SOPAF S.p.A.

Registered office: Foro Buonaparte, 24, 20121 Milan
Share capital: € 80,000,000 fully paid
Milan Register of Businesses and Fiscal Code n. 05916630154
Registered with the Italian Foreign-Exchange Office. n. 20641

BOARD OF DIRECTORS

Chairman	Giorgio Cirla
Vice Chairman and Managing Director	Giorgio Magnoni
Directors	Giancarlo Boschetti
	Renato Cassaro
	Adriano Galliani
	Guidalberto Guidi
	Luca Magnoni
	Francesco Micheli
	Giovanni Jody Vender

BOARD OF STATUTORY AUDITORS

Chairman	Giovanni Sala
Acting Auditors	Paolo Gualtieri
	David Reali
Substitute Auditors	Francesco Dori
	Riccardo Ronchi
	Marco Salvatore

S O P A F

Consolidated Financial Statements as of 30 June 2007

SUMMARY

DIRECTORS' REPORT

INTRODUCTION

The financial statements as of 30 June 2007 represent Sopaf's first half-year report that coincides with the first six months of the calendar year since the merger of 29 July 2005. The reporting period has been determined by the meeting of the shareholders on 10 November 2006 with a resolution to change Sopaf's fiscal year to the calendar year.
Accordingly, the data for this half-year report are compared with the data for the fiscal year ending on 31 December 2006 (six months only) and with a corresponding interim period for the calendar year of 2006 whose figures are represented by the differences between the annual data as of 30 June 2006 and semi-annual data as of 31 December 2005.

KEY DATA FOR THE SOPAF GROUP

Earnings data (in € 000's)

	31/12/06 (6 months)	30/06/07
Operating profit	3,681	40,984
Profit before interest and taxes	14,340	42,209
Profit before taxes	10,509	42,967
Net profit of the Group	10,091	40,171

Data on capital and financial position (in € 000's)

	31/12/06	30/06/07
Consolidated shareholders' equity	156,306	177,683
Net financial position	(121,734)	(76,481)
Net invested capital	301,363	257,505

Other indicators

	31/12/06	30/06/07
D/E (Net financial position/Shareholders' equity)	0.78	0.43
Full-time employees (at end of period)	41	47

SOPAF GROUP'S PERFORMANCE

The Sopaf Group earned a net profit of €40.2 million for the first half of 2007, compared with earnings of €10.1 million posted for the six-month period ending 31 December 2006 (and a net profit of €10.75 million for the first half of the calendar year of 2006). Consolidated shareholders equity and minority interests totalled €181 million as of 30 June 2007, compared with €179.6 million as of 31 December 2006. Consolidated shareholders' equity was €177.7 million as of 30 June 2007, compared with €156.3 million as of 31 December 2006.
The principal data for the Group in relation to the first half of the current year as well as the principal data for the year ending 31 December 2006 and the first half of the calendar year of 2006 are reported in the tables in the pages which follow.

During the first half of 2007, Sopaf continued to reposition itself according to the previously outlined strategies, and thus by reinforcing its efforts to tap third-party funding and by broadening the range of investment vehicles and funds to be offered to co-investors. Specific events during the period are outlined below:

- Sopaf perfected the acquisition of 100% of the hedge fund management company now known as Sopaf Capital Management SGR S.p.A. (previously known as Cartesio Alternative Investment SGR S.p.A.); the company is now in the process of setting up hedge funds for equity investment.
- The subsidiary, Private Wealth Management SGR, set up a new hedge fund of funds, PWM AIGGIG Multimanager Fund, in partnership with AIG Global Investment Group (the asset management arm of the U.S.-based, AIG, a leader in financial services and insurance). The fund was set up with the investment of both financial sponsors (Sopaf S.p.A. for €14.5 million and AIG for €15 million), and became operational on 1 July 2007.
- China Opportunity Sicàr embarked on its activity by making an initial investment of $5 million in the oil and gas sector.

The main investment/divestiture transactions during the first half are outlined below:

- the disposal of the interest in **Omniapartecipazioni S.p.A.** (IMMSI S.p.A.), a company in which the Sopaf Group invested in November 2002. The transaction generated an important net capital gain for the Group (€48.5 million), and thus provided significant resources for supporting the investment activity.

- the sale of the investment in the **Aster Fund**, a closed-end real estate fund. The sale produced a capital gain (after expenses and ancillary charges) of €10.6 million.

- the preparation and submission of a new irrevocable offer to Banco Popolare for the acquisition of 79.73% of the share capital of **Banca Bipielle Network S.p.A.** (together with the Aviva Group and the De Agostini Group) and 100% of the share capital of Area Life International Assurance Ltd and Aviva Previdenza S.p.A. (together with the Aviva Group). The offer was accepted during the month of August.

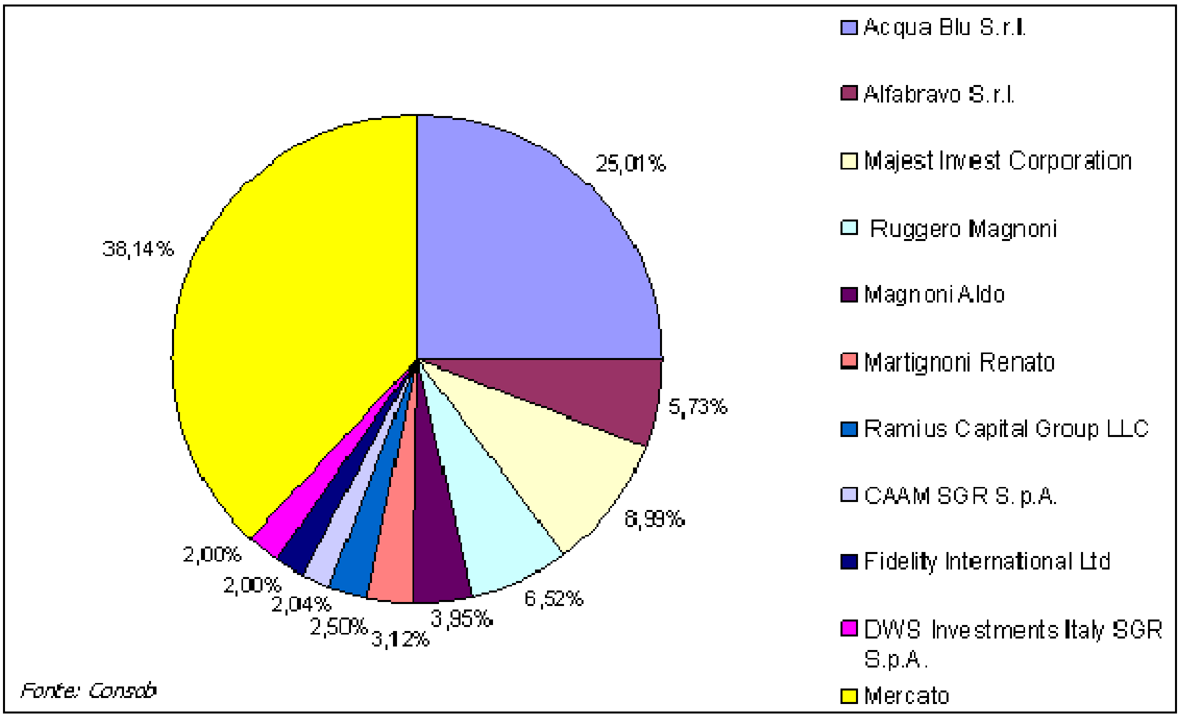
Finally, it is noted that the Sopaf Group embarked on formalities in the first half of 2007 for the process of offering €50 million in convertible bonds. The placement of the bonds was perfected in September, and is reviewed in the section below entitled "Material Events Subsequent to 30 June 2007".

INFORMATION FOR INVESTORS

Data as of 30 June 2007

Shareholder Based	
Number of ordinary shares	**421,794,706**
Share capital (€)	**80,000,000**
Number of 2005-2011 Sopaf Ordinary Share Warrants*	**28,104,600**

- The 2005-2011 Sopaf Ordinary Share Warrants outstanding total 28,104,600, and entitle the holders to subscribe a total of 56,209,200 Sopaf ordinary shares at a price of €0.50 per share.



Trend of Sopaf share price during first half of 2007	(in €)
Price at the start of the period (2 January 2007)	**0.7377**
Price at the end of the period (29 June 2007)	**0.613**
Average price	**0.6987**
High (21 March 2007)	**0.765**
Low (29 giugno2007)	**0.613**
Capitalization as of 29 June 2007	**258,560,155**
Average trading volume (in mn)	**1.853**

Sopaf share price: 2 January - 29 June 2007

Sopaf share price: 2 January - 29 June 2007 Source: Bloomberg

PRINCIPAL TRANSACTIONS CARRIED OUT DURING THE FIRST HALF OF 2007

Product companies

Sopaf Real Estate Management Alternative SGR S.p.A. was incorporated on 6 March 2007, and on 14 June 2007, the company was transformed into a limited liability company, with its name being changed to **Tenerani S.r.l**.
The transformation was effected based on a decision to change strategic orientation, as the Group had originally planned to set up a funds management company that was to have been active in managing real estate hedge funds. The change in strategic orientation was also influenced by an order issued by the Bank of Italy on 21 June 2007 that makes it possible for ordinary funds management companies to carry out the activity of investing in real estate hedge funds.

After securing the authorization of the regulatory authorities, Sopaf completed two transactions on 6 and 16 April 2007, which respectively led to the acquisition of 70% of Cartesio Alternative Investments SGR S.p.A for a total outlay of €2.8 million.
As a result of the transactions, Sopaf S.p.A. secured 100% ownership of the fund management company's share capital.
On 21 May 2007, the extraordinary shareholders' meeting passed a resolution to change the company's name to **Sopaf Capital Management SGR S.p.A.**

Industrial companies

On 14 February 2007, a new company, Nearco Invest S.àr.l., was incorporated in Luxembourg, with 100% of its share capital subscribed by Sopaf S.p.A. On 5 March 2007, Sopaf S.p.A. sold the 21.72% interest in **AFT S.r.l.** to Nearco Invest S.àr.l. for a price of €2.7 million. As a result of a share capital increase subscribed by RCG International Opportunities S.a.r.l., on 30 March 2007, Sopaf S.p.A. reduced its interest in Nearco Invest S.a.r.l. from 100% to 49%. On 2 April 2007, RCG International Opportunities S.a.r.l. subscribed an AFT S.r.l. capital increase (corresponding to 3.23% of the share capital), that had been approved by the shareholders on 28 February 2007. As a result of these changes, the Sopaf Group's direct and indirect interests in AFT S.r.l. went from 70.77% to 57.76%.

During the month of February 2007, a packet of **Gabetti** shares equal to 1.3% of the share capital was sold through a block transaction, which had no significant impact on earnings.

On 12 March 2007, in accordance with Article 4 of a shareholder agreement executed by Omniainvest and LM Real Estate on 9 May 2006, the board of directors of **Omniapartecipazioni S.p.A.** approved a non-proportional, partial divestiture in favour of Mercato 24 S.r.l., a newly incorporated company wholly owned by LM Real Estate S.p.A.
The divestiture provided for:
i. the assignment to LM Real Estate S.p.A. of 100% of the share capital of Mercato 24 S.r.l. (€20,000) against the retirement of the Omniapartecipazioni S.p.A. shares held by LM Real Estate S.p.A., with one share of Mercato 24 S.r.l. being assigned for each 9,278,887 shares of Omnipartecipazioni S.p.A.;
ii. the assignment to Mercato 24 S.r.l. of 38,360,288 shares of IMMSI S.p.A., as well as liabilities represented by bank debt in the amount of €14,295,114 due to a leading bank;
iii. shareholders' equity of Mercato 24 S.r.l. of €21,109,713.08.

On 13 March 2007, the extraordinary meeting of the shareholders of Omniapartecipazioni S.p.A. approved the non-proportional, partial divestiture in favour of Mercato 24 S.r.l.
As of the same date, LM Real Estate signed an agreement to sell 1.47 million shares (3.48804% of the share capital) of Omniapartecipazioni S.p.A. to Omniainvest S.p.A. at a price of €10.95 million.

The following events are reported in relation to the divestiture transaction:

- The divestiture agreement was executed and filed on 15 March 2007.
- The divestiture agreement was registered on 19 March 2007, with Mercato 24 S.r.l. incorporated as of the same date.
- On 20 March 2007, the following transactions were perfected:
    - transfer to Omnia Holding S.p.A. of 3 million shares of IMMSI S.p.A. owned by Mercato 24 S.r.l. (derived from the divestiture) at a total price of €6.56 million;
    - transfer to institutional investors (via private placement) of 30 million shares of IMMSI S.p.A. owned by Mercato 24 S.r.l. at a total price of €65.85 million;
    - transfer of 1.47 million shares of Omniapartecipazioni S.p.A. from LM Real Estate S.p.A. to Omniainvest S.p.A., as described above.

As a result of these transactions, LM Real Estate S.p.A. ceased being a shareholder of Omniapartecipazioni S.p.A. and Mercato 24 S.r.l. was holding 5,360,288 shares of IMMSI

S.p.A.
The transaction described above generated a total capital gain of around €62 million for the Sopaf Group (including the distribution of a dividend and reserves authorized by the ordinary meeting of the shareholders of Omniapartecipazioni held on 13 March 2006). After netting the Sopaf Group's pro-rata share of the debt resulting from the divestiture, the total capital gain amounted to €52 million.

In addition, during the month of June 2007, the Group further reduced the number of IMMSI shares in its possession, selling off 528,295 shares for a total price of €1.5 million.

As a result of agreements signed on 25 April 2007 by the shareholders of **RES Finco AG** and following the resolution of the board of such company, LM & Partners S.C.A. (in liquidation) agreed to make available shareholding financing of €4.4 million during 2007, with the proceeds of the loan to be used for the company's development. On 3 May 2007, as a result of the foregoing, LM & Partners made available to RES Finco AG a first tranche of the loan in the amount of €3 million.

Financial services and insurance

On 6 February, De Agostini Invest S.A. sold 15% of **Petunia S.p.A.** at nominal value to Aviva Italia Holding S.p.A. and Sopaf S.p.A., which increased their holdings in Petunia S.p.A. to 40.62% and 59.38%, respectively.
As of the same date, an extraordinary meeting of the shareholders of Petunia S.p.A. approved new by-laws providing for two classes of shares: Class A shares with voting rights, and Class B shares which have the same rights as the Class A shares, except for the voting rights.

As a result of the changes to the by-laws, the Petunia share capital is distributed as follows:

Shareholder	% of Share Capital With Voting Rights	% of Share Capital Without Voting Rights	Number of Shares With Voting Rights	Number of Shares Without Voting Rights	Total % of Share Capital
AVIVA	51.0%	0%	243,720	0	40.62%
SOPAF	49.0%	100%	234,162	122,118	59.38%
Total	**100%**	**100%**	**477,882**	**122,118**	**100%**

On 3 May 2007, Sopaf S.p.A. paid the Banca Popolare Italiana the sum of €5 million as a deposit toward the purchase of 79.73% of the share capital of Banca Bipielle Network S.p.A. As provided by the contract, the deposit will be counted against the price due by Sopaf.
After securing authorizations from the regulatory authorities, on 29 June 2007, the board of directors of Sopaf S.p.A. approved and formalized a new irrevocable offer for the acquisition of 79.73% of the share capital of Banca Bipielle Network S.p.A. (together with the Aviva Group and the De Agostini Group) and 100% of the share capital of Area Life

International Assurance Ltd and Aviva Previdenza S.p.A. (together with the Aviva Group). The offer has terms and conditions essentially in line with the contracts previously in effect with the BPI Group which expired during the month of May 2007.

Real estate

On 6 February, **Demofonte S.r.l**., a company 15% owned by LM Real Estate, perfected the purchase of the real estate portfolio sold through a public tender conducted by ENEL S.p.A. in which Demofonte participated during the month of December 2006. In order to ensure the capitalization needed by Demofonte, as of the date of the perfection of the purchase, LM Real Estate disbursed shareholder financing of €3 million.

On 24 April, the current shareholders of the **Tergeste Fund** (Sopaf S.p.A. and LM Real Estate S.p.A.) subscribed new units of the closed-end fund in proportion to their existing interests, providing new resources totalling €1.5 million that will be used by the fund in its subscription of the capital increase approved by the shareholders of Firanegocios SA. In addition, on 27 June, LM Real Estate S.p.A. subscribed additional units of the fund in the amount of €500,000, with Tergeste's capitalization thus rising to a total of €12.7 million as of the end of the first half of 2007.

On 30 May, LM Real Estate S.p.A. sold its holding in **Forza Quattro S.r.l.** to third parties for a total of €13,500.

On 29 June 2007, the subsidiary, LM & Partners S.C.A. (in liquidation), sold its interest in the **Aster Fund** (33% of the fund's units) to a third party active in the funds management business. The sale of units in the closed-end real estate fund generated a capital gain (after expenses and ancillary charges) of €10.6 million.

Group initiatives

In order to diversify the sources of financing for developing the Group's investment projects and enhancing the value of the same, on 23 April 2007, the Sopaf S.p.A. board of directors acted on the delegation of authority approved by the extraordinary shareholders' meeting of 6 May 2003, and approved the issuance of bonds convertible into newly issued shares having the same characteristics as those outstanding, in an amount not to exceed €50 million and with a term of five years, to be offered to existing shareholders, simultaneously filing for the admission of the bonds to listing on the screen-based market (Mercato Telematico Azionario) organized and managed by Borsa Italiana S.p.A.
The board of directors also approved the initiation of the proceedings to secure the authorization of the regulatory authorities; such proceedings were positively concluded with the authorization of the transaction's information prospectus on 18 July.
On 19 July, pursuant to the Board resolutions approved on 23 April and 29 June and to the aforementioned authorizations, Sopaf determined the definitive conditions for the issuance of the bonds known as the SOPAF 2007-2012 3.875% Convertible Bonds, and communicated the same to the public. Such conditions can be summarized as follows:

- total nominal amount of the issue: €49,738,007.44 (for nominal amount of €0.88 each);
- number of bonds: 56,520,463;
- annual interest rate: 3.875% per annum;

- the offer of the bonds under option to the shareholders at a ratio of 67 bonds for every 500 ordinary shares of Sopaf held;
- conversion ratio: one Sopaf S.p.A. ordinary share for every convertible bond held; issuance price: at par. Therefore, in order to service the conversion of the bonds, Sopaf S.p.A. will increase its share capital through one or more transactions by a maximum nominal amount of €49,738,007.44, through the approval of one or more resolutions, with the issue of a maximum of 56,520,463 ordinary shares.

As of the same date, the shareholder, Acqua Blu S.r.l., committed to subscribing 20% of the bonds, while the remaining bonds secured the underwriting commitment of Banca Akros.
Details on the subscription of the bond issue are provided in the section below entitled "Material Events Subsequent to 30 June 2007".

During the first half of the year, the Group also moved ahead with its reorganization, which included the following events:

- On 25 June 2007, a decision was taken to dissolve MGO Lux SA, and the company thus discontinued its activity immediately.
- On 28 June 2007, a decision was taken to dissolve Vegastar SA, and the company thus discontinued its activity immediately.
- On 28 June 2007, the merger of Mercato 24 S.r.l. into LM Real Estate S.p.A. was completed.
- On 29 June 2007, the shareholders of Star Venture Management SA (in liquidation) and Star Venture I Scpa (in liquidation) held meetings and passed resolutions approving the closure of the companies' liquidation with immediate effect.

GROUP'S SHAREHOLDINGS AS OF 30 JUNE 2007

CONTROLLING INVESTMENTS HELD DIRECTLY BY THE HOLDING COMPANY, SOPAF S.P.A., AS OF 30 JUNE 2007

ACAL S.P.A.

As of 30 June 2007, Sopaf S.p.A. was holding 100% of the share capital of Acal S.p.A., a special-purpose company that owns 24% of Delta S.p.A., a consumer credit company, offering a wide range of products and services for the retail segment (individuals, families and small businesses): personal loans, special-purpose loans, loans against payroll, leasing, credit cards, long-term rentals, factoring, banking products and services, and credit recovery. As indicated by a draft of the financial statements presented by the company, the Group earned a profit of €5.3 million for the first half of 2007.

CUTTER S.ÀR.L.

As of 30 June 2007, Sopaf S.p.A. was holding 100% of Cutter S.àr.l., a Luxembourg law company that is currently not operational.

TERGESTE FUND

As of 30 June 2007, Sopaf S.p.A. was holding 50.8% of the units in the real estate fund, Tergeste, with the remaining 49.2% owned by LM Real Estate. The fund invests in real estate development and trading transactions.

As of 30 June 2007, the fund, whose total capital amounted to €12.75 million, did not hold any properties, but shareholdings in real estate companies as outlined below:

- 40% of Telma S.r.l., a company developing a real estate project in the southern part of Milan that entails the restructuring of some of the existing buildings and the construction of new buildings;
- 15% of Immobiliare Appia 2005 S.r.l., a company that owns a portfolio of properties in the center of Rome;
- 25.5% of Firanegocios S.L., a Spanish law company that involved in a prestigious real estate development project in area of Barcelona undergoing urban renewal;
- 50% of CO.SE. S.r.l., a company that owns a property in Como.

IDA S.R.L.

As of 30 June 2007, Sopaf S.p.A. was holding 100% of the share capital of IDA S.r.l., a company through which the Sopaf Group held 2.9% of the share capital of Sadi Servizi Industriali S.p.A. Publicly traded on the Italian Borsa, Sadi Servizi Industriali S.p.A. operates in environmental services (industrial waste treatment, recovery and disposal), the planning, construction and management of ecological plants, and environmental clean-up. As of 30 June 2007, the value of production reported by Sadi S.p.A. was equal to €53 million and the gross operating margin was equal to €8.8 million.

LM LS S.P.A.

LM LS S.p.A., which is 53% owned by Sopaf and 15.7% owned by LM IS S.àr.l. (in liquidation), is a special-purpose investment company used for purchasing shareholdings in companies operating in the healthcare, diagnostics, bio-technology, pharmaceutical, and fitness sectors.

The investments in company's portfolio currently include:

- an 18.6% interest in ***Advanced Accelerator Applications S.A.***, an Italian-French concern active in radiopharmaceuticals (investment of roughly €3.2 million); the company is a producer of radiotracers used in diagnostic exams, and has a production plant in Switzerland and two in Italy. During the first half 2007, the company moved ahead with its planned expansion, starting up production in one of the two Italian plants and securing authorization for the building of another three plants (one in Italy and two in France). As of 31 December 2006, the company reported EBITDA of roughly €1 million and revenues of €5.4 million.
- a 17.86% stake in **iM3D S.p.A.** (f/k/a I.MED S.p.A.), an up-and-coming firm in the market for medical imaging and diagnostics (computer-aided detection); the company is developing new technologies for imaging in order to identify, diagnose and monitor tumours. During the first half of 2007, the company embarked on the marketing and sale of its first product.

LM REAL ESTATE S.P.A.

LM Real Estate is a sub-holding company, 88.96% owned by Sopaf S.p.A. and 10.81% owned by LM IS S.àr.l. (in liquidation); the company's main activity is investing in real estate.

Following the divestiture of the interests in the property companies described in the preceding section, LM Real Estate was holding following investments as of 30 June 2007:

- 57% of Vector 102 S.r.l., a special-purpose company that is currently not operational;
- 15% of Demofonte S.r.l., a special-purpose company that owns a portfolio of properties acquired from Enel S.p.A. in February 2007;
- 225 units of the Tergeste Fund, or 49.2% of the fund's units for a countervalue of €6.3 million as of 30 June 2007;
- 4,831,993 shares of IMMSI S.p.A. for a countervalue of €11.1 million as of 30 June 2007.

PRIVATE WEALTH MANAGEMENT SGR S.P.A.

Sopaf S.p.A. holds 66.64% of the share capital of Private Wealth Management SGR S.p.A., a funds management company dedicated to the management and distribution of Italian-law hedge funds. The company currently manages 5 hedge funds, with total assets of roughly €180 million.

SOPAF ASIA S.ÀR.L.

As of 30 June 2007, was holding through LM IS S.àr.l. (in liquidation) 95% of the share capital of Sopaf Asia S.àr.l., a company which provides advisory services to China Opportunity S.A. Sicàr. Sopaf Asia S.àr.l. has representative offices in Shanghai and Hong Kong.

SOPAF CAPITAL MANAGEMENT SGR S.P.A.

As of 30 June 2007, Sopaf S.p.A. was holding 100% of the share capital of Sopaf Capital Management SGR S.p.A., an asset management firm which currently manages a long/short equity arbitrage fund (Cartesio Global Equity Fund) with assets of roughly €46 million.

TENERANI

As of 30 June 2007, Sopaf S.p.A. was holding 100% of the share capital of Tenerani S.r.l., a special-purpose company that is currently not operational.

OTHER INVESTMENTS HELD DIRECTLY BY THE HOLDING COMPANY, SOPAF S.P.A., AS OF AS OF 30 JUNE 2007

AFT S.R.L.

Sopaf holds 40% of AFT S.r.l. directly and another 17.76% indirectly, through LM IS S.a.r.l. (in liquidation) and Nearco Invest S.a.r.l. Even though holding 57.76% of AFT, the Sopaf Group does not control the company's governance which is covered by agreements executed between other shareholders that do not allow Sopaf to appoint and/or to remove the majority of the members of board of directors and that consequently do not permit Sopaf to control the financial and operating policies of the company.
AFT S.r.l. is the owner of roughly 1,150 telephone exchanges nationwide that used to belong to Telecom Italia. The company also holds 100% of Linkem S.p.A. (f/k/a Megabeam Italia S.p.A), a company set up in 2001 that has become the national leader in designing, building and managing networks for wireless broad-band connections.
During the first half of 2007, the company worked on developing strategies and alliances in order to set up a consortium that will be able to participate in an upcoming tender for the assignment of wimax licenses. For the six months ending 30 June 2007, AFT had revenues of €3.8 million.

