CONSOLIDATED ANNUAL REPORT

YEAR ENDED DECEMBER 31, 2007

Prepared according to IAS/IFRS

Gruppo MutuiOnline S.p.A. (in breve Gruppo MOL S.p.A. o MOL Holding S.p.A.)
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Capitale Sociale Euro 1.000.000 Interamente Versato

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1. GOVERNING BODIES AND OFFICERS

BOARD OF DIRECTORS

Chairman of the Board	Marco Pescarmona (1) (3) (5) (7)
Chief Executive Officer	Alessandro Fracassi (2) (3) (5)
Directors	Stefano Rossini (3) (5)
	Fausto Boni
	Alessandro Garrone (4)
	Paolo Gesess
	Vittorio Terzi (4)
	Paolo Vagnone (4) (6)
	Marco Zampetti

STATUTORY AUDITORS

Chairman of the Board	Fausto Provenzano
Active Statutory Auditors	Paolo Burlando
	Andrea Chiaravalli
Substitute Statutory Auditors	Francesca Masotti
	Raffaello Taliento

INDEPENDENT AUDITORS	PricewaterhouseCoopers S.p.A.

COMMITTEES

Audit Committee

Chairman	Marco Zampetti
	Alessandro Garrone
	Paolo Vagnone

Remuneration Committee

Chairman	Paolo Vagnone
	Alessandro Garrone
	Vittorio Terzi

(1) The Chairman is the Company's legal representative.
(2) The Chief Executive Officer legally represents the Company, disjointly from the Chairman, within the limits of the delegated powers.
(3) Member of the Executive Committee.
(4) Independent non-executive Director.
(5) Holds executive offices in some Group companies.
(6) Lead Independent Director.
(7) Executive Director in charge of overseeing the Internal Control System.

2. DIRECTORS' REPORT ON OPERATIONS

2.1. Introduction

Gruppo MutuiOnline S.p.A. ("Gruppo MOL S.p.A." or "MOL Holding S.p.A.") is the holding company of a group of financial services firms operating in the Italian market for the distribution of retail credit products and in the Italian market for the provision of credit-related business process outsourcing services for retail lenders (the "Group").

In the following sections, we illustrate the main aspects regarding the operations during the past financial year and the current economic and financial structure of the Group.

2.2. Organizational structure

The Group is today a leading online retail credit broker (www.mutuionline.it and www.prestitionline.it web sites) and a leading provider of credit-related outsourcing services to lenders in Italy.

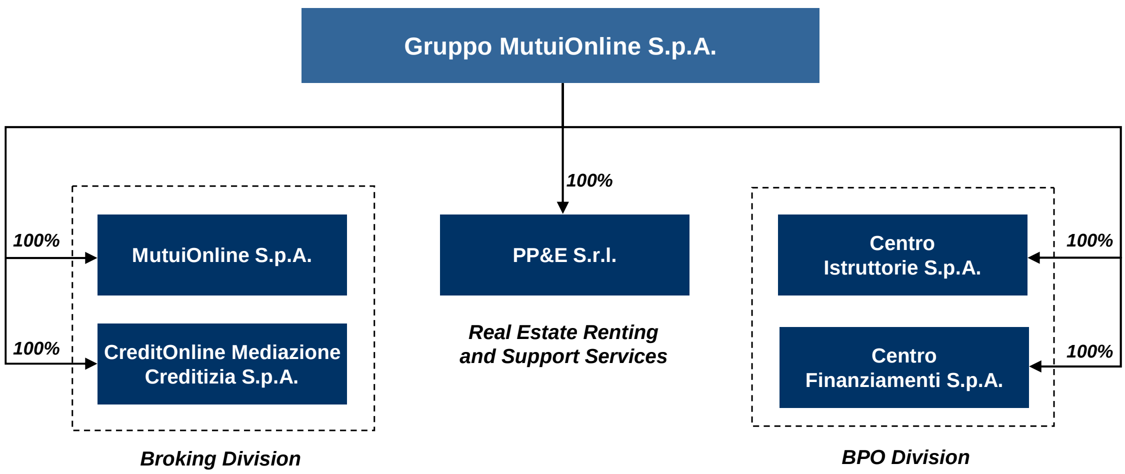
The Group's vision is to be the most innovative player in capturing the opportunities stemming from the development of the Italian retail credit market, leveraging on technology, organization, independency and superior execution.

As of December 31, 2007 Gruppo MutuiOnline S.p.A. (the "**Company**" or the "**Issuer**") operated through the following wholly-owned subsidiaries:

- **MutuiOnline S.p.A.** and **CreditOnline Mediazione Creditizia S.p.A.**: operating in the Italian market for the distribution of credit products to retail consumers; together they represent the **Broking Division** of the Group;

- **Centro Istruttorie S.p.A.** and **Centro Finanziamenti S.p.A.**: operating in the Italian market for the provision of credit-related outsourcing services to retail lenders; together they represent the **BPO** (i.e. Business Process Outsourcing) **Division** of the Group;

- **PP&E S.r.l.**: offering real estate renting and support services to the other Italian subsidiaries of the Issuer.



There have been no changes to the consolidation area, as compared with December 31, 2006.

Our Broking Division operates in the Italian market for credit distribution and carries out activities of credit intermediation. The activities carried out by our Broking Division are organized into three different business lines, on the basis of the credit product and the channel through which we broker those products:

(a) **MutuiOnline Business Line:** broking mortgage loans through remote channels;

(b) **PrestitiOnline Business Line:** broking consumer loans through remote channels; and

(c) **CreditPanel Business Line:** broking mortgage loans through physical channels.

Our BPO Division's services for lenders principally consist of commercial sales and packaging services; loan underwriting services and liaising with third parties to collect related documentation and finalize the loan disbursement. Such services are performed with respect to two main retail credit products: residential mortgages; loans guaranteed by a withholding on the borrowers' salary or pension or by a payment mandate on the salary ("**Employee Loans**"). Our BPO services are structured along three separate business lines, on the basis of the type of services offered and the type of underlying loan product:

(a) Front-End Sales (**FEC Business Line**): provides remote mortgage sales and packaging;

(b) Mortgage Processing Center (**CEI Business Line**): provides mortgage underwriting and closing services; and

(c) Employee Loans Processing Center (**CLC Business Line**): provides Employee Loan sales, underwriting and closing services.

2.3. Information about the profitability of the Group

In the following paragraph we describe the principal factors affecting the results of the operations of the Group for the year ended December 31, 2007. The income statement and the cash flow data for the year ended December 31, 2007 are taken from the consolidated annual report prepared according to IFRS and are compared with the same data for the year ended December 31, 2006.

The following table shows the consolidated income statements of the Group for the years ended December 31, 2007 and 2006, together with the percentage weight of each item on the Group revenues.

(euro thousand)	December 31, 2007	(a)	Years ended on December 31, 2006	(a)	Change %
Revenues	37,675	100.0%	21,842	100.0%	72.5%
of which					
Broking Division	*22,713*	*60.3%*	*12,715*	*58.2%*	*78.6%*
BPO Division	*14,962*	*39.7%*	*9,127*	*41.8%*	*63.9%*
Other income	445	1.2%	371	1.7%	19.9%
Capitalization of internal costs	199	0.5%	185	0.8%	7.6%
Services costs	(10,204)	-27.1%	(5,775)	-26.4%	76.7%
Personnel costs	(8,921)	-23.7%	(5,720)	-26.2%	56.0%
Other operating costs	(1,416)	-3.8%	(1,276)	-5.8%	11.0%
Depreciation and amortization	(1,016)	-2.7%	(1,107)	-5.1%	-8.2%
Operating income	**16,762**	**44.5%**	**8,520**	**39.0%**	**96.7%**
Financial income	364	1.0%	219	1.0%	66.2%
Financial expenses	(382)	-1.0%	(128)	-0.6%	198.4%
Net income before income tax expense	**16,744**	**44.4%**	**8,611**	**39.4%**	**94.4%**
Income tax expense	(7,007)	-18.6%	(3,455)	-15.8%	102.8%
Net income	**9,737**	**25.8%**	**5,156**	**23.6%**	**88.8%**

(a) *% of total revenues*

Revenues for the year ended December 31, 2007 were Euro 37.7 million, up 72.5% compared to the previous year. This strong result is partly due to the quick and unexpected development of the mortgage refinancing market, above all during the fourth quarter of the year, sparked by the regulatory changes introduced by the so called "Bersani Law":

- The Broking Division has leveraged its favorable position to serve this new market (which in other European countries is mainly served by independent distributors), and, in the last quarter, has also benefited from the payment of volume-based incentive fees, which were higher than expected, thanks to the growth of the refinancing market, which was unforeseeable at the moment of target negotiation with partner banks.

- The BPO Division was also exposed to the growth of this new segment, as its main client is one of the key players in the mortgage refinancing market.

During the financial year ended December 31, 2007, services costs increased by 76.7% compared to the financial year ended December 31, 2006. The increase of such costs during the financial year was proportionate to the revenues, though the Group sustained a considerable amount of non-recurring expenses for activities related to the restructuring of the Group and the listing of the Issuer's shares, concentrated in the first half of the financial year and amounting to Euro 816 thousand.

Personnel costs and other operating costs increased at a slower pace than revenues in the financial year ended December 31, 2007, compared to the financial year ended December 31, 2007. This trend is due to the improvement of operating efficiency, with the contribution of economies of scale. The following table provides information about the average headcount for the financial years ended December 31, 2007 and 2006:

	Years ended on	
	December 31, 2007	December 31, 2006
Directors	6	5
Managers	8	6
Employees	107	60
Professional collaborators and project workers	165	131
Average headcount	**286**	**202**

In this respect it is worth pointing out that during the financial year ended December 31, 2007, two companies of the Group, MutuiOnline S.p.A. and Centro Istruttorie S.p.A., were subjected to an audit from the territorial staff of the Ministry of Labor. These controls concerned, among other things, the legal classification of the professional and project-based collaboration contracts used by these companies.

As of the date of preparation of the financial statements, only the reports of the results of these audits had been notified. The management examined these reports with the support of legal advisers and, at the moment, we can not rule out possible litigation as a result of bills that could be served and we can not predict the financial outcome of such litigation. In the consolidated financial statements for the financial year ended on December 31, 2007 no provision was made in such respect because, at present, the rise of an obligation is considered possible but not probable and there are no objective evidences to make a reliable estimation of the amount of this potential obligation.

Depreciation and amortization slightly decreased for the financial year ended December 31, 2007 compared to the previous financial year.

For the financial year ended December 31, 2007, the consolidated income statement presents a slight financial loss, mainly due to interest expenses on the bank loan granted by Intesa Sanpaolo S.p.A. to the Company in October 2006.

2.3.1. Revenues

The table below provides a breakdown of our revenues by Division and Business Line, for the years ended December 31, 2007 and 2006:

(euro thousand)	Years ended on December 31, 2007	(a)	December 31, 2006	(a)	Change %
MutuiOnline Business Line	16,117	42.8%	9,718	44.5%	65.8%
PrestitiOnline Business Line	4,082	10.8%	2,285	10.5%	78.6%
CreditPanel Business Line	2,514	6.7%	712	3.3%	253.1%
Total revenues of the Broking Division	**22,713**	**60.3%**	**12,715**	**58.2%**	**78.6%**
FEC Business Line	5,937	15.8%	4,168	19.1%	42.4%
CEI Business Line	5,183	13.8%	3,432	15.7%	51.0%
CLC Business Line	3,842	10.2%	1,527	7.0%	151.6%
Total revenues of the BPO Division	**14,962**	**39.7%**	**9,127**	**41.8%**	**63.9%**
Total revenues	**37,675**	**100.0%**	**21,842**	**100.0%**	**72.5%**

(a) *% of total revenues.*

Revenues increased from Euro 21,842 thousand in the financial year ended December 31, 2006 to Euro 37,675 thousand in the financial year ended December 31, 2007 (+72.5%).

Broking Division

The following table presents the breakdown by Business Line of the Broking Division revenues, for financial years 2007, 2006, 2005 and 2004.

Broking Division Revenues (Euro thousand)	2007	2006	2005	2004
MutuiOnline Business Line	16,117	9,718	6,425	4,102
PrestitiOnline Business Line	4,082	2,285	1,507	1,277
CreditPanel Business Line*	2,514	712	451	392
Toatal Broking Division	**22,713**	**12,715**	**8,383**	**5,771**
Percentage of total Group revenues	**60.3%**	**58.2%**	**63.4%**	**74.1%**

**Includes the activity performed by the shops.*
The data concerning 2004 and 2005 are extracted from the Prospectus filed with CONSOB on May 18, 2007

Revenues of the Broking Division increased from Euro 12,715 thousand in the financial year ended December 31, 2006 to Euro 22,713 thousand in the financial year ended December 31, 2007 (+78.6%).

With reference to the financial year ended on December 31, 2007, the revenues of the Broking Division are attributable for 71.0% to the MutuiOnline Business Line, for 18.0% to the PrestitiOnline Business Line and for the remaining 11.1% to the CreditPanel Business Line.

The following table illustrates the breakdown by Business Line of the loan amounts originated by partner banks and financial intermediaries thanks to the broking services of the Broking Division, for financial years 2007, 2006, 2005 and 2004.

Volume of loans disbursed by partner banks and financial intermediaries pursuant to the broking services of the Broking Division (Euro million)	2007	2006	2005	2004
MutuiOnline Business Line	1,057	636	460	271
PrestitiOnline Business Line (only personal loans)*	182	95	43	36
CreditPanel Business Line**	139	61	51	65
Totale Divisione Broking	**1,378**	**792**	**554**	**372**

**Excluding Employee Loans and revolving credit cards.*
***Includes the activity performed by the shops.*
The data concerning 2004 and 2005 are extracted from the Prospectus filed with CONSOB on May 18, 2007

It is worth pointing out that during the course of 2007, the Broking Division earned significant incentive fees, linked to mortgage origination targets agreed with the main partner banks, also thanks to the significant and unexpected contribution attributable to the regulatory changes that impressed a strong acceleration to the mortgage refinancing market. Therefore, the average fee amounts for 2007 cannot be considered indicative of future fee levels, for which the historical levels of past financial years could represent valid reference points.

MutuiOnline Business Line

Revenues of the MutuiOnline Business Line increased from Euro 9,718 thousand in the financial year ended December 31, 2006 to Euro 16,117 thousand in the financial year ended December 31, 2007 (+65.8%).

The following table presents the evolution of some performance indicators for the MutuiOnline Business Line, for financial years 2007, 2006, 2005 and 2004.

Certain performance indicators for the MutuiOnline Business Line	2007	2006	2005	2004
Total number of individual mortgage applications received	65,133	42,994	40,784	33,847
Total number of mortgages brokered by MutuiOnline and subsequently disbursed	8,297	5,243	4,059	2,558
Weighted conversion rate*	15.3%	12.5%	10.9%	n.a.

**Calculated as the ratio of the total number of mortgage loans brokered through the MutuiOnline Business Line which were disbursed during the year indicated, to the average number of loan applications received with respect to both the year indicated and the preceding year. This methodology takes into account the substantial time lapse between the submission of a loan application and its disbursement, which is linked with the time span required for purchases of real property. In light of this methodology, you should not place undue reliance on the weighted conversion rates indicated as a measure of performance of the Business Line.*
The data concerning 2004 and 2005 are extracted from the Prospectus filed with CONSOB on May 18, 2007

During the financial year ended December 31, 2007 the number of individual mortgage applications received increased by 51.5% (from 42,994 in 2006 to 65,133 in 2007) and the number of mortgages brokered by the MutuiOnline Business Line increased by 58.2% (from 5,243 in 2006 to 8,297 in 2007), thanks to a growth of the conversion rates.

It is worth pointing out that, in the course of financial year 2007, around 30% of mortgage applications and around 14% of closed mortgages were represented by remortgages or analogous products; as a comparison, for financial year 2006, around 10% of mortgage applications and around 6% of closed mortgages were represented by remortgages or analogous products. The tendency towards an increase in the percentage weight of remortgages or analogous products on the total of all mortgage applications and closed mortgages was particularly accentuated in the final months of 2007.

It is worth highlighting that the increase of the weighted conversion rate, in the management's judgment, does not represent a structural phenomenon and it would be fair to expect a realignment of such indicator to the values of previous years, also in light of the growing proportion of remortgage applications, historically characterized by lower conversion rates.

PrestitiOnline Business Line

Revenues of the PrestitiOnline Business Line increased from Euro 2,285 thousand in the year ended December 31, 2006 to Euro 4,082 thousand in the year ended December 31, 2007 (+78.6%).

The following table presents the evolution of some performance indicators for the PrestitiOnline Business Line, for financial years 2007, 2006, 2005 and 2004.

Certain performance indicators for the PrestitiOnline Business Line	2007	2006	2005	2004
Total number of personal loan applications received	67,371	53,188	43,346	37,011
Total number of personal loans brokered by PrestitiOnline and subsequently disbursed	12,607	8.297	5,341	4,643
Conversion rate*	18.7%	15.6%	12.3%	12.5%

**Calculated as the ratio of personal loans brokered through the PrestitiOnline Business Line that were subsequently disbursed during the year indicated to the total number of personal loan applications received during the year indicated. These rates are calculated using aggregated annual data and are therefore merely indicative.*
The data concerning 2004 and 2005 are extracted from the Prospectus filed with CONSOB on May 18, 2007

With reference to personal loans, the number of applications received increased by 26.7% (from 53,188 in 2006 to 67,371 in 2007). This factor, together with a growth of the conversion rates, influenced the number of personal loans disbursed, which increased by 51.9%, passing from 8,297 in 2006 to 12,607 in 2007.

The increase of personal loans was partially offset by the decrease of the revenues for revolving credit cards and Employee Loans, which together account for 3.5% of total revenues of the PrestitOnline Business Line in the financial year ended December 31, 2007 (in the financial year ended December 31, 2006, they account for 14.5% of total revenues).

CreditPanel Business Line

Revenues of the CreditPanel Business Line increased from Euro 712 thousand in financial the year ended December 31, 2006 to Euro 2,514 thousand in the financial year ended December 31, 2007 (+253.1%). The increase is due to the development and progressive consolidation of the network of introducers and developers.

The CreditPanel Business Line ha generated, in the course of financial year 2007, a total number of 5,968 mortgage applications and 995 brokered mortgages subsequently disbursed by partner banks, compared to a total number of 3,038 mortgage applications and 421 brokered mortgages subsequently disbursed by partner banks in financial year 2006.

It is worth higlighting that, coherently with a strategy focused on the development of an indirect network of introducers and developers, the Torino shop was closed in the fourth quarter of 2007.

BPO Division

Revenues of the BPO Division increased from Euro 9,127 thousand in the financial year ended December 31, 2006 to Euro 14,962 thousand in the financial year ended December 31, 2007 (+63.9%).

The following table presents the breakdown by Business Line of the BPO Division revenues, for financial years 2007, 2006, 2005 and 2004.

BPO Division revenues (Euro thousand)	**2007**	**2006**	**2005**	**2004**
FEC Business Line	5,937	4,168	2,437	811
CEI Business Line	5,183	3,432	2,397	1,207
CLC Business Line	3,842	1,527	-	-
Total BPO Division	**14,962**	**9,127**	**4,834**	**2,018**
Percentage of total Group revenues	**39.7%**	**41.8%**	**36.6%**	**25.9%**

The data concerning 2004 and 2005 are extracted from the Prospectus filed with CONSOB on May 18, 2007

In financial year 2007, the main client of the BPO Division accounted for 65.2% of the BPO Division revenues, down from 74.2% in 2006.

The increase of the revenues is due to the positive evolution of the mortgage market, which favored the growth of business activity with existing clients, and to the further development of the CLC Business Line.

FEC Business Line

Revenues of the FEC Business Line increased from Euro 4,168 thousand in the financial year ended December 31, 2006 to Euro 5,937 thousand in the financial year ended December 31, 2007 (+42.4%), mainly due to the growth of business activity with existing clients.

CEI Business Line

Revenues of the CEI Business Line increased from Euro 3,432 thousand in the financial year ended December 31, 2006 to Euro 5,138 thousand in the financial year ended December 31, 2007 (+51.0%), mainly due to the growth of business activity with existing clients.

CLC Business Line

Revenues of the CLC Business Line increased from Euro 1,527 thousand in the financial year ended December 31, 2006 to Euro 3,842 thousand in the financial year ended December 31, 2007 (+151.6%). The growth is a consequence of the increase of the revenues from existing clients and from the start of a new contract, whose impact will be more visible in the course of 2008.

2.3.2. Operating income (EBIT)

Operating income (EBIT) increased from Euro 8,520 thousand in the financial year ended December 31, 2006 to Euro 16,762 thousand in the financial year ended December 31, 2007 (+96.7%) as detailed in the table below:

(euro thousand)	**Years ended on** December 31, 2007	December 31, 2006	**Change**	**%**
Operating income	16,762	8,520	8,242	96.7%
of which				
Broking Division	13,318	5,732	*7,586*	*132.3%*
BPO Division	3,444	2,788	*656*	*23.5%*

With reference to the financial year ended December 31, 2007, it is appropriate to point out that the Group's operating income was affected by non-recurring expenses of Euro 816 thousand for technical, legal and administrative consultancy related to the restructuring of the Group and the listing of the Company's shares. If the Group had not incurred these expenses, operating income for the year ended December 31, 2007 would have been Euro 17,578 thousand, of which Euro 13,440 thousand for the Broking Division and Euro 4,138 for the BPO Division.

The increase in operating income of the Broking Division could be also attributable to the greater effectiveness of marketing expenses incurred in the financial year ended December 31, 2007 in comparison with the financial year ended December 31, 2006, due to the increase of the demand for mortgage refinancing spurred by the legislative changes introduced during 2007.

2.3.3. EBITDA

EBITDA is calculated as net income before income tax expense, net financial income/ (expenses), and depreciation and amortization.

The following table presents a reconciliation between net income and EBITDA for the financial years ended December 31, 2007 and 2006:

(euro thousand)	**Years ended on** December 31, 2007	December 31, 2006
Net income	9,737	5,156
Income tax expense	7,007	3,455
Financial income	382	128
Financial expenses	(364)	(219)
Depreciation and amortization	1,016	1,107
EBITDA	**17,778**	**9,627**

EBITDA increased from Euro 9,627 thousand in the financial year ended December 31, 2006 to Euro 17,778 thousand in the financial year ended December 31, 2007 (+84.7%).

As mentioned before, with reference to the financial year ended December 31, 2007, the Group's operating income was affected by non-recurring expenses of Euro 816 for technical, legal and administrative consultancy related to the restructuring of the Group and the listing of the Company's shares. If the Group had not incurred these expenses, EBITDA for the financial year ended December 31, 2007 would have been Euro 18,594 thousand.

2.3.4. Net income

Net income increased from Euro 5,156 thousand in the financial year ended December 31, 2006 to Euro 9,737 thousand in the financial year ended December 31, 2007 (+88.8%).

