ANNUAL FINANCIAL REPORT

YEAR ENDED DECEMBER 31, 2008

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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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
	Andrea Casalini (4)
	Daniele Ferrero (4)
	Alessandro Garrone (4)
	Paolo Gesess
	Paolo Vagnone (4) (6)
	Marco Zampetti

STATUTORY AUDITORS

Chairman of the Board	Fausto Provenzano
Active Statutory Auditors	Paolo Burlando
	Francesca Masotti

INDEPENDENT AUDITORS PricewaterhouseCoopers S.p.A.

COMMITTEES

Audit Committee

Chairman	Marco Zampetti
	Andrea Casalini
	Paolo Vagnone

Remuneration Committee

Chairman	Paolo Vagnone
	Alessandro Garrone
	Andrea Casalini

(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.

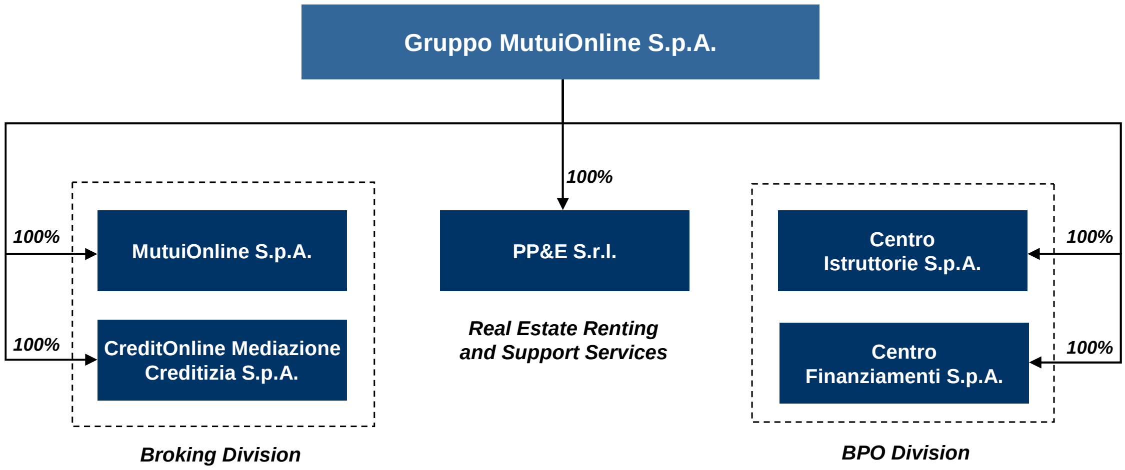
The Group's vision is to be the most innovative player in capturing the opportunities stemming from the development of the Italian retail credit market, leveraging on technology, organization, independency and superior execution.

As of December 31, 2008 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.**, **Centro Finanziamenti S.p.A.** and **Finprom S.r.l.** (a company with registered office in Arad, Romania, which joined the Group on January 9, 2008): 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.



The consolidation area has changed compared to the financial year ended December 31, 2007 with the acquisition on January 9, 2008 of Finprom S.r.l., a company with registered office in Romania which offers outsourcing services to the other subsidiaries of the Group.

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 (prevalently personal 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, 2008. The income statement and the cash flow data for the year ended December 31, 2008 are taken from the consolidated annual report prepared according to IFRS and are compared with the same data for the year ended December 31, 2007.

The following table shows the consolidated income statements of the Group for the years ended December 31, 2008 and 2007, together with the percentage weight of each item on the Group revenues.

(euro thousand)	Years ended on December 31, 2008	(a)	December 31, 2007	(a)	Change %
Revenues	46,345	100.0%	37,675	100.0%	23.0%
of which					
Broking Division	*27,826*	*60.0%*	*22,713*	*60.3%*	*22.5%*
BPO Division	*18,519*	*40.0%*	*14,962*	*39.7%*	*23.8%*
Other income	329	0.7%	445	1.2%	-26.1%
Capitalization of internal costs	248	0.5%	199	0.5%	24.6%
Services costs	(10,695)	-23.1%	(10,204)	-27.1%	4.8%
Personnel costs	(12,026)	-25.9%	(8,921)	-23.7%	34.8%
Other operating costs	(1,428)	-3.1%	(1,416)	-3.8%	0.8%
Depreciation and amortization	(913)	-2.0%	(1,016)	-2.7%	-10.1%
Operating income	**21,860**	**47.2%**	**16,762**	**44.5%**	**30.4%**
Financial income	852	1.8%	364	1.0%	134.1%
Financial expenses	(429)	-0.9%	(382)	-1.0%	12.3%
Income/(losses) from participations	(54)	-0.1%	-	0.0%	N/A
Net income before income tax expense	**22,229**	**48.0%**	**16,744**	**44.4%**	**32.8%**
Income tax expense	(7,464)	-16.1%	(7,007)	-18.6%	6.5%
Net income	**14,765**	**31.9%**	**9,737**	**25.8%**	**51.6%**

(a) *% of total revenues*

Revenues for the year ended December 31, 2008 were Euro 46.3 million, up 23.0% compared to the previous year. Please refer to paragraph 2.3.1 for the evolution of revenues by Division and Business Line.

For a more accurate analysis of the evolution of BPO revenues it is worth pointing out that during the year ended December 1, 2008 there was a revision of the contract with one of the key clients of the Division which led to a variation of the criteria for the recognition of the revenues (from fee recognition based on job processing stages, independently from the end result, we passed to fee recognition upon mortgage disbursement only) and of the timing for their invoicing (we passed from invoicing at final job completions to invoicing at mortgage disbursements). Based on the new contract, work in progress represents the suspension of costs for current jobs not yet completed as of December 31, 2008, to which we apply a devaluation that represents an estimate of the possible decay based on historical analysis of unsuccessful jobs. Therefore, the positive and negative variations of work in progress in the period will no longer be accounted in the income statement among the "Revenues" but will be included as an increase or decrease of the "Personnel costs".

During the financial year ended December 31, 2008, services costs increased by 4.8% compared to the financial year ended December 31, 2007. It is worth highlighting that the Group, during the financial year ended December 31, 2007 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. However, even if we do not take into consideration the impact of such non-recurring costs, service costs show a lower rate of growth compared to revenues, in part due to the inclusion of Finprom S.r.l. into the consolidation area, after its acquisition in January 2008, which implied the internalization of some services.

Personnel costs, on contrary, increased by 34.8%, with a faster pace compared to the increase of the revenues in comparison with the financial year ended December 31, 2007. This growth is due to the enlargement of the consolidation area, as described previously, to the increased use of subordinated employment contracts, which are more expensive, with a reduction of the number of professional and project-based collaboration contracts and, finally, to the cost for the stock options for employees, directors and other personnel of the Group which were assigned at the end of the first half of 2007. Such growth is partially compensated by the positive variations of work in progress during this period, as described previously.

The following table provides information about the average headcount for the financial years ended December 31, 2008 and 2007:

	Years ended	
	December 31, 2008	**December 31, 2007**
Directors	6	6
Managers	8	8
Employees	403	107
Professional collaborators and project workers	61	165
Average headcount	**478**	**286**
Headcount in Italy	338	286
Headcount in Romania	140	-

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. 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.

The other operating costs do not show a significant variation compared to the financial year ended December 31, 2007.

Depreciation and amortization record a decrease for the financial year ended December 31, 2008 compared to the previous financial year, mainly due to the completion in the financial year ended December 31, 2007 of the depreciation of the investments made until 2005 on the software platforms used by the Group.

Financial income increased for the year ended December 31, 2008, as opposed to the slightly negative data of the previous financial year. This trend is mainly due to non-recurring income deriving from the initial consolidation of Finprom S.r.l., equal to Euro 109 thousand, partially compensated by the expense of Euro 54 thousand deriving from the minority shareholding in GuidoGratis S.r.l.. For this purpose, it is worth pointing out that the Group subscribed 35% of the capital of the company GuidoGratis S.r.l. in August 2008 paying an amount of Euro 35 thousand, followed by a further disbursement of Euro 105 thousand as share premium; the participation is justified as an associated company and is evaluated with the equity method. Besides, the Group recorded interest income produced by available liquid assets, which was partially offset by interest expenses on the bank loan granted by Intesa Sanpaolo S.p.A. in October 2006 and by interest expenses on the finance lease agreement with Sanpaolo Leasint S.p.A..

Finally, the effective tax rate on taxable income presents a decrease mainly due to the reduction of the applicable fiscal rates in force from the financial year ended December 31, 2008.

2.3.1. Revenues

The table below provides a breakdown of our revenues by Division and Business Line, for the years ended December 31, 2008 and 2007:

	Years ended on				
(euro thousand)	**December 31, 2008**	**(a)**	**December 31, 2007**	**(a)**	**Change %**
MutuiOnline Business Line	15,928	34.4%	16,117	42.8%	-1.2%
PrestitiOnline Business Line	8,662	18.7%	4,082	10.8%	112.2%
CreditPanel Business Line	3,236	7.0%	2,514	6.7%	28.7%
Total revenues of the Broking Division	**27,826**	**60.0%**	**22,713**	**60.3%**	**22.5%**
FEC Business Line	6,586	14.2%	5,937	15.8%	10.9%
CEI Business Line	6,225	13.4%	5,183	13.8%	20.1%
CLC Business Line	5,708	12.3%	3,842	10.2%	48.6%
Total revenues of the BPO Division	**18,519**	**40.0%**	**14,962**	**39.7%**	**23.8%**
Total revenues	**46,345**	**100.0%**	**37,675**	**100.0%**	**23.0%**

(a) *% of total revenues.*

Revenues increased from Euro 37,675 thousand in the financial year ended December 31, 2007 to Euro 46,345 thousand in the financial year ended December 31, 2008 (+23.0%).

Broking Division

The following table presents the breakdown by Business Line of the Broking Division revenues, for financial years from 2004 to 2008.

Broking Division Revenues (Euro thousand)	2008	2007	2006	2005	2004
MutuiOnline Business Line	15,928	16,117	9,718	6,425	4,102
PrestitiOnline Business Line	8,662	4,082	2,285	1,507	1,277
CreditPanel Business Line*	3,236	2,514	712	451	392
Toatal Broking Division	**27,826**	**22,713**	**12,715**	**8,383**	**5,771**
Percentage of total Group revenues	**60.0%**	**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 22,713 thousand in the financial year ended December 31, 2007 to Euro 27,826 thousand in the financial year ended December 31, 2008 (+22.5%).

With reference to the financial year ended on December 31, 2008, the revenues of the Broking Division are attributable for 57.3% to the MutuiOnline Business Line, for 31.1% to the PrestitiOnline Business Line and for the remaining 11.6% 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 from 2004 to 2008.

Volume of loans disbursed by partner banks and financial intermediaries pursuant to the broking services of the Broking Division (Euro million)*	2008	2 007	2006	2005	2004
MutuiOnline Business Line	1,136	1,057	636	460	271
PrestitiOnline Business Line (only personal loans)**	384	182	95	43	36
CreditPanel Business Line***	189	139	61	51	65
Totale Divisione Broking	**1,709**	**1,378**	**792**	**554**	**372**

** The source of the data is the management information/KPI reporting system*
***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

MutuiOnline Business Line

Revenues of the MutuiOnline Business Line increased from Euro 16,117 thousand in the financial year ended December 31, 2007 to Euro 15,928 thousand in the financial year ended December 31, 2008 (-1.2%).

It is worth pointing out that revenues of the MutuiOnline Business Line for the financial year ended December 31, 2008 decreased by 1.2% compared to the previous year, despite an increase in the volume of mortgages brokered by 7.5%, because we reached lower targets in the volume based incentive schemes, which had contributed in an extraordinary way to previous year revenues.

The following table presents the evolution of some performance indicators for the MutuiOnline Business Line, for financial years from 2004 to 2008.

Certain performance indicators for the MutuiOnline Business Line*	**2008**	**2007**	**2006**	**2005**	**2004**
Total number of individual mortgage applications received	82,909	65,133	42,994	40,784	33,847
Total number of mortgages brokered by MutuiOnline and subsequently disbursed	9,273	8,297	5,243	4,059	2,558
Weighted conversion rate**	12.5%	15.3%	12.5%	10.9%	n.a.

** The source of the data is the management information /KPI reporting system*
***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, 2008 the number of individual mortgage applications received increased by 27.3% (from 65,133 in 2007 to 82,909 in 2008) which, together with a decrease of conversion rates, have determined a lower increase in the number of mortgages brokered by the bank clients, presenting an increase by 11.8% (from 8,297 in 2007 to 9,273 in 2008).

It is worth pointing out that, in the course of financial year 2008, around 40% of mortgage applications and around 30% of closed mortgages were represented by remortgages or analogous products; as a comparison, for financial year 2007, around 30% of mortgage applications and around 14% of closed mortgages were represented by remortgages or analogous products.

The weighted conversion rate decreased for the year ended December 31, 2008, when compared to the previous year. This trend is due to a combination of factors, which include: the reduced propensity of consumers to finalize real estate purchases, the lower quality of applications received in the periods of strong market turbulence, the quick evolution of interest rate levels, more restrictive underwriting criteria, modifications of the product offering and re-pricing by partner banks.

PrestitiOnline Business Line

Revenues of the PrestitiOnline Business Line increased from Euro 4,082 thousand in the year ended December 31, 2007 to Euro 8,662 thousand in the year ended December 31, 2008 (+112.2%).

The following table presents the evolution of some performance indicators for the PrestitiOnline Business Line, for financial years from 2004 to 2008.

Certain performance indicators for the PrestitiOnline Business Line*	**2008**	**2007**	**2006**	**2005**	**2004**
Total number of personal loan applications received	111,560	67,371	53,188	43,346	37,011

Certain performance indicators for the PrestitiOnline Business Line*	2008	2007	2006	2005	2004
Total number of personal loans brokered by PrestitiOnline and subsequently disbursed	24,461	12,607	8.297	5,341	4,643
Conversion rate**	21.9%	18.7%	15.6%	12.3%	12.5%

** The source of the data is the management information/KPI reporting system*
***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 65.6% (from 67,371 in 2007 to 111,560 in 2008). This factor, together with a growth of the conversion rates, influenced the number of personal loans disbursed, which increased by 94.0%, passing from 12,607 in 2007 to 24,461 in 2008.

