



Q3 Report
as at 30 September 2007

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Exprivia Group Board of Directors' Management Report.

PREMISE

This quarterly Report as at 30 September 2007 has been drawn up according to the IAS/IFRS standards issued by the International Accounting Standards Board (IASB) and approved by the European Union.

QUARTER THREE SIGNIFICANT EVENTS

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.

STOCK OPTION PLAN

There are no events of note as regards that deliberated by the Board of Directors on **29 June 2007**, in enforcement of those regulations approved on 20 December 2006, regarding 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.

ECONOMIC AND FINANCIAL RESULTS

The following is a summary of the Groups main consolidated financial and economic results applying the IAS standards as emerges from the quarterly report as at 30 September 2007.

Exprivia Group (value in KEuro)	Q3 2007	Q3 2006	Variations %
Production value	11,304	9,787	15.50%
Net revenue	10,817	9,239	17.8%
EBITDA	1221	1,066	14.54%
EBIT	683	552	23.73%
Net result	33	52	-36.54%

Exprivia Group (value in KEuro)	30/09/2007	31/12/2006
Net Worth	29,297	28,381
Net Financial Position	(15,799)	(16,753)

The results obtained in Q3 2007 show that turnover has strengthened and margins increased as a result of a commercial strategy to focus on the offer in sectors with higher margins and greater development.

In particular, Q3 **net revenue** was of 10.8 Million Euro 17% higher than that of the same period of 2006 (9.2 Million Euro) due both to the delivery of orders and signing of contracts deferred from the first six months as well as the sale of proprietary licences.

The **EBITDA margin** increased by 14.54% to 1.2 Million Euro confirming the focus on more profitable sectors.

The increase in the **EBIT margin** was even more significant, equal to 23.73%, reaching 0.7 Million Euro compared to the 0.5 Million Euro of the previous year.

The Q3 **net result** is of 33 thousand Euro basically in line with the 52 thousand Euro of the same period of the previous year. However, 2007 would have ended with a net result of 195 thousand Euro if not for the effects of depreciation and tax carried over from the previous year.

The **net financial position** as at 30 September 2007 improves by 0.9 Million Euro on that as at 31/12/06 (-16.7 Million Euro) reaching a value of -15.8 Million Euro confirming the Group's ability to generate cash flow.

The Group's **Net Worth**, as at 30 September 2007, is of 29.2 Million Euro compared to the 28.3 Million Euro of 31 December 2006.

The following tables summarise Exprivia S.p.A.'s data:

Exprivia (value in Keuro)	Q3 2007	Q3 2006	Variations %
Production value	9,319	7,916	17.72%
Net revenue	8,917	7,420	20.18%
EBITDA	946	921	2.7%
EBIT	493	489	0.82%
Net result	(5)	110	-104.55%

Exprivia (value in KEuro)	30/09/2007	31/12/2006
Net Worth	28,368	27,364
Net Financial Position	(13,860)	(14,656)

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 September 2007 compared with that of the same period of the previous year and that of 31 December 2006.

	30.09.2007	progressive data 30.09.2006	data 31.12.2006	quarterly data Q3 2007	Q3 2006
Total production revenue	34,600,128	33,173,342	47,030,377	11,303,672	9,786,721
of which net revenue and variations in work in progress	32,917,137	31,310,662	44,209,601	10,817,184	9,238,579
of which increases in fixed assets for internal work	614,183	655,942	992,217	187,451	174,727
of which other revenue and contributions	1,068,808	1,206,738	1,828,559	299,037	373,415
Difference between production costs and revenue (EBITDA)	3,999,399	3,650,458	5,552,479	1,221,429	1,065,853
% of revenue	11.56%	11.00%	11.81%	10.81%	10.89%
Net operating result (EBIT)	2,576,967	2,200,396	3,421,751	683,704	551,679
% of revenue	7.45%	6.63%	7.28%	6.05%	5.64%
Net result	670,765	535,813	1,111,972	32,978	51,619
Group net worth	29,297,369	27,730,717	28,380,981	(56,560)	10,062
Total assets	76,439,602	72,582,953	76,084,018	831,186	(894,173)
Company capital	17,642,488	17,642,488	17,642,488		
Net circulating capital (1)	11,606,498	9,011,862	12,150,690	(525,930)	844,144
Cash flow (2)	1,971,804	2,348,493	3,515,254	169,387	696,593
Fixed capital (3)	39,111,416	39,871,994	39,478,152	(235,153)	(211,886)
Investments	1,045,121	1,089,024	(382,036)	246,983	273,959
Liquid assets/securities (a)	2,133,404	1,420,343	1,509,360	495,017	560,727
Short term financial debts (b)	(13,789,170)	(12,669,611)	(13,990,725)	(1,016,592)	(1,556,046)
Medium to long term debts (c)	(4,143,701)	(3,940,800)	(4,271,353)	127,652	351,079
Net financial position (4)	(15,799,467)	(15,190,068)	(16,752,718)	(393,923)	(644,240)

(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)	Revenue as at 30/9/07	Revenue as at 30/09/06	Variation
Banks, Finance and Insurances	8,732	7,476	17%
Industry, Telecommunications & Media	10,965	11,105	- 1%
PA, Transport & Utilities	8,860	9,067	- 2%
Health & Medical	4,360	3,663	19%

BANKS, FINANCE AND INSURANCES

Banks, Finance and Insurances Business Line turnover increased by 17% on the same period of 2006. In line with that already highlighted in the six monthly report, consultancy activities in the Finance solution and capital market sector continue to grow.

The **Industry, Telecommunications and Media** Business Line has basically achieved the same results as those of the same period of the previous year thus recovering the loss recorded in quarter one compared to the same period of 2006. In particular, certain important added value projects on Large Accounts were initiated in quarter three whose positive effects should also be felt in quarter four.

Even in the **Public Administration, Transport and Utilities** area, revenue, in absolute terms, is basically in line with the same period of 2006 even though repositioning activities are in progress on this market aimed at both seizing opportunities in specific offer segments and re-qualifying collaborations with partners.

Health and Medical Business Line turnover has increased by 19% on that of 30/9/07 mainly due to the results achieved during quarter three of 2007. In fact some important projects generated by tenders won in quarter two were initiated in quarter three and excellent commercial results from a strengthened centre/south sales structure have been achieved.

As regards voice recognition new orders on the Philips platform have been acquired and interesting initiatives at an international level that could have positive returns as from quarter four have been launched.

STAFF

STAFF TREND

The following table summarises the Group **Employee** trend in 2007

Company/Employees	Employees 31/12/06	Employees 31/03/07	Employees 30/06/07	Employees 30/09/07
Exprivia S.p.A.	421	436	444	461
of which Staff	36	37	37	36
Management & Commercial	20	21	21	23
Production Area: Extended ERP & Business Intelligence	128	138	138	151
Production Area: SW Develop. & E. A. Integration	79	77	85	84
Production Area: Infrastructure Mgmt Services	76	80	80	80
Production Area: Industry Solutions	71	73	-	-
Banking & Finance Services & Solutions	-	-	46	50
Medical Products and Services	-	-	26	26
R & S Laboratory	11	10	11	11
Exprivia Solutions S.p.A.	44	42	42	44
Exprivia Projects S.p.A.	63	66	77	75
Exprivia Customer Serv. Srl	7	6	6	6
GST Srl	16	18	18	18
RECO Sistemi Srl	1	-		-
Total	552	568	587	604
Of which Managers	17	18	16	17
Of which Cadres	46	48	53	53

The following table summarises the Group **Collaborator** trend in 2007

Company / Collaborators	Collaborators 31/12/06	Collaborators 31/03/07	Collaborators 30/06/07	Collaborators 30/09/07
Exprivia S.p.A.	54	64	84	99
of which Staff	2			
Management & Commercial		2	2	2
Production Area: Extended ERP & Business Intelligence	21	34	49	63

Production Area: SW Develop. & E. A. Integration	9	9	10	13
Production Area: Infrastructure Mgnt Services	4	3	1	2
Production Area: Industry Solutions	17	15	-	-
Banking & Finance Services & Solutions	-	-	21	18
Medical Products and Services	-	-	-	-
R & S Laboratory	1	1	1	1
Exprivia Solutions S.p.A.	1	1	1	1
Exprivia Projects S.p.A.	90	78	63	55
Exprivia Customer Serv. Srl	-	-	-	-
GST Srl	-	-	-	-
RECO Sistemi Srl	3	-	-	-
Total	148	143	151	155

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

Description	Credits	Debits	Costs
Geosym	85,066		
Mindmotion srl in bankruptcy	219,150	(63,344)	
Mindmotion provision for bad and doubtful debts	(55,805)		
Network Services Srl		(164,295)	1,193,698
	248,411	(227,639)	1,193,698

EVENTS FOLLOWING 30/09/2007

COMPANY EVENTS

On **15 October 2007** Exprivia Projects SpA's and Exprivia Customer Services Srl's Extraordinary Meetings approved the project to merge the latter into its parent company. The formal merger document will be signed by the end of the year.

On **29 October 2007**, Exprivia SpA's BD decided to call an Extraordinary Shareholders' Meeting on 30 November 2007 to discuss, in accordance with articles 2440 and 2441, commas 4 and 5 of the civil code the following capital increases:

Proposal to increase the company capital with nominal payment of Euro 6,000,000.00 (six million), excluding option rights in accordance with articles 2440 and 2441, comma 4, of the civil code, issuing No 2,794,207 new ordinary shares of the nominal value of Euro 0.52 each, with premium of Euro 1.6273 per share, to be released in kind with "MERULA S.r.l.", with registered office in Bari, at Via Massaua No18, company capital of Euro 800,000.00 and VAT and Bari Company Register No 03408380727, contributing No 68,190 ordinary shares of the nominal value of Euro 351,860.00, of the company "SVIMSERVICE S.P.A.", with registered office in Bari, at Via Massaua No 18, company capital of Euro 1,548,000.00 and Tax Code and Bari Company Register No 08336080588, corresponding to 22.73% of the aforementioned company's capital;

2. Proposal to increase the company capital with nominal payment of Euro 2,375,000.00 (two million three hundred and seventy-five thousand/00), excluding option rights in accordance with articles 2440 and 2441, comma 4, of the civil code, issuing No 1,078,516 new ordinary shares of the nominal value of Euro 0.52 each, with premium of Euro 1.6821 per share, to be released in kind with "DATA MANAGEMENT S.P.A.", with registered office in Agrate Brianza (Milano), at Centro Direzionale Colleoni, Via Paracelso No 2, company capital of Euro 43,100,000.00 and VAT and Milan Company Register No 03691060960, contributing No 3,750 ordinary shares of the nominal value of Euro 375,000.00, of the company "WEL.NETWORK S.P.A.", with registered office in Piacenza, at Via San Siro No 38, company capital of Euro 1,500,000.00 and Tax Code and Piacenza Company Register No 01380360337, corresponding to 25% of the aforementioned company's capital;

3. Proposal to increase the company capital with nominal payment of Euro 6,000,000.00 (six million), excluding option rights in accordance with art. 2441, comma 5, of the civil code, issuing No 4,125,413 new ordinary shares of the nominal value of Euro 0.52 each, with premium of Euro 0.9344 per share, to be released with "ABACO INNOVAZIONE S.P.A.", with registered office in Molfetta, at Viale Adriano Olivetti s.n.c., company capital of Euro 1,000,000.00 and tax code and Bari Company Register No 05434040720 charging the capital increase deposit account of Euro 6,000,000.00. to the capital account; reasons for the operation and criteria to determine relative issue price.

