

S O P A F

QUARTERLY CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2008

SOPAF S.p.A.

Registered office: Foro Buonaparte, 24, 20121 Milan
Share capital: € 80,094,836.72 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 Cirila
Vice Chairman and Managing Director	Giorgio Magnoni
Directors	Giancarlo Boschetti
	Renato Cassaro
	Adriano Galliani
	Guidalberto Guidi
	Luca Magnoni
	Renato Martignoni
	Mario Rey
	Marco Stella
	Giovanni Jody Vender

BOARD OF STATUTORY AUDITORS

Chairman	Giovanni Sala
Acting Auditors	David Reali
	Riccardo Ronchi
Substitute Auditors	Francesco Dori
	Marco Salvatore
	To be appointed

Consolidated Financial Statements as of 31 March 2008

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DIRECTORS' REPORT

INTRODUCTION

The financial statements for the quarter ending 31 March 2008, an "interim report" as defined by Article 154-ter of Legislative Decree n. 58/1998, were prepared in accordance with such legislative decree and the subsequent modifications thereto, as well as in accordance with Issuer Regulations handed down by CONSOB.

The quarterly report was also prepared in accordance with the international accounting principles (IFRS) issued by the International Accounting Standards Board (IASB) and ratified by the European Union.

GROUP'S PERFORMANCE

The Sopaf Group sustained a net loss of €2.2 million for the first three months of the year, compared with net earnings of €43.8 million for the three months ending 31 March 2007. Consolidated shareholders' equity and minority interests amounted to €174.1 million as of 31 March 2008 versus €168.3 million at 31 March 2007; shareholders' equity came to €167.8 million at 31 March 2008 versus €148.8 million at 31 March 2007.

The key data for the group for the first three months of the current year are reported in the tables below, along with the corresponding data for the same period of 2007. It is noted that the group sold its investment in Omniapartecipazioni/IMMSI during the first quarter of 2007, with the sale generating a net capital gain of €48.5 million at a consolidated level.

As to market conditions, the sharp deterioration of the business environment continued during the quarter, with the uncertain future prospects about the length and the intensity of the present trend. As a result of this situation, the market witnessed major writeoffs of assets during the period by various leading financial institutions. It is important to emphasize however that the continuing intervention of the central banks made it possible to stabilize the liquidity crisis in the credit market, thereby reducing the risks that such abnormalities would cause a chain reaction within the financial system.

The credit crisis took its toll on the financial markets, which proved increasingly jittery and volatile during the quarter.

Against this backdrop and with reference to the indirect risks on its investments, the Sopaf Group booked a marginal €3.2 million negative change in its fair value reserve, exclusively as the result of the adjustment of the market value of certain publicly traded shares as of 31 March 2008.

During the quarter, Sopaf S.p.A. perfected the acquisition of the holding in the insurance company, Aviva Previdenza, thereby completing the acquisitions needed to create a bancassurance model for which Banca Network will be the main investment.

Furthermore the group actively supported its affiliate, AFT/Linkem, in the auction conducted by the Italian Communications Ministry for adjudication of wimax licenses; the tender was concluded in early March with AFT being assigned the right-to-use in 13 regions which represent more than 75% of the resident population in Italy, for a total investment of €34 million.

During the quarter, Sopaf S.p.A. finalized the sale of units of the fund, Fondo Immobili Pubblici (FIP) to third-party investors. The holding company realized a €2 million capital gain on the transaction, plus €1 million of income distributed by the fund before the sale.

PRINCIPAL TRANSACTIONS CARRIED OUT DURING THE QUARTER

Product companies

On 8 January and 8 February 2008, Sopaf S.p.A. perfected the purchase of the minority interests in the capital of PWM SGR, or 23.36%, for a total outlay of €0.8 million.

On 27 March 2008, the boards of directors of Sopaf Capital Management SGR S.p.A. (SCM) and Private Wealth Management SGR S.p.A. (PWM) passed resolutions approving the merger by incorporation of PWM into SCM. The transaction will make it possible for the group to streamline the hedge funds management business, by putting

the operations within a single product company. The finalization of the transaction is subject to the prior approval of the regulatory authorities.

Real estate investments

On 27 February 2008, Sopaf & Partners RE-Investment S.r.l. was incorporated, with Sopaf S.p.A. holding 40%. The company was set up for the purpose of buying and selling investments in the real estate sector, including through the purchase and sale of shareholdings in other companies or entities.

On 28 February 2008, the Tergeste Fund paid out €1.7 million to Sopaf S.p.A., a holder of the fund's units.

On 10 March 2008, the FIP Fund paid out €1 million to Sopaf S.p.A. a holder of the fund's units.

On 31 March 2008, Sopaf S.p.A. sold 128 units of the FIP Fund (acquired in October 2007) to third-party investors, realizing a capital gain of €2 million.

Industrial investments

On 30 January 2008, the extraordinary meeting of the shareholders of Coronet S.p.A. approved a resolution to break up and liquidate the company after having resolved the reduction of the share capital from €19 million to €1 million in order to cover the losses sustained to 30 June 2007 and the losses reflected in the company's capital accounts as of 31 December 2007.

On 31 January 2008, 3.5 million IMMSI shares were acquired for €4.4 million.

On 3 March 2008, the Communications Ministry officially announced the results of a public tender for the assignment of WiMax licenses. Sopaf's affiliate company, AFT S.p.A., was adjudicated the right-to-use in 13 regions that represent more than 75% of Italy's resident population. The total investment in relation thereto is €34 million

On 12 March 2008, Sopaf S.p.A. completed the acquisition of 15.94% of the share capital of Sun System S.p.A. via subscription of a special capital increase for €2.5 million. Sun System operates in the renewable energy sector, and in particular, it manages the process and the physical production of small-/medium-sized photovoltaic systems (up to 100kw), from the feasibility study to plant installation and the assignment of the rate incorporating incentives.

On 26 March 2008, Sopaf S.p.A. subscribed another Sfera S.r.l. capital increase in the amount of €0.4 million; the new capital will be used for the construction of a photovoltaic plant in Apulia that is slated to begin production before the end of the year.

Financial services and insurance

On 11 January 2008, Sopaf S.p.A. and Aviva Italia Holding S.p.A. perfected the acquisition of 100% of the share capital of Aviva Previdenza S.p.A. from Finoa S.r.l. Sopaf S.p.A. acquired a 45% share for a total price of €15.4 million.

On 17 January 2008, Sopaf S.p.A. acquired 14,999,970 shares of Management & Capitali S.p.A. from Beven Finance S.a.r.l., as part of the affiliate's reorganization. The same transaction for the same quantity of shares was perfected by the Ramius Group on 12 February 2007.

Furthermore, during the quarter, Sopaf S.p.A. perfected a series of purchases/sales of Management & Capitali shares, realizing a capital gain of €0.4 million.

As result of the aforementioned transactions, Sopaf S.p.A. was holding 19.4 million Management & Capital shares, or 3.52% of the share capital, as of 31 March 2008.

On 28 January 2008, the extraordinary meeting of the shareholders of Banca Bipielle Network S.p.A. passed a resolution to change the bank's name to Banca Network Investimenti S.p.A., or BNI S.p.A. in abbreviated form

On 11 and 26 March 2008, Sopaf S.p.A. respectively subscribed the first and second tranches of the Infrastructure and Growth Capital Fund, a private-equity fund managed by Abraaj Capital, a leading investor in infrastructure projects in the Middle East, North Africa and South America, with \$4 billion of assets under management. Sopaf S.p.A.'s investment amounted to €3.2 million (\$5 million), whereas its total investment commitment is \$10 million.

On 26 March 2008, Sopaf S.p.A. paid €0.2 million into the capital account of Essere S.p.A. in order to cover losses sustained by the affiliate in 2007.

Other transactions

The share buyback program approved by the Sopaf S.p.A. shareholders' meeting on 27 November 2007 remained in effect during the quarter; as of 31 March 2008, Sopaf held 4,286,605 of its own shares for an aggregate investment of €1.95 million.