It is worth pointing out that the growth rate of these indicators during the course of 2008, when compared to the previous year, should be considered exceptional and is due to a combination of factors, which include: a significant restyling of the www.prestitionline.it website aimed at increasing sales effectiveness, the optimization and strengthening of marketing investments, and the attractiveness of the product offering of partner financial institutions.

CreditPanel Business Line

Revenues of the CreditPanel Business Line increased from Euro 2,514 thousand in financial the year ended December 31, 2007 to Euro 3,236 thousand in the financial year ended December 31, 2008 (+28.7%). The increase is due to the development and progressive consolidation of the network of introducers and developers.

Certain performance indicators for the CreditPanel Business Line*	2008	2007	2006
Total number of personal loan applications received	8,457	5,968	3,038
Total number of personal loans brokered by PrestitiOnline and subsequently disbursed	1,353	995	421
Conversion rate**	18.8%	22.1%	n.d.

** The source of the data is the management information/KPI reporting system*
***Calculated as the ratio of the total number of mortgage loans brokered through the CreditPanelBusiness 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.*

It is worth highlighting that in the year ended December 31, 2008 the CreditPanel network employed around 80 developers, up from 50 in the previous year.

BPO Division

Revenues of the BPO Division increased from Euro 14,962 thousand in the financial year ended December 31, 2007 to Euro 18,519 thousand in the financial year ended December 31, 2008 (+23.8%).

The following table presents the breakdown by Business Line of the BPO Division revenues, for financial years from 2004 to 2008.

BPO Division revenues (Euro thousand)	2008	2007	2006	2005	2004
FEC Business Line	6,586	5,937	4,168	2,437	811
CEI Business Line	6,225	5,183	3,432	2,397	1,207
CLC Business Line	5,708	3,842	1,527	-	-
Total BPO Division	**18,519**	**14,962**	**9,127**	**4,834**	**2,018**
Percentage of total Group revenues	**40.0%**	**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 2008, the main client of the BPO Division accounted for 58.4% of the BPO Division revenues, down from 65.2% in 2007 and 74.2% in 2006.

The increase of revenues is mainly due to the further development of the CLC Business Line.

FEC Business Line

Revenues of the FEC Business Line increased from Euro 5,937 thousand in the financial year ended December 31, 2007 to Euro 6,586 thousand in the financial year ended December 31, 2008 (+10.9%), due to the growth of business activity with existing clients, but also due to the start of a new contract, which will account for an increasing percentage of the revenues of the Business Line in 2009.

CEI Business Line

Revenues of the CEI Business Line increased from Euro 5,183 thousand in the financial year ended December 31, 2007 to Euro 6,225 thousand in the financial year ended December 31, 2007 (+20.10%), mainly due to the growth of business activity with existing clients but also due to the start of a new contract, which will account for an increasing percentage of the revenues of the Business Line in 2009.

CLC Business Line

Revenues of the CLC Business Line increased from Euro 3,842 thousand in the financial year ended December 31, 2007 to Euro 5,708 thousand in the financial year ended December 31, 2008 (+48.6%). The growth is a consequence of the increase of revenues from existing clients.

2.3.2. Operating income (EBIT)

Operating income (EBIT) increased from Euro 16,762 thousand in the financial year ended December 31, 2007 to Euro 21,860 thousand in the financial year ended December 31, 2008 (+30.4%) as detailed in the table below:

(euro thousand)	Years ended on December 31, 2008	(a)	December 31, 2007	(a)	Change %
Operating income	21,860	47.2%	16,762	44.5%	30.4%
of which					
Broking Division	*17,054*	*61.3%*	*13,318*	*58.6%*	*28.1%*
BPO Division	*4,806*	*26.0%*	*3,444*	*23.0%*	*39.5%*

(a) *% of total revenues, in case by division.*

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 operating income margin for the financial year ended December 31, 2008 is 47.2% of revenues, in line with the operating income margin for the financial year ended December 31, 2007, once adjusted to exclude the non-recurring expenses related to the restructuring of the Group and the listing of the Company's shares. The operating income margins by Division also remain substantially stable compared to the previous financial year.

The ROI (Return on Investments) for the year ended December 31, 2008, defined as the ratio between EBIT of the period and total assets at the end of the period, is equal to 64.3% (53.4% in the year ended December 31, 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, 2008 and 2007:

(euro thousand)	Years ended on December 31, 2008	December 31, 2007
Net income	14,765	9,737
Income tax expense	7,464	7,007
Income/(losses) from participations	54	-
Financial income	429	382
Financial expenses	(852)	(364)
Depreciation and amortization	913	1,016
EBITDA	**22,773**	**17,778**

EBITDA increased from Euro 17,778 thousand in the financial year ended December 31, 2007 to Euro 22,773 thousand in the financial year ended December 31, 2008 (+28.1%).

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 9,737 thousand in the financial year ended December 31, 2007 to Euro 14,765 thousand in the financial year ended December 31, 2008 (+51.6%).

The growth is mainly due to the trend of operating income, with a further positive impact due to the lower weight of "Taxes" because of a reduction of tax rates as described previously.

For the financial year ended December 31, 2008, the ROE (Return on Equity), defined as the ratio between the net income of the period and the net capital at the end of the period, was equal to 61.3% (66.7% in the financial year ended December 31, 2007).

2.4. Information about the 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, 2008 and December 31, 2007:

(euro thousand)	As of December 31, 2008	As of December 31, 2007	Change	%
A. Cash and cash equivalents	23,483	11,344	12,139	107.0%
B. Other cash equivalents	-	-	-	N/A
C. Securities held for trading	-	-	-	N/A
D. Liquidity (A) + (B) + (C)	**23,483**	**11,344**	**12,139**	**107.0%**
E. Current financial receivables	**-**	**-**	**-**	**N/A**
F. Bank borrowings	-	(16)	16	-100.0%
G. Current portion of long-term borrowings	(1,152)	(86)	(1,066)	1239.5%
H. Other short-term borrowings	(185)	(174)	(11)	6.3%
I. Current indebteness (F) + (G) + (H)	**(1,337)**	**(276)**	**(1,061)**	**384.4%**
J. Net current financial position (I) + (E) + (D)	**22,146**	**11,068**	**11,078**	**100.1%**
K. Non-current portion of long-term bank borrowings	(4,941)	(6,000)	1,059	-17.7%
L. Bonds issued	-	-	-	N/A
M. Other non-current borrowings	(748)	(935)	187	-20.0%
N. Non-current Indebteness (K) + (L) + (M)	**(5,689)**	**(6,935)**	**1,246**	**-18.0%**
O. Net financial position (J) + (N)	**16,457**	**4,133**	**12,324**	**298.2%**

The net financial position as of December 31, 2008 and 2007 shows a positive (i.e. cash) balance.

The Debt/Equity ratio, defined as the ratio between net financial debt and net equity, as of December 31, 2008 is equal to -0.68 (-0.28 as of December 31, 2007).

2.4.1. Current and non-current indebtedness

Current and non-current indebtedness as of December 31, 2008 and 2007 is summarized in the following table:

(euro thousand)	As of December 31, 2008	December 31, 2007	Change	%
Bank borrowings	(6,093)	(6,086)	(7)	0.1%
Less than 1 year	(1,152)	(86)	(1,066)	1239.5%
1 - 5 years	(4,941)	(4,693)	(248)	5.3%
More than 5 years	-	(1,307)	1,307	-100.0%
Short-term bank borrowings	-	(16)	16	N/A
Less than 1 year	-	(16)	16	N/A
Finance lease obligations	(933)	(1,109)	176	-15.9%
Less than 1 year	(185)	(174)	(11)	6.3%
1 - 5 years	(748)	(777)	29	-3.7%
More than 5 years	-	(158)	158	-100.0%
Total financial indebtedness	**(7,026)**	**(7,211)**	**185**	**-2.6%**

The non-current indebtedness as of December 31, 2008 is 81.0% of the total financial indebtedness.

Long and medium-term bank borrowings

Bank borrowings as of December 31, 2008, including accrued interest expenses (amounting to Euro 93 thousand) are summarized in the following table:

(euro thousand)	As of December 31, 2008 Less than 1 year	1 - 5 years	More than 5 years	TOTAL
Loan from Intesa SanPaolo S.p.A.	(1,152)	(4,941)	-	(6,093)
Bank borrowings	**(1,152)**	**(4,941)**	**-**	**(6,093)**

(euro thousand)	As of December 31, 2007 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)**

Short-term bank borrowings and credit lines

Short-term bank borrowings

As of December 31, 2008, the Group had credit lines in the amount of Euro 800 thousand granted by Banca Popolare di Novara S.p.A., not utilized as of December 31, 2008.

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, 2008 this facility has not been utilized.

Financing lease obligations

In November 2005, PP&E S.r.l. entered into a finance lease agreement with an adjustable rate 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, 2008 and 2007, the effective interest rate paid on this finance lease agreement was 5.9% and 5.2%, 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, 2008 and 2007.

	As of December 31, 2008			
(euro thousand)	**Less than 1 year**	**1 - 5 years**	**More than 5 years**	**TOTAL**
SanPaolo Leasint S.p.A.	(185)	(748)	-	(933)
Finance lease obligations	**(185)**	**(748)**	**-**	**(933)**

	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)**

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, 2008 and 2007.

The following table shows a summary of the consolidated statements of cash flows for the financial years ended December 31, 2008 and 2007:

(euro thousand)	Years ended on December 31, 2008	December 31, 2007	Change	%
A. Net cash provided by operating activities before the changes of working capital	17,745	12,401	5,344	43.1%
B. Changes of working capital	2,309	(6,158)	8,467	-137.5%
C. Net cash provided by operating activities (A) + (B)	**20,054**	**6,243**	**13,811**	**221.2%**
D. Net cash used in investing activities	**(1,063)**	**(726)**	**(337)**	**46.4%**
E. Net cash used in financing activities	**(6,854)**	**(2,537)**	**(4,317)**	**170.2%**
Net increase in cash and cash equivalents (C) + (D) + (E)	**12,137**	**2,980**	**9,157**	**307.3%**

In the financial year ended December 31, 2008 the Group generated liquidity for an amount equal to Euro 12,137 thousand, versus an amount of liquidity equal to Euro 2,980 thousand generated during the financial year ended December 31, 2007.

Cash flow generated by operating activities

Operating activities showed a significant increase of cash and cash equivalent generated, passing from Euro 6,243 thousand in the financial year ended December 31, 2007 to Euro 20,054 thousand in the financial year ended December 31, 2008.

This increase is linked to the growth of the Group's operating activity and to the decrease of net working capital, for the analysis of which please refer to the paragraph 2.4.3.

Cash flows absorbed by investment activities

Investment activities absorbed cash for Euro 1,063 thousand in the financial year ended December 31, 2008 and Euro 726 thousand in the financial year ended December 31, 2007.

The increase in cash flows absorbed by investment activities is mainly due to investments made in Romania for the refurbishment of the new operating office of subsidiary Finprom S.r.l., with an office surface of around 2,000 square meters.

Cash flows generated by financial activities

Financial activities absorbed liquidity for Euro 6,854 thousand in the financial year ended December 31, 2008 and Euro 2,537 thousand in the financial year ended December 31, 2007.

The absorption of liquidity in the financial year ended December 31, 2008 is mainly due to the purchase of own shares for Euro 2,609 thousand, to the payment of dividends for Euro 3,577 thousand and to the payment of interest expenses for the loan granted by Intesa Sanpaolo S.p.A. for Euro 342 thousand, while in the financial year ended December 31, 2007 the absorption of liquidity was mainly due to the purchase of own shares for Euro 2,050 thousand.

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, 2008 and 2007:

(euro thousand)	As of December 31, 2008	December 31, 2007	Change	%
Trade receivables	9,827	12,737	(2,910)	-22.8%
Contract work in progress	199	1,906	(1,707)	-89.6%
Other current assets and tax receivables	464	719	(255)	-35.5%
Trade and other payables	(2,731)	(3,194)	463	-14.5%
Tax payables	(254)	(3,004)	2,750	-91.5%
Other current liabilities	(2,710)	(2,060)	(650)	31.6%
Net working capital	**4,795**	**7,104**	**(2,309)**	**-32.5%**

Net working capital decreased generating liquidity for Euro 2,309 thousand in the financial year ended December 31, 2008. This trend is mainly linked to the reduction of "Work in Progress" and "Trade receivables", in part counterbalanced by the strong decrease of tax payables.

"Contract work in progress" passed from Euro 1.906 thousand as of December 31, 2007 to Euro 199 thousand as of December 31, 2008 due to the revision of contractual terms with one of the key clients of the BPO Division, resulting in different criteria and timing for the recognition and the invoicing of the fees for our processing services. Following this revision, fees are only recognized upon mortgage disbursement, and are no longer based on job processing stages independently of the end result; thus the work in progress as of December 31, 2008 is not evaluated according to accrued revenues, but according to direct production costs, to which a percentage of impairment charges is applied representing an estimate of unsuccessful jobs. Moreover, fees are invoiced at mortgage disbursement and not, as before, at the completion of processing which, for successful loans, takes place later than disbursement.

"Trade Receivables" show a decrease by 22.8%, passing from Euro 12,737 thousand as of December 31, 2007 to Euro 9,827 thousand as of December 31, 2008. This trend is mainly due to a more efficient management of credit collections. For this purpose, it is worth pointing out that the Days of Sales Outstanding (DSO) are equal to 76 days for the year ended December 31, 2008 (122 days for the year ended December 31, 2007).

Tax payables show a decrease as the tax liability for the financial year is calculated in accordance with the lower fiscal rates applicable from the financial year ended December 31, 2008, while the advances had been calculated based on the actual taxes paid for the financial year ended December 31, 2007, when higher tax rates were still in force.

