



**Six-monthly Report  
as at 30 June 2007**

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# Exprivia Group Board of Directors' Management Report.

## GROUP PROFILE AND STRUCTURE

### *THE COMPANY*

Exprivia has a wealth of expertise, excellent technological know-how and over 20 years' experience in Information Technology in the bank and finance, industry, telecommunications, utilities, transport, public administration and health markets.

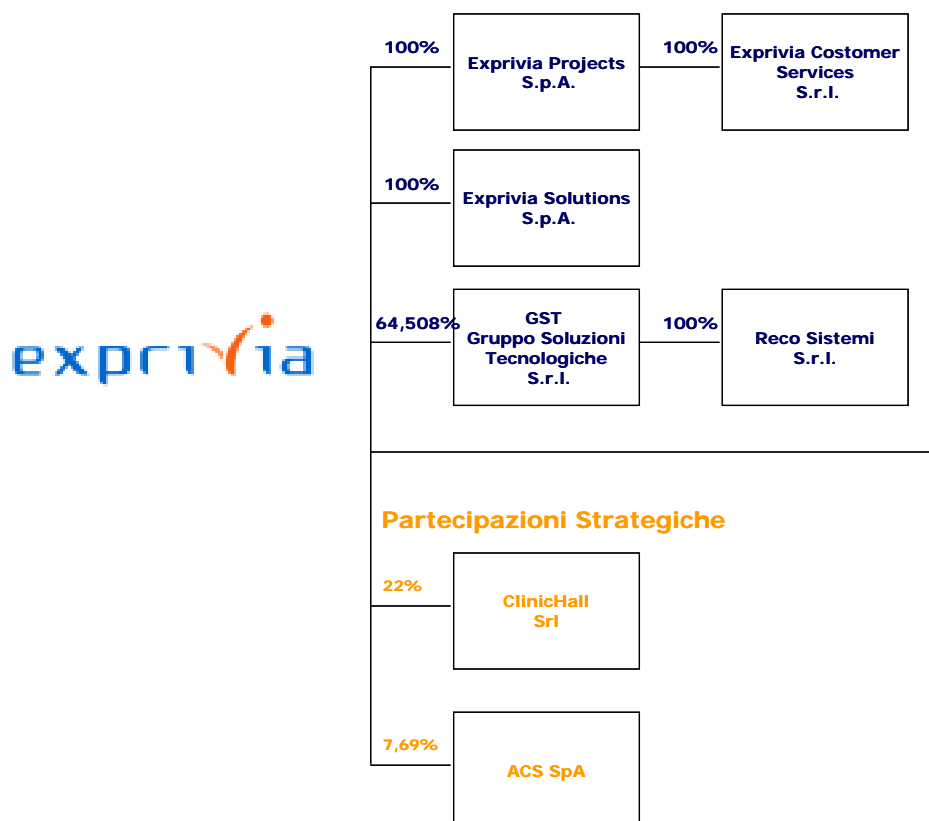
Exprivia has always looked to the future, constantly researching into technologies that would anticipate market trends, so as to propose customers solutions and skills able to improve their products and services.

This strategic vision, combined with a knowledge of the interlocutor's specific needs, vertical offer system, ability to manage complex projects and a research and development division of international excellence constitute the Group's distinctive features.

Listed on the MTAX of the Italian Stock Exchange, Exprivia currently has a team of over 690 people distributed between its main office in Molfetta (BA) and those of Milan, Rome, Vicenza, Trento and Bologna.

Exprivia has developed a quality system in compliance with UNI EN ISO standard 9001:2000, that enables company processes to be managed effectively thus guaranteeing maximum transparency within and outside the company.

## GROUP STRUCTURE



### Subsidiary companies included in Group Consolidation

**Exprivia Projects S.p.A.** (ex Spring Consulting) is a company controlled 100% by Exprivia S.p.A. specialised in developing Projects for Small, Medium and Large Companies, Advanced Systematic Installation and Assistance and Integrated Management and Security Solutions.

**Exprivia Customer Services S.r.l.** (ex Spring Consulting Bologna) is a company controlled 100% by Exprivia Projects S.p.A. and is specialised in planning and managing Call Centre - Contact Centre - Help Desk systems and infrastructures and providing the relative services.

**Exprivia Solutions S.p.A.** (ex AISoftw@re Technologies & Solutions), owned 100% by Exprivia S.p.A, is the company of the group dedicated to creating and supplying high value added solutions and IT products for the Defence and Space and Local and Central Public Services and Administration markets.

Exprivia Solutions S.p.A. holds a 100% share of Farm Multimedia S.r.l.'s capital. It is in the process of being wound up and no longer carries out any industrial activities.

**G.S.T. - Gruppo Soluzioni Tecnologiche S.r.l.**, of which Exprivia S.p.A holds a 64.50% share, focuses on the development and planning of vocal recognition solutions. Currently GST produces and markets up to date services and software applications using the best speech recognition technologies available on international markets.

**Reco Sistemi S.r.l.**, owned 100% by GST Srl, works in synergy with the parent company to provide integrated voice recognition solutions.

### Exprivia S.p.A.'s Direct and Indirect Strategic Shareholdings

**ClinicHall S.r.l.**, of which Exprivia S.p.A. holds a 22% share, is a company that was set up in 2004 to bring to life an innovative Clinical Information System research and development project to support the processes and information that characterise the clinical activities of public and private health structures electronically, using the skills, expertise, sales force and references of those companies involved in the capital.

**ACS S.p.A.**, of which Exprivia S.p.A. holds a 7.69 % share, plays an important role, both at a national and international level, in the satellite imaging acquisition, management and interpretation software and hardware sector. The company, with offices in Rome and Matera, has over 110 employees with a production value of around 10 million Euro.

**Pervoice S.p.A.**, of which GST Srl holds a 30% share, is a complementary start-up with Exprivia Group experience in voice recognition technologies that aims to carry out projects in the automatic voice processing field providing ASP services.

### Other Shareholdings or Consortiums

**IQS New S.r.l.**, of which Exprivia S.p.A. holds a 10% share, is a company that develops and manages web services.

**Software Engineering Research & Practices S.r.l.**, of which Exprivia S.p.A. holds a 6% share, is a Spin-off of the Università degli Studi di Bari whose objective is that of industrialising university research results in the Software Engineering field and transferring them to company processes.

**Consorzio Pugliatech**, set up to take part in the "Program Contract" of the Puglia POR 2000-2006 tender;

**Consorzio Conca Barese**, set up to manage the Conca Barese Territorial Agreement.

**Limited liability consortium called: "Centro di Competenza ICT-SUD"**, in short "CC ICT-SUD", set up to embark on appropriate development initiatives in the Objective 1 Regions (Puglia, Campania, Calabria, Sicily and Basilicata) by setting up an ICT Technology centre made up of a network of regional centres.

**Biogene Consortium**, to develop the project called "Laboratorio pubblico privato per lo sviluppo di strumenti bio-informatici integrati per la genomica, la trascrittomica e la proteomica (LAB GTP)".

### Subsidiary companies not included in Group Consolidation

The following companies have not been included in the Exprivia Group Consolidation as widely discussed in the paragraph "Consolidation Area".

**AISoftw@re Professional Services S.r.l.**, with sole partner Exprivia Solutions S.p.A., no longer operates on the market since its professional services business was transferred to the Parent Company on 1 June 2005.

**Aemedia S.r.l.**, owned 100% by Exprivia S.p.A., was a company that focused on Video-communication projects that stopped working at an industrial level when its parent company Eta Beta Srl merged with Exprivia.

## SIGNIFICANT EVENTS DURING THE SIX MONTHS

### COMPANY EVENTS

Pervoice SpA was set up on **9 March 2007**, a software house that aims to valorise the voice recognition technology developed at the IRST laboratories of the Bruno Kessler Foundation in Trento by providing services and projects in the automatic voice processing field. The Exprivia Group holds 30% of GST's company capital.

The Ordinary General meetings of all Group subsidiaries were held during the month of **April 2007** to approve their balance sheets as at 31 December 2006 and renew the board of directors.

An Ordinary Meeting was also held on **27 April 2007** to approve the following resolutions:

- (1) approve the Balance Sheet as at 31 December 2006, consisting of the Asset and Liability Statement, Profit and Loss Account and Supplementary Note, as well as the relative Board of Directors' Management Report; allocate Euro 54,944.00 of the operating profit of Euro 1,098,875.00 to the Legal Reserve and Euro 1,043,931.00 to cover previous years' losses;
- (2) revoke the resolution authorising the purchase and provision of own shares adopted by the Ordinary Meeting of 3 August 2006, as not used, and approve a new authorisation, in accordance with art. 2357 of the Civil Code, to buy and sell the Company's Own Shares;
- (3) extend the auditing assignment awarded PKF Italia, with registered office in Milan, at Via Vittorio Veneto, No 10, originally for those years that closed as at 31 December 2005, 2006 and 2007, by another six years for a total of nine financial years, intending by this the period from 2008 to 2013.

An Extraordinary Meeting was also held on **27 April 2007** to approve the following resolution:

- (1) change article 16 with the following article:

16.1 The Board of Directors is invested with the widest powers for the Company's ordinary and extraordinary administration, without exception, with all rights to enforce and achieve the corporate purpose.

Therefore, it may take on any form of obligation and carry out any financial operation, without limitation, as responsible for all that the Law does not reserve Meeting resolutions.

The Board of Directors is also responsible for:

- (i) merger decisions in those cases set out in articles 2505 and 2505 - *bis*;
- (ii) adapting the articles of association to the provisions of law;
- (iii) transferring the company's registered office within Italy."

On **29 June 2007**, Exprivia SpA's Board of Directors decided, in accordance with those powers invested them by the Extraordinary Meeting of 27 April, to make those changes to the articles of association necessary to comply with law No 262 ("Savings Law") of 28 December 2005, as subsequently amended and supplemented by Decree Law No 303 ("Corrective Decree") of 29 December 2006; said regulations introduced certain significant changes, mainly as regards methods of appointing members of the board of directors and controlling listed companies.

## STOCK OPTION PLAN

On **29 June 2007**, in enforcement of those regulations approved on 20 December 2006, the Board of Directors deliberated the **Assignment of a second 2007 related tranche of No 1,031,000 personal and non-transferable call options**, intended for around 15% of the Group's labour force. The options assigned equal a 3.03% of the capital stock in addition to the 1,238,000 options assigned with the first tranche. Moreover, the Board has identified, as stock accrual condition for this second tranche, achievement of Exprivia Group 2007 consolidated EBTIDA (Gross Operating margin) related objectives. Said options may be exercised at a ratio of one share per option assigned.

Subject to achievement of the accrual conditions, options assigned for 2007 may be exercised at a price of Euro 2.2034 solely between 1<sup>st</sup> July 2010 to 31 December 2010.

The Assignee's resulting rights are intrinsically linked and conditioned to each Assignee possessing the relative requirements on exercising the Options.



## SIGNIFICANT GROUP DATA

the following table summarises the Group's main consolidated economic and financial data as emerges from the Balance Sheet as at 30 June 2007 compared with that of the same period of the previous year and that of 31 December 2006.

|  | 30.06.2007   | 30.06.2006   | 31.12.2006   |
|--|--------------|--------------|--------------|
| Total production revenue                                 | 23,296,456   | 23,386,621   | 47,030,377   |
| of which net revenue and variations in work in progress  | 22,099,953   | 22,072,083   | 44,209,601   |
| of which increases in fixed assets for internal work     | 426,732      | 481,215      | 992,217      |
| of which other revenue and contributions                 | 769,771      | 833,323      | 1,828,559    |
| Difference between production costs and revenue (EBITDA) | 2,777,970    | 2,584,605    | 5,552,479    |
| % of revenue   | 11.92%       | 11.05%       | 11.81%       |
| Net operating result (EBIT)                              | 1,893,263    | 1,648,717    | 3,421,751    |
| % of revenue   | 8.13%        | 7.05%        | 7.28%        |
| Net result   | 637,787      | 484,194      | 1,111,972    |
| Group net worth  | 29,353,929   | 27,720,655   | 28,380,981   |
| Total assets   | 75,608,416   | 73,477,126   | 76,084,018   |
| Company capital  | 17,642,488   | 17,642,488   | 17,642,488   |
| Net circulating capital (1)                              | 12,132,428   | 8,167,718    | 12,150,690   |
| Cash flow (2)  | 1,802,417    | 1,651,900    | 3,515,254    |
| Fixed capital (3)  | 39,346,569   | 40,083,880   | 39,478,152   |
| Investments  | 798,138      | 815,065      | (382,036)    |
| Liquid assets/securities (a)                             | 1,638,387    | 859,616      | 1,509,360    |
| Short term financial debts (b)                           | (12,772,578) | (11,113,565) | (13,990,725) |
| Medium to long term debts (c)                            | (4,271,353)  | (4,291,879)  | (4,271,353)  |
| Net financial position (4)                               | (15,405,544) | (14,545,828) | (16,752,718) |

(1) - "net circulating capital" is calculated as sum of the total current assets, minus the liquid assets, total liabilities plus debts to current banks

(2) - Cash flow is calculated as sum of the net result adjusted by depreciation RA fund variations and devaluations

(3) - "fixed capital" is equal to total non-current assets

(4) - Net financial position = a - (b + c)



## TURNOVER TREND PER BUSINESS AREA

| Exprivia Group (value in KEuro)                 | H1 2007 | H1 2006 | Variation |
|---|---------|---------|-----------|
| <b>Banks, Finance and Insurances</b>            | 5.595   | 5.134   | 8,98%     |
| <b>Industry, Telecommunications &amp; Media</b> | 7.462   | 7.930   | - 5,90%   |
| <b>PA, Transport &amp; Utilities</b>            | 5.999   | 6.154   | - 2,52%   |
| <b>Health &amp; Medical</b>                     | 3.029   | 2.856   | 6,06%     |

### BANKS, FINANCE AND INSURANCES

The Banks, Finance and Insurances Business Line increased its turnover by 9% on the same period of 2006.

Growth in revenue is mainly due to MUREX platform related consultancy activities within the Finance Solution and Capital Market.

In particular, significant projects have been carried out with the major banks thus increasing visibility and consolidating its positioning on this market.

The concentration phenomenon, established over recent years, has enabled this business area to extend its offer significantly especially thanks to the excellence of its expertise.

Finally, the latest development of the credit risk management platform is worth a mention as, following its application in the Leasing and factoring markets, in first six months of 2007 it has completed (and already implemented at an operator of the sector) a solution for brokerage companies, a segment in expansion.

### INDUSTRY, TELECOMMUNICATIONS AND MEDIA

The Industry, Telecommunications and Media Business Line has basically achieved the same results as those of the first six months of last year. In absolute terms, compared to the same period of last year, there has been a 6% downturn. This is not only due, despite the acquisition of important customers, to the slow down in activities at certain Large accounts but also the postponement of significant projects in which Exprivia plays a primary role to the second half of 2007.

The excellent PMI results should be highlighted. These are due to acquiring primary food customers and supplies on the Southern Italian markets as a result of intense commercial and marketing activity initiated last year.

### PUBLIC ADMINISTRATION, TRANSPORT & UTILITIES

Activities to focus on segments with higher margins, take part in numerous public tenders and requalify collaborations with partners continues.

Moreover ERP and Extended ERP related projects for Public Administrations and specialised consultancy work for major Utility companies have continued.

Revenue, in absolute terms, has fallen by 2.5% on the same period of last year. However, the results achieved are in line with company plans and expected margins.

## HEALTH AND MEDICAL

During the first half of 2007 the Health and Medical Business Line improved its turnover by 6.06% on the same period of the previous year.

Excellent results have been achieved thanks to acquiring 5 public tenders, extensions to new functionalities at private hospitals as well as maintaining/reinforcing high added value help desk and application Management services on all proprietary imaging solutions installed.

Even the version of the Dicomware and Medstation platform with numerous new functionalities to meet user hospital needs has been released during the first six months.

These results lead us to expect further improvements on last year's results both in terms of volume and margins.

Orders on the Philips platform (know how resulting from the acquisition of Reco sistemi) have also been acquired in the voice recognition sector and new important references in the non-sanitary sector.

## STAFF

### EVOLUTION OF STAFF

The following table summarises the Group's staff situation as at 30 June 2007

| Company  | Employees<br>31/12/2006 | Employees<br>31/03/2007 | Employees<br>30/06/2007 | Collaborators<br>31/12/2006 | Collaborators<br>31/03/2007 | Collaborators<br>30/06/2007 |
|--|-------------------------|-------------------------|-------------------------|-----------------------------|-----------------------------|-----------------------------|
| <b>Exprivia S.p.A.</b>                                   | <b>421</b>              | <b>436</b>              | <b>444</b>              | <b>54</b>                   | <b>64</b>                   | <b>84</b>                   |
| Of which Staff   | 36                      | 37                      | 37                      | 2                           |                             |                             |
| Management & Commercial                                  | 20                      | 21                      | 21                      |                             | 2                           | 2                           |
| Production Area: Extended<br>ERP & Business Intelligence | 128                     | 138                     | 138                     | 21                          | 34                          | 49                          |
| Production Area: SW Develop.<br>& E. A. Integration      | 79                      | 77                      | 85                      | 9                           | 9                           | 10                          |
| Production Area:<br>Infrastructure Mgmt Services         | 76                      | 80                      | 80                      | 4                           | 3                           | 1                           |
| Production Area: Industry<br>Solutions                   | 71                      | 73                      | -                       | 17                          | 15                          | -                           |
| Banking & Finance Services &<br>Solutions                | -                       | -                       | 46                      | -                           | -                           | 21                          |
| Medical Products and Services                            | -                       | -                       | 26                      | -                           | -                           | -                           |
| R & S Laboratory   | 11                      | 10                      | 11                      | 1                           | 1                           | 1                           |
| <b>Exprivia Solutions S.p.A.</b>                         | <b>44</b>               | <b>42</b>               | <b>42</b>               | <b>1</b>                    | <b>1</b>                    | <b>1</b>                    |
| <b>Exprivia Projects S.p.A.</b>                          | <b>63</b>               | <b>66</b>               | <b>77</b>               | <b>90</b>                   | <b>78</b>                   | <b>63</b>                   |
| <b>Exprivia Customer Serv. Srl</b>                       | <b>7</b>                | <b>6</b>                | <b>6</b>                | <b>-</b>                    | <b>-</b>                    | <b>-</b>                    |
| <b>GST Srl</b>   | <b>16</b>               | <b>18</b>               | <b>18</b>               | <b>-</b>                    | <b>-</b>                    | <b>-</b>                    |
| <b>RECO Sistemi Srl</b>                                  | <b>1</b>                | <b>-</b>                |                         | <b>3</b>                    | <b>-</b>                    | <b>3</b>                    |
| <b>Total</b>   | <b>552</b>              | <b>568</b>              | <b>587</b>              | <b>148</b>                  | <b>143</b>                  | <b>151</b>                  |
| <b>Of which Managers</b>                                 | <b>17</b>               | <b>18</b>               | <b>16</b>               |                             |                             |                             |
| <b>Of which Cadres</b>                                   | <b>46</b>               | <b>48</b>               | <b>53</b>               |                             |                             |                             |

## RELATIONSHIPS BETWEEN THE GROUP'S SUBSIDIARY COMPANIES

Companies of the Group have worked together not only to optimise operating and staff structures but also at a commercial, technological and application level.

In particular:

- widespread use within the Group of specific corporate marketing and communication expertise creating paper, digital and Web advertising material;
- centralised management to provide specialised technical resources between the companies of the Group to manage turnover problems and render highly specialised technical skills available to all operating units;
- Exprivia's coordinated participation in public tenders for contract with the contribution of all companies according to specific expertise;
- use of integrated accounting information systems to centralise and optimise financial and administrative management and an integrated and centralised project and order account management system;
- centralised logistic function.

Moreover, a cash pooling relationship that depends on the collaboration of certain major banks and is regulated by a particularly favourable interest rate has been activated within the Exprivia Group.

## RELATIONSHIPS WITH AFFILIATES

The following tables show the existing debit and credit relationships, both of a commercial and financial nature, between the Exprivia Group and its affiliates:

| Description                                     | Credits        | Debts          | Costs          |
|---|----------------|----------------|----------------|
| Geosym  | 85,066         |                |                |
| Mindmotion srl in bankruptcy                    | 219,150        | 63,344         |                |
| Mindmotion provision for bad and doubtful debts | (55,805)       |                |                |
| Network Services Srl                            |                | 124,955        | 810,743        |
|   | <b>248,411</b> | <b>188,299</b> | <b>810,743</b> |

## EVENTS FOLLOWING 30/06/2007

### COMPANY EVENTS

On **3 July 2007** G.S.T. Srl Gruppo Soluzioni Informatiche's and Reco Sistemi Srl's Extraordinary Meetings unanimously approved the merger of Reco Sistemi into the parent company G.S.T. The formal merger document was signed in September 2007.

On **3 August 2007**, Exprivia SpA signed with Data Management S.p.A. a contract to acquire, by 30 November 2007, 100% of **Wel.Network S.p.A**, IT company specialised in professional services provided on SAP applications.

Exprivia shall pay 7,125 Million Euro of the acquisition price in cash with medium term finance from a major Bank and the remaining 2,375 Million Euro attributing Data Management Exprivia ordinary shares issued as a result of a reserved capital increase.

Set up in 1976, Wel.Network has gained a great deal of experience in various traditional sectors of the information technology market focusing, in particular, over recent years on professional services provided on SAP applications with a particular penetration in the Industry and Energy sector, combined with significant activity in the resale of third party software (Business Object and IBM-Ascential).

In 2006 Wel.Network achieved a production value of 21.7 Million Euro with a EBITDA of 1.8 Million Euro, EBIT of 1.4 Million Euro and profit of 397 Thousand Euro.

Wel.Network has around 160 staff amongst employees and collaborators distributed in the registered office of Piacenza and operational offices of Milan and Rome.

On **9 August 2007**, Exprivia SpA signed a contract to acquire, by 30 November 2007, 100% of **Svimservice S.p.A**, ICT company specialised in Health and Local Public Administration solutions with a strong presence on the regional and national market.

The purchase price is of 22 million Euro, plus 4 million when Svimservice achieves its 2007 EBITDA objective; Exprivia shall pay 17 Million Euro in cash in addition to the 3 Million earn out, and the remaining 5 Million Euro, in addition to the possible 1 Million earn out, attributing the current majority shareholder Exprivia ordinary shares issued as a result of a reserved capital increase.

Set up in 1974, Svimservice has become an established ICT company in the health information technology sector, extending and diversifying its customer portfolio and offering to develop and manage health information systems based on proprietary solutions and web oriented technologies, as well as in the information system and local Public Administration software field (P.A.L.).