On **30 October 2007**, an announcement calling an Exprivia Extraordinary Shareholders' meeting was published on the newspaper Finanza & Mercati; Shareholders are called to an Extraordinary Shareholders' Meeting at the company's registered office in Molfetta (BA), at Viale Adriano Olivetti s.n.c., on 30 November 2007, at 11am or, if necessary on 1 December 2007, same time and place.

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**, near shore 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 and Identity Management and Virtualisation 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 with 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

	30/09/2007	30/06/2006	3/12/2006
ASSET AND LIABILITY STATEMENT			
NON CURRENT ASSETS	30/09/2007	30/09/2006	31/12/2006
Buildings, Systems and machinery	76217,713	7,961,572	7,929,273
Land and Buildings	6,547,659	6,756,565	6,705,319
Fixed assets in progress and advances	64,128	64,128	64,128
Other assets	1,009,926	1,140,879	1,159,826
Property investments			
Land and Buildings			
Fixed assets in progress and advances			
Goodwill and undefined life assets	26,788,593	26,680,980	26,713,346
Goodwill	24,593,242	22,825,587	22,825,587
Consolidation difference	2,195,351	3,855,393	3,887,759
Other Intangible Assets	2,308,345	2,558,701	2,540,636
Intangible assets	52,772	119,259	76,025
Research and development costs	2,255,573	2,152,336	2,177,505
Fixed assets in progress and advances		287,106	287,106
Shareholdings	1,439,256	40,908	1,289,256
Shareholdings in subsidiaries			
Shareholdings in affiliates			
Shareholdings in other companies	1,429,256	40,908	1,289,256
Other Financial Assets	50,644	1,624,848	51,076
Receivables to subsidiaries	31,097	31,082	31,658
Receivables to affiliates			
Receivables to parent companies			
Receivables to others	13,333	1,333,921	13,333
Other securities	6,214	259,845	6,085
Credit deferred assets	902,865	1,004,985	954,565
Tax advances/deferred taxes	902,865	1,004,985	954,565
TOTAL NON CURRENT ASSETS	39,111,416	39,871,994	39,478,152

	30/09/2007	30/09/2006	31/12/2006
CURRENT ASSETS			
Commercial Credits and others	33,377,753	29,427,561	34,581,506
Receivables to customers	25,669,108	24,337,126	27,397,800
Receivables to subsidiaries			
Receivables to affiliates			
Receivables to parent companies	394,964	363,549	367,964
Receivables to affiliated companies	248,411	261,232	248,411
Receivables to others	6,173,259	3,050,364	
Tax credits	280,358	857,243	
Accrued earnings and deferred assets	611,653	508,047	4,74,881
Stock	676,048	291,308	433,661
Stock	676,048	291,308	433,661
Work in progress to order	986,658	1,571,747	81,339
Work in progress to order	986,658	1,571,747	81,339
Current Financial Assets	-	-	-
Other securities			
Own shares			
Liquid Assets	2,133,404	1,420,343	1,509,360
Bank credits	2,128,101	1,415,342	1,504,438
Cheques and cash in hand	5,303	5,001	4,922
ASSETS CLASSIFIED AS HELD FOR SALE AND INCLUDED IN DIVESTED AGGREGATES	154,323	-	-
Shareholdings in subsidiary companies	154,323	-	-
TOTAL CURRENT ASSETS	37,328,186	32,710,959	36,605,866
TOTAL ASSETS	76,439,602	72,582,953	76,084,018

	30/09/2007	30/09/2006	31/12/2006
NET WORTH			
Company Capital	17,642,488	17,642,488	17,642,488
Company Capital	17,642,488	17,642,488	17,642,488
Receivables to partners for deposits still due			
Own Shares	(99,597)	(53,557)	(53,557)
Own shares	(99,597)	(53,557)	(53,557)
Surplus Reserve	1,999,113	1,999,113	1,999,113
Share surplus	1,999,113	1,999,113	1,999,113
Appreciation Reserve	3,033,230	3,033,230	3,033,230
Appreciation reserve	3,033,230	3,033,230	3,033,230
Other Reserves	7,689,094	7,506,679	7,512,875
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	1,418,000	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			
Previous year's profits/losses	(1,471,833)	(2,794,010)	(2,688,101)
Profits/Losses carried forward	(1,471,833)	(2,794,010)	(2,688,101)
Previous year's profits to be distributed			
Losses carried forward			
Dividend distribution			
Previous year's profits/losses	670,785	535,813	1,111,072
TOTAL NET WORTH	29,463,259	27,869,756	28,558,020
Minority holding	175,950	139,039	177,039
TOTAL GROUP NET WORTH	29,353,929	27,730,717	28,380,981

	30/09/2007	30/09/2006	31/12/2006
NON CURRENT LIABILITIES			
Non current bonds in circulation	-	-	-
Bonds			
Convertible bonds			
Non current payables to banks	4,143,701	3,940,800	4,271,353
Non current payables to banks	4,143,701	3,940,800	4,271,353
Other Financial Liabilities	874,849	1,127,131	1,534,411
Payables to other financiers			
Tax and social security debts beyond year	874,849	1,127,131	1,534,411
Provisions for Risks and Charges	65,875	165,401	215,400
Consultancy risk fund			
Taxes and duties fund			
Reserve for bad and doubtful debts			
Exchange oscillation fund			
Fund deferred profits on exchanges			
Other reserves	65,875	165,401	215,400
Staff Related Funds	4,297,818	4,324,195	4,356,504
Severance pay fund			
Employee retirement allowance	4,297,818	4,324,195	4,356,504
Deferred tax debts	216,646	207,305	211,789
Deferred tax funds	216,646	207,305	211,789
TOTAL NON CURRENT LIABILITIES	9,598,889	9,764,832	10,589,457

	30/09/2007	30/09/2006	31/12/2006
CURRENT LIABILITIES			
Current payables to banks	13,789,170	12,669,611	13,990,725
Current payables to banks	13,789,170	12,669,611	13,990,725
Payables to Suppliers	6,115,289	6,422,495	6,741,559
Payables to suppliers	6,115,289	6,422,495	6,741,559
Advances on work in progress to order	110,200	120,000	36,680
Advances	110,200	120,000	36,680
Other Financial Liabilities	2,550,625	1,429,600	541,081
Payables to subsidiary companies	168,927	992	992
Payables to parent companies			
Payables to affiliated companies	217,955	436,222	320,675
Payables to others	2,163,743	993,386	319,414
Tax Debts	3,116,383	4,128,984	3,184,913
Tax debts	3,116,383	4,128,984	3,184,913
Other Current Liabilities	11,695,787	10,177,675	12,341,583
Payables to welfare and social security institutes	2,685,823	2,787,663	2,618,272
Other payables	4,736,467	4,845,126	5,204,467
Accrued costs	264,901	336,132	304,928
Deferred earnings	4,008,596	2,208,754	4,213,916
LIABILITIES INCLUDED IN DIVESTED AGGREGATES			
TOTAL CURRENT LIABILITIES	37,377,454	34,948,365	36,936,541
TOTAL LIABILITIES	76,439,602	72,582,953	76,084,018

CONSOLIDATED PROFIT AND LOSS ACCOUNT

	30/06/2007	30/06/2006	31/12/2006
REVENUE	21,244,117	21,120,864	44,216,610
Revenue from sales and services	21,244,117	21,120,864	44,216,610
OTHER PROCEEDS	769,771	833,323	1,828,559
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
VARIATIONS IN STOCK OF FINISHED PRODUCTS AND PRODUCTS IN PROGRESS	1,282,568	1,432,434	985,208
Var. in stock of products in progress, semi-finished products	150,774	(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
TOTAL PRODUCTION REVENUE	23,286,456	23,386,621	47,030,377
RAW MATERIALS AND CONSUMABLES	873,306	910,110	2,712,493
Costs of raw, subsidiary materials and consumables	873,306	910,110	2,712,493
EMPLOYEE BENEFIT RELATED COSTS	14,766,653	14,335,784	27,755,561
Salary and wages	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
OTHER COSTS	4,878,627	5,556,122	11,009,844
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 costs	264,819	318,705	870,699
Stock and reserves			30,000
Extraordinary charges	4,209,708	2,518,640	4,213,916
TOTAL PRODUCTION COSTS	20,518,486	20,802,016	41,477,898
DIFFERENCE BETWEEN PRODUCTION COSTS AND REVENUE	2,777,970	2,584,605	5,552,479

	30/06/2007	30/06/2006	31/12/2006
DEPRECIATION AND DEVALUATION	884,707	935,888	2,130,728
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 devaluations included in circulating assets			
FINANCIAL PROCEEDS AND CHARGES	566,277	529,952	1,066,338
Proceeds from shareholdings from subsidiary companies	(1,488,210)		
Proceeds from shareholdings from parent companies			
Proceeds from shareholdings 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 adjustments			(55,352)
Devaluations			
Devaluation of shareholdings	(1,555,973)		
Devaluation of financial fixed assets			
Devaluation of securities recorded			(57)
TOTAL COSTS	21,969,470	22,267,856	44,674,964
PRE-TAX RESULT	1,326,986	1,118,765	2,455,413
INCOME TAX	689,199	634,571	1,243,441
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			
OPERATING PROFIT OR LOSS	637,787	484,194	1,111,972
Attributable to:			
PARENT COMPANY SHAREHOLDERS	639,401	487,294	1,092,650
MINORITY SHAREHOLDERS	(1,614)	(3,100)	19,322

