



**Quarterly Report
to 31 March 2008**

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Company Bodies

Board of Directors

The Board of Directors appointed to 31 March 2008 was made up as follows:

| | |
|--------------------------|--|
| President | Francesco Gardin |
| Managing Director | Domenico Favuzzi |
| Directors | <ul style="list-style-type: none"> ✓ Dante Altomare (Executive director) ✓ Giorgio De Porcellinis (Non-executive director) ✓ Antonio Forte (Non-executive director) ✓ Pierfilippo Roggero (Independent director*) ✓ Pierantonio Ciampicali (Independent director *) |

(*) Independent directors as per Article 3 of the Self-Discipline Code adopted by the Italian Stock Exchange

The current Board of Directors (BoD), appointed by the Exprivia shareholders' meeting of 31 March 2008 and whose term of office will expire with the closure of the Balance Sheet 2010, is made up as follows:

| BoD member | Position | Executive/Non Executive | Place and date of birth |
|--------------------------------|---------------------------------|-------------------------|-------------------------------------|
| Domenico Favuzzi | President and Managing Director | Executive | Molfetta (BA) 18/04/1962 |
| Giancarlo Di Paola | Vice President | Executive | Bari 22/05/1952 |
| Pierfilippo Vito Maria Roggero | Independent director* | Non executive | Milan 22/06/1954 |
| Alessandro Laterza | Independent director* | Non executive | Bari 9/02/1958 |
| Dante Altomare | Vice President | Executive | Molfetta (BA) 18/09/1954 |
| Filippo Giannelli | Non independent director | Executive | Camposampiero (PD) 16/09/1971 |
| Rosa Daliso | Non independent director | Non executive | Margherita di Savoia (FG) 5/04/1966 |

(*)Independent directors as per Article 3 of the Self-Discipline Code adopted by the Italian Stock Exchange

The Board of Directors is invested with the widest powers for the ordinary and extraordinary management of the company, without exception, with all the abilities for the implementation and achievement of the company objectives. It may, therefore, assume any type of obligation and carry out any type of financial operation, without limitation, as it is responsible for anything not expressly indicated by law as being the competence of the shareholders' meetings (see Corporate Governance).

Board of Auditors

The Board of Auditors appointed to 31 March 2008 was made up as follows:

| | |
|-------------------------|---|
| President | Renato Beltrami |
| Regular Auditors | Gaetano Samarelli Leonardo Giovanni Ciccolella |

The current Board of Auditors, appointed by the Exprivia shareholders' meeting of 31 March 2008 and whose term of office will expire with the closure of the Balance Sheet 2010, is made up as follows:

| Board member | Position | Place and date of birth |
|------------------------------|-------------------|--------------------------------|
| Renato Beltrami | President | Storo (TN) 07/12/1942 |
| Gaetano Samarelli | Regular Auditor | Molfetta (BA) 07/12/1945 |
| Ignazio Pellecchia | Regular Auditor | Bari 28/06/1968 |
| Leonardo Giovanni Ciccolella | Alternate Auditor | Bari 24/06/1964 |
| Mauro Ferrante | Alternate Auditor | Bisceglie (BA) 01/11/1964 |

Exprivia: one step ahead

The company

Exprivia bases its foundations on a heritage of competences and experience matured with more than 20 years constant presence in Information Technology for the banking, finance, industry, telecommunications, utilities, transport, public administration and health markets. Exprivia has always looked to the future, in the constant search for technologies which know how to predict market trends, to offer customers solutions and services able to improve their business processes.

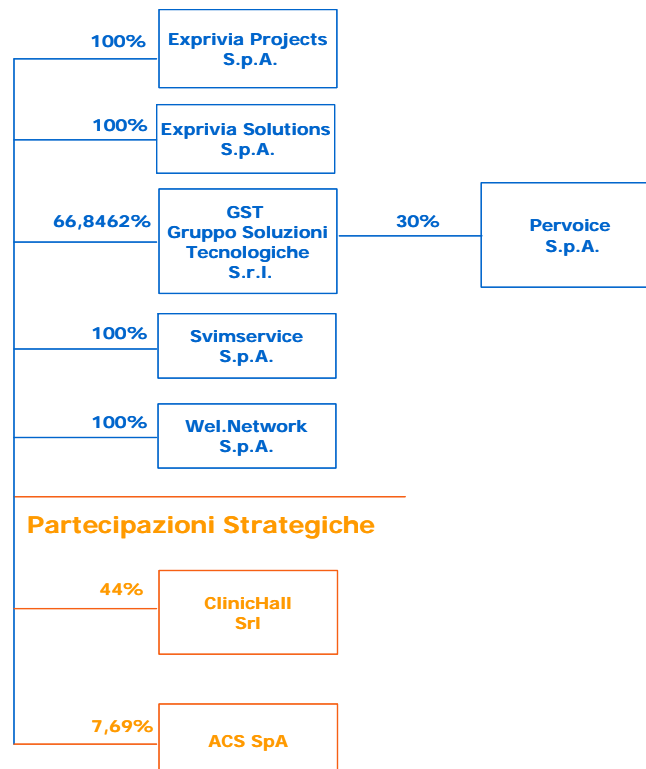
This strategic vision, plus the knowledge of the specific needs of each person, the vertical offer system, the ability to manage complex projects and a research and development area of international excellence, make up the distinctive elements of the group.

During 2007, the Exprivia group was enlarged by the acquisitions of Wel.Network and Svimservice.

Wel.Network has matured extensive experience in many sectors typical of the IT world, focusing on professional services supplied on SAP applications with particular penetration in the Industry and Oil & Gas sectors; alongside this, it also sells third party software licences. The company has 160 staff, both employees and collaborators, in the registered office in Piacenza and the operational offices in Milan and Rome.

Svimservice, a company based in Bari, is well-known as a leading ICT company with an offer of the development and management of health IT systems, based on proprietary solutions and web-oriented technologies, in addition to the software applications for local public administration. The extension and geographical diversification of the customer portfolio has led Svimservice to a position of absolute leadership in the *Regione* Puglia and a significant position in the national market.

The group



Strategic holdings

The offer

Exprivia offers the market a group of services of System Integration, project development, Application Management and solutions based on both proprietary and third party technologies. The added value is expressed by a thorough knowledge of the business processes of its customers, careful selection of the competences appropriate for the services to supply, respect for the duration planned for delivery and enhancement of company and individual experience. Its production work is expressed through the management of both transverse and vertical competences, per market sector served, which are at the basis of the services supplied and the development of specific solutions based on in-house technologies or which use the technological platforms of market leaders in the specific sector.

The markets and the competitive positioning of Exprivia

Exprivia is mainly found in the following contexts in the software and IT services sector:

1) software

- a. management applications;
- b. decision-support applications.

2) services

- a. System Integration;
- b. consultancy;
- c. development and maintenance services;
- d. Outsourcing and Facility Management.

