
Locat SV S.r.l.

Limited liability Company with a Sole Quotaholder

Via V. Alfieri, n. 1 – Conegliano (TV)

Fully Paid-up Share Capital of 10,000.00 Euros

Entered in the Verona Companies Register

Registration no. and tax code: 03931150266

Recorded with n. 36615 in the General List held by UIC as per art. 106 of Legislative Decree 1/09/1993 n. 385

Registered on the Special List held by Banca d'Italia in accordance with article 107 of Legislative Decree no. 385 of 01/09/1993

AT FINANCIAL STATEMENTS

31 DECEMBER 2006

COMPANY BODY

Sole director

Andrea Perin

As of the date of approval of the financial statements

PRELIMINARY REMARKS

The Company prepared the financial statements to 31 December 2006 in accordance with International Financial Reporting Standards (IFRS) and in compliance with the Supervisory Rules indicated in Banca d'Italia memorandum of 14 February 2006 (Instructions for the drafting of the financial statements of financial brokers entered on the special list, of electronic money institutions, asset management companies and property brokerage firms) issued to implement article 9 of Legislative Decree no. 38 of 28 February 2005.

The IAS/IFRS principles and related interpretations (SIC/IFRIC) applied are those endorsed by the European Union and in force at the time of approval of these statements.

The introduction of these principles has involved significant changes to the way accounting details are presented, to the valuation of assets and liabilities, to the structure of the financial statements and the information statement.

The annex entitled "Adoption of IAS/IFRS reporting standards" contains the reconciliation statements required by IFRS 1 and the illustrative notes contain remarks on the impact on individual items, which determines changes to shareholders' equity.

REPORT ON OPERATIONS

1 - GENERAL INFORMATION

Locat SV S.r.l. (formerly Locat Securitisation Vehicle 3 S.r.l.) is a securitising company established on November 23, 2004 as per art. 3 of law dated April 30, 1999 n. 130 (henceforth, L. 130/99) and registered on April 28, 2005 in the General List of financial intermediaries envisaged by art. 106 of Leg. Decree 385/93, with n. 36615 (henceforth also the **“Company”**).

With resolution of the Shareholders' Meeting taken on October 3, 2006, the Company changed its name into the present Locat SV S.r.l.

The Treviso branch of Banca d'Italia registered the Company, as from November 3, 2005, on the Special List of Financial Intermediaries required by article 107 of Legislative Decree no. 385/93.

The Company's registered office is in Conegliano (TV), via Alfieri n.1.

The stock, amounting to Euro 10,000 – fully paid-up – has been fully subscribed by SVM Securitisation Vehicles Management S.p.A., with registered office in Conegliano (TV), via Alfieri n.1.

As established by the Articles of Association, the sole object of the Company is the execution of one or more loan securitisation transactions – in compliance with Law 130/99 - carried out by a purchase for valuable consideration of existing or future loans, identifiable as a pool, financed by the issue of securities in accordance with article 1, paragraph 1, point b) of Law 130/99, in such a way as to avoid any credit risk to the Company.

According to the Articles, in compliance with the aforementioned law and relevant implementation provisions, loans purchased by the company for each transaction constitute assets that are fully segregated (*patrimonio separato*) from those of the company and from those relating to other transactions. Furthermore, each segregated asset may not carry shares from creditors other than the holders of the securities issued to finance the purchase of the loans themselves.

1.1 - OPERATIONS OF THE COMPANY

On October 14, 2005, with the help of Bayerische Hypo-und Vereinsbank AG London branch (formerly UniCredit Banca Mobiliare S.p.A. London) as *Arranger* and of the law firm Studio Legale Associato in association with Clifford Chance, the Company bought in a pool

and with no recourse from Locat S.p.A. (henceforth also “Locat” or the “Assignor Company”) an Initial Portfolio of loans represented by fees related to leasing contracts, for the possession of registered movable property (Pool n.1), unregistered movable property (Pool n.2) and immovable property (Pool n.3), identified based on objective criteria as per art. 1 of Law 130/1999, for an amount equal to the sum of the principal fees not yet expired at October 31, 2005, increased by the share of interest accrued and not paid to that date, amount to a total of € 2,000,000,136.

To finance the purchase of the said claims the company issued, on November 18, 2005, asset-backed securities in compliance with article 5 of Law 130/99, admitted for quotation with the Irish Stock Exchange Limited and rated by Moody's Investors Service Inc. and Standard and Poor's Ratings Services, at a nominal value of € 1,993,000,000 and limited guarantee securities at a nominal value of € 7,000,136, subscribed by the Assignor, thus carrying out the first securitisation (series 2005).

In this operation, Locat S.p.A., based on the Servicing Contract signed on October 14, 2005, assumed the role of Servicer of the loan portfolio, in compliance with article 2 of Law 130/99 and will be tasked with collecting the assigned claims and verifying that said operations have been carried out in compliance with the law and the offering circular, also in accordance with the Supervisory Rules.

On November 14, 2006, with the help of Bayerische Hypo-und Vereinsbank AG London branch (formerly UniCredit Banca Mobiliare S.p.A. London) as *Arranger* and of the law firm Studio Legale Associato in association with Clifford Chance, the Company bought in a pool and with no recourse from Locat S.p.A. (henceforth also “Locat” or the “Assignor Company”) an second Portfolio of loans represented by fees related to leasing contracts, for the possession of registered movable property (Pool n.1), unregistered movable property (Pool n.2) and immovable property (Pool n.3), identified based on objective criteria as per art. 1 of Law 130/1999, for an amount equal to the sum of the principal fees not yet expired at December 1, 2006, increased by the share of interest accrued and not paid to that date, amount to a total of € 1,972,909,866.07.

To fund the purchase of the said loans, the Company issued, on December 14, 2006, asset-backed securities in compliance with article 5 of Law 130/99, admitted to listing with the Dublin Stock Exchange (Irish Stock Exchange Limited) and rated by Moody's Investors Service Inc. and Standard and Poor's Ratings Services, at a nominal value of € 1,964,000,000 and limited recourse securities at a nominal value of € 8,909,866, subscribed by the Assignor Company, thus carrying out the second securitisation operation (series 2006)

In this operation, Locat S.p.A., based on the Servicing Contract signed on October 14, 2006, assumed the role of Servicer of the loan portfolio, in compliance with article 2 of Law 130/99 and will be tasked with collecting the assigned claims and verifying that said operations have been carried out in compliance with the law and the offering circular, also in accordance with the Supervisory Rules.

The loans in this operation, pursuant to Law 130/1999, fully constitute segregated assets (*patrimonio separato*) from those of the Company, and hence, according to the characteristic

financial autonomy of the operation, the transaction is represented and posted separately in conformance with the provisions issued by Banca d'Italia with decision dated February 16, 2006. As a consequence, accounting information about the securitisation transactions is entered separately in part F in supplementary notes, which contains the quality and quantity data needed for clear and complete representation.

For both operations an optional redemption is possible, with written notice, pursuant to contractual terms, to the Securities bearers' representative. This optional redemption is possible only after 18 months from the issue date of the securities, and it can be exercised from the moment in which the residual loan portfolio has decreased lower than 10% of the Initial Portfolio. In case of exercise, it is carried out through the full redemption of all the securities classes, and it is possible if the cash of the special purpose vehicle company allows it, complying with the payment priority

1.2 RESEARCH AND DEVELOPMENT ACTIVITIES

The company incurred no expenses for research and development.

1.3 - TREASURY SHARES OR SHARES HELD IN THE PARENT COMPANY

In fulfilment of the provisions of article 2428 of the Italian Civil Code, we hereby inform you that, during the financial year, no treasury shares or shares of the parent company were purchased, transferred or held in portfolio, either directly or through a trust company or broker.

1.4 – TRANSACTIONS WITH RELATED PARTIES AND INFRAGROUP TRANSACTIONS

The Company has carried out, at market conditions, ordinary transactions with related parties related to the stipulation of contracts for the provision of Computation Agent and Securities bearers' representative services.

In fulfilment of the provisions of article 2497 b of the Italian Civil Code, we hereby inform you that the sole quotaholder SVM Securitisation Vehicles Management S.p.A. carries out no management and coordination activities.

2 - SIGNIFICANT EVENTS OCCURRED AFTER THE CLOSE OF THE FINANCIAL YEAR

Please see section 3 of Part A1 of the Supplementary Notes for information on significant events occurred after the close of financial year 2006.

3 - FORESEEABLE EVOLUTION OF OPERATIONS

Until now no issue has been identified that could affect operations.

4 - NET INCOME

Net income for the period to 31 December 2006 showed profits amounting to € 1,984.21, which, pursuant to and by the effects of article 16, paragraph 8, letter A of Legislative Decree no. 213/98, have been reported in the financial statements rounded to the Euro unit.

Shareholders are asked to allocate earnings of € 1,984.21 as follows:

- € 99,22 to the legal reserve;
- € 1,884.99 to be carried forward.

5 - OTHER INFORMATION

With the purpose of supplying all relevant information it is specified that:

- ⇒ The Company states that, pursuant to the requirements of art. 2428 of the Italian Civil code, paragraph 6b, considering the provisions of Law 130/1999, given the original structure of the operation and based on the progress of the transaction itself, as detailed in "Part D - Other information" of the Supplementary Notes, the credit, liquidity flows changes risks are transferred to the bearers of the issued securities;
- ⇒ with reference to Legislative Decree no. 196 of 30/06/2003 – Consolidation Act on Privacy, given that point 26 of Annex B to the above decree requires that mention be made herein of the "Documento Programmatico sulla Sicurezza" (DPS - Planning Document for Security) for sensitive data, the company is not obliged, as stated in the previous financial statements, to draw up the said document, in that it processes no data of that nature.

* * * * *

Dear shareholders,

We believe that we have adequately illustrated the situation of the Company at 31 December 2006.

We therefore invite you to approve the financial statements to 31 December 2006, which closed with profits of € 1,984.21, entered as € 1,984, together with the proposal for allocation of income.

Conegliano, April 3, 2007

Locat SV S.r.l.

Sole director

Andrea Perin

BALANCE SHEET

ASSETS

(amounts in Euro)

	31/12/2006	31/12/2005
60 Receivables	4.157	4.315
120 Tax assets	1.362	2.000
a) current	441	-
b) prepaid	921	2.000
140 Other assets	73.730	20.946
Of which: receivables from Segregated Assets	73.730	12.546
Other receivables	-	8.400
TOTAL ASSETS	79.249	27.261

LIABILITIES

(amounts in Euro)

	31/12/2006	31/12/2005
70 Tax liabilities	-	771
a) current	-	771
b) deferred	-	-
90 Other liabilities	69.249	18.474
120 Capital	10.000	10.000
160 Reserves	(1.984)	-
170 Valuation reserves	-	-
180 Income (loss) for the year	1.984	(1.984)
TOTAL LIABILITIES AND NET EQUITY	79.249	27.261

Profit and Loss Statement

(amounts in Euro)

	31/12/2006	31/12/2005
10 Interest receivable and assimilated revenues	58	-
Net interest income	58	-
40 Commissions payable	(127)	(366)
Net commissions	(127)	(366)
Operating revenues	(69)	(366)
120 Administrative expenses	(57.658)	(15.393)
a) personnel costs	(9.794)	(2.338)
b) other administrative expenses	(47.864)	(13.055)
170 Other operating costs	(50)	-
180 Other operating income	61.185	12.546
Operating income	3.408	(3.213)
Income (losses) from current operations before taxes	3.408	(3.213)
210 Income taxes for the year on current operations	(1.424)	1.229
Income (losses) from current operations after taxes	1.984	(1.984)
Income (loss) for the year	1.984	(1.984)

STATEMENT OF CHANGES IN EQUITY

	Balance as of 31.12.04	Opening balance: variation	Balance as of 01.01.05	Previous year net income allocation			Variations in the year					Net income (loss) for year 2005	Net equity as of 31.12.05
				Reserves	Dividends and other allocations	Variations of reserves	Net equity operations						
							Issue of new shares	Treasury shares purchase	Extraordinary distribution of dividends	Capital instruments variation	Other variations		
Capital	10.000		10.000										10.000
Share issue premium			-										
Reserves	-		-									-	-
a) legal reserve			-										-
b) profits reserves			-										-
Valuation reserves			-										-
Capital instruments			-										-
Treasury shares			-										-
Income (loss) for the year			-									(1.984)	(1.984)
Net equity	10.000		10.000	-	-	-	-	-	-	-		(1.984)	8.016

	Balance as of 31.12.05	Opening balance: variation	Balance as of 01.01.06	Previous year net income allocation			Variations in the year					Net income (loss) for the year 2006	Net equity as of 31.12.06
				Reserves	Dividends and other allocations	Variations of reserves	Net equity operations						
							Issue of new shares	Treasury shares purchase	Extraordinary distribution of dividends	Capital instruments variation	Other variations		
Capital	10.000		10.000										10.000
Share issue premium	-		-										
Reserves	-		-	(1.984)								-	(1.984)
a) legal reserve	-		-										-
b) profits reserves	-		-	(1.984)									(1.984)
Valuation reserves	-		-										-
Capital instruments	-		-										-
Treasury shares	-		-										-
Income (loss) for the year	(1.984)		(1.984)	1.984								1.984	1.984
Net equity	8.016		8.016	-	-	-	-	-	-	-		1.984	10.000

STATEMENT OF CASH FLOWS

MANAGEMENT	31/12/2006	31/12/2005
1. -OPERATIONS	- 142	- 5.685
- interest receivable and assimilated revenue	58	-
- interest payable and assimilated charges		
- dividends and assimilated charges		
- commissions receivable		
- commissions payable	- 126	- 366
-personnel costs		
-other expenses	- 74	- 5.319
-other revenues		-
-taxes		
2. CASH GENERATED BY THE REDUCTION OF FINANCIAL ASSETS	- 16	-
Financial assets held for trading		
- Financial assets at fair value		
-Financial assets available for sale		
- receivables		
-other assets	- 16	
3. CASH USED IN THE INCREASE IN FINANCIAL ASSETS	-	-
-Financial assets held for trading		
- financial assets at fair value		
-Financial assets available for sale		
- receivables		
-other assets		
4. CASH GENERATED BY THE INCREASE IN FINANCIAL LIABILITIES	-	-
-payables		
-Outstanding securities		
-Trading financial liabilities		
Financial liabilities at fair value		
- other liabilities		

