

AUDITOR'S REPORT

To the Shareholder of LOCAT SV S.r.l.

1. We have audited the financial statements of Locat SV S.r.l., which comprise the balance sheet as at December 31, 2007, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes. These financial statements are the responsibility of the Company's Sole Director. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the Auditing Standards generally accepted in Italy. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Company's Sole Director, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

For the opinion on the prior year's financial statements, the balances of which are presented for comparative purposes, references should be made to our auditor's report issued on April 20, 2007.

3. In our opinion, the financial statements present fairly the financial position of Locat SV S.r.l. as of December 31, 2007, and the results of its operations and its cash flow for the year then ended in accordance with IFRS as adopted by the European Union completed by the Bank of Italy's Instructions dated February 14, 2006 relating to the drawing-up of financial institutions' financial statements.
4. The Company's sole activity is the securitisation of receivables in accordance with Law 130/99. Following the Bank of Italy's Instructions dated February 14, 2006, it has recognised the receivables that it has acquired, the securities it has issued and the other transactions it has carried out as part of its securitisation operations in the explanatory notes, rather than in the balance sheet. As explained by the Company's Sole Director, the recognition of financial assets and liabilities in the notes has been done in accordance with the instructions issued by the Bank of Italy pursuant to art. 9 of Decree 38/2005 in line with international financial reporting standards.

This approach is also in compliance with the provisions of Law 130/99, under which the receivables relating to each operation represent a separate capital from that of the company and from that of any other operations. In the interests of full disclosure, we would like to point out that the accounting treatment of financial assets and/or groups of financial assets and financial liabilities arising as part of securitisation transactions in accordance with IFRS is still being discussed by the bodies involved in interpreting these accounting standards.

DELOITTE & TOUCHE S.p.A.

Signed by
Umberto Lombardini
Partner

Milan, Italy
April 16, 2008

This report has been translated into the English language solely for the convenience of international readers.

Locat SV S.r.l.

Limited Company with Sole Shareholder

Via V. Alfieri, no. 1 – Conegliano (TV)

Share capital Euro 10,000.00 wholly paid up

On the Treviso Companies Register

Reg. no. – tax code and VAT no. 03931150266

Under no. 36615 on the General List kept by the UIC pursuant to art. 106 of Lgs. Decree no. 385 of 01/09/1993

On the Special List kept by the Bank of Italy pursuant to art. 107 of Lgs. Decree no. 385 of 01/09/1993

ANNUAL FINANCIAL STATEMENT

AT 31ST DECEMBER 2007

THE ADMINISTRATIVE BODY

Sole Director

Andrea Perin

At the date of the approval of the financial statement

INTRODUCTION

The Company has drawn up the annual financial statement at 31st December 2007 in line with the International Financial Reporting Standards (IFRS) and in respect of the supervisory instructions pursuant to the Bank of Italy's Provision of 14th February 2006 (Instructions for the drafting of balance sheets of financial intermediaries on the special list, of electronic money institutes, of savings management companies and stock broking companies) issued in implementation of art. 9 of Lgs. Decree no. 38 of 28th February 2005.

The IAS/IFRS and the relative interpretations (SIC/IFRIC) applied are those approved by the European Union and in force at the moment of the approval of this financial statement.

MANAGEMENT REPORT

1 - GENERAL INFORMATION

Locat SV S.r.l. (formerly Locat Securitisation Vehicle 3 S.r.l.) is a securitisation company founded on 23rd November 2004 pursuant to art. 3 of Law no. 130 of 30th April 1999 (hereinafter L. 130/99) and entered on 28th April 2005 under no. 36615 of the General List of financial intermediaries instituted pursuant to art. 106 of Lgs. Decree 385/93, (hereinafter, also the “**Company**”).

Pursuant to the resolution passed by the Shareholders’ Meeting on 31st October 2006, the Company changed its name, becoming Locat SV S.r.l.

On 3rd November 2005, the Treviso branch of the Bank of Italy included the Company on the Special List of Financial Intermediaries instituted pursuant to art. 107 of Lgs. Decree 385/93.

The Company’s registered head office is at no.1, Via Alfieri, Conegliano (TV).

The share capital of Euro 10,000 – fully paid up – is entirely underwritten by SVM Securitisation Vehicles Management S.p.A. with registered head office at no. 1, Via Alfieri, Conegliano (TV).

As established by the Articles of Association, the Company’s sole purpose is the execution of one or more credit securitisation operations – pursuant to Law 130/99 and successive implementation provisions – by the purchase, in exchange for payment, of monetary credit, both existing and future, in inseparable blocks, funded by recourse to the issue of securities pursuant to art. 1, clause 1, letter b) of L. 130/99, with means which exclude the assumption of any credit risk for the Company.

According to the Articles of Association, in compliance with the aforesaid law and the relative implementation provisions, the credit bought by the company within the scope of each operation represent equities which are, to all effects, separate from that of the Company or from those relative to other operations. No action may be carried out on the equity by any creditors other than the holders of the securities issued to finance the purchase of the same .

1.1 – BUSINESS MANAGEMENT

On 14th October 2005, with the collaboration of UniCredit Banca Mobiliare S.p.A. London Branch as Arranger and with the Associated Law Firm in association with Clifford Chance,

the Company bought as a block and on a non-recourse basis from Locat S.p.A. (hereinafter also “**Locat**” or the “**Transferor Company**”) an Initial Portfolio of cash credits representing fees of lease contracts for the use of registered (Pool 1) and non-registered (Pool 2) movable properties, identified on the basis of objective criteria pursuant to art. 1 of Law 130/1999, for an amount equal to the capital of the lease fees which were not overdue at 31st October 2005 (Valuation Date), plus the portion of the interest quota matured and not paid at that date, for a total sum of Euro 2,000,000,136.

To finance the purchase of the said credit, on 18 November 2005 the Company issued asset backed securities pursuant to art. 5 of Law 130/1999, admitted for listing on the Dublin Stock Market (Irish Stock Exchange Ltd.) and assessed by Moody’s Investors Service Inc. and Standard and Poor’s Ratings Services, at a nominal value of Euro 1,993,000,000 and securities with limited backing for a nominal value of Euro 7,000,136, underwritten by the Transferor Company, thus carrying out the first securitisation operation (2005 series).

Within the sphere of the operation, Locat S.p.A., pursuant to the Servicing Contract signed on 14th October 2005, acted as Servicer for the Credit Portfolio pursuant to art. 2 of Law 130/1999 and will be charged with collecting the credit transferred and of verifying that the said operations were carried out in respect of law and of the offering circular, also pursuant to the instructions of the Supervisory Instructions.

On 14th November 2006, with the collaboration of UniCredit Banca Mobiliare S.p.A. London Branch as Arranger and the Associated Law Firm in association with Clifford Chance, the Company bought as a block and on a non-recourse basis from Locat S.p.A. (hereinafter also “**Locat**” or the “**Transferor Company**”) a second Initial Portfolio of cash credits representing fees of lease contracts for the use of registered (Pool 1) and non-registered (Pool 2) movable properties and fixed property (Pool 3), identified on the basis of objective criteria pursuant to art. 1 of Law 130/1999, for an amount equal to the capital of the lease fees which were not overdue at 1st December 2006 (Valuation Date), plus the portion of the interest quota matured and not paid at that date, for a total sum of Euro 1,972,909,866.07.

To finance the purchase of the said credit, on 14th December 2006 the Company issued asset backed securities pursuant to art. 5 of Law 130/1999, admitted for listing on the Dublin Stock Market (Irish Stock Exchange Ltd.) and assessed by Moody’s Investors Service Inc. and Standard and Poor’s Ratings Services, at a nominal value of Euro 1,964,000,000 and securities with limited backing for a nominal value of Euro 8,909,866, underwritten by the Transferor Company, thus carrying out the second securitisation operation (2006 series).

Within the sphere of the operation, Locat S.p.A., pursuant to the Servicing Contract signed on 14th November 2006, acted as Servicer for the Credit Portfolio pursuant to art. 2 of Law 130/1999 and will be charged with collecting the credit transferred and of verifying that the said operations were carried out in respect of law and of the offering circular, also pursuant to the instructions of the Supervisory Instructions.

The credit relative to the said operations, pursuant to L. 130/1999, represent equity which is to all effects separate from that of the Company and therefore, consistently with the

independent nature of the equity of the operation, the accounting and reporting of the execution of the same is also separate in respect of the instructions issued by the Bank of Italy with the Provision of 14th February 2006. Consequently, the accounting data relative to the said operations are indicated separately in part F of the Notes to the Accounts which contain the qualitative and quantitative data necessary for clear and complete representation.

For both operations the possibility is also envisaged of the early closure of the securitisation (Optional Redemption), giving written notice within the contractually established terms to the Representative of the Securities Holders. Such termination can take place as of the moment at which the residual credit portfolio has fallen to below 10% of the Initial Portfolio, but in any case not until 18 months have passed from the issue of the securities. In the case of early termination, this will take place with the total extinction all security classes, and can be implemented if allowed by the liquidity of the vehicle company, in respect of the applicable payment priority.

1.2 - RESEARCH AND DEVELOPMENT COSTS

The Company has sustained no expenditure for research and development.

1.2 – OWN SHARES AND THE HOLDING COMPANY'S SHARES

Pursuant to art. 2428 of the civil code, we inform you that during the period none of the companies own shares, nor any of the holding companies own shares or stakes, were directly or through a trust or a proxy, bought, sold or held in the portfolio.

1.3 – OPERATIONS WITH ASSOCIATED PARTIES AND INFRA-GROUP TRANSACTIONS

The Company has carried out, at market conditions, transactions with associated parties of an ordinary nature, for the stipulation of contracts for the supply of Calculation Agent services and Security Holder Representative services.

Pursuant to art. 2497-bis of the civil code, we inform you that the sole shareholder, SVM Securitisation Vehicles Management S.p.A., does not exercise the activity of direction and coordination.

2 - IMPORTANT EVENTS AFTER CLOSURE OF THE FINANCIAL YEAR

For important events occurring after the closure of the 2007 financial year, please see section 3 of part A 1 of the Notes to the Accounts.

3 – BUSINESS OUTLOOK

At present no major criteria have been found such as to influence the regular management trend.

4 - PROFIT FOR THE PERIOD

The assets on the Balance Sheet are composed of “Loans” for bank deposits (Euro 4,029), “Tax Credit” (Euro 541) and “Other Assets” (Euro 170,665) composed entirely of “Receivables due from separate equities” deriving from the recovery of the Company’s own costs charged to the two separate equities.

The liabilities of the Balance Sheet are “Tax liabilities” (Euro 34), “other liabilities” (Euro 165,201) and “Share Capital” paid up (Euro 10,000).

The items on the income statement are “Interest income” (Euro 74), “Commission expense” (Euro 115), “Administrative expenses” (Euro 96,017) and “Other management income” (Euro 96,935) relative to the afore-mentioned recovery of costs from the separate equities, and by “Income taxes on revenue from current business” (Euro 877).

At 31st December 2007, the financial statement closed at breakeven point, after recovering from the separate equities the costs sustained for management of the same. The changes in the balances of the income statement and balance sheet over the period of the financial year are mainly due to the start of the second securitisation operations, which was started in the month of December 2006.

5 - OTHER INFORMATION

For the purpose of giving full information, it is also mentioned that:

- ⇒ in compliance with clause 6-bis of art. 2428 of the civil code, the Company states that, considering the provisions of L. 130/99, and in view of the original structure of the operation, and on the basis of the trend of the operation itself, as illustrated in detail in “Part D – Other information” of the Notes to the Accounts, the credit, liquidation and flow risks were transferred to the holders of the securities issued;
- ⇒ with reference to Lgs. Decree 196 of 30/6/03 – Consolidated Privacy Act, and acknowledging that point 26 of Annex B of the said decree imposes the obligation of reporting on the drafting of the “Programmatic Document on Security” in the case of processing sensitive data, the Company, as in the financial statement of the previous year, points out that it is not held to draw up the said document since it does not process any sensitive data.

* * * * *

Dear Shareholders,

We believe we have fully illustrated the Bank's situation at 31st December 2007.

We therefore invite you to approve the financial statement for the period closing at 31st December 2007 with a final profit for the period of zero.

Conegliano, 28th March 2008

Locat SV S.r.l.