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, 2008	Shareholders' equity as of December 31, 2008	Net income for the year ended December 31, 2007	Shareholders' equity as of December 31, 2007
Net income and shareholders' equity of the Issuer	**7,345**	**9,086**	**2,060**	**5,108**
Net income and shareholders' equity of the associated	17,161	23,502	11,907	15,810
Consolidation adjustements				
Elimination of the value of investement in associated companies		(6,790)		(6,693)
Elimination of the dividends from associated companies	(9,639)		(4,250)	
Own shares purchased by associated companies		(2,249)		
Cost of stock option for the personnel of the associated companies	(328)		(145)	
Income deriving from the initial consolidation of Finrpom S.r.l.	109			
Loss deriving from the evaluation with the equity method of GuidoGratis S.r.l.	(54)	(54)		
Other consolidation adjustements	171	574	165	380
Consolidated net income and shareholders' equity	**14,765**	**24,069**	**9,737**	**14,605**

2.6. Research and development

Within the Group, at least seven 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 consumers and lenders.

The capitalized costs related to software development in the financial year ended on December 31, 2008 amount to Euro 248 thousand (Euro 199 thousand in the financial year ended December 31, 2007).

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 April 24, 2008, the shareholders' meeting revoked, for the unused portion, the previous authorization for the purchase and sale of own shares dated February 9, 2007 and 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, with the following purposes:

(a) for the service of the stock option plan for employees, directors and other personnel of the Group;

(b) in relation to the execution of the contract signed between the Issuer and "Euromobiliare SIM S.p.A.", for its role as specialist on the stock market;

(c) to support potential strategic transactions;

(d) efficient investment of the liquidity 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.

As of December 31, 2008 the Issuer had purchased 500,000 shares, equal to 1.265% of ordinary share capital, at a total cost of Euro 2,410 thousand.

On April 24, 2008, the shareholders' meetings of the subsidiaries MutuiOnline S.p.A., CreditOnline Mediazione Creditizia S.p.A., Centro Istruttorie S.p.A. and Centro Finanziamenti S.p.A. authorized the purchase of Issuer's 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, with the following purposes:

(a) to support potential strategic transactions;

(b) efficient investment of the liquidity of the Group.

The shareholders' meetings also authorized the respective boards of directors, identified by the respective chairmen and executive directors, to purchase Issuer's shares, establishing the limits and the term of the authorization, the maximum number of shares that can be purchased and the price interval.

On May 12, 2008, subsidiary MutuiOnline S.p.A. began the program for the purchase of Issuer's shares, within the limits and with the purpose of the authorization granted by its shareholder's meeting on April 24, 2008. As of December 31, 2008, subsidiary MutuiOnline S.p.A. had purchased 645,469 shares, equal to 1.634% of ordinary share capital, at a total cost of Euro 2,249 thousand.

During the first months in 2009, subsidiary MutuiOnline S.p.A. continued with the execution of the program for the purchase of Issuer's shares and purchased further 99,676 shares. As of the date of approval of this report, subsidiary MutuiOnline S.p.A. holds a total 745,145 shares of the Issuer, equal to 1.886% of ordinary share capital, purchased at a total cost of Euro 2,532 thousand.

Furthermore, on February 3, 2009, subsidiary Centro Istruttorie S.p.A. began the program for the purchase of Issuer's shares, within the limits and with the purpose of the authorization granted by its shareholder's meeting on April 24, 2008. As of the date of approval of this report, subsidiary Centro Istruttorie S.p.A. holds a total of 59,535 shares of the Issuer, equal to 0.151% of ordinary share capital, purchased at a total cost of Euro 190 thousand.

Summing up, as of December 31, 2008, the Issuer and its subsidiaries held a total of 1,145,469 own shares of the Issuer, equal to 2.899% of ordinary share capital, purchased at a total cost of Euro 4,659 thousand. As of the date of approval of this report, the Issuer and its subsidiaries hold a total of 1,304,680 shares of the Issuer, equal to around 3.302% of ordinary share capital, purchased at a total cost of Euro 5,132 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 19, 2009 and afterwards published on the website www.gruppomol.it, in the section "Governance", "Shareholders' meeting and Company governance".

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, 2008:

Name	Office	Shares held as of December 31, 2007	Acquirede d shares	Shares sold	Shares held as of December 31, 2008	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	-	139,452	-	139,452	P	D
Andrea Casalini	Director	-	-	-	-	N/A	N/A
Daniele Ferrero	Director	-	-	-	-	N/A	N/A
Alessandro Garrone	Director	-	-	-	-	N/A	N/A
Paolo Gesess	Director	30,000	63,000	-	93,000	P	D
Paolo Vagnone	Director	50,000	-	-	50,000	P	D
Marco Zampetti	Director	15,000	-	-		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
Francesca Masotti	Statutory auditor	-	-	-	-	N/A	N/A
Managers with strategic responsabilities		482,385	1,875	245,000	239,260	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, 2008, holds 12,841,070 shares of the Issuer, equal to 32.5% of the ordinary share capital, of which 284,400 purchased during the year ended December 31, 2008.

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 Bank of Italy regarding residential lending show total gross mortgage flows equal to Euro 41.9 billion for the first nine months of 2008, down 6.9% from Euro 44.9 billion in the same period of 2007. Assofin, an industry association that gathers and publishes detailed data relative to the main lenders, reported for the entire 2008 a contraction of gross mortgage flows of 14.4% compared to the previous year. Also according to Assofin, mortgage flows for house purchase alone suffered a contraction of 23.1%.

Regarding the residential real estate market, which drives the demand for house purchase mortgages, the most recent data published by the Land Agency show a significant contraction in the number of house sales, which have totaled 687 thousand for the entire 2008, down 15.1% compared to 815 thousand of 2007. The average prices published by the Land Agency have slightly decreased in real terms during 2008 compared to the previous year.

We believe that the negative trends that have characterized the market in 2008, as described above, could intensify further in 2009, considering the credit restriction that is gradually affecting the market and the likelihood of an economic recession. On the other hand, the downward pressure on real estate price levels, the reduction of interest rates following the interventions of the European Central Bank, and the positive dynamics of the cost of living are the main factors that may contribute to dampen these negative trends.

2.11. Foreseeable evolution

2.11.1. Broking Division

MutuiOnline Business Line

The outlook for the MutuiOnline Business Line for 2009 appears more uncertain than in the past, mainly because of potential credit restriction issues but also in relation to possible changes of mortgage demand in a recessionary phase.

We believe that, under a baseline scenario of mild and non homogenous credit restriction, in which some lenders drastically reduce their appetite for new mortgages while others pursue higher volumes also attracted by a significant increase in average spreads, the MutuiOnline Business Line could increase its market share, as such background conditions should induce consumers to look for the best available offers and increase their propensity to switch banks.

As regards the demand side, in light of the likely contraction of the residential real estate market and of the reduced attractiveness of mortgage “portability” in a low-Euribor environment (in 2008 the main demand driver of mortgage “portability” was the switch from adjustable to fixed rate mortgages), the growth of the MutuiOnline Business Line could derive only from an increase of its market share. The indicators of the last weeks of 2008 and of the first weeks of 2009 confirm a positive outlook in such respect.

Finally, visibility on expected commission levels is still partially uncertain, as some negotiations on volume incentives are underway.

PrestitiOnline Business line

With regards to the PrestitiOnline Business Line, the number of personal loan applications received in recent months has continued to increase, when compared to the same periods of the previous year, albeit at a slower pace.

As of today, there are no signs of significant credit restrictions that may affect this market or signs of a fall of online demand, while lenders operating in this market report a contraction in point-of-sale loans, especially linked to car sales.

The introduction of government incentives for the purchase of durable goods, could also have a positive impact on the demand for personal loans.

CreditPanel Business Line

The growth of the CreditPanel Business line will be driven by our ability to effectively introduce new developers during the course of the year and to diversify the product offering, which is currently very concentrated in terms of lenders.

Although in general the distribution of credit products through field-based intermediaries is undergoing a significant contraction, the strong restructuring of the sector according to criteria of greater transparency and fairness could strengthen the strategic position of CreditPanel.

2.11.2. BPO Division

The BPO Division could endure in 2009 a reduction of business activity volumes with existing clients, mainly with respect to mortgages, while the mid-term growth outlook remains unchanged, also in view of the increased interest of financial institutions for our outsourcing services.

FEC and CEI Business Lines

As regards mortgage outsourcing services, some of the key clients of the Division have decided to reduce their loan budgets for 2009 relative to the previous year, as a consequence of the well-known events on international financial markets. Such decisions are usually implemented through increased pricing, reduced advertising expenditures, narrower product ranges and, in some cases, tighter underwriting criteria. Changes in the macroeconomic environment and in the specific conditions of individual financial institutions could lead to changes in this restrictive commercial policy later in the year, but at present it is impossible to make forecasts in this respect.

The impact of this situation could translate into a significant decrease of revenues and business activity, especially for the FEC Business Line. The negative impact on the CEI Business Line could instead be mitigated over the year by the trend, already under way, towards a more intensive use of our services by existing clients, for instance by outsourcing processing activities for additional distribution channels, currently not managed by our Group.

As regards new outsourcing clients for mortgage processing activities performed by the CEI Business Line, the BPO Division is meeting a strong potential interest from several medium sized banking groups, aiming to respond to margin pressures deriving from current market conditions by reducing their operating cost structures, and that could benefit, through outsourcing, of additional advantages, including the ability to amortize processing costs over mortgage durations, in accordance with international accounting standards. Any new client activations would have only a limited economic impact starting in the second half of 2009, but would increase the growth potential for subsequent years.

CLC Business Line

With respect to the outsourcing activities related to employee loans, which entail low risk for lenders thanks to the underlying credit protections, the market and the main clients of the BPO Division have continued to grow in the financial year ended December 31, 2008. The outlook for the development of this market remains positive, even in a negative broader economic context.

The contract with the banking group activated in 2007 and due to expire in 2008 was renewed for another two years, although with a different operating model and conditions. The pilot collaboration announced and started in the summer of 2008 with a banking client has progressed until now with negligible volumes, however a significant expansion is expected by the end of the first quarter 2009.

As regards the pipeline for new outsourcing clients, the business development activities are continuing to meet interest from lenders who intend to enter or grow in the employee loan market.

2.12. Other information

2.12.1. Offices

The registered office of the Italian 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. For this purpose we specify that on March 19, 2009 the Boards of Directors of the Group's companies with registered offices in Milan, have resolved to transfer their registered office to Via F. Casati 1/A.

The registered and operating offices of Finprom S.r.l. are in Str. Cocorilor n. 24/A., Arad, Romania.

The administrative 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 in Strada C, Area Industriale, Villacidro. A minor part of the operating activities in Romania are carried out at Str. Padurii n. 24, Arad.

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

2.12.2. Relations with related parties

Relations with related parties are relations with the companies of the Group.

The following table shows the intercompany balances as of December 31, 2008 and the intercompany transactions for the financial year ended December 31, 2008:

					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.	Finprom S.r.l.	Total
INCOME	**Gruppo MutuiOnline S.p.A.**	-	4,412	1,701	617	2,997	12	-	**9,739**
	MutuiOnline S.p.A.	-	-	-	-	-	2	-	**2**
	CreditOnline Mediazione Creditizia S.p.A.	-	25	-	-	-	-	-	**25**
	Centro Istruttorie S.p.A.	-	-	-	-	-	7	-	**7**
	Centro Finanziamenti S.p.A.	-	21	-	-	-	1	-	**22**
	PP&E S.r.l.	-	43	-	849	119	-	-	**1,011**
	Finprom S.r.l.	-	-	-	1,839	-	-	-	**1,839**
	Total	**-**	**4,501**	**1,701**	**3,305**	**3,116**	**22**	**-**	**12,645**

					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.	Finprom S.r.l.	Total
ASSETS	**Gruppo MutuiOnline S.p.A.**	-	-	1,213	1,005	465	47	-	**2,730**
	MutuiOnline S.p.A.	168	-	-	-	-	1,181	-	**1,349**
	CreditOnline Mediazione Creditizia S.p.A.	-	-	-	-	-	-	-	**-**
	Centro Istruttorie S.p.A.	-	-	-	-	-	234	-	**234**
	Centro Finanziamenti S.p.A.	-	-	-	-	-	51	-	**51**
	PP&E S.r.l.	-	7	-	-	22	-	-	**29**
	Finprom S.r.l.	-	-	-	138	-	-	-	**138**
	Total	**168**	**7**	**1,213**	**1,143**	**487**	**1,513**	**-**	**4,531**

Income and expenses

The income of Gruppo MutuiOnline S.p.A. with companies of the Group is almost totally attributable to the distribution of dividends by the subsidiaries during the financial year ended December 31, 2008 and for the rest to direction and coordination services.

The income of CreditOnline S.p.A. and Centro Finanziamenti S.p.A. with MutuiOnline S.p.A. is related to accrued interests for loans granted during the financial year ended December 31, 2008.

The income of PP&E S.r.l. with other companies of the Group is mainly related to the fees received for the location of the operating office in Cagliari and for the related office residence services.

The income of Finprom S.r.l. with Centro Istruttorie S.p.A. is linked to the remuneration for outsourcing services during the financial year ended December 31, 2008. We remind that such performance of services takes place at normal market conditions.

Assets and liabilities

The assets of the Issuers versus its subsidiaries are mainly represented by the other current assets for receivables derived by the adhesion to the tax consolidation regime.

The assets of MutuiOnline S.p.A. with the Issuer are represented by the other current assets for an interest-free loan existing as of December 31, 2008, net of the debt deriving from the adhesion to the tax consolidation regime

The assets of MutuiOnline S.p.A. with PP&E S.r.l. are mainly related to the residual receivables of an interest-free loan. The other liabilities of PP&E S.r.l. to the companies of the Group are related to the deposits made under the rental agreements of the operating offices in Cagliari.

The assets of Finprom S.r.l. with Centro Istruttorie S.p.A. are related to trade receivables for the outsourcing services performed.

