

08.08.2007

## Growth, Finally.

In 2Q07, the negative top-line trend finally reversed, thanks to the good performance of some divisions. In addition, the group announced the acquisition of Wel.Network, thus kicking-off its planned external growth strategy.

- 2Q/1H07 results.** In 2Q07, net sales increased by 2.5% to EUR 11.5M, boosted by the good performance of the healthcare (+15.7% yoy) and banking sectors (+16.3% yoy). By contrast, sales remained weak in the other two divisions. We consider the top-line growth, while not robust, as a positive sign after the disappointing 1Q07 performance. EBITDA improved by 7.1% to EUR 1.6M (13.4% EBITDA margin vs. 13.0% in 2Q06). EBIT jumped by 13.4%, while the bottom line was basically flat, due to higher financial costs and taxes. In 1H07, the top line was flat at EUR 22.1M. EBITDA and EBIT improved by 7.5% and 14.8% respectively. Net profit jumped by 31%, benefiting from a lower tax rate.
- Earnings outlook.** The group announced the acquisition of Wel.Network, a company providing services on SAP applications. The deal should be completed in two tranches (by September and November this year). The total EUR 9.5M price is to be paid partly in cash (EUR 7.1M) and partly through the issue of new Exprivia shares (EUR 2.4M). The acquired company generated sales of EUR 21.7M and EBITDA of EUR 1.8M in 2006. We revised our estimates to including the impact of the acquisition, but trimmed our FY07E organic growth estimates (from the previous 10% expected top-line growth to the current 5.7%). Overall, we lowered our net profit estimate from the previous EUR 2.6M to the current EUR 2.3M. By contrast, we slightly upgraded our bottom-line estimates for 2008E and 2009E (by 3.6% and 4.8%, respectively), incorporating the impact of the acquisition.
- Valuation.** We revised our valuation based on our new estimates. Our DCF-based valuation model has the following key assumptions: 1) mid-term estimates on revenue growth declining from approx. 8% in 2009E to 2% in 2015E, a level that we set as the perpetuity growth rate; 2) a mid-term EBITDA margin at 14%; 3) tax benefits from losses carried forward to 2009E and full taxation (IRES+IRAP) from 2010E; and 4) a WACC of 8.2%, based on the 2006 D/E ratio. We obtain a fair value of EUR 1.36/share from the previous EUR 1.2/share. The peer comparison shows that the stock is currently trading at a premium of approx. 40% on 2008E EV/EBITDA (7.6x vs. 5.3x, respectively). The 2008E P/E multiple is in line with peers, thanks to Exprivia's lower tax rate.

Italy - Software & IT Services

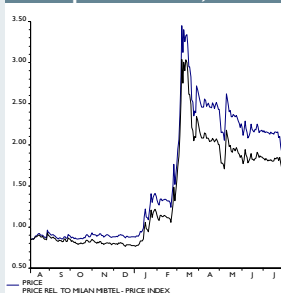
2Q/1H07 results

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Price performance, -1Y.



Source: Datastream.

Basic figures.

Current price (EUR)	1.73		
Market cap. (EUR M)	61.0		
No. of shares (M)	33.9		
52-week range (EUR)	3.5-0.8		
Major shareholder	Abaco Inn.,		
(%)	57.0		
Free float (%)	43.0		
Reuters	XPR.MI		
Bloomberg	XPR IM		
Mibtel	30620		
Performance %			
Absolute	Rel. to Mibtel		
-1M	-19.4	-1M	-12.7
-3M	-19.4	-3M	-10.3
-12M	100.3	-12M	84.9

Source: Company data, Datastream.