The Svimservice Group achieved a production value of 19.8 Million Euro in 2006 with an EBITDA of 4.39 Million Euro, EBIT of 3.8 Million Euro and net profit of 1.5 Million Euro.

At the beginning of **September 2007**, Exprivia completed preliminary activities to comply with those regulations set out for the **Italian Stock Exchange STAR segment** that, with provision No 5490 notified to the market on 21 September 2007 by means of notice No 17072, approved Exprivia stock trading on the "Star segment Telecom Share Market (MTA)" as from 28 September 2007.

## MANAGEMENT FORECAST

Having pursued strict cost control and reduction measures, that lead to concrete results in 2006 with a net increase in industrial Business Line and Service Line margins, management objectives are now aimed at launching effective commercial development initiatives to expand market shares in strategic sectors.

An organisational structure that involves the various management levels in defining short and medium term strategies adopting incentive schemes both for commercial and industrial structures has been defined to achieve this objective.

### BUSINESS STRATEGIES

As regards the **Bank, Finance and Insurance** market, the objective is that of strengthening its presence on Capital and Credit Risk Management markets and pursuing the acquisition of new customers developing projects to support those problems linked to changes in legislation and supporting process efficiency with solutions in the security, knowledge management and integration architecture sector.

As for the **Industry, Telecommunications and Media** sector work to consolidate expertise on internal and external ERP and Extended ERP solution based management processes continues; moreover, the offer of architectures and services to integrate internal and external applications will be extended.

As for **Public Administration, Transport and Utilities** the focus will continue to be on citizen/user community solutions and strategic customer process management.

In the **Health and Medical** market, efforts will be made to make the most of the strong positioning in the RIS-PACS and Voice Recognition field to widen the offer of solutions to the other clinical areas and integrate it with third party offers in the administrative and management sectors.

### PRODUCTION STRATEGIES

As regards **System Management and Application Maintenance**, nearshore models based on methods and instruments with an efficient quality/cost ratio focused on specific business processes are being implemented to support both public and private medium to large organisations.

In the systems theory area, technologic partnerships to define a complete, methodological and technological Business Service Management offer are being defined making the most of significant system management experience and skills.

As for **System Integration** solutions that use mobility and broad band technologies to automate activities and processes that involve many internal and external subjects are being developed.



In **Product and Application Development**, the current product lines made by the various companies of the Group will be developed towards open solutions that can be integrated into wider application scenarios, based on service oriented architectures and expansion with third party products and technologies.

## COMPANY STRATEGIES

During 2007, operations will continue to rationalise the Group company structure that on the one hand tends to alienate those companies that, following company restructuring in 2005 and 2006, no longer carry out industrial activities and on the other make project development and provision of professional service more focused and synergistic.

Moreover, said rationalisation aims to create the premises for simpler and more rapid Group growth as regards external lines.

The plan includes:

- a) selling or eliminating companies that do not carry out industrial activities;
- b) companies controlled directly by the Parent Company Exprivia SpA merging their subsidiaries.

Therefore, once the restructure is complete, the Group would consist of the Parent Company Exprivia SpA and those companies it controls directly that are industrially active, focused per market sector or distinctive expertise and best balanced in terms of resources and revenue.

The development of partnerships will be extended to an international level with product and service companies widening the Group's capacity both in terms of quantity and quality.

## RESEARCH AND DEVELOPMENT

Investments are aimed at strengthening the company's know how as regards processes and changes in the business in those markets served.

Significant investments in research and development are aimed at prototyping both open source and proprietary technology based application solutions with innovative architectures.

## DEVELOPMENT PROSPECTS

The results achieved during 2006, and in particular during the second half of the year, confirm those strategic growth objectives communicated to the market in February 2006.

Development strategies aim to position the Exprivia brand as leading company on the national market for innovation and speed with which it proposes innovative solutions.

Current positioning (multi sectors - multi-niche) will be used to develop cross selling activities and, at the same time, develop strategic alliances with primary institutions to extend the offer even on foreign markets.

The Exprivia Group objective is that of becoming a player able to position itself amongst the first ten national ICT groups, focusing its operating strategy on innovation, speed and coverage even of foreign markets.

The 2008 internal growth objective forecasts a turnover of around 60 Million Euro with a 15 % Ebitda margin; the expected 2007 trend is in line with said objective.

The growth strategy for external lines is in line with internal growth and should reach a turnover of 100 Million Euro with a 16% EBITDA margin in 2008.

# **Exprivia Group Consolidated Balance Sheet**

## CONSOLIDATED ASSET AND LIABILITY STATEMENT

| ASSET AND LIABILITY STATEMENT             |                   |                   |                   |                   |
|---|-------------------|-------------------|-------------------|-------------------|
| NON CURRENT ASSETS                        |                   |                   |                   |                   |
| <b>Building, System and machinery</b>     | <b>7,747,786</b>  | <b>8,071,586</b>  | <b>7,929,273</b>  | <b>8,108,632</b>  |
| Land and Buildings                        | 6,600,212         | 6,804,530         | 6,705,319         | 6,847,395         |
| Fixed assets in progress and advances     | 64,128            | 64,128            | 64,128            | 64,128            |
| Other assets                              | 1,083,446         | 1,202,928         | 1,159,826         | 1,197,109         |
| <b>Property investments</b>               | <b>-</b>          | <b>-</b>          | <b>-</b>          | <b>-</b>          |
| Land and Buildings                        |                   |                   |                   |                   |
| Fixed asset in progress and advances      |                   |                   |                   |                   |
| <b>Goodwill and undefined life assets</b> | <b>26,788,593</b> | <b>26,680,935</b> | <b>26,713,346</b> | <b>26,718,353</b> |
| Goodwill                                  | 24,593,242        | 22,825,542        | 22,825,587        | 22,825,542        |
| Consolidation difference                  | 2,195,351         | 3,855,393         | 3,887,759         | 3,892,811         |
| <b>Other intangible assets</b>            | <b>2,410,307</b>  | <b>2,691,947</b>  | <b>2,540,636</b>  | <b>2,738,306</b>  |
| Intangible assets                         | 57,477            | 162,457           | 76,025            | 213,257           |
| Development costs                         | 2,352,830         | 2,242,384         | 2,177,505         | 2,237,943         |
| Fixed asset in progress and advances      | -                 | 287,106           | 287,106           | 287,106           |
| <b>Shareholding</b>                       | <b>1,439,256</b>  | <b>37,908</b>     | <b>1,289,256</b>  | <b>37,908</b>     |
| Shareholding in subsidiaries              | -                 | -                 | -                 |                   |
| Shareholding in affiliates                |                   |                   |                   |                   |
| Shareholding in other companies           | 1,439,256         | 37,908            | 1,289,256         | 37,908            |
| <b>Other financial assets</b>             | <b>50,643</b>     | <b>1,596,519</b>  | <b>51,076</b>     | <b>1,125,637</b>  |
| Receivables to subsidiaries               | 31,096            | 31,658            | 31,658            | 1,042             |
| Receivables to affiliates                 | -                 | -                 | -                 |                   |
| Receivables to parent companies           | -                 | -                 | -                 |                   |
| Receivables due to other                  | 13,333            | 1,304,959         | 13,333            | 864,693           |
| Other securiteis                          | 6,214             | 259,902           | 6,085             | 259,902           |
| <b>Deferred tax credits</b>               | <b>909,984</b>    | <b>1,004,985</b>  | <b>954,565</b>    | <b>997,606</b>    |
| Advanced/Deferred taxes                   | 909,984           | 1,004,985         | 954,565           | 997,606           |
| <b>TOTAL NON CURRENT ASSETS</b>           | <b>39,346,569</b> | <b>40,083,880</b> | <b>39,478,152</b> | <b>39,726,442</b> |

|  | 30/06/2007        | 30/06/2006        | 31/12/2006        |
|--|-------------------|-------------------|-------------------|
| <b>CURRENT ASSETS</b>  |                   |                   |                   |
| <b>Commercial credits and others</b>   | <b>33,169,882</b> | <b>30,542,223</b> | <b>34,581,506</b> |
| Receivables to Customers   | 25,434,787        | 25,744,074        | 27,307,800        |
| Receivables to subsidiaries  | -                 | 3,840             | -                 |
| Receivables to affiliates  | -                 | -                 | -                 |
| Receivables to parent companies  | 385,962           | 341,049           | 367,964           |
| Receivables to affiliated companies  | 248,411           | 261,824           | 248,411           |
| Receivables to others  | 6,059,861         | 3,121,139         | 5,831,676         |
| Tax credits  | 317,456           | 565,819           | 350,774           |
| Accrued earning and deferred assets  | 723,405           | 504,478           | 474,881           |
| <b>Stock</b>   | <b>584,404</b>    | <b>287,653</b>    | <b>433,661</b>    |
| Stock  | 584,404           | 287,653           | 433,661           |
| <b>Work in progress to order</b>   | <b>705,092</b>    | <b>1,703,754</b>  | <b>81,339</b>     |
| Work in progress to order  | 705,092           | 1,703,754         | 81,339            |
| <b>Current financial assets</b>  | <b>-</b>          | <b>-</b>          | <b>-</b>          |
| Other securities   |                   |                   |                   |
| Own shares   |                   |                   |                   |
| <b>Liquid assets</b>   | <b>1,638,387</b>  | <b>859,616</b>    | <b>1,509,360</b>  |
| Bank credits   | 1,634,139         | 855,891           | 1,504,438         |
| Cheques and cash in hand   | 4,248             | 3,725             | 4,922             |
| <b>ASSETS CLASSIFIED AS HELD FOR SALE<br/>AND ASSETS INCLUDED IN DIVESTED<br/>AGGREGATES</b> | <b>164,082</b>    | <b>-</b>          | <b>-</b>          |
| Shareholding in subsidiaries   | 164,082           |                   |                   |
| <b>TOTAL CURRENT ASSETS</b>  | <b>36,261,847</b> | <b>33,393,246</b> | <b>36,605,866</b> |
| <b>TOTAL ASSETS</b>  | <b>75,608,416</b> | <b>73,477,126</b> | <b>76,084,018</b> |

|  | 30/06/2007         | 30/06/2006         | 31/12/2006         |
|--|--------------------|--------------------|--------------------|
| <b>NET WORTH</b>                               |                    |                    |                    |
| <b>Company Capital</b>                         | <b>17,642,488</b>  | <b>17,642,488</b>  | <b>17,642,488</b>  |
| Company Capital                                | 17,642,488         | 17,642,488         | 17,642,488         |
| Receivables to partners for deposits still due |                    |                    |                    |
| <b>Own Shares</b>                              | <b>-</b>           | <b>-</b>           | <b>(53,557)</b>    |
| Own Shares                                     | -                  | -                  | (53,557)           |
| <b>Surplus Reserve</b>                         | <b>1,999,113</b>   | <b>1,999,113</b>   | <b>1,999,113</b>   |
| Share surplus                                  | 1,999,113          | 1,999,113          | 1,999,113          |
| <b>Appreciation Reserve</b>                    | <b>3,033,230</b>   | <b>3,033,230</b>   | <b>3,033,230</b>   |
| Appreciation reserve                           | 3,033,230          | 3,033,230          | 3,033,230          |
| <b>Other Reserves</b>                          | <b>7,689,094</b>   | <b>7,506,679</b>   | <b>7,512,875</b>   |
| Legal reserve                                  | 54,944             | -                  | -                  |
| Own share portfolio reserve                    |                    |                    | -                  |
| Deposits capital account                       | 6,000,000          | 6,000,000          | 6,000,000          |
| Euro conversion reserve                        |                    |                    | -                  |
| Extraordinary reserve                          | -                  | -                  | -                  |
| Other reserves                                 | 1,627,471          | 1,500,000          | 1,500,000          |
| Suspended tax reserve                          |                    |                    | -                  |
| Optional reserve                               |                    |                    | -                  |
| IAS transition reserve                         | 142,675            | 142,675            | 148,871            |
| IAS tax effect                                 | (135,996)          | (135,996)          | (135,996)          |
| Merger surplus                                 |                    |                    | -                  |
| Overdraft to cover losses                      |                    |                    | -                  |
| Own shares                                     |                    |                    | -                  |
| <b>Previous years's profits/losses</b>         | <b>(1,471,833)</b> | <b>(2,806,010)</b> | <b>(2,688,101)</b> |
| Profist/losses carried forward                 | (1,471,833)        | (2,806,010)        | (2,688,101)        |
| Previous year's profits to be distributed      |                    |                    |                    |
| Losses carried forward                         |                    |                    |                    |
| Dividends distribution account                 |                    |                    |                    |
| <b>Operating profit/losses</b>                 | <b>637,787</b>     | <b>484,194</b>     | <b>1,111,972</b>   |
|  |                    |                    |                    |
| <b>TOTAL NET WORTH</b>                         | <b>29,529,879</b>  | <b>27,859,694</b>  | <b>28,558,020</b>  |
|  |                    |                    |                    |
| <b>Minority holding</b>                        | <b>175,950</b>     | <b>139,039</b>     | <b>177,039</b>     |
|  |                    |                    |                    |
| <b>TOTAL GROUP NET WORTH</b>                   | <b>29,353,929</b>  | <b>27,720,655</b>  | <b>28,380,981</b>  |

|  | 30/06/2007        | 30/06/2006        | 31/12/2006        |
|--|-------------------|-------------------|-------------------|
| <b>NON CURRENT LIABILITIES</b>             |                   |                   |                   |
| <b>Non current bonds in calculation</b>    | -                 | -                 | -                 |
| Bonds                                      |                   |                   |                   |
| Convettible bonds                          |                   |                   |                   |
| <b>Non current payables to bank</b>        | <b>4,271,353</b>  | <b>4,291,879</b>  | <b>4,271,353</b>  |
| Non current payables to banks              | 4,271,353         | 4,291,879         | 4,271,353         |
| <b>Other Financial Liabilities</b>         | <b>1,629,483</b>  | <b>818,126</b>    | <b>1,534,411</b>  |
| Payables to other financers                |                   |                   |                   |
| Tax and sociale security debts beyond year | 1,629,483         | 818,126           | 1,534,411         |
| <b>Fund for Risks and Charges</b>          | <b>65,875</b>     | <b>624,056</b>    | <b>215,400</b>    |
| Risk fund for consultancies                | -                 | -                 | -                 |
| Taxes and duties fund                      | -                 | -                 | -                 |
| Reserve for bad and doubtful debts         | -                 | -                 | -                 |
| Exchange oscillations reserve              | -                 | -                 | -                 |
| Fund deferred profits on exchanges         | -                 | -                 | -                 |
| Other reerves                              | 65,875            | 624,056           | 215,400           |
| <b>Staff Related Funds</b>                 | <b>4,636,427</b>  | <b>4,193,395</b>  | <b>4,356,504</b>  |
| Severance pay fund                         | -                 | -                 | -                 |
| Employee retirement allowance              | 4,636,427         | 4,193,395         | 4,356,504         |
| <b>Debit deferred taxes</b>                | <b>211,789</b>    | <b>210,499</b>    | <b>211,789</b>    |
| Deferred tax funds                         | 211,789           | 210,499           | 211,789           |
| <b>TOTAL NON CURRENT LIABILITIES</b>       | <b>10,814,927</b> | <b>10,137,955</b> | <b>10,589,457</b> |

|  | 30/06/2007        | 30/06/2006        | 31/12/2006        |
|--|-------------------|-------------------|-------------------|
| <b>CURRENT LIABILITIES</b>                         |                   |                   |                   |
| <b>Current bonds in calculation</b>                |                   |                   |                   |
| <b>Current payables to banks</b>                   | <b>12,772,578</b> | <b>11,113,565</b> | <b>13,990,725</b> |
| Current payables to banks                          | 12,772,578        | 11,113,565        | 13,990,725        |
| <b>Payables to suppliers</b>                       | <b>6,028,224</b>  | <b>7,271,100</b>  | <b>6,741,559</b>  |
| Payables to suppliers                              | 6,028,224         | 7,271,100         | 6,741,559         |
| <b>Advances on work in progress to order</b>       | <b>-</b>          | <b>93,296</b>     | <b>36,680</b>     |
| Advances   | -                 | 93,296            | 36,680            |
| <b>Other Financial Liabilities</b>                 | <b>615,784</b>    | <b>942,466</b>    | <b>641,081</b>    |
| Payables represented by debt instruments           | -                 | -                 | -                 |
| Payables to subsidiary companies                   | 178,615           | 7,142             | 992               |
| Payables to affiliates                             | -                 | -                 | -                 |
| Payables to parent companies                       | -                 | -                 | -                 |
| Payables to affiliates companies                   | 177,455           | 525,317           | 320,675           |
| Payables to others                                 | 259,714           | 410,007           | 319,414           |
| <b>Tax Debts</b>                                   | <b>3,171,320</b>  | <b>4,005,274</b>  | <b>3,184,913</b>  |
| Tax debts  | 3,171,320         | 4,005,274         | 3,184,913         |
| <b>Other Current Liabilities</b>                   | <b>12,675,704</b> | <b>12,053,776</b> | <b>12,341,583</b> |
| Payables to welfare and social security institutes | 2,159,524         | 3,771,215         | 2,618,272         |
| Other payables                                     | 6,034,408         | 5,557,900         | 5,204,467         |
| Accrued costs                                      | 272,064           | 206,021           | 304,928           |
| Deferred earning                                   | 4,209,708         | 2,518,640         | 4,213,916         |
| <b>Liabilities Included in divested aggregates</b> |                   |                   |                   |
| <b>TOTAL CURRENT LIABILITIES</b>                   | <b>35,263,610</b> | <b>35,479,477</b> | <b>36,936,541</b> |
| <b>TOTAL LIABILITIES</b>                           | <b>75,608,416</b> | <b>73,477,126</b> | <b>76,084,018</b> |



## CONSOLIDATED PROFIT AND LOSS

|  | 30/06/2007        | 30/06/2006        | 31/12/2006        |
|--|-------------------|-------------------|-------------------|
| <b>REVENUE</b>   | <b>21,244,117</b> | <b>21,120,864</b> | <b>44,216,610</b> |
| Revenue from sales and services  | 21,244,117        | 21,120,864        | 44,216,610        |
| <b>OTHER PROCEEDS</b>  | <b>769,771</b>    | <b>833,323</b>    | <b>1,828,559</b>  |
| Other proceeds and revenue   | 327,926           | 246,812           | 795,888           |
| Contributions to year's account  | 440,334           | 474,083           | 1,021,632         |
| Surpluses  | 1,511             | 112,428           | 11,039            |
| <b>VARIATIONS IN STOCK OF FINISHED PRODUCTS AND PRODUCTS IN PROGRESS</b> | <b>1,282,568</b>  | <b>1,432,434</b>  | <b>985,208</b>    |
| Var. in stock of prod. In prog. Semi-fin. Prod                           | 150,744           | (39,465)          | (62,756)          |
| Variation in work in progress to order                                   | 705,092           | 990,684           | 55,747            |
| Increase in fixed assets for internal work                               | 426,732           | 481,215           | 992,217           |
| <b>TOTAL PRODUCTION REVENUE</b>  | <b>23,296,456</b> | <b>23,386,621</b> | <b>47,030,377</b> |
| <b>RAW MATERIALS AND CONSUMABLES</b>                                     | <b>873,306</b>    | <b>910,110</b>    | <b>2,712,493</b>  |
| Costs of raw mat., subsidiary mat. and consumables                       | 873,306           | 910,110           | 2,712,493         |
| <b>COSTS LINKED TO EMPLOYEE BENEFITS</b>                                 | <b>14,766,653</b> | <b>14,335,784</b> | <b>27,755,561</b> |
| Pay  | 11,319,534        | 11,056,693        | 21,266,999        |
| Social security contributions  | 2,703,368         | 2,593,333         | 5,034,625         |
| Retirement allowance   | 550,601           | 536,966           | 1,096,179         |
| Other Staff costs  | 193,150           | 148,792           | 357,758           |
| <b>OTHER COSTS</b>   | <b>4,878,527</b>  | <b>5,556,122</b>  | <b>11,009,844</b> |
| Other costs for services   | 4,194,834         | 4,782,879         | 9,218,079         |
| Costs to enjoy third party assets  | 418,874           | 454,538           | 891,066           |
| Sundry management cost   | 264,819           | 318,705           | 870,699           |
| Stock and Reserves   | -                 | -                 | 30,000            |
| Extraordinary charges  | -                 | -                 | -                 |
| <b>TOTALE PRODUCTION COSTS</b>   | <b>20,518,486</b> | <b>20,802,016</b> | <b>41,477,898</b> |
| <b>DIFFERENCE BETWEEN PRODUCTION COSTS AND REVENUE</b>                   | <b>2,777,970</b>  | <b>2,584,605</b>  | <b>5,552,479</b>  |

|  | 30/06/2007        | 30/06/2006        | 31/12/2006        |
|--|-------------------|-------------------|-------------------|
| <b>DEPRECIATION AND DEVALUATION</b>                  | <b>884,707</b>    | <b>935,888</b>    | <b>2,130,728</b>  |
| Ordinary depreciation of intangible fixed assets     | 562,818           | 570,135           | 1,241,587         |
| Ordinary depreciation of tangible fixed assets       | 321,889           | 365,753           | 766,768           |
| Other devaluation of fixed assets                    | -                 | -                 | -                 |
| Credit devaluation included in circulating assets    | -                 | -                 | 122,373           |
| <b>FINANCIAL PROCEEDS AND CHARGES</b>                | <b>566,277</b>    | <b>529,952</b>    | <b>1,066,338</b>  |
| Proceeds from shareholding from subsidiary companies | (1,488,210)       | -                 | -                 |
| Proceeds from shareholding from parent companies     | -                 | -                 | -                 |
| Proceeds from shareholding from others               | -                 | -                 | -                 |
| Proceeds other than those listed above               | (136,838)         | (1,075)           | (105,765)         |
| Interest and other financial charges                 | 607,875           | 469,539           | 1,116,694         |
| Charges from parent companies                        | 26,088            | -                 | -                 |
| Profits and losses on exchanges                      | 1,389             | 61,488            | -                 |
| Financial asset value adjustment                     | -                 | -                 | (55,352)          |
| Devaluations   | -                 | -                 | -                 |
| Devaluations of sharholdings                         | (1,555,973)       | -                 | -                 |
| Devaluations of financial fixed assets               | -                 | -                 | -                 |
| Devaluation of securities recorded                   | -                 | -                 | (57)              |
| <b>TOTAL COSTS</b>                                   | <b>21,969,470</b> | <b>22,267,856</b> | <b>44,674,964</b> |
| <b>PRE-TAX RESULT</b>                                | <b>1,326,986</b>  | <b>1,118,765</b>  | <b>2,355,413</b>  |
| <b>INCOME TAXES</b>                                  | <b>689,199</b>    | <b>634,571</b>    | <b>1,243,441</b>  |
| Income tax   | -                 | -                 | -                 |
| IRES   | 1,291             | 4,970             | -                 |
| IRAP   | 668,584           | 623,238           | 1,187,263         |
| Deferred taxes                                       | 19,324            | 6,363             | 5,758             |
| Tax advances   | -                 | -                 | 50,420            |
| Remission taxes                                      | -                 | -                 | -                 |
| <b>OPERATING PROFIT OR LOSS</b>                      | <b>637,787</b>    | <b>484,194</b>    | <b>1,111,972</b>  |
| <b>PARENT COMPANY SHAREHOLDERS</b>                   | <b>639,401</b>    | <b>487,294</b>    | <b>1,092,650</b>  |
| <b>MINORITY SHAREHOLDERS</b>                         | <b>(1,614)</b>    | <b>(3,100)</b>    | <b>19,322</b>     |