The Exprivia group offer is shown in the following diagram divided by market sector and type of software/service offered.

| | | SOFTWARE | | SERVICES | | | |
|---|--------------------|-------------------------|-------------------|---------------------------|--------------------|---------------------------------------|---------------------------|
| | | <i>Decision support</i> | <i>Management</i> | <i>System Integration</i> | <i>Consultancy</i> | <i>Software develop. & maint.</i> | <i>Outsourcing and FM</i> |
| Banking, Finance and Insurance | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Industry, Telecommunications and Media | <i>Large Acc.</i> | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| | <i>Middle Acc.</i> | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| | <i>SME.</i> | | ✓ | ✓ | | | |
| Public Sector, Transport and Utilities | <i>PAC</i> | ✓ | ✓ | ✓ | ✓ | | |
| | <i>Transport</i> | ✓ | ✓ | ✓ | | ✓ | |
| | <i>Utilities</i> | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Health and Local Bodies | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |

A plurality of competitive sectors can be deduced from the overall view which allows Exprivia to cover a significant area of the whole software and IT services market with its specific offer.

The business lines

The commercial development of Exprivia is through dedicated organisational structures for each individual market area with the aim of both developing relationships with current customers and identifying potential customers defining *ad hoc* offers and generating new relationships.

Banking, Finance and Insurance

Business Line

Exprivia has been working for the banking market for more than twenty years in the sphere of the automatic credit merit assessment and consultancy on operational–management processes which behind the life cycle of lines of credit and has professional figures with specific competences at various levels, who have consolidated experience on the subjects of credit management in common. The experience of many years acquired by Exprivia on application systems in the Finance area is particularly important. It has matured extensive competence with important project and systems management experience in the main investment banks in this area.

As far as the strictly technological aspects are concerned, Exprivia is able to supply a complex of structures, methods and dedicated solutions for management, distribution, data integration and *mission critical* applications in the Finance context.

Lastly, the company supplies application management and *facility management* services for the infrastructure for some of the main players in that market.

Health and Local Bodies Business Line

The recent acquisition of Svmservice has enabled the offer of the group to be significantly extended as a result of that company's experience in the health and PAL spheres. It can boast of more than thirty years' experience in the sector and offers high added value IT services, consultancy, IT and operational support for all the institutional players in health management (local health companies, regional agencies, and councillors responsible for health policies).

Exprivia's offer in this market is also based on the proprietary software platform (DICOMWARE) for the integration of clinical-diagnostic processes for public and private hospital structures. From the early 1990s, the company has been able to gain the undisputed leadership in the medical market with the most complete suite of IT products for health diagnostic services.

Industry, Telecommunications and Media Business Line

The Exprivia offer for the Industry sector is based on the ability to interpret its clients' business and divide its technological competences into lean and efficient solutions for the various operating contexts in which the value chain develops. The result is a series of solutions and services which, in an integrated logic, cover both the primary processes (logistics, production and sales) and support processes (administration and finance, and human resources) with particular attention to the ERP, Extended ERP and EAI environments.

Exprivia has strengthened its presence in the Oil & Gas sector through the acquisition of Wel.Network, integrating the specific competences of the extraction, transport, storage, refining and distribution of petroleum and natural gas processes with competences matured in related sectors (e.g. Multi-Utilities) with the aim of accompanying the IT evolution of the energy sector. The assessment of the opportunity of setting up a specific Business Line for that market sector started at the date of the Information Prospectus.

Exprivia produces real-time applications for the defence and aerospace sector, in which it has operated since 1985, both at a national and international level, in accordance with civil and military quality standards, and can boast of consolidated competence in the creation of system software, command and control systems, embedded systems, graphic tools, networking and prototyping of complex systems.

In the Telecommunications sector, Exprivia is able to supply solutions on the core processes of the mobile and fixed network operators with a complete and innovative System Integration offer, both in the sphere of business support systems and those supporting operativity; in particular, in the former, Exprivia has project experience and ability at the tariff/invoicing systems level and CRM, for the configuration and management of provisioning, order management, testing and quality control systems while, in the latter sphere, Exprivia has designed and produced solutions for the efficient management of network infrastructures, remote database management, configuration management, network management and performance analysis.

Some of the activities mentioned above are also performed in outsourcing, adopting a near shore strategy regulated by specific Service Level Agreements.

Public Sector, Transport and Utilities Business Line

In the public sphere, Exprivia is mainly concerned with transport, services and utility companies and some central bodies to which it offers:

- ✓ management solutions based on SAP systems and Application Management services;
- ✓ solutions in the security sphere (digital signatures, identity document management and service portals);
- ✓ e-procurement solutions for the rationalisation of the supplier park with e-catalogue solutions, on-line and marketplace auctions;
- ✓ integrated Data-warehousing and Business Intelligence solutions.

Summary data

The following Table shows a summary of the results of the main consolidated economic, investment and financial data of the group as shown in the Balance Sheet relating to 31 March 2008, compared with the same period in the previous financial year and that to 31 December 2007.

It should be noted that the data of the first quarter 2008 also benefits from the contribution from the acquisitions Wel.Network S.p.A. and Svimservice S.p.A. consolidated in the Exprivia group from 1 August 2007.

| Economic Data | Q1 2008 | Q1 2007 | 31.12.2007 |
|--|--------------|--------------|--------------|
| Total production revenue | 22,448,746 | 11,110,369 | 65,829,563 |
| net revenue and variations in work in progress on orders | 21,746,465 | 10,411,646 | 62,581,780 |
| increases in fixed assets for internal work | 237,677 | 249,605 | 994,384 |
| other revenue and contributions | 464,604 | 449,118 | 2,253,399 |
| Difference between production costs and revenue (EBITDA) | 3,431,138 | 1,138,664 | 10,098,378 |
| % of revenue | 15,28% | 10,25% | 15,34% |
| Net operating result (EBIT) | 2,890,590 | 702,943 | 7,863,401 |
| % of revenue | 12,88% | 6,33% | 11,95% |
| Net result | 1,499,236 | 173,652 | 3,483,361 |
| Group net worth | 47,549,173 | 28,744,941 | 45,661,107 |
| Total assets | 131,274,034 | 75,049,692 | 132,208,770 |
| Company capital | 21,801,519 | 17,642,488 | 21,801,519 |
| Net circulating capital (1) | 19,183,068 | 12,427,534 | 14,913,896 |
| Cash flow (2) | 1,766,911 | 732,298 | 8,701,825 |
| Fixed capital (3) | 74,624,185 | 39,534,397 | 74,343,031 |
| Investments | 35,215,479 | 508,461 | 36,673,500 |
| Liquid assets/securities (a) | 1,894,333 | 1,099,619 | 6,171,365 |
| Short term financial debts (b) | (19,207,791) | (13,583,395) | (19,440,062) |
| Medium-long term financial debts (c) | (19,542,188) | (4,170,948) | (20,688,137) |
| Net financial position (4) | (36,855,646) | (16,654,724) | (33,956,834) |

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

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

(3) - 'Fixed capital' is equal to total non-current assets.