The growth is mainly due to the trend of operating income, partially reduced by the increase of income taxes.

2.4. Information about financial resources of the Group

The following table presents the net financial position, as defined in the CONSOB communication N. DEM/6064293 dated July 28, 2006, as of December 31, 2007 and December 31, 2006:

(euro thousand)	As of December 31, 2007	December 31, 2006	Change	%
A. Cash and cash equivalents	11.344	8.364	2.980	35,6%
B. Other cash equivalents	-	-	-	N/A
C. Securities held for trading	-	-	-	N/A
D. Liquidity (A) + (B) + (C)	**11.344**	**8.364**	**2.980**	**35,6%**
E. Current financial receivables	**-**	**-**	**-**	**N/A**
F. Bank borrowings	(16)	-	(16)	N/A
G. Current portion of long-term borrowings	(86)	(66)	(20)	30,3%
H. Other short-term borrowings	(174)	(170)	(4)	2,4%
I. Current indebteness (F) + (G) + (H)	**(276)**	**(236)**	**(40)**	**16,9%**
J. Net current financial position (I) + (E) + (D)	**11.068**	**8.128**	**2.940**	**36,2%**
K. Non-current portion of long-term bank borrowings	(6.000)	(6.000)	-	0,0%
L. Bonds issued	-	-	-	N/A
M. Other non-current borrowings	(935)	(1.113)	178	-16,0%
N. Non-current Indebteness (K) + (L) + (M)	**(6.935)**	**(7.113)**	**178**	**-2,5%**
O. Net financial position (J) + (N)	**4.133**	**1.015**	**3.118**	**307,2%**

The net financial position as of December 31, 2007 and 2006 shows a positive balance.

2.4.1. Current and non-current indebtedness

Current and non-current indebtedness as of December 31, 2007 and 2006 is summarized in the following table:

(euro thousand)	As of December 31, 2007	December 31, 2006	Change	%
Bank borrowings	(6,086)	(6,066)	(20)	0.3%
Less than 1 year	(86)	(66)	(20)	30.3%
1 - 5 years	(4,693)	(3,442)	(1,251)	36.3%
More than 5 years	(1,307)	(2,558)	1,251	-48.9%
Short-term bank borrowings	(16)	-	(16)	N/A
Less than 1 year	(16)	-	(16)	N/A
Finance lease obligations	(1,109)	(1,284)	175	-13.6%
Less than 1 year	(174)	(170)	(4)	2.4%
1 - 5 years	(777)	(769)	(8)	1.0%
More than 5 years	(158)	(345)	187	-54.2%
Total financial indebtedness	**(7,211)**	**(7,350)**	**278**	**-3.8%**

The non-current indebtedness as of December 31, 2007 is 96.2% of the total financial indebtedness.

Bank borrowings

Bank borrowings as of December 31, 2007, including accrued interest expenses (amounting to Euro 86 thousand) are summarized in the following table:

	As of December 31, 2007			
(euro thousand)	Less than 1 year	1 - 5 years	More than 5 years	TOTAL
Loan from Intesa SanPaolo S.p.A.	(86)	(4,693)	(1,307)	(6,086)
Bank borrowings	**(86)**	**(4,693)**	**(1,307)**	**(6,086)**

	As of December 31, 2006			
(euro thousand)	Less than 1 year	1 - 5 years	More than 5 years	TOTAL
Loan from Intesa SanPaolo S.p.A.	(66)	(3,442)	(2,558)	(6,066)
Bank borrowings	**(66)**	**(3,442)**	**(2,558)**	**(6,066)**

It is worth pointing out that as security for this loan and for the obligations deriving from the loan, the Issuer had originally pledged 100% of the share capital of MutuiOnline S.p.A.. The Issuer was granted the cancellation of the pledge on March 28, 2007, which was subsequently entered into the shareholders' ledger on April 11, 2007, and no further guarantees were requested in substitution for the pledge.

Short-term bank borrowings and credit lines

Short-term bank borrowings

As of December 31, 2007, the Group had credit lines in the amount of Euro 300 thousand granted by Banca Popolare di Novara S.p.A., drawn for Euro 16 thousand.

Credit line granted by Intesa Sanpaolo S.p.A.

In addition, in July 2006 Intesa Sanpaolo S.p.A. granted to the Group a standing overdraft facility of Euro 2,000 thousand, for fixed utilization for a term of up to 18 months. The applicable interest rate is equal to Euribor plus 0.60%. As of December 31, 2007, this facility has not been utilized.

Financing lease obligations

In November 2005, PP&E S.r.l. entered into a finance lease agreement with Sanpaolo Leasint S.p.A.. The object of this agreement is the purchase of real property located in Cagliari, which houses a large portion of the operations of the Group. During the financial years ended December 31, 2007 and 2006, the effective interest rate paid on this finance lease agreement was 5.2% and 4.0%, respectively.

The following table presents the obligations related to the above mentioned finance lease agreement with Sanpaolo Leasint S.p.A. as of December 31, 2007 and 2006.

	As of December 31, 2007			
(euro thousand)	**Less than 1 year**	**1 - 5 years**	**More than 5 years**	**TOTAL**
SanPaolo Leasint S.p.A.	(174)	(777)	(158)	(1,109)
Finance lease obligations	**(174)**	**(777)**	**(158)**	**(1,109)**

	As of December 31, 2006			
(euro thousand)	**Less than 1 year**	**1 - 5 years**	**More than 5 years**	**TOTAL**
SanPaolo Leasint S.p.A.	(170)	(769)	(345)	(1,284)
Finance lease obligations	**(170)**	**(769)**	**(345)**	**(1,284)**

2.4.2. Cash flow analysis

In the present paragraph we present an analysis of the consolidated cash flows of the Group for the financial years ended December 31, 2007 and 2006.

The following table shows a summary of the consolidated statements of cash flows for the financial years ended December 31, 2007 and 2006:

(euro thousand)	Years ended on December 31, 2007	December 31, 2006	Change	%
A. Net cash provided by operating activities before the changes of working capital	12,401	5,908	6,493	109.9%
B. Changes of working capital	(6,158)	887	(7,045)	-794.3%
C. Net cash provided by operating activities (A) + (B)	**6,243**	**6,795**	**(552)**	**-8.1%**
D. Net cash used in investing activities	**(726)**	**(1,775)**	**1,049**	**-59.1%**
E. Net cash used in financing activities	**(2,537)**	**(2,174)**	**(363)**	**16.7%**
Net increase in cash and cash equivalents (C) + (D) + (E)	**2,980**	**2,846**	**134**	**4.7%**

In the financial year ended December 31, 2007 the Group generated liquidity for an amount equal to Euro 2,980 thousand, versus an amount of liquidity equal to Euro 2,846 thousand generated during the financial year ended December 31, 2006.

Cash flow generated by operating activities

Operating activities showed a decrease of cash and cash equivalent generated, passing from Euro 6,795 thousand in the financial year ended December 31, 2006 to Euro 6,243 thousand in the financial year ended December 31, 2007.

This decrease is linked to the absorption of liquidity to fund the increase of net working capital, as later described.

Cash flows absorbed by investment activities

Investment activities absorbed cash for Euro 726 thousand in the financial year ended December 31, 2007 and Euro 1,775 thousand in the financial year ended December 31, 2006.

The cash flows for the financial year ended December 31 2006 were significantly affected by the refurbishment works that during the past year involved the leased building in Cagliari.

Cash flows generated by financial activities

Financial activities absorbed liquidity for Euro 2,537 thousand in the financial year ended December 31, 2007 and Euro 2,174 thousand in the financial year ended December 31, 2006.

The absorption of liquidity in the financial year ended December 31, 2007 is mainly due to the purchase of own shares for Euro 2,050 thousand, while in the financial year ended December 31, 2006 it is due to the payment of dividends and to the reimbursement of the interest-free loan to MOL (UK) Holdings Ltd., partially offset by the proceeds of the loan granted by Intesa Sanpaolo S.p.A..

2.4.3. Composition and changes in net working capital

The following table presents the breakdown of the components of net working capital as of December 31, 2007 and 2006:

(euro thousand)	As of December 31, 2007	December 31, 2006	Change	%
Trade receivables	12,737	4,685	8,052	171.9%
Contract work in progress	1,906	1,242	664	53.5%
Other current assets and tax receivables	719	571	148	25.9%
Trade and other payables	(3,194)	(2,460)	(734)	29.8%
Tax payables	(3,004)	(1,936)	(1,068)	55.2%
Other current liabilities	(2,060)	(1,156)	(904)	78.2%
Net working capital	**7,104**	**946**	**6,158**	**651.0%**

Net working capital increased and absorbed liquidity for Euro 6,158 thousand in the financial year ended December 31, 2007. This change is mainly linked to the growth of "Trade receivables", which increased by 171.9%, from Euro 4,685 thousand as of December 31, 2006 to Euro 12,767 thousand as of December 31, 2007. This effect is mainly due to the growth of business activity volumes, to the strong concentration of revenues in the fourth quarter of 2007 and to fluctuations in invoicing and payment times.

2.5. Table of reconciliation of the consolidated net income and equity with the Issuer's data

(euro thousand)	Net income for the year ended December 31, 2007	Shareholders' equity as of December 31, 2007	Net income for the year ended December 31, 2006	Shareholders' equity as of December 31, 2006
Net income and shareholders' equity of the Issuer	**2,060**	**5,108**	**4,303**	**4,767**
Net income and shareholders' equity of the associated companies	11,907	15,810	4,871	8,153
<u>*Consolidation adjustements*</u>				
Elimination of the value of investement in associated companies		(6,693)		(6,693)
Elimination of the dividends from associated companies	(4,250)		(4,820)	
Cost of stock option for the personnel of the associated companies	(145)		(24)	
Other consolidation adjustements	165	380	826	216
Consolidated net income and shareholders' equity	**9,737**	**14,605**	**5,156**	**6,443**

2.6. Research and development

Within the Group, at least nine employees regularly work with the objective of improving and enhancing the IT system and the software platforms used by the Group to supply its services to its retail customers and its lending clients. The capitalized costs related to software development in the financial year ended on December 31, 2007 amount to Euro 199 thousand (Euro 185 thousand in the financial year ended December 31, 2006). The proprietary software platforms "MOL", "POL", "FEC", "CEI"; "CLC", "DOC" represent the heart of the operations of the companies of the Group in both Divisions and must be continuously expanded and developed to improve their commercial effectiveness, incorporate legislative changes, manage new kinds of products, simplify processes, increase efficiency, improve consulting ability, increase operators' productivity, adapt to the increasingly sophisticated underwriting criteria of lenders, and ensure data protection and security.

2.7. Own shares

On February 9, 2007, the shareholders' meeting authorized the purchase of own shares, within the limits of retained earnings and distributable reserves from the last approved statutory financial statements of the Issuer and for a period of 18 months. The purchase of own shares should be used for the service of the stock option plan for employees, directors and other personnel of the Group. The shareholders' meeting granted to the board of directors the authorization for the purchase of own shares, establishing the limits and the term of the authorization, the maximum number of shares that can be purchased and the price interval.

On July 27, 2007, the executive committee, under the powers delegated by the board of directors for ordinary and extraordinary operations, up to a certain amount, approved a share buy back program, to be effected between July 28, 2007 and July 27, 2008, for a maximum number of 790,237 ordinary shares, without nominal value, equal to 2% of the share capital of the Issuer and for a maximum cost of € 5 million, subject to the limits of the law and within the limits of retained earnings and distributable reserves from the last approved statutory financial statements.

On December 31, 2007 the Issuer had purchased 400,000 shares, equal to 1.012% of ordinary share capital, at a total cost of Euro 2,050 thousand.

During the first months of 2008 the Issuer continued the execution of the buy back program and purchased further 100,000 own shares. On the date of approval of the present report the Issuer had purchased in total 500,000 own shares, at a total cost of Euro 2,410 thousand.

2.8. Report on the governance and the adhesion to the codes of conduct

For the report on the governance and the adhesion to the codes of conducts please refer to the report approved by the board of directors on March 20, 2008 and afterwards published.

2.9. Shareholdings of the members of the governing and controlling bodies, general managers and managers with strategic responsibilities

The following table shows the participations in the ordinary share capital of the Issuer held by the members of the governing and controlling bodies, general managers and managers with strategic responsibilities in the year ended December 31, 2007:

Name	Office	Shares held as of December 31, 2006	Acquireded shares	Shares sold	Shares held as of December 31, 2007	Possession title	Way of possession
Marco Pescarmona	Chairman	-	-	-	-	N/A	N/A
Alessandro Fracassi	CEO	-	-	-	-	N/A	N/A
Stefano Rossini	Executive director	-	1,705,500	-	1,705,500	P	D
Fausto Boni	Director	-	-	-	-	P	D
Paolo Gesess	Director	-	105,450	75,450	30,000	P	D
Marco Zampetti	Director	-	15,000	-	15,000	P	D
Paolo Vagnone	Director	-	50,000	-	50,000	P	D
Alessandro Garrone	Director	-	-	-	-	N/A	N/A
Vittorio Emanuele Terzi	Director	-	275,000	-	275,000	P	D
Fausto Provenzano	Chairman of the board of the statutory auditors	-	3,500	-	3,500	P	D
Paolo Burlando	Statutory auditor	-	-	-	-	N/A	N/A
Andrea Chiaravalli	Statutory auditor	-	-	-	-	N/A	N/A
Managers with strategic responsabilities		-	520,720	38,335	482,385	P	D

Legend:
P: Property
D: Direct possession
N/A: Not applicable

Besides, it is worth pointing out that Marco Pescarmona holds a 50% indirect shareholding in Alma Ventures S.A. (through Guderian S.r.l.) and Alessandro Fracassi holds a 50% indirect shareholding in Alma Ventures S.A. (through Casper S.r.l.) and that Alma Venture S.A., as of December 31, 2007, holds 12,556,670 shares of the Issuer, of which 250,000 purchased during the year ended December 31, 2007.

2.10. Evolution of the Italian residential mortgage market

The Italian residential mortgage market represents the main underlying market for the development of both Group Divisions.

The most recent official figures published by the Bank of Italy confirm the slowdown of the residential mortgage market in 2007: in the first nine months of the year gross mortgage flows to families were Euro 44.9 billion, down 1.5% compared to Euro 45.6 billion in the same period of 2006 (total gross flows for 2006: Euro 62.8 billion). Such contraction, in management's judgment, could be amplified in the fourth quarter of 2007, also due to the anomalous peaks recorded by inter-bank market interest rates in the period.

The residential real estate market, which until now had been the main driver of mortgage demand in Italy, has been slowing down since the beginning of 2007. Even if no official data for the full year are yet available, based on public announcements by some of the main operators in the field, in 2007 the market recorded substantial price stability, an increase in selling lead times and a contraction of some percentage points in the number of transactions. The management believes that, in the current situation, it is fair to forecast a weak real estate market for year 2008, with the subsequent negative impact on the purchase mortgage market dynamics.

On the contrary, the remortgage market, which according to the estimates of a primary Italian bank accounted for 10% of all residential mortgages in 2007, appears to be growing significantly stimulated by the strong volatility of Euribor and by recent regulatory innovations, aimed at enacting the so called "*Bersani Law*" on mortgage portability. In particular, the 2008 Budget Law has finally established the absence of costs or penalties for remortgages with lien portability, requesting at the same time the collaboration of the banks involved in the portability process. In parallel, the Italian

Bankers' Association has established an operating and IT protocol to guarantee inter-bank cooperation for mortgage portability, operating from February 4 and mandatory for all banks by May 2008. We expect that the combined effect of such measures could progressively lead in the course of 2008 to a further development of the remortgage market, even if currently it is not possible to rule out new impediments of technical, operating, or commercial nature.

The fall of the elected government in January 2008 has introduced an additional source of uncertainty for Italian consumers, that in management's opinion could cause a further temporary slow down of the residential real estate and residential mortgage markets until the creation of a steady government following the April 2008 general election.

2.11. Foreseeable evolution

2.11.1. Broking Division

In January and February 2008 we observed a sustained growth of closed mortgages volumes compared to the same months of the previous year due to the application pipeline built during the second half of year 2007.

The number of mortgage and personal loan applications collected in the quarter ended December 31, 2007 increased compared with the same quarter of the previous year. Regarding mortgage applications, such growth slowed down significantly between January and February 2008, compared with the same months of the previous year. Moreover, compared with a year ago, we observed a significant contraction in the number of purchase mortgage applications, while remortgage applications continue to grow.

Even if the growth outlook remains structurally favorable, the evolution in the number and type of mortgage applications, potentially indicative of a significant slowdown in the purchase mortgage market, prompts caution in assessing the expected growth rate of the MutuiOnline Business Line for the first half of 2008. Such caution is further justified by the increased uncertainty and potential insecurity of Italian consumers following the fall of the elected government in January 2008.

2.11.2. BPO Division

January and February 2008 confirm the positive growth trend of the business activity volumes of the BPO Division.

Regarding mortgage outsourcing, we confirm the expected launch of two new clients in the first half of 2008.

Regarding Employee Loan outsourcing, the quality of the new contract acquisition pipeline is confirmed by the start of preparations for the launch a new client, part of a leading banking group.

The management believes that personnel costs could increase during financial year 2008 compared to the previous financial year, given the lower flexibility and the continuing regulatory uncertainty in the use of collaboration contracts. For this reason, the Division is increasing the off-shoring of activities to the new Group company based in Romania. The speed of this process will be a function not only of the natural lead times, but also of the evolution of the regulatory framework of the Italian labor market.

2.12. Other information

2.12.1. Offices

The registered office of the companies of the Group, except Centro Istruttorie S.p.A., is located at Corso Buenos Aires, 18, Milan. The registered office of Centro Istruttorie S.p.A. is located at Via Cugia, 43, Cagliari.

The main executive offices of the Group are located at via Pietro Rondoni 1, Milan.

The main operating offices of the Group are located at the continuation of Via Igola, Cagliari; some of the operating activities of the BPO Division are located at the Industrial Area, Street C, Villacidro.

Finally the Broking Division, for its physical channel, makes use of a retail store located at Via Pirelli, 19, Milan.

2.12.2. Relations between the companies of the Group

The following table shows the intercompany balances as of December 31, 2007 and the intercompany transactions for the financial year ended December 31, 2007:

		LIABILITIES						
	(euro thousand)	**Gruppo MutuiOnline S.p.A.**	**MutuiOnline S.p.A.**	**CreditOnline Mediazione Creditizia S.p.A.**	**Centro Istruttorie S.p.A.**	**Centro Finanziamenti S.p.A.**	**PP&E S.r.l.**	**Total**
ASSETS	**Gruppo MutuiOnline S.p.A.**	-	3,197	292	1,747	1,417	25	**6,678**
	MutuiOnline S.p.A.	-	-	-	-	-	1,243	**1,243**
	CreditOnline Mediazione Creditizia S.p.A.	-	-	-	-	-	-	**-**
	Centro Istruttorie S.p.A.	-	-	-	-	-	232	**232**
	Centro Finanziamenti S.p.A.	-	-	-	-	-	50	**50**
	PP&E S.r.l.	-	15	-	85	-	-	**100**
	Total	**-**	**3,212**	**292**	**1,832**	**1,417**	**1,550**	**8,303**

		EXPENSES						
	(euro thousand)	**Gruppo MutuiOnline S.p.A.**	**MutuiOnline S.p.A.**	**CreditOnline Mediazione Creditizia S.p.A.**	**Centro Istruttorie S.p.A.**	**Centro Finanziamenti S.p.A.**	**PP&E S.r.l.**	**Total**
INCOME	**Gruppo MutuiOnline S.p.A.**	-	2,410	610	560	710	10	**4,300**
	MutuiOnline S.p.A.	-	-	-	-	-	-	**-**
	CreditOnline Mediazione Creditizia S.p.A.	-	-	-	-	-	-	**-**
	Centro Istruttorie S.p.A.	-	-	-	-	-	6	**6**
	Centro Finanziamenti S.p.A.	-	-	-	-	-	1	**1**
	PP&E S.r.l.	-	51	-	539	98	-	**688**
	Total	**-**	**2,461**	**610**	**1,099**	**808**	**17**	**4,995**

2.12.3. Risk management

Risk management of the Group is based on the principle that operating risk or financial risk is managed by the person in charge of the business process involved.

The main risks are reported and discussed at Group top management level in order to create the conditions for their coverage, assurance and assessment of residual risk.

Exchange and interest rate risk

Currently the financial risk management policies of the companies of the Group do not provide for use of derivative instruments against the interest rate risk since the Group has a variable interest rate borrowing (based on Euribor) of a slightly lower amount than bank deposits (all of which are based on Euribor). The overall economic effect is considered negligible.

The interest rate on the loan is equal to 6-month Euribor + 0.85%. A possible unfavorable variation of the interest rate, equal to 1%, should produce an additional expense equal to Euro 60 thousand in 2008.

Referring to the coverage of the exchange rate risk, it is worth pointing out that the companies of the Group do not have payables or receivables in foreign currency so significant as to justify the use of coverage instruments.

Credit risk

The current assets of the Group, with the exception of cash and cash equivalents, are constituted mainly by trade receivables for an amount of Euro 12,737 thousand, of which the overdue is equal to Euro 4,471 thousand.

Most of the overdue receivables were paid by the clients during the first months of 2008. At the date of approval of this report open receivables, overdue as of December 31, 2007, amount to Euro 207 thousand.

These trade receivables are from banks and other financial institutions, which do not show any problem in terms of solvency. It is worth pointing out that in the BPO Division there is a credit concentration with the main client, which as of December 31, 2007, represents 70.0% of the total amount of trade receivables of the Division.

Liquidity risk

Liquidity risk is evident when a company is not able to procure financial resources to support short-term operations.

The total amount of liquidity as of December 31, 2007 is Euro 11,344 thousand, much higher than current liabilities; therefore the management believes that there is no liquidity risk for the Group.

However, it is worth pointing out that as of December 31, 2007, current liabilities excluding tax liabilities are Euro 5,491 thousand. Among those liabilities are trade payables with expiration dates less than 90 days for Euro 3,194.

2.13. Net income allocation and dividend distribution proposal

The net income of the Company for the financial year ended on December 31, 2007 was Euro 2,060,260. We shall propose to the shareholders' meeting the following allocation of the net income of the year:

- Euro 103,013 to legal reserve;

- Euro 1,950,594 for distribution of dividends to shareholders in the amount of Euro 0.05 per outstanding share, with ex dividend date May 5, 2008 and payable date May 8, 2008;

- Euro 6,653 to retained earnings.

Taking into consideration available reserves and the financial condition of the Company, we shall propose to the shareholders' meeting a distribution of an extraordinary dividend of Euro 1,626,795 corresponding to Euro 0.0417 per outstanding share, with ex dividend date May 5, 2008 and payable date May 8, 2008. Such dividend will be fully paid out from retained earnings, equal to Euro 1,672,072 as of December 31, 2007.