## CONSOLIDATED FINANCIAL STATEMENT

|   | 30.06.2007       | 30.06.2006         | 31.12.2006         |
|---|------------------|--------------------|--------------------|
| <b>Operations from income management</b>  |                  |                    |                    |
| - Profit (loss)   | 637,787          | 484,194            | 1,111,972          |
| - Depreciation and devaluation of fixed assets                                  | 884,707          | 935,888            | 2,008,355          |
| - T.F.R. reserve  | 550,601          | 536,966            | 1,096,179          |
| - T.F.R. Advances/Payments  | (270,678)        | (305,148)          | (701,252)          |
| - Financial asset value adjustments   |                  |                    |                    |
| <b>Cash flow resulting from income management</b>                               | <b>1,802,417</b> | <b>1,651,900</b>   | <b>3,515,254</b>   |
| <b>Increases/Reductions in circulating assets and liabilities:</b>              |                  |                    |                    |
| - Variation in stock and advances   | (774,496)        | (274,826)          | 1,234,300          |
| - Variation receivables to customers  | 1,873,013        | (522,088)          | (2,085,814)        |
| - Variation receivables to parent companies/subsidiaries/affiliates             | (17,998)         | (16,660)           | (26,322)           |
| - Variations in receivables to other  | (358,949)        | 742,373            | (1,753,119)        |
| - Variations in payables to suppliers   | (713,335)        | (2,848,457)        | (3,377,998)        |
| - Variations in payables to parent companies/subsidiaries/affiliates/correlates | (25,297)         | (81,995)           | (292,787)          |
| - Variations in tax and social security debts                                   | (377,269)        | (1,173,902)        | (2,840,928)        |
| - Variations in payable to other  | 793,261          | 877,899            | 754,545            |
| - Variations in accrued earning/deferred assets                                 | (248,524)        | (127,701)          | (98,104)           |
| - Variations in accrued expenses  | (37,072)         | (347,877)          | 1,446,306          |
| - Variations in risk fund reserve   | (149,525)        | (419,581)          | (826,947)          |
| <b>Cash flow resulting (used) from circulating assets and liabilities</b>       | <b>(36,191)</b>  | <b>(4,192,815)</b> | <b>(7,866,868)</b> |
| <b>Cash flow resulting (used) from current assets</b>                           | <b>1,766,226</b> | <b>(2,540,915)</b> | <b>(4,351,614)</b> |
| <b>Investments:</b>   |                  |                    |                    |
| - Variation in tangible fixed assets  | (140,402)        | (328,707)          | (587,409)          |
| - Variation in intangible fixed assets  | (507,736)        | (486,358)          | (1,038,910)        |
| - Variation in financial fixed assets   | (104,986)        | (478,261)          | (133,746)          |
| <b>Cash flow resulting (sed) from investment activities</b>                     | <b>(753,124)</b> | <b>(1,293,326)</b> | <b>(1,760,065)</b> |
| <b>Financial assets:</b>  |                  |                    |                    |
| - Variations in other reserves  | 334,072          | 56,579             | 127,127            |
| <b>Cash flow resulting (used) from financial assets</b>                         | <b>334,072</b>   | <b>56,579</b>      | <b>127,127</b>     |
| <b>Increases (decreases) in cash</b>  | <b>1,347,174</b> | <b>(3,777,662)</b> | <b>(5,984,552)</b> |
| Banks and cash in credit at year start  | 1,509,360        | 1,973,471          | 1,973,471          |
| Banks and cash in debit at year start   | (18,262,078)     | (12,741,637)       | (12,741,637)       |
| Banks and cash in credit at year end  | 1,638,387        | 859,616            | 1,509,360          |
| Banks and cash in debit at year ent   | (17,043,931)     | (15,405,444)       | (18,262,078)       |
| <b>Increases (decreases) in cash in hand</b>                                    | <b>1,347,174</b> | <b>(3,777,662)</b> | <b>(5,984,552)</b> |

# SUPPLEMENTARY NOTE TO CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2007

## DECLARATION OF CONFORMANCE WITH INTERNATIONAL IFRS ACCOUNTING STANDARDS

The Exprivia Group's six-monthly report as at 30 June 2007 and that of the parent company Exprivia S.p.A. are drawn up in accordance with the International Accounting Standards approved by the European Community (hereinafter individually referred to as IAS/IFRS or overall as IFRSs) as described in art. 81 of Issuer Regulations No 11971, issued by Consob on 14/05/99, and subsequent amendments.

In accordance with that set out in IFRS standard No 1, we declare that, in drawing up the Exprivia Group six-monthly report as at 30 June 2007 and that of the parent company Exprivia S.p.A., all international IAS/IFRS accounting standards in force at the time were applied.

## CONSOLIDATION CRITERIA

In accordance with that set out in IFRS3 for inverse mergers (paragraph. b7 and subsequent paragraphs), the consolidation area includes Exprivia S.p.A.'s balance sheet and those of all subsidiary and affiliated companies apart from those shareholdings held for subsequent sale.

By subsidiary companies we mean those in which the Parent Company has control. The existence of said control is presumed when the Parent Company holds, either directly or indirectly, over half of the effective rights to vote or those potentially exercisable in meetings on the statement date. By affiliated companies we mean those in which the Company exercises a significant influence. Said influence is presumed when it holds 20% or more of the rights to vote or those potentially exercisable in meetings on the statement date.

Subsidiary and affiliated companies are consolidated as from the date the Group gains control and deconsolidated as from the date it loses control or when there are decisions, facts and evidence relating to the future transfer of the subsidiary company that change its status rendering it a shareholding held for subsequent transfer/sale.

Acquisition of subsidiary and affiliated companies is entered according to the purchase method. The acquisition cost corresponds to the current value of those assets transferred, shares issued or liabilities taken on as at the acquisition date, plus any costs directly attributable. The excess cost in relation to the share that belongs to the Group of the acquired company's net current assets is entered under assets as goodwill for subsidiary companies whilst it is included in the value of the shareholding for affiliated companies. Debit goodwill is entered in the profit and loss account on the acquisition date.

The global integration method is applied when consolidating subsidiary companies, that is, assuming the entire amount of assets and liabilities and all costs and revenue irrespective of the actual percentage of the shareholding. Therefore, the accounting value of consolidated shareholdings is eliminated in light of the relative net worth. Operations, balances as well as profits and losses not achieved on infragroup transactions are annulled. Minority shareholder

shares of the net worth and result are highlighted in an appropriate net worth item and on a separate line of the consolidated profit and loss account.

Following acquisition, shareholdings in subsidiary companies are recorded according to the net worth method noting the share belonging to the Group in the result and reserve movements respectively in the profit and loss account and net worth. The relative share of profits and losses not achieved on infragroup operations is annulled. If the Group's share of the losses of an affiliated company is equal or over the value of the shareholding, the Group does not acknowledge any further losses unless it has obligations to make them up or has made payments on behalf of the affiliate.

## ASSESSMENT CRITERIA

### *INTANGIBLE FIXED ASSETS*

Intangible fixed assets are noted at their acquisition or production cost. The acquisition cost is the price paid to purchase the asset and any direct cost sustained to prepare it for use. The acquisition cost is the equivalent cash price on the entry date therefore, if payment is deferred beyond the normal credit extension terms, the difference compared to the equivalent cash price is noted as interest throughout the extension period. As regards intangible fixed assets generated internally, the process to enter assets is distinguished between the research phase (not capitalised) and that following development (capitalised). The entire project is considered as research if it is not possible to distinguish the two phases. Financial charges sustained for the acquisition are never capitalised.

### **GOODWILL**

The goodwill, resulting from acquisition or merger operations noted according to the purchase method in accordance with that set out in standard IFRS3, is not subject to depreciation but, at least once a year, audits to identify any reductions in value ("impairment test"). Therefore, goodwill is allocated, as from the acquisition date, or by the end of the year following this, to one or more independent Cash Generating Units. Any reductions in value that emerge from the Impairment test are not adjusted in subsequent periods.

### **OTHER INTANGIBLE FIXED ASSETS**

The other intangible fixed assets, including development costs, industrial patent rights and copyrights, concessions, licences, trademarks and similar rights and software, are valued at cost net of any depreciation accrued, determined according to the constant share criterion throughout their expected useful life, on average, except in specific cases, 3/5 years, and possible losses in value. The depreciation criteria, useful lives and residual values used are re-examined and redefined at least at the end of each administrative period to bear in mind any significant variations.

### *TANGIBLE FIXED ASSETS*

Tangible fixed assets are noted at their acquisition or production cost. The acquisition cost is the price paid to purchase the asset and any direct cost sustained to prepare it for use. The acquisition cost is the equivalent cash price on the entry date therefore, if payment is deferred beyond the normal credit extension terms, the difference compared to the equivalent cash price is noted as interest throughout the extension period. Financial charges sustained to

acquire or produce the asset are never capitalised. Costs to extend, modernise or improve structural elements owned or used by third parties are capitalised solely within those limits in which they meet requirements to be classified separately as asset or part of an asset.

Following initial entry, tangible fixed assets are entered at cost, net of any depreciation accrued and any losses in value. The depreciable value of each significant component of a tangible fixed asset, having a different useful life, is divided into constant shares throughout its expected useful life. Bearing in mind the homogeneity of assets included in individual balance sheet categories it is thought that, except in specific cases, the useful lives per category of assets are as follows:

|                                      |                        |
|--------------------------------------|------------------------|
| <b>Land</b>                          | indefinite useful life |
| <b>Industrial buildings</b>          | 33 years               |
| <b>Systems and machinery</b>         | 4 – 7 years            |
| <b>Office furniture and machines</b> | 5 – 8 years            |
| <b>Equipment and motor vehicles</b>  | 4 - 7 years            |

The depreciation criteria, useful lives and residual values used are re-examined and redefined at least at the end of each administrative period to bear in mind any significant variations.

Costs sustained for improvements on third party assets, that may be capitalised, are attributed to those classes of assets they refer to and amortised for the shorter time between the residual duration of the rental contract and residual useful life of the asset the improvement relates to.

The accounting value of tangible fixed assets is maintained in the balance sheet if there is evidence it can be recovered through use. Impairment tests are carried out on those assets where recovery of the net value is doubtful so as to determine a possible loss in value (see following paragraph). The value is restored if the reasons for said loss no longer exist.

## CONTRIBUTIONS

Contributions are noted, irrespective of whether there is a formal resolution, if there is reasonable certainty that the company will respect those conditions set out for the concession and contributions will be received.

A public contribution for expenses and costs already sustained or to provide immediate financial help without incurring any future costs is noted as proceed in the year it becomes payable.

## ASSET VALUE LOSSES

A loss in value arises every time the accounting value of an asset is over its recoverable value. Indicators of a possible loss in value are verified on all balance sheet dates. In the event of these indicators the recoverable value of the asset (impairment test) is assessed and possible depreciation accounted for. As for assets not yet available for use, those noted in the year in progress and goodwill, an impairment test is carried out at least once a year independently of the presence of said indicators.

The recoverable value of an asset is the greater value between its fair value net of sales costs and useful value. The recoverable value is calculated with reference to an individual asset, unless it is unable to generate incoming financial flows resulting from its continuous use

independently from those of other assets or group of assets, in which case the test is carried out on the smallest independent flow generating unit that includes the asset in question (Cash Generating Unit).

## FINANCIAL ASSETS AND LIABILITIES

Financial assets are classified in the following categories:

- ✓ *financial assets at their fair value with set off in the profit and loss account*: financial assets acquired mainly with the intention of gaining a profit from the short term fluctuations in price (period of under 3 months) or designated as such from origin;
- ✓ *financial assets held until their expiry date*: investments in fixed term financial assets with fixed or determinable payments the Group intends or is able to maintain until expiry;
- ✓ *loans and other financial credits*: financial assets with fixed or determinable payments, not listed on an active market and different from those classified from the origin as financial assets at their fair value with set off in the profit and loss account or financial assets available for transfer;
- ✓ *financial assets available for transfer*: financial assets other than those referred to hereinabove or designated as such since their origin.

The Group determines financial asset classification on acquisition entering them initially at their fair value, as at their acquisition date, and bearing in mind the transaction costs. By acquisition or transfer date we mean the settlement date.

Following initial entry, financial assets at their fair value with set off in the profit and loss account and assets available for transfer are valued at their fair value whereas financial assets held until their expiry date as well as loans and other financial credits are valued at the amortised cost.

Profits and losses resulting from variations in the fair value of financial assets at their fair value with set off in the profit and loss account are noted in the profit and loss account of the year in which they occur. Profits and losses not achieved as a result of variations in the fair value of assets classified as available for transfer are noted in the net worth.

The fair values of financial assets are determined according to list prices or using financial models. Fair values of non listed financial assets are estimated using appropriate assessment techniques adapted to the Issuer's specific situation. Financial assets for which the current value cannot be determined reliably are entered at cost reduced by losses in value.

The presence of value loss indicators is verified on all balance sheet dates. The relative devaluation is calculated according to the financial asset valorisation criterion and entered in the profit and loss account or net worth. The loss in value previously entered is eliminated if the circumstances that lead to its entry no longer exist, except in the case of assets valued at cost.

Financial liabilities are noted initially at the fair value of the sums collected, net of any transaction costs sustained, and subsequently valued at the depreciated cost.

## STOCK

Stocks are entered at the lower between the acquisition cost, determined according to the average weighted cost and net realisation value. The cost is represented by the fair value of the price paid and any other directly attributable cost except financial charges. The net realisation value is the estimated sales price net of completion costs and sales expenses. Depreciation is eliminated during the following years if the reasons no longer exist.



## LIQUID ASSETS

Liquid assets are very liquid short term investments (generally under 3 months) that are generally easy to convert into known amounts of money and subject to an insignificant risk. Changes in value are noted at their fair value.

For financial statement purposes, liquid assets consist of cash in hand, bank deposits, other very liquid short term assets of under 3 months and overdrawn current accounts. The latter are included in the financial debts of current liabilities.

## NET WORTH

### COMPANY CAPITAL

This item consists of the underwritten and paid up capital stock. Costs strictly related to the issue of shares are classified as a reduction to the net worth in other reserves provided that they are variable marginal costs directly attributable to the capital operation and unavoidable in any other way.

### OWN SHARES

Own shares are entered in the appropriate net worth reserve. No profit (loss) is entered in the profit and loss account to purchase, sell, issue or cancel own shares.

### FAIR VALUE RESERVE

This item contains variations in the fair value, gross of any tax, of any items entered at their fair value with set off in the net worth.

### OTHER RESERVES

Items consist of specific capital reserves relating to the Parent Company.

### PROFITS (LOSSES) CARRIED FORWARD

This item includes that part of the economic results of the year in progress and those of previous years, that are neither distributed nor set aside (in the case of profits) or made up (in the case of losses), transfers from other reserves once released from those ties they were subject to, as well as the effects of changes in the accounting standards and significant errors.

## EMPLOYEE BENEFITS

### SHORT-TERM BENEFITS

Short-term employee benefits are entered in the profit and loss account in the period in which the working activity is carried out.

### DEFINED BENEFIT PLANS

The Group acknowledges its employees benefits as Retirement Allowance. Said benefits fall within the definition of defined benefit plans determined in their existence and amount but uncertain in their form. The relative liability is determined as current value of the service obligation defined on the balance sheet date, in accordance with the regulations in force, adjusted to bear in mind the actuarial (profits) losses. The amount of the defined service obligation is calculated annually by an external actuary according to the "Credit Unit



Projection" method. Actuarial profits and losses are entered as a whole in the relative year without applying the so-called "Corridor method".

## DEFINED CONTRIBUTION PLANS

The Group takes part in compulsory, contractual or voluntary, public or private defined contribution pension plans. Payment of contributions fulfils the Group's obligation in relation to its employees. Therefore, said contributions constitute costs for the period in which they are due.

## PROVISION FOR RISKS AND CHARGES, POTENTIAL ASSETS AND LIABILITIES

Provisions for risks and charges represent probable liabilities of uncertain amount/expiry resulting from past events whose fulfilment will involve the use of economic resources. Provisions are only set aside for current, legal or implicit liabilities, that render the use of economic resources necessary, provided that a reliable estimate of the liability is possible. The amount noted as provision represents the best estimate of the expense necessary to fulfil the obligation as at the balance sheet date. Funds set aside are reviewed at every balance sheet date and adjusted so as to represent the best current estimate.

In those cases where the financial outlay takes place outside the normal terms of payment and the discounting has a significant effect, the amount set aside is represented by the current value of expected future payments to discharge the obligation.

Potential assets and liabilities of an improbable but possible or remote nature are not entered in the balance sheet; however, appropriate information is provided as regards the possible assets and liabilities.

## DERIVATIVE INSTRUMENTS

Derivative contracts are noted at their fair value in the asset and liability statement. Variations in the fair value are recorded in different ways depending on the type of derivative instrument (speculative or cover) and nature of the risk covered (Fair Value Hedge or Cash Flow Hedge).

In the case of speculative contracts, variations in fair value are noted directly in the profit and loss account.

The Fair Value Hedge is entered noting the variations in the fair value of the cover and instrument covered in the profit and loss account irrespective of the valuation criterion adopted for the latter. In particular, the accounting value of interest bearing covered financial instruments is amortised in the profit and loss account throughout the residual contractual life of the covered credit/debit using the actual interest method.

The Cash Flow Hedge is entered suspending that portion of the variation in the fair value of the cover instrument acknowledged as effective cover in the net worth and noting the ineffective portion in the profit and loss account. The variations noted directly in the net worth are issued to the profit and loss account in the same year or years in which the covered asset or liability influences the profit and loss account.

## REVENUE AND COSTS

Revenue resulting from the transfer of assets is noted, on transferring the risks that generally takes place with shipment, at the fair value of the payment received or due bearing in mind any discounts.

Revenue resulting from services is determined according to the percentage of completion, defined as ratio between the amount of services carried out at the reference date and total value of the services foreseen.

Costs are entered according to similar criteria to that adopted for revenue and however according to accrual.

Interest paid and earned is noted according to the accrual criterion, bearing in mind the residual capital liabilities and applicable interest rate during the period until the expiry date.

Dividends are entered in the year the distribution is deliberated.

## TAXES

Operating taxes are determined according to the presumable burden to be discharged in observance of the tax regulations in force.

Moreover, deferred and advanced taxes on temporary differences between the asset values entered in the balance sheet and corresponding values acknowledged for tax purposes and unused tax losses or credits carried forward are also recorded, provided that recovery (extinction) reduces (increases) future tax payments without said fiscal effects. The fiscal effects of operations or other facts are noted, in the profit and loss account or directly in the net worth, in the same way as those operations or facts that give rise to tax.

**CURRENCIES**

Currency operations are converted into money at the exchange rate on the day of said operation. Profits and losses resulting from exchange operations and the conversion of monetary assets and liabilities are noted in the profit and loss account.

## CONSOLIDATION AREA

The six-monthly report as at 30 June 2007 includes the economic and financial situation of Exprivia S.p.A. and that of its subsidiary companies.

| Company                           | Area   |
|-----------------------------------|--|
|                                   | Industry Telecommunications and Space/Public Administration, Transport and Utilities |
| Exprivia Projects S.p.A.          | Public Administration, Transport and Utilities                                       |
| Exprivia Customer Services S.r.l. | Industry Telecommunications and Space/Public Administration, Transport and Utilities |
| GST S.r.l.                        | Health and Medical   |
| Reco Sistemi S.r.l.               | Health and Medical   |

The following table lists those companies subject to consolidation:

The following summarises the main data of the above-mentioned subsidiaries, consolidated with the integral method.

Company, Registered office, Operating Result, Net Worth, Production Value, Total Assets, % owned

| Company                           | Registered office | Company capital | Period result | Net Worth | Production value | Total assets | Shareholding % |
|-----------------------------------|-------------------|-----------------|---------------|-----------|------------------|--------------|----------------|
| Exprivia Solutions S.p.A.         | Roma              | 170,795         | (295,245)     | 122,943   | 1,802,034        | 5,785,199    | 100.00%        |
| Exprivia Projects S.p.A.          | Roma              | 242,000         | 285           | 163,382   | 2,456,314        | 3,788,423    | 100.00%        |
| Exprivia Customer Services S.r.l. | Molfetta (BA)     | 10,329          | (14,175)      | 10,375    | 126,646          | 215,658      | 100.00%        |
| GST S.r.l.                        | Trento            | 26,000          | (4,548)       | 483,658   | 890,107          | 2,158,718    | 64.51%         |
| Reco Sistemi S.r.l.               | Milano            | 10,000          | 1,480         | 12,082    | 192,031          | 360,049      | 64.51%         |

Farm Multimedia S.r.l., in liquidation, controlled 100% is not included in the consolidation as insignificant.

The consolidation area has changed since 31 December 2006 as a result of Exprivia SpA's Board of Directors deciding, on 29 June 2007, to proceed with the sale or elimination of those companies that have not carried out any industrial activities since 2005.

The decision regards **AI Softw@re Professional Services S.r.l.**, with sole partner Exprivia Solutions S.p.A, that has not been operational since 1 June 2005 after transferring its industrial business specialised in providing professional services to the Parent Company and **Aemedi@ S.r.l.**, 100% held by Exprivia S.p.A, that ceased acting industrially on Videocommunication projects after its parent company, Eta Beta Srl, was merged with Exprivia in October 2005.

Contacts have been established for both companies to transfer them as quickly as possible.

As a result the two companies have been excluded from the consolidation in accordance with IFRS 5 – Activities not recurrent destined for sale and ceased activity – and were therefore classified amongst current activities under the item “shareholdings intended for sale”.