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

Staff

| | 31 March 2008 | 31 December 2007 |
|--------------------|---------------|------------------|
| Employees | 1017 | 996 |
| Collaborators | 152 | 176 |
| Total staff | 1169 | 1172 |

Revenue per Business Line

| Exprivia group (Values in K Euro) | Revenue Q1 2007 | Revenue Q1 2008 | Variation % |
|--------------------------------------|-----------------|-----------------|-------------|
| Banking, Finance and Insurance | 2,510 | 2,667 | +6.25% |
| Industry, Telecommunications & Media | 3,703 | 7,129 | +92.52% |
| PA, Transport & Utilities | 3,143 | 5,132 | +63.28% |
| Health | 1,056 | 6,818 | +545.64% |

During the first quarter 2008, the **Banking, Finance and Insurance** Business Line generated revenues of Euro 2.7 million, a growth of 6.25% compared to the same period in 2007. The revenue from the Business Line came from orders already acquired for annual projects in the business areas typical of our operations (Finance Solutions, Capital Market and Credit Risk Management).

The **Industry, Telecommunications & Media** Business Line recorded a relevant growth in revenues (+92.52%) attributable for 69% to the contribution of Wel.Network (it was not in the consolidation perimeter in the first quarter 2007) and for 23.52% to a growth in the consolidation perimeter.

The growth in the Exprivia Business Line is mainly due to the sale of software and the service component which recorded +16% compared to the first quarter 2007. The reasons for this result are an intense commercial strategy focussed, above all, on marketing and lead generation activities in SMEs and in the acquisition of new customers.

In the Gas & Oil sphere, Wel.Network continued the work of Application Maintenance deriving from existing multi-year contracts with leading customers in the first quarter and it has developed intense commercial activity which has led to the acquisition of a significant new reference in the same sector.

The **Public Administration, Transport and Utilities** Business Line has returned a growth in revenues of 63.28% compared to Q1 2007. This result benefits from greater focussing on the final customer and, in particular, on the start of some important collaborations with leading customers amongst which the assignment of the tender in SOGEI for Business Intelligence solutions should be noted.

The **Health** Business Line recorded a significant growth in revenues (+545.64%) compared to the same period of 2007 of which about 20% can be attributed to the historical Exprivia Medical Imaging sector and the remaining 525.64% from revenues generated by the new acquisition Svimservice.

As far as the Medical Imaging work is concerned, the implementation and development of proprietary solutions continued in the first quarter which has led to the acquisition of a considerable order portfolio which will allow results in line with the planned budget to be achieved in the first half year.

The revenues of the first quarter 2008 in the Health context of Svimservice were higher than the budget expectations, although not yet benefiting from the results deriving from the multi-year N-SIRS Puglia order acquired at the end of 2007.

Finally, in the **Vocal Recognition** sphere, the first quarter 2008 registered an increase in revenues compared to the same period in 2007, the result of the conclusion of many negotiations particularly in the national medical context.

Management summary of the first quarter 2008

A synthesis of the results of the main consolidated economic, investment and financial data of the group obtained through the application of the IAS/IFRS international standards in force, as shown by the quarterly situation as at 31 March 2008, is shown below. The data from the first quarter 2008 also benefits from the contribution deriving from the acquisitions Wel.Network S.p.A. and Svimservice S.p.A., consolidated in the Exprivia group from 1 August 2007.

| Exprivia group (values in K Euro) | Q1 2008 | Q1 2007 | Variations % |
|-----------------------------------|---------|---------|--------------|
| Value of production | 22,449 | 11,110 | +102,06% |
| Net revenue | 21,746 | 10,412 | +108,86% |
| EBITDA | 3,431 | 1,139 | +201,23% |
| EBIT | 2,891 | 703 | +311,24% |
| Net Profit | 1,499 | 174 | +761,49% |

The **value of the consolidated production in the** first quarter 2008 was Euro 22.4 million, more than double compared to the same period of the previous financial year (Euro 11.1 million). This variation is to be attributed to the 15% increase in revenues compared to the same consolidation perimeter of the previous year and 87% to the supply of the new acquisitions WelNetwork and Svimservice which have contributed to the consistent growth of the Health and Industry Business Lines.

The **consolidated EBITDA margin** is Euro 3.4 million with a consistent increase compared to the results of the first quarter 2007 of Euro 1.1 million.

The **consolidated EBIT margin** recorded an even more important improvement at Euro 2.9 million compared to Euro 0.7 million at 31 March 2007.

The **net profit** for the first quarter 2008 is Euro 1.5 million, compared to the same period of the previous financial year (Euro 0.2 million).

| Exprivia group (values in K Euro) | 31/03/2008 | 31/12/2007 |
|-----------------------------------|------------|------------|
| Net worth of the group | 47,549 | 45,661 |
| Net Financial Position | (36,856) | (33,957) |

The **consolidated net financial position** at 31 March 2008 was Euro –36.8 million compared to Euro –33.9 million at 31/12/07. The increase of Euro 2.9 million is, essentially, to be attributed to a temporary

lengthening of the order reception and credit collection times (for Euro 2.2 million) and by greater investment (Euro 0.7 million).

The **Net worth** of the group at 31 March 2008 was at a value of Euro 47.5 million compared to Euro 45.7 million as at 31 December 2007.

Significant events in the first quarter 2008

Company Events

On **12 February 2008**, the Extraordinary Shareholders' Meeting resolved on the increase in the company capital by separate payment, to offer in option to shareholders as per Article 2441, sub-para. 1, Italian Civil Code by 31 December 2008, for maximum Euro 10,000,000.00 (Euro tenmillion), including the surcharge proposed by the Board of Directors.

On **31 March 2008**, the Ordinary Shareholders' Meeting of the company approved the Balance Sheet for the 2007 Financial Year and renewed the administrative and control bodies.

On **31 March 2008**, the Board of Directors arranged for the:

- ✓ attribution of the position of managing director to the president, Domenico Favuzzi;
- ✓ appointment of Dante Altomare and Giancarlo Di Paola as vice presidents of the company;
- ✓ constitution of the Internal Control Committee consisting of Pierfilippo Roggero (independent director), Co-ordinator of the Committee, Alessandro Laterza (independent director), Rosa Daloiiso (non-executive director) and Renato Beltrami (president of the Board of Auditors);
- ✓ constitution of the Salaries Committee consisting of Pierfilippo Roggero (independent director) Co-ordinator of the Committee, Alessandro Laterza (independent director), Rosa Daloiiso (non-executive director) and Renato Beltrami (president of the Board of Auditors).

On **9 April 2008**, the new Board of Directors, in compliance with the provisions of the Self-Discipline Code, and at the suggestion of the Internal Control Committee, also:

- ✓ a) located the function of Executive Director appointed to superintend the operation of the whole system of internal control with Domenico Favuzzi, managing director;
- ✓ b) attributed the function of Internal Audit, i.e., the role of supervisor of internal control, to the manager of the Quality and Organisation function, Rosa Daloiiso;
- ✓ c) formally attributed the role of senior manager responsible for drawing up the company accounting documents to the head of the Administration and Finance Division, Pietro Sgobba.