CONSOLIDATED FINANCIAL STATEMENT

	30/06/2007	30/06/2006	31/12/2006
Income management operations:			
-Profit (loss)	637,787	484,194	1,111,972
- Depreciation and devaluation of fixed assets	884,707	935,888	2,008,355
-R.A. reserve	550,601	536,966	1,096,179
-R.A. Advances/Payments	(270,678)	(305,148)	(701,252)
Financial asset value adjustments			
Cash flow resulting from income management	1,802,417	1,651,900	3,515,254
Increases/Reductions in circulating assets and liabilities:			
-Variation in stock and advances	(774,496)	(274,826)	1,234,300
- Variation in receivables to customers	1,873,013	(522,088)	(2,085,814)
- Variation in receivables to parent companies/subsidiaries/affiliates	(17,998)	(16,660)	(26,322)
- Variation in receivables to others	(358,949)	742,373	(1,753,119)
- Variation in payables to suppliers	(713,335)	(2,848,457)	(3,377,998)
- Variation in payables to parent companies/subsidiaries/affiliates	(25,297)	(81,995)	(292,787)
- Variation in tax and social security debts	(377,269)	(1,137,902)	(2,840,928)
- Variation in payables to others	793,261	877,899	754,545
- Variation in accrued earnings/deferred assets	(248,524)	(127,701)	(98,104)
- Variation in accrued expenses	(37,072)	(347,877)	1,448,306
- Variation in risk fund reserve	(149,525)	(419,581)	(826,947)
Cash flow resulting (used) from circulating assets and liabilities	(36,191)	(4,192,815)	(7,886,868)
Cash flow resulting (used) from current assets	1,766,226	(2,540,915)	(4,351,614)
Investments:			
- Variation in tangible fixed assets	(140,402)	(328,707)	(587,409)
- Variation in intangible fixed assets	(507,736)	(485,358)	(1,038,910)
Cash flow resulting (used) from investment activities	(753,124)	(1,293,326)	(1,760,065)
Financial assets:			
- Variation in other reserves	334,072	56,579	127,127
Cash flow resulting (used) from financial assets	334,072	56,579	127,127
Increases (decreases) in cash	1,347,174	(3,777,662)	(5,984,552)
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 end	(17,043,931)	(15,405,444)	(18,262,078)
Increases (decreases) in cash in hand			

SUPPLEMENTARY NOTE TO CONSOLIDATED BALANCE SHEET AS AT 30 SEPTEMBER 2007

DECLARATION OF CONFORMANCE WITH INTERNATIONAL IFRS ACCOUNTING STANDARDS

The Exprivia Group's quarterly report as at 30 September 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 quarterly report as at 30 September 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

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 or production cost is the price paid to purchase the asset and any direct cost sustained to prepare it for use. The price paid to purchase or produce the activity 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 the requirements to be classified separately as assets 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:

Land	indefinite useful life
Industrial buildings	33 years
Systems and machinery	4 – 7 years
Office furniture and machines	5 – 8 years
Equipment and motor vehicles	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 work was 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 quarterly report as at 30 September 2007 includes the economic and financial situation of Exprivia S.p.A. and that of its subsidiary companies.

The following table lists those companies subject to consolidation:

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

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

Company	Registered office	Company capital	Period result	Net Worth	Production value	Total assets	% Shareholding
Exprivia Solutions S.p.A.	Roma	170,795	(242,370)	175,818	2,790,898	6,233,588	100.00%
Exprivia Projects S.p.A.	Roma	242,000	1,617	164,714	3,538,761	3,928,018	100.00%
Exprivia Customer Services S.r.l.	Molfetta (BA)	10,329	(9,474)	9,076	180,125	211,968	100.00%
GST S.r.l.	Trento	26,000	(17,968)	467,397	1,547,373	2,497,142	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 – Non recurrent activities destined for sale and ceased activity – and were therefore classified amongst current assets under the item “shareholdings intended for sale”.

To maintain information on AISoftware 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 rejecting the petition to annul the management order of the Abruzzo Regional Junta of May 2000 to revoke POP contributions;
- - Recovery of ten year exemption 1991-2000 Irpeg Ilor taxes: following Aquila Provincial Tax Commission sentence of 7 June 2007 rejecting the appeal against the Revenue Agency of Avezzano for registering 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 were unlawful;
- Recovery tax credit with Labornet Sistemi (company merged with AIS Professional): the petition to the Aquila Provincial Tax Commission against the Rome 1 Revenue Agency has been rejected.

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 30/09/07	Depreciation fund as at 01/01/07	Period depreciation	Cumulated depreciation	Net value as at 30/09/07
Land	247,716		247,716				247,716
Buildings	7,016,127		7,016,127	(558,524)	(157,659)	(716,183)	6,299,944
Others	4,870,754	181,000	5,051,754	(3,710,929)	(330,900)	(4,041,829)	1,009,925
Fixed assets in progress	64,128		64,128				64,128

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 71,030), motor vehicles (amounting to Euro 15,288), furniture and fittings (amounting to Euro 23,073) and systems and machinery (amounting to Euro 18,915).

GOODWILL AND OTHER INTANGIBLE ASSETS

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

Year's movements are as follows:

Categories	Historical cost as at 01/01/07	IAS Adjustments	Total historical cost as at 30/09/07	Depreciation fund as at 01/01/07	Cumulated depreciation	Net value as at 30/09/07
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 BUSIN	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
TOTAL	28,649,247	(1,692,408)	26,956,839	(168,244)	(168,244)	26,788,593

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. Note that on 24/09/07 Reco Sistemi Srl merged with GST Srl. This operation is deemed neutral for consolidated balance sheet purposes as the above-mentioned shareholdings were consolidated in the previous balance sheets therefore the consolidation difference has not changed.

Company	Purchase date	Share	Shareholding value	Reference net worth	Consolidation difference
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
TOTAL			4,448,009	2,252,658	2,195,351

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 2,308,345 as at 30 September 2007 compared to the Euro 2,540,636 of 31 December 2006.

The following is a summary of the relative items.

Categories	Historical cost 01/01/07	Increases as at 30/09/07	Decreases	Total historical cost as at 30/09/07	Depreciation fund as at 01/01/07	Period depreciation	Cumulated depreciation as at 30/09/07	Net value as at 30/09/07
Intangible fixed assets	3,594,778	11,123		3,605,901	(3,517,740)	(35,388)	(3,553,128)	52,772
Development costs	20,777,915	677,905		21,455,820	(18,601,424)	(835,776)	(19,437,200)	2,018,619
Fixed assets in progress and advances	287,106		(50,153)	236,953			0	236,954
TOTAL	24,659,799	689,028		25,298,674	(22,119,164)	(871,165)	(22,990,329)	2,308,345

The most significant increase, amounting to Euro 677,905, is due to investments to **develop** software applications to be proposed to the market for licensed use.

SHAREHOLDINGS

Shareholdings, as at 30 September 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 September 2007, is zero. The Group also holds a 32.8% share of Mindmotion S.r.l. in bankruptcy, whose accounting value is nil.

SHAREHOLDINGS IN OTHER COMPANIES

Balance, as at 30 September 2007, amounts to Euro 1,289,256 varying by Euro 150,000 on 31 December 2006 as a result of acquiring the Pervoice shareholding.

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

Description	30/09/2007	31/12/2006	Variations
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	
Pervoice	150,000		150,000
Software engineering research	12,000	12,000	
Paramedia Computer Systems	1,235,816	1,235,816	
Biogene consortium	3,000	3,000	
Centro di Competenza ICT	532	532	
	1,431,284	1,281,284	150,000

OTHER FINANCIAL ASSETS

RECEIVABLES TO SUBSIDIARY COMPANIES

Balance, as at 30 September 2007, amounts to Euro 31,097 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 September 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 September 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 the Euro 6,085 of 31 December 2006.

DEFERRED TAX CREDITS

Balance, as at 30 September 2007, amounts to Euro 902,865 falling by Euro 51,700 on 31 December 2006 both as a result of writing off reserves for previous tax losses no longer recoverable (27,00081) 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 25,669,108, 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	30/09/2007	31/12/2006	Variations
To Italian Customers	26,615,613	27,894,959	(1,279,346)
To Foreign Customers	880,827	1,135,949	(255,122)
To Public Bodies	1,042,001	1,146,225	(104,224)
Subtotal receivables to customers	28,538,441	30,177,133	(1,638,692)
Minus: provision for bad and doubtful debts	(2,869,333)	(2,869,333)	0
Total receivables to customers	25,669,108	27,307,800	(1,638,692)

Receivables to customers consist of the following.

Detail	30/09/2007	31/12/2006	Variazioni
To third parties	23,543,241	23,475,463	67,778
Invoices to be issued to third parties	4,995,200	6,701,670	(1,706,470)
TOTAL	28,538,441	30,177,133	(1,638,692)

RECEIVABLES TO PARENT COMPANIES

Balance amounts to Euro 394,964 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 AFFILATES

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

RECEIVABLES TO OTHERS

Balance, as at 30 September 2007, amounts to Euro 6,173,259 compared to the Euro 5,831,676 of 31 December 2006.

Movements are as follows.

Description	30/09/2007	31/12/2006	Variazioni
EEC contributions/Independent Province of Trento/Lazio Regio	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	26,331	42,883	(16,552)
Sundry receivables	37,014	10,595	26,419
Receivables to factoring	321,061	236,998	84,063
Receivables to social security institutes/INAIL	68,965	895	68,070
Receivables to employees	42,488	29,091	13,397
Deposits	79,352	84,065	(4,713)
TOTAL	6,173,259	5,831,676	341,583

TAX CREDITS

Tax credits, as at 30 September 2007, amount to Euro 280,358, compared to the Euro 350,774 of 31 December 2006 and consist of the following:

Description	30/09/2007	31/12/2006	Variations
Credit for tax advance- IRES	18,480	33,574	(15,094)
Credit for tax advance - IRAP	12,545	32,812	(20,267)
Inland revenue deduction account	929	393	536
Inland revenue deductions on foreign	16,270	16,270	0
Credits with Inland Revenue for VAT	30,145	31,787	(1,642)
Credits on R.A. lieu tax	24,757	19,563	5,194
Credits with Inland revenue	18,202	22,005	(3,803)
Tax credits art. 8	159,030	194,370	(35,340)
TOTAL	280,358	350,774	(70,416)

ACCRUED EARNINGS AND DEFERRED ASSETS

These amount to Euro 611,653 and refer to accrued earnings. The following table lists the relative items compared with those of 31 December 2006.

Accrued earnings

Description	30/09/2007	31/12/2006	Variations
Interest on INPS instalments	189,083	318,772	(129,689)
Car rental		5,120	(5,120)
Insurances	25,669		25,669
Stock Option	30,318		30,318
Services and sundry maintenance	366,583	150,711	215,872
TOTAL	611,653	474,603	137,050

STOCK

These amount to Euro 676,048 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 986,656 and refer to orders on account of manufacture.

LIQUID ASSETS

Balance, as at 30 September 2007, amounts to Euro 2,133,404, of which Euro 2,128,101 relating to bank credits and Euro 5,303 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 September 2007, amounts to Euro 154,323 and refers to shareholdings that are the subject of deconsolidation as specified in the "Consolidation Area" item.

