

THE BOARD OF DIRECTORS APPROVES THE FIRST HALF 2014 FINANCIAL REPORT

- Revenues equal to EUR 68.4 million, 7.9% more than the same period of the previous year
- EBITDA equal to EUR 4.5 million, 6.6% on revenues (5.0 million H1 2013)
- EBIT equal to EUR 2.5 million, 3.7% on revenues (3.0 million in H1 2013)
- Profit before tax equal to EUR 1.4 million, 2.0% on revenues, (1.6 million in H1 2013)

August, 1 2014. The Board of Directors of Exprivia SpA approved today the interim report at 30 June 2014, prepared in accordance with International Accounting Standards (IAS / IFRS) and in particular with the requirements of IAS 34.

In the first half of the year group's results highlight a growth in business volume and a slight decrease in margins. Revenues were up in Italy also including the contribution of 4 million in the three months from April to June, by the company Exprivia Telco & Media (formerly Devoteam Ausystems). The results in the international markets have suffered a temporary decline in terms of both revenues and margins, particularly in Spain for the continuing crisis of the national IT market, and in Brazil because of the commercial investments already started in 2013, especially in SAP services market. In the Italian perimeter instead the group grew particularly in Banking and Finance, Healthcare IT services thanks to the benefits arising from corporate restructuring.

Consolidated figures of the first half of 2014

Consolidated revenues in the first half of 2014 amount to EUR 68.4 million, growing over to the same period of 2013 when amounted to 63.4 million.

Consolidated net revenues amount to EUR 65.7 million, growing over to the same period of 2013.

Consolidated EBITDA amounts to EUR 4.5 million, 6.6% on revenues, lower than the value of the same period of 2013 (5.0 million).

Consolidated EBIT amounts to EUR 2.5 million, lower than the value of the same period of 2013 (3.0 million).

Profit before tax amounts to EUR 1.4 million, 2.0% on revenues, less than the same period of 2013, when it was 1.6 million.

Net Financial Position at 30 June 2014 is negative by 36.9 million, more than compared to 31 December 2013 when it was negative by 37.4 million (+0.5 million).

Net Working Capital in relation to the revenues as at 30 June 2014 as been reduced to 21% from 24% in the same period of 2013.

Shareholders' Equity of the Group at 30 June 2014 amounts to EUR 69.2 million, stable compared to 31 december 2013 (69.3 million).

Revenues by Business Area

Exprivia Group (value in K €)	30.06.2104	30.06.2013	Variations %
Banks and Financial Institutions	11.841	11.505	3%
Industry and Aerospace	7.213	8.949	-19%
Energy	6.827	6.728	1%
Telcom and Media	4.285	180	2281%
Health and Healthcare	11.707	10.973	7%
Utilities	14.796	13.354	11%
Public Administration	2.695	2.783	-3%
International Business	5.498	6.454	-15%
Other	800	535	50%
Total	65.663	61.461	6,84%

Results of the parent company Exprivia Spa

Revenues in the first half of 2014 amount to EUR 40 million, more than 13.8% the value of same period of 2013 when amounted to 35.1 million.

Net revenues amount to EUR 37.5 million, more compared to the same period of 2013 when amounted to 33.3 million.

EBITDA amounts to EUR 1.8 million, 4.5% on revenues, more than to the same period of last year (+0.5 million).

EBIT amounts to EUR 641 thousands, also better to the value of the previous year (+200 thousand).

Profit before tax amounts to EUR 2.1 million, lower compared to the same period of 2013 (4.4 million).

Net Financial Position at 30 June 2014 is negative by 26.6 million, better compared to 31 December 2013 when it was negative by 30.7 million (+4.1 million).

Shareholders' Equity at 30 June 2014 amount to 69.5 million, growing compared to 31 December 2013 (67.5 million).

The manager responsible for preparing the company's financial reports, Gianni Sebastiano, declares pursuant to the paragraph 2 of the Article 154-bis of the Consolidated Law on Finance, that the accounting information contained in this press release corresponds to the document result, books and accounting records.