Schedule of Sopaf Group's main shareholdings as of 31 March 2008

Investments in affiliate companies valued with the net equity method

in € 000's

	31.03.2008	31.12.2007
Financial area		
Polis Fondi Sgr.p.A.	8,183	8,053
Five Stars S.A.	4,856	4,291
China Opportunity S.A. Sicar	7,416	7,479
Pwm Aig multimanager Fund	13,582	13,582
Petunia S.p.A.	37,843	38,541
Banca Network Investimenti S.p.A.	18,818	19,172
Area Life Int ass. Limited	8,994	9,129
Aviva Previdenza SpA	15,881	-
Real estate area		
Firanegocios S.L.	3,861	3,861

Financial assets available for sale valued at fair value

in € 000's

	31.03.2008	31.12.2007
Financial area		
Delta S.p.A.	96,000	96,000
Managment&Capital SpA	13,773	3,663
Conafi Prestito' S.p.A.	3,517	4,004
The Infr.&Growth C.Fund	3,208	-
Fondo PWM GILV	1,021	1,560
Real estate area		
Immobiliare Appia S.r.l.	1,967	1,967
F.I.P. - Fondo Immobili Pubblici	-	19,017
Fondo Valore by Avere AM	2,000	2,000
Industrial area		
IMMSI SpA	3,559	-
Sadi S.p.A.	3,529	4,946
Advanced Accelerator Applications SA	14,884	14,884
I.Med S.r.l.	1,500	1,500
Sun System SpA	2,530	-

Material events subsequent to 31 March 2008

On 1 April 2008, Sopaf S.p.A. made a shareholder loan of €18.5 million to AFT in order to facilitate the affiliate's acquisition of the wimax licenses. It is noted that the other financial investor, the American company, Ramius, made a loan of the same amount. The formalities are currently in process in order to transform the shareholder loans into a capital increase, by virtue of the contractual agreements signed between the two shareholders.

In April, Sopaf S.p.A. made a shareholder loan to Sopaf & Partners RE-Investment S.r.l., in proportion to the percentage of capital held in the affiliate, for a total of €1.5 million; the loan proceeds were earmarked for the purchase of a property/hotel complex in Capri.

On 29 April 2008, the shareholders of Banca Network Investimenti S.p.A. passed resolutions to (i) reduce the share capital from €26 million to €16 million in order to cover part of the losses sustained in 2007 and (ii) increase the share capital simultaneously from €16 million to €30 million, subject to the prior approval by the regulatory authorities. The Sopaf Group's outlay for the capital increase will be €8.9 million.

On 7 May 2008, the regulatory authorities approved the regulations for the two hedge funds (Sopaf Global Private Equity Funds and Sopaf Small Cap Europe) to be managed by Sopaf Capital Management SGR S.p.A.

OUTLOOK

We believe Sopaf's business model continues to be valid, even considering the persistent volatility and instability of the financial markets. Management is refocusing its activity in light of the fact that market conditions are generating opportunities to be exploited. The opportunities should be such as to allow for stabilizing growth and maintaining satisfactory profitability for the current year. Accordingly, we believe the quarterly performance is not completely indicative of the trend for the year, with the prospects therefor remaining positive despite the difficult market environment.

Milan, 13 May 2008

Giorgio Ciria
Chairman
Board of Directors

SOPAF GROUP

CONSOLIDATED PROFIT AND LOSS STATEMENT

in € 000's

	Note	1.01.2008	01.01.2007	01.01.2007
		31.03.2008	31.03.2007	31.12.2007
		3 months	3 months	12 months
Revenues	19	1.155	1.099	4.680
Other income	20	300	98	1.506
Materials purchases and external services	21	(2.426)	(2.270)	(13.446)
Personnel expense	22	(1.567)	(1.215)	(6.878)
Other operating expenses	23	(396)	(1.503)	(6.240)
Gross profit		(2.934)	(3.791)	(20.378)
Risk provisions and writedowns		-	-	(13.600)
Depreciation and amortization		(250)	(171)	(791)
Gains (losses) from sale of non-current assets	24	2.560	48.465	63.678
Operating profit		(624)	44.503	28.909
Earnings accrued on shareholdings valued with net equity method	25	(440)	2.388	10.208
Profit (loss) before interest and taxes		(1.064)	46.891	39.116
<i>Financial income</i>		1.855	4.339	5.235
<i>Financial charges</i>		(3.353)	(2.493)	(8.664)
Financial income (charges). net	26	(1.498)	1.846	(3.429)
Profit (loss) before taxes		(2.562)	48.737	35.688
<i>Current taxes</i>			(4.427)	(428)
<i>Deferred taxes</i>		290	(343)	280
Income taxes		290	(4.770)	(148)
Net profit (loss) from continuing operations		(2.272)	43.967	35.540
Net profit (loss) (loss) from operations sold		-	-	-
Net profit (loss)		(2.272)	43.967	35.540
Allocable to:				
Minority interests		(42)	(160)	(214)
Group		(2.230)	43.807	35.753
Earnings per share (in €)				
- Primary		(0,0054)	0,1039	0,0843
- Diluted		(0,0043)	0,0998	0,0744

CONSOLIDATED BALANCE SHEET

in EUR 000's

	Note	<u>31.3.2008</u>	<u>31.12.2007</u>
Goodwill		2.860	2.860
Intangible fixed assets		654	684
Tangible fixed assets	4	23.501	23.541
Shareholdings in affiliate companies / jointly controlled companies	5	131.685	116.117
Financial assets	6	153.896	157.031
Tax credits	7	18.290	18.208
Deferred tax assets	8	6.988	5.517
Total non-current assets		337.874	323.958
Inventories		129	94
Customer receivables and other trade receivables		1.286	876
Other receivables and other assets	9	10.768	14.451
Other financial assets	10	24.021	7.298
Cash and cash equivalents		11.023	21.727
Total current assets		47.227	44.446
Non-current assets held for sale	11	28.208	28.208
Total assets		413.309	396.612
Capital		80.095	80.002
Own shares		(1.949)	(173)
Undivided profits		89.644	95.040
Shareholders' equity		167.790	174.869
Minority interests		6.274	7.173
Total shareholders' equity		174.064	182.042
Bonds	12	43.639	43.390
Due to banks and other lenders	13	65.978	61.557
Financial leases payable	14	14.840	14.840
Other liabilities	15	10.713	10.612
Pension and employment-severance liabilities		418	350
Deferred tax liabilities		299	303
Provisions		1.708	1.647
Total non-current liabilities		137.595	132.699
Bonds - current portion	16	1.082	755
Due to banks and other lenders	17	85.052	59.099
Financial leases payable		799	1.023
Financial derivatives		25	11
Trade accounts payable		2.664	4.896
Other liabilities	18	12.028	16.087
Total current liabilities		101.650	81.871
Liabilities related to assets held for sale		-	-
Total liabilities and shareholders' equity		413.309	396.612

CONSOLIDATED NET FINANCIAL POSITION

As of 31 March 2008, the net financial position of the Sopaf Group was a deficit of €176,347,000, and consisted of the following:

SOPAF GROUP

in €000's

NET FINANCIAL POSITION	31.03.2008	31.12.2007	31.03.2007
A) Cash on hand	11	11	967
B) Other cash and cash equivalents	11,012	21,715	15,649
C) Securities held for trading	1,821	3,017	-
D) TOTAL LIQUIDITY (A+B+C)	12,845	24,743	16,616
E) Current financial receivables	22,199	4,282	3,172
F) Current bank debt	(7,374)	(27,198)	(13,302)
G) Current maturities of long-term debt	(68,386)	(30,765)	(19,194)
H) Other current financial debt	(11,174)	(2,914)	(2,819)
I) CURRENT FINANCIAL DEBT (F+G+H)	(86,934)	(60,877)	(35,315)
J) NET CURRENT FINANCIAL DEBT (I-E-D)	(51,890)	(31,852)	(15,527)
K) Non-current bank debt	(61,602)	(57,162)	(41,707)
L) Bonds issues	(43,639)	(43,390)	-
M) Other non-current debt	(19,216)	(19,235)	(4,763)
N) NON-CURRENT FINANCIAL DEBT (K+L+M)	(124,457)	(119,787)	(46,470)
O) NET FINANCIAL DEBT (J+N)	(176,347)	(151,639)	(61,997)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2008

1 FORM AND CONTENT OF THE QUARTERLY REPORT

The financial statements for the quarter ending 31 March 2008, an "interim report" as defined by Article 154-ter of Legislative Decree n. 58/1998, were prepared in accordance with such legislative decree and the subsequent modifications thereto, as well as in accordance with Issuer Regulations handed down by CONSOB.