Exprivia - Estimates and key ratios (2005-09E).						
December Y/E		2005	2006	2007E	2008E	2009E
Total revenue	EUR M	43.0	47.0	55.2	79.6	86.1
EBITDA	EUR M	2.6	5.6	7.2	10.2	11.4
EBIT	EUR M	-0.6	3.4	5.2	7.7	9.9
Net profit	EUR M	-2.7	1.1	2.3	4.2	6.5
EPS	EUR	-0.1	0.0	0.1	0.1	0.2
DPS	EUR	0.0	0.0	0.0	0.0	0.0
P/E	x	NM	53.7	25.5	14.5	9.4
EV/EBITDA	x	30.4	14.0	10.8	7.6	6.8
P/BV	x	2.1	2.1	1.8	1.6	1.4
Dividend yield	%	0.0	0.0	0.0	0.0	0.0
ROI	%	-2.7	8.2	10.5	13.8	17.3
ROE	%	-19.0	3.9	7.5	11.9	15.9
D/E	%	39.3	58.7	64.7	50.4	30.7

Source: Company data and Banca IMI estimates.

Priced at close of market on 06.08.2007 (except where otherwise indicated).

See page 11 for full disclosures and analyst certification.

## 2Q/1H07 Results.

In 2Q07, Exprivia finally reversed the negative top-line trend. Net sales increased by 2.5% to EUR 11.5M. Although growth was not particularly robust, we view this result as encouraging, in particular:

- In the healthcare segment, sales jumped by 15.7% (vs. an 8.3% decline in 1Q07), thanks to the awarding of some public tender bids. In addition, the sales mix improved with a greater focus on proprietary SW products rather than on low-margin hardware;
- The banking sector sales growth accelerated to 16.3% (2.2% in 1Q07), boosted by consulting services to customers.

By contrast, sales remained weak in the industry & telecom sector (-4.3% yoy in 2Q07 vs. -7.5% yoy in 1Q07, due to lower business from some customers), and in the PA & utilities sector (-7.4% yoy in 2Q07 vs. +2.3% yoy in 1Q07).

On a six-month basis, the top-line remained flat at EUR 22.1M.

Revenue breakdown.						
EUR M	2Q06	2Q07	yoy (%)	1H06	1H07	yoy (%)
Banks & finance	2.47	2.87	16.3	5.13	5.60	9.0
Industry & telecom	3.93	3.76	-4.3	7.93	7.46	-5.9
PA & utilities	3.08	2.86	-7.4	6.15	6.00	-2.5
Healthcare	1.71	1.97	15.7	2.86	3.03	6.1
<b>Net sales</b>	<b>11.18</b>	<b>11.46</b>	<b>2.5</b>	<b>22.07</b>	<b>22.09</b>	<b>0.0</b>

Source: Company data.

In 2Q07, EBITDA improved by 7.1% to EUR 1.6M and the EBITDA margin improved by 40bps to 13.4%. EBIT jumped by 13.4%, but the bottom line was basically flat, burdened by higher financial costs (including the write-off of some participated companies) and taxes. In 1H07, EBITDA and EBIT improved by 7.5% and 14.8%, respectively. Net profit jumped by 31% benefiting from a lower tax rate.

Interim results.						
EUR M	2Q06	2Q07	yoy (%)	1H06	1H07	yoy (%)
<b>Value of production</b>	<b>11.79</b>	<b>12.19</b>	<b>3.4</b>	<b>23.39</b>	<b>23.30</b>	<b>-0.4</b>
Operating costs	-3.14	-3.11	-0.7	-6.47	-5.75	-11.0
Cost of personnel	-7.12	-7.43	4.4	-14.34	-14.77	3.0
<b>EBITDA</b>	<b>1.53</b>	<b>1.64</b>	<b>7.1</b>	<b>2.58</b>	<b>2.78</b>	<b>7.5</b>
EBITDA margin (%)	13.0	13.4		11.1	11.9	
D&A	-0.48	-0.45	-6.8	-0.94	-0.88	-5.5
<b>EBIT</b>	<b>1.05</b>	<b>1.19</b>	<b>13.4</b>	<b>1.65</b>	<b>1.89</b>	<b>14.8</b>
EBIT margin (%)	8.9	9.8		7.0	8.1	
Financial items	-0.29	-0.40	36.0	-0.53	-0.63	18.0
<b>Pre-tax income</b>	<b>0.76</b>	<b>0.79</b>	<b>4.8</b>	<b>1.12</b>	<b>1.27</b>	<b>13.3</b>
Taxes	-0.29	-0.33	12.3	-0.63	-0.63	-0.7
Minorities	-0.01	-0.02	NM	0.00	0.00	NM
<b>Net profit</b>	<b>0.46</b>	<b>0.45</b>	<b>-1.8</b>	<b>0.49</b>	<b>0.64</b>	<b>31.1</b>