CORONET S.P.A.

As of 30 June 2007, Sopaf S.p.A. Sopaf S.p.A. was holding 30% of the share capital of Coronet S.p.A., a company specializing in the production, marketing and sale of synthetic materials used mainly in the footwear business. Although starting up its new production facility in China in April 2007, the company's revenues for the year ending 30 June 2007 amounted to €22 million, and thus reflected a decrease of 15% with respect to the prior year. According to management's estimates, the company will close the year ending 31 December 2007 with a loss of more than €10 million. As described in Section 8 - Financial assets, the company has drawn up a revised 2008-2010 business plan to take into account the negative developments during the 2006-2007 fiscal year; the revised plan is significantly different from the previous plan, with revenue estimates some 30% below those previously indicated and the achievement of operating breakeven not expected until 2010. Sopaf's management believes such factors will sharply compromise Coronet's profitability, and therefore, decided to write down the value of the investment by €10 million to a carrying value of €3.4 million.

ESSERE S.P.A.

As of 30 June 2007, Sopaf was holding 35,77% of Essere S.p.A., a financial broker set up in November 2004 which is active in the distribution of mortgages and insurance products. During the first half of 2007, the company placed mortgages with a value of around €200 million, reporting revenues of €11.4 million.

FIVE STARS S.A.

Sopaf holds 100% of the Class A shares in the Luxembourg company. The company is controlled by a group of investors through the assignment of warrants entitling the holders to subscribe the Class B shares at any time. After having paid a preferential return of 9% of annual earnings to investors, Five Stars pays out 75% of the residual earnings to the warrant holders and 25% to Sopaf S.p.A.

The company owns 450 units of the closed-end real estate investment fund, "FIP - Fondo Immobili Pubblici", promoted by the Italian Ministry of the Economy and Finance and acquired for a total investment of €57 million.

PETUNIA S.P.A.

As of 30 June 2007, Sopaf was holding 59.38% of Petunia, a special-purpose company set up to purchase 79.73% of the share capital of Banca Bipielle Network S.p.A. ("Bipielle.net", a 98.86% subsidiary of Bipielle Investimenti S.p.A.). Sopaf S.p.A. does not control the company since 122,118 of the total shares held (or 10.38% of the capital) are Class B shares without voting rights; the control of the company is in the hands of Aviva Italia Holding S.p.A. which owns 51% of the Class A shares with voting rights.

POLIS FONDI SGR.P.A.

As of 30 June 2007, Sopaf S.p.A. was holding 49% of Polis Fondi SGR.p.A., a funds management company is active in the management of real estate funds. The company currently manages the Polis Fund, a closed-end real estate fund for the retail market that was set up in June 2000 and has assets under management amounting to €319 million, and the Tergeste Fund, a closed-end real estate fund for qualified investors, set up with transfer of assets from the Sopaf Group.

PWM AIGGIG MULTIMANAGER FUND

As of 30 June 2007, Sopaf S.p.A. was holding 49% of the hedge fund, PWM AIGGIG Multimanager Fund, and was acting as a financial sponsor of the fund together with the U.S.-based AIG. The fund became operational as of 1 July 2007 with initial funding of €29.5 million.

S.F.E.R.A. S.R.L.

As of 30 June 2007, Sopaf S.p.A. was holding 50% of the share capital of S.F.E.R.A. S.r.l., a special-purpose company dedicated to seeking out and developing business opportunities in the renewable energy sector.

SHAREHOLDINGS IN LIQUIDATION / BANKRUPTCY:

LM & PARTNERS S.C.A. (IN LIQUIDATION)

LM & Partners S.C.A. is a Luxembourg-law company, whose liquidation was approved on 19 December 2006.
As of 30 June 2007, the Sopaf Group was holding 100% of the company.
During the first half of 2007, the liquidator continued to settle the company's debts, and sold off an investment in the Aster Fund realizing a net capital gain of €10.6 million.

LM IS S.ÀR.L. (IN LIQUIDATION)

LM IS S.àr.l. (in liquidation), a Luxembourg-law company that is wholly owned by Sopaf, is the management company for LM & Partners S.C.A. (in liquidation); following the decision to liquidate the latter company, the shareholders of LM IS passed a resolution on 27 December 2006 approving the company's voluntary liquidation and the appointment of a liquidator.

VOLARE (GROUP) S.P.A. (in extraordinary administration)

As of 30 June 2007, Sopaf S.p.A. was holding 24% of Volare S.p.A. with a carrying value of zero.

FORMULA SPORT GROUP S.R.L. (IN BANKRUPTCY)

The 19% interest in the company previously booked at €998,000 was written down to nil value in prior years. The shareholders are proceeding with the appeal of a bankruptcy order handed down by the Court of Milan; the appeal is in line with a previous opinion expressed by the temporary administrator in favour of the company's liquidation.

INVESTMENTS HELD THROUGH THE SUBSIDIARY, LM & PARTNERS S.C.A. (IN LIQUIDATION), AS OF 30 JUNE 2007

VALORE BY AVERE ASSET MANAGEMENT S.C.A.

As of 30 June 2007, LM & Partners S.C.A. (in liquidation) was holding 11.9% of the real estate investment company, Valore Fund By Avere Asset Management S.C.A. The company is active in buying and selling residential real estate in the Berlin area. The company's property portfolio currently embraces roughly 80,000 square meters, with 80% of the total represented by properties for residential use.

BLUE H GROUP LTD.

As of 30 June 2007, LM & Partners S.C.A. (in liquidation) was holding 1.6% of the share capital of Blue H Group, a company operating in the eolic energy sector. The company is planning the construction of innovative offshore platforms for energy production.

BEVEN FINANCE S.ÀR.L.

As of 30 June 2007, LM & Partners S.C.A. (in liquidation) was holding 50% of the share capital of Beven Finance S.àr.l., a Luxembourg company that was set up as a 50/50 joint venture with the American fund, Ramius. The company holds 5.44% of the share capital of Management & Capitali S.p.A., a company traded on the Italian Borsa that specializes in turning around small and medium-sized businesses.

CHINA OPPORTUNITY S.A. SICÀR

As of 30 June 2007, LM & Partners S.C.A. (in liquidation) was holding 9.9% of the Class B shares of China Opportunity, a Luxembourg Sicàr focusing on investing in Chinese businesses with potential for developing internationally. China Opportunity was set up with initial capital of roughly €33 million and a six-year term. In addition, LM IS (in liquidation) was holding all of the Class A shares (which guarantee higher returns than the Class B shares). As a result, the Group's interest in the Sicàr is equal to 46% of the capital. As of 30 June 2007, the China Opportunity had one equity investment in its portfolio, a shareholding in Sino Gas & Energy Limited, a company operating in the oil and gas sector; the carrying value of the investment is $5 million.

GREEN BIT S.P.A.

As of 30 June 2007, LM & Partners S.C.A. (in liquidation) was holding 23.72% of the share capital of Green Bit S.p.A., a company that plans and builds finger-print recognition devices used for identification, recognition and security systems. During the first half of 2007, the company and its partners were awarded contracts by the Spanish Interior Ministry for the supply of biometric systems to be developed for the production and distribution of electronic identification cards in Spain. The contracts will have a positive impact on the company's 2007 revenues.

RES FINCO A.G.

As of 30 June 2007, LM & Partners S.C.A. (in liquidation) owned 24.72% of Res Finco A.G., the German RES Renergys AG's holding company. The company is active in the renewable energy business. Through its different operating company, Res Finco AG is able to offer integrated solutions (planning, development, construction and management) in the renewable energy business, specializing on the development of wind parks; the company also manages the parks and providing accessory services in relation thereto. One of the two principal divisions manages one of Germany's largest wind parks (installed capacity of 76.5 MW) which generated revenues of €1.7 million in the first half of 2007. The second division is charged with identifying new development opportunities, and currently has a portfolio of projects at different stages of authorization in France, Germany and Spain.

SISKIN S.A./SILA HOLDING INDUSTRIALE S.P.A.

As of 30 June 2007, LM & Partners S.C.A. (in liquidation) was holding 100% of the share capital of Siskin S.A., special-purpose company through which the Group holds 27.5% of the share capital of Sila Holding Industriale S.p.A.
The Sila Group operates in the automobile components business, and specifically, in the production, marketing and sale of gearshifts and flexible cables for autos and industrial vehicles and car interiors. For the first half of 2007, Sila Group reported revenues of €67 million and EBITDA of roughly €8 million, with both figures well above those posted for the same period of 2006.

WESTINDUSTRIE S.R.L.

As of 30 June 2007, LM & Partners S.C.A. (in liquidation) was holding 22% of Westindustrie S.r.l, a special-purpose company that is currently not operational.

LEISURE LINK LTD. (IN LIQUIDATION)

As of 30 June 2007, the company was in voluntary liquidation; in prior periods, LM & Partners S.C.A. (in liquidation) wrote down the value of the investment to its current carrying value of €0.2 million.

MIRROR TRE S.ÀR.L. (IN LIQUIDATION)

As of 30 June 2007, LM & Partners S.C.A. (in liquidation) was holding 25% of the share capital of Mirror Tre S.àr.l. (in liquidation).

SECOND MIRROR S.A. (IN LIQUIDATION)

As of 30 June 2007, LM & Partners S.C.A. (in liquidation) was holding 36% of the share capital of Second Mirror S.A. (in liquidation).

MATERIAL EVENTS SUBSEQUENT TO 30 JUNE 2007

At an extraordinary meeting held on 5 July 2007, the shareholders of **Delta S.p.A.** approved a capital increase following changes in legislation that resulted in Delta's registration as of 1 January 2007 on the register referenced in Article 64 of the Consolidated Banking Act. As a result of such registration, Delta needs to guarantee to the regulatory authorities a level of capitalization different from the current level.
The discussion of the capital increase, the means for effecting the capital increase and the presentation of a revised business plan evidenced differences in the strategic positions of the shareholders, so much so that, as an immediate consequence thereof, on 16 July 2007, a shareholder agreement that had provided for the governance of Delta to that date was dissolved.
Furthermore, following the resignation of several members of the board of directors in June 2007, the shareholders appointed a new board of directors on 18 July 2007. There is no representative of the Sopaf Group (owner of 24% of Delta S.p.A.) or the Banco Popolare (owner of 24% of Delta S.p.A.) on the new board of directors.
The chronology of these events has radically changed the governance of Delta: the dissolution of the shareholder agreement and the exclusion of a Sopaf representative on the new board of directors of Delta S.p.A. are decisive factors for ruling out the premise of significant influence as defined by IAS 28, the international accounting principle covering the reporting of investments in affiliate companies.
Accordingly, in light of the events occurring during the first half of 2007, culminating in the appointment of a new board of directors, the investment in Delta S.p.A. has been reclassified among "assets available for sale" and as a result, the investment is stated at fair value, with any gains or losses with respect to the previous carrying value being booked directly to shareholders' equity.

On 29 July 2007, Sopaf S.p.A. sold units in the hedge fund of funds, **PWM AIGGIG Multimanager Fund**, to third-party investors, for an amount equal to €1.5 million, thereby reducing the investment of Sopaf S.p.A. as a financial co-sponsor to €13 million.

On 1 August 2007, with reference to the irrevocable offer submitted on 29 June 2007 as described among the events occurring during the first half of the year, Sopaf S.p.A. ("Sopaf"), De Agostini Invest SA, and Aviva Italia Holding S.p.A. ("Aviva") entered into an agreement with the Banco Popolare Soc. Coop. for the acquisition of 79.73% of the share capital of **Banca Bipielle Network S.p.A.** ("BPL NET") for €104,724,223. The transaction was perfected following the procurement, as previously mentioned, of the authorization of the regulatory authorities on 25 June 2007.
With the completion of the acquisition, the BPL NET shareholder base will consist of: Petunia S.p.A. (49.75%), Banco Popolare Soc. Coop. (19.90%), Sopaf (14.99%), De Agostini Invest SA (14.99%) and New Era SA (0.37%). Petunia is owned by: Aviva, which has legal control over the company pursuant to Article 2359 of the Italian Civil Code, inasmuch as it holds 51% of the voting rights, and Sopaf, which holds the remaining 49% of the voting rights and 59.38% of the economic rights.
As of the same date, Sopaf and Aviva agreed on two contracts with the Banco Popolare Soc. Coop. for the purpose of acquiring 100% of the share capital of Area Life International Assurance Ltd and 100% of the share capital of Aviva Previdenza S.p.A. (with Aviva taking 55% and Sopaf taking 45%). The transactions were agreed at the following prices: €23,500,000 for Area Life (except adjustments in relation to changes in shareholders' equity as of 30 June 2007) and €34,276,000 for Aviva Previdenza.
The aforementioned contracts are to be perfected by the end of September 2007 and the payment of the price is to take place upon the transfer of the shares. The acquisition of

Aviva Previdenza S.p.A. is subject to the procurement of the necessary authorizations as required by prevailing laws.

On 4 September 2007, Sopaf announced the conclusion of the offer under option to the SOPAF S.p.A. shareholders for a total of 56,520,463 bonds convertible into newly issued SOPAF S.p.A. ordinary shares (the "**Convertible Bonds**") in relation to the "SOPAF 2007-2012 3.875% Convertible Bond" issue.
At the end of the offer, a total of 152,120,000 option rights corresponding to 20,384,080 Convertible Bonds had been exercised for a countervalue of €17,937,990 (36.065% of the total Convertible Bonds covered by the offer), while the remaining 36,136,383 Convertible Bonds, or 63.935%. of the offer (corresponding to the option rights that had not been exercised as of the conclusion of the offer period) were subscribed by Banca Akros pursuant to an underwriting agreement signed with the issuer. The transaction thus conclude with the subscription of all 56,520,463 Convertible Bonds, for a countervalue of €49,738,007.44.

As part of the plan to simplify and streamline the Group's structure, on 12 September 2007, the Sopaf S.p.A. board of directors approved the merger-by-incorporation of LM Real Estate S.p.A., Acal S.p.A. and Ida S.p.A. into the holding company, Sopaf S.p.A. As to the accounting and tax effects, the mergers are considered effective as of 1 January 2007. As a preparatory step to the merger, on 11 September 2007, Sopaf S.p.A. purchased 100% of the share capital of the subsidiary, LM Real Estate, perfecting the acquisition of the interests held by minority shareholders: the subsidiary, LM IS S.a.r.l. (in liquidation) (10.81% for €8,541,738) and Giorgio Magnoni (0.3% for €181,739).

OUTLOOK

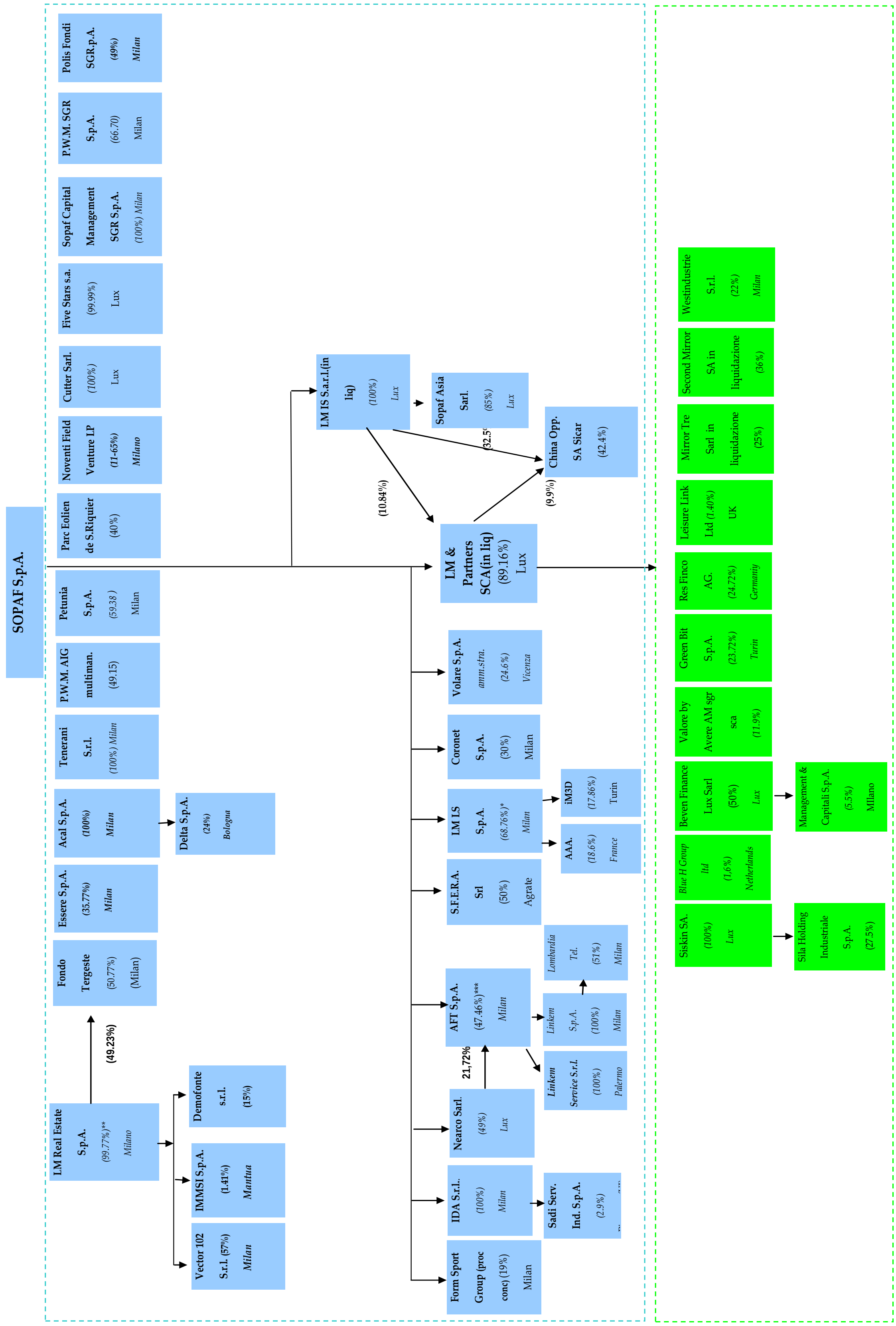
In consideration of the earnings performance during the first half of the year, the results for the full year are likely to be significantly better than those posted in the past few years.

OWN SHARES
As of 30 June 2007, the Company was not holding any of its own shares.

Milan, 12 September 2007

Giorgio Cirla
Chairman
Board of Directors

GROUP STRUCTURE



Sopaf S.p.A. holds100% of LM IS S.àr.l. (in liquidation) which. in turn. holds 100% of the Class A shares of LM & Partners SCA (in liquidation)
* including 15.74% through LM IS S.àr.l. (in liquidation)
** including 10.81% through LM IS S.àr.l. (in liquidation)
*** including 7.42% through LM IS S.àr.l. (in liquidation)

RECONCILIATION OF CONSOLIDATED SHAREHOLDERS' EQUITY AND SOPAF S.P.A.'S SHAREHOLDERS' EQUITY

in € 000's	30 June 2007		31 December 2006	
	Shareholders' Equity	Profit (Loss) for Period	Shareholders' Equity	Profit (Loss) for Period
Shareholders' equity and earnings of holding company	**66.969**	**(16.228)**	**82.801**	**1.798**
Elimination of book value of consolidated shareholdings:				
Value of shareholdings in consolidated companies	(138.425)	-	(149.824)	-
Goodwill on consolidation	2.476	-	1.599	-
Net capital gain allocated to assets of consolidated companies	-	-	-	-
Pro-rata share of net book equity of consolidated shareholdings	159.572	-	163.255	-
Profits (losses) reported by fully consolidated companies	67.438	67.438	4.130	4.130
Reversal of writedowns on shareholdings	-	-	164	-
Changes in consolidation area	(4.542)	(4.542)	(600)	2.416
Adjustments to align all accounts to Group's accounting principles:				
Adjustments to fair value of financial assets	32.645	-	54.712	-
Adjustments for pro-rata share of profits (losses) of companies valued with net equity method	4.998	2.201	6.957	743
Other adjustments	(5.511)	(8.272)	2.209	681
Elimination of effects of transactions effected between consolidated				
Intercompany net earnings capitalized in consolidated companies	(7.631)	0	(9.097)	380
Elimination of dividends between Group companies:				
Dividends distributed by affiliate companies	(306)	(306)	-	-
Dividends distributed by fully consolidated companies	-	-	-	-
Group net equity and earnings	**177.683**	**40.291**	**156.306**	**10.148**
Minority interests	3.341	(120)	23.323	(57)
Consolidated shareholders' equity and earnings	**181.024**	**40.171**	**179.629**	**10.091**

CONSOLIDATED BALANCE SHEET (*)

in € 000's

	Note	30.6.2007	31.12.2006
Goodwill	4	2.476	1.599
Intangible fixed assets	5	181	81
Tangible fixed assets	6	12.992	7.365
Shareholdings in affiliate companies / jointly controlled companies	7	64.417	99.517
Financial assets	8	158.047	169.633
Other assets	9	5.091	-
Tax credits	10	17.988	17.840
Deferred tax assets	11	6.452	8.964
Total non-current assets		**267.644**	**304.999**
Inventories	12	-	-
Customer receivables and other trade receivables	13	2.047	594
Other receivables and other assets	14	40.202	42.613
Other financial assets	15	3.007	3.132
Cash and cash equivalents	16	6.108	2.420
Total current assets		**51.364**	**48.759**
Non-current assets held for sale		-	-
Total assets		**319.008**	**353.758**
Capital		80.000	80.000
Undivided profits		97.683	76.306
Shareholders' equity	17	**177.683**	**156.306**
Minority interests	18	3.341	23.323
Total shareholders' equity		**181.024**	**179.629**
Bonds		-	-
Due to banks and other lenders	19	29.474	41.360
Financial leases payable	20	8.924	4.600
Other liabilities	21	24.932	12.552
Pension and employment-severance liabilities	22	295	249
Deferred tax liabilities	23	4.529	4.403
Provisions	24	1.883	2.660
Total non-current liabilities		**70.037**	**65.824**
Due to banks and other lenders	25	50.279	81.326
Financial leases payable		121	-
Trade accounts payable	26	2.850	3.115
Other liabilities	27	14.697	23.864
Total current liabilities		**67.947**	**108.305**
Liabilities related to assets held for sale		-	-
Total liabilities and shareholders' equity		**319.008**	**353.758**

(*) Pursuant to the CONSOB Resolution n. 15519 of 27 July 2006, the effects of related-party transactions on the consolidated balance sheet are disclosed in the special balance sheet format provided below and are further described in note 44.

SOPAF GROUP

CONSOLIDATED PROFIT AND LOSS STATEMENT (*)

in € 000's

	Note	1.01.2007 30.06.2007	01.01.2006 30.06.2006 (**)	01.07.2006 31.12.2006
Revenues	28	3.020	24.354	2.952
Other income	29	986	1.258	2.071
Materials purchases and external services	30	(6.272)	(21.920)	(4.394)
Personnel expense	31	(2.642)	(1.006)	(2.076)
Other operating expenses	32	(3.427)	(2.040)	(2.978)
Gross profit		**(8.335)**	**646**	**(4.425)**
Risk provisions and writedowns	33	(10.295)	(5.700)	(59)
Depreciation and amortization	34	(430)	(25)	(141)
Gains (losses) from sale of non-current assets	35	60.044	-	8.306
Operating profit		**40.984**	**(5.079)**	**3.681**
Earnings accrued on shareholdings valued with net equity method	36	1.225	4.507	10.659
Profit before interest and taxes		**42.209**	**(572)**	**14.340**
Financial income (charges). net	37	**758**	**(1.157)**	**(3.831)**
Profit before taxes		**42.967**	**(1.729)**	**10.509**
Income taxes	38	**(2.676)**	**8.251**	**(475)**
Net profit from continuing operations		**40.291**	**6.522**	**10.034**
Net profit from operations sold		-	-	-
Net profit		**40.291**	**6.522**	**10.034**
Allocable to:				
Minority interests	39	120	(4.232)	(57)
Group		**40.171**	**10.754**	**10.091**

	Note	1.01.2007 30.06.2007	01.01.2006 30.06.2006	01.07.2006 31.12.2006
Earnings per share (in €)	40			
- Primary		0,0955	0,0155	0,0239
- Diluted		0,0921	0,0148	0,0229

(*)Pursuant to the CONSOB Resolution n. 15519 of 27 July 2006, the effects of related-party transactions on the consolidated profit and loss statement are disclosed in the special profit-and-loss statement format provided below and are further described in note 44.

(**) Unaudited data. The comparative data in relation to the period from 1 January 2006 to 30 June 2006 have been taken from the financial statements as of 30 June 2006 (12 months) and from the half-year report as of 31 December 2005 inasmuch as Sopaf changed its fiscal year last year in order to align the fiscal year to the calendar year.