To maintain information on AISoftw@re Professional Services and provide continuity on that reported in the balance sheet report as at 31 December 2006, the following is specified:

- Abruzzo Region Finance: an appeal has been made to the State Council against TAR’s sentence of June 2007 that rejected the petition to annul the management order of the Abruzzo Regional Junta of May 2000 to revoke POP contributions;
- Recovery ten year exemption 1991-2000 Irpeg Ilor tax: following Aquila Provincial Tax Commission of 7 June 2007 rejecting appeal against the Revenue Agency of Avezzano to register a ruolo Ilor and Irpeg for 1991-2000, with the support of the “Parere pro veritate” expressed by a major legal company of Rome, we are proceeding to draw up an appeal to the Abruzzo Regional Tax Commission;
- Recovery tax credit law 388/2000: with sentence deposited on 7 June 2007, the Aquila Provincial Tax Commission accepted the petition presented by the company and found the Avezzano Revenue Agency’s attempt to recover taxes unlawful;
- Recovery CFL facilities resulting from European Commission sentence: in May 2007 a petition was submitted to the Court of Avezzano Labour Division opposing the tax bill issued by Gerit to recover taxes on behalf of the INPS of Avezzano; the petition to suspend enforcement was granted and the first hearing in merit has been fixed for November;
- Recovery facilities law 407 for 2002 – 2005 : the company contested, as without motivation, INPS’s communication of March 2007 communicating the facilities in question are unlawful;
- Recovery tax credit with Labornet Sistemi (company merged with AIS Professional): a question has been submitted filed with the Aquila Provincial Tax Commission against the Rome 1 Revenue Agency and we are awaiting a sentence.

## INFORMATION ON THE ASSET AND LIABILITY STATEMENT

The following details all asset and liability items making up the asset and Liability Statement, drawn up in accordance with international accounting standards (IAS/IFRS).

All figures indicated in the tables are expressed in Euro.

### NON CURRENT ASSETS

#### BUILDINGS, SYSTEMS AND MACHINERY

Net **"buildings, systems and machinery"** amount to Euro 7,747,786 compared to the Euro 7,929,273 of 31 December 2006.

| Categories               | Historical cost as at 01/01/07 | Increases      | Historical cost as at 30/06/07 | Depreciation fund as at 01/01/07 | Period depreciation | Cumulated depreciation | Net value as at 30/06/07 |
|--------------------------|--------------------------------|----------------|--------------------------------|----------------------------------|---------------------|------------------------|--------------------------|
| Land                     | 247,716                        |                | 247,716                        |                                  |                     |                        | 247,716                  |
| Buildings                | 7,016,127                      |                | 7,016,127                      | (558,524)                        | (105,106)           | (663,630)              | 6,352,497                |
| Others                   | 4,870,754                      | 140,402        | 5,011,156                      | (3,710,929)                      | (216,783)           | (3,927,712)            | 1,083,445                |
| Fixed assets in progress | 64,128                         |                | 64,128                         |                                  |                     |                        | 64,128                   |
| <b>TOTAL</b>             | <b>12,198,725</b>              | <b>140,402</b> | <b>12,339,127</b>              | <b>(4,269,453)</b>               | <b>(321,889)</b>    | <b>(4,591,342)</b>     | <b>7,747,786</b>         |

The Euro 140,402 increase is mainly due to the purchase of electronic office machines (amounting to Euro 42,849), leased goods (amounting to Euro 36,986), motor vehicles (amounting to Euro 15,288), furniture and fittings (amounting to Euro 23,064) and systems and machinery (amounting to Euro 18,915).

## GOODWILL AND OTHER INTANGIBLE ASSETS

These amount to Euro 26,788,593 as at 30 June 2007, compared to the Euro 26,716,346 as at 31 December 2006.

Year's movements are as follows:

| Categories                        | Historical cost<br>01/01/07 | Rettifiche x<br>deconsolidamento IAS | Total<br>historical<br>cost as at<br>30/06/07 | Depreciation<br>fund as at<br>01/01/07 | Cumulated<br>depreciation | Net value as<br>at 30/06/07 |
|-----------------------------------|-----------------------------|--------------------------------------|---|--|---------------------------|-----------------------------|
| GOODWILL ABACO MERGER COSTS       | 461,168                     |                                      | 461,168                                       |  |                           | 461,168                     |
| GOODWILL TRANSFER AZ AIS PS       | 1,767,655                   |                                      | 1,767,655                                     |  |                           | 1,767,655                   |
| GOODWILL TRANSFER KTONES BUSINESS | 517,714                     |                                      | 517,714                                       |  |                           | 517,714                     |
| ETA BETA MERGER                   | 3,040,710                   |                                      | 3,040,710                                     |  |                           | 3,040,710                   |
| AIS MEDICAL MERGER DIFFERENCE     | 3,913,766                   |                                      | 3,913,766                                     |  |                           | 3,913,766                   |
| GOODWILL                          | 15,060,475                  |                                      | 15,060,475                                    | (168,244)                              | (168,244)                 | 14,892,229                  |
| CONSOLIDATION DIFFERENCE          | 3,887,759                   | (1,692,408)                          | 2,195,351                                     |  |                           | 2,195,351                   |
| <b>TOTAL</b>                      | <b>28,649,247</b>           | <b>(1,692,408)</b>                   | <b>26,956,839</b>                             | <b>(168,244)</b>                       | <b>(168,244)</b>          | <b>26,788,593</b>           |

The **Consolidation difference** has been generated as a result of the consolidation of all subsidiaries included in the consolidation area, replacing the value of shareholdings with their net worth. There is a 1,692,408 difference on 31 December 2006 due to the deconsolidation illustrated in the paragraph "Consolidation area".

The following table shows the consolidation difference for each consolidated company.

| Company                        | Purchase date | Share   | Shareholding<br>value | Reference net worth | Difference<br>generated from<br>consolidation |
|--------------------------------|---------------|---------|-----------------------|---------------------|---|
| Exprivia Projects S.p.A.       | 11/06/2004    | 100.00% | 1,741,391             | 406,891             | 1,334,500                                     |
| Exprivia Customer Services Srl | 11/06/2004    | 100.00% | 10,329                | (11,752)            | 22,081  |
| Exprivia Solutions S.p.A.      | 14/04/2005    | 100.00% | 2,017,000             | 1,504,338           | 512,662                                       |
| GST S.r.l.                     | 14/04/2005    | 64.51%  | 601,789               | 329,947             | 271,842                                       |
| Reco Sistemi Srl               | 29/12/2005    | 64.51%  | 77,500                | 23,234              | 54,266  |
| <b>TOTAL</b>                   |               |         | <b>4,448,009</b>      | <b>2,252,658</b>    | <b>2,195,351</b>                              |

The goodwill and consolidation differences entered proved recoverable as a result of the impairment test in accordance with that set out in IAS standard 36.

## OTHER INTANGIBLE ASSETS

**Other intangible assets** amounted to, net of depreciation, Euro 2,410,307 as at 30 June 2007 compared to the Euro 2,540,636 of 31 December 2006.

The following is a summary of the relative items.

| Categories                            | Historical cost<br>01/01/07 | Increases<br>as at<br>30/06/07 | Decreases | Total<br>historical<br>cost as at<br>30/06/07 | Depreciation<br>fund as at<br>01/01/07 | Period<br>depreciation<br>quota | Cumulated<br>depreciation<br>as at 30/06/07 | Net value as<br>at 30/06/07 |
|---------------------------------------|-----------------------------|--------------------------------|-----------|---|--|---------------------------------|---|-----------------------------|
| Intangible fixed assets               | 3,597,938                   | 5,758                          |           | 3,603,696                                     | (3,520,899)                            | (25,319)                        | (3,546,218)                                 | 57,477                      |
| Development costs                     | 20,777,915                  | 476,885                        |           | 21,254,800                                    | (18,601,424)                           | (537,499)                       | (19,138,923)                                | 2,115,876                   |
| Fixed assets in progress and advances | 287,106                     |                                | (50,153)  | 236,953                                       |  |                                 | 0   | 236,954                     |
| <b>TOTAL</b>                          | <b>24,662,959</b>           | <b>482,643</b>                 |           | <b>25,095,449</b>                             | <b>(22,122,323)</b>                    | <b>(562,818)</b>                | <b>(22,685,141)</b>                         | <b>2,410,307</b>            |

The most significant increase, amounting to Euro 476,885, is due to investments to **develop** software applications to be proposed to the market for licensed use.

## SHAREHOLDINGS

Shareholdings, as at 30 June 2007, amount to Euro 1,439,256 increasing by Euro 150,000 on 2006.

Shareholdings consist of the following:

### SHAREHOLDINGS IN SUBSIDIARY COMPANIES

The Group holds 100% of Farm Multimedia S.r.l., in Liquidation, whose accounting value is zero.

### SHAREHOLDINGS IN AFFILIATED COMPANIES

The balance, as at 30 June 2007, amounts to Euro 150,000. The variation on the previous year is to be attributed to the purchase of 30% of the Pervoice shareholding; moreover, the Group also holds a 32.8% share of Mindmotion S.r.l. in bankruptcy, whose accounting value is zero.



## SHAREHOLDINGS IN OTHER COMPANIES

Balance, as at 30 June 2007, amounts to Euro 1,289,256 remaining the same as that of 31 December 2006.

The following table is a detailed list of the relative items:

| Description                            | 30/06/2007       | 31/12/2006       |
|--|------------------|------------------|
| Mo.ma                                  | 6,197            | 6,197            |
| Clinichall                             | 22,000           | 22,000           |
| Ultimo Miglio Sanitario                | 2,500            | 2,500            |
| Certia                                 | 516              | 516              |
| Conai                                  | 9                | 9                |
| Finapi                                 | 775              | 775              |
| Cered Software                         | 104              | 104              |
| Società Consortile Piano del Cavaliere | 516              | 516              |
| Pugliatech consortium                  | 2,000            | 2,000            |
| Iqs New Srl                            | 1,291            | 1,291            |
| Conca Barese Consortium                | 2,000            | 2,000            |
| Software Engineering Research          | 12,000           | 12,000           |
| Advanced Computer Systems              | 1,235,816        | 1,235,816        |
| Biogene consortium                     | 3,000            | 3,000            |
| Centro di Competenza ICT               | 532              | 532              |
|  | <b>1,289,256</b> | <b>1,289,256</b> |

## OTHER FINANCIAL ASSETS

### RECEIVABLES TO SUBSIDIARY COMPANIES

Balance, as at 30 June 2007, amounts to Euro 31,096 increasing by Euro 562 on 31 December 2006. Item refers to credits with the subsidiary company Farm Multimedia S.r.l., in liquidation, not consolidated as insignificant.

### RECEIVABLES TO OTHERS

Balance, as at 30 June 2007, amounting to Euro 13,333, remains the same as that of 31 December 2006, and relates to Exprivia SpA's commitment of 29 December 2006 with GST to purchase its shares by 2010.

## OTHER SECURITIES

Balance, as at 30 June 2007, amounts to Euro 6,214, refers to MPS Vita Propensione securities (Euro 4,794) and shares to the English company Brainspark PLC (Euro 1,420), compared to Euro 6,085 of 31 December 2006.

## DEFERRED TAX CREDITS

Balance, as at 30 June 2007, amounts to Euro 909,984 falling by Euro 44,581 on 31 December 2006 both as a result of writing off reserves for previous tax losses no longer recoverable (19,881) and the deconsolidation of AISoftw@re Professional Services Srl (Euro 24,700).

## CURRENT ASSETS

### COMMERCIAL CREDITS AND OTHERS

#### RECEIVABLES TO CUSTOMERS

Receivables to customers, net of provision for bad and doubtful debts, amount to Euro 25,434,787, compared to the Euro 27,307,800 of 31 December 2006.

The following table lists the relative items compared with those of 31 December 2006.

| Description                                 | 30/06/2007        | 31/12/2006        | Variations         |
|---|-------------------|-------------------|--------------------|
| To Italian Customers                        | 26,188,087        | 27,894,959        | (1,706,872)        |
| To Foreign Customers                        | 1,014,468         | 1,135,949         | (121,481)          |
| To Public Bodies                            | 1,101,565         | 1,146,225         | (44,660)           |
| <b>Subtotal receivables to customers</b>    | <b>28,304,120</b> | <b>30,177,133</b> | <b>(1,873,013)</b> |
| Minus: provision for bad and doubtful debts | (2,869,333)       | (2,869,333)       | 0                  |
| <b>Total receivables to customers</b>       | <b>25,434,787</b> | <b>27,307,800</b> | <b>(1,873,013)</b> |

Receivables to customers consist of the following.

| Detail                                 | 30/06/2007        | 31/12/2006        | Variazioni         |
|--|-------------------|-------------------|--------------------|
| To third parties                       | 21,959,598        | 23,475,463        | (1,515,865)        |
| Invoices to be issued to third parties | 6,344,522         | 6,701,670         | (357,148)          |
| <b>TOTAL</b>                           | <b>28,304,120</b> | <b>30,177,133</b> | <b>(1,873,013)</b> |

#### RECEIVABLES TO PARENT COMPANIES

Balance amounts to Euro 385,962 compared to the Euro 367,964 of 31 December 2006 and consists of the Parent Company's credit with Abaco Innovazione S.p.A..

## RECEIVABLES TO AFFILIATES

Balance, as at 30 June 2007 amounts to Euro 248,411 remaining the same as that of 31 December 2006.

## RECEIVABLES TO OTHERS

Balance as at 30 June 2007 amounts to Euro 6,059,861 compared to the Euro 5,831,676 of 31 December 2006.

Movements are as follows:

| Description   | 30/06/2007       | 31/12/2006       | Variations     |
|---|------------------|------------------|----------------|
| EEC contributions/Independent Province of Trento/Lazio Region | 271,421          | 99,522           | 171,899        |
| Receivables to consortiums                                    | 930              | 930              |                |
| Credit territorial agreement for contributions deliberated    | 18,231           | 18,231           |                |
| Credits CNOS project  | 1,393,214        | 1,393,214        |                |
| Credits POR Puglia  | 1,145,000        | 1,145,000        |                |
| Credits PIA Innovazione                                       | 1,747,890        | 1,747,890        |                |
| Credit L. 488/92 for contributions deliberated                | 684,508          | 684,508          |                |
| Credit L. 598/94  | 317,745          | 317,745          |                |
| Receivables to partners for shareholdings                     | 19,109           | 20,109           | (1,000)        |
| Supplier advances for services                                | 28,368           | 42,883           | (14,515)       |
| Sundry receivables  | 36,994           | 10,595           | 26,399         |
| Credits for factoring   | 228,836          | 236,998          | (8,162)        |
| Receivables to social security institutes/INAIL               | 46,580           | 895              | 45,685         |
| Receivables to employees                                      | 40,340           | 29,091           | 11,249         |
| Deposits for rentals  | 80,695           | 84,065           | (3,370)        |
| <b>TOTAL</b>  | <b>6,059,861</b> | <b>5,831,676</b> | <b>228,185</b> |

## TAX CREDITS

Tax credits as at 30 June 2007 amount to Euro 317,456, compared to the Euro 350,774 of 31 December 2006 and consist of the following:

| Description                                  | 30/06/2007     | 31/12/2006     | Variations      |
|--|----------------|----------------|-----------------|
| Credit for tax advance- IRES                 | 18,473         | 33,574         | (15,101)        |
| Credit for tax advance - IRAP                | 14,828         | 32,812         | (17,984)        |
| Inland revenue deduction account interest ea | 667            | 393            | 274             |
| Inland revenue deductions on foreign paymer  | 16,270         | 16,270         | 0               |
| Credits with Inland Revenue for VAT          | 30,145         | 31,787         | (1,642)         |
| Credits on R.A. lieu tax                     | 32,029         | 19,563         | 12,466          |
| Credits with Inland revenue                  | 10,674         | 22,005         | (11,331)        |
| Tax credits art. 8                           | 194,370        | 194,370        | 0               |
| <b>TOTAL</b>                                 | <b>317,456</b> | <b>350,774</b> | <b>(33,318)</b> |

## ACCRUED EARNINGS AND DEFERRED ASSETS

These amount to Euro 723,405 and include accrued earnings amounting to Euro 40 and deferred assets amounting to Euro 723,365. The following table lists the relative items compared with those of 31 December 2006.

### Accrued earnings

| Description                     | 30/06/2007     | 31/12/2006     | Variations     |
|---------------------------------|----------------|----------------|----------------|
| Interest on INPS instalments    | 225,303        | 318,772        | (93,469)       |
| Car rental                      | 537            | 5,120          | (4,583)        |
| Insurances                      | 50,253         |                | 50,253         |
| Stock Option                    | 60,637         |                | 60,637         |
| Services and sundry maintenance | 386,635        | 150,711        | 235,924        |
| <b>TOTAL</b>                    | <b>723,365</b> | <b>474,603</b> | <b>248,762</b> |

## STOCK

These amount to Euro 584,404 and refer to hardware and software products purchased by the companies of the Group for resale.

## WORK IN PROGRESS TO ORDER

These amounts to Euro 705,092 and refer to orders on account of manufacture.

**LIQUID ASSETS**

Balance, as at 30 June 2007, amounts to Euro 1,638,387, Euro 1,634,139 relating to bank credits and Euro 4,248 to cheques and cash in hand.

**ASSETS CLASSIFIED AS HELD FOR SALE AND ASSETS INCLUDED IN DIVESTED AGGREGATES****SHAREHOLDINGS IN SUBSIDIARY COMPANIES**

Balance, as at 30 June 2007, amounts to Euro 164,082 and refers to shareholdings that are the subject of deconsolidation as specified in the "Consolidation Area" item.

## NET WORTH

| Operations                              | Company Capital   | Own Shares      | Riserva da sovrapprezzo azioni | Legal Reserve  | Riserva per azioni proprie in portafoglio | Other reserves   | Revaluation reserve | Profits (Losses) carried forward | Utile (Perdita) del periodo | Totale Patrimonio Netto | Interessi di minoranza | Totale Patrimonio Netto di Gruppo |
|---|-------------------|-----------------|--------------------------------|----------------|---|------------------|---------------------|----------------------------------|-----------------------------|-------------------------|------------------------|-----------------------------------|
| <b>Balance as at 1/1/04</b>             | <b>1,000,000</b>  |                 |                                | <b>129,815</b> |   | <b>1,116,963</b> |                     |                                  | <b>1,032,782</b>            | <b>3,279,560</b>        |                        | <b>3,279,560</b>                  |
| Changes in accounting criteria          |                   |                 |                                | (129,815)      |   | 251,301          | 331,888             |                                  |                             | 453,374                 |                        | 453,374                           |
| Perimeted adjustment                    |                   |                 |                                |                |   | (1,053,717)      |                     |                                  | (1,032,782)                 | (2,086,499)             | 19,259                 | (2,105,758)                       |
| <b>Adjusted bances</b>                  | <b>1,000,000</b>  |                 |                                |                |   | <b>314,547</b>   | <b>331,888</b>      |                                  |                             | <b>1,646,435</b>        | <b>19,259</b>          | <b>1,627,176</b>                  |
| 2004 operating result                   |                   |                 |                                |                |   |                  |                     |                                  | 865,432                     | 865,432                 | (24,674)               | 890,106                           |
| <b>Balance as at 31/12/04</b>           | <b>1,000,000</b>  |                 |                                |                |   | <b>314,547</b>   | <b>331,888</b>      |                                  | <b>865,432</b>              | <b>2,511,867</b>        | <b>(5,415)</b>         | <b>2,517,282</b>                  |
| Property revaluation                    |                   |                 |                                |                |   |                  | 2,701,342           |                                  |                             | 2,701,342               |                        | 2,701,342                         |
| Deposit future capital increase account |                   |                 |                                |                |   | 6,000,000        |                     |                                  |                             | 6,000,000               |                        | 6,000,000                         |
| Adjustment perimeter                    |                   |                 |                                |                |   | 1,192,132        |                     | (121,546)                        | (865,432)                   | 205,154                 |                        | 205,154                           |
| Capital increase                        | 16,642,488        |                 | 1,999,113                      |                |   |                  |                     |                                  |                             | 18,641,601              | 118,354                | 18,523,247                        |
| Result as at 31/12/2005                 |                   |                 |                                |                |   |                  |                     |                                  | (2,684,461)                 | (2,684,461)             | 29,199                 | (2,713,660)                       |
| <b>Balance as at 31/12/2005</b>         | <b>17,642,488</b> |                 | <b>1,999,113</b>               |                |   | <b>7,506,679</b> | <b>3,033,230</b>    | <b>(121,546)</b>                 | <b>(2,684,461)</b>          | <b>27,375,503</b>       | <b>142,138</b>         | <b>27,233,365</b>                 |
| Disposition of result:                  |                   |                 |                                |                |   |                  |                     | (2,684,461)                      | 2,684,461                   |                         |                        |                                   |
| Purchase own shares                     |                   | (53,557)        |                                |                |   |                  |                     |                                  |                             | (53,557)                |                        | (53,557)                          |
| Stock Option Plan                       |                   |                 |                                |                |   | 6,196            |                     |                                  |                             | 6,196                   |                        | 6,196                             |
| Adjustment perimeter                    |                   |                 |                                |                |   |                  |                     | 117,906                          |                             | 117,906                 |                        | 117,906                           |
| Result as at 31/12/2006                 |                   |                 |                                |                |   |                  |                     |                                  | 1,111,972                   | 1,111,972               | 34,901                 | 1,077,071                         |
| <b>Balance as at 31/12/2006</b>         | <b>17,642,488</b> | <b>(53,557)</b> | <b>1,999,113</b>               |                |   | <b>7,512,875</b> | <b>3,033,230</b>    | <b>(2,688,101)</b>               | <b>1,111,972</b>            | <b>28,558,020</b>       | <b>177,039</b>         | <b>28,380,981</b>                 |
| Purchase own shares                     |                   | 53,557          |                                |                |   |                  |                     |                                  |                             | 53,557                  |                        | 53,557                            |
| Stock Option Plan                       |                   |                 |                                |                |   | 121,275          |                     |                                  |                             | 121,275                 |                        | 121,275                           |
| Disposition of result:                  |                   |                 |                                | 54,944         |   |                  |                     | 1,057,028                        | (1,111,972)                 |                         |                        |                                   |
| Variation in consolidation perimeter    |                   |                 |                                |                |   |                  |                     | 159,240                          |                             | 159,240                 |                        | 159,240                           |
| Result as at 30/06/07                   |                   |                 |                                |                |   |                  |                     |                                  | 637,787                     | 637,787                 | (1,089)                | 638,876                           |
| <b>Balance as at 30/06/07</b>           | <b>17,642,488</b> |                 | <b>1,999,113</b>               | <b>54,944</b>  |   | <b>7,634,150</b> | <b>3,033,230</b>    | <b>(1,471,833)</b>               | <b>637,787</b>              | <b>29,529,879</b>       | <b>175,950</b>         | <b>29,353,929</b>                 |

## COMPANY CAPITAL

The company capital, entirely paid up, amounts to Euro 17,642,488.24 and consists of No 33,927,862 ordinary shares of the nominal value of Euro 0.52 each.