The Sopaf Group has prepared the quarterly report in respect of the international accounting principles handed down by the International Accounting Standards Board and ratified by the European Union, with the exclusion of IAS 34, as permitted by Article 82 of the Issuer Regulations.

Since Sopaf holds controlling interests in companies, the quarterly report has been prepared on a consolidated basis. As in previous quarters, all of the information included in this report refers to the Sopaf Group's consolidated data.

It is furthermore noted that the information disclosures in this report are not similar to those for a complete set of financial statements prepared in accordance with IAS 1.

General principles

As indicated above, the quarterly report has been prepared in conformity with the International Accounting Standards (IAS) and the International Financial Reporting Standards (IFRS).

The accounting principles and valuation criteria adopted in this quarterly report are therefore the same accounting principles and valuation criteria used in the preparation of the previously published consolidated quarterly reports and the consolidated financial statements for the year ending 31 December 2007, which are illustrated in the section of the annual report entitled "Accounting Policies and Basis for Preparation" to which reference is made.

The preparation of this report did not entail any significantly greater use of estimates vis-à-vis the preparation of the annual accounts; the valuation and consolidation criteria used for the preparation of this report are the same as those used for the preparation of the consolidated financial statements as of 31 December 2007.

The quarterly financial statements of the subsidiary companies used for the preparation of the consolidated quarterly report are those made available by the respective administrative areas of the companies; such statements have been reclassified, if necessary, to bring them in line with the statements of the holding company.

The amounts in the quarterly report are denominated in thousands of euros unless indicated otherwise.

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.

SPECIFIC CRITERIA FOR REPORTING INTERIM RESULTS

Seasonality

The profit and loss statement for the first quarter 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.

3 CONSOLIDATION AREA

The consolidated financial statements have been prepared with reference to the financial statements as of 31 March 2008 that have been submitted by the respective consolidated companies, and 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 31 March 2008.

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:							
Cutter S.a.r.l.	100.00%	-	100.00%	Luxembourg	Luxembourg	EUR	Full
LM & Partners S.C.A. (in liquid.) (****)	100.00%	-	100.00%	Luxembourg	Luxembourg	EUR	Full
PWM Sgr.p.A.	99.01%	-	99.01%	Milan	Italy	EUR	Full
Tergeste	100.00%	-	100.00%	Milan	Italy	EUR	Full
Sopaf Capital management SGR S.p.A.	100.00%	-	100.00%	Milan	Italy	EUR	Full
LM LS S.p.A.	69.27%	-	69.27%	Milan	Italy	EUR	Full
Tenerani srl	100.00%	-	100.00%	Milan	Italy	EUR	Full
Direct affiliate companies:							
Polis Fondi S.gr.p.A.	49.00%	-	49.00%	Milan	Italy	EUR	Net equity method
Petunia S.p.A.	59.38%	-	59.38%	Milan	Italy	EUR	Net equity method
S.f.e.r.a. S.r.l.	48.00%	-	48.00%	Agrate Brianza	Italy	EUR	Net equity method
Essere S.p.A.	35.77%	-	35.77%	Milan	Italy	EUR	Net equity method
Five Stars S.A.	99.99%	-	99.99%	Luxembourg	Luxembourg	EUR	Net equity method
Aft S.p.A.	47.46%	10.30%	57.76%	Milan	Italy	EUR	Net equity method
PWM AIGGIG Multimanager Fund	42.54%	-	42.54%	Milan	Italy	EUR	Net equity method
Banca Network Investimenti S.p.A.	14.99%	29.54%	44.53%	Milan	Italy	EUR	Net equity method
Area Life International Assurance Ltd	45.00%	-	45.00%	Dublino	Ireland	EUR	Net equity method
Nearco Invest Sarl	49.00%	-	49.00%	Luxembourg	Luxembourg	EUR	Net equity method
Aviva Previdenza S.p.A.	45.00%	-	45.00%	Milan	Italy	EUR	Net equity method
ASM Lomellina Inerti S.r.l.	33.00%	-	33.00%	Vigevano	Italy	EUR	Net equity method
Sopaf&Partners Re -Investimenti S.r.l.	40.00%	-	40.00%	Milan	Italy	EUR	Net equity method
Direct investments:							
Coronet S.p.A. (in liquidazione)	30.00%	-	30.00%	Milan	Italy	EUR	Fair value
Parc Eolien De S.Riquier SAS	40.00%	-	40.00%	Lion Sur Mer	France	EUR	Cost
Noventi Field Venture II LP	2.43%	-	2.43%	Menlo Parc CA	USA	EUR	Cost
Volare S.p.A. (in liquidazione)	24.60%	-	24.60%	Vicenza	Italy	EUR	Cost
Sadi S.p.A.	2.55%	-	2.55%	Milan	Italy	EUR	Fair value
Demofonte Srl	15.00%	-	15.00%	Monza	Italy	EUR	Cost
Delta S.p.A.	15.95%	-	15.95%	Bologna	Italy	EUR	Fairvalue
Conafi Prestitò S.p.A.	4.13%	-	4.13%	Turin	Italy	EUR	Fair value
Management & Capitali S.p.A.	3.52%	-	3.52%	Turin	Italy	EUR	Fair value
Tessitura Pontelambro S.p.a.	2.00%	-	2.00%	Erba	Italy	EUR	Fair value
Raffaele Caruso S.p.A.	0.29%	-	0.29%	Soragna	Italy	EUR	Fair value
Value Secondary Inv. Sicar SCA	2.60%	-	2.60%	Luxembourg	Luxembourg	EUR	Fair value
Immsi S.p.a.	1.00%	-	1.00%	Mantua	Italy	EUR	Fair value
Ezechiele Lda	19.90%	-	19.90%	Portugal	Portugal	EUR	Cost
The Infr.&Growth C.Fund				Dubai	Arab Emirates	EUR	Fair value
Sun System S.p.A.	15.94%	-	15.94%	Milan	Italy	EUR	Fair value
Indirect subsidiary companies:							
- through LM & Partners S.C.A.							
- Siskin S.A.		100.00%	100.00%	Luxembourg	Luxembourg	EUR	Full
- through Cutter S.a.r.l.							
- Sopaf Asia Sarl		85.00%	85.00%	Luxembourg	Luxembourg	EUR	Full
- through Tenerani srl							
- Eolia SA		100.00%	100.00%	Bellinzona	Switzerland	EUR	Full
- through LM LS S.p.A.							
- Li Tech S.r.l.		94.00%	65.11%	Rome	Italy	EUR	Full
Indirect affiliate companies:							
- through LM & Partners S.C.A.							
- Beven Finance S.à.r.l.		50.00%	50.00%	Luxembourg	Luxembourg	EUR	Net equity method
- Mirror tre S.a.r.l. (in liquidazione)		25.00%	25.00%	Luxembourg	Luxembourg	EUR	Net equity method
- Westindustrie S.r.l.		22.00%	22.00%	Milan	Italy	EUR	Cost
- through Petunia							
- Banca Network Investimenti S.p.A.		49.75%	44.53%	Milan	Italy	EUR	Net equity method
- through Siskin S.A.							
- Sila S.p.A.		27.50%	27.50%	Turin	Italy	EUR	Net equity method
- through Aft S.r.l.							
- Linkem S.p.A.		100.00%	57.76%	Milan	Italy	EUR	Net equity method
- Linkem Service S.r.l.		100.00%	57.76%	Palermo	Italy	EUR	Net equity method
- through LMI&Partners Sca e Cutter S.a.r.l.							
- China opportunity SA		42.39%	42.39%	Luxembourg	Luxembourg	EUR	Net equity method
- through Fondo Tergeste							
- Firanecogios SA		25.50%	25.50%	Barcellona	Spain	EUR	Net equity method
- Immobiliare Appia		15.00%	15.00%	Milan	Italy	EUR	Fair value
- Cose S.r.l.		50.00%	50.00%	Milan	Italy	EUR	Net equity method
- through Nearco S.a.r.l.							
- Aft S.r.l.		21.02%	57.76%	Milan	Italy	EUR	Net equity method
- through Sopaf&Partners RE Invest. S.r.l.							
- Sprei 1 S.r.l.		40.00%	40.00%	Milan	Italy	EUR	Net equity method
- Sprei 2 S.r.l.		40.00%	40.00%	Milan	Italy	EUR	Net equity method
Indirect investments:							
- through LM&Partners SCA							
- Green BIT S.r.l.		29.13%	29.13%	Grugliasco	Italy	EUR	Fair value
- Res Finco AG		24.72%	24.72%	Sankt Gallen	Switzerland	EUR	Fairvalue
- Blue H Goup		1.60%	1.60%	Oosterhout	Netherlands	EUR	Cost
- Valore by Avere AM SCA		11.90%	11.90%	Luxembourg	Luxembourg	EUR	Cost
- through LM LS S.p.A.							
- Advanced Accelerator Applications S.A.		18.60%	12.88%	Saint Genis Pouilly	France	EUR	Fairvalue
- IM3d		17.86%	12.37%	Turin	Italy	EUR	Cost
- Cerma srl		17.90%	12.40%	Archamps	France	EUR	Cost
- through Five Stars S.A.							
- Fondo Immobili Pubblici		3.39%	3.39%	Rome	Italy	EUR	Fair value
- through PWM SGR SpA							
- Fondo PWM Global Income Low Volatility			0.08%			EUR	Fair value
- Fondo HSBC AM Monetaire			-			EUR	Fair value