CONSOLIDATED BALANCE SHEET PURSUANT TO CONSOB RESOLUTION N. 15519 OF 27 JULY 2006

CONSOLIDATED BALANCE SHEET (*)

in € 000's

	Note	30.6.2007	*Related Party Amounts*	*%*	31.12.2006	*Related Party Amounts*	*%*
Goodwill	4	2.476	-		1.599	-	
Intangible fixed assets	5	181	-		81	-	
Tangible fixed assets	6	12.992	-		7.365	-	
Shareholdings in affiliate companies / jointly controlled companies	7	64.417	-		99.517	-	
Financial assets	8	158.047	11.542	7,3%	169.633	7.137	4,2%
Other assets	9	5.091	-		-	-	-
Tax credits	10	17.988	-		17.840	-	
Deferred tax assets	11	6.452	-		8.964	-	
Total non-current assets		**267.644**			**304.999**		
Inventories	12	-	-		-	-	
Customer receivables and other trade receivables	13	2.047	142	6,9%	594	72	12,1%
Other receivables and other assets	14	40.202	-		42.613	-	
Other financial assets	15	3.007	-		3.132	-	
Cash and cash equivalents	16	6.108	-		2.420	-	
Total current assets		**51.364**			**48.759**		
Non-current assets held for sale		-	-		-	-	
Total assets		**319.008**			**353.758**		
Capital		80.000	-		80.000	-	
Undivided profits		97.683	-		76.306	-	
Shareholders' equity	17	**177.683**	**-**		**156.306**	**-**	
Minority interests	18	3.341	-		23.323	-	
Total shareholders' equity		**181.024**	**-**		**179.629**	**-**	
Bonds		-	-		-	-	
Due to banks and other lenders	19	29.474	3.081	10,5%	41.360	-	
Financial leases payable	20	8.924	-		4.600	-	
Other liabilities	21	24.932	-		12.552	-	
Pension and employment-severance liabilities	22	295	-		249	-	
Deferred tax liabilities	23	4.529	-		4.403	-	
Provisions	24	1.883	-		2.660	-	
Total non-current liabilities		**70.037**			**65.824**	**-**	
Due to banks and other lenders	25	50.279	-		81.326	-	
Financial leases payable		121	-		-	-	
Trade accounts payable	26	2.850	-	0,0%	3.115	4	0,1%
Other liabilities	27	14.697	-		23.864	-	
Total current liabilities		**67.947**			**108.305**		
Liabilities related to assets held for sale		-	-		-	-	
Total liabilities and shareholders' equity		**319.008**	**-**		**353.758**		

CONSOLIDATED PROFIT AND LOSS STATEMENT PURSUANT TO CONSOB RESOLUTION N. 15519 OF 27 JULY 2006

SOPAF GROUP

CONSOLIDATED PROFIT AND LOSS STATEMENT (*)

in € 000's

	Note	1.01.2007 30.06.2007	*Related Party Amounts*	%	01.01.2006 30.06.2006 (**)	*Related Party Amounts*	%	01.07.2006 31.12.2006	*Related Party Amounts*	%
Revenues	28	3.020	-		24.354	-		2.952	-	
Other income	29	986	1	0,1%	1.258	52	4%	2.071	-	
Materials purchases and external services	30	(6.272)	(2)	0,0%	(21.920)	-		(4.394)	33	2%
Personnel expense	31	(2.642)	-		(1.006)	-		(2.076)	-	
Other operating expenses	32	(3.427)	-		(2.040)	(89)	4%	(2.978)	-	
Gross profit		**(8.335)**			**646**			**(4.425)**		
Risk provisions and writedowns	33	(10.295)	-		(5.700)	-		(59)	-	
Depreciation and amortization	34	(430)	-		(25)	-		(141)	-	
Gains (losses) from sale of non-current assets	35	60.044	-		-	-		8.306	-	
Operating profit		**40.984**	**-**		**(5.079)**			**3.681**		
Earnings accrued on shareholdings valued with net equity method	36	1.225	-		4.507	-		10.659	-	
Profit before interest and taxes		**42.209**	**-**		**(572)**			**14.340**		
Financial income (charges). net	37	**758**	**-**		**(1.157)**	**-**		**(3.831)**	**-**	
Profit before taxes		**42.967**	**-**		**(1.729)**			**10.509**		
Income taxes	38	**(2.676)**	**-**		**8.251**	**-**		**(475)**	**-**	
Net profit from continuing operations		**40.291**	**-**		**6.522**			**10.034**		
Net profit from operations sold		-	-		-	-		-	-	
Net profit		**40.291**	**-**		**6.522**			**10.034**		
Allocable to:										
Minority interests	39	120	-		(4.232)	-		(57)	-	
Group		**40.171**	**-**		**10.754**			**10.091**		
Earnings per share (in €)	40									
- Primary		0,0955			0,0155			0,0239		
- Diluted		0,0921			0,0148			0,0229		

(*) Unaudited data. The comparative data in relation to the period from 1 January 2006 to 30 June 2006 have been taken from the financial statements as of 30 June 2006 (12 months) and from the half-year report as of 31 December 2005 inasmuch as Sopaf changed its fiscal year last year in order to align the fiscal year to the calendar year.

SOPAF GROUP

STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY FOR THE SIX MONTHS ENDING 30 JUNE 2006

in € 000's

	Capital	Undivided Profits	Group net equity	Minority Interests	Total
Balance as of 1 January 2006 (*)	**80.000**	**36.816**	**116.816**	**74.787**	**191.603**
Change in fair value of financial assets available for sale	-	(787)	**(787)**	(865)	**(1.652)**
Deferred taxes on revaluing financial assets available for sale at fair value	-	615	**615**	-	**615**
Profits (losses) booked to shareholders' equity during the period	**-**	**(172)**	**(172)**	**(865)**	**(1.037)**
Net profit (loss) for the period	-	10.754	**10.754**	(4.232)	**6.522**
Total profits (losses) reported during the period	**-**	**10.754**	**10.754**	**(4.232)**	**6.522**
Effects of changes in the consolidation area during the period	-	-	**-**	(12.666)	**(12.666)**
Dividends	-	-	**-**	-	**-**
Balance as of 30 June 2006	**80.000**	**47.398**	**127.398**	**57.024**	**184.422**
Change in fair value of financial assets available for sale	-	16.111	**16.111**	789	**16.900**
Deferred taxes on revaluing financial assets available for sale at fair value	-	(1.845)	**(1.845)**	-	**(1.845)**
Profits (losses) booked to shareholders' equity during the period	**-**	**14.266**	**14.266**	**789**	**15.055**
Amounts booked to profit and loss statement for transfer of financial assets available for sale	-	-		-	**-**
Net profit (loss) for the period	-	10.091	**10.091**	57	**10.148**
Total profits (losses) reported during the period	**-**	**24.357**	**24.357**	**846**	**25.203**
Capital increase	-	-	**-**	-	**-**
Changes arising from transactions between Group companies involving shareholdings	-	4.551	**4.551**	-	**4.551**
Effects of changes in the consolidation area during the period	-	-	**-**	(34.547)	**(34.547)**
Dividends	-	-	**-**	-	**-**
Balance as of 1 January 2007	**80.000**	**76.306**	**156.306**	**23.323**	**179.629**
Change in fair value of financial assets available for sale	-	(14.434)	**(14.434)**	-	**(14.434)**
Deferred taxes on revaluing financial assets available for sale at fair value	-	(618)	**(618)**	-	**(618)**
Profits (losses) booked to shareholders' equity during the period	**-**	**(15.052)**	**(15.052)**	**-**	**(15.052)**
Amounts booked to profit and loss statement for transfer of financial assets available for sale	-	65.087	**65.087**	-	**65.087**
Net profit (loss) for the period	-	(24.916)	**(24.916)**	120	**(24.796)**
Total profits (losses) reported during the period	**-**	**40.171**	**40.171**	**120**	**40.291**
Capital gain on purchase of incremental interest in subsidiary company	-	(3.782)	**(3.782)**	-	**(3.782)**
Effects of changes in the consolidation area during the period	-	-	**-**	(20.102)	**(20.102)**
Other changes	-	40	**40**	-	**40**
Dividends	-	-	**-**	-	**-**
Balance as of 30 June 2007	**80.000**	**97.683**	**177.643**	**3.341**	**181.024**

(*)The changes in shareholders' equity in relation to the period from 1 January 2006 to 30 June 2006 have been taken from the financial statements as of 30 June 2006 (12 months) and from the half-year report as of 31 December 2005 inasmuch as Sopaf changed its fiscal year last year in order to align the fiscal year to the calendar year. Accordingly, such data have not been audited.

in € 000's

STATEMENT OF CHANGES IN CONSOLIDATED FINANCIAL POSITION	30.06.2007	30.06.2006 (*)	31.12.2006
OPERATING ACTIVITY			
Net profit (loss) for the period	**40.170**	**10.754**	**10.091**
Adjustments for:			
Quota of affiliate companies' profits (losses)	(1.226)	(4.508)	(10.659)
Dividends received	(3.858)	(2.821)	(977)
Financial charges	3.566	1.233	6.393
Income taxes	2.659	(8.251)	480
Depreciation of property. plant and equipment	391	26	127
Writedowns of financial assets available for sale	10.295	5.700	59
Amortization of other intangible assets	39	(1)	14
Cash flow from operating activity before changes in working capital	**52.036**	**2.132**	**5.528**
(Increase)/Decrease in receivables	958	9.548	(27.249)
(Increase)/Decrease in inventories for real estate development	-	(40.965)	77.636
Increase/(Decrease) in trade accounts payable and other current liabilities	(12.089)	2.795	20.004
Increase/(Decrease) in other non-current liabilities	12.380	-	-
Cash generated from operating activity	**53.285**	**(26.490)**	**75.919**
Interest paid	(3.566)	(1.233)	(6.393)
Net change in reserves for risks and charges	(777)	319	930
Net change in employment-severance liabilities	46	13	117
Writedowns of financial assets	(295)	-	(59)
Change in non-current tax credits	(148)	(12.091)	18.470
Change in deferred taxes	2.638	(8.624)	3.616
NET CASH ARISING FROM OPERATING ACTIVITY	**51.183**	**(48.106)**	**92.600**
INVESTMENT ACTIVITY			
Interest received	461	-	1.585
Dividends received from affiliate companies	306	3.668	70
Dividends received from financial investments	3.858	2.821	907
Quota of affiliate companies' profits (losses)	1.226	4.508	10.659
Increases in shareholdings in affiliate companies	(20.136)	(17.223)	-
Liquidation of shareholdings	-	-	267
Goodwill on acquisition of shareholdings in subsidiary companies	(877)	-	(1.599)
Capital subscriptions in companies in which investments are held	(3.990)	(275)	(15.257)
Increases in financial assets available for sale	(90)	(18.257)	(33.474)
Increases in shareholdings to cover losses	-	(490)	
Sale of shareholdings and financial assets available for sale	99.703	28.351	23.935
Increases/decreases in fair value of financial assets available for sale	(39.487)	(3.186)	(17.123)
Changes in net assets in consolidation area	3.928	5.340	-
Increases in tangible fixed assets	(305)	(570)	(1.216)
Increases for properties under financial lease	(6.157)	-	(5.049)
Purchases of intangible fixed assets	(139)	(70)	(66)
Change in financial derivatives	-	(59)	990
Change in non-current financial receivables	(8.639)	-	(3.602)
Net change for sale of fixed assets:			
- Tangible	444	23	-
- Intangible	-	69	-
NET CASH EMPLOYED IN INVESTMENT ACTIVITY	**30.106**	**4.650**	**(38.972)**
FINANCIAL ACTIVITY			
Repayment of bank financing	(64.500)	-	-
Increase (decrease) in current accounts with banks	29.022	39.452	14.472
Change in current financial assets	125	(2.324)	(3.132)
Change in non-current financial assets	-	(27.226)	-
Change in financial debt	(3.592)	32.943	(73.338)
Change in minority interests	(19.982)	(17.763)	(33.701)
Other medium-/long-term liabilities	121	-	-
Changes in shareholders' equity	(3.742)	-	4.550
Change del fair value of shareholdings and financial assets available for sale	(15.052)	(172)	14.266
NET CASH ARISING FROM (EMPLOYED IN) FINANCIAL ACTIVITY	**(77.601)**	**(18.546)**	**(79.435)**
CASH AND CASH EQUIVALENTS AT THE START OF THE PERIOD	**2.420**	**34.195**	**28.227**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**6.108**	**15.649**	**2.420**

(*)The statement of changes in financial position as of 30 June 2006 is based on data been taken from the financial statements as of 30 June 2006 (12 months) and from the half-year report as of 31 December 2005 inasmuch as Sopaf changed its fiscal year last year in order to align the fiscal year to the calendar year. Accordingly, such data have not been audited.

NOTES TO THE FINANCIAL STATEMENTS

1 FORM AND CONTENT OF THE FINANCIAL STATEMENTS

The half-year report and the consolidated financial statements as of 30 June 2007 have been prepared in accordance with the provisions of Article 82 of the CONSOB Resolution n. 11971/1999, and subsequent modifications and additions thereto, as well as in accordance with the implementation provisions set out in Article 9 of Law Decree n. 38/2005.
The consolidated financial statements and the notes to the financial statements also provide the supplemental information required in terms of financial statement formats and disclosures are required by CONSOB Resolutions n. 15519 and n. 15520 and CONSOB Notice n. 6064293 issued on 27 and 28 July 2006.

PERIOD OF REFERENCE

The extraordinary meeting of the shareholders of Sopaf S.p.A. held on 10 November 2006 passed a resolution to change the fiscal year end from 30 June to 31 December in order to align the fiscal year period for the Company with that for companies in which investments are held.
For the effect of the aforementioned resolution, the consolidated financial statements as of 31 December 2006 refer to a fiscal year of six months only.
The data and information for the first half of 2007 are supplied along with comparative data for the corresponding interim period of the calendar year of 2006, whose figures are represented by the differences between the annual data as of 30 June 2006 and semi-annual data as of 31 December 2005.

2 ACCOUNTING POLICIES AND BASIS FOR PREPARATION

2.1 General principles

The consolidated financial statements as of 30 June 2007 have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and ratified by the European Union. The definition of IFRS also encompasses the International Accounting Standards (IAS) and all of the interpretations of the International Financial Reporting Interpretations Committee (IFRIC), previously known as the Standing Interpretations Committee (SIC).
The Sopaf Group adopted IFRS as of 1 July 2005, following the date on which the European Regulation n. 1606 of 19 July 2002 went into effect.
The amounts in the consolidated financial statements are denominated in thousands of euros.

The financial statements for the first half of the year were prepared in accordance with IAS 34 (Interim financial statements), taking into account the provisions contained in CONSOB's Notice DEM 6064293 issued on 28 July 2006. The accounting principles adopted for the preparation of the consolidated financial statements as of 31 December 2006 have been applied with respect to the financial statements for the first half of the year, with the exception of some of the more complex valuation processes (impairment tests) that are generally carried out in full upon the preparation of the annual financial statements, when all of the information necessary is available. In any event, in cases where there are indicators of impairment requiring immediate analysis of potential losses of value, such complex valuation processes are carried out in full.

In addition, as a result of the enactment of the 2007 Financial Law (Law n. 296 of 27 December 2006) and the decrees and regulations for the implementation of such law enacted thereafter, several changes have been made to the accounting treatment of the reserve for employment-severance liabilities accrued prior to the end of 2006 and those accrued as from the beginning of 2007. Such changes are based on the provisions of IAS 19 and the interpretations of national accounting organizations as defined in July. For the effect of the reform of retirement plans to supplement social security ("supplemental retirement plans"), the amount accrued to the reserve for employment-severance liabilities until the end of 2006 will continue to be accounted for by the Company as a defined-benefit plan (a liability to pay the accrued benefits which is subject to actuarial valuation). Instead, depending on the option elected by the employees entitled to the benefits, the amounts accrued for severance liabilities as of the start of 2007 will either be accrued to supplemental retirement plans or be transferred by the Company to the treasury fund managed by the Social Security Administration (INPS), being configured as of the date on which the employee's option is formalized, as defined contribution plans (no longer subject to actuarial valuation). The change in the accounting treatment does not have any significant impact on the Sopaf Group.

SPECIFIC CRITERIA FOR REPORTING INTERIM RESULTS

Seasonality
The profit and loss statement for the first half is not influenced to any significant extent by seasonal factors.

Taxes
Taxes are computed on interim earnings on the basis of the tax rate that is expected to be applied for the full year.

Costs
Costs that are incurred unevenly during a financial year are anticipated or deferred for interim reporting purposes if the anticipation or deferral complies with the accounting principles used for the preparation of the annual financial statements.

Use of estimates
The preparation of the interim financial statements requires the use of estimates and assumptions that have an effect on revenues, expenses, and the balance-sheet values of assets and liabilities and on the disclosures in relation to potential assets and liabilities as of the date of the financial statements. Should such estimates and assumptions (which are based on management's best assessment) differ from actual circumstances, they would be appropriately modified during the period in which the circumstances change.

Changes in accounting estimates
Pursuant to IAS 8, the effects of changes in accounting estimates are booked to the profit and loss statement as of the period in which the changes are made.

Financial statement formats
The consolidated financial statements for the first half of the year consist of the statements (profit and loss statement, balance sheet, statement of changes in financial position and statement of changes in shareholders' equity) and the notes to the financial statements. The profit and loss statement has been prepared in line with the minimum contents provided by IAS 1 (Presentation of financial statements).

Consistent with the Group's internal reporting structure, the profit and loss statement has been prepared on the basis of the format evidencing a breakdown of expenses according to their nature, with the operating profit and the pre-tax profit reported separately prior to net profit. The operating profit is computed as the difference between net revenues and operating expenses (the latter of which include non-monetary items relating to the depreciation, amortization and writedown of current and non-current assets, net of any writebacks), and is inclusive of capital gains/losses generated on the sale of non-current assets.

The balance sheet has been prepared on the basis of the format evidencing a breakdown between current and non-current assets and liabilities. Assets and liabilities are classified as "current" on the basis of the following criteria:

- the assets/liabilities are expected to be converted into cash/extinguished or sold or used in the normal operating cycle or are held mainly for trading purposes; or,

- the assets/liabilities are expected to be converted into cash/extinguished within 12 months from the balance-sheet date;
- in the absence of the conditions set out above, the assets/liabilities are booked as non-current.

The statement of changes in financial position has been prepared in accordance with the indirect method, with the profit before taxes being adjusted by the effects of non-monetary transactions, by any deferral or provision of previous or future collections or payments of an operational nature, and by the revenues and expenses connected with the financial flows arising from investing or financing activity.

The statement of changes in shareholders' equity illustrates changes occurring in the shareholders' equity accounts in relation to:
- the allocation of the holding company's and the subsidiaries' earnings for the period to minority shareholders;
- amounts regarding transactions with the shareholders;
- any profits or losses, net of any fiscal effects, which are either booked directly to shareholders' equity or are offset by entries to shareholders' equity reserves;
- changes in reserves from the valuation of financial assets available for sale;
- the effects of any changes in accounting principles.

Finally, the consolidated financial statements are supplemented by the consolidated profit and loss statement and the consolidated balance sheet prepared in accordance with the provisions of the CONSOB Resolution n. 15519 of 27 July 2006 (Provisions on financial statement formats), in order to report separately any significant amounts involved in positions or transactions with related parties.

NEW ACCOUNTING PRINCIPLES

The IFRIC issued IFRIC 9 (Reassessment of embedded derivatives) on 3 March 2006, and IFRIC 11 (IFRS 2 - Transactions involving shares of a group and own shares) on 2 November 2006. The adoption of such interpretations did not entail the reporting of any significant effects.

On 30 November 2006, the IASB issued IFRS 8 (Operating segments) which will be applicable as from 1 January 2009 and will replace IAS 14 (Segment reporting). The new accounting principle requires companies to base the information reported on segments on elements that management uses for making operational decisions, and thus requires the identification of operating segments on the basis of internal reports that are regularly reviewed by management for the purpose of analyzing performance and allocating resources to the different segments. The Group is evaluating the effects that the adoption of such principal could have on its reporting.

On 29 March 2007, the IASB issued a revised version of IAS 23 (Financial charges) which will be applicable as from 1 January 2009, and on 5 July 2007, the IFRIC issued IFRIC 14 on IAS 19 (Employee benefits) which will be applicable as from 1 January 2008. As of the date of the issuance of this half-year report, the European Union had not yet concluded the process of ratification necessary for the application of such interpretations.

Finally, the following interpretations have been issued, however they do not apply to any situations within the Group:

IFRIC 8 - framework of application of IFRS2 (applicable as of 1 January 2007);
IFRIC 12 - contracts for services under concession (applicable as of 1 January 2008);
IFRIC 13 - customer loyalty programmes (applicable as of 1 January 2008).

2.2. Consolidation criteria

The consolidation area includes the holding company, Sopaf S.p.A., and the companies controlled by the holding company, namely, those companies over which the holding company has the power, directly or indirectly, to determine the financial and operating policies for the purpose of obtaining the benefits therefrom. The financial statements of the subsidiaries are included in the consolidated financial statements from the date on which the control is effectively transferred to the Group until the date on which the control is transferred outside of the Group.

The carrying value of the shareholdings is eliminated against the corresponding quota of the shareholders' equity of the companies in which the investments are held, with the assets and liabilities of such companies consolidated on the basis of their fair value as of the date of the acquisition of control. Any positive differences resulting therefrom are booked to the non-current asset account, "Goodwill", whereas any negative differences are charged to the profit and loss statement.
All significant transactions occurring between the companies of the Group, the balances in relation thereto, and any unrealized earnings or losses on infragroup transactions have been eliminated upon consolidation.
The portions of shareholders' equity and earnings attributable to minority shareholders have been separately identified with respect to the shareholders' equity and earnings of the Group, in relation to the percentage of the net assets of the Group held by the minority shareholders.
Interests in affiliate companies and jointly controlled companies are reported in the consolidated financial statements with the use of the net equity method.

2.3. Business combinations and goodwill

As provided by IFRS 3 (Business Combinations), the acquisition of subsidiary companies is booked on the basis of the acquisition method. The cost of the acquisition is thus determined by the sum of the fair value, as of the transaction date, of the assets, the liabilities sustained or assumed with reference to the acquired company, and any financial instruments issued by the Group in exchange for the control of the acquired company, together with any costs directly inherent to the business combination.
The acquired company's identifiable assets, liabilities and contingent liabilities which meet the conditions for their registration provided by IFRS 3 are recorded at their fair values as of the acquisition date.
The excess of the acquisition cost over the Group's share of the fair value of the identifiable assets, liabilities and contingent liabilities booked is goodwill from the acquisition, which is recorded among the assets and initially valued at cost. Should the Group's share of the fair value of the identifiable assets, liabilities and contingent liabilities after the recalculation of the fair value exceed the acquisition cost, the difference is booked directly to the profit and loss statement.
The holdings of minority shareholders in the acquired business are initially valued in an amount equal to the minority shareholders' quota of the fair value of the assets, liabilities and contingent liabilities booked.
In the event of the sale of a subsidiary company, the carrying value of the goodwill ascribed to the company is included in the computation of the capital gain or capital loss on disposal.

2.4 Shareholdings in subsidiary and affiliate companies

The shareholdings in non-consolidated subsidiary companies are valued at cost whenever it is determined that the full consolidation of such companies would not have significant effects on the consolidated capital, financial position and earnings.
The shareholdings in affiliate companies are valued on the basis of the net equity method in accordance with international accounting principles. Pursuant to IAS 28, an affiliate company is a company over which the Group is able to exercise significant influence over the decisions about operating and financial policies of the company, without maintaining control or joint control over the company by virtue of the investment.
Other non-consolidated subsidiary companies and any affiliates not valued with the net equity method are valued on the basis of the criteria set out in the section hereunder, "Shareholdings in other companies".

2.5 Shareholdings in other companies

The shareholdings in companies other than affiliate companies are recorded as non-current assets in the account, "Other financial assets", and, as provided by IAS 39 with reference to financial assets available for sale, are valued at fair value, or at cost whenever fair value cannot be reliably determined.
The gains and losses from changes in fair value are booked directly to shareholders' equity until the assets are sold or until a loss is recognized due to impairment of value. Upon the sale of the assets or the recognition of an impairment loss, the total gains and losses previously booked to shareholders' equity are transferred to the profit and loss statement for the then current period. The original value may be reinstated in subsequent years should the premises for the writedown effected no longer apply.
The risk arising from any losses exceeding shareholders' equity is quantified in a special reserve to the extent to which the investing company is required to meet legal or implicit obligations with respect to the company in which the investment is held or to cover such company's losses.

2.6 Financial assets

Receivables and financial assets held to maturity are booked at cost, which is equal to the fair value of the initial price paid, increased by any transaction costs (e.g. commissions, costs for advisory services, etc.). The initial carrying value is later adjusted to take into account: the repayments of principal; writedowns, if any; and the amortization of the difference between the repayment value and the initial carrying value. The amortization is based on the actual internal rate of return represented by the rate that equalizes, upon the initial recognition of the assets, the present value of the expected cash flows from the assets and the initial carrying value of the assets ("amortized cost method").
Receivables and financial assets held to maturity are classified as non-current assets unless the directors intend to dispose of the investments within 12 months from the balance-sheet date.
The unrealized gains and losses arising from change in fair value on non-monetary securities classified as assets available for sale are booked to shareholders' equity.
Whenever the securities classified as available for sale are sold or experience a reduction in value, the cumulative changes in fair value are booked to the profit and loss statement as gains or losses from investment securities.
The fair value of listed investments is based on current bid prices. Whenever there is no active market for a financial asset (unlisted securities), the Group establishes the fair value by using valuation techniques. Such techniques may include references to recent transactions between knowledgeable and willing parties, references to other, substantially similar instruments, and the analysis of discounted cash flows adapted in order to reflect the issuer's specific situation.
Receivables and loans are non-derivative financial assets entailing fixed or determinable payments which are not traded in an active market, and which are not intended to be traded. The assets mature 12 months or more following the balance-sheet date.
At each balance-sheet date, the Group conducts a review to determine the existence of any objective evidence that a financial asset or a group of financial assets has experienced impairment of value. In the case of equity securities classified as assets available for sale, the determination of impairment of value also includes any significant and continuing decrease of fair value that would put the fair value below the cost of the securities.

2.7 Other financial assets

Financial assets such as restricted guarantee deposits and security deposits, which the Group intends to hold, and is able to hold, until maturity, and which do not meet the requisites for classification as cash and cash equivalents are recorded in the financial statements and eliminated from the financial statements on the basis of the date of negotiation. Such assets are initially booked at an amount corresponding to their fair value, and thereafter, on the basis of amortized cost, net of any writedowns for impairment in value.