5. CASH USED FOR REIMBURSEMENT/REPURCHASE OF FINANCIAL LIABILITIES	-	-
-payables		
-Outstanding securities		
-Trading financial liabilities		
Financial liabilities at fair value		
- other liabilities		
NET CASH GENERATED BY OPERATING ACTIVITIES	- 158	5.685
INVESTING ACTIVITIES		
1. CASH GENERATED BY A DECREASE IN	-	-
-shareholdings		
-Financial assets held to maturity		
-tangible assets		
-intangible assets		
-other assets		
2. CASH USED BY THE INCREASE IN	-	-
-shareholdings		
-Financial assets held to maturity		
-tangible assets		
-intangible assets		
-other assets		
NET CASH GENERATED/USED BY INVESTING ACTIVITIES	-	-
FINANCING ACTIVITIES	-	10.000
-issue/purchase of treasury shares		10.000
- issue/purchase of capital instruments		
- distribution of dividends and other purposes		
NET CASH GENERATED/USED BY FINANCING ACTIVITIES	-	10.000
NET CASH GENERATED/USED IN THE YEAR	- 158	4.315

RECONCILIATION

	31/12/2006	31/12/2005
Cash on hand at the start of the year	4.315	-
Total net cash generated/used in the year	- 158	4.315
Cash on hand at the end of the year	4.157	4.315

SUPPLEMENTARY NOTES

These Supplementary Notes are made up of:

Part A - Accounting policies

Part B – Information on the Balance Sheet

Part C – Information on the Profit and Loss Statement

Part D – Other Information

PART A - ACCOUNTING POLICIES

A. 1 GENERAL INFORMATION

SECTION 1 - DECLARATION OF CONFORMITY TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

In accordance with the requirements of Legislative Decree 38/05 for financial brokers registered on the Special List as per article 107 of Legislative Decree no. 385 of 1993, the company prepared the financial statements to 31 December 2006 according to IAS/IFRS, applying all the international accounting principles endorsed to that date by the European Commission.

In the drawing up of the first financial statements pursuant to IAS/IFRS, IFRS 1 was applied - First time adoption of international financial reporting standards.

The Company prepared the financial statements to 31 December 2006 in accordance with International Financial Reporting Standards (IFRS) and in compliance with the Supervisory Rules indicated in Banca d'Italia memorandum of 14 February 2006 (Instructions for the drafting of the financial statements of financial brokers entered on the special list, of electronic money institutions, asset management companies and property brokerage firms) issued to implement article 9 of Legislative Decree no. 38 of 28 February 2005. This is also in keeping with the provisions of Law 130/99, whereby the claims involved in each transaction constitute assets that are fully segregated (*patrimonio separato*) from those of the company and from those relating to other transactions.

For the sake of completeness, the issue of reporting financial assets and liabilities involved in the securitisation transactions, according to international accounting principles, is still being examined by the bodies designated to interpret the accounting principles.

SECTION 2 - GENERAL DRAFTING PRINCIPLES

As stated in the preliminary remarks, the financial statements were drawn up in application of the international financial reporting standards issued by the International Accounting Standards Board (IASB) and associated interpretations issued by the IFRIC as endorsed by the European Union, and the provisions of Banca d'Italia Notice dated 14 February 2006 regarding rules for how to draw up the financial statements of financial brokers in accordance with the new standards.

The Financial Statements are drawn up with the purpose of reporting the true and fair equity and financial condition, the net income from operations and financial flows. The Financial Statements are prepared on a going concern basis (IAS 1 par. 23), in compliance with the matching principle (IAS 1 par. 25 e 26) and the consistency of items of the financial statements (IAS 1 par. 27). Assets and liabilities, income and expenses may not be offset, unless required or permitted by a Standard or an Interpretation. (IAS 1 par. 32).

The Financial Statements are made up of the Balance Sheet, the Income Statement, the Statement of Changes in Equity, the Cash Flows Statement and this Explanatory Note

Every item of the Balance Sheet and the Profit and Loss Statement appears alongside its counterpart for the previous year.

The Financial Statements are prepared using euro as functional currency; the amounts of these Financial Statements, unless otherwise indicated, are in euro.

These Financial Statements include the report on operations.

SECTION 3 – EVENTS SUBSEQUENT TO THE REFERENCE DATE FOR THESE FINANCIAL STATEMENTS

No events of significance have occurred after closing of the financial year. As of April 3, 2007 there are no plans for new securitisation operations on the part of the company.

SECTION 4 – OTHER ASPECTS

Information about how international accounting standards IAS/IFRS have been adopted by the Company and the impact on equity, income and financial conditions on the first application as per IFRS 1 are illustrated in a specific annex to the Explanatory Note, which is an integral part of this Note.

The financial statements are subject to voluntary auditing by DELOITTE & TOUCHE S.p.A., the company appointed to this task for the three-year period 2005-2007.

A.2 PART ON THE MAIN FINANCIAL STATEMENT AGGREGATES

There now follows a description of the accounting principles adopted for the financial statements to 31 December 2006, with reference to individual balance sheet and profit and loss items only. The criteria for entry, classification, recognition and derecognition are provided for each item.

RECEIVABLES

ENTRY CRITERIA

Receivables are initially entered on the date of disbursement or, for debt securities, on the settlement date, based on the fair value of the financial instrument, equal to the disbursed amount, or subscription price, including the transaction costs and commissions directly related and identifiable from the origin of the operation.

Costs which, although having the above-mentioned characteristics, are repaid by the debtor counterparty or are ordinary administrative internal costs are excluded.

CLASSIFICATION CRITERIA

This item contains receivables from banks generated from company's cash balances.

RECOGNITION CRITERIA

After the initial recognition, loans are carried at the depreciated cost, amounting to the value of initial recognition minus/plus the principal reimbursements, the write-downs/write-ups and the amortisation – calculated with the effective interest rate method– of the difference between the amount disbursed and that reimbursable on expiration, generally related to costs/profits allocated directly to the single loan

The method of the depreciated cost is not used for loans whose brief duration renders the effect of the application of the discounting logic negligible. These loans are therefore carried at historical cost. The same accounting criterion is adopted for credit without definite or revocable expiration.

Moreover, non performing loans are thoroughly tested for impairment.

DERECOGNITION CRITERIA

Receivables are derecognised when the asset in question is transferred, substantially transferring all related risks and benefits, when contractual rights expire or when the receivable is considered impaired.

OTHER ASSETS

ENTRY CRITERIA

See the item "Receivables" above.

CLASSIFICATION CRITERIA

They include receivables from the inland revenue office or deriving from the transfer of operating costs to the securitisation operation.

RECOGNITION CRITERIA

Other assets are recognised at fair value. Upon each financial statements closing date evaluations are tested for depreciation or impairment.

DERECOGNITION CRITERIA

See the item “Receivables” above.

OTHER LIABILITIES

ENTRY CRITERIA

Payables are entered on the collection date or when the company becomes a party in contract clauses and, as a consequence, it holds a legal obligation to pay funds.

The initial recognition is at fair value, equal to the paid value.

CLASSIFICATION CRITERIA

This item contains payables to the tax authorities and trade payables.

RECOGNITION CRITERIA

Given that these are short-term payables and that the time factor is negligible, these are valued at their original value.

DERECOGNITION CRITERIA

Other liabilities are cancelled when expired or settled.

TAX ASSETS AND LIABILITIES

ENTRY CRITERIA

Income taxes, calculated in compliance with national tax laws, are accounted as cost, and have the same accrual basis as profits which originated them, except taxes related to items credited or charged directly to equity.

CLASSIFICATION CRITERIA

This item contains current and deferred tax assets and liabilities.

RECOGNITION CRITERIA

Deferred tax assets and liabilities are determined using the tax rates expected to be applicable in the year in which the tax asset will be realized or the tax liability will be settled, based on the tax regulations in force or anyhow in force at the reporting. The carrying of deferred tax assets is conditional to the reasonable expectation of their recoverability.

DERECOGNITION CRITERIA

Deferred taxes are derecognised based on their expectation of recoverability.

COSTS AND REVENUES

Costs are charged to income upon a decrease of future economic benefits which causes an asset decrease or a liability increase whose value is reliably determined. Expenses are charged to income according to the criterion of direct correlation between costs incurred and the obtainment of specific revenue items (costs- revenue correlation). All expenses related to securitisation processes are recharged directly to the securitisation operation.

Revenues are charged to income upon an increase of future economic benefits which causes an asset increase or a liability decrease whose value is reliably determined. This means that a revenue recognition takes place at the same time as the recognition of assets increases or liabilities decreases. The main revenue item in the Company's statements derives from the recharge of expenses related to the above mentioned securitisation process.

Given the exclusive nature of the management activity carried out by the company, the operating charges incurred are charged to the segregated assets, solely for the amount needed to ensure the income and equity stability of the company and as envisaged by the Intercreditor Agreement and reported in the Offering Circular. This amount is classified under other operating income.

PART B - INFORMATION ON THE BALANCE SHEET

ASSETS

SECTION 6 – RECEIVABLES - ITEM 60

6.1 RECEIVABLES FROM BANKS

<i>Types of operations/values</i>	<i>31/12/2006</i>	<i>31/12/2005</i>
1. Deposits and current accounts	4.157	4.315
2. Repos		
3. Loans		
3.1 from financial leasing		
3.2 from factoring activities		
- receivables from assignors		
- receivables from debtors assigned		
3.3 other loans		
4. Debt securities		
5. Other assets		
6. Assets assigned not cancelled		
6.1 registered entirely		
6.2 registered partially		
7. Impaired assets		
7.1 from financial leasing		
7.2 from factoring activities		
7.3 other loans		
Total value of financial statements	4.157	4.315
Total fair value	4.157	4.315

The item “Deposits and current accounts” relates to sight deposits with Banca Antonveneta S.p.A; their fair value as of December 31, 2006 is equal to the balance sheet value.

SECTION 12 – TAX ASSETS AND TAX LIABILITIES - ITEMS 120 AND 70

12.1 CONTENT OF ITEM 120 “CURRENT AND PREPAID TAX ASSETS”

	31/12/2006	31/12/2005
a) current	441	-
- advances paid	771	-
- tax liabilities for current IRES taxes	(217)	
- tax liabilities for current IRAP taxes	(129)	
- credits for withholdings incurred	16	-
b) prepaid:	921	2.000
- prepaid IRES taxes	795	169
- prepaid IRAP taxes	126	1.831
	1.362	2.000

12.2 CONTENT OF ITEM 70 “CURRENT AND DEFERRED TAX LIABILITIES”

	31/12/2006	31/12/2005
a) current	-	771
- current IRES taxes	-	771
- current IRAP taxes	-	-
b) deferred	-	-
	-	771

12.3 VARIATIONS IN PREPAID TAXES (OFFSET WITH PROFIT AND LOSS ACCOUNT)

	31/12/2006	31/12/2005
1. Initial balances	2.000	-
2. Increases	-	2.000
2.1 prepaid taxes registered during year	-	2.000
a) related to previous years	-	-
b) due to a change in accounting criteria	-	-
c) Write-backs	-	-
d) Other	-	2.000
2.2 New taxes or tax rates increases	-	-
2.3 Other increases	-	-
3. Reductions	1.078	-
3.1 prepaid taxes cancelled in the year	1.078	-
a) reversals	1.078	-
b) Writedowns due to impairment	-	-
c) Due to change of accounting criteria	-	-
3.2 Tax rates reductions	-	-
3.3 Other reductions	-	-
4. Final amount	922	2.000

SECTION 14 - OTHER ASSETS – ITEM 140

14.1 CONTENT OF ITEM 140 “OTHER ASSETS”

	31/12/2006	31/12/2005
Receivables from Segregated Assets ⁽¹⁾	73.730	12.546
Credit notes to be received	-	8.400
Total other assets	73.730	20.946

⁽¹⁾ “Receivables from Segregated Assets” are receivables related to the cost recharge, necessary to safeguard the existence of the Company, to Segregated Assets (securitised assets) of which € 66,193 for series 2005 and € 7,537 for series 2006.

LIABILITIES

SECTION 9 – OTHER LIABILITIES – ITEM 90

9.1 CONTENT OF ITEM 90 “OTHER LIABILITIES”

	31/12/2006	31/12/2005
Trade payables ⁽¹⁾	64	8.599
Invoices to be received ⁽²⁾	6.671	7.466
Payables for advances received	-	90
Payables to Segregated Assets ⁽³⁾	62.333	2.081
Other payables	181	238
Total other liabilities	69.249	18.474

⁽¹⁾ The item “Trade payables” refers to supplier invoices made out to the company and not yet settled.

⁽²⁾ The item “Invoices to be received” represents the amount of invoices received after 31.12.2006 or which will certainly arrive, but to be charged on the 2006 financial statements.

⁽³⁾ “Payables to Segregated Assets” are advances paid by Segregated Assets for the settlement of expenses to be incurred by the Special Purpose Vehicle Company. This amount refers to series 2005.

SECTION 12 – EQUITY - ITEMS 120, 130, 140, 150, 160 AND 170

12.1 CONTENT OF ITEM 120 “SHARE CAPITAL”

	31/12/2006	31/12/2005
1 Capital	10.000	10.000
1.1 Ordinary shares	-	-
1.2 Other shares (to be specified)	10.000	10.000
	10.000	10.000

Share capital is € 10,000.00. As of the date of the financial statements the same is fully paid-up and subscribed by the quotaholder.

12.2 CONTENT OF ITEM 130 “TREASURY SHARES”

No treasury shares have been issued.

12.3 CONTENT OF ITEM 140 “CAPITAL INSTRUMENTS”

No capital instruments have been issued.