The Sole Director

Andrea Perin

BALANCE SHEET

ASSETS

(amounts in Euro)

	31/12/2007	31/12/2006
60 Receivables	4,029	4,157
120 Tax assets	541	1,362
a) current	20	441
b) prepaid	521	921
140 Other assets	170,665	73,730
Of which: receivables from Segregated Assets	170,665	73,730
TOTAL ASSETS	175,235	79,249

LIABILITIES

(amounts in Euro)

	31/12/2007	31/12/2006
70 Tax liabilities	34	-
a) current	34	-
90 Other liabilities	165,201	69,249
120 Capital	10,000	10,000
160 Reserves	-	(1,984)
180 Income (loss) for the year	-	1,984
TOTAL LIABILITIES AND NET EQUITY	175,235	79,249

Income Statement

(amounts in Euro)

	31/12/2007	31/12/2006
10 Interest receivable and assimilated revenues	74	58
Net interest income	74	58
40 Commissions payable	(115)	(127)
Net commissions	(115)	(127)
Operating revenues	(41)	(69)
120 Administrative expenses	(96,017)	(57,658)
a) personnel costs	(18,000)	(9,794)
b) other administrative expenses	(78,017)	(47,864)
170 Other operating costs	-	(50)
180 Other operating income	96,935	61,185
Operating income	877	3,408
Income (losses) from current operations before taxes	877	3,408
210 Income taxes for the year on current operations	(877)	(1,424)
Income (losses) from current operations after taxes	-	1,984
Income (loss) for the year	-	1,984

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Balance as of 31.12.04	Opening balances variation	Balance as of 01.01.05	Previous year net income allocation		Variations in the year						Net income (loss) for 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

	Balance as of 31.12.05	Opening balances variation	Balance as of 01.01.06	Previous year net income allocation		Variations in the year						Net income (loss) for the year 2007	Net equity as of 31.12.07
				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)	1,984	-	-	-	-	-	-	-	-	-
a) legal reserve	-		-	99	-	-	-	-	-	-	-	-	99
b) profits reserves	(1,984)		(1,984)	1,885	-	-	-	-	-	-	-	-	(99)
Valuation reserves	-		-	-	-	-	-	-	-	-	-	-	-
Capital instruments	-		-	-	-	-	-	-	-	-	-	-	-
Treasury shares	-		-	-	-	-	-	-	-	-	-	-	-
Income (loss) for the year	1,984		1,984	(1,984)	-	-	-	-	-	-	-	-	-
Net equity	10,000		10,000	-	-	-	-	-	-	-	-	-	10,000

STATEMENT OF CHANGES IN FINANCIAL POSITION

MANAGEMENT	31/12/2007	31/12/2006
1. -OPERATIONS	(108)	(142)
- interest receivable and assimilated revenue	74	58
- interest payable and assimilated charges		
- dividends and assimilated charges		
- commissions receivable		
- commissions payable	(108)	(126)
-personnel costs		
-other expenses	(74)	(74)
-other revenues		
-taxes		
2. CASH GENERATED BY THE REDUCTION OF FINANCIAL ASSETS	(20)	(16)
Financial assets held for trading		
- Financial assets at fair value		
-Financial assets available for sale		
- receivables		
-other assets	(20)	(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	(128)	(158)

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	-	-
-issue/purchase of treasury shares		
- issue/purchase of capital instruments		
- distribution of dividends and other purposes		
NET CASH GENERATED/USED BY FINANCING ACTIVITIES	-	-
NET CASH GENERATED/USED IN THE YEAR	(128)	(158)

RECONCILIATION

	2007	2006
Cash on hand at the start of the year	4,157	4,315
Total net cash generated/used in the year	(128)	(158)
Cash on hand at the end of the year	4,029	4,157

NOTES TO THE ACCOUNTS

These Notes to the Accounts are divided into the following parts:

Part A – Accounting policies

Part B – Comments on the Balance Sheet

Part C – Comments on the Income Statement

Part D – Other information

PART A – ACCOUNTING POLICIES

A 1 GENERAL INFORMATION

SECTION 1 - DECLARATION OF CONFORMITY TO INTERNATIONAL ACCOUNTING STANDARDS

In compliance with Lgs. Decree 38/05, the Company, as a financial intermediary on the Special List established by article 107 of legislative decree no. 385 of 1993, has prepared the financial statement for the period at 31st December 2007 according to the IAS/IFRS, consequently applying all the international accounting standards as approved by the European Commission at that date.

The Company has drawn up the annual financial statement at 31st December 2007 in conformity with the International Financial Reporting Standards (IFRS) and in respect of the supervisory instructions pursuant to the Bank of Italy's Provision of 14th February 2006 (Instructions for the drafting of balance sheets of financial intermediaries on the special list, of electronic money institutes, of savings management companies and stock broking companies) issued in implementation of art. 9 of Lgs. Decree no. 38 of 28th February 2005. This framework is also in line with the rulings of Law no. 130/99, according to which the credit relative to each operation constitutes an equity which is to all effects separate from that of the company and from that of the other operations.

In order to give full information, it is also mentioned that the accounting data, in accordance with the international accounting standards, of the financial assets and liabilities arising from securitisation operations, is still under study by the bodies appointed to interpret the established accounting standards.

SECTION 2 – GENERAL ACCOUNTING PRINCIPLES

As mentioned in the introduction, the financial statement has been drawn up in application of the international accounting standards issued by the International Accounting Standard Board (IASB) and relative interpretations issued by the IFRIC and approved by the European Union, and the instructions issued by the Bank of Italy's Provision issued on 14th February 2006 on the schedules and rules for compiling the financial statements of financial intermediaries according to the new standards.

The financial statement has been drafted in order to present a true and fair picture of the equity situation, the financial position and the economic results of the year and the financial flows. The financial statement has been drawn up considering the Company as an ongoing business (IAS 1 par. 23), in respect of the accruals principle (IAS 1 par. 25 and 26) and in respect of the coherence of presentation and classification of the financial statement items (IAS 1 par. 27). Assets and liabilities, costs and income, are not offset against each other unless this is required or allowed by the aforesaid standards or interpretation of the same (IAS 1 par. 32).

The financial statement is composed of the Balance Sheet, the Income Statement, the Statement of Changes in Shareholders' Equity, the Statement of Changes in the Financial Position and these Notes to the Accounts.

For every item on the Balance Sheet and the Income Statement, the figure for the previous period is indicated.

The financial statement has been drafted with the Euro as the accounting currency; therefore, unless specified otherwise, the figures on this statement are in Euro.

The financial statement is also accompanied by the Management Report.

SECTION 3 – EVENTS AFTER CLOSURE OF THE FINANCIAL PERIOD.

On the date of the approval of the financial statement, a new securitisation operation, on the lines of the preceding operations, is planned. Specifically, the type of underlying assets, the cash flow structure and the subjects involved in the operation will be the same as those of the previous operations.

SECTION 4 - OTHER ASPECTS

The financial statement is subject to voluntary auditing by Deloitte & Touche, which has been given a mandate for this purpose for the three-year period 2005-2007.

A.2 THE MAIN AGGREGATES OF THE FINANCIAL STATEMENTS

The accounting standards adopted for the equity and economic items on the schedules of the financial statement at 31st December 2007 are described below. For every item, the recognition, classification, valuation and derecognition criteria are given.

RECEIVABLES

RECOGNITION CRITERIA

Receivables are first entered on the date of disbursement or, in the case of debt instruments, on the settlement date, on the basis of the fair value of the financial instrument, equal to the amount disbursed, or the underwriting price, inclusive of the costs of the transaction and the commission directly applied to the same and known from the initial moment of the operation.

However, even if they have the above features, costs which are reimbursed by the borrower or which can be classified as normal internal administrative costs are excluded.

CLASSIFICATION CRITERIA

Receivables include amounts held by banks and which represent the Company's liquidity.

MEASUREMENT CRITERIA

Subsequent to initial entry, receivables are then valued at the written down cost, corresponding to the first entry net of capital repayments, writedowns/writebacks in value and increased or decreased by the amortisement - calculated with the effective interest rate method – applied to the difference between the amount paid out and that repayable at maturity date, based on costs/income directly connected to each single amount.

The amortised cost method is not used for short-term loans for which the effect of the discounting logic would be negligible, and which are therefore entered at their original cost. The same measurement criterion is adopted for receivables without a defined term or subject to revocation.

An analysis is also carried out to identify any problematic receivables for which there is objective evidence of a possible loss in value.

It is also mentioned that items relative to the year 2006 have been reclassified on some schedules to allow for more precise comparison with those of the 2007 financial year.

DERECOGNITION CRITERIA

Receivables are struck off when the relative assets are sold with the substantial transfer of all connected risks and benefits, or when the relative contractual rights expire, or when the credit is considered as definitively uncollectible.

OTHER ASSETS

RECOGNITION CRITERIA

Please see the item "Receivables".

CLASSIFICATION CRITERIA

Tax credit and ordinary management costs deriving from the reversal of securitisation operations have been included.

VALUATION CRITERIA

The other assets are valued at their nominal value. At every financial statement closure date, the existence of objective evidence of value reductions or of impairment has been verified.

DERECOGNITION CRITERIA

Please see the item “Receivables”.

OTHER LIABILITIES

RECOGNITION CRITERIA

Receivables are recognised when the Company becomes party to the contractual clauses and, consequently, has a legal obligation to provide for the cash flow.

Initial entry is at nominal value, corresponding to the amount to be paid.

CLASSIFICATION CRITERIA

Amounts due to the tax authorities and to suppliers are included under this item.

VALUATION CRITERIA

Since these are short-term liabilities, for which the temporal effect is negligible, they are entered at their original value.

DERECOGNITION CRITERIA

Financial liabilities are eliminated from the accounts when they have expired or are extinguished.

TAX CREDIT AND LIABILITIES

RECOGNITION CRITERIA

Income taxes, calculated pursuant to national tax legislation, are entered at cost in the same period as that of the profits from which they derive. Taxes debited and credited directly to the shareholders' equity are an exception.

CLASSIFICATION CRITERIA

Current and deferred tax credit and liabilities are included in this item.

VALUATION CRITERIA

Deferred tax credit and liabilities are calculated according to the tax rates expected to be applicable in the period during which they are generated or extinguished, pursuant to the laws in force at the moment when they are registered. The entry of deferred tax credit depends on the reasonable expectation of its recovery.

DERECOGNITION CRITERIA

Deferred taxes are cancelled according to forecasts of their recoverability.

COSTS AND REVENUES

Costs are entered on the income statement at the moment of a decrease in the future economic benefits which leads to a decrease in assets or an increase in liabilities with a value which can be reliably determined. The costs are entered on the income statement according to the criterion of direct association between the costs sustained and the fulfilment of specific income items (costs-revenue link). All costs relative to securitisation processes are re-debited directly to the securitisation operation.

Revenues are entered on the income statement at the moment of an increase in the future economic benefits which leads to an increase in assets or a decrease in liabilities with a value which can be reliably determined. This means that the revenue is entered at the same time as the increase in the assets or the decrease in the liabilities. The main revenue item on the Company's financial statement is the re-debit of the costs relative to the aforesaid securitisation process.

In consideration of the exclusive nature of the management activity carried out by the Company, the charges sustained are debited to the separate equity, as far as necessary in order to ensure the Company's economic and equity equilibrium, as also foreseen by the Intercreditor Agreement and indicated in the Offering Circular. The amount is classified as other management income.

PART B - COMMENTS ON THE BALANCE SHEET

ASSETS

SECTION 6 – RECEIVABLES – ITEM 60

6.1 AMOUNTS DUE FROM BANKS

<i>Types of operations/values</i>	<i>31/12/2007</i>	<i>31/12/2006</i>
1. Deposits and current accounts	4,029	4,157
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	4,029	4,157
Total fair value	4,029	4,157

The item "Deposits and current accounts" refers to receivables available on demand deposited at the Banca Antonveneta S.p.A., the fair value of which, at 31st December 2007, coincides with the book value.

SECTION 12 – TAX CREDIT AND LIABILITIES – ITEM 120 AND ITEM 70

12.1 BREAKDOWN OF ITEM 120 "TAX CREDIT: CURRENT AND PREPAID"

	31/12/2007	31/12/2006
a) current	20	441
- advances paid	-	771
- tax liabilities for current IRES taxes	-	(217)
- tax liabilities for current IRAP taxes	-	(129)
- credits for withholdings incurred	20	16
b) prepaid:	521	921
- prepaid IRES taxes	442	795
- prepaid IRAP taxes	79	126
	541	1,362

12.2 BREAKDOWN OF ITEM 70 "TAX LIABILITIES: CURRENT AND DEFERRED"

	31/12/2007	31/12/2006
a) current	34	-
- current IRAP taxes	501	-
- advances paid	(467)	-
	34	-

12.3 CHANGES IN PREPAID TAXES (OFFSETTING THE INCOME STATEMENT)

	31/12/2007	31/12/2006
1. Initial balances	922	2,000
2. Increases		
2.1 prepaid taxes registered during year		
a) related to previous years		
b) due to a change in accounting criteria		
c) Write-backs		
d) Other		
2.2 New taxes or tax rates increases		
2.3 Other increases		
3. Reductions	401	1,078
3.1 prepaid taxes cancelled in the year	307	1,078
a) reversals	307	1,078
b) Writedowns due to impairment	-	
c) Due to change of accounting criteria	-	
3.2 Tax rates reductions	94	
3.3 Other reductions		
4. Final amount	521	922

SECTION 14 – OTHER ASSETS – ITEM 140

14.1 BREAKDOWN OF ITEM 140 “OTHER ASSETS”

	31/12/2007	31/12/2006
Receivables due from Separate Equities ⁽¹⁾	170,665	73,730
Credit notes to be received		
Total other assets	170,665	73,730

⁽¹⁾ The “receivables due from Separate Equities” represents the costs re-debited, necessary to maintain the existence of the Company, to the Separate Equities (securitisation assets) of which Euro 117,661 refers to the 2005 series and Euro 53,004 is relative to the 2006 series.