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 and financial effect is considered negligible.

The interest rate on the bank 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 53 thousand in 2009. It is worth pointing put that such variation of the interest rate would be more than compensated by the favorable impact on available liquidity.

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 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 9,827 thousand, of which the overdue is equal to Euro 2,616 thousand.

Most of the overdue receivables were paid by the clients during the first months of 2009. As of the date of approval of this report receivables not yet collected, overdue as of December 31, 2008, amount to Euro 423 thousand.

These trade receivables are from banks and other financial institutions. It is worth highlighting that, although some of banks and financial institutions have suffered serious repercussions in the current economic and financial conditions, there are no unusual tensions regarding trade receivables, as client lenders are not affected by critical solvency issues. In the past, the Group has never recorded relevant losses on receivables.

It is worth pointing out that in the BPO Division there is a credit concentration with the main client, which as of December 31, 2008, represents 51.8% of the total amount of trade receivables of the Division.

Finally, it is worth mentioning the high concentration of revenues from the main client of the Group, equal to 44.3% of total revenues, which could lead to a dependency of the Group from this client. To mitigate this risk, the Group pursues a strategy of new client acquisition, especially for the BPO Division, which could lead to a reduction in revenue concentration.

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, 2008 is Euro 23,483 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, 2008, current liabilities excluding tax liabilities are Euro 6,778 thousand. Among those liabilities there are trade payables with expiration dates less than 90 days for Euro 2,731 thousand.

Operating risk

The technological component is an essential element for the operating activities of the Group; therefore, there is the risk that the possible malfunctioning of the technological infrastructure may cause an interruption of the client service or loss of data. However, the companies of the Group have developed a series of plans, procedures and tools to guarantee business continuity and data security.

2.13. Net income allocation and dividend distribution proposal

The net income of the Company for the financial year ended on December 31, 2008 was Euro 7,344,512. We shall propose to the shareholders' meeting the following allocation of the net income of the year:

- Euro 41,987 to legal reserve;
- Euro 7,297,903 for distribution of dividends to shareholders in the amount of Euro 0.191 per outstanding share, with ex dividend date Monday May 4, 2009 and payable date Thursday May 7, 2009;
- Euro 4,622 to retained earnings.

Taking into consideration the available reserves and the financial condition of the Company, we shall propose to the shareholders' meeting a distribution of an extraordinary dividend of Euro 573,134 corresponding to Euro 0.015 per outstanding share, with ex dividend date May 4, 2009 and payable date May 7, 2009. Such dividend will be fully paid out from retained earnings, equal to Euro 596,064 as of December 31, 2008.

The total amount of the dividend, ordinary and extraordinary, will hence be Euro 7,871,037 corresponding to Euro 0.206 per outstanding share, gross of taxes, payable from May 7, 2009 and with ex dividend date May 4, 2009 (coupon n. 2).

The total amount of the dividend, ordinary and extraordinary, represents 99.7% of the net income for the financial year plus distributable reserves as of the day of the approval of the Issuer's draft statutory financial statements, consistently with the previously announced 100% dividend pay-out policy. For this reason it is worth pointing out that 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 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.

We also remind that during the financial year ended December 31, 2008, the Group has indirectly distributed to shareholders Euro 2,608,554 by means of purchases of own shares by the Issuer for Euro 359,756 and by means of purchases of Issuer's shares by subsidiary MutuiOnline S.p.A. for Euro 2,248,798.

Milan, March 19, 2009

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

CONSOLIDATED ANNUAL REPORT

AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2008

Prepared according to IAS/IFRS

3. CONSOLIDATED ANNUAL REPORT AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2008

3.1. Financial statements

3.1.1. Consolidated balance sheet

(euro thousand)	Note	As of December 31, 2008	December 31, 2007
ASSETS			
Intangible assets	7	261	237
Property, plant and equipment	8	3,955	3,683
Associates measured with equity method	9	86	-
Financial assets measured at fair value		-	12
Deferred tax assets	11	652	684
Other non-current assets		49	47
Total non-current assets		**5,003**	**4,663**
Cash and cash equivalents	12	23,483	11,344
Trade receivables	13	9,827	12,737
Contract work in progress	14	199	1,906
Other current assets	15	464	719
Total current assets		**33,973**	**26,706**
TOTAL ASSETS		**38,976**	**31,369**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Share capital	23	971	990
Other reserves	23	8,333	3,878
Net income	23	14,765	9,737
Total shareholders' equity	**23**	**24,069**	**14,605**
Long-term borrowings	16	5,689	6,935
Provisions for risks and charges	17	1,344	795
Defined benefit program liabilities	18	842	500
Total non-current liabilities		**7,875**	**8,230**
Short-term borrowings	19	1,337	276
Trade and other payables	20	2,731	3,194
Tax payables	21	254	3,004
Other current liabilities	22	2,710	2,060
Total current liabilities		**7,032**	**8,534**
TOTAL LIABILITIES		**14,907**	**16,764**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**38,976**	**31,369**

3.1.2. Consolidated income statement

(euro thousand)	**Note**	**Years ended December 31, 2008**	**December 31, 2007**
Revenues	25	46,345	37,675
Other income	26	329	445
of which			
with related parties		-	*66*
Capitalization of internal costs		248	199
Services costs	27	(10,695)	(10,204)
of which			
for non recurring costs		-	*(816)*
with related parties		-	*(647)*
Personnel costs	28	(12,026)	(8,921)
Other operating costs	29	(1,428)	(1,416)
Depreciation and amortization	30	(913)	(1,016)
Operating income		**21,860**	**16,762**
Financial income	31	852	364
of which			
for non recurring costs	*10*	*109*	-
Financial expenses	31	(429)	(382)
Income/(losses) from participations	9	(54)	-
Net income before income tax expense		**22,338**	**16,744**
Income tax expense	32	(7,464)	(7,007)
Net income		**14,874**	**9,737**
Earnings per share basic *(Euro)*	36	0.38	0.25
Earnings per share diluited *(Euro)*	36	0.38	0.25

3.1.3. Consolidated statement of cash flows

(euro thousand)	Note	Years ended December 31, 2008	 December 31, 2007
Net income		**14,765**	**9,737**
Amortization and depreciation	7,8	913	1,016
Stock option expenses	24	899	476
Capitalization of internal costs	7	(248)	(199)
Interest cashed		743	364
Changes of the value of the participation evaluated with the equity method	9	54	-
Income tax paid		(8,036)	(4,751)
Changes in contract work in progress	14	1,707	(664)
Changes in trade receivables/payables		2,173	(7,335)
Changes in other assets/liabilities		6,193	6,877
Payments on defined benefit program		342	92
Payments on provisions for risks and charges		549	630
Net cash provided by operating activities		**20,054**	**6,243**
Investments:			
- Increase of intangible assets	7	(22)	(58)
- Increase of property, plant and equipment	8	(829)	(678)
- Increase of financial assets measured at fair value		-	(12)
- Increase of participation	10	(85)	-
- Increase of participations evaluated with the equity method	9	(140)	-
Disposals:			
- Decrease of property, plant and equipment	8	13	22
Net cash used in investing activities		**(1,063)**	**(726)**
Increase of financial liabilities		-	20
Interest paid		(475)	(347)
Decrease of financial liabilities		(193)	(160)
Purchase of own shares	23	(2,609)	(2,050)
Dividends paid	23	(3,577)	-
Net cash used in financing activities		**(6,854)**	**(2,537)**
Net increase in cash and cash equivalents		**12,137**	**2,980**
Cash and cash equivalents at the beginning of the year	**12**	**11,344**	**8,364**
Cash and cash equivalent of Finprom S.r.l. (purchased)	**10**	**2**	**-**
Cash and cash equivalents at the end of the year	**12**	**23,483**	**11,344**

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, 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**
Allocation of previous year net income	-	103	-	(2,054)	**(1,951)**
Distribution of an extraordinary dividend	-	-	-	(1,626)	**(1,626)**
Purchase of own shares	(19)	-	-	(2,590)	**(2,609)**
Stock option plan	-	-	899	-	**899**
Translation reserve	-	-	(36)	-	**(36)**
Other movements	-	-	22	-	**22**
Net income of the year	-	-	-	14,765	**14,765**
Value as of December 31, 2008	**971**	**158**	**1,484**	**21,456**	**24,069**
Note	23	23	23, 24		

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, 2008 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, 2008 and published in the EU regulations as of this date.

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

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 19, 2009. This document will be presented to the general meeting on April 23, 2009.

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, 2008.

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 consolidation area includes all the entities (subsidiaries) on which the Issuer exercises, directly or indirectly, the control. An entity is defined subsidiary when the Issuer owns, directly or indirectly, more than half of the voting power exercisable in the shareholders' meeting.

The controlled entities as of December 31, 2008 are:

Name	Registered office	Share capital (Euro)	Consolidation method	% of possession
MutuiOnline S.p.A.	Milan (Italy)	1,000,000	Line-by-line	100%
CreditOnline Mediazione Creditizia S.p.A.	Milan (Italy)	200,000	Line-by-line	100%
Centro Finanziamenti S.p.A.	Milan (Italy)	600,000	Line-by-line	100%
Centro Istruttorie S.p.A.	Cagliari (Italy)	500,000	Line-by-line	100%
PP&E S.r.l.	Milan (Italy)	100,000	Line-by-line	100%
Finprom S.r.l.	Arad (Romania)	9,618	Line-by-line	100%

The consolidation area as of December 31, 2008 has changed compared with December 31, 2007 with the inclusion of Finprom S.r.l. which was purchased on January 9, 2008. 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 lives 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	2.5-7 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) Investments measured with the equity method

An associated entity is a company, which is neither a subsidiary nor a joint-venture, on which the Issuer exercises a significant influence. The significant influence is presumed when the Issuer owns, directly or indirectly, more than 20% of the ordinary share capital of a company.

Investments in associated entities are measured for an amount equal to the corresponding fraction of equity in the last financial statements of the same entities, after the transfer of dividends and the application of adjustments in accordance with the disclosures for the preparation of the financial statements.

Gains and losses arising from changes of the adjusted equity of associated companies 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 contracts 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 of 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 three months). 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 values of the assets are reduced to the present value of expected future cash flows and the differences are 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 are reinstated up to the amortized cost as if the impairment had never occurred.

H) *Own shares*

Own shares are booked as a 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.

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 processing services comprises several separate stages.

As of December 31, 2007, contract work in progress was measured according to the percentage of completion method, and the recognition of the revenues depended on the stage of completion of each project.

As of December 31, 2008, contract work in progress is measured according to the direct production cost method which prescribes that individual projects are valued according to the costs incurred for achieving the current stage of work in progress. A devaluation, which represents an estimate of the potential decay based on historical experience of unsuccessful cases, is applied for the recognition of work in progress at the balance sheet date.

As these costs consist almost exclusively in personnel costs, the positive and negative changes of contract work in progress will appear in the consolidated income statement under "Personnel Costs".

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 the new cash flows and the initial 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) Defined benefit program liability

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 material 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) Share based payments

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, or insolvency of brokered mortgages.

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.

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>

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

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 foreseeable 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.

Substitute tax relates to the revaluation of assets according to Italian 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) Earnings per share

(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) 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) 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) 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, 2009:

The main changes are:

- introduction of IFRS 8 ("Segment reporting"): accounting principle IFRS 8 introduces the concept of management approach in the preparation of segment reporting; IFRS 8, which will be applicable from January 1, 2009, requires that segment reporting information be based on the same internal reporting used to allocate the resources to the different segments and to make performance analysis;

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

- introduction to IFRS 2 ("Vesting conditions and cancellations") about the evaluation of share based equity instruments applicable from January 1, 2009;

- introduction to IFRS 3 ("Business combinations") applicable from January 1, 2010;

- review to IAS 19 ("Employee benefits") applicable from January 1, 2009;

- review to IAS 28 ("Investments in associates") 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 to hedge interest rate risk since the Group has a variable interest rate borrowing (based on Euribor) of a lower amount than bank deposits (all of which are based on Euribor). The overall economic and financial effect is considered negligible.

The interest rate on the loan with Intesa Sanpaolo S.p.A. 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 53 thousand in 2009. It is worth pointing put that such variation of the interest rate would be more than compensated by the favorable impact on available liquidity.

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 9,827 thousand, of which the overdue is equal to Euro 2,616 thousand.

Most of the overdue receivables were paid by the clients during the first months of 2008. As of the date of approval of this report receivables not yet collected, overdue as of December 31, 2008, amount to Euro 423 thousand.

These trade receivables are from banks and other financial institutions. It is worth highlighting that, although some of banks and financial institutions have suffered serious repercussions in the current economic and financial conditions, there are no unusual tensions regarding trade receivables, as client lenders are not affected by critical solvency issues. In the past, the Group has never recorded relevant losses on receivables.

It is worth pointing out that in the BPO Division there is a credit concentration with the main client, which as of December 31, 2008, represents 51.8% of the total amount of trade receivables of the Division.

Finally, it is worth mentioning the high concentration of revenues from the main client of the Group, equal to 44.3% of total revenues, which could lead to a dependency of the Group from this client. To mitigate this risk, the Group pursues a strategy of new client acquisition, especially for the BPO Division, which could lead to a reduction in revenue concentration.

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, 2008 is Euro 23,483 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, 2008, current liabilities excluding tax liabilities are Euro 6,778 thousand. Among those liabilities are trade payables with expiration dates less than 90 days for Euro 2,731 thousand.

Operating risk

The technological component is an essential element for the operating activities of the Group; therefore, there is the risk that the possible malfunctioning of the technological infrastructure may cause an interruption of the client service or loss of data. However, the companies of the Group have developed a series of plans, procedures and tools to guarantee business continuity and data security.

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, 2008	December 31, 2007
Broking Division revenues	27,826	22,713
BPO Division revenues	18,519	14,962
Total revenues	**46,345**	**37,675**

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 in Italy at the end of the period.