12.4 CONTENT OF ITEM 150 “SHARE PREMIUMS”

No information to disclose.

12.5 CONTENT AND CHANGES TO ITEM 160 “RESERVES”

	<i>Legal</i>	<i>Retained earnings</i>	<i>Other</i>	Total
A Initial balances	-	(1.984)	-	(1.984)
B Increases				
B.1 Profits allocations				
B.2 Other variations				
C Reductions	-	-	-	-
C.1 Utilisations				
-Coverage of losses				
- distribution				
- transfer to capital				
C.2 Other variations				
D Closing balance	-	(1.984)	-	(1.984)

12.6 CONTENT AND CHANGES TO ITEM 170 “VALUATION RESERVES”

No information to disclose.

PART C – INFORMATION ON THE PROFIT AND LOSS STATEMENT

SECTION 1 - INTEREST - ITEMS 10 AND 20

1.1 CONTENT OF ITEM 10 “INTEREST RECEIVABLE AND ASSIMILATED REVENUE”

Entries/types of items	Debt securities	Loans	Impaired assets	Other	31/12/2006	31/12/2005
1. Financial assets held for trading					-	
2. Financial assets at fair value					-	
3. Financial assets available for sale					-	
4. Financial assets held to maturity					-	
5. Receivables	-	-	-	58	58	
5.1 Receivables from banks	-	-	-	58	58	
- for financial leasing					-	
- for factoring					-	
- for guarantees and commitments					-	
- for other receivables				58	58	
5.2 Receivables from financial entities					-	
- for financial leasing					-	
- for factoring					-	
- for guarantees and commitments					-	
- for other receivables					-	
5.3 Receivables from customers					-	
- for financial leasing					-	
- for factoring					-	
- for guarantees and commitments					-	
- for other receivables					-	
6. Other assets					-	
7. Hedging derivatives					-	
Total	-	-	-	58	58	-

The item includes interest receivable which has accrued during the year on the current accounts with Banca Antonveneta S.p.A..

SECTION 2 – COMMISSIONS - ITEM 40

2.2 CONTENT OF ITEM 40 “COMMISSIONS PAYABLE”

Breakdown/Sectors	31/12/2006	31/12/2005
1. Guarantees received		
2. Distribution of services by third parties		
3. Collection and payment services	(127)	(366)
4. Other commissions (to be specified)		
Total	(127)	(366)

SECTION 10 - ADMINISTRATIVE COSTS - ITEM 120

10.1 CONTENT OF ITEM 120.A “PERSONNEL EXPENSES”

Breakdowns/Sectors	31/12/2006	31/12/2005
1. Employed personnel	-	-
a) Salaries and wages and assimilated charges		
b) Social costs		
c) Severance pay		
d) Social security payments		
e) Severance pay allowance		
f) Other expenses		
2. Other personnel		
3. Directors	(9.794)	(2.338)
Total	(9.794)	(2.338)

The Company has no employees.

10.2 CONTENT OF ITEM 120.B "OTHER ADMINISTRATIVE COSTS:"

	31/12/2006	31/12/2005
Administrative services	(24.986)	(5.129)
Audit expenses	(20.245)	-
Other services provided	-	(1.063)
Legal and notary expenses	(1.700)	(4.484)
Stationery	(95)	(151)
Revenue stamps	(23)	(123)
Postal costs	(58)	(2)
Other administrative expenses	-	(655)
Indirect duties and taxes	(757)	(1.448)
- CCLAA (Chamber of Commerce) fees	(373)	(373)
- Excise license tax	(310)	(620)
- Stamp tax	(74)	-
- Other duties and taxes	-	(455)
Total	(47.864)	(13.055)

SECTION 15 – OTHER OPERATING COSTS – ITEM 170

15.1 CONTENT OF ITEM 170 "OTHER OPERATING COSTS"

	31/12/2006	31/12/2005
Expenses refund	(50)	-
Total	(50)	-

SECTION 16 - OTHER OPERATING REVENUES – ITEM 180

16.1 CONTENT OF ITEM 180 "OTHER OPERATING REVENUES"

	31/12/2006	31/12/2005
Expenses recovery from Segregated Assets	61.184	12.546
Roundings	1	
Total	61.185	12.546

This item is made up exclusively by the recharge to the segregated assets of expenses incurred by the special purpose vehicle, solely for the amount needed to ensure the income and equity stability of the company, in consideration of the exclusive nature of the management activities, of which € 53,647 related to series 2005 and € 7,537 related to series 2006.

SECTION 19 - INCOME TAX ON CURRENT OPERATIONS - ITEM 210**19.1 CONTENT OF ITEM 210 "INCOME TAX ON CURRENT OPERATIONS"**

	<i>31/12/2006</i>	<i>31/12/2005</i>
1. Current taxes (-)	(346)	(771)
2. Change in current taxes related to previous years (+/-)	-	-
3. Reduction of current taxes for the year (+)	-	-
4. Change in prepaid taxes (+/-)	(1.078)	2.000
5. Change in deferred taxes (+/-)	-	-
Taxes for the year	(1.424)	1.229

19.2 RECONCILIATION BETWEEN FINANCIAL STATEMENT THEORETICAL TAX LIABILITY AND ACTUAL TAX LIABILITY

Component/Values	31/12/2006
Income (losses) from current operations before taxes (item 260)	3.408
Applicable theoretical rate	33%
Theoretical taxes	(1.125)
1. Different tax rates	
2. Non taxable revenues - permanent differences	
3. Non tax-deductible costs- permanent differences	(1.078)
4. IRAP	(129)
5. Previous years and changes in rates	908
a) Effect on current taxes:	908
- losses carried forward	-
- other effects of previous years	908
b) effect on deferred taxes	-
- tax rate changes	
- new taxes (+) cancellation of previous ones (-)	
6. Adjustments in the recognition and non registration of prepaid/deferred taxes	-
- writedown of assets for prepaid taxes	
- registration of assets for prepaid taxes	
- non registration of assets for prepaid taxes	
- non registration of prepaid/deferred taxes in compliance with IAS 12.39 e 12.44	
7. Carrying of associated companies	-
8. Other differences	-
Income taxes registered in the profit and loss account	(1.424)

PART D – OTHER INFORMATION

SECTION 1 – SPECIFIC REFERENCES TO BUSINESS ACTIVITIES PERFORMED

D. GUARANTEES AND COMMITMENTS

At December 31, 2006 there are no guarantees given nor commitments taken.

F. LOANS SECURITISATION

FIRST SECURITISATION: series 2005

The amount of loans bought from the beginning of the operation is the following:

Settlement date	Nominal value	Purchase price
14/10/2005	2.000.000.136	2.000.000.136
02/12/2005	53.102.162	53.102.162
03/01/2006	76.316.372	76.316.372
02/02/2006	15.618.936	15.618.936
02/03/2006	54.944.184	54.944.184
04/04/2006	51.797.218	51.797.218
03/05/2006	50.325.214	50.325.214
02/06/2006	53.321.837	53.321.837
04/07/2006	50.681.830	50.681.830
02/08/2006	49.199.016	49.199.016
04/09/2006	55.625.639	55.625.639
03/10/2006	47.202.082	47.202.082
02/11/2006	51.502.537	51.502.537
04/12/2006	52.479.606	52.479.606

- Securities issued

To finance the purchase of the receivables portfolio on November 18, 2005, the Company issued the following securities in Euro.

<i>Class</i>	<i>ISIN code</i>	<i>Type</i>	<i>Nominal value in Euro</i>	<i>Expiration date</i>	<i>Interest</i>
A1 (*)	IT0003951107	With pre-emption on reimbursement	451,000,000	2026	Quarterly Euribor 3 m + 0,07% p.a.
A2 (*)	IT0003951115	With pre-emption on reimbursement	1,349,000,000	2026	Quarterly Euribor 3 m + 0,15% p.a.
B (*)	IT0003951123	Class A subordinated	160,000,000	2026	Quarterly Euribor 3 m + 0,39% p.a.
C (*)	IT0003951131	Class A and B subordinated	33,000,000	2026	Quarterly Euribor 3 m + 0,61% p.a.
D	IT0003951149	Subordinated	7,000,136	2026	Quarterly Euribor 3 m + 2% p.a. Additional remuneration
		TOTAL	2,000,000,136		

(*) Quoted on Dublin Stock Exchange (Irish Stock Exchange Ltd).

F1. SUMMARY TABLE FOR SECURITISED ASSETS AND SECURITIES ISSUED

(amounts in Euro)

	LOCAT SV srl - series 2005	As of 31.12.2006	As of 31.12.2005
A.	SECURITISED ASSETS	1.964.086.282	1.959.217.270
A.1)	Receivables	1.964.086.282	1.959.217.270
A.2)	Securities	-	-
A.3)	Other receivables	-	-
B.	UTILIZATION OF CASH DERIVING FROM THE MANAGEMENT OF CREDITS	69.113.206	71.921.262
B.1)	Balances in current account	4.708.860	2.597.993
B.2)	Other uses	51.200.000	61.001.000
B.3)	Prepayments expenses and accrued income	708.290	1.587.237
B.4)	Other assets	12.496.056	6.735.032
C.	SECURITIES ISSUED	2.000.000.136	2.000.000.136
C.1)	"Class A.1" securities	451.000.000	451.000.000
C.2)	"Class A.2" securities	1.349.000.000	1.349.000.000
C.3)	"Class B" securities	160.000.000	160.000.000
C.4)	"Class C" securities	33.000.000	33.000.000
C.5)	"Class" securities	7.000.136	7.000.136
D.	LOANS RECEIVED	-	-
E.	OTHER LIABILITIES	33.199.352	31.138.396
E.1)	Payables to originator	15.577.714	17.484.669
E.2)	Payables to customers for index. refund ecc.	874.389	355.850
E.3)	Accrued expenses on interest on securities	4.260.250	6.234.617
E.4)	Other accrued expenses	570.964	1.690.020
E.5)	Other liabilities	11.916.035	5.373.240
	<i>Difference (A+B-C-D-E)</i>	-	-
F.	INTEREST PAYABLE ON SECURITIES ISSUED	62.431.086	6.234.617
	Interest on class "A1", "A2" "B", "C" and "D" securities	62.431.086	6.234.617
G.	COMMISSIONS AND FEES RELATED TO THE OPERATION	468.456	69.443
G.1)	For servicing	421.754	63.417
G.2)	For other services	46.702	6.026
H.	OTHER COSTS	61.425.363	10.060.469
H.1)	Other interest payable - Differential balance on hedging operations (swap)	280.359	172.197
H.2)	Write-offs on loans	5.960.611	4.558.164
H.3)	OTHER COSTS	55.184.393	5.330.108
I.	INTEREST GENERATED BY SECURITISED ASSETS	117.261.067	15.445.569
L.	OTHER REVENUES	7.063.838	918.960
L.1)	Interest receivable	1.565.392	165.453
L.2)	Write-backs on securitised assets	393.812	-
L.3)	Other revenues	5.104.634	753.507
	<i>Difference (F+G+H-I-L)</i>	-	-

VALUATION CRITERIA USED IN THE PREPARATION OF THE SUMMARY TABLES

The layout and the form of the Summary tables are in line with Banca d'Italia's Regulation dated March 29, 2000, "Layout of financial statements for loan securitization", as updated by the supervision instructions as "Instructions for the drawing up of Financial Statements of brokers registered in the special list, of electronic money institutions, of asset management companies and of securities investment intermediaries" issued by Banca d'Italia, as per art. 38 of Legislative Decree n. 38 dated February 14, 2006.

The items related to securitised loans are the values gathered from the accounting and the information system of the Servicer, Locat S.p.A..

To allow a comparison, the figures for last financial year have been included.

As for the previous section of the Supplementary Note, amounts are in Euro, unless otherwise indicated; the following are the evaluation criteria used for the most significant postings.

Securitised assets

Securitized assets are entered at their hypothetical realisation value.

Utilization of cash deriving from the management of credits

Balances in current account are expressed at their nominal value.
Receivables are evaluated at the hypothetical realization value.

Securities issued, loans received

Are expressed at their nominal value.

Other Liabilities

Receivables are carried at their nominal value.
The determination of accrued expenses/liabilities has been made on an accrual basis.

Interests, fees, charges and other revenue

These items are entered on an accrual basis.

Derivatives contracts

The differentials on the Interest Rate Swap contract are registered under charges/revenue on an accrual basis.

Taxes and duties

As specified in Notice no. 8/E of 6 February 2003 of the Italian Inland Revenue Agency regarding the fiscal processing of the segregated assets (*patrimonio separato*) of the special purpose vehicle, during the course of the transactions, the net income deriving from the management of securitised assets does not form part of the vehicle company's liquid assets. For tax purposes, the compulsory earmarking of "segregated" assets excludes a priori ownership of the relevant income.

As a result, during the transaction, the special purpose vehicle has no access whatsoever, either in judicial or fiscal terms, to these assets and only at the end of the operation, once all creditors have been satisfied, can it have access to them, if this has been agreed by contract.

This possibility is not contemplated by the structure of the current securitisation transaction, whereby the net income from transaction will be collected solely by the bearers of the junior securities.

