	0
Impairment (revaluation) of equity investments	4,522	222	222
Impairment (revaluation) of current financial assets	190	0	0
Change in employee benefits	(1,077)	294	0
Change in current and non-current provisions		0	0
Change in deferred tax assets and liabilities	630	790	937
(Capital gain) capital loss on non-current financial assets	(13,720)	(7,254)	(7,254)
	1,919	2,651	1,938
Decrease/(increase) in trade receivables	529	(1,984)	0
Decrease/(increase) in other current assets	(81)	67,558	66,507
Decrease/(increase) in tax receivables	194	92	0
Decrease/(increase) in financial receivables	14,179	0	0
Decrease/(increase) in other current securities	20,890	(18,297)	(17,604)
(Decrease)/increase in trade payables	(2)	(598)	(804)
(Decrease)/increase in tax liabilities	182	92	(86)
(Decrease)/increase in other current liabilities	129	700	6
<b>Cash flow from (absorbed by) operating activities</b>	<b>37,939</b>	<b>50,214</b>	<b>49,957</b>
<b>C – CASH FLOW FROM INVESTING ACTIVITIES</b>			
<b>Intangible assets</b>			
a) Purchases	(1)	(6)	0
b) Disposals	0	0	0
<b>Property, plant &amp; equipment and investment property</b>			
a) Purchases	(20)	(54)	0
b) Disposals	5	50	0
<b>Non-current financial assets</b>			
Disposal (purchase) of investment in subsidiaries	0	(2,614)	0
Disposal (purchase) of other equity investments	0	0	(2,614)
a) Purchases	(55,158)	(61,846)	(61,845)
b) Disposals	24,193	18,888	18,888
<b>Cash flow from (absorbed by) investing activities</b>	<b>(30,981)</b>	<b>(45,582)</b>	<b>(45,571)</b>

**D – CASH FLOW FROM FINANCING ACTIVITIES**

Financing activities:

Capital increase (before tax effect)	2,198	0	0
Capital reduction due to purchase of own shares	(2,710)	(821)	(821)
Payment of dividends	(5,476)	(2,935)	(2,715)
Increase in financial receivables for dividends approved and not paid	60	0	0
<b>Cash flow from (absorbed by) financing activities</b>	<b>(5,928)</b>	<b>(3,756)</b>	<b>(3,536)</b>
<b>E – CASH FLOW FOR YEAR</b>	<b>1,030</b>	<b>876</b>	<b>850</b>
<b>F- NET CASH &amp; CASH EQUIVALENTS AT YEAR-END</b>	<b>3,664</b>	<b>2,634</b>	<b>2,445</b>
Year-end net cash & cash equivalents consisted of:			
Cash & cash equivalents	3,664	2,634	2,445
<b>Net cash &amp; cash equivalents at year-end</b>	<b>3,664</b>	<b>2,634</b>	<b>2,445</b>

**Further information on cash flows:**

Interest paid	0	2	2
Interest received	1,944	2,541	2,397
Income taxes paid	1,940	924	0

## State of changes in equity Tamburi Investment Partners SpA

	Share capital	Share premium reserve	Legal reserve	Extraordinary reserve	Other reserves	Revaluation reserve for AFS financial assets	Retained earnings	Share-based transaction reserve	Profit (loss) for year	EQUITY
<b>Balance as at 1/1/2006</b>	<b>56,473,759</b>	<b>103,851,526</b>	<b>100,000</b>	<b>638,421</b>		<b>17,459,390</b>	<b>(6,168)</b>	<b>32,486</b>	<b>4,608,812</b>	<b>183,158,226</b>
Dividend distribution									(2,715,085)	(2,715,085)
Allocation of FY2005 earnings	0		220,000	1,397,464			276,263		(1,893,727)	0
Increase (decrease) of revaluation reserve	0		0			7,876,995	0		0	7,876,995
Capital increase due to sale of treasury shares									0	0
Capital reduction due to purchase of treasury shares	(218,940)	(602,052)								(820,992)
Capital increase										0
Costs relating to capital increase										0
Effect of stock option plan								61,398		61,398
Profit for year ended on 31 December 2006	0	0	0				0		8,032,667	8,032,667
<b>Balance as at 31/12/2006</b>	<b>56,254,819</b>	<b>103,249,474</b>	<b>320,000</b>	<b>2,035,885</b>	<b>0</b>	<b>25,336,385</b>	<b>270,095</b>	<b>93,884</b>	<b>8,032,667</b>	<b>195,593,209</b>
Dividend distribution									(5,475,805)	(5,475,805)
Allocation of FY2006 earnings			405,000	2,000,000			151,862		(2,556,862)	0
Increase (decrease) of revaluation reserve						(15,868,007)				(15,868,007)
Capital reduction due to purchase of treasury shares	(609,638)	(2,100,435)								(2,710,073)
Capital increase for stock options	804,700	1,392,836								2,197,536
Merger deficit					1,709,385					1,709,385
Effect of stock option plan								49,919		49,919
Profit for year ended on 31 December 2007									11,334,134	11,334,134
<b>Balance as at 31/12/2007</b>	<b>56,449,881</b>	<b>102,541,875</b>	<b>725,000</b>	<b>4,035,885</b>	<b>1,709,385</b>	<b>9,468,378</b>	<b>421,957</b>	<b>143,803</b>	<b>11,334,134</b>	<b>186,830,298</b>

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**EXPLANATORY NOTES TO THE ANNUAL FINANCIAL REPORT  
AS AT AND FOR THE YEAR ENDED ON 31 DECEMBER 2007****Introduction**

We recall the fact that, in February 2007, the subsidiary Tamburi & Associati SpA was merged by incorporation in TIP.

Financial statements as at 31 December 2007 therefore present the comparison with the figures of the previous period, consisting of the company's accounting data as published in the consolidated annual financial report as at 31 December 2006 and in the separate annual financial report as at 31 December 2006. Comments on changes occurring during FY2007 refer to consolidated data, as the latter are comparable with those of the present Tamburi Investment Partners SpA following the merger by incorporation of the subsidiary Tamburi & Associati SpA.

**(1) Group business activities**

Tamburi Investment Partners SpA performs independent investment-/merchant-banking activities focusing on medium-sized Italian companies. It does so performing:

1. Investment activities (merchant banking), investing directly – as an active shareholder in minority stakes in unlisted and listed medium-sized companies able to express excellence of various types
2. Investment banking activities, proving operating assistance for extraordinary finance operations to medium-sized Italian companies
3. Secondary private equity activities (via the associate company SeconTip SpA), investing in a packet of shareholdings owned by a private equity fund, or by banks, financial companies, or insurance companies, and also purchasing shares in private equity funds and equity interests in organisation performing private-equity or similar activities.

**(2) Accounting standards**

The company has been incorporated as a joint-stock company under Italian law and is based in Italy.

The company has been listed on the Expandi market, organised and managed by Borsa Italiana SpA, since 9 November 2005.

The Board of Directors approved the present set of year-end financial statements on 27 March 2008.

Consolidated financial statements for the period ending on 31 December 2007 have been prepared assuming ongoing business operation and continuation of the company as a going

concern. They have also been prepared in compliance with the accounting criteria established by the IAS/IFRS international accounting and financial reporting standards (hereinafter “IFRSs”) issued by the International Accounting Standards Board (IASB) and with related interpretations of the International Financial Reporting Interpretations Committee (IFRIC), as adopted by the Commission of the European Communities with regulation no. 1725/2003 as subsequently amended, as per regulation no. 1606/2002 of the European Parliament.

In accordance with IAS 1, annual financial statements consist of the balance sheet, income statement, statement of changes in equity, cash flow statement, and explanatory notes, accompanied by the management report on operating performance. Financial statements have been prepared in euro units, without decimals.

The accounting standards and calculation methods used to draw up the present financial statements are the same as those used to prepare financial statements for the FY ending on 31 December 2006.

Presentation and disclosure concerning financial instruments are based on the requirements of IAS 32, as amended and supplemented by the new standard IFRS 7.

During the FY no exceptional cases occurred making it necessary to depart from IFRS requirements as per the eventuality envisaged in IAS 1 (Presentation of Financial Statements).

Financial statements as at 31 December 2007 and 2006 have been prepared according to the general criterion of historical cost, with the exception of financial instruments, which are measured at fair value.

Preparation of annual financial statements requires evaluations, estimates, and assumptions to be made that influence application of accounting standards and the amounts of assets, liabilities, costs, and revenues recognised in accounts. These estimates and related assumptions are based on previous experience and on other factors deemed relevant in the cases in point. It must be pointed out, however, that, since estimates are involved, the actual results obtained will not necessarily be the same as those shown here. As regards preparation of the present annual financial statements, the significant judgements made by management concerning application of accounting standards and the main sources of uncertainty are the same as those applied for preparation of consolidated financial statements for the FY ending on 31 December 2006.

The main accounting policies followed in constructing the annual financial report, together with the content and changes in individual items of the same, are shown below.

The financial statements have been drawn up in euro.

## **New accounting standards**

We point out that the IASB and IFRIC (International Financial Reporting Interpretation Committee) have approved some modifications to, and interpretations of, IFRSs that are not yet in force and therefore have not been applied to preparation of the present set of financial statement. The main changes relate to:

- IAS 23 “Borrowing Costs”: the change abolishes the option of recognition of borrowing costs in the income statement and requires their direct allocation to the purchase, construction or production cost of a capitalisable asset. The revised version of IAS 23 will be applicable for financial years as from 1 January 2009.
- IFRS 8 “Operating Segments”: this standard introduces the “management approach” concept for preparation of segment reporting. IFRS 8, which will be applicable for financial years as of 1 January 2009, requires companies to base information given in segment reporting on internal reporting used for the purposes of allocation of resources to the various segments and for analysing performance.
- IFRIC 11 “IFRS 2 – Group and Treasury Share Transactions”: the interpretation establishes that a transaction envisaging share-based payment in which an entity receives goods or services as payment for its equity instruments must in any case be recognised in accounts as a transaction settled with equity instruments, regardless of whether the entity chooses or is under obligation to buy such instruments. IFRIC 11 is applicable for financial years as from 1 January 2008, with retrospective application.
- IFRIC 12 “Service Concession Arrangements”: the interpretation provides guidelines on some valuation and measurement problems relating to accounting recognition of service concession contracts between government/public entities and private entities. IFRIC 12 is applicable as from 1 January 2008.
- IFRIC 14 “IAS 19 – The Limit on a Defined-Benefit Asset, Minimum Funding, and their interaction”: the interpretation illustrates when refunds or reductions of future contributions to defined-benefit plans have to be considered available. It also provides guidelines on the impact of minimum funding requirements for such plans. Lastly, it addresses cases when these minimum funding requirements may give rise to a liability. IFRIC 14 is applicable as from 1 January 2008, with retrospective application.

The company has not yet determined the potential effect stemming from application of IFRS 8 and IFRIC 11, whereas the other standards or interpretations are not expected to have any effect on accounts.

## **Accounting policies**

The accounting standards and policies used to draw up year-end financial statements as at 31 December 2007 are shown below:

### PROPERTY, PLANT, AND EQUIPMENT

Tangible assets are recognised at historical cost, inclusive of ancillary costs directly attributable and necessary to bring the asset to working condition for the intended use for which it was

purchased. If significant parts of such tangible assets have different useful working lives, these components are accounted for separately.

Tangible assets are stated net of related cumulative depreciation and of any impairment losses calculated according to the methods described later on.

Depreciation is calculated on a straight-line basis according to the asset's estimated useful working life for the company, which is reviewed annually. Any changes, when necessary, are made prospectively. The main economic/technical depreciation rates used are as follows:

- Furniture and fittings	12%
- Equipment and sundry plant items	15%
- Electronic office machinery	20%
- Mobile telephones	20%
- Equipment	15%
- Cars	25%

Tangible assets' carrying value is reviewed regularly, in order to recognise any impairment losses, if events or changes of circumstances suggest that carrying value is not recoverable. If such an indication exists and if carrying value exceeds presumed recoverable value, assets are written down to reflect their recoverable value. Tangible assets' recoverable value is the highest between net selling price and value in use. In defining value in use, expected future cash flows are discounted to present value using a pre-tax discount rate that reflects the current market estimate of the time value of money and the risks specific to the asset. Impairment losses are recognised in the income statement among costs for depreciation & amortisation and write-downs. These impairment losses are reversed if the reasons causing them cease to exist.

When an asset is sold, or when its use is not expected to generate future economic benefits, it is derecognised and any loss or gain (calculated as the difference between disposal value and carrying value) is recognised in the income statement in the year when such derecognition occurs.

#### INTANGIBLE ASSETS

Intangible assets are recognised at cost, calculated according to the same approach indicated for tangible assets.

Intangible assets with a finite useful life are posted net of their related cumulative amortisation and of any impairment losses calculated in the same way as previously indicated for tangible assets.

Useful life is reviewed annually and any changes, when necessary, are applied prospectively.

Gains or losses arising from disposal of an intangible asset are calculated as the difference between the asset's disposal value and carrying value. They are recognised in the income statement at the time of disposal.

## GOODWILL

Business combinations are accounted for applying the purchase method. Goodwill is the excess of purchase cost over the acquirer's share of the net fair values of identifiable assets and of present and contingent liabilities. After initial recognition, goodwill is decreased by any cumulative impairment losses, calculated using the methods described below.

Goodwill stemming from acquisitions made prior to 1 January 2004 is recognised on the basis of deemed cost, i.e. the value recorded for the item in the last set of annual accounts prepared according to the accounting standards previously applied (31 December 2003). When the IFRS-compliant opening balance sheet was prepared, acquisition deals completed before 1 January 2004 were in fact not restated.