Acquisitions/Divestments in the sphere of the Exprivia group

On **31 January 2008**, Exprivia SpA increased the holding in ClinicHall S.r.l. by 4% (taking it to 44%), by underwriting part of the capital increase left unassigned.

On **25 February 2008**, Exprivia SpA increased the holding in G.S.T. S.r.l. by 1.3% (taking it to 66.846%), by buying part of the stake surrendered by another shareholder.

Stock Option Plan

On **28 February 2008**, implementing the regulation approved on 20 December 2006, the Board of Directors resolved the assignment of a third batch of an overall 1,028,000 personal and non-transferable option rights relating to 2008, allocated to 113 people. The Board also identified, as conditions of maturity of the options for this third part, achievement of the performance objectives referring to the consolidated EBTIDA (gross operating margin) of the Exprivia group as shown in the balance sheet for the 2008 financial year.

On **9 April 2008**, the Board of Directors noted that the conditions of maturity of 1,031,000 option rights, assigned on 29 June 2007 with the second batch relating to 2007, had not been achieved; as a result, these options were made available for a new assignment.

Consequently, the BoD resolved on the assignment of a fourth and last batch of an overall 1,052,300 option rights of which 2,800 have not yet been assigned, 18,500 have returned from the first assignment but have not matured as the assignees have left the company and 1,031,000 have returned due to the failure to achieve the maturity of the second batch and so can be assigned once more. The options are personal and cannot be transferred and were intended for 114 people. The Board also identified achievement of the same objectives set for the third batch, i.e., achievement of the performance objectives referring to the consolidated EBTIDA (gross operating margin) of the Exprivia group, as shown in the balance sheet for the 2008 financial year, as conditions of maturity of the options for this fourth batch.

Overall, all the 3,300,000 options set out by the plan have been assigned with the assignment of the fourth part.

Expected management evolution

After giving priority to and following a significant activity of control and cost reduction, which led to concrete results in 2007 with a clear increase in the industrial margins of the Business and Service Lines, the management objective for 2008 is aimed at launching effective and fast commercial development to expand the market share in strategic sectors. This is already partly visible in the first quarter results. In order to achieve this objective, a managerial structure is being defined which will tend to operationally integrate both the commercial and industrial organisations of the Exprivia group and the two companies, Svmservice SpA and Wel.Network SpA, which became part of the group from 1 December 2007.

Development prospects

The results achieved in 2007 and, in particular, in the second half of the accounting period, enable the aims of strategic evolution communicated to the market since February 2006 and valid until the end of the 2008 accounting period to be confirmed. The declared aim of the Exprivia group was that of becoming a player able to position itself among the leading national ICT groups, focussing its operating strategy on innovation and speed. Therefore, it is considered that this result has substantially been achieved although the expected growth in income and margins must still be confirmed in the current financial year.

For this reason, and the consolidation of the group, which has grown after the recent acquisitions and is to be completed in 2008, that the Exprivia management intends to start the definition of a new three-year development plan in the second half of 2008 (valid for 2009-2011). There will be a strong focus on the internationalisation process of the Exprivia group, which is considered to be a necessary passage to ensuring a positive evolution of all the industrial activity at the base of this plan. The expansion in foreign markets, which could be achieved – also at a later stage – through international joint ventures, creations of new dedicated companies or acquisitions of small/medium local companies, will be based on the offer formed of the proprietary solutions of the company and that niche of technological and functional consultancy services with greater speed of growth.

A significant activity of research and development in both a national and international context will be developed in support of that plan, privileging the application/technological sectors which promise spin-offs in 3-5 years, and an internal programme reinforcing human resources will be launched with the aim of strengthening management and growth ability and attracting new talent for allocation to the development of the new markets.

ORGANISATIONAL MANAGEMENT AND CONTROL MODEL AS PER LEGIS. DEC. 231/2001

On 31 March 2008, the Board of Directors of Exprivia S.p.A. resolved on the adoption of the Organisation, Management and Control Model as per Legislative Decree 231/01, actively undertaking to respect it and to have it respected, and the constitution of the Surveillance Body consisting of Angelantonio De Palma, president, Mariacecilia Guglielmi, business lawyer and Giulio Guarino. This body will operate for all the companies of the group.

Relationships between the subsidiaries of the group

Important collaborations between the companies of the group have been created aimed at both an optimisation of the operational structures and staff and at collaborations in a commercial, technological and applicational sphere. The following are of particular note:

- ✓ widespread inside the group of the specific Corporate marketing and communications competences with the creation of paper, digital and Web promotional material;
- ✓ centralised management for the supply of specialist technical resources among the group companies to manage critical moments of turnover and make the highly specialist technical competences usable by all the operational units;
- ✓ co-ordinated participation by Exprivia in public calls for tender with the contribution of all the companies, according to the specific competences;
- ✓ use of integrated IT accounting systems, to enable the centralisation and optimisation of the administrative and financial management, and an integrated and centralised system of accounting management of projects and orders;
- ✓ centralisation of the logistics function on behalf of all companies.

There is a cash pooling relationship within the Exprivia group which is based on collaboration with some leading credit institutes and is regulated with a particularly favourable interest rate.

Relationships with subsidiaries and affiliated companies

The ratios of existing debits and credits, both of a commercial and financial nature between companies in the Exprivia group and affiliated companies are highlighted in the following tables:

| Description | Credits | Advances | Debits | Costs |
|--------------------------------------|----------------|-----------------|----------------|----------------|
| Geosim | 85,066 | | | |
| Mindmotion S.r.l. bankrupt | 219,150 | | 63,344 | |
| Provision for bad debts Mindmotion | (55,805) | | | |
| Impression | 80,486 | | | |
| Provision for bad debts Impression | (80,486) | | | |
| San Vincente | 12,820 | | | |
| Provision for bad debts San Vincente | (12,820) | | | |
| Network Services S.r.l. | | 176,996 | 54,031 | 480,925 |
| Amplomb S.r.l. | 392,953 | | 22,500 | 172,658 |
| Domenico Di Paola | 2,509 | | 92,961 | |
| TOTALS | 643,873 | 176,996 | 232,836 | 653,583 |