Changes in the consolidation area with respect to 31 December 2007 are summarized in the table below:

NEW AFFILIATE COMPANIES	Country	Activity
Net equity method		
<input type="checkbox"/> Aviva Previdenza S.p.A.	Italy	Insurance
<input type="checkbox"/> Sopaf & Partners RE S.r.l.	Italy	Real estate
<input type="checkbox"/> Sprei1 S.r.l.	Italy	Real estate
<input type="checkbox"/> Sprei2 S.r.l.	Italy	Real estate

Changes in the consolidation area with respect to 31 March 2007 are summarized in the table below:

NEW SUBSIDIARY COMPANIES	Country	Activity
Full consolidation		
<input type="checkbox"/> Sopaf Capital management SGR S.p.A. (f/k/a Cartesio Alternative Inv. SGR S.p.A.)	Italy	Asset management
<input type="checkbox"/> Li Tech S.r.l.	Italy	Medical equipment
<input type="checkbox"/> Tenerani S.r.l.	Italy	Investments in shareholdings
<input type="checkbox"/> Eolia S.A.	Switzerland	Wind energy

SUBSIDIARY COMPANIES ELIMINATED	Country	Activity
Full consolidation		
<input type="checkbox"/> Star Venture Management S.A. (liquidated)	Luxembourg	Investments in shareholdings
<input type="checkbox"/> Star Venture I S.c.p.a. (liquidated)	Luxembourg	Investments in shareholdings
<input type="checkbox"/> MGO Lux S.A. (liquidated)	Luxembourg	Investments in shareholdings
<input type="checkbox"/> LM Real Estate S.p.A. (merged into Sopaf S.p.A.)	Italy	Real estate investment
<input type="checkbox"/> IDA S.r.l. (merged into Sopaf S.p.A.)	Italy	Investments in shareholdings
<input type="checkbox"/> LM IS S.a.r.l. (liquidated)	Luxembourg	Management company
<input type="checkbox"/> Acal S.p.A. (merged into Sopaf S.p.A.)	Italy	Investments in shareholdings
<input type="checkbox"/> Vegastar S.A. (liquidated)	Luxembourg	Investments in shareholdings

NEW AFFILIATE COMPANIES	Country	Activity
Net equity method		
<input type="checkbox"/> Nearco S.a.r.l.	Luxembourg	Investments in shareholdings
<input type="checkbox"/> PWM AIGGIG Multimanager Fund	Italy	Investment fund
<input type="checkbox"/> ASM Lomellina Inerti S.r.l.	Italy	Recovery of inert materials
<input type="checkbox"/> Banca Network Investimenti S.p.A.	Italy	Financial services
<input type="checkbox"/> Aviva Previdenza S.p.A.	Italy	Insurance
<input type="checkbox"/> Sopaf & Partners RE S.r.l.	Italy	Real estate

□ Area Life Int. Ass. Ltd	Ireland	Insurance
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AFFILIATE COMPANIES ELIMINATED

	Country	Activity
Net equity method		
□ 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 percent, 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 percent include the following companies for which neither the holding company nor any of its subsidiaries or affiliates exercises significant influence:

- Coronet S.p.A. (in liquidation): As a result of its sale of a 30-percent interest in the company on 4 August 2005, Sopaf S.p.A. neither controls nor significantly influences the company, and thus, the investment has been classified as an investment available for sale; on 30 January 2008, the shareholders of Coronet S.p.A. passed a resolution for the dissolution and liquidation of the company.
- Green Bit (Group's investment is equal to 29.13%): 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 A.G. (Group's investment is equal to 24.72%): The investment is stated at fair value since the Group considers it a financial investment; as a confirmation thereof, LM & Partners S.C.A. (in liquidation), by virtue of the shareholders' agreement in effect, does not exercise any influence over the company's business and financial policies.

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 with voting rights and the remaining percentage is held in Class B shares that provide economic rights but no 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 the consolidated data for 31 March 2008 are not yet available. In addition, the investment was classified as part of the financial assets held for sale in light of the initiatives of Sopaf S.p.A.'s management in the final months of 2007 to sell a packet of industrial investments to several investors and in light of the Group's expectation to finalize the sale of such investments within one year. The packet embraces investments in AFT S.p.A., partially held through Nearco S.a.r.l., Res Finco AG, SILA Holding Industriale S.p.A. and Green Bit S.p.A.

The investments in IM3d S.p.A., Cerma SA, Blue H Ltd, Noventi and Ezechiele Lda have been maintained at cost inasmuch as they are new investments or start-up ventures; given the elements of uncertainty linked to the development of the companies' activities, it is not possible to make a reliable determination of fair value, and thus fair value is approximated by cost.

The investments in Westindustrie S.r.l. (in liquidation) and Parc Eolien SAS have been maintained at cost since the companies are not currently operational, and the net equity method yields a valuation approximating cost.

INFORMATION ON THE CONSOLIDATED BALANCE SHEET

The tables hereunder summarize the main earnings and financial data for the group. The earnings data refer to the first quarter represented by the first three months of 2008 and they are compared with the data for the corresponding period of 2007 and with the year of 2007.

The balance-sheet and financial data are instead stated with reference to the end of the first quarter of 2008 and are compared with the data as of 31 December 2007.

ASSETS

NON-CURRENT ASSETS

4 Tangible fixed assets

The account balance of €23,501,000 reflects a decrease of €40,000 mainly for the effect of the depreciation charged during the period and the new investments made.

5 Shareholdings in affiliate companies / jointly controlled companies

The account balance of €131,685,000 reflects an increase of €15,568,000 compared with the balance as of 31 December 2007.