Source: Company data.

On the balance sheet side, net debt improved to EUR 15.4M from EUR 16.7M at end-06. The group recorded positive cash generation of EUR 1.3M in 1H07 vs. a cash absorption of EUR 3.8M in 1H06.

**Some encouraging signs in some divisions.**

**Margin improvement.**

## Earnings Outlook.

### Business plan targets.

We recall that the group's business plan targets EUR 60M of sales in 2008 with an EBITDA margin of 15%, solely through organic growth. Including acquisitions, the company plans to reach EUR 100M of sales and a 16% EBITDA margin in 2008.

### Organic growth.

Despite the reversal of the negative top-line trend and the positive signals from some of the group's divisions, we believe that organic revenue growth is still a key issue for the company. The group's business plan target implies a 13% revenue CAGR in 2007 and 2008. We view this target as very aggressive in 2007, requiring a 26% top-line growth in 2H07.

**Organic growth still weak...**

### External growth.

The company recently announced the acquisition of 100% of Wel.Network from Data Management. Wel.Network specialises in IT services on SAP applications and in the sale of third-party SW products. The company counts on some 160 employees and in 2006 recorded EUR 21.7M of sales, EUR 1.8M of EBITDA and approx. EUR 0.4M of net profit. Net debt was EUR 1.1M in June 2007, down from EUR 2.3M in December 2006. Exprivia is to acquire the company in two tranches for a total amount of EUR 9.5M. The first tranche entails the acquisition of a 75% stake for EUR 7.125M to be paid in cash by 1 October 2007. The remaining 25% stake is to be acquired by 30 November 2007, paying EUR 2.375M in newly-issued Exprivia shares. Based on 2006 figures, the acquisition implies an EV/EBITDA multiple of 5.9X and a P/E ratio of 23.9x vs. Exprivia's current multiples of 10.8x and 25.5x, respectively. No further details were given on the acquisition (ie, in terms of possible synergies).

**...but a first step in external growth was moved.**

With the acquisition of Wel.Network the group is at mid-point in its external growth programme. One or more further acquisitions are therefore likely to be considered, contributing for an additional EUR 20M of sales.

### Estimates revision.

We revised our estimates, following 1H07 results and the acquisition announcement. For 2007E, we trimmed our estimates for organic growth, lowering our sales growth estimate from the previous 10% to the current 5.7%. This implies a 12% increase in 2H07, a level we view as challenging but achievable. We also slightly cut our EBITDA forecast by 7.4% to EUR 6.7M, with an EBITDA margin of 13.5% from the previous 14%. On top of this, we added the impact of the Wel.Network, which should be fully consolidated by 4Q07. We therefore added approx. EUR 5.5M of sales and EUR 0.4M of EBITDA. We kept our 2008E and 2009E forecasts basically unchanged, looking for top-line organic growth of 11% and 8%, respectively, with an EBITDA margin gradually improving to 15.3% in 2009E, slightly lower than the 16% targeted by the company. For Wel.Network, we assumed a top-line growth basically in line with Exprivia and only a marginal improvement in the EBITDA margin to 8.5% in 2009E. We believe that Wel.Network's profitability is unlikely to reach the same level of Exprivia, due to the different business mix (ie, the absence of proprietary SW solutions). In addition we prefer to adopt a cautious stance, waiting for more details on the integration of Wel.Network.