## OWN SHARES

Balance, as at 30 June 2007, is zero, compared to the Euro 53,557 as at 31 December 2006, as a result of the sale of own shares.

## SHARE SURPLUS RESERVE

This amounts to Euro 1,999,113 as at 30 June 2007 remaining the same as at 31 December 2006.

## REVALUATION RESERVE

Balance, as at 30 June 2007, amounts to Euro 3,033,230 remaining the same as at 31 December 2006.

## OTHER RESERVES

### LEGAL RESERVE

Balance, as at 30 June 2007, amounts to Euro 54,944 and relates to reserve set up as a result of disposition of 31 December 2006 as set out in Shareholders' Resolution of 28 April 2007.

### DEPOSIT/CAPITAL INCREASE ACCOUNT

Balance, as at 30 June 2007, amounts to Euro 6,000,000 remaining the same as at 31 December 2006.

### EXTRAORDINARY RESERVE

Balance amounts to Euro 82,000.

## OTHER RESERVES

These amount to Euro 1,418,000 as at 31 December 2006 remaining the same as at 31 December 2006.

### STOCK OPTION RESERVE

Balance, as at 30 June 2007, amounts to Euro 127,471 increasing by Euro 121,275 on 31 December 2006, and relates to year's cost to exercise stock options following enforcement of the stock option plan.

### IFRSS TRANSITION RESERVE

Balance of Euro 142,675 is the result of changes made following the adoption of IFRSs and has not changed since 31 December 2006.

## LOSSES CARRIED FORWARD

The losses as at 30 June 2007, amounting to Euro 1,471,833, have fallen since 31 December 2006 as a result of the previous year's losses being carried forward as deliberated in the Meeting of 28 April 2007.

## LINK BETWEEN THE PARENT COMPANY'S BALANCE SHEET AND THE CONSOLIDATED BALANCE SHEET

| DESCRIPTION  | Result as at<br>31/12/2006 | Net Worth as at<br>31/12/2006 | Period result as<br>at 30/06/07 | Others         | Net Worth<br>as at<br>30/06/07 |
|--|----------------------------|-------------------------------|---------------------------------|----------------|--------------------------------|
| <b>Exprivia S.p.A.</b>   | <b>1,098,875</b>           | <b>27,364,275</b>             | <b>933,990</b>                  | <b>174,832</b> | <b>28,473,097</b>              |
| Subsidiary contribution  | 236,493                    | 236,493                       | (296,203)                       |                | (59,708)                       |
| Subsidiary devaluations and losses covered                     | 2,607,000                  | 2,607,000                     | -                               |                | 2,607,000                      |
| Elimination of AIS Professional business transfer<br>surpluses | (1,767,655)                | (1,767,655)                   | -                               | 1,767,655      | 0                              |
| Deconsolidation shareholdings not industrially<br>operational  |                            |                               |                                 | (1,692,408)    | (1,692,408)                    |
| Variation in consolidation perimeter                           | 117,907                    | 117,907                       |                                 | 83,991         | 201,898                        |
| Contribution third party net worth                             | (177,039)                  | (177,039)                     |                                 | 1,089          | (175,950)                      |
| <b>GROUP TOTAL</b>   | <b>2,115,581</b>           | <b>28,380,981</b>             | <b>637,787</b>                  | <b>335,159</b> | <b>29,353,929</b>              |

## NON CURRENT LIABILITIES

### NON CURRENT PAYABLES TO BANKS

Balance, as at 30 June 2007, amounts to Euro 4,271,353 and relates to medium term finance and mortgages taken out with major Banks.

### OTHER FINANCIAL LIABILITIES

Balance, as at 31 December 2006, amounts to Euro 1,629,483 compared to the Euro 1,534,411 of 31 December 2006, and refers to those shares of the previous years' INPS debts, beyond 12 months, that have been divided into instalments.

### PROVISION FOR RISKS AND CHARGES

Balance, as at 30 June 2007, amounts to Euro 65,875 compared to the Euro 215,400 of 31 December 2006. The Euro 149,525 decrease is mainly due (Euro 135,400) to the company restructuring fund being reduced to zero following its use.

### STAFF RELATED FUNDS

#### EMPLOYEE RETIREMENT ALLOWANCE

The R.A. fund, as at 30 June 2007, calculated according to that set out in IAS 19 amounts to Euro 4,636,427 compared to the Euro 4,356,504 of 31 December 2006. This fund also includes that accrued for the period that was then deposited at the INPS Treasury and Category Pension Fund.



## DEFERRED TAX DEBTS

The fund for deferred taxes amounts to Euro 211,789 and refers to provisions made on those temporary variations resulting from the application of IFRS accounting standards.

## SHARE PROFIT (LOSS)

In line with that set out in IAS 36, the following is a calculation of the basic and diluted profit per share as at 30 June 2007.

The following table illustrates the share profits (basic and diluted) resulting from operating activities (continuing operations), as the Group did not discontinue activities during the reference period.

| Profit (Euro)   | 30/06/2007 |
|---|------------|
| Profits to determine basic profit per share net profit due parent company shareholders) | 639,401    |
| <i>Dilution effects</i>   |            |
| -   |            |
| -   |            |
| Profits to determine diluted profit per share   | 639,401    |
| Number of shares  | 30/06/2007 |
| Average weighted number of ordinary shares to calculate basic profit per share          | 33,927,862 |
| <i>Dilution effects</i>   |            |
| -   |            |
| -   |            |
| Average weighted number of ordinary shares to calculate basic profit per share          | 33,927,862 |
| Profit per share (Euro)   | 30/06/2007 |
| <i>Basic profit (loss) per share</i>  | 0.019      |
| <i>Diluted profit (loss) per share</i>  | 0.019      |

## CURRENT LIABILITIES

### CURRENT PAYABLES TO BANKS

Balance, as at 31 March 2007, amounts to Euro 12,772,578 compared to the Euro 13,990,725 of 31 December 2006 and refers to Group borrowing with major Banks.

**PAYABLES TO SUPPLIERS**

Balance, as at 30 June 2007, amounts to Euro 6,028,224 compared to the Euro 6,741,559 of 31 December 2006.

**ADVANCES ON WORK IN PROGRESS TO ORDER****ADVANCES**

Balance as at 30 June 2007 is zero.

**OTHER FINANCIAL LIABILITIES****PAYABLES TO SUBSIDIARY COMPANIES**

Balance of Euro 178,615 refers to the debt the Parent Company has with its subsidiary AISoftw@re Professional Services Srl, not included in the consolidation as previously discussed in the paragraph "Consolidation Area".

**PAYABLES TO AFFILIATES**

Balance amounts to Euro 177,455 and refers mainly to debt Exprivia Spa has with Network Services S.r.l. (Euro 124,955).

**PAYABLES TO OTHERS**

Balance amounts to Euro 259,714, varying by Euro 59,700 on 31 December 2006 due to Exprivia Spa adjusting those derivative products it has with major Banks to the market value.

## TAX DEBTS

Balance amounts to Euro 3,171,320, the following table listing the relative items compared with those as at 31 December 2006:

| Description  | 30/06/2007       | 31/12/2006       | Variations      |
|--|------------------|------------------|-----------------|
| Payables to Inland Revenue for VAT                         | 1,175,982        | 1,358,264        | (182,282)       |
| Payables to Inland Revenue for IRAP                        | 875,048          | 245,369          | 629,679         |
| Payables to Inland Revenue for IRES                        | 1,291            |                  | 1,291           |
| Payables to Inland Revenue for IRPEF employees             | 578,078          | 817,159          | (239,081)       |
| Payables to Inland Revenue for IRPEF free lance workers    | 34,350           | 23,462           | 10,888          |
| Payables to Inland Revenue for IRPEF collaborators         | 54,857           | 44,048           | 10,809          |
| Payables to Inland Revenue                                 |                  | 1,787            | (1,787)         |
| Payables to Inland Revenue for R.A. IRPEF                  | 94,959           | 103,905          | (8,946)         |
| Payables to Inland Revenue for Regional and Municipal add. | 42,028           | 22,186           | 19,842          |
| Payables to Inland Revenue for waste taxes                 | 24,903           | 25,174           | (271)           |
| Payables to Inland Revenue for interest and sanctions      | 289,824          | 543,559          | (253,735)       |
| <b>TOTAL</b>   | <b>3,171,320</b> | <b>3,184,913</b> | <b>(13,593)</b> |

## OTHER CURRENT LIABILITIES

### PAYABLES TO SOCIAL SECURITY AND WELFARE INSTITUTES

Balance is of Euro 2,159,524; year's movements are as follows compared with those of 31 December 2006:

| Description   | 30/06/2007       | 31/12/2006       | Variations       |
|---|------------------|------------------|------------------|
| INPS contributions account                                | 777,738          | 1,070,825        | (293,087)        |
| INPS contribution instalment account                      | 559,321          | 841,758          | (282,437)        |
| PREVINDAI-FASI-ALDAI-INPDAL-FASDAPI-PREVINDAPI            | 99,636           | 131,488          | (31,852)         |
| Contributions on holiday/summer- Christmas bonus accruals | 374,113          | 330,750          | 43,363           |
| INPS contributions on bonus accrual                       | 155,014          | 107,500          | 47,514           |
| INPS collaborator contributions account                   | 80,604           | 74,403           | 6,201            |
| Supplementary fund contributions                          | 7,801            | 1,277            | 6,524            |
| Debts resulting from sanctions and interest               | 37,343           |                  | 37,343           |
| INAIL contributions account                               | 67,954           | 60,271           | 7,683            |
| <b>TOTAL</b>  | <b>2,159,524</b> | <b>2,618,272</b> | <b>(458,748)</b> |

## OTHER DEBTS

Balance amounts to Euro 6,034,407 with the following table illustrating the relative variations compared with those of 31 December 2006:

| Description  | 30/06/2007       | 31/12/2006       | Variations     |
|--|------------------|------------------|----------------|
| Payables to employees/collaborators for expenses     | 8,133            | 123,632          | (115,499)      |
| Payables to employees for redundancy packages        | 31,384           | 115,489          | (84,105)       |
| Directors payments to be settled                     | 98,675           | 159,736          | (61,061)       |
| Collaborators for fees accrued                       | 334,235          | 290,036          | 44,199         |
| Employees for fees accrued                           | 1,797,594        | 1,295,573        | 502,021        |
| Debts to purchase shareholdings                      | 172,273          | 73,395           | 98,878         |
| Holidays and festivities accrued/summer-Christmas bo | 1,710,495        | 1,259,428        | 451,067        |
| Payables to Associations                             | 99,429           | 87,506           | 11,923         |
| PIA Innovazione advance                              | 1,341,445        | 1,341,445        |                |
| Advance L. 598/94                                    | 95,324           | 95,324           |                |
| Factoring advances                                   | 81,303           | 58,230           | 23,073         |
| Sundry payables                                      | 264,117          | 304,672          | (40,555)       |
| <b>TOTAL</b>   | <b>6,034,407</b> | <b>5,204,466</b> | <b>829,941</b> |

## ACCRUED COSTS

Balance amounts to Euro 272,064 compared to the Euro 304,928 of 31 December 2006; year's movements are as follows:

| Description                                       | 30/06/2007     | 31/12/2005     | Variations      |
|---|----------------|----------------|-----------------|
| Bank interest and charges                         | 190,968        | 181,683        | 9,285           |
| Interest on PIA Innovazione finance               | -              | 3,733          | (3,733)         |
| Transactions with suppliers                       | 32,769         | 37,768         | (4,999)         |
| Extraordinary provisions and recoverability emplo | -              | 17,100         | (17,100)        |
| Sundry costs                                      | -              | 19,487         | (19,487)        |
| Insurances  | 48,327         | 43,024         | 5,303           |
| Sundry interest paid                              | -              | 2,133          | (2,133)         |
| <b>TOTAL</b>                                      | <b>272,064</b> | <b>304,928</b> | <b>(32,864)</b> |

## DEFERRED EARNINGS

Balance amounts to Euro 4,209,708 compared to the Euro 4,213,916 of 31 December 2006 and refers mainly to deferred contributions not relating to the period in question.

## INFORMATION ON THE PROFIT AND LOSS ACCOUNT

The following illustrates all cost and revenue items making up the Profit and Loss Account, drawn up in accordance with international accounting standards (IAS/IFRS), relating to the first six months of 2007 and compared to the previous year.

All figures shown in the following tables are expressed in Euro.

### PRODUCTION REVENUE

#### REVENUE

Revenue from sales and services in the first six months of 2007 amount to Euro 21,244,117 compared to the Euro 21,120,864 of the same period of 2006. See paragraph "Turnover trend per business area" of Group Management Report for details.

#### OTHER PROCEEDS

#### OTHER REVENUE AND PROCEEDS

Balance in the first six months of 2007 amounts to Euro 327,926 compared to the Euro 246,812 of the same period of the previous year. The following table illustrates the relative items.

| Description                    | 30/06/2007     | 30/06/2006     | Variations    |
|--------------------------------|----------------|----------------|---------------|
| Contingent assets              | 218,106        | 230,464        | (12,358)      |
| Other revenue                  | 94,730         | 10,867         | 83,863        |
| Compensation in lieu of notice | 15,090         | 5,481          | 9,609         |
| <b>TOTAL</b>                   | <b>327,926</b> | <b>246,812</b> | <b>81,114</b> |

### CONTRIBUTIONS TO OPERATING ACCOUNT

Balance in the first six months of 2007 amounts to Euro 440,334 compared to the Euro 474,083 of the first half of 2006 and refers to period contributions on projects in progress carried out by the Parent Company Exprivia S.p.A. and some of its subsidiaries.

#### SURPLUSES

Balance of Euro 1,511 refers to the transfer of goods already amortised.

#### STOCK VARIATIONS

#### VARIATIONS IN STOCK OF PRODUCTS IN PROGRESS, SEMI-FINISHED AND FINISHED PRODUCTS

Balance, as at 30 June 2007, amounts to Euro 150,744 compared to the debit balance of Euro 30,395 of the first six months of 2006, and refers to variations in finished products relating to the medical sector held by the parent company and its subsidiary GST.

## VARIATIONS IN WORK IN PROGRESS TO ORDER

Balance, as at 30 June 2007, amounts to Euro 705,092 compared to the Euro 990,684 of the same period of 2006 and refers mainly to orders in the financial solutions sector.

## INCREASES IN FIXED ASSETS AS A RESULT OF INTERNAL WORK

The balance, as at 30 June 2007, recorded in long term project capitalisations, amounts to Euro 426,732 compared to the Euro 481,215 of 30 June 2006 and refers to costs sustained during the year to develop projects in the banking (147,755) and medical (278,977) sectors.

## PRODUCTION COSTS

### RAW AND SUBSIDIARY MATERIALS, CONSUMABLES AND GOODS

Balance, as at 30 June 2007, amounts to Euro 873,306 compared to the Euro 910,110 of the same period of the previous year. The following table lists the relative items

| Description                       | 30/06/2007     | 30/06/2006     | Variations      |
|-----------------------------------|----------------|----------------|-----------------|
| Purchase hw-sw products           | 626,546        | 647,766        | (21,220)        |
| Purchase hw-sw maintenance        | 189,436        | 181,411        | 8,025           |
| Purchase system equipment         | 1,805          | 32,331         | (30,526)        |
| Stationary and sundry consumables | 16,529         | 23,455         | (6,926)         |
| Fuel and lubricants               | 30,888         | 22,146         | 8,742           |
| Transport and rental on purchases | 8,102          | 3,001          | 5,101           |
| <b>TOTAL</b>                      | <b>873,306</b> | <b>910,110</b> | <b>(36,804)</b> |

### STAFF COSTS

These amount to Euro 14,766,653 in the first six months of 2007 of which Euro 11,319,534 for pay, Euro 2,703,386 social security contributions, Euro 550,601 retirement allowance and Euro 193,150 other costs.

The number of group resources as at 30 June 2007 is of 738 units, of which 587 employees and 151 collaborators, compared to the 700 units (552 employees and 148 collaborators) present as at 31/12/2006.

On 30 June 2007 the Group's average number of employees was of 577 units.

Exprivia S.p.A.'s average number of employees, as at 30 June 2007, was of 434 units.

### OTHER COSTS

#### OTHER COSTS FOR SERVICES

The consolidated balance for the first six months of 2007 amounts to Euro 4,194,834 compared to the Euro 4,782,879 of the first half of 2006. The following table details the relative items:

| Description                              | 30/06/2007       | 30/06/2006       | Variations       |
|--|------------------|------------------|------------------|
| Technical and business consultants       | 1,393,221        | 1,376,666        | 16,555           |
| Administrative/company/legal consultants | 371,637          | 389,115          | (17,478)         |
| Consultancy to affiliates                | 810,743          | 1,390,174        | (579,431)        |
| Auditor pay                              | 71,092           | 83,230           | (12,138)         |
| Travelling and transfer expenses         | 896,812          | 835,096          | 61,716           |
| Other staff costs                        | 41,717           | 0                | 41,717           |
| Utilities                                | 318,240          | 322,225          | (3,985)          |
| Advertising/Agency expemses              | 49,660           | 114,825          | (65,165)         |
| Insurances                               | 79,997           | 81,534           | (1,537)          |
| Other costs                              | 161,715          | 190,014          | (28,299)         |
| <b>TOTAL</b>                             | <b>4,194,834</b> | <b>4,782,879</b> | <b>(588,045)</b> |

### COSTS TO ENJOY THIRD PARTY ASSETS

The consolidated balance for the first six months of 2007, amounts to Euro 418,874 compared to the same period of the previous year. The following table details the relative items:

| Description             | 30/06/2007     | 30/06/2006     | Variations      |
|-------------------------|----------------|----------------|-----------------|
| Rents paid              | 306,052        | 296,620        | 9,432           |
| Vehicles rental/leasing | 111,470        | 151,496        | (40,026)        |
| Licences                | 1,352          | 6,422          | (5,070)         |
| <b>TOTAL</b>            | <b>418,874</b> | <b>454,538</b> | <b>(35,664)</b> |

## SUNDRY MANAGEMENT CHARGES

The consolidated balance for the first six months of 2007, amounts to Euro 264,819 compared to the Euro 318,705 for the first quarter of 2006. The following table details the relative items.

| Description           | 30/06/2007     | 30/06/2006     | Variations      |
|-----------------------|----------------|----------------|-----------------|
| Association fees      | 42,584         | 33,190         | 9,394           |
| Books and magazines   | 2,888          | 5,905          | (3,017)         |
| Tax and duties        | 24,222         | 32,863         | (8,641)         |
| Stamps                | 4,962          | 5,882          | (920)           |
| Sanctions and fines   | 39,083         | 57,037         | (17,954)        |
| Capital losses        | 43,352         | 80,277         | (36,925)        |
| Bank charges          | 95,608         | 83,544         | 12,064          |
| Sundry expenses       | 11,932         | 20,007         | (8,075)         |
| Penalties and damages | 188            | 0              | 188             |
| <b>TOTAL</b>          | <b>264,819</b> | <b>318,705</b> | <b>(53,886)</b> |

## DEPRECIATION AND DEVALUATIONS

These amount to Euro 884,707 compared to the Euro 935,888 of the first six months of 2006, Euro 562,818 referring to depreciation of intangible fixed assets and Euro 321,889 depreciation of tangible fixed assets. See "Tangible and Intangible Fixed Assets" item of the Asset and Liability Statement Supplementary Note for detail.

## FINANCIAL PROCEEDS AND CHARGES

### PROCEEDS FROM SUBSIDIARIES

Balance amounts to Euro 1,488,210 and relates to proceeds from distribution of reserves set aside by AISoftw@re Professional Services Srl in relation to Exprivia Solutions S.p.A as set out in Meeting resolution of 27 February 2007.



## SUNDRY FINANCIAL PROCEEDS

Balance, as at 30 June 2007, amounts to Euro 136,838 compared to the Euro 1,075 of the same period of 2006, Euro 1,671 referring to bank interest earned, Euro 66,812 the surplus resulting from the sale of own shares, Euro 8,655 other interest earned and Euro 59,700 resulting from adjusting derivative products to the market value.

## INTERST AND OTHER FINANCIAL CHARGES

Balance, as at 30 June 2007, amounts to Euro 607,875 compared to the Euro 469,539 of the same period of the previous year. Details are as follows.

| Description           | 30/06/2007     | 30/06/2006     | Variations     |
|-----------------------|----------------|----------------|----------------|
| Bank interst paid     | 384,017        | 317,217        | 66,800         |
| Interest on mortgages | 131,957        |                | 131,957        |
| Other interest        | 91,901         | 152,322        | (60,421)       |
| <b>TOTAL</b>          | <b>607,875</b> | <b>469,539</b> | <b>138,336</b> |

## CHARGES FROM SUBSIDIARIES

Balance amounts to Euro 26,088 and relates to interest Exprivia S.p.A. pays for finance to AISoftw@re Professional Services Srl as a result of transferring its business on 31 May 2005.

## PROFITS AND LOSSES ON EXCHANGES

Losses on exchanges amounted to Euro 1,389 in the first six months of 2007.

## DEPRECIATION OF SHAREHOLDINGS

Balance, as at 30 June 2007, amounts to Euro 1,555,973 and relates to depreciation of AISoftw@re Professional Services S.r.l. carried out by Exprivia Solutions S.p.A. to adjust it to the value of its Net Worth.

**INCOME TAX**

Balance, as at 30 June 2007, amounts to Euro 689,199 and refers to provisions made for taxes, of which Euro 1,291 for I'IRES, Euro 668,584 for IRAP and Euro 19,324 for deferred tax.

**OPERATING PROFIT (LOSS)**

The Profit and Loss account closed on 30 June 2007 with a net consolidated profit of Euro 637,787. Further information on the gross and net operating results of the various Business Areas can be found in the Management Report.

## INFORMATION ON THE FINANCIAL STATEMENT

During the first six months the Group generated a cash flow of 1.3 Million Euro compared to the negative cash flow of 3.8 Million Euro in the first six months of 2006. Said variation is mainly due to cash flow generated by income management.

# Exprivia S.p.A.'s Board of Directors' Management Report

Exprivia S.p.A not only coordinates the other companies of the Group but also plays a highly industrial role with research and development, customer service and commercial activities.

Said industrial activities are aimed at the same business areas, and therefore markets, covered by the Group as a whole.