Goodwill is tested for recoverability annually or more frequently if events or changes of circumstances occur that may cause impairment losses to emerge. On acquisition date, any goodwill emerging is allocated to each of the cash-generating units (CGUs) that are expected to benefit from the acquisition's effects. Any impairment of value is identified by means of assessments of each CGU's ability to generate cash flows able to recover the portion of goodwill allocated to it, using the methods indicated earlier in the section on Property, plant, and equipment. If the CGU's recoverable value is lower than the carrying value attributed to it, the related impairment loss is recognised.

This impairment loss is not reversed if the reasons causing it cease to exist.

## EQUITY INVESTMENTS IN SUBSIDIARIES

Equity investments in subsidiaries are accounted for at equity. They are initially recognised at cost and subsequent adjusted according to changes in the investor's share of the investee company's equity. StarTip Srl has not been consolidated, as this company, founded with capital of € 10,000 in December 2007, has not yet started operations.

## EQUITY INVESTMENTS IN ASSOCIATES

### a) Equity-accounted investments

With the equity accounting method, the equity investment in an associate is initially recognised at cost, with carrying value subsequently increased or decreased to recognise the investor's share of profits or losses made by the investee company after acquisition. The investor's share of the investee company's profit or loss is recognised in the latter's income statement. Dividends received from an investee company reduce the investment's carrying value. Adjustments to carrying value may also be necessary following changes in the share of the associate investee company due to changes in the latter's equity that the associate itself has not recognised in its income statement. Such adjustments include changes stemming from revaluation of property, plant, and equipment and from differences caused by translation of foreign-currency items. The investor company's proportional share of such changes is directly recognised in its equity.

In the presence of potential voting rights, the investor's share of the investee company's profit or loss or of changes in its equity are calculated according to the actual ownership structure and do not reflect the possibility of exercising or converting potential voting rights.

**b) Investments in venture capital businesses**

Equity investments in associates in the business segment of so-called entrepreneurial turnarounds, whose activities come within the scope of the venture capital area, are measured at fair value with the effects of changes in value going through profit or loss.

**AVAILABLE-FOR-SALE FINANCIAL ASSETS**

Available-for-sale financial assets (AFS assets) consist of other equity interests. They are measured at fair value with the effects of changes in value recognised in equity. If the reduction of value versus acquisition cost is an impairment loss, the effect of the adjustment is recognised in the income statement. If the conditions leading to adjustment for impairment cease to exist, the reinstatement of value is recognised in equity.

In the case of equities listed in active markets, fair value is identified as being the stock-exchange value on balance-sheet date. In the case of equity interests in unlisted companies, fair value is identified as being the value in use based on valuation techniques. These valuation techniques include comparison with values emerging in recent similar transactions and other valuation techniques based substantially on analysis of the investee company's ability to generate future cash flows, discounted to present value to reflect the time value of money and the specific risks of the business activity.

Investments in equity instruments that do not have a price quoted in a regulated market, and whose fair value cannot be measured reliably, are measured at cost.

**CURRENT FINANCIAL ASSETS**

Current financial assets consist of securities that are short-term investments of cash. They are therefore classified as held for trading and measured at fair value, with the effects of changes in value recognised in profit or loss.

Purchases and sales of securities are recognised and derecognised on settlement date.

**TRADE RECEIVABLES**

Trade receivables are posted at amortised cost. The estimate of sums judged uncollectable is made on the basis of the present value of future cash flows expected.

**CASH & CASH EQUIVALENTS**

Cash and cash equivalents comprise liquid items, i.e. those items that meet the requirements of on-demand or extremely short-term availability, successful outcome, and absence of collection costs.

For the purposes of the Cash Flow Statement, net cash & cash equivalents consist of cash & cash equivalents net of bank overdrafts as at the statement's date of reference.

**TRADE PAYABLES**

Trade payables are initially recognised at fair value and subsequently measured at amortised cost.

#### EMPLOYEE BENEFITS AND PAYROLL COSTS

Employee benefits paid out upon or after termination of the employment relationship via defined-benefit programmes (Italian severance indemnities, for example) are recognised in the period when such rights accrue. The liability relating to defined-benefit programmes, net of any assets servicing the plan, is calculated on the basis of actuarial assumptions and recognised on an accrual accounting basis consistently with the employee service necessary to obtain the benefits. Independent actuaries measure this liability.

The group accords additional benefits to some employees via an equity participation plan (stock option plan).

As established by IFRS 2 “Share-based payments”, such plans form part of beneficiaries’ compensation. Their cost therefore consists of stock options’ fair value on grant date, and is expensed on a straight-line basis in the income statement over the period between grant date and maturity date (vesting period), with this offset directly in equity. Changes in fair value after grant date do not have any effect on the initial valuation.

#### PROVISIONS FOR OTHER LIABILITIES AND CHARGES

Provisions for other liabilities and charges concern costs and charges of a given type and that definitely, or are likely to, exist, and that, as at balance-sheet date, are not definite in terms of amount and date of materialisation. Provisions are recognised when a present obligation (legal or constructive) exists as a result of a past event, if expenditure of resources to meet the obligation is likely, and if the obligation’s amount can be reliably estimated. Provisions are posted at a value representing the best possible estimate of the amount the company would pay to settle the obligation or transfer it to third parties as at balance-sheet date. If the time value of money is material, provisions are calculated by discounting expected future cash flows at a pre-tax discount rate that reflects current market assessments of the time value of money. When discounting is performed, the increase in the provision due to the passage of time is recognised as finance expense.

#### TREASURY SHARES

Treasury shares are recognised as a deduction from equity. Treasury shares’ original cost and revenues from any subsequent sales are recognised as equity movements.

#### REVENUES

Revenues are recognised to the extent that their fair value can be reliably determined and it is probable that related economic benefits will be enjoyed. According to the type of transaction, revenues are recognised according to the specific criteria indicated below:

- Revenues for the rendering of investment banking services are recognised according to activities’ completion status. For practical reasons, when services are rendered via an indeterminate number of actions in a definite period of time, revenues are recognised on a straight-line basis in the definite period, unless it is evident that other methods provide better representation of such services’ completion status.

- Success fees that accrue upon execution of a significant act are recognised as revenues when the significant act has been completed.

If it is not possible to determine revenue value reliably, revenues are recognised to the extent of costs borne deemed to be recoverable.

#### INCOME FROM THE SALE OF INVESTMENTS AND SECURITIES

Income and costs arising from the sale of investments and securities are recognised on an accrual accounting basis, also allocating to profit or loss the changes in fair value previously recognised in equity.

#### FINANCE INCOME AND EXPENSE

Finance income and expense are recognised on an accrual accounting basis according to interest accruing on the net value of related financial assets and liabilities using the effective interest rate.

#### DIVIDENDS

Dividends are recognised in the FY when shareholders' right to receive the payment concerned is established.

#### INCOME TAXES

Current income taxes for the period are calculated on the basis of estimated taxable income and in compliance with current regulations. Deferred tax liabilities and assets are calculated on the temporary timing differences between balance sheet amounts recognised in the financial statements and the corresponding amounts recognised for tax purposes. Deferred tax assets are recognised when their recovery is considered likely, i.e. when there are expected to be sufficient future tax profits to permit realisation of these assets. The recoverability of deferred tax assets is reviewed at each balance-sheet date. Deferred taxes are always recognised in compliance with IAS 12 requirements.

#### USE OF ESTIMATES

Preparation of IFRS-compliant annual financial statements and related notes requires estimates and assumptions to be made. These estimates and related assumptions are based on previous experience and on other factors deemed relevant in the cases in point. They have been used to calculate the carrying value of assets and liabilities not readily apparent from other sources. They are regularly reviewed and the effects of any changes are immediately reflected in the income statement. It must be pointed out, however, that, since estimates are involved, the actual results obtained may differ from those shown in financial statements.

Estimates are used to recognise bad debt provisions, fair-value valuations of financial instruments, employee benefits, and other provisions and reserves.

### **(3) Basis of presentation**

Below we summarise the choices made by TIP as regards financial statements' presentation:

- Balance sheet: according to IAS 1, assets and liabilities must be classified as current and non-current or, alternatively, according to order of liquidity. The company has opted for the current/non-current classification criterion
- Income statement: IAS 1 alternatively requires classification of items based on either their nature or function. The company has decided to use the format based on items classified by their nature.

#### **(4) Segment reporting**

##### **Primary segmentation – business segments**

As already illustrated earlier, TIP is an independent investment/merchant bank that performs:

1. Investment activities (merchant banking), investing directly – as an active shareholder in minority stakes in unlisted and listed medium-sized companies able to express excellence of various types
2. Investment banking activities, providing operating assistance for extraordinary finance operations to medium-sized Italian companies
3. Secondary private equity activities (via the associate company SeconTip SpA), investing in a packet of shareholdings owned by a private equity fund, or by banks, financial companies, or insurance companies, and also purchasing shares in private equity funds and equity interests in organisation performing private-equity or similar activities.

Until 31 December 2006, investment banking and merchant banking activities were performed in the group by two separate legal entities. With the merger completed at the beginning of FY2007 and consequent operational unification, we believe that segmentation of business activities based on internal estimates is not appropriate for proper representation of TIP's activities. With the merger, top management's activity as regards both (a) marketing contacts and initiatives also of an institutional nature in the external environment and (b) involvement in the various deals is in fact more integrated, consistently with the objectives underlying the merger in question. Furthermore, also as regards execution activity, this has been reorganised to make "on-call" use of analysts as needed in advisory or equity activities more flexible.

Splitting the cost of the work of top management and analysts based on a series of estimates, linked in turn to parameters that may be superseded by actual operations, would lead to significant distortion of business segments' levels of profitability, thus making such information meaningless.

Given this, in this annual financial report, we provide only the detail of the trend in revenues for services relating solely to the advisory business:

<b>(euro)</b>	<b>31 December 2007</b>	<b>31 December 2006</b>
Revenues from sales and services	7,383,174	6,571,024

FY2007 featured positive performance of the advisory business, with revenue growth of some 12% YoY.

The Tamburi & Associati division acted as advisor in some important public operations, such as the listing of d'Amico International Shipping SA, the Jolly Hotel PTO, and the Data Service PTO.

Revenues stemming from work for the associate company SeconTip SpA totalled € 780,071 (of which € 500,000 for management fees and € 238,071 for performance fees) and accounted for approximately 10% of total revenues.

Advisory services targeting medium-sized companies also continued successfully.

During the year, 24 operations were completed, including those supporting investment activity, as well as fairness opinions, business plans, and other activities typical of financial advisory services.

### **Secondary segmentation – geographical segments**

The only business segments presented are those considered relevant by IAS 14 based on the criteria defined by the standard.

Since the company's foreign operations do not meet the quantitative requirements indicated by IAS 14, financial reporting by geographical segment has not been provided.

The company is not exposed to significant geographical risks other than normal enterprise risk.

### **(5) Costs for materials, services, and other items**

The item comprises:

<b>euro</b>	<b>31 December 2007</b>	<b>31 December 2006</b>
<b>1.</b> Services	856,332	690,304
<b>2.</b> Use of third-party assets	245,932	224,840
<b>3.</b> Other costs	97,036	241,646
<b>Total</b>	<b>1,199,300</b>	<b>1,156,790</b>

#### **(5) 1. Services**

Service costs related mainly to professional and legal advisory services (€ 271,224), overhead costs (€ 117,032), services received (€ 99,246), commercial expenses (€ 99,734), administrative expenses (€ 36,289), and to remuneration of members of the Board of Statutory Auditors and Oversight Committee (€ 77,835).

#### **(5) 2. Costs for use of third-party assets**

The item refers to various hire costs and to rentals.

**(5) 3. Other costs**

These costs related mainly to non-deductible VAT (€ 39,720) and to taxes (other than income tax) relating to the FY.

**(6) Payroll costs and employee benefits**

The item consisted of:

<b>euro</b>	<b>31 December 2007</b>	<b>31 December 2006</b>
Wages & salaries	1,747,320	1,550,169
Social security charges	321,288	413,414
Equity-settled share-based payments	49,919	61,398
Directors' remuneration	2,670,746	2,080,169
Provision for post-employment benefit	141,653	224,106
<b>Total</b>	<b>4,930,926</b>	<b>4,329,256</b>

The items "Wages & salaries" and "Directors' remuneration" comprise both the fixed and variable part accruing in the period. The wages & salary item shows an increase vs. FY2006 relating to staff hires and to fixed and variable pay increases.

"Directors' remuneration" increased following the increase in the variable part linked to performance achieved in the year.

"Provision for post-employment benefit" is based on an actuarial evaluation.

For details of remuneration paid to members of corporate bodies, reference should be made to Note 33.

Following merger by incorporation of Tamburi & Associati SpA, the reserve relating to "End-of-service provision" for the non-surviving company's directors was fully paid out to the directors concerned.

Equity-settled share-based payments refer to the effect of the stock option plan approved for the company's employees and directors. Based on the estimates made, the total cost to be included in payroll costs for FY2007 was € 49,919

As at 31 December 2007 and 2006, the company's employee headcount was as follows:

<b>Number of employees</b>	<b>31 December 2007</b>	<b>31 December 2006</b>
White-collars	15	12
Middle managers	2	3
Managers	5	1
<b>Total</b>	<b>22</b>	<b>16</b>

It is pointed out that the President & Managing Director and Vice President & Managing Director are not employees of the company. We also highlight the fact that the company usually hosts an average of 3-4 interns.