Change in estimates (2007E-09E).						
EUR M	2007E		2008E		2009E	
	Old	New	Old	New	Old	New
Exprivia revenue	51.85	49.73	55.82	55.37	60.14	59.92
Wel. Network	-	5.50	-	24.20	-	26.14
<b>Total revenue</b>	<b>51.85</b>	<b>55.23</b>	<b>55.82</b>	<b>79.57</b>	<b>60.14</b>	<b>86.06</b>
Exprivia EBITDA	7.27	6.73	8.42	8.17	9.35	9.15
Wel.Network EBITDA	-	0.48	-	2.00	-	2.23
<b>Consolidated EBITDA</b>	<b>7.27</b>	<b>7.21</b>	<b>8.42</b>	<b>10.17</b>	<b>9.35</b>	<b>11.38</b>

Source: Banca IMI estimates.

Below the EBITDA line our changes are as follows:

- We increased our D&A estimates by EUR 0.4M annually, thus incorporating the impact of Wel.Network;
- We increased our interest cost estimates, due to a combination of both: 1) higher than expected costs in 1H07; and 2) the additional debt for the acquisition, for which we assumed a 6% cost.

Overall, we lowered our 2007E net profit estimate from the previous EUR 2.6M to the current EUR 2.3M, incorporating the higher than previously expected financial costs, but lower provisions. By contrast, we increased our net profit forecast for 2008E by 3.6% to EUR 4.2M and for 2009E by 4.8% to EUR 6.5M. We assumed that the new shares for the capital increase will be issued at EUR 1.8/share, in line with the current market price. This implies the issue of 1.32M new shares corresponding to slightly less than 4% of the current outstanding capital.

## Valuation.

### DCF model.

We updated our DCF model, based on our revised estimates through 2009E. In addition, we changed some of our other mid-term basic assumptions:

- We maintained our mid-term revenue growth estimates declining from approx. 8% in 2009E to 2% in 2015E, a level that we set as the perpetuity growth rate;
- We lowered the projected long-term EBITDA margin from the previous 16% to the current 14%, due to the dilutive effect of the integration of Wel.Network. This is a conservative assumption as it implies no synergies between the two companies;
- Tax benefits from losses carried forward to 2009E and full taxation (IRES+IRAP) from 2010E;

The table below summarises our DCF model.

DCF model (2007E-15E).									
EUR M	2007E	2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E
<b>Revenues</b>	<b>55.23</b>	<b>79.57</b>	<b>86.06</b>	<b>92.20</b>	<b>97.83</b>	<b>102.80</b>	<b>106.96</b>	<b>110.20</b>	<b>112.40</b>
YoY growth (%)	17.4	44.1	8.2	7.1	6.1	5.1	4.1	3.0	2.0
<b>EBITDA</b>	<b>7.21</b>	<b>10.17</b>	<b>11.38</b>	<b>12.45</b>	<b>13.70</b>	<b>14.39</b>	<b>14.97</b>	<b>15.43</b>	<b>15.74</b>
EBITDA margin	13.1	12.8	13.2	13.5	14.0	14.0	14.0	14.0	14.0
Taxes on EBIT	-1.58	-2.10	-2.34	-5.94	-6.52	-6.88	-7.18	-7.42	-7.57
Provision	0.33	0.43	0.46	0.37	0.28	0.19	0.09	0.0	0.0
Change in NWC	-4.82	-2.33	-1.82	-1.59	-1.35	-1.19	-1.00	-0.78	-0.53
Capex - acquisitions	-6.89	-1.75	-1.82	-1.87	-1.93	-1.99	-2.05	-2.11	-2.15
<b>Operating cash flow</b>	<b>-5.75</b>	<b>4.41</b>	<b>5.87</b>	<b>3.42</b>	<b>4.17</b>	<b>4.52</b>	<b>4.84</b>	<b>5.13</b>	<b>5.48</b>

Source: Banca IMI estimates.