(euro thousand)	Years ended December 31, 2008	December 31, 2007
Broking Division operating income	17,054	13,318
BPO Division operating income	4,806	3,444
Total operating income	**21,860**	**16,762**

As follows we provide the allocation of assets and liabilities by Division.

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, 2008	As of December 31, 2007
Broking Division assets	18,779	16,531
BPO Division assets	13,661	13,702
Not allocated	6,536	1,136
Total assets	**38,976**	**31,369**

The unallocated assets consist mainly in cash and cash equivalents held by the Issuer, equal to Euro 5,942 thousand.

Liabilities by Division

(euro thousand)	As of December 31, 2008	As of December 31, 2007
Broking Division liabilities	4,482	3,827
BPO Division liabilities	2,820	2,541
Not allocated	7,605	10,396
Total liabilities	**14,907**	**16,764**

The unallocated 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 Sanpaolo Leasint S.p.A..

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

	Years ended	
(euro thousand)	December 31, 2008	December 31, 2007
Broking Division investments in property, plant and equipment and intangible assets	169	230
BPO Division investments in property, plant and equipment and intangible assets	849	695
Investments in property, plant and equipment and intangible assets not allocated	81	-
Total investments in property, plant and equipment, and intangible assets	**1,099**	**925**

Depreciation and amortization by Division

	Years ended	
(euro thousand)	December 31, 2008	December 31, 2007
Broking Division depreciation and amortization	(239)	(322)
BPO Division depreciation and amortization	(665)	(694)
Depreciation and amortization not allocated	(9)	-
Total depreciation and amortization	**(913)**	**(1,016)**

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, 2008 and 2007:

(euro thousand)	Development costs	Licenses and other rights	Other intengible assets	Total
Net value as of January 1, 2007	**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**
Increases	248	16	6	270
Amortization expense	212	33	1	246
Net value as of December 31, 2008	**228**	**28**	**5**	**261**

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 the 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 2008:

(euro thousand)	Land and buildings	Plant and machinery	Other tangible assets	Total
Cost as of January 1, 2007	**2,634**	**763**	**1,529**	**4,926**
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**
Accumulated depreciation as of January 1, 2007	**74**	**382**	**828**	**1,284**
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**
Additions	16	619	194	829
Others	-	71	(265)	(194)
Cost as of December 31, 2008	**2,685**	**2,135**	**1,342**	**6,162**
Depreciation expense	80	390	197	667
Others	-	(45)	(259)	(304)
Accumulated depreciation as of December 31, 2008	**229**	**1,186**	**792**	**2,207**
Net book value as of December 31, 2008	**2,456**	**949**	**550**	**3,955**

In "Others" are also included the relevant increase related to the inclusion of Finprom S.r.l. into the consolidation area and 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 and 2007, the Group invested an additional amount of Euro 1,018 thousand in renovation and modernization of this building in order to make it more functional to its own requirements and in 2008 it invested a further amount of Euro 16 thousand. As of December 31, 2008 the net book value of this building is Euro 2,243 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 buildings located in Cagliari and in Arad, and in hardware. This item presents a major increase compared to the financial year ended December 31, 2007 due to investments in generic electronic office equipment in the new office in Arad, Romania.

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

9. Investments measured with the equity method

It is the investment in the associated company GuidoGratis S.r.l.. On August 5, 2008 the Company subscribed 35% of the share capital for the incorporation of GuidoGratis S.r.l., which has total share capital of Euro 100 thousand, with a disbursement equal to Euro 35 thousand. The company intends to operate as an insurance broker. In addition, the Issuer contributed further Euro 105 thousand for share premium, for a total disbursement of Euro 140 thousand.

As of December 31, 2008 the shareholder's equity, ratified in accordance with IFRS amendments, was equal to Euro 246 thousand. The portion of shareholder's equity that belongs to the Group as of the same date was equal to Euro 86 thousand.

Therefore, according to this evaluation, the income statement presents an expense deriving from investments with the equity method equal to Euro 54 thousand.

10. 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. (a company established under English law which controlled the Issuer until December 29, 2006, when the Group structure was reorganized) 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.

Cash and cash equivalents of Finprom S.r.l. at the moment of purchase were equal to Euro 2 thousand.

The following table presents the fair value of assets, liabilities and potential liabilities identified from the purchased entity, at the date of purchase. This fair value does not differ from the respective accounting values:

(euro thousand)	
Non-current assets	123
Current assets	317
Total assets	**440**
Shareholders' equity	206
Non-current liabilities	124
Current liabilities	110
Total liabilities and shareholders' equity	**440**

The following table presents a summary of the data for purchase and relative effects accounted in financial income for the financial year ended December 31, 2008:

Purchase cost	(97)
Book value of purchased assets	206
Income classified as financial income	**109**

11. 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, 2008 and 2007:

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**

Year ended December 31, 2008

(euro thousand)	As of January 1, 2008	Accrual	Others	Utilization	As of December 31, 2008	Expiring within 1 year	Expiring after 1 year
Deferred tax assets							
Costs with different tax deductibility	288	276	-	(102)	462	448	14
Differences between the tax bases of assets and their carrying amounts	530	35	-	(171)	394	224	170
Finance lease	319	-	-	-	319	-	319
Total deferred tax assets	**1,137**	**311**	**-**	**(273)**	**1,175**	**672**	**503**
Deferred tax liabilities							
Defined benefit program liability	(10)	(14)	-	-	(24)	-	(24)
Differences between the tax bases of assets and their carrying amounts	(54)	(22)	-	-	(76)	-	(76)
Finance lease	(390)	(33)	-	-	(423)	-	(423)
Total deferred tax liabilities	**(454)**	**(69)**	**-**	**-**	**(523)**	**-**	**(523)**
Total	**683**	**242**	**-**	**(273)**	**652**	**672**	**(20)**

CURRENT ASSETS

12. 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, 2008 and 2007:

(euro thousand)	As of December 31, 2008	December 31, 2007	Change	%
A. Cash and cash equivalents	23,483	11,344	12,139	107.0%
B. Other cash equivalents	-	-	-	N/A
C. Securities held for trading	-	-	-	N/A
D. Liquidity (A) + (B) + (C)	**23,483**	**11,344**	**12,139**	**107.0%**
E. Current financial receivables	**-**	**-**	**-**	**N/A**
F. Bank borrowings	-	(16)	16	-100.0%
G. Current portion of long-term borrowings	(1,152)	(86)	(1,066)	1239.5%
H. Other short-term borrowings	(185)	(174)	(11)	6.3%
I. Current indebteness (F) + (G) + (H)	**(1,337)**	**(276)**	**(1,061)**	**384.4%**
J. Net current financial position (I) + (E) + (D)	**22,146**	**11,068**	**11,078**	**100.1%**
K. Non-current portion of long-term bank borrowings	(4,941)	(6,000)	1,059	-17.7%
L. Bonds issued	-	-	-	N/A
M. Other non-current borrowings	(748)	(935)	187	-20.0%
N. Non-current Indebteness (K) + (L) + (M)	**(5,689)**	**(6,935)**	**1,246**	**-18.0%**
O. Net financial position (J) + (N)	**16,457**	**4,133**	**12,324**	**298.2%**

13. Trade receivables

The following table presents the situation of the item as of December 31, 2008 and 2007:

(euro thousand)	**As of December 31, 2008**	**As of December 31, 2007**
Trade receivables	9,962	12,821
(allowance for doubtful receivables)	(135)	(84)
Total trade receivables	**9,827**	**12,737**

Trade receivables refer to ordinary sales to client companies operating in the banking and financial sector.

The following table presents the variation of the allowance for doubtful receivables in the financial years ended December 31, 2008 and 2007:

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**

Year ended December 31, 2008

(euro thousand)	**As of December 31, 2007**	**Accrual**	**Utilization**	**Others**	**As of December 31, 2008**
Allowance for doubtful receivables	84	51	-	-	135
Total	**84**	**51**	**-**	**-**	**135**

14. Contract work in progress

Contract work in progress, equal to Euro 199 thousand as of December 31, 2008 and Euro 1,906 thousand as of December 31, 2007, is affected by the revision of contractual terms with one of the key clients of the BPO Division, resulting in different criteria and timing for the recognition and invoicing of the fees for *outsourcing* services. Following this revision, the recognition of the fees for processing jobs is no longer based on the stages of the jobs, independently from their outcome, but, starting from July 1, 2008, the fees are recognized only for disbursed mortgages, and, furthermore, the invoicing is no longer at the completion of processing but at the time of mortgage disbursement.

As of December 31, 2008 work in progress showed a decrease due to the anticipation of the invoicing at a previous production stage, and to the valuation based on production costs and not on accrued revenue.

The positive and negative variations of contract work in progress in the period will no longer be classified in the income statement under "Revenues" but will be included as an increase or decrease of "Personnel costs".

15. Other current assets

The following table presents the situation of the item as of December 31, 2008 and 2007:

(euro thousand)	**As of December 31, 2008**	**As of December 31, 2007**
Accruals and prepayments	69	90
Advances to suppliers	96	26
Others	13	21
VAT receivables	286	582
Total other current assets	**464**	**719**

NON-CURRENT LIABILITIES

16. Long-term borrowings

The following table presents the situation of the item as of December 31, 2008 and 2007:

(euro thousand)	**As of December 31, 2008**	**As of December 31, 2007**
Bank borrowings	4,941	6,000
1 - 5 years	4,941	4,693
More than 5 years	-	1,307
Finance lease obligations	748	935
1 - 5 years	748	777
More than 5 years	-	158
Total long-term borrowings	**5,689**	**6,935**

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, 2008	As of December 31, 2007
- between one and two years	1,125	1,097
- between two and three years	1,196	1,146
- between three and four years	1,270	1,198
- between four and five years	1,350	1,252
- more than five	-	1,307
Total	**4,941**	**6,000**

The interest rate on the borrowing is equal to 6-month Euribor increased by 0.85%, and interest is calculated from the date of utilization of the borrowing and approximates 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 12.

The Group has complied with these covenants since the signing 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, 2008 and 2007 the effective interest rate on the finance lease obligations was equal to 5.9% and 5.2% respectively.

17. 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, 2008 and 2007:

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**

Year ended December 31, 2008

(euro thousand)	As of December 31, 2007	Accrual	Utilization	Others	As of December 31, 2008
Provision for early repayment of mortgages	795	799	(250)	-	1,344
Total	**795**	**799**	**(250)**	**-**	**1,344**

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 and insolvencies in the last 36 months.

18. Defined benefit program liabilities

The following table presents the situation of the item as of December 31, 2008 and 2007:

(euro thousand)	As of December 31, 2008	As of December 31, 2007
Employee termination benefits	699	391
Directors' termination benefits	143	109
Total defined benefit program liabilities	**842**	**500**

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, 2008 and 2007:

	As of December 31, 2008	As of December 31, 2007
ECONOMIC ASSUMPTIONS		
Inflation rate:	2%	2%
Discount rate:	5%	5,5%
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, 2008, 2007 and 2006:

Value as of January 1, 20056	**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**
Current service cost	335
Interest cost	21
Benefits paid	(48)
Value as of December 31, 2008	**699**

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

(euro thousand)	**Years ended** December 31, 2008	December 31, 2007
Current service cost	(335)	(181)
Implicit interest cost	(21)	(15)
Total expenses related to the defined benefit program	**(356)**	**(196)**

Besides, it is worth pointing out that as of December 31, 2008 the Group had not recognized actuarial gains or losses because the total amount of the actuarial losses on this date is equal to Euro 40 thousand, less than 10% of the amount of the defined benefit obligation.

CURRENT LIABILITIES

19. Short-term borrowings

Short-term borrowings amounting to Euro 1,337 thousand as of December 31, 2008, include the current portion of borrowings and the interest payable on the Intesa Sanpaolo S.p.A. borrowing amounting to Euro 1,152 thousand, and the current amount of the lease obligations for Euro 185 thousand (Note 16).

20. Trade and other payables

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

21. Tax payables

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

22. Other current liabilities

The following table presents the situation of the item as of December 31, 2008 and 2007:

(euro thousand)	As of December 31, 2008	As of December 31, 2007
Liabilities to personnel	1,492	915
Social security liabilities	674	464
Social security liabilities on behalf of employees	359	340
Accruals	131	23
VAT liabilities	46	22
Other liabilities	8	296
Total other liabilities	**2,710**	**2,060**

Liabilities to personnel comprise principally bonus liabilities for the financial year 2008 not yet paid as of December 31, 2008 for Euro 798 thousand.

23. Shareholders' equity

The following table presents the situation of the item as of December 31, 2008 and 2007:

(euro thousand)	As of December 31, 2008	As of December 31, 2007
Share capital	971	990
Legal reserve	158	55
Other reserves	1,484	599
Retaind earnings	21,456	12,961
Total Shareholders' equity	**24,069**	**14,605**

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

On April 24, 2008 the shareholders' meeting resolved the distribution of a dividend of Euro 3,577 thousand, of which Euro 1,952 thousand from the distribution of the earnings for the financial year 2007 and Euro 1,626 thousand from the net income reserve of the previous financial years. Such dividends have been paid out with ex dividend date May 5, 2008 and payable date May 8, 2008.

As of December 31, 2008 the Company's share capital is composed of 39,511,870 shares without nominal value. During the year ended December 31, 2008 there were no changes in the number of released shares.

During the year ended December 31, 2007 the Company initiated a buy back program, up to the 2% of share capital, serving the stock option plan for directors, employees and other personnel. During the year ended December 31, 2008 the Company has approved a new buy back program, up to the 10% of share capital, specifying limits and purposes.

During the year ended December 31, 2008 also the subsidiary MutuiOnline S.p.A. began a program for the purchase of the Issuer's shares.

As of December 31, 2008 the companies of the Group had purchased a total of 1,145,469 shares of the Issuer, of which 500,000 purchased directly by the Issuer and 645,469 purchased by subsidiary MutuiOnline S.p.A., equal to 2.899% of ordinary share capital, for a total cost of Euro 4,659 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 29 thousand as of December 31, 2008, and from the distributable reserves for an amount equal to the remaining part of the purchase cost.