**(7) Finance income (expense)**

This item included:

<b>euro</b>	<b>31 December 2007</b>	<b>31 December 2006</b>
<b>1.</b> Investment income	15,867,707	8,812,477
<b>2.</b> Income from securities held as current financial assets	1,391,576	2,277,517
<b>3.</b> Sundry income	824,450	363,248
<b>Total finance income</b>	<b>18,083,733</b>	<b>11,453,242</b>
<b>4.</b> Interest and other finance expense	(805,253)	(1,614,663)
<b>Total finance expense</b>	<b>(805,253)</b>	<b>(1,614,663)</b>
<b>Total net finance income/(expense)</b>	<b>17,278,480</b>	<b>9,838,579</b>

**(7) 1. Investment income**

<b>euro</b>	<b>31 December 2007</b>	<b>31 December 2006</b>
Dividends	2,080,597	1,558,429
Capital gains made on investment disposals	13,787,110	7,254,048
<b>Total</b>	<b>15,867,707</b>	<b>8,812,477</b>

As at 31 December 2007 dividends related to the following investee companies:

Between SpA	6,467
Bioera SpA	3,292
Bolzoni SpA	92,603
Caleffi SpA	35,993
Datalogic SpA	224,029
Engineering SpA	48,000
Interpump Group SpA	525,344
Mariella Burani Fashion Group SpA	495,820
Marr SpA	375,520
Monti Ascensori SpA	8,872
RGI SpA	27,000
Sol SpA	66,613
Valsoia SpA	17,856
"Opportunities"	153,188
<b>Total</b>	<b>2,080,597</b>

As at 31 December 2007 capital gains related to sale of the following investments::

Arkimedica SpA	148,631
Bioera SpA	286,269
Bolzoni SpA	32,016
d'Amico SpA	63,525
Interpump Group SpA (1)	13,149,895
Ital TBS SpA	5,952
Servizi Italia SpA	2,912
"Opportunities"	97,910
<b>Total</b>	<b>13,787,110</b>

(1) Total capital gain of € 15,737,507, adjusted to reflect the equity interest (16.43%) owned in Gruppo IPG Holding Srl, an associate company set up during 2007. See also the later note 8.3.

**(7) 2. Income from securities held as current assets**

euro	31 December 2007	31 December 2006
Capital gain on sale of securities	17,901	0
Gain on valuation of securities	41,988	23,093
Interest earned on securities held as current assets	1,331,687	2,254,424
<b>Total</b>	<b>1,391,576</b>	<b>2,277,517</b>

**(7) 3. Sundry income**

euro	31 December 2007	31 December 2006
Interest on bank deposits	309,841	124,105
Interest earned on repurchase agreements (repos)	246,362	162,860
Gains on repos	32,756	76,023
Interest earned on loans	55,976	0
Capital gain on sale S&PMIB options	179,515	0
Others	0	260
<b>Total</b>	<b>824,450</b>	<b>363,248</b>

**(7) 4. Interest and other finance expense**

euro	31 December 2007	31 December 2006
Interest on bank overdrafts & borrowing, discounting and finance expense	24,526	19,615
Losses on repurchase agreements (repos)	39,033	59,025
Loss on sale of option rights on equity investments	63,239	0
Losses on sale of securities	257,519	1,203,946
Capital loss on sale of investments	21,870	0
Valuation loss on mark-to-market of securities	5,180	225,627
Loss on sale of S&PMIB options	172,038	62,200
Valuation loss on mark-to-market of options	190,075	0
Fees and suretyship expenses	23,994	0
Finance expense of post-employment benefit and end-of-service obligations	7,779	44,250
<b>Total</b>	<b>805,253</b>	<b>1,614,663</b>

**(8) Adjustments to value of investments**

The item included:

euro	31 December 2007	31 December 2006
<b>1. Write-ups of investments in associates</b>	<b>490,361</b>	<b>0</b>
<b>Total write-ups</b>	<b>490,361</b>	<b>0</b>
<b>2. Impairment of investments in subsidiaries</b>	<b>(2,472)</b>	<b>0</b>
<b>3. Impairment of investments in associates</b>	<b>(5,010,117)</b>	<b>(221,583)</b>
<b>Total impairment</b>	<b>(5,012,589)</b>	<b>(221,583)</b>
<b>Net impairment</b>	<b>(4,522,228)</b>	<b>(221,583)</b>

**(8.)1. Write-ups of investments in associates**

euro	31 December 2007	31 December 2006
SeconTip SpA	422,044	0
Palazzari & Turries Ltd.	68,317	0
<b>Total</b>	<b>490,361</b>	<b>0</b>

**(8.)2. Impairment of investments in subsidiaries**

euro	31 December 2007	31 December 2006
StarTip Srl	2,472	0
<b>Total</b>	<b>2,472</b>	<b>0</b>

**(8.) 3. Impairment of investments in associates**

euro	31 December 2007	31 December 2006
Gruppo IPG Holding SpA	(5,010,117)	0
SeconTip SpA	0	221,583
<b>Total</b>	<b>(5,010,117)</b>	<b>221,583</b>

Write-ups and impairment refer to incorporation of the proportional share of the profit or loss of equity-accounted investments.

As already highlighted in the Management Report, in July 2007 TIP sold all shares previously owned in Interpump Group SpA to Gruppo IPGH Srl at € 9.00 per share. At the same time, TIP made an investment in Gruppo IPGH (followed by other minor investments during the year) almost all for a capital increase. Based on the equity of Gruppo IPGH Srl as at 31 December 2007, adjusted for the market value of Interpump Group shares as at 31 December 2007, i.e. € 7.045 per share, TIP's investment in IPGH was written down in accordance with the equity accounting method.

**(9) Income taxes – current, deferred, and prepaid**

Income taxes posted in the income statement were as follows:

euro	31 December 2007	31 December 2006
Current income taxes	1.998.297	1.342.438
Prepaid taxes	554.883	842.594
Deferred taxes	75.201	(52.466)
<b>Total</b>	<b>2.628.381</b>	<b>2.132.566</b>

Below we provide a statement of reconciliation between the theoretical and actual tax burden:

	2007			2006		
	Amount	Taxes	%	Amount	Taxes	%
<b>Reported profit before taxes</b>	13,962,515			10,699,536		
Theoretical tax burden	33%	<b>4,607,630</b>		33%	<b>3,530,847</b>	
<b>Permanent differences - minus:</b>						
Dividends	(1,976,567)	(652,267)	(5%)	(2,316,508)	(764,448)	(7%)
Tax-exempt capital gains	(13,582,718)	(4,482,297)	(32%)	(4,143,875)	(1,367,479)	(13%)
Other permanent minus differences	(492,625)	(162,566)	0%	(778,081)	(256,767)	(2%)
		(5,297,130)			(2,388,693)	
<b>Permanent differences – plus:</b>	7,928,698	2,616,470	19%	1,393,385	459,817	4%
<b>Temporary differences</b>						
Differences that will reverse in future FYs	2,188,935	722,349	5%	1,912,082	630,987	6%
Reversal of prior years' differences	(3,104,996)	(1,024,649)	(7%)	(3,596,723)	(1,186,919)	(11%)
		(302,300)			(555,932)	
<b>IRES (corporate income tax)</b>		1,624,670	12%		1,046,039	10%
<b>IRAP (regional business tax)</b>		373,626			296,399	
Changes in deferred tax assets/liabilities		540,407			790,128	
Changes due to new statutory tax rate		89,678			0	
<b>Total income taxes</b>		<b>2,628,381</b>			<b>2,132,566</b>	

**Deferred taxes recognised directly in equity**

As regards deferred taxes recognised directly in equity, there was a decrease in deferred taxes of € 4,389,055 in FY2007 vs. an increase in deferred taxes of € 629,236 in FY2006, relating to adjustments to the value of AFS financial assets, as indicated in Note 15.

**(10) Property, plant, and equipment**

The following table illustrates the changes occurring in the item:

euro	Land & buildings	Plant & machinery	Industrial & commercial equipment	Other assets	Total
<b>Net value as at 1 January 2006</b>	<b>31,166</b>	-	-	<b>49,013</b>	<b>80,179</b>
Increases	-	-	-	54,031	54,031
Decreases	-	-	-	(50,281)	(50,281)
Impairment	-	-	-	50,281	50,281
Annual depreciation	(8,613)	-	-	(20,943)	(29,556)
<b>Net value as at 31 December 2006</b>	<b>22,553</b>	-	-	<b>82,101</b>	<b>104,654</b>
Increases	-	-	-	20,402	20,402
Decreases	-	-	-	(4,735)	(4,735)
Impairment	-	-	-	4,735	4,735
Annual depreciation	(8,613)	-	-	(28,498)	(37,111)
<b>Net value as at 31 December 2007</b>	<b>13,940</b>	-	-	<b>74,005</b>	<b>87,945</b>

The “Land & buildings” item mainly refers to leasehold improvements.

Of the increase in “Other assets”, € 19,701 referred to electronic machinery and € 701 to furnishings,

**(11) Goodwill and other intangible assets**

The Goodwill item of € 9,806,574 arose following merger by incorporation of the subsidiary Tamburi & Associati SpA in TIP SpA.

IAS 36 establishes that the value of goodwill, as it is an intangible asset with an indefinite useful life, must not be amortised but subjected to impairment testing at least annually.

Recoverable value was estimated based on value in use, which was calculated making the following assumptions:

- Forecast cash flows for the next 5 years
- Terminal value based on a perpetual growth rate of 2%
- WACC (weighted average cost of capital) of 9% ...

... reaching the conclusion that the value attributed to goodwill was fair and recoverable.

The following table illustrates the changes occurring in Other intangible assets:

<b>euro</b>	<b>Patents and intellectual property rights</b>	<b>Concessions, licenses, and trademarks</b>	<b>Total</b>
<b>Net value as at 1 January 2006</b>	<b>1,144</b>	<b>2,450</b>	<b>3,594</b>
Increases	6,182	-	6,182
Decreases	-	-	-
Annual amortisation	(3,014)	(350)	(3,364)
<b>Net value as at 31 December 2006</b>	<b>4,312</b>	<b>2,100</b>	<b>6,412</b>
Increases	675	-	675
Decreases	-	-	-
Annual amortisation	(2,476)	(350)	(2,826)
<b>Net value as at 31 December 2007</b>	<b>2,511</b>	<b>1,750</b>	<b>4,261</b>

### (12) Investments in equity-accounted subsidiaries

<b>euro</b>	<b>31 December 2007</b>	<b>31 December 2006</b>
Investments in subsidiaries	7,528	-
<b>Total</b>	<b>7,528</b>	<b>-</b>

This item refers to the equity investment in StarTip Srl, a company specifically founded to exploit the major potential of some early-stage initiatives. Relevant details are shown below.

<b>Company</b>	<b>Registered location</b>	<b>Quota capital</b>	<b>Number of quotas</b>	<b>Number of quotas owned</b>	<b>% ownership</b>
StarTip Srl	Milan	10,000	1	1	100

### (13) Investments in equity-accounted associates

<b>euro</b>	<b>31 December 2007</b>	<b>31 December 2006</b>
Investments in associates	11,823,609	1,975,067
<b>Total</b>	<b>11,823,609</b>	<b>1,975,067</b>

€ 3,443,231 of the amount refers to the equity investment in Gruppo IPG Holding Srl (a company that must be considered an associate company by virtue of the shareholder agreements made upon foundation of the new company, which comprises relative majority ownership of Interpump Group SpA); € 8,087,061 to the investment in SeconTip SpA, a company specialised in secondary private equity; and € 293,317 to the investment in Palazzari & Turries Limited, which is based in Hong Kong SAR.

<b>Company</b>	<b>Registered location</b>	<b>Share/quota capital</b>	<b>Number of shares/ quotas</b>	<b>Number of shares/ quotas owned</b>	<b>% ownership</b>
Gruppo IPG Holding Srl	Milan	105,000	105,000	17,252	16.43
SeconTip SpA	Milan	20,000,000	20,000,000	7,886,600	39.43
Palazzari & Turries Limited	Hong Kong	300,000 (1)	300,000	90,000	30.00

(1) In HKD.

**(14) Investments in associates measured at fair value**

This item refers to the equity investment in the company Data Holding 2007 Srl, acquired in May 2007.

<b>Company</b>	<b>Registered location</b>	<b>Quota capital</b>	<b>Number of quotas</b>	<b>Number of quotas owned</b>	<b>% ownership</b>
Data Holding 2007 Srl	Rome	1,218,790	1,218,790	340,550	27.94

As already highlighted in the Half-Yearly Report, TIP's investment in Data Holding 2007 Srl was finalised on 7 May 2007, together with that made by Orizzonti Srl, a company pertaining to Mr. Rocco Sabelli, and by Fingest Srl, a company pertaining to the family of Mr. Stefano Arvati.

The aim of the investment was to provide Data Holding with the financial resources necessary to acquire a packet of shares and rights connected with the capital increase accounting for approximately 45% of the listed company Data Service SpA previously owned by the old shareholders. It also aimed to endow Data Holding with the financial resources necessary to subscribe its portion of the capital increase for consideration of Data Service SpA for a total of € 12,950,000, which was completed during May and June 2007.

All the operations summarised above were executed based on an implicit per-share value of Data Service equal to the par value of the latter's shares, i.e. € 2.59.