Exprivia Group Consolidated Balance Sheet

Consolidated asset and liability statement

| | 31/03/2008 | 31/03/2007 | 31/12/2007 |
|---------------------------------------|-------------------|-------------------|-------------------|
| NON CURRENT ASSETS | | | |
| Property, Plant and Equipment | 8,384,685 | 7,872,670 | 8,469,368 |
| Land and Buildings | 6,442,554 | 6,652,765 | 6,495,106 |
| Fixed assets in progress and advances | 64,128 | 64,128 | 64,128 |
| Other assets | 1,878,003 | 1,155,777 | 1,910,134 |
| Goodwill and Undefined Assets | 60,758,449 | 26,713,346 | 60,538,955 |
| Goodwill | 28,164,666 | 22,825,587 | 28,164,666 |
| Consolidation difference | 32,593,783 | 3,887,759 | 32,374,289 |
| Other Intangible Assets | 2,265,004 | 2,519,979 | 2,129,426 |
| Intangible assets | 242,250 | 66,461 | 132,876 |
| Research and development costs | 2,022,754 | 2,216,565 | 1,996,550 |
| Fixed assets in progress and advances | | 236,953 | |
| Shareholdings | 1,861,363 | 1,439,256 | 1,838,363 |
| Shareholdings in subsidiaries | | | |
| Shareholding in affiliates | 450,835 | 150,000 | 427,835 |
| Shareholdings in other companies | 1,410,528 | 1,289,256 | 1,410,528 |
| Other Financial Assets | 275,531 | 51,386 | 277,209 |
| Receivables to subsidiaries | 31,097 | 31,968 | 31,097 |
| Receivables to affiliates | | | |
| Receivables to parent companies | | | |
| Receivables to others | 244,434 | 13,333 | 246,112 |
| Other Securities | | 6,085 | |
| Deferred tax credits | 1,079,153 | 937,760 | 1,083,394 |
| Tax advances/Deferred taxes | 1,079,153 | 937,760 | 1,083,394 |
| TOTAL NON CURRENT ASSETS | 74,624,185 | 39,534,397 | 74,336,715 |

| | 31/03/2008 | 31/03/2007 | 31/12/2007 |
|---|--------------------|-------------------|--------------------|
| CURRENT ASSETS | | | |
| Commercial and other Credits | 51,824,408 | 33,419,428 | 50,443,102 |
| Receivables to customers | 41,385,186 | 25,776,329 | 40,768,526 |
| Receivables to subsidiaries | | | |
| Receivables to affiliates | 132,401 | | 108,901 |
| Receivables to parent companies | 418,642 | 376,964 | 403,964 |
| Receivables to affiliated companies | 641,364 | 248,411 | 248,411 |
| Receivables to others | 7,253,935 | 5,869,376 | 7,639,342 |
| Tax credits | 443,944 | 435,424 | 670,210 |
| Accrued earnings and deferred assets | 1,548,936 | 712,924 | 603,748 |
| Stock | 999,078 | 415,197 | 284,504 |
| Stock | 999,078 | 415,197 | 284,504 |
| Work in progress to order | 1,869,452 | 581,051 | 879,121 |
| Work in progress to order | 1,869,452 | 581,051 | 879,121 |
| Current Financial Assets | 5,463 | | 6,316 |
| Other Securities | 5,463 | | 6,316 |
| Liquid Assets | 1,894,333 | 1,099,619 | 6,171,365 |
| Bank Credits | 1,883,260 | 1,092,604 | 6,164,395 |
| Cheques and Cash in Hand | 11,073 | 7,015 | 6,970 |
| ASSETS CLASSIFIED AS HELD FOR SALE AND INCLUDED IN DIVESTED AGGREGATES | 57,115 | | 87,647 |
| Shareholdings in subsidiary companies | 57,115 | | 87,647 |
| TOTAL CURRENT ASSETS | 56,649,849 | 35,515,295 | 57,872,055 |
| TOTAL ASSETS | 131,274,034 | 75,049,692 | 132,208,770 |

| | 31/03/2008 | 31/03/2007 | 31/12/2007 |
|--|-------------------|--------------------|--------------------|
| NET WORTH | | | |
| Company Capital | 21,801,519 | 17,642,488 | 21,801,519 |
| Company capital | 21,801,519 | 17,642,488 | 21,801,519 |
| Own Shares | (52,198) | | |
| Own shares | (52,198) | | |
| Surplus Reserve | 12,215,082 | 1,999,113 | 12,215,082 |
| Share surplus | 12,215,082 | 1,999,113 | 12,215,082 |
| Appreciation Reserve | 2,672,905 | 3,033,230 | 2,672,905 |
| Appreciation reserve | 2,672,905 | 3,033,230 | 2,672,905 |
| Other Reserves | 7,490,319 | 7,634,150 | 7,076,021 |
| Legal Reserve | 158,860 | | 54,944 |
| Deposits future Capital increase Account | 5,000,000 | 6,000,000 | 5,000,000 |
| Extraordinary Reserve | | | |
| Other Reserves | 1,947,368 | 1,627,471 | 1,636,986 |
| IAS Transaction Reserve | 124,949 | 142,675 | 124,949 |
| IAS Reserve | 378,051 | | 378,051 |
| IAS Tax Effect | (118,909) | (135,996) | (118,909) |
| Fund to cover losses | | | |
| Results from Previous Years | 2,151,693 | (1,576,127) | (1,341,424) |
| Profits/(Losses) from previous years | 2,151,693 | (1,576,127) | (1,341,424) |
| Profit/Loss for the period | 1,499,236 | 173,652 | 3,483,361 |
| TOTAL NET WORTH | 47,778,556 | 28,906,506 | 45,907,464 |
| Minority holding | 229,383 | 161,565 | 246,357 |
| TOTAL GROUP NET WORTH | 47,549,173 | 28,744,941 | 45,661,107 |

| | 31/03/2008 | 31/03/2007 | 31/12/2007 |
|---|-------------------|-------------------|-------------------|
| NON CURRENT LIABILITIES | | | |
| Non Current Payables to Banks | 19,542,188 | 4,170,948 | 20,688,137 |
| Non current payables to banks | 19,542,188 | 4,170,948 | 20,688,137 |
| Other Financial Liabilities | 893,373 | 1,629,483 | 893,373 |
| Payables to other financiers | | | |
| Tax and social security debts beyond the period | 893,373 | 1,629,483 | 893,373 |
| Provisions for Risks and Charges | 499,197 | 80,000 | 499,197 |
| Other reserves | 499,197 | 80,000 | 499,197 |
| Staff Related Funds | 7,181,515 | 4,479,429 | 7,405,069 |
| Directors' Severance Indemnity (D.S.I.) | | | 92,961 |
| Employee Severance Indemnity (E.S.I.) | 7,181,515 | 4,479,429 | 7,312,108 |
| Deferred Tax Debts | 598,966 | 211,789 | 594,990 |
| Deferred tax funds | 598,966 | 211,789 | 594,990 |
| TOTAL NON CURRENT LIABILITIES | 28,715,239 | 10,571,649 | 30,080,766 |