The following table presents the impact of the purchase of own shares by the companies of the Group on the consolidated share capital and net equity as of December 31, 2008 and 2007:

(euro thousand)	**As of December 31, 2008**	**As of December 31, 2007**
Share capital underwritten and paid	1,000	1,000
Own shares' nominal value	(29)	(10)
Total share capital	**971**	**990**

(euro thousand)	**As of December 31, 2008**	**As of December 31, 2007**
Other reserves gross of own shares	27,570	15,600
Surplus on own shares	(4,630)	(2,040)
Total other reserves	**22,940**	**13,560**

24. Stock option plan

Personnel costs include Euro 899 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.

On February 11, 2008 the Company's executive committee resolved a further allotment of 142,000 stock options to an employee of the Group, at an exercise price equal to Euro 3.80 per option.

On July 15, 2008 the Company's executive committee resolved a further allotment of 3,000 stock options to an employee of the Group, at an exercise price equal to Euro 4.35 per option.

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, February 11, 2008 and July 15, 2008 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, 2008	2,559,500
Stock options offered in 2008	145,000
Stock option re-assignable after the resignations in 2008	(40,000)
Stock options as of June 30, 2008	2,664,500
of which vested in 2008	-

The options have the following exercise prices:

Stock options' exercise price	
n. 2,281,000	7.50
n. 251,500	6.20
n. 120,000	3.80
n. 3,000	4.35

The following table presents the value of individual stock options at the date of the offering:

Stock options' yearly value	
n. 1,800,000	0.91
n. 481,000	1.13
n. 278,500	1.44
n. 120,000	0.80
n. 3,000	0.91

The weighed average price of the shares for the year ended December 31, 2008 was equal to Euro 3.828.

In the income statement for the year ended December 31, 2007 there are costs equal to Euro 475 thousand related to the stock option plan.

NOTES TO THE MAIN ITEMS OF THE CONSOLIDATED INCOME STATEMENT

25. Revenues

The following table presents the details of the item for the financial years ended December 31, 2008 and 2007:

	Years ended	
(euro thousand)	**December 31, 2008**	**December 31, 2007**
Broking Division revenues	27,826	22,713
BPO Division revenues	18,519	14,962
Total revenues	**46,345**	**37,675**

26. Other income

The following table presents the details of the item for the financial years ended December 31, 2008 and 2007:

	Years ended	
(euro thousand)	**December 31, 2008**	**December 31, 2007**
Reimbursement of costs	316	303
Others	13	142
Total other income	**329**	**445**

27. Services costs

The following table presents the details of the item for the financial years ended December 31, 2008 and 2007:

(euro thousand)	Years ended December 31, 2008	December 31, 2007
Marketing and commercial expenses	(5,016)	(4,133)
CreditPanel commission payout	(1,999)	(1,262)
Technical, legal and administrative consultancy	(1,033)	(1,838)
Telephone	(783)	(801)
Rental and lease expenses	(360)	(269)
Postage	(331)	(216)
Utilities and cleaning costs	(292)	(230)
Travel expenses	(248)	(203)
External services	(143)	(827)
Maintenance expenses	(91)	(107)
Statutory auditors' compensation	(60)	(73)
Insurance costs	(49)	(52)
Other general expenses	(290)	(193)
Total services costs	**(10,695)**	**(10,204)**

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

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.

Technical, legal and administrative consultancy costs refer to expenses incurred for professional advice for legal and fiscal matters, for audit activities and for administrative support as well as for IT and technology 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.

The rental and lease expenses include prevalently the fees paid by the companies of the Group for the rental of offices owned by third parties. The following table presents a summary of the lease obligations on the basis of existing contracts:

(euro thousand)	As of December 31, 2008
Less than 1 year	(254)
1 - 5 years	(623)
More than 5 years	(198)
Total lease obligations	**(1,075)**

28. Personnel costs

The following table presents the details of the item for the financial years ended December 31, 2008 and 2007:

(euro thousand)	**Years ended December 31, 2008**	**December 31, 2007**
Wages and salaries	(7.830)	(3.917)
Social security contributions	(1.807)	(1.391)
Professional collaborators and project workers costs	(679)	(2.413)
Directors' compensation	(530)	(459)
Defined benefit program liabilities	(377)	(188)
Other costs	(103)	(78)
Stock option expenses	(899)	(475)
Changes in contract work in progress	199	-
Total personnel costs	**(12.026)**	**(8.921)**

The average headcount is as follows:

	Years ended December 31, 2008	**December 31, 2007**
Directors	6	6
Managers	8	8
Employees	403	107
Professional collaborators and project workers	61	165
Average headcount	**478**	**286**
Headcount in Italy	338	286
Headcount in Romania	140	-

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 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.

29. Other operating costs

Other operating costs include Euro 902 thousand and Euro 780 thousand relative to non-deductible VAT costs for the financial years ended December 31, 2008 and 2007, respectively.

30. Depreciation and amortization

The following table presents the details of the item for the financial years ended December 31, 2008 and 2007:

(euro thousand)	Years ended December 31, 2008	December 31, 2007
Amortization of intangible assets	(246)	(401)
Depreciation of property, plant and equipment	(667)	(615)
Total depreciation and amortization	**(913)**	**(1,016)**

31. Net financial income

The following table presents the details of the item for the financial years ended December 31, 2008 and 2007:

(euro thousand)	Years ended December 31, 2008	December 31, 2007
Financial income	743	364
Income from purchase of participation	109	-
Interest expense – borrowings	(408)	(367)
Implicit interest cost on defined benefit program liability	(21)	(15)
Income/(losses) from participations	(54)	-
Net financial income/(loss)	**369**	**(18)**

For the income deriving from the purchase of the subsidiary Finprom S.r.l. please refer to the paragraph 10.

Interest expense for the financial year ended December 31, 2008 includes Euro 349 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 59 thousand on finance lease obligations.

32. Income tax expense

The following table presents the details of the item for the financial years ended December 31, 2008 and 2007:

(euro thousand)	Years ended December 31, 2008	December 31, 2007
Current income tax	(7,433)	(7,443)
Deferred taxes	(31)	436
Income tax expense	**(7,464)**	**(7,007)**

The reconciliation between the theoretical tax rate and the effective tax rate for the years ended December 31, 2008 and 2007 is provided in the following table:

	Years ended	
	December 31, 2008	**December 31, 2007**
Corporate income tax (IRES)		
Theoretical tax rate	27.5%	33.0%
Non-deductible costs	0.7%	1.0%
Impact of the changes of the tax rate in the next years	0.0%	0.8%
Stock option expenses	1.1%	0.9%
Impact of the tax benefits	-1.0%	0.0%
Others	-0.4%	-0.4%
Effective IRES tax rate	**27.9%**	**35.3%**
Regional income tax (IRAP)		
Theoretical tax rate	3.9%	4.3%
Non-deductible costs	1.9%	2.1%
Impact of the changes of the tax rate in the next years	0.0%	0.7%
Stock option expenses	0.1%	0.1%
Others	-0.2%	-1.0%
Effective IRAP tax rate	**5.7%**	**6.2%**

33. Related parties

During the year ended December 31, 2007, the Issuer obtained from MOL (UK) Holdings Ltd. a 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". This option has been exercised on January 9, 2008 with the payment of an amount equal to Euro 85 thousand.

We remind that 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.

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.

34. 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, 2008:

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	1/1/2008	12/31/2008	Approval of 2010 financial statements	50	2	-	143
Alessandro Fracassi	CEO	1/1/2008	12/31/2008	Approval of 2010 financial statements	50	2	-	144
Stefano Rossini	Executive director	1/1/2008	12/31/2008	Approval of 2010 financial statements	50	2	-	176
Fausto Boni	Director	1/1/2008	12/31/2008	Approval of 2010 financial statements	10	-	-	-
Paolo Gesess	Director	1/1/2008	12/31/2008	Approval of 2010 financial statements	10	-	-	-
Marco Zampetti	Director	1/1/2008	12/31/2008	Approval of 2010 financial statements	35	-	-	-
Paolo Vagnone	Director	1/1/2008	12/31/2008	Approval of 2010 financial statements	28	-	-	-
Alessandro Garrone	Director	1/1/2008	12/31/2008	Approval of 2010 financial statements	17	-	-	-
Andrea Casalini	Director	4/24/2008	12/31/2008	Approval of 2010 financial statements	17	-	-	-
Daniele Ferrero	Director	8/7/2008	12/31/2008	Approval of 2010 financial statements	4	-	-	-
Vittorio Emanuele Terzi	Director	1/1/2008	4/24/2008	Approval of 2007 financial statements	-	-	-	-
Fausto Provenzano	Chairman of the board of statutory auditors	1/1/2008	12/31/2008	Approval of 2008 financial statements	6	-	-	20
Paolo Burlando	Statutory auditor	1/1/2008	12/31/2008	Approval of 2008 financial statements	4	-	-	8
Andrea Chiaravalli	Statutory auditor	1/1/2008	8/27/2008	Approval of 2008 financial statements	3	-	-	5
Francesca Masotti	Statutory auditor	8/28/2008	12/31/2008	Approval of 2008 financial statements	1	-	-	13
Managers with strategic responsibilities*					-	7	100	221

** The bonus for the managers with strategic responsibilities presented in the table corresponds to the value allocated as of December 31, 2008, 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 2008 to be paid in 2009.*

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, 2008:

		Options held as of December 31, 2007			Option offered in 2008			Options exercised in 2008			Options vested in 2008	Options held as of December 31, 2008		
(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	10,000	3.8	2014	-	-	-	-	179,000	7.3	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, 2008, separating the fees paid for audit services from the fees paid for attestation services:

(euro thousand)	Year ended December 31, 2008
Gruppo MutuiOnline S.p.A.	32
MutuiOnline S.p.A.	19
CreditOnline Mediazione Creditizia S.p.A.	12
Centro Istruttorie S.p.A.	28
Centro Finanziamenti S.p.A.	12
PP&E s.r.l.	5
Total fees paid to the independent auditor	**108**

35. Subsequent events

Share buy back program

Pursuant to the share buy back program serving the stock option plan within the limits and with the purposes of the authorization granted by the shareholder's meeting on April 24, 2008, there were further purchases of own shares after December 31, 2008. As of the date of approval of the present report, the companies of the Group hold 1,304,680 shares of the Issuer, of which 500,000 shares are directly held by the Issuer, 745,145 shares are held by subsidiary MutuiOnline S.p.A, and 59,535 shares are held by subsidiary Centro Istruttorie S.p.A., in total equal to 3.302% of the ordinary share capital.

36. Earnings per share

Earnings per share for the year ended December 31, 2007 are calculated by dividing the net income for the year (Euro 9,737 thousand) by the weighed average number of the outstanding shares of the Company as of December 31, 2007 (39,378,788 shares).

Earnings per share for the year ended December 31, 2008 are calculated by dividing the net income for the year (Euro 14,765 thousand) by the weighed average number of Issuer's shares outstanding during the year ended December 31, 2008 (38,836,394 shares).

We report no significant differences between the basic earnings per share and the diluted earnings per share: although there are outstanding financial instruments (stock options) only 129,000 of them meet the requirements provided by IAS 33 to generate dilutive effects on the earnings per share and their impact is negligible.

Milan, March 19, 2009

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

Gruppo MutuiOnline

ANNUAL REPORT

AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2008

Prepared according to IAS/IFRS

4. ANNUAL REPORT AS OF AND FOR YEAR ENDED DECEMBER 31, 2008

4.1. Financial statements

4.1.1. Balance sheet

(euro thousand)	Note	As of December 31, 2008	As of December 31, 2007
ASSETS			
Intangible assets and property, plant and equipment	3	72	-
Investments in subsidiary companies	4	6,790	6,693
Investments in associated companies	5	140	-
Financial assets measured at fair value		-	12
Deferred tax assets	6	5	11
Total non-current assets		**7,007**	**6,716**
Cash and cash equivalents	7	5,942	574
Trade receivables	8	-	60
Tax receivables	9	37	-
Other current assets	10	2,872	7,020
Total current assets		**8,851**	**7,654**
TOTAL ASSETS		**15,858**	**14,370**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Share capital	11	987	990
Legal reserve	11	158	55
Other reserves	11	-	331
Retaind earnings	11	596	1,672
Net income	11	7,345	2,060
Total shareholders' equity		**9,086**	**5,108**
Long-term borrowings	12	4,941	6,000
Defined benefit program liabilities	13	32	12
Total non-current liabilities		**4,973**	**6,012**
Short-term borrowings	14	1,152	86
Trade and other payables	15	358	579
Tax payables	16	-	2,465
Other current liabilities	17	289	120
Total current liabilities		**1,799**	**3,250**
TOTAL LIABILITIES		**6,772**	**9,262**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**15,858**	**14,370**

4.1.2. Income statement

(euro thousand)	Note	Years ended December 31, 2008	December 31, 2007
Revenues (from subsidiaries)	19	9,739	4,300
Services costs	20	(1,411)	(2,057)
of which			
non recurring costs		-	*(816)*
Personnel costs	21	(1,130)	(678)
Other operating costs		(21)	(22)
Depreciation and amortization		(8)	-
Operating income		**7,169**	**1,543**
Financial income	22	56	93
Financial expenses	22	(351)	(303)
Net income before income tax expense		**6,874**	**1,333**
Income tax expense	23	471	727
Net income		**7,345**	**2,060**

4.1.3. Statement of cash flows

(euro thousand)	Note	Years ended December 31, 2008	December 31, 2007
Net income		**7,346**	**2,060**
Depreciation and amortization	3	8	-
Stock option expenses	18	570	331
Interests cashed		56	93
Income tax paid		(6,512)	(3,547)
Changes in trade receivables/payables		127	217
Changes in other assets/liabilities		8,332	354
Payments on defined benefit program		20	12
Net cash provided/(absorbed) by operating activities		**9,947**	**(480)**
Investments:			
- Increase of intangible assets		(2)	-
- Increase of property, plant and equipment	3	(78)	-
- Increase of participation	4,5	(225)	-
- Increase of participations evaluated with the equity method		-	(12)
Net cash used in investing activities		**(305)**	**(12)**
Increase of financial liabilities		7	20
Interest paid		(344)	(283)
Purchase of own shares	11	(360)	(2,050)
Dividends paid	11	(3,577)	-
Net cash used in financing activities		**(4,274)**	**(2,313)**
Net increase/(decrease) in cash and cash equivalents		5,368	(2,805)
Cash and cash equivalents at the beginning of the year	**7**	574	3,379
Cash and cash equivalents at the end of the year	**7**	5,942	574

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, 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**
Allocation of previous year net income	-	103	-	6	(2,060)	**(1,951)**
Distribution of an extraordinary dividend	-	-	-	(1,626)	-	**(1,626)**
Purchase of own shares	(3)	-	(357)	-	-	**(360)**
Own shares reclassification	-	-	(544)	544	-	**-**
Stock option plan	-	-	570	-	-	**570**
Net income of the year	-	-	-	-	7,345	**7,345**
Value as of December 31, 2008	**987**	**158**	**-**	**596**	**7,345**	**9,086**
Note	11	11	11,18	11		

4.2. Explanatory notes to the financial statements (separated financial report)

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, 2008 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").