EXPRIVIA

Exprivia S.p.A. is a company specialised in the design and development of innovative software technologies and in supplying IT services for the banking, financial institution, industry, energy, telecommunications, utilities, healthcare and public administration markets.

The company today is listed on the Borsa Italiana MTA, Star segment (XPR), and it is subject to the direction and coordination of Abaco Innovation Spa.

The company numbers a total of approximately 1800 resources, and has head offices in Molfetta, Bari, Milan, Rome, Piacenza, Padua, Trento, Vicenza, Genoa, Madrid, Barcelona, Las Palmas, Mexico City, Monterrey, Guatemala City, Lima, Sao Paulo do Brazil, Beijing and Hong Kong.

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Consolidated Statement of asset and liabilities

	30.06.2014	30.06.2013	31.12.2013
Land and buildings	11,231,594	6,336,494	6,542,909
Work in progress and advances		2,026,263	3,210,906
Other assets	3,343,117	3,752,505	3,340,849
Property, plant and machinery	14,574,711	12,115,262	13,094,664
Goodwill	29,380,241	29,409,685	29,394,963
Consolidation difference	37,954,115	39,589,244	39,533,078
Goodwill and other assets with an indefinite useful life	67,334,356	68,998,929	68,928,041
Intangible assets	1,446,440	1,596,276	1,618,137
Research and development costs	3,049,543	2,995,928	3,010,465
Work in progress and advances	776,627	758,926	748,927
Other Intangible Assets	5,272,610	5,351,130	5,377,529
Investments in associates		36,028	15,613
Investments in other companies	867,172	905,172	857,172
Equity investments	867,172	941,200	872,785
Receivables from associates		20,388	
Other receivables	1,783,703	1,975,618	1,837,134
Other financial assets	1,783,703	1,996,006	1,837,134
Tax advances/deferred taxes	1,845,095	1,489,799	1,568,095
Deferred tax assets	1,845,095	1,489,799	1,568,095
NON-CURRENT ASSETS	91,677,647	90,892,326	91,678,248

	30.06.2014	30.06.2013	31.12.2013
Trade receivables	61,567,699	56,018,058	56,217,164
Crediti verso imprese controllate	20,388		20,388
Receivables from parent companies	1,476,332	1,463,431	1,675,919
Other receivables	17,392,070	13,467,069	14,288,417
Tax receivables	1,947,467	1,235,600	1,131,054
Trade receivables and other	82,403,956	72,184,158	73,332,942
Inventories	329,858	426,884	449,799
Inventories	329,858	426,884	449,799
Work in progress contracts	12,233,484	16,141,271	12,214,932
Work in progress contracts	12,233,484	16,141,271	12,214,932
Held at bank	7,220,606	5,979,847	7,199,765
Cheques and cash in hand	41,756	29,231	49,782
Cash at bank and on hand	7,262,362	6,009,078	7,249,547
CURRENT ASSETS	102,229,660	94,761,391	93,247,220
ASSETS	193,907,307	185,653,717	184,925,468