LIABILITIES

SECTION 9 – OTHER LIABILITIES – ITEM 90

9.1 BREAKDOWN OF ITEM 90 “OTHER LIABILITIES”

	31/12/2007	31/12/2006
Trade payables ⁽¹⁾	10,004	64
Invoices to be received ⁽²⁾	2,429	6,671
Payables to Separated Equities ⁽³⁾	152,768	62,333
Other payables	-	181
Total other liabilities	165,201	69,249

⁽¹⁾ The “Trade payables” refer to suppliers’ invoices issued to the Company which have not yet been paid.

⁽²⁾ The “Invoices to be received” line is the amount of the invoices received after 31.12.2007, of which arrival is certain, but referring to the year 2007.

⁽³⁾ The item “Payables to Separate Equities” represents the down payment paid by the Separate Equity to satisfy the costs bearing on the Vehicle Company. Euro 108,219 of the amount refers to the 2005 series, and Euro 44,549 refers to the 2006 series.

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

12.1 BREAKDOWN OF ITEM 120 "SHARE CAPITAL"

	31/12/2007	31/12/2006
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

The share capital is Euro 10,000. At the date of the financial statement, the sum resulted as completely underwritten and paid in by the Sole Shareholder.

12.2 BREAKDOWN OF ITEM 130 "OWN SHARES"

The Company does not hold, and has never held, any of its own shares.

12.3 BREAKDOWN OF ITEM 140 "CAPITAL INSTRUMENTS"

No capital instruments have been issued.

12.4 BREAKDOWN OF ITEM 150 "ISSUE PREMIUMS"

There is no figure to report.

12.5 BREAKDOWN OF ITEM 160 "PROVISIONS"

	<i>Legal</i>	<i>Retained earnings</i>	<i>Other</i>	Total
A Initial balances	-	(1,984)	-	(1,984)
B Increases	99	-		99
B.1 Profits allocations	99			-
B.2 Other variations				-
C Reductions	-	(1,885)	-	(1,885)
C.1 Utilisations				
-Coverage of losses		(1,885)		
- distribution				
- transfer to capital				
C.2 Other variations				
D Closing balance	99	(99)	-	-

12.6 BREAKDOWN AND VARIATION IN ITEM 170 "REVALUATION PROVISIONS"

There is no figure to report.

PART C - COMMENTS ON THE INCOME STATEMENT

SECTION 1 – INTEREST - ITEMS 10 AND 20

1.1 BREAKDOWN OF ITEM 10 “INTEREST AND SIMILAR INCOME”

Entries/types of items	<i>Debt securities</i>	<i>Loans</i>	<i>Impaired assets</i>	<i>Other</i>	31/12/2007	31/12/2006
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	-	-	-	74	74	58
5.1 Receivables from banks	-	-	-	74	74	58
- for financial leasing						
- for factoring						
- for guarantees and commitments						
- for other receivables				74	74	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	-	-	-	74	74	58

The item includes interests matured during the period on current bank accounts held at Banca Antonveneta S.p.A.

SECTION 2 – COMMISSIONS – ITEM 40

2.2 BREAKDOWN OF ITEM 40 “COMMISSION EXPENSE”

Breakdown/Sectors	31/12/2007	31/12/2006
1. Guarantees received		
2. Distribution of services by third parties		
3. Collection and payment services	(115)	(127)
4. Other commissions (to be specified)		
Total	(115)	(127)

SECTION 10 - ADMINISTRATIVE EXPENSES – ITEM 120

10.1 BREAKDOWN OF ITEM 120.A “PERSONNEL EXPENSES”

Breakdowns/Sectors	31/12/2007	31/12/2006
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	(18,000)	(9,794)
Total	(18,000)	(9,794)

The Company has no employees.

10.2 BREAKDOWN OF ITEM 120.B "OTHER ADMINISTRATIVE EXPENSES"

	31/12/2007	31/12/2006
Administrative services	(42,000)	(24,986)
Audit expenses	(25,451)	(20,245)
Other services provided	(2,901)	-
Legal and notary expenses	(382)	(1,700)
Stationery	(5,622)	-
Revenue stamps	(352)	(95)
Postal costs	(104)	(23)
Other administrative expenses	(448)	(58)
- CCLAA (Chamber of Commerce) fees	(757)	(757)
- Excise license tax	(373)	(373)
- Stamp tax	(310)	(310)
- Other duties and taxes	(74)	(74)
Total	(78,017)	(47,864)

SECTION 15 - OTHER OPERATING EXPENSES – ITEM 170

15.1 BREAKDOWN OF ITEM 170 "OTHER OPERATING EXPENSES"

	31/12/2007	31/12/2006
Expenses refund	-	(50)
Total	-	(50)

SECTION 16 - OTHER OPERATING INCOME – ITEM 180

16.1 BREAKDOWN OF ITEM 180 "OTHER OPERATING INCOME"

	31/12/2007	31/12/2006
Recovery of expenses from Separated equities	96,935	61,185
Total	96,935	61,185

The item "Recovery of expenses from Separate Equities" is composed of the re-debit to the Separate Equities of the expenses sustained by the Company for everything necessary to ensure the economic and equity equilibrium for the Company, carried out in consideration of the exclusive nature of the business activity, Euro 51,468 of which are relative to the 2005 series, and Euro 45,467 regards the 2006 series.

SECTION 19 - INCOME TAXES FOR THE PERIOD ON CURRENT BUSINESS – ITEM 210**19.1 BREAKDOWN OF ITEM 210 “INCOME TAXES FOR THE PERIOD ON CURRENT OPERATIONS”**

	<i>31/12/2007</i>	<i>31/12/2006</i>
1. Current taxes (-)	(501)	(346)
2. Change in current taxes related to previous years (+/-)	25	-
3. Reduction of current taxes for the year (+)	-	-
4. Change in prepaid taxes (+/-)	(401)	(1,078)
5. Change in deferred taxes (+/-)	-	-
Taxes for the year	(877)	(1,424)

19.2 RECONCILIATION BETWEEN THEORETICAL TAX BURDEN AND TAX BURDEN ACCORDING TO THE FINANCIAL STATEMENTS

Component/Values	31/12/2007
Income (losses) from current operations before taxes (item 260)	877
Applicable theoretical rate	33%
Theoretical taxes	(289)
1. Different tax rates	-
2. Non taxable revenues - permanent differences	-
3. Non tax-deductible costs- permanent differences	(352)
4. IRAP	(501)
5. Previous years and changes in rates	265
a) Effect on current taxes:	265
- losses carried forward	-
- other effects of previous years	265
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	(877)

PART D – OTHER INFORMATION

SECTION 1 – SPECIFIC NOTES ON THE OPERATIONS CARRIED OUT

D. GUARANTEES AND COMMITMENTS

At 31st December 2007, there were no guarantees given or commitments undertaken.

F. CREDIT SECURITISATION

The two securitisation operations are illustrated below:

LOCAT SV S.r.l. – 2005 series (first securitisation)	Pag. 30
LOCAT SV S.r.l. – 2006 series (second securitisation)	Pag. 55

LOCAT SV S.r.l. – 2005 series (first securitisation)

The amount of the credit bought from the start of the operation is as follows:

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
03/01/2007	52,716,896	52,716,896
02/02/2007	54,915,406	54,915,406
02/03/2007	55,716,634	55,716,634
03/04/2007	59,927,247	59,927,247
03/05/2007	55,364,080	55,364,080
TOTAL	2,940,757,031	2,940,757,031

- Securities issued

To finance the purchase of the credit portfolio, on 18th November 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>Maturity</i>	<i>Interest</i>
A1 (*)	IT0003951107	With pre-emption at redemption	451,000,000	2026	Quarterly Euribor 3 months + 0.07% per annum
A2 (*)	IT0003951115	With pre-emption at redemption	1,349,000,000	2026	Quarterly Euribor 3 months 0.015% per annum
B (*)	IT0003951123	Subordinate to class A	160,000,000	2026	Quarterly Euribor 3 months +0.39% per annum
C (*)	IT0003951131	Subordinate to classes A and B	33,000,000	2026	Quarterly Euribor 3 months +0.61% per annum
D	IT0003951149	Subordinate	7,000,136	2026	Quarterly Euribor 3 months +2% per annum + additional remuneration
		TOTAL	2,000,000,136		

(*) Listed on the Dublin Stock Market (Irish Stock Exchange Ltd.)

F1. SUMMARY TABLE OF THE SECURITISED ASSETS AND THE SECURITIES ISSUED

(amounts in Euro)

	LOCAT SV - series 2005	As of 31.12.2007	As of 31.12.2006
A.	SECURITISED ASSETS	1,613,431,202	1,964,086,282
A.1)	Receivables	1,613,431,202	1,964,086,282
A.2)	Securities	-	-
A.3)	Other receivables	-	-
B.	UTILIZATION OF CASH DERIVING FROM THE MANAGEMENT OF CREDITS	53,177,569	69,113,206
B.1)	Balances in current account	17,459,594	4,708,860
B.2)	Other uses	25,490,000	51,200,000
B.3)	Prepayments expenses and accrued income	601,647	708,290
B.4)	Other assets	9,626,328	12,496,056
C.	SECURITIES ISSUED	1,622,676,173	2,000,000,136
C.1)	"Class A.1" securities	73,676,037	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	43,932,598	33,199,352
E.1)	Payables to originator	13,690,847	15,577,714
E.2)	Payables to customers for index. refund ecc.	1,302,109	874,389
E.3)	Accrued expenses on interest on securities	4,587,998	4,260,250
E.4)	Other accrued expenses	473,113	570,964
E.5)	Other liabilities	23,878,531	11,916,035
	<i>Difference (A+B-C-D-E)</i>	-	-
F.	INTEREST PAYABLE ON SECURITIES ISSUED	83,644,962	62,431,086
	Interest on class "A1", "A2" "B", "C" and "D" securities	83,644,962	62,431,086
G.	COMMISSIONS AND FEES RELATED TO THE OPERATION	458,672	468,456
G.1)	For servicing	420,267	421,754
G.2)	For other services	38,405	46,702
H.	OTHER COSTS	64,227,975	61,425,363
H.1)	Other interest payable - Differential balance on hedging operations (swap)	-	280,359
H.2)	Write-offs on loans	12,029,988	5,960,611
H.3)	OTHER COSTS	52,197,987	55,184,393
I.	INTEREST GENERATED BY SECURITISED ASSETS	136,815,674	117,261,067
L.	OTHER REVENUES	11,515,935	7,063,838
L.1)	Interest receivable	4,752,941	1,565,392
L.2)	Write-backs on securitised assets	827,677	393,812
L.3)	Other revenues	5,935,317	5,104,634
	<i>Difference (F+G+H-I-L)</i>	-	-

VALUATION CRITERIA USED FOR DRAWING UP THE SUMMARY TABLE

The structure and form of the summary table are in line with those foreseen by the Bank of Italy's Provision of 29th March 2000 "Financial Statement Schedules for credit securitisation",

as updated by the “Instructions for drafting the financial statements of financial intermediaries on the special list, of electronic money institutes, of savings management companies and of stock broking companies” issued by the Bank of Italy, within the sphere of the regulatory powers granted by Legislative Decree no. 38 of 28th February 2005, with Provision of 14th February 2006.

The items indicated connected to securitised credit correspond to the values taken from the accounting documents and from the computerised system of the Servicer, Locat S.p.A.

The data of the previous period are also shown for comparison.

As for the preceding section of these Notes to the Accounts, the amounts are expressed in units of one Euro, unless otherwise indicated; the valuation criteria adopted for the most significant entries are explained below.

Securitised assets

The securitised assets are shown at their estimated collectable value.

Use of the liquidity derived from credit management

The liquidity on the current account is expressed at nominal value.
Receivables are entered at their estimated collectable value.

Securities issued, loans received

These are shown at nominal value.

Other liabilities

These are shown at nominal value.
The accrued expenses and deferred income have been calculated according to the accruals principle.

Interest, commissions, charges and other income

These items are entered according to the accruals principle.

Derivative contracts

Differentials on the Interest Rate Swap contract are classified as charges/income on an accruals basis.

Taxes and dues

Pursuant to Circular no. 8/E of 6th February 2003 issued by the Tax Authority, on the taxation of the separate equities of the vehicle company, the profit from management of the securitised portfolio, during the execution of the operations, are not included in the vehicle company's liquidity. The restriction obliging the destination of the "segregated" equity excludes *a priori* the possession of income as far as taxation is concerned.

Therefore, during the operation the vehicle company has no right, under law or for taxation purposes, to such incoming cash flows and only on conclusion, after all creditors have been paid, can the possible surplus be included in the company's income and if it is so established by contract.

This possibility is not contemplated by the structure of the existing securitisation operation which foresees any profit being allocated only to holders of junior securities.

