BANCA IMI

Equity Company Note

Exprivia

A Passion for IT

Exprivia - Key estimates and data					
Y/E December		2008A	2009E	2010E	2011E
Revenues	EUR M	95.9	95.0	96.9	101.8
EBITDA	EUR M	15.2	15.0	15.8	16.6
EBIT	EUR M	12.2	12.0	12.0	12.6
Net income	EUR M	6.9	7.5	7.7	6.7
Dividend ord.	EUR	0.04	0.04	0.04	0.04
Adj. EPS	EUR	0.14	0.15	0.15	0.13
EV/EBITDA	x	5.5	5.1	4.6	4.0
Adj. P/E	x	7.0	6.4	6.2	7.1

A: actual; E: estimates; Source: Company data and Intesa Sanpaolo Research

- **FY08 results**. Exprivia's FY08 results, released in March, were in line with our top-line expectations and slightly better at the bottom line, supported by the better than expected EBITDA and EBIT margins. The subsequent improvement in cash flow generation allowed the company to reduce NFP by more than anticipated (2008A NFP of EUR 35.28M vs. our EUR 36M estimate), and to distribute its first dividend of EUR 0.04/share in 2009, corresponding to a dividend yield of 4.4%. FY08 results and dividend distribution approval will be submitted to the shareholders' meeting, scheduled for 20 April 2009.

- **Outlook and recent business trend**. The CEO Domenico Favuzzi highlighted that the reported results, including the first dividend proposed since the company's listing, and the solid competitive positioning mean that management is confident on the company's future prospects, despite the current gloomy macroeconomic scenario. In 2009 the company expects economic results in line with those achieved in 2008. Despite the success of the previous three-year plan, management preferred to not set any quantitative targets for the next three years, given the current difficult macro backdrop. On qualitative grounds, the long-term strategy was confirmed: organic and external growth via the same business model. The wide range of high-quality services and the 'near-shoring' are still seen as the key pillars of Exprivia's successful business model. In line with its strategy, on 24 March Exprivia placed a bid on 'Aurora', the Healthcare business division of Siemens Spa.. The division is focused on the licence and maintenance of 'AuroraWeb', a software for the Hospital Information System area and we think it is reasonable to expect revenue synergies from the deal.

- **Estimates and valuation**. We fine-tuned our 2009E-11E estimates to take into account the reported 2008 results and management's indications. We continue to value Exprivia on a multiples comparison, to reflect the mid-term sector outlook and correspondent valuations, and a DCF model, to better capture the company's specific long term prospects. While we appreciate the good set of results, we lower our **target price to EUR 0.89/share** (from our previous EUR 0.94/share), reflecting the slight de-rating recorded by the comparables in the last two months. **We confirm our HOLD rating on the stock,** given the potential downside of 5.8%.

- **Key risks**. We continue to believe that the main risks to our valuation come from a worse than expected IT sector trend in 2009E and a more difficult than forecast integration with the acquired companies. The stock's low liquidity should also be taken into account.

27 March 2009

HOLD

Target Price: EUR 0.89 (from EUR 0.94)

IT & Technology Company Update & Change in Target Price

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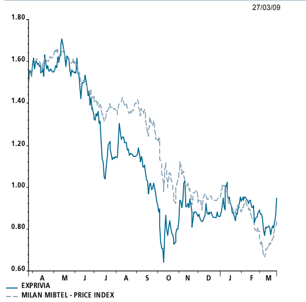
Price performance, -1Y



Source: Thomson Reuters

Data priced on 26.03.2009	
Target price (€)	0.89
Target downside (%)	-5.8
Market price (€)	0.95
52-week range (€)	1.7/0.6
Market cap (€ M)	47.9
No. of shares (M)	50.7
Free float (%)	34
Major shareholder (%)	Abaco Systems, 53
Reuters	XPR.MI
Bloomberg	XPR IM
Mibtel	13217

Performance %			
Absolute		Rel. to Mibtel	
-1M	8.6	-1M	5.1
-3M	10.4	-3M	21.5
-12M	-37.1	-12M	7.5

Source: Intesa Sanpaolo Research estimates and Thomson Reuters

See page 9 for full disclosures and analyst certification

Banca IMI is Specialist to Exprivia.