We slightly changed our WACC from the previous 8.1% to the current 8.2% due to: 1) an increase in the risk-free rate from 4.3% to 4.6%, reflecting the increase in the 10-year bonds yield; 2) a slightly higher leverage, following the acquisition (from a D/(D+E) ratio of 37% to 39%); and 3) an adjustment of the beta from the previous 1.5x to the current 1.6x, due to the higher risk related to the increased leverage. Our valuation returns a fair value of EUR 1.36/share from the previous EUR 1.2/share.

Key assumptions (%).		DCF valuation (EUR M).	
2007E-15E CAGR of revenue	10.2	Perpetuity growth rate (%)	2.0
2007E-15E CAGR of EBITDA	12.3	Terminal value	88.1
2015E EBITDA margin	14.0	PV of terminal value	43.2
2007E-15E CAGR of Op FCF	NM	PV of cash flows	26.7
<b>WACC calculation</b>	<b>(%)</b>	<b>EV</b>	<b>70.0</b>
Risk-free rate	4.6	NFP 2006	-21.5
Equity risk premium	4.0	Minorities	-0.4
Beta (x)	1.6	<b>Equity value</b>	<b>48.0</b>
<b>Cost of equity</b>	<b>10.9</b>	No. of shares (M)*	35.2
Cost of debt	4.0	<b>Value per share (EUR)</b>	<b>1.36</b>
Debt/(Debt+Equity)	39.0	Vs. current price (%)	-21.3
<b>WACC</b>	<b>8.2</b>		

Source: Banca IMI estimates.

\* No of shares on a fully-diluted basis incorporating the planned capital increase at EUR 1.8/share within November 2007. Source: Banca IMI estimates.

### Peer comparison.

We updated our comparison with the two peers, Engineering and Reply. Despite the recent negative performance of Exprivia's share price, the stock is still trading at a significant premium vs. its peers in terms of EV/EBITDA: on 2008E, thus including the full impact of the recent acquisition, Exprivia's premium is still above 40%. By contrast, on 2008E P/E the stock is trading in line with its peers. This is due to Exprivia's more favourable tax rate vs. its peers. We recall that the company benefits from tax carry forwards, which we calculate should allow it to pay only the IRAP tax through 2009E.

Peer comparison (2006E-07E).										
x	Price	Mkt cap.	EV/sales		EV/EBITDA		EV/EBIT		P/E	
	EUR	EUR M	2007E	2008E	2007E	2008E	2007E	2008E	2007E	2008E
Reply	25.0	226.6	0.76	0.66	5.5	4.7	6.0	5.2	15.6	13.9
Engineering*	37.0	462.8	0.96	0.90	6.4	5.9	7.6	7.0	17.9	15.3
<b>Avg. peer group</b>			<b>0.86</b>	<b>0.78</b>	<b>5.9</b>	<b>5.3</b>	<b>6.8</b>	<b>6.1</b>	<b>16.8</b>	<b>14.6</b>
Exprivia*	1.73	61.0	1.41	0.98	10.8	7.6	14.9	10.1	25.5	14.5

Source: Jcf and \*Banca IMI estimates.