BREAKDOWN OF THE ITEMS IN THE TABLE

	31/12/2007	31/12/2006
A. SECURITISED ASSETS	1,613,431,202	1,964,086,282

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

Loans bought by Locat	1,631,673,788	1,975,553,593
Custmers for loan write-offs	(17,671,822)	(8,562,805)
Receivables from customers for arrears	1,375,857	431,491
Write-downs of arrears	(1,375,857)	(431,491)
Rental fees invoicing accrued income	382,413	2,138,592
Deferred revenues for interest on arrears	(4,122,970)	(5,043,098)
Accrued liabilities for indexations	3,169,793	-
Net value	1,613,431,202	1,964,086,282

	31/12/2007	31/12/2006
UTILIZATION OF CASH DERIVING FROM THE MANAGEMENT OF CREDITS	53,177,569	69,113,206

Comprise:

B.1) Liquidity in current account ⁽¹⁾	17,459,594	4,708,860
- Balance of "Collection Account"	17,365,378	4,672,655
- Balance of "Expenses Account"	29,283	29,784
- Balance of "Debit Service Reserve Account"	9,428	4,492
- Balance of "Payment Account"	55,505	1,929
B.2) Other uses ⁽²⁾	25,490,000	51,200,000
B.3) Prepayments expenses and accrued income	601,647	708,290
- Accrued income for indexations (Swap)	554,434	631,339
- Accrued income for investments	43,446	76,951
- Prepayments expenses	3,767	-
B.3) Other assets	9,626,328	12,496,056
- Credits to be received by Originator	546,159	893,321
- Receivables from Special Purpose Vehicles	108,219	62,333
- Withholding tax from Inland revenue on inter.	210,581	70,630
- Advances to suppliers	-	2,625
- Receivables for collections to be received from	8,761,065	11,467,147
Servicer		
- Credits to be received	304	-
Total	53,177,569	69,113,206

⁽¹⁾ The item includes the current accounts held at BNP Paribas and UniCredit Banca d'Impresa S.p.A..

⁽²⁾ These are investments made by the Cash Manager BNP Paribas in certificates of deposit and monetary trusts.

	31/12/2007	31/12/2006
E. OTHER LIABILITIES	43,932,598	33,199,352

Comprise:

E.1) Payables to Originator	13,690,847	15,577,714
E.2) Payables to customers for index. refunds	1,302,109	874,389
E.3) Accrued expenses on interest on securities	4,587,998	4,260,250
- Accruals on interest on class A1	203,510	936,827
- Accruals on interest on class A2	3,786,193	2,862,128
- Accruals on interest on class B	470,400	360,800
- Accruals on interest on class C	101,053	78,448
- Accruals on interest on class D	26,842	22,047
E.4) Other accrued expenses	473,113	570,964
E.5) Other liabilities	23,878,531	11,916,035
- Payables to Special Purpose Vehicles	117,661	66,193
- Trade payables	3,125	361
- Invoices to be received	14,097	41,318
- Write-offs of credits from Inland revenue on int.	210,581	70,631
- Additional Remuneration ⁽¹⁾	23,533,008	11,737,473
- Miscellaneous payables	59	59
Total	43,932,598	33,199,352

⁽¹⁾ The Additional Remuneration is the positive component net of the income for the period, resulting from the management of the Separate Equity.

	31/12/2007	31/12/2006
F. INTEREST PAYABLE ON SECURITIES ISSUED	83,644,962	62,431,086

Refer to:

Interest on class "A1" securities	15,022,668	13,642,779
Interest on class "A2" securities	59,174,634	41,901,525
Interest on class "B" securities	7,407,822	5,359,121
Interest on class "C" securities	1,601,472	1,178,927
Interest on class "D" securities	438,366	348,734
Total	83,644,962	62,431,086

	31/12/2007	31/12/2006
G. COMMISSIONS AND FEES RELATED TO OPERATION	458,672	468,456

Comprise:

G.1) For servicing	420,267	421,854
G.2) For other services:	38,405	46,702
- Computation agent commission	16,800	16,800
- Paying agent commission	10,500	10,500
- Revolving commission	3,198	8,002
- Listing agent commission	707	2,400
- Subscribers' representative	7,200	7,200
- Other commissions	-	1,800
Total	458,672	468,456

	31/12/2007	31/12/2006
H. OTHER COSTS	64,227,975	61,425,363

Comprise:

H.1) Other interest payables ⁽¹⁾	-	280,359
H.2) Write-offs on loans	12,029,988	5,960,611
- Analytical write-downs on loans	10,365,449	4,064,000
- Lump-sum write-downs on loans	252,556	14,805
- Equity write-backs	(1,133,827)	(37,000)
- Losses on purchase price	668,436	13,292
- Capital losses from realization on securitised loans	1,877,374	1,905,514
H.2) Other costs	52,197,987	55,184,393
- Write-offs of credits from Inland revenue on int.	139,951	62,569
- Costs reimbursements to SPV Company	51,468	53,647
- Contingent liabilities	505	543
- Postal expenses and courier	-	521
- Data transmission	-	4,402
- Bank charges	244	368
- Stamp tax	13,355	74
- Indemnification to customers related to securitised loans	222,707	256,619
- Additional Remuneration	51,769,757	54,805,650
Total	64,227,975	61,425,363

⁽¹⁾ This item, with reference to 2006, includes the negative differential of interests on derivative swaps.

	31/12/2007	31/12/2006
I. INTEREST GENERATED BY SECURITISED ASSETS	136,815,674	117,261,067

Comprise:

Interest receivable on acquired loans	102,750,741	108,518,762
Arrears interest	1,574,225	735,626
Write-downs of interest in arrears	(944,366)	(392,751)
Balancing of indexations	33,435,074	8,399,430
Total	136,815,674	117,261,067

	31/12/2007	31/12/2006
L. OTHER REVENUES	11,515,935	7,063,838

Comprise:

L.1) Interest receivable	4,752,941	1,565,392
- From bank current accounts	518,335	231,735
- From utilizations of cash	2,922,846	1,333,657
- Differentials on SWAP derivative contracts	1,311,760	-
L.2) Write-backs on securitised assets	827,677	393,812
L.3) Other revenues	5,935,317	5,104,634
- Capital losses from realization on securitised loans	3,869,882	3,102,968
- Indemnif. to customers related to secur. loans.	2,065,074	1,999,477
- Contingents assets	361	2,189
Total	11,515,935	7,063,838

QUALITATIVE INFORMATION

F2. - DESCRIPTION AND TREND OF THE OPERATION

Since the date of constitution until 31st December 2007, Locat SV S.r.l. has carried out two securitisation operations pursuant to Law 130/99. The essential features of the first securitisation operation (2005 series) are the following:

DESCRIPTION OF THE INITIAL PORTFOLIO SOLD

On 14th October 2005, Locat SV S.r.l., with head office in Via Alfieri, 1 – 31015 Conegliano (TV), bought a portfolio of performing credits, sold in a block and with non-recourse by Locat S.p.A. (Piazza di Porta Santo Stefano no. 3 - 40125 Bologna).

The Initial Portfolio includes credits from lease contracts for a sale value at 31st October 2005 (Valuation Date) of Euro 2,000,000,136. The price of the initial portfolio, of Euro 2,000,000,136, is equal to the capital component of the lease instalments not yet due at the said valuation date increased by the quota of interests matured and not yet paid on that date.

The average amount financed refers to the original amount of the contract, equal to Euro 92,347.

The remaining weighted average lifetime of the initial portfolio at the sale date is approximately 2.82 years for Pool 1, approximately 3.23 years for Pool 2 and approximately 7.80 years for Pool 3.

The tables below show the breakdown of the initial portfolio sold.

Initial portfolio divided according to type of Pool

TYPE OF POOL	NUMBER OF POSITIONS	REMAINING AMOUNT	
		In units of one Euro	%
POOL 1- Motor vehicles	24,714	515,913,597	25.80%
POOL 2- Equipment	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 divided according to interest rate

TYPE OF INTEREST RATE	NUMBER OF POSITIONS	REMAINING AMOUNT	
		In units of one Euro	%
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 divided according to remaining debt

REMAINING AMOUNT (In units of one Euro)	Number of positions in POOL 1	REMAINING AMOUNT	Number of positions in POOL 2	REMAINING AMOUNT	Number of positions in POOL 3	REMAINING 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
258,001 – 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	515,913,597	10,410	489,648,783	2,142	994,437,757

SALE CRITERIA FOR THE INITIAL PORTFOLIO

Pursuant to the Sale Contract for the credit and pursuant to the effects of the combined provision of article 1 and article 4 of the Securitisation Law, Locat S.p.A. has sold an Initial Portfolio of credit deriving from lease instalments with payment date no later than 31st May 2022 and deriving from lease contracts identified on the basis of the following common characteristics:

1. they were stipulated after 1st January 1998 (inclusive);
2. the have no unpaid instalments (i.e. a full instalment unpaid for at least thirty days) and have at least one instalment paid and at least one still to be paid;
3. the contract numbers end with the following suffices:
 - Pool 1: VA, VO, VP, VL, VS, PS, AS, TS
 - Pool 2: LI, LO, OS, LS
 - Pool 3: IC, IF, IR
4. the only subject financed is Locat S.p.A.;
5. the instalments are to be paid in Euro or Lire, they are at fixed rate or, if indexed, they are indexed to the Euribor rate or to the similar indices into which they have flowed;
6. payments are made by standing order;
7. they are for objects situated in Italy, and the beneficiaries are resident in Italy;
8. the contracting parties are not Locat S.p.A. employees;
9. the contracting parties are not employees of any company of the Unicredit group;
10. the counterparts are not public administrations or equivalent private bodies;

11. they are not subsidised contracts pursuant to Law 1329/65 (Sabatini Law) or Law 64/86;
12. the credit has never been classified as “Credito Inadempito”, i.e. the credit has never been transferred to the Locat S.p.A. Legal Office;
13. they are not for boat moorings or artistic goods.

SALE CRITERIA FOR THE SUCCESSIVE PORTFOLIOS

The Sale Contract defines further specific criteria, which the transferor and transferee companies may add to on each occasion, to which the Credit must conform, and which characterise the Initial and the Successive portfolios transferred.

During the Revolving Period, Locat S.p.A., on each Settlement Date (except for the Settlement Date immediately before an Interest Payment Date) and each Interest Payment Date, may offer, and Locat SV S.r.l. may buy, one or more Successive Portfolios under the conditions and terms specified in the Sale Contract. More specifically, such credit must be selected in order to constitute a plurality of monetary credits which can be considered as a block, pursuant to and by effect of the combined provision of articles 1 and 4 of the Credit Securitisation Law. Such credits shall be identified on the basis of common criteria and specific criteria on each occasion, selected on the occasion of each sale in the relative offer.

Furthermore, the successive portfolios may be offered providing:

1. with reference to each Pool, the delay index of the Pool for credits included in the successive portfolio has not exceeded, on the last day of the last Redemption Period:
 - for Pool no. 1: 14.0%
 - for Pool no. 2: 9.0%
 - for Pool no. 3: 8.0%
2. with reference to each Pool, the default index of the Pool for credits included in the successive portfolio has not exceeded, during the last Redemption Period:
 - for Pool no. 1: 1.75%
 - for Pool no. 2: 2.25%
 - for Pool no. 3: 1.75%
3. for Lease Contracts with a variable rate, the average weighted spread of the successive portfolio on the 3-month Euribor rate cannot be less than 2.7% for Pool 1, 1.7% for Pool 2 and 2.0% for Pool 3;
4. for Lease Contracts with a fixed rate, the difference between the average percentage yield of the successive portfolio and the fixed interest rate pursuant to the interest rate hedging contract, must be equal to or higher than 2.7% for Pool 1, 1.7% for Pool 2 and 2.0% for Pool 3;
5. after the purchase of the Successive Portfolio, the capital sum due for each Pool, divided by the Amount of Capital Due for the Collateral Portfolio, must not be

greater than 28% for Pool 1, 28% for Pool 2 and 75% for Pool 3, and not less than 40% for Pool 3;

6. on the relative Valuation Day, the Credit of any single user must not account for more than 1% of the Portfolio;
7. on the relative Valuation Day, the Credit of the ten users with the greatest debt exposure must not account for more than 3.5% of the Portfolio;
8. on the relative Valuation Day, the Credit of any single user in each Pool must not account for more than 1% of each Pool;
9. on the relative Valuation Day, the Credit of the ten users of each Pool with the greatest debt exposure must not account for more than 4.5% for Pool 1, 6.0% for Pool 2 and 7.5% for Pool 3.

TREND OF THE OPERATION

In 2007, the operation was carried out normally; collections were in line with expectations. For the credit portfolio, the following table summarises sales of the year 2007, and the following table shows the summary indicators of portfolio performance:

Types of assets	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
Transfer for the period 2007	278,640,265	278,640,265
TOTAL	2,940,757,031	2,940,757,031

Interest payment date	Index of delay portfolio		The default index of portfolio		The hoarded default index of	
	<i>Index</i>	<i>limit</i>	<i>Index</i>	<i>limit</i>	<i>Index</i>	<i>limit</i>
12/03/2007	1.49%	11.72%	0.20%	1.98%	0.67%	2.00%
12/06/2007	2.84%	11.69%	0.13%	1.97%	0.80%	2.25%
12/09/2007	3.29%	11.59%	0.15%	1.95%	0.94%	2.50%
12/12/2007	3.09%	11.49%	0.43%	1.93%	1.30%	2.50%

F.3 – THE SUBJECTS INVOLVED

The main subjects involved in the securitisation operations are given below:

TYPE OF MANDATE	SUBJECT INVOLVED
Originator	Locat S.p.A.
Rappresentante dei Portatori dei Titoli	Securitisation Services S.p.A.
Servicer	Locat S.p.A.
Computation Agent	Securitisation Services 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	Bank of New York (Ireland) Plc
Custodian Bank	BNP Paribas Securities Services, Milan Branch
Hedging Counterparty	UniCredit S.p.A.
Auditing Firm	Deloitte & Touche S.p.A.