The total amount of the dividend, ordinary and extraordinary, will hence be Euro 3,577,389 corresponding to Euro 0.0917 per outstanding share (Coupon n. 1).

The total amount of the dividend, ordinary and extraordinary, represents 96.9% of the net income for of the financial year plus distributable reserves as of the day of the approval of the Company draft statutory financial statements, consistently with the previously announced 100% dividend pay-out policy.

We also remind that the Company has distributed to shareholders an additional Euro 2,410,037 by means of share buy backs, of which Euro 2,050,281 during the financial year ended December 31, 2007 and Euro 359,756 from January 1, 2008 to the date of approval of the draft statutory financial statements.

Milan, March 20, 2008

For the Board of Directors
The Chairman
(Dott. Ing. Marco Pescarmona)

3. CONSOLIDATED ANNUAL REPORT AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2007

3.1. Financial statements

3.1.1. Consolidated balance sheet

(euro thousand)	Note	As of December 31, 2007	December 31, 2006
ASSETS			
Intangible assets	7	237	381
Property, plant and equipment	8	3,683	3,642
Financial assets measured at fair value	9	12	-
Deferred tax assets	10	684	984
Other non-current assets		47	49
Total non-current assets		**4,663**	**5,056**
Cash and cash equivalents	11	11,344	8,364
Trade receivables	12	12,737	4,685
of which			
with related parties	32	*66*	-
Contract work in progress	13	1,906	1,242
Tax receivables		-	6
Other current assets	14	719	565
Total current assets		**26,706**	**14,862**
TOTAL ASSETS		**31,369**	**19,918**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Share capital	22	990	275
Other reserves	22	3,878	1,012
Net income	22	9,737	5,156
Total shareholders' equity	**22**	**14,605**	**6,443**
Long-term borrowings	15	6,935	7,113
Provisions for risks and charges	16	795	165
Defined benefit program liabilities	17	500	408
Total non-current liabilities		**8,230**	**7,686**
Short-term borrowings	18	276	237
Trade and other payables	19	3,194	2,460
of which			
with related parties	32	*166*	*46*
Tax payables	20	3,004	1,936
Other current liabilities	21	2,060	1,156
Total current liabilities		**8,534**	**5,789**
TOTAL LIABILITIES		**16,764**	**13,475**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**31,369**	**19,918**

3.1.2. Consolidated income statement

(euro thousand)	Note	Years ended December 31, 2007	December 31, 2006
Revenues	24	37,675	21,842
Other income	25	445	371
of which			
with related parties	*32*	*66*	*24*
Capitalization of internal costs		199	185
Services costs	26	(10,204)	(5,775)
of which			
for non recurring costs		*(816)*	-
with related parties		*(647)*	*(56)*
Personnel costs	27	(8,921)	(5,720)
Other operating costs	28	(1,416)	(1,276)
Depreciation and amortization	29	(1,016)	(1,107)
Operating income		**16,762**	**8,520**
Financial income	30	364	219
Financial expenses	30	(382)	(128)
Net income before income tax expense		**16,744**	**8,611**
Income tax expense	31	(7,007)	(3,455)
Net income		**9,737**	**5,156**
Earnings per share *(Euro)*	35	0.25	0.13

3.1.3. Consolidated statement of cash flows

(euro thousand)	Years ended December 31, 2007	December 31, 2006
Net income	**9,737**	**5,156**
Amortization and depreciation	1,016	1,107
Stock option expenses	476	24
Capitalization of internal costs	(199)	(185)
Interest cashed	364	209
Income tax paid	(4,751)	(673)
Increase in contract work in progress	(664)	(347)
Changes in trade receivables/payables	(7,335)	(783)
Changes in other assets/liabilities	6,877	2,018
Payments on defined benefit program	92	118
Payments on provisions for risks and charges	630	151
Net cash provided by operating activities	**6,243**	**6,795**
Investments:		
- Increase of intangible assets	(58)	(18)
- Increase of property, plant and equipment	(678)	(1,761)
- Increase of financial assets measured at fair value	(12)	-
Disposals:		
- Decrease of property, plant and equipment	22	4
Net cash used in investing activities	**(726)**	**(1,775)**
Increase of financial liabilities	20	5,879
Interest paid	(347)	(61)
Decrease of financial liabilities	(160)	(6,687)
Purchase of own shares	(2,050)	-
Dividends paid	-	(1,305)
Net cash used in financing activities	**(2,537)**	**(2,174)**
Net increase in cash and cash equivalents	**2,980**	**2,846**
Cash and cash equivalents at the beginning of the year	**8,364**	**5,518**
Cash and cash equivalents at the end of the year	**11,344**	**8,364**

3.1.4. Consolidated statement of changes in shareholders' equity

(euro thousand)	Share capital	Legal reserve	Other reserves	Retained earnings inluding net income of the year	Total
Value as of December 31, 2005	**75**	**-**	**100**	**2,393**	**2,568**
Allocation of previous year net income	-	15	-	(15)	**-**
Share capital increase	200	-	-	(200)	**-**
Dividends paid	-	-	-	(1,305)	**(1,305)**
Stock option plan	-	-	24	-	**24**
Net income of the year	-	-	-	5,156	**5,156**
Value as of December 31, 2006	**275**	**15**	**124**	**6,029**	**6,443**
Allocation of previous year net income	-	40	-	(40)	**-**
Share capital increase	725	-	-	(725)	**-**
Purchase of own shares	(10)			(2,040)	**(2,050)**
Stock option plan	-	-	475	-	**475**
Net income of the year	-	-	-	9,737	**9,737**
Value as of December 31, 2007	**990**	**55**	**599**	**12,961**	**14,605**
Note	22	22	22, 23		

3.2. Explanatory notes to the consolidated financial statements

1. General information

Gruppo MutuiOnline S.p.A. is the holding company of a group of financial services firms operating in the Italian market for the distribution of retail credit products and in the Italian market for the provision of credit-related business process outsourcing services for retail lenders.

This consolidated annual report, including the consolidated balance sheet, consolidated income statement, consolidated statement of cash flows and consolidated statement of changes in shareholders' equity as of and for the year ended December 31, 2007 and the relevant notes, has been prepared in accordance with IFRS issued by the International Accounting Standard Board ("IASB") and the related interpretations SIC/IFRIC, adopted by the European Commission. Besides it has been prepared in accordance with CONSOB resolutions No. 15519 and No. 15520 dated July 27, 2006, with CONSOB communication No. DEM/6064293 dated July 28, 2006 and with art. 149-duodecies of the Issuer Regulations.

IFRS should be understood as the International Financial Reporting Standards, the International Accounting Standards ("IAS"), the interpretations of the International Financial Reporting Interpretation Committee ("IFRIC"), previously denominated Standing Interpretations Committee ("SIC"), as adopted by the European Commission as of December 31, 2007 and published in the EU regulations as of this date.

In particular the IFRS have been consistently applied to all the periods presented.

The IFRS have recently been applied for the first time in Italy and in other countries. There are several new IFRS publications and updates and no consolidated precedents exist to which reference can be made when applying and interpreting the standards. The Consolidated Financial Statements have been prepared taking into consideration the best knowledge of the standards and of their interpretations; possible future new guidance or updates on interpretations will be reflected in the next periods, according with the methods provided from time to time by the reference accounting principles.

The Group has elected the "non-current/current" presentation for the balance sheet, the presentation of costs by nature for the income statements and the indirect method for the preparation of the statement of cash flows.

These consolidated financial statements have been prepared in Euro, the currency of the primary economic environment in which the Group operates.

All the amounts included in the tables of the following notes are in thousands of Euro, except where otherwise stated.

The board of directors approved the publication of the present document on March 20, 2008. This document will be presented to the general meeting on April 24, 2008.

2. Basis of preparation of the consolidated financial statements

The following consolidation procedures have been applied in the preparation of the consolidated financial statements as of and for the year ended December 31, 2007.

The Consolidated Financial Statements of the Group include the financial statements of Gruppo MutuiOnline S.p.A. and the subsidiaries, over which the Company exercises direct or indirect control. Subsidiaries are consolidated from the date of acquisition of control until the date it ceases. Control is determined when the Company directly or indirectly holds the majority of the voting rights or exercises a dominant influence. A dominant influence is deemed to be the power to determine, also indirectly, by virtue of contractual or legal agreements, the financial and operating decisions of the entity, and to benefit from the resulting benefits, regardless of shareholding. When assessing whether the Group controls another entity, the existence of potential exercisable voting rights at the balance sheet date is considered.

Subsidiaries are consolidated on a line-by-line basis. Following the criteria adopted for the consolidation on a line-by-line basis:

- the assets and liabilities, income and expenses of the entirely consolidated entities are taken line by line, attributing to minority interest the portion of the shareholders' equity and net income for the year due to it; this portion is disclosed separately in the consolidated balance sheet and consolidated income statement;

- the purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Assets, liabilities and possible liabilities acquired are booked at the fair value at the date of the acquisition. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recognized as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the income statement, after an audit of the correct measurement of the fair value of the assets and the liabilities acquired and of the cost of acquisition. Business combinations between entities under "common control" are accounted for with the pooling of interest method, thus recognizing assets and liabilities of the acquired entity without fair value adjustments, but adjusted for eventual differences of accounting standards used and IFRS;

- inter-company transactions and balances, as well as the relevant tax effect, are eliminated. Significant unrealized inter-company gains and losses are eliminated; as an exception unrealized losses are not eliminated when they provide evidence for impairment of the asset transferred;

- gains and losses from the disposal of investments in subsidiaries are recognized in the income statement for an amount equal to the difference between the sales price and the net assets of the investment.

3. Scope of consolidation

The controlled entities as of December 31, 2007 are:

Name	Registered office	Share capital (Euro)	Consolidation method
MutuiOnline S.p.A.	Milan (Italy)	1,000,000	Line-by-line
CreditOnline Mediazione Creditizia S.p.A.	Milan (Italy)	200,000	Line-by-line
Centro Finanziamenti S.p.A.	Milan (Italy)	600,000	Line-by-line
Centro Istruttorie S.p.A.	Cagliari (Italy)	500,000	Line-by-line
PP&E S.r.l.	Milan (Italy)	100,000	Line-by-line

There have been no changes in the scope of consolidation as of December 31, 2007 compared with December 31, 2006. All the entities controlled by Gruppo MutuiOnline S.p.A. are consolidated on a line-by-line basis.

4. Accounting policies adopted

The financial statements are prepared at cost, with the exception of items specifically described in the following notes, for which the measurement at fair value is adopted. The fair value is the price at which an asset could be exchanged, or a liability discharged, between knowledgeable, willing parties in an arm's length transaction.

Receivables are derecognized if the right to receive the cash flows has been transferred or when the entity no longer controls such financial assets.

Payables are derecognized only when they are settled or the specific obligation is met or canceled or expired.

The principal accounting policies are set out below.

A) Intangible assets

Intangible assets are non monetary assets which are distinctly identifiable and able to generate future economic benefits. These items are recognized at purchase cost and/or internal production cost, including all costs to bring the assets available for use, net of accumulated amortization and impairment, if any.

Any borrowing costs, such as interest expense, directly associated with the acquisition of intangible assets are expensed as incurred.

Amortization commences when the asset is available for use and is calculated on a straight-line basis over the estimated useful life of the asset.

(a) Research and development costs

Research and development costs are recognized as an expense as incurred. Costs incurred on development projects are recognized as intangible assets when:

- development activity is clearly identified and its costs can be measured reliably;
- technological feasibility is demonstrated;

- the intention of completing the project and selling the intangible goods generated are demonstrated;

- a prospective market exists or, in case of internal use, the benefits of the intangible asset for the production of intangible goods generated by the project is demonstrated;

- the necessary technological and financial resources for the completion of the project are available.

Amortization is calculated on a straight line basis over three years, which represents the estimated useful life of the asset.

(b) Licenses and other rights

Licenses and other rights are amortized on a straight line basis in order to allocate their acquisition cost over the shorter of useful life and duration of the relevant contracts, starting from the moment of acquisition of the rights and usually lasting for a period of 3 to 5 years.

B) Property, plant and equipment

Property, plant and equipment are stated at historical cost of acquisition or production less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition. Any borrowing costs, such as interest expense, directly associated with the construction of property, plant and equipment are expensed as incurred.

All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. When assets are composed of different identifiable components whose useful life is significantly different, each component is depreciated separately applying the "component approach".

Depreciation is charged to each component on a systematic basis over the estimated useful life from the date of initial recognition.

Property, plant and equipment are depreciated with useful life as follows:

Description of the main categories of the item "Property, plant and equipment"	Period
Land	not depreciated
Buildings	30 years
Generic equipment	5 years
Specific equipment	2.5-5 years
Leasehold improvements	shorter of contract duration and useful life
Hardware	2.5 years
Office equipment	2.5-5 years
Furniture and fittings	8 years
Auto vehicles	4 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

C) *Financial assets measured at fair value*

Financial assets with the exception of "Trade receivables" are measured at fair value. If fair value cannot be reliably measured referring to a market price, the financial asset is measured with the purchase cost method.

Gains and losses arising from a change in the fair value of financial assets are recorded in the income statement for the period in which they arise.

D) *Assets held under finance lease*

Property, plant and equipment acquired through finance lease where the benefits and risks of the assets are substantially transferred to the Group are accounted for at the lower of the asset's fair value and the present value of the minimum lease payments. The corresponding lease liability is included in financial liabilities. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the asset's useful life, in accordance with the periods of depreciation previously described, and the lease term. If the transfer of the property of the asset leased at the end of the contract is not certain, the depreciation period is represented by the lease term.

Leases where the lessor retains substantially all the risks and rewards of ownership are recognized as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

E) *Impairment of assets*

At each balance sheet date property, plant and equipment and intangible assets with finite useful life are reviewed in order to identify indicators for impairment. If such indicators are identified, an estimate of the recoverable value is made and any impairment is charged to the income statement. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Value in use is the present value of the future cash flows that the asset is expected to generate together with the disposal proceeds at the end of the useful life of the asset. In calculating an asset's value in use, the expected cash flows are discounted using a discount rate reflecting the current market value of the investments and the specific risks associated with the asset.

The value in use of an asset which does not generate independent cash flows is determined in relation to the cash generating unit to which this asset belongs. An impairment loss is recognized in the income statement whenever the carrying amount of the asset and the related cash generating unit exceeds its recoverable value. An impairment loss is recognized in the income statement for the amount by which the asset's carrying amount exceeds its recoverable amount. When circumstances causing impairment cease to exist, the Group reverses, in full or in part, the previously recognized impairment charges net of amortization.

F) *Cash and cash equivalents*

Cash and cash equivalents include cash, bank deposits and highly liquid short term investments (readily convertible to cash within 90 days), that are easily convertible to cash and not subject to risk of change in value. Overdrafts are included in short-term borrowings and are measured at fair value.

G) Trade receivables

Trade receivables are valued initially at fair value and subsequently at amortized cost using the effective interest rate basis.

Any losses arising as a result of impairment reviews conducted by the Group are recognized in the income statement. In the presence of impairment indicators, the value of the asset is reduced to the present value of expected future cash flows, and the difference is recognized in the income statement, with a provision for bad debts as counterbalance, offsetting trade receivables. If in subsequent periods the reasons for such impairments are no longer valid, the value of the assets is reinstated up to its amortized cost as if the impairment had never occurred.

H) Own shares

Own shares are booked as reduction shareholders' equity. Being the shares without nominal value, the purchase cost is deducted from the share capital for an amount implicitly corresponding to the nominal value and from the distributable reserves for an amount equal to the remaining part of the purchase cost.

I) Contract work in progress

Contract work in progress refers to contracts for business processing services which are not completed as of the balance sheet date.

The provision of business processing services comprises several separate stages.

Contract work in progress is measured according to the percentage of completion method, and the recognition of the revenues depends on the stage of completion of each project.

J) Trade payables and financial liabilities

Financial liabilities, trade payables and other debts are initially recognized at fair value, net of transaction costs incurred, and are subsequently stated at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the income statement over the period of the borrowings using the effective interest method.

Whenever expected future cash flows change, and these could be reliably estimated, the value of the liability is recalculated on the basis of new cash flows and the initially determined effective interest rate.

K) Provisions for risks and charges

Provisions are recognized for losses and liabilities whose existence is certain or probable but the timing or amount of the obligation is uncertain as of the relevant date. A provision is recognized only upon the existence of a present legal or constructive obligation as a result of past events that is expected to result in a future outflow of resources. Provisions are recognized based on the best estimate of the expenditure required to settle the present obligation or to transfer it to a third part at the balance sheet date. When the financial effect of the timing of the obligation is significant and the dates of the payments are reliably estimable, the provision is discounted back. Provisions are measured at the present value of the payments expected to be required to settle the obligation using a rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

L) <u>Defined benefit program liability</u>

The termination employee benefit ("*Trattamento Fine Rapporto*", or "TFR"), that is compulsory for Italian companies in accordance with civil code, is considered by IFRS a defined benefit program, based, among other things, on the period of employment and the remuneration of the employee during a predefined period.

The liability recognized on the balance sheet is the probable cash outflow at the end of the employment, discounted using the Projected Unit Credit Method to account for the time value of money. The Group adopted the corridor method provided by IAS 19 for the recognition of actuarial gains and losses. This method allows only the recognition of the adjustments arising from changes in actuarial assumptions that are greater of 10% of the defined benefit obligation. The portion that exceeds the 10% is recognized in the income statements of subsequent years over the expected average working life of the employees.

The implicit interest cost for the adjustment of the present value of the defined benefit program liability over time is recognized in the financial expenses in the income statement.

The legislative changes becoming effective in 2007 had no significant impact on the evaluation method adopted by the Group because the percentage of employees adhering to the funds at the relevant date is low and besides none of the companies of the Group exceeds the limits, provided by the new law and calculated on the average number of employees in 2006, over which a company is obliged to contribute the accrued fund to the National Institute for Social Security ("INPS") when employees choose to keep their TFR in the company.

M) <u>Share based payments</u>

The Group has a stock option plan for the benefit of directors, employees and other personnel. As per IFRS 2, stock option plans are valued at the fair value of the option at grant date, using methods that take into account the exercise price and vesting period of the option, the current stock price, the expected volatility and dividend payout of the shares, and the risk-free interest rate.

As of the grant date the expense related to the stock option plan is recognized on a straight-line basis in personnel costs in the income statement over the vesting period of the option, and in a reserve in shareholders' equity.

N) <u>Revenue recognition</u>

Revenues and the other income are recognized net of discounts, allowances and bonuses and the provision for possible repayments of commissions received for loans closed in advance.

Revenues are recognized in the income statement when it is probable that future economic benefits will flow to the Group.

The methods of revenue recognition for the main activities of the Group are as follows:

(a) Credit intermediation services

Revenues from credit intermediation services are recognized upon the actual disbursement of loans by lenders to retail clients, that being the moment that the Group earns its commission on broking services.

(b) Processing services

Revenues from business process outsourcing are recognized over the loan application processing cycle on the basis of percentage of completion, as explained above in Contract work in progress.

O) <u>Government grants</u>

Grants are recognized when it is reasonably certain that the Group will respect the related conditions and are released in the income statement over the period necessary to match them with the costs they are intended to compensate.

P) <u>Cost recognition</u>

Costs are recognized as the assets and services are consumed during the relevant period, or when it is not possible to determine future economic benefits.

Q) <u>Financial income and expenses</u>

Financial income and expenses for interests are recognized in the accrual period on the net value of the relevant financial assets and liabilities using the effective interest rate method.

The financial expenses are recognized on an accrual basis and recorded in the income statement in the accrual period.

R) <u>Taxation</u>

Current income taxes are accounted on the basis of estimated taxable income and the relevant applicable tax rates.

Deferred income tax is provided in full on temporary differences arising between the tax bases of assets and liabilities (excluding goodwill) and their carrying amounts, and differences arising from undistributed reserves registered in the shareholders' equity of the subsidiaries when the timing of reversal of these differences is under the Group's control and they will probably reverse within a reliably foreseen period. Deferred income tax assets, including those on tax loss carry forwards, and not offset by deferred tax liabilities, are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. Deferred income taxes are calculated using tax rates (and laws) that are expected to apply when the related deferred income tax assets are realized or the deferred income tax liabilities are settled.

Current and deferred income taxes are recognized in the income statement with the exception of the items which are recognized directly in shareholders' equity in which case the tax effect is accounted for in the relevant equity reserve. Current and deferred tax assets and liabilities are netted only when the entity has a legally enforceable right to offset the recognized amounts.

Substitution tax relates to revaluation of assets required by tax legislation and is recognized in income tax expense in the income statement. Other taxes, not related to income, are recognized in other operating costs in the income statement.

S) *<u>Earnings per share</u>*

(a) Basic

Basic earnings per share are calculated by dividing the net income attributable to the Group by the weighted average number of ordinary shares outstanding during the year, excluding own shares.

(b) Diluted

Diluted earnings per share are calculated by adjusting the weighted average number of ordinary shares outstanding, excluding own shares, to assume conversion of all potentially dilutive ordinary shares, whilst the Group's net income is adjusted to account for the effect of the conversion, net of taxes. The diluted earnings per share are not calculated in the event of losses, given that any such calculation would result in an improvement in the Group's results.

T) *<u>Critical accounting estimates and judgments</u>*

The preparation of the financial statements requires the application by the directors of principles and accounting methodologies that sometimes require the use of estimates and judgments based on historical experience and other assumptions that are believed to be reasonable under the circumstances. The application of these estimates and assumptions impacts on the amounts included in the balance sheet, income statement, statement of cash flows and the notes to the financial statements. The resulting accounting estimates could differ from the related actual results because of the uncertainty influencing the assumptions.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are discussed below.

(a) Deferred taxes

Deferred tax assets/liabilities are recognized on the basis of expectations of future earnings. The estimate of future earnings for purposes of the recognition of deferred taxes depends on factors which could vary over time and significantly affect the amount of deferred tax assets/liabilities.

(b) Provision for risks and charges

The valuation is based on the estimation of possible obligations that contractually could arise from the mortgages intermediated at the balance sheet date, when particular clauses in the agreements with banks provide for a repayment of the fees in case of early repayment of the loan or insolvency of the borrower.

(c) Stock options

The valuation of stock option plans is based on valuation techniques which take into consideration the expected volatility of share prices and the dividend yield. Should different assumptions be applied, the valuation of the stock option plans and the related expenses could be different.

U) *<u>Accounting principles and interpretations adopted by the Group for the first time in 2007</u>*

- IFRS 7 – Financial Instruments: Disclosures. IFRS 7 requires disclosures about financial instruments in order to permit the valuation of the nature and the extent of the risks deriving from the financial instruments at the balance sheet date.