## Financials.

Exprivia - P&L (2005-09E).					
EUR M	2005	2006	2007E	2008E	2009E
<b>Total revenue</b>	<b>42.96</b>	<b>47.03</b>	<b>55.23</b>	<b>79.57</b>	<b>86.06</b>
Cost for services	-13.06	-9.22	-12.34	-22.20	-23.87
Cost for raw material	-2.17	-2.71	-2.21	-3.18	-3.44
Others	-1.54	-1.79	-1.60	-2.19	-2.25
Cost of personnel	-22.43	-27.76	-31.87	-41.83	-45.11
Non recurring costs	-1.20	0.00	0.00	0.00	0.00
<b>EBITDA</b>	<b>2.55</b>	<b>5.55</b>	<b>7.21</b>	<b>10.17</b>	<b>11.38</b>
EBITDA margin (%)	5.9	11.8	13.1	12.8	13.2
Depreciation & Amortisation	-2.18	-2.01	-1.87	-2.00	-2.02
Write-downs & Provisions	-1.00	-0.12	-0.10	-0.50	0.50
<b>EBIT</b>	<b>-0.62</b>	<b>3.42</b>	<b>5.23</b>	<b>7.67</b>	<b>9.87</b>
EBIT margin (%)	-1.4	7.3	9.5	9.6	11.5
Financial items	-1.11	-1.07	-1.30	-1.30	-1.00
Equity investment adjustments	0.00	0.00	0.00	0.00	0.00
<b>Pre-tax income</b>	<b>-1.74</b>	<b>2.36</b>	<b>3.93</b>	<b>6.37</b>	<b>8.87</b>
Taxes	-0.95	-1.24	-1.58	-2.10	-2.34
Minorities	-0.03	-0.02	-0.05	-0.05	-0.05
<b>Net income</b>	<b>-2.71</b>	<b>1.09</b>	<b>2.31</b>	<b>4.21</b>	<b>6.48</b>

Source: Company data and Banca IMI estimates.

Exprivia - Balance sheet (2005-09E).					
EUR M	2005	2006	2007E	2008E	2009E
Intangible assets	29.51	29.25	34.64	34.39	34.12
Tangible assets	8.11	7.93	7.56	7.57	7.63
Financial assets	1.41	1.34	1.34	1.34	1.34
<b>Net fixed capital</b>	<b>39.03</b>	<b>38.52</b>	<b>43.54</b>	<b>43.29</b>	<b>43.10</b>
<b>Net working capital</b>	<b>4.54</b>	<b>11.57</b>	<b>16.39</b>	<b>18.71</b>	<b>20.54</b>
Provisions	-5.43	-4.78	-5.12	-5.55	-6.01
<b>Net invested capital</b>	<b>38.14</b>	<b>45.31</b>	<b>54.81</b>	<b>56.46</b>	<b>57.62</b>
<b>Net financial position</b>	<b>-10.77</b>	<b>-16.75</b>	<b>-21.52</b>	<b>-18.91</b>	<b>-13.54</b>
Shareholders' equity	27.23	28.38	33.06	37.27	43.76
Minorities	0.14	0.18	0.23	0.28	0.33
<b>Net equity</b>	<b>27.38</b>	<b>28.56</b>	<b>33.29</b>	<b>37.55</b>	<b>44.08</b>

Source: Company data and Banca IMI estimates.

Exprivia - Cash flow statement (2005-09E).					
EUR M	2005	2006	2007E	2008E	2009E
Net income	-2.68	1.11	2.36	4.26	6.53
Depreciation & Amortization	2.18	2.01	1.87	2.00	2.02
Change in net working capital	3.93	-7.87	-4.82	-2.33	-1.82
Change in provisions	3.08	0.39	0.33	0.43	0.46
<b>Operating cash flow</b>	<b>6.51</b>	<b>-4.35</b>	<b>-0.25</b>	<b>4.37</b>	<b>7.19</b>
Capex	-33.60	-1.63	-6.89	-1.75	-1.82
Financial acquisitions	0.00	-0.13	0.00	0.00	0.00
<b>Free cash flow to firm</b>	<b>-27.09</b>	<b>-6.11</b>	<b>-7.15</b>	<b>2.61</b>	<b>5.37</b>
Share capital increase	22.64	0.00	2.38	0.00	0.00
Dividend payment	0.00	0.00	0.00	0.00	0.00
Other	0.44	0.13	0.00	0.00	0.00
<b>Change in NFP</b>	<b>-4.00</b>	<b>-5.99</b>	<b>-4.77</b>	<b>2.61</b>	<b>5.37</b>
Opening NFP	-6.76	-10.77	-16.75	-21.52	-18.91
Closing NFP	-10.77	-16.75	-21.52	-18.91	-13.54

Source: Company data and Banca IMI estimates.