BREAKDOWN OF THE TABLE ITEMS

	31/12/2006	31/12/2005
A. SECURITISED ASSETS	1.964.086.282	1.959.217.270

Represented by the net value of existing receivables and more specifically:

Loans bought by Locat	1.975.553.593	1.969.240.460
Custmers for loan write-offs	(8.562.805)	(4.551.000)
Receivables from customers for arrears	431.491	38.739
Write-downs of arrears	(431.491)	(38.739)
Rental fees invoicing accrued income	2.138.592	406.913
Deferred revenues for interest on arrears	(5.043.098)	(5.493.981)
Accrued liabilities for indexations	-	(385.122)
Net value	1.964.086.282	1.959.217.270

	31/12/2006	31/12/2005
UTILIZATION OF CASH DERIVING FROM THE MANAGEMENT OF CREDITS	69.113.206	71.921.262

Comprise:

B.1) Liquidity in current account ⁽¹⁾	4.708.860	2.597.993
- Balance of "Collection Account"	4.672.655	2.570.383
- Balance of "Expenses Account"	29.784	22.274
- Balance of "Debit Service Reserve Account"	4.492	5.336
- Balance of "Payment Account"	1.929	-
B.2) Other uses ⁽²⁾	51.200.000	61.001.000
B.3) Prepayments expenses and accrued income ⁽³⁾	708.290	1.587.237
B.3) Other assets	12.496.056	6.735.032
- Credits to be received by Originator	893.321	1.175.499
- Receivables from Special Purpose Vehicles	62.333	2.081
- Receivables from Inland revenue for withholdings on interest receivable	70.630	8.062
- Advances to suppliers	2.625	872
- Receivables for collections to be received from Servicer	11.467.147	5.548.518
Total	69.113.206	71.921.262

⁽¹⁾ This item includes current accounts with BNP Paribas and UniCredit Banca d'Impresa S.p.A.

⁽²⁾ They are investments made by BNP Paribas Cash Manager BNP Paribas in certificates of deposit and monetary funds.

⁽³⁾ They relate to revenue from Swap contracts and interest on loans provided.

	31/12/2006	31/12/2005
E. OTHER LIABILITIES	33.199.352	31.138.396

Comprise:

E.1) Payables to Originator	15.577.714	17.484.669
E.2) Payables to customers for index. refunds	874.389	355.850
E.3) Accrued expenses on interest on securities	4.260.250	6.234.617
- Accruals on interest on class A1	936.827	1.353.416
- Accruals on interest on class A2	2.862.128	4.180.146
- Accruals on interest on class B	360.800	542.725
- Accruals on interest on class C	78.448	120.810
- Accruals on interest on class D	22.047	37.520
E.4) Other accrued expenses	570.964	1.690.020
E.5) Other liabilities	11.916.035	5.373.240
- Payables to Special Purpose Vehicles	66.193	12.546
- Trade payables	361	3.471
- Invoices to be received	41.318	70.315
- Write-offs of credits from Inland revenue for withholdings	70.631	8.062
- Additional Remuneration ⁽¹⁾	11.737.473	5.278.846
- Miscellaneous payables	59	-
Total	33.199.352	31.138.396

⁽¹⁾ Additional Remuneration represents the net positive component of the operating income, deriving from the management of Segregated Assets.

	31/12/2006	31/12/2005
F. INTEREST PAYABLE ON SECURITIES ISSUED	62.431.086	6.234.617

Refer to:

Interest on class "A1" securities	13.642.779	1.353.416
Interest on class "A2" securities	41.901.525	4.180.146
Interest on class "B" securities	5.359.121	542.725
Interest on class "C" securities	1.178.927	120.810
Interest on class "D" securities	348.734	37.520
Total	62.431.086	7.588.033

	31/12/2006	31/12/2005
G. COMMISSIONS AND FEES RELATED TO OPERATION	468.456	69.443

Comprise:

G.1) For servicing	421.754	63.417
G.2) For other services:	46.702	6.026
- Computation agent commission	16.800	1.979
- Paying agent commission	10.500	1.296
- Revolving commission	8.002	800
- Listing agent commission	2.400	1.103
- Subscribers' representative	7.200	848
- Other commissions	1.800	-
Total	468.456	69.443

	31/12/2006	31/12/2005
H. OTHER COSTS	61.425.363	10.060.469

Comprise:

H.1) Other interest payables ⁽¹⁾	280.359	172.197
H.2) Write-offs on loans	5.960.611	4.558.164
- Analytical write-downs on loans	4.064.000	51.000
- Lump-sum write-downs on loans	14.805	4.500.000
- Equity write-backs	-37.000	-
- Losses on purchase price	13.292	-
- Capital losses from realization on securitised	1.905.514	7.164
H.2) Other costs	55.184.393	5.330.108
- Write-offs of credits from Inland revenue for withholdings	62.569	8.062
- Costs reimbursements to Special Purpose Vehicle Companies	53.647	12.546
- Contingent liabilities	543	-
- Postal expenses and courier	521	53
b) other administrative expenses		5.510
- Data transmission	4.402	3.472
- Bank charges	368	82
- Stamp tax	74	17.544
- Indemnification to customers related to securitised loans.	256.619	3.993
- Additional Remuneration	54.805.650	5.278.846
Total	61.425.363	10.060.469

⁽¹⁾ It includes interest payable on Swap derivative contracts.

	31/12/2006	31/12/2005
I. INTEREST GENERATED BY SECURITISED ASSETS	117.261.067	15.445.569

Comprise:

Interest receivable on acquired loans	108.518.762	16.740.157
Arrears interest	735.626	65.253
Write-downs of interest in arrears	(392.751)	(38.739)
Balancing of indexations	8.399.430	(1.321.102)
Total	117.261.067	15.445.569

	31/12/2006	31/12/2005
L. OTHER REVENUES	7.063.838	918.960

Comprise:

L.1) Interest receivable	1.565.392	165.453
- From bank current accounts	231.735	29.857
- From utilizations of cash	1.333.657	92.773
Other interest receivable	-	42.823
L.2) Write-backs on securitised assets	393.812	-
L.2) Other revenues	5.104.634	753.507
- Capital losses from realization on securitised loans	3.102.968	749.695
- Indemnif. to customers related to secur. loans.	1.999.477	3.811
- Contingents assets	2.189	-
- Assets roundings	-	1
Total	7.063.838	918.960

QUALITY INFORMATION

F2. – DESCRIPTION AND PROGRESS OF THE TRANSACTION

From its incorporation on December 31, 2006, Locat SV S.r.l. carried out two securitisation operations as per law 130/99. The main characteristics of the first operation (series 2005) are the following:

DESCRIPTION OF THE INITIAL ASSIGNED PORTFOLIO

On October 14, 2005 Locat SV S.r.l., with head office in via Alfieri, 1 – 31015 Conegliano (TV) purchased performing loans assigned in a pool and with no recourse by Locat S.p.A. (Piazza di Porta Santo n. 3 – 40125 Bologna).

The Initial Portfolio includes receivables deriving from leasing contracts, for a value at assignment at October 31, 2005 (*Valuation Date*) of 2,000,000,136. The consideration of the initial portfolio, € 2,000,000,136, is equal to the principal fees not yet expired at the relevant valuation date increased by the interest share accrued and not paid that date.

The average funded amount of the original amount of the contract was € 92,347.

The average weighted residual life of the initial portfolio at the assignment date is approx. 2.82 years for Pool 1, approx. 3.23 years for Pool 2 and approx. 7.80 years for Pool 3.

The following tables indicate some subdivisions of the initially assigned portfolio.

Initial Portfolio divided by type of Pool

TYPE OF POOL	NUMBER OF POSITIONS	RESIDUAL AMOUNT	
		Euros	%
POOL 1- Motor vehicles	24,714	515,913,597	25,80%
POOL 2- Operating	10,410	489,648,783	24,48%
POOL 3- Real estate	2,142	994,437,756	49,72%
Total	37,266	2,000,000,136	100,00%

Initial portfolio by interest rate

TYPE OF INTEREST RATE	NUMBER OF POSITIONS	RESIDUAL AMOUNT	
		Euros	%
Fixed	10,827	265,793,921	13,29%
Variable	26,439	1,734,206,215	86,71%
Total	37,266	2,000,000,136	100,00%

Initial portfolio by residual debt classes

RESIDUAL AMOUNT (Euros)	Number of positions POOL 1	RESIDUAL AMOUNT	Number of positions POOL 2	RESIDUAL AMOUNT	Number of positions POOL 3	RESIDUAL AMOUNT
0 - 26,000	19,319	220,597,726	6,150	63,445,202	51	963,530
26,001 - 52,000	3,295	118,647,717	1,959	72,460,422	104	4,206,009
52,001 - 103,000	1,769	123,715,280	1,267	90,900,523	327	25,689,432
103,001 - 258,000	309	44,056,131	788	122,017,538	742	123,957,073
258001 - 516,000	19	6,765,661	155	53,318,172	421	152,744,743
516,001 - 1,549,000	(3)	2,131,081	85	71,984,890	375	303,009,229
over 1,549,000	0	0	6	15,522,036	122	383,867,741
Total	24,714	515,913,596	10,410	489,648,783	2,142	994,437,757

ASSIGNMENT CRITERIA RELATED TO THE INITIAL PORTFOLIO

As per the Loan Assignment Contract and per the joint provision of art. 1 and 4 of the Law on securitisation of loans, Locat S.p.A. assigned an initial portfolio of receivables related to fees with payment date not later than May 31, 2022 and resulting from rental fees identified based on the following common characteristics:

1. they have been stipulated after January 1, 1998 (included);
2. they do not have an outstanding fee (or a whole fee expired at least 30 days before) and they have at least a fee paid and one to be paid;
3. they have a contract number with one of the following suffixes:
 - Pool 1: VA, VO, VP, VL, VS, PS, AS, TS
 - Pool 2: LI, LO, OS, LS
 - Pool 3: IC, IF, IR, LS
4. whose the only funding subject is Locat S.p.A.;
5. whose fees are to be paid in Euros or Liras, have a fixed rate or, if indexed, are indexed to Euribor or to the similar indexes in which they have converged.
6. in which payments are made through RID (permanent direct debit);
7. refer to goods rented in Italy, whose beneficiaries are resident in Italy;
8. they are not contracts in which the lessee is employed by Locat S.p.A.;
9. they are not contracts in which the lessee is a company of the UniCredito Italiano group;
10. they do not have as counterparty a public administration or similar bodies and individuals;
11. they are not concessional contracts pursuant to Law 1329/65 (Sabatini Law) or Law 64/86;

12. they refer to receivables which have never been classified as “defaulted receivables”, or receivables which have never been transferred to Locat S.p.A.'s Legal Office.;
13. they do not refer to berths or works of art.

ASSIGNMENT CRITERIA RELATED TO SUBSEQUENT PORTFOLIOS

The Assignment Contract defines further specific criteria, to which the assignor and assignee company will now and then add, to which the Receivables identifying the Initial Portfolio and the following assigned ones must comply.

During the Revolving Period, Locat S.p.A., in relation to each Settlement Date (except the Settlement Date immediately before an Interest Payment Date) and Interest Payment Date, will be allowed to offer, and Locat SV S.r.l. will purchase, one or more Subsequent Portfolios, pursuant the terms and conditions indicated in the Assignment Contract. Specifically, these receivable must be selected so that they constitute a group of loans identifiable in a pool, as per joint provision of 1 and art. 4 of the Law on Loans Securitisation. These receivables will be identified based on common criteria and the specific criteria selected on each occasion upon each assignment in the relevant proposal.

Moreover, these subsequent portfolios can be offered provided that:

1. in relation to each Pool, the delay index of the Pool for the receivables included in the subsequent portfolio must not have exceeded on the last day of the last Collection Period:
 - for Pool n. 1: 14.0%
 - for Pool n. 2: 9.0%
 - for Pool n. 3: 8.0%
2. in relation to each Pool, the delay index of the Pool for the receivables included in the subsequent portfolio must not have exceeded on the last day of the last Collection Period:
 - for Pool n. 1: 1.75%
 - for Pool n. 2: 2.25%
 - for Pool n. 3: 1.75%
3. in case of variable rate rental contracts, the weighted average of the subsequent portfolio on the three months Euribor rate cannot be lower than 2.7% for Pool n. 1, 1.7% for Pool n. 2 and 2.0% for Pool n. 3;
4. in case of fixed rate rental contracts, the difference between the average return percentage of the related subsequent portfolio and the fixed interest rate envisaged by the interest rate risk coverage contract must be equal or higher than 2.7% for Pool n. 1, 1.7% for Pool n. 2 and 2.0% for Pool n. 3;
5. after the purchase of the Subsequent Portfolio, the principal amount due for each Pool, divided by the Amount of the Principal Amount Due for the Collateral

- Portfolio, must not be higher than 28% for Pool 1, 28% for Pool 2 and 75% for Pool 3, respectively, and not lower than 40% for Pool 3;
6. at the relevant Valuation Date, Receivables related to each User cannot be more than 1% of the Portfolio;
 7. at the relevant Valuation Date, Receivables related to the ten Users with the greatest debt exposure cannot be more than 3.5% of the Portfolio;
 8. at the relevant Valuation Date, Receivables related to each User in each Pool cannot be more than 1% of each Pool;
 9. at the relevant Valuation Date, Receivables related to the ten Users with the greatest debt exposure for each Pool cannot be more than 4.5% for Pool 1, 6.0% for Pool 2 and 7.5% for Pool 3.

PROGRESS OF THE OPERATION

During 2006 the operation took place as expected; collections were in line with the expectations. In relation to the receivable portfolio, the following table summarises the assignments made in 2006 and the table after that summarises the condensate indicators on the portfolio performance:

(amounts in Euro)

Types of assets	Nominal value	Purchase price
Initial portfolio	2.000.000.136	2.000.000.136
Transfer for the period 2005	53.102.161	53.102.161
Transfer for the period 2006	609.014.469	609.014.469
TOTAL	2.662.116.766	2.662.116.766

Interest payment date	PORTFOLIO OVERDUE INDEX		PORTFOLIO DEFAULT INDEX		CUMULATIVE PORTFOLIO DEFAULT INDEX	
	Index	Limit	Index	Limit	Index	Limit
13/03/2006	0,77%	11,94%	0,13%	2%	0,13%	1,25%
12/06/2006	1,50%	11,90%	0,04%	2%	0,17%	1,30%
12/09/2006	1,81%	11,82%	0,08%	2%	0,24%	1,50%
12/12/2006	1,96%	11,77%	0,25%	1,98%	0,48%	1,60%

F.3 - PARTIES INVOLVED

The main parties involved in the securitisation transaction are the following:

TYPE OF ASSIGNMENT	PARTY INVOLVED
Originator	Locat S.p.A.
Representative of the securities bearers	Securitisation Service S.p.A.
Servicer	Locat S.p.A.
Computation Agent	Securitisation Service S.p.A.
Corporate Servicer	UGC Banca S.p.A.
Account Bank	BNP Paribas, Italian Branch
Paying Agent	BNP Paribas Securities Services, Milan Branch
Cash Manager	BNP Paribas, Italian Branch
Listing and Irish Paying Agent	JP Morgan Bank (Ireland) Plc
Custodian Bank	BNP Paribas Securities Services, Milan Branch
Hedging Counterparty	UniCredito Italiano S.p.A.
Independent Auditors	Deloitte & Touche S.p.A.