	30.06.2014	30.06.2013	31.12.2013
Share Capital	26,979,658	26,979,658	26,979,658
Share capital	26,979,658	26,979,658	26,979,658
Treasury shares	(719,467)	(523,048)	(636,787)
Treasury shares	(719,467)	(523,048)	(636,787)
Share premium	18,081,738	18,081,738	18,081,738
Share Premium Reserve	18,081,738	18,081,738	18,081,738
Revaluation reserve	2,907,138	2,907,138	2,907,138
Revaluation reserve	2,907,138	2,907,138	2,907,138
Legal reserve	3,561,670	3,312,804	3,312,804
Other reserves	16,894,620	11,867,329	11,718,309
Other reserves	20,456,290	15,180,133	15,031,113
Retained earning/loss	2,583,201	5,756,729	5,975,474
Profits/Losses for previous periods	2,583,201	5,756,729	5,975,474
Profit/Loss for the period	233,028	537,010	2,855,879
SHAREHOLDERS' EQUITY	70,521,587	68,919,358	71,194,213
Minority interest	1,308,201	1,372,554	1,906,014
GROUP SHAREHOLDERS' EQUITY	69,213,386	67,546,804	69,288,199
Non-current bank debt	9,375,760	6,745,510	8,531,974
Non-current bank debt	9,375,760	6,745,510	8,531,974
Trade payables after the financial year	389,371	546,913	489,948
Payables for equity investments		1,740,396	1,740,396
Tax liabilities and amounts for social security payable after the financial year	392,390	164,569	119,161
Other financial liabilities	781,761	2,451,878	2,349,505
Other provisions	2,055,840	1,481,968	1,600,483
Provision for risks and charges	2,055,840	1,481,968	1,600,483
Employee severance indemnities	9,072,981	8,543,894	8,714,511
Employee provisions	9,072,981	8,543,894	8,714,511
Provisions for deferred taxes	1,246,551	1,279,823	1,262,729
Deferred tax liabilities	1,246,551	1,279,823	1,262,729
TOTAL NON-CURRENT LIABILITIES	22,532,893	20,503,073	22,459,202

	30.06.2014	30.06.2013	31.12.2013
Current bank debt	34,787,462	38,483,727	36,120,716
Current bank debt	34,787,462	38,483,727	36,120,716
Trade payables	21,302,880	18,777,149	20,512,414
Trade payables	21,302,880	18,777,149	20,512,414
Advances	2,117,776	2,832,822	2,448,157
Advances payment on work in progress contracts	2,117,776	2,832,822	2,448,157
Other payables	4,149,301	2,431,073	4,023,929
Other financial liabilities	4,149,301	2,431,073	4,023,929
Tax liabilities	12,199,892	11,063,547	8,848,388
Tax liabilities	12,199,892	11,063,547	8,848,388
Amounts payable to pension and social security institutions	4,473,342	4,375,275	4,976,918
Other payables	21,822,174	18,267,693	14,341,531
Other current liabilities	26,295,516	22,642,968	19,318,449
CURRENT LIABILITIES	100,852,827	96,231,286	91,272,053
LIABILITIES	193,907,307	185,653,717	184,925,468

CONSOLIDATED PROFIT AND LOSS

	30.06.2014	30.06.2013	31.12.2013
Revenue from sales and services	65,194,605	59,039,206	127,190,277
Revenues	65,194,605	59,039,206	127,190,277
Other revenues and income	301,033	450,180	801,065
Grants related to income	1,682,319	728,086	2,171,208
Other income	1,983,352	1,178,266	2,972,273
Changes in inventories of work in progress	(119,941)	255,830	279,051
Changes in work in progress contracts	587,872	2,166,189	(868,266)
Increase in capitalised expenses for internal projects	766,315	765,028	1,652,966
Changes in inventories of finished goods and work in progress	1,234,246	3,187,047	1,063,751
PRODUCTION REVENUES	68,412,203	63,404,519	131,226,301
Costs of raw, subsid. & consumable mat. and goods	5,042,650	4,535,567	11,182,948
Raw materials and consumables used	5,042,650	4,535,567	11,182,948
Salaries	33,037,905	31,170,394	60,361,447
Social security charges	9,053,962	8,494,218	16,243,345
Employee severance indemnities	1,909,216	1,776,044	4,056,182
Other staff costs	732,270	580,244	1,144,177
Costs related to employee benefits	44,733,353	42,020,900	81,805,151
Other costs for services	10,482,002	8,740,414	18,348,989
Costs for leased assets	2,466,136	2,469,560	4,998,890
Sundry operating expenses	844,400	599,218	1,450,226
Provisions	307,161	87,052	367,156
Other costs	14,099,699	11,896,244	25,165,261
TOTAL PRODUCTION COSTS	63,875,702	58,452,711	118,153,360
DIFFERENCE BETWEEN PRODUCTION COSTS AND REVENUES	4,536,501	4,951,808	13,072,941