V) Accounting principles recently approved by European Commission and not yet effective

The following standards and interpretations of existing standards have been published that are mandatory for the Group's accounting periods beginning on or after January 1, 2008:

The main changes are:

- introduction of IFRS 8 ("Operating Segments"), applicable from January 1, 2009;

- introduction of the amendment to IAS 23 ("Borrowing costs"), about the capitalization of borrowing costs, applicable from January 1, 2009;

- IFRIC 14 ("IAS 19 – Employee benefits"), applicable from January 1, 2008;

- review of IAS 1 ("Presentation of Financial Statements") applicable from January 1, 2009.

The Company is currently assessing the impact of the adoption of these new standards and interpretations, however no significant effects on its consolidated financial statements are expected.

5. Risk analysis

Risk management of the Group is based on the principle that operating risk or financial risk is managed by the person in charge of the business process involved.

The main risks are reported and discussed at Group top management level in order to create the conditions for their coverage, assurance and assessment of residual risk.

Exchange and interest rate risk

Currently the financial risk management policies of the companies of the Group do not provide for use of derivative instruments against the interest rate risk since the Group has a variable interest rate borrowing (based on Euribor) of a slightly lower amount than bank deposits (all of which are based on Euribor). The overall economic effect is considered negligible.

The interest rate on the loan is equal to 6-month Euribor + 0.85%. A possible unfavorable variation of the interest rate, equal to 1%, should produce an additional expense equal to Euro 60 thousand in 2008.

Referring to the coverage of the exchange rate risk, it is worth pointing out that the companies of the Group do not have payables or receivables in foreign currency so significant as to justify the use of coverage instruments.

Credit risk

The current assets of the Group, with the exception of cash and cash equivalents, are constituted mainly by trade receivables for an amount of Euro 12,737 thousand, of which the overdue is equal to Euro 4,471 thousand.

Most of the overdue receivables were paid by the clients during the first months of 2008. At the date of approval of this report open receivables, overdue as of December 31, 2007, amount to Euro 207 thousand.

These trade receivables are from banks and other financial institutions, which do not show any problem in terms of solvency. It is worth pointing out that in the BPO Division there is a credit concentration with the main client, which as of December 31, 2007, represents 70.0% of the total amount of trade receivables of the Division.

Liquidity risk

Liquidity risk is evident when a company is not able to procure financial resources to support short-term operations.

The total amount of liquidity as of December 31, 2007 is Euro 11,344 thousand, much higher than current liabilities; therefore the management believes that there is no liquidity risk for the Group.

However, it is worth pointing out that as of December 31, 2007, current liabilities excluding tax liabilities are Euro 5,491 thousand. Among those liabilities are trade payables with expiration dates less than 90 days for Euro 3,194.

6. Segment reporting

The primary segment reporting is by business segments.

In particular the Group identified two business segments:

- **Broking Division**: the division operates in the Italian market for credit distribution, and carries out activities of credit intermediation. The distributed credit products mainly include mortgages and personal loans, provided to retail clients mainly through remote channels and secondly through the territorial network. The financial institutions using the credit intermediation of the Broking Division are primary universal and specialized banks and include some of the main financial institutions operating on the Italian market for retail credit products;

- **BPO Division (Business Process Outsourcing division)**: operates in the Italian market for outsourcing services to financial institutions, which consist principally of performing complex commercial and processing activities related to mortgages and Employee Loans. The financial institutions using the services of the BPO Division include primary national and international financial institutions.

The detailed information relative to each Division is provided below.

Revenues by Division

(euro thousand)	Years ended December 31, 2007	December 31, 2006
Broking Division revenues	22,713	12,715
BPO Division revenues	14,962	9,127
Total revenues	**37,675**	**21,842**

Operating income by Division

The allocation of the costs incurred by the Issuer and by PP&E S.r.l. for the benefit of each Division is based on the relevant headcount at the end of the period.

(euro thousand)	Years ended December 31, 2007	December 31, 2006
Broking Division operating income	13,318	5,732
BPO Division operating income	3,444	2,788
Total operating income	**16,762**	**8,520**

As follows the allocation by Division of assets and liabilities.

Assets by Division

The allocation of property, plant and equipment shared by both divisions is based on space occupied.

(euro thousand)	As of December 31, 2007	As of December 31, 2006
Broking Division assets	16,531	6,341
BPO Division assets	13,702	8,825
Not allocated	1,136	4,752
Total assets	**31,369**	**19,918**

Liabilities by Division

(euro thousand)	As of December 31, 2007	As of December 31, 2006
Broking Division liabilities	3,827	1,862
BPO Division liabilities	2,541	3,202
Not allocated	10,396	8,411
Total liabilities	**16,764**	**13,475**

The not allocated liabilities are related mainly to the financial indebtedness for the loan with Intesa Sanpaolo S.p.A. and to the financial indebtedness for the finance lease agreement with Sanpoalo Leasint S.p.A..

Investments in property, plant and equipment and intangible assets by Division

(euro thousand)	Years ended December 31, 2007	December 31, 2006
Broking Division investments in property, plant and equipment and intangible assets	230	246
BPO Division investments in property, plant and equipment and intangible assets	695	1,718
Total investments in property, plant and equipment, and intangible assets	**925**	**1,964**

Depreciation and amortization by Division

(euro thousand)	Years ended December 31, 2007	December 31, 2006
Broking Division depreciation and amortization	(322)	(419)
BPO Division depreciation and amortization	(694)	(688)
Total depreciation and amortization	**(1,016)**	**(1,107)**

The information relative to secondary segments, i.e. geographical segments, is not presented, since the Group operates exclusively in Italy.

NOTES TO THE MAIN ITEMS OF THE CONSOLIDATED BALANCE SHEET

NON-CURRENT ASSETS

7. Intangible assets

The following table presents the situation and the variation of the item as of and for the year ended December 31, 2007 and 2006:

(euro thousand)	Development costs	Licenses and other rights	Total
Net value as of January 1, 2006	**642**	**88**	**730**
Increases	198	5	203
Other movements	-	-	-
Amortization expense	533	19	552
Net value as of December 31, 2006	**307**	**74**	**381**
Increases	199	48	247
Other movements	35	(25)	10
Amortization expense	349	52	401
Net value as of December 31, 2007	**192**	**45**	**237**

Development costs mainly refer to the personnel costs capitalized for the creation and development of the technological infrastructure relative to the web sites and to the creation of software solutions, such as the software platforms "MOL", "POL", "FEC", "CEI", "CLC" and "DOC" used by the Group for the performance of its activities.

There are no research and development costs directly recognized in the income statement.

8. Property, plant and equipment

The following table presents the situation and the variation of the item as of and for the year ended December 31, 2007 and 2006:

(euro thousand)	Land and buildings	Plant and machinery	Other tangible assets	Total
Cost as of January 1, 2006	**1,650**	**240**	**1,279**	**3,169**
Additions	984	523	254	1,761
Reclassifications	-	-	-	-
Others	-	-	(4)	(4)
Cost as of December 31, 2006	**2,634**	**763**	**1,529**	**4,926**
Accumulated depreciation as of January 1, 2006	**6**	**108**	**615**	**729**
Depreciation expense	68	274	213	555
Others	-	-	-	-
Accumulated depreciation as of December 31, 2006	**74**	**382**	**828**	**1,284**
Net book value as of December 31, 2006	**2,560**	**381**	**701**	**3,642**
Additions	34	370	274	678
Reclassifications	-	313	(313)	-
Others	1	(1)	(77)	(77)
Cost as of December 31, 2007	**2,669**	**1,445**	**1,413**	**5,527**
Depreciation expense	78	329	208	615
Others	(3)	130	(182)	(55)
Accumulated depreciation as of December 31, 2007	**149**	**841**	**854**	**1,844**
Net book value as of December 31, 2007	**2,520**	**604**	**559**	**3,683**

In "Others" are also included the value reductions for the disposal or sale of assets.

During 2005 the Group entered into a finance lease agreement for the purchase of a building located in Cagliari with a cost of Euro 1,650 thousand. During 2006, the Group invested an additional amount of Euro 984 thousand in renovation and modernization of this building in order to make it more functional to its own requirements and in 2007 invested a further amount of Euro 78 thousand. As of December 31, 2007 the net book value of this building is Euro 2,307 thousand. The value of the land acquired amounts to Euro 213 thousand.

Plant and machinery include investments in generic electronic office equipment, mainly in the building located in Cagliari, and in hardware.

Other tangible assets include investments in furniture and fittings, specific equipment and vehicles.

9. Financial assets measured at fair value

The item represents the premium, equal to Euro 12 thousand, paid for the call option for the purchase of Finprom S.r.l., with registered office located in Arad, Romania. Finprom S.r.l. is a company active in the provision of outsourcing services in the areas of operations, administration and IT in the financial services sector. The Group already entertained a commercial relationship with such company, at arm's length terms.

It is worth pointing out that on January 9, 2008, the option was exercised up and the total amount of the share capital of Finprom S.r.l. was purchased, for a consideration equal to Euro 85 thousand.

10. Deferred tax assets

The following tables present the situation and the variation of the item as of and for the financial year ended December 31, 2007 and 2006:

Year ended December 31, 2006

(euro thousand)	As of January 1, 2006	Accrual	Others	Utilization	As of December 31, 2006	Expiring within 1 year	Expiring after 1 year
Deferred tax assets							
Costs with different tax deductibility	12	74	-	(11)	75	75	-
Differences between the tax bases of assets and their carrying amounts	502	76	-	-	578	-	578
Finance lease	543	-	-	(118)	425	57	368
Tax loss carry forwards	801	-	-	(374)	427	-	427
Total deferred tax assets	**1,858**	**150**	**-**	**(503)**	**1,505**	**132**	**1,373**
Deferred tax liabilities							
Defined benefit program liability	(6)	(2)	-	-	(8)	-	(8)
Differences between the tax bases of assets and their carrying amounts	-	(38)	-		(38)	-	(38)
Finance lease	(612)	-	-	137	(475)	-	(475)
Total deferred tax liabilities	**(618)**	**(40)**	**-**	**137**	**(521)**	**-**	**(521)**
Total	**1,240**	**110**	**-**	**(366)**	**984**	**132**	**852**

Year ended December 31, 2007

(euro thousand)	As of January 1, 2007	Accrual	Others	Utilization	As of December 31, 2007	Expiring within 1 year	Expiring after 1 year
Deferred tax assets							
Costs with different tax deductibility	75	285	-	(72)	288	279	9
Differences between the tax bases of assets and their carrying amounts	578	46	(94)	-	530	174	356
Finance lease	425	-	-	(106)	319	-	319
Tax loss carry forwards	427	-	-	(427)	-	-	-
Total deferred tax assets	**1,505**	**331**	**(94)**	**(605)**	**1,137**	**453**	**684**
Deferred tax liabilities							
Defined benefit program liability	(8)	(2)	-	-	(10)	-	(10)
Differences between the tax bases of assets and their carrying amounts	(38)	(15)	-	-	(53)	-	(53)
Finance lease	(475)			85	(390)	-	(390)
Total deferred tax liabilities	**(521)**	**(17)**	**-**	**85**	**(453)**	**-**	**(453)**
Total	**984**	**314**	**(94)**	**(520)**	**684**	**453**	**231**

CURRENT ASSETS

11. Cash and cash equivalents

Cash and cash equivalents include cash in hand and bank deposits.

The following table presents net financial position, as defined in the CONSOB communication N. DEM/6064293 dated July 28, 2006, as of December 31, 2007 and 2006:

(euro thousand)	As of December 31, 2007	December 31, 2006	Change	%
A. Cash and cash equivalents	11.344	8.364	2.980	35,6%
B. Other cash equivalents	-	-	-	N/A
C. Securities held for trading	-	-	-	N/A
D. Liquidity (A) + (B) + (C)	**11.344**	**8.364**	**2.980**	**35,6%**
E. Current financial receivables	**-**	**-**	**-**	**N/A**
F. Bank borrowings	(16)	-	(16)	N/A
G. Current portion of long-term borrowings	(86)	(66)	(20)	30,3%
H. Other short-term borrowings	(174)	(170)	(4)	2,4%
I. Current indebteness (F) + (G) + (H)	**(276)**	**(236)**	**(40)**	**16,9%**
J. Net current financial position (I) + (E) + (D)	**11.068**	**8.128**	**2.940**	**36,2%**
K. Non-current portion of long-term bank borrowings	(6.000)	(6.000)	-	0,0%
L. Bonds issued	-	-	-	N/A
M. Other non-current borrowings	(935)	(1.113)	178	-16,0%
N. Non-current Indebteness (K) + (L) + (M)	**(6.935)**	**(7.113)**	**178**	**-2,5%**
O. Net financial position (J) + (N)	**4.133**	**1.015**	**3.118**	**307,2%**

12. Trade receivables

The following table presents the situation of the item as of December 31, 2007 and 2006:

(euro thousand)	**As of December 31, 2007**	**As of December 31, 2006**
Trade receivables	12,821	4,711
(allowance for doubtful receivables)	(84)	(26)
Total trade receivables	**12,737**	**4,685**

Trade receivables refer to ordinary sales to client companies operating in the banking and financial sector. The increase in trade receivables as of December 31, 2007, reflects the growth of the Group's operating activity, the strong concentrations of the revenues in the fourth quarter 2007, as well as fluctuations in invoicing and payment times.

The following table presents the variation of the allowance for doubtful receivables in the financial year ended December 31, 2007 and 2006:

Year ended December 31, 2006

(euro thousand)	**As of December 31, 2005**	**Accrual**	**Utilization**	**Others**	**As of December 31, 2006**
Allowance for doubtful receivables	-	26	-	-	26
Total	**-**	**26**	**-**	**-**	**26**

Year ended December 31, 2007

(euro thousand)	**As of December 31, 2006**	**Accrual**	**Utilization**	**Others**	**As of December 31, 2007**
Allowance for doubtful receivables	26	58	-	-	84
Total	**26**	**58**	**-**	**-**	**84**

13. Contract work in progress

Contract work in progress amounts to Euro 1,906 thousand and Euro 1,242 thousand respectively as of December 31, 2007 and 2006, and represents the different stages of the application processing in progress as of the date of the financial statements.

14. Other current assets

The following table presents the situation of the item as of December 31, 2007 and 2006:

(euro thousand)	As of December 31, 2007	As of December 31, 2006
Accruals and prepayments	90	88
Advances to suppliers	26	29
Others	21	14
VAT receivables	582	434
Total other current assets	**719**	**565**

NON-CURRENT LIABILITIES

15. Long-term borrowings

The following table presents the situation of the item as of December 31, 2007 and 2006:

(euro thousand)	As of December 31, 2007	As of December 31, 2006
Bank borrowings	6,000	6,000
1 - 5 years	4,693	3,442
More than 5 years	1,307	2,558
Finance lease obligations	935	1,114
1 - 5 years	777	769
More than 5 years	158	345
Total long-term borrowings	**6,935**	**7,114**

Bank borrowings refer to a loan from Intesa Sanpaolo S.p.A. obtained in 2006.

The loan is repayable in 14 semi-annual installments of principal and interest, with the exception of the first four installments which are interest only. The repayment schedule is as follows:

(euro thousand)	As of December 31, 2007	As of December 31, 2006
- between one and two years	1,097	-
- between two and three years	1,146	1,097
- between three and four years	1,198	1,146
- between four and five years	1,251	1,198
- more than five	1,308	2,559
Total	**6,000**	**6,000**

The interest rate on the borrowing is equal to 6-month Euribor + 0.85%, and interest is calculated from the date of utilization of the borrowing and represents the effective interest rate paid.

The book value of the financial liabilities represents the fair value.

The Group is obliged to comply with the following financial covenants with reference to the consolidated financial statements: i) net financial position not higher than EBITDA multiplied by 2 for 2006 and 2007, and by 2.5 for the subsequent years; and ii) shareholders' equity not lower than Euro 4,000 thousand. It should be noted that the calculation method used for determining net financial position as per the agreement with Intesa Sanpaolo S.p.A. (formerly Sanpaolo IMI S.p.A.) is different from that used for the net financial position as presented in note 11.

The Group has complied with these covenants since the stipulation of the contract.

Finance lease obligations refer to the finance lease agreement with Sanpaolo Leasint S.p.A. for the building located in Cagliari. For the years ended December 31, 2007 and 2006 the effective interest rate on the finance lease obligations was equal to 5.2% and 4.0% respectively.

16. Provisions for risks and charges

The following tables present the situation and the variation of the item as of and for the financial year ended December 31, 2007 and 2006:

Year ended December 31, 2006

(euro thousand)	**As of December 31, 2005**	**Accrual**	**Utilization**	**Others**	**As of December 31, 2006**
Provision for early repayment of mortgages	14	165	(14)	-	165
Total	**14**	**165**	**(14)**	**-**	**165**

Year ended December 31, 2007

(euro thousand)	**As of December 31, 2006**	**Accrual**	**Utilization**	**Others**	**As of December 31, 2007**
Provision for early repayment of mortgages	165	795	(165)	-	795
Total	**165**	**795**	**(165)**	**-**	**795**

Provision for early repayment of mortgages includes the estimation of possible repayment of commissions received for mortgages intermediated in the year ended at the financial statements date, if particular clauses of the agreements with the banks provide for the reduction of the fees in case of loan prepayment or borrower default. The amount of the provision represents the estimation of the possible obligation related to the revenues accrued in the year and is calculated on the basis of a historic analysis of the mortgages repaid ahead of schedule in the last 24 months and on the forecast of a further increase of the repayments following the growing demand for remortgages, stimulated by the regulatory innovations of 2007.

17. Defined benefit program liabilities

The following table presents the situation of the item as of December 31, 2007 and 2006:

(euro thousand)	As of December 31, 2007	As of December 31, 2006
Employee termination benefits	391	330
Directors' termination benefits	109	78
Total defined benefit program liabilities	**500**	**408**

The economic and demographic assumptions used for the actuarial determination of the defined benefit program liabilities are provided below for the years ended December 31, 2007 and 2006:

	As of December 31, 2007	As of December 31, 2006
ECONOMIC ASSUMPTIONS		
Inflation rate:	2%	2%
Discount rate:	5,5%	4,6%
Salary growth rate:	3%	3%

DEMOGRAPHIC ASSUMPTIONS	
Expected mortality rate:	2002 ISTAT data on the Italian population split by gender.
Expected invalidity rate:	Data split by sex, driven by the INPS model and projected to 2010. Expectations are constructed using the age and gender of the living pensioners at January 1, 1987 beginning from 1984, 1985, 1986 for the personnel of the credit sector.
Expected termination rate:	A rate of 15% p.a. has been applied.
Expected retirements:	It is expected that employees will reach the pensionable age provided within local laws.
Expected early repayment rate:	A rate of 3% p.a. has been applied.

The following table presents the variation of the employee termination benefit for the year ended December 31, 2007 and 2006:

Value as of January 1, 2005	**187**
Current service cost	89
Interest cost	9
Benefits paid	(55)
Value as of December 31, 2005	**230**
Current service cost	118
Interest cost	10
Benefits paid	(28)
Value as of December 31, 2006	**330**
Current service cost	181
Interest cost	15
Benefits paid	(135)
Value as of December 31, 2007	**391**

Expenses related to the defined benefit program liability that are recognized in the income statement are as follows:

	Years ended	
(euro thousand)	**December 31, 2007**	**December 31, 2006**
Current service cost	(181)	(118)
Implicit interest cost	(15)	(10)
Total expenses related to the defined benefit program	**(196)**	**(128)**

Besides it is worth pointing out that as of December 31, 2007 the Group had not recognized actuarial gains or losses because the total amount of the actuarial gains on this date is equal to Euro 2 thousand, less than 10% of the amount of the defined benefit obligation.

CURRENT LIABILITIES

18. Short-term borrowings

Short-term borrowings amounting to Euro 276 thousand as of December 31, 2007, include the current portion of finance lease obligations of Euro 174 thousand (Note 15) and the interest payable on the Intesa Sanpaolo S.p.A. borrowing amounting to Euro 86 thousand.

19. Trade and other payables

Trade and other payables include the payables to suppliers for the purchase of goods and services.

20. Tax payables

Tax payables include payables for corporate income tax and regional income tax.

21. Other current liabilities

The following table presents the situation of the item as of December 31, 2007 and 2006:

(euro thousand)	As of December 31, 2007	As of December 31, 2006
Liabilities to personnel	915	510
Social security liabilities	464	273
VAT liabilities	22	-
Other liabilities	296	189
Social security liabilities on behalf of employees	340	137
Accruals	23	47
Total other liabilities	**2,060**	**1,156**

22. Shareholders' equity

The following table presents the situation of the item as of December 31, 2007 and 2006:

(euro thousand)	As of December 31, 2007	As of December 31, 2006
Share capital	990	275
Legal reserve	55	15
Other reserves	599	124
Retaind earnings	12,961	6,029
Total Shareholders' equity	**14,605**	**6,443**

For the changes in shareholders' equity refer to the relevant table.

On February 9, 2007 an extraordinary shareholders' meeting approved a share capital increase of Euro 725 thousand, from Euro 275 thousand to Euro 1,000 thousand, using the retained earnings reserve.

As of December 31, 2007 the Company's share capital is composed of 39,511,870 shares without nominal value. During the year ended December 31, 2007 there were no changes in the number of outstanding shares.

During the year ended December 31, 2007 the Company began a buy back program, up to the 2% of share capital, serving the stock option plan for directors, employees and other personnel.

As of December 31, 2007 the Company had purchased 400,000 shares, equal to 1.012% of its ordinary share capital, at a total cost of Euro 2,050 thousand. Being the shares without nominal value, the purchase cost is deducted from the share capital for an amount implicitly corresponding to the nominal value, equal to Euro 10 thousand as of December 31, 2007, and from the distributable reserves for an amount equal to the remaining part of the purchase cost.

23. Stock option plan

Personnel costs include Euro 475 thousand related to the Group's stock option plan.

On February 9, 2007 the shareholders' meeting approved the rules for a stock option plan for the benefit of certain directors, employees and other personnel of the Group, effective as of the first day of trading of the shares.

On June 25, 2007 the Company's board of directors resolved to offer some stock options to the executive directors, Marco Pescarmona, Alessandro Fracassi and Stefano Rossini, according to the rules, effective as of June 06, 2007.

On July 9, 2007 the Company's executive committee resolved the allotment of stock options to certain employees and other personnel of the Group.

The periods for the exercise of the vested options should be established at the grant date.

The valuation of the stock options offered on June 25, 2007 is based on the value of the Group taking into account the offer price of the shares at the date of the listing which took place June 6, 2007, while the valuation of the options offered on July 9, 2007 has been set taking into account the official prices of the shares on the Italian Stock Exchange.

The recognition of the stock option plan was based on the Black, Scholes and Merton model for valuation of options using the following parameters:

Risk-free interest rate (%)	4%
Maturity (years)	6
Implicit volatility (%)	30%
Dividend yield	3%

In terms of vesting, the options will be exercisable 36 months after the grant date, and shall be exercisable within pre-defined exercise windows.