2.8 Financial derivatives

Derivatives instruments are booked and carried at their fair value. The rules established by IAS 39 for hedge accounting are applied with regard to hedging instruments.
The hedging instruments are used to cover exposure to changes in future cash flows, particularly from

the variation of interest rates on loans. To the extent that a derivative is determined to be an effective hedge, the changes in the fair value of the derivative are booked to shareholders' equity. Should the hedging not be effective, the changes in the fair value of the derivative are booked to the profit and loss statement. The effectiveness of the hedging, namely, the suitability to offset adequately the changes caused by the risk hedged, is periodically assessed by analyzing the correlation between the fair value, or the financial flows of the asset, liability or transaction hedged, and the financial flows of the hedging instrument.
Whenever the conditions for the application of hedge accounting are not met, any gains or losses arising from valuing the financial derivative instrument at its fair value are booked directly to the profit and loss statement.

2.9 Other intangible fixed assets

Pursuant to IAS 38 (Intangible fixed assets), intangible fixed assets acquired or produced internally are booked as assets when it is probable that the assets will generate future economic benefits and when the cost of the assets may be determined in a reliable manner.
Such assets, if they have a finite life, are booked at acquisition or production cost, net of amortization computed on a straight-line basis over their estimated useful life and any impairment of value.

> Computer software - development costs

Software licenses purchased are capitalized and recorded as intangible fixed assets at their acquisition cost, and are amortized on a straight-line basis over their estimated useful life.
The costs associated with the development and the ordinary maintenance of the software that do not meet the aforementioned requisites and research costs are charged to the profit and loss statement as incurred.

2.10 Buildings, plant and equipment

Buildings, plant, machinery and equipment are booked at purchase or production cost, inclusive of ancillary charges, and are stated net of accumulated depreciation and any writedowns for impairment of value.
Costs sustained for improvements made to third-party assets held under lease are capitalized and reported as part of the tangible fixed assets to which they refer, and are depreciated over the lesser of their useful life and the residual period of the lease contract.
Gains and losses arising from the sale or disposal of tangible fixed assets are determined by the difference between the proceeds from the sale or disposal and the net book value of the assets, and are booked to profit and loss statement during the period in which the sale or disposal occurred.

2.11 Impairment losses

At each balance-sheet date, the carrying value of the intangible and tangible fixed assets is reviewed to determine if there are any indications of the impairment of value of such assets. In the presence of such indications, the recoverable amount of the assets is estimated in order to calculate any writedown. Whenever it is not possible to estimate the recoverable value of an individual asset, an estimate of the recoverable value of the cash-generating unit to which the asset belongs is used.
The recoverable amount is the greater of the fair value, net of selling expenses, and the value in use. In computing the value in use, the estimated future cash flows are discounted to their present value by using a pre-tax interest rate that reflects the time value of money and the specific risks of the activity.
If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than the asset's carrying value, the carrying value is reduced to the recoverable value. An impairment loss is then recorded in the profit and loss statement, except in the case of land or buildings when the impairment loss is accrued to the respective revaluation reserve. The foregoing does not apply to buildings held for investment purposes, which are revalued.
Should the reasons for the writedown no longer exist, the carrying value of the asset (or the cash-generating unit), with the exception of goodwill, is increased to the new value derived from the estimate of recoverable value, to the extent it does not exceed the carrying value that the asset would have had if the impairment loss were not to have been recorded. The reinstatement of value is recorded in the profit and loss statement as booked, unless the asset is stated at fair value, in which case the reinstatement of value is booked to the revaluation reserve.

2.12 Leased assets

The assets acquired through financial lease contracts are booked as tangible fixed assets, offset by a liability of the same amount.

The liability is gradually reduced by the amounts of principal included in the lease instalments provided by the repayment plan. The value of the asset is depreciated in relation to the lesser of the asset's useful life or the term of the lease contract.

The costs for lease instalments on operating leases are booked on a straight-line basis over the term of the contract.

2.13 Customer receivables and other receivables

Receivables are initially booked at their nominal value (representative of the fair value of the transaction) and are valued thereafter at amortized cost, net of any impairment losses recorded in the profit and loss statement when there is objective evidence that the receivables have experienced a loss in value.

The writedowns are determined by the difference between the carrying value of the receivables and the present value of the estimated future cash flows (which are discounted by using the effective interest rate). In the case of short-term trade receivables, the impact of discounting is negligible, and the valuation at amortized cost is thus equivalent to nominal value, net of any impairment losses.

2.14 Cash and cash equivalents

Cash and cash equivalents include cash, amounts in current accounts with banks, demand deposits, and other, highly liquid short-term financial investments that may be quickly converted into cash and are not subject to any significant risk of change in value. Cash and cash equivalents are valued at fair value, which corresponds to nominal value or cost, increased by any accrued interest.

2.15 Due to banks

Interest-bearing bank loans and bank overdrafts are initially booked on the basis of the amounts received, net of any transaction costs, and are valued thereafter at amortized cost, using the effective interest-rate method.

2.16 Trade accounts payable and other payables

Trade accounts payable and other payables are stated on the basis of amortized cost which, considering the characteristics and the due dates of the payables, is generally equal to nominal value.

2.17 Pension and employment-severance liabilities

On the basis of IAS 19, the reserve for employment-severance liabilities in relation to the employees of the holding company and the subsidiaries having their registered office in Italy is classifiable as defined benefit plan. Accordingly, the amounts already earned must be projected out to the future in order to estimate the amount to be disbursed upon the termination of the employment relationship, and then discounted using the projected unit credit method in order to come up with a reasonable estimate of the amount of the benefits which the employees have earned in return for their service in current and prior periods.

The Group has not adopted the corridor method, and therefore, actuarial gains (losses) are booked as earned (incurred) directly to the profit and loss statement.

2.18 Provisions

The provisions to the reserves for risks and charges represent costs and charges of a specific nature whose existence is certain or probable, but whose amounts or settlement dates are not known as of the date of the financial statements. The provisions are made against current obligations resulting from past events, which may be legal or contractual obligations or obligations arising from representations or conduct of the business that cause valid expectations on the part of the persons involved (implicit obligations). The provisions are booked at values representing the best estimate of the amount that the company would pay to extinguish the obligation; when the amounts of the obligations are significant and the payments dates can be reliably estimated, the provisions are stated at present value, with the charges accrued over time booked to the profit and loss statement in the

"Financial income (charges)" account.

2.19 Non-current financial liabilities
The liabilities are stated at amortized cost, using the effective interest-rate method.

2.20 Financial income and charges
Interest income and expense are booked in accordance with the effective interest-rate method.

2.21 Taxes
The tax provisions for the year include current and deferred taxes.

Current taxes are computed on the basis of the best estimate of taxable income for the full year. Taxable income differs from the income reported in the profit and loss statement since it excludes revenues (expenses) that are taxable (deductible) in other periods, and it also excludes amounts that may never be taxable or deductible. The liability for current taxes is calculated by using tax rates in effect as of the date of the financial statements.

Deferred taxes are taxes that the Group expects to pay or to recover on timing differences between the carrying values of assets and liabilities used for financial reporting purposes and the corresponding values used for taxation purposes. Deferred taxes are booked in accordance with the balance-sheet liability method.

Deferred tax liabilities are generally booked for all taxable timing differences related to the Group companies and to investments in affiliate companies, except in cases where the Group is able to control the cancellation of such timing differences and it is probable that the timing differences will not be cancelled out in the foreseeable future.
Deferred tax assets arising from timing differences and/or from tax loss carryforwards are booked only to the extent that it is probable that future taxable income will be available against which such deductible timing differences and/or tax loss carryforwards can be used.
Deferred tax assets and liabilities are not booked if the timing differences arise from goodwill or from the initial registration of other assets or liabilities in transactions (other than business combinations) that do not have any influence on income reported in the financial statements or on taxable income .
The carrying value of the deferred tax assets is reviewed at each balance-sheet date, and reduced to the extent that it is no longer probable that future taxable income will be sufficient to allow the total or partial recovery of such assets.
Deferred taxes are computed on the basis of tax rates that the Group expects to be in effect as of the date on which the benefits are to be realized or the liabilities are to be extinguished. Deferred tax provisions are booked to the profit and loss statement, with the exception of deferred taxes on amounts booked directly to shareholders' equity, in which case the related deferred taxes are also booked to shareholders' equity.

Deferred tax assets and deferred tax liabilities are offset whenever there is a legal right to offset current tax assets and current tax liabilities, and when the assets and liabilities refer to tax positions with the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

2.22 Dividends
Dividends are booked during the accounting period in which the distribution is approved.

2.23 Earnings per share
The earnings per share is equal to consolidated net profit divided by the number of ordinary shares outstanding. For diluted earnings per share, the earnings attributable to the holders of the ordinary capital instruments of the holding company, Sopaf S.p.A., are adjusted to take into account the effects of all potential ordinary shares with a dilutive effect

3 CONSOLIDATION AREA

The consolidated financial statements have been prepared with reference to the financial statements as of 30 June 2007 that have been submitted by the respective consolidated companies, adjusted, where necessary, to bring them into line with the Group's classification criteria and accounting principles (IFRS). The table below shows the companies included in the consolidation area as of 30 June 2007:

SOPAF S.p.A.

CONSOLIDATION AREA

Company	Directly	Indirectly	Total % Held	Registered Office	Country	Currency	Consolidation Method
Holding company:							
Sopaf S.p.A.							
Direct subsidiary companies:							
ACAL S.p.A.	100,0%	-	100,0%	Milan	Italy	Euro	Full
Cutter S.a.r.l.	100,0%	-	100,0%	Luxembourg	Luxembourg	Euro	Full
IDA S.r.l.	100,0%	-	100,0%	Milan	Italy	Euro	Full
LM IS S.a.r.l. (in liquid.)	100,0%	-	100,0%	Luxembourg	Luxembourg	Euro	Full
LM & Partners S.C.A. (in liquid.) (*****)	89,2%	10,8%	100,0%	Luxembourg	Luxembourg	Euro	Full
PWM Sgr.p.A.	66,7%	-	66,7%	Milan	Italy	Euro	Full
Tergeste (***)	50,8%	49,2%	100,0%	Milan	Italy	Euro	Full
LM Real Estate S.p.A. (****)	89,0%	10,8%	99,8%	Milan	Italy	Euro	Full
Sopaf Capital management SGR S.p.A.	100,0%	-	100,0%	Milan	Italy	Euro	Full
LM LS S.p.A. (*)	53,0%	15,7%	68,8%	Milan	Italy	Euro	Full
Tenerani srl	100,0%		100,0%	Milan	Italy	Euro	Full
Direct affiliate companies:							
Polis Fondi S.gr.p.A.	49,0%	-	49,0%	Milan	Italy	Euro	Net equity method
Petunia S.p.A.	59,4%	-	59,4%	Milan	Italy	Euro	Net equity method
S.f.e.r.a. S.r.l.	50,0%	-	50,0%	Milan	Italy	Euro	Net equity method
Essere S.p.A.	35,8%	-	35,8%	Milan	Italy	Euro	Net equity method
Five Stars S.A.	99,9%	-	99,9%	Luxembourg	Luxembourg	Euro	Net equity method
Aft S.r.l. (**)	40,0%	17,7%	57,76%	Milan	Italy	Euro	Net equity method
PWM AIGGIG Multimanager Fund	49,2%		49,2%	Milan	Italy	Euro	Net equity method
Nearco Invest Sarl	49,0%		49,0%	Luxembourg	Luxembourg	Euro	Net equity method
Direct investments:							
Coronet S.p.A.	30,0%	-	30,0%	Milan	Italy	Euro	Fair value
Parc Eolien De S.Riquier	40,0%		40,0%	Lion Sur Mer	France	Euro	Cost
Noventi Field Venture LP	11,7%		11,7%	Menlo Parc CA	USA	Euro	Cost
Volare S.p.A. (in liquidazione)	24,6%	-	24,6%	Vicenza	Italy	Euro	Cost
Indirect subsidiary companies:							
- through LM & Partners S.C.A.							
Siskin S.A.		100,0%	100,0%	Luxembourg	Luxembourg	Euro	Full
- through LM Real Estate S.p.A.							
Vector 102 S.r.l.		57,0%	56,9%	Milan	Italy	Euro	Full
- through LM IS S.àr.l.							
Sopaf Asia Sarl		85,0%	85,0%	Luxembourg	Luxembourg	Euro	Full
Indirect affiliate companies:							
- through LM & Partners S.C.A.							
Beven Finance S.àr.l.		50,0%	50,0%	Luxembourg	Luxembourg	Euro	Net equity method
Second Mirror S.A. (in liquidazione)		36,0%	36,0%	Luxembourg	Luxembourg	Euro	Net equity method
Mirror tre S.a.r.l. (in liquidazione)		25,0%	25,0%	Luxembourg	Luxembourg	Euro	Net equity method
Westindustrie S.r.l.		22,0%	22,0%	Milan	Italy	Euro	Net equity method
- through Siskin S.A.							
Sila S.p.A.		27,5%	27,5%	Turin	Italy	Euro	Net equity method
- through Aft S.r.l.							
Linkem S.p.A.		100,0%	57,8%	Milan	Italy	Euro	Net equity method
Linkem Service S.r.l.		100,0%	57,8%	Palermo	Italy	Euro	Net equity method
- through LMIS S.a.r.l. e LM&Partners SCA							
China opportunity SA		42,4%	42,4%	Luxembourg	Luxembourg	Euro	Net equity method
- through Fondo Tergeste							
Telma S.r.l.		40,0%	40,0%	Milan	Italy	Euro	Net equity method
Intarch S.r.l.		39,6%	40,0%	Milan	Italy	Euro	Net equity method
Facere S.r.l.		39,6%	40,0%	Milan	Italy	Euro	Net equity method
Agorà S.r.l.		39,6%	40,0%	Milan	Italy	Euro	Net equity method
Buena Suerte S.r.l		39,6%	40,0%	Milan	Italy	Euro	Net equity method
Valim S.r.l.		39,6%	40,0%	Milan	Italy	Euro	Net equity method
TauCeti S.r.l		39,6%	40,0%	Milan	Italy	Euro	Net equity method
Firanecogios SA		25,5%	25,5%	Barcelona	Spain	Euro	Net equity method
Immobiliare Appia		15,0%	15,0%	Milan	Italy	Euro	Fair value
Cose S.r.l.		50,0%	50,0%	Milan	Italy	Euro	Net equity method
- through Nearco S.a.r.l.							
Aft S.r.l.		21,0%	57,76%	Milan	Italy	Euro	Net equity method
Indirect investments:							
- through LM&Partners SCA							
Leisure Link Ltd.		1,4%	1,4%		UK	Euro	Fair value
Green BIT S.r.l.		23,7%	23,7%	Turin	Italy	Euro	Fair value
Res Finco AG		24,7%	24,7%	Sankt Gallen	Switzerland	Euro	Fairvalue
Blue H Goup		1,6%	1,6%	Oosterhout	Netherlands	Euro	Cost
Valore by Avere AM SCA		11,9%	11,9%	Luxembourg	Luxembourg	Euro	Cost
- through ACAL S.p.A.							
Delta S.p.A.		24,0%	24,0%	Bologna	Italy	Euro	Fairvalue
- through LM LS S.p.A.							
Advanced Accellerator Applications S.A.		18,6%	12,8%	Saint Genis Poully	France	Euro	Fairvalue
IM3d		17,9%	12,3%	Turin	Italy	Euro	Cost
- through Five Stars S.A.							
Fondo Immobili Pubblici		3,4%	3,4%	Rome	Italy	Euro	Fair value
- through LM Real Estate S.p.A.							
Demofonte S.r.l.		15,0%	15,0%	Milan	Italy	Euro	Cost
Immsi S.p.a.		1,41%	1,4%	Mantua	Italy	Euro	Fair value
- through IDA S.r.l.							
Sadi S.p.A.		2,9%	2,9%	Milan	Italy	Euro	Fair value
- through Beven finance sarl							
Management & Capitali S.pA.		5,5%	2,8%	Milan	Italy	Euro	Fair value
- through PWM SGR S.p.A.							
Fondo PWM Global Income Low Volatility			0,6%			Euro	Fair value
Fondo HSBC AM Monetaire			-			Euro	Fair value

(*) 15.74% through LMIS
(**) 7.42% through LMIS
(***) 49.23% through LMRE
(****) 10.81% through LM IS
(*****) 10.84% through LM IS

Changes in the consolidation area with respect to 31 December 2006 are summarized in the table below:

NEW SUBSIDIARY COMPANIES	Country	Activity
Full consolidation		
❑ Sopaf Capital management SGR S.p.A. (ex Cartesio Alternative Inv. SGR S.p.A.)	Italy	Asset management
❑ Mercato 24 S.r.l. (now merged into Lm Real Estate)	Italy	Equity investments
❑ Tenerani S.r.l.	Italy	Equity investments
SUBSIDIARY COMPANIES ELIMINATED	**Country**	**Activity**
Full consolidation		
❑ Star Venture Management S.A.	Luxembourg	Equity investments
❑ Star Venture I S.c.p.a.	Luxembourg	Equity investments
❑ MGO Lux S.A.	Luxembourg	Equity investments
❑ Mercato 24 S.r.l. (since merged into LM Real Estate)	Italy	Equity investments
❑ Vegastar S.A.	Luxembourg	Equity investments
NEW AFFILIATE COMPANIES	**Country**	**Activity**
Net equity method		
❑ Nearco S.a.r.l.	Luxembourg	Equity investments
❑ PWM AIGGIG Multimanager Fund	Italy	Investment fund
AFFILIATE COMPANIES ELIMINATED	**Country**	**Activity**
Net equity method		
❑ Delta S.p.A.	Italy	Financial services
❑ Cartesio Alternative Inv. SGR S.p.A.	Italy	Asset management

Changes in the consolidation area with respect to 30 June 2006 are summarized in the table below:

NEW SUBSIDIARY COMPANIES	Country	Activity
Full consolidation		
❑ Private Wealth Management SGR S.p.A.	Italy	Asset management
❑ Tergeste Fund	Italy	Real estate fund
❑ Sopaf Capital management SGR S.p.A.	Italy	Asset management
❑ Mercato 24 S.r.l.	Italy	Equity investments
❑ Tenerani S.r.l.	Italy	Real estate
SUBSIDIARY COMPANIES ELIMINATED	**Country**	**Activity**
Full consolidation		
❑ Forobonaparte S.r.l.	Italy	Real estate
❑ Forobonaparte Due S.r.l.	Italy	Real estate
❑ Tivoli 101 S.r.l.	Italy	Real estate
❑ Cruiser S.r.l.	Italy	Real estate
❑ Telma S.r.l. and special-purpose companies (Agorà S.r.l., Valim S.r.l., Buena Suerte S.r.l., Facere S.r.l., Intarch S.r.l., Tau Ceti S.r.l.)	Italy	Real estate
❑ Star Venture Management S.A.	Luxembourg	Equity investments
❑ Star Venture I S.c.p.a.	Luxembourg	Equity investments
❑ MGO Lux S.A.	Luxembourg	Equity investments
❑ Mercato 24 S.r.l.	Italy	Equity investments
❑ Vegastar S.A.	Luxembourg	Equity investments
NEW AFFILIATE COMPANIES	**Country**	**Activity**
Net equity method		
❑ Petunia S.p.A.	Italy	Equity investments
❑ PWM AIG Multimanager Fund	Italy	Investment fund
❑ China Opportunity S.A. Sicàr	Luxembourg	Investment fund
❑ Westindustrie S.r.l.	Italy	Industrial
❑ Telma S.r.l. and special-purpose companies (Agorà S.r.l., Valim S.r.l., Buena Suerte S.r.l., Facere S.r.l., Intarch S.r.l., Tau Ceti S.r.l.)	Italy	Real estate
❑ Nearco S.a.r.l.	Luxembourg	Equity investments
SUBSIDIARY AND AFFILIATE COMPANIES ELIMINATED	**Country**	**Activity**
Net equity method		
❑ SADI S.p.A.	Italy	Industrial
❑ Vector 101 S.r.l.	Italy	Real estate
❑ Giallo Milano S.r.l.	Italy	Real estate
❑ Axxon S.r.l.	Italy	Real estate
❑ Delta S.p.A.	Italy	Financial services

Consolidation criteria and valuation of shareholdings

The consolidation area includes shareholdings in affiliate companies whenever the investing company owns more than 20%, a percentage deemed sufficient for presuming the investing company's significant influence, but not control, over the financial and operating policies of the affiliate. The shareholdings in such affiliate companies are valued with the net equity method

The Group's shareholdings in excess of 20% include the following companies for which neither the holding company nor any of its subsidiaries or affiliates exercises significant influence:

- Coronet S.p.A.: As a result of its sale of a 30% interest in the company on 4 August 2005, Sopaf S.p.A. neither controls nor significantly influences the company, and thus, the investment is classified as an investment available for sale.
- Green Bit (Group's investment is equal to 23.72%): The investment is stated at fair value, since LM & Partners S.C.A. (in liquidation) does not actively participate in the determination of the company's business and financial policies.
- Res Finco AG (Group's investment is equal to 24.72%): The shareholding is stated at fair value since it is considered a financial investment and since LM & Partners S.C.A. (in liquidation) is not in a position to influence the business or financial policies of the company in light of a prevailing shareholders' agreement.
- Delta S.p.A.: See notes 8 and 24.

Although the Group holds the majority in Five Stars S.A. (99.9%), the investment is not fully consolidated inasmuch as the company's board of directors approved resolutions on 10 May 2006 to modify the by-laws, thereby eliminating the conditions precedent for the holders of warrants to exercise and convert their warrants into Class B shares. In light of this circumstance (the immediate conversion into Class B shares would give an absolute majority of the voting rights to the warrant holders), and the fact that the current shareholder does not assume the majority of the business risks tied to the company and enjoys only a limited portion of the benefits of the investment, the Group no longer fully consolidates the investment, as provided by IAS 27. In this regard, it is noted that the free exercise of the warrants and the mechanism that governs the substitution of the directors are elements that automatically vest the control of the Board of Directors with the warrant holders (in other words, if the current directors were to take business/financial decisions against the warrant holders' will, the formal control of the company, via the conversion of the warrants into shares, would be effected immediately).

Although holding 57.76% of AFT, the Group does not control the company's governance which is covered by agreements executed between other shareholders that do not allow the Group to appoint and/or to remove the majority of the members of Board of Directors and that consequently do not permit the Group to control the financial and operating policies of the company. Accordingly, the investment is valued with the net equity method.

In addition, the Group holds 59.4% of Petunia S.p.A., but does not control the company since it holds 49% of the Class A shares that vest voting rights; the remainder of the investment is represented by Class B shares that entitle the holders to economic rights, but do not entail voting rights. Accordingly, the investment is valued with the net equity method.

The shareholding in SILA S.p.A. (Group's investment is equal to 27.5%) has been maintained at cost since consolidated data as of 30 June 2007 are not available. It is noted, however, that the operating data supplied by the company indicate a positive growth trend with respect to 2006. During the first half of 2007, the company engaged an independent expert for the purpose of the first-time adoption of the IAS/IFRS accounting principles with the preparation of consolidated financial statements as of 1 January 2007. The company plans to prepare consolidated financial statements in accordance with IFRS as of 2008. Based on the independent expert's analysis, there are no significant differences arising as a result of the adoption of the international accounting principles.

The investments in IM3d, Resfinco, Demofonte, Blue H Group and Noventi have been maintained at cost inasmuch as they are new investments or investments in start-up companies, the fair value is more or less equal to cost, and could not be reliably determined because of elements of uncertainty linked to the development of the business activity.

Divestiture of holding in Omniapartecipazioni S.p.A

Through LM Real Estate S.p.A., the Sopaf Group made an investment in Omniapartecipazioni S.p.A. in November 2002, originally purchasing 39% of the investment company and working alongside the businessman, Roberto Colaninno, in launching a public tender offer for IMMSI S.p.A., a transaction perfected on 13 January 2003 with the purchase of 50.35% of IMMSI's share capital.

On 12 March 2007, in accordance with Article 4 of a shareholder agreement dated 9 May 2006, the Board of Directors of Omniapartecipazioni S.p.A. approved a non-proportional, partial divestiture in favour of Mercato 24 S.r.l., a newly incorporated company wholly owned by LM Real Estate S.p.A.

The divestiture provided for a reduction in the share capital of the company being sold in the amount of €9,278,887, through the retirement of 9,278,887 ordinary shares and (i) the reduction of the legal reserve in an amount of €1,855,777.40, (ii) the reduction of the share premium reserve in the amount of €10,159,228.43, and (iii) the registration of a divestiture reserve in the amount of €184,179.75.

The divestiture also provided for the assignment to LM Real Estate S.p.A. (the holder of 25.5% of Omniapartecipazioni S.p.A.) of 100% of the share capital of Mercato 24 S.r.l. against the retirement of the Omniapartecipazioni S.p.A. shares held by LM Real Estate S.p.A., with one share of Mercato 24 S.r.l. being assigned for each 9,278,887 shares of Omnipartecipazioni S.p.A.

Finally, the divestiture also provided for the assignment of the following Omnipartecipazioni assets and liabilities to the beneficiary company:
- assets represented by 38,360,288 shares of IMMSI S.p.A.,
- liabilities represented by bank debt in the amount of €14,295,114 due to the Banca Popolare di Milano under a revocable credit line, along with interest accrued as from 1 January 2007 and not paid prior to the date of the divestiture.