The entire operation – as regards Data Holding – was finalised on the basis of Data Service's par value because, as is known from the company's regular market notifications (as it is on the so-called "CONSOB (Italian securities & exchange commission) blacklist"), the company had for some time been going through a phase of profound operational and financial restructuring. The capital increase, together with the entry of a new entrepreneurial figure in the person of Mr. Rocco Sabelli, in fact aimed to try to redesign the company's business prospects – and consequently its economic and financial prospects – in a structural manner.

After some years of significant losses – and after further significant losses (partly due to provisioning for the restructuring efforts underway) were reported when the 2006 annual report was approved – in September 2007 the new Board of Directors (which took office on 18 May 2007) approved the 2008-2010 business plan. This plan marked the first real break with the past and will be the basis on which – above all in terms of execution – the market will judge the new entrepreneur over the years.

By way of confirmation of the above, we added that the primary objective of the entire operation was to permit at least three years of entrepreneurial stability, with incentive mechanisms – known to the market as they have been disclosed – for the entrepreneur Rocco Sabelli based on the evolution of the share's value over a significant time span. Moreover, in the period in question all Data Holding shareholders are subject to de-facto lock-up of the investment (saving some exceptions), which consequently has no liquidity, not even theoretical.

During December 2007 – for the very purpose of further consolidating the company's business plan and of endowing the company, if necessary, with the financial resources needed to finance any acquisition deals (one of which, concerning Universo Servizi SpA, was announced in November 2007) – the Extraordinary Meeting of Data Service shareholders approved the

proposal to delegate the Board of Directors, pursuant to Article 2443 of the Italian Civil Code, to increase share capital in one or more instalments, within 5 years after registration of the shareholders' resolution in the relevant Companies Register, by a maximum amount of € 75,000,000 inclusive of share premium, to be offered as an option to eligible parties pursuant to Article 2441 of the Italian Civil Code.

At the beginning of March 2008, the company then announced completion of the acquisition of Universo Servizi SpA (the acquisition announced in November 2007).

Given the present situation of financial markets, the deal has been temporarily financed by a shareholders' loan from Data Holding 2007 Srl. This was financed for the purpose by the shareholders Orizzonti (Rocco Sabelli) and TIP as payment on account for the capital increased that may be resolved by Data Service's Board of Directors in exercising the powers delegated to it as outlined above

In ultimate analysis – particularly considering the intrinsic features of an investment of this type (forming part, as is known, of the “entrepreneurial turnaround” segment) – because of:

- Restructuring of operating activities still underway, albeit at an advanced stage
- The stated intention of proceeding along the path of externally driven growth
- The intention of proceeding – in order to finance externally driven growth – with one or more capital increases, with a consequent probable increase in volatility
- The stock's high intrinsic volatility due to the fact that it is a scarcely liquid “micro cap”, even more so in the present market environment
- The lock-up pact existing between shareholders, which, de facto, further limits its liquidity

... it is technically impossible – at least for the time being, also considering the possible effects of exercise by Data Service's Board of Directors of its delegated powers to increase share capital – to measure Data Holding at fair value if not to an extent equivalent to the underlying cost value in Data Service SpA, i.e. € 2.59 per share.

### **(15) Available-for-sale financial assets**

These financial assets mainly refer to minority interests owned in listed and unlisted companies.

<b>euro</b>	<b>31 December 2007</b>	<b>31 December 2006</b>
Investments in listed companies	108,796,428	114,867,579
Investments in unlisted companies	17,106,412	4,354,057
<b>Total</b>	<b>125,902,840</b>	<b>119,221,636</b>

The following table analytically details the investments owned as at 31 December 2007.

<b>Company name</b>	<b>Registered location</b>	<b>Share capital</b>	<b>Number of shares</b>	<b>Quota or no. of shares owned</b>	<b>% owner-ship</b>	<b>Share price (1)</b>	<b>Fair value</b>
<b>Unlisted companies</b>							
Also SpA	Zelbio	3,911,892	7,522,870	300,455	3.99		907,850
Assist Consulting Srl	Milan	103,093	103,093	12,500	12.12		207,900
Between SpA	Milan	419,515	419,515	9,950	2.37		146,060
Borletti Group SCA (2)	Luxembourg	42,400	4,240	100	8.77		3,959,583
G1 Trading SpA	Segrate	250,000	250,000	10,000	4.00		328,170
Gruppo Pro SpA	Crespellano	2,000,000	2,000,000	85,000	4.25		456,120
Ital TBS Srl	Trieste	2,855,380	2,855,380	8,385	0.29		155,009
Umbra Cuscinetti SpA	Foligno	342,500	342,500	67,500	19.71		10,945,720
<b>Total unlisted companies</b>							<b>17,106,412</b>
<b>Listed companies</b>							
Arkimedica SpA	Cavriago	10,800,000	86,400,000	4,176,780	4.83	1.785	7,455,552
Bolzoni Auramo SpA	Casoni di Podenzano	6,459,978	25,839,913	964,892	3.73	3.892	3,755,360
Caleffi SpA	Viadana	6,500,000	12,500,000	300,000	2.40	3.746	1,123,800
d'Amico Int. Shipping SA	Luxembourg	149,949,907	149,949,907	327,137	0.22	2.750	899,627
Datalogic SpA	Lippo di Calderara	33,205,365	63,856,472	3,733,935	5.85	5.995	22,384,940
Engineering SpA	Rome	31,875,000	12,500,000	117,688	0.94	27.500	3,236,420
I.Net SpA	Settimo Milanese	4,100,000	4,100,000	155,140	3.78	52.490	8,143,299
Mariella Burani FG SpA	Cavriago	15,552,000	29,907,692	953,500	3.19	18.79	17,916,265
Marr SpA	Rimini	33,262,560	66,525,120	1,073,790	1.61	6.998	7,514,382
Monrif SpA	Bologna	78,000,000	150,000,000	11,726,435	7.82	0.9095	10,665,193
Monti Ascensori SpA	Granarolo dell'Emilia	6,655,768	13,311,536	547,679	4.11	3.000	1,643,037
NH Hoteles SA	Madrid	295,940,916	147,970,458	564,014	0.38	12.200	6,880,970
Noemalife SpA	Bologna	2,252,092	4,330,947	121,011	2.79	7.700	931,785
RGI SpA	Milan	2,298,641	22,986,410	450,000	1.96	1.980	891,000
Servizi Italia SpA	Castellina di Soragna	16,200,000	16,200,000	276,032	1.70	6.440	1,777,646
Sol SpA	Monza	47,164,000	90,700,000	979,710	1.08	4.890	4,790,782
Valsoia SpA	Bologna	3,450,409	10,455,784	187,955	1.80	6.550	1,231,105
Zignago Vetro SpA "Opportunities"	Fossalta Portogruaro	8,000,000	80,000,000	800,000	1.00	4.606	3,684,800 3,870,465
<b>Total listed companies</b>							<b>108,796,428</b>

(1) Stock market prices on 28 December 2007.

(2) As at 31 December 2007 the share capital of Borletti SCA consisted of 1,140 Category A shares and 3,100 Category B shares. TIP owns 8.77% of Category A shares, which are reserved for financial investors. Borletti's management owns 100% of Category B shares.

With the exception of adjustment of the investment in Borletti Group to reflect the further investment made during 2007 and inclusion of that in Umbra Cuscinetti SpA - wholly made during 2007 – the value of shares in unlisted companies have not changed vs. 31 December 2006. This is because no new information emerged such as to change the fundamental parameters on which valuation was based in FY2006.

As regards the equity interest in Borletti Group SCA, the carrying value attributed as at 31 December 2007 comprises the amount paid following subscription of equity stakes and the sum paid as an interest-free shareholder loan, as the two forms of investment feature a similar risk/reward profile. TIP acquired a stake in Borletti Group SA, which owns 30% of Printemps, in the second half of 2007. In December 2007, it paid its portion of the subscription of the shareholder loan. The acquisition of Printemps took place via a newco on 31 October 2006 and no consolidated pro-forma 12-month accounts were prepared for FY2006. At the time of writing,

the company has not yet prepared annual financial statements for the year that ended on 31 December 2007.

Changes occurring in “AFS financial assets” during FY2007 were caused by:

<b>Opening balance as at 1/1/2006</b>	<b>€ 63,985,729</b>
Increases - purchases	€ 59,874,744
Increases – changes in value	€ 14,721,928
Decreases – changes in value	€ (472,585)
Decreases - sales	€ (18,888,180)
<b>Closing balance as at 31/12/2006</b>	<b>€ 119,221,636</b>
Increases - purchases	€ 41,328,863
Increases – changes in value	€ 3,002,612
Decreases – changes in value	€ (13,457,625)
Decreases - sales	€ (24,192,646)
<b>Closing balance as at 31/12/2007</b>	<b>€ 125,902,840</b>

The following table shows the details of changes:

	Balance	Increases			Decreases		Balance
	1 January 2007					31 December 2007	
	Carrying value	Purchases or incorporations	Changes in fair value	Sales	Changes in fair value	Carrying value	
Unlisted companies	4,354,057	12,907,346	-	(154,991)	-	17,106,412	
Listed companies	114,867,579	28,421,517	3,002,612	(24,037,655)	(13,457,625)	108,796,428	
<b>Total AFS investments</b>	<b>119,221,636</b>	<b>41,328,863</b>	<b>3,002,612</b>	<b>(24,192,646)</b>	<b>(13,457,625)</b>	<b>125,902,840</b>	

## (16) Deferred tax assets and liabilities

The following table illustrates the breakdown of the item as at 31 December 2007 and 2006:

euro	Assets		Liabilities		Net	
	31/12/2006	31/12/2007	31/12/2006	31/12/2007	31/12/2006	31/12/2007
Property, plant, and equipment	-	-	(9,211)	(7,812)	(9,211)	(7,812)
Other intangible assets	869,645	491,235	-	-	869,645	491,235
Non-current AFS financial assets	111,661	-	(4,621,944)	(324,718)	(4,510,283)	(324,718)
Current financial assets	147	8,999	-	-	147	8,999
Result for period	47,730	4,713	(8,970)	(8,970)	38,760	(4,257)
Bad debt provision	-	-	(6,362)	(5,301)	(6,362)	(5,301)
Post-employment benefit and end-of-service obligations	4,983	15,887	(14,168)	-	(9,185)	15,887
Other liabilities	625,141	583,590	-	-	625,141	583,590
<b>Total</b>	<b>1,659,307</b>	<b>1,104,424</b>	<b>(4,660,655)</b>	<b>(346,801)</b>	<b>(3,001,348)</b>	<b>757,623</b>

Movements of net deferred tax assets and liabilities were as follows:

<b>euro</b>	<b>31 December 2006</b>	<b>Movements through profit or loss</b>	<b>Movements in equity</b>	<b>31 December 2006</b>
Property, plant, and equipment	(9,211)	1,399		(7,812)
Other intangible assets	869,645	(378,410)		491,235
Non-current AFS financial assets	(4,510,283)	(203,490)	4,389,055	(324,718)
Current financial assets	147	8,852		8,999
Result for period	38,760	(43,017)		(4,257)
Bad debt provision	(6,362)	1,061		(5,301)
Post-employment benefit and end-of-service obligations	(9,185)	25,072		15,887
Other liabilities	625,141	(41,551)		583,590
<b>Total</b>	<b>(3,001,348)</b>	<b>(630,084)</b>	<b>4,389,055</b>	<b>757,623</b>

### (17) Trade receivables

<b>euro</b>	<b>31 December 2007</b>	<b>31 December 2006</b>
Trade receivables (before bad debt provision)	3,227,420	3,679,411
Bad debt provision	(115,441)	(15,341)
<b>Total</b>	<b>3,111,979</b>	<b>3,664,070</b>

The trend in trade receivables is strictly linked to the different sales mix between service revenues for success fees and those for investment banking.

Bad debt provision amounted to € 115,441, with an increase of € 100,110 in FY2007. It reflects the need to adjust provision to reflect the company's assessment of uncollectability of some customer receivables.

### (18) Current financial assets

<b>euro</b>	<b>31 December 2007</b>	<b>31 December 2006</b>
Bonds and other debt securities	26,615,591	47,671,080
<b>Total</b>		

Current financial assets refer mainly to government securities and bonds held for trading.

The table indicates securities held as at 31 December 2007, specifying their par and carrying value.

Description of security	Par value as at 31 December 2007	Date of maturity	Interest rate (%)	Value as at 31 December 2007
HSBC floater	8,000,000	September 2010	Floating rate	8,015,747
France OAT TC 01/09	5,000,000	January 2009	Floating rate	4,990,895
Morgan St FRN	2,000,000	March 2013	Floating rate	1,905,014
EIB 2004/2009 BOT-linked	500,000	October 2009	Floating rate	495,225
Unicredito floater 2015	6,100,000	February 2015	Floating rate	6,033,440
Credito Valtellinese floater	3,000,000	February 2011	Floating rate	3,011,202
San Paolo IMI	2,000,000	June 2016	Floating rate	1,965,402
EDF EN. PLC 4.375%	200,000	December 2010	4.375 %	198,666
<b>Total</b>	<b>26,800,000</b>			<b>26,615,591</b>

### (19) Current available-for-sale financial assets

This item consists of the fair market value of the S&PMIB strike 37,000 put options held as at 31 December 2007. Readers should also refer to Note 31 to complete information on this point.

### (20) Current financial receivables

euro	31 December 2007	31 December 2006
Receivable from banks for repos	4,993,746	20,120,169
Receivable for loans	1,055,976	0
Other receivables	0	108,450
<b>Total</b>	<b>6,049,722</b>	<b>20,228,619</b>

Repos in place	Cash value 2007	Forward sale	Rate (%)	Value as at 31 December 2007
MPS 9/5/14 FR	4,935,225	February 2008	Floating rate	4,993,746
<b>Total</b>	<b>4,935,225</b>			<b>4,993,746</b>

Receivables for loans refer to a loan of € 1,000,000 paid out to the associate Data Holding 2007 Srl plus related interest.