The account consists of the investments shown in the table below. Changes in the shareholdings during the quarter are shown in an exhibit to the financial statements.

	31.03.2008	31.12.2007	31.03.2007
Shareholdings in affiliate companies			
Delta S.p.A.	-	-	50,794
Polis Fondi Sgr.p.A.	8,183	8,053	8,062
SILA S.p.A.	-	-	4,087
Beven Finance S.à.r.l.	11,101	11,126	13,819
AFT S.p.A.	-	-	9,044
Firanegocios S.L.	3,861	3,861	2,827
Five Stars S.A.	4,856	4,291	3,058
Cartesio Alt. Invest. SGR S.p.A.	-	-	1,050
China Opportunity S.A. Sicâr	7,416	7,479	5,303
Essere S.p.A.	160	277	1,091
Mirror Tre S.à.r.l. (in liquidazione)	-	-	-
CO.SE. S.r.l.	113	113	136
S.F.E.R.A. S.r.l.	809	461	38
Westindustrie S.r.l.	2	2	2
Telma S.r.l. e veicoli controllati	-	-	38
Pwm Aig multimanager Fund	13,582	13,582	-
Petunia S.p.A.	37,843	38,541	546
Banca Network Investimenti S.p.A.	18,818	19,172	-
Area Life Int ass. Limited	8,994	9,129	-
Aviva Previdenza SpA	15,881	-	-
Sopaf&Partners RE S.r.l.	36	-	-
Nearco Invest S.a.r.l.	-	-	923
ASM Lomellina Inerti S.r.l.	30	30	-
	131,685	116,117	100,818

The increases during the quarter mainly refer to:

- €15,431,000 for the purchase of 45% of the share capital of Aviva Previdenza S.p.A;
- €179,000 for capital payments to cover the losses of Essere S.p.A.;
- €358,000 for the subscription of the Sfera S.r.l. capital increase which is to be used for building a photovoltaic plant in Apulia that is slated to go into production by the end of 2008;
- pro-rata earnings accrual for the quarter with regard to the shareholdings in Polis Fondi S.G.R.P.A. (€130,000), Five Star S.A. (€565,000) and Aviva Previdenza S.p.A. (€450,000).

The decreases during the quarter mainly refer to the accrual of Group's share of quarterly losses for the shareholdings in Sfera S.r.l. (€10,000), Beven Finance S.à.r.l. (€25,000), Essere S.p.A. (€296,000), Petunia S.r.l. (€698,000), Area Life Int. Ass. Limited (€135,000), Sopaf & Partners RE S.r.l. (€4,000), BPL Network Investments S.p.A. (€354,000) and China Opportunity SA (€63,000).

6 Financial assets

The account balance of €153,896,000 reflects a decrease of €3,135,000 compared with the balance as of 31 December 2007.

The account includes the following categories of financial assets:

	31.03.2008	31.12.2007	31.03.2007
Financial assets available for sale	150,529	153,683	90,772
Financial derivatives	-	-	-
Bond securities	807	792	747
Financing and receivables	2,548	2,548	10,855
Security deposits	12	8	10
	153,896	157,031	102,384

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:

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

	31.03.2008	31.12.2007	31.03.2007
IMMSI SpA	3,559	-	12,972
Fondo Immobiliare Aster	-	-	35,468
Delta S.p.A.	96,000	96,000	-
Sadi S.p.A.	3,529	4,946	7,155
Coronet S.p.A.	-	-	13,400
Advanced Accelerator Applications SA	14,884	14,884	3,202
Green Bit S.p.A.	-	-	3,514
I.Med S.r.l.	1,500	1,500	1,500
Leisure Link Ltd.	-	-	200
Volare S.p.A. (in liquidazione)	-	-	-
Immobiliare Appia S.r.l.	1,967	1,967	1,920
Conafi Prestito' S.p.A.	3,517	4,004	-
Opzione Newman Lowther & Associates	322	322	322
Res Finco A.G.	-	-	6,165
Cerma SA	850	850	-
F.I.P. - Fondo Immobili Pubblici	-	19,017	-
Parc Eolien De S.Riquier	16	16	-
Noventi Field Venture LP	162	146	-
Tessitura Pontelambro SpA	299	344	-
Value Sec Inv Sicar Sca	381	381	-
Managment&Capital SpA	13,773	3,663	-
Raffaele Caruso SpA	102	101	-
Ezechiele Ltd.	46	46	-
Fondo Valore by Avere AM	2,000	2,000	2,000
Blue H Group Ltd.	160	160	160
Forza Quattro S.r.l.	-	-	14
Demofonte S.r.l.	703	703	1
Sun System SpA	2,530	-	-
The Infr.&Growth C.Fund	3,208	-	-
Fondo PWM GILV	1,021	1,073	1,108
Hsbc Monétaire	-	1,560	1,671
	150,529	153,683	90,772

During the quarter, the balance of financial assets available for sale increased by the following amounts:

- €4,479,000 for the purchase of 3.5 million of IMMSI S.p.A. shares;
- €2,530,000 for the purchase of the 15,94% of the share capital of Sun System S.p.A. through subscription of a reserved capital increase;
- €3,208,000 for the subscription of the first and second tranches of Infrastructure and Growth Capital Fund, a private-equity fund managed by Abraaj Capital, a leading investor in infrastructure projects in the Middle East, North Africa and South America, with \$4 billion of assets under management. Sopaf S.p.A.'s total investment commitment is \$10 million;
- €12,822,000 for transactions involving the acquisition of equity interests in Management & Capitali S.p.A. during the quarter;
- €345,000 for transactions involving the acquisition of equity interests in Conafi Prestito S.p.A. during the quarter.

During the quarter, the balance of financial assets available for sale decreased by the following amounts:

- €232,000 for sales of shares held in Sadi S.p.A.;
- €1,560,000 for sales of units of the HSBC AM Monétaire Fund;
- €19,017,000 for sale of the entire holding in FIP-Fondo Immobili Pubblici Fund;
- €2,452,000 for sale of shares held in Management & Capitali S.p.A..
- €3,242,000 for negative fair-value adjustments with regard to several listed companies (IMMSI, Management & Capitali, Sadi, Conafi, and Tessitura Pontelambro).

Other financial assets

The account balance of €3,367,000 reflects an increase of €19,000 compared with the balance as of 31 December 2007.

	31.03.2008	31.12.2007	31.03.2007
Financial receivables due from companies in which investments are held			
Nearco Sarl	22	22	-
CO.SE. S.r.l.	188	188	188
Immobiliare Appia S.r.l.	390	390	270
Telma S.r.l.	-	-	5,883
S.F.E.R.A. S.r.l.	15	15	-
Demofonte S.r.l.	-	-	3008
Nearco S.r.l.	-	-	21
Res Rennergys A.G.	1,236	1,236	1,236
	1,851	1,851	10,606
Other financial receivables	697	697	249
Bond securities	807	792	747
Security deposits	12	8	10
	3,367	3,348	11,612

Bond securities

Sopaf S.p.A. underwrote a €1 million convertible bond 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 reported at a value of €807,000 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.

7 Tax credits

The account balance of €18,290,000 includes tax credits claimed by the holding company, Sopaf S.p.A. The balance includes €13,755,000 of credits regarding the year of 1997 which have been transferred to third parties as a guarantee for credit lines and €4,373,000 of credits transferred to factoring companies.

8 Deferred tax assets

The account includes deferred tax assets of €6,988,000, stated net of deferred tax liabilities in the amount of €1,461,000.

The deferred tax assets have mainly originated from tax loss carryforwards booked by Sopaf S.p.A. (€6.8 million) and Sopaf Capital Management (€250,000).

As provided by the Group's accounting principles, the deferred tax assets have been booked considering the probability that the Group will generate sufficient taxable income in coming years against which the amounts booked can be used.