For the sake of comparability, the data as of and for the year ended December 31, 2007 are 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.

The most significant provisions adopted for the preparation of the consolidated financial statement adopted are the following:

A) <u>Intangible assets</u>

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) 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) <u>Property, plant and equipment</u>

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 lives as follows:

Description of the main categories of the item "Property, plant and equipment"	**Period**
Leasehold improvements	shorter of contract duration and useful life
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) <u>Investments in subsidiaries</u>

An entity is defined subsidiary when the Issuer owns, directly or indirectly, more than half of the voting power exercisable in the shareholders' meeting.

Investments in subsidiaries 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.

D) <u>Investments in associates</u>

An associated entity is a company, which is neither a subsidiary nor a joint-venture, on which the Issuer exercises a significant influence. The significant influence is presumed when the Issuer owns, directly or indirectly, more than 20% of the ordinary share capital of a company.

Investments in associates 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..

E) <u>Cash and cash equivalents</u>

Cash and cash equivalents include cash, bank deposits and highly liquid short term investments (readily convertible to cash within 3 months), 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.

F) <u>Trade receivables</u>

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 values of the assets are reduced to the present value of expected future cash flows and the differences are 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 are reinstated up to the amortized cost as if the impairment had never occurred.

G) <u>Own shares</u>

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.

H) <u>Trade payables and financial liabilities</u>

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.

I) <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 in force, 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.

J) <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.

K) <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.

L) Dividends

Dividends received 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.

In the income statement, received dividends are classified among the revenues.

M) Financial income and expenses

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

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

N) 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.

O) 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.

P) 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) 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.

Q) 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, 2009:

The main changes are:

- introduction of IFRS 8 ("Segment reporting"): accounting principle IFRS 8 introduces the concept of management approach in the preparation of segment reporting; IFRS 8, which will be applicable from January 1, 2009, requires that segment reporting information be based on the same internal reporting used to allocate the resources to the different segments and to make performance analysis;

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

- introduction to IFRS 3 ("Business combinations") applicable from January 1, 2010;

- introduction to IFRS 2 (“Vesting conditions and cancellations”) about the evalution on share based equity instruments applicable from January 1, 2009;

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

- review to IAS 19 (“Employee benefits”) applicable from January 1, 2009;

- review to IAS 28 (“Investments in associates”) 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, financial risk management is performed at Group level.

The Company presents a financial indebtedness equal to Euro 6,093 thousand. However, current assets include receivables from cash and cash equivalents equal to Euro 5,942 thousand and receivables from subsidiaries equal to Euro 2,729 thousand.

Therefore, within the framework of Group interest rate risk management, the use of derivative instruments to hedge 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), so that the economic and financial effect of rate changes is considered negligible.

The interest rate on the loan is equal to 6-month Euribor plus 0.85%. A possible unfavorable variation of the interest rate, equal to 1%, should produce an additional expense equal to Euro 53 thousand in 2009. It is worth pointing put that such variation of the interest rate would be more than compensated by the favorable impact on available liquidity.

Referring to the coverage of exchange rate risk, it is worth pointing out that the Company does 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, 2008 equal to Euro 5,942 thousand against current liabilities equal to Euro 1,700 thousand. Furthermore, the current assets include receivables and other current assets from subsidiaries equal to Euro 2,729 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. Intangible assets and property, plant and equipment

As of December 31, 2008 there are intangible assets for a net value equal to one thousand euro.

The following table presents the detail of the property, plant and equipment as of December 31, 2008:

(euro thousand)	**Other tangible assets**	**Total**
Cost as of January 1, 2008	**-**	**-**
Additions	78	78
Cost as of December 31, 2008	**78**	**78**
Accumulated depreciation as of January 1, 2008	**-**	**-**
Depreciation expense	7	7
Accumulated depreciation as of December 31, 2008	**7**	**7**
Net book value as of December 31, 2008	**71**	**71**

As of December 31, 2007 there are no intangible assets and no property, plant and equipment.

4. 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. and Finprom S.r.l..

(euro thousand)	**As of December 31, 2008**	**As of December 31, 2007**
Costs sustained	6,790	6,693
Total investments in associated companies	**6,790**	**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, Via F. Casati 1/A	
Share capital	1,000
Shareholders' equity	8,305
Book value	2,938

Corporate name: CREDITONLINE MEDIAZIONE CREDITIZIA S.P.A.	
Registered office: Milano, Via F. Casati 1/A	
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, Via F. Casati 1/A	
Share capital	600
Shareholders' equity	3,725
Book value	600

Corporate name: PP&E S.R.L.	
Registered office: Milano, Via F. Casati 1/A	
Share capital	100
Shareholders' equity	44
Book value	101

Corporate name: **FINPROM S.R.L.**	
Registered office: Romania, Arad, Str. Cocorilor n. 24/A	
Share capital	10
Shareholders' equity	728
Book value	97

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.

5. Investments in other companies

It is the investment in the associated company GuidoGratis S.r.l.. On August 5, 2008 the Issuer subscribed 35% of the share capital upon the incorporation of GuidoGratis S.r.l., which has total share capital of Euro 100 thousand, with a disbursement equal to Euro 35 thousand. The company intends to operate as an insurance broker. In addition, the Issuer contributed further Euro 105 thousand as share premium, for a total disbursement of Euro 140 thousand.

The following table presents the company figures as of December 31, 2008.

Corporate name: **GUIDOGRATIS S.R.L.**	
Registered office: Milano, Vicolo San Giovanni sul Muro, 9	
Share capital	100
Shareholders' equity	268
Book value	140

The book value of GuidoGratis S.r.l. 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 start up investments of the company which brings us to foresee positive cash flows in the short to medium term.

6. Deferred tax assets

The item amounts to Euro 5 thousand and is generated by the deferred tax deductibility of some expenses incurred, equal to Euro 18 thousand, compared to their immediate recognition in the income statement according to the accrual principal.

CURRENT ASSETS

7. 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, 2008 and 2007:

(euro thousand)	As of December 31, 2007	As of December 31, 2006	Change	%
A. Cash and cash equivalents	5,942	574	5,368	935.2%
B. Other cash equivalents	-	-	-	N/A
C. Securities held for trading	-	-	-	N/A
D. Liquidity (A) + (B) + (C)	**5,942**	**574**	**5,368**	**935.2%**
E. Current financial receivables	**-**	**-**	**-**	**N/A**
F. Bank borrowings	-	-	-	N/A
G. Current portion of long-term borrowings	(1,152)	(86)	(1,066)	1239.5%
H. Other short-term borrowings	-	-	-	N/A
I. Current indebteness (F) + (G) + (H)	**(1,152)**	**(86)**	**(1,066)**	**1239.5%**
J. Net current financial position (I) + (E) + (D)	**4,790**	**488**	**4,302**	**881.6%**
K. Non-current portion of long-term bank borrowings	(4,941)	(6,000)	1,059	-17.7%
L. Bonds issued	-	-	-	N/A
M. Other non-current borrowings	-	-	-	N/A
N. Non-current Indebteness (K) + (L) + (M)	**(4,941)**	**(6,000)**	**1,059**	**-17.7%**
O. Net financial position (J) + (N)	**(151)**	**(5,512)**	**5,361**	**-97.3%**

8. Trade receivables

There are no trade receivables as of December 31, 2008. Trade receivables for the previous financial year were equal to Euro 60 thousand.

9. Tax receivables

This item comprises receivables for current taxes (IRES). The amount in the balance sheet as of December 31, 2008, equal to Euro 37 thousand, represents the Group's receivable 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. and PP&E S.r.l.. The amount recognized in the balance sheet is net of the advance withholding taxes and tax advances paid in 2008.

As of December 31, 2007 there were no current receivables.

10. Other current assets

The following table presents the detail of the item as of December 31, 2008 and 2007:

(euro thousand)	As of December 31, 2008	 December 31, 2007
Recivables from subsidiaries for tax consolidation regime	2,730	5,625
Recivables from subsidiaries for dividends	-	993
Vat receivables	118	349
Advances to suppliers	-	15
Others	-	9
Accruals and prepayments	24	29
Total other current assets	**2,872**	**7,020**

Receivables from subsidiaries are as follows:

(euro thousand)	As of December 31, 2008	 December 31, 2007
Recivables for tax consolidation regime:		
From MutuiOnline S.p.A.	-	3,185
From CreditOnline Mediazione Creditizia S.p.A.	1,213	280
From Centro Istruttorie S.p.A.	1,005	741
From Centro Finanziamenti S.p.A.	465	1,406
From PP&E S.r.l.	47	13
Total receivables for tax consolidation regime	**2,730**	**5,625**
Recivables for dividends:		
From Centro Istruttorie S.p.A.	-	993
Total recivables for dividends	**-**	**993**
Total receivables from subsidiaries	**2,730**	**6,618**

SHAREHOLDERS' EQUITY

11. Share capital and reserves

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

On April 24, 2008 the shareholders' meeting approved the distribution of a dividend of Euro 3,577 thousand, from which Euro 1,952 thousand from the distribution of the earnings for the financial year 2007 and Euro 1,626 thousand from the net income reserve in the previous financial years. Such dividends have been paid out with ex dividend date May 5, 2008 and payable date May 8, 2008.

As of December 31, 2008, the Company's share capital is composed of 39,511,870 shares without nominal value. During the year ended December 31, 2008 there were no changes in the number of outstanding shares.

During the year ended December 31, 2007 the Company initiated a buy back program, up to the 2% of share capital, serving the stock option plan for directors, employees and other personnel. During the year ended December 31, 2008 the Company has approved a new buy back program, up to the 10% of share capital, specifying limits and purposes.

As of December 31, 2008 the Company had purchased 500,000 own shares, equal to 1.265% of ordinary share capital, at a total cost of Euro 2,410 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 13 thousand as of December 31, 2008, and from the distributable reserves for an amount equal to the remaining part of the purchase cost.

(euro thousand)	As of December 31, 2008	 December 31, 2007
Book value of own shares	**2,410**	**2,050**
(of which) offsetting share capital	13	10
(of which) offsetting other reserves	2,397	2,040

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

(euro thousand)	As of December 31, 2008	Possible utilization	Available amount	Summary of the utilizations during the past three years for purchase of own shares	 for share capital increase	 for dividend distribution and income allocation
Share capital	987			(13)		
Earnings reserves						
Legal reserve	158	B	-			
Stock option reserve	-	A,B,C	-	(901)		
Retained earnings	596	A,B,C	596	(1.496)	(925)	(5.040)
Net income	7.345	A,B,C	7.345			
Total shareholders' equity	**9.086**		**7.941**			
Not available for distribution			42			
Remaining distributable amount			7.899			

Legend
A: for share capital increases
B: for the offsetting of losses
C: for distribution to shareholders

NON-CURRENT LIABILITIES

12. Long-term borrowings

The following table presents the situation of the item:

(euro thousand)	As of December 31, 2008	December 31, 2007
Bank borrowings	4,941	6,000
1 - 5 years	4,941	4,693
More than 5 years	-	1,307
Total long-term borrowings	**4,941**	**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, 2008	As of December 31, 2007
- between one and two years	1,125	1,097
- between two and three years	1,196	1,146
- between three and four years	1,270	1,198
- between four and five years	1,350	1,252
- more than five	-	1,307
Total	**4,941**	**6,000**

The interest rate on the borrowing is equal to 6-month Euribor increased by 0.85%, and interest is calculated from the date of utilization of the borrowing and approximates 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 presented above.

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

13. Defined benefit program liabilities

The following table presents the situation of the item:

(euro thousand)	As of December 31, 2008	December 31, 2007
Employees' termination benefits	14	6
Directors' termination benefits	18	6
Total defined benefit program liabilities	**32**	**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, 2008 and 2007:

	As of December 31, 2008	As of December 31, 2007
ECONOMIC ASSUMPTIONS		
Inflation rate:	2%	2%
Discount rate:	5%	5,5%
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 article 2120 of the civil code.

CURRENT LIABILITIES

14. Short-term borrowings

Short-term borrowings amounting to Euro 1,152 thousand as of December 31, 2008, 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, 2008, this facility has not been utilized.

15. Trade and other payables

The amount of the item is equal to Euro 358 thousand and includes only payables to suppliers.

16. Tax payables

As of December 31, 2008 there are no tax payables.

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. and 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, 2008 does not present any recognition for regional income tax ("IRAP"), because the Company closed the year with a taxable loss for IRAP.