NET WORTH

Operations	Company Capital	Own Shares	Share surplus reserve	Legal Reserve	Own share portfolio reserve	Other reserves	Revaluation reserve	Profits (Losses) carried forward	Period Profit (Loss)	Total net worth	Minority shareholdings	Total Group Net worth
Balance as at 1/1/04	1,000,000			129,815		1,116,963			1,032,782	3,279,560		3,279,560
Changes in accounting criteria				(129,815)		251,301	331,888			453,374		453,374
Perimeter adjustment						(1,053,717)			(1,032,782)	(2,086,499)	19,259	(2,105,758)
Adjusted balances	1,000,000					314,547	331,888			1,646,435	19,259	1,627,176
2004 operating result									865,432	865,432	(24,674)	890,106
Balance as at 31/12/04	1,000,000					314,547	331,888		865,432	2,511,867	(5,415)	2,517,282
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)
Balance as at 31/12/2005	17,642,488		1,999,113			7,506,679	3,033,230	(121,546)	(2,684,461)	27,375,503	142,138	27,233,365
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
Balance as at 31/12/2006	17,642,488	(53,557)	1,999,113			7,512,875	3,033,230	(2,688,101)	1,111,972	28,558,020	177,039	28,380,981
Sale 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)			
Adjustment consolidated perimeter								159,240		159,240		159,240
Result as at 30/06/07		(99,597)								(99,597)		(99,597)
Balance as at 30/06/2007									670,765	670,765	(11,149)	681,914
Balance as at 30/09/07	17,642,488	(99,597)	1,999,113	54,944		7,634,150	3,033,230	(1,471,834)	670,765	29,463,259	165,890	29,297,369

COMPANY CAPITAL

The entirely paid up Company Capital amounts to Euro 17,642,488.24 consisting of No 33,927,862 ordinary shares of the nominal value of Euro 0.52 each.

OWN SHARES

Balance, as at 30 September 2007, amounts to Euro 99,597 corresponding to No 57,000 own shares held by the company.

SHARE SURPLUS RESERVE

This amounts to Euro 1.999.113 as at 30 September 2007, remaining the same as at 31 December 2006.

REVALUATION RESERVE

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

OTHER RESERVES

LEGAL RESERVE

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

OTHER RESERVES

These amount to Euro 1,627,471 as at 30 September 2007, increasing by Euro 127,471 on 31 December 2006 due to the year's cost of exercising the option rights 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.

IAS FISCAL EFFECT

The negative balance of Euro 135,996 is the result of calculating the fiscal effect following the adoption of IFRS accounting standards and has not changed since 31 December 2006.

LOSSES CARRIED FORWARD

The losses as at 30 September 2007, amounting to Euro 1,471,834, have fallen since 31 December 2006 as a result of the previous year's profits 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 31/12/2006	Net worth as at 31/12/2006	Period result as at 30/09/07	Others	Net worth as at 30/09/07
Exprivia S.p.A	1,098,875	27,364,275	928,960	75,235	28,368,470
Subsidiary contributions	236,493	236,493	(258,195)		(21,700)
Depreciation and to cover subsidiary losses	2,607,000	2,607,000			2,607,000
Eliominatying surplus from sale of AIS professional business	-1,767,655	-1,767,655		-1,767,655	0
Deconsolidation shareholdings no longer industrially 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		11,149	-165,890
GROUP TOTAL	2,115,581	28,980,981	670,765	245,622	29,297,369

NON CURRENT LIABILITIES

NON CURRENT PAYABLES TO BANKS

Balance, as at 30 September 2007, amounts to Euro 4,143,701 and relates to medium term finance and mortgages taken out with major Banks.

OTHER FINANCIAL LIABILITIES

Balance, as at 30 September 2007, amounts to Euro 874,849 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 September 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 September 2007, calculated according to that set out in IAS 19 amounts to Euro 4,297,818 compared to the Euro 4,356,504 of 31 December 2006.

DEFERRED TAX DEBTS

The deferred tax fund amounts to Euro 216,646 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 September 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)	30/09/2007
Profits to determine basic profit per share net profit	677,142
<i>Dilution effects</i>	
-	
-	
Profits to determine diluted profit per share	677,142
Number of shares	30/09/2007
Average weighted number of ordinary shares to calculate basic profit per share	33,927,862
<i>Dilution effects</i>	
stock option plan first tranche	1,238,000
stock option plan second tranche	1,031,000
Average weighted number of ordinary shares to calculate basic profit per share	2,269,000
Profit per share (Euro)	30/09/2007
<i>Basic profit (loss) per share</i>	0.020
<i>Diluted profit (loss) per share</i>	0.298

CURRENT LIABILITIES

CURRENT PAYABLES TO BANKS

Balance, as at 30 September 2007, amounts to Euro 13,789,170 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 September 2007, amounts to Euro 6,115,289 compared to the Euro 6,741,559 of 31 December 2006.

ADVANCES ON WORK IN PROGRESS TO ORDER

ADVANCES

Balance, as at 30 September 2007, amounts to Euro 110,200 and refers to advances to customers.

OTHER FINANCIAL LIABILITIES

PAYABLES TO SUBSIDIARY COMPANIES

Balance of Euro 168,927 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 217,955 and refers mainly to debt Exprivia Spa has with Network Services S.r.l. (Euro 164,295).

PAYABLES TO OTHERS

Balance amounts to Euro 2,163,743, increasing by Euro 407,650 on 31 December 2006 and refers to advances on research projects.

TAX DEBTS

Balance amounts to Euro 3,116,383, the following table listing the relative items compared with those as at 31 December 2006:

Description	30/09/2007	31/12/2006	Variations
Payables to Inland Revenue for VAT	1,405,947	1,358,264	47,683
Payables to Inland Revenue for IRAP	734,023	245,369	488,654
Payables to Inland Revenue for IRES			
Payables to Inland Revenue for IRPEF employees	554,835	817,159	(262,324)
Payables to Inland Revenue for IRPEF free lance wor	17,683	23,462	(5,779)
Payables to Inland Revenue for IRPEF collaborators	47,224	44,048	3,176
Payables to Inland Revenue		1,787	(1,787)
Payables to Inland Revenue for R.A. IRPEF	85,629	103,905	(18,276)
Payables to Inland Revenue for Regional and Municip	38,016	22,186	15,830
Payables to Inland Revenue for waste taxes	6,132	25,174	(19,042)
Payables to Inland Revenue for interest and sanction	226,894	543,559	(316,665)
TOTAL	3,116,383	3,184,913	(68,530)

OTHER CURRENT LIABILITIES

PAYABLES TO SOCIAL SECURITY AND WELFARE INSTITUTES

Balance is of Euro 2,685,823; year's movements are as follows compared with those of 31 December 2006:

Description	30/09/2007	31/12/2006	Variations
INPS contributions account	647,406	1,070,825	(423,419)
Payables to pension fund	63,269		63,269
INPS contribution instalment account	998,159	841,758	156,401
PREVINDAI-FASI-ALDAI-INPDAI-FASDAPI-PREVINDAPI	100,833	131,488	(30,655)
Contributions on holiday/summer- Christmas bonus accrual	617,700	330,750	286,950
INPS contributions on bonus accrual	76,487	107,500	(31,013)
INPS collaborator contributions account	70,968	74,403	(3,435)
Supplementary fund contributions		1,277	(1,277)
Debts resulting from sanctions and interest	28,578		28,578
INAIL contributions account	82,423	60,271	22,152
TOTAL	2,685,823	2,618,272	67,551

OTHER DEBTS

Balance amounts to Euro 4,736,467 with the following table illustrating the relative variations compared with those of 31 December 2006:

Description	30/09/2007	31/12/2006	Variations
Payables to employees/collaborators for expenses	14,252	123,632	(109,380)
Payables to employees for redundancy packages	(15,836)	115,489	(131,325)
Directors payments to be settled	67,544	159,736	(92,192)
Collaborators for fees accrued	472,280	290,036	182,244
Employees for fees accrued	2,128,574	1,295,573	833,001
Debts to purchase shareholdings	59,773	73,395	(13,622)
Holidays and festivities accrued/summer-Christmas b	1,544,704	1,259,428	285,276
Payables to Associations	61,584	87,506	(25,922)
Factoring advances	135,521	58,230	77,291
Sundry payables	268,071	304,763	(36,692)
TOTAL	4,736,467	3,767,788	968,679

ACCRUED COSTS

Balance amounts to Euro 264,901 compared to the Euro 304,928 of 31 December 2006; year's movements are as follows:

Description	30/09/2007	31/12/2005	Variations
Bank interest and charges	215,043	181,683	33,360
Interest on PIA Innovazione finance	-	3,733	(3,733)
Transactions with suppliers	7,769	37,768	(29,999)
Extraordinary provisions and recoverability empl	-	17,100	(17,100)
Sundry costs	-	19,487	(19,487)
Insurances	42,089	43,024	(935)
Sundry interest paid	-	2,133	(2,133)
TOTAL	264,901	304,928	(40,027)

DEFERRED EARNINGS

Balance amounts to Euro 4,008,596 compared to the Euro 4,213,916 of 31 December 2006 and refers mainly to deferred contributions not relating to the period in question.

Description	30/09/2007	31/12/2006	Variations
Contributions art. 8	575,523	600,308	(24,785)
Contributions L. 488/92	600,225	621,464	(21,239)
Contributions PIA Innovazione	424,700	459,720	(35,020)
Contributions L. 598/94	4,248	7,277	(3,029)
Services and maintenance	589,249	217,385	371,864
Contributions PAT project	0	46,254	(46,254)
Temporary variations on IAS adjustments	21,423	21,424	(1)
Contributions CNOS project training and research	984,110	1,188,285	(204,175)
Contributions Pugliatech Consortium	809,118	1,051,799	(242,681)
TOTAL	4,008,596	4,213,916	(205,320)

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 Q3 2007 and compared with the previous year.

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

PRODUCTION REVENUE

REVENUE

Revenue from sales and services in Q3 2007 amount to Euro 10,367,698 compared to the Euro 9,235,719 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

2007 Q3 balance amounts to Euro 150,379 compared to the Euro 178,935 of the same period of the previous year. The following table illustrates the relative items.

Description	01/07/07 30/09/07	01/07/06 30/09/06	Variations
Contingent assets	152,716	175,194	(22,478)
Other revenue	(8,520)	470	(8,990)
Compensation in lieu of notice	4,672	3,271	1,401
Revenue to affiliates			
Asset surplus	1,511		1,511
TOTAL	150,379	178,935	(28,556)

CONTRIBUTIONS TO OPERATING ACCOUNT

2007 Q3 balance amounts to Euro 150,169 compared to the Euro 306,908 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

There were no asset transfer surpluses in Q3.

STOCK VARIATIONS

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

Balance, as at 30 September 2007, amounts to Euro 154,350 compared to the Euro 7,093 of Q3 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 September 2007, amounts to Euro 295,136 compared to the Euro -4,233 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 September 2007, recorded in long term project capitalisations, amounts to Euro 187,451 compared to the Euro 174,727 of Q3 2006 and refers to costs sustained during the year to develop projects in the banking (71,789) and medical (115,662) sectors.

PRODUCTION COSTS

RAW AND SUBSIDIARY MATERIALS, CONSUMABLES AND GOODS

Balance, as at 30 September 2007, amounts to Euro 657,249 compared to the Euro 320,461 of the same period of the previous year. The following table lists the relative items.