The deferred tax liabilities mainly consist of the residual deferred taxes booked during the period in relation to adjustments in the fair value of financial assets available for sale and deferred taxes on the convertible bonds inasmuch as the fair value of the debt component of the bonds was computed at the date of issue by using the market price of an equivalent non-convertible bond, and accordingly the amount of such deferred taxes represents the tax component in relation to the bond's cost accounts that will be amortized during the life of the bonds.

CURRENT ASSETS

9 Other receivables and other current assets

The account balance of €10,768,000 reflects a decrease of €3,683,000 compared with the balance as of 31 December 2007.

	31.03.2008	31.12.2007	31.03.2007
VAT credits	2,506	2,391	3,227
Tax credits	1,943	2,101	9,207
Other receivables	6,021	9,742	12,243
Accrued income and prepayments	298	217	5,299
	10,768	14,451	29,976

The reduction in the balance of other receivables reflects the collection on amounts due in relation to the sales of shareholdings.

10 Other financial assets

The account balance of €24,021,000 reflects an increase of €16,723,000 mainly due to a receivable booked by the holding company, Sopaf S.p.A., upon the sale to third-party investors of units in the FIP fund (which were acquired in October 2007); bearing interest at market rates, such receivable was to come on 30 June 2008. The sum of €16 million has already been collected in 2008.

The account includes interest-bearing financial receivables from the affiliate companies Demofonte S.r.l. (€2,408,000) and AFT S.p.A. (€200,000).

11 Non-current assets classified as assets held for sale

The account balance of €28,208,000 includes:

	31.03.2008	31.12.2007	31.03.2007
Shareholdings in affiliate companies:			
AFT S.p.A.	7,608	7,608	-
Sila S.p.A.	4,087	4,087	-
Nearco Sarl	1,433	1,433	-
Other shareholdings:			
Green Bit S.r.l.	4,900	4,900	-
Res Finco AG	10,180	10,180	-
	28,208	28,208	-

As previously reported, such shareholdings have been classified as assets held for sale after considering a series of initiatives undertaken by the management of the holding company at the end of 2007 in order to finalize the sale of a packet of industrial shareholdings (AFT S.p.A. (part of which is held by Nearco S.a.r.l.), Res Finco AG, SILA Holding Industriale S.p.A. and Green Bit S.p.A.) to several investors and the Group's expectation that such shareholdings will be sold by the end of 2008.

LIABILITIES AND SHAREHOLDERS' EQUITY

NON-CURRENT LIABILITIES

12 Convertible bonds

As of 31 March 2008, the account includes €43,639,000 as the non-current portion of the SOPAF 2007-2012 3.875% convertible bond issue.

On 4 September 2007, the offer available under option to the SOPAF S.p.A. shareholders of 56,520,463 bonds convertible into newly issued SOPAF S.p.A. ordinary shares was concluded; the bonds are part of the SOPAF 2007-2012 3.875% convertible issue.

The bonds are convertible into ordinary shares of the company at any time during the life of the loan, on the basis of a conversion ratio equal to one share for every bond held. Since the issue date, 107,769 bonds have been converted into ordinary shares.

13 Due to banks and other lenders

The account balance of €65,978,000 reflects an increase of €4,421,000 compared with the balance as of 31 December 2007.

	31.03.2008	31.12.2007	31.03.2007
Bank financing	61,507	57,162	41,707
Due to other lenders	4,471	4,395	163
	65,978	61,557	41,870

The bank financing includes:

- €41,757,000: medium-/long-term portion of the syndicated financing to support the acquisition of Banca Network Investimenti S.p.A., Area Life International Assurance Ltd., and Aviva Previdenza S.p.A. whose total funding amounted to €65,000,000; the maturity date is 30 September 2012. It is noted that the syndicated financing is backed by the pledge of the Banca Network Investimenti S.p.A. shares held directly by Sopaf S.p.A., the pledge of the shares of Petunia S.p.A., which owns 49.75% of Banca Network Investimenti S.p.A., and the shares of Area Life and Aviva Previdenza held by Sopaf S.p.A.;
- €6,750,000: medium-/long-term portion of two loans backed by the pledge of 23,001 shares of LM & Partners SCA (in liquidation) held by Sopaf S.p.A.;
- €10,000,000: an unsecured financing funded by a leading bank to support of the Sopaf's liquidity needs;
- €3,000,000: medium-/long-term portion of an unsecured loan.

It is noted that the syndicated financing to support the acquisition of Banca Network Investimenti S.p.A., Area Life and Aviva Previdenza S.p.A. is backed by several contractual covenants guaranteeing the respect of pre-established financial parameters (shareholders' equity and ratio of debt/shareholders' equity) for both the borrower and the company whose shares are pledged; should there be a default of one or more parameters, the company has 30 days to take actions to remedy the default, starting from the date on which the agent bank provides notice of the default, it being understood that such actions must be completed within 30 days of their adoption.

In this regard it is noted that the board of directors of Banca Network Investimenti S.p.A. approved the 2007 annual financial statements on 26 March 2008, and that such statements reported a loss of €17 million, which thus reduced the bank's capital to a level below the parameter of reference established by the financing. As already indicated in the comments on events subsequent to 31 March 2008, the extraordinary meeting passed a resolution approving a capital increase of €20 million which will allow for reinstating the capital to a level in line with the mentioned parameter; such capital increase is subject to the approval of the regulatory authorities.

The €4,471,000 due to other lenders exclusively regards debt due to factoring companies for the transfer of tax credits.

The aforementioned financing does not entail any amortization plans with instalments coming due beyond five years

14 Financial leases payable – non-current portion

Pursuant to IAS 17, the account includes €14,840,000 referring to the principal amount due on a property lease contracted for a building situated in Milan (Foro Buonaparte 24).

15 Other liabilities

The other liabilities amount to €10,713,000 and include 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. Based on the reimbursement plan provided by the contract, such non-current debt comes due during December 2009 and bears interest at the rate of 4%.

CURRENT LIABILITIES

16 Convertible bonds

The account balance of €1,082,000 refers to the interest expense accrued in favour of the bondholders from 10 August 2007 to 31 March 2008, with reference to the non-converted bonds only.

17 Due to banks and other lenders

The account balance of €85,052,000 reflects an increase of €25,953,000 compared with the balance as of 31 December 2007.

	31.03.2008	31.12.2007	31.03.2007
Bank financing	73,878	56,185	32,496
Financial debt to affiliate companies	11,174	225	-
Due to other lenders	-	2,689	2,819
	85,052	59,099	35,315

The bank financing of €73,878,000 mainly consists of:

- €21,658,000: the short-term portion of the €65,000,000 syndicated financing to support the acquisition of Banca Network Investimenti S.p.A., Area Life International Assurance Ltd. and Aviva Previdenza S.p.A. as described in detail in the comments on non-current liabilities; in March 2008, the short-term financing was renewed with a new maturity date of 31 December 2008;
- €4,934,000: the current portion of the syndicated financing previously described in the comments on non-current liabilities, backed by tax credits whose reimbursement has already been claimed;
- €5,977,000: the current portion of several loan contracts with a leading bank (previously described in the comments on non-current liabilities);
- €33,186,000: line of credits granted by leading banks and used for short-term liquidity needs;
- €8,123,000: a facility for coverage of ordinary current-account overdrafts.

The financial debt payable to affiliates includes:

- €10,695,000: an amount due to Beven Finance Sàrl in relation to the purchase of Management & Capitali shares by the holding company, Sopaf S.p.A.;
- €22,000: an amount due to ASM Lomellina for the commitments of the holding company, Sopaf S.p.A. to make payments in the capital account;

- €215,000: an amount due to Sfera S.r.l. for the commitments of the holding company, Sopaf S.p.A. to make payments in the capital account.

The amounts due to other lenders as of 31 December 2007 referred to a fiduciary financing totalling €2,819,000 that was paid out in March 2008.