FY08 Results

FY08 results above our expectations

Exprivia's FY08 results, reported in March, were in line with our top-line expectations and slightly better at the bottom line, supported by the better than expected EBITDA and EBIT margins. We highlight that the last quarter of the year is the most important in terms of seasonality, and some software sales, concentrated at the year end, are likely to have contributed to the higher than anticipated EBITDA. Overall, Exprivia reported good revenue growth across all the sectors, thanks also to the contribution from Svimservice, acquired in 2007 and specialised in Healthcare IT, and Wel.network, acquired in 2007 and highly exposed to the oil sector. The subsequent improvement in cash flow generation resulted in a higher than expected reduction in NFP (2008A NFP of EUR 35.28M vs. our EUR 36M estimate), and to distribute its first dividend at EUR 0.04/share in 2009, corresponding to a dividend yield of 4.4%. FY08 results and dividend distribution approval will be submitted at the shareholders' meeting, scheduled for 20 April 2009.

Exprivia - FY08 key results

EUR M	FY07A	FY08E	FY08A	yoy %	A vs E %
Revenue	65.83	95	95.93	45.73	0.98
EBITDA	10.098	14.54	15.23	50.84	4.76
EBITDA margin (%)	15.3	15.3	15.9	NM	NM
EBIT	7.863	11.4	12.23	55.59	7.32
EBIT margin (%)	11.9	12.0	12.8	NM	NM
Net income	3.48	6.61	6.90	97.96	4.31
NFP	33.79	36	35.28	4.39	-2.01

NM: not meaningful; A: actual; E: estimates; Source: Company data and Intesa Sanpaolo Research

The 2008 revenue and EBITDA breakdown was as follows:

Exprivia - Revenue and EBITDA breakdown (2008 vs. 2007)

	Revenue			EBITDA		
EUR M	2007	2008	Chg %	2007	2008	Chg %
Banks, Finance, Insurance	12.89	11.30	-12.3	2.08	2.30	10.34
Industry, Telco, Media	20.47	27.99	36.7	2.83	3.18	12.63
PA, Transportation, Utilities	14.13	20.39	44.3	1.19	1.51	27.23
Healthcare	15.09	29.59	96.0	4.00	8.30	107.24
Other		1.05			0.11	

NM: not meaningful; A: actual; Source: Company data

The 'Banks, Finance, Insurance' reported a higher EBITDA (10.3%) thanks to a more efficient organisation. The division's key areas include Capital Market and Credit Risk management.

The Industry, Telco, Media division (revenue +36.7%, EBITDA +12.6%) benefited from the contribution of Wel.network and organic volumes growth, driven by software licences and ERP projects sold to medium-sized companies.

The 'P.A., Transportation, Utilities' division (revenue +45%) grew both organically, as a result of increasing market share, and via acquisitions (Svimservice and Wel.network).

Last but not least, the 'Healthcare' division's good performance was substantially the result of the Svimservice integration, driven by software licence sales and a new software development to Puglia administrative region.

Solid balance sheet

The NFP at YE08A stood at EUR 35.28M, up versus YE07A at EUR 33.8M, as the net result of both some negative and positive items: acquisitions' final payments, increasing NWC (longer receivable days required by some clients), and a small capital increase (net amount of EUR 4.8M). The balance sheet is solid, showing a D/E of 0.60 and a 2008 NFP/EBITDA of 2.3x.