The main relationships and commitments existing between the assignor Locat S.p.A. and the assignee Locat SV s.r.l. and the other parties involved in the securitisation transaction – regulated by proper written agreements – are the following:

- With the Assignment Contract the Company has purchased the Initial Portfolio and the Assignor company has acquired the right, towards the Assignee company, to carry out assignments with no recourse of receivables complying with the eligibility characteristics established by the Assignment Contract itself.

- With the Servicing Contract, Locat SV S.r.l. has mandated Locat S.p.A. to carry out the collection of receivables assigned as per Law 130 dated April 30, 1999 and the substandard and/or non performing or delayed receivables, using also external structures specialised in the management of bad debt.
- On November 15, 2005 UniCredito Italiano S.p.A. entered into two Swap agreements with Locat SV S.r.l., to cover the interest rate risk deriving from the payment of bond interest for classes A1, A2, B and C (described in point F.5 below).
- The securities were underwritten as follows:

Subscribers	Class "A1"	Class "A2"	Class "B"	Class "C"	Class "D"	TOTAL
BNP Italiano S.p.A.	150,333,000	445,170,000	53,333,000	11,000,000	-	659,836,000
UBM	150,334,000	445,170,000	53,334,000	11,000,000	-	659,838,000
UBS	150,333,000	445,170,000	53,333,000	11,000,000	-	659,836,000
HVB	-	13,490,000	-	-	-	13,490,000
Locat S.p.A.	-	-	-	-	7,000,136	7,000,136
TOTAL	451,000,000	1,349,000,000	160,000,000	33,000,000	7,000,136	2,000,000,136

- Locat S.p.A. purchased the so-called "class D" subordinated securities with a nominal amount of Euro 7,000,136 with Final Expiration December 2026.
- The Assignor company accepted, as per the Intercreditor Agreement, the priority order of the payments made by the Assignee company which envisages, among others, the payment for the servicing activity after company expenses and the reinstatement of the *Retention Amount* in the Expenses Account, but before the payment of interest and the repayment of the principal amount to the subscribers of the securities.

F.4 - CHARACTERISTICS OF ISSUANCES

In order to finance the purchase of the Loan Portfolio, Locat SV S.r.l. issued the following securities in euros on November 18, 2005:

- "Class A1 Asset Backed Floating Rate Notes" ("class A1" securities) with Final Expiration 2026 for a nominal value of € 451,000,000 issued at par (ISIN IT0003951107).

The class "A1" securities were rated Aaa by Moody's Investors Services Ltd (henceforth "Moody's") and AAA by Standard & Poor's Ratings Services (henceforth "S&P's"), a division of McGraw-Hill Companies Inc. The above ratings are subject to continuous monitoring by the aforementioned rating companies and at December 31, 2006 have not changed.

These securities bear a three month interest, at a rate equal to Euribor at three months, increased by 0.07% per year.

The "class A1" securities are quoted on the Irish Stock Exchange.

- "Class A2 Asset Backed Floating Rate Notes" ("class A2" securities) with Final Expiration 2026 for a nominal value of € 1,349,000,000 issued at par (ISIN IT0003951115).

The class "A2" securities were rated Aaa by Moody's and AAA by S&P The above ratings are subject to continuous monitoring by the aforementioned rating companies and at December 31, 2006 have not changed.

These securities bear a three month interest, at a rate equal to Euribor at three months, increased by 0.15% per year.

The "class A2" securities are quoted on the Irish Stock Exchange.

- "Class B Asset Backed Floating Rate Notes" ("class B" securities) with Final Expiration 2026 for a nominal value of € 160,000,000 issued at par (ISIN IT0003951123).

The class "B" securities were rated A2 by Moody's and A by S&P The above ratings are subject to continuous monitoring by the aforementioned rating companies and at December 31, 2006 have not changed.

These securities bear a three month interest, at a rate equal to Euribor at three months, increased by 0.39% per year.

The "class B" securities are quoted on the Irish Stock Exchange.

- "Class C Asset Backed Floating Rate Notes" ("class C" securities) with Final Expiration 2026 for a nominal value of € 33,000,000 issued at par (ISIN IT0003951131).

The class "C" securities were rated Baa2 by Moody's and BBB by S&P .The above ratings are subject to continuous monitoring by the aforementioned rating companies and at December 31, 2006 have not changed.

These securities bear a three month interest, at a rate equal to Euribor at three months, increased by 0.61% per year.

The "class C" securities are quoted on the Irish Stock Exchange.

- "Class D Asset Backed Floating Rate Notes" ("class D" securities) with Final Expiration 2026 for a nominal value of € 7,000,136 issued at par (ISIN IT0003951149).
These securities bear a three month interest, at a rate equal to Euribor at three months, increased by 2.00% per year, in addition to further interest calculated at each Interest Payment Date based on the funds available after payment of all debts of the issuer in compliance with the priorities established by Rated Notes Conditions and the Junior Notes Conditions.

These securities have no rating and are not listed.

F.5 - ACCESSORY FINANCIAL OPERATIONS

On November 15, 2005, with a view to hedging interest rate risk, Locat SV S.r.l. drew up two interest rate swap agreements with UniCredito Italiano S.p.A. effective from November 18, 2005. The aim of these operations was to reduce the interest rate risk deriving from the payment of variable rate coupons of senior and mezzanine securities issued.

- *Hedging Agreement* for the fixed rate part of the portfolio:
UniCredito Italiano shall pay an amount equal to the Due Principal Amount for the fixed rate amount,¹ for the number of days of the Interest Period² divided by 360 at a rate equal to EURIBOR at three months.
Locat SV S.r.l. shall pay an amount equal to the Due Principal Amount for the fixed rate part, for the number of days of the Interest Period divided by 360 at a 2,8925% fixed rate.
- *Hedging Agreement* for the variable rate part of the portfolio:
UniCredito Italiano shall pay an amount equal to the Due Principal Amount for the variable rate amount, for the number of days of the Interest Period divided by 360 at a rate equal to EURIBOR at three months.
Locat SV S.r.l. shall pay an amount equal to the Due Principal Amount for the variable rate part, by the number of days of the Interest Period divided by 360, at the effective average rate weighted by indexation parameters of the variable rate portfolio.

F.6 - OPERATING RIGHTS OF THE ASSIGNEE

In relation to series 2005, Locat SV S.r.l., as assignee and issuer, has operational rights restricted by the Articles. In particular, within the limits allowed by Law 130/1999, the

¹ The Due Principal Amount does not include Outstanding debts, Delayed Debts and Defaulted debts.

² The *Interest Period* is the period that starts and includes an *Interest Payment Date* and ends at the following Interest Payment Date (excluding it).

Company can carry out the accessory operations to complete the securitisation operations performed by it. All the main activities related to the management of the operation have been entrusted to third parties (see F.3) based on the stipulated contracts which thoroughly describe the rights of the parties involved in the management of segregated assets. Consequently, the Company does not have discretionary rights.

QUANTITY INFORMATION

F.7 - LOAN FLOW DATA

The changes occurred in the securitised portfolio in the year ended at December 31, 2006 can be summarised as follows:

	(amounts in Euro thousand)	
	31/12/2006	31/12/2005
Loans initial balance	1.959.217	-
Reclassification of due to customers of the previous year	(356)	-
Reclassification of due to customers of the current year	874	356
Initial Portfolio Purchase	-	2.000.000
Revolving of subsequent portfolios	609.014	53.102
Interest accrued	108.519	16.740
Indexation accrued	8.399	(1.321)
Invoiced interest in arrears	343	26
Gains from realization on performing loans	3.103	750
Losses and capital losses from realization	(1.919)	(7)
Indemnifications receivable to customers related to securitised	1.999	4
Indemnifications payable to customers related to securitised lo	(257)	(4)
Residual amount invoiced for the period	163.941	39.650
Collections net of outstanding debt and Refunds	(882.545)	(145.148)
Repurchased contracts	(2.600)	(380)
Write-downs	(4.079)	(4.551)
Use of provision for bad and doubtful debt	37	-
Write-backs and capital losses from realiz. on non perf. loans	394	-
Other	2	-
Final balance	1.964.086	1.959.217

In relation to the item “Repurchased Contracts”, during 2006 the Originator availed itself of the possibility, provided for by art. 16.1 of the Assignment Contract, to repurchase individual loans, to maintain the best relations with its customers, avoiding discriminations in the treatment of Assigned Debts compared to other customers (mostly in the case in which, upon the lessees' request, changes have occurred on the Rental Contract which have entailed the loss of the criteria established upon the Company's loans assignment).

All the repurchases occurred during the year have been made in compliance with the operational ways and the quantitative restrictions (max. 6% of the balance of the due amount reached by the Collateral Portfolio) established in the Assignment Contract.

To carry out the repurchases it is not necessary to obtain the consent by any subject (as for example the Representative of the Securities Bearers).

F.8 - DEVELOPMENT OF EXPIRED LOANS

The table summarises the variations to expired loans which have not yet been collected.

(amounts in Euro thousand)

	31/12/2006	31/12/2005
Situation at the beginning of the year	14.104	-
Increases for the period	17.039	14.104
Collections for the period	(5.584)	-
Losses for the period	(11)	-
Total	25.548	14.104
Write-downs ⁽¹⁾	(4.062)	(51)
Situation at the end of the period	21.486	14.053

⁽¹⁾ They are write-downs accrued from the beginning of operations to 31/12/2006.

(amounts in Euro thousands)

	Nominal value		Write-downs		Value of financial statement	
	(a)		(b)		(a - b)	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005	31/12/2006	31/12/2005
A Doubtful debt	15.474	234	4.062	51	11.412	183
A1 Non performing	6.076	47	3.299	-	2.777	47
A2 Substandard	2.438	187	594	51	1.844	136
A3 Expired 180	6.960	-	169	-	6.791	-
Performing Loans						
B	1.957.174	1.963.534	4.500	4.500	1.952.674	1.959.034
Total assigned loans	1.972.648	1.963.768	8.562	4.551	1.964.086	1.959.217

Based on the *Servicing* contract stipulated between the Company and Locat S.p.A., the management and the collection of debts, including expired ones, were entrusted to Locat S.p.A., which, besides its own internal structure (Legal O.U and Debt Recovery O.U.), can avail itself of external structures specialised in the management of bad debts. This is done to increase the efficiency and the effectiveness of the debt collections.

During 2006, the operation progressed in line with expectations; collections were regular, and this allowed on the one hand the timely payment, on the Interest Payments Dates, of interest and principal to the bearers of the issued securities, and on the other the compliance with the financial obligations towards the company's other creditors and with the collateralization requirements envisaged in the contractual documents. In the first three

months of 2007, the operations continue to be in line with those in the year ended at December 31, 2006 and it is expected to recover € 21 million of the final expired debts (approx. the total expired amount net of loss expectations).

F.9 - CASH FLOWS

Cash flows are summed up as follows:

	31/12/2006	31/12/2005
Initial liquidity	2.597.993	
Increases	1.059.860.229	2.113.904.155
Collections		
From underwriting of securities	-	2.000.000.136
From cash disinvestment	662.730.000	-
From securitised portfolio	394.459.730	113.816.111
From interest accrued on eligible investments	1.326.120	23.359
From interest accrued on bank accounts	168.880	21.726
Other collections	-	-
Transit items	1.175.499	-
Other increase variations	-	42.823
Reductions	1.057.749.362	2.111.306.162
Payments		
For initial loan portfolio	-	2.000.000.136
For liquidity investments	652.929.000	61.001.000
For subsequent loan portfolios	290.078.148	49.121.870
Differentials on SWAP derivative contracts	512.931	-
For interest on securities	112.752.476	-
Other payments	583.486	7.657
Transit items ⁽¹⁾	893.321	1.175.499
Other decrease variations	-	-
Final liquidity ⁽²⁾	4.708.860	2.597.993

⁽¹⁾ These refer to collections with a 2006 value date paid into the collection account opened with BNP Paribas S.p.A in January 2007.

⁽²⁾ The item "Final Liquidity" is the balance of current accounts with BNP Paribas and UniCredit Banca d'Impresa at December 31, 2006.

The company specifies that the collections from the securitised portfolio (for 2007) can be estimated in approx € 813 million which, besides the payment of interest on securities and the fees to the various parties involved in the operation, will be used to buy subsequent portfolios, substantially maintaining a low cash balance.

F.10 – SITUATION OF GUARANTEES AND LIQUIDITY LINES

There are no guarantees or liquidity lines for securitisation. Some of the loans in the portfolio are anyhow covered by guarantees provided by the users or third parties; the following table contains details:

(amounts in Euro thousands)

	31/12/2006	31/12/2005
Securities on property	11.329	12.163
Personal securities	875.177	814.900
Total	886.506	827.063

F.11 - DISTRIBUTION BY RESIDUAL LIFE

(amounts in Euro thousands)

Residual life	Receivables expired		Receivables due to expire		Receivables due to expire			
	31/12/06	31/12/05	31/12/06	31/12/05	principal		other (*)	
					31/12/06	31/12/05	31/12/06	31/12/05
Up to 3 months	-	-	146.987	140.208	139.741	136.659	7.246	3.549
From 3 months to 1 year	-	-	381.937	374.822	381.937	374.822	-	-
From 1 year to 5 years	-	-	1.074.930	1.071.550	1.074.930	1.071.550	-	-
More than 5 years	-	-	343.246	363.084	343.246	363.084	-	-
Indefinite life	25.548	14.104	-	-	-	-	-	-
TOTAL	25.548	14.104	1.947.100	1.949.664	1.939.854	1.946.115	7.246	3.549
Write-downs	(4.062)	(51)	(4.500)	(4.500)	(4.500)	(4.500)	-	-
Net value	21.486	14.053	1.942.600	1.945.164	1.935.354	1.941.615	7.246	3.549

In relation to the residual life of the issued securities, at the end of the Revolving Period (June 2007, excluded), or before that if this period were interrupted by a Purchase Impedimental Cause, the *Amortisation Period will start*, during which the classes of securities issued will be redeemed according to the payment priorities defined in the contract. It is not therefore possible to establish a predetermined plan of securities redemption, since it is closely related to the collections made on the securitised portfolio.