### (21) Cash & cash equivalents

The item shows the balance of bank deposits based on the face value of bank current accounts.

euro	31 December 2007	31 December 2006
Bank deposits	3,661,193	2,630,240
Cash and equivalents on hand	2,918	3,349
<b>Total</b>	<b>3,664,111</b>	<b>2,633,589</b>

The following table shows the breakdown of our net financial position.

<b>euro</b>	<b>31 December 2007</b>	<b>31 December 2006</b>
<b>A</b> Cash and cash equivalents	3,664,111	2,633,589
<b>B</b> Securities held for trading	26,615,591	47,671,080
<b>C Liquidity (A+B)</b>	<b>30,279,702</b>	<b>50,304,669</b>
<b>D</b> Financial debts	(74,339)	(74,284)
<b>E Net financial position</b>	<b>30,205,363</b>	<b>50,230,385</b>

## (22) Tax receivables

The breakdown of this item was as follows:

<b>euro</b>	<b>31 December 2007</b>	<b>31 December 2006</b>
Receivable from Inland Revenue – tax credits (within 12 months) for:		
IRES (corporate income tax)	-	91,648
IRAP (regional business tax)	-	70,374
Taxes withheld on bank interest income	-	29,728
Other taxes withheld	-	1,903
<b>Total (within 12 months)</b>	-	<b>193,653</b>
Receivable from Inland Revenue – tax credits (after 12 months)	186	186
<b>Total (after 12 months)</b>	<b>186</b>	<b>186</b>

## (23) Share capital

The composition of share capital is as shown below:

	<b>Shares</b>	<b>Number</b>	<b>Par value (€)</b>
Ordinary shares		110,920,082	0.52
<b>Total</b>		<b>110,920,082</b>	<b>0.52</b>

As at 31 December 2007, share capital fully paid in and subscribed amounted to € 57,678,443 and consisted of 110,920,082 ordinary shares with a par value of € 0.52 each.

During FY2007 share capital increased by € 804,700, representing 1,547,500 shares issued following exercise of options under the stock option plan.

Treasury shares held as at 31 December 2007 were 2,362,619 in number, purchased at an average per-share price of € 1.9414.

## (24) Detail of changes in the fair value valuation reserve

The following table details the changes in the reserve for fair-value valuation of equity investments:

	<b>Carrying value as at 1.1.2007</b>	<b>Increases in value</b>	<b>Decreases in value</b>	<b>Reversal of realised capital gains</b>	<b>Carrying value as at 31.12.2007</b>
Equity investments	29,958,333	3,002,612	(13,457,625)	(9,802,053)	9,701,267
Tax effect: deferred and prepaid taxes	(4,621,944)		4,389,055		(232,889)
<b>Total reserve</b>	<b>25,336,389</b>		<b>(15,868,011)</b>		<b>9,468,378</b>

The table shows the change occurring in investments' latent surplus value between 1 January 2007 and 31 January 2007 net of the potential tax burden as at balance sheet date, which is recognised offsetting it in equity in "Revaluation reserves". The item "Reversal of realised capital gains" instead represents the amount of capital gains made via sales during FY2007, previously classified in the item "Available-for-sale financial assets".

For changes in the company's equity and its components, reference should be made to the specific statement.

Item/Description	Amount	Possibility of use (*)	Available portion	Use in previous 3 FYs to cover losses	Use in previous 3 FYs for other reasons
Share capital	56,449,881				
Legal reserve	725,000	B	725,000		
Share premium reserve	102,541,875	A, B, C (*)	102,541,875		
Extraordinary reserve	4,035,885	A, B, C	4,035,885		
Revaluation reserve for AFS financial assets	9,468,378				
Share-based transaction reserve	143,803				
Other reserves	1,709,385				
Retained earnings	421,957		59,512		
<b>Total</b>	<b>175,496,164</b>		<b>107,362,272</b>		
Non-distributable portion (**)	<b>22,676,610</b>				

(\*) Key: A = for capital increases; B = for coverage of losses; C = for distribution to shareholders

\* Distributability to shareholders is limited to an amount of € 91,731,186 because the legal reserve has not yet reached the limit established by Article 2430 of the Italian Civil Code.

\*\* It consists of:

- The amount of the share premium reserve (€ 10,810,689) necessary to reach the limit – set by Article 2430 of the Italian Civil Code – for the legal reserve (€ 11,535,689). The amount of the legal reserve has been calculated based on statutory share capital
- The extraordinary reserve generated by IFRS application (€ 160,530)
- The reserve for revaluation of AFS financial assets generated by IFRS application (€ 9,468,378)
- The share-based transaction reserve generated by IFRS application (€ 143,803)
- Other reserves for the part generated by IFRS application (€ 1,709,385)
- Retained earnings for the part generated by IFRS application (€ 362,445)
- The restricted portion relating to accelerated depreciation & amortisation deducted outside accounts for tax purposes, net of related deferred taxation provision (section EC of the tax return, € 21,380)

We provide the following complementary information on equity as at 31 December 2007:

#### *Share capital*

Share capital net of treasury shares amounted to € 56,449,881.

Paid-up and subscribed share capital amounted to € 57,678,443 and consisted of 110,920,082 ordinary shares with a par value of € 0.52 each.

#### *Legal reserve*

It amounted to € 725,000 with an increase of € 405,000 vs. 31 December 2006, as resolved by the Shareholders' Meeting on 27 April 2007.

*Share premium reserve*

The IFRS-compliant share premium reserve amounted to € 102,541,875. It decreased by € 707,599 vs. 31 December 2006 due to the net effect of increases due to the issue of new shares and decreases due to the purchase of treasury shares.

*Extraordinary reserve*

It amounted to € 4,035,885 with an increase of € 2,000,000 vs. 31 December 2006, as resolved by the Shareholders' Meeting on 27 April 2007. Part of the reserve is not distributable because it was generated by application of IFRSs.

*Reserve for revaluation of AFS financial assets*

It amounted to € 9,468,378. It is an unavailable reserve because it refers to changes in fair value vs. the purchase value of equity investments owned.

*Share-based transaction reserve*

As at 31 December 2007 it amounted to € 143,803, increasing by € 49,919 vs. 31 December 2006.

*Other reserves*

As at 31 December 2007 they totalled € 1,709,385 and consisted of the goodwill reserve.

*Retained earnings*

This reserve amounted to € 421,957. It is partly unavailable because it arose as a result of IFRS application.

*Profit for the year*

It amounted to € 11,334,134.

**(25) Profit after tax***Basic earnings per share*

As at 31 December 2007, basic earnings per share amounted to € 0.10 (as at 31 December 2006 they amounted to € 0.07). The balance of the item has been calculated based on the earnings attributable to shareholders, i.e. € 11,334,134 (31 December 2006: € 8,468,067) divided by the number of ordinary shares outstanding as at 31 December 2007.

*Diluted earnings per share*

Taking the potential dilutive effect of newly issued shares servicing the stock option plan (see Note 35) into account, diluted earnings per share were € 0.097 (vs. € 0.08 as at 31 December 2006).

**(26) Post-employment benefit and end-of-service obligations**

As at 31 December 2007, the item's balance referred to post-employment benefits payable to all company employees at the end of the employment relationship. As at 31 December 2006, it also included end-of-service benefits for the directors of the non-surviving company Tamburi & Associati SpA. These were settled on 2 April 2007 following the latter's merger by incorporation.

The liability is based on actuarial measurement, which, in turn, is based on assessments of relevant parameters given the staffing mix (managers, middle managers, and white-collars), FY2007 salary increases, and according to possible salary increases and staff turnover rate, discussed with top management and based on the historical and projected trend of such variables.

The discount rate used for post-employment benefits is that of the interest-rate swap curve (4.88% as at 31 December 2007 and 4.95% as at 31 December 2006).

**Provision for post-employment benefit and end-of-service obligations**

euro	31 December 2007	31 December 2006
Value as at 1 January	1,289,057	995,072
Increase	104,458	309,049
Utilisation of end-of-service reserve	(1,131,606)	0
Utilisation	(50,344)	(15,064)
<b>Total</b>	<b>211,565</b>	<b>1,289,057</b>

The liability for “end-of-service” benefits was extinguished by full payout to directors following the merger by incorporation of Tamburi & Associati SpA.

The increases shown also include the financial component of the actuarial calculation, classified among finance expense. In FY2007 it amounted to € 7,779 and in FY2006 to € 44,250.

**(27) Current financial liabilities**

The item consists of dividends not yet collected by shareholders.

**(28) Tax liabilities**

The breakdown of the item was as follows:

euro	31 December 2007	31 December 2006
IRES (corporate income tax)	496,463	523,179
IRAP (regional business tax)	77,226	77,784
VAT	135,399	22,605
Withholdings	141,869	51,987
Substitute tax on post-employment benefit provision	164	43
Others	6,644	595
<b>Total</b>	<b>857,765</b>	<b>676,193</b>

Corporate income tax (IRES) amounted to € 496,463 net of the payment on account of € 1,042,258 and of withholding taxes paid of € 80,651.

Regional business tax (IRAP) amounted to € 77,226 net of the payment on account of € 296,400.

**(29) Other liabilities**

The item consists mainly of amounts payable for directors' emoluments and of those payable to employees.

euro	31 December 2007	31 December 2006
Amounts payable to directors	2,041,946	1,810,569
Amounts payable to employees	735,979	768,467
Amounts payable to pension & welfare agencies	76,861	155,340
Others	322,372	313,733
<b>Total</b>	<b>3,177,158</b>	<b>3,048,109</b>

Amounts payable to directors refer to the variable part accrued by directors on FY2007 results and not yet paid.

Amounts payable to employees include bonuses accrued during FY2007 and not yet paid.

Other liabilities include accrued liabilities relating to holidays and leaves of absence accrued and not taken, and social security charges. They also include amounts payable to the statutory auditors and to the Oversight Committee for emoluments accrued and not yet paid.

### **(30) Commitments and guarantees given**

As at 31 December 2007, TIP SpA, for the capital increase approved and already fully subscribed of the associate company SeconTip SpA, had a residual investment commitment of € 30,360,500. See also Note 38.

On 1 February 2007, TIP SpA issued surety of € 2,850,000 to Borletti Group SCA to guarantee its residual commitment for further investment in the deal. On 14 December 2007 TIP, as part of the master investment agreement, made a further payment of € 1,600,000 as a shareholder loan. As at 31 December 2007, the residual commitment was € 1,600,000, of which € 650,000 backed by surety.

### **(31) Financial instruments**

#### **Financial risk management**

By virtue of the nature of its business, the group is exposed to various types of financial risk and, in particular, to interest equity price risk in terms of changes in investments' purchase value and, marginally, to interest rate risk.

Below we illustrate the financial risk management policies adopted by the company.

#### ***Interest rate risk***

The company is exposed to interest rate risk as regards the value of current financial assets consisting of government securities and bonds held for trading.

As at 31 December 2007, 17% of the amount of financial assets was subject to interest rate risk as it consisted of fixed-rate securities and bonds. The risk of interest rate fluctuation and of related impact on results has not been hedged via specific derivative instruments because the company does not deem it appropriate – and not even economically advantageous – to resort to such types of instruments. The company in fact seeks to minimise the risk implicit in rates' variation by

means of careful market analyses permitting the best possible assessment/weighing up of expected interest rate trends.

### ***Equity price risk***

The group, by virtue of the nature of its business, is exposed to the risk of changes in the value of its investments.

As regards investments in listed companies, today there is no instrument for efficient hedging of a portfolio with characteristics such as that held by the group (small-mid caps with certain characteristics).

As instead regards investments in unlisted companies, the risks associated with:

- (a) Valuation of such investments, given (i) the absence in such companies of control systems similar to those required for companies with listed stocks, with the consequent lack of an information flow at least equal to that available for the latter in terms of quantity and quality and (ii) the difficulty of performing independent checks in such companies and, therefore, of assessing the thoroughness and accuracy of the information they provide
- (b) The possibility of influencing the management of such investments and aiding their growth, which is the prerequisite for investment, based on the group's relations with the management team and shareholders, and therefore subject to the verification and development of such relations
- (c) The monetisability of such investments, which are not traded in a regulated market

...have not been hedged via specific derivatives since such instruments do not exist. The company seeks to minimise the risk – albeit in a merchant banking activity, which is therefore risky by definition – via careful analysis of the company and its sector of reference at the time of entry into its capital, plus attentive monitoring of the development of investee companies' business also after entry into their capital.

During 2007, the company acquired put options – with the position then closed in 2008 – to set up partial hedging of the risk of market descent, i.e. of the S&PMIB index, given the relative size of TIP's portfolio at the time and the equity market's volatility.

### **Credit risk**

The company's exposure to credit risk depends on the specific characteristics of each client.

Before accepting an engagement, thorough analyses are performed of the client's credit worthiness drawing on the wealth of knowledge and contacts enjoyed by the company.

It should be considered that, on average, as at the date of approval of annual accounts, more than 90% of trade receivables have been collected.

## Liquidity risk

The company's approach to liquidity management is to assure that, as far as possible, there are always sufficient funds to honour its obligations on due date. Historically speaking, because of the nature of its business, the company has never resorted to debt. In 2008 the company, in order to be able to take any investment opportunities arising, has obtained an unsecured € 15-mn stand-by line of credit.

