



INTERIM MANAGEMENT STATEMENT

For the first quarter ended March 31st, 2008

March 31st. 2008

To the Shareholders of Basinco Holdings S.A.H.:

During the first quarter, we continued to witness, largely unscathed, the effects of the credit crunch.

Because, as we had mentioned in the annual report, we remain extremely concerned about the eventual consequences of the situation on the banking sector, we have shifted to an even more conservative stance, without nevertheless succumbing to panic.

Although many currently prefer the safety of treasury bills during this major upheaval, we have opted to eschew the Lilliputian yields they offer and have deployed most of the cash equivalents portion of our portfolio into a AAA mutual fund and into large European issuers' short term paper, in order to reduce our exposure to any single bank.

Despite all the gloom, we see hope in the recent action of the Federal Reserve and other central banks. We believe regulators are now, at last, on top of the problem and are working on new and creative solutions to get the financial system out of this unprecedented predicament. Although, we are free market advocates, we think that it behooves regulators, who bear some responsibility for the problem, to be a part of its solution.

Our performance during the first quarter was satisfactory, as we were profitable despite this bleak environment. Obviously, we are all threading in challenging times, but we will monitor the developments carefully and attempt to steer carefully to avoid pitfalls insofar as possible.

We remind you that the repeal of the Luxemburg 1929 holding company regime will force Basinco Holdings S.A.H. to restructure drastically before December 31st 2010 when the regime ends, as explained previously. In addition, we plan to either move to the Euro MTF market of the Luxembourg Stock Exchange or to delist altogether.

For regulatory reasons, we add that, to the best of our knowledge, this management report includes a fair review of the development and performance of the business and the position of Basinco Holdings S.A.H. together with a description of the principal risks and uncertainties that it faces.

All statements in this report referring to the future or future actions are forward-looking statements and should thus be interpreted as such.

Please refer to our website www.basinco.com for timely information and to download recent corporate accounts and reports.

Very truly yours,

Paolo Casaccia
Chairman of the Board of Directors

Carlo Casaccia
Director