Loans grouped in item B “Utilization of cash deriving from the management of credits” and the liabilities under item E “Other liabilities” of the “Summary table for securitised assets and securities issued” all have an expiration date shorter than three months.

F.12 - DISTRIBUTION BY GEOGRAPHICAL LOCATION

The securitised loans refer to subjects resident in Italy and are in Euros.

F.13 - CONCENTRATION OF RISK

(amounts in Euro thousands)

Amounts	As of 31.12.2006	
	Number of contracts	Amount
Euro 0 - 25.000	25.409	234.830
Euro 25.001 - 75.000	7.439	319.373
Euro 75.001 - 250.000	3.008	387.202
More than Euro 250.000	1.293	1.031.243
TOTAL	37.149	1.972.648
Write-downs		(8.562)
TOTAL NET		1.964.086

There are no loan concentrations above 2% of the total loan portfolio.

SECOND SECURITISATION: series 2006

The amount of receivables purchased during 2006 is the following:

Settlement date	Nominal value	Purchase price
14/11/2006	1.972.909.866	1.972.909.866

- Securities issued

To finance the purchase of the receivables portfolio on December 14, 2006, the Company issued the following securities in Euro.

<i>Classe</i>	<i>Codice ISIN</i>	<i>Tipo</i>	<i>Valore nominale in Euro</i>	<i>Scadenza</i>	<i>Interessi</i>
A1 (*)	IT0004153661	Con prelazione al rimborso	400.000.000	2028	Trimestrali Euribor 3 mesi + 0,08% per anno
A2 (*)	IT0004153679	Con prelazione al rimborso	1.348.000.000	2028	Trimestrali Euribor 3 mesi + ,016% per anno
B (*)	IT0004153687	Subordinati alla classe A	152.000.000	2028	Trimestrali Euribor 3 mesi + 0,35% per anno
C (*)	IT0004153698	Subordinati alla classe A e B	64.000.000	2028	Trimestrali Euribor 3 mesi + 0,60% per anno
D	IT0004153885	Subordinati	8.909.866	2028	Trimestrali Euribor 3 mesi + 2% per anno + Additional remuneration
		TOTALE	1.972.909.866		

(*) Listed on the Dublin Stock Exchange (Irish Stock Exchange Limited)

F1. SUMMARY TABLE FOR SECURITISED ASSETS AND SECURITIES ISSUED

	Situation from 14.11.2006 to 31.12.2006
A. SECURITISED ASSETS	1.961.162.077
A.1) Receivables	1.961.162.077
A.2) <i>Securities</i>	-
A.3) <i>Other receivables</i>	-
B. UTILIZATION OF CASH DERIVING FROM THE MANAGEMENT OF CREDITS	35.609.135
B.1) Balances in current account	692.158
B.2) Other uses	3.000.000
B.3) Prepayments expenses and accrued income	591.856
B.4) Other assets	31.325.121
C. SECURITIES ISSUED	1.972.909.866
C.1) Class "A.1" securities	400.000.000
C.2) Class "A.2" securities	1.348.000.000
C.3) Class "B" securities	152.000.000
C.4) Class "C" securities	64.000.000
C.5) Class "D" securities	8.909.866
D. LOANS RECEIVED	-
E. OTHER LIABILITIES	23.861.346
E.1) Payables to originator	16.410.683
E.2) Payables to customers for index. refund ecc.	195.676
E.3) Accrued expenses on interest on securities	3.801.503
E.4) Other accrued expenses	615.725
E.5) Other liabilities	2.837.759
	<i>Difference (A+B-C-D-E)</i>
	-
F. INTEREST PAYABLE ON SECURITIES ISSUED	3.801.503
Interest on class "A1" "A2" "B", "C" "D" securities	3.801.503
G. COMMISSIONS AND FEES RELATED TO THE OPERATION	17.285
G.1) For servicing	15.280
G.2) For other services	2.005
H. OTHER COSTS	6.555.400
H.1) Other interest payable - Differential balance on hedging operations (swap)	24.870
H.2) Write-offs on loans	3.710.000
H.3) OTHER COSTS	2.820.530
I. INTEREST GENERATED BY SECURITISED ASSETS	9.509.721
L. OTHER REVENUES	864.467
L.1) Interest receivable	8.756
L.2) Other revenues	855.711
	<i>Difference (F+G+H-I-L)</i>
	-

VALUATION CRITERIA USED IN THE PREPARATION OF THE SUMMARY TABLES

The layout and the form of the Summary tables are in line with Banca d'Italia's Regulation dated March 29, 2000, "Layout of financial statements for loan securitization", as updated by the supervision instructions as "Instructions for the drawing up of Financial Statements of brokers registered in the special list, of electronic money institutions, of asset management

companies and of securities investment intermediaries" issued by Banca d'Italia, as per art. 38 of Legislative Decree n. 38 dated February 14, 2006.

The items related to securitised loans are the values gathered from the accounting and the information system of the Servicer, Locat S.p.A..

As for the previous section of the Supplementary Note, amounts are in Euro, unless otherwise indicated; the following are the evaluation criteria used for the most significant postings.

Securitized assets

Securitized assets are entered at their hypothetical realisation value.

Utilization of cash deriving from the management of credits

Balances in current account are expressed at their nominal value.

Receivables are evaluated at the hypothetical realization value.

Securities issued, loans received

Are expressed at their nominal value.

Other Liabilities

Receivables are carried at their nominal value.

The determination of accrued expenses/liabilities has been made on an accrual basis.

Interests, fees, charges and other revenue

These items are entered on an accrual basis.

Derivatives contracts

The differentials on the Interest Rate Swap contract are registered under charges/revenue on an accrual basis.

Taxes and duties

As specified in Notice no. 8/E of 6 February 2003 of the Italian Inland Revenue Agency regarding the fiscal processing of the segregated assets (*patrimonio separato*) of the special purpose vehicle, during the course of the transactions, the net income deriving from the management of securitised assets does not form part of the vehicle company's liquid assets. For tax purposes, the compulsory earmarking of "segregated" assets excludes a priori ownership of the relevant income.

As a result, during the transaction, the special purpose vehicle has no access whatsoever, either in judicial or fiscal terms, to these assets and only at the end of the operation, once all creditors have been satisfied, can it have access to them, if this has been agreed by contract.

This possibility is not contemplated by the structure of the current securitisation transaction, whereby the net income from transaction will be collected solely by the bearers of the junior securities.

BREAKDOWN OF THE TABLE ITEMS

	31/12/2006
SECURITISED ASSETS	1.961.162.077

Represented by the net value of existing receivables and more specifically:

Loans bought by Locat	1.964.850.765
Customers for loan write-offs	(3.710.000)
Receivables from customers for arrears	11.589
Write-downs of arrears	(11.589)
Rental fees invoicing accrued income	2.428.155
Accrued liabilities for indexations	(2.406.843)
Net value	1.961.162.077

	31/12/2006
UTILIZATION OF CASH DERIVING FROM THE MANAGEMENT OF CREDITS	35.609.135

Include:

B.1) Liquidity in current account ⁽¹⁾	692.158
- Balance of "Collection Account"	662.179
- Balance of "Expenses Account"	29.979
B.2) Other uses ⁽²⁾	3.000.000
B.3) Prepayments expenses and accrued income ⁽³⁾	591.856
B.4) Other assets	31.325.121
- Credits to be received by Originator	6.455.926
- Receivables from Inland revenue for withholdings on interest	1.132
- Receivables for collections to be received from Servicer	24.868.063
Total	35.609.135

⁽¹⁾ This item includes current accounts with BNP Paribas and UniCredit Banca d'Impresa S.p.A.

⁽²⁾ They are investments made by BNP Paribas Cash Manager BNP Paribas in certificates of deposit and monetary funds.

⁽³⁾ They relate to revenue from Swap contracts and interest on loans provided.

	<i>31/12/2006</i>
E. OTHER LIABILITIES	23.861.346

Include:

E.1) Payables to Originator	16.410.683
E.2) Payables to customers for index. refunds	195.676
E.3) Accrued expenses on interest on securities	3.801.503
- Accruals on interest on class A1	750.540
- Accruals on interest on class A2	2.583.240
- Accruals on interest on class B	305.725
- Accruals on interest on class C	136.726
- Accruals on interest on class D	25.272
E.4) Other accrued expenses	615.725
E.5) Other liabilities	2.837.759
- Payables to Special Purpose Vehicles	7.537
- Trade payables	2.412
- Invoices to be received	17.284
- Write-offs of credits from Inland revenue for withholdings	1.132
- Additional Remuneration ⁽¹⁾	2.809.394
Total	23.861.346

⁽¹⁾ Additional Remuneration represents the net positive component of the operating income, deriving from the management of Segregated Assets.

	<i>31/12/2006</i>
F. INTEREST PAYABLE ON SECURITIES ISSUED	3.801.503

Refer to:

Interest on class "A1" securities	750.540
Interest on class "A2" securities	2.583.240
Interest on class "B" securities	305.725
Interest on class "C" securities	136.726
Interest on class "D" securities	25.272
Total	3.801.503

	<i>31/12/2006</i>
G. COMMISSIONS AND FEES RELATED TO	17.285

Comprise:

G.1) For servicing	15.280
G.2) For other services:	2.005
- Subscribers' representative	1.214
- Paying agent commission	247
- Listing agent commission	118
- Revolving commission	426
Total	17.285

	<i>31/12/2006</i>
H. OTHER COSTS	6.555.400

Comprise:

H.1) Other interest payables (1)	24.870
H.2) Write-offs on loans	3.710.000
- Analytical write-downs on loans	210.000
- Lump-sum write-downs on loans	3.500.000
H.2) Other costs	2.820.530
- Write-offs of credits from Inland revenue for withholdings	1.131
- Costs reimbursements to Special Purpose Vehicle	7.537
- Miscellaneous costs	2.412
- Bank charges	38
- Stamp tax	18
- Additional Remuneration	2.809.394
Total	6.555.400

⁽¹⁾ It includes interest payable on Swap derivative contracts.

	31/12/2006
I. INTEREST GENERATED BY SECURITISED	9.509.721

Comprise:

Other collections on receivables	7.768.985
Arrears interest	139.393
Write-downs of interest in arrears	(11.589)
Indexations balances	1.612.932
Total	9.509.721

	31/12/2006
L. OTHER REVENUES	864.467

Comprise:

L.1) Interest receivable	8.756
- From bank current accounts	4.192
- From utilizations of cash	1.000
Other interest receivable	3.564
L.2) Other revenues	855.711
- Gains from realization on securitised loans	855.711
Total	864.467

QUALITY INFORMATION

F2. – DESCRIPTION AND PROGRESS OF THE TRANSACTION

From its incorporation to December 31, 2006, Locat SV S.r.l. carried out two securitisation operations as per law 130/99. The main characteristics of the second operation (series 2006) are the following:

DESCRIPTION OF THE INITIAL ASSIGNED PORTFOLIO

On November 14, 2006 Locat SV S.r.l., with head office in via Alfieri, 1 – 31015 Conegliano (TV) purchased performing loans assigned in a pool and with no recourse by Locat S.p.A. (Piazza di Porta Santo n. 3 – 40125 Bologna).

The Initial Portfolio includes receivables deriving from leasing contracts, for a value at assignment at December 1, 2006 (*Valuation Date*) of 1,972,909,866. The consideration of the initial portfolio, € 1,972,909,866, is equal to the principal fees not yet expired at the relevant valuation date increased by the interest share accrued and not paid that date.

The average funded amount of the original amount of the contract was € 113,694.

The average weighted residual life of the initial portfolio at the assignment date is approx. 3.47 years for Pool 1, approx. 3.79 years for Pool 2 and approx. 8.26 years for Pool 3.

The following tables indicate some subdivisions of the initially assigned portfolio.

Portafoglio iniziale distinto per tipologia di Pool

TIPO DI POOL	NUMERO	IMPORTO RESIDUO	
	POSIZIONI	Unità di Euro	%
POOL 1- Autoveicoli	10.495	309.512.111	15,69%
POOL 2 - Macchinari	13.178	736.414.606	37,33%
POOL 3- Immobiliare	1.246	926.983.149	46,99%
Totale	24.919	1.972.909.866	100,00%

Portafoglio iniziale distinto per tasso di interesse

TIPO DI TASSO DI INTERESSE	NUMERO	IMPORTO RESIDUO	
	POSIZIONI	Unità di Euro	%
Fisso	6.848	250.346.453	12,69%
Variabile	18.071	1.722.563.413	87,31%
Totale	24.919	1.972.909.866	1

ASSIGNMENT CRITERIA RELATED TO THE INITIAL PORTFOLIO

As per the Loan Assignment Contract and per the joint provision of art. 1 and 4 of the Law on securitisation of loans, Locat S.p.A. assigned an initial portfolio of receivables related to fees with payment date not later than January 31, 2023 and resulting from rental fees identified based on the following common characteristics:

1. they have been stipulated after January 1, 1998 (included);
2. they do not have an outstanding fee (or a whole fee expired at least 30 days before) and they have at least a fee paid and one to be paid;
3. they have a contract number with one of the following suffixes:
 - Pool 1: VA, VO, VP, VL, VS, PS, AS, TS
 - Pool 2: LI, LO, OS, LS
 - Pool 3: IC, IF, IR, LS
4. whose the only funding subject is Locat S.p.A.;
5. whose fees are to be paid in Euros or Liras, have a fixed rate or, if indexed, are indexed to Euribor or to the similar indexes in which they have converged.
6. in which payments are made through RID (permanent direct debit);
7. refer to goods rented in Italy, whose beneficiaries are resident in Italy;
8. they are not contracts in which the lessee is employed by Locat S.p.A.;
9. they are not contracts in which the lessee is a company of the UniCredito Italiano group;
10. they do not have as counterparty a public administration or similar bodies and individuals;
11. they are not concessional contracts pursuant to Law 1329/65 (Sabatini Law) or Law 64/86;
12. they refer to receivables which have never been classified as “defaulted receivables”, or receivables which have never been transferred to Locat S.p.A.'s Legal Office.;
13. they do not refer to berths or works of art.