## Capital management

The policies for capital management by the Board of Directors envisage maintenance of a high level of equity for the very purpose of maintaining a trust-based relationship with investors, thus permitting business growth. The Board of Directors monitors the type of shareholders and the level of dividends to be distributed to ordinary shareholders.

The Board of Directors has set itself the objective of ownership of company shares by the company's executive directors and employees. As regards this, reference should be made to the content of Note 35 concerning the stock option plan in place.

The company purchases its own shares on the market with timing that depends on market prices.

### (32) Shareholdings owned in the company by members of corporate management and control bodies and by general managers

Although items relating to the current stock option plan remain valid, the following table indicates TIP shares directly or indirectly owned at year-end, also via fiduciary companies, by members of the Board of Directors. The table also indicates the financial instruments purchased, sold, and effectively possessed by the above parties during 2006 and 2007.

Office	Name	No. of shares held as at 31/12/2006	No. of shares bought since 31/12/2006	No. of shares sold since 31/12/2006	No. of shares held as at 31/12/2007
President & Managing Director	Giovanni Tamburi	6,652,578	612,500 (1)	-	7,265,078
Vice President & Managing Director	Alessandra Gritti	1,151,879	312,500 (1)	-	1,464,379
Executive director	Claudio Berretti	58,500	162,500 (1)	-	221,000
Director	Niccolò Branca di Romanico	1,851,879	150,000	-	2,001,879
Director	Francesco Baggi Sisini (2)	3,086,710	350,000	-	3,436,710
Director	Mario Davide Manuli (3)	5,237,404	350,000	-	5,587,404
Director	Sandro Alberto Manuli (4)	4,337,404	350,000	-	4,687,404
Director	Marco Merati Foscarini (5)	405,000	-	-	405,000
Director	Edoardo Rossetti (6)	2,601,168	-	-	2,601,168
Director	Cesare d'Amico (7)				3,330,000
Director	Claudio Gragnani (8)				2,000,000

(1) Shares acquired against the first tranche of stock options granted (see Note 35).

(2) Francesco Baggi Sisini holds his equity interest in TIP via Arbus Srl, a company that he legally controls under Article 2359, first paragraph, of the Italian Civil Code.

(3) Mario Davide Manuli holds his equity interest in TIP via DAM Srl, a company that he legally controls under Article 2359, first paragraph, of the Italian Civil Code.

(4) Sandro Alberto Manuli holds his equity interest in TIP via Realmargi Srl, a company that he legally controls under Article 2359, first paragraph, of the Italian Civil Code.

- (5) Marco Merati Foscarini holds his equity interest in TIP via a fiduciary company in which he does not own any equity interest for 330,000 shares, whilst holding 75,000 shares as a natural person.
- (6) Edoardo Rossetti holds his equity interest in TIP via Finross SpA, a company that he legally controls under Article 2359, first paragraph, of the Italian Civil Code.
- (7) Cesare d'Amico owns his equity interest in TIP via d'Amico Società di Navigazione SpA, a company in which he owns (directly and indirectly) a 50% equity interest
- (8) Claudio Gragnani owns his equity interest in TIP via a fiduciary company in which he does not only any equity interest.

Office	Name	No. of shares held as at 31/12/2006	No. of shares bought since 31/12/2006	No. of shares sold since 31/12/2006	No. of shares held as at 31/12/2007
President of Board of Statutory Auditors	Giorgio Rocco	1,155,000	-	255,000	900,000
Standing statutory auditor	Enrico Cervellera	-	-	-	-
Standing statutory auditor	Emanuele Cottino	-	-	-	-

### (33) Compensation paid to members of corporate bodies for any reason and in any form

The following tables and related notes indicate, in euro, for FY2007, the compensation paid to members of corporate bodies, for any reason and in whatsoever form.

Office in TIP	Name	Fixed compensation 31/12/2007	Variable compensation 31/12/2007
President and Managing Director	Giovanni Tamburi	384,000 (1)	1,268,942 (2)
Vice President and Managing Director	Alessandra Gritti	250,000 (1)	684,471(2)
Executive director & General Manager	Claudio Berretti (2)	200,000 (3)	400,000
Director	Niccolò Branca di Romanico	10,000	-
Director	Francesco Baggi Sisini	10,000	-
Director	Mario Davide Manuli	10,000	-
Director	Sandro Alberto Manuli	10,000	-
Director	Marco Merati Foscarini	10,000	-
Director	Giuseppe Ferrero	10,000	-
Director	Maurizio Petta	10,000	-
Director	Edoardo Rossetti	10,000	-
Director	Cesare d'Amico (4)	1,667	-
Director	Claudio Gragnani (4)	1,667	-

Office in TIP	Name	Compensation 31/12/07
President of Board of Statutory Auditors	Giorgio Rocco	32,072
Standing statutory auditor	Enrico Cervellera	21,381
Standing statutory auditor	Emanuele Cottino	21,381

1. Amount before mandatory withholdings. The figure indicated is the annual fixed compensation resolved by the Board of Directors on 20 December 2006, then confirmed by the Board of Directors on 6 November 2007, for the President of the Board of Directors, Giovanni Tamburi, for the office attributed him (€ 384,000 p.a. gross) and for the Vice President of the Board of Directors, Alessandra Gritti, as the emolument for the office attributed to her (€ 250,000 p.a. gross), besides the benefits that had already been attributed (car, mobile telephone, and Blackberry).
2. At its meeting on 20 December 2006, the Board of Directors had also decided to accord, effective 1 January 2007, to the President of the Board of Directors, Giovanni Tamburi, as an emolument for the office attributed to him, variable gross annual compensation equal (saving what is stated later on concerning possible reallocation of a portion of the variable compensation in question) to the sum of the following components: (i) 7% of consolidated revenues coming from advisory activities, stated in the item "Consolidated revenues from sales and services, and (ii) 5.5% of consolidated annual pre-tax profit, to be calculated gross of the variable portions of the emolument, and to accord, 1 January 2007, to the Vice President of the Board of Directors and Managing Director, Alessandra Gritti, as an emolument for the office attributed to her, variable gross annual compensation equal to the sum of the following components: (i) 3.5% of consolidated revenues coming from advisory activities, stated in the item "Consolidated revenues from sales and services, and (ii) 2.75% of consolidated annual pre-tax profit, to be calculated gross of the variable portions of the emolument.

On 6 November 2007, the Board of Directors also decided to attribute to the President of the Board of Directors, Giovanni Tamburi, and to the Vice President of the Board of Directors and Managing Director, Alessandra Gritti, an end-of-service indemnity to be paid (i) in the case of revocation without just cause of their respective powers and/or of their respective directorships on a date prior to the natural date of lapse of the present Board of Directors (fixed as being the date of shareholder approval of statutory annual accounts for the year ending on 31 December 2009) or (ii) in the case of non-renewal without just cause of the aforesaid offices and powers upon expiry of the mandate conferred and underway on the date of the decision. The Board of Directors decided to fix the end-of-service indemnity to be accorded to the President of the Board of Directors, Giovanni Tamburi, and/or to the Vice President of the Board of Directors and Managing Director, Alessandra Gritti, upon occurrence of the conditions indicated above, as an amount equal to average annual emolument (calculated applying the arithmetical average of the total fixed and variable annual emoluments received and/or accrued at consolidated level in the 3-year period prior to the date of cessation or non-renewal, multiplied by three.

The President Giovanni Tamburi had asked the Board to give him the power to make proposals to the Board of Directors at the same meeting for assignment by the company of bonuses pertaining to him to TIP employees up to a total annual amount of not more than € 200,000. Any amounts approved by the Board of Directors would be allocated by TIP to the respective beneficiaries, after renouncement by Giovanni Tamburi to a corresponding amount of his variable compensation, with consequent amendment of the variable compensation payable to Giovanni Tamburi. The purpose of the above was to further reward particularly good performance without this causing an increase in costs payable by TIP.

On 20 December 2007, the President Giovanni Tamburi proposed to the Board assignment by the company of bonuses pertaining to him to TIP employees, based on the mechanism described above, up to a total amount of not more than € 100,000. The amount approved by the Board of Directors was allocated by TIP to the respective beneficiaries, after renouncement by Giovanni Tamburi to a corresponding amount of his variable compensation, with consequent amendment of the variable compensation payable to Giovanni Tamburi.

3. At its meeting on 20 December 2006, the Board of Directors had also appointed Claudio Berretti General Manager of TIP, effective as from date of effect of the merger between Tamburi & Associati SpA and Tamburi Investment Partners SpA, fixing a gross annual salary of € 200,000 for him as manager of TIP, together with continued use of a mobile telephone and company Blackberry, as well as managerial insurance cover (Associazione Antonio Pastore, Mario Negri, and FASDAC). This will be joined by variable compensation for each FY, the amount of which will be established from year to year according to group results achieved and in any case along the lines of that established for the President and Vice President.
4. In office since 31 October 2007.

We recall the fact that TIP's executive directors are among the beneficiaries of the stock option plan, which is discussed in Note 35 to accounts.

Compensation payable to the Oversight Committee for FY2007 amounted to € 3,000.

In addition, the company stipulated two insurance policies – a D&O (Directors' & Officers' Liability) policy and a professional TPL (third-party liability) policy - with Chubb Insurance Company of Europe SA for directors and statutory auditors of TIP, of subsidiaries, and of investee companies in which TIP has positions in corporate bodies, as well as for the General Manager, to cover any damage caused to third parties by the insured in performance of their functions. The annual premium paid by TIP for the policies is € 61,125 for the D&O policy and € 69,105 for the professional TPL policy.

### **(34) Related-party transactions**

The associate company SeconTip SpA signed a service agreement with TIP for all areas of activity. Against services rendered TIP will be accorded an annual flat-rate fee ("management fee") of € 500,000 + VAT. The agreement includes an earn-out clause if SeconTip successfully sells one of the equity investments acquired. In FY2007, revenues from activity provided for SeconTip accounted for approximately 10% of the company's total revenues for services.

In FY2007 transactions took place with entities related to TIP. We believe that services provided to all the parties listed below were rendered at contractual and monetary market terms and conditions.

Such transactions concerned billing – for services rendered – of natural persons and/or legal entities relating to TIP directors for a total of € 31,500 in FY2007 (vs. € 47,297 in FY2006).

In May 2007, TIP was advisor for the IPO in the Milan Bourse of d'Amico International Shipping SA, a company 50% owned by Mr. Cesare d'Amico, who was appointed as a director of TIP by the shareholders' meeting held on 31 October 2007..

Service costs instead included services in 2007 rendered by a firm where a TIP supplementary statutory auditor works, for a total of € 77,681 (vs. € 99,114 in 2006).

As regards dealings with associate companies, in 2007 TIP made a total capital gain of € 15,737,507, adjusted for the equity interest (16.43%) owned in Gruppo IPG Holding Srl, an associate company founded during 2007. This capital gain accounted for 95.4% of the total capital gains realised by TIP in FY2007.

In addition, in 2007 TIP paid out a loan to Data Holding Srl. In FY2007, the interest income on this loan amounted to € 55,976, accounting for 6.8% of other income.

### **(35) Stock option plan**

In July 2007 the second tranche of options (25% of the total) became exercisable of the plan approved by TIP's Board of Directors on 29 June 2005. Based on the latter, beneficiaries

received, on a free and personal basis, a certain number of options (see the next table), each of which attributes the right to subscribe and purchase one TIP share. The Board, based on the valuation appraisal of the shares' value performed by Professor Paolo Jovenitti, had fixed the per-share subscription price, inclusive of par value and premium, at € 1.43 (one point forty-three euro) (valuation date = June 2005).

At the aforesaid meeting, the Board of Directors, in exercising the powers delegated to it by the Extraordinary Shareholder Meeting of 16 May 2003, had also approved a share capital increase to service the Plan, by a maximum nominal amount of € 2,860,000.00, via issue of a maximum number of 5,500,000 new shares, with premium of € 0.91 for each new share.

The following table identifies the options for purchase of TIP shares granted to TIP directors and employees.

<b>Office</b>	<b>Full name</b>	<b>Total options granted</b>
President & Managing Director	Giovanni Tamburi	2,450,000
Vice President & Managing Director	Alessandra Gritti	1,250,000
Executive director & General Manager	Claudio Berretti	650,000
<b>Subtotal – directors</b>		<b>4,350,000</b>
<b>Employees</b>	6 employees	<b>1,150,000</b>
<b>Grand total</b>		<b>5,500,000</b>

We point out that, since the start of the plan, three employees – beneficiaries of a remaining number of 262,500 options – have resigned from the company, thus losing the benefit of options. As at 27 March 2008, total options granted therefore numbered 5,237,500. In FY2007 the beneficiaries of options exercised the first two tranches for a total of 1,547,500 shares.

For the sake of completeness, we note that on 27 April 2007 the Shareholders Meeting authorised the Board of Directors to proceed with the purchase of, and accomplishment of acts of disposal of, TIP's own shares of a per-share par value of € 0.52 (zero point fifty-two euro) for a maximum accounting for 10% of share capital, also to implement stock option plans.

Given this, TIP can decide to assign treasury shares purchased in execution of the Shareholder Meeting's resolution, instead of newly issued shares, to Plan beneficiaries who have exercised their respective options

The fair value of the service received against the stock options granted is measured making reference to the fair value of the stock options granted. Estimation of the fair value of service received is based on a binomial model, also known as the Black-Scholes model.