Outlook and Recent Business Trend

Management confident on 2009 prospects

Resilient outlook and long-term strategy confirmed

The CEO Domenico Favuzzi highlighted that the reported 2008 results, including the first dividend proposed since the company's listing, and the solid competitive positioning mean that management is confident on the company's future prospects, despite the current gloomy macroeconomic scenario. In 2009 the company expects economic results in line with those achieved in 2008. At a first glance, the company's outlook does not look consistent with the 2009 prospects outlined in March by Assinform (Italian IT association): the whole Italian ITC sector is forecast to decline by 1.3%, continuing the trend seen in the last months of 2008. In particular, IT is expected to contract by 5.9%. However, despite the above-stated threats, we think the increasing presence in the high-growth healthcare segment provides Exprivia with a more resilient and visible demand.

In the long run, the company's strategy continues to rely on organic and external growth, maintaining the same business model. The wide range of high-quality services and the 'near-shoring' are to remain the key pillars of Exprivia's business model, characterised by a high level of profitability and financial solidity.

New acquisition bid

A new small acquisition still in Healthcare segment

In line with its strategy, on 24 March Exprivia placed a bid for 'Aurora', the Healthcare business division of Siemens Spa. The division is focused in the licence and maintenance of 'AuroraWeb', a software for the Hospital Information System area. The legal and accounting due diligence process is still underway and the bid needs to be approved by the pool of banks, which have financed the company to date.

From a strategic standpoint, we think the deal would make sense. The Healthcare sector is moving towards a full outsourcing of its IT systems for various reasons: from cost control to clinic data monitoring. Moreover, Aurora seems to fit well with Svimservice, coupled with the opportunity of integrating technologies and know-how from Siemens. Aurora has a customer base comprising 30 top health companies, present throughout the country, thus implying a diversification from the current Svimservice customer base, which is more concentrated in the south of Italy. From a financial standpoint, we calculate that the deal looks value accretive: Exprivia is offering EUR 2.1M cash, relying exclusively on its internal cash flow generation (no new financing is planned). Aurora reported sales of EUR 3.6M in 2008, with an EBITDA margin between 13% and 15% (pro-forma data). Therefore, 2008 EBITDA should be at least around EUR 0.47M and the price paid should be around 4.49x 2008 EBITDA. Margins and multiples are slightly below those of Exprivia in 2008 although no synergies have been considered.

Earnings Revision

Some fine-tuning of our 2008-11E estimates

We fine-tuned our 2008E-11E estimates to take into account the FY08 results and management's indications. Aurora is not included in our estimates, as the bid has not yet been finalised. In detail:

- We leave our 2009E and 2010E revenues unchanged, following our cut January (see our report of 23/01/2009) to reflect the worsening macro environment;
- We slightly increased our 2009E EBITDA margin more in line with the 2008A level, to reflect the reported profitability of the company as a whole.
- We forecast a further slight worsening in NWC/revenue to 29.21% in 2009E, as a result of increasing development costs for software applications and delays in payments. We prefer to adopt this cautious approach, given the trend shown in FY08 results. In FY08, the NWC/revenue ratio increased from 22.5% in 2007 to 27.8% in 2008. From 2010E, we then expect a gradual improvement towards 25%.
- We expect a gross average interest rate on the NFP in 2009E at around 5.5% (Euribor +170bps), in line with the company's guidance. We do not forecast any changes in the coming years;
- A normalised company tax rate of 42% from 2011E, versus 28% in 2009E and 2010E;
- We assume that at end-2009E the NFP improves to EUR 29.23M, from EUR 35.28M reported in 2008, without taking into account future acquisitions but including a dividend payment in line with the 2008 payout ratio (28.2%). The dividend payments and the worsening NWC assumptions translate into a higher NFP in 2009E and 2010E versus our assumption in January. If the Aurora acquisition is finalised, we calculate a 2009E NFP at around EUR 31.33M, supported nonetheless by a solid balance sheet (NFP/EBITDA at approx 2.08x in 2009E).