18 Other liabilities

The account balance of €12,028,000 includes the following:

	31.03.2008	31.12.2007	31.03.2007
VAT payable	22	16	-
Taxes payable	328	975	4,636
Liabilities for current taxes	31	28	-
Due to social welfare institutions	525	761	177
Other payables	10,658	13,856	11,731
Accrued liabilities and deferred income	464	451	428
	12,028	16,087	16,972

The account balance of other payables mainly includes:

- €8,448,000 of amounts due to the third-party shareholders of LM & Partners S.C.A. (in liquidation) for the purchase of the minority shareholdings in the company (inclusive of accrued interest);
- €321,000 of deferred wages and salaries due to employees;
- €1,333,000 compensation due to members of the board of directors and board of statutory auditors.

INFORMATION ON THE PROFIT AND LOSS STATEMENT

The tables below summarize the principal profit-and-loss data for the group. The profit-and-loss data refer to the first three months of 2008 and are compared with data for the quarter ending 31 March 2007, and the data for the year ending 31 December 2007.

19 Revenues

The account balance of €1,155,000 includes the following:

	01.01.2008 31.3.2008	01.01.2007 31.3.2007	01.01.2007 31.12.2007
Service revenues	296	208	-
Commission revenues	859	889	4,680
Revenues from sales of real estate	-	2	-
	1,155	1,099	4,680

20 Other income

The account balance of €300,000 includes the following:

	01.01.2008 31.3.2008	01.01.2007 31.3.2007	01.01.2007 31.12.2007
Rental income	107	-	224
Reversal of previously accrued expenses	57	34	913
Other income	136	64	369
	300	98	1,506

21 Materials purchases and external services

The account balance of €2,426,000 includes the following:

	01.01.2008 31.3.2008	01.01.2007 31.3.2007	01.01.2007 31.12.2007
Change in inventories	(9)	-	-
Consulting services	475	420	3,139
Fees on financial activity	285	302	1,148
Administrative services	601	425	2,306
Legal services	134	104	1,685
Directors' fees	463	436	3,351
Fees to statutory auditors	34	50	-
Expense reimbursements	91	54	365
Leases	102	237	472
Rentals	84	58	321
Insurance	85	51	223
Utilities	62	52	317
Purchases of materials and merchandise	19	15	119
Purchases of properties	-	66	-
	2,426	2,270	13,446

22 Personnel expense

The account balance of €1,567,000 includes the following:

	01.01.2008 31.3.2008	01.01.2007 31.3.2007	01.01.2007 31.12.2007
Salaries and wages	1,177	821	5,158
Social welfare charges	308	209	1,375
Employment severance indemnities	82	185	345
	1,567	1,215	6,878

23 Other operating expenses

The account balance of €396,000 includes the following:

	01.01.2008 31.3.2008	01.01.2007 31.3.2007	01.01.2007 31.12.2007
Bank fees	49	335	590
Taxes and duties	240	368	1,614
Other operating charges	93	274	963
Reversal of previously accrued income	14	526	3,073
	396	1,503	6,240

24 Gains (losses) on 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.

Gains (losses) on disposal of non-current assets include:

- capital gains (losses) on the disposal of shareholdings in subsidiary companies;
- capital gains (losses) on the disposal of those shareholdings classified as assets available for sale and carried as other non-current financial assets.

The account covers the following for the quarter ending 31 March 2008:

	01.01.2008 31.3.2008	01.01.2007 31.3.2007	01.01.2007 31.12.2007
Capital losses/gains to be carried over due to liquidation of subsidiary companies:			
LMIS Sarl (in liquidazione)	-	-	883
Star Venture I S.c.p.A. (in liquidazione)	-	-	(437)
	-	-	447
Capital gains from sale of non-current financial assets:			
Omniapartecipazioni SpA/IMMSI S.p.A.	-	48,465	53,168
Fondo Aster	-	-	17,149
Management&Capitali S.p.A.	412	-	47
Sadi S.p.A.	33	-	8
FIP - Fondo Immobili Pubblici	2,115	-	-
	2,560	48,465	70,372
Capital gains on trading of equity securities:	-	-	227
Capital losses and related charges on transfer of assets available for sale:			
Fondo Aster	-	-	(6,598)
Omniapartecipazioni S.p.A.	-	-	(711)
Gabetti	-	-	(61)
Bama S.r.l.	-	-	-
	-	-	(7,369)
Profit (losses) from sales of non-current assets	2,560	48,465	63,678

25 Earnings accrued on shareholdings valued with net equity method

The account includes the group's portion of income (losses) on investments valued with the net equity method and the net gains (losses) from the sale of investments in affiliate companies:

	01.01.2008 31.3.2008	01.01.2007 31.3.2007	01.01.2007 31.12.2007
Pro-rata earnings			
Polis Fondi Sgr.p.A	130	79	376
Delta S.p.A.	-	1,056	368
Five Stars S.A.	565	504	976
Sopaf Capital Management SGR S.p.A.	-	18	18
Essere S.p.A.	-	254	-
China opportunity SA	-	-	2,151
Pwm Aig multimanager fund	-	-	604
Firanegocios S.L.	-	-	14
Telma S.r.l.	-	-	38
Veicoli Telma	-	48	45
Area Life International Assurance Limited	-	-	744
Aviva Previdenza SpA	450	-	-
Co.se S.r.l.	-	23	-
	1,145	1,982	5,334
Pro-rata losses			
Essere S.p.A.	(296)	-	(562)
Cose S.r.l.	-	-	(10)
Nearco Sarl	-	-	(21)
Veicoli Telma	-	(16)	-
Telma S.r.l.	-	(12)	-
AFT S.p.A.	-	(50)	(51)
S.F.E.R.A. S.r.l.	(10)	-	(30)
Beven Finance S.àr.l.	(25)	-	(23)
Petunia S.p.A.	(698)	(8)	(1,371)
China opportunity SA	(63)	(62)	-
Area Life International Assurance Limited	(135)	-	-
Sopaf&Partners RE S.r.l.	(4)	-	-
Banca Network Investimenti S.p.A.	(354)	-	(668)
	(1,585)	(148)	(2,736)
Capital gains (losses)			
from sales:			
Telma S.r.l.	-	-	8,067
AFT S.p.A.	-	554	(349)
Pwm Aig multimanager fund	-	-	(21)
Veicoli Telma	-	-	(89)
	-	554	7,609
Pro-rata profits (losses)	(440)	2,388	10,208

26 Net financial income (charge)

The account consists of the following:

	01.01.2008 31.3.2008	01.01.2007 31.3.2007	01.01.2007 31.12.2007
Interest income	269	574	1,362
Dividends	551	3,726	3,858
Income from shareholdings	1,006	-	-
Capital gains on securities and other financial assets	10	35	5
Foreign-exchange gains	19	4	10
Financial income	1,855	4,339	5,235
Foreign-exchange losses	(5)	(2)	(10)
Capital losses on securities and other financial assets	(3)	-	(3)
Interest expense	(3,345)	(2,491)	(8,651)
Financial charges	(3,353)	(2,493)	(8,664)
Net financial income (charges)	(1,498)	1,846	(3,429)

EXHIBITS

**DECLARATION PURSUANT TO ARTICLE 154-BIS, PARAGRAPH 2 OF
LEGISLATIVE DECREE 58/1998 (CONSOLIDATED FINANCIAL ACT)**

The undersigned, Alberto Ciaperoni, as the executive placed in charge of the preparation of the corporate accounting documents of Sopaf S.p.A.,

declares

that, in conformity with the provisions of Paragraph 2 of Article 154-bis of the Consolidated Financial Act, the accounting information in relation to Sopaf S.p.A.'s consolidated financial statements as of 31 March 2008 corresponds to the data contained in the accounting books, records and documents.