Therefore, for the following areas of information, that have been discussed at a Group level, see previous Consolidated Balance Sheet Management Report:

- ✓ **Turnover trend per business area;**
- ✓ **Management forecast**
- ✓ **Development prospects**

The Group Management Report also discusses the following areas when referring to Exprivia S.p.A:

- ✓ **Significant events during the first six months of 2007;**
- ✓ **Human resources;**
- ✓ **Events following 30 June 2007**

## SIGNIFICANT DATA

The following table summarises the main economic and financial data entered in the Balance Sheet.

|  | 30.06.2007   | 30.06.2006   | 31.12.2006   |
|--|--------------|--------------|--------------|
| Total production revenue                                 | 19,038,660   | 18,750,483   | 36,473,862   |
| of which net revenue and variations in work in progress  | 18,103,849   | 17,487,155   | 34,040,084   |
| of which increases in fixed assets for internal work     | 417,320      | 474,215      | 806,241      |
| of which other revenue and contributions                 | 517,490      | 789,113      | 1,627,537    |
| Difference between production costs and revenue (EBITDA) | 2,508,865    | 2,208,275    | 4,488,314    |
| % of revenue   | 13.18%       | 11.78%       | 12.31%       |
| Net operating result (EBIT)                              | 1,794,498    | 1,436,843    | 2,750,190    |
| % of revenue   | 9.43%        | 7.66%        | 7.54%        |
| Net result   | 933,989      | 645,790      | 1,098,875    |
| Group net worth  | 28,473,096   | 26,958,551   | 27,364,275   |
| Total assets   | 65,788,563   | 66,785,367   | 88,464,379   |
| Company capital  | 17,642,488   | 17,642,488   | 17,642,488   |
| Net circulating capital (1)                              | 9,934,270    | 6,533,822    | (27,368,745) |
| Cash flow (2)  | 1,886,943    | 1,609,344    | 3,147,529    |
| Fixed capital (3)  | 37,547,851   | 37,648,353   | 37,753,844   |
| Investments  | 509,236      | 731,881      | (357,734)    |
| Liquid assets/securities (a)                             | 903,887      | 113,496      | 1,069,392    |
| Short term financial debts (b)                           | (10,995,899) | (9,008,920)  | (11,454,491) |
| Medium to long term debts (c)                            | (4,271,353)  | (4,188,388)  | (4,271,353)  |
| Net financial position (4)                               | (14,383,365) | (13,083,812) | (14,656,452) |

(1) - "net circulating capital" is calculated as sum of the total current assets, minus the liquid assets, total liabilities plus debts to current banks

(2) - Cash flow is calculated as sum of the net result adjusted by depreciation RA fund variations and devaluations

(3) - "fixed capital" is equal to total non-current assets

(4) - Net financial position = a - (b + c)

## RELATIONSHIPS WITH COMPANIES OF THE GROUP

Important collaborations aimed at optimising staff structures and working together in the technological and application fields have been initiated with companies of the Group.

Operations carried out by Exprivia S.p.A. both with those companies included in the consolidation area and those excluded as irrelevant, regard mainly service provision and exchange of software products; they form part of the ordinary management and are regulated at market conditions, that is, at those terms and conditions that would be applied between independent parties. All operations are carried out in the interest of the companies.

The following tables illustrate relationships of a commercial nature (first table) and financial nature (in second table) established with those companies included in the consolidation and those not as irrelevant.

### of commercial nature

| Description                           | Credits        | Debts          | Costs          | Revenue        |
|---------------------------------------|----------------|----------------|----------------|----------------|
| GST Srl                               | 35,850         | 222,418        | 78,931         | 18,040         |
| Exprivia Customer Services Srl        | 10,800         |                |                | 9,000          |
| Exprivia Projects Spa                 | 27,269         | 228,099        | 388,233        | 123,439        |
| Exprivia Solutions Spa                | 365,039        | 233,814        | 158,849        | 197,066        |
| AI Software Professional Services Srl |                |                |                |                |
| Aemedia                               | 811            |                |                |                |
| <b>TOTAL</b>                          | <b>439,769</b> | <b>684,331</b> | <b>626,013</b> | <b>347,545</b> |

### of financial nature

| Description                           | Credits          | Debts          | Costs         | Revenue       |
|---------------------------------------|------------------|----------------|---------------|---------------|
| GST Srl                               | 114,931          |                |               |               |
| Exprivia Customer Services Srl        | 89,605           |                |               |               |
| Exprivia Projects Spa                 | 1,054,034        |                |               | 20,730        |
| Exprivia Solutions Spa                | 45,783           |                |               | 19,659        |
| AI Software Professional Services Srl |                  | 171,694        | 29,348        |               |
| <b>TOTAL</b>                          | <b>1,304,353</b> | <b>171,694</b> | <b>29,348</b> | <b>40,389</b> |

## RELATIONSHIPS WITH AFFILIATES

Operations carried out by Exprivia S.p.A. with affiliates regard mainly service provision and exchange of software products; they form part of the ordinary management and are regulated at market conditions, that is, at those terms and conditions that would be applied between independent parties. All operations are carried out in the interest of the companies.

The following table shows the amounts involved in the commercial and financial relationships with affiliates.

| Description                                     | Credits        | Debts          | Costs          |
|---|----------------|----------------|----------------|
| Geosym  | 85,066         |                |                |
| Mindmotion srl in bankruptcy                    | 219,150        | 63,344         |                |
| Mindmotion provision for bad and doubtful debts | (55,805)       |                |                |
| Network Services Srl                            |                | 115,806        | 802,753        |
|   | <b>248,411</b> | <b>179,150</b> | <b>802,753</b> |

## Exprivia S.p.A. Balance Sheet



## EXPRIVIA – ASSET AND LIABILITY STATEMENT

|   | 30/06/2007        | 30/06/2006        | 31/12/2006        |
|---|-------------------|-------------------|-------------------|
| <b>ASSET AND LIABILITY STATEMENT</b>      |                   |                   |                   |
| <b>NON CURRENT ASSETS</b>                 |                   |                   |                   |
| <b>Building, System and machinery</b>     | <b>7,498,769</b>  | <b>7,904,658</b>  | <b>7,670,609</b>  |
| Land and Buildings                        | 6,600,212         | 6,804,530         | 6,705,319         |
| Fixed assets in progress and advances     | 64,128            | 64,128            | 64,128            |
| Other assets                              | 834,429           | 1,036,000         | 901,162           |
| <b>Property investments</b>               | <b>-</b>          | <b>-</b>          | <b>-</b>          |
| Land and Buildings                        |                   |                   |                   |
| Fixed assest in progress and advances     |                   |                   |                   |
| <b>Goodwill and undefined life assets</b> | <b>24,298,814</b> | <b>24,298,814</b> | <b>24,298,814</b> |
| Goodwill                                  | 24,298,814        | 24,298,814        | 24,298,814        |
| Consolidation difference                  |                   |                   |                   |
| <b>Other intangible assets</b>            | <b>1,828,938</b>  | <b>2,009,830</b>  | <b>1,831,697</b>  |
| Intangible assets                         | 33,412            | 128,035           | 45,214            |
| Development costs                         | 1,795,526         | 1,831,642         | 1,736,330         |
| Fixed assest in progress and advances     | -                 | 50,153            | 50,153            |
| <b>Shareholding</b>                       | <b>3,130,661</b>  | <b>1,944,954</b>  | <b>3,161,193</b>  |
| Shareholding in subsidiaries              | 1,843,180         | 1,908,821         | 1,873,712         |
| Shareholding in affiliates                |                   |                   |                   |
| Shareholding in other companies           | 1,287,481         | 36,133            | 1,287,481         |
| <b>Other financial assets</b>             | <b>31,255</b>     | <b>730,683</b>    | <b>32,118</b>     |
| Receivables to subsidiaries               | 11,708            | 12,700            | 12,700            |
| Receivables to affiliates                 |                   |                   |                   |
| Receivables to parent companies           |                   |                   |                   |
| Receivables due to other                  | 13,333            | 458,081           | 13,333            |
| Other securiteis                          | 6,214             | 259,902           | 6,085             |
| <b>Deferred tax credits</b>               | <b>759,414</b>    | <b>759,414</b>    | <b>759,414</b>    |
| Advanced/Deferred taxes                   | 759,414           | 759,414           | 759,414           |
| <b>TOTAL NON CURRENT ASSETS</b>           | <b>37,547,851</b> | <b>37,648,353</b> | <b>37,753,845</b> |

|  | 30/06/2007        | 30/06/2006        | 31/12/2006        |
|--|-------------------|-------------------|-------------------|
| <b>CURRENT ASSETS</b>  |                   |                   |                   |
| <b>Commercial credits and others</b>   | <b>26,327,182</b> | <b>27,594,100</b> | <b>29,458,159</b> |
| Receivables to Customers   | 17,748,420        | 19,008,486        | 18,564,389        |
| Receivables to subsidiaries  | 1,743,309         | 4,282,761         | 4,361,443         |
| Receivables to affiliates  |                   |                   |                   |
| Receivables to parent companies  | 385,964           | 341,049           | 367,964           |
| Receivables to affiliated companies  | 248,412           | 261,824           | 248,411           |
| Receivables to others  | 5,444,029         | 3,003,851         | 5,426,759         |
| Tax credits  | 241,069           | 421,908           | 240,422           |
| Accrued earning and deferred assets  | 515,979           | 274,221           | 248,771           |
| <b>Stock</b>   | <b>274,019</b>    | <b>202,711</b>    | <b>101,645</b>    |
| Stock  | 274,019           | 202,711           | 101,645           |
| <b>Work in progress to order</b>   | <b>705,092</b>    | <b>1,226,707</b>  | <b>81,339</b>     |
| Work in progress to order  | 705,092           | 1,226,707         | 81,339            |
| <b>Current financial assets</b>  | <b>-</b>          | <b>-</b>          | <b>-</b>          |
| Other securities   |                   |                   |                   |
| Own shares   |                   |                   |                   |
| <b>Liquid assets</b>   | <b>903,887</b>    | <b>113,496</b>    | <b>1,069,392</b>  |
| Bank credits   | 901,460           | 111,518           | 1,066,185         |
| Cheques and cash in hand   | 2,427             | 1,978             | 3,207             |
| <b>ASSETS CLASSIFIED AS HELD FOR SALE AND ASSETS INCLUDED IN DIVESTED AGGREGATES</b> | <b>30,532</b>     | <b>-</b>          | <b>-</b>          |
| Shareholding in subsidiaries   | 30,532            |                   |                   |
| <b>TOTAL CURRENT ASSETS</b>  | <b>28,240,712</b> | <b>29,137,014</b> | <b>30,710,535</b> |
| <b>TOTAL ASSETS</b>  | <b>65,788,563</b> | <b>66,785,367</b> | <b>68,464,379</b> |

|  | 30/06/2007         | 30/06/2006         | 31/12/2006         |
|--|--------------------|--------------------|--------------------|
| <b>NET WORTH</b>                               |                    |                    |                    |
| <b>Company Capital</b>                         | <b>17,642,488</b>  | <b>17,642,488</b>  | <b>17,642,488</b>  |
| Company Capital                                | 17,642,488         | 17,642,488         | 17,642,488         |
| Receivables to partners for deposits still due |                    |                    |                    |
| <b>Own Shares</b>                              | <b>-</b>           | <b>-</b>           | <b>(53,557)</b>    |
| Own Shares                                     | -                  | -                  | (53,557)           |
| <b>Surplus Reserve</b>                         | <b>1,999,113</b>   | <b>1,999,113</b>   | <b>1,999,113</b>   |
| Share surplus                                  | 1,999,113          | 1,999,113          | 1,999,113          |
| <b>Appreciation Reserve</b>                    | <b>3,033,230</b>   | <b>3,033,230</b>   | <b>3,033,230</b>   |
| Appreciation reserve                           | 3,033,230          | 3,033,230          | 3,033,230          |
| <b>Other Reserves</b>                          | <b>7,689,094</b>   | <b>7,506,679</b>   | <b>7,512,875</b>   |
| Legal reserve                                  | 54,944             |                    |                    |
| Own share portfolio reserve                    |                    |                    |                    |
| Deposits capital account                       | 6,000,000          | 6,000,000          | 6,000,000          |
| Euro conversion reserve                        |                    |                    |                    |
| Extraordinary reserve                          | -                  | -                  | 82,000             |
| Other reserves                                 | 1,627,471          | 1,500,000          | 1,418,000          |
| Suspended tax reserve                          |                    |                    |                    |
| Optional reserve                               |                    |                    |                    |
| IAS transition reserve                         | 142,675            | 142,675            | 148,871            |
| IAS tax effect                                 | (135,996)          | (135,996)          | (135,996)          |
| Merger surplus                                 |                    |                    |                    |
| Overdraft to cover losses                      |                    |                    |                    |
| Own shares                                     |                    |                    |                    |
| <b>Previous years's profits/losses</b>         | <b>(2,824,818)</b> | <b>(3,868,749)</b> | <b>(3,868,749)</b> |
| Profist/losses carried forward                 | (2,824,818)        | (3,868,749)        | (3,868,749)        |
| Previous year's profits to be distributed      |                    |                    |                    |
| Losses carried forward                         |                    |                    |                    |
| Dividends distribution account                 |                    |                    |                    |
| <b>Operating profit/losses</b>                 | <b>933,989</b>     | <b>645,790</b>     | <b>1,098,875</b>   |
|  |                    |                    |                    |
| <b>TOTAL NET WORTH</b>                         | <b>28,473,096</b>  | <b>26,958,551</b>  | <b>27,364,275</b>  |

| NON CURRENT LIABILITIES                    |                  |                  |                  |
|--|------------------|------------------|------------------|
|  |                  |                  |                  |
| <b>Non current bonds in calculation</b>    | -                | -                | -                |
| Bonds                                      |                  |                  |                  |
| Convettible bonds                          |                  |                  |                  |
| <b>Non current payables to bank</b>        | <b>4,271,353</b> | <b>4,188,388</b> | <b>4,271,353</b> |
| Non current payables to banks              | 4,271,353        | 4,188,388        | 4,271,353        |
| <b>Other Financial Liabilities</b>         | <b>741,660</b>   | <b>27,519</b>    | <b>646,588</b>   |
| Payables to other financers                |                  |                  |                  |
| Tax and sociale security debts beyond year | 741,660          | 27,519           | 646,588          |
| <b>Fund for Risks and Charges</b>          | <b>15,875</b>    | <b>258,695</b>   | <b>135,401</b>   |
| Risk fund for consultancies                |                  |                  |                  |
| Taxes and duties fund                      |                  |                  |                  |
| Reserve for bad and doubtful debts         |                  |                  |                  |
| Exchange oscillations reserve              |                  |                  |                  |
| Fund deferred profits on exchanges         |                  |                  |                  |
| Other reverves                             | 15,875           | 258,695          | 135,401          |
| <b>Staff Related Funds</b>                 | <b>3,689,894</b> | <b>3,239,366</b> | <b>3,451,307</b> |
| Severance pay fund                         |                  |                  |                  |
| Employee retirement allowance              | 3,689,894        | 3,239,366        | 3,451,307        |
| <b>Debit deferred taxes</b>                | <b>198,231</b>   | <b>204,225</b>   | <b>198,231</b>   |
| Deferred tax funds                         | 198,231          | 204,225          | 198,231          |
| <b>TOTAL NON CURRENT LIABILITIES</b>       | <b>8,917,013</b> | <b>7,918,193</b> | <b>8,702,880</b> |

|  | 30/06/2007        | 30/06/2006        | 31/12/2006        |
|--|-------------------|-------------------|-------------------|
| <b>CURRENT LIABILITIES</b>                         |                   |                   |                   |
| <b>Current bonds in calculation</b>                |                   |                   |                   |
| <b>Current payables to banks</b>                   | <b>10,995,899</b> | <b>9,008,920</b>  | <b>11,454,491</b> |
| Current payables to banks                          | 10,995,899        | 9,008,920         | 11,454,491        |
| <b>Payables to suppliers</b>                       | <b>3,393,051</b>  | <b>5,543,736</b>  | <b>4,047,159</b>  |
| Payables to suppliers                              | 3,393,051         | 5,543,736         | 4,047,159         |
| <b>Advances on work progress to order</b>          | <b>-</b>          | <b>93,296</b>     | <b>36,680</b>     |
| Advances   |                   | 93,296            | 36,680            |
| <b>Other Financial Liabilities</b>                 | <b>1,292,937</b>  | <b>4,469,188</b>  | <b>4,437,280</b>  |
| Payables represented by debt instruments           |                   |                   |                   |
| Payables to subsidiary companies                   | 863,757           | 3,943,871         | 3,797,191         |
| Payables to affiliates                             | -                 | -                 |                   |
| Payables to parent companies                       | -                 | -                 |                   |
| Payables to affiliated companies                   | 169,466           | 525,317           | 320,675           |
| Payables to others                                 | 259,714           |                   | 319,414           |
| <b>Tax Debts</b>                                   | <b>2,301,201</b>  | <b>2,877,741</b>  | <b>2,321,401</b>  |
| Tax debts  | 2,301,201         | 2,877,741         | 2,321,401         |
| <b>Other Current Liabilities</b>                   | <b>10,415,365</b> | <b>9,505,735</b>  | <b>10,100,213</b> |
| Payables to welfare and social security institutes | 1,606,172         | 2,901,469         | 1,866,042         |
| Other payables                                     | 4,658,545         | 4,221,462         | 3,955,721         |
| Accrued costs                                      | 244,644           | 183,771           | 253,781           |
| Deferred earning                                   | 3,906,005         | 2,199,033         | 4,024,668         |
| <b>Liabilities included in divested aggregates</b> |                   |                   |                   |
| <b>TOTAL CURRENT LIABILITIES</b>                   | <b>28,398,453</b> | <b>31,498,616</b> | <b>32,397,224</b> |
| <b>TOTAL LIABILITIES</b>                           | <b>65,788,563</b> | <b>66,785,367</b> | <b>68,464,379</b> |

## EXPRIVIA – PROFIT AND LOSS

|  | 30/06/2007        | 30/06/2006        | 31/12/2006        |
|--|-------------------|-------------------|-------------------|
| <b>REVENUE</b>   | <b>17,226,383</b> | <b>16,534,473</b> | <b>34,029,872</b> |
| Revenue from sales and services  | 17,226,383        | 16,534,473        | 34,029,872        |
| <b>OTHER PROCEEDS</b>  | <b>517,490</b>    | <b>789,113</b>    | <b>1,627,537</b>  |
| Other proceeds and revenue   | 112,605           | 231,611           | 687,464           |
| Contributions to year's account  | 404,765           | 450,956           | 939,594           |
| Surpluses  | 120               | 106,546           | 479               |
| <b>VARIATIONS IN STOCK OF FINISHED PRODUCTS AND PRODUCTS IN PROGRESS</b> | <b>1,294,787</b>  | <b>1,426,897</b>  | <b>816,453</b>    |
| Var. in stock of prod. In prog. Semi-fin. Prod                           | 172,375           | (38,002)          | (45,535)          |
| Variation in work in progress to order                                   | 705,092           | 990,684           | 55,747            |
| Increase in fixed assets for internal work                               | 417,320           | 474,215           | 806,241           |
| <b>TOTAL PRODUCTION REVENUE</b>  | <b>19,038,660</b> | <b>18,750,483</b> | <b>36,473,862</b> |
| <b>RAW MATERIALS AND CONSUMABLES</b>                                     | <b>668,761</b>    | <b>700,300</b>    | <b>1,256,450</b>  |
| Costs of raw mat., subsidiary mat. and consumables                       | 668,761           | 700,300           | 1,256,450         |
| <b>COSTS LINKED TO EMPLOYEE BENEFITS</b>                                 | <b>11,260,395</b> | <b>10,680,635</b> | <b>20,765,208</b> |
| Pay  | 8,704,249         | 8,286,393         | 15,983,898        |
| Social security contributions  | 2,011,186         | 1,908,904         | 3,660,796         |
| Retirement allowance   | 419,352           | 401,437           | 917,483           |
| Other Staff costs  | 125,607           | 83,901            | 203,031           |
| <b>OTHER COSTS</b>   | <b>4,600,639</b>  | <b>5,161,273</b>  | <b>9,963,890</b>  |
| Other costs for services   | 4,101,892         | 4,620,348         | 8,760,996         |
| Costs to enjoy third party assets  | 343,360           | 362,810           | 687,535           |
| Sundry management cost   | 155,387           | 178,115           | 515,359           |
| Stock and Reserves   |                   |                   |                   |
| Extraordinary charges  |                   |                   |                   |
| <b>TOTALE PRODUCTION COSTS</b>   | <b>16,529,795</b> | <b>16,542,208</b> | <b>31,985,548</b> |
| <b>DIFFERENCE BETWEEN PRODUCTION COSTS AND REVENUE</b>                   | <b>2,508,865</b>  | <b>2,208,275</b>  | <b>4,488,314</b>  |

|  | 30/06/2007       | 30/06/2006       | 31/12/2006       |
|--|------------------|------------------|------------------|
| <b>DEPRECIATION AND DEVALUATION</b>                  | <b>714,367</b>   | <b>771,432</b>   | <b>1,738,124</b> |
| Ordinary depreciation of intangible fixed assets     | 425,836          | 445,626          | 957,899          |
| Ordinary depreciation of tangible fixed assets       | 288,530          | 325,806          | 686,691          |
| Other devaluation of fixed assets                    |                  |                  |                  |
| Credit devaluation included in circulating assets    |                  |                  | 93,534           |
| <b>FINANCIAL PROCEEDS AND CHARGES</b>                | <b>350,267</b>   | <b>329,042</b>   | <b>890,987</b>   |
| Proceeds from shareholding from subsidiary companies | (40,389)         |                  | (62,915)         |
| Proceeds from shareholding from parent companies     | -                | -                | -                |
| Proceeds from shareholding from others               | -                | -                | -                |
| Proceeds other than those listed above               | (127,791)        | (22,657)         | (98,249)         |
| Interest and other financial charges                 | 488,300          | 351,028          | 879,635          |
| Charges from parent companies                        | 29,347           |                  | 87,446           |
| Profits and losses on exchanges                      | 799              | 671              | (4,988)          |
| Financial asset value adjustment                     |                  |                  |                  |
| Devaluations   |                  |                  | -                |
| Devaluations of sharholdings                         |                  |                  | 90,000           |
| Devaluations of financial fixed assets               |                  |                  | -                |
| Devaluation of securities recorded                   | -                | -                | 58               |
| <b>TOTAL COSTS</b>                                   | <b>1,064,634</b> | <b>1,100,474</b> | <b>2,629,111</b> |
| <b>PRE-TAX RESULT</b>                                | <b>1,444,231</b> | <b>1,107,801</b> | <b>1,859,203</b> |
| <b>INCOME TAXES</b>                                  | <b>510,242</b>   | <b>462,011</b>   | <b>760,328</b>   |
| Income tax   |                  |                  |                  |
| IRES   | (13,458)         | (12,209)         | (47,898)         |
| IRAP   | 523,700          | 470,000          | 810,000          |
| Deferred taxes                                       |                  | 4,220            | (1,774)          |
| Tax advances   | -                | -                |                  |
| Remission taxes                                      |                  |                  |                  |
| <b>OPERATING PROFIT OR LOSS</b>                      | <b>933,989</b>   | <b>645,790</b>   | <b>1,098,875</b> |