Along with the divestiture, on 13 March 2007, LM Real Estate S.p.A. signed an agreement to sell to Omniainvest S.p.A. the remaining interest in Omniapartecipazioni S.p.A. (1.47 million shares, or 3.48804%) which was not part of the divestiture, for a total price of €10,953,117. The effectiveness of the agreement was subject to the actual execution of the divestiture approved by the Omnipartecipazioni S.p.A. shareholders.

On 15 March 2007, the agreement covering the divestiture of Omniapartecipazioni S.p.A. was signed and filed, and on 19 March 2007, such agreement was registered with the Mantua Chamber of Commerce, with the simultaneous incorporation of the beneficiary company, Mercato 24 S.r.l.

On 20 March 2007, the following transactions were perfected:

- transfer to Omnia Holding S.p.A. of 3 million shares of IMMSI S.p.A. owned by Mercato 24 S.r.l. (derived from the divestiture) at a total price of €6.86 million;
- transfer to institutional investors (via a private placement) of 30 million shares of IMMSI S.p.A. owned by Mercato 24 S.r.l. at a total price of €65.85 million;
- transfer of 1.47 million shares of Omniapartecipazioni S.p.A. from LM Real Estate S.p.A. to Omniainvest S.p.A., as described above.

As of the same date, Mercato 24 S.r.l. paid down €14.3 million of principal due to Banca Popolare under a revocable credit line.

As a result of these transactions, LM Real Estate S.p.A. ceased being a shareholder of Omniapartecipazioni S.p.A. and as of 31 March 2007, Mercato 24 S.r.l. was holding 5,360,288 shares of IMMSI S.p.A.

As previously described, the divestiture transaction was perfected on 19 March 2007, while the sale of the block of IMMSI S.p.A. shares (33 million shares) coming from Mercato 24 S.r.l.'s divestiture was perfected on 20 March 2007. In relation to the sale, 3 million shares were settled through a block transaction, while the remaining 30 million shares were placed with institutional investors by a leading intermediary. Also on 20 March 2007, in execution of the contract signed on 13 March, LM Real Estate S.p.A. perfected the sale of the 1.47 million shares in Omniaparticipazioni to Omniainvest S.p.A.

Also on 20 March 2007, Omniapartecipazioni S.p.A. paid a dividend of €3,697,617.13 to LM Real Estate S.p.A., which was the latter's company share of the dividends approved by resolution of the ordinary shareholders' meeting held on 13 March 2007.

The transactions described above (sale of the interests in IMMSI S.p.A. and Omniapartecipazioni S.p.A.) were perfected by taking into consideration the trend of the IMMSI S.p.A. share price on the stock exchange. The private placement of the 30 million shares was perfected at a price per share of €2.195, which is the same price applied for the block sale of the 3 million shares to Omnia Holding S.p.A.

The sale of 3.48804% of the share capital of Omniapartecipazioni S.p.A. for a total price of €10,953,117 was effected by taking into consideration the valuation of the assets (IMMSI S.p.A. shares, at a price of €2.175 per share) and the liabilities (pro-rata debt, net of liquidity) as of 31 December 2006.

At a consolidated level, the investment in Omniapartecipazioni S.p.A. was classified among the financial assets available for sale, with the fair value thereof based on analyses and adjusted through charges/credits to shareholders' equity through 31 December 2006. Given the existence of shareholder agreements which addressed the company's governance and administration, the Group did not exercise any significant influence over the company.

The recognition of the capital gain arising from the transactions described above for the sale of the investment in Omniapartecipazioni S.p.A. caused a net capital gain of €48.5 million.

The capital gain is figured by comparing the overall price received on the divestiture of the investment in Ominapartecipazioni S.p.A. and the fair value of the investment reported in the consolidated financial statements as of 31 December 2006 and simultaneous recognition in the profit and loss statement of the total net gains and losses previously booked to shareholders' equity.

The transaction had a significant impact on the Sopaf Group's earnings, capital and financial position, in terms of both the net capital gain realized (€48.5 million before taxes) and the resources to strengthen capital and net financial position (increased liquidity of €26.5 million) net of the repayment of bank debt of roughly €60 million.

Transactions occurring during the first half involving investments in subsidiary companies

During the first half of the year, various controlling interests in companies were eliminated from the consolidation area for the effect of the following transactions:

- The liquidation and final distribution of the assets of companies holding investments in LM & Partners S.C.A. as part of the Group's restructuring were effected as a result of the following transactions:
- On 25 June 2007, a decision was taken to dissolve MGO Lux SA, and the company thus discontinued its activity immediately.
- On 28 June 2007, a decision was taken to dissolve Vegastar SA, and the company thus discontinued its activity immediately.
- On 29 June 2007, the shareholders of Star Venture Management SA (in liquidation) and Star Venture I Scpa (in liquidation) held meetings and passed resolutions approving the companies' liquidation with immediate effect.

The controlling interests in the aforementioned companies that had been fully consolidated in the financial statements as of 31 December 2006 were eliminated from the consolidation area as of the date of the closing of the dissolution proceedings. The total effect of the liquidations on the profit and loss statement was a capital loss of €890,000.

- On 28 June 2007, the Mercato 24 S.r.l. merger-by-incorporation into LM Real Estate S.p.A. was completed, with the accounting effects thereof made retroactive to 13 March 2007, the date of Mercato 24 S.r.l.'s incorporation. Accordingly, the investment was part of the consolidation area for the first quarter of 2007, but was eliminated from the consolidation area as of 30 June 2007.

- After securing the authorization of the regulatory authorities, Sopaf completed two transactions on 6 and 16 April 2007, which respectively led to the acquisition of 70% the company now known as Sopaf Capital Management SGR S.p.A. (and previously known as Cartesio Alternative Investment SGR S.p.A.) for a total outlay of €2.8 million. As a result of the transactions, Sopaf S.p.A. secured 100% ownership of the fund management company's share capital, and the investment has therefore been fully consolidated as of the date of the acquisition of control.

The table which follows provides information on the net assets of the business combination arising from the acquisition of the controlling interest in Sopaf Capital Management SGR as of the date of reference (31 March 2007) and the related computation of goodwill booked to the Sopaf Group consolidated financial statements:

in € 000's

% Interest Held		30,0%	Acquisition of 70%	100,0%
Non-current assets	71			
Current assets	3.567			
Cash and cash equivalents	480			
Total assets	**4.118**	**1.235**	**2.883**	
Financial liabilities	0			
Other liabilities	177			
Non-current liabilities	**177**	**53**	**124**	
Financial liabilities	-			
Other liabilities	0			
Current liabilities	470			
Total liabilities	**647**	**194**	**453**	
Net assets as of 1 January 2007	**2.991**	**897**	**2.094**	
Revenues and income	**337**			
Expenses	**(278)**			
Net profit (loss) as of 31 March 2007	**59**	**18**	**41**	
Net assets as of 31 March 2006		**897**	**2.135**	**3.032**
Shareholding valued on the basis of net equity method as of 31 March 2007		**1.032**	**2.878**	**3.910**
Goodwill		**134**	**743**	**877**

4 SEGMENT REPORTING

The Sopaf Group's activity, the strategies in relation thereto, and the underlying activity of management control are organized by lines of business, which thus serve as the basis for the primary segment reporting, as required by IAS 14. The segmentation of the Group's business by geographic area is not significant since the Group's activity is concentrated in Italy. The notes to the financial statements present the main profit-and-loss and balance-sheet accounts by line of business, along with the other information required by the Group's accounting principles.
The lines of business served as the basis for primary segment reporting are as follows:
- Asset management;
- Real estate;
- Financial services and insurance;
- Industrial and services companies.

The profit-and-loss and balance-sheet data by line of business with reference to the most recent fiscal year are reported in the schedule below.

The activities of the Group's holding company are not included in the business segments since they do not refer to identifiable operating activities used for supplying products or services, but they exclusively consist of the rendering of general and administrative services for the Group. Accordingly, the data for the holding company's profit and loss statement and balance sheet are disclosed separately from the segment data.

SOPAF GROUP
Segment reporting as of 30 June 2007

CONSOLIDATED PROFIT AND LOSS STATEMENT

in € 000's

	Segments						
	Asset Management	Real Estate	Financial Services	Services / Industrial Companies	Holding	Eliminations	Consolidato
Revenues and other income							
Third parties	4.168	5.711	-	4.163	(8.219)	-	5.823
Between segments	-	-	-	-	-	-	-
Within group	-	-	-	-	-	-	-
Operating expenses							-
Third parties	(3.296)	(2.931)	(18)	(1.051)	(5.045)		(12.341)
Between segments	-	-	-	-	-	-	-
Within group	-	-	-	-	25	(25)	-
EBITDA - Gross operating margin	**872**	**2.780**	**(18)**	**3.112**	**(13.239)**	**(25)**	**(6.518)**
Earnings from sale of non-current assets	-	10.652	-	47.575	-	**-**	58.227
Provisions to reserves for risks and writedowns	-	-	-	(295)	(10.000)		(10.295)
Depreciation and amortization	(133)	(223)	-	-	(74)		(430)
Operating profit (loss)	**739**	**13.209**	**(18)**	**50.392**	**(23.313)**	**(25)**	**40.984**
Pro-rata share of profit on companies in which investments are held	784	140	669	32	-		1.625
Pro-rata share of losses on companies in which investments are held	(1)	(36)	-	(349)	(14)		(400)
Earnings accrued on shareholdings valued with net equity method	**783**	**104**	**669**	**(317)**	**(14)**	**-**	**1.225**
EBIT - Profits before interest and taxes	**1.522**	**13.313**	**651**	**50.075**	**(23.327)**	**(25)**	**42.209**

CONSOLIDATED BALANCE SHEET

in € 000's

	Segments						
	Asset Management	Real Estate	Financial Services	Services / Industrial Companies	Holding	Eliminations	Consolidato
Assets							
Segment assets	4.769	42.096	3	12.827	44.320		104.015
Shareholdings valued with net equity method	45.388	4.079	1.139	13.773	37		64.416
Financial assets available for sale	4.994	1.871	96.000	45.236	-		148.101
Shareholdings in other companies	-	-	-	-	-		-
Goodwill	2.476	-	-	-	-		2.476
Total assets	**57.627**	**48.046**	**97.142**	**71.836**	**44.357**	**-**	**319.008**
Liabilities							
Segment liabilities	(2.820)	(30.666)	(2.659)	(7.299)	(94.540)		(137.984)
Total liabilities	**(2.820)**	**(30.666)**	**(2.659)**	**(7.299)**	**(94.540)**	**-**	**(137.984)**

SOPAF GROUP
Segment reporting as of 31 December 2006

CONSOLIDATED PROFIT AND LOSS STATEMENT
in € 000's

	Segments						
	Asset Management	Real Estate	Financial Services	Services / Industrial Companies	Eliminations	Holding	Consolidated
Revenues and other income							
Third parties	1.093	3.813	-	1.774	-	2.408	9.088
Between segments	-	-	-	-	-	108	108
Within group	951	45	-	-	(996)	-	-
Operating expenses							
Third parties	(2.758)	(5.545)	(17)	(1.205)	-	(3.988)	(13.513)
Between segments	-	-	-	-	-	(108)	(108)
Within group	(45)	-	-	(951)	996	-	-
EBITDA - Gross operating margin	**(759)**	**(1.687)**	**(17)**	**(382)**	**-**	**(1.580)**	**(4.425)**
Earnings from sale of non-current assets	-	8.338	(2)	454	-	(484)	8.306
Provisions to reserves for risks and writedowns	-	-	-	-		(59)	(59)
Depreciation and amortization	(68)	(32)	-	-		(41)	(141)
Operating profit (loss)	**(827)**	**6.619**	**(19)**	**72**	**-**	**(2.164)**	**3.681**
Pro-rata share of profit on companies in which investments are held	322	8.606	2.521	22		-	11.471
Pro-rata share of losses on companies in which investments are held	-	(337)	(45)	(430)		-	(812)
Earnings accrued on shareholdings valued with net equity method	**322**	**8.269**	**2.476**	**(408)**	**-**	**-**	**10.659**
EBIT - Profits before interest and taxes	**(505)**	**14.888**	**2.457**	**(336)**	**-**	**(2.164)**	**14.340**

CONSOLIDATED BALANCE SHEET
in € 000's

	Segments						
	Asset Management	Real Estate	Financial Services	Services / Industrial Companies	Eliminations	Holding	Consolidated
Assets							
Segment assets	2.116	31.912	292	12.699		45.392	**92.411**
Shareholdings valued with net equity method	16.934	2.947	51.052	28.583		-	**99.516**
Financial assets available for sale	2.747	41.026	-	116.138		322	**160.233**
Goodwill	1.588	11	-	-		-	**1.599**
Total assets	**23.385**	**75.896**	**51.344**	**157.420**	**-**	**45.714**	**353.759**
Liabilities							
Segment liabilities	(2.930)	(30.033)	(37.756)	(28.840)		(74.571)	**(174.130)**
Total liabilities	**(2.930)**	**(30.033)**	**(37.756)**	**(28.840)**	**-**	**(74.571)**	**(174.130)**

BALANCE SHEET – ASSETS

NON-CURRENT ASSETS

4 Goodwill

The account balance of €2,476,000 includes the goodwill booked upon the consolidation of PWM SGR S.p.A. (€1,588,000), Sopaf Capital Management SGR S.p.A. (€877,000) and the Tergeste Fund (€11,000). The balance increased by €877,000 compared with 31 December 2006, due to the recognition of goodwill on the consolidation of Sopaf Capital Management SGR S.p.A. (f/k/a Cartesio Alternative Inv. SGR S.p.A.) whose control was acquired during the first half of 2007.

5 Intangible fixed assets

The account balance of €181,000 reflects an increase of €100,000. The account consists exclusively of investments in software and licenses to use software.

6 Tangible fixed assets

The account balance of €12,992,000 reflects an increase of €5,627,000, mainly for the effect of the capitalization of part of a real estate lease (€4,529,000) contracted by LM Real Estate for a total value of €10,934,000. The leased building is currently being renovated, and thus the amount booked among the tangible fixed assets is that portion of the lease referring to the area of the building already available for use.

Another significant increase of €1,628,000 was recorded in the account balance during the first half of the year. Such amount refers to other financial leases contracted by the subsidiary, LM Real Estate, for the acquisition of furnishings and equipment to be used for outfitting the Group's head office.

Changes in the account are presented in the table below:

	Land and Buildings	Leasehold Improvements	Other Assets	Total
Balances as of 01/01/2007 (A)	**5,049**	**1,639**	**677**	**7,365**
Changes during the period:				
- changes in consolidation area	-	-	-	-
- assets under financial lease	4,529	-	1,628	6,157
- acquisitions	-	60	242	302
- disposals, net	-	(439)	(2)	(441)
- writedowns	-	-	-	-
- depreciation	(143)	(90)	(158)	(391)
Total changes (B)	**4,386**	**(469)**	**1,710**	**5,627**
Balances as of 30/06/07	**9,435**	**1,170**	**2,387**	**12,992**
Including:				
- historical cost	9,603	1,341	2,738	**13,682**
- depreciation	(168)	(171)	(351)	**(690)**

7 Shareholdings in affiliate companies / jointly controlled companies

The account consists of the following:

	30/06/2007	31/12/2006
Investments in affiliate companies		
Delta S.p.A.	-	49,738
Polis Fondi SGR.p.A.	7,828	7,983
PWM Aig Muliman. Fund	14,500	-
SILA S.p.A.	4,087	4,087
Beven Finance S.àr.l.	13,259	13,718
AFT S.r.l.	7,690	10,740
Firanegocios S.L.	3,878	2,827
Five Stars S.A.	4,330	2,554
Cartesio Alt. Invest. SGR S.p.A.	-	1,032
China Opportunity S.A. Sicàr	5,471	5,365
Essere S.p.A.	1,139	838
Mirror Tre S.àr.l. (in liquidation)	-	-
CO.SE. S.r.l.	112	113
S.F.E.R.A. S.r.l.	37	38
Westindustrie S.r.l.	2	2
Nearco S.a.r.l.	1,454	-
Telma S.r.l. and special-purpose subsidiaries (*)	90	5
Petunia S.p.A.	541	476
	64,417	**99,517**

(*) The special-purpose companies controlled by Telma are: Intarch S.r.l., Valim S.r.l., Agorà S.r.l., Buena Suerte S.r.l., TauCeti S.r.l. and Facere S.r.l.

The changes in the shareholdings during the first half of the year are summarized in the schedule provided as an exhibit to the financial statements.

The increases during the first half mainly refer to:

- €1,455,000 of payments made upon the incorporation of Nearco Invest S.a.r.l., 49% of which is held by the Sopaf Group;
- €14,500,000 for Sopaf S.p.A.'s subscription of units of the hedge fund, PWM AIG Multimanager Fund, that was set up by the subsidiary, PWM SGR, in partnership with AIG Global Investment Group, the asset management arm of AIG, a leader in financial and insurance services. The fund, which became operational on 1 July 2007, has initial capital of €29.5 million which was funded through the subscription of units by the two financial sponsors as follows: Sopaf S.p.A. for €14.5 million and AIG for €15 million;
- €1,020,000 for the pro-rata subscription of a Firanegocios S.L. capital increase;
- the accrual of the Group's share of first-half earnings of the following companies in which investments are held:
- Polis Fondi S.G.R.P.A. (€151,000), Five Star S.A. (€472,000), China Opportunity S.A. (€143,000), AFT S.r.l. (€31,000), Delta S.p.A. (€368,000), Agorà S.r.l. (€38,000), Valim S.r.l. (€33,000), Sopaf Capital Management SGR S.p.A. (f/k/a Cartesio Alternative Inv. SGR S.p.A) (€18,000), Firanegocios S.L. (€31,000) and Essere S.p.A. (€301,000);
- €1,334,000 for increases in the fair value of financial assets held by Five Star S.A.;
- €78,000 for ancillary charges referring to the investment held in the special-purpose company, Petunia S.r.l.

The decreases during the first half mainly refer to:

- the reclassification of the investment held in Delta S.p.A., previously carried at a value of €49,738,000 on the basis of the net equity method, and now booked as part of "Other financial assets" at its fair value as described below;
- the sale of a 21.72% interest in AFT S.p.A. to the affiliate company, Nearco Invest S.a.r.l., for €2,733,000;
- the accrual of the Group's share of first-half losses for the following companies in which investments are held: Telma S.r.l. (€27,000), Petunia S.r.l. (€13,000), Buena Suerte S.r.l. (€6,000), Facere S.r.l. (€5,000), Intarch S.r.l. (€9,000), Tauceti S.r.l. (€7,000) and Sfera S.r.l. (€1,000);
- the full consolidation of Sopaf Capital Management SGR S.p.A. (f/k/a Cartesio Alternative Inv. SGR S.p.A) for the effect of the acquisition of the residual interest of 70% for €1,032,000.

8 Financial assets

The account balance of €158,047,000 reflects a decrease of €11,586,000.
The account includes the following categories of financial assets:

	30/06/2007	31/12/2006
Financial assets available for sale	145,101	160,235
Bond securities	762	732
Receivables and loans	12,159	8,656
Security deposits	25	10
	158,047	**169,633**

Financial assets available for sale

The account includes instruments representative of the shareholders' equity in various companies; such instruments are carried as financial assets available for sale, and include:

	30/06/2007	31/12/2006
Delta S.p.A.	96,000	-
Omniapartecipazioni S.p.A.	-	81,790
IMMSI S.p.A.	11,125	-
Fondo Aster	-	35,468
Coronet S.p.A.	3,400	13,400
Advanced Accelerator Applications SA	5,954	3,201
Gabetti Property Solutions S.p.A.	-	1,622
Green Bit S.p.A.	3,514	3,514
I.Med S.r.l.	1,500	1,500
Leisure Link Ltd.	200	200
Volare S.p.A. (under extraordinary administration)	-	-
Bama S.r.l.	-	-
Immobiliare Appia S.r.l.	1,868	1,920
Option Newman Lowther & Associates	322	322
Res Finco A.G.	9,165	6,165
Sadi S.p.A.	7,128	6,210
Fondo Valore by Avere AM	2,000	2,000
Blue H Group Ltd.	160	160
Forza Quattro S.r.l.	-	14
Demofonte S.r.l.	2	1
Fondo PWM Global Income Low Volatility	1,528	1,655
Hsbc AM Monétaire	1,143	1,092
Noventi Field Venture LP	74	-
Parc Eolien De S.Riquier	16	-
	145,101	**160,235**

The changes during the period in the balance of financial assets available for sale are detailed in a special schedule attached to these notes.

The increase during the first half in investments available for sale refers to:

- €96,000,000 with regard to the investment in Delta S.p.A. which, as described in detail in the section entitled "Material Events Subsequent to 30 June 2007", was reclassified as an asset available for sale and thus valued at fair value.

The change in the valuation reserve was €45,894,000, which is the increase over the previous value of €50,106,000 at which the investment was carried as an affiliate company.

The fair value calculation was determined by taking into account a valuation supplied by an independent consultant appointed by Delta's management that was drawn up to support the capital increase approved by the shareholders on 5 July 2007 and has already been subscribed by some shareholders; the aforementioned valuation is supported by other valuations supplied to Sopaf S.p.A. by other consultants / investment banks that suggest such fair value is reasonable.

- €12,792,000 with regard to the investment in IMMSI S.p.A. shares held by LM Real Estate following the incorporation of Mercato 24 S.r.l. The valuation of the investment in IMMSI S.p.A. includes an increase in value for adjustment to the related fair value (as determined on the basis of market prices) in the amount of €5,299,000.

- €918,000 with regard to the valuation of the investment in Sadi S.p.A. at fair value, as determined on the basis of market prices as of 30 June 2007.

Decreases in financial assets available for sale during the first half of the year include:

- €81,790,000 for the sale of the investment held in Omniapartecipazioni S.p.A. which reflects the fair value as of 31 December 2006 which resulted from the following transactions, as described in detail above:
- LM Real Estate S.p.A.'s sale to Omniainvest S.p.A. on 20 March of 1,470,000 Omniapartecipazioni S.p.A. shares;
- retirement of 9,278,887 ordinary shares of Omniapartecipazioni S.p.A. for the effect of non-proportional, partial divestiture in favour of Mercato 24 S.r.l., a newly incorporated company wholly owned by LM Real Estate S.p.A., and simultaneous assignment of the share capital of Mercato 24 S.r.l., with one share of Mercato 24 S.r.l. being assigned for each 9,278,887 shares of Omnipartecipazioni S.p.A.
- €35,468,000 for the sale of the holding in the closed-end real estate fund, Aster Fund (33% of the units), on 29 June 2007 by the subsidiary LM & Partners S.C.A. (in liquidation), which generated a capital gain (after expenses and ancillary charges) of €10.4 million;
- €1,622,000 for the sale of the shareholding in Gabetti S.p.A.;
- €51,000 for the adjustment of the fair value of Immobiliare Appia;
- €10 million for the impairment of the value of the investment in Coronet.

The 30% holding in Coronet, a company that, as indicated in prior financial statements, is neither controlled nor significantly influenced by Sopaf, has a carrying value of €3.4 million after the €10 million provision for impairment. In preceding periods, the investment was valued at fair value, taking into account the information contained in a valuation report prepared by an independent expert. Such valuation was partially based on the content of Coronet's 2007-2010 business plan prepared and approved by Coronet in September 2006. As indicated in the annual report for the year ending 30 June 2006, the company had to draw up the business plan in light of negative developments, performance below expectations, and delays in setting up production in China vis-à-vis the previous business plan that nonetheless had the same strategic focus (strategic repositioning, shifting of operations to China, change in product mix, and entry into new markets). The valuation report took into account such factors, with its conclusions dependent on the base assumptions of the 2007-2010 business plan.

The preliminary data as of 30 June 2007 (12 months) supplied by Coronet reflect performance below expectations, and specifically, revenues of €22 million (30% below the target) and a net operating loss of €2.3 million (versus a profit of €2.8 million indicated in the plan). In consideration thereof, the company has prepared a revised business plan that is dramatically different from the previous plan, with respect to both strategies and earnings/financial flows. The new 2008-2010 plan forecasts cumulative revenues for the next three years will be 30% below the previous estimate and that operating breakeven will not be reached until the end of the three-year period.
The new business plan mainly emphasizes the reduction of revenues expected from the new business division and a sharp decrease in the revenues forecast from China due to the problems in product positioning in the Chinese market. With their sharp impact Coronet's future profitability, such elements suggest that the present value of the investment is significantly different from the value previously reported.
Considering the information currently available, the change in strategies, the reduction of the forecast flows, and the financial tensions shown by the new plan, Sopaf's management believes that the investment in Coronet has experienced a reduction in value of €10 million. The analysis of the investment will be updated upon the preparation of the annual financial statements as of 31 December 2007, in light of the content of Coronet's annual report as of 30 June 2007 and the trend

of earnings in the first half of 2007, with particular reference to the activity in China (initiated in April 2007) and new products.

It is noted that the Coronet S.p.A. shares are pledged to a leading credit institution as a guarantee for a loan made to Coronet S.p.A., which had a remaining balance of €37 million as of 30 June 2007. As part of the financing, Coronet is contractually obliged to comply with certain pre-established financial covenants; as of 30 June 2006, the company had failed to comply with the covenants due to the poor trend of its operations. The company is negotiating a new agreement with the lender which incorporates changes in the covenants; the new agreement is expected to be finalized in the near future. The renegotiation of the loan agreement has been done by taking into account the business plan approved in September 2006 and the fact that the financial and earnings forecasts in the business plan revised in September 2007 will not permit the achievement of the financial targets agreed with the lender, and thus another renegotiation might also be necessary.
It is finally noted that Sopaf has a put option which allows Sopaf to sell its share to the current majority shareholder at the current market value determined by an independent appraiser as of the date of the exercise of the option (2010-2011).