The main agreements and obligations existing between the Transferor Locat S.p.A. and the Transferee Locat SV S.r.l. and the other subjects involved in the securitisation operation – disciplined by specific contracts – are the following:

- With the Sale Contract the Company buying the Initial Portfolio and the Transferor Company acquire the right to carry out the non-recourse transfer to the Transferee Company of credit with the characteristics of eligibility foreseen by the said Sale Contract.
- With the Servicing Contract, Locat SV S.r.l. confers mandate on Locat S.p.A. to collect the transferred credit pursuant to Law 130 of 30th April 1999 and the credit which is overdue and/or bad and/or in arrears, also making use of external structures specialised in the management of anomalous credit.
- On 15th November 2005, UniCredit S.p.A. stipulated with Locat SV S.r.l. two swap contracts with starting date 18th November 2005, to hedge the interest risk rate deriving from payment of the bond interests for classes A1, A2, B and C (described in point F.5 below).
- The securities were underwritten as follows:

Underwriters	Class A1	Class A2	Class B	Class C	(D)	TOTAL
BNP Paribas 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. bought the junior securities of Class D for the nominal value of Euro 7,000,136 with Final Maturity in December 2026.
- The Transferor Company accepted, within the sphere of the Intercreditor Agreement, the order of priority for payments made by the Transferee Company, which foresee, among other things, payment of the servicing fee after the corporate expenses and the restoration of the Retention Amount on the Expenses Account, but before payment of the interests and repayment of the capital to the securities underwriters.

F.4 – FEATURES OF THE ISSUES

To finance the purchase of the credit portfolio (2005 series), on 18th November 2005 Locat SV S.r.l. issued securities, in Euro, with the following features:

- “Class A1 Asset Backed Floating Rate Notes” (“class A1 securities”) with Final Maturity in 2026, for a nominal value of Euro 451,000,000 issued at par value (ISIN IT0003951107).

The “Class A1” securities were awarded an Aaa rating by Moody’s Investors Service Inc. (hereinafter “Moody’s”) and AAA by Standard & Poor’s Ratings Services (hereinafter “S&P”), a division of the McGraw-Hill Companies Inc. The said ratings are subject to continual monitoring by the afore-mentioned companies, and on 31st December 2007, € 377,323,963.50 was repaid, with a remaining balance of € 73,676,036.50.

The holders of these securities were recognised interests, paid quarterly, at a 3-month Euribor rate increased by 0.07% per year.

The “Class A1” securities are listed on the Irish Stock Market

- “Class A2 Asset Backed Floating Rate Notes” (class A2 securities) with Final Maturity in 2026, for a nominal value of Euro 1,349,000,000 issued at par value (ISIN IT0003951115).
The “Class A2” securities were awarded an Aaa rating by Moody's and AAA by S&P. The said ratings are subject to continuous monitoring by the afore-mentioned companies, and at 31st December 2007 no capital had been repaid.
The holders of these securities were recognised interests, paid quarterly, at a 3-month Euribor rate increased by 0.15% per year.
The “Class A2” securities are listed on the Irish Stock Market.
- “Class B Asset Backed Floating Rate Notes” (class B securities) with Final Maturity in 2026, for a nominal value of Euro 160,000,000 issued at par value (ISIN IT0003951123).
The “Class B” securities were awarded an A2 rating by Moody's and A by S&P. The said ratings are subject to continuous monitoring by the afore-mentioned companies, and at 31st December 2007 no capital had been repaid.
The holders of these securities were recognised interests, paid quarterly, at a 3-month Euribor rate increased by 0.39% per year.
The “Class B” securities are listed on the Irish Stock Market
- “Class C Asset Backed Floating Rate Notes” (class C securities) with Final Maturity in 2026, for a nominal value of Euro 33,000,000 issued at par value (ISIN IT0003951131).
The “Class C” securities were awarded a Baa2 rating by Moody's and BBB by S&P. The said ratings are subject to continuous monitoring by the afore-mentioned companies, and at 31st December 2007 no capital had been repaid.
The holders of these securities were recognised interests, paid quarterly, at a 3-month Euribor rate increased by 0.61% per year.
The “Class C” securities are listed on the Irish Stock Market.
- “Class D Asset Backed Floating Rate Notes” (class D securities) with Final Maturity in 2026, for a nominal value of Euro 7,000,136 issued at par value (ISIN IT0003951149).
Holders of these securities were recognised interests, at quarterly intervals, at a 3-month Euribor rate increased by 2.00% per annum, as well as additional interest calculated at every Interest Payment Date on the basis of the funds available after payment of all the Issuer’s debts according to the order of priority established by the Rated Notes Conditions and by the Junior Notes Conditions.
These securities have no rating and are not listed. At 31/12/2007, no capital of class D securities has been repaid.

F.5 – CONNECTED FINANCIAL TRANSACTIONS

On 15th November 2005, Locat SV S.r.l., in order to hedge the interest rate risk, stipulated two swap contracts with UniCredit S.p.A. which came into force on 18th November 2005. The purpose of these operations was to limit interest risk exposure deriving from payment of the variable rate coupons of the senior and mezzanine securities issued.

- Hedging Agreement for the fixed rate of the portfolio:
UniCredit will pay an amount equal to the product of the Capital Amount Due¹ for the fixed rate part, by the number of days of the Interest Period² divided by 360 at the 3-month Euribor rate.
Locat SV S.r.l., instead, will pay an amount equal to the product of the Capital Amount Due for the fixed rate part, by the number of days of the Interest Period divided by 360 at the fixed rate of 2.8925%.
- Hedging Agreement for the variable rate of the portfolio:
UniCredit will pay an amount equal to the product of the Capital Amount Due for the variable rate part, by the number of days of the Interest Period divided by 360 at the 3-month Euribor rate.
Locat SV S.r.l., instead, will pay an amount equal to the product of the Capital Amount Due for the variable rate part, by the number of days of the Interest Period divided by 360 at the average rate effectively weighted by portfolio indexation parameters at a variable rate.

F.6 – OPERATING FACULTIES OF THE TRANSFEREE COMPANY

For the 2005 series, Locat SV S.r.l., as transferee and Issuer, has operating powers as limited by the articles of association. In particular, within the limits allowed by the provisions of Law no. 130/1999, the Company can carry out the connected operations, to be stipulated in pursuit of the successful conclusion of the securitisation operations carried out by the same. All the main operating activities linked with the management of the operation have been entrusted to third parties (see point F.3) on the basis of the stipulated contracts which specify exactly the operations to be carried out by the subjects involved in the management of the separate equity. Consequently the Transferee Company has no operating faculties of a discretionary nature.

¹ The Capital Amount Due does not include unpaid credits, credits in arrears and credits in default.

² The Interest Period is the period which begins and includes one Interest Payment Date and ends on the next Interest Payment Date (excluding this latter).

QUANTITATIVE INFORMATION

F.7 – CASH FLOW DATA RELATIVE TO RECEIVABLES

The changes which result in the securitisation portfolio for the period closing on 31st December 2007, can be summed up as follows:

	(amounts in Euro thousand)	
	31/12/2007	31/12/2006
Loans initial balance	1,964,086	1,959,217
Reclassification of due to customers of the previous year	(874)	(356)
Reclassification of due to customers of the current year	1,302	874
Initial Portfolio Purchase	-	-
Revolving of subsequent portfolios	278,640	609,014
Interest accrued	102,751	108,519
Indexation accrued	33,435	8,399
Invoiced interest in arrears	630	343
Gains from realization on performing loans	3,870	3,103
Losses and capital losses from realization	(2,545)	(1,919)
Indemnifications receivable to customers related to securitised loans	2,065	1,999
Indemnifications payable to customers related to securitised loans	(223)	(257)
Residual amount invoiced for the period	184,057	163,941
Collections net of outstanding debt and Refunds	(945,106)	(882,545)
Repurchased contracts	-	(2,600)
Write-downs	(10,618)	(4,079)
Use of provision for bad and doubtful debt	1,134	37
Write-backs and capital losses from realiz. on non perf. loans	828	394
Other	(1)	2
Final balance	1,613,431	1,964,086

With regard to the item “Contracts bought back”, during the financial year 2006, the Originator made use of the ability, foreseen by art. 16.1 of the Sale Contract, of buying back the individual credit, in order to maintain the best possible relationships with its own customers, avoiding discrimination in the treatment of Transferred Debtors compared to other customers (generally when, adhering to the requests of the lease contract counterparts, amendments to the lease contract have been made involving the loss of the criteria established at the moment of the Company’s sale of the credit).

In order to conclude the buybacks, the consent on the part of certain subjects (such as the Security Holders’ Representative) is not required.

F.8—THE TREND OF OUTSTANDING CREDIT

The table below gives a summarised breakdown of the trend of credit which has matured and which has not yet been cashed in.

(amounts in Euro thousand)

	31/12/2007	31/12/2006
Situation at the beginning of the year	25,548	14,104
Increases for the period	23,347	17,040
Collections for the period	(9,157)	(5,584)
Losses for the period	(668)	(12)
Total	39,070	25,548
Write-downs ⁽¹⁾	(13,172)	(4,062)
Situation at the end of the period	25,898	21,486

⁽¹⁾ These are value writedowns accumulated since the start of the management at 31/12/2007.

(amounts in Euro thousands)

	Nominal value		Write-downs		Value of financial statements	
	(a)		(b)		(a - b)	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006	31/12/2007	31/12/2006
A Doubtful debt	36,350	15,474	13,172	4,062	23,178	11,412
A1 Non performing	16,160	6,076	10,560	3,299	5,600	2,777
A2 Substandard	3,531	2,438	1,090	594	2,441	1,844
A3 Expired 180	16,659	6,960	1,522	169	15,137	6,791
B Performing Loans	1,594,753	1,957,174	4,500	4,500	1,590,253	1,952,674
Total assigned loans	1,631,103	1,972,648	17,672	8,562	1,613,431	1,964,086

Pursuant to the Servicing contract stipulated between the Company and Locat S.p.A., credit administration and collection, including the recovery of outstanding credit, has been entrusted to Locat S.p.A., which, apart from its own internal departments (the Legal Operating Unit and the Credit Recovery Operating Unit), has the ability to make use of external structures specialised in the management of anomalous credit, in order to improve the efficiency and effectiveness of the recovery.

In 2007, the trend of the operation was in line with the forecasts; collections were regular, and this, on one hand, allowed for punctual payment on the Interest Payment Date, of interest and capital to the holders of the securities issued and, on the other, allowed for fulfilment of the cash obligations towards the company's other creditors and respect for the collateralisation requisites in compliance with the contractual documentation. In the early months of the financial year 2008, the trend of the operation continues to be in line with that of the period which closed at 31st December 2007, and the recovery of Euro 24.5 million of the final balance of outstanding credit is expected (practically the entire outstanding balance net of the loss forecast).

F.9 - CASH FLOWS

The cash flows are summarised as follows:

	31/12/2007	31/12/2006
Initial liquidity	4,708,860	2,597,993
Increases	1,089,204,996	1,059,860,229
Collections		
From underwriting of securities	-	-
From cash disinvestment	454,289,900	662,730,000
From securitised portfolio	629,396,536	394,459,730
From interest accrued on eligible investments	2,956,351	1,326,120
Differentials on SWAP derivative contracts	1,290,813	-
From interest accrued on bank accounts	378,075	168,880
Other collections	-	-
Transit items	893,321	1,175,499
Other increase variations	-	-
Reductions	1,076,454,262	1,057,749,362
Payments		
For initial loan portfolio	-	-
For liquidity investments	428,579,900	652,929,000
For subsequent loan portfolios	146,168,908	290,078,148
Differentials on SWAP derivative contracts	-	512,931
Capital refund	377,323,963	-
For interest on securities	123,291,437	112,752,476
Other payments	543,895	583,486
Transit items ⁽¹⁾	546,159	893,321
Other decrease variations	-	-
Final liquidity ⁽²⁾	17,459,594	4,708,860

⁽¹⁾ These are collections with value date in 2007 credited on the collections account at BNP Paribas S.p.A. in January 2008.

⁽²⁾ The item “final liquidity” is the balance of the current accounts at BNP Paribas and UniCredit Banca d'Impresa S.p.A. at 31st December 2007.

It is pointed out that the collections on the securitised portfolio (for the year 2008) estimated at about Euro 552 million, apart from payment of interests on securities and fees to the various subjects involved in the operation, will be used to repay the securities issued (since the operation is in the amortisement period), substantially maintaining an almost negligible balance of liquidity.