Exprivia – Estimates revisions (2009E-10E)

	Old		New	
EUR M	2009E	2010E	2009E	2010E
Revenues	95	96.9	95	96.9
EBITDA	14.54	15.79	15	15.8
EBITDA margin (%)	15.3	16.3	15.8	16.3
EBIT	11.4	12.21	12.05	12.04
EBIT margin (%)	12	12.6	12.7	12.4
Net profit	6.97	7.96	7.47	7.68
NPF	27.33	18.29	29.23	23.92
Diff (%)				
Revenues			0	0
EBITDA			3.3	0
EBIT			5.7	-1.4
Net profit			7.1	-3.5
NPF			6.9	30.8

NM: not meaningful; E: estimates; Source: Intesa Sanpaolo Research

Exprivia – Key ratios (2009E-10E)

	2009E	2010E
Leverage	0.46	0.35
EBITDA/Net Interest	8.46	10.81
Net Debt/EBITDA	1.95	1.51

E: estimates; Source: Intesa Sanpaolo Research

Valuation

Valuation approach

We continue to value Exprivia with a multiples comparison, to reflect the mid-term sector prospects and correspondent valuations, and the DCF methodology, to better capture the company's specific long-term prospects.

Multiples comparison

Multiples comparison

In terms of multiples, we think the two Italian system integrators (Engineering and Reply) are the most similar peers to Exprivia in terms of business model. As shown by the table below, Exprivia is still trading at much higher 2009E and 2010E EV/EBITDA vs. peers.

Exprivia - Multiples comparison (2008-10E)

	Price	MKT Cap	EV/EBITDA			P/E		
	EUR	EUR M	2008	2009E	2010E	2008	2009E	20010E
Engineering Ing Inform	15.26	190.75	4.28	3.19	2.65	8.34	6.64	5.52
Reply SPA	14.74	135.94	NA.	NA	NA	7.32	7.65	NA
Average			4.28	3.19	2.65	7.83	7.15	5.52
Exprivia S.p.A.*	0.95	47.92	5.46	5.14	4.55	6.97	6.42	6.24
vs. average (%)			27.71	61.18	72.02	-10.95	-10.19	12.98

NA: not available; Source: FactSet and *Intesa Sanpaolo Research estimates

We think that a discount is justified by Exprivia's riskier profile vs. its peers (lower critical mass, recent acquisitions and low liquidity), also to take into account the current risk aversion in the equity market. Taking the peer average of 2009-10 EV/EBITDA and P/E multiples (the multiples we consider to be more meaningful in terms of factoring in the group's ability to create value for its shareholders) and applying a 20% discount, we obtain a value of approx. EUR 0.52/share.

Exprivia - Multiples valuation (2009-10E)

		EV/EBITDA (x)		P/E (x)	
EUR M		2009E	2010E	2009E	2010E
Peer average multiples		3.19	2.65	7.15	5.52
Exprivia implied EV		47.88	41.79		
NPF		29.23	24.01		
Equity value		18.65	17.77		
Value/share (EUR)		0.37	0.35	1.05	0.84
Average (EUR)	0.65				
20% discount to average (EUR)	0.52				

Source: FactSet and Intesa Sanpaolo Research estimates

DCF model

DCF approach

Our updated DCF model returns a fair value of EUR 1.27/share, after incorporating our earnings revision and maintaining the key basic assumptions reported below. Our cautious assumption for an increasing NWC/sales in 2009E, followed by a gradual decrease thereafter, does not substantially modify our long-term level of sustainable free cash flow. The main assumptions behind our DCF model are:

- A WACC of 7.94%, replacing the previous 7.85%, as a result of a slight lower gearing (0.38% vs. 0.39%);
- Explicit forecast period through 2012E;
- Long-term sustainable EBITDA margin of 13.5% (below the 2008E 15% but in line with the 2008E and 2009E levels of Engineering and Reply, according to Factset estimates).