The valuation of implicit volatility for the stock option plans is based on the analysis of a basket of companies with a market capitalization on the Segment STAR included in a range from Euro 200 million to Euro 300 million.

The following table summarizes the variation of the stock options during the year:

Stock options as of January 1, 2007	-
Stock options offered in 2007	2,559,500
Stock options as of December 31, 2007	2,559,500
of which vested in 2007	-

The options have the following exercise prices:

Stock options' exercise price	
n. 2,281,000	7.50
n. 278,500	6.20

The following table presents the yearly value of individual stock options:

Stock options' yearly value	
n. 1,800,000	0.91
n. 481,000	1.13
n. 278,500	1.44

The weighed average price of the shares for the year ended December 31, 2007 was equal to Euro 5.363.

In the income statement for the year ended December 31, 2006 there are costs equal to Euro 24 thousand related to the then existing stock option plan on the shares of the former parent company MOL (UK) Holdings Ltd..

NOTES TO THE MAIN ITEMS OF THE CONSOLIDATED INCOME STATEMENT

24. Revenues

The following table presents the details of the item for the financial years ended December 31, 2007 and 2006:

	Years ended	
(euro thousand)	**December 31, 2007**	**December 31, 2006**
Broking Division revenues	22,713	12,715
BPO Division revenues	14,962	9,127
Total revenues	**37,675**	**21,842**

25. Other income

The following table presents the details of the item for the financial years ended December 31, 2007 and 2006:

	Years ended	
(euro thousand)	**December 31, 2007**	**December 31, 2006**
Reimbursement of costs	303	234
Public grants	1	47
Others	141	90
Total other income	**445**	**371**

"Others" includes for the year ended December 31, 2007 the income for the sale of hardware for an amount equal to Euro 66 thousand.

26. Services costs

The following table presents the details of the item for the financial years ended December 31, 2007 and 2006:

(euro thousand)	Years ended December 31, 2007	December 31, 2006
Marketing expenses	(4,133)	(2,646)
Technical, legal and administrative consultancy	(1,838)	(1,018)
CreditPanel commission payout	(1,262)	(312)
External services	(827)	(103)
Telephone	(801)	(598)
Rental and lease expenses	(269)	(256)
Utilities and cleaning costs	(230)	(172)
Postage	(216)	(184)
Travel expenses	(203)	(205)
Maintenance expenses	(107)	(59)
Statutory auditors' compensation	(73)	(55)
Insurance costs	(52)	(36)
Other general expenses	(193)	(131)
Total services costs	**(10,204)**	**(5,775)**

Marketing expenses refer to activities aimed at increasing the awareness and reputation of the Group and of its brands and to acquire new prospective clients.

Technical, legal and administrative consultancy refer to costs incurred for professional advice for legal and fiscal matters, for audit activities and for the administrative support besides IT and technologic consulting. For the year ended December 31, 2007 this item includes non-recurring costs for the restructuring of the Group and the listing of the Issuer's shares, equal to Euro 816 thousand.

CreditPanel commission payout is the compensation paid to the independent professionals of the network of introducers and developers for the mortgages brokered through the physical channel. The increase of this item is proportionate to the growth of the CreditPanel Business Line.

The external services include the costs for the outsourcing services performed by Finprom S.r.l. for an amount equal to Euro 647 thousand, at arm's length terms.

27. Personnel costs

The following table presents the details of the item for the financial years ended December 31, 2007 and 2006:

(euro thousand)	Years ended December 31, 2007	December 31, 2006
Wages and salaries	(3,917)	(2,417)
Professional collaborators and project workers costs	(2,413)	(1,674)
Social security contributions	(1,391)	(860)
Directors' compensation	(459)	(592)
Defined benefit program liabilities	(188)	(118)
Other costs	(78)	(35)
Stock option expenses	(475)	(24)
Total personnel costs	**(8,921)**	**(5,720)**

The average headcount is as follows:

	Years ended December 31, 2007	December 31, 2006
Directors	6	5
Managers	8	6
Employees	107	60
Professional collaborators and project workers	165	131
Average headcount	**286**	**202**

In this respect it is worth pointing out that during the financial year ended December 31, 2007, two companies of the Group, MutuiOnline S.p.A. and Centro Istruttorie S.p.A., were subjected to an audit from the territorial staff of the Ministry of Labor. These controls concerned, among other things, the legal classification of the professional and project-based collaboration contracts used by these companies.

As of the date of preparation of the financial statements, only the reports of the results of these audits had been notified. The management examined these reports with the support of legal advisers and, at the moment, we can not rule out possible litigation as a result of bills that could be served and we can not predict the financial outcome of such litigation. In the consolidated financial statements for the financial year ended on December 31, 2007 no provision was made in such respect because, at present, the rise of an obligation is considered possible but not probable and there are no objective evidences to make a reliable estimation of the amount of this potential obligation.

28. Other operating costs

Other operating costs include Euro 780 thousand and Euro 675 thousand relative to non-deductible VAT costs for the financial years ended December 31, 2007 and 2006, respectively.

29. Depreciation and amortization

The following table presents the details of the item for the financial years ended December 31, 2007 and 2006:

(euro thousand)	Years ended December 31, 2007	December 31, 2006
Depreciation of property, plant and equipment	(615)	(555)
Amortization of intangible assets	(401)	(552)
Total depreciation and amortization	**(1,016)**	**(1,107)**

30. Net financial income

The following table presents the details of the item for the financial years ended December 31, 2007 and 2006:

(euro thousand)	Years ended December 31, 2007	December 31, 2006
Financial income	364	219
Interest expense – borrowings	(367)	(118)
Implicit interest cost on defined benefit program liability	(15)	(10)
Net financial income/(loss)	**(18)**	**91**

Interest expense for the financial year ended December 31, 2007 includes Euro 302 thousand related to the interest on the loan from Sanpaolo IMI S.p.A. (now Intesa Sanpaolo S.p.A.) provided in 2006 and Euro 61 thousand on finance lease obligations.

31. Income tax expense

The following table presents the details of the item for the financial years ended December 31, 2007 and 2006:

(euro thousand)	Years ended December 31, 2007	December 31, 2006
Current income tax	(7,443)	(3,198)
Deferred taxes	436	(257)
Income tax expense	**(7,007)**	**(3,455)**

The reconciliation between the theoretical tax rate and the effective tax rate for the years ended December 31, 2007 and 2006 is provided in the following table:

	Years ended December 31, 2007	December 31, 2006
Corporate income tax (IRES)		
Theoretical tax rate	33.0%	33.0%
Non-deductible costs	1.3%	0.7%
Impact of the changes of the tax rate in the next years	0.8%	0.0%
Stock option expenses	0.9%	0.1%
Others	-0.4%	0.6%
Effective IRES tax rate	**35.6%**	**34.4%**
Regional income tax (IRAP)		
Theoretical tax rate	4.3%	4.3%
Non-deductible costs	2.1%	2.4%
Impact of the changes of the tax rate in the next years	0.7%	0.0%
Stock option expenses	0.1%	0.0%
Others	-1.0%	0.2%
Effective IRAP tax rate	**6.2%**	**6.8%**

32. Related parties

Related party transactions, including intra-group transactions, are part of the ordinary business operations of the Group, and do not include any unusual or atypical transactions.

The following tables details the transactions and balances with related parties as of and for the years ended December 31, 2007 and 2006:

(euro thousand)	Relationship	As of December 31, 2007	As of December 31, 2006
Trade receivables			
Finprom S.r.l.	Related company	66	-
Trade payables			
Finprom S.r.l.	Related company	166	46

(euro thousand)	Relationship	Years ended December 31, 2007	December 31, 2006
Other income			
Finprom S.r.l.	Related company	66	24
Services costs			
Finprom S.r.l.	Related company	647	56

Finprom S.r.l. is a company incorporated in September 2006 and, on December 31, 2007, entirely controlled by MOL (UK) Holdings Ltd.. On January 9, 2008, the Issuer purchased 100% of the share capital of Finprom S.r.l. from MOL (UK) Holdings Ltd.. This transaction, realized soon after the end of the year ended December 31, 2007, leads us to consider Finprom S.r.l. as a related party of the Group during the years ended December 31, 2007 and 2006.

During the year ended December 31, 2007 the Group realized income from the sale of hardware to the related party for an amount equal to Euro 66 thousand. The receivables recognized in the balance sheet as of December 31, 2007 refer to these transactions.

During the year ended December 31, 2007, the Group sustained costs from this related party for an amount equal to Euro 647 thousand, for outsourcing services. The payables recognized in the balance sheet as of December 31, 2007 refer to these transactions.

MOL (UK) Holdings Ltd., a company established under English law with registered office in London, controlled the Issuer until December 29, 2006, when the Group structure was reorganized.

During the year ended December 31, 2007, the Issuer obtained from MOL (UK) Holdings Ltd. the call option for the purchase of 100% of the share capital of Finprom S.r.l. at a cost of Euro 12 thousand. This option has been recognized in the balance sheet among the "Financial assets measured at the fair value".

33. Other information

Compensations paid to the members of the governing and controlling bodies, general managers and managers with strategic responsibilities

The following table shows the compensation paid to the members of the governing and controlling bodies, general managers and managers with strategic responsibilities in the year ended December 31, 2007:

Name	Office	Holding period of the office From	To	Term of the office	Compensation for the office	Non-monetary benefits	Bonus and other incentives	Other
Marco Pescarmona	Chairman	1/1/2007	31/12/2007	Approval of 2007 financial statements	29	2	-	156
Alessandro Fracassi	CEO	1/1/2007	31/12/2007	Approval of 2007 financial statements	29	2	-	143
Stefano Rossini	Executive director	6/6/2007	31/12/2007	Approval of 2007 financial statements	29	2	-	190
Fausto Boni	Director	1/1/2007	31/12/2007	Approval of 2007 financial statements	6	-	-	-
Paolo Gesess	Director	1/1/2007	31/12/2007	Approval of 2007 financial statements	6	-	-	-
Marco Zampetti	Director	6/6/2007	31/12/2007	Approval of 2007 financial statements	20	-	-	-
Paolo Vagnone	Director	1/1/2007	31/12/2007	Approval of 2007 financial statements	16	-	-	-
Alessandro Garrone	Director	1/1/2007	31/12/2007	Approval of 2007 financial statements	15	-	-	-
Vittorio Emanuele Terzi	Director	1/1/2007	31/12/2007	Approval of 2007 financial statements	-	-	-	-
Fausto Provenzano	Chairman of the board of statutory auditors	1/1/2007	31/12/2007	Approval of 2008 financial statements	8	-	-	22
Paolo Burlando	Statutory auditor	1/1/2007	31/12/2007	Approval of 2008 financial statements	6	-	-	8
Andrea Chiaravalli	Statutory auditor	1/1/2007	31/12/2007	Approval of 2008 financial statements	6	-	-	8
Managers with strategic responsibilities*					-	6	120	178

** The bonus for the managers with strategic responsibilities presented in the table corresponds to the value allocated as of December 31, 2007, not to the amount actually paid since, as of the date of approval of the present report, the appraisal process of top management has not been completed; therefore the value presented in the table represents the best estimation of the bonus accrued in 2007 to be paid in 2008.*

Stock options offered to the members of the governing and controlling bodies, general managers and managers with strategic responsibilities

The following table shows the stock options offered to the members of the governing and controlling bodies, general managers and managers with strategic responsibilities in the year ended December 31, 2007:

		Options held as of December 31, 2006			Option offered in 2007			Options exercised in 2007			Options vested in 2007	Options held as of December 31, 2007		
(A)	(B)	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)=1+4-7	(12)	(13)
Name	Office	N. of Options	Average exercise price	Average term	N. of Options	Average exercise price	Average term	N. of Options	Average exercise price	Average market price	N. of Options	N. of Options	Average exercise price	Average term
Marco Pescarmona	Chairman	-	-		780,000	7.5	2013	-	-	-	-	780,000	7.5	2013
Alessandro Fracassi	CEO	-	-		780,000	7.5	2013	-	-	-	-	780,000	7.5	2013
Stefano Rossini	Executive director	-	-		240,000	7.5	2013	-	-	-	-	240,000	7.5	2013
Managers with strategic responsabilities		-	-		169,000	7.5	2013	-	-	-	-	169,000	7.5	2013

Fees paid to the independent auditors

The following table provides the fees paid to the independent auditors by the Issuer and its subsidiaries during the year ended December 31, 2007, separating the fees paid for audit services from the fees paid for attestation services:

	Year ended December 31, 2007	
(euro thousand)	**Audit**	**Attestation**
Gruppo MutuiOnline S.p.A.	158	215
MutuiOnline S.p.A.	17	-
CreditOnline Mediazione Creditizia S.p.A.	11	-
Centro Istruttorie S.p.A.	26	-
Centro Finanziamenti S.p.A.	11	-
PP&E s.r.l.	5	-

Dividend policy

The management believes that the financial resources generated by operating activities allow the Issuer, consistently with its current strategy of organic growth, to adopt a dividend policy providing a 100% payout of distributable profits, net of the reserve provisions required by law and the resources allotted to the share buy back program.

In accordance with IAS 18 (par. 30), with reference to the booking of dividends as financial income, and in accordance with art. 2433-bis of the civil code ("interim dividends"), the management underlines that the earnings distributed by the operating companies of the Group, entirely owned by the Issuer, can be accounted as financial income by the Issuer in the year after their realization and, consequently, they are distributable by the Issuer with a delay of one financial year.

34. Subsequent events

Purchase of Finprom S.r.l.

On January 9, 2008, the Company purchased 100% of the share capital of Finprom S.r.l., a company based in Arad, Romania, from MOL (UK) Holdings Ltd., from which it had obtained on August 3, 2007 a call option to such effect. The consideration paid for the purchase is Euro 85 thousand, which adds up to the premium of Euro 12 thousand paid to obtain the call option.

Finprom S.r.l. is a company active in the provision of outsourcing services in the areas of operations, administration and IT in the financial services sector. The Group already entertained a commercial relationship with such company, at arm's length terms.

Share buy back program

Pursuant to the share buy back program serving the stock option plan for the benefit of certain directors, employees and other personnel of the Group (Note 23), after December 31, 2007 there were further purchase of own shares. As of the date of approval of the present report, the Company holds 500,000 own shares.

New allocation of stock options

On February 11, 2008 the Company's executive committee resolved the allotment of stock options to certain employees and other personnel of the Group.

In February 2008 142,000 new stock options were allotted, with an exercise price equal to Euro 3.80.

The periods for the exercise of the vested options have been established at the grant date.

The valuation of the stock options has been performed taking into account the average official price of the shares of the Issuer on the Italian Stock Exchange during the 30 days preceding the grant date.

The recognition of the stock option plan was based on the Black, Scholes and Merton model for valuation of options, the same method used for the options already allotted.

35. Earnings per share

Earnings per share for the year ended December 31, 2006 are calculated by dividing the net income for the year by the number of shares of the Company as of December 31, 2006.

Earnings per share for the year ended December 31, 2007 are calculated by dividing the net income for the year by the weighed average number of Issuer's shares outstanding during the year ended December 31, 2007.

We report no differences between the basic earnings per share and the diluted earnings per share since, though there are outstanding financial instruments (stock options) with a potential dilutive effect, these instruments do not meet the requirements provided by IAS 33 to generate dilutive effects on the earnings per share.

Milan, March 20, 2008

For the Board of Directors
The Chairman
(Dott. Ing. Marco Pescarmona)

4. ANNUAL REPORT AS OF AND FOR YEAR ENDED DECEMBER 31, 2007

4.1. Financial statements

4.1.1. Balance sheet

(euro thousand)	Note	As of December 31, 2007	December 31, 2006
ASSETS			
Investments in associated companies	3	6,693	6,693
Financial assets measured at fair value	4	12	-
Deferred tax assets	5	11	-
Total non-current assets		**6,716**	**6,693**
Cash and cash equivalents	6	574	3,379
Trade receivables	7	60	60
Other current assets	8	7,020	2,717
of which			
with related parties	*24*	*6,618*	*6,618*
Total current assets		**7,654**	**6,156**
TOTAL ASSETS		**14,370**	**12,849**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Share capital	9	990	275
Legal reserve	9	55	15
Other reserves	9	331	-
Retaind earnings	9	1,672	174
Net income	9	2,060	4,303
Total shareholders' equity		**5,108**	**4,767**
Long-term borrowings	10	6,000	6,000
Defined benefit program liabilities	11	12	-
Total non-current liabilities		**6,012**	**6,000**
Short-term borrowings	12	86	66
Payables vs. associated companies		-	97
Trade and other payables	13	579	362
Tax payables	14	2,465	1,557
Other current liabilities	15	120	-
Total current liabilities		**3,250**	**2,082**
TOTAL LIABILITIES		**9,262**	**8,082**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**14,370**	**12,849**

4.1.2. Income statement

(euro thousand)	Note	Years ended December 31, 2007	December 31, 2006
Revenues (from subsidiaries)	17	4,300	4,871
Services costs	18	(2,057)	(501)
of which			
non recurring costs		*(816)*	-
Personnel costs	19	(678)	-
Other operating costs		(22)	(1)
Operating income		**1,543**	**4,369**
Financial income	20	93	61
Financial expenses	20	(303)	(325)
Net income before income tax expense		**1,333**	**4,105**
Income tax expense	21	727	198
Net income		**2,060**	**4,303**

4.1.3. Statement of cash flows

(euro thousand)	Years ended December 31, 2007	December 31, 2006
Net income	**2,060**	**4,303**
Stock option expenses	331	-
Interests cashed	93	61
Income tax paid	(3,547)	(230)
Changes in trade receivables/payables	217	291
Changes in other assets/liabilities	354	621
Payments on provisions for risks and charges	12	-
Net cash provided by operating activities	**(480)**	**5,046**
Investments:		
- Increase of financial assets measured at fair value	(12)	-
Net cash used in investing activities	**(12)**	**-**
Increase of financial liabilities	20	6,000
Interest paid	(283)	-
Decrease of financial liabilities	-	(6,427)
Purchase of own shares	(2,050)	-
Dividends paid	-	(1,305)
Net cash used in financing activities	**(2,313)**	**(1,732)**
Net increase/(decrease) in cash and cash equivalents	**(2,805)**	**3,314**
Cash and cash equivalents at the beginning of the year	**3,379**	**65**
Cash and cash equivalents at the end of the year	**574**	**3,379**

4.1.4. Statement of changes in shareholders' equity

(euro thousand)	Share capital	Legal reserve	Other reserves	Retained earnings	Net income of the year	Total
Value as of December 31, 2005	**75**	**-**	**-**	**-**	**1,694**	**1,769**
Allocation of previous year net income	-	15	-	1,679	(1,694)	**-**
Share capital increase	200	-	-	(200)	-	**-**
Dividends paid	-	-	-	(1,305)	-	**(1,305)**
Net income of the year	-	-	-	-	4,303	**4,303**
Value as of December 31, 2006	**275**	**15**	**-**	**174**	**4,303**	**4,767**
Allocation of previous year net income	-	40	-	4,263	(4,303)	**-**
Share capital increase	725	-	-	(725)	-	**-**
Purchase of own shares	(10)	-	-	(2,040)	-	**(2,050)**
Stock option plan	-	-	331	-	-	**331**
Net income of the year	-	-	-	-	2,060	**2,060**
Value as of December 31, 2007	**990**	**55**	**331**	**1,672**	**2,060**	**5,108**
Note	9	9	16	9		

4.2. Explanatory notes to the financial statements

1. Basis of preparation of the consolidated financial statements

This annual report, including the balance sheet, income statement, statement of cash flows and statement of changes in shareholders' equity as of and for the year ended December 31, 2007 and the relevant notes, has been prepared in accordance with IFRS issued by the International Accounting Standard Board ("IASB") and the related interpretations SIC/IFRIC, adopted by the European Commission.

Besides it has been prepared in accordance with CONSOB resolutions No. 15519 and No. 15520 dated July 27, 2006, with CONSOB communication No. DEM/6064293 dated July 28, 2006 and with art. 149-duodecies of the Issuer Regulations.

The financial statements are prepared at cost, with the exception of items specifically described in the following notes, for which the measurement at fair value is adopted. The fair value is the price at which an asset could be exchanged, or a liability discharged, between knowledgeable, willing parties in an arm's length transaction.

Receivables are derecognized if the right to receive the cash flows has been transferred or when the entity no longer controls such financial assets.

Payables are derecognized only when they are settled or the specific obligation is met or canceled or expired.

In particular the IFRS have been consistently applied to all the periods presented.

All the amounts included in the tables of the following notes are in thousands of Euro.

Following the effectiveness of the EU Regulation No 1606/1002 and the related national provisions of accomplishment, as from year 2007 Gruppo MutuiOnline S.p.A. adopts the International Financial Standard issued by the International Accounting Standard Board ("IASB") and the related interpretations SIC/IFRIC, adopted by the European Commission ("IFRS"). IFRS should be understood as the International Financial Reporting Standards, the International Accounting Standards ("IAS"), the interpretations of the International Financial Reporting Interpretation Committee ("IFRIC"), previously denominated Standing Interpretations Committee ("SIC").

The Company carried out the transition to International Financial Reporting Standards as of January 1, 2006: in this respect refer to the IFRS transition report approved by the board of directors, already published by Gruppo MutuiOnline S.p.A., and attached to the present report.

For the sake of comparability, the data as of and for the year ended December 31, 2006 are also presented, according with the provisions of IAS 1 ("Presentation of Financial Statements").

The financial statements adopted are in accordance to the ones provided by IAS 1 and in particular:

- for the balance sheet we adopted the "current/non-current" presentation;
- for the income statement we adopted the presentation of costs by nature;

- the statement of changes in shareholders' equity was prepared according with IAS 1;
- the statement of cash flows was prepared using the indirect method.

A) Investments in associated companies

Investments in associated companies are measured at cost adjusted for any impairment loss recognized in the income statement. When the motives for such losses are no longer valid, the value of investments is increased up to the relevant cost of acquisition. This recovery is recognized in the income statement.

B) Financial assets measured at fair value

Financial assets with the exception of "Trade receivables" are measured at fair value. If fair value cannot be reliably measured referring to a market price, the financial asset is measured with the purchase cost method.

Gains and losses arising from a change in the fair value of financial assets are recorded in the income statement for the period in which they arise.

C) Cash and cash equivalents

Cash and cash equivalents include cash, bank deposits and highly liquid short term investments (readily convertible to cash within 90 days), that are easily convertible to cash and not subject to risk of change in value. Overdrafts are included in short-term borrowings and are measured at the fair value.

D) Trade receivables

Trade receivables are valued initially at fair value and subsequently at amortized cost using the effective interest rate basis.

Any losses arising as a result of impairment reviews conducted by the Group are recognized in the income statement. In the presence of impairment indicators, the value of the asset is reduced to the present value of expected future cash flows, and the difference is recognized in the income statement, with a provision for bad debts as counterbalance, offsetting trade receivables. If in subsequent periods the motives for such impairments are no longer valid, the value of the assets is reinstated up to its amortized cost as if the impairment had never occurred.