F.10 – SITUATION OF GUARANTEES AND LIQUIDITY LINES

No guarantees or liquidity lines in favour of the securitisation are foreseen. Part of the credit in the portfolio is, in any case, covered by guarantees given by the users or by third parties; details are given in the following table:

(amounts in Euro thousands)

	31/12/2007	31/12/2006
Securities on property	9,167	11,329
Personal securities	774,458	875,177
Total	783,625	886,506

F.11 – BREAKDOWN ACCORDING TO RESIDUAL LIFE

(amounts in Euro thousands)

Residual life	Receivables expired		Receivables due to expire		Receivables due to expire			
	31/12/07	31/12/06	31/12/07	31/12/06	principal		other (*)	
					31/12/07	31/12/06	31/12/07	31/12/06
Up to 3 months	-	-	91,338	146,987	84,494	139,741	6,844	7,246
From 3 months to 1 year	-	-	332,273	381,937	332,273	381,937	-	-
From 1 year to 5 years	-	-	889,722	1,074,930	889,722	1,074,930	-	-
More than 5 years	-	-	278,700	343,246	278,700	343,246	-	-
Indefinite life	39,070	25,548	-	-	-	-	-	-
TOTAL	39,070	25,548	1,592,033	1,947,100	1,585,189	1,939,854	6,844	7,246
Write-downs	(13,172)	(4,062)	(4,500)	(4,500)	(4,500)	(4,500)	-	-
Net value	25,898	21,486	1,587,533	1,942,600	1,580,689	1,935,354	6,844	7,246

For the last Revolving credit relative to the residual life of the securities issued (excluding June 2007), the redemption period has begun (Amortisation Period).

The contractual expiry of the securities issued is given below.

Residual life	31/12/2007
Up to 3 months	
from three months to one year	
from one year to five years	
over five years	1,622,676,173

The receivables grouped under item B “Uses of available cash resulting from credit management” and the payables under item E “Other liabilities” and “Summary table of securitised assets and securities issued” mature within three months.

F0.12 – BREAKDOWN ACCORDING TO GEOGRAPHIC LOCATION

The securitised credit regard subjects with residence in Italy and are in Euro.

F.13 – CONCENTRATION OF RISK

(amounts in Euro thousands)

Amounts	As of 31.12.2007	
	Number of contracts	Amount
Euro 0 - 25,000	23,440	169,335
Euro 25,001 - 75,000	5,663	242,107
Euro 75,001 - 250,000	2,466	321,768
More than Euro 250,000	1,187	897,893
TOTAL	32,756	1,631,103
Write-downs	0	(17,672)
TOTAL NET	0	1,613,431

There are no concentrations greater than 2% of the total of the credit in the portfolio.

LOCAT SV S.r.l. – 2006 series (second securitisation)

The amount of the credit bought in 2007 is shown below:

Settlement date	Nominal value	Purchase price
14/11/2006	1,972,909,866	1,972,909,866
03/01/2007	11,154,459	11,154,459
02/02/2007	63,881,972	63,881,972
02/03/2007	24,490,629	24,490,629
03/04/2007	37,373,424	37,373,424
03/05/2007	38,289,511	38,289,511
04/06/2007	58,124,105	58,124,105
03/07/2007	39,708,460	39,708,460
02/08/2007	46,204,429	46,204,429
04/09/2007	48,572,691	48,572,691
02/10/2007	44,171,381	44,171,381
02/11/2007	48,775,188	48,775,188
04/12/2007	50,592,113	50,592,113
TOTAL	2,484,248,228	2,484,248,228

- Securities issued

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

Class	ISIN	Type	Nominal value in Euro	Maturity	Interest
A1 (*)	IT0004153661	With pre-emption at redemption	400,000,000	2028	Quarterly Euribor 3 months + 0,08% per annum
A2 (*)	IT0004153679	With pre-emption at redemption	1,348,000,000	2028	Quarterly Euribor 3 months + 0,16% per annum
B (*)	IT0004153687	Subordinate to class A	152,000,000	2028	Quarterly Euribor 3 months + 0,35 per annum
C (*)	IT0004153695	Subordinate to classes A and B	64,000,000	2028	Quarterly Euribor 3 months + 0,60 per annum
D	IT0004153885	Subordinate	8,909,866	2028	Quarterly Euribor 3 months + 2% per annum + Additional Remuneration
		Total	1,972,909,866		

(*) Listed on the Dublin Stock Market (Irish Stock Exchange Ltd.)

F1. SUMMARY TABLE OF THE SECURITISED ASSETS AND THE SECURITIES ISSUED

(amounts in Euro)

		Situation as of 31.12.07	Situation as of 31.12.2006
A.	SECURITISED ASSETS	1,964,121,399	1,961,162,077
A.1)	Receivables	1,964,121,399	1,961,162,077
A.2)	Securities	-	-
A.3)	Other receivables	-	-
B.	UTILIZATION OF CASH DERIVING FROM THE MANAGEMENT OF CREDITS	49,204,483	35,609,135
B.1)	Balances in current account	13,119,869	692,158
B.2)	Other uses	27,950,000	3,000,000
B.3)	Prepayments expenses and accrued income	595,557	591,856
B.4)	Other assets	7,539,057	31,325,121
C.	SECURITIES ISSUED	1,972,909,866	1,972,909,866
C.1)	Class "A.1" securities	400,000,000	400,000,000
C.2)	Class "A.2" securities	1,348,000,000	1,348,000,000
C.3)	Class "B" securities	152,000,000	152,000,000
C.4)	Class "C" securities	64,000,000	64,000,000
C.5)	Class "D" securities	8,909,866	8,909,866
D.	LOANS RECEIVED	-	-
E.	OTHER LIABILITIES	40,416,016	23,861,346
E.1)	Payables to originator	13,748,068	16,410,683
E.2)	Payables to customers for index. refund ecc.	414,346	195,676
E.3)	Accrued expenses on interest on securities	5,571,280	3,801,503
E.4)	Other accrued expenses	452,532	615,725
E.5)	Other liabilities	20,229,790	2,837,759
	<i>Difference (A+B-C-D-E)</i>	-	-
F.	INTEREST PAYABLE ON SECURITIES ISSUED	87,177,109	3,801,503
	Interest on class "A1" "A2" "B", "C" "D" securities	87,177,109	3,801,503
G.	COMMISSIONS AND FEES RELATED TO THE OPERATION	406,585	17,285
G.1)	For servicing	366,081	15,280
G.2)	For other services	40,504	2,005
H.	OTHER COSTS	54,700,241	6,555,400
H.1)	Other interest payable - Differential balance on hedging operations (swap)	-	24,870
H.2)	Write-offs on loans	7,863,702	3,710,000
H.3)	Other Costs	46,836,539	2,820,530
I.	INTEREST GENERATED BY SECURITISED ASSETS	136,806,083	9,509,721
L.	OTHER REVENUES	5,477,852	864,467
L.1)	Interest receivable	2,414,089	8,756
L.2)	Write-backs on securitised assets	83,806	-
L.3)	Other revenues	2,979,957	855,711
	<i>Difference (F+G+H-I-L)</i>	-	-

VALUATION CRITERIA USED FOR DRAWING UP THE SUMMARY TABLE

The structure and form of the summary table are in line with those foreseen by the Bank of Italy's Provision of 29th March 2000 "Financial Statement Schedules for credit securitisation", as updated by the "Instructions for drafting the financial statements of financial intermediaries on the special list, of electronic money institutes, of savings management companies and of stock broking companies" issued by the Bank of Italy, within the sphere of the regulatory powers granted by Legislative Decree no. 38 of 28th February 2005, with Provision of 14th February 2006.

The items indicated connected to securitised credit correspond to the values taken from the accounting documents and from the computerised system of the Servicer, Locat S.p.A.

As for the preceding section of these Notes to the Accounts, the amounts are expressed in units of one Euro, unless otherwise indicated; the valuation criteria adopted for the most significant entries are explained below.

Securitised assets

The securitised assets are shown at their estimated collectable value.

Use of the liquidity derived from credit management

The liquidity on the current account is expressed at nominal value.
Receivables are entered at their estimated collectable value.

Securities issued, loans received

These are shown at nominal value.

Other liabilities

These are shown at nominal value.
The accrued expenses and deferred income have been calculated according to the accruals principle.

Interest, commissions, charges and other income

These items are entered according to the accruals principle.

Derivative contracts

Differentials on the Interest Rate Swap contract are classified as charges/income on an accruals basis.

Taxes and dues

Pursuant to Circular no. 8/E of 6th February 2003 issued by the Tax Authority, on the taxation of the separate equities of the vehicle company, the profit from management of the securitised portfolio, during the execution of the operations, are not included in the vehicle company's liquidity. The restriction obliging the destination of the "segregated" equity excludes *a priori* the possession of income as far as taxation is concerned.

Therefore, during the operation the vehicle company has no right, under law or for taxation purposes, to such incoming cash flows and only on conclusion, after all creditors have been paid, can the possible surplus be included in the company's income and if it is so established by contract.

This possibility is not contemplated by the structure of the existing securitisation operation which foresees any profit being allocated only to holders of junior securities.

BREAKDOWN OF THE ITEMS IN THE TABLE

	31/12/2007	31/12/2006
SECURITISED ASSETS	1,964,121,399	1,961,162,077

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

Loans bought by Locat	1,973,004,287	1,964,850,765
Customers for loan write-offs	(10,796,778)	(3,710,000)
Receivables from customers for arrears	474,116	11,589
Write-downs of arrears	(474,116)	(11,589)
Rental fees invoicing accrued income	708,806	752,747
Accrued liabilities for indexations	(2,803,613)	(2,406,843)
Accrued income for indexations	4,008,697	1,675,408
Net value	1,964,121,399	1,961,162,077

	31/12/2007	31/12/2006
B. UTILIZATION OF CASH DERIVING FROM THE MANAGEMENT OF CREDITS	49,204,483	35,609,135

Include:

B.1) Liquidity in current account ⁽¹⁾	13,119,869	692,158
- Balance of "Collection Account"	13,089,650	662,179
- Balance of "Expenses Account"	30,216	29,979
- Balance of "Payment Account"	3	-
B.2) Other uses ⁽²⁾	27,950,000	3,000,000
B.3) Prepayments expenses and accrued income ⁽³⁾	595,557	591,856
- Accrued income for indexations	545,208	590,856
- Accrued income for investments	47,639	1,000
- Prepayments expenses	2,710	-
B.4) Other assets	7,539,057	31,325,121
- Credits to be received by Originator	1,313,202	6,455,926
- Receivables from Special Purpose Vehicle	44,549	-
- Withholding tax from Inland revenue on inter.	121,657	1,132
- Receivables for collections to be received from Servicer	6,005,507	24,868,063
- Credits to be received	54,142	-
Total	49,204,483	35,609,135

⁽¹⁾ The item includes the current accounts held at BNP Paribas and UniCredit Banca d'Impresa S.p.A..

⁽²⁾ These are investments made by the Cash Manager BNP Paribas in certificates of deposit and monetary trusts.

	31/12/2007	31/12/2006
E. OTHER LIABILITIES	40,416,016	23,861,346

Include:

E.1) Payables to Originator	13,748,068	16,410,683
E.2) Payables to customers for index. refunds	414,346	195,676
E.3) Accrued expenses on interest on securities	5,571,280	3,801,503
- Accruals on interest on class A1	1,107,111	750,540
- Accruals on interest on class A2	3,790,876	2,583,240
- Accruals on interest on class B	443,502	305,725
- Accruals on interest on class C	195,627	136,726
- Accruals on interest on class D	34,164	25,272
E.4) Other accrued expenses	452,532	615,725
E.5) Other liabilities	20,229,790	2,837,759
- Payables to Special Purpose Vehicles	53,004	7,537
- Trade payables	3,281	2,412
- Invoices to be received	12,465	17,284
- Payables to Inland	300	-
- Write-offs of credits from Inland revenue for withholdings	121,657	1,132
- Additional Remuneration ⁽¹⁾	20,039,071	2,809,394
- Various payables	12	-
Total	40,416,016	23,861,346

⁽¹⁾ The Additional Remuneration is the positive component net of the income for the period, resulting from the management of the Separate Equity.

	31/12/2007	31/12/2006
F. INTEREST PAYABLE ON SECURITIES ISSUED	87,177,109	3,801,503

Refer to:

Interest on class "A1" securities	17,265,212	750,540
Interest on class "A2" securities	59,277,139	2,583,240
Interest on class "B" securities	6,976,880	305,725
Interest on class "C" securities	3,099,856	136,726
Interest on class "D" securities	558,022	25,272
Total	87,177,109	3,801,503

	31/12/2007	31/12/2006
G. COMMISSIONS AND FEES RELATED TO OPERATION	406,585	17,285

Comprise:

G.1) For servicing	366,081	15,280
G.2) For other services:	40,504	2,005
- Computation agent commission	17,400	1,214
- Paying agent commission	5,000	247
- Listing agent commission	2,264	118
- Revolving commission	8,640	426
- Subscribers' representative	7,200	-
Total	406,585	17,285

	31/12/2007	31/12/2006
H. OTHER COSTS	54,700,241	6,555,400

Comprise:

H.1) Other interest payables (1)	-	24,870
	-	-
H.2) Write-offs on loans	7,863,702	3,710,000
- Analytical write-downs on loans	7,292,049	3,500,000
- Lump-sum write-downs on loans	150,769	210,000
- Equity write-backs	(347,040)	-
- Losses on purchase price	177,034	-
- Capital losses from realisation on securitised loans	590,890	-
H.2) Other costs	46,836,539	2,820,530
- Write-offs of credits from Inland revenue for withholdings	120,525	1,131
- Costs reimbursements to SPV Company	45,467	9,949
- Miscellaneous costs	2,043	-
- Bank charges	339	38
- Stamp tax	13,355	18
- Indemnification to customers related to securitised loans.	86,966	-
- Additional Remuneration	46,567,844	2,809,394
Total	54,700,241	6,555,400

⁽¹⁾ This item, with reference to 2006, includes the negative differential of interests on derivative swaps.