| | 31/03/2008 | 31/03/2007 | 31/12/2007 |
|--|--------------------|-------------------|--------------------|
| CURRENT LIABILITIES | | | |
| Current Payables to Banks | 19,207,791 | 13,583,395 | 19,440,062 |
| Current payables to banks | 19,207,791 | 13,583,395 | 19,440,062 |
| Payables to Suppliers | 11,349,611 | 6,274,068 | 11,003,817 |
| Payables to suppliers | 11,349,611 | 6,274,068 | 11,003,817 |
| Advances on Work in Progress to Order | 69,339 | 1,680 | 65,159 |
| Advances | 69,339 | 1,680 | 65,159 |
| Other Financial Liabilities | 2,571,333 | 559,863 | 2,683,528 |
| Payables to subsidiaries | 76,951 | 991 | 87,963 |
| Payables to subsidiaries | 1,443 | | 1,443 |
| Payables to parent companies | 250,001 | | 250,000 |
| Payables to affiliates | 117,375 | 239,458 | 218,559 |
| Payables to others | 2,125,563 | 319,414 | 2,125,563 |
| Tax Debts | 4,698,560 | 2,843,986 | 5,218,326 |
| Tax debts | 4,698,560 | 2,843,986 | 5,218,326 |
| Other Current Liabilities | 16,883,605 | 12,308,545 | 17,809,648 |
| Payables to welfare and social security institutes | 2,623,660 | 2,277,555 | 3,506,556 |
| Other payables | 9,616,844 | 5,574,306 | 9,747,034 |
| Accrued costs | 721,928 | 324,425 | 339,434 |
| Deferred earnings | 3,921,173 | 4,132,259 | 4,216,624 |
| Liabilities included in divested aggregates | | | |
| TOTAL CURRENT LIABILITIES | 54,780,239 | 35,571,537 | 56,220,540 |
| TOTAL LIABILITIES | 131,274,034 | 75,049,692 | 132,208,770 |

Consolidated Profit and Loss Account

| | 31/03/2008 | 31/03/2007(*) | 31/12/2007 |
|--|-------------------|-------------------|-------------------|
| REVENUE | 19,509,230 | 9,859,306 | 61,685,222 |
| Revenue from sales and services | 19,509,230 | 9,859,306 | 61,685,222 |
| OTHER PROCEEDS | 464,604 | 449,118 | 2,253,399 |
| Other proceeds and revenue | 137,746 | 101,648 | 1,061,937 |
| Contributions to the quarter's account | 326,858 | 346,099 | 1,191,449 |
| Surpluses | | 1,371 | 13 |
| VARIATIONS IN STOCK OF FINISHED PRODUCTS AND PRODUCTS IN PROGRESS | 2,474,912 | 801,945 | 1,890,942 |
| Var. in stock of products in progress, semi-finished products | 410,631 | (18,464) | (17,437) |
| Variation in work in progress to order | 1,826,604 | 570,804 | 879,121 |
| Increase in fixed assets for internal work | 237,677 | 249,605 | 994,384 |
| TOTAL PRODUCTION REVENUE | 22,448,746 | 11,110,369 | 65,829,563 |
| RAW MATERIALS AND CONSUMABLES USED | 1,394,902 | 207,853 | 3,287,266 |
| Cost of raw and subsidiary materials, consumables and goods | 1,394,902 | 207,853 | 3,287,266 |
| EMPLOYEE BENEFIT-RELATED COSTS | 12,109,662 | 7,333,219 | 36,756,620 |
| Salaries and wages | 9,194,659 | 5,579,274 | 28,402,770 |
| Social security contributions | 2,301,074 | 1,372,463 | 6,921,751 |
| Employee severance indemnity | 497,094 | 281,339 | 1,036,001 |
| Other staff costs | 116,835 | 100,143 | 396,098 |
| OTHER COSTS | 5,513,044 | 2,430,633 | 15,687,299 |
| Other service costs | 4,810,720 | 2,103,895 | 12,502,357 |
| Costs to enjoy third party assets | 484,286 | 211,792 | 1,278,964 |
| Sundry management costs | 218,038 | 114,946 | 1,323,130 |
| Stock and reserves | | | 582,848 |
| Extraordinary charges | | | |
| TOTAL PRODUCTION COSTS | 19,017,608 | 9,971,705 | 55,731,185 |
| DIFFERENCE BETWEEN PRODUCTION COSTS AND REVENUE | 3,431,138 | 1,138,664 | 10,098,378 |

| | 31/03/2008 | 31/03/2007 | 31/12/2007 |
|---|------------------|-----------------|------------------|
| DEPRECIATION AND DEVALUATION | 540,548 | 435,721 | 2,234,977 |
| Ordinary depreciation of intangible fixed assets | 238,311 | 272,548 | 1,308,865 |
| Ordinary depreciation of tangible fixed assets | 252,918 | 163,173 | 861,034 |
| Credit devaluations included in circulating assets | 49,319 | | 65,078 |
| FINANCIAL PROCEEDS AND CHARGES | 659,362 | 228,486 | 1,464,515 |
| Proceeds from shareholdings from subsidiary companies | | | (1,488,210) |
| Proceeds other than those listed above | (10,102) | (76,129) | (236,033) |
| Interest and other financial charges | 668,717 | 304,102 | 1,518,151 |
| Charges from subsidiaries | | | 29,341 |
| Profits and losses on exchanges | 747 | 513 | (94) |
| Financial asset value adjustments | | | |
| Depreciation of shareholdings | | | 1,641,360 |
| TOTAL COSTS | 1,199,910 | 664,207 | 3,699,492 |
| PRE-TAX RESULT | 2,231,228 | 474,457 | 6,398,886 |
| INCOME TAX | 731,992 | 300,805 | 2,915,525 |
| IRES | | 20,373 | 1,204,591 |
| IRAP | 565,118 | 280,432 | 1,613,889 |
| Taxes from previous years | | | 106,236 |
| Deferred taxes | 170,484 | | 1,408,254 |
| Tax advances | (3,610) | | (1,417,445) |
| OPERATING PROFIT OR LOSS | 1,499,236 | 173,652 | 3,483,361 |
| Attributable to: | | | |
| PARENT COMPANY SHAREHOLDERS | 1,499,977 | 191,059 | 3,409,272 |
| MINORITY SHAREHOLDERS | (741) | (17,407) | 74,089 |

(*) The data to 31.03.2007 does not include Svimservice S.p.A. and Wel.Network S.p.A.