Exprivia - WACC calculation	
	%
Risk-free rate	4.50
Equity risk premium	5.75
Beta (x)*	1.00
Cost of equity	10.3
Net cost of debt	4.2
Gearing 08E	0.33
WACC	7.94

* Bloomberg. Source: Company data and Intesa Sanpaolo Research estimates

Exprivia - DCF calculation (2008 -12E)						
EUR M	2008A	2009E	2010E	2011E	2012E	LT
Revenues	95.93	95.02	96.92	101.76	105.33	105.33
yoy (%)	45.73	-0.95	2.00	5.00	3.50	0.00
EBITDA	15.23	15.01	15.80	16.59	16.85	14.22
EBITDA margin (%)	15.88	15.80	16.30	16.30	16.00	13.50
Taxes on EBIT	-2.95	-3.37	-3.37	-5.31	-5.36	-4.26
Provision	-0.60	0.39	-0.04	-0.11	-0.12	-0.12
Change in NWC	-11.28	-1.12	1.85	1.11	-0.87	0.00
Net Operating cash flow	0.40	10.91	14.24	12.27	10.51	9.85
Capex (incl. acquisitions)	-5.29	-2.61	-2.67	-2.80	-1.58	-1.58
Free cash flow	-4.89	8.30	11.57	9.48	8.93	8.27
Perpetuity growth rate (%)		0.0				
Terminal value		104.1				
PV of terminal value		65.8				
PV of cash flows		34.2				
EV		100.0				
Net debt 2008E		-35.3				
Minorities		-0.4				
Equity value		64.4				
N of shares (M)		50.7				
Value per share (EUR)		1.27				

E: estimates; Source: Intesa Sanpaolo Research

TP at EUR 0.89/share/ HOLD rating confirmed

Taking the average of our DCF and multiples analysis, **we set a target price of EUR 0.89/**share (versus the former EUR 0.94/share), 5.8% below the current level. **Therefore, we confirm our HOLD rating.**

Exprivia - Key figures

			Ordinary		Rating
Sector	IT & Technology	Mkt price EUR/Share	0.95		**HOLD**
REUTERS CODE	XPR.MI	Target price EUR/Share	0.89		
Values per share (EUR)	2007A	2008A	2009E	2010E	2011E
No. ordinary shares (M)	41.9	50.7	50.7	50.7	50.7
No. NC saving/preferred shares (M)	0.0	0.0	0.0	0.0	0.0
Total no. of shares (M)	41.9	50.7	50.7	50.7	50.7
Adj. EPS	0.1	0.1	0.1	0.2	0.1
CFPS	0.2	0.2	0.2	0.2	0.2
BVPS	1.1	1.1	1.3	1.4	1.5
Dividend Ord	0.0	0.04	0.04	0.04	0.04
Dividend SAV Nc	0.0	0.0	0.0	0.0	0.0
Income statement (EUR M)	2007A	2008A	2009E	2010E	2011E
Sales	65.8	95.9	95.0	96.9	101.8
EBITDA	10.1	15.2	15.0	15.8	16.6
EBIT	7.9	12.2	12.0	12.0	12.6
Pre-tax income	6.4	9.1	10.3	10.6	11.4
Net income	3.4	6.9	7.5	7.7	6.7
Adj. net income	3.4	6.9	7.5	7.7	6.7
Cash flow (EUR M)	2007A	2008A	2009E	2010E	2011E
Net income before minorities	3.4	6.9	7.4	7.6	6.6
Depreciation and provisions	5.3	2.7	4.8	4.3	4.8
Change in working capital	-2.7	-11.3	0.3	-0.5	-1.3
Operating cash flow	6.0	-1.7	12.5	11.4	10.0
Capital expenditure	-1.4	-1.0	-2.6	-2.7	-2.8
Other (uses of Funds)	-33.5	-5.3	0.0	0.0	0.0
Free cash flow	-28.9	-8.1	9.8	8.7	7.2
Dividends and equity changes	11.6	-2.1	-2.1	-2.1	-2.1
Net cash flow	-17.3	-10.2	7.7	6.6	5.1
Balance sheet (EUR M)	2007A	2008A	2009E	2010E	2011E
Net capital employed	79.6	93.3	92.6	93.1	93.7
of which associates	0.0	0.0	0.0	0.0	1.0
Net debt/-cash	34.0	35.3	29.2	24.0	20.0
Minorities	0.2	0.4	0.4	0.4	0.4
Net equity	45.4	58.0	63.4	69.1	73.7
Market cap	39.6	47.9	47.9	47.9	47.9
Minorities value	0.0	0.0	0.0	0.0	0.0
Enterprise value (*)	73.6	83.2	77.2	71.9	66.9
Stock market ratios (x)	2007A	2008A	2009E	2010E	2011E
Adj. P/E	11.6	6.97	6.42	6.24	7.15
P/CEPS	4.6	5.01	3.90	4.00	4.18
P/BVPS	0.9	0.83	0.76	0.69	0.65
Dividend yield (% ord)	0.0%	4.4%	4.4%	4.5%	3.9%
Dividend yield (% sav)					
EV/sales	1.1	0.87	0.81	0.74	0.66
EV/EBITDA	7.3	5.46	5.14	4.55	4.03
EV/EBIT	9.4	6.80	6.40	5.98	5.30
EV/CE	0.9	0.89	0.83	0.77	0.72
D/EBITDA	3.4	2.32	1.95	1.52	1.21
D/EBIT	4.3	2.88	2.43	1.99	1.58
Profitability & financial ratios (%)	2007A	2008A	2009E	2010E	2011E
EBITDA margin	15.3	15.9	15.8	16.3	16.3
EBIT margin	11.9	12.8	12.7	12.4	12.4
Tax rate	47.6	24.5	28.0	28.0	42.0
Net income margin	5.2	7.2	7.9	7.9	6.6
ROE	7.6	11.9	11.8	11.1	9.1
Debt/equity ratio	0.7	0.6	0.5	0.3	0.3
Growth (%)		2008A	2009E	2010E	2011E
Sales		45.7	-1.0	2.0	5.0
EBITDA		50.8	-1.4	5.2	5.0
EBIT		55.6	-1.5	-0.1	5.0
Pre-tax income		41.9	13.1	2.9	8.1
Net income		100.5	8.5	2.9	-12.7
Adj. net income		100.5	8.5	2.9	-12.7