	31/12/2007	31/12/2006
I. INTEREST GENERATED BY SECURITISED ASSETS	136,806,083	9,509,721

Comprise:

Other collections on receivables	104,664,421	7,768,985
Arrears interest	871,079	139,393
Write-downs of interest in arrears	(462,527)	(11,589)
Indexations balances	31,733,110	1,612,932
Total	136,806,083	9,509,721

	31/12/2007	31/12/2006
L. OTHER REVENUES	5,477,852	864,467

Comprise:

L.1) Interest receivable	2,414,089	8,756
- From bank current accounts	446,389	4,192
- From utilizations of cash	1,401,333	1,000
- Differenziale da contratti Swap	566,367	-
- Other interest receivable	-	3,564
L.2) Write-backs on securitised assets	83,806	
L.3) Other revenues	2,979,957	855,711
- Gains from realization on securitised loans	2,315,625	855,711
- Indemnif. to customers related to secur. loans.	664,285	-
- Contingents assets	6	-
- Incomes on exchange	41	-
-	-	-
Total	5,477,852	864,467

QUALITATIVE INFORMATION

F2. - DESCRIPTION AND TREND OF THE OPERATION

Since the date of constitution until 31st December 2007, Locat SV S.r.l. has carried out two securitisation operations pursuant to Law 130/99. The essential features of the second securitisation operation (2005 series) are the following:

DESCRIPTION OF THE INITIAL PORTFOLIO SOLD

On 14th November 2006, Locat SV S.r.l., with head office in Via Alfieri, 1 – 31015 Conegliano (TV), bought a portfolio of performing credits, sold in a block and with non-recourse by Locat S.p.A. (Piazza di Porta Santo Stefano no. 3 - 40125 Bologna).

The Initial Portfolio includes credits from lease contracts for a sale value at 1st December 2006 (Valuation Date) of Euro 1,972,909,866. The price of the initial portfolio, of Euro 1,972,909,866, is equal to the capital component of the lease instalments not yet due at the said valuation date increased by the quota of interests matured and not yet paid on that date.

The average amount financed refers to the original amount of the contract, equal to Euro 113,694.

The remaining weighted average lifetime of the initial portfolio at the sale date is approximately 3.47 years for Pool 1, approximately 3.79 years for Pool 2 and approximately 8.26 years for Pool 3.

The tables below show the breakdown of the initial portfolio sold.

Initial portfolio divided according to type of pool

TYPE OF POOL	NUMBER OF POSITIONS	REMAINING AMOUNT	
		In units of one Euro	%
POOL 1 - Motor vehicles	10,495	309,512,111	15.69%
POOL 2 - Equipment	13,178	736,414,606	37.33%
POOL 3 - Real Estate	1,246	926,983,149	46.99%
Total	24,919	1,972,909,866	100.00%

Initial portfolio divided for rate interest

TYPE OF INTEREST RATE	NUMBER OF POSITIONS	REMAINING AMOUNT	
		In units of one Euro	%
Fixed	6,848	250,346,453	12.69%
Variable	18,071	1,722,563,413	87.31%
Total	24,919	1,972,909,866	1

SALE CRITERIA FOR THE INITIAL PORTFOLIO

Pursuant to the Sale Contract for the credit and pursuant to the effects of the combined provision of articles 1 and 4 of the Securitisation Law, Locat S.p.A. has sold an Initial Portfolio of credit deriving from lease instalments with payment date no later than 31st January 2023 and deriving from lease contracts identified on the basis of the following common characteristics:

1. they were stipulated after 1st January 1998 (inclusive);
2. they have no unpaid instalments (i.e. a full instalment unpaid for at least thirty days) and have at least one instalment paid and at least one still to be paid;
3. the contract numbers end with the following suffices:
 - Pool 1: VA, VO, VP, VL, VS, PS, AS, TS
 - Pool 2: LI, LO, OS, LS
 - Pool 3: IC, IF, IR
4. the only subject financed is Locat S.p.A.;
5. the instalments are to be paid in Euro or Lire, they are at fixed rate or, if indexed, they are indexed to the Euribor rate or to the similar indices into which they have flowed;
6. payments are made by standing order;
7. they are for objects situated in Italy, and the beneficiaries are resident in Italy;
8. the contracting parties are not Locat S.p.A. employees;
9. the contracting parties are not employees of any company of the Unicredit group;
10. the counterpart is not a public administration or equivalent private body;
11. they are not subsidised contracts pursuant to Law 1329/65 (Sabatini Law) or Law 64/86;
12. the credit has never been classified as “Credito Inadempito”, i.e. the credit has never been transferred to the Locat S.p.A. Legal Office;
13. they are not for boat moorings or artistic goods.

SALE CRITERIA FOR THE SUCCESSIVE PORTFOLIOS

The Sale Contract defines further specific criteria, to which the Transferor and Transferee Companies may make additions each time, to which the Credit must conform and which characterise the Initial and the Successive portfolios transferred.

During the Revolving Period, Locat S.p.A., on each Settlement Date (except for the Settlement Date immediately before an Interest Payment Date) and each Interest Payment Date, may offer, and Locat SV S.r.l. may buy, one or more Successive Portfolios under the conditions and terms specified in the Sale Contract. More specifically, such credit must be selected in order to constitute a plurality of monetary credits which can be considered as a block, pursuant to and by effect of the combined provision of articles 1 and 4 of the Credit Securitisation Law. Such credits shall be identified on the basis of common criteria and specific criteria on each occasion, selected on the occasion of each sale in the relative offer.

Furthermore, the successive portfolios may be offered providing:

1. with reference to each Pool, the delay index of the Pool for credits included in the successive portfolio has not exceeded, on the last day of the last Redemption Period:
 - for Pool no. 1: 14.0%
 - for Pool no. 2: 9.0%
 - for Pool no. 3: 8.0%
2. with reference to each Pool, the default index of the Pool for credits included in the successive portfolio has not exceeded, during the last Redemption Period:
 - for Pool no. 1: 1.75%
 - for Pool no. 2: 2.25%
 - for Pool no. 3: 1.75%
3. for Lease Contracts with a variable rate, the average weighted spread of the successive portfolio on the 3-month Euribor rate cannot be less than 2.7% for Pool 1, 1.7% for Pool 2 and 2.0% for Pool 3;
4. for Lease Contracts with a fixed rate, the difference between the average percentage yield of the successive portfolio and the fixed interest rate pursuant to the interest rate hedging contract, must be equal to or higher than 2.7% for Pool 1, 1.7% for Pool 2 and 2.0% for Pool 3;
5. after the purchase of the Successive Portfolio, the capital sum due for each Pool, divided by the Amount of Capital Due for the Collateral Portfolio, must not be greater than 30% for Pool 1, 45% for Pool 2 and 70% for Pool 3, and not less than 40% for Pool 3;
6. on the relative Valuation Day, the Credit of any single user must not account for more than 1% of the Portfolio;
7. on the relative Valuation Day, the Credit of the ten users with the greatest debt exposure must not account for more than 3.5% of the Portfolio;
8. on the relative Valuation Day, the Credit of any single user in each Pool must not account for more than 1% of each Pool;
9. on the relative Valuation Day, the Credit of the ten users of each Pool with the greatest debt exposure must not account for more than 4.5% for Pool 1, 6.0% for Pool 2 and 7.5% for Pool 3.

TREND OF THE OPERATION

In 2007, the operation was carried out normally; collections were in line with expectations. For the credit portfolio, the following table summarises sales of the year 2007, and the following table shows the summary indicators of portfolio performance:

(amounts in Euro thousands)

Types of assets	Nominal value	Purchase price
Initial portfolio	1,972,909,866	1,972,909,866
Transfer for the period 2007	511,338,362	511,338,362
TOTAL	2,484,248,228	2,484,248,228

Interest payment date	Index of delay portfolio		The default index of portfolio		The hoarded default index of portfolio	
	<i>Index</i>	<i>limit</i>	<i>Index</i>	<i>limit</i>	<i>Index</i>	<i>limit</i>
12/03/2007	0.73%	9.77%	0.04%	2.15%	0.04%	1.25%
12/06/2007	2.15%	9.87%	0.45%	2.13%	0.40%	1.30%
12/09/2007	2.06%	9.94%	0.25%	2.12%	0.59%	1.50%
12/12/2007	2.73%	9.97%	0.15%	2.10%	0.72%	1.60%

F.3 – THE SUBJECTS INVOLVED

The main subjects involved in the securitisation operations are given below:

TYPE OF MANDATE	SUBJECT INVOLVED
Originator	Locat S.p.A.
Rappresentante dei Portatori dei Titoli	Securitisation Services S.p.A.
Servicer	Locat S.p.A.
Computation Agent	Securitisation Services 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, Asset Management SGR S.p.A.
Listing e Irish Paying Agent	JP Morgan Bank (Ireland) Plc
Custodian Bank	BNP Paribas Securities Services, Milan Branch
Hedging Counterparty	UniCredit S.p.A.
Auditing firm	Deloitte & Touche S.p.A.

The main agreements and obligations existing between the Transferor Locat S.p.A. and the Transferee Locat SV S.r.l. and the other subjects involved in the securitisation operation – disciplined by specific contracts – are the following:

- With the Sale Contract the Company buying the Initial Portfolio and the Transferor Company acquire the right to carry out the non-recourse transfer to the Transferee Company of credit with the characteristics of eligibility foreseen by the said Sale Contract.
- With the Servicing Contract, Locat SV S.r.l. confers mandate on Locat S.p.A. to collect the transferred credit pursuant to Law 130 of 30th April 1999 and the credit which is overdue and/or bad and/or in arrears, also making use of external structures specialised in the management of anomalous credit.
- On 12th December 2006, UniCredit S.p.A. stipulated with Locat SV S.r.l. two swap contracts with starting date 14th December 2006, to hedge the interest risk rate deriving from payment of the bond interests for classes A1, A2, B and C (described in point F.5 below).
- The securities were underwritten as follows:

Underwriters	Class A1	Class A2	Class B	Class C	Class D	TOTAL
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
TOTAL	400,000,000	1,348,000,000	152,000,000	64,000,000	8,909,866	1,972,909,866

- Locat S.p.A. bought the junior securities of Class D for the nominal value of Euro 8,909,866 with Final Maturity in December 2028.
- The Transferor Company accepted, within the sphere of the Intercreditor Agreement, the order of priority for payments made by the Transferee Company, which foresee, among other things, payment of the servicing fee after the corporate expenses and the restoration of the Retention Amount on the Expenses Account, but before payment of the interests and repayment of the capital to the securities underwriters.

F.4 – FEATURES OF THE ISSUES

To finance the purchase of the credit portfolio (2006 series), on 14th December 2006 Locat SV S.r.l. issued securities, in Euro, with the following features:

- “Class A1 Asset Backed Floating Rate Notes” (“class A1 securities”) with Final Maturity in 2028, for a nominal value of Euro 400,000,000 issued at par value (ISIN IT0004153661).

The “Class A1” securities were awarded an Aaa rating by Moody’s Investors Service Inc. (hereinafter “Moody’s”) and AAA by Standard & Poor's Ratings Services (hereinafter “S&P”), a division of the McGraw-Hill Companies Inc. The above ratings are continuously monitored by the said companies, and at 31st December 2007 there had been no repayments of capital.

The holders of these securities were recognised interests, paid quarterly, at a 3-month Euribor rate increased by 0.08% per year.

The “Class A1” securities are listed on the Irish Stock Market

- “Class A2 Asset Backed Floating Rate Notes” (“class A2 securities”) with Final Maturity in 2028, for a nominal value of Euro 1,348,000,000 issued at par value (ISIN IT0004153679).

The “Class A2” securities were awarded an Aaa rating by Moody's and AAA by S&P. The said ratings are subject to continuous monitoring by the afore-mentioned companies, and at 31st December 2007 no capital had been repaid.

The holders of these securities were recognised interests, paid quarterly, at a 3-month Euribor rate increased by 0.16% per year.

The “Class A2” securities are listed on the Irish Stock Market.

- “Class B Asset Backed Floating Rate Notes” (“class B securities) with Final Maturity in 2028, for a nominal value of Euro 152,000,000 issued at par value (ISIN IT0004153687). The “Class B” securities were awarded an A2 rating by Moody's and A by S&P. The said ratings are subject to continuous monitoring by the afore-mentioned companies, and at 31st December 2007 no capital had been repaid.