## EXPRIVIA – FINANCIAL STATEMENT

|   | 30.06.2007         | 30.06.2006         | 31.12.2006         |
|---|--------------------|--------------------|--------------------|
| <b>Operations from income management</b>  |                    |                    |                    |
| - Profit (loss)   | 933,989            | 645,790            | 1,098,875          |
| - Depreciation and devaluation of fixed assets                                  | 714,367            | 771,432            | 1,644,590          |
| - T.F.R. reserve  | 419,352            | 401,437            | 917,483            |
| - T.F.R. Advances/Payments  | (180,765)          | (209,315)          | (513,420)          |
| - Financial asset value adjustments   |                    |                    |                    |
| <b>Cash flow resulting from income management</b>                               | <b>1,886,943</b>   | <b>1,609,344</b>   | <b>3,147,528</b>   |
| <b>Increases/Reductions in circulating assets and liabilities:</b>              |                    |                    |                    |
| - Variation in stock and advances   | (796,127)          | (274,261)          | 972,173            |
| - Variation receivables to customers  | 815,969            | (959,046)          | (514,949)          |
| - Variation receivables to parent companies/subsidiaries/affiliates             | 2,600,133          | (1,311,026)        | (1,403,210)        |
| - Variations in receivables to other  | (48,449)           | 480,729            | (1,760,694)        |
| - Variations in payables to suppliers   | (654,108)          | (2,429,577)        | (3,926,154)        |
| - Variations in payables to parent companies/subsidiaries/affiliates/correlates | (3,084,643)        | 474,463            | 123,142            |
| - Variations in tax and social security debts                                   | (280,070)          | (1,321,634)        | (2,913,401)        |
| - Variations in payable to other  | 606,443            | 694,873            | 691,930            |
| - Variations in accrued earning/deferred assets                                 | (267,208)          | (79,577)           | (54,127)           |
| - Variations in accrued expenses  | (127,801)          | (301,641)          | 1,594,005          |
| - Variations in risk fund reserve   | (24,454)           | 100,487            | 180,261            |
| <b>Cash flow resulting (used) from circulating assets and liabilities</b>       | <b>(1,260,314)</b> | <b>(4,926,210)</b> | <b>(7,011,023)</b> |
| <b>Cash flow resulting (used) from current assets</b>                           | <b>626,629</b>     | <b>(3,316,866)</b> | <b>(3,863,495)</b> |
| <b>Investments:</b>   |                    |                    |                    |
| - Variation in tangible fixed assets  | (116,690)          | (309,304)          | (436,140)          |
| - Variation in intangible fixed assets  | (423,078)          | (516,577)          | (850,716)          |
| - Variation in financial fixed assets   | 31,395             | (376,782)          | (894,456)          |
| <b>Cash flow resulting (sed) from investment activities</b>                     | <b>(508,373)</b>   | <b>(1,202,663)</b> | <b>(2,181,313)</b> |
| <b>Financial assets:</b>  |                    |                    |                    |
| - Variations in other reserves  | 174,832            | (1)                | (47,362)           |
| <b>Cash flow resulting (used) from financial assets</b>                         | <b>174,832</b>     | <b>(1)</b>         | <b>(47,362)</b>    |
| <b>Increases (decreases) in cash</b>  | <b>293,087</b>     | <b>(4,519,530)</b> | <b>(6,092,170)</b> |
| Banks and cash in credit at year start  | 1,069,392          | 1,686,504          | 1,686,504          |
| Banks and cash in debit at year start   | (15,725,844)       | (10,250,786)       | (10,250,786)       |
| Banks and cash in credit at year end  | 903,887            | 113,496            | 1,069,392          |
| Banks and cash in debit at year ent   | (15,267,252)       | (13,197,308)       | (15,725,844)       |
| <b>Increases (decreases) in cash in hand</b>                                    | <b>293,087</b>     | <b>(4,519,530)</b> | <b>(6,092,170)</b> |



## Supplementary note to Exprivia S.p.A.'s Balance Sheet as at 31 March 2007

See that contained in the Supplementary Note to the Exprivia Group six-monthly statement as regards an illustration of the following:

- ✓ declaration of conformance with IFRS International Accounting Standards
- ✓ valuation criteria

### INFORMATION ON THE ASSET AND LIABILITY STATEMENT

The following is a detailed illustration of all asset and liability items making up the asset and Liability Statement drawn up according to international accounting standards (IAS/IFRS).

All figures indicated in the tables are expressed in Euro.

#### NON CURRENT ASSETS

##### BUILDINGS, SYSTEMS AND MACHINERY

These amount, net of depreciation, to Euro 7,498,769 compared to the Euro 7,670,609 of 31 December 2006:

Movements are as follows:

| Categories               | Historical cost as at 01/01/07 | Increases      | Historical cost as at 30/06/07 | Depreciation fund as at 01/01/07 | Period depreciation | Cumulated depreciation | Net value as at 30/06/07 |
|--------------------------|--------------------------------|----------------|--------------------------------|----------------------------------|---------------------|------------------------|--------------------------|
| Land                     | 247,716                        |                | 247,716                        |                                  |                     |                        | 247,716                  |
| Buildings                | 7,016,127                      |                | 7,016,127                      | (558,524)                        | (105,106)           | (663,630)              | 6,352,496                |
| Others                   | 4,017,718                      | 116,690        | 4,134,408                      | (3,116,556)                      | (183,424)           | (3,299,980)            | 834,429                  |
| Fixed assets in progress | 64,128                         |                | 64,128                         |                                  |                     |                        | 64,128                   |
| <b>TOTAL</b>             | <b>11,345,689</b>              | <b>116,690</b> | <b>11,462,379</b>              | <b>(3,675,080)</b>               | <b>(288,530)</b>    | <b>(3,963,610)</b>     | <b>7,498,769</b>         |

Euro 35,089 of the Euro 116,690 increase is mainly due to electronic office machines, Euro 22,640 to furniture and fittings, Euro 18,915 to systems and machinery and Euro 36,986 leased goods.

## GOODWILL

Balance, as at 30 June 2007, amounts to Euro 24,298.814, remaining the same as that of 31 December 2006. The following table lists the relative items.

| Categories                        | Net value at 30/06/07 |
|-----------------------------------|-----------------------|
| GOODWILL ABACO MERGER COSTS       | 461,168               |
| GOODWILL TRANSFER AZ AIS PS       | 1,767,655             |
| GOODWILL TRANSFER KTONES BUSINESS | 517,714               |
| ETA BETA MERGER                   | 3,040,710             |
| AIS MEDICAL MERGER DIFFERENCE     | 3,913,766             |
| GOODWILL                          | 14,597,801            |
| <b>TOTAL</b>                      | <b>24,298,814</b>     |

Goodwill and merger differences entered are subject to impairment test, in accordance with that set out in IAS 36.

## OTHER INTANGIBLE FIXED ASSETS

These amount, net of depreciation, to Euro 1,828,938 compared to the Euro 1,831,697 of 31 December 2006.

Year's movements are as follows:

| Categories                            | Historical cost 01/01/07 | Increases as at 30/06/07 | Decreases | Total historical cost as at 30/06/07 | Depreciation fund as at 01/01/07 | Period depreciation quota | Cumulated depreciarion as at 30/06/07 | Net value as at 30/06/07 |
|---------------------------------------|--------------------------|--------------------------|-----------|--------------------------------------|----------------------------------|---------------------------|---------------------------------------|--------------------------|
| Intangible fixed assets               | 3,251,762                | 5,758                    |           | 3,257,520                            | (3,206,548)                      | (17,560)                  | (3,224,108)                           | 33,412                   |
| Development costs                     | 17,577,980               | 467,473                  |           | 18,045,453                           | (15,841,650)                     | (408,276)                 | (16,249,926)                          | 1,795,526                |
| Fixed assets in progress and advances | 50,153                   |                          | (50,153)  | 0                                    |                                  |                           | 0                                     | 0                        |
| <b>TOTAL</b>                          | <b>20,879,895</b>        | <b>473,231</b>           |           | <b>21,302,973</b>                    | <b>(19,048,198)</b>              | <b>(425,836)</b>          | <b>(19,474,034)</b>                   | <b>1,828,938</b>         |

The Euro 473,231 increase (gross of depreciation) regards mainly investments to develop software applications to propose to the market for licensed use.

## SHAREHOLDINGS

Shareholdings amount to Euro 3,130,.661 compared to the Euro 3,161,193 of 31 December 2007. The Euro 30,532 variation is due to the subsidiary, Aemedia Srl, being reclassified under

“assets held for sale” as a result of the deconsolidation described in the “Consolidation Area” paragraph of the Supplementary Note to the Group’s Consolidated Balance Sheet.

Shareholdings are listed in the following paragraphs.

## SHAREHOLDINGS IN SUBSIDIARY COMPANIES

Balance, as at 30 June 2007, amounts to Euro 1,843,180 compared to the Euro 1,873,712 of 31 December 2006, as detailed hereunder:

| Description                | 30/06/2007       | 31/12/2006       | Variations      |
|----------------------------|------------------|------------------|-----------------|
| Exprivia Projects S.p.A.   | 1,241,391        | 1,241,391        |                 |
| GST Srl - Gruppo Soluzioni |                  |                  |                 |
| Teconologiche              | 601,789          | 601,789          |                 |
| Aemedia Srl                |                  | 30,532           | (30,532)        |
|                            | <b>1,843,180</b> | <b>1,873,712</b> | <b>(30,532)</b> |

The following table illustrates data relating to the subsidiary companies’ net worth.

| Company                   | Registered office | Company capital | Period result | Net Worth | ProfProduct ion value | Total assets | Sharehold ings % |
|---------------------------|-------------------|-----------------|---------------|-----------|-----------------------|--------------|------------------|
| Exprivia Solutions S.p.A. | Roma              | 170,795         | (295,245)     | 122,943   | 1,802,034             | 5,785,199    | 100.00%          |
| Exprivia Projects S.p.A.  | Roma              | 242,000         | 285           | 163,382   | 2,456,314             | 3,788,423    | 100.00%          |
| GST S.r.l.                | Trento            | 26,000          | (4,548)       | 483,658   | 890,107               | 2,158,718    | 64.51%           |

## SHAREHOLDINGS IN OTHER COMPANIES

Balance, as at 30 June 2007, amounts to Euro 1,287,481, remaining the same as that of 31 December 2006.

Details are as follows:

| Description                            | 30/06/2007       | 31/12/2006       |
|--|------------------|------------------|
| Mo.ma                                  | 6,197            | 6,197            |
| Clinichall                             | 22,000           | 22,000           |
| Ultimo Miglio Sanitario                | 1,250            | 1,250            |
| Finapi                                 | 775              | 775              |
| Cered Software                         | 104              | 104              |
| Società Consortile Piano del Cavaliere | 516              | 516              |
| Pugliatech consortium                  | 2,000            | 2,000            |
| Iqs New Srl                            | 1,291            | 1,291            |
| Conca Barese Consortium                | 2,000            | 2,000            |
| Software Engineering Research          | 12,000           | 12,000           |
| Advanced Computer Systems              | 1,235,816        | 1,235,816        |
| Biogene consortium                     | 3,000            | 3,000            |
| Centro di Competenza ICT               | 532              | 532              |
|  | <b>1,287,481</b> | <b>1,287,481</b> |

## OTHER FINANCIAL ASSETS

### RECEIVABLES TO SUBSIDIARY COMPANIES

Balance, as at 30 June 2007, amounts to Euro 11,708 and refers to a credit with Farm Multimedia Srl in liquidation.

### RECEIVABLES TO OTHERS

Balance, as at 30 June 2007, amounts to Euro 13,333 relates to Exprivia S.p.A.'s commitment of 29 December 2006 to purchase a GST partner's shares by the year 2010.

### OTHER SECURITIES

Balance, as at 30 June 2007, amounts to Euro 6,214 compared to the Euro 6,085 of 31 December 2006.

## DEFERRED TAX CREDITS

Balance, as at 30 June 2007, amounts to Euro 759,414, remaining the same as that of 31 December 2006 and refers to the fiscal benefits on tax losses as at 31.12.2004 deemed recoverable as a result of company development plans.

## CURRENT ASSETS

### COMMERCIAL CREDITS AND OTHERS

#### RECEIVABLES TO CUSTOMERS

Receivables to customers fall from Euro 18,564,389, as at 31 December 2006, to a total of Euro 17,415,680, as at 30 June 2007, and are entered amongst assets net of a Euro 1,576,336 adjustment for irrecoverability risks.

End of year balance can be analysed as follows.

| Description                                 | 30/06/2007        | 31/12/2006        | Variazioni       |
|---|-------------------|-------------------|------------------|
| To Italian Customers                        | 17,906,492        | 18,211,045        | (304,553)        |
| To Foreign Customers                        | 602,000           | 1,090,685         | (488,685)        |
| To Public Bodies                            | 816,264           | 838,995           | (22,731)         |
| <b>Subtotal receivables to customers</b>    | <b>19,324,756</b> | <b>20,140,725</b> | <b>(815,969)</b> |
| Minus: provision for bad and doubtful debts | (1,576,336)       | (1,576,336)       | 0                |
| <b>Total receivables to customers</b>       | <b>17,748,420</b> | <b>18,564,389</b> | <b>(815,969)</b> |
| Detail                                      | 30/06/2007        | 31/12/2006        | Variazioni       |
| To third parties                            | 14,241,231        | 14,838,044        | (596,813)        |
| Invoices to be issued to third parties      | 5,083,525         | 5,302,681         | (219,156)        |
| <b>TOTAL</b>                                | <b>19,324,756</b> | <b>20,140,725</b> | <b>(815,969)</b> |

## RECEIVABLES TO SUBSIDIARY COMPANIES

Balance, as at 30 June 2007, amounts to Euro 1,743,309 compared to the Euro 4,361,443 of December 2006.

Details are as follows:

| Description                          | 30/06/2007       | 31/12/2006       | Variations         |
|--------------------------------------|------------------|------------------|--------------------|
| GST Srl                              | 150,781          | 78,179           | 72,602             |
| Exprivia Customer Services Srl       | 100,405          | 67,621           | 32,784             |
| Exprivia Projects Spa                | 1,081,303        | 1,547,889        | (466,586)          |
| Exprivia Solutions Spa               | 410,821          | 2,602,748        | (2,191,927)        |
| AlSoftw@re Professional Services Srl |                  | 65,006           | (65,006)           |
|                                      | <b>1,743,309</b> | <b>4,361,443</b> | <b>(2,618,134)</b> |

Receivables to subsidiary companies, all regulated by draft agreements, refer mainly, as regards GST S.r.l., Aemedia S.r.l., Exprivia Solutions S.p.A. and Exprivia Customer Services Srl, to administrative, logistic and general services sustained by the company being re-debited; the receivable to Exprivia Projects refers, in part, to the balance accrued by the company on the Cash Pooling account.

## RECEIVABLES TO PARENT COMPANIES

Euro 341,049 of the Euro 385,964 balance refers to the credit arising from contributing Abaco Innovazione S.p.A. (ex Abaco Software & Consulting S.p.A.) to Abaco Information Services S.r.l. (subsequently incorporated in Exprivia S.p.A.) and Euro 44,915 consultancy and logistic services sustained by the company for the parent company being re-debited.

## RECEIVABLES TO AFFILIATES

Balance, as at 30 June 2007, amounts to Euro 248,411, remaining the same as that of 31 December 2006. The following table details the relative items:

| Description                          | 30/06/2007     | 31/12/2006     |
|--------------------------------------|----------------|----------------|
| Impression Srl in liquidation        | 80,486         | 80,486         |
| Geosim                               | 85,066         | 85,066         |
| Mindmotion Srl in bankruptcy         | 219,150        | 219,150        |
| San Vincente Group                   | 12,820         | 12,820         |
| Impression provision for bad and d   | (80,486)       | (80,486)       |
| Mindmotion provision for bad and d   | (55,805)       | (55,805)       |
| San Vincente provision for bad and d | (12,820)       | (12,820)       |
|                                      | <b>248,411</b> | <b>248,411</b> |

## RECEIVABLES TO OTHERS

Balance, as at 30 June 2007, amounts to Euro 5,444,029 compared to the Euro 5,426,759 of 31 December 2006.

The following table details the year's variations:

| Description   | 30/06/2007       | 31/12/2006       | Variazioni    |
|---|------------------|------------------|---------------|
| EEC contributions/Independent Province of Trento/Lazio Region | 18,545           | 18,545           |               |
| Receivables to consortiums                                    | 930              | 930              |               |
| Credit territorial agreement for contributions deliberated    | 18,231           | 18,231           |               |
| Credits CNOS project  | 1,393,214        | 1,393,214        |               |
| Credits POR Puglia  | 1,145,000        | 1,145,000        |               |
| Credits PIA Innovazione                                       | 1,747,890        | 1,747,890        |               |
| Credit L. 488/92 for contributions deliberated                | 684,508          | 684,508          |               |
| Credit L. 598/94  | 317,745          | 317,745          |               |
| Receivables to partners for shareholdings                     | 19,109           | 19,109           |               |
| Supplier advances for services                                | 15,501           | 33,000           | (17,499)      |
| Sundry receivables  | 9,726            | 8,981            | 745           |
| Receivables to social security institutes/INAIL               | 34,726           | 676              | 34,050        |
| Receivables to employees                                      | 17,318           | 15,486           | 1,832         |
| Deposits for supplies   | 21,586           | 23,444           | (1,858)       |
| <b>TOTAL</b>  | <b>5,444,029</b> | <b>5,426,759</b> | <b>17,270</b> |

## TAX CREDITS

Balance, as at 30 June 2007, amounts to Euro 241,069 as detailed in following table:

| Description                                      | 30/06/2007     | 31/12/2006     | Variations |
|--|----------------|----------------|------------|
| Inland revenue deduction account interest earned | 409            | 251            | 158        |
| Inland revenue deductions on foreign payments    | 16,270         | 16,270         | -          |
| Credits on R.A. lieu tax                         | 19,917         | 19,563         | 354        |
| Credits with Inland revenue                      | 10,103         | 9,968          | 135        |
| Tax credits art. 8                               | 194,370        | 194,370        | -          |
| <b>TOTAL</b>                                     | <b>241,069</b> | <b>240,422</b> | <b>647</b> |

## ACCRUED EARNINGS AND DEFERRED ASSETS

These amount to Euro 515,979, as at 30 June 2007, compared to the Euro 248,771 of 31 December 2006, Euro 515,979 referring to deferred assets.

Details are as follows:

### Deferred assets

| Description                     | 30/06/2007     | 31/12/2006     | Variazioni     |
|---------------------------------|----------------|----------------|----------------|
| Interest on INPS instalments    | 45,326         | 111,158        | (65,832)       |
| Car rental                      | 537            | 2,832          | (2,295)        |
| Insurances                      | 50,254         |                | 50,254         |
| Stock Option                    | 60,637         |                | 60,637         |
| Services and sundry maintenance | 359,225        | 134,503        | 224,722        |
| <b>TOTAL</b>                    | <b>515,979</b> | <b>248,493</b> | <b>267,486</b> |

### STOCK

Balance, as at 30 June 2007, amounts to Euro 274,019 compared to the Euro 101,645 of 31 December 2006 and refers to software and hardware products, relating to the medical sector, purchased by the company for resale.

### WORK IN PROGRESS TO ORDER

Balance, as at 30 June 2007, amounts to Euro 705,092 compared to the Euro 81,339 of 31 December 2006 and refers to the value of Bank related orders in progress valued according to the contract payments due.

### LIQUID ASSETS

Balance, as at 30 June 2007, amounts to Euro 903,887 compared to the Euro 1,069,392 of 31 December 2006, Euro 901,460 referring to bank credit balances and Euro 2,427 cash in hand.

### ASSETS CLASSIFIED AS HELD FOR SALE AND ASSETS INCLUDED IN DIVESTED AGGREGATES

Balance amounts to Euro 30,532 and refers to Aemedia Srl's shareholding reclassified as a result of its deconsolidation as described in the "Consolidation Area" paragraph of the Consolidated Balance Sheet Supplementary Note.