**Exprivia - Key figures (2005-09E).**

Price (EUR)	1.73				
No. of shares (M)*	35.2				
Market capitalisation (EUR M)	61.0				
Enterprise value (EUR M)	77.7				
<b>Values per share (EUR)</b>	<b>2005</b>	<b>2006</b>	<b>2007E</b>	<b>2008E</b>	<b>2009E</b>
EPS	-0.11	0.03	0.07	0.12	0.18
CEPS	-0.02	0.09	0.12	0.18	0.24
BVPS	0.81	0.84	0.94	1.07	1.25
DPS	0.00	0.00	0.00	0.00	0.00
Payout (%)	0.0	0.0	0.0	0.0	0.0
<b>Stock market ratios (x)</b>	<b>2005</b>	<b>2006</b>	<b>2007E</b>	<b>2008E</b>	<b>2009E</b>
EV/sales	1.8	1.7	1.4	1.0	0.9
EV/EBITDA	30.4	14.0	10.8	7.6	6.8
EV/EBIT	NM	22.7	14.9	10.1	7.9
EV/FCF	NM	NM	NM	29.7	14.5
P/E	NM	53.7	25.5	14.5	9.4
P/CE	NM	18.9	14.1	9.8	7.2
P/BV	2.1	2.1	1.8	1.6	1.4
Dividend yield (%)	0.0	0.0	0.0	0.0	0.0
Free cash flow yield (%)	-34.9	-7.9	-9.2	3.4	6.9
<b>Income statement (EUR M)</b>	<b>2005</b>	<b>2006</b>	<b>2007E</b>	<b>2008E</b>	<b>2009E</b>
Total revenue	43.0	47.0	55.2	79.6	86.1
EBITDA	2.6	5.6	7.2	10.2	11.4
EBIT	-0.6	3.4	5.2	7.7	9.9
Pre-tax income	-1.7	2.4	3.9	6.4	8.9
Net income	-2.7	1.1	2.3	4.2	6.5
<b>Balance sheet (EUR M)</b>	<b>2005</b>	<b>2006</b>	<b>2007E</b>	<b>2008E</b>	<b>2009E</b>
Net fixed asset	39.0	38.5	43.5	43.3	43.1
Net working capital	4.5	11.6	16.4	18.7	20.5
Other L/T liabilities	-5.4	-4.8	-5.1	-5.5	-6.0
Net invested capital	38.1	45.3	54.8	56.5	57.6
Net debt/-cash	10.8	16.8	21.5	18.9	13.5
Shareholders' equity	27.2	28.4	33.1	37.3	43.8
Minorities	0.1	0.2	0.2	0.3	0.3
<b>Cash flow (EUR M)</b>	<b>2005</b>	<b>2006</b>	<b>2007E</b>	<b>2008E</b>	<b>2009E</b>
Cash income	-0.5	3.1	4.2	6.3	8.5
Change in NWC and provisions	7.0	-7.5	-4.5	-1.9	-1.4
Total capex	-33.6	-1.8	-6.9	-1.8	-1.8
Free cash flow	-27.1	-6.1	-7.1	2.6	5.4
Capital increase	22.6	0.0	2.4	0.0	0.0
Dividend payment	0.0	0.0	0.0	0.0	0.0
Other	0.4	0.1	0.0	0.0	0.0
Change in NFP	-4.0	-6.0	-4.8	2.6	5.4
<b>Profitability and financial ratios (%)</b>	<b>2005</b>	<b>2006</b>	<b>2007E</b>	<b>2008E</b>	<b>2009E</b>
EBITDA margin	5.9	11.8	13.1	12.8	13.2
EBIT margin	-1.4	7.3	9.5	9.6	11.5
Net margin	-6.3	2.3	4.2	5.3	7.5
ROI	-2.7	8.2	10.5	13.8	17.3
ROE	-19.0	3.9	7.5	11.9	15.9
D/E	39.3	58.7	64.7	50.4	30.7
<b>Growth rates (%)</b>	<b>2005</b>	<b>2006</b>	<b>2007E</b>	<b>2008E</b>	<b>2009E</b>
Sales	85.9	9.5	17.4	44.1	8.2
EBITDA	NM	117.4	29.8	41.0	12.0
EBIT	-87.7	NM	52.9	46.5	28.7
Net income	-65.9	NM	111.1	82.6	53.9