***Fair value of options and assumptions***

Average fair value per option as at valuation date (€)	0.0378
Exercise price (€)	1.43
Expected volatility	5.00%
Average option life (months)	28
Expected average dividend yield	2.50%
Risk-free rate	2.50%
Average illiquidity/employee exit discount	30.5%

Expected volatility, estimated to be 5% for the purposes of calculation, has been calculated considering the following items:

- 1) TIP performs an activity of minority investment substantially in “excellent” listed and unlisted small-mid caps, in extremely low-risk bonds, and, as from 2006 (as announced at the time of the IPO) in SeconTip SpA, a player in the secondary private equity sector and, as such, an investor in equity investment portfolios or in the shares of funds.
- 2) In the last few years the volatility of the AllStar index (source: Bloomberg) which well represents the average type of company (in terms of basket) in which TIP has invested/will invest, was approximately 9.45%.
- 3) Once again in the last few years, the volatility of low-risk bonds (source: Bloomberg) has ranged from a minimum of 0.83% to a maximum of 1.33%.
- 4) Moving forward, the component invested in SeconTip will tend to become significant. It is impossible to estimate the volatility of the assets underlying the investment in SeconTip. Since, however, SeconTip is in turn an investor in portfolios and shares of funds, its volatility will, by definition, be lower than that of the AllStar index and, above all, its trend will be anticyclical (by virtue of its nature, secondary private equity is anticyclical to the trend of stock markets and of the M&A market).

Having specified the above, and assuming average allocation of TIP’s available financial resources in the next 3-years at least in line with what has been illustrated, the consequent average volatility is indeed close to 5%.

Application of the model summarily described above, led to a total cost to be factored into payroll and employee benefit costs for FY2007 of € 49,919.

### **(36) Shareholders’ pact**

On 21 September 2005 a Shareholders’ Convention, subsequently amended, was signed. The instruments coming within the scope of the Shareholders’ Convention as at 31 December 2007 currently consist of 45,839,050 TIP share, accounting for 41.33% of share capital (“Shares”). As regards this, we point out that:

- On 24 September 2007, Mais SpA substituted itself – in ownership of the Shares and rights and obligations envisaged by the Shareholders’ Convention – with its subsidiary Mais Partecipazioni Stabili Srl
- In November 2007, the company Realmargi Srl purchased 350,000 Shares via transactions executed on the regulated market where the Shares are listed
- In November 2007, the company DAM Srl purchased 350,000 Shares via transactions executed on the regulated market where the Shares are listed
- In November 2007, the company Arbus Srl purchased 350,000 Shares via transactions executed on the regulated market where the Shares are listed

We also point out that Giovanni Tamburi, Alessandra Gritti and Claudio Berretti own TIP ordinary shares not bound by the Shareholders' Convention. These shares total 1,087,500 in number and account for 0.98% of share capital. The parties to the Shareholders' Convention ("Participants") thus own a total number of 46,926,550 shares, accounting for 42.31% of TIP's share capital.

The following table indicates all parties bound by the Shareholders' Convention, as amended by the Agreement (collectively "the Participants") and the shares they had contributed to the Convention as at 31 December 2007.

Shareholder	Present no. of shares	% of share capital	% of Shareholders' Convention
Giovanni Tamburi <sup>1</sup>	6,652,578	6.00%	14.51%
Mais Partecipazioni Stabili Srl <sup>2</sup>	6,373,050	5.75%	13.90%
Banca della Svizzera Italiana SA <sup>3</sup>	2,993,759	2.70%	6.53%
DAM Srl <sup>4</sup>	5,587,404	5.04%	12.19%
Realmargi Srl <sup>5</sup>	4,687,404	4.23%	10.23%
Arbus Srl <sup>6</sup>	3,436,710	3.10%	7.50%
Finross SpA <sup>7</sup>	2,601,168	2.35%	5.67%
Rover International SA <sup>8</sup>	3,527,819	3.18%	7.70%
Ersel Finanziaria SpA <sup>9</sup>	2,230,000	2.01%	4.86%
Landel Srl <sup>10</sup>	1,660,000	1.50%	3.62%
Alessandra Gritti <sup>11</sup>	1,151,879	1.04%	2.51%
Niccolò Branca di Romanico	1,851,879	1.67%	4.04%
Paolo Marzotto	1,550,000	1.40%	3.38%
Silori & DG Investimenti Evoluti Srl <sup>12</sup>	1,476,900	1.33%	3.22%
Claudio Berretti <sup>13</sup>	58,500	0.05%	0.13%
<b>Total</b>	<b>45,839,050</b>	<b>41.33%</b>	<b>100.00%</b>

<sup>1</sup> Giovanni Tamburi owns 761,500 ordinary shares of the company via Lippiuno Srl, a company based in Milan (Via Borgogna 5), which Giovanni Tamburi controls pursuant to Article 2359, first paragraph, of the Italian Civil Code, whilst he directly owns the remaining shares. Giovanni Tamburi also owns a further 612,500 ordinary shares of the company, i.e. 0.55% of share capital, subscribed when exercising the option rights granted to him pursuant to the current stock option against the capital increase resolved by the Board of Directors on 29 June 2005 in implementation of the powers delegated to it pursuant to Article 2443 of the Italian Civil Code by the Extraordinary Shareholders' Meeting with the resolution passed on 16 May 2003. These shares are not bound by the Shareholders' Convention, in accordance with the provisions of Clause 7.04 of the same.

<sup>2</sup> The shareholding of Mais Partecipazioni Stabili Srl, a company based in Milan (Via Larga 11), pertains to Isabella Seragnoli, who legally exercises control of the said company pursuant to Article 2359, first paragraph, of the Italian Civil Code.

<sup>3</sup> BSI SA is a company based in Lugano (Via Magatti 2) whose share capital is wholly owned by the Generali Group.

<sup>4</sup> The shareholding of DAM Srl, a company based in Turin (Corso Generale Govone 18) pertains to Mario Davide Manuli, who indirectly exercises legal control over DAM Srl pursuant to Article 2359, first paragraph, of the Italian Civil Code.

<sup>5</sup> The shareholding of Realmargi Srl, a company based in Milan (Via Vittor Pisani 22) pertains to Sandro Alberto Manuli, who exercises legal control over Realmargi Srl pursuant to Article 2359, first paragraph, of the Italian Civil Code.

<sup>6</sup> The shareholding of Arbus Srl indirectly pertains to Francesco Baggi Sisini, who exercises legal control over Arbus Srl pursuant to Article 2359, first paragraph, of the Italian Civil Code.

<sup>7</sup> The shareholding of Finross SpA, a company based in Bologna (Via Collegio di Spagna 7), pertains to Edoardo Rossetti, who exercises legal control over Finross SpA pursuant to Article 2359, first paragraph, of the Italian Civil Code.

<sup>8</sup> The shareholding of Rover International SA, a company based in Luxembourg (19/21 Bd. du Prince Henri), is indirectly owned by SIL.PA SS, whose capital is 50/50 owned by Silvia and Paola Ferrero

<sup>9</sup> The shareholding of Ersel Finanziaria SpA, a company based in Turin (Piazza Solferino, 11), pertains to Renzo Giubergia.

<sup>10</sup> The capital of Landel Srl, based in Busto Arsizio (VA) (Via B. Milani 2), is 50% owned by Raffaele Della Bella and 50% owned by Leopoldo Carlo Mario Langè.

<sup>11</sup> Alessandra Gritti also owns a further 312,500 ordinary shares of the company, i.e. 0.28% of share capital, subscribed when exercising the option rights granted to her pursuant to the current stock option against the capital increase. These shares are not bound by the Shareholders' Convention, in accordance with the provisions of Clause 7.04 of the same.

<sup>12</sup> The shareholding of Silori & DG Investimenti Evoluti Srl, a company based in Rome (Via L. Bodio 57), pertains to Fernando Silori, who indirectly exercises legal control over Silori & DG Investimenti Evoluti Srl pursuant to Article 2359, first paragraph, of the Italian Civil Code.

<sup>13</sup> Claudio Berretti also owns a further 162,500 ordinary shares of the company, i.e. 0.15% of share capital, subscribed when exercising the option rights granted to her pursuant to the current stock option against the capital increase. These shares are not bound by the Shareholders' Convention, in accordance with the provisions of Clause 7.04 of the same.

We recall the fact that Participants have made a commitment to bind to the Shareholders' Convention all TIP shares of which they may become owners during the Convention's duration, with the sole exclusion of the 4,350,000 shares that may be subscribed by Giovanni Tamburi, Alessandra Gritti, and Claudio Berretti in exercising the option rights pertaining to them by virtue of the current stock option plan.

The Agreement does not amend any of the provisions of the Shareholders' Convention, other than those indicated above and relating to Participants and to the Shares contributed to the Shareholders' Convention.

More specifically, the Agreement does not modify Participants' rights and obligations stemming from signature of the Shareholders' Convention, nor does it change the latter's duration, which remains fixed at the end of the third anniversary of its entry into force, which took place on 7 October 2005.

The Shares contributed to the Shareholders' Convention are lodged with financial intermediaries who are members of the Monte Titoli SpA circuit. (Monte Titoli is the Italian central securities depository).

The Agreement, together with the Shareholders' Convention, is lodged at the Milan Companies Register office.

### **(37) Corporate Governance**

#### **Administrative liability of the company**

With reference to Italian Legislative Decree 231/2001 – which introduced in Italian law the concept of so-called “administrative liability” of companies for specific crimes committed, in their interest or to their benefit, by persons holding functions of representation, administration, and direction - the company has long adopted the requisite Organisational Model, Code of Ethics, and operating procedures for areas of risk.

It has also appointed the Oversight Committee, which has the task of overseeing the operation, effectiveness, and observance of the Model, and also of updating it. The Committee reports directly to the Board of Directors.

### **Code for the protection of personal data**

As regards the Privacy Code, the company, pursuant to Italian Legislative Decree no. 106 of 30 June 2003, has prepared the relevant policy document for FY2007.

### **Observance of corporate governance rules**

In order to come into line with some recommendations contained in the Corporate Governance Code prepared by the Italian committee for the corporate governance of listed companies ("Corporate Governance Code"), on 29 June 2005 the Ordinary Shareholder Meeting approved adoption, pursuant to Article 13 of the Corporate Government Code, of a shareholder meeting regulation (a) indicating the procedures to be followed for orderly and functional proceedings of TIP's Ordinary and Extraordinary Shareholder Meetings and (b) assuring each shareholder's right to take the stand and speak on agenda items. This regulation came into force and took effect as from the start date of trading of TIP shares on the Expandi market.

In compliance with the aforementioned shareholders' resolution, as well as with the new requirements of Article 114 of the Italian Consolidated Finance Act (ICFA), and pursuant to the Issuer Regulation, the Board of Directors adopted a code of conduct (the so-called "Internal Dealing Code"), effective as from the start date of trading of TIP shares. The purpose of the code is to regulate, in a compulsorily effective manner, company exponents' notification obligations vis-à-vis TIP, the CONSOB (Italian securities & exchange commission), and the market.

On 28 July 2005, TIP's Board of Directors approved adoption of procedures for the handling of privileged information as indicated by Article 181 of the ICFA, i.e. those specific items of information, not in the public domain, that refer directly or indirectly to TIP and are such, if made public, as to have a tangible effect on the trend of TIP share prices. (By way of example, they include accounting and operating/financial information concerning TIP, information concerning the development of given business deals, dividend distribution, related-party transactions, forward-looking data and quantitative targets concerning operating performance; rumours; projects, negotiations, and manifestations of intent for which there is justified fear of uncontrolled disclosure to the market or reasonable expectations of positive conclusion of the deal; extraordinary operations, significant acquisitions and disposals, purchase or disposal of own shares, purchase or sale of equity investments, changes in key strategic staff, and so on), hereinafter referred to as "Price-Sensitive Information".

These procedures are binding for the directors and statutory auditors of TIP, as well as for its employees and, in general, for persons possessing, by virtue of the functions they perform, Price-Sensitive Information.

These procedures have been set up to (i) prevent abusive use of Price-Sensitive Information and market manipulation also pursuant to and by virtue of Article 187/5, fifth paragraph of the ICFA and of Articles 6, 7, 8, and 12 of Italian Legislative Decree 231/2001, (ii) regulate the management and handling of Price-Sensitive Information, and (iii) establish the approach to be

observed for communication, both inside and outside the corporate sphere, of documents and information concerning TIP, with special reference to Price-Sensitive Information.

The procedures have also be provided to (i) prevent untimely, incomplete, or inappropriate handling of Price-Sensitive Information and in any case handling such as to cause information asymmetries and (ii) safeguard the market and investors, assuring them adequate knowledge of matters concerning TIP on which to base their investment decisions.

In its meeting of 28 July 2005, the Board of Directors appointed the Vice President and Managing Director Alessandra Gritti as the Disclosure Officer, for the purposes of implementation of Price-Sensitive Information procedures, and the executive director Claudio Berretti as her substitute.

### **(38) Significant events after balance sheet date**

In the early months of 2008, TIP subscribed further capital increases of Gruppo IPG Holding Srl, as well as providing a shareholder loan to it, for a total of € 3,111,128.

TIP also provided a shareholder loan of € 4.9 mn to Data Holding Srl to enable the latter to provide its subsidiary Data Service SpA with the financial resources needed to honour commitments existing to complete an acquisition deal.

In the period 1 January-27 March 2008 TIP purchased 691,599 of its own shares at an average price of € 1.9186 per share.