E) Own shares

Own shares are booked as reduction of shareholders' equity. Being the shares without nominal value, the purchase cost is deducted from the share capital for an amount implicitly corresponding to the nominal value and from the distributable reserves for an amount equal to the remaining part of the purchase cost.

F) Trade payables and financial liabilities

Financial liabilities, trade payables and other debts are initially recognized at fair value, net of transaction costs incurred, and are subsequently stated at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the income statement over the period of the borrowings using the effective interest method.

Whenever expected future cash flows change, and these could be reliably estimated, the value of the liability is recalculated on the basis of the new cash flows and the initially determined effective interest rate.

G) <u>Defined benefit program liability</u>

The termination employee benefit ("*Trattamento Fine Rapporto*", or "TFR"), that is compulsory for Italian companies in accordance with civil code, is considered by IFRS a defined benefit program, and is based, among other things, on the period of employment and the remuneration of the employee during a predefined period.

The liability recognized on the balance sheet is the probable cash outflow at the end of the employment, discounted using the Projected Unit Credit Method to account for the time value of money. The Company adopted the corridor method provided by IAS 19 for the recognition of actuarial gains and losses. This method allows only the recognition of the adjustments arising from changes in actuarial assumptions that are greater of 10% of the defined benefit obligation. The portion that exceeds the 10% is recognized in the income statements of subsequent years over the expected average working life of the employees.

The implicit interest cost for the adjustment of the present value of the defined benefit program liability over time is recognized in the financial expenses in the income statement.

The legislative changes becoming effective in 2007 had no significant impact on the evaluation method adopted by the Company because the percentage of employees adhering to the funds at the relevant date is low and besides the Company does not exceed the limits, provided by the new law and calculated on the average number of employees in the year, over which a company is obliged to contribute the accrued fund to the National Institute for Social Security ("INPS") when employees choose to keep their TFR in the company.

H) <u>Share based payment</u>

The Company has a stock option plan for the benefit of directors, employees and other personnel. As per IFRS 2, stock option plans are valued at the fair value of the option at grant date, using methods that take into account the exercise price and vesting period of the option, the current stock price, the expected volatility and dividend payout of the shares, and the risk-free interest rate.

As of the grant date the expense related to the stock option plan is recognized on a straight-line basis in personnel costs in the income statement over the vesting period of the option, and in a reserve in shareholders' equity.

I) <u>Revenue recognition</u>

Revenues and costs are recognized on an accrual basis. Services revenues are recognized when the services are performed.

Revenues and other income are recognized net of discounts, allowances and bonuses and the taxes directly related to the services.

Revenues are recognized in the income statement when it is probable that future economic benefits will flow to the Company.

Costs are recognized as the assets and services are consumed during the relevant period, or when it is not possible to determine future economic benefits.

J) Dividends

Dividends are recognized when the Company obtains the right to receive the payment. This right arises on the date of the resolution of the shareholders' meeting of the subsidiary that distributes the dividends.

K) Financial income and expenses

Financial income and expenses for interests are recognized in the accrual period on the net value of the relevant financial assets and liabilities using the effective interest rate method.

The financial expenses are recognized on an accrual basis and recorded in the income statement in the accrual period.

L) Taxation

Current income taxes are accounted on the basis of estimated taxable income and the relevant applicable tax rates.

Deferred income tax is provided in full on temporary differences arising between the tax bases of assets and liabilities (excluding goodwill) and their carrying amounts, and differences arising from undistributed reserves registered in the shareholders' equity of the subsidiaries when the timing of reversal of these differences is under the Group's control and they will probably reverse within a reliably foreseen period. Deferred income tax assets, including those on tax loss carry forwards, and not offset by deferred tax liabilities, are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. Deferred income taxes are calculated using tax rates (and laws) that are expected to apply when the related deferred income tax assets are realized or the deferred income tax liabilities are settled.

Current and deferred income taxes are recognized in the income statement with the exception of the items which are recognized directly in shareholders' equity in which case the tax effect is accounted for in the relevant equity reserve. Current and deferred tax assets and liabilities are netted only when the entity has a legally enforceable right to offset the recognized amounts.

Starting from the financial year ended December 31, 2006 Gruppo MutuiOnline S.p.A. and its subsidiaries MutuiOnline S.p.A., CreditOnline Mediazione Creditizia S.p.A., Centro Istruttorie S.p.A., Centro Finanziamenti S.p.A. and PP&E S.r.l. exercised the option for the tax consolidation regime as provided by Italian law, which allows to calculate the corporate income tax ("IRES") on a taxable income corresponding to the algebraic sum of the taxable incomes or losses of the Companies of the Group. The economic relationships, besides the mutual responsibilities and duties, among the holding and its subsidiaries that exercised the option, are regulated by a contract drawn up in June 2006. Tax liabilities are counterbalanced by other current assets of the parent company versus its subsidiaries corresponding to the taxable income transferred within the tax consolidation regime.

Other taxes, not related to income, are recognized as operating costs in the income statement.

M) Earnings per share

Since the Company prepares both the consolidated and separate annual reports, the required information is presented only in the consolidated annual report.

N) Critical accounting estimates and judgments

The preparation of the financial statements requires the application by the directors of principles and accounting methodologies that sometimes require the use of estimates and judgments based on historical experience and other assumptions that are believed to be reasonable under the circumstances. The application of these estimates and assumptions impacts on the amounts included in the balance sheet, income statement, statement of cash flows and the notes to the financial statements. The resulting accounting estimates could differ from the related actual results because of the uncertainty influencing the assumptions.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are discussed below.

(a) Deferred taxes

Deferred tax assets/liabilities are recognized on the basis of expectations of future earnings. The estimate of future earnings for purposes of the recognition of deferred taxes depends on factors which could vary over time and significantly affect the amount of deferred tax assets/liabilities.

(b) Stock option

The valuation of stock option plans is based on valuation techniques which take into consideration the expected volatility of share prices and the dividend yield. Should different assumptions be applied, the valuation of the stock option plans and the related expenses could be different.

O) Accounting principles and interpretations adopted by the Company for the first time in 2007

- IFRS 7 – Financial Instruments: Disclosures. IFRS 7 requires disclosures about financial instruments in order to permit the valuation of the nature and the extent of the risks deriving from the financial instruments at the balance sheet date.

P) Accounting principles recently approved by European Commission and not yet effective

The following standards and interpretations of existing standards have been published that are mandatory for the Group's accounting periods beginning on or after January 1, 2008:

The main changes are:

- introduction of IFRS 8 ("Operating Segments"), applicable from January 1, 2009;
- introduction of the amendment to IAS 23 ("Borrowing costs"), about the capitalization of borrowing costs, applicable from January 1, 2009;
- IFRIC 14 ("IAS 19 – Employee benefits"), applicable from January 1, 2008;

- review of IAS 1 (“Presentation of Financial Statements”) applicable from January 1, 2009.

The Company is currently assessing the impact of the adoption of these new standards and interpretations, however no significant effects on its consolidated financial statements are expected.

2. Risk analysis

Gruppo MutuiOnline S.p.A. is a holding company and for this reason it is indirectly subject to the peculiar risks of its subsidiaries. In this respect refer to the notes to the consolidated financial statements and to the directors’ report on operations of each subsidiary.

Instead the Company is autonomously subject to exchange and interest rate risk and liquidity risk.

Exchange and interest rate risk

As of today the financial risk management policies are also managed at Group level .

The Company presents a financial indebtedness equal to Euro 6,086 thousand. However, current assets include receivables from subsidiaries equal to Euro 6,678 thousand.

Therefore, considering the management of interest rate risk at a Group level, the use of derivative instruments against interest rate risk is not contemplated since, currently, the Company has a variable interest rate borrowing (based on Euribor) of a slightly lower amount than bank deposits (all of which are based on Euribor). The overall economic effect is considered negligible.

The interest rate on the loan is equal to 6-month Euribor + 0.85%. A possible unfavorable variation of the interest rate, equal to 1%, should produce an additional expense equal to Euro 60 thousand in 2008.

Referring to the coverage of exchange rate risk, it is worth pointing out that the companies of the Group do not have payables or receivables in foreign currency so significant as to justify the use of coverage instruments.

Liquidity risk

Liquidity risk is evident when a company is not able to procure financial resources to support short-term operations.

The Company presents cash and cash equivalent as of December 31, 2007 equal to Euro 754 thousand against current liabilities equal to Euro 3,250 thousand. Nevertheless, the current assets include receivables and other current assets from subsidiaries equal to Euro 6,678 thousand, which have considerable liquidity. This provides the Company with easily available financial resources to support short-term operations.

NOTES TO THE MAIN ITEMS OF THE BALANCE SHEET

NON-CURRENT ASSETS

3. Investments in associated companies

The Company holds 100% of the ordinary share capital of MutuiOnline S.p.A., Centro Istruttorie S.p.A., CreditOnline Mediazione Creditizia S.p.A., Centro Finanziamenti S.p.A. and PP&E S.r.l..

(euro thousand)	As of December 31, 2007	As of December 31, 2006
Costs sustained	6,693	6,693
Total investments in associated companies	**6,693**	**6,693**

The following tables provide a brief summary of the main data of the subsidiaries.

Corporate name: MUTUIONLINE S.P.A.	
Registered office: Milano, C.so Buenos Aires, 18	
Share capital	1,000
Shareholders' equity	8,305
Book value	2,938

Corporate name: CREDITONLINE MEDIAZIONE CREDITIZIA S.P.A.	
Registered office: Milano, C.so Buenos Aires, 18	
Share capital	200
Shareholders' equity	1,970
Book value	519

Corporate name: CENTRO ISTRUTTORIE S.P.A.	
Registered office: Cagliari, Via Cugia, 43	
Share capital	500
Shareholders' equity	1,765
Book value	2,535

The book value of Centro Istruttorie S.p.A. is higher than the amount of its shareholders' equity: it is worth pointing out that this difference in value is not attributable to a permanent loss of the asset but is due to the distributions of dividends made by the subsidiary; besides, the last four years ended with a net income and currently we can foresee positive cash flows in the short and medium term.

Corporate name: CENTRO FINANZIAMENTI S.P.A.	
Registered office: Milano, C.so Buenos Aires, 18	
Share capital	600
Shareholders' equity	3,725
Book value	600

Corporate name: PP&E S.R.L.	
Registered office: Milano, C.so Buenos Aires, 18	
Share capital	100
Shareholders' equity	44
Book value	101

The book value of the subsidiary is higher than its shareholders' equity: it is worth pointing out that it is not due to a loss in value since PP&E S.r.l. is purchasing, by means of a financial lease agreement, the building in Cagliari where the companies of Group have their operating offices and the income outlook of the subsidiary is positive, also considering the new services performed for the other companies of the Group beginning from January 2008.

4. Financial assets measured at fair value

The item represents the premium, equal to Euro 12 thousand, paid for the call option for the purchase of Finprom S.r.l., with registered office in Arad, Romania. Finprom S.r.l. is a company active in the provision of outsourcing services in the areas of operations, administration and IT in the financial services sector. The Group already entertained a commercial relationship with such company, at arm's length terms.

It is worth pointing out that on January 9, 2008, the option was exercised and the total ordinary share capital of Finprom S.r.l. was purchased, for a consideration equal to Euro 85 thousand.

5. Deferred tax assets

The item amounts to Euro 11 thousand and is generated by the deferred tax deductibility of some expenses incurred, equal to Euro 39 thousand, compared to their immediate recognition in the income statement according to the accrual principal.

CURRENT ASSETS

6. Cash and cash equivalent

Cash and cash equivalents include cash in hand and bank deposits.

The following table presents net financial position, as defined in the CONSOB communication No. DEM/6064293 dated July 28, 2006, as of December 31, 2007 and 2006:

(euro thousand)	As of December 31, 2007	December 31, 2006	Change	%
A. Cash and cash equivalents	574	3,379	(2,805)	-83.0%
B. Other cash equivalents	-	-	-	N/A
C. Securities held for trading	-	-	-	N/A
D. Liquidity (A) + (B) + (C)	**574**	**3,379**	**(2,805)**	**-83.0%**
E. Current financial receivables	**-**	**-**	**-**	**N/A**
F. Bank borrowings	-	-	-	N/A
G. Current portion of long-term borrowings	(86)	(66)	(20)	30.3%
H. Other short-term borrowings	-	-	-	N/A
I. Current indebteness (F) + (G) + (H)	**(86)**	**(66)**	**(20)**	**30.3%**
J. Net current financial position (I) + (E) + (D)	**488**	**3,313**	**(2,825)**	**-85.3%**
K. Non-current portion of long-term bank borrowings	(6,000)	(6,000)	-	0.0%
L. Bonds issued	-	-	-	N/A
M. Other non-current borrowings	-	-	-	N/A
N. Non-current indebteness (K) + (L) + (M)	**(6,000)**	**(6,000)**	**-**	**0.0%**
O. Net financial position (J) + (N)	**(5,512)**	**(2,687)**	**(2,825)**	**105.1%**

7. Trade receivables

The amount of trade receivables as of December 31, 2007 is equal to Euro 60 thousand and it is equal to the amount as of December 31, 2006. This amount is not adjusted by any allowance, since the collection is certain, the receivables being due by the subsidiaries for direction and coordination services.

It is worth pointing out that, with reference to the amount as of December 31, 2006, as presented in Section 5, this item has been reclassified with respect to the IFRS Transition balance sheet, where it was included in the "Other current financial assets".

8. Other current assets

The following table presents the detail of the item as of December 31, 2007 and 2006:

(euro thousand)	As of December 31, 2007	December 31, 2006
Receivables from subsidiaries for tax consolidation regime	5,625	1,986
Receivables from subsidiaries for dividends	993	668
VAT receivables	349	18
Advances to suppliers	15	1
Others	9	9
Accruals and prepayments	29	35
Total other current assets	**7,020**	**2,717**

It is worth pointing out that, with reference to the amount as of December 31, 2006, the receivables from subsidiaries for tax consolidation regime and for dividends have been reclassified with respect to the IFRS Transition balance sheet, where they were included in the "Other current financial assets".

Receivables from subsidiaries are as follows:

	As of	
(euro thousand)	**December 31, 2007**	**December 31, 2006**
Receivables for tax consolidation regime:		
From MutuiOnline S.p.A.	3,185	1,151
From CreditOnline Mediazione Creditizia S.p.A.	280	-
From Centro Istruttorie S.p.A.	298	443
From Centro Istruttorie S.p.A. (previous year)	443	-
From Centro Finanziamenti S.p.A.	1,406	381
From PP&E S.r.l.	13	11
Total receivables for tax consolidation regime	**5,625**	**1,986**
Receivables for dividends:		
From MutuiOnline S.p.A.	-	210
From CreditOnline Mediazione Creditizia S.p.A.	-	15
From Centro Istruttorie S.p.A.	993	443
Total receivables for dividends	**993**	**668**
Total receivables from subsidiaries	**6,618**	**2,654**

SHAREHOLDERS' EQUITY

9. Share capital and reserves

For the statement of changes in shareholders' equity refer to the relevant table.

On February 9, 2007, an extraordinary shareholders' meeting approved a share capital increase of Euro 725 thousand, from Euro 275 thousand to Euro 1,000 thousand, through utilization of the retained earnings reserve.

As of December 31, 2007, the Company's share capital is composed of 39,511,870 shares without nominal value. During the year ended December 31, 2007 there were no changes in the number of outstanding shares.

During the year ended December 31, 2007, the Company began a buy back program, up to the 2% of share capital, serving the stock option plan for directors, employees and other personnel.

As of December 31, 2007 the Company had purchased 400,000 shares, equal to 1.012% of ordinary share capital, at a total cost of Euro 2,050 thousand. Being the shares without nominal value, the purchase cost is deducted from the share capital for an amount implicitly corresponding to the nominal value, equal to Euro 10 thousand as of December 31, 2007, and from the distributable reserves for an amount equal to the remaining part of the purchase cost.

(euro thousand)	As of December 31, 2007
Book value of own shares	**2,050**
(of which) offsetting share capital	10
(of which) offsetting retaind earnings	2,040

The following table presents the origin and the availability of the item included in shareholders' equity:

(euro thousand)	As of December 31, 2007	Possible utilization	Available amount
Share capital	990		
Reserves of earnings			
Legal reserve	55	B	-
Stock option reserve	331	A,B,C	331
Retained earnings	1,672	A,B,C	1,672
Net income of the year	2,060	A,B,C	2,060
Total shareholders' equity	**5,108**		**4,063**
Not available for distribution			103
Remaining distributable amount			3,960

Legend
A: for share capital increase
B: for compensation of losses
C: for distribution to shareholders

NON-CURRENT LIABILITIES

10. Long-term borrowings

The following table presents the situation of the item:

(euro thousand)	As of December 31, 2007	December 31, 2006
Bank borrowings	6,000	6,000
1 - 5 years	4,693	3,442
More than 5 years	1,307	2,558
Total long-term borrowings	**6,000**	**6,000**

Bank borrowings refer to a loan from Intesa Sanpaolo S.p.A. granted in 2006.

The loan is repayable in 14 semi-annual installments of principal and interest, with the exception of the first four installments which are interest only

The repayment schedule is as follows:

(euro thousand)	As of December 31, 2007	December 31, 2006
- between one and two years	1,097	-
- between two and three years	1,146	1,097
- between three and four years	1,198	1,146
- between four and five years	1,251	1,198
- more than five years	1,308	2,559
Total	**6,000**	**6,000**

The interest rate on the borrowing is equal to 6-month Euribor + 0.85%, and interest is calculated from the date of utilization of the borrowing and represents the effective interest rate paid.

The book value of the financial liabilities represents their fair value.

The Group is obliged to comply with the following financial covenants with reference to the consolidated financial statements: i) net financial position not higher than EBITDA multiplied by 2 for 2006 and 2007, and by 2.5 for the subsequent years; and ii) shareholders' equity not lower than Euro 4,000 thousand. It should be noted that the calculation method used for determining net financial position as per the agreement with Intesa Sanpaolo S.p.A. (formerly Sanpaolo IMI S.p.A.) is different from that used for the net financial position as above presented.

The Company has complied with these covenants since the stipulation of the contract.

11. Defined benefit program liabilities

The following table presents the situation of the item. It is worth pointing put that this item was not present in the balance sheet as of December 31, 2007:

(euro thousand)	As of December 31, 2007
Employee termination benefits	6
Directors' termination benefits	6
Total defined benefit program liabilities	**12**

The economic and demographic assumptions used for the actuarial determination of the defined benefit program liabilities are provided below for the years ended December 31, 2007 and 2006:

	As of December 31, 2007	As of December 31, 2006
ECONOMIC ASSUMPTIONS		
Inflation rate:	2%	2%
Discount rate:	5,5%	4,6%
Salary growth rate:	3%	3%

DEMOGRAPHIC ASSUMPTIONS	
Expected mortality rate:	2002 ISTAT data on the Italian population split by gender.
Expected invalidity rate:	Data split by sex, driven by the INPS model and projected to 2010. Expectations are constructed using the age and gender of the living pensioners at January 1, 1987 beginning from 1984, 1985, 1986 for the personnel of the credit sector.
Expected termination rate:	A rate of 15% p.a. has been applied.
Expected retirements:	It is expected that employees will reach the pensionable age provided within local laws.
Expected early repayment rate:	A rate of 3% p.a. has been applied.

With reference to the directors' termination benefits, they were provided only for the executive directors and they are calculated, referring to their annual compensations, according with the provisions of art. 2120 of the civil code.

CURRENT LIABILITIES

12. Short-term borrowings

Short-term borrowings amounting to Euro 86 thousand as of December 31, 2007, include the interest payable on the loan from Intesa Sanpaolo S.p.A..

In addition, in July 2006 Intesa Sanpaolo S.p.A. granted to the Group a standing overdraft facility of Euro 2,000 thousand, for fixed utilization for a term of up to 18 months. The applicable interest rate is equal to Euribor plus 0.60%. As of December 31, 2007, this facility has not been utilized.

13. Trade and other payables

The amount of the item is equal to Euro 579 thousand and includes only payables to suppliers.

14. Tax payables

Tax payables includes payables for corporate income tax ("IRES"). The amount in the balance sheet as of December 31, 2007, equal to Euro 2,465 thousand (Euro 1,556 thousand as of December 31, 2006) represents the Group's payable, on a consolidated basis, since the Company, as holding, participates in the tax consolidation regime provided by Italian law, together with its subsidiaries MutuiOnline S.p.A., Centro Istruttorie S.p.A., CreditOnline Mediazione Creditizia S.p.A., Centro Finanziamenti S.p.A., PP&E S.r.l.. The amount recognized in the balance sheet is net of the advance withholding taxes and tax advances paid in 2007.

The balance sheet as of December 31, 2007 does not present any recognition for regional income tax ("IRAP"), because the Company closed the year with a taxable loss for IRAP.

15. Other current liabilities

The following table presents the situation of the item:

(euro thousand)	As of December 31, 2007
Liabilities to personnel	46
Social security liabilities	27
Social security liabilities on behalf of employees	46
Accruals	1
Total other liabilities	**120**

16. Stock option plan

Personnel costs include Euro 331 thousand related to the stock option plan for the benefit of certain directors, employees and other personnel of the Group.

On February 9, 2007 the shareholders' meeting approved the rules for a stock option plan for the benefit of certain directors, employees and other personnel of the Group, effective as of the first day of trading of the shares.

On June 25, 2007 the Company's board of directors resolved to offer some stock options to the executive directors, Marco Pescarmona, Alessandro Fracassi and Stefano Rossini, according to the rules, effective as of June 06, 2007.

On July 9, 2007 the Company's executive committee resolved the allotment of stock options to certain employees and other personnel of the Group.

The periods for the exercise of the vested options should be established at the grant date.

The valuation of the stock options offered on June 25, 2007 is based on the value of the Group taking into account the offer price of the shares at the date of the listing which took place June 6, 2007, while the valuation of the options offered on July 9, 2007 has been set taking into account the official prices of the shares on the Italian Stock Exchange.

The recognition of the stock option plan was based on the Black, Scholes and Merton model for valuation of options using the following parameters:

Risk-free interest rate (%)	4%
Maturity (years)	6
Implicit volatility (%)	30%
Dividend yield	3%

In terms of vesting, the options will be exercisable 36 months after the grant date, and shall be exercisable within pre-defined exercise windows.

The valuation of implicit volatility for the stock option plans is based on the analysis of a basket of companies with a market capitalization on the Segment STAR included in a range from Euro 200 million to Euro 300 million.