ASSIGNMENT CRITERIA RELATED TO SUBSEQUENT PORTFOLIOS

The Assignment Contract defines further specific criteria, to which the assignor and assignee company will now and then add, to which the Receivables identifying the Initial Portfolio and the following assigned ones must comply.

During the Revolving Period, Locat S.p.A., in relation to each Settlement Date (except the Settlement Date immediately before an Interest Payment Date) and Interest Payment Date, will be allowed to offer, and Locat SV S.r.l. will purchase, one or more Subsequent Portfolios, pursuant the terms and conditions indicated in the Assignment Contract. Specifically, these receivable must be selected so that they constitute a group of loans identifiable in a pool, as per joint provision of 1 and art. 4 of the Law on Loans Securitisation. These receivables will be identified based on common criteria and the specific criteria selected on each occasion upon each assignment in the relevant proposal.

Moreover, these subsequent portfolios can be offered provided that:

1. in relation to each Pool, the delay index of the Pool for the receivables included in the subsequent portfolio must not have exceeded on the last day of the last Collection Period:
 - for Pool n.1: 14.0%
 - for Pool n.2: 9.0%
 - for Pool n.3: 8.0%
2. in relation to each Pool, the delay index of the Pool for the receivables included in the subsequent portfolio must not have exceeded on the last day of the last Collection Period:
 - for Pool n.1: 1.75%
 - for Pool n.2: 2.25%
 - for Pool n.3: 1.75%
3. in case of variable rate rental contracts, the weighted average of the subsequent portfolio on the three months Euribor rate cannot be lower than 2.7% for Pool n.1, 1.7% for Pool n.2 and 2.0% for Pool n.3;
4. in case of fixed rate rental contracts, the difference between the average return percentage of the related subsequent portfolio and the fixed interest rate envisaged by the interest rate risk coverage contract must be equal or higher than 2.7% for Pool n.1, 1.7% for Pool n.2 and 2.0% for Pool n.3;
5. after the purchase of the Subsequent Portfolio, the principal amount due for each Pool, divided by the Amount of the Principal Amount Due for the Collateral Portfolio, must not be higher than 30% for Pool 1, 45% for Pool 2 and 70% for Pool 3, respectively, and not lower than 40% for Pool 3;
6. at the relevant Valuation Date, Receivables related to each User cannot be more than 1% of the Portfolio;
7. at the relevant Valuation Date, Receivables related to the ten Users with the greatest debt exposure cannot be more than 3.5% of the Portfolio;
8. at the relevant Valuation Date, Receivables related to each User in each Pool cannot be more than 1% of each Pool;
9. at the relevant Valuation Date, Receivables related to the ten Users with the greatest debt exposure for each Pool cannot be more than 4.5% for Pool 1, 6.0% for Pool 2 and 7.5% for Pool 3.

PROGRESS OF THE OPERATION

In relation to the loan portfolio, the following tables summarises the assignments carried during 2006:

(amounts in Euro thousands)

Types of assets	Nominal value	Purchase price
Initial portfolio	1.972.909.866	1.972.909.866

The operation started in December 2006 is unfolding properly. No Causes for the Termination of the Purchase Obligation or Causes for the Lapse of the acceleration clause occurred.

In relation to *Asset-Backed securities*, by contract the first interest was paid on the Payment Date March 12, 2007.

In relation to the Loan Portfolio at 31/12/2006 no indicators on performance were yet available.

F.3 - PARTIES INVOLVED

The main parties involved in the securitisation transaction are the following:

TYPE OF ASSIGNMENT	PARTY INVOLVED
Originator	Locat S.p.A.
Representative of the securities bearers	Securitisation Service S.p.A.
Servicer	Locat S.p.A.
Computation Agent	Securitisation Service S.p.A.
Corporate Servicer	UGC Banca S.p.A.
Account Bank	BNP Paribas, Italian Branch
Paying Agent	BNP Paribas Securities Services, Milan Branch
Cash Manager	BNP Paribas, Italian Branch
Listing and Irish Paying Agent	JP Morgan Bank (Ireland) Plc
Custodian Bank	BNP Paribas Securities Services, Milan Branch
Hedging Counterparty	UniCredito Italiano S.p.A.
Independent Auditors	Deloitte & Touche S.p.A.

The main relationships and commitments existing between the assignor Locat S.p.A. and the assignee Locat SV s.r.l. and the other parties involved in the securitisation transaction – regulated by proper written agreements – are the following:

- With the Assignment Contract the Company has purchased the Initial Portfolio and the Assignor company has acquired the right, towards the Assignee company, to carry out assignments with no recourse of receivables complying with the eligibility characteristics established by the Assignment Contract itself.

- With the *Servicing Contract*, Locat SV S.r.l. has mandated Locat S.p.A. to carry out the collection of receivables assigned as per Law 130 dated April 30, 1999 and the substandard and/or non performing or delayed receivables, using also external structures specialised in the management of bad debt.
- On December 12, 2006 UniCredito Italiano S.p.A. entered into two Swap agreements with Locat SV S.r.l., to cover the interest rate risk deriving from the payment of bond interest for classes A1, A2, B and C (described in point F.5 below).
- The securities were underwritten as follows:

Sottoscrittori	Classe A1	Classe A2	Classe B	Classe C	Classe D	TOTALE
Merrill Lynch Int.	100.000.000	337.000.000	38.000.000	16.000.000	-	491.000.000
HSBC	100.000.000	337.000.000	38.000.000	16.000.000	-	491.000.000
HVB	100.000.000	337.000.000	38.000.000	16.000.000	-	491.000.000
UBM	100.000.000	337.000.000	38.000.000	16.000.000	-	491.000.000
Locat S.P.A.	-	-	-	-	8.909.866	8.909.866
TOTALE	400.000.000	1.348.000.000	152.000.000	64.000.000	8.909.866	1.972.909.866

- Locat S.p.A. purchased the so-called "class D" subordinated securities with a nominal amount of € 8,909,866 with Final Expiration December 2028.
- The Assignor company accepted, as per the *Intercreditor Agreement*, the priority order of the payments made by the Assignee company which envisages, among others, the payment for the servicing activity after company expenses and the reinstatement of the *Retention Amount* in the *Expenses Account*, but before the payment of interest and the repayment of the principal amount to the subscribers of the securities.

F.4 - CHARACTERISTICS OF ISSUANCES

In order to finance the purchase of the Loan Portfolio (series 2006), Locat SV S.r.l. issued the following securities in euros on December 14, 2006:

- "Class A1 Asset Backed Floating Rate Notes" ("class A1" securities) with Final Expiration 2028 for a nominal value of €400,000,000 issued at par (ISIN IT0004153661).

The class "A1" securities were rated Aaa by Moody's Investors Services Ltd (henceforth "Moody's") and AAA by Standard & Poor's Ratings Services (henceforth "S&P's"), a division of McGraw-Hill Companies Inc. The above ratings are subject to continuous monitoring by the aforementioned rating companies and at December 31, 2006 have not changed.

These securities bear a three month interest, at a rate equal to Euribor at three months, increased by 0.08% per year.

The "class A1" securities are quoted on the Irish Stock Exchange.

- "Class A2 Asset Backed Floating Rate Notes" ("class A2" securities) with Final Expiration 2028 for a nominal value of € 1,348,000,000 issued at par (ISIN IT0004153679).

The class "A2" securities were rated Aaa by Moody's and AAA by S&P The above ratings are subject to continuous monitoring by the aforementioned rating companies and at December 31, 2006 have not changed.

These securities bear a three month interest, at a rate equal to Euribor at three months, increased by 0.16% per year.

The "class A2" securities are quoted on the Irish Stock Exchange.

- "Class B Asset Backed Floating Rate Notes" ("class B" securities) with Final Expiration 2028 for a nominal value of €152,000,000 issued at par (ISIN IT0004153687).

The class "B" securities were rated A2 by Moody's and A by S&P The above ratings are subject to continuous monitoring by the aforementioned rating companies and at December 31, 2006 have not changed.

These securities bear a three month interest, at a rate equal to Euribor at three months, increased by 0.35% per year.

The "class B" securities are quoted on the Irish Stock Exchange.

- "Class C Asset Backed Floating Rate Notes" ("class C" securities) with Final Expiration 2028 for a nominal value of € 64,000,000 issued at par (ISIN IT0004153695).

The class "C" securities were rated Baa2 by Moody's and BBB by S&P .The above ratings are subject to continuous monitoring by the aforementioned rating companies and at December 31, 2006 have not changed.

These securities bear a three month interest, at a rate equal to Euribor at three months, increased by 0.60% per year.

The "class C" securities are quoted on the Irish Stock Exchange.

- "Class D Asset Backed Floating Rate Notes" ("class D" securities) with Final Expiration 2028 for a nominal value of € 8,909,866 issued at par (ISIN IT0004153885).

These securities bear a three month interest, at a rate equal to Euribor at three months, increased by 2.00% per year, in addition to further interest calculated at each Interest Payment Date based on the funds available after payment of all debts of the issuer in compliance with the priorities established by Rated Notes Conditions and the Junior Notes Conditions.

These securities have no rating and are not listed.

F.5 - ACCESSORY FINANCIAL OPERATIONS

On December 12, 2006, with a view to hedging interest rate risk, Locat SV S.r.l. drew up two interest rate swap agreements with UniCredito Italiano S.p.A. effective from December 14, 2006. The aim of these operations was to reduce the interest rate risk deriving from the payment of variable rate coupons of senior and mezzanine securities issued.

- *Hedging Agreement* for the fixed rate part of the portfolio:
UniCredito Italiano shall pay an amount equal to the Due Principal Amount for the fixed rate amount, ¹for the number of days of the Interest Period ² divided by 360 at a rate equal to EURIBOR at three months.
Locat SV S.r.l. shall pay an amount equal to the Due Principal Amount for the fixed rate part, for the number of days of the Interest Period divided by 360 at a 3,8475% fixed rate.

- *Hedging Agreement* for the variable rate part of the portfolio:
UniCredito Italiano shall pay an amount equal to the Due Principal Amount for the variable rate amount, for the number of days of the Interest Period divided by 360 at a rate equal to EURIBOR at three months.
Locat SV S.r.l. shall pay an amount equal to the Due Principal Amount for the variable rate part, by the number of days of the Interest Period divided by 360, at the effective average rate weighted by indexation parameters of the variable rate portfolio.

F.6 - OPERATING RIGHTS OF THE ASSIGNEE

In relation to series 2006, Locat SV S.r.l., as assignee and issuer, has operational rights restricted by the Articles. In particular, within the limits allowed by Law 130/1999, the Company can carry out the accessory operations to complete the securitisation operations performed by it. All the main activities related to the management of the operation have been entrusted to third parties (see F.3) based on the stipulated contracts which thoroughly describe the rights of the parties involved in the management of segregated assets. Consequently, the Company does not have discretionary rights.

¹ The Due Principal Amount does not include Outstanding debts, Delayed Debts and Defaulted debts.

² The Interest Period is the period that starts and includes an Interest Payment Date and ends at the following Interest Payment Date (excluding it).

QUANTITY INFORMATION

F.7 - LOAN FLOW DATA

The changes occurred in the securitised portfolio in the year ended at December 31, 2006 can be summarised as follows:

(amounts in Euro thousand)

	<i>31/12/2006</i>
Loans initial balance	-
Reclassification of due to customers of the current year	196
Initial assignment	1.972.910
Interest accrued	7.769
Indexation accrued	1.613
Invoiced interest in arrears	128
Gains from realization on securitised loans	856
Residual amount invoiced for the period	18.842
Collections net of outstanding debt and Refunds	(36.828)
Repurchased contracts	(613)
Write-downs	(3.710)
Other	(1)
Final balance	1.961.162

In relation to the item “Repurchased Contracts”, during 2006 the Originator availed itself of the possibility, provided for by art. 16.1 of the Assignment Contract, to repurchase individual loans, to maintain the best relations with its customers, avoiding discriminations in the treatment of Assigned Debts compared to other customers (mostly in the case in which, upon the lessees' request, changes have occurred on the Rental Contract which have entailed the loss of the criteria established upon the Company's loans assignment).

All the repurchases occurred during the year have been made in compliance with the operational ways and the quantitative restrictions (max. 6% of the balance of the due amount reached by the Collateral Portfolio) established in the Assignment Contract.

To carry out the repurchases it is not necessary to obtain the consent by any subject (as for example the Representative of the Securities Bearers).

F.8 - DEVELOPMENT OF EXPIRED LOANS

The table summarises the variations to expired loans which have not yet been collected.

(amounts in Euro thousand)

	31/12/2006
Situation at the beginning of the year	-
Increases for the period	9.899
Collections for the period	-
Losses for the period	-
Total	9.899
Write-downs	(210)
Situation at the end of the period	9.689

(amounts in Euro thousands)

	Nominal value (a) 31/12/2006	Write-downs (b) 31/12/2006	Value of fin. Statements (a - b) 31/12/2006
A Doubtful debt	948	210	738
A1 <i>Non performing</i>	438	198	240
A2 <i>Substandard</i>	-	-	-
A3 <i>Expired 180</i>	510	12	498
B Performing Loans	1.963.924	3.500	1.960.424
Total assigned loans	1.964.872	3.710	1.961.162

Based on the *Servicing* contract stipulated between the Company and Locat S.p.A., the management and the collection of debts, including expired ones, were entrusted to Locat S.p.A., which, besides its own internal structure (Legal O.U and Debt Recovery O.U.), can avail itself of external structures specialised in the management of bad debts. This is done to increase the efficiency and the effectiveness of the debt collections.