	30.06.2014	30.06.2013	31.12.2013
Ordinary amortisement of intangible assets	1,016,152	885,050	2,055,464
Ordinary depreciation of tangible assets	840,365	805,759	1,536,264
Othe write-downs	56,166	84,577	294,050
Doubtful receivables included in current assets	81,433	137,310	482,469
Amortisation, depreciation and write-downs	1,994,116	1,912,696	4,368,247
OPERATIVE RESULT	2,542,385	3,039,113	8,704,694
Proceeds from shareholdings from subsidiaries	(326,737)		
Income from parents companies	(25,943)	(10,533)	(31,694)
Income from other investments	(75)	(110,890)	(111,256)
Other income other than the above	(35,505)	(10,795)	(37,236)
Interest and other financial charges	1,479,114	1,436,804	2,804,308
Profit and loss on currency exchange	66,237	135,639	46,930
Financial income and charges	1,157,091	1,440,225	2,671,052
PRE-TAX RESULT	1,385,294	1,598,888	6,033,642
IRES	440,647	376,169	1,250,125
IRAP	1,140,350	1,252,573	2,572,396
Taxes previous years	(403,091)	(614,909)	(689,788)
Deferred taxes	(16,178)	(15,961)	(694)
Tax paid in advance	(9,462)	64,006	45,724
Income tax	1,152,266	1,061,878	3,177,763
PROFIT OR LOSS FOR THE PERIOD	233,028	537,010	2,855,879
Attributable to:			
Shareholders of holding company	371,419	262,154	2,418,127
Minority interest	(138,390)	274,856	437,752

CONSOLIDATED FINANCIAL STATEMENT

	30.06.2014	30.06.2013	31.12.2013
Operating activities:			
Profit (loss)	233,028	537,010	2,855,879
Amortisation, depletion and depreciation of assets	1,856,517	1,690,809	3,591,728
Provision for Severance Pay Fund	1,909,216	1,776,044	4,056,182
Advances/Payments Severance Pay	(1,550,746)	(1,931,425)	(4,040,946)
Adjustment of value of financial assets			
Cash flow arising from operating activities	2,448,015	2,072,438	6,462,843
Increase/Decrease in net working capital:			
Variation in stock and payments on account	(228,992)	(2,251,456)	1,267,303
Variation in receivables to customers	(5,350,535)	6,596,991	6,397,885
Variation in receivables to parent/subsidiary/associated company	199,587	288,739.00	(501,227)
Variation in other accounts receivable	(3,920,066)	(1,588,973)	(2,305,775)
Variation in payables to suppliers	790,466	517,054	2,252,319
Variation in payables to parent/subsidiary/associated company		(72,505)	(72,505)
Variation in tax and social security liabilities	2,847,928	(999,812)	(2,613,328)
Variation in other accounts payable	7,606,015	3,708,280	1,374,974
Cash flow arising (used) from current assets and liabilities	1,944,403	5,620,840	5,799,646
Cash flow arising (used) from current activities	4,392,418	7,693,278	12,262,489
Investment activities:			
Variation in tangible assets	(2,320,412)	(1,200,107)	(2,910,014)
Variation in intangible assets	682,453	(1,087,487)	(2,213,412)
Variation in financial assets	(217,956)	29,442	158,045
Cash flow arising (used) from investment activities	(1,855,915)	(2,258,153)	(4,965,382)
Financial activities:			
Changes in financial assets not held as fixed assets	(1,128,565)	(323,960)	(324,912)
Variation in other reserves	(905,655)	(298,527)	(342,542)
Cash flow arising (used) from financial activities	(2,034,220)	(622,487)	(667,454)
Increase (decrease) in cash	502,283	4,812,638	6,629,653
Banks and cash profits at start of year	7,249,547	5,343,335	5,343,335
Banks and cash losses at start of year	(44,652,690)	(49,376,132)	(49,376,132)
Banks and cash profits at end of period	7,262,362	6,009,078	7,249,547
Banks and cash losses at end of period	(44,163,222)	(45,229,237)	(44,652,690)
Increase (decrease) in liquidity	502,283	4,812,638	6,629,654