The following table summarize the variation of the stock options during the year:

Stock options as of January 1, 2007	-
Stock options offered in 2007	1,862,000
Stock options as of December 31, 2007	1,862,000
of which vested in 2007	-

The options have the following exercise prices:

stock options' exercise price	
n.1,852,000	7.50
n. 10,000	6.20

The following table presents the yearly value of each stock option:

Stock options' yearly value	
n. 1,800,000	0.91
n. 52,000	1.13
n. 10,000	1.44

The weighed average price of the shares for the year ended December 31, 2007 was equal to Euro 5.363.

NOTES TO THE MAIN ITEMS OF THE INCOME STATEMENT

17. Revenues

The revenues of the year are completely accrued from subsidiaries. They include dividends deliberated by the subsidiaries during the year and the fees for direction and coordination services performed by the Company in favor of its subsidiaries.

The following table presents the dividends deliberated by the subsidiaries during the years ended December 31, 2007 and 2006:

	Years ended	
(euro thousand)	**December 31, 2007**	**December 31, 2006**
Dividend from MutuiOnline S.p.A.	2,400	1,973
Dividend from CreditOnline Mediazione Creditizia S.p.A.	600	1,520
Dividend from Centro Istruttorie S.p.A.	550	1,328
Dividend from Centro Finanziamenti S.p.A.	700	-
Totale dividends deliberated by subsidiaries	**4,250**	**4,821**

It is worth pointing out that the amount of dividends deliberated by the subsidiaries for the financial year ended December 31, 2006 have been reclassified compared to the amount presented in the IAS Transition balance sheet, presented in Section 5, where they were included in "Financial income". Dividends are reclassified in "Revenues" because for a holding company they represent standard operating income.

18. Services costs

(euro thousand)	Years ended December 31, 2007	December 31, 2006
Technical, legal and administrative consultancy	1,242	493
Marketing expenses	724	-
Insurance costs	17	-
Rental and lease expenses	12	-
Other general expenses	62	8
Total services costs	**2,057**	**501**

It is worth pointing out that Technical, legal and administrative consultancy for the year ended December 31, 2007 includes non-recurring costs for the restructuring of the Group and the listing of the Issuer's shares equal to Euro 816 thousand.

Marketing expenses include costs incurred for institutional communication and to increase the notoriety of the Company and of its activity.

19. Personnel costs

The following table presents the details of the item for the financial year ended December 31, 2007. This item was not present in the financial year ended December 31, 2006.

(euro thousand)	Years ended December 31, 2007
Wages and salaries	128
Directors' compensation	151
Social security contributions	54
Defined benefit program liabilities	12
Stock option expenses	331
Other costs	2
Total personnel costs	**678**

The average headcount as of December 31, 2007 is as follows (on December 31, 2006 the Company had no personnel):

	Average number
Managers	0.7
Employees	1.5
Average headcount	**2.2**

The Company applies the Collective Labor Agreement for the Commerce sector.

20. Financial income and expenses

The following table presents the details of the item for the financial years ended December 31, 2007 and 2006:

(euro thousand)	Years ended December 31, 2007	December 31, 2006
Financial income	93	61
Interest expense – borrowings	(303)	(325)
Net financial loss	**(210)**	**(264)**

The entire amount of financial expenses for the year ended December 31, 2007 is interest expenses for the loan.

21. Income tax expense

With respect to corporate income tax, in the financial year ended December 31, 2007, the Company registered a taxable loss which, because of the adhesion to the tax consolidation regime, generates a tax benefit equal to Euro 652 thousand, whose financial counterbalance was offsets current tax liabilities. Besides, because of the deferred tax deductibility of some costs compared to their accrual, during the year ended December 31, 2007 the Company recognized further deferred tax assets equal to Euro 11 thousand.

As a holding company, the Issuer calculates the corporate income tax due by the Group, with the relevant consolidation adjustments: in particular we highlight the positive impact, equal to Euro 65 thousand, arising from the non taxability of the dividends received within the scope of consolidation.

No regional income taxes ("IRAP") are due.

22. Tax consolidation

As mentioned above, the coordination activity is reflected in the participation, of the Issuer, in its capacity of holding company, to the Italian tax consolidation regime, as provided by art. 117 and following of presidential decree 917/1986. The whole Group participates in the tax consolidation regime as of December 31, 2007.

The net consolidated tax liability amounts to Euro 2,465 thousand as of December 31, 2007 and is recorded in the balance sheet among "Current tax liabilities":

(euro thousand)	Assets	Liabilities
Gruppo MutuiOnline S.p.A.	677	-
MutuiOnline S.p.A.	-	3,185
CreditOnline Mediazione Creditizia S.p.A.	-	280
Centro Istruttorie S.p.A.	-	298
Centro Finanziamenti S.p.A.	-	1,406
PP&E S.r.l.	-	13
Taxable consolidation differences	65	-
Consolidated advances	1,975	-
Total assets and liabilities	**2,717**	**5,182**
Total net assets and liabilities		**2,465**

23. Benefits to the managers with strategic responsibilities, members of the governing and controlling bodies and auditors

The total cost for the Company of compensations paid to executive directors is equal to Euro 418 thousand, of which Euro 331 thousand for stock option expenses.

The compensation to the statutory auditors amounts to Euro 20 thousand.

The following table provides the fees paid to the independent auditors by the Company and its subsidiaries for the financial year ended December 31, 2007, splitting the fees paid for the audit services from the fees paid for attestation services:

	Year ended December 31, 2007	
(euro thousand)	**Audit**	**Attestation**
Gruppo MutuiOnline S.p.A.	158	215
MutuiOnline S.p.A.	17	-
CreditOnline Mediazione Creditizia S.p.A.	11	-
Centro Istruttorie S.p.A.	26	-
Centro Finanziamenti S.p.A.	11	-
PP&E s.r.l.	5	-

24. Related parties

Related party transactions, including intra-group transactions, are part of the ordinary business operations of the Group, and do not include any unusual or atypical transactions.

The following tables details the transactions and balances with related parties:

(euro thousand)	**Relationship**	**As of December 31, 2007**	**As of December 31, 2006**
Trade receivables			
MutuiOnline S.p.A.	Subsidiary	12	12
CreditOnline Mediazione Creditizia S.p.A.	Subsidiary	12	12
Centro Istruttorie S.p.A.	Subsidiary	12	12
Centro Finanziamenti S.p.A.	Subsidiary	12	12
PP&E s.r.l.	Subsidiary	12	12
Total trade receivables from related parties		**60**	**60**
Other current assets			
MutuiOnline S.p.A.	Subsidiary	3,185	1,361
CreditOnline Mediazione Creditizia S.p.A.	Subsidiary	280	15
Centro Istruttorie S.p.A.	Subsidiary	1,734	886
Centro Finanziamenti S.p.A.	Subsidiary	1,406	381
PP&E s.r.l.	Subsidiary	13	11
Total other current assets from related parties		**6,618**	**2,654**

(euro thousand)	Relationship	Years ended December 31, 2007	December 31, 2006
Revenues			
MutuiOnline S.p.A.	Subsidiary	2,410	1,983
CreditOnline Mediazione Creditizia S.p.A.	Subsidiary	610	1,530
Centro Istruttorie S.p.A.	Subsidiary	560	1,338
Centro Finanziamenti S.p.A.	Subsidiary	710	10
PP&E s.r.l.	Subsidiary	10	10
Total revenues from related parties		**4,300**	**4,871**

The revenues for the year ended December 31, 2007 mainly refer to dividends declared by the subsidiaries and, for the remaining, to fees for direction and coordination services invoiced to the companies of the Group.

Trade receivables refer to direction and coordination services, while the other current assets include the receivables as of December 31, 2007 for the participation to the tax consolidation regime and for the dividends declared and not yet paid.

During the year ended December 31, 2007 the Issuer obtained from MOL (UK) Holdings Ltd. the call option for the purchase of 100% of the share capital of Finprom S.r.l. at a cost of Euro 12 thousand. This option has been recognized in the balance sheet among the "Financial assets measured at fair value".

25. Subsequent events

Purchase of Finprom S.r.l.

On January 9, 2008, the Company purchased 100% of the ordinary share capital of Finprom S.r.l., a company based in Arad, Romania, from MOL (UK) Holdings Ltd., from which it had obtained on August 3, 2007, a call option to such effect. The consideration paid for the purchase is Euro 85 thousand, which adds up to the premium of Euro 12 thousand paid to obtain the call option.

Finprom S.r.l. is a company active in the provision of outsourcing services in the areas of operations, administration and IT in the financial services sector. The Group already entertained a commercial relationship with such company, at arm's length terms.

Share buy back program

Within the share buy back program serving the stock option plan for the benefit of certain directors, employees and other personnel of the Group (Note 16), after December 31, 2007 there were further purchase of own shares. As of the date of approval of the present report, the Company holds 500,000 own shares.

Milan, March 20, 2008

For the Board of Directors
The Chairman
(Dott. Ing. Marco Pescarmona)

5. INTERNATIONAL FINANCIAL REPORTING STANDARD TRANSACTION (IFRS)

In the present note we describe the effects deriving from the adoption of the International Financial Reporting Standards adopted by the European Commission for use in the European Union ("IFRS") on the financial statements as of and for the year ended December 31, 2006 of Gruppo MutuiOnline S.p.A., in accordance with the Communication CONSOB n. DEM/6064313 dated 28 July 2006 (Explanation about half year financial report based on International accounting principles). Those effects, in accordance with IFRS 1, are introduced and described with the relevant reconciliation with the corresponding amounts, already published, and calculated according with Italian laws and Italian accounting principles (Italian GAAP). As this is the first document drawn up with the adoption of IFRS, we followed the IFRS 1 dictate ("First-time Adoption of the International Financial Reporting Standards") which establishes the technical rules for the IFRS transaction.

Particularly, the information required by IFRS 1 concern the impact of the IFRS transition on the shareholders' equity of Gruppo MutuiOnline S.p.A. as of January 1, 2006 and December 31, 2006 and on the net income of Gruppo MutuiOnline S.p.A. for the year ended December 31, 2006

The application of the IFRS on the financial statements as of and for the year ended December 31, 2007 appoints January 1, 2006 as IFRS transition date.

In relationship with the IFRS transition to describe the IFRS transition process, we prepared the following illustration notes:

- Notes concerning the first adoption of the IFRS;
- Statement of reconciliation of the consolidated net equity, including the financial results drawn up according to the Italian accounting standards and to the IFRS as of January 1, 2006, December 31, 2006;
- Gruppo MutuiOnline S.p.A. income statement for the year ended December 31, 2006, with the explanation, for each item, of the most significant changes arising from IFRS adoption compared with the Italian GAAP version
- Gruppo MutuiOnline S.p.A. balance sheets as of January 1, 2006 and December 31, 2006, with the explanation, for each item, of the most significant adjustments arising from IFRS adoption compared with the Italian GAAP version

The reconciliation table, the balance sheets and the income statement, since they are created for the purpose of the IFRS transaction of the first annual report in accordance with the IFRS adopted by the European Commission (2007 annual report), have no comparative data and explanatory notes, which would be required for a complete representation of the financial and economic situation of Gruppo MutuiOnline S.p.A. in accordance with IFRS.

We should notice that the Company has already drawn up a consolidated financial report as of and for the year ended December 31, 2006, in accordance with IFRS

5.1. Rules for the first application of the IFRS

The Company has retrospectively applied to all financial periods closed before the transition date, the IFRS approved by the European Commission, except for some mandatory and optional exemptions adopted in accordance with the IFRS 1, as described in the following paragraph.

The balance sheet as of January 1, 2006 reflects the following differences in comparison with the consolidated balance sheet as of December 31, 2005, drawn up according to the Italian Accounting Standards

- all the assets and liabilities, whose reporting is required by the IFRS have been recorded and assessed, including those not provided for by the Italian Accounting Standards;

- all the assets and liabilities, whose reporting is required by the Italian Accounting Standards, and not by the IFRS, have been eliminated;

- some item have been reclassified according to what provided for by the IFRS.

The effects of these changes have straightforwardly been acknowledged in the opening net equity on the transition date (1 January 2006)

The IFRS transaction implied the maintenance of the estimates previuosly made in accordance with Italian GAAP, unless the IFRS adoption didn't require the use of different method of evaluation

5.2. Presentation procedures for the draft balance sheets

For the balance sheet has been adopted the "actual/non actual" criteria, while for the income statement has been adopted the classification by kind classification according to the nature. The consolidated financial statement of cash flows has been drawn up according to the direct method. These methods are coherent with the ones adopted for the drafting of the consolidated financial statements and are considered more suitable for a fair representation of the Company's financial situation, economic result and cash flows.

Optional exemptions from the application of the IFRS, approved by the European Commission

The balance sheet as of January 1, 2006 has no optional exemptions as provided by IFRS 1.

Accounting methods chosen within the accounting options provided by IFRS

Evaluation of the investments in associates in the separate financial statement. In accordance with IFRS the investments in associated must be evaluated with the cost method, as provided by IAS 27, or with the fair value method, as provided by IAS 39. The Company chose to adopt the cost method.

5.3. Statement of reconciliation of the consolidated net equity, including the financial results drawn up according to the Italian accounting standards and to the IFRS as of January 1, 2006, December 31, 2006;

Reconciliation of the net equity as of January 1, 2006 and December 31, 2006 and of the financial results for the year ended December 31, 2006.

(euro thousand)	Note	Shareholders' equity as of Jan 1, 2006	Dividends paid	Net income for the period	Shareholders' equity as of Dec 31, 2006
Shareholders' equity of the Company in accorance with Italian GAAP		**1,594**	**(1,304)**	**8,727**	**9,017**
Registration of the interest-free debt vs. the holding at the current value	A	259			259
Registration of the relevant interest vs. Mol (UK)	A			(259)	(259)
Registration of deferred tax liabilities	A	(85)		85	0
Accrued dividends	B			(4,250)	(4,250)
Shareholders' equity of the Company in accorance with IFRS		**1,768**	**(1,304)**	**4,303**	**4,767**

The following notes illustrate in detail all the amendments. Moreover, the effects of such amendments on each item of the balance sheet and of the profit and loss statement are illustrated in the balance sheet statement as of January 1, 2006, December 31, 2006 and the income statement of the year ended December 31, 2006 detailed here below:

5.3.1. Balance sheet as of January 1, 2006

(euro thousand)	Note	Balance sheet in accordance with Italian GAAP	IFRS adjustments	Balance sheet in accordance with IFRS
ASSETS				
Investments in associated companies		-	-	-
Total current assets		**65**	**-**	**65**
Cash and cash equivalents		-	-	-
Other financial current assets		-	-	-
Other current assets		12	-	12
Total current assets		**38**	**-**	**38**
TOTAL ASSETS		**103**	**-**	**103**
LIABILITIES AND SHAREHOLDERS' EQUITY				
Share capital		-	-	-
Retained earnings	A	-	174	174
Total shareholders' equity		**6,686**	**174**	**6,860**
Deferred tax liabilities	A	-	85	85
Total non-current liabilities		**-**	**85**	**85**
Payables vs. Holding	A	-	(259)	(259)
Total current liabilities		**-**	**(259)**	**(259)**
TOTAL LIABILITIES		**-**	**(174)**	**(174)**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**6,686**	**-**	**6,686**

5.3.2. Balance sheet as of December 31, 2006

(euro thousand)	Note	Balance sheet in accordance with Italian GAAP	IFRS adjustments and reclassifications	Balance sheet in accordance with IFRS
ASSETS				
Investments in associated companies		6,693	-	6,693
Total current assets		**6,693**	**-**	**6,693**
Cash and cash equivalents		3,378	-	3,378
Other financial current assets	B	6,964	(4,250)	2,714
Tax receivables	C	18	(18)	-
Other current assets	C	45	18	63
Total current assets		**10,405**	**(4,250)**	**6,155**
TOTAL ASSETS		**17,098**	**(4,250)**	**12,848**
LIABILITIES AND SHAREHOLDERS' EQUITY				
Share capital		275	-	275
Legal reserve		15	-	15
Retained earnings	A	-	174	174
Net income of the period	A, B	8,727	(4,424)	4,303
Total shareholders' equity		**9,017**	**(4,250)**	**4,767**
Long-term borrowings		6,000	-	6,000
Total non-current liabilities		**6,000**	**-**	**6,000**
Short-term borrowings		66	-	66
Payables vs. associated companies		97	-	97
Trade and other payables		362	-	362
Tax payables		1,556	-	1,556
Total current liabilities		**2,081**	**-**	**2,081**
TOTAL LIABILITIES		**8,081**	**-**	**8,081**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**17,098**	**(4,250)**	**12,848**

5.3.3. Income statement for the year ended December 31, 2006

(euro thousand)	Note	Income Statements in accordance with Italian GAAP	IFRS adjustments	Income Statements in accordance with IFRS
Revenues		50	-	50
Other income		-	-	-
Services costs		(500)	-	(500)
Personnel costs		-	-	-
Other operating		(1)	-	(1)
Depreciation and amortization		-	-	-
Operating income		**(451)**	**-**	**(451)**
Financial income	B	9,132	(4,250)	4,882
Financial expenses	A	(66)	(259)	(325)
Net income before income tax expense		**8,615**	**(4,509)**	**4,106**
Income tax expense	A	112	85	197
Net income		**8,727**	**(4,424)**	**4,303**

5.3.4. Notes to the statements of reconciliation

A. *Registration of the interest-free debt vs. the holding at the current value at 1 January 2006*. In accordance with IAS 39, the interest-free debt vs. the holding at 01/01/2006 was entered at the current value: such value was discounted with an implicit interest rate equal to 4.7360%. At the same time tax effect has been considered, with the registration of the relevant deferred tax liabilities, subsequently reversed on the income statements for the year 2006. Afterwards the shareholders' equity as for January 1, 2006 presented an increase equal to the following losses for interests entered in the income statement, after tax effect.

B. *Not accrued dividends*. IAS 18 provides that the dividends should be recognized when the shareholder's right to receive payment is established, unlike what provided by Italian GAAP, which allow the recognition of dividends in the income statement of the holding in the year during which such dividend accrue: we wrote off the dividends recognized in the income statement for the year ended December 31, 2006, as a consequence of the resolutions of the shareholders' meetings of the associated companies about the allocation of the 2006 net income, because these meetings took place in 2007.

C. *Reclassification VAT receivables*. IFRS provided that between the tax receivables/liabilities should be entered only receivables/liabilities arising from income taxes. For this reason VAT receivables was classified among the other current receivables

6. REPORT OF THE BOARD OF STATUTORY AUDITORS

<u>**Gruppo MutuiOnline S.p.A.**</u>

Registered office: Corso Buenos Aires 18 – 20124 Milan

Share capital: Euro 1,000,000.00 fully paid-up

Company registry – Milan office, N. 05072190969

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REPORT OF THE BOARD OF STATUTORY AUDITORS

TO THE ANNUAL SHAREHOLDERS' MEETING

(Art. 153 of Law Decree 24/2/1998 n. 58 and Art. 2429, par. 2, civil code)

Kind shareholders,

This Report takes impulse from the evidences emerged in the execution of the functions and activities attributed to this Board of Statutory Auditors in compliance with art. 149 and following of Law Decree 24/02/1998 n. 58. With the purpose of making reading easier and perusal faster, this Report faithfully follows the base scheme, with the individual items and their names, as suggested by CONSOB with communication n. 1025564 of April 6, 2001, as updated with communications n. 3021582 of April 4, 2003 and n. 6031329 of April 7, 2006.

The Annual Report for the financial year ended on December 31, 2007, that is presented for your examination reflects the operating performance and provides a full description of the economic and financial situation of the Company, illustrated in detail by the Board of Directors in the Report on Operations and in the "Explanatory Notes to the Financial Statements".

In the Report on Operations, both with reference to the Financial Statements of the Company and the Consolidated Financial Statements, the Board of Directors has fully illustrated the most significant facts that have characterized the financial year, also in terms of ordinary management.

The supervision required by law has been regularly performed, keeping into account both the principles of conduct of the Board of Statutory Auditors in listed companies issued by the National Council of Accounting Experts, and the recommendations and communications of CONSOB.

* * *

1.0. Reflections on the most significant economic and financial operations carried out by the Company and their compliance with the law and the articles of association

Gruppo MutuiOnline S.p.A. is the holding company of a group of financial services firms active in the Italian market for the distribution of retail credit products and in the Italian market for the provision of outsourcing services for the origination of loans by banks and financial intermediaries.

The Company, during the financial year ended December 31, 2007, has correctly carried out its activity of direction and coordination of the operating subsidiaries.

In the initial part of the Report on Operations for the Consolidated Financial Statements for 2007, the directors provide detailed and complete information on the type of activities carried out by the controlled companies, organized by business specialization, and on the corporate structure of the group (par. 2.2 Group Organization).

The Board of Statutory Auditors, with the sole purpose of recapitulating and making its Report self-standing, reminds that the business of the group is structured in two divisions, (a) the Broking Division, which operates in the distribution of mortgages and consumer credit products and (b) the BPO (Business Process Outsourcing) Division that operates as an outsourcer of commercial and processing activities for mortgages and employee loans for retail lenders.

The main corporate event of financial year 2007 has certainly been the listing of the Company's shares on the Italian stock exchange. In fact, the Company completed the admission process of its ordinary shares for trading on the Computerized Share Market, "Star" segment, of the market managed by Borsa Italiana S.p.A., and has been listed since June 6, 2007.

For the rest, during the financial year under examination, no other operations of relevance have been performed that should be mentioned in this context. Just as a reminder and to highlight what is disclosed by the directors in the dedicated paragraphs in the Reports on Operations of the Financial Statements for the Consolidated Financial Statements, we recap here the facts that have characterized the financial year just ended from the point of view of the functions of the Board of Statutory Auditors.

- Starting form financial year 2007, the group has adopted the International Financial Reporting Standards ("IFRS") for the preparation of the Consolidated Financial Statements, and the holding company Gruppo MutuiOnline S.p.A. has adopted the IFRS from January 1, 2007. The decisions made by the companies have been compliant with the provisions of Law Decree 38/05 on the adoption of International Accounting Principles. The financial statements for the financial year ended on December 31, 2007 is the first to be prepared according to the IFRS and for the sake of comparability of the data also the financial statements for 2006, which had been previously prepared and approved according to Italian GAAP, have been prepared according to the IFRS (we refer to the already published IFRS Transition document approved by the Board of Directors during 2007). The effects of the transition to the International Accounting Principles are described in detail in a dedicated chapter of the Notes to the Financial Statements for year 2007 and the reconciliation tables have been audited by PricewaterhouseCooper S.p.A.

- The company adopted on January 9, 2007, a stock option plan for directors, employees and other personnel, effective on the first day of trading of the shares; in the Notes to both the consolidated and separate financial statements in such respect. The plan, in the judgment of directors with a reasoning shared by the Board of Statutory Auditors, due to its structure and size, is not such to influence in a significant way the economic and financial situation of the Company.

- During 2007, as widely illustrated by the directors, the Company has started a share buy back program, up to 2% of the ordinary share capital, pursuant to the stock option plan for directors, employees and other personnel. At the end of the financial year, 400,000 shares had been bought back, equal to 1.012% of the ordinary share capital, for a total cost of Euro 2,050 thousand.