Consolidated Financial Statement

| | 31.03.2008 | 31.03.2007 | 31/12/2007 |
|--|--------------------|------------------|---------------------|
| Income Management Operations: | | | |
| - Profit (Loss) | 1,499,236 | 173,652 | 3,483,361 |
| - Depreciation and devaluation of fixed assets | 491,229 | 435,721 | 2,169,899 |
| - E.S.I. Reserve | 497,094 | 281,339 | 1,036,001 |
| - E.S.I. advances/payments | (720,648) | (158,414) | 2,012,564 |
| - Financial asset value adjustments | | | |
| Cash flow resulting from income management | 1,766,911 | 732,298 | 8,701,825 |
| Increases/Reductions in circulating assets and liabilities: | | | |
| - Variation in stock and advances | (1,704,905) | (481,248) | (648,625) |
| - Variation in receivables to customers | (616,660) | 1,531,471 | (13,460,726) |
| - Variation in receivables to parent companies/subsidiaries/affiliates | (431,131) | (9,000) | (144,901) |
| - Variation in receivables to others | 643,058 | (122,350) | (2,214,749) |
| - Variation in payables to suppliers | 345,794 | (467,491) | 4,262,258 |
| - Variation in payables to parent companies/subsidiaries/affiliates | (112,195) | (81,218) | 605,768 |
| - Variation in tax and social security debts | (1,402,662) | (586,572) | 2,280,659 |
| - Variation in payables to others | (126,010) | 334,839 | 6,007,725 |
| - Variation in accrued earnings/deferred assets | (945,188) | (238,043) | (128,867) |
| - Variation in accrued expenses | 87,043 | (62,160) | 37,214 |
| - Variation in risk fund reserve | 3,976 | (135,400) | 666,998 |
| Cash flow resulting from (used by) circulating assets and liabilities | (4,258,880) | (317,172) | (2,737,246) |
| Cash flow resulting from (used by) current assets | (2,491,969) | 415,126 | 5,964,579 |
| Investments: | | | |
| - Variation in tangible fixed assets | (168,235) | (106,570) | (1,401,129) |
| - Variation in intangible fixed assets | (593,383) | (251,891) | (34,723,264) |
| - Variation in financial fixed assets | (17,081) | (133,505) | (910,385) |
| Cash flow resulting from (used by) investment activities | (778,699) | (491,966) | (37,034,778) |
| Financial assets: | | | |
| - Variation in other reserves | 371,856 | 174,834 | 13,866,083 |
| Cash flow resulting from (used by) financial assets | 371,856 | 174,834 | 13,866,083 |
| Increases (decreases) in cash | (2,898,812) | 97,994 | (17,204,116) |
| Banks and cash in credit at start of year | 6,171,365 | 1,509,360 | 1,509,360 |
| Banks and cash in debit at start of year | (40,128,199) | (18,262,078) | (18,262,078) |
| Banks and cash in credit at end of period | 1,894,333 | 1,099,619 | 6,171,365 |
| Banks and cash in debit at end of period | (38,749,979) | (17,754,343) | (40,128,199) |
| Increases (decreases) in cash in hand | (2,898,812) | 97,994 | (17,204,116) |

ACCOUNTING PRINCIPLES AND PREPARATION CRITERIA

DECLARATION OF CONFORMITY WITH INTERNATIONAL IFRS REPORTING STANDARDS

The quarterly report to 31 March 2008 of the Exprivia group and the balance sheet of Exprivia S.p.A. have been drawn up in conformity with the International Accounting Standards homologated by the European Community (indicated below individually as IAS/IFRS or overall as IFRSs), as described by Art. 81 of Issuer's Regulations 11971, issued by CONSOB on 14/05/99, and subsequent amendments and integrations.

In conformity with the provisions of IFRs principle No. 1, we declare that we have applied all the IAS/IFRS international accounting standards in force at the date of the balance sheet to the preparation of the quarterly report to 31 March 2008 of the Exprivia group and the balance sheet of Exprivia S.p.A.

Consolidation Area

The quarterly report to 31 March 2008 includes the economic and financial situations and that of the net worth of the parent company Exprivia S.p.A. and the other subsidiary companies. It is highlighted that the consolidation area has undergone a variation in Q1 2008, compared to 31 December 2007, following the reintegration of the Aemedia S.r.l. shareholding in the consolidation area as resolved on by the BoD of Exprivia S.p.A. on 29 April 2008. The decision was taken to use it as a specialised corporate vehicle for the development of SAP applications in the manufacturing sector, therefore reactivating this company from the industrial and commercial point of view.

The companies subject to consolidation are shown in the Table below:

| Company | Area |
|---------------------------|--|
| Exprivia Solutions S.p.A. | Industry Telecommunications and Media/Public Administration. Transport & Utilities |
| Exprivia Projects S.p.A. | Industry Telecommunications and Media/Public Administration. Transport & Utilities |
| GST S.r.l. | Health and Medical |
| Svimservice S.p.A. | Health and Medical/Public Administration. Transport & Utilities |
| Aemedia S.r.l. | Industry Telecommunications and Media |
| Al Faro | Public Administration. Transport & Utilities |
| Wel.Network S.p.A. | Industry Telecommunications and Media |

The main data of the aforesaid subsidiaries, consolidated with the integral method. They are summarised as follows:

| Company | Office | Company capital | Result of period | Net assets | Value of production | Total Asset | % of holding |
|----------------------------------|-------------------------|-----------------|------------------|------------|---------------------|-------------|--------------|
| Exprivia Solutions S.p.A. | Roma | 170,795 | 13,624 | 191,070 | 1,031,561 | 4,625,119 | 100.00% |
| Exprivia Projects S.p.A. | Roma | 242,000 | (5,859) | 256,527 | 779,600 | 2,543,387 | 100.00% |
| GST S.r.l. | Trento | 26,000 | (2,236) | 691,876 | 504,832 | 2,897,721 | 66.85% |
| Svimservice S.p.A. | Bari | 1,548,000 | 1,448,376 | 3,641,471 | 6,393,673 | 17,122,406 | 100.00% |
| Al Faro | Bari | 52,000 | (1,847) | 50,531 | | 59,891 | 100.00% |
| Wel.Network S.p.A. | Piacenza | 1,500,000 | 108,898 | 1,665,169 | 3,997,818 | 10,012,728 | 100.00% |
| Aemedia S.r.l. | Anzola dell'Emilia (BO) | 10,000 | (385) | 8,057 | | 8,541 | 100.00% |

The 100%-held company Farm Multimedia S.r.l. in liquidation, is not included in the consolidation perimeter as not relevant.

INFORMATION

Please find below some items in the Asset and Liability Statement and Profit and Loss Account, drawn up according to international accounting standards (IAS/IFRS). All the figures shown in the Tables below are expressed in thousands of Euro.