(*) EV = Mkt cap+ Net Debt + Minorities Value - Associates A: actual; E: estimates; Source: Company data and Intesa Sanpaolo Research

Notes

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Valuation methodology (long-term horizon: 12M)

The Intesa Sanpaolo SpA Equity Research Department values the companies for which it assigns recommendations as follows:

We obtain a fair value using a number of valuation methodologies including: discounted cash flow method (DCF), dividend discount model (DDM), embedded value methodology, return on allocated capital, break-up value, asset-based valuation method, sum-of-the-parts, and multiples-based models (for example PE, P/BV, PCF, EV/Sales, EV/EBITDA, EV/EBIT, etc.). The financial analysts use the above valuation methods alternatively and/or jointly at their discretion. The assigned target price may differ from the fair value, as it also takes into account overall market/sector conditions, corporate/market events, and corporate specifics (ie, holding discounts) reasonably considered to be possible drivers of the company's share price performance. These factors may also be assessed using the methodologies indicated above.

Equity rating key: (long-term horizon: 12M)

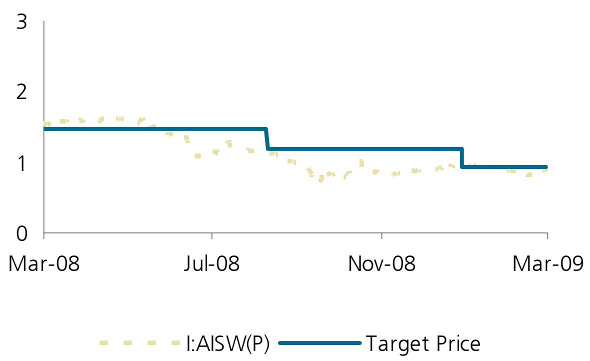
In its recommendations, Intesa Sanpaolo SpA uses an "absolute" rating system, which is not related to market performance and whose key is reported below:

Equity rating key (long-term horizon: 12M)