## NET WORTH

The following statement shows the variations in Net Worth:

| Operations                              | Capitale Sociale  | Azioni proprie  | Share surplus reserve | Legal reserve  | Portfolio own share reserve | Other reserves   | Revaluation reserveRiserv a da rivalutazione | Profits (Losses) carried forward | Operating profits (losses) | Total Net Worth   |
|---|-------------------|-----------------|-----------------------|----------------|-----------------------------|------------------|--|----------------------------------|----------------------------|-------------------|
| <b>Balance as at 1/1/04</b>             | <b>1,000,000</b>  |                 |                       | <b>129,815</b> |                             | <b>1,116,963</b> |  |                                  | <b>1,032,782</b>           | <b>3,279,560</b>  |
| Changes in accounting criteria          |                   |                 |                       | (129,815)      |                             | 251,301          | 331,888                                      |                                  |                            | 453,374           |
| Perimeted adjustment                    |                   |                 |                       |                |                             | (1,053,717)      |  |                                  | (1,032,782)                | (2,086,499)       |
| <b>Adjusted bances</b>                  | <b>1,000,000</b>  |                 |                       |                |                             | <b>314,547</b>   | <b>331,888</b>                               |                                  |                            | <b>1,646,435</b>  |
| 2004 operating result                   |                   |                 |                       |                |                             |                  |  |                                  | 1,358,906                  | 1,358,906         |
| <b>Balance as at 31/12/04</b>           | <b>1,000,000</b>  |                 |                       |                |                             | <b>314,547</b>   | <b>331,888</b>                               |                                  | <b>1,358,906</b>           | <b>3,005,341</b>  |
| Property revaluation                    |                   |                 |                       |                |                             |                  | 2,701,342                                    |                                  |                            | 2,701,342         |
| Deposit future capital increase account |                   |                 |                       |                |                             | 6,000,000        |  |                                  |                            | 6,000,000         |
| Adjustment perimeter                    |                   |                 |                       |                |                             | 1,192,132        |  | (121,546)                        | (1,358,906)                | (288,320)         |
| Capital increase                        | 16,642,488        |                 | 1,999,113             |                |                             |                  |  |                                  |                            | 18,641,601        |
| Result as at 31/12/2005                 |                   |                 |                       |                |                             |                  |  |                                  | (3,747,202)                | (3,747,202)       |
| <b>Balance as at 31/12/2005</b>         | <b>17,642,488</b> |                 | <b>1,999,113</b>      |                |                             | <b>7,506,679</b> | <b>3,033,230</b>                             | <b>(121,546)</b>                 | <b>(3,747,202)</b>         | <b>26,312,762</b> |
| Disposition of result:                  |                   |                 |                       |                |                             |                  |  | (3,747,202)                      | 3,747,202                  |                   |
| Purchase own shares                     |                   | (53,557)        |                       |                |                             |                  |  |                                  |                            | (53,557)          |
| Stock Option Plan                       |                   |                 |                       |                |                             | 6,196            |  |                                  |                            | 6,196             |
| Adjustment perimeter                    |                   |                 |                       |                |                             |                  |  |                                  | 1,098,875                  | 1,098,875         |
| Result as at 31/12/2006                 | <b>17,642,488</b> | <b>(53,557)</b> | <b>1,999,113</b>      |                |                             | <b>7,512,875</b> | <b>3,033,230</b>                             | <b>(3,868,748)</b>               | <b>1,098,875</b>           | <b>27,364,276</b> |
| <b>Balance as at 31/12/2006</b>         |                   |                 |                       | 54,944         |                             |                  |  | 1,043,931                        | (1,098,875)                | 53,557            |
| Acquisition own shares                  |                   | 53,557          |                       |                |                             |                  |  |                                  |                            | 53,557            |
| Stock Option Plan                       |                   |                 |                       |                |                             | 121,275          |  |                                  |                            | 121,275           |
| Result as at 30/06/07                   |                   |                 |                       |                |                             |                  |  |                                  | 933,989                    | 933,989           |
| <b>Balance as at 30/06/07</b>           | <b>17,642,488</b> |                 | <b>1,999,113</b>      | <b>54,944</b>  |                             | <b>7,634,150</b> | <b>3,033,230</b>                             | <b>(2,824,818)</b>               | <b>933,989</b>             | <b>28,473,096</b> |

## COMPANY CAPITAL

The company capital, entirely paid up, amounts to Euro 17,642,488.24 and consists of No 33,927,862 ordinary shares of the nominal value of Euro 0.52 each.

## OWN SHARES

Balance, as at 30 June 2007, is zero, compared to the Euro 53,557 of 31 December 2006, as a result of the sale of own shares.

## SHARE SURPLUS RESERVE

This amounts to Euro 1,999,113 as at 30 June 2007 remaining the same as that of 31 December 2006.

## REVALUATION RESERVE

Balance, as at 30 June 2007, amounts to Euro 3,033,230 remaining the same as that of 31 December 2006.

**OTHER RESERVES****LEGAL RESERVE**

Balance, as at 30 June 2007, amounts to Euro 54,944 and relates to disposition of 2006 result as deliberated by Meeting of 28 April 2007.

**DEPOSIT/CAPITAL INCREASE ACCOUNT**

Balance, as at 30 June 2007, amounts to Euro 6,000,000 remaining the same as that of 31 December 2006.

**EXTRAORDINARY RESERVE**

Balance amounts to Euro 82,000 remaining the same as that of 31 December 2006.

**OTHER RESERVES**

These amount to Euro 1,418,000 as at 30 June 2007, remaining the same as that of 31 December 2006.

**STOCK OPTION RESERVE**

Balance, as at 30 June 2007, amounts to Euro 127,471 increasing by 121,275 on 31 December 2006 and relates to the year's cost to exercise the call option following enforcement of the stock option plan.

**IAS/IFSR TRANSITION RESERVE**

This amounts to Euro 142,675 as at 30 June 2007, remaining the same as that of 31 December 2006.

**IAS FISCAL EFFECT**

This amounts to Euro 135,996 as at 30 June 2007, remaining the same as that of 31 December 2006.

**LOSSES CARRIED FORWARD**

The losses carried forward, amounting to Euro 2,824,818, has fallen compared to that of 31 December 2006 due to the disposition of the December 2006 operating result.

***NON CURRENT LIABILITIES*****NON CURRENT PAYABLES TO BANKS**

Balance, as at 30 June 2007, amounts to Euro 4,271,353, remaining the same as at 31 December 2006, and relates to medium to long term finance and mortgages with major Banks.

## OTHER FINANCIAL LIABILITIES

### TAX AND SOCIAL SECURITY DEBTS PAYABLE BEYOND THE YEAR

Balance amounts to Euro 741,660 compared to the Euro 646,588 as at 31 December 2006. It refers to the reclassification of future INPS debts, following payment by monthly instalments in progress with social Security Bodies.

## PROVISION FOR RISKS AND CHARGES

### OTHER PROVISIONS

Balance, as at 30 June 2007, amounts to Euro 15,875 and refers to the risk fund set up to receive a tax bill relating to previous years' waste disposal tax for which checks are being carried out with the issuing body.

## STAFF RELATED FUNDS

### EMPLOYEE RETIREMENT ALLOWANCE

Balance, as at 30 June 2007, amounts to Euro 3,689,894 calculated according to the actuarial financial method set out in IAS 19. Said fund also includes that accrued for the period that was subsequently deposited with the INPS Treasury and Category Pension Funds.

## DEFERRED TAX DEBTS

### DEFERRED TAX FUNDS

The fund, as at 30 June 2007, amounts to Euro 198,231 and represents provisions made for taxes (IRES and IRAP) calculated on the temporary variations resulting from assessing balance sheet items according to international IFRS accounting standards.

## CURRENT LIABILITIES

### CURRENT PAYABLES TO BANKS

Balance, as at 30 June 2007, amounts to Euro 10,995,899 compared to the Euro 11,454,491 of 31 December 2006.

### PAYABLES TO SUPPLIERS

Balance, as at 30 June 2007, amounts to Euro 3,393,051 compared to the Euro 4,047,159 of 31 December 2006.

## ADVANCES ON WORK IN PROGRESS TO ORDER

### ADVANCES

Balance is zero.

## OTHER FINANCIAL LIABILITIES

### PAYABLES TO SUBSIDIARY COMPANIES

Payables to subsidiary companies amount to Euro 863,757 and consist of the following.

| Description                           | 30/06/2007     | 31/12/2006       | Variations         |
|---------------------------------------|----------------|------------------|--------------------|
| GST Sr                                | 222,418        | 293,037          | (70,619)           |
| Farm Srl in liquidation               |                | 992              | (992)              |
| Expri via Projects Spa                | 228,100        | 196,945          | 31,155             |
| Expri via Solutions Spa               | 233,814        | 1,543,352        | (1,309,538)        |
| AI Software Professional Services Srl | 171,694        | 1,762,053        | (1,590,359)        |
| Aemedia                               | 7,732          | 812              | 6,920              |
| <b>TOTAL</b>                          | <b>863,757</b> | <b>3,797,191</b> | <b>(2,933,434)</b> |

### PAYABLES TO AFFILIATES

Balance, as at 30 June 2007, amounts to Euro 169,466 and refers mainly to the debt with Network Services Srl (Euro 115,806).

### PAYABLES TO OTHERS

Balance amounts to Euro 259,714. The Euro 59,700 variation on 31 December 2006 is due to the derivative products the Company holds with major Banks being adjusted to their market value.

## TAX DEBTS

Tax debts, as at 30 June 2007, amount to Euro 2,301,201 compared to the Euro 2,321,401 of 31 December 2006. Details are as follows.

| Description   | 30/06/2007       | 31/12/2006       | Variations      |
|---|------------------|------------------|-----------------|
| Payables to Inland Revenue for VAT                    | 1,086,652        | 1,252,058        | (165,406)       |
| Payables to Inland Revenue for IRAP                   | 718,413          | 194,714          | 523,699         |
| Payables to Inland Revenue for IRPEF employees        | 209,873          | 376,323          | (166,450)       |
| Payables to Inland Revenue for IRPEF free lance work  | 30,531           | 18,117           | 12,414          |
| Payables to Inland Revenue for IRPEF collaborators    | 23,902           | 10,112           | 13,790          |
| Payables to Inland Revenue                            |                  | 1,787            | (1,787)         |
| Payables to Inland Revenue for R.A. IRPEF             | 25,608           | 17,286           | 8,322           |
| Payables to Inland Revenue for Regional and Municipa  | 16,472           | 3,813            | 12,659          |
| Payables to Inland Revenue for waste taxes            | 24,903           | 25,174           | (271)           |
| Payables to Inland Revenue for interest and sanctions | 164,847          | 422,017          | (257,170)       |
| <b>TOTAL</b>  | <b>2,301,201</b> | <b>2,321,401</b> | <b>(20,200)</b> |

## OTHER CURRENT LIABILITIES

### PAYABLES TO SOCIAL SECURITY AND WELFARE INSTITUTES

Payables to social security and welfare institutes amount to Euro 1,606,172 compared to the Euro 1,866,042 of 31 December 2006. The following table details the relative items.

| Description                                | 30/06/2007       | 31/12/2006       | Variations       |
|--|------------------|------------------|------------------|
| INPS contributions account                 | 576,750          | 715,091          | (138,341)        |
| INPS contribution instalment account       | 429,655          | 563,160          | (133,505)        |
| PREVINDAI-FASI-ALDAI-INPDAI-FASDAP         | 74,543           | 94,684           | (20,141)         |
| Contributions on holiday/summer- Christmas | 258,336          | 300,290          | (41,954)         |
| INPS contributions on bonus accrual        | 155,014          | 107,500          | 47,514           |
| INPS collaborator contributions account    | 56,945           | 43,640           | 13,305           |
| INAIL contributions account                | 54,929           | 41,677           | 13,252           |
| <b>TOTAL</b>                               | <b>1,606,172</b> | <b>1,866,042</b> | <b>(259,870)</b> |

### OTHER PAYABLES

Other payables amount to Euro 4,658,545 compared to the 3,955,721 of 31 December 2006. Items consist of the following:

| Description  | 30/06/2007       | 31/12/2006       | Variations     |
|--|------------------|------------------|----------------|
| Payables to employees/collaborators for expenses     | 4,614            | 98,771           | (94,157)       |
| Payables to employees for redundancy packages        | 31,384           |                  | 31,384         |
| Directors payments to be settled                     | 98,675           | 159,736          | (61,061)       |
| Collaborators for fees accrued                       | 285,436          | 214,476          | 70,960         |
| Employees for fees accrued                           | 1,396,311        | 960,786          | 435,525        |
| Debts to purchase shareholdings                      | 22,273           | 35,895           | (13,622)       |
| Holidays and festivities accrued/summer-Christmas bo | 1,356,512        | 1,014,558        | 341,954        |
| PIA Innovazione advance                              | 1,341,445        | 1,341,445        |                |
| Advance L. 598/94                                    | 95,324           | 95,324           |                |
| Sundry payables                                      | 26,571           | 34,730           | (8,159)        |
| <b>TOTAL</b>   | <b>4,658,545</b> | <b>3,955,721</b> | <b>702,824</b> |

### ACCRUED COSTS

Balance, as at 30 June 2007, amounts to Euro 244,644 compared to the Euro 253,781 of 31 December 2006. Movements on the previous year are as follows.

| Description                                       | 30/06/2007     | 31/12/2005     | Variations     |
|---|----------------|----------------|----------------|
| Bank interest and charges                         | 163,548        | 130,537        | 33,011         |
| Interst on PIA Innovazione finance                | -              | 3,733          | (3,733)        |
| Transactions with suppliers                       | 32,769         | 37,768         | (4,999)        |
| Extraordinary provisions and recoverability emplo | -              | 17,100         | (17,100)       |
| Sundry costs                                      | -              | 19,487         | (19,487)       |
| Insurances  | 48,327         | 43,023         | 5,304          |
| Sundry interest paid                              | -              | 2,133          | (2,133)        |
| <b>TOTAL</b>                                      | <b>244,644</b> | <b>253,781</b> | <b>(9,137)</b> |

## DEFERRED REVENUE

Balance, as at 30 June 2007, amounts to Euro 3,906,005 compared to the Euro 4,024,668 of 31 December 2006. Movements on the previous year are as follows

| Description                                      | 30/06/2007       | 31/12/2006       | Variations       |
|--|------------------|------------------|------------------|
| Contriburions art. 8                             | 583,776          | 600,308          | (16,532)         |
| Contributions L. 488/92                          | 607,305          | 621,464          | (14,159)         |
| Contributions PIA Innovazione                    | 435,575          | 459,720          | (24,145)         |
| Contributions L. 598/94                          | 5,258            | 7,277            | (2,019)          |
| Services and maintenance                         | 360,493          | 74,391           | 286,102          |
| Temporary variations on IAS adjustments          | 21,424           | 21,424           | 0                |
| Contributions CNOS project training and research | 912,270          | 1,188,285        | (276,015)        |
| Contributions Pugliatech Consortium              | 979,904          | 1,051,799        | (71,895)         |
| <b>TOTAL</b>                                     | <b>3,906,005</b> | <b>4,024,668</b> | <b>(118,663)</b> |

## INFORMATION ON FINANCIAL STATEMENT

It is noted that income management produces a cash flow of Euro 1.9 Million covering all the cash flow requirement resulting from circulating assets and liabilities.

## INFORMATION ON THE PROFIT AND LOSS ACCOUNT

The following illustrates all cost and revenue items making up the Profit and Loss Account, drawn up in accordance with international accounting standards (IAS/IFRS).

All figures shown in the following tables are expressed in Euro.

### PRODUCTION REVENUE

#### REVENUE FROM SALES AND SERVICES

Revenue from sales, as at 30 June 2007, amount to Euro 17,226,383 compared to the Euro 16,534,473 of the same period of the previous year. See the "Business trend" paragraph of the Consolidated Balance Sheet Management Report for details.

#### OTHER PROCEEDS

#### OTHER PROCEEDS AND REVENUE

Balance, as at 30 June 2007, amounts to Euro 112,605 compared to the Euro 231,611 of the same period of the previous year. Details are as follows.

| Description                    | 30/06/2007     | 30/06/2006     | Variations       |
|--------------------------------|----------------|----------------|------------------|
| Contingent assets              | 96,045         | 221,833        | (125,788)        |
| Other revenue                  | 1,470          | 4,297          | (2,827)          |
| Compensation in lieu of notice | 15,090         | 5,481          | 9,609            |
| <b>TOTAL</b>                   | <b>112,605</b> | <b>231,611</b> | <b>(119,006)</b> |



## CONTRIBUTIONS TO OPERATING ACCOUNT

Balance, as at 30 June 2007, amounts to Euro 404,765 compared to the Euro 450,956 and refers to period's contributions on projects in progress.

## SURPLUSES

Balance amounts to Euro 120.

## VARIATIONS IN STOCK OF FINISHED PRODUCTS AND PRODUCTS IN PROGRESS

### VARIATIONS IN STOCK OF PRODUCTS IN PROGRESS

Credit balance amounts to Euro 172,375 and refers to products of the Health and Medical Business Line.

### VARIATIONS IN WORK IN PROGRESS TO ORDER

Balance of Euro 705,092 refers to projects in progress.

## INCREASES IN FIXED ASSETS FOR INTERNAL WORK

Balance, as at 30 June 2007, in long term project capitalisations, amounts to Euro 417,320 compared to the Euro 474,215 of the second quarter of 2006 and refers to costs sustained during the year to develop projects in the banking sector (147,755) and medical sector (269,565).

## PRODUCTION COSTS

### RAW MATERIALS AND CONSUMABLES USED

Costs entered as at 30 June 2007 amount to Euro 668,761 compared to the Euro 700,300 on the previous year. Details are as follows.

| Description                       | 30/06/2007     | 30/06/2006     | Variations      |
|-----------------------------------|----------------|----------------|-----------------|
| Purchase hw-sw products           | 427,304        | 521,298        | (93,994)        |
| Purchase hw-sw maintenance        | 179,826        | 113,542        | 66,284          |
| Purchase system equipment         | 1,805          | 32,331         | (30,526)        |
| Product purchase from affiliates  | 20,380         |                | 20,380          |
| Stationary and sundry consumables | 12,753         | 16,512         | (3,759)         |
| Fuel and lubricants               | 18,819         | 13,616         | 5,203           |
| Transport and rental on purchases | 7,874          | 3,001          | 4,873           |
| <b>TOTAL</b>                      | <b>668,761</b> | <b>700,300</b> | <b>(31,539)</b> |

### EMPLOYEE BENEFIT RELATED COSTS

These amount to Euro 11,260,395, of which Euro 8,704,249 refers to pay, Euro 2,011,186 social security contributions, Euro 419,352 retirement allowance and 125,607 other staff related costs.

The average number of employees as at 30 June 2007 is of 528 units, of which 444 employees and 86 collaborators, compared to the 475 units (421 employees and 54 collaborators) as at 31 December 2006.

The average number of employees as at 30 June 2007 was of 440 units.

## OTHER COSTS

### OTHER COSTS FOR SERVICES

Balance, as at 30 June 2007, amounts to Euro 4,101,892, compared to the Euro 4,620,348 of the previous year and can be analysed as follows:

| Description                              | 30/06/2007       | 30/06/2006       | Variations       |
|--|------------------|------------------|------------------|
| Technical and business consultants       | 956,027          | 1,076,088        | (120,061)        |
| Administrative/company/legal consultants | 287,689          | 294,546          | (6,857)          |
| Consultancy to affiliates                | 802,753          | 1,390,174        | (587,421)        |
| Consultancy to intercompany companies    | 693,582          | 517,473          |                  |
| Auditor pay                              | 52,724           | 50,717           | 2,007            |
| Travelling and transfer expenses         | 754,201          | 704,617          | 49,584           |
| Other staff costs                        | 23,987           | 0                | 23,987           |
| Utilities                                | 283,364          | 282,651          | 713              |
| Advertising/Agency expenses              | 30,941           | 59,422           | (28,481)         |
| Insurances                               | 68,314           | 71,325           | (3,011)          |
| Other costs                              | 148,310          | 173,335          | (25,025)         |
| <b>TOTAL</b>                             | <b>4,101,892</b> | <b>4,620,348</b> | <b>(694,565)</b> |

## COSTS TO ENJOY THIRD PARTY ASSETS

Balance, as at 30 June 2007, amounts to Euro 343,360 and consists of the following:

| Description           | 30/06/2007     | 30/06/2006     | Variations      |
|-----------------------|----------------|----------------|-----------------|
| Rents paid            | 263,791        | 269,252        | (5,461)         |
| Vehicles rent/leasing | 78,217         | 87,136         | (8,919)         |
| other rents           | 0              | 0              | 0               |
| Licences              | 1,352          | 6,422          | (5,070)         |
| <b>TOTAL</b>          | <b>343,360</b> | <b>362,810</b> | <b>(19,450)</b> |

## SUNDRY MANAGEMENT COSTS

Balance, as at 30 June 2007, amounts to Euro 155,387 compared to Euro 178,115 of the same period of the previous year and consists of the following:

| Description           | 30/06/2007     | 30/06/2006     | Variations      |
|-----------------------|----------------|----------------|-----------------|
| Association fees      | 23,384         | 16,137         | 7,247           |
| Books and magazines   | 2,840          | 5,638          | (2,798)         |
| Tax and duties        | 18,615         | 25,917         | (7,302)         |
| Stamps                | 3,871          | 5,421          | (1,550)         |
| Sanctions and fines   | 10,568         | 0              | 10,568          |
| Capital losses        | 21,078         | 54,873         | (33,795)        |
| Bak charges           | 69,625         | 62,152         | 7,473           |
| Sundry expense        | 5,218          | 7,977          | (2,759)         |
| Penalties and damages | 188            | 0              | 188             |
| <b>TOTAL</b>          | <b>155,387</b> | <b>178,115</b> | <b>(22,728)</b> |

## DEPRECIATION AND DEVALUATIONS

These amount to Euro 714,367 for the first six months of 2007 compared to the Euro 771,432 of first six months of 2006.

Intangible fixed asset depreciation, amounting to Euro 425,836, is detailed in the Intangible Fixed Assets paragraph hereof.

Tangible fixed asset depreciation, amounting to Euro 288,530, is detailed in the tangible Fixed Assets paragraph hereof.

## FINANCIAL PROCEEDS AND CHARGES

### PROCEEDS FROM SUBSIDIARY COMPANIES

Balance, as at 30 June 2007, amounts to Euro 40,389 and refers to interest relating to finance the subsidiary company has with Exprivia S.p.A..

### SUNDRY PROCEEDS OTHER THAN THOSE INDICATED ABOVE

Balance, as at 30 June 2007 amounts to Euro 127,791 and refers to bank interest earned amounting to Euro 1,278, surplus resulting from the sale of own shares amounting to Euro 66,812 and proceeds resulting from adjusting derivative products to their market value.

### INTEREST AND OTHER FINANCIAL CHARGES

Balance, as at 30 June 2007, amounts to Euro 488,300 compared to the Euro 351,028 of 30 June 2006. The following table details the relative items.

| Description                     | 30/06/2007     | 30/06/2006     | Variations     |
|---------------------------------|----------------|----------------|----------------|
| Bank interest paid              | 309,087        | 243,601        | 65,486         |
| Interest on mortgages           | 122,185        |                | 122,185        |
| Other interests                 | 57,028         | 103,116        | (46,088)       |
| Interest paid from subsidiaries |                | 4,311          | (4,311)        |
| <b>TOTAL</b>                    | <b>488,300</b> | <b>351,028</b> | <b>137,272</b> |

### FINANCIAL CHARGES TO SUBSIDIARY COMPANIES

Balance, as at 30 June 2007, amounts to Euro 29,347 and refers mainly to interest on the debt the company has with its subsidiary AISoftw@re Professional Services Srl as a result of transferring the business.

### PROFIT ON EXCHANGES

Balance, as at 30 June 2007, amounts to Euro 799.

### INCOME TAX

Balance, as at 30 June 2007, amounts to 510,242 of which Euro -13,458 for IRES and Euro 523,700 for IRAP.

### OPERATING RESULT

The Profit and Loss account as at 30 June 2007 closes with a net profit of Euro 933,989.

## DECLARATION IN ACCORDANCE WITH ART. 154-BIS, COMMA 2, OF DECREE LAW NO. 58 OF 24 FEBRUARY–T.U. AND SUBSEQUENT AMENDMENTS GOVERNING FINANCIAL BROKERAGE.

I the undersigned, Pietro Sgobba, manager in charge of drawing up the company's accounts, in accordance with art. 154-bis comma 2 of decree law no.58 of 24/02/1998, introduced by law no 262 of 28/12/2005, declare that the financial and economic data contained in this six-monthly report as at 30 June 2007, correspond to the relative accounts and books.

Signature manager in charge of  
drawing up company accounts

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