Description	01/07/07 30/09/07	01/07/06 30/09/06	Variations
Purchase hw-sw products	564,490	228,666	335,824
Purchase hw-sw maintenance	25,499	69,862	(44,363)
Purchase system equipment	43,938	2,088	41,850
Stationary and sundry consumables	7,462	7,237	225
Fuel and lubricants	13,766	10,799	2,967
Transport and rental on purchases	2,094	1,809	285
TOTAL	657,249	320,461	336,788

STAFF COSTS

These amount to Euro 7,234,620 as at 30 September 2007 of which Euro 5,482,603 for pay, Euro 1,347,066 social security contributions, Euro 302,730 retirement allowance and Euro 102,221 other costs.

The number of group resources as at 30 September 2007 is of 755 units, of which 604 employees and 99 collaborators, compared to the 700 units (552 employees and 148 collaborators) present as at 31/12/2006.

On 30 September 2007 the Group's average number of employees was of 580 units.

Exprivia S.p.A.'s average number of employees, as at 30 September 2007, was of 443 units.

OTHER COSTS

OTHER COSTS FOR SERVICES

The consolidated balance as at 30 September 2007 amounts to Euro 1,900,157 compared to the Euro 1,957,481 of Q3 2006. The following table details the relative items:

:

Description	01/07/07 30/09/07	01/07/06 30/09/06	Variations
Technical and business consultants	431,595	692,155	(260,560)
Administrative/company/legal consultants	283,718	164,318	119,400
Consultancy to affiliates	382,955	459,126	(76,171)
Auditor pay	15,162	10,846	4,316
Travelling and transfer expenses	432,928	310,337	122,591
Other staff costs	29,881	0	29,881
Utilities	139,053	130,597	8,456
Advertising/Agency expenses	29,408	23,616	5,792
Insurances	38,563	47,176	(8,613)
Other costs	116,894	119,310	(2,416)
TOTAL	1,900,157	1,957,481	(57,324)

COSTS TO ENJOY THIRD PARTY ASSETS

The consolidated balance, as at 30 September 2007, amounts to Euro 205,799 compared to the Euro 182,607 of the same period of the previous year. The following table details the relative items:

Description	01/07/07 30/09/07	01/07/06 30/09/06	Variations
Rents paid	153,136	126,091	27,045
Vehicles rental/leasing	42,169	56,277	(14,108)
Licences	0	0	0
Leasing	10,311	239	10,072
TOTALI	205,799	182,607	23,192

SUNDRY MANAGEMENT CHARGES

The consolidated balance, as at 30 September 2007, amounts to Euro 84,418 compared to the Euro 128,716 of the same period of the previous year. The following table details the relative items.

Description	01/07/07 30/09/07	01/07/06 30/09/06	Variations
Association fees	(7,950)	9,360	(17,310)
Books and magazines	5,611	2,624	2,987
Tax and duties	(2,176)	6,215	(8,391)
Stamps	5,031	3,948	1,083
Sanctions and fines	12,421	(44,604)	57,025
Capital losses	39,908	85,189	(45,281)
Bank charges	30,312	57,784	(27,472)
Sundry expenses	1,449	(9,116)	10,565
Penalties and damages	(188)	17,316	(17,504)
TOTAL	84,418	128,716	(44,298)

DEPRECIATION AND DEVALUATIONS

These amount to Euro 537,725 compared to the Euro 514,174 of Q3 2006, Euro 308,348 referring to depreciation of intangible fixed assets and Euro 166,670 depreciation of tangible fixed assets and Euro 62,707 stock depreciation. See "Tangible and Intangible Fixed Assets" item of the Asset and Liability Statement Supplementary Note for details.

FINANCIAL PROCEEDS AND CHARGES

SUNDRY FINANCIAL PROCEEDS

The Q3 balance amounts to Euro 21,280 of which Euro 1,952 referring to bank interest earned and Euro 36,339 to other interest earned. Moreover, there was a Euro 36,339 decrease in interest on securities.

INTEREST AND OTHER FINANCIAL CHARGES

The Q3 balance amounts to Euro 309,150 compared to the Euro 277,193 of the same period of the previous year. Details are as follows.

Description	01/07/07 30/09/07	01/07/06 30/09/06	Variations
Bank interest paid	264,566	89,300	175,266
Interest on mortgages	(28,617)	121,038	(149,655)
Other interest	73,201	66,855	6,346
TOTAL	309,150	277,193	31,957

CHARGES FROM SUBSIDIARIES

Balance amounts to Euro 1,732 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 19 in the first six months of 2007.

DEPRECIATION OF SHAREHOLDINGS

Balance, as at 30 September 2007, amounts to Euro 9,759 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 September 2007, amounts to Euro 308,824 and refers to provisions made for taxes, of which Euro 25,709 for IRES, Euro 297,008 for IRAP and Euro 13,893 for deferred tax.

OPERATING PROFIT (LOSS)

The Profit and Loss account closed on 30 September 2007 with a net consolidated profit after tax of Euro 32,978. 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

On 30 September 2007 the Group generated a cash flow of 1 Million Euro compared to the negative cash flow of 4.4 Million Euro as at 30 September 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 Q3 2007;**
- ✓ **Human resources;**
- ✓ **Events following 30 September 2007**

Progressive data quarterly data

	30.09.2007	30.09.2006	31.12.2006	Q 3 2007	Q 3 2006
Total production revenue	28,357,177	26,666,944	36,473,862	9,318,518	7,916,461
of which net revenue and variations in work in progress	27,021,230	24,907,280	34,040,084	8,917,380	7,420,125
of which increases in fixed assets for internal work	614,183	648,942	806,241	196,863	174,727
of which other revenue and contributions	721,765	1,110,722	1,627,537	204,274	321,609
Difference between production costs and revenue (EBITDA)	3,454,627	3,129,648	4,488,314	945,763	921,373
% of revenue	12.18%	11.74%	12.31%	10.15%	11.64%
Net operating result (EBIT)	2,287,707	1,925,396	2,750,190	493,209	488,553
% of revenue	8.07%	7.22%	7.54%	5.29%	6.17%
Net result	928,959	755,652	1,098,875	(5,030)	109,862
Group net worth	28,368,469	27,014,856	27,364,275	(104,627)	56,305
Total assets	66,388,133	65,858,688	88,464,379	599,570	(926,679)
Company capital	17,642,488	17,642,488	17,642,488		
Net circulating capital (1)	8,004,452	6,607,851	(27,368,745)	(1,929,817)	74,029
Cash flow (2)	1,954,739	2,252,348	3,147,529	67,797	643,004
Fixed capital (3)	38,045,928	37,498,128	37,753,844	498,077	(150,225)
Investments	746,694	991,089	(357,734)	237,457	259,208
Liquid assets/securities (a)	1,803,965	1,157,229	1,069,392	900,078	1,043,733
Short term financial debts (b)	(11,520,647)	(10,216,297)	(11,454,491)	(524,748)	(1,207,377)
Medium to long term debts (c)	(4,143,701)	(3,923,046)	(4,271,353)	127,651	265,342
Net financial position (4)	(13,860,384)	(13,982,114)	(14,656,452)	502,981	

(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

R.A. variations and devaluations

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

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

SIGNIFICANT DATA

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

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	Debits	Costs	Revenue
GST Srl	9,600	151,579	72,383	25,049
Exprivia Customer Services Srl	16,200			13,500
Exprivia Projects Spa	69,675	254,837	635,846	170,388
Exprivia Solutions Spa	184,854	298,158	296,652	349,240
AI Software Professional Services Srl				
Aemedia		811		
TOTAL	280,329	705,385	1,004,881	558,177

of a financial nature

Description	Credits	Debits	Costs	Revenue
GST Srl			3,259	
Exprivia Customer Services Srl				
Exprivia Projects Spa				32,502
Exprivia Solutions Spa				23,027
AI Software Professional Services Srl			27,820	
TOTALI	0	0	31,079	55,529

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	Debits	Costs
Geosym	85,066		
Mindmotion srl in liquidation	219,150	53,660	
Impression	80,486		
San Vincente	12,820		
Mindmotion provision for bad and doubtful debts	(55,805)		
Impression provision for bad and doubtful debts	(80,486)		
San Vincente provision for bad and doubtful debts	(12,820)		
Network Services Srl		154,707	1,185,708
	248,411	208,367	1,185,708

Exprivia S.p.A. Balance Sheet

EXPRIVIA – ASSET AND LIABILITY STATEMENT

ASSET AND LIABILITY	30/09/2007	30/09/2006	31/12/2006
NON CURRENT ASSETS			
Buildings, Systems and machinery	7,385,322	7,812,616	7,670,609
Land and Buildings	6,547,659	6,756,565	6,705,319
Fixed assets in progress and advances	64,128	64,128	64,128
Other	773,535	991,923	901,162
Property investments	0	0	0
Land and Buildings			
Fixed assets in progress and advances			
Goodwill and undefined life assets	24,298,814	24,298,814	24,298,814
Goodwill	24,298,814	24,298,814	24,298,814
Consolidation difference			
Other Intangible Assets	1,789,995	1,937,260	1,831,697
Intangible assets	31,273	87,414	45,214
Research and development costs	1,758,722	1,799,693	1,736,330
Fixed assets in progress and advances		50,153	50,153
Shareholdings	3,130,661	1,935,954	3,161,193
Shareholdings in subsidiaries	1,843,180	1,896,821	1,873,712
Shareholdings in other companies	1,287,481	39,133	1,287,481
Other Financial Assets	681,722	754,070	32,118
Receivables to subsidiaries	662,175	12,700	12,700
Receivables to affiliates			
Receivables to parent companies			
Receivables to others	13,333	481,525	13,333
Other securities	6,214	259,845	6,085
Credit deferred assets	759,414	759,414	759,414
Tax advances/deferred taxes	759,414	759,414	759,414
TOTAL NON CURRENT ASSETS	38,045,928	37,498,128	

	30/09/2007	30/09/2006	31/12/2006
CURRENT ASSETS			
Commercial Credits and others	25,152,150	25,900,872	29,458,159
Receivables to customers	16,980,838	17,181,696	18,564,389
Receivables to subsidiaries	1,451,364	4,244,049	4,361,443
Receivables to affiliates			
Receivables to parent companies	394,964	363,549	367,964
Receivables to affiliated companies	248,411	261,232	248,411
Receivables to others	5,451,918	2,938,175	5,426,759
Tax credits	205,817	563,612	240,422
Accrued earnings and deferred assets	418,837	348,559	248,771
Stock	368,901	207,759	101,645
Stock	368,901	207,759	101,645
Work in progress to order	986,658	1,094,700	81,339
Work in progress to order	986,658	1,094,700	81,339
Current Financial Assets			
Other securities			
Own shares			
Liquid Assets	1,803,965	1,157,229	1,069,392
Credit Banks	1,800,239	1,154,832	1,066,185
Cheques and cash in hand	3,726	2,397	3,207
ASSETS CLASSIFIED AS HELD FOR SALE AND INCLUDED IN DIVESTED AGGREGATES	30,532	-	-
Shareholdings in subsidiary companies	30,532	-	-
TOTAL CURRENT ASSETS	28,342,205	28,360,560	30,710,535
TOTAL ASSETS	66,388,133	65,858,688	68,464,379