The holders of these securities were recognised interests, paid quarterly, at a 3-month Euribor rate increased by 0.35% per year.

The “Class B” securities are listed on the Irish Stock Market

- “Class C Asset Backed Floating Rate Notes” (class C securities) with Final Maturity in 2028, for a nominal value of Euro 64,000,000 issued at par value (ISIN IT0004153695). The “Class C” securities were awarded an Baa2 rating by Moody's and BBB by S&P. The said ratings are subject to continuous monitoring by the afore-mentioned companies, and at 31st December 2007 no capital had been repaid.

The holders of these securities were recognised interests, paid quarterly, at a 3-month Euribor rate increased by 0.60% per year.

The “Class C” securities are listed on the Irish Stock Market.

- “Class D Asset Backed Floating Rate Notes” (class D securities) with Final Maturity in 2028, for a nominal value of Euro 8,909,866 issued at par value (ISIN IT0004153885). Holders of these securities were recognised interests, at quarterly intervals, at a 3-month Euribor rate increased by 2.00% per annum, as well as additional interest calculated at every Interest Payment Date on the basis of the funds available after payment of all the Issuer’s debts according to the order of priority established by the Rated Notes Conditions and by the Junior Notes Conditions.

These securities have no rating and are not listed. At 31/12/2007, no capital of class D securities has been repaid.

F.5 – CONNECTED FINANCIAL TRANSACTIONS

On 12th December 2006, Locat SV S.r.l., in order to hedge the interest rate risk, stipulated two swap contracts with Unicredit S.p.A. which entered into force on 14th December 2006. The purpose of these operations was to limit interest risk exposure deriving from payment of the variable rate coupons of the senior and mezzanine securities issued.

- Hedging Agreement for the fixed rate of the portfolio:
UniCredit will pay an amount equal to the product of the Capital Amount Due¹ for the fixed rate, by the number of days of the Interest Period² divided by 360 at the 3-month Euribor rate.
Locat SV S.r.l., instead, will pay an amount equal to the product of the Capital Amount Due for the fixed rate part, by the number of days of the Interest Period divided by 360 at the fixed rate of 3.8475%.
- Hedging Agreement for the variable rate of the portfolio:
UniCredit will pay an amount equal to the product of the Capital Amount Due for the variable rate part, by the number of days of the Interest Period divided by 360 at the 3-month Euribor rate.
Locat SV S.r.l., instead, will pay an amount equal to the product of the Capital Amount Due for the variable rate part, by the number of days of the Interest Period divided by 360 at the average rate effectively weighted by portfolio indexation parameters at a variable rate.

F.6 – OPERATING FACULTIES OF THE TRANSFEREE COMPANY

For the 2006 series, Locat SV S.r.l., as transferee and Issuer, has operating powers as limited by the articles of association. In particular, within the limits allowed by the provisions of Law no. 130/1999, the Company can carry out the connected operations, to be stipulated in pursuit of the successful conclusion of the securitisation operations carried out by the same. All the main operating activities linked with the management of the operation have been entrusted to third parties (see point F.3) on the basis of the stipulated contracts which

specify exactly the operations to be carried out by the subjects involved in the management of the separate equity. Consequently the Transferee Company has no operating abilities of a discretionary nature.

¹ The Capital Amount Due does not include unpaid credits, credits in arrears and credits in default.

² The Interest Period is the period which begins and includes one Interest Payment Date and ends on the next Interest Payment Date (excluding this latter).

QUANTITATIVE INFORMATION

F.7 – CASH FLOW DATA RELATIVE TO RECEIVABLES

The changes which result in the securitisation portfolio for the period closing on 31st December 2007, can be summed up as follows:

	(amounts in Euro thousand)	
	31/12/2007	31/12/2006
Loans initial balance	1,961,162	-
Reclassification of due to customers of the previous year	(196)	-
Reclassification of due to customers of the current year	414	196
Initial Portfolio Purchase	-	-
Initial assignment	511,338	1,972,910
Interest accrued	104,664	7,769
Indexation accrued	31,733	1,613
Invoiced interest in arrears	408	128
Gains from realization on securitised loans	2,316	855
Losses and capital losses from realization	(768)	-
Indemnification penalties receivable	664	-
INdemnification penalties payable	(87)	-
Residual amount invoiced for the period	147,891	18,842
Collections net of outstanding debt and Refunds	(788,311)	(36,828)
Repurchased contracts	(96)	(613)
Write-downs	(7,443)	(3,710)
Use of provision for bad and doubtful debt	347	-
Write-backs and capital losses from realization on non performing	84	-
Other	1	-
Final balance	1,964,121	1,961,162

With regard to the item “Contracts bought back”, during the financial year 2007, the Originator made use of the ability, foreseen by art. 16.1 of the Sale Contract, of buying back the individual credit, in order to maintain the best possible relationships with its own customers, avoiding discrimination in the treatment of Transferred Debtors compared to other customers (generally when, adhering to the requests of the lease contract counterparts, amendments to the lease contract have been made involving the loss of the criteria established at the moment of the Company’s sale of the credit).

All buybacks of the period were concluded in respect of the operating means and quantitative limits (the maximum limit of 6% of the balance of the maximum amount due reached by the Collateral portfolio) prescribed by the Sale Contract.

In order to conclude the buybacks, the consent on the part of certain subjects (such as the Security Holders' Representative) is not required.

F.8—THE TREND OF OUTSTANDING CREDIT

The table below gives a summarised breakdown of the trend of credit which has matured and which has not yet been cashed in.

(amounts in Euro thousand)

	31/12/2007	31/12/2006
Situation at the beginning of the year	9,899	-
Increases for the period	23,643	9,899
Collections for the period	(2,441)	-
Losses for the period	(177)	-
Total	30,924	9,899
Write-downs	(7,297)	(210)
Situation at the end of the period	23,627	9,689

	Nominal value (a)		Write-downs (b)		Value of fin. Statements (a - b)	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006	31/12/2007	31/12/2006
A Doubtful debt	23,048	948	7,297	210	15,751	738
A1 Non performing	5,382	438	3,190	198	2,192	240
A2 Substandard	7,925	-	2,411	-	5,514	-
A3 Expired 180	9,741	510	1,696	12	8,045	498
B Performing Loans	1,951,870	1,963,924	3,500	3,500	1,948,370	1,960,424
Total assigned loans	1,974,918	1,964,872	10,797	3,710	1,964,121	1,961,162

Pursuant to the Servicing contract stipulated between the Company and Locat S.p.A., credit administration and collection, including the recovery of outstanding credit, has been entrusted to Locat S.p.A., which, apart from its own internal departments (the Legal Operating Unit and the Credit Recovery Operating Unit), has the ability of making use of external structures specialised in the management of anomalous credit, in order to improve the efficiency and effectiveness of the recovery.

In 2007, the trend of the operation was in line with the forecasts; collections were regular, and this allowed both for punctual payment on the Interest Payment Date, of interest and capital to the holders of the securities issued, and also for fulfilment of the cash obligations towards the company's other creditors and respect for the collateralisation requisites in compliance with the contractual documentation. In the early months of the financial year 2008, the trend of the operation continues to be in line with that of the period which closed at 31st December 2007, and the recovery of Euro 23 million of the final balance of

outstanding credit is expected (practically the entire outstanding balance net of the loss forecast).

F.9 - CASH FLOWS

The cash flows are summarised as follows:

	31/12/2007	31/12/2006
Initial liquidity	692,158	-
Increases	738,533,440	10,148,084
Collections	-	-
From underwriting of securities	-	-
From cash disinvestment	419,846,000	-
From securitised portfolio	310,156,519	10,145,081
From interest accrued on eligible investments	1,354,694	-
From interest accrued on bank accounts	271,480	3,003
Differentials on SWAP derivative contracts	448,821	-
Other collections	-	-
Transit items	6,455,926	-
Other increase variations	-	-
Reductions	726,105,729	9,455,926
Payments	-	-
For initial loan portfolio	-	-
For liquidity investments	444,796,000	3,000,000
For subsequent loan portfolios	164,778,099	-
Differentials on SWAP derivative contracts	-	-
For interest on securities	114,745,498	-
Other payments	472,930	-
Transit items ⁽¹⁾	1,313,202	6,455,926
Other decrease variations	-	-
Final liquidity ⁽²⁾	13,119,869	692,158

⁽¹⁾ These are collections with value date in 2007 credited on the collections account at BNP Paribas S.p.A. in January 2008.

⁽²⁾ The item "final liquidity" is the balance of the current accounts at BNP Paribas and UniCredit Banca d'Impresa S.p.A. at 31st December 2007.

It is pointed out that the collections on the securitised portfolio (for the year 2008) estimated at about Euro 712 million, apart from payment of interests on securities and fees to the various subjects involved in the operation, will be used to buy successive portfolios, substantially maintaining an almost negligible balance of liquidity.

It is also mentioned that the revolving period of the operation will terminate before September 2008, when the Amortisation Period will consequently start, during which the various classes of the securities issued will be redeemed according to the contractually defined payment priorities.

F.10 – SITUATION OF GUARANTEES AND LIQUIDITY LINES

No guarantees or liquidity lines in favour of the securitisation are foreseen. Part of the credit in the portfolio is, in any case, covered by guarantees given by the users or by third parties; details are given in the following table:

(amounts in Euro thousands)

	31/12/2007	31/12/2006
Securities on property	9,592	7,866
Personal securities	791,770	741,422
	801,362	749,288

F.11 – BREAKDOWN ACCORDING TO RESIDUAL LIFE

Residual life	Receivables expired	Receivables due to expire	Receivables expired	Receivables due to expire	Receivables due to expire		Receivables due to expire	
	31/12/07	31/12/2006	31/12/07	31/12/2006	principal	other (*)	principal	other (*)
Up to 3 months	-	-	103,543	108,258	92,671	100,296	10,872	7,962
from three months to one year	-	-	398,553	296,788	398,553	296,788	-	-
from one year to five years	-	-	1,013,917	1,056,722	1,013,917	1,056,722	-	-
over five years	-	-	427,981	493,205	427,981	493,205	-	-
indefinite life	30,924	9,899	-	-	-	-	-	-
TOTAL	30,924	9,899	1,943,994	1,954,973	1,933,122	1,947,011	10,872	7,962
Write-downs	(7,297)	(210)	(3,500)	(3,500)	(3,500)	(3,500)	-	-
Net value	23,627	9,689	1,940,494	1,951,473	1,929,622	1,943,511	10,872	7,962

With regard to the remaining life of the securities issued, the Revolving Period of the operation (excluding September 2008), or before should the period be interrupted by an Impedimental Cause to the Purchase, the Amortisation Period will start, during which the various classes of the securities issued will be redeemed according to the contractually defined payment priorities. It is therefore impossible to outline a pre-ordained securities repayment plan, since this depends entirely on the collections of the securitised portfolio. The contractual expiry of the securities issued is given below.

Residual life	31/12/2007
Up to 3 months	
From 3 months to 1 year	
From 1 year to 5 years	
More than 5 years	1,972,909,866

The receivables grouped under item B "Uses of available cash resulting from credit management" and the payables under item E "Other liabilities" and "Summary table of securitised assets and securities issued" mature within three months.

F.12 – BREAKDOWN ACCORDING TO GEOGRAPHIC LOCATION

The securitised credit regard subjects with residence in Italy and are in Euro.

F.13 – CONCENTRATION OF RISK

(amounts in Euro thousands)

Amounts	As of 31.12.2007	
	Number of contracts	Amount
Euro 0 - 25,000	21,618	220,919
Euro 25,001 - 75,000	7,919	339,627
Euro 75,001 - 250,000	3,113	399,287
More than Euro 250,000	1,083	1,015,085
TOTAL	33,733	1,974,918
Write-downs		(10,797)
TOTAL NET		1,964,121

There are no concentrations greater than 2% of the total of the credit in the portfolio.

SECTION 3 – COMMENTS ON RISKS AND RELATED HEDGING POLICIES

This section is not required to be filled in, due to the Company's type of business.

SECTION 4 – TRANSACTIONS WITH ASSOCIATED PARTIES

4.1 INFORMATION ON DIRECTORS' AND MANAGERS' REMUNERATION

Directors	18,000
Total	18,000

The Company does not have a Board of Auditors.

4.2 LOANS AND GUARANTEES ISSUED IN FAVOUR OF DIRECTOR AND STATUTORY AUDITORS

No loans or guarantees have been granted to directors.

4.3 INFORMATION ON TRANSACTIONS WITH ASSOCIATED PARTIES

The Company has not carried out any transactions with associated parties.

With regard to the securitised equity, all counterparts of the securitisation operation are indicated in paragraph F.3. More specifically, the Company has carried out transactions, at market conditions, of an ordinary nature for the stipulation of contracts for the supply of Calculation Agent services and Security Holder Representative services.

Pursuant to art. 2497-bis of the civil code and IAS 24, we inform you that the sole shareholder, SVM Securitisation Vehicles Management S.p.A., does not exercise the activity of direction and coordination.

SECTION 5 - OTHER INFORMATION

5.1 NUMBER OF EMPLOYEES

The Company has no employees.

Conegliano, 28th March 2008

Locat SV S.r.l.

The Sole Director

Andrea Perin