F.9 - CASH FLOWS

Cash flows are summed up as follows:

	31/12/2006
Initial liquidity	-
Increases	10.148.084
Collections	
From securitised portfolio	10.145.081
From interest accrued on bank accounts	3.003
Transit items	-
Other increase variations	-
Reductions	9.455.926
Payments	
For liquidity investments	3.000.000
Transit items ⁽¹⁾	6.455.926
Other decrease variations	-
Final liquidity ⁽²⁾	692.158

⁽¹⁾ These refer to collections with a 2006 value date paid into the collection account opened with BNP Paribas S.p.A in January 2007.

⁽²⁾ The item “Final Liquidity” is the balance of current accounts with BNP Paribas and UniCredit Banca d’Impresa at December 31, 2006.

The company specifies that the collections from the securitised portfolio (for 2007) can be estimated in approx € 666 million which, besides the payment of interest on securities and the fees to the various parties involved in the operation, will be used to buy subsequent portfolios, substantially maintaining a low cash balance.

F.10 – SITUATION OF GUARANTEES AND LIQUIDITY LINES

There are no guarantees or liquidity lines for securitisation. Some of the loans in the portfolio are anyhow covered by guarantees provided by the users or third parties; the following table contains details:

(amounts in Euro thousands)

	31/12/2006
Securities on property	7.866
Personal securities	741.422
Total	749.288

F.11 - DISTRIBUTION BY RESIDUAL LIFE

(amounts in Euro thousands)

Residual life	Receivables expired 31/12/2006	Receivables due to expire 31/12/2006	Receivables due to expire	
			principal 31/12/2006	other (*) 31/12/2006
Up to 3 months	-	108.258	100.296	7.962
from three months to one year	-	296.788	296.788	-
from one year to five years	-	1.056.722	1.056.722	-
over five years	-	493.205	493.205	-
indefinite life	9.899	-	-	-
TOTAL	9.899	1.954.973	1.947.011	7.962
Write-downs	- 210	- 3.500	- 3.500	-
Net value	9.689	1.951.473	1.943.511	7.962

In relation to the residual life of the issued securities, at the end of the Revolving Period (September 2008, excluded), or before that if this period were interrupted by a Purchase Impedimental Cause, the *Amortisation Period* will start, during which the classes of securities issued will be redeemed according to the payment priorities defined in the contract. It is not therefore possible to establish a predetermined plan of securities redemption, since it is closely related to the collections made on the securitised portfolio.

Loans grouped in item B "Utilization of cash deriving from the management of credits" and the liabilities under item E "Other liabilities" of the "Summary table for securitised assets and securities issued" all have an expiration date shorter than three months.

F.12 - DISTRIBUTION BY GEOGRAPHICAL LOCATION

The securitised loans refer to subjects resident in Italy and are in Euros.

F.13 - CONCENTRATION OF RISK

(amounts in Euro thousands)

Amounts	As of 31.12.2006	
	Number of contracts	Amount
Euro 0 - 25.000	13.303	165.072
Euro 25.001 - 75.000	7.384	317.063
Euro 75.001 - 250.000	3.093	396.217
More than Euro 250.000	1.085	1.086.520
TOTAL	24.865	1.964.872

There are no loan concentrations above 2% of the total loan portfolio.

SECTION 3 – INFORMATION ON RISK AND HEDGING POLICIES

Given the type of activity carried out by the Company, it is not required to fill out this section.

SECTION 4 – TRANSACTIONS WITH RELATED PARTIES

4.1 REMUNERATION OF DIRECTORS AND EXECUTIVES

Directors	9,794
Total	9,794

The Company does not have a Board of Statutory Auditors.

4.2 LOANS AND GUARANTEES GRANTED TO DIRECTORS AND AUDITORS

No loans or guarantees were pledged to the directors.

4.3 TRANSACTIONS WITH RELATED PARTIES

the Company has not carried out transactions with related parties.

In relation to the securitised portfolio, paragraph F.3 indicates all the parties involved in the securitisation operation. In particular, ordinary operations have been carried in the form of stipulation of contracts for the provision of Computation Agent and Securities bearers' representative services, namely Securitisation Services S.p.A., carried out at market conditions.

In fulfilment of the provisions of article 2497 b of the Italian Civil Code, we hereby inform you that the sole quotaholder SVM Securitisation Vehicles Management S.p.A. carries out no management and coordination activities.

SECTION 5 – OTHER DETAILS

5.1 NUMBER OF EMPLOYEES

The Company has no employees.

ANNEX TO THE SUPPLEMENTARY NOTES

ADOPTION OF NEW IAS/IFRS ACCOUNTING STANDARDS

- A) ILLUSTRATION OF THE MAIN CHANGES INTRODUCED BY FIRST-TIME APPLICATION OF IAS/IFRS
- B) FIRST-TIME APPLICATION OF IAS/IFRS
- C) IAS/IFRS RECONCILIATION STATEMENTS AND ILLUSTRATIVE NOTES

- A) ILLUSTRATION OF THE MAIN CHANGES INTRODUCED BY FIRST-TIME APPLICATION OF IAS/IFRS

The international accounting standards require important changes in the way operating events are disclosed, to valuation criteria and disclosure of accounting values.

These are the changes that have had the greatest effect on the company's financial statements.

MAIN CHANGES IN THE CLASSIFICATION AND VALUATION CRITERIA

The main impact caused by adoption of IAS/IFRS concerns intangible fixed assets. According to the requirements of international accounting standards in relation to recognition, it is not possible to capitalize among other things, set-up costs (see below for more details).

- B) FIRST-TIME APPLICATION OF IAS/IFRS

The application of IAS/IFRS by the Company, starting from the financial statement to December 31, 2006, entailed the write-off of intangibles fixed assets, related to the company's set-up expenses (incorporation expenses), no longer chargeable based on IAS 38; these fixed assets were therefore written-off as of December 1st, 2005 (date on which the first financial statements were drawn up) in economic counterbalance of the year, before the tax impact, determined only for the financial years for which it can be reasonably assume the existence of taxable income.

- C) IAS/IFRS RECONCILIATION STATEMENTS AND ILLUSTRATIVE NOTES

As required by IFRS 1 the following statements are prepared:

- STATEMENT 1 – Reconciliation between the Balance Sheet, in accordance with Legislative Decree 87/92 (reclassified IAS / IFRS), and the IAS / IFRS Balance Sheet on the transition date to international accounting standards (1 January 2005);

- STATEMENT 2 – Reconciliation between the Balance Sheet, in accordance with Legislative Decree 87/92 (reclassified IAS / IFRS), and the IAS / IFRS Balance Sheet at 31 December 2005;
- STATEMENT 3 – Reconciliation between the Profit and Loss Statement as per Legislative Decree 87/92 (reclassified IAS / IFRS) and the IAS/IFRS Profit and Loss Statement for 2005.

The above reconciliation statements are prepared according to the provisions of IFRS 1 and CONSOB Resolution no. 14990 of 14 April 2005, and require the disclosure of the following information:

- “TTAS balances” column

This column contains the individual data drawn up according to the previous Accounting Standards reclassified according to the layouts for the Balance Sheet and Profit and Loss Statement and the provisions for the contents of financial statement items, as issued by Banca d'Italia in February 2006.

- “IAS/IFRS adjustments” column

This column contains adjustments for the transition to IAS/IFRS, which determined impacts on shareholders' equity and on the net income for the year.

- “IAS/IFRS balances” column

This column contains the values determined in accordance in IAS/IFRS.

Items are gross of taxation, calculated at the rate of 33% for IRES (Corporate Tax) and 5.25% for IRAP (Regional Trade Tax), and disclosed under tax assets/liabilities. Shareholders' equity items summarise net changes.

Values are expressed in euros.

STATEMENT 1 – RECONCILIATION BETWEEN THE PROFIT AND LOSS STATEMENT, IN ACCORDANCE WITH LEGISLATIVE DECREE 87/92 (RECLASSIFIED IAS / IFRS), AND THE IAS / IFRS PROFIT AND LOSS STATEMENT ON THE TRANSITION DATE TO INTERNATIONAL ACCOUNTING STANDARDS (1 JANUARY 2005)

This statement is not prepared since the company prepared its first financial statements on 31/12/2005.

STATEMENT 2 – RECONCILIATION BETWEEN PROFIT AND LOSS STATEMENT, IN ACCORDANCE WITH LEGISLATIVE DECREE 87/92 (RECLASSIFIED IAS / IFRS), AND THE IAS / IFRS PROFIT AND LOSS STATEMENT AT 31 DECEMBER 2005

ASSETS

(amounts in Euro)

	<i>ITAS balances 31/12/05</i>	<i>IAS/IFRS adjustments</i>	<i>IAS/IFRS balances 31/12/05</i>
	<i>(a)</i>	<i>(b)</i>	<i>(a+b)</i>
60 Receivables	4.315		4.315
110 Intangible assets	3.213	(3.213)	0
120 Tax assets	771	1.229	2.000
a) current	-		-
b) prepaid	771	1.229	2.000
140 Other assets	20.946		20.946
Including: receivables from segregated assets	12.546		12.546
Other receivables	8.400		8.400
TOTAL ASSETS	29.245	(755)	28.490

LIABILITIES

(amounts in Euro)

	<i>ITAS balances 31/12/05</i>	<i>IAS/IFRS adjustments</i>	<i>IAS/IFRS balances 31/12/05</i>
	<i>(a)</i>	<i>(b)</i>	<i>(a+b)</i>
70 Tax liabilities	771		771
a) current	771		771
b) deferred	-		-
90 Other liabilities	18.474		18.474
120 Capital	10.000		10.000
160 Reserves	-		-
170 Valuation reserves	-		-
180 Income (loss) for the year	-	(1.984)	(1.984)
TOTAL LIABILITIES AND NET EQUITY	29.245	(1.984)	27.261

STATEMENT 3 – RECONCILIATION BETWEEN THE PROFIT AND LOSS STATEMENT AS PER LEGISLATIVE DECREE 87/92 (RECLASSIFIED IAS / IFRS) AND THE IAS/IFRS PROFIT AND LOSS STATEMENT FOR 2005

(amounts in Euro)

	<i>ITAS balances 31/12/05</i>	<i>IAS/IFRS adjustments</i>	<i>IAS/IFRS balances 31/12/05</i>
	<i>(a)</i>	<i>(b)</i>	<i>(a+b)</i>
10 Interest receivable and assimilated revenues	-		-
Net interest income	-	-	-
40 Commissions payable	(366)	-	(366)
Net commissions	(366)	-	(366)
Operating revenues	(366)	-	(366)
120 Administrative expenses	(11.377)	(4.016)	(15.393)
a) personnel costs	(1.948)	(390)	(2.338)
b) other administrative expenses	(9.429)	(3.626)	(13.055)
130 write-down/write-backs to tangible assets	-		
140 write-down/write-backs to intangible assets	(803)	803	-
170 Other operating costs	-		-
180 Other operating income	12.546		12.546
Operating income	-	(3.213)	(3.213)
Income (losses) from current operations before taxes	-	(3.213)	(3.213)
210 Income taxes for the year on current operations		1.229	1.229
Income (losses) from current operations after taxes	-	(1.984)	(1.984)
Income (loss) for the year	-	(1.984)	(1.984)

EXPLANATORY NOTES ON IAS/IFRS ADJUSTMENTS AND RECLASSIFICATION AS DISCLOSED IN THE RECONCILIATION STATEMENTS

Items on the balance sheet and profit and loss statement undergoing IAS/IFRS adjustments and reclassification as disclosed in the reconciliation statements and recorded for each reference period are provided below with explanatory notes.

BALANCE SHEET

ITEM 110 INTANGIBLE ASSETS

IAS adjustments 31/12/05: € (3,213)

The adjustments relate to the fact that it is impossible to enter incorporation expenses under multi-years charges. The fixed assets write-off affected the 2005 net income.

ITEM 120 TAX ASSETS

IAS adjustments 31/12/05: € (1,229)

Prepaid taxes were entered following the cancellation of fixed assets. The amount was carried based on depreciations expenses assumed to be deductible considering the Company's future income prospects.

This effect was calculated according to the provisions of current legislation; in particular:

- IRES (Corporate Tax) was calculated at 33%;
- IRAP (Regional Trade Tax) was calculated at 5.25%;

PROFIT AND LOSS ACCOUNT AT 31 DECEMBER 2005

ITEM 120 ADMINISTRATIVE EXPENSES

IAS adjustments: euro (4,016)

Adjustment refer to personnel expenses euro (390) and other expenses euro (3,626).

In particular, the adjustments relating to personnel derive from the different classification of expenses for directors, previously under administrative expenses.

Adjustments relating to other administrative expenses Euro (3,626) relate to, besides the above-mentioned remuneration paid to directors, the reversal of the intangible fixed assets entered upon the incorporation of the Company, which are no longer considered as such as per the applied IAS, with the subsequent transfer to 2005 profit and loss account.

ITEM 140 WRITE-DOWNS/WRITE-BACKS ON INTANGIBLE ASSETS

IAS adjustments: euro (803)

Adjustments are due to the reversal of the amortization share on intangible fixed assets entered on the incorporation of the Company, which are no longer considered such according to the applied IAS standards. The reversal of this 2005 cost affected the determination of the operating result of 2005.

ITEM 210 - INCOME TAX ON CURRENT ASSETS

IAS adjustments: euro (1,229)

Prepaid taxes were entered following the cancellation of fixed assets. The amount was carried based on depreciations expenses assumed to be deductible considering the Company's future income prospects.

Conegliano, April 3, 2007

Locat SV S.r.l.
The Sole Director
Andrea Perin