\* No of shares on a fully-diluted basis incorporating the planned capital increase at EUR 1.8/share within November 2007. Source: Company data and Banca IMI estimates.

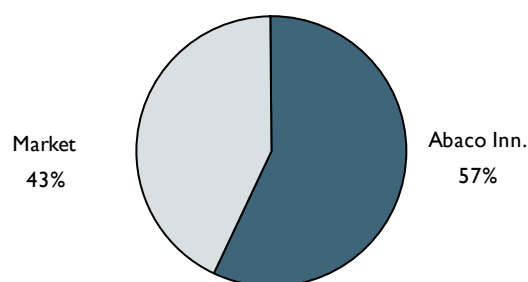


## Exprivia: At a Glance.

### Company description.

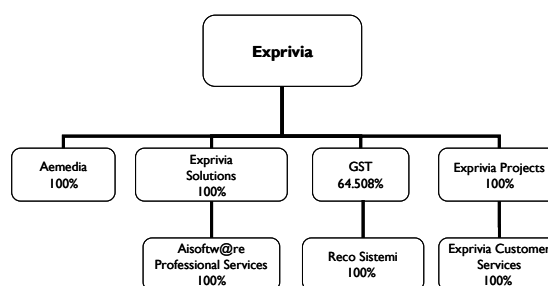
Exprivia was created from the merger of Aisofware (a SW producer specialised in the banking and medical sectors) and Abaco (a system integrator). The group's offering includes SW solutions, consulting, outsourcing, and managed services, mainly focused on finance, industrial & telecom, PA & utilities and healthcare & medical sectors. Employees amount to approx. 650, with 6 branches in Italy. Exprivia was listed on the Milan stock exchange in August 2000.

### Shareholder structure.



Source: Consob.

### Group structure.



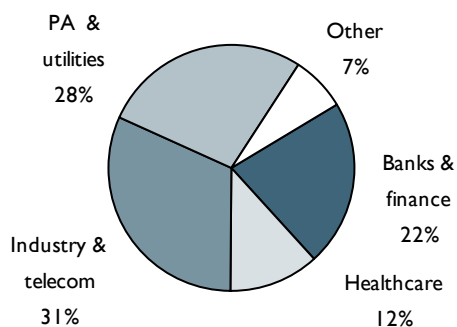
Source: Company data.

### Summary of corporate governance rules.

	Board of directors	Internal audit committee	Remuneration committee
Independent members/total members	2/7	2/3	2/3
Remuneration system	Stock option plan No		Shares to employees No
Minority shareholders listing vote	Board of directors No		Statutory Board of Auditors Yes
Chairman	Different from CEO Yes		Independent No

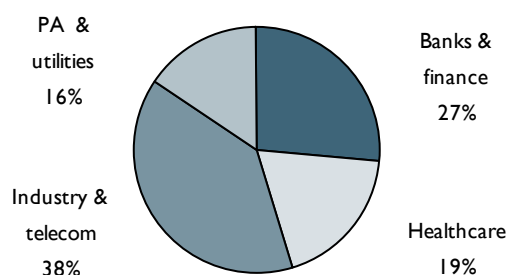
Source: Company data.

### Revenue by sector (2006).



Source: Company data.

### EBITDA by sector (2006).



Source: Company data.

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