Receivables and loans
The components of the account are shown in the table below:

	30/06/2007	31/12/2006
Financial receivables due from companies in which investments are held		
Demofonte S.r.l.	3,008	-
CO.SE. S.r.l.	188	188
Immobiliare Appia S.r.l.	390	420
Nearco S.a.r.l	22	-
Telma	6,663	5,283
S.F.E.R.A. S.r.l.	15	10
Res Renergys A.G.	1,256	1,236
	11,542	**7,137**
Other financial receivables	617	1,519
Total receivables and loans	**12,159**	**8,656**
Bond securities	762	732
Security deposits	25	10
	12,946	**9,398**

The financial receivables due from companies in which investments are held include the financing made available by LM Real Estate to Demofonte in order to provide the company with the financial means needed for being able to participate in a tender to purchase properties owned by ENEL. The financial receivables with respect to the companies CO.SE., Immobiliare Appia 2005 and Telma are shareholder loans granted by Sopaf and LM Real Estate to the Tergeste Fund, following the transfer of the corresponding shareholdings to the fund.
The amount due from Res Renergys AG, a subsidiary of the affiliate Res Finco AG, is a mezzanine financing.
The other financial receivables include a restricted deposit of €250,000 in a current account with leading credit institution which is guaranteeing a tax assessment served to a company, Codis S.p.A., in which Sopaf previously held an investment; the tax authorities have gone to the Court of Cassation to appeal two previous, lower court rulings in favour of Codis S.p.A. in relation to the assessment.
The bond securities include a €1 million convertible bond issue underwritten by Sopaf S.p.A. and issued by the South African firm, Newman Lowther & Associates Ltd., which operates in financial consulting. The bonds come due in 2011.
Should the bond issue be converted into shares, Sopaf S.p.A. will own 30% of the company's current share capital. The coupon payment on the bonds is to be equal to 43% of the dividend paid.

The bond securities represent the financing component of the financial instrument. The call option held by Sopaf and embedded in the instrument has a value of €322,000, which has been separated from the financing component and classified among the financial assets available for sale.

9 Other non-current assets

The account balance of €5,091,000 originated during the first half and refers to Sopaf S.p.A.'s down payment of €5,000,000 and payment of related charges of €91,000 in relation to the irrevocable offer presented by Sopaf S.p.A, De Agostini Invest SA and Aviva Italia Holding S.p.A. on 29 June 2007 for the purchase 79.73% of the share capital of Banca Bipielle Network S.p.A. As previously indicated, on 1 August 2007, the buyers entered into a contract with the seller, Banco Popolare Soc. Coop., to acquire the 79.73% interest for €104.7 million.
The perfection of the sale-purchase contract is expected by September 2007 and the payment of the purchase price will be made net of the aforementioned €5 million down payment.

10 Tax credits

The account balance of €17,988,000 compares with the €17,840,000 posted as of 31 December 2006, and includes credits claimed by the holding company, Sopaf S.p.A. The balance includes:
- corporate income tax credits in relation to the year 1997 (including principal of €10,329,000 and accrued interest of €3,212,000), whose reimbursement has been claimed; the credits have been transferred to third parties as a guarantee for credit lines.
- corporate income tax credits in relation to the 1998-2001 period in the amount of €4,344,000 which have been sold without recourse to a factoring company.

11 Deferred tax assets

The account includes deferred tax assets of €6,452,000 (almost all of which refer to the holding company), stated net of deferred tax liabilities in the amount of €67,000. The components of the account are shown in the table below:

	30/06/2007	31/12/2006
Deferred tax assets		
Reserves for risks and charges and allowance for doubtful accounts	-	-
Deferred tax assets on loss carryforwards	5,800	8,296
Other deferred tax assets	719	728
	6,519	**9,024**
Deferred tax liabilities	(67)	(61)
	6,452	**8,964**

Deferred tax assets originate mainly from tax loss carryforwards booked by Sopaf S.p.A.
As provided by the Group's accounting principles, the deferred tax assets have been booked considering the probability that future taxable income in coming years will be available against which the amounts booked can be used. The forecasts are based on the taxable income that can be generated with reasonable certainty, considering the current trend of Sopaf business and the Group's prospects for the future.
The amounts booked as deferred tax assets are only those considered by the directors to be recoverable.
As of 30 June 2007, Sopaf S.p.A.'s tax loss carryforwards amounted to approximately €34,368,000 (corresponding to deferred tax assets amounting to €11,341,000). The amount of deferred tax assets booked was limited to €5,800,000, inasmuch as the directors were of the opinion that the premises of reasonable certainty for the other amounts did not exist at the balance-sheet date, particularly with regard to estimated timing for their use.
The balance of deferred tax assets is stated after using €2,497,000 against the income tax provision for the first half of the year; such tax provision was calculated on the basis of the best estimate of the average tax rate for the full year.

The tax provision was calculated by taking into account the merger by incorporation of LM Real Estate S.p.A., Acal S.p.A. and Ida S.r.l. into the holding company as approved on 12 September 2007 by the board of directors, the accounting and tax effects of which are retroactive to 1 January 2007.
Deferred tax liabilities amount to €67,000 and mainly consist of liabilities booked in relation to the deferred taxation on adjustments to the value of shareholdings in affiliate companies computed on the basis of the net equity method and the statement of financial assets available for sale at fair value.

CURRENT ASSETS

13 Customer receivables and other trade receivables

The account balance of €2,047,000 reflects an increase of €1,453,000 compared with 31 December 2006; the difference is mainly due to the receivables of the subsidiary company, LM Real Estate S.p.A., with respect to a leasing company (€1,109,000) in relation to advances against the cost of restructuring a building under financial lease.

14 Other receivables and other assets

The account balance of €40,202,000 reflects a decrease of €2,411,000,

The account consists of the following:

	30/06/2007	31/12/2006
VAT tax credits	3,047	3,280
Tax credits	9,201	9,648
Other receivables	23,623	24,769
Accrued income and prepayments	4,331	4,916
	40,202	**42,613**

The tax credits mainly include amounts claimed by the holding company, Sopaf S.p.A., and regard:

- €7,024,000 of credits for direct taxes in relation to the year of 1996, whose reimbursement has been claimed by the holding company, Sopaf S.p.A.; the credits have been transferred to third parties to guarantee lines of credit. The account includes accrued interest of €1,862,000. The amount was classified in this account as the reimbursement actually took place in August 2007;
- €1,919,000 of other tax credits for corporate income taxes and the regional tax on productivity.

Other receivables mainly include:
- €17,735,000 of receivables arising from LM & Partners S.C.A.'s sale of the investment in the Aster Fund for €10,600,000 and holding company's and LM Real Estate S.p.A.'s sales of real estate investments in the prior year;
- €580,000 due from Coemi Property S.p.A. in relation to the partial repayment of financing granted previously by Sopaf to the company, S. Apostoli S.r.l.;
- €1,463,000 due from Coemi S.r.l. in relation to the partial repayment of financing granted previously by Sopaf to the company, Telma S.r.l., an investment sold as previously described;
- €756,000 of commissions paid in advance on credit lines made available for the future acquisition of investments;
- €1,093,000 of receivables acquired from Nova Surgelati S.p.A. (for the effect of an arbitration settlement between Sopaf and Arena Surgelati) and other minor amounts due, all of which have been written down to zero through a special reserve taken against them. During the first half, a total of €13,000 of the reserve (whose balance as of 31 December 2006 was €1,106,000) was used as such amount was collected.

Accrued income and prepayments mainly consist of:
- €2,566,000 in relation to bullet prepayments on the real estate leases referenced in the comments on tangible fixed assets. It is noted that the leased building is being renovated and only

partially available for use; accordingly, the bullet prepayments made have not yet been used for the reduction of the financial liability booked upon the capitalization of the building acquired through financial leases (as provided by IAS 17);

- €1,213,000 of prepayments for the deferral of interest computed on real estate financial lease contracts that have not yet been activated since the properties covered by the leases are still subject to inspection.

15 Other current financial assets

The account balance of €3,007,000 includes short-term marketable securities held by Sopaf Capital Management SGR S.p.A. (f/k/a Cartesio Alternative Investments SGR S.p.A), a company that was not fully consolidated as of 31 December 2006.

The securities represent a temporary investment of liquidity, but do not meet the requisites for classification as cash equivalents. Compared with 31 December 2006, the account balance decreased as a result of the repayment of €3,132,000 of interest-bearing financing to Vector 101 S.r.l., a company in which an investment had been held.

16 Cash and cash equivalents

The account balance of €6,108,000 includes the cash and cash equivalents held by the Group, and bank deposits with a term of three months or less.

BALANCE SHEET – LIABILITIES AND SHAREHOLDERS' EQUITY

SHAREHOLDERS' EQUITY

17 Consolidated shareholders' equity

The consolidated shareholders' equity of €177,683,000 reflects an increase of €21,377,000 in comparison with the balance as of 31 December 2006. The components of consolidated shareholders' equity are shown in the table below:

	30/06/2007	31/12/2006
Capital	**80,000**	**80,000**
Valuation reserve for financial assets	55,342	70,339
Retained earnings (losses carried forward)	2,170	(4,124)
Profit (loss)	40,171	10,091
Undivided profits	**97,683**	**76,306**
	177,683	**156,306**

The changes in the balances of shareholders' equity accounts during the period are reported in detail in the statement of changes in shareholders' equity presented above.

As of 30 June 2007, the share capital amounted to €80 million and consisted of 421,794,706 ordinary shares without par value.

When approving the LM ETVE S.p.A. merger by incorporation into Sopaf S.p.A., the extraordinary shareholders' meeting of 5 May 2005 passed another resolution authorizing the issue of 28,104,600 new Sopaf 2005-2011 warrants to the holders of LM ETVE S.p.A. warrants; each of the Sopaf warrants entitles the holder to subscribe to two Sopaf S.p.A. ordinary shares without par value at a price of €0.50 per share, inclusive of share premium. As a consequence, the shareholders authorized a share capital increase for up to €28,104,600, to be completed through one or more transactions, for the purpose of servicing the Sopaf warrants, with the warrant holders entitled to subscribe a maximum of 56,209,200 Sopaf shares during the period from 18 March 2006 to and including 31 December 2011.

The decrease in the valuation reserve is mainly attributable to the sale of the investments in Omniapartecipazioni /IMMSI and the Aster Fund. The reserve as of 30 June 2007 refers to the investments held in Delta S.p.A. (€43,471,000), Sadi S.p.A. (€2,500,000), Five Stars S.a.r.l. (€2,959,000), IMMSI S.p.A. (€1,915,000), Immobiliare Appia S.r.l. (€1,866,000), Advanced Accelerator Applications SA (€2,607,000), Green Bit S.p.A. (€1,798,000), and a decrease in the fair value of the investments held in Beven Finance S.a.r.l. (€(1,818,000), and the PWM funds (€44,000).

18 Minority interests

The components of the minority interests account are reported in the table below:

	30/06/2007	31/12/2006
Capital and reserves	3,221	23,380
Profit (loss)	120	(57)
	3,341	**23,323**

The decrease in the minority interests is mainly attributable to the elimination of the investment in Star Venture I (in liquidation) following the liquidation of the same.

NON-CURRENT LIABILITIES

19 Due to banks and other lenders

	30/06/2007	31/12/2006
Bank financing	22,174	39,207
Financial debt due to affiliate companies	3,081	-
Due to other lenders	4,219	2,153
	29,474	**41,360**

The bank financing includes:

- €11,250,000 of medium-/long-term liabilities on loans totalling €17,250,000; €6,000,000 of the debt come due before 30 June 2008; the financing is backed by the pledge of 23,001 shares of LM & Partners S.C.A. (in liquidation) owned by Sopaf S.p.A;
- €7,952,000 with reference to two loans from leading banks with a term of 18 months less one day; the loans total €9,952,000, with the difference classified as a current liability;
- **€**3,004,000 of medium-term financing secured by LM Real Estate to support its investment activity.

The bank financing decreased by €17 million mainly as a result of a decrease in the borrowings of the subsidiary, LM & Partners S.C.A. (in liquidation), to support the investment made in the closed-end real estate fund, Aster Fund; the debt as transferred with the sale of the investment in the fund on 29 June 2007

All of the bank financing matures within five years.

The financial debt due to affiliate companies includes financing from the subsidiary, LM & Partners S.C.A. (in liquidation) (€3,000,000) and Sopaf Asia S.r.l. (€81,000) due to the affiliate company, China Opportunity S.a. Sicàr.

The amounts due to other lenders reflect the medium-term portion (€4,219,000) of financing secured by the holding company, Sopaf S.p.A., for the factoring of receivables without recourse.

20 Financial leases payable – non-current portion

Pursuant to IAS 17, the account includes €8,924,000 of the principal amount due on a property lease, which is reviewed in the comments on tangible fixed assets.

21 Other liabilities

The other liabilities of €24,932,000 reflect an increase of €12,380,000 and include:

- €13,948,000, which is the non-current portion of debt contracted with the third-party shareholders of LM & Partners S.C.A. (in liquidation) for the purchase of the minority shareholdings in the company. Some €6,266,000 of the non-current portion of the debt mentioned above consists of borrowings formalized through the issue of promissory notes maturing on 31 December 2009. The amounts of the promissory notes already incorporate the interest due to maturity, adjusted for the portion thereof related to future year (€616,000). The residual amount of the non-current portion of the debt mentioned above (€7,682,000) consists of amounts due beyond one year, that are to be paid out according to a repayment plan providing for principal payments in June 2008 and December 2009; this amount bears interest at a rate of 4% per annum.
- €10,938,000, which is the non-current portion of debt contracted with the third-party shareholders of Star Venture I Scpa; such debt was booked by Sopaf S.p.A. as provided by a plan established for the distribution of assets and liabilities upon the company's liquidation (which was completed in the first half of 2007); according to the terms and conditions of the contract, the debt matures in December 2008-2009; this amount bears interest at a rate of 4% per annum.

The increase with respect to the prior period is mainly due to the deconsolidation of Star Venture I Scpa upon liquidation of the same, and the consequent registration of the holding company's liabilities with respect to the minority shareholders of Star Venture I. It is noted that the latter company had a receivable from the parent company for the purchase of a minority interest in LM & Partners S.C.A.

22 Pension and employment-severance liabilities

	30/06/2007	31/12/2006
Employment-severance liabilities	295	249
	295	**249**

The employment-severance liability reserve has a balance of €295,000, and incorporates the liabilities accrued primarily in favour of office personnel. The reserve refers to the holding company and the subsidiary companies operating in Italy.

23 Deferred tax liabilities

The account balance of €4,529,000 mainly refers to the tax liabilities computed on the changes in the fair value of the shareholdings available for sale.

24 Provisions

	30/06/2007	31/12/2006
Reserves for risks and chares	1,883	2,660
	1,883	**2,660**

The account includes provisions for future tax obligations of foreign subsidiary companies (€643,000) and provisions to cover current obligations whose settlement is deemed probable (€424,000). Roughly €500,000 of the balance refers to provisions set aside by the subsidiary, LM Real Estate S.p.A., with respect to a real estate transaction subject to contractual restrictions linked to the perfection of the transaction.

The account also includes a €289,000 provision to back a patronage letter issued by Sopaf S.p.A. in favour of a leading bank in order to guarantee a receivable (of the same amount) claimed by Sopaf S.p.A. with respect to Formula Sport Group S.r.l., an affiliate company in bankruptcy.

CURRENT LIABILITIES

25 Due to banks and other lenders

The account balance of €50,279,000 reflects a decrease of €31,047,000, and consists of the following:

	30/06/2007	31/12/06
Bank financing	47,551	81,196
Due to other lenders	2,728	130
	50,279	**81,326**

The bank financing mainly includes:

- €5,059,000: line of credit used by the holding company to cover overdrafts and guaranteed by tax credits whose reimbursement had been claimed and was settled in August 2007;
- €16,035,000: line of credit granted to the holding company by a leading bank, which is used for covering temporary cash needs;
- €6,441,000: ordinary current-account overdrafts;
- €7,946,000: the current maturities on three loans taken out by the holding company to finance investments and to cover various operating needs;
- €1,000,000: the current maturities on a loan secured by LM Real Estate S.p.A. to cover various operating needs;
- €9,006,000: the current maturities on a loan secured by LM Real Estate S.p.A. guaranteed by the residual packet of IMMSI shares;
- €5,442,000: line of credit granted to Tergeste Fund.

In comparison with 31 December 2006, the balance of bank debt decreased by:

- €37,100,000, following the repayment of a loan that had been secured by the subsidiary, ACAL S.p.A., for the purchase of the investment in Delta S.p.A. and had been backed by the pledge of the Delta S.p.A. shares;
- €10,400,000, following the repayment of a loan that had been secured by LM Real Estate for the subscription of an Omniapartecipazioni S.p.A. capital increase, and had been backed by the pledge of the Omniapartecipazioni S.p.A. shares.

The amount due to other lenders refers to a fiduciary financing totalling €2,689,000, and includes the interest due to the final maturity of 6 March 2008, which has been adjusted in the prepayments account for the portion related to future years.

26 Trade accounts payable

The account balance of €2,850,000 reflects a decrease of €265,000.

The account consists of the following:

	30/06/2007	31/12/06
Trade accounts payable	2,850	3,115
	2,850	**3,115**

Trade accounts payable mostly cover obligations for the supply of services.

27 Other liabilities

The account balance of €14,697,000 reflects a decrease of €9,167,000.

The account consists of the following:

	30/06/2007	31/12/06
VAT payable	10	1
Taxes payable	452	236
Due to social-welfare institutions	349	217
Other payables	13,623	23,202
Accrued liabilities and deferred income	263	208
	14,697	**23,864**

Accrued liabilities mostly reflect interest expense on bank financing and expenses of an operational nature.
Other payables mainly include:

- €5,121,000: the current portion of debt contracted with the minority shareholders of LM & Partners S.C.A. (in liquidation) for the transaction covering the purchase of the shares held by such shareholders; the transaction is discussed in various sections of this document;
- €5,634,000: the current portion of debt contracted with the minority shareholders of Star Venture I Scpa; such debt was booked by Sopaf S.p.A. as provided by a plan established for the distribution of assets and liabilities upon the company's liquidation (which was completed in the first half of 2007);
- €414,000: compensation due to the members of the Board of Directors and Board of Statutory Auditors;
- €611,000: deferred salaries and wages due to full-time personnel.

PROFIT AND LOSS STATEMENT

Considering important changes in the consolidation area and the typical nature of the activity carried out by the Sopaf Group, the comparability of the data with the prior year data and the date for the corresponding period of the previous year is not significant. In addition, in 2006, Sopaf S.p.A. changed its fiscal year end. For the effect of such change, the first-half data as of 30 June 2007 are compared with the corresponding interim period for the 2006 fiscal year (obtained as the difference between the annual figures as of 30 June 2006 and the first-half figures as of 31 December 2005) and with the data for the six-month year ending 31 December 2006.

Following are comments on the principal accounts of the profit and loss statement.

28 Revenues

The principal components of revenues are set out in the table below:

	01/01/2007 30/06/2007	01/01/2006 30/06/2006	01/07/2006 31/12/2006
Service revenues	412	44	1,095
Commission revenues	2,204	1,184	512
Other revenues	404	-	-
Revenues from property sales	-	23,126	1,345
	3,020	**24,354**	**2,952**

Service revenues include amounts earned on the rendering of advisory and commercial services, and other revenues for services related to the activity in the real estate business.
The commission revenues refer to management commissions accrued by PWM SGR S.p.A., Sopaf Capital Management SGR S.p.A. and Sopaf Asia S.a.r.l.
As shown by the table, the Group did not accrue any revenues from property sales during the first half of 2007; such change is reflective of the deconsolidation of property assets as a result of their sale to third parties in prior periods.

29 Other income

The principal components of the account are set out in the table below:

	01/01/2007 30/06/2007	01/01/2006 30/06/2006	01/07/2006 31/12/2006
Other income	886	1,144	-
Rental income	100	112	119
Capital gains on sale of shareholdings	0	2	1,952
	986	**1,258**	**2,071**

30 Materials purchases and external services

The components of the account are set out in the table below:

	01/01/2007 30/06/2007	01/01/2006 30/06/2006	01/07/2006 31/12/2006
Change in inventories	-	(49,071)	(2,698)
Consulting services	2,324	3,458	1,671
Commissions on financial assets	487	62	200
Commissions on services	100	436	160
Administrative services	743	646	832
Legal services	462	142	377
Compensation to directors	1,129	385	834
Compensation to statutory auditors	111	53	42
Expense reimbursements	132	54	79
Leases	263	261	287
Rentals	150	17	78
Insurance	109	38	99
Utilities	204	64	77
Purchases of materials and goods	57	24	40
Property operating costs	1	5,183	571
Property purchases	-	60,168	1,745
	6,272	**21,920**	**4,394**

As shown by the data in the table above, the two periods are not comparable, with the balances of property operating costs, changes in inventories and property purchases all markedly decreasing due to the deconsolidation of the real estate activities sold to third parties.

31 Personnel expense

The components of the account are set out in the table below:

	01/01/2007 30/06/2007	01/01/2006 30/06/2006	01/07/2006 31/12/2006
Salaries and wages	1,834	795	1,621
Social-welfare charges	545	186	395
Provision to employment severance indemnity reserve	263	25	60
	2,642	**1,006**	**2,076**

The personnel expense for the first half of 2007 is significantly higher than the amount booked for the first six months of 2006, mainly due to the recruitment of personnel needed for handling the reinstatement of various activities at the holding company. Compared with the balance as of 31 December 2006, the increase in the first half of 2007 is mainly attributable to costs for the personnel of the funds management companies that recently became part of the Group's consolidation area.

32 Other operating expenses
The components of the account are set out in the table below:

	01/01/2007 30/06/2007	01/01/2006 30/06/2006	01/07/2006 31/12/2006
Bank expenses	412	665	538
Taxes and duties	980	692	1,131
Miscellaneous operating expenses	805	267	1,108
Other charges	1,230	416	201
	3,427	**2,040**	**2,978**

The taxes and duties mostly cover the costs for non-deductible VAT.
The other charges mainly refer to costs of a settlement agreement formalized with a counterparty (€286,000) and the impact on the profit and loss statement of certain costs related to the restructuring of a building that were previously capitalized (roughly €500,000).

33 Risk provisions and writedowns

	01/01/2007 30/06/2007	01/01/2006 30/06/2006	01/07/2006 31/12/2006
Provisions per risks	295	-	-
Writedowns of shareholdings	10,000	5,700	59
	10,295	**5,700**	**59**

The writedowns of shareholdings mainly refer to the writedown of the investment in Coronet (€10,000,000) which is explained in detail in Account 8 - Financial assets.

34 Depreciation and amortization
The components of the account are set out in the table below:

	01/01/2007 30/06/2007	01/01/2006 30/06/2006	01/07/2006 31/12/2006
Amortization of intangible fixed assets	39	3	14
Depreciation of tangible fixed assets	391	22	127
	430	**25**	**141**

35 Gains (losses) on the disposal of non-current assets
In order to make it easier to measure the actual trend of normal operations, a separate indication is provided of the revenue and expense components arising from transactions covering the sale of non-current assets.
The gains (losses) on the disposal of non-current assets include:
- the capital gains/losses on the sale of shareholdings in subsidiary companies;
- the capital gains/losses on the sale of those shareholdings classified as assets available for sale and booked as other non-current financial assets.

The components of the account are set out in the table below:

	01/01/2007 30/06/2007	01/01/2006 30/06/2006	01/07/2006 31/12/2006
Capital gains on sale or liquidation of controlling interests:			
Forobonaparte S.r.l.	-	-	1,100
Forobonaparte Due S.r.l.	-	-	1,196
Cruiser S.r.l.	-	-	12
Tivoli 101 S.r.l.	-	-	89
Telma S.r.l	-	-	1,945
Intarch S.a.r.l	-	-	2
Tauceti S.r.l.	-	-	2
Buena Su erte S.r.l.	-	-	1
Facere S.r.l	-	-	1
	-	**-**	**4,348**
Capital losses on the distribution effected upon liquidation of subsidiary companies:			
Star Venture I S.c.p.a. (in liquidation)	(890)	-	-
	(890)	**-**	**-**
Capital gains on sale of non-current financial assets:			
Omniapartecipazioni S.p.A./IMMSI S.p.A.	49,175	-	-
IMMSI S.p.A. (other sales by LM Real Estate S.p.A.)	1,817		
Fondo Aster	17,248	-	-
Valgardena AIP	-	-	3,000
	66,423	**-**	**3,000**
Capital losses and related charges on disposal of assets available for sale:			
Fondo Aster	(6,595)	-	-
Omniapartecipazioni S.p.A.	(711)	-	-
Bama S.r.l.	-	-	(688)
	(7,306)	**-**	**(688)**
Capital losses on sale of shareholdings:			
LM LS S.p.A	-	-	(483)
Star Venture I S.c.p.A. (in liquidation)	-	-	(98)
	-	**-**	**(581)**
Income from acquisitions of interests in subsidiary companies			
LM & Partners S.C.A. (in liquidation)	-	-	2,227
	-	**-**	**2,227**
Gains (losses) on disposal of non-current assets	**60,044**	**-**	**8,306**

For the six months ending 30 June 2007, the balance includes a total net capital gain of €48.5 million derived from the sale of the investment in Omniapartecipazioni S.p.A./IMMSI S.p.A.