17. Other current liabilities

The following table presents the situation of the item:

(euro thousand)	As of December 31, 2008	As of December 31, 2007
Liabilities to subsidiaries	168	-
Liabilities to personnel	59	46
Social security liabilities	32	27
Social security liabilities on behalf of employees	21	46
Accruals and prepayments	9	1
Total other liabilities	**289**	**120**

18. Stock option plan

Personnel costs include Euro 570 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 the 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 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, February 11, 2008 and July 15, 2008 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, 2008	1,862,000
Stock options offered in 2008	5,500
Stock option re-assignable after the resignations in 2008	-
Stock options as of June 30, 2008	1,867,500
of which vested in 2008	-

The options have the following exercise prices:

Stock options' exercise price	
n. 1,852,000	7.50
n. 10,000	6.20
n. 5,500	3.80

The following table presents the value of each stock option at the date of the offering:

Stock options' yearly value	
n. 1,800,000	0.91
n. 52,000	1.13
n. 10,000	1.44
n. 5,500	0.80

The weighed average price of the shares for the year ended December 31, 2008 was equal to Euro 3.828.

In the income statement for the year ended December 31, 2007 there are costs equal to Euro 331 thousand related to the stock option plan.

NOTES TO THE MAIN ITEMS OF THE INCOME STATEMENT

19. Revenues

The revenues of the year are completely accrued from subsidiaries. They include the dividends resolved 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 resolved by the subsidiaries during the years ended December 31, 2008 and 2007:

	Years ended	
(euro thousand)	**December 31, 2008**	**December 31, 2007**
Dividend from MutuiOnline S.p.A.	4,400	2,400
Dividend from CreditOnline Mediazione Creditizia S.p.A.	1,689	600
Dividend from Centro Istruttorie S.p.A.	565	550
Dividend from Centro Finanziamenti S.p.A.	2,985	700
Total dividends deliberated by subsidiaries	**9,639**	**4,250**

20. Services costs

	Years ended	
(euro thousand)	**December 31, 2008**	**December 31, 2007**
Communication expenses	(868)	(724)
Technical, legal and administrative consultancy	(279)	(1,242)
Rental and lease expenses	(80)	(12)
Insurance costs	(23)	(17)
Other general expenses	(161)	(62)
Total services costs	**(1,411)**	**(2,057)**

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

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

21. Personnel costs

The following table presents the details of the item for the financial years ended December 31, 2008 and 2007:

(euro thousand)	Years ended December 31, 2008	December 31, 2007
Wages and salaries	(183)	(128)
Directors' compensation	(271)	(151)
Social security contributions	(81)	(54)
Professional collaborators and project workers costs	(20)	(12)
Stock option expenses	(570)	(331)
Other costs	(5)	(2)
Total personnel costs	**(1,130)**	**(678)**

The average headcount as of December 31, 2008 and 2007 is as follows:

categories	2008 Average number	2007 Average number
Directors	1	1
Managers	1	-
Employees	2	1
Total	**4**	**2**

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

22. Financial income and expenses

The following table presents the details of the item for the financial years ended December 31, 2008 and 2007:

(euro thousand)	Years ended December 31, 2008	December 31, 2007
Financial income	56	93
Interest expense – borrowings	(351)	(303)
Net financial loss	**(295)**	**(210)**

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

23. Income tax expense

With respect to corporate income tax, in the financial year ended December 31, 2008, the Company registered a taxable loss, due to the not taxability of 95% of the dividends received during the year, which, because of the adhesion to the tax consolidation regime, generates a tax benefit equal to Euro 477 thousand, whose financial counterbalance offsets current tax liabilities. Besides, because of the deferred tax deductibility of some costs compared to their accrual, during the year ended December 31, 2008 the Company recognized further deferred tax assets equal to Euro 6 thousand.

As a holding company, the Issuer calculates the corporate income tax ("IRES") due by the Group, with the relevant consolidation adjustments: in particular we highlight the positive impact, equal to Euro 95 thousand, arising from the non taxability, in the consolidated taxable profit, of the dividends received within the scope of consolidation and from deductibility of interest expenses which, at a consolidated level, do not exceed 30% of the consolidated operating profit.

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

24. 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 article 117 and following of presidential decree 917/1986. All the Italian subsidiaries as of December 31, 2008 participate in the tax consolidation regime.

The net consolidated tax receivables amount to Euro 37 thousand and are recorded in the balance sheet among "Current tax receivables":

(euro thousand)	**Assets**	**Liabilities**
Gruppo MutuiOnline S.p.A.	395	-
MutuiOnline S.p.A.	-	2.106
CreditOnline Mediazione Creditizia S.p.A.	-	1.325
Centro Istruttorie S.p.A.	-	263
Centro Finanziamenti S.p.A.	-	1.027
PP&E S.r.l.	-	39
Taxable consolidation differences	95	-
Consolidated advances	4.307	-
Total assets and liabilities	**4.797**	**4.760**
Total net assets and liabilities	**37**	

25. 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 815 thousand, of which Euro 546 thousand for stock option expenses.

The compensation to the statutory auditors amounts to Euro 14 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, 2008:

(euro thousand)	Year ended December 31, 2008
Gruppo MutuiOnline S.p.A.	32
MutuiOnline S.p.A.	19
CreditOnline Mediazione Creditizia S.p.A.	12
Centro Istruttorie S.p.A.	28
Centro Finanziamenti S.p.A.	12
PP&E s.r.l.	5
Total fees paid to the independent auditor	**108**

26. 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	
(euro thousand)	**Relationship**	**December 31, 2008**	**December 31, 2007**
Trade receivables			
MutuiOnline S.p.A.	Subsidiary	-	12
CreditOnline Mediazione Creditizia S.p.A.	Subsidiary	-	12
Centro Istruttorie S.p.A.	Subsidiary	-	12
Centro Finanziamenti S.p.A.	Subsidiary	-	12
PP&E s.r.l.	Subsidiary	-	12
Total trade receivables from related parties		**-**	**60**
Other current assets			
MutuiOnline S.p.A.	Subsidiary	-	3,185
CreditOnline Mediazione Creditizia S.p.A.	Subsidiary	1,213	280
Centro Istruttorie S.p.A.	Subsidiary	1,005	1,734
Centro Finanziamenti S.p.A.	Subsidiary	465	1,406
PP&E s.r.l.	Subsidiary	47	13
Total other current assets from related parties		**2,730**	**6,618**
Other current liabilities			
MutuiOnline S.p.A.	Subsidiary	168	-
Total other current liabilities to related parties		**168**	**-**

(euro thousand)	Relationship	Years ended December 31, 2007	December 31, 2006
Revenues			
MutuiOnline S.p.A.	Subsidiary	4,412	2,410
CreditOnline Mediazione Creditizia S.p.A.	Subsidiary	1,701	610
Centro Istruttorie S.p.A.	Subsidiary	617	560
Centro Finanziamenti S.p.A.	Subsidiary	2,997	710
PP&E s.r.l.	Subsidiary	12	10
Total revenues from related parties		**9,739**	**4,300**

The other current assets and liabilities refer to trade receivables and liabilities of subsidiaries as of December 31, 2008 for the participation to the tax consolidation regime.

The revenues for the year ended December 31, 2008 mainly refer to dividends declared by the subsidiaries and, for the residual, to fees for direction and coordination services invoiced by the Issuer to its subsidiaries.

We remind that 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. a 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". This option has been exercised on January 9, 2008 with the payment of Euro 85 thousand.

27. Subsequent events

There are no significant subsequent events as of December 31, 2008.

Milan, March 19, 2009

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

5. REPORT OF THE BOARD OF STATUTORY AUDITORS

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

Registered office: Via F. Casati 1/A – 20124 Milan

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

Company registry – Milan office, N. 05072190969

* * *

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 to the Annual Report 2008 is the result of 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 easy and perusal fast, 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, and 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, 2008, that is presented for your examination and approval reflects faithfully 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 and events that have characterized the financial year, also in terms of ordinary management.

The supervision required by law has been regularly performed, observing 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, 2008, 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 2008, 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.

During the financial year under examination, no other operations of relevance have been performed that should be mentioned or commented 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 summarize here the facts that have characterized the financial year just ended from the point of view of the specific functions of the Board of Statutory Auditors:

- the consolidation area has changed compared to the financial year ended December 31, 2007 with the acquisition on January 9, 2008 of Finprom S.r.l., a company with registered office in Romania which offers outsourcing services to the other subsidiaries of the Group. Indeed, on January 9, 2008 the Company completed the purchase from MOL (UK) Holdings Ltd., from which it had already 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. We remind that the Group already entertained a commercial relationship with such company, at arm's length terms;

- on March 20, 2008 the Board of Directors of the Company adopted the Ethical Code of Conduct, which identifies the shared ethical principles aimed to permeate the operating activities and the pursuit of the social object, and the Organizational Model ex art. 6 Legislative Decree n. 231/2001, also acknowledged by the subsidiaries. As provided by the decree, the Company instituted a Supervisory Body with a single member, to which was assigned the duty to supervise on the functioning and the observance of the Model, taking care of the required updates. We remind that this appointment expires with the approval of the Annual Report;

- On August 5, 2008 the Company participated, as a minority partner, in the incorporation of a company, operating as an on-line insurance broker. The investment required a limited financial disbursement for a total amount of Euro 140 thousand, of which Euro 35 thousand for the incorporation and Euro 105 thousand paid as share premium.

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, 2008; during the closing year no compensation was paid for other attestation services.

8.0. Assignments granted to other parties related to the Auditors

Not occurred.

9.0. Opinions issued in compliance with law requirements

Not occurred.

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

The Statutory Auditors, during 2007, held 7 Board meetings and participated to 7 meetings of the Board of Directors as well as to one shareholders' meeting, occurring in ordinary 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 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 commercial 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.

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

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 Italian 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 and the consolidated financial statements, 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 19, 2009 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 relations) 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 2008.

* * *

The activity of the Board of Statutory Auditors – which incidentally does not overlap the activity of the Auditor Company which has issued on April 6, 2009, 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 separated and consolidated 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 6, 2009

FOR THE BOARD OF STATUTORY AUDITORS

Fausto Provenzano Chairman of the Board of Statutory Auditors

PRICEWATERHOUSECOOPERS

PricewaterhouseCoopers SpA

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 2008, which comprise the balance sheet, the income statement, the statement of changes in equity, the cash flow statement and related notes. The directors of Gruppo MutuiOnline SpA are responsible for the preparation of these financial statements in compliance 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. 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 period, which are presented for comparative purposes, reference is made to our report dated 2 April 2008.

3 In our opinion, the consolidated financial statements of Gruppo MutuiOnline SpA as of 31 December 2008 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 have been drawn up clearly and give a true and fair view of the financial position, results of operations, changes in equity and cash flows of MutuiOnline Group for the period then ended.

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** 70124 Via Don Luigi Guanella 17 Tel. 0805640211 – **Bologna** 40122 Via delle Lame 111 Tel. 051526611 – **Brescia** 25123 Via Borgo Pietro Wuhrer 23 Tel. 0303697501 – **Firenze** 50121 Viale Gramsci 15 Tel. 0552482811 – **Genova** 16121 Piazza Dante 7 Tel. 01029041 – **Napoli** 80121 Piazza dei Martiri 30 Tel. 08136181 – **Padova** 35138 Via Vicenza 4 Tel. 049873481 – **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

4 The directors of Gruppo MutuiOnline SpA are responsible for the preparation of the Report on Operations in accordance with the applicable laws and regulations. Our responsibility is to express an opinion on the consistency of the Report on Operations with the financial statements, as required by art. 156, paragraph 4-bis, letter d), of the Legislative Decree 58/98. For this purpose, we have performed the procedures required under Auditing Standard n. 001 issued by the Italian Accounting Profession (CNDCEC) and recommended by CONSOB. In our opinion the Report on Operations is consistent with the consolidated financial statements of Gruppo MutuiOnline SpA as of 31 December 2008.

Milan, 6 April 2009

PricewaterhouseCoopers SpA

Signed by

Francesco Ferrara
(Partner)

This report has been translated into the English language from the original which was issued in Italian, solely for the convenience of international readers. 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 separate financial statements of Gruppo MutuiOnline SpA as of 31 December 2008, which comprise the balance sheet, the income statement, the statement of changes in equity, the cash flow statement and related notes. The directors of Gruppo MutuiOnline SpA are responsible for the preparation of these financial statements in compliance 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. Our responsibility is to express an opinion on these 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 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 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 financial statements of the prior period, which are presented for comparative purposes, reference is made to our report dated 2 April 2008.

3 In our opinion, the separate financial statements of Gruppo MutuiOnline SpA as of 31 December 2008 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 have been drawn up clearly and give a true and fair view of the financial position, results of operations, changes in equity and cash flows of Gruppo MutuiOnline SpA for the period then ended.

4 The directors of Gruppo MutuiOnline SpA are responsible for the preparation of the Report on Operations in accordance with the applicable

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** 70124 Via Don Luigi Guanella 17 Tel. 0805640211 – **Bologna** 40122 Via delle Lame 111 Tel. 051526611 – **Brescia** 25123 Via Borgo Pietro Wuhrer 23 Tel. 0303697501 – **Firenze** 50121 Viale Gramsci 15 Tel. 0552482811 – **Genova** 16121 Piazza Dante 7 Tel. 01029041 – **Napoli** 80121 Piazza dei Martiri 30 Tel. 08136181 – **Padova** 35138 Via Vicenza 4 Tel. 049873481 – **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

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laws and regulations. Our responsibility is to express an opinion on the consistency of the Report on Operations with the financial statements, as required by art. 156, paragraph 4-bis, letter d), of the Legislative Decree 58/98.For this purpose, we have performed the procedures required under Auditing Standard n. 001 issued by the Italian Accounting Profession (CNDCEC) and recommended by CONSOB. In our opinion the Report on Operations is consistent with the financial statements of Gruppo MutuiOnline SpA as of 31 December 2008.

Milan, 6 April 2009

PricewaterhouseCoopers SpA

Signed by

Francesco Ferrara
(Partner)

This report has been translated into the English language from the original which was issued in Italian, solely for the convenience of international readers. We have not examined the translation of the financial statements referred to in this report.

7. 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, 2008.

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, 2008 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 19, 2009

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

The Manager in charge of preparing the accounting statements
(Dott. Francesco Masciandaro)