- On February 9, 2007, the extraordinary shareholders' meeting of the Company resolved to increase of share capital of the Company by Euro 725 thousand (from Euro 275 thousand to Euro 1,000 thousand) by means of a free transfer from retained earnings to share capital. As of December 31, 2007, the share capital, fully underwritten and paid, was composed of 39,511,870 shares without nominal value.

- Following the closing of the financial year, the Company purchased 100% of the ordinary share capital of Finprom S.r.l., a company incorporated under the laws of Romania and based in Arad (Romania). The company provides to the operating subsidiaries of the group outsourcing services in the areas of operations, administration and technology in the financial services sector.

- The Board of Statutory Auditors also points out that Gruppo MutuiOnline S.p.A. has exercised the option to participate in the national tax consolidation regime as the consolidating entity. The following companies participate to the national tax consolidation regime as consolidated entities: MutuiOnline S.p.A., CreditOnline Mediazione Creditizia S.p.A., PP&E S.r.l., Centro Istruttorie S.p.A. and Centro Finanziamenti S.p.A. A dedicated contract has been signed among the companies to regulate the relationships deriving from the participation to the national tax consolidation regime. Such agreements have been regularly executed during the financial year. The Board of Statutory Auditors points out that the resolutions with respect to such tax option and the contracts that regulate the relationships among the companies participating to the national tax consolidation regime have been implemented with deeds and contents based on formal and factual correctness, in compliance with the regulations applicable to such matter.

The Board of Statutory Auditors recognizes that during the financial year it has always received in a timely manner the information on the overall evolution of operations needed to be aware of and understand the development of the operations which are illustrated in the Reports prepared by the Board of Directors.

2.0. Unusual or atypical operations

In the financial year under review, and also after the end of the same, the Board of Statutory Auditor has not identified operations that, for their own nature or size, could be described as atypical or considered unusual.

2.1. Unusual or atypical operations with related parties

Not occurred.

2.2. Unusual or atypical operations with third parties or with group companies

Not occurred.

2.3. Ordinary intra-group or related party operations

In the Report on Operations, applicable to both the consolidated and the separate financial statements of the Company, the Directors have provided adequate disclosure regarding ordinary intra-group or related party operations.

The Board of Statutory Auditors has periodically verified during the financial year that intra-group operations or related party operations be executed based on regular contracts prepared according to normal market standards and at arm's length conditions. The intra-group operations examined by the Board of Statutory Auditors have been found satisfactory, in the best interest of the Company and the group controlled by the Company, as well as adequately justified and documented. The Board of Statutory Auditors, also in observance of art. 2391-bis of the civil code, does not consider it appropriate to add anything to such disclosures, which are deemed fully satisfactory.

3.0. Evaluation of the adequacy of the information provided by the Directors on atypical or unusual operations

As no atypical or unusual operations have occurred, the situation has not arisen and therefore it is impossible to perform any evaluation.

4.0. Remarks on Auditors' qualifications

Not occurred.

5.0. Denunciations pursuant to article 2408 of the civil code

Not occurred.

6.0. Complaints presented

Not occurred.

7.0. Further assignments to the Auditors

In the Reports on Operations prepared by the Directors, you can find the detailed compensation paid to the Auditor Company by the Company and its subsidiary during the financial year ended December 31, 2007, with a separate indication of the compensation paid for specific audit activities and for other attestation services, which specifically have concerned the preparation of some chapters of the Information Prospectus and of the F-pages of the IOC, the verification and issuance of comfort letters on the accounting and financial information contained in the Information Prospectus and in the IOC, and professional services for accounting organization with respect to the preparation of the budget.

8.0. Assignments granted to other parties related to the Auditors

Not occurred.

9.0. Opinions issued in compliance with law requirements

During financial year 2007, the Board of Statutory Auditors, or its Chiarman, have issued the following opinions/proposals:

- Attestation pursuant to article 2.3.4 paragraph 2 letter c) of the Regulations of the Markets organized and managed by Borsa Italiana S.p.A. (Consob resolution n. 15451 of June 7, 2006), with respect to the subject qualified for the evaluation of the management control system of the Company, on February 1, 2007;

- Proposal for the granting of the assignment to audit the financial statements of the Company for the period 2007-2015, as well as the consolidated financial statements and the half-year report for the same period, in accordance with article 159 paragraph 1 of Law Decree 58/1998, on February 8, 2007;

- Mandatory opinion regarding the appointment of the manager in charge for the preparation of the company accounting documents, according to article 154-bis of Law Decree 58/1998, on February 9, 2007;

- Opinion on the criteria indicated in the Directors report on February 9, 2007 regarding the decision on the issue price of the shares pursuant to the mandate according to article 2443 of the civil code, on February 9, 2007;

- Statement of the Chairman of the Board of Statutory Auditors, pursuant to article 2.2.3., paragraph 3 letter l) of the Regulations of the Markets organized and managed by Borsa Italiana S.p.A., regarding the presence of the independence requirements of non-executive directors, on February 14, 2007;

- Proposal regarding the granting of the 9-year auditing assignment for the issuance of a judgment on the statutory reports for the period 2007-2015, and for the half-year reports of the Company for the same period, pursuant to article 159 paragraph 1 of Law Decree 58/1998, on June 15, 2007.

10.0. Frequency of the meetings of the Board of Directors and of the Board of Statutory Auditors

The Statutory Auditors, during 2007, held 8 Board meetings and participated to 8 meetings of the Board of Directors as well as to 2 shareholders' meetings, each occurring both in ordinary and extraordinary form.

11.0. Remarks on compliance with the principles of fair administration

The Board of Statutory Auditors has informed itself and supervised on the respect of the principles of fair administration; this has occurred through the participation to the meetings of the Board of Directors, one-on-one meetings with the Directors, direct observation and inquiries, collection of information from the managers in charge of business functions, meetings with the manager in charge of internal control within the Company, meetings with the Auditor Company also aimed at reciprocal exchange of data and information relevant according to article 150, paragraph 2, of the Unified Code of Finance.

The activity of the Board of Statutory Auditors has been aimed at controlling, on one side, the legitimacy of the management choices of the Board of Directors and, on the other side, their compliance with criteria of economic and financial logic, excluding, on the other hand, any control on the appropriateness and profitability of the same.

The activity of the Board of Statutory Auditors has been centered along two main directions.

On one hand, the Board of Statutory Auditors has verified that typical and usual operations, as well as the most significant ones, were not extraneous to the company's Objectives, in contrast with the Articles of Association or in conflict of interest, even if only potential, and also that they could not compromise the integrity of the company's capital or, anyway, patently imprudent or took risky; the Board of Statutory Auditors has also verified that they were not executed in contrast with the resolutions of the governing bodies or harmful to the rights of individual shareholders or minorities.

On the other hand, we have made sure that the decisions of the Board of Directors on the most significant operations were assisted by the usual inquiries, in-depth analysis and controls suggested by the best practice regarding the economic and financial correctness and their coherence with the interest of the Company.

There are no remarks regarding the respect of the principles of fair administration.

* * *

We remind that the companies of the Group, pursuant to the provisions of articles 2497 and following of the civil code referring to the "Activity of direction and coordination", have identified, within their context, a position of dependence from the holding company Gruppo MutuiOnline S.p.A..

This has allowed the controlled companies, which for the rest have been fully entitled to their autonomy in decisions and operations, to better exploit the opportunities offered by the market, from both a sales and operational perspective.

We should also point out that such activity is extended, with a broader perspective, to the provision of general strategic and operational guidance for the group; to the design and the update of the "management and control" model; to internal control; to the development of the general policies for the management of human and financial as well as sales resources.

12.0. Remarks on the adequacy of the organizational structure

The Board of Statutory Auditors has acquired information and supervised on the adequacy of the organizational structure of the Company through direct observations, interviews, collection of information from the business functions of the company, and meetings with the subjects in charge of internal and external auditing.

The organizational structure has exhibited a good performance despite the impacts on the organization and on business activity caused and determined by the IPO in June 2007.

During the financial year, the Board of Statutory Auditors has supervised, in strict cooperation with the Manager in charge, on the possibility of organizational/managerial problems that could derive from defects of organization; no instances worth mentioning in this report have arisen.

The Board of Statutory Auditors has been informed regarding the corporate organization together with the anticipated integrations to the staff needed because of the rapid development of business activity as well as because of adaptation to the status of "listed company"; the controlling body has no remarks to issue in such respect.

The organizational structure has confirmed, overall, its full reliability.

* * *

The system of powers that, by means of a split by nature of the different kinds of acts and operations as well as by means of maximum amounts differentiated by different signing authorities - joint and disjoint, defines the limit thresholds for the implementation by delegation of the various types of acts of management, has proven to be based on rational criteria and adapted on the operating context of the company.

13.0. Remarks on the adequacy of the internal control system

The Board of Statutory Auditors has supervised on the adequacy of the internal control system, under continuous updating, also by means of periodic meetings with the Manager in charge of internal control, concluding that the system has not displayed any significant problems or other facts worth highlighting in this report.

Regular quarterly meetings of the Board of Statutory Auditors with the Manager in charge of internal control have allowed the Board to effectively follow the evolution of this business function and the results of the activities performed.

From the analyses and the controls performed, relatively to the areas and the business functions interested by the activity of internal control, derives a judgment of overall fairness and reliability of the internal control system.

In practice, we have not identified any relevant weaknesses of the system, especially with respect to operations in potential conflict of interest, therefore, even in its process of continuous evolution and improvement, the system has proven to be and remain reliable.

Still on the the topic of internal control, we remind that, effective June 6, 2007, the Board of Directors has created the Internal Control Committee, which is entrusted with wide advisory responsibilities in line with the suggestions of the Code of Conduct; the Board of Statutory Auditors has usefully cooperated with the Committee.

With the Meeting of the Board of Directors held on March 20, 2008, the Company adopted, according to Law Decree 231/01, the Organizational Model and the Ethical Code of Conduct. The documents are up to date and take into account also of the new types of crimes contemplated by Law Decree 21/11/2007 n. 231 (transnational crime, money laundering) and, only in respect of the Organizational Model, also the kinds of crimes contemplated by Law 3/8/2007 n. 123 (crimes related to workers' health and safety).

The Supervisory Body has been formed with a single member, in the person of Gianluca Lazzati, a Milan-based accounting expert.

14.0. Remarks on the adequacy of the accounting management system

The accounting management system has exhibited good performance.

The company performs for the other companies of the group all accounting and administrative services. The assessment of the system is positive; specifically, we believe that the accounting system is able to correctly represent business activity.

The Board of Statutory Auditors is regularly kept up do date on the functioning of the existing system by the person in charge of the accounting department.

15.0. Remarks on the adequacy of instructions to controlled companies (art. 114 TUF)

The Board of Statutory Auditors has been informed of the instructions given to controlled companies pursuant to article 114, paragraph 2, Unified Code of Finance and has found them satisfactory for the purpose of fulfillment of legal obligations.

The deliberate continuity in the names of the components of the boards of directors and of the boards of statutory auditors of the group companies facilitates, in fact, those control functions by providing timely information and coordination of the instructions given by the controlling company.

The group holding company also provides to its subsidiaries the information needed for timely knowledge of facts for which the law imposes communication obligations.

16.0. Relevant facts emerged during the meetings with the auditors (art. 150 TUF)

During the financial year under review, we have had regular interactions with the auditors, with whom we have established a beneficial relationship regarding the exchange of data and information. In practice, the relationship has taken place both through formal meetings also with the participation of the Company and with informal contacts between individual Statutory Auditors and representatives of the Auditor Company.

Also with respect to the preparations for the annual report, no facts have been found worth mentioning in this report.

Specifically, the auditors have not informed the Board of Statutory Auditors of any criticalities or weaknesses relevant enough to affect the reliability of the process leading to the preparation of the financial statements.

17.0. Adhesion to the Code of Conduct

The Company has adhered to the principles established by Code of Conduct sponsored by Borsa Italiana S.p.A. and the meeting of the Board of Directors on March 20, 2008 has approved the annual report on corporate governance and on the adhesion to the Code of Conduct.

Just as a reminder, we point out that (i) within the Board of Directors operate, with advisory responsibilities, the Internal Control Committee and the Remuneration Committee; regarding role, tasks and functioning we refer to the specific paragraph of the Report of the Board of Directors on Corporate Governance; (ii) the Board of Directors has identified in the Chairman of the Board the director in charge of overseeing the functionality of the internal control system; (iii) the company has set up specific procedures relating to:

- operations with related parties;
- the functioning of Ordinary, Extraordinary and Special Shareholders' meeting; Rules for the Shareholders' Meetings;

- adoption of the "Handbook on market and privileged information abuse" containing, among other things, the procedure for outside communication of confidential price sensitive information, updated based on the regulations on the subject of "market abuse";

- the information duties concerning financial transactions performed by "relevant subjects" (new procedure on internal dealing) also keeping into account the new regulations on the subject of "market abuse".

The Board of Statutory Auditors has verified the exact application of the criteria adopted by the Board of Directors to assess the independence of its non executive members as well as the exact application of the relevant verification procedures.

The Board of Statutory Auditors believes that such criteria and procedures are coherent with the spirit and the letter of the Code of Conduct. Following such checks, therefore, there are no remarks from the Board of Statutory Auditors.

The Board of Statutory Auditors, with respect to the Code of Conduct, has verified the respect of the criteria that allow qualifying its own members as independent. The outcome of such checks, referred to the period from the first appointment for the current mandate until now, is positive.

Finally, the Board of Statutory Auditors reminds that the Company has a business function (investor relator) in charge of relationships with shareholders and institutional investors.

18.0. Final remarks on supervisory activity

The Board of Statutory Auditors has confirmed the existence, in general, of an appropriate an adequate organizational structure of the Company, such as to ensure the respect of regulations and the exact and timely execution of any related duties.

Such overall control – as reported above – has also been coordinated and integrated with:

- specific contributions and activities aimed at verifying the respect of the law and of the articles of association;

- the participation to the meetings of the governing bodies of the Company;

- the acquisition of information relating the controls and the supervision performed by the Auditor Company;

- the collection of further information in meetings – also occasional – with the Directors, the General Management, the Manager in charge of accounting documents, the Internal Control Committee and the Managers in charge of the various business functions;

- the analysis, performed together with the Company, of any new regulations or communications issued by Consob of interest to the Company.

In this way, we have been able to verify the presence of the organizational and technical pre-requisites for the respect, in practice, of the articles of association, laws and regulations that control the functioning of the bodies and business activities of the Company.

19.0. Possible proposals to be presented to the Shareholders' meeting (art. 153 TUF)

With respect to the contents of the second paragraph of article 153 of Law Decree 58/1998, as well as the general supervisory duties prescribed by article 149, letter a) of the same Law Decree (regarding the supervision of the Board of Statutory Auditors on the respect of the law and of the articles of association), as well as, in addition, to the agenda of the ordinary and extraordinary shareholders' meeting that contains, among other things, the presentation of the annual report, the Board of Statutory Auditors confirms that it has overseen the application of the laws and regulations regarding the preparation of the same and on the respect of the duties of the Directors and the Auditor Company on this subject. The same statement can be made with respect to the consolidated report for financial year 2007.

* * *

The activity of the Board of Statutory Auditors – which incidentally does not overlap the activity of the Auditor Company which has issued on April 2, 2008, according to article 156, second paragraph, of the Unified Code of Finance, an unqualified opinion – also entails the burden of supervision on the overall set up of the financial statements, excluding any analytical control on their contents. With specific reference to the contents of paragraph 2 of article 153 of Law Decree 58/1998, the Board of Statutory Auditors can also make proposals regarding other matters within its responsibility.

Based on the controls directly performed and the information exchanged with the Auditor Company, also taking into account its Report pursuant to article 156 of Law Decree 58/1998, which provides an unqualified opinion, taking into account that the Directors have not taken advantage of the exemption from article 2423, paragraph 4, of the civil code, we have neither remarks nor proposal concerning the Financial Statements, the Report on Operations and the proposed allocation of the income of the year which, as a consequence and for what concerns us, are subject to your approval.

Milan, April 5, 2008

THE BOARD OF STATUTORY AUDITORS

Fausto Provenzano	Chairman of the Board of Statutory Auditors
Paolo Burlando	Statutory Auditor
Andrea Chiaravalli	Statutory Auditor

PRICEWATERHOUSECOOPERS

PricewaterhouseCoopers SpA

AUDITORS' REPORT IN ACCORDANCE WITH ARTICLE 156 OF LAW DECREE N° 58 DATED 24 FEBRUARY 1998

To the shareholders of
Gruppo MutuiOnline SpA

1 We have audited the financial statements of Gruppo MutuiOnline SpA, which comprise the balance sheet, income statement, cash flow statement, statement of changes in shareholders' equity and the related notes as of 31 December 2007. These financial statements are the responsibility of Gruppo MutuiOnline SpA's Directors. Our responsibility is to express an opinion on these separate financial statements based on our audit. The aforementioned financial statements have been prepared for the first time in accordance with the International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/2005.

2 We conducted our audit in accordance with the auditing standards and criteria recommended by CONSOB. In accordance with those standards and criteria, the audit has been planned and performed to obtain the necessary assurance about whether the financial statements are free of material misstatement and, taken as a whole, are reliable. An audit includes examining, on a sample basis, evidence supporting the amounts and disclosures in the financial statements, as well as assessing the appropriateness of the accounting principles used and the reasonableness of the estimates made by the Directors. We believe that our audit provides a reasonable basis for our opinion.

The financial statements present the prior year corresponding figures prepared in accordance with the same accounting principles. Furthermore, section 5 of the notes to the financial statements explains the effects of the transition to IFRS as adopted by the European Union, and includes the information related to the reconciliation schedules required by IFRS 1, which have been approved and published with the semiannual reports, that we have audited and reference is made to our report dated 14 September 2007.

Sede legale e amministrativa: Milano 20149 Via Monte Rosa 91 Tel 0277851 Fax 027785240 Cap Soc. 3 754.400,00 Euro i.v., C.F. e P.IVA e Reg Imp. Milano 12979880155 Iscritta al n 43 dell'Albo Consob – Altri Uffici: **Bari** 70125 Viale della Repubblica 110 Tel. 0805429863 – **Bologna** 40122 Via delle Lame 111 Tel. 051526611 – **Brescia** 25123 Via Borgo Pietro Wuhrer 23 Tel 0303697501 – **Firenze** 50129 Viale Milton 65 Tel 0554627100 – **Genova** 16121 Piazza Dante 7 Tel 01029041 – **Napoli** 80121 Piazza dei Martiri 30 Tel. 08136181 – **Padova** 35137 Largo Europa 16 Tel. 0498762677 – **Palermo** 90141 Via Marchese Ugo 60 Tel 091349737 – **Parma** 43100 Viale Tanara 20/A Tel 0521242848 – **Roma** 00154 Largo Fochetti 29 Tel. 06570251 – **Torino** 10129 Corso Montevecchio 37 Tel. 011556771 – **Trento** 38100 Via Grazioli 73 Tel. 0461237004 - **Treviso** 31100 Viale Felissent 90 Tel. 0422696911 – **Trieste** 34125 Via Cesare Battisti 18 Tel 0403480781 - **Udine** 33100 Via Poscolle 43 Tel 043225789 – **Verona** 37122 Corso Porta Nuova 125 Tel 0458002561

3 In our opinion, the separate financial statements of Gruppo MutuiOnline SpA as of 31 December 2007 comply with IFRS as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/2005; accordingly, they give a true and fair view of the financial position, the results of operations, the changes in shareholders' equity and cash flows of Gruppo MutuiOnline SpA for the year then ended.

Milan, 2 April 2008

PricewaterhouseCoopers SpA

Signed by
Francesco Ferrara
(Partner)

This report has been translated from the original which was issued in accordance with Italian legislation We have not examined the translation of the financial statements referred to in this report

AUDITORS' REPORT IN ACCORDANCE WITH ARTICLE 156 OF LAW DECREE NO. 58 DATED 24 FEBRUARY 1998

To the shareholders of
Gruppo MutuiOnline SpA

1 We have audited the consolidated financial statements of Gruppo MutuiOnline SpA and its subsidiaries (MutuiOnline Group) as of 31 December 2007, which comprise the balance sheet, the income statement, statement of changes in equity, cash flow statement and related notes. These consolidated financial statements are the responsibility of the directors of Gruppo MutuiOnline SpA. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

2 We conducted our audit in accordance with the auditing standards and criteria recommended by CONSOB. Those standards and criteria require that we plan and perform the audit to obtain the necessary assurance about whether the consolidated financial statements are free of material misstatement and, taken as a whole, are presented fairly. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors. We believe that our audit provides a reasonable basis for our audit opinion.

For the opinion on the consolidated financial statements of the prior year, which are presented for comparative purposes as required by law, reference is made to our report dated 9 February 2007.

3 In our opinion, the consolidated financial statements of Gruppo MutuiOnline SpA as of 31 December 2007 comply with the International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/2005; accordingly, they give a true and fair view of the financial position, results of

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operations, changes in shareholders' equity and cash flows of MutuiOnline Group for the year then ended.

Milan, 2 April 2008

PricewaterhouseCoopers SpA

Signed by
Francesco Ferrara
(Partner)

This report has been translated from the original which was issued in accordance with Italian legislation We have not examined the translation of the financial statements referred to in this report.

8. DECLARATION PURSUANT TO ART. 154-BIS PAR. 5 OF LAW DECREE 58/1998

The undersigned Marco Pescarmona and Francesco Masciandaro, respectively chairman of the board of directors and manager in charge of preparing the accounting documents of Gruppo MutuiOnline S.p.A., hereby certify, taking into account the provision of art. 154-bis, paragraph 3 and 4, of Law Decree n. 58 dated February 24, 1998,:

- the adequacy in relation to the features of the company; and
- the actual application of the administrative and accounting procedures for the preparation of the annual report and the consolidated annual report as of and for the year ended December 31, 2007.

In this respect no relevant issues have arisen, such as anomalies or problems that could alter the information presented in this document or such modify the judgment of its readers.

Besides, we certify that the annual report and the consolidated annual report:

1. correspond to the results of the accounting books and book entries;
2. they are prepared in accordance with IFRS, understood as the International Financial Reporting Standards, the International Accounting Standards ("IAS"), the interpretations of the International Financial Reporting Interpretation Committee ("IFRIC"), previously denominated Standing Interpretations Committee ("SIC"), as adopted by the European Commission as of December 31, 2007 and published in the EU regulations as of this date;
3. as far as we know, they are appropriate to give a true and fair representation of the financial and economic situation of the Issuer and of all the companies included in the scope of consolidation.

Milan, March 20, 2008

For the Board of Directors The Chairman (Dott. Ing. Marco Pescarmona)	The Manager in charge of preparing the accounting statements (Dott. Francesco Masciandaro)