The following table provides a summary of the capital gain reported:

	Omnia partecipazioni S.p.A.	IMMSI S.p.A.	Capital Gain
Disposal transactions by LM Real Estate S.p.A.			
Carrying value of investment in Omniapartecipazioni S.p.A. as of 1.1.2007:			
Cost	27.451		
Fair value valuation	**27.451**		
Sale of 1,470,000 shares of Omniapartecipazioni S.p.A.:			
Cost	(3.754)		
Sale price	10.953		
Capital Gain	**7.199**		**7.199**
Sale transactions by Mercato 24 S.r.l.			
Contribution from non-proportional divestiture by Omniapartecipazioni S.p.A. of pro-rata equivalent of investment in Omniapartecipazioni S.p.A.		23.697	
Sale of 3,000,000 shares of IMMSI S.p.A.:			
Cost		(1.853)	
Sale price		6.585	
Capital gain reported in consolidated financial statements		**4.732**	**4.732**
Sale of 30,000,000 shares of IMMSI S.p.A.:			
Cost		(18.532)	
Sale price		65.850	
Capital gain reported in consolidated financial statements		**47.318**	**47.318**
Capital gain reported in consolidated financial statements			**59.248**
Sale-related charges			(711)
Capital gain reported in consolidated financial statements			**58.537**
Contribution from non-proportional divestiture by Omniapartecipazioni S.p.A. of pro-rata portion of debt			(10.073)
Net capital gain reported in consolidated financial statements			**48.464**

The capital losses on the distribution effected upon liquidation of subsidiary companies includes the loss arising from the lower value overall of the cost of the investments held by the Group in the capital of the Luxembourg-based Star Venture I Scpa compared with the company's net equity computed with the plan established for the distribution of assets and liabilities upon the the company's liquidation during the first half of 2007. Such difference was recognized on the deconsolidation of Star Venture I and of the Group's subsidiaries holding investments in Star Venture I Scpa (Mgo Lux SA, Vegastar SA and Star Venture Management SA), and was booked to the profit and loss statement for €890,000.

36 Earnings accrued on shareholdings valued with net equity method

The account includes:

- the pro-rata share of the earnings (losses) of the companies valued with the net equity method, inclusive of any impairment losses;
- the capital gains/losses realized on the sale of shareholdings valued with the net equity method;
- the capital gains/losses corresponding to the annual net earnings (losses) of shareholdings no longer consolidated on a line-by-line basis due to a sale of interests in the companies that vests the controlling interest in the same with parties outside of the Group;
- the writedowns of investments in companies valued with the net equity method, for which the Group's share of losses exceeds the carrying value of the investment, to the extent the Group has actual obligations to cover the losses.

The account consists of the following:

	01/01/2007 30/06/2007	01/01/2006 30/06/2006	01/07/2006 31/12/2006
Pro-rate earnings			
Polis Fondi SGR.p.A	151	178	172
Delta S.p.A.	368	4,012	1,581
Blue Skye S.c.a.r.l.	-	14	-
Five Stars S.A.	472	714	115
Sopaf Capital management SGR S.p.A. (f/k/a Cartesio Alternative Inv. SGR S.p.A.)	18	44	35
Essere S.p.A.	301	-	150
China Opportunity Sa	143	-	
AFT S.p.A	31	552	22
Telma S.r.l	38	-	-
Agorà S.r.l.	38	-	-
Valim S.r.l.	33	-	-
Firanegocios L.S.	31	-	-
Co.se S.r.l.	-	33	1
	1,624	**5,547**	**2,076**
Pro-rata losses			
Sadi S.p.A.	-	(590)	-
Vector 101 S.r.l.	-	(300)	-
S. Apostoli S.r.l.	-	(2)	-
Telma S.r.l.	-	-	(44)
S.F.E.R.A. S.r.l.	(1)	(2)	(2)
Beven Finance S.àr.l.	(9)	(3)	(18)
Petunia S.p.A.	(13)	-	(19)
Giallo Milano S.r.l.	-	(38)	-
Nearco S.a.r.l.	(2)	-	-
Buena Suerte S.r.l.	(6)	-	-
Facere S.r.l.	(5)	-	-
Intarch S.r.l.	(9)	-	-
Tau Ceti S.r.l.	(6)	-	-
Firanegocios S.L.	-	(1)	(7)
Essere S.p.A.	-	(153)	-
	(51)	**(1,089)**	**(90)**
Writedowns of investments:			
AFT S.r.l.	-	-	(410)
Telma S.r.l.	-	-	(70)
Essere S.p.A.	-	-	(26)
Vector 102 S.r.l	-	-	(46)
	-	**-**	**(552)**
Capital gains (losses) on sale of investments			
Vector 101 S.r.l.	-	-	5,284
Buena Suerte S.r.l.	-	-	18
Facere S.r.l.	-	-	18
Intarch S.r.l.	-	-	27
Tau Ceti S.r.l.	-	-	25
Delta S.p.A.	-	-	790
S. Apostoli S.r.l.	-	-	1,591
Giallo Milano S.r.l.	-	-	1,531
Telma S.r.l.	-	-	111
Agorà S.r.l.	-	-	(91)
Valim S.r.l.	-	-	(79)
AFT S.p.A.	(348)	-	-
Megabeam S.p.A.	-	49	-
	(348)	**49**	**9,225**
Pro-rata earnings (losses)	**1,225**	**4,507**	**10,659**

The capital gains (losses) on the sale of investments refer to the consolidated capital loss booked on the sale of 10.86% of AFT S.p.A. held at a Group level.

37 Net financial income (charges)

The account consists of the following:

	01/01/2007 30/06/2007	01/01/2006 30/06/2006	01/07/2006 31/12/2006
Interest income	461	23	1,585
Dividends	3,858	7	977
Capital gains on shareholdings	7	51	-
Capital gains on securities and other financial assets	-	2,813	-
Foreign-exchange income	4	-	1
Financial income	**4,330**	**2,894**	**2,563**
Foreign-exchange losses	(3)	-	(1)
Capital losses on securities and other financial assets	(3)	(69)	-
Interest expense	(3,566)	(2,358)	(6,393)
Financial charges	**(3,572)**	**(2,427)**	**(6,394)**
Financial income	-	(2,893)	-
Financial charges	-	1,269	-
Change in consolidation area	**-**	**(1,624)**	**-**
	758	**(1,157)**	**(3,831)**

Dividends include dividends received by the subsidiary, LM Real Estate S.p.A., that were distributed by Omniapartecipazioni S.p.A.

38 Income taxes

The tax provision consists of the following amounts:

	01/01/2007 30/06/2007	01/01/2006 30/06/2006	01/07/2006 31/12/2006
- Corporate income tax	(128)	(1,299)	(1,545)
- Regional tax on productivity	(44)	(272)	(109)
- Other taxes	(17)	-	-
Total current taxes	**(189)**	**(2,545)**	**(1,654)**
Deferred tax liabilities	(279)	-	(310)
Deferred tax assets (liabilities)	(2,208)	9,822	1,489
Total deferred taxes	**(2,487)**	**-**	**1,179**
Total income taxes	**(2,676)**	**(8,251)**	**(475)**

The deferred tax assets (liabilities) refer to the usage of deferred tax assets (€2,497,000), as described in the comments on Account 11 - Deferred tax assets, and deferred tax liabilities (€289,000). It is noted that the usage of the deferred tax assets was computed by taking into account (i) the merger by incorporation of LM Real Estate S.p.A., Acal S.p.A. and Ida S.r.l. into the holding company, as approved by the board of directors on 12 September 2007, whose accounting and tax effects are retroactive to 1 January 2007 and (ii) the best estimate of the average tax rate expected for the full year of 2007.

39 Minority interests

The earnings of minority interests amounted to €120,000 and consisted of the amounts shown in the table below:

	01/01/2007 30/06/2007	01/01/2006 30/06/2006	01/07/2006 31/12/2006
Minority interests' share of invested companies' earnings	120	4,607	(57)
Performance fees accrued	-	(375)	-
	120	**4,232**	**(57)**

The balance of the account has been almost zeroed out with respect to the first half of 2006 inasmuch as the transaction to purchase the minority shareholders' investments in the subsidiary, LM & Partners S.C.A., and the liquidation of Star Venture I Scpa had not yet been decided as of mid-2006.

40 Primary earnings per share and diluted earnings per share

The Group reports primary earnings per share and diluted earnings per share as required by IAS 33. Primary earnings per share is equal to consolidated net profit divided by the number of ordinary shares. For diluted earnings per share, the earnings attributable to the holders of the ordinary capital instruments of the holding company, Sopaf S.p.A., are adjusted to take into account the effects of all potential ordinary shares with a dilutive effect.

The primary earnings per share and diluted earnings per share are shown in the table below:

(in €)	01/01/2007 30/06/2007	01/01/2006 30/06/2006	01/07/2006 31/12/2006
Primary earnings (loss) per share	0.0955	0.0155	0.0239
Diluted earnings (loss) per share	0.0921	0.0148	0.0229

Details of the computations are presented hereunder:

Primary earnings per share:

The primary earnings per share is calculated by dividing the earnings attributable to the holders of the ordinary capital instruments of the holding company, Sopaf S.p.A., by the weighted average number of ordinary shares outstanding during the accounting period.

Diluted earnings per share:

The diluted earnings per share takes into account the potential reduction in earnings as a result of the exercise of warrants issued, with the assumption that all potential ordinary shares would be converted into ordinary shares. Accordingly, the diluted earnings attributable to the holders of ordinary capital instruments are adjusted by the after-tax amount, if any, of dividends and interest reported during the period with reference to the potential ordinary shares and to reflect the change of income and charges that could occur from the conversion of the potential ordinary shares having dilutive effects.

The number of shares considered for the calculation of diluted earnings per share is the sum of the ordinary shares outstanding and the number of ordinary shares to be issued upon the conversion of all warrants (two ordinary shares for each of the 28,104,600 warrants) with conversion rights that could dilute the ordinary shares.

For the purpose of determining the weighted average number of shares, it was assumed that the warrants would be converted starting on 30 June 2007.

42 Consolidated net financial position

As of 30 June 2007, the Sopaf Group S.p.A. had net financial debt of €76,481,000, which was computed as follows:

SOPAF GROUP

in € 000's

	NET FINANCIAL POSITION	30.06.2007	31.12.2006	30.06.2006
A)	Cash on hand	783	847	610
B)	Other cash and cash equivalents	5.325	1.573	15.039
C)	Securities held for trading	-	-	-
D)	**TOTAL LIQUIDITY (A+B+C)**	**6.108**	**2.420**	**15.649**
E)	Current financial receivables	**3.007**	**3.132**	**12.578**
F)	Current bank debt	26.146	61.624	47.152
G)	Current maturities of long-term debt	21.405	19.572	10.244
H)	Other current financial debt	2.728	130	2.819
I)	**CURRENT FINANCIAL DEBT (F+G+H)**	**50.279**	**81.326**	**60.215**
J)	**NET CURRENT FINANCIAL DEBT (I-E-D)**	**41.164**	**75.774**	**31.988**
K)	Non-current bank debt	22.174	39.207	102.736
L)	Bonds issued	-	-	-
M)	Other non-current debt	13.143	6.753	21.616
N)	**NON-CURRENT FINANCIAL DEBT (K+L+M)**	**35.317**	**45.960**	**124.352**
O)	**NET FINANCIAL DEBT (J+N)**	**76.481**	**121.734**	**156.340**

The improvement of the net financial position over that at 31 December 2006 is related to the benefits of the cash flows sourced from the sale of investments, namely, Omniapartecipazioni / IMMSI and the Aster real estate fund. The Group was thus able to reduce both short- and medium-term debt.

43 Guarantees and commitments

As of 30 June 2007, the following guarantees had been issued:

- €69,019,000: the pledge of units in the FIP (Fondo Immobili Pubblici) Fund to guarantee medium-/long-term financing made available to the affiliate, Five Stars S.A., and used for investment in the closed-end F.I.P. Fund;
- €5,706,000: Coronet S.p.A. shares representing a 30% interest in the share capital, provided as a guarantee to a leading bank for financing granted to Coronet S.p.A.;
- €3,704,000: securities issued by companies in which investments are held, provided as a guarantee to leading banks for short-/medium-term financing; specifically, 23,001 shares of LM & Partners S.C.A. (in liquidation) with a nominal value of €2,300,000 and 2,700,000 shares of Sadi S.p.A. with a current value of €1,404,000 ;
- €20,565,000: guarantees issued to credit institutions for the transfer of tax credits whose reimbursement has been claimed in prior years;
- €11,100,000: the market value as of mid-2007 of 4,831,993 shares of IMMSI S.p.A. pledged to guarantee short- and medium-term bank financing;

- €20,476,000: commitments on financial leases covering properties are still subject to inspection;
- €289,000: patronage letter issued in favour of a company sold by the holding company, Sopaf S.p.A., in prior years;
- €590,000: a guarantee issued to third parties by the holding company, Sopaf S.p.A., in the interest of Codis S.p.A.;
- €237,000: patronage letter issued in favour of a credit institution in the interest of the Group company, Green Bit S.p.A.

As of 30 June 2007, LM Real Estate S.p.A. was a party to an interest-rate swap with a reference amount of €3 million and an expiration date in June 2011; the contract was executed so as to reduce the risk of the fluctuation of interest rates on a specific financing.
The details of the contract are as follows:
- Rate parameter for the 1 July 2006 – 30 June 2007 period: 2.95%;
- Rate parameter for the 1 July 2007 – 30 June 2009 period: 3.7%;
- Rate parameter for the 1 July 2009 – 30 June 2011 period: 4.2%;
- Bank's rate parameter: 6-month EURIBOR;
- Periodic expiration of rate parameter: 6 months;
- Payment/collection frequency: semi-annual.

It is also noted that the Group company, Essere S.p.A., has an agreement with Banco Popolare di Verona e Novara for the distribution of mortgages. With the payment of the commissions for the placement activity, the bank is entitled, at the end of every three-year period from the date of the agreement, to require Essere S.p.A. to pay back the commissions received over the three-year period, on the basis of a formula that takes into account the loans classified as "non-performing" by the bank. The maximum amount that can be returned to the bank is €1 million. While the obligation may entail the disbursement of resources, the amount of the disbursement cannot be currently estimated since its occurrence is related to the manifestation of a future event that is not certain.

44 Transactions between Group companies and transactions with related parties

The following information on transactions with related parties is disclosed pursuant to the provisions of CONSOB Notices n. 97001574 of 20 February 1997, n. 98015375 of 27 February 1998 and DEM 2064231 of 30 September 2002, and the provisions of IAS n. 24 "Related Parties Disclosures" issued by International Accounting Standards Board (I.A.S.B.).

Relationships exist between the holding company, subsidiaries and affiliates, all of which are governed by normal market conditions.

- Revenue/expense relationships with related parties

The table below summarizes the impact of transactions with related parties on the profit and loss statement as of 30 June 2007; the related parties are defined pursuant to IAS 24.

Valori in migliaia di Euro

	Proventi diversi	Servizi
Essere SpA	-	(2)
So.Pa.F. S.p.A.	1	-
Totali	**1**	**(2)**

- Receivable/payable relationships with related parties

The table below summarizes the impact of transactions with related parties on the balance sheet as of 30 June 2007; the related parties are defined pursuant to IAS 24.

(in € 000's)

Counterparty	Trade Receivables from Affiliate Companies	Financial Receivables from Affiliate Companies	Financial Receivables from Companies in Which Investments are Held	Financial Liabilities to Affiliate Companies	Trade Payables to Consolidated Companies in Which Investments are Held	Financial Liabilities to Consolidated Companies in Which Investments are Held	Receivables (Payables) Balance
Sopaf S.p.A.	67	37	-	-	-	-	**104**
LM Real Estate S.p.A.	75	-	3.008	-	-	-	**3.083**
LM&Partners SCA	-	-	1.256	(3.000)	-	-	**(1.744)**
Fondo Tergeste	-	6.851	390	-	-	-	**7.241**
Sopaf Asia S.r.l.	-	-	-	(81)	-	-	**(81)**
Investments in non-consolidated affiliate companies:							
Five Stars Sarl	-	-	-	-	(30)	-	**(30)**
Neaco SA	-	-	-	-	-	(22)	**(22)**
Petunia S.r.l.	-	-	-	-	(29)	-	**(29)**
Sfera S.r.l.	-	-	-	-	-	(15)	**(15)**
Demofonte S.r.l.	-	-	-	-	-	(3.008)	**(3.008)**
Cose S.r.l.	-	-	-	-	-	(188)	**(188)**
Res Renerys AG	-	-	-	-	-	(1.256)	**(1.256)**
Telma S.r.l.	-	-	-	-	-	(6.671)	**(6.671)**
Immobiliare Appia S.r.l.	-	-	-	-	-	(390)	**(390)**
China Opportunity SA	-	-	-	-	-	3.081	**3.081**
Polis Fonso Sgrpa	-	-	-	-	-	(75)	**(75)**
Total relationships with Group companies	**142**	**6.888**	**4.654**	**(3.081)**	**(59)**	**(8.544)**	**0**

The financial receivables with respect to affiliate companies are mainly related to shareholder financing secured by the Tergeste Fund with respect to the companies transferred to the fund (Telma S.r.l., Co.se S.r.l. and Immobiliare Appia) (roughly €6.8 million).
The financial receivables with respect to companies in which investments are held include shareholder financing disbursed by LM Real Estate S.p.A. to Demofonte S.r.l. (€3,008,000) and mezzanine financing made available by LM & Partners S.C.A. to Res Renergys AG, a company partially owned by ResFinco (€1.2 million).
The financial liabilities with respect to affiliate companies are mainly related to the LM & Partners S.C.A.'s debt to China Opportunity SA (€3,000,000), all of which was paid out after 30 June 2007.

45 Significant, non-recurring events and transactions

In accordance with the CONSOB Notice of 28 July 2006, it is noted that the Group was not a party to any significant, non-recurring transactions during the six months ending 30 June 2007.

46 Atypical and/or unusual transactions

In accordance with the CONSOB Notice of 28 July 2006, it is noted that the Sopaf Group did not enter into any atypical and/or unusual transactions during the six months ending 30 June 2007. As defined by said Notice, atypical and/or unusual transactions are those transactions which, because of their significance/importance, nature of the counterparties, subject of the transaction, means for determination of their price and timing of execution (near the end of the year), could give rise to doubts in relation to: the accuracy/completeness of the financial statement information, conflicts of interest, the protection of the company's capital, and/or the protection of minority shareholders.

47 Subsequent events

The comments on events subsequent to 30 June 2007 included in the directors' report are replicated in this section of the notes to the financial statements for the purpose of ensuring more comprehensive disclosure.

At an extraordinary meeting held on 5 July 2007, the shareholders of Delta S.p.A. approved a capital increase following changes in legislation that resulted in Delta's registration as of 1 January 2007 on the register referenced in Article 64 of the Consolidated Banking Act. As a result of such registration, Delta needs to guarantee to the regulatory authorities a level of capitalization different from the current level.
The discussion of the capital increase, the means for effecting the capital increase and the presentation of a revised business plan evidenced differences in the strategic positions of the shareholders, so much so that, as an immediate consequence thereof, on 16 July 2007, a shareholder agreement that had provided for the governance of Delta to that date was dissolved.
Furthermore, following the resignation of several members of the board of directors in June 2007, the shareholders appointed a new board of directors on 18 July 2007. There is no representative of the Sopaf Group (owner of 24% of Delta S.p.A.) or the Banco Popolare (owner of 24% of Delta S.p.A.) on the new board of directors.
The chronology of these events has radically changed the governance of Delta: the dissolution of the shareholder agreement and the exclusion of a Sopaf representative on the new board of directors of Delta S.p.A. are decisive factors for ruling out the premise of significant influence as defined by IAS 28, the international accounting principle covering the reporting of investments in affiliate companies.
Accordingly, in light of the events occurring during the first half of 2007, culminating in the appointment of a new board of directors, the investment in Delta S.p.A. has been reclassified among "assets available for sale" and as a result, the investment is stated at fair value, with any gains or losses with respect to the previous carrying value being booked directly to shareholders' equity.

On 29 July 2007, Sopaf S.p.A. sold units in the hedge fund of funds, PWM AIGGIG Multimanager Fund, to third-party investors, for an amount equal to €1.5 million, thereby reducing the investment of Sopaf S.p.A. as a financial co-sponsor to €13 million.

On 1 August 2007, with reference to the irrevocable offer submitted on 29 June 2007 as described among the events occurring during the first half of the year, Sopaf S.p.A. ("Sopaf"), De Agostini Invest SA, and Aviva Italia Holding S.p.A. ("Aviva") entered into an agreement with the Banco Popolare Soc. Coop. for the acquisition of 79.73% of the share capital of Banca Bipielle Network S.p.A. ("BPL NET") for €104,724,223. The transaction was perfected following the procurement, as previously mentioned, of the authorization of the regulatory authorities on 25 June 2007.
With the completion of the acquisition, the BPL NET shareholder base will consist of: Petunia S.p.A. (49.75%), Banco Popolare Soc. Coop. (19.90%), Sopaf (14.99%), De Agostini Invest SA (14.99%) and New Era SA (0.37%). Petunia is owned by: Aviva, which has legal control over the company pursuant to Article 2359 of the Italian Civil Code, inasmuch as it holds 51% of the voting rights, and Sopaf, which holds the remaining 49% of the voting rights and 59.38% of the economic rights.
As of the same date, Sopaf and Aviva agreed on two contracts with the Banco Popolare Soc. Coop. for the purpose of acquiring 100% of the share capital of Area Life International Assurance Ltd and 100% of the share capital of Aviva Previdenza S.p.A. (with Aviva taking 55% and Sopaf taking 45%). The transactions were agreed at the following prices: €23,500,000 for Area Life (except adjustments in relation to changes in shareholders' equity as of 30 June 2007) and €34,276,000 for Aviva Previdenza.
The aforementioned contracts are to be perfected by the end of September 2007 and the payment of the price is to take place upon the transfer of the shares. The acquisition of Aviva Previdenza S.p.A. is subject to the procurement of the necessary authorizations as required by prevailing laws.

On 4 September 2007, Sopaf announced the conclusion of the offer under option to the SOPAF S.p.A. shareholders for a total of 56,520,463 bonds convertible into newly issued SOPAF S.p.A. ordinary shares (the "**Convertible Bonds**") in relation to the "SOPAF 2007-2012 3.875% Convertible Bond" issue.
At the end of the offer, a total of 152,120,000 option rights corresponding to 20,384,080 Convertible Bonds had been exercised for a countervalue of €17,937,990 (36.065% of the total Convertible Bonds covered by the offer), while the remaining 36,136,383 Convertible Bonds, or 63.935%. of the offer (corresponding to the option rights that had not been exercised as of the conclusion of the offer period) were subscribed by Banca Akros pursuant to an underwriting agreement signed with the issuer. The transaction thus conclude with the subscription of all 56,520,463 Convertible Bonds, for a countervalue of €49,738,007.44.

As part of the plan to simplify and streamline the Group's structure, on 12 September 2007, the Sopaf S.p.A. board of directors approved the merger-by-incorporation of LM Real Estate S.p.A., Acal S.p.A. and Ida S.p.A. into the holding company, Sopaf S.p.A. As to the accounting and tax effects, the mergers are considered effective as of 1 January 2007. As a preparatory step to the merger, on 11 September 2007, Sopaf S.p.A. purchased 100% of the share capital of the subsidiary, LM Real Estate, perfecting the acquisition of the interests held by minority shareholders: the subsidiary, LM IS S.a.r.l. (in liquidation) (10.81% for €8,541,738) and Giorgio Magnoni (0.3% for €181,739).