As already highlighted in the Management Report, TIP participated – subscribing a share of € 5,914,950 – in the increase of SeconTip SpA's capital from € 20 mn to € 35 mn. This increase was partly used to acquire 6.04% of Management & Capitali SpA, becoming its second largest shareholder, also in order to implement joint investment projects. On 15 March 2008, the key contents were disclosed to the public of the agreements made between SeconTip and Romed (the lead shareholder of Management & Capitali) pursuant to Article 122 of Italian Legislative Decree 58 of 24 February 1998 and to Article 129 of CONSOB Regulation 11971/1999, as subsequently amended and supplemented.

On behalf of the Board of Directors

Giovanni Tamburi  
President

Milan, 27 March 2008

<b>Appendices</b>
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**Appendix 1 – List of equity investments owned**

Company	Registered location	Share/quota capital	Quotas or no. shares	Equity (amount)	Last FY's Profit (loss)	Quotas or no. of shares owned	% ownership	Share of equity	Carrying value
<b>Subsidiaries</b>									
StarTip Srl	Milan Via Pontaccio 10	euro 10,000	1	n.a.	n.a.	1	100.00	n.a.	7,528
<b>Associates</b>									
SeconTip SpA	Milan Via Pontaccio 10	euro 20,000,000	20,000,000	20,513,380	1,094,819	7,886,600	39.43	8,087,061	8,087,061
Gruppo IPG Holding Srl	Milan Via Appiani 12	euro 105,000	105,000	n.a.	n.a.	17,252	16.43	n.a.	3,443,231
Data Holding Srl	Rome Via Sardegna 40	euro 1,218,790	1,218,790	n.a.	n.a.	340,550	27.94	n.a.	3,185,000
Palazzari & Turries Limited	Hong Kong SAR	euro 300,000 <b>(1)</b>	300,000	418,560	114,907	90,000	30.00	125,568	293,317
<b>Other companies</b>									
Also SpA	Zelbio (CO) Località Piano del Tivano	euro 3,911,892	7,522,870	12,937,390	834,127	300,455	3.99	516,705	907,850
Assist Consulting Srl	Milan Via A. Inganni 93	euro 103,093	103,093	1,439,419	94,657	12,500	12.12	174,529	207,900
Between SpA	Milan Via Broletto 37	euro 419,515	419,515	2,564,063	291,880	9,950	2.37	60,814	146,060
Borletti Group SCA <b>(2)</b>	Luxembourg Avenue de la Porte-Neuve	euro 42,400	4,240	n.a.	n.a.	100	8.77	n.a.	3,959,583
G1 Trading SpA	Segrate (MI) Palazzo Verrocchio	euro 250,000	250,000	1,806,271	155,441	10,000	4.00	72,251	328,170
Gruppo Pro SpA	Crespellano (BO) Via 2 Agosto 1980 19	euro 2,000,000	2,000,000	4,939,000	1,560,000	85,000	4.25	209,908	456,120
Ital TBS SpA	Trieste (TS) Località Padriciano, 99	euro 2,855,380	2,855,380	20,874,955	-2,714,770	8,385	0.29	61,301	155,009
Umbra Cuscinetti SpA	Foligno (PG) Località Paciana	euro 342,500	342,500	25,405,652	1,636,711	67,500	19.71	5,006,953	10,945,720
<b>Listed companies</b>									
Arkimedica SpA	Cavriago (RE) Via Govi, 25	euro 10,800,000	86,400,000	59,249,000	695,000	4,176,780	4.83	2,864,237	7,455,552
Bolzoni SpA	Casoni di Podenzano (PC)	euro							

			6,459,978	25,839,913	38,298,498	4,904,091	964,892	3.73	1,430,110	3,755,360
Caleffi SpA	Viadana (MN) Via Belfiore, 24	euro	6,500,000	12,500,000	17,665,000	2,541,000	300,000	2.40	423,960	1,123,800
d'Amico International Shipping S.A.	Luxembourg 25c Boulevard Royal	euro	149,949,907 (3)	149,949,907	168,089,804	12,228,059	327,137	0.22	539,836	899,627
Datalogic SpA	Lippo di Calderara (BO) Via Candini, 2	euro	33,205,365	63,856,472	171,705,000	7,840,000	3,733,935	5.85	10,040,256	22,384,940
Engineering SpA (4)	Rome Via S.Martino della Battaglia, 56	euro	31,875,000	12,500,000	160,306,563	14,164,194	117,688	0.94	1,509,293	3,236,420
I.Net SpA	Settimo Milanese (MI) Via Darwin, 85	euro	4,100,000	4,100,000	128,253,000	3,458,000	155,140	3.78	4,852,968	8,143,299
Mariella Burani Fashion Group SpA	Cavriago (RE) Via della Repubblica, 86	euro	15,552,000	29,907,692	164,516,000	53,689,000	953,500	3.19	5,245,005	17,916,265
Marr SpA	Rimini Via Spagna, 20	euro	33,262,560	66,525,120	177,736,206	27,949,628	1,073,790	1.61	2,868,862	7,514,382
Monrif SpA	Bologna Via Mattei, 106	euro	78,000,000	150,000,000	102,117,339	-1,752,112	11,726,435	7.82	7,983,149	10,665,193
Monti Ascensori SpA	Granarolo dell'Emilia Via dell'Artigianato, 19	euro	6,655,768	13,311,536	17,314,630	281,864	547,679	4.11	712,379	1,643,037
NH Hoteles SA (5)	Madrid Santa Engracia 120	euro	295,940,916	147,970,458	854,610,000	62,448,000	564,014	0.38	3,257,488	6,880,970
Noemalife Sp.A.	Bologna Via de' Carracci, 93	euro	2,252,092	4,330,947	14,011,271	1,061,987	121,011	2.79		931,785
									391,489	
RGI SpA	Milan Via San Gregorio, 34	euro	2,298,641	22,986,410	11,203,274	3,028,685	450,000	1.96	219,324	891,000
Servizi Italia SpA	Castellina di Soragna (PR) Via S.Pietro, 59b	euro	16,200,000	16,200,000	53,406,443	6,634,663	276,032	1.70	909,993	1,777,646
Sol SpA	Monza Via Borgazzi, 27	euro	47,164,000	90,700,000	187,983,074	8,213,262	979,710	1.08	2,030,528	4,790,782
Valsoia SpA	Bologna Via Ilio Barontini, 16/5	euro	3,450,409	10,455,784	17,720,000	3,223,000	187,955	1.80	318,538	1,231,105
Zignago Vetro SpA	Fossalta di Portogruaro (VE) Via Ita Marzotto, 8	euro	8,000,000	80,000,000	67,482,000	19,810,000	800,000	1.00	674,820	3,684,800
Opportunities										3,870,465

(1) In Hong Kong dollars (HKD).

(2) As at 31 December 2007, the share capital of Borletti SCA consisted of 1,140 Category A shares and 3,100 Category B shares. TIP owns 8.77% of Category A shares reserved for financial investors. Borletti's management owns 100% of Category B shares.

(3) In US dollars (USD)

(4) Equity and profit after tax as at 31/12/2006.

(5) Consolidated equity and profit after tax as at 31/12/2006.

**Appendix 2 – Changes in equity investments measured at fair value**

(Euro)	No. shares	Balance as at 1.1.2007			Increases		Decreases		Changes IFRS	Value as at 31.12.2007
		Cost	Write-ups Write-downs	Carrying value Fair value	Purchases/ incorporations	Capital increases & other increases	Write-backs	Disposals or returns		
<b>Unlisted companies</b>										
Also SpA	300,455	857,440		907,850						907,850
Assist Consulting Srl	12,500	10,453		207,900						207,900
Between SpA	9,950	57,935		146,060						146,060
Borletti Group SCA	100	2,307,957		2,307,957	1,651,626					3,959,583
G1 Trading SpA	10,000	4,411		328,170						328,170
Gruppo Pro SpA	85,000	637,500		456,120						456,120
Ital TBS SpA					310,000			-154,991		155,009
Umbra Cuscinetti SpA					10,945,720					10,945,720
<b>Total unlisted companies</b>				<b>4,354,057</b>	<b>12,907,346</b>			<b>-154,991</b>	<b>0</b>	<b>17,106,412</b>
<b>Listed companies</b>										
					12,907,346					
Arkimedica SpA	4,176,780	3,730,193		6,076,308				-136,927	1,516,171	7,455,552
Bioera SpA		560,000		901,600				-901,600	0	0
Bolzoni SpA	891,035	3,064,663		3,746,738	315,299			-153,264	-153,414	3,755,360
Caleffi SpA	300,000				992,970				130,830	1,123,800
d'Amico International SA	327,137				1,640,394			-700,851	-39,916	899,627
Datalogic SpA	3,733,935	18,491,557		24,868,007					-2,483,067	22,384,940
Engineering SpA	117,688				4,073,574				-837,154	3,236,420
I-Net SpA	155,140	3,996,181		4,583,848	2,771,149				788,302	8,143,299
Interpump Group SpA		10,516,592		20,006,866				-20,006,866	0	0
Mariella Burani Fashion Group SpA	953,500	17,188,736		19,279,770					-1,363,505	17,916,265
Marr SpA	1,073,790	6,457,204		7,503,097	224,138				-212,852	7,514,382
Monrif SpA	11,726,435	11,142,043		15,244,365					-4,579,172	10,665,193
Noemalife SpA	121,011	999,000		1,026,750	84,856				-179,822	931,785
NH Hoteles SA	230,951	2,175,737		3,466,575	5,595,903				-2,181,507	6,880,971
Monti Ascensori SpA	547,679	1,186,510		1,824,866					-181,829	1,643,037
Rgi SpA	45,000	765,000		810,000					81,000	891,000
Servizi Italia SpA	276,032				2,336,841			-85,000	-474,195	1,777,646
Sol SpA	979,710	4,286,971		4,662,441					128,341	4,790,782
Valsoia SpA	187,955	827,220		866,348	16,125				348,632	1,231,105
Zignago Vetro SpA	800,000				3,687,236				-2,436	3,684,800
Other listed equity holdings					6,683,033			-2,053,148	-759,421	3,870,465
<b>Total listed companies</b>				<b>114,867,579</b>	<b>28,421,517</b>			<b>-24,037,655</b>	<b>-10,455,013</b>	<b>108,796,428</b>
<b>Total equity investments</b>				<b>119,221,636</b>	<b>41,328,862</b>			<b>-24,192,645</b>	<b>-10,455,013</b>	<b>125,902,840</b>



**Attestation of the Financial Reporting Officer and of the Managing Director concerning the annual financial statements pursuant to Article 81/3 of CONSOB (Italian securities & exchange commission) Regulation no. 11971 of 14 May 1999 as subsequently amended and supplemented**

1. The undersigned Alessandra Gritti, in her capacity as Managing Director, and Claudio Berretti, in his capacity as Financial Reporting Officer of Tamburi Investment Partners SpA, herewith attest, also taking into account the requirements of Article 154/2 of Italian Legislative Decree no. 58 of 24 February 1998:
  - The appropriateness in relation to the enterprise's characteristics and
  - ... effective application during the period to which the annual financial statements refer, of administrative and accounting procedures for formation of annual financial statements for the year ended and as at 31 December 2007.
2. No significant aspects emerged in this respect.
3. It is also herewith further attested that annual financial states for the year ended and as at 31 December 2007:
  - a) Match corporate books and accounting records
  - b) Having been prepared in compliance with the International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) and adopted by the Commission of European Communities with regulation no. 1725/2003 as subsequently amended, in compliance with regulation no. 1606/2002 of the European Parliament are – to the best of their knowledge – such as to provide fair and true representation of the assets and liabilities, profit or loss, and financial position of Tamburi Investment Partners SpA.

Milan, 27 March 2008

Alessandra Gritti  
Managing Director

Claudio Berretti  
Financial Reporting Officer

**Disclosure of fees for independent auditing and for services other than auditing pursuant to Article 149/12 of the CONSOB Issuers' Regulation**

Pursuant to the requirements of the CONSOB Issuers' Regulation, in the following table we report information concerning the fees paid to the auditing company KPMG SpA and to companies belonging to the same network as the latter for the following services:

- 1) Auditing services, which comprise:
  - The audit of annual accounts in order to express a professional opinion
  - Control of interim accounts.
- 2) Attestation services, which include assignments whereby the audit assess a specific element, determined by another party who is responsible for it, via appropriate criteria, in order to express a conclusion that indicates to the recipient the degree of reliability relating to this specific element. This category also comprises services relating to control of regulatory accounting.
- 3) Other services comprising assignments of a residual nature and that must be specified in adequate detail. By way of non-exhaustive example, they may include services such as accounting/tax/legal/administrative due diligence, agreed procedures, and advisory services to the financial reporting officer.

The fees shown in the table – relating to FY2007 – are contractual fees inclusive of an index linking (they do not include out-of-pocket expenses, any supervisory dues, and VAT). As per the regulation in question, fees paid to any secondary auditors or to parties in their respective networks are not included.

Type of service	Entity that provided the service	Recipient of the service	Fees (euro)
<b>Independent auditing:</b>			
• Annual financial report			40,380
• Limited-scope audit of the half-yearly report	<b>KPMG SpA</b>	<b>Tamburi Investment Partners SpA</b>	15,420
• Reviews to check proper bookkeeping			5,600
<b>Attestation services:</b>			
• Unified corporate tax return (“Modello Unico”) and ordinary and simplified withholding-agent returns (“Modello 770”)	<b>KPMG SpA</b>	<b>Tamburi Investment Partners SpA</b>	600
<b>Tax advisory services</b>			-
<b>Other services</b>			-
<b>TOTAL</b>			<b>62,000</b>