	30/06/2007	30/06/2006	31/12/2006
NET WORTH			
Company Capital	17,642,488	17,642,488	17,642,488
Company Capital	17,642,488	17,642,488	17,642,488
Receivables to partners for deposits still due			
Own Shares	(99,597)	(53,557)	(53,557)
Own shares	(99,597)	(53,557)	(53,557)
Surplus Reserve	1,999,113	1,999,113	1,999,113
Share surplus	1,999,113	1,999,113	1,999,113
Appreciation Reserve	3,033,230	3,033,230	3,033,230
Appreciation reserve	3,033,230	3,033,230	3,033,230
Other Reserves	7,689,093	7,506,679	7,512,875
Legal reserve	54,944		
Own share portfolio reserve			
Deposits capital increase account	6,000,000	6,000,000	6,000,000
Euro conversion reserve			
Extraordinary reserve		82,000	82,000
Other Reserves	1,627,471	1,418,000	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			
Previous year's profits/losses	(2,824,818)	(3,868,749)	(3,868,749)
Profits/Losses carried forward	(2,824,818)	(3,868,749)	(3,868,749)
Previous year's profits to be distributed			
Dividend distribution			
Previous year's profits/losses	928,959	755,652	1,098,875
TOTAL NET WORTH	28,368,469	27,014,856	35,101,774

	30/09/2007	30/09/2006	31/12/2006
NON CURRENT LIABILITIES			
Non current bonds in circulation	0	0	0
Bonds			
Convertible bonds			
Non current payables to banks	4,143,701	3,923,046	4,271,353
Non current payables to banks	4,143,701	3,923,046	4,271,353
Other Financial Liabilities	229,690	453,916	646,588
Payables to other financiers			
Tax and social security debts beyond year	229,690	453,916	646,588
Provision for Risks and Charges	15,875	115,400	135,401
Consultancy risk fund			
Taxes and duties fund			
Provision for bad and doubtful debts			
Exchange oscillation fund			
Fund deferred profits on exchanges			
Other reserves	15,875	115,400	135,401
Staff Related Funds	3,372,874	3,339,688	3,451,307
Severance pay fund			
Employee retirement allowance	3,372,874	3,339,688	3,451,307
Debit Deferred Taxes	203,088	200,005	198,231
Deferred tax funds	203,088	200,005	198,231
TOTAL NON CURRENT LIABILITIES	7,965,229	8,032,055	8,702,880

	30/09/2007	30/09/2006	31/12/2006
CURRENT LIABILITIES			
Current bonds in circulation	-	-	-
Current payables to banks	11,520,647	10,216,297	11,454,491
Current payables to banks	11,520,647	10,216,297	11,454,491
Payables to Suppliers	3,462,281	4,862,866	4,047,159
Payables to suppliers	3,462,281	4,862,297	4,047,159
Advances on work in progress to order	110,200	120,000	36,680
Advances	110,200	120,000	36,680
Other Financial Liabilities	3,288,172	5,005,686	5,874,049
Payables represented by securities			
Payables to subsidiary companies	916,062	3,577,077	3,797,191
Payables to affiliates	208,367	435,222	320,675
Payables to parent companies			
Payables to others	2,163,743	993,387	1,756,183
Tax Debts	2,359,190	2,957,811	2,321,401
Tax debts	2,359,190	2,957,811	2,321,401
Other Current Liabilities	9,313,945	7,649,117	8,663,445
Payables to welfare and social security institutes	1,979,866	1,929,497	1,866,042
Other payables	3,395,470	3,417,536	2,518,953
Accrued costs	238,205	330,117	253,781
Deferred earnings	3,700,404	1,971,967	4,024,668
LIABILITIES INCLUDED IN DIVESTED AGGREGATES			
TOTAL CURRENT LIABILITIES	30,054,435	30,811,777	32,397,224
TOTAL LIABILITIES	66,388,133	65,858,688	76,201,878

EXPRIVIA – PROFIT AND LOSS ACCOUNT

	01-07-2006 30-09-2007	01-07-2006 30/09/2006	30-09-2007	30-09-2006	31/12/2006
REVENUE	8,478,226	7,419,309	25,704,609	23,953,782	34,029,872
Revenue from sales and services	8,478,226	7,419,309	25,704,609	23,953,782	34,029,872
OTHER PROCEEDS	204,275	321,609	721,765	1,110,722	1,627,537
Other proceeds and revenue	78,232	170,705	190,837	402,316	687,464
Contributions to year's account	126,043	257,450	530,928	708,406	939,594
Surpluses		(106,546)			479
VARIATIONS IN STOCK OF FINISHED PRODUCTS AND PRODUCTS IN PROGRESS	636,017	175,543	1,930,804	1,602,440	816,453
Var. in stock of products in progress, semi-finished products	157,588	5,049	329,963	(32,953)	(45,535)
Variation in work in progress to order	281,566	(4,233)	986,658	986,451	55,747
Increase in fixed assets for internal work	196,863	174,727	614,183	648,942	806,241
TOTAL PRODUCTION REVENUE	9,318,517	7,916,461	28,357,177	26,666,944	36,473,662
RAW MATERIALS AND CONSUMABLES	577,050	284,086	1,245,811	984,336	1,256,450
Costs of raw, subsidiary materials and consumables	577,050	284,086	1,245,811	984,336	1,256,450
EMPLOYEE BENEFIT RELATED COSTS	5,660,052	4,475,012	16,920,446	15,155,647	20,765,207
Salary and wages	4,323,629	3,453,047	13,027,878	11,739,440	15,983,898
Social security contributions	1,030,946	710,939	3,042,132	2,619,843	3,660,796
Retirement allowance	235,297	256,993	654,649	658,430	917,483
Other staff costs	70,180	54,033	195,787	137,934	203,031
OTHER COSTS	2,135,655	2,236,040	6,736,294	7,397,313	9,963,890
Other costs for services	1,928,916	1,951,301	6,030,808	6,571,649	8,760,996
Costs to enjoy third party assets	166,249	154,875	509,609	517,685	687,535
Sundry management costs	40,489	129,864	195,876	307,979	515,359
Stock and reserves					
Extraordinary charges					
TOTAL PRODUCTION COSTS	8,372,756	6,995,088	24,902,550	23,537,296	31,985,547
DIFFERENCE BETWEEN PRODUCTION COSTS AND REVENUE	945,763	921,373	3,454,627	3,129,648	4,488,314

	01-07-2997 30/09/2007	01-07-2006 30/09/2006	30/09/2007	30-09- 2006	31/12/2006
DEPRECIATION AND DEVALUATION	452,555	432,820	1,166,921	1,204,252	1,738,124
Ordinary depreciation of intangible fixed assets	239,856	432,820	665,692	695,037	957,899
Ordinary depreciation of tangible fixed assets	149,991	183,409	438,521	509,215	686,691
Other devaluation of fixed assets					
Credit devaluation included in circulating assets	62,707		62,707		93,534
FINANCIAL PROCEEDS AND CHARGES	268,618	220,702	628,884	549,744	890,987
Proceeds from shareholdings from subsidiary companies	(15,140)	(26,823)	(55,529)	(48,746)	(62,915)
Proceeds from shareholdings from parent companies					
Proceeds from shareholdings from others					
Proceeds other than those listed above	21,484	(1,900)	(108,307)	(2,634)	(98,249)
Interest and other financial charges	260,462	239,041	748,762	590,069	879,635
Charges from parent companies	1,732		31,079		87446
Proceeds and losses on exchanges	80	327	879	998	(4,988)
Devaluations		10,000	10,000		90,000
Devaluation of shareholdings					
Devaluation of financial fixed assets		57		57	58
Devaluation of securities recorded			(58)		(58)
TOTAL COSTS	9,,093,929	7,648,610	28,688,355	25,291,292	34,614,659
PRE-TAX RESULT	224,588	287,851	1,668,822	1,375,652	1,859,203
INCOME TAX	229,621	157,989	739,863	820,000	760,328
IRES	(2,014)	12,209	(15,472)		(47,898)
IRAP	226,778	150,000	750,478	620,000	810,000
Deferred taxes	4,857	(4,220)	4,857		(1,774)
Tax advances					
OPERATING PROFIT OR LOSS	(5,030)	109.862	928,959	755,652	1,098,875

EXPRIVIA – FINANCIAL STATEMENT

Values in Euro	30/09/2007	30/09/2006	31/12/2006
Income management operations:			
-Profit (loss)	928,959	755,652	1,098,875
- Depreciation and devaluation of fixed assets	1,104,213	1,204,252	1,644,590
-R.A. reserve	654,649	658,430	917,483
-R.A. Advances/Payments	(733,082)	(365,986)	(513,420)
Financial asset value adjustments			
Cash flow resulting from income management	1,954,739	2,252,348	3,147,529
Increases/Reductions in circulating assets and liabilities:			
-Variation in stock and advances	(1,172,575)	(147,302)	972,173
- Variation in receivables to customers	1,583,551	867,744	(2,085,814)
- Variation in receivables to parent companies/subsidiaries/affiliates	2,883,078	(1,294,222)	(1,403,210)
- Variation in receivables to others	(21,085)	404,701	(1,760,694)
- Variation in payables to suppliers	(584,878)	(3,110,447)	(3,926,154)
- Variation in payables to parent companies/subsidiaries/affiliates	(2,993,437)	17,574	123,142
- Variation in tax and social security debts	151,612	(2,213,536)	(2,913,401)
- Variation in payables to others	1,357,598	911,038	692,930
- Variation in accrued earnings/deferred assets	(170,067)	(153,915)	(54,127)
- Variation in accrued expenses	(339,840)	(382,361)	1,594,005
- Variation in risk fund reserve	(531,567)	(30,638)	180,261
Cash flow resulting (used) from circulating assets and liabilities	162,391	(5,131,364)	(7,011,023)
Cash flow resulting (used) from current assets	2,117,130	(2,879,016)	(3,863,495)
Investments:			
- Variation in tangible fixed assets	(152,235)	(400,671)	(436,140)
- Variation in intangible fixed assets	(623,991)	(693,418)	(850,716)
- Variation in financial fixed assets	(619,072)	(391,169)	(894,456)
Cash flow resulting (used) from investment activities	(1,396,297)	(1,485,258)	(2,181,313)
Financial assets:			
- Variation in other reserves			
Cash flow resulting (used) from financial assets			
Increases (decreases) in cash			
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 credit at year end	1,803,965	1,157,229	1,069,392
Banks and cash in debit at year end	(15,664,348)	(14,139,343)	(15,725,844)
Increases (decreases) in cash in hand	796,088	(4,417,832)	(6,092,170)

Supplementary note to Exprivia S.p.A.'s Balance Sheet as at 30 September 2007

See that contained in the Supplementary Note to the Exprivia Group as at 30 September 2007 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 7,385,322 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 30/09/07	Depreciation fund as at 01/01/07	Period depreciation	Cumulated depreciation	Net value as at 30/09/07
Land	247,716		247,716				247,716
Buildings	7,016,127		7,016,127	(558,524)	(157,659)	(716,183)	6,299,943
Others	4,017,718	153,235	4,170,953	(3,116,556)	(280,863)	(3,397,419)	773,535
Fixed assets in progress	64,128		64,128				64,128
TOTAL	11,345,689	153,235	11,498,924	(3,675,080)	(438,522)	(4,113,602)	7,385,322

Euro 36,653 of the Euro 153,235 increase is mainly due to electronic office machines, Euro 23,431 to furniture and fittings, Euro 18,915 to systems and machinery and Euro 71,030 leased goods.