Executive in Charge

Alberto Ciaperoni

SOPAF GROUP

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

in € 000's

	Capital	Own Shares	Undivided Profits	Shareholders' Equity	Minority Interests	Total Shareholders' Equity
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	-	-	(45,059)	(45,059)	-	(45,059)
Deferred taxes on revaluing financial assets available for sale at fair value	-	-	(2,237)	(2,237)	-	(2,237)
Profits (losses) booked to shareholders' equity during the period	-	-	(47,296)	(47,296)	-	(47,296)
Transfer to profit and loss statement due to sale of financial assets available for sale	-	-	51,460	51,460	-	51,460
Net profit (loss) for the period	-	-	(7,653)	(7,653)	160	(7,493)
Total profits (losses) reported during the period	-	-	43,807	43,807	160	43,967
Incremental value on purchase of incremental share of investment in subsidiary company	-	-	(3,995)	(3,995)	-	(3,995)
Effects of changes in the consolidation area during the period	-	-	-	-	(4,005)	(4,005)
Dividends	-	-	-	-	-	-
Balance as of 31 March 2007	80,000	-	68,822	148,822	19,478	168,300
Balance as of 1 January 2008	80,003	(174)	95,041	174,870	7,173	182,043
Change in fair value of financial assets available for sale	-	-	(4,091)	(4,091)	-	(4,091)
Deferred taxes on revaluing financial assets available for sale at fair value	-	-	909	909	-	909
Profits (losses) booked to shareholders' equity during the period	-	-	(3,182)	(3,182)	-	(3,182)
Transfer to profit and loss statement due to sale of financial assets available for sale	-	-	854	854	-	854
Net profit (loss) for the period	-	-	(3,084)	(3,084)	(42)	(3,126)
Total profits (losses) reported during the period	-	-	(2,230)	(2,230)	(42)	(2,272)
Capital increase	93	-	-	93	-	93
Increase in fair value of hedging derivatives	-	-	(95)	(95)	-	(95)
Effects of changes in the consolidation area during the period	-	-	111	111	(927)	(816)
Other entries	-	(1,776)	-	(1,776)	70	(1,706)
Dividends	-	-	-	-	-	-
Balance as of 31 March 2008	80,096	(1,950)	89,645	167,791	6,274	174,065

SOPAF GROUP

STATEMENT OF SHAREHOLDINGS IN AFFILIATE COMPANIES / JOINTLY CONTROLLED COMPANIES

in €000's

Company	% Held	Opening Balances			Changes During the Period								Values as of 31.3.2008
		Values as of 31.12.2007	Changes in Consolidation Area	Purchases	Capital Increases (Reductions)	Sales	Pro-Rata Share of Profits	Dividends Paid	Pro-Rata Share of Losses	Changes in Fair Valuation	Coperture perdite	Reclassified as Assets Held for Sale	
Affiliate companies													
Polis Fondi S.G.R.P.A.	49.0%	8,053	-	-	-	-	130	-	-	-	-	-	8,183
Essere S.p.A.	35.8%	277	-	-	179	-	-	-	(296)	-	-	-	160
Co.Se. S.r.l.	50.0%	113	-	-	-	-	-	-	-	-	-	-	113
Five Stars S.a.r.l.	99.99%	4,291	-	-	-	-	565	-	-	-	-	-	4,856
China opportunity SA	42.4%	7,479	-	-	-	-	-	-	(63)	-	-	-	7,416
Sfera S.r.l.	48.0%	461	-	-	358	-	-	-	(10)	-	-	-	809
Beven Finance S.à.r.l.	50.0%	11,126	-	-	-	-	-	-	(25)	-	-	-	11,101
Petunia S.p.a.	59.4%	38,541	-	-	-	-	-	-	(698)	-	-	-	37,843
Westindustrie S.r.l.	22.0%	2	-	-	-	-	-	-	-	-	-	-	2
Pwm Aig multimanager fund	42.54%	13,582	-	-	-	-	-	-	-	-	-	-	13,582
Firanegocios L.S.	25.5%	3,861	-	-	-	-	-	-	-	-	-	-	3,861
ASM Lomellina Inerti S.r.l.	33.0%	30	-	-	-	-	-	-	-	-	-	-	30
Area Life Int ass. Limited	45.0%	9,129	-	-	-	-	-	-	(135)	-	-	-	8,994
Aviva Previdenza SpA	45.0%	-	-	15,431	-	-	450	-	-	-	-	-	15,881
Sopaf&Partners RE S.r.l.	40.0%	-	-	40	-	-	-	-	(4)	-	-	-	36
Banca Network Investimenti S.p.A. (*)	15.0%	19,172	-	-	-	-	-	-	(354)	-	-	-	18,818
		116,117	-	15,471	537	-	1,145	-	(1,585)	-	-	-	131,685

(*) Sopaf S.p.A. has a total interest of 44.5%, including through Petunia S.p.A.

SOPAF GROUP

STATEMENT OF FINANCIAL ASSETS AVAILABLE FOR SALE

in €000's

Changes During the Period												
Company	% Held	Values as of 31.12.2007	Changes in Consolidation Area	Purchases	Capital Increases	Divestitures	Sales	Divestitures	Reclassified as Assets Held for Sale	Writedowns	Fair Value Adjustments	Values as of 31.3.2008
Immsi S.p.A.	1.00%	-	-	4,479	-	-	-	-	-	-	(920)	3,559
Coronet S.p.A.	30.00%	-	-	-	-	-	-	-	-	-	-	-
Advanced Accelerator Applications S.A.	18.60%	14,883	-	-	-	-	-	-	-	-	-	14,883
Green BIT S.p.A.	29.13%	-	-	-	-	-	-	-	-	-	-	-
Forza quattro S.r.l.	15.00%	-	-	-	-	-	-	-	-	-	-	-
Demofonte S.r.l.	15.00%	703	-	-	-	-	-	-	-	-	-	703
IMED S.r.l.	17.86%	1,500	-	-	-	-	-	-	-	-	-	1,500
Immobiliare Appia S.r.l.	15.00%	1,967	-	-	-	-	-	-	-	-	-	1,967
Delta S.p.A.	15.95%	96,000	-	-	-	-	-	-	-	-	-	96,000
Sadi S.p.A.	2.55%	4,945	-	-	-	-	(232)	-	-	-	(1,184)	3,529
Fondo Valore sa	11.90%	2,000	-	-	-	-	-	-	-	-	-	2,000
Blue H Group Ltd.	1.60%	160	-	-	-	-	-	-	-	-	-	160
Fondo PWM Global income low volatility	0.08%	1,073	-	-	-	-	-	-	-	-	(51)	1,022
HSBC AM Monetaire	0.01%	1,560	-	-	-	-	(1,560)	-	-	-	-	-
Res Finco AG	24.72%	-	-	-	-	-	-	-	-	-	-	-
Noventi Field Venture LP	2.43%	146	-	16	-	-	-	-	-	-	-	162
Parc Eolien De S.Riquier	40.00%	16	-	-	-	-	-	-	-	-	-	16
Cerma SA	17.90%	850	-	-	-	-	-	-	-	-	-	850
FIP - Fondo Immobili Pubblici	4.35%	19,017	-	-	-	-	(19,017)	-	-	-	-	-
Tessitura Pontelambro SpA	2.00%	344	-	-	-	-	-	-	-	-	(45)	299
Value Sec Inv Sicar Sca	2.60%	381	-	-	-	-	-	-	-	-	-	381
Management&Capitali SpA	3.52%	3,664	-	12,822	-	-	(2,452)	-	-	-	(261)	13,773
Raffaele Caruso SpA	0.29%	101	-	-	-	-	-	-	-	-	1	102
Ezechiele Ltd	19.90%	46	-	-	-	-	-	-	-	-	-	46
Sun System SpA	15.94%	-	-	2,530	-	-	-	-	-	-	-	2,530
The Infr.&Growth c. Fund	-	-	-	3,208	-	-	-	-	-	-	-	3,208
Conafi Prestito SpA	4.13%	4,004	-	345	-	-	-	-	-	-	(832)	3,517
Opzione Newmann Lowther&Associates Ltd	-	322	-	-	-	-	-	-	-	-	-	322
		153,682	-	23,400	-	-	(23,261)	-	-	-	(3,292)	150,529