Long-term rating	Definition
BUY	If the target price is 20% higher than the market price
ADD	If the target price is 10%-20% higher than the market price
HOLD	If the target price is 10% below or 10% above the market price
REDUCE	If the target price is 10%-20% lower than the market price
SELL	If the target price is 20% lower than the market price
RATING SUSPENDED	The rating and target price have been suspended temporarily to comply with applicable regulations and/or firm policies in certain circumstances, including when Intesa Sanpaolo Group is acting in an advisory capacity in a merger or strategic transaction involving the company
NO RATING	The company is or may be covered by the Research Department but no rating or target price is assigned
TARGET PRICE	The market price that the analyst believes the share may reach within a one-year time horizon
MARKET PRICE	Closing price on the day before the issue date of the report, as indicated on the first page, except where otherwise indicated

Historical recommendations and target price trends (long-term horizon: 12M)

Target price and market price trend (-1Y)



Historical recommendations and target price trend (-1Y)

Date	Rating	TP	Mkt Price
5-Mar-08	SELL	1.47	1.91
19-May-08	REDUCE	1.48	1.65
4-Sep-08	HOLD	1.18	1.16
6-Oct-08	HOLD	1.18	0.90
23-Jan-09	HOLD	0.94	0.86
20-Mar-09	HOLD	0.94	0.82

Equity rating allocations (long-term horizon: 12M)

Intesa Sanpaolo Research Rating Distribution (at 1 February 2009)

Number of companies covered: 105	BUY	ADD	HOLD	REDUCE	SELL
Total Equity Research Coverage %	36	21	38	5	--
of which Intesa Sanpaolo's Clients % (*)	50	32	33	20	--

(*) Companies on behalf of whom Intesa Sanpaolo and the other companies of the Intesa Sanpaolo Group have provided corporate and Investment banking services in the last 12 months; percentage of clients in each rating category

Valuation methodology (short-term horizon: 3M)

Our short-term investment ideas are based on ongoing special market situations, including among others: spreads between share categories; holding companies vs. subsidiaries; stub; control chain reshuffling; stressed capital situations; potential extraordinary deals (including capital increase/delisting/extraordinary dividends); and preys and predators. Investment ideas are presented either in relative terms (e.g. spread ordinary vs. savings; holding vs. subsidiaries) or in absolute terms (e.g. preys).

The companies to which we assign short-term ratings are under regular coverage by our research analysts and, as such, are subject to fundamental analysis and long-term recommendations. The main differences attain to the time horizon considered (monthly vs. yearly) and definitions (short-term 'long/short' vs. long-term 'buy/sell'). Note that the short-term relative recommendations of these investment ideas may differ from our long-term recommendations. We monitor the monthly performance of our short-term investment ideas and follow them until their closure.

Equity rating key (short-term horizon: 3M)

Equity rating key (short-term horizon: 3M)	
Short-term rating	Definition
LONG	Stock price expected to rise or outperform within three months from the time the rating was assigned due to a specific catalyst or event
SHORT	Stock price expected to fall or underperform within three months from the time the rating was assigned due to a specific catalyst or event

Company specific disclosures

Banca IMI discloses interests and conflicts of interest, as defined by: Articles 69-quater and 69-quinquies, of Consob Resolution No.11971 of 14.05.1999, as subsequently amended and supplemented; the NYSE's Rule 472 and the NASD's Rule 2711; the FSA Policy Statement 04/06 "Conflicts of Interest in Investment Research – March 2004 and the Policy Statement 05/03 "Implementation of Market Abuse Directive", March 2005. The Intesa Sanpaolo Group maintains procedures and organisational mechanisms (Information barriers) to professionally manage conflicts of interest in relation to investment research. We provide the following information on Intesa Sanpaolo Group's conflicts of interest:

1 The Intesa Sanpaolo Group has a conflict of interest inasmuch as it plans to solicit investment banking business or intends to seek compensation from the Company in the next three months.

2 Banca IMI is a specialist relative to securities issued by EXPRIVIA SpA.

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