GOODWILL

Balance, as at 30 September 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 as at 30/06/07
GOODWILL ABACO MERGER COSTS	1,767,655
GOODWILL TRANSFER AZ AIS PS	517,714
GOODWILL TRANSFER KTONES BUSINE	3,040,710
ETA BETA MERGER	3,913,766
AIS MEDICAL MERGER DIFFERENCE	14,597,801
GOODWILL	24,298,814

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 1,789,994 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 30/09/07	Decreases	Total historical cost as at 30/09/07	Depreciation fund as at 01/01/07	Period depreciation	Cumulated depreciation as at 30/09/07	Net value as at 30/09/07
Intangible fixed assets	3,251,762	9,809		3,261,571	(3,206,550)	(23,748)	(3,230,298)	31,273
Development costs	17,577,980	664,336		18,242,316	(15,841,650)	(641,944)	(16,483,594)	1,758,721
Fixed assets in progress and advances	50,153		(50,153)	0			0	0
TOTAL	20,879,895	674,145		21,503,887	(19,048,200)	(665,692)	(19,713,892)	1,789,994

The Euro 664,336 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 2006. 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 September 2007, amounts to Euro 1,843,180 compared to the Euro 1,873,712 of 31 December 2006, as detailed hereunder:

Description	30/09/2007	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)
	1,843,180	1,873,712	(30,532)

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

Company	Registered office	Company capital	Period result	Net Worth	Production value	Total assets	% Shareholdings
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 September 2007, amounts to Euro 1,287,481, remaining the same as that of 31 December 2006.

Details are as follows:

Description	30/09/2007	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
Pervice	150,000	
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
	1,431,284	1,281,284

OTHER FINANCIAL ASSETS

RECEIVABLES TO SUBSIDIARY COMPANIES

Balance, as at 30 September 2007, amounts to Euro 662,175, of which Euro 11,709 refers to a credit with Farm Multimedia Srl in liquidation and Euro 650,466 medium-long term finance to Exprivia Solutions S.p.A..

RECEIVABLES TO OTHERS

Balance, as at 30 September 2007, amounts to Euro 13,333 and 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 September 2007, amounts to Euro 6,214 compared to the Euro 6,085 of 31 December 2006.

DEFERRED TAX CREDITS

Balance, as at 30 September 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 have fallen from Euro 18,564,389, as at 31 December 2006, to a total of Euro 16,980,838, as at 30 September 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.

Receivables to customers			
Description	30/09/2007	31/12/2006	Variations
To Italian Customers	17,282,444	18,211,045	(928,601)
To Foreign Customers	479,003	1,090,685	(611,682)
To Public Bodies	795,729	838,995	(43,266)
Subtotal receivables to customers	18,557,176	20,140,725	(1,583,549)
Minus: provision for bad and doubtful debts	(1,576,336)	(1,576,336)	0
Total receivables to customers	16,980,838	18,564,389	(1,583,549)
Detail			
Detail	30/09/2007	31/12/2006	Variations
To third parties	14,995,859	14,838,044	157,815
Invoices to be issued to third parties	3,561,317	5,302,681	(1,741,364)
TOTAL	18,557,176	20,140,725	(1,583,549)

RECEIVABLES TO SUBSIDIARY COMPANIES

Balance, as at 30 September 2007, amounts to Euro 1,451,364 compared to the Euro 4,361,443 of December 2006.

Details are as follows:

Descrizione	30/09/2007	31/12/2006	Variazioni
GST Srl	108.415	78.179	30.236
Exprivia Customer Services Srl	127.711	67.621	60.090
Exprivia Projects Spa	1.022.504	1.547.889	(525.385)
Exprivia Solutions Spa	192.733	2.602.748	(2.410.015)
AlSoftw@re Professional Services Srl		65.006	(65.006)
	1.451.364	4.361.443	(2.910.079)

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 394,964 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 53,915 consultancy and logistic services sustained by the company for the parent company being re-debited.

RECEIVABLES TO AFFILIATES

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

Description	30/09/2007	31/12/2006	Variations
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	(80,486)	(80,486)	
Mindmotion Provision for bad and	(55,805)	(55,805)	
San Vincente Provision for Bad a	(12,820)	(12,820)	
	248,411	248,411	

RECEIVABLES TO OTHERS

Balance, as at 30 September 2007, amounts to Euro 5,451,918 compared to the Euro 5,426,759 of 31 December 2006.

The following table details the year's variations:

Receivables to others within following year			
Description	30/09/2007	31/12/2006	Variations
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	7,500	33,000	(25,500)
Sundry receivables	9,746	8,981	765
Receivables to social security institutes/INAIL	52,091	676	51,415
Receivables to employees	15,219	15,486	(267)
Deposits for supplies	22,190	23,444	(1,254)
TOTAL	5,451,918	5,426,759	25,159

TAX CREDITS

Balance, as at 30 September 2007, amounts to Euro 205,817 as detailed in following table:

Description	30/09/2007	31/12/2006	Variations
Inland revenue deduction account	633	251	382
Inland revenue deductions on foreign	16,270	16,270	-
Credits on R.A. lieu tax	19,917	19,563	354
Credits with Inland revenue	9,967	9,968	(1)
Tax credits art. 8	159,030	194,370	(35,340)
TOTALI	205,817	240,422	(34,605)

ACCRUED EARNINGS AND DEFERRED ASSETS

These amount to Euro 418,837 as at 30 September 2007, compared to the Euro 248,771 of 31 December 2006, Euro 418,837 referring to deferred assets.

Details are as follows:

Deferred assets

Description	30/09/2007	31/12/2006	Variations
Interest on INPS instalments	22,662	111,158	(88,496)
Car rental		2,832	(2,832)
Insurances	25,669		25,669
Stock Option	30,318		30,318
Services and sundry maintenance	340,188	134,503	205,685
TOTAL	418,837	248,493	170,344

STOCK

Balance, as at 30 September 2007, amounts to Euro 368,901 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 September 2007, amounts to Euro 986,658 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 September 2007, amounts to Euro 1,803,965 compared to the Euro 1,069,392 of 31 December 2006, Euro 1,800,239 referring to bank credit balances and Euro 3,726 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	Company Capital	Own Shares	Share surplus reserve	Legal Reserve	Own share portfolio reserve	Other reserves	Revaluation reserve	Profits (Losses) carried forward	Period Profit (Loss)	Total net worth
Balance as at 1/1/04	1,000,000			129,815		1,116,963			1,032,782	3,279,560
Changes in accounting criteria				(129,815)		251,301	331,888			453,374
Perimeter adjustment						(1,053,717)			(1,032,782)	(2,086,499)
Adjusted balances	1,000,000					314,547	331,888			1,646,435
2004 operating result									1,358,906	1,358,906
Balance as at 31/12/04	1,000,000					314,547	331,888		1,358,906	3,005,341
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)
Balance as at 31/12/2005	17,642,488		1,999,113			7,506,679	3,033,230	(121,546)	(3,747,202)	26,312,762
Disposition of result:									(3,747,202)	3,747,202
Purchase own shares		(53,557)								(53,557)
Stock Option Plan						6,196				6,196
Result as at 31/12/2006									1,098,875	1,098,875
Balance as at 31/12/2006	17,642,488	(53,557)	1,999,113			7,512,875	3,033,230	(3,868,748)	1,098,875	27,364,276
Disposition of result:				54,944				1,043,931	(1,098,875)	
Purchase own shares		53,557								53,557
Stock Option Plan						121,275				121,275
Result as at 30/06/07									933,989	933,989
Balance as at 30/06/06	17,642,488		1,999,113	54,944		7,634,150	3,033,230	(2,824,818)	933,989	#####
Balance as at 30/09/07	35,284,976		3,998,226	109,888		#####	6,066,460	(5,649,637)	1,867,978	#####

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 September 2007, amounts to Euro 99,597 and refers to No 57,000 shares held by the company.

SHARE SURPLUS RESERVE

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

REVALUATION RESERVE

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

OTHER RESERVES

LEGAL RESERVE

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

OTHER RESERVES

These amount to Euro 1,627,471 as at 30 September 2007, increasing by Euro 127,471 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 September 2007, remaining the same as that of 31 December 2006.

IAS FISCAL EFFECT

This amounts to Euro 135,996 as at 30 September 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 September 2007, amounts to Euro 4,143,701, compared to the Euro 4,271,353 of 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 229,690 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 September 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 September 2007, amounts to Euro 3,372,874 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 September 2007, amounts to Euro 203,088 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 September 2007, amounts to Euro 11,520,647 compared to the Euro 11,454,491 of 31 December 2006.

PAYABLES TO SUPPLIERS

Balance, as at 30 September 2007, amounts to Euro 3,462,281 compared to the Euro 4,047,159 of 31 December 2006.

ADVANCES ON WORK IN PROGRESS TO ORDER

ADVANCES

Balance amounts to Euro 110,200 and relates to advances to customers.

OTHER FINANCIAL LIABILITIES

PAYABLES TO SUBSIDIARY COMPANIES

Payables to subsidiary companies amount to Euro 916,062 and consist of the following:

Description	30/09/2007	31/12/2006	Variations
GST Srl	152,010	293,037	(141,027)
Farm Multimedia Srl in liquidation		992	(992)
Exprivia Projects Spa	267,999	196,945	71,054
Exprivia Solutions Spa	327,125	1,543,352	(1,216,227)
AI Software Professional Services Srl	168,116	1,762,053	(1,593,937)
Aemedia	812	812	
TOTAL	916,062	3,797,191	(2,881,129)

PAYABLES TO AFFILIATES

Balance, as at 30 September 2007, amounts to Euro 208,367 and refers mainly to the debt with Network Services Srl (Euro 154,707).

PAYABLES TO OTHERS

Balance amounts to Euro 2,163,743. The Euro 407,560 variation on 31 December 2006 is mainly due to advances on research projects.

TAX DEBTS

Tax debts, as at 30 September 2007, amount to Euro 2,359,190 compared to the Euro 2,321,401 of 31 December 2006. Details are as follows.