Exhibits

SOPAF GROUP

STATEMENT OF SHAREHOLDINGS IN AFFILIATE COMPANIES / JOINTLY CONTROLLED COMPANIES

in € 000's

		Opening Balances	Changes During the Period											
Company	% Held	Values as of 31.12.2006	Changes in Consolidation Area	Repayment from Liquidation	Purchases	Capital Increases (Reductions)	Sales	Pro-Rata Share of Profits	Dividends Paid	Pro-Rata Share of Losses	Changes in Fair Value Valuation	Coverage of Losses	Other Changes	Values as of 31.12.2006
Delta S.p.A.	24,0%	49.738	(50.106)	-	-	-	-	368	-				-	0
Polis Fondi S.G.R.P.A.	49,0%	7.983	-	-	-	-	-	151	(306)	-	-	-	-	7.828
Sila S.p.A.	27,5%	4.087	-	-	-	-	-	-	-	-	-	-	-	4.087
Sopaf Capital Management S.p.A.	100,0%	1.032	(3.928)	-	2.878	-	-	18	-	-	-	-	-	(0)
Essere S.p.A.	35,8%	838	-	-	-	-	-	301	-	-	-	-	-	1.139
Co.Se. S.r.l.	50,0%	113	-	-	-	-	-	-	-	-	-	-	(1)	112
Five Stars S.a.r.l.	99,99%	2.554	-	-	-	(30)	-	472	-	-	1.334	-	-	4.330
China opportunity sa	42,4%	5.365	-	-	-	-	(37)	143	-	-	-	-	-	5.471
Sfera S.r.l.	50,0%	38	-	-	-	-	-	-	-	(1)	-	-	-	37
Beven Finance S.à.r.l.	50,0%	13.718	-	-	-		-	-	-	(9)	(450)	-	-	13.259
AFT S.r.l.	70,8%	10.740	-	-	-	-	(3.081)	31	-	-	-	-	-	7.690
Petunia S.p.a.	55,9%	476	-	-	-	-	-	-	-	(13)	-	-	78	541
Westindustrie S.r.l.	22,0%	2	-	-	-	-	-	-	-	-	-	-	-	2
Telma	40,0%	-	-	-	-	-	-	38	-	-	-	-	-	38
Veicoli Telma	39,6%	6	-	-	-	-	-	72	-	(27)	-	-	-	51
Nearco sarl	49,0%	-	-	-	1.455	-	-	-	-	(0)	-	-	0	1.454
Pwm Aig multimanager fund	49,15%		-		14.500									14.500
Firanegocios L.S.	25,5%	2.827	-	-	-	1.020	-	31	-	-	-	-	-	3.878
		99.517	**(54.034)**	**0**	**18.833**	**990**	**(3.118)**	**1.624**	**(306)**	**(50)**	**884**	**-**	**77**	**64.417**

SOPAF GROUP

STATEMENT OF FINANCIAL ASSETS AVAILABLE FOR SALE

in € 000's

Company	% Held	Values as of 31.12.2006	Changes During the Period: Changes in Consolidation Area	Purchases	Capital Increases (Reductions)	Divestitures	Sales	Decrease for Divestiture	Writedowns	Adjustments at Fair Value	Values as of 30.06.2007
Omnia Partecipazioni S.p.A.	25,5%	81.790	-	-	-	-	(10.953)	(70.837)	-	-	0
Immsi S.p.A.	1,4%		-	-	-	35.573	(27.306)	-	-	2.858	11.125
Coronet S.p.A.	30,0%	13.400	-	-	-	-	-	-	(10.000)	-	3.400
Leisure link Ltd.	1,4%	200	-	-	-	-	-	-	-	-	200
Advanced Accelerator Applications S.A.	18,6%	3.202	-	-	-	-	-	-	-	2.752	5.954
Green BIT S.r.l.	23,7%	3.514	-	-	-	-	-	-	-	-	3.514
Forza quattro S.r.l.	15,0%	14	-	-	-	-	(14)	-	-	-	1
Demofonte S.r.l.	15,0%	2	-	-	-	-	-	-	-	-	2
Fondo Aster	33,3%	35.468	-	-	-	-	(21.775)	-	-	(13.693)	0
IMED S.r.l.	17,86%	1.500	-	-	-	-	-	-	-	-	1.500
Immobiliare Appia S.r.l.	15,0%	1.920	-	-	-	-	-	-	-	(52)	1.868
Gabetti S.p.A.	1,30%	1.622	-	-	-	-	(1.622)	-	-	-	0
Delta S.p.A.	24%	-	50.106	-	-	-	-	-	-	45.894	96.000
Sadi S.p.A.	2,92%	6.210	-	-	-	-	-	-	-	918	7.128
Fondo Valore sa	11,6%	2.000	-	-	-	-	-	-	-	-	2.000
Blue H Group Ltd.	1,60%	160	-	-	-	-	-	-	-	-	160
HSBC AM Monetarie	0,57%	1.092	-	-	-	-	-	-	-	437	1.529
Fondo PWM Global income low volatility	0,01%	1.655	-	-	-	-	-	-	-	(512)	1.143
Res Finco AG	24,72%	6.165	-	-	3.000	-	-	-	-	-	9.165
Noventi Field Venture LP	11,65%		-	74	-	-	-	-	-	-	74
Parc Eolien De S.Riquier	40,00%		-	16	-	-	-	-	-	-	16
Opzione Newmann Lowther&Associates Ltd		322	-	-	-	-	-	-	-	-	322
		160.235	**50.106**	**90**	**3.000**	**35.573**	**(61.669)**	**(70.837)**	**(10.000)**	**38.603**	**145.101**

List of Sopaf Group's shareholdings

SOPAF S.p.A.

CONSOLIDATION AREA

Company	Directly	Indirectly	Total % Held	Share Capital	Registered Office	Country	Currency	Consolidation Method
Holding company:								
Sopaf S.p.A.								
Direct subsidiary companies:								
ACAL S.p.A.	100,0%	-	100,0%	€ 120.000	Milan	Italy	Euro	Full
Cutter S.a.r.l.	100,0%	-	100,0%	€ 50.000	Luxembourg	Luxembourg	Euro	Full
IDA S.r.l.	100,0%	-	100,0%	€ 20.000	Milan	Italy	Euro	Full
LM IS S.a.r.l. (in liquid.)	100,0%	-	100,0%	€ 100.000	Luxembourg	Luxembourg	Euro	Full
LM & Partners S.C.A. (in liquid.) (*****)	89,2%	10,8%	100,0%	€ 8.228.400	Luxembourg	Luxembourg	Euro	Full
PWM Sgr.p.A.	66,7%	-	66,7%	€ 1.000.000	Milan	Italy	Euro	Full
Tergeste (***)	50,8%	49,2%	100,0%	-	Milan	Italy	Euro	Full
LM Real Estate S.p.A. (****)	89,0%	10,8%	99,8%	€ 440.000	Milan	Italy	Euro	Full
Sopaf Capital management SGR S.p.A.	100,0%	-	100,0%	€ 2.000.000	Milan	Italy	Euro	Full
LM LS S.p.A. (*)	53,0%	15,7%	68,8%	€ 563.265	Milan	Italy	Euro	Full
Tenerani srl	100,0%		100,0%	€ 50.000	Milan	Italy	Euro	Full
Direct affiliate companies:								
Polis Fondi S.gr.p.A.	49,0%	-	49,0%	€ 5.200.000	Milan	Italy	Euro	Net equity method
Petunia S.p.A.	59,4%	-	59,4%	€ 600.000	Milan	Italy	Euro	Net equity method
S.f.e.r.a. S.r.l.	50,0%	-	50,0%	€ 80.000	Milan	Italy	Euro	Net equity method
Essere S.p.A.	35,8%	-	35,8%	€ 1.095.890	Milan	Italy	Euro	Net equity method
Five Stars S.A.	99,9%	-	99,9%	€ 70.010	Luxembourg	Luxembourg	Euro	Net equity method
Aft S.r.l. (**)	40,0%	17,7%	57,76%	€ 4.354.694	Milan	Italy	Euro	Net equity method
PWM AIGGIG Multimanager Fund	49,2%		49,2%	-	Milan	Italy	Euro	Net equity method
Nearco Invest Sarl	49,0%		49,0%	€ 51.025	Luxembourg	Luxembourg	Euro	Net equity method
Direct investments:								
Coronet S.p.A.	30,0%	-	30,0%	€ 19.019.364	Milan	Italy	Euro	Fair value
Parc Eolien De S.Riquier	40,0%		40,0%	€ 37.000	Lion Sur Mer	France	Euro	Cost
Noventi Field Venture LP	11,7%		11,7%	-	Menlo Parc CA	USA	Euro	Cost
Volare S.p.A. (in liquidazione)	24,6%	-	24,6%	€ 162.732.363	Vicenza	Italy	Euro	Cost
Indirect subsidiary companies:								
- through LM & Partners S.C.A.								
Siskin S.A.		100,0%	100,0%	€ 1.722.000	Luxembourg	Luxembourg	Euro	Full
- through LM Real Estate S.p.A.								
Vector 102 S.r.l.		57,0%	56,9%	€ 10.000	Milan	Italy	Euro	Full
- through LM IS S.àr.l.								
Sopaf Asia Sarl		85,0%	85,0%	€ 12.500	Luxembourg	Luxembourg	Euro	Full
Indirect affiliate companies:								
- through LM & Partners S.C.A.								
Beven Finance S.àr.l.		50,0%	50,0%	€ 540.000	Luxembourg	Luxembourg	Euro	Net equity method
Second Mirror S.A. (in liquidazione)		36,0%	36,0%	€ 2.500.000	Luxembourg	Luxembourg	Euro	Net equity method
Mirror tre S.a.r.l. (in liquidazione)		25,0%	25,0%	€ 67.500	Luxembourg	Luxembourg	Euro	Net equity method
Westindustrie S.r.l.		22,0%	22,0%	€ 10.000	Milan	Italy	Euro	Net equity method
- through Siskin S.A.								
Sila S.p.A.		27,5%	27,5%	€ 7.340.000	Turin	Italy	Euro	Net equity method
- through Aft S.r.l.								
Linkem S.p.A.		100,0%	57,8%	€ 2.107.110	Milan	Italy	Euro	Net equity method
Linkem Service S.r.l.		100,0%	57,8%	€ 70.000	Palermo	Italy	Euro	Net equity method
- through LMIS S.a.r.l. e LM&Partners SCA								
China opportunity SA		42,4%	42,4%	€ 1.010.180	Luxembourg	Luxembourg	Euro	Net equity method
- through Fondo Tergeste								
Telma S.r.l.		40,0%	40,0%	€ 10.000	Milan	Italy	Euro	Net equity method
Intarch S.r.l.		39,6%	40,0%	€ 10.000	Milan	Italy	Euro	Net equity method
Facere S.r.l.		39,6%	40,0%	€ 10.000	Milan	Italy	Euro	Net equity method
Agorà S.r.l.		39,6%	40,0%	€ 10.000	Milan	Italy	Euro	Net equity method
Buena Suerte S.r.l.		39,6%	40,0%	€ 10.000	Milan	Italy	Euro	Net equity method
Valim S.r.l.		39,6%	40,0%	€ 10.000	Milan	Italy	Euro	Net equity method
TauCeti S.r.l		39,6%	40,0%	€ 10.000	Milan	Italy	Euro	Net equity method
Firanecogios SA		25,5%	25,5%	€ 6.800.000	Barcelona	Spain	Euro	Net equity method
Immobiliare Appia		15,0%	15,0%	€ 10.000	Milan	Italy	Euro	Fair value
Cose S.r.l.		50,0%	50,0%	€ 25.000	Milan	Italy	Euro	Net equity method
- through Nearco S.a.r.l.								
Aft S.r.l.		21,0%	57,76%	€ 4.354.694	Milan	Italy	Euro	Net equity method
Indirect investments:								
- through LM&Partners SCA								
Leisure Link Ltd.		1,4%	1,4%	n.d.		UK	Euro	Fair value
Green BIT S.r.l.		23,7%	23,7%	€ 2.577.304	Turin	Italy	Euro	Fair value
Res Finco AG		24,7%	24,7%	€ 1.000.000	Sankt Gallen	Switzerland	Euro	Fairvalue
Blue H Goup		1,6%	1,6%	€ 10.000.000	Oosterhout	Netherlands	Euro	Cost
Valore by Avere AM SCA		11,9%	11,9%	-	Luxembourg	Luxembourg	Euro	Cost
- through ACAL S.p.A.								
Delta S.p.A.		24,0%	24,0%	€ 70.700.000	Bologna	Italy	Euro	Fairvalue
- through LM LS S.p.A.								
Advanced Accellerator Applications S.A.		18,6%	12,8%	€ 3.200.000	Saint Genis Poully	France	Euro	Fairvalue
IM3d		17,9%	12,3%	€ 268.100	Turin	Italy	Euro	Cost
- through Five Stars S.A.								
Fondo Immobili Pubblici		3,4%	3,4%	-	Rome	Italy	Euro	Fair value
- through LM Real Estate S.p.A.								
Demofonte S.r.l.		15,0%	15,0%	€ 15.000	Milan	Italy	Euro	Cost
Immsi S.p.a.		1,41%	1,4%	€ 178.464.000	Mantua	Italy	Euro	Fair value
- through IDA S.r.l.								
Sadi S.p.A.		2,9%	2,9%	€ 48.204.000	Milan	Italy	Euro	Fair value
- through Beven finance sarl								
Management & Capitali S.pA.		5,5%	2,8%	€ 551.000.000	Milan	Italy	Euro	Fair value
- through PWM SGR S.p.A.								
Fondo PWM Global Income Low Volatility			0,6%	-			Euro	Fair value
Fondo HSBC AM Monetaire			-	-			Euro	Fair value

(*) 15.74% through LMIS
(**) 7.42% through LMIS
(***) 49.23% through LMRE
(****) 10.81% through LM IS
(*****) 10.84% through LM IS

SOPAF S.P.A

FINANCIAL STATEMENTS AS OF 30 JUNE 2007

BALANCE SHEET (*)

in €

	30.06.2007	31.12.2006
Intangible fixed assets	166.951	50.837
Tangible fixed assets	365.237	251.612
Shareholdings	162.080.905	145.709.877
Financial assets	10.222.613	22.499.452
Other assets	5.091.011	-
Tax credits	17.928.461	17.838.963
Deferred tax assets	8.878.236	8.910.346
Total non-current assets	**204.733.414**	**195.261.087**
Customer receivables and other trade receivables	166.762	193.159
Other receivables and other assets	16.541.267	19.229.130
Other financial assets	-	3.131.704
Cash and cash equivalents	2.576.324	225.141
Total current assets	**19.284.353**	**22.779.134**
Non-current assets held for sale	-	-
Total assets	**224.017.767**	**218.040.221**
Share capital	80.000.000	80.000.000
Other reserves	21.038.651	21.038.651
Valuation reserves	4.821.671	4.424.835
Retained earnings (losses carried forward)	(22.663.007)	(24.460.994)
Profit (loss) for the period	(16.228.373)	1.797.987
Total shareholders' equity	**66.968.942**	**82.800.479**
Due to banks and other lenders	23.388.670	21.886.683
Other liabilities	35.779.274	41.356.096
Pension and employment-severance liabilities	127.480	127.993
Provisions	289.000	289.000
Total non-current liabilities	**59.584.424**	**63.659.772**
Due to banks and other lenders	80.620.383	47.481.220
Trade accounts payable	1.274.257	1.536.881
Other liabilities	15.569.761	22.561.869
Total current liabilities	**97.464.401**	**71.579.970**
Liabilities related to assets held for sale	-	-
Total liabilities and shareholders' equity	**224.017.767**	**218.040.221**

(*)Pursuant to the CONSOB Resolution n. 15519 of 27 July 2006, the effects of the transactions with related parties on the Sopaf S.p.A. balance sheet are shown in a special balance sheet which follows.

PROFIT AND LOSS STATEMENT (*)

in €

	01.01.2007 30.06.2007	01.01.2006 30.06.2006 (**)	01.07.2006 31.12.2006
Dividends and other income from shareholdings	305.760	1.146.366	-
Capital gains (losses) on sale of shareholdings	2.017.137	1.898.018	7.971.364
(Writedowns) writebacks to value of shareholdings	(10.000.000)	(3.700.878)	(227.070)
Other operating revenues	117.095	315.557	140.973
Purchase of materials and external services	(3.014.592)	(457.774)	(2.341.515)
Personnel expense	(1.439.575)	(381.340)	(887.116)
Other operating expenses	(961.922)	(517.360)	(768.805)
Depreciation and amortization	(73.283)	(15.287)	(40.881)
Provisions to reserves for future charges	-	(85.466)	-
Profits (losses) from disposal of non-current assets	-	-	-
Operating profit	**(13.049.380)**	**(1.798.164)**	**3.846.950**
Financial income	306.386	350.855	331.806
Financial charges	(3.485.379)	(2.032.895)	(2.721.524)
Net financial income (charges)	**(3.178.993)**	**(1.682.040)**	**(2.389.718)**
Profit before taxes	**(16.228.373)**	**(3.480.204)**	**1.457.232**
Income taxes	-	8.537.480	340.755
Net profit from continuing operations	**(16.228.373)**	**5.057.276**	**1.797.987**
Net profit from operations sold	-	-	-
Net profit	**(16.228.373)**	**5.057.276**	**1.797.987**

Earnings per share (in €)			
- Primary	(0,03847)	0,01199	0,00426
- Diluted	(0,03711)	0,01150	0,00408

(*)Pursuant to the CONSOB Resolution n. 15519 of 27 July 2006, the effects of the transactions with related parties on the Sopaf S.p.A. profit and loss statement are shown in a special profit and loss statement which follows.

(*) Unaudited data. The comparative data in relation to the period from 1 January 2006 to 30 June 2006 have been taken from the financial statements as of 30 June 2006 (12 months) and from the half-year report as of 31 December 2005 inasmuch as Sopaf changed its fiscal year last year in order to align the fiscal year to the calendar year.

in € 000's

STATEMENT OF CHANGES IN FINANCIAL POSITION	30.06.2007	30.06.2006 (*)	31.12.2006
OPERATING ACTIVITY			
Net profit (loss) for the period	**(16.228)**	**5.057**	**1.798**
Adjustments for:			
Current and deferred taxes	-	(8.537)	(341)
Depreciation of tangible fixed assets	39	11	31
Amortization of intangible fixed assets	35	18	10
Writedowns of financial assets	10.000	3.701	227
Cash flow from operating activity before changes in working capital	**(6.154)**	**250**	**1.725**
(Increase)/Decrease in receivables and other current assets	2.715	3.567	(15.867)
Increase/(Decrease) in payables	(262)	(694)	725
Cash generated from operating activity	**(3.701)**	**3.123**	**(13.417)**
Net change in reserves for risks and charges	-	85	-
Net change in employment-severance liabilities	(1)	(34)	29
Other changes in non-current liabilities	(5.577)	-	41.356
Other changes in current liabilities	(6.995)	(121)	21.827
Change in tax liabilities	-	8.537	341
Change in tax assets	(89)	(289)	6.670
Change in deferred taxes	32	(8.564)	(346)
NET CASH ARISING FROM OPERATING ACTIVITY	**(16.331)**	**2.737**	**56.460**
INVESTMENT ACTIVITY			
Investments in shareholdings for:			
Acquisitions	(27.688)	(9.725)	(162.477)
Recapitalization of subsidiary companies	(150)	-	(4.696)
Other investments (tangible and intangible fixed assets and other financial assets)	(305)	(108)	(202)
Proceeds from sale of:			
Shareholdings	11.467	560	115.795
Other non-current assets (tangible and intangible fixed assets and other assets)	2	-	5
NET CASH EMPLOYED IN INVESTMENT ACTIVITY	**(16.674)**	**(9.273)**	**(51.575)**
FINANCIAL ACTIVITY			
Change in financial assets	318	(8.756)	15.847
Increase (decrease) in amounts due to banks and other lenders	34.641	13.386	(25.523)
Changes in shareholders' equity	397	(262)	4.479
Capital increase	-	-	-
NET CASH ARISING FROM (EMPLOYED IN) FINANCIAL ACTIVITY	**35.356**	**4.368**	**(5.197)**
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS	**2.351**	**(2.168)**	**(312)**
CASH AND CASH EQUIVALENTS AT THE START OF THE PERIOD	**225**	**2.705**	**537**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**2.576**	**537**	**225**

(*)Unaudited data. The comparative data in relation to the period from 1 January 2006 to 30 June 2006 have been taken from the financial statements as of 30 June 2006 (12 months) and from the half-year report as of 31 December 2005 inasmuch as Sopaf changed its fiscal year last year in order to align the fiscal year to the calendar year.

Statement of changes in shareholders' equity for the six months ending 30 June 2007

SOPAF S.p.A.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE SIX MONTHS ENDING 30 JUNE 2006

in €

	Capital	Other Reserves	Valuation Reserves	Undivided Profits (Losses)	Shareholders' Equity
Balance as of 1 January 2006	**80.000.000**	**21.038.651**	**-**	**(29.518.270)**	**71.520.381**
Change in fair value of financial assets available for sale	-	-	-	-	**-**
Deferred taxes on revaluing financial assets available for sale at fair value	-	-	(72.575)	-	**(72.575)**
Net profit (loss) for the period	-	-	18.007	5.057.276	**5.075.283**
Total profits (losses) reported during the period	**-**	**-**	**(54.568)**	**5.057.276**	**5.002.708**
Capital increase	-	-	-	-	**-**
Dividends	-	-	-	-	**-**
Balance as of 30 June 2006	**80.000.000**	**21.038.651**	**(54.568)**	**(24.460.994)**	**76.523.089**
Change in fair value of financial assets available for sale	-	-	(15.859)	-	**(15.859)**
Deferred taxes on revaluing financial assets available for sale at fair value	-	-	5.233	-	**5.233**
Profits (losses) booked to shareholders' equity during the period	**-**	**-**	**(10.626)**	**-**	**(10.626)**
Net profit (loss) for the period	-	-	-	1.797.987	**1.797.987**
Total profits (losses) reported during the period	**-**	**-**	**-**	**1.797.987**	**1.797.987**
Carryover of capital gains from sale of shareholdings under joint control	-	-	4.490.028	-	**4.490.028**
Dividends	-	-	-	-	**-**
Balance as of 1 January 2007	**80.000.000**	**21.038.651**	**4.424.835**	**(22.663.007)**	**82.800.479**
Change in fair value of financial assets available for sale	-	-	97.304	-	**97.304**
Deferred taxes on revaluing financial assets available for sale at fair value	-	-	(32.110)	-	**(32.110)**
Profits (losses) booked to shareholders' equity during the period	**-**	**-**	**65.194**	**-**	**65.194**
Amounts booked to profit and loss statement for transfer of financial assets available for sale	-	-	(345.179)	345.179	**-**
Net profit (loss) for the period	-	-	-	(16.573.552)	**(16.573.552)**
Total profits (losses) reported during the period	**-**	**-**	**(345.179)**	**(16.228.373)**	**(16.573.552)**
Carryover of capital gains from sale of shareholdings under joint control	-	-	676.821	-	**676.821**
Dividends	-	-	-	-	**-**
Balance as of 30 June 2007	**80.000.000**	**21.038.651**	**4.821.671**	**(38.891.380)**	**66.968.942**

BALANCE SHEET PURSUANT TO CONSOB RESOLUTION N. 15519 OF 27 JULY 2006

BALANCE SHEET

in €

	30.06.2007	Related Party Amount	%	31.12.2006	Related Party Amount	%
Intangible fixed assets	166.951	-		50.837	-	
Tangible fixed assets	365.237	-		251.612	-	
Shareholdings	162.080.905	-		145.709.877	-	
Financial assets	10.222.613	*5.397.050*	*52,8%*	22.499.452	*4.963.306*	*22,1%*
Other assets	5.091.011	-		-	-	
Tax credits	17.928.461	-		17.838.963	-	
Deferred tax assets	8.878.236	-		8.910.346	-	
Total non-current assets	**204.733.414**			**195.261.087**		
Customer receivables and other trade receivables	166.762	*165.082*	*99,0%*	193.159	*185.464*	*96,0%*
Other receivables and other assets	16.541.267	*79.854*	*0,5%*	19.229.130	*2.767.838*	*14,4%*
Other financial assets	-	-		3.131.704	*3.131.704*	*100,0%*
Cash and cash equivalents	2.576.324	-		225.141	-	
Total current assets	**19.284.353**			**22.779.134**		
Non-current assets held for sale	-	-		-	-	
Total assets	**224.017.767**			**218.040.221**		
Share capital	80.000.000			80.000.000		
Other reserves	21.038.651			21.038.651		
Valuation reserves	4.821.671			4.424.835		
Retained earnings (losses carried forward)	(22.663.007)			(24.460.994)		
Profit (loss) for the period	(16.228.373)			1.797.987		
Total shareholders' equity	**66.968.942**			**82.800.479**		
Due to banks and other lenders	23.388.670	-		21.886.683	-	
Other liabilities	35.779.274	*10.893.249*	*30,4%*	41.356.096	*32.082.880*	*77,6%*
Pension and employment-severance liabilities	127.480	-		127.993	-	
Provisions	289.000	-		289.000	-	
Total non-current liabilities	**59.584.424**			**63.659.772**		
Due to banks and other lenders	80.620.383	*48.392.602*	*60,0%*	47.481.220	*21.025.402*	*44,3%*
Trade accounts payable	1.274.257	*470.574*	*36,9%*	1.536.881	*109.282*	*7,1%*
Other liabilities	15.569.761	*2.759.416*	*17,7%*	22.561.869	*8.130.680*	*36,0%*
Total current liabilities	**97.464.401**			**71.579.970**		
Liabilities related to assets held for sale	-			-		
Total liabilities and shareholders' equity	**224.017.767**			**218.040.221**		

PROFIT AND LOSS STATEMENT PURSUANT TO CONSOB RESOLUTION N. 15519 OF 27 JULY 2006

SOPAF S.p.A.

PROFIT AND LOSS STATEMENT

in €	01.01.2007 30.06.2007	Related Party Amount	%	01.01.2006 30.06.2006 (*)	Related Party Amount	%	*6 mesi* 01.07.2006 31.12.2006	Related Party Amount	%
Dividends and other income from shareholdings	305.760	*305.760*	*100,0%*	1.146.366	*1.146.366*	*100,0%*	-	-	
Capital gains (losses) on sale of shareholdings	2.017.137	-		1.898.018	-		7.971.364	-	
(Writedowns) writebacks to value of shareholdings	(10.000.000)	-		(3.700.878)	-		(227.070)	-	
Other operating revenues	117.095	*58.295*	*49,8%*	315.557	*80.550*	*25,5%*	140.973	*106.606*	*75,6%*
Purchase of materials and external services	(3.014.592)	*(316.690)*	*10,5%*	(457.774)	-		(2.341.515)	*(115.169)*	*4,9%*
Personnel expense	(1.439.575)	-		(381.340)	-		(887.116)	-	
Other operating expenses	(961.922)	*(11.132)*	*1,2%*	(517.360)	*(89.995)*	*17,4%*	(768.805)	*(1.322)*	*0,2%*
Depreciation and amortization	(73.283)	-		(15.287)	-		(40.881)	-	
Provisions to reserves for future charges	-	-		(85.466)	-		-	-	
Profits (losses) from disposal of non-current assets	-	-		-	-		-	-	
Operating profit (loss)	**(13.049.380)**			**(1.798.164)**			**3.846.950**		
Financial income	306.386	-		350.855	*25.900*	*7,4%*	331.806	-	
Financial charges	(3.485.379)	*(1.453.502)*	*41,7%*	(2.032.895)	*(749.135)*	*36,9%*	(2.721.524)	*(929.448)*	*34,2%*
Net financial income (charges)	**(3.178.993)**			**(1.682.040)**			**(2.389.718)**		
Profit before taxes	**(16.228.373)**			**(3.480.204)**			**1.457.232**		
Income taxes	-	-		8.537.480	-		340.755	-	
Net profit from continuing operations	**(16.228.373)**			**5.057.276**			**1.797.987**		
Net profit from operations sold	-	-		-	-		-	-	
Net profit	**(16.228.373)**			**5.057.276**			**1.797.987**		

Utile per azione (in euro)			
- Base	(0,03847)	0,01199	0,00426
- Diluito	(0,03711)	0,01150	0,00408