Description	30/09/2007	31/12/2006	Variations
Payables to Inland Revenue for VAT	1,287,542	1,252,058	35,484
Payables to Inland Revenue for IRAP	603,965	194,714	409,251
Payables to Inland Revenue for IRES	213,279	376,323	(163,044)
Payables to Inland Revenue for IRPEF employees	16,696	18,117	(1,421)
Payables to Inland Revenue for IRPEF free lance wor	23,030	10,112	12,918
Payables to Inland Revenue for IRPEF collaborators		1,787	(1,787)
Payables to Inland Revenue for R.A. IRPEF	26,873	17,286	9,587
Payables to Inland Revenue for Regional and Municip	16,825	3,813	13,012
Payables to Inland Revenue for waste taxes	6,132	25,174	(19,042)
Payables to Inland Revenue for interest and sanction	164,848	422,017	(257,169)
TOTAL	2,359,190	2,321,401	37,789

OTHER CURRENT LIABILITIES

PAYABLES TO SOCIAL SECURITY AND WELFARE INSTITUTES

Payables to social security and welfare institutes amount to Euro 1,979,866 compared to the Euro 1,866,042 of 31 December 2006. The following table details the relative items.

Description	30/09/2007	31/12/2006	Variations
INPS contributions account	474,118	715,091	(240,973)
INPS contribution instalment account	700,295	563,160	137,135
Payables to pension fund	49,889		49,889
PREVINDAI-FASI-ALDAI-INPDAI-FASDAI	69,024	94,684	(25,660)
Contributions on holidays/summer- Christi	514,952	300,290	214,662
INPS contributions on bonus accrual	59,043	107,500	(48,457)
INPS collaborator contributions account	48,005	43,640	4,365
INAIL contributions account	64,540	41,677	22,863
TOTAL	1,979,866	1,866,042	113,824

OTHER PAYABLES

Other payables amount to Euro 3,395,470 compared to the 2,518,953 of 31 December 2006. Items consist of the following:

Description	30/09/2007	31/12/2006	Variations
Payables to employees/collaborators for expenses	7,894	98,771	(90,877)
Payables to employees for redundancy packages	(15,836)		(15,836)
Directors payments to be settled	67,544	159,736	(92,192)
Collaborators for fees accrued	374,074	214,476	159,598
Employees for fees accrued	1,727,579	960,786	766,793
Debts to purchase shareholdings	22,273	35,895	(13,622)
Holidays and festivities accrued/summer-Christmas b	1,176,678	1,014,558	162,120
PIA Innovazione advance	6,390		6,390
Sundry payables	28,874	34,731	(5,857)
TOTAL	3,395,470	2,518,953	876,517

ACCRUED COSTS

Balance, as at 30 September 2007, amounts to Euro 238,205 compared to the Euro 253,781 of 31 December 2006. Movements on the previous year are as follows.

Description	30/09/2007	31/12/2005	Variations
Bank interest and charges	188,347	130,537	57,810
Interest on PIA Innovazione finance	-	3,733	(3,733)
Transactions with suppliers	7,769	37,768	(29,999)
Extraordinary provisions and recoverabili	-	17,100	(17,100)
Sundry costs	-	19,487	(19,487)
Insurances	42,089	43,023	(934)
			0
Sundry interest paid	-	2,133	(2,133)
TOTAL	238,205	253,781	(15,576)

DEFERRED REVENUE

Balance, as at 30 September 2007, amounts to Euro 3,700,404 compared to the Euro 4,024,668 of 31 December 2006. Movements on the previous year are as follows.

Description	30/09/2007	31/12/2006	Variations
Contributions art. 8	575,523	600,308	(24,785)
Contributions L. 488/92	600,225	621,464	(21,239)
Contributions PIA Innovazione	424,700	459,720	(35,020)
Contributions L. 598/94	4,248	7,277	(3,029)
Services and maintenance	589,249	217,385	371,864
Contributions PAT project	0	46,254	(46,254)
Temporary variations on IAS adjustments	21,423	21,424	(1)
Contributions CNOS project training and research	984,110	1,188,285	(204,175)
Contributions Pugliatech Consortium	809,118	1,051,799	(242,681)
TOTAL	4,008,596	4,213,916	(205,320)

INFORMATION ON FINANCIAL STATEMENT

It is noted that income management produces a cash flow of around 2 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.

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PRODUCTION REVENUE

REVENUE FROM SALES AND SERVICES

2007 Q3 revenue from sales amounts to Euro 8,478,226 compared to the Euro 7,419,309 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

2007 Q3 balance amounts to Euro 78,232 compared to the Euro 170,705 of the same period of the previous year. Details are as follows.

Description	01/07/07	30/09/07	01/07/06	30/09/06	Variations
Contingent assets		69,145		166,511	(97,366)
Other revenue		4,295		923	3,372
Compensation in lieu of notice		4,672		3,271	1,401
Asset surplus		120		0	120
TOTAL		78,232		170,705	(92,473)

CONTRIBUTIONS TO OPERATING ACCOUNT

2007 Q3 balance amounts to Euro 126,043 compared to the Euro 257,450 and refers to period's contributions on projects in progress.

VARIATIONS IN STOCK OF FINISHED PRODUCTS AND PRODUCTS IN PROGRESS

VARIATIONS IN STOCK OF PRODUCTS IN PROGRESS

Balance amounts to Euro 157,588 and refers to products of the Health and Medical Business Line.

VARIATIONS IN WORK IN PROGRESS TO ORDER

Balance of Euro 281,566 refers to projects in progress.

INCREASES IN FIXED ASSETS FOR INTERNAL WORK

2007 Q3 balance in long term project capitalisations, amounts to Euro 196,863 compared to the Euro 174,727 of Q3 2006 and refers to costs sustained during the year to develop projects in the banking sector (71,789) and medical sector (125,074).

PRODUCTION COSTS

RAW MATERIALS AND CONSUMABLES USED

Costs entered in Q3 2007 amount to Euro 577,050 compared to the Euro 284,036 of the previous year. Details are as follows.

Description	01/07/07 30/09/07	01/04/06 30/06/06	Variations
Purchase hw-sw products	515,403	198,639	316,764
Products purchased from affiliates	(20,380)		
Purchase hw-sw maintenance	19,289	69,177	(49,888)
Purchase system equipment	43,938	2,088	41,850
Stationary and sundry consumables	6,709	6,218	491
Fuel and lubricants	9,997	6,105	3,892
Transport and rental on purchases	2,094	1,809	285
TOTAL	577,050	284,036	313,394

EMPLOYEE BENEFIT RELATED COSTS

These amount to Euro 5,660,052, of which Euro 4,323,629 refers to pay, Euro 1,030,946 social security contributions, Euro 235,297 retirement allowance and 70,180 other staff related costs.

The average number of employees as at 30 September 2007 is of 560 units, of which 461 employees and 99 collaborators, compared to the 475 units (421 employees and 54 collaborators) as at 31 December 2006.

The average number of employees as at 30 September 2007 was of 443 units.

OTHER COSTS

OTHER COSTS FOR SERVICES

2007 Q3 balance amounts to Euro 1,928,916, compared to the Euro 1,951,301 of the previous year and can be analysed as follows:

Description	01/07/07 30/09/07	01/07/06 30/09/06	Variations
Technical and business consultants	259,320	506,160	(246,840)
Administrative/company/legal consultants	248,781	142,467	106,314
Consultancy to affiliates	382,955	459,124	(76,169)
Intercompany consultancy	353,786	288,582	65,204
Auditor pay	5,586	14,654	(9,068)
Travelling and transfer expenses	363,110	254,781	108,329
Other staff costs	30,214	0	30,214
Utilities	125,533	117,051	8,482
Advertising/Agency expenses	22,268	17,316	4,952
Insurances	34,110	39,615	(5,505)
Other costs	103,253	111,551	(8,298)
TOTAL	1,928,916	1,951,301	(22,385)

COSTS TO ENJOY THIRD PARTY ASSETS

2007 Q3 balance amounts to Euro 166,249 and consists of the following:

Description	01/07/07 30/09/07	01/07/06 30/09/06	Variations
Rents paid	130,889	116,755	14,134
Vehicles rental/leasing	35,307	38,120	(2,813)
TOTAL	166,249	154,875	11,374

SUNDRY MANAGEMENT COSTS

2007 Q3 balance amounts to Euro 40,489 compared to the Euro 128,864 of the same period of the previous year and consists of the following:

Description	01/07/07 30/09/07	01/07/06 30/09/06	Variations
Association fees	(1,080)	6,027	(7,107)
Books and magazines	5,292	2,774	2,518
Tax and duties	(657)	272	(929)
Stamps	2,732	3,777	(1,045)
Sanctions and fines	1,119	2,959	(1,840)
Capital losses	18,639	76,084	(57,445)
Bank charges	18,268	33,562	(15,294)
Sundry expenses	(3,635)	(5,820)	2,185
Penalties and damages	(189)	10,229	(10,418)
TOTAL	40,489	129,864	(89,375)

DEPRECIATION AND DEVALUATIONS

These amount to Euro 452,555 as at 30 September 2007 compared to the Euro 432,820 of Q3 2006, Euro 389,847 referring to depreciation and Euro 62,707 to stock devaluation.

Intangible fixed asset depreciation, amounting to Euro 239,856, is detailed in the Intangible Fixed Assets paragraph hereof.

Tangible fixed asset depreciation, amounting to Euro 149,991, is detailed in the tangible Fixed Assets paragraph hereof.

FINANCIAL PROCEEDS AND CHARGES

PROCEEDS FROM SUBSIDIARY COMPANIES

2007 Q3 balance amounts to Euro 15,140 and refers to interest relating to finance the subsidiary company has with Exprivia S.p.A..

SUNDRY PROCEEDS OTHER THAN THOSE INDICATED ABOVE

2007 Q3 balance amounts to Euro 21,484 and refers to bank interest earned amounting to Euro 3,058, surplus resulting from the sale of own shares amounting to Euro 66,812, Euro 129 interest earned on securities and Euro 36,308 other financial proceeds.

INTEREST AND OTHER FINANCIAL CHARGES

2007 Q3 balance amounts to Euro 260,462 compared to the Euro 239,041 of Q3 2006. The following table details the relative items.

Description	01/07/07 30/09/07	01/07/06 30/09/06	Variations
Bank interest paid	235,027	69,088	165,939
Interest on mortgages	(27,751)	116,266	(144,017)
Other interest	53,186	52,024	1,162
TOTAL	260,462	239,041	21,421

FINANCIAL CHARGES TO SUBSIDIARY COMPANIES

2007 Q3 balance amounts to Euro 1,732 and refers mainly to interest on the debt the company has with its subsidiary AI Softw@re Professional Services Srl as a result of transferring the business.

LOSS ON EXCHANGES

2007 Q3 balance amounts to Euro 80.

INCOME TAX

2007 Q3 balance amounts to 229,621 of which Euro -2,014 for IRES and Euro 226,778 for IRAP and Euro 4,857 deferred taxes.

OPERATING LOSS

The Profit and Loss Account closes, in Quarter 3, with a loss, net of taxes, of Euro 5,030.

*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 quarterly report as at 30 September 2007, correspond to the relative accounts and books.

Signature manager in charge of

drawing up company accounts

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