NET WORTH

| Operations | Company capital | Own shares | Share premium reserve | Other reserves | Appreciation reserve | Profits (Losses) carried forward | Profit (Loss) for the period | Total net worth | Minority share-holding | Total group net worth |
|--|-------------------|-----------------|-----------------------|------------------|----------------------|----------------------------------|------------------------------|-------------------|------------------------|-----------------------|
| Balance 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 |
| Allocation 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 |
| Perimeter adjustments | | | | | | 117,906 | | 117,906 | | 117,906 |
| Result at 31/12/2006 | | | | | | | 1,111,972 | 1,111,972 | 34,901 | 1,077,071 |
| Balance 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 of own shares | | 53,557 | | | | | | 53,557 | | 53,557 |
| Stock Option Plan | | | | 121,275 | | | | 121,275 | | 121,275 |
| Allocation of result: | | | | 54,944 | | 1,057,028 | (1,111,972) | | | |
| Changes in consolidation perimeter | | | | | | 159,240 | | 159,240 | | |
| Purchase own shares | | (99,597) | | | | | | (99,597) | | |
| Capital increase as a result of WelNetwork acquisition | 560,828 | | 1,814,172 | | | | | 2,375,000 | | |
| Capital increase as a result of Svimservice acquisition | 1,452,988 | | 4,547,012 | | | | | 6,000,000 | | |
| Drawdown future capital increase account reserve Abaco Innovazione SpA | 2,145,215 | | 3,854,785 | (6,000,000) | | | | | | |
| Sale of own shares | | 99,597 | | | | | | 99,597 | | |
| Reserve made available as a result of IAS adjustments | | | | 360,325 | (360,325) | 130,409 | | 130,409 | | |
| Deposits future capital increase account reserve Abaco Innovazione SpA | | | | 5,000,000 | | | | 5,000,000 | | |
| Capital increase costs | | | | (129,516) | | | | (129,516) | | |
| IAS tax effect | | | | 17,087 | | | | 17,087 | | |
| Stock Option | | | | 139,031 | | | | 139,031 | | |
| Result at 31/12/2007 | | | | | | | 3,483,361 | 3,483,361 | 69,319 | 3,414,042 |
| Balance at 31/12/2007 | 21,801,519 | | 12,215,082 | 7,076,021 | 2,672,905 | (1,341,424) | 3,483,361 | 45,907,464 | 246,358 | 45,661,107 |
| Purchase own shares | | (52,198) | | | | | | (52,198) | | |
| Allocation of result to Legal Reserve | | | | 103,916 | | | (3,483,361) | (3,379,445) | | |
| Allocation of result to other reserves | | | | 310,382 | | | | 310,382 | | |
| Allocation of result profit/loss carried forward | | | | | | 3,069,063 | | 3,069,063 | | |
| Variation to consolidation area | | | | | | 424,054 | | 424,054 | | |
| Result at 31/03/08 | | | | | | | 1,499,236 | 1,499,236 | (16,975) | |
| Balance at 31/03/2008 | 21,801,519 | (52,198) | 12,215,082 | 7,490,319 | 2,672,905 | 2,151,693 | 1,499,236 | 47,778,556 | 229,383 | 47,549,173 |

COMPANY CAPITAL

The company capital, fully paid-up, totals Euro 21,801,518.96 and consists of 41,925,998 ordinary shares of a nominal value of Euro 0.52 each.

OWN SHARES

The balance totals –52,198 as the result of the purchase of own shares.

SHARE PREMIUM RESERVE

At 31 March 2008, the balance totalled Euro 12,215,082.

APPRECIATION RESERVE

At 31 March 2008, it totalled Euro 2,672,905.

OTHER RESERVES

The balance at 31 March 2008 amounts to Euro 7,490,319 and refers to the following details:

- ✓ Euro 158,860 'legal reserve' with an increase of Euro 103,916 compared to 31 December 2007 relating to the allocation of 5% of the result of the previous year, as resolved on by the shareholders' meeting on 31 March 2008.
- ✓ Euro 5,000,000 'future capital increase account reserve' relating to the payment made by the shareholder Abaco Innovazione on 28 November 2007.
- ✓ Euro 82,000 for the 'extraordinary reserve'.
- ✓ Euro 1,418,000 'other reserves' relating to contributions received.
- ✓ Euro 633,840 'stock option reserve' set up for the exercise of the option right following the fulfilment of the stock option plan.
- ✓ Euro -186,472 relating to consultancy costs for the capital increase operation.
- ✓ Euro 124,949 'IAS/IFRS transition reserve' deriving from the variations made following the adoption of IFRS.
- ✓ Euro 378,051 'IAS/IFRS transition reserve' available.
- ✓ Euro -118,909 'IAS/IFRS tax effect reserve' being the tax effect calculated on the variations made following the adoption of the accounting standards.

RESULTS OF PREVIOUS PERIODS

The profit from previous years amounts to Euro 2,151,693.

Consolidated Income

The income on sales and services in the first quarter 2008, including the variations of work in progress on orders and those to the stocks produced, amounted to Euro 21,746,465 compared to Euro 10,411,646.

Consolidated Expenditure

The detail relating to the purchase of raw materials in the first quarter 2008 is shown below:

| Description | Q1 2008 | Q1 2007 | Variations |
|---|------------------|----------------|------------------|
| Purchase of HW-SW products | 1,279,574 | 119,474 | 1,160,100 |
| Purchase of HW-SW maintenance | 55,946 | 60,163 | (4,217) |
| Purchase of equipment for installations | 30 | | 30 |
| Stationery and consumables | 35,052 | 9,598 | 25,454 |
| Oil and fuel | 23,789 | 14,376 | 9,413 |
| Transport and freight on purchases | 511 | 1,887 | (1,376) |
| Sundry purchases | | 2,355 | (2,355) |
| TOTALS | 1,394,902 | 207,853 | 1,187,049 |

Labour

Labour costs in the first quarter 2008 totalled Euro 12,109,662 compared to Euro 7,333,219 in the same period of the previous year.

Costs for services

The cost of the performance of services is broken down as follows:

| Description | Q1 2008 | Q1 2007 | Variations |
|--|------------------|------------------|------------------|
| Technical and commercial consultancy | 1,910,789 | 666,518 | 1,244,271 |
| Administrative/company/legal consultancy | 305,776 | 187,188 | 118,588 |
| Consultancy to affiliated companies | 499,836 | 425,665 | 74,171 |
| Data processing service | 268,16 | | |
| Auditors' emoluments | 110,393 | 29,515 | 80,878 |
| Travel and transfer expenses | 612,329 | 421,318 | 191,011 |
| Other staff costs | 163,776 | 14,534 | 149,242 |
| Utilities | 236,008 | 186,142 | 49,866 |
| Advertising expenses/agency fees | 48,180 | 32,307 | 15,873 |
| Insurance | 65,536 | 39,148 | 26,388 |
| Cost of temporary staff | 318,087 | 0 | 318,087 |
| Other costs | 271,848 | 101,560 | 170,288 |
| TOTALS | 4,810,720 | 2,103,895 | 2,706,825 |

Depreciation and devaluation

Depreciation and devaluation in Q1 2008 totalled Euro 540,548 compared to Euro 435,721 in the first quarter 2007 and refers to Euro 238,311 relating to intangible assets, Euro 252,918 for tangible assets and Euro 49,319 to the devaluations included in the current assets.

Financial charges and income

The financial returns in the first quarter of 2008 amounted to Euro 10,102 compared to Euro 76,129 of the first quarter 2007, while financial charges totalled Euro 669,464 compared to Euro 304,615.

Profit for the period

The profit for the first quarter 2008 amounted to Euro 1,499,236 compared to the profit of Euro 173,652 recorded for the first quarter of 2007.

Exprivia Balance Sheet

Asset and Liability Statement Exprivia S.p.A

| | 31/03/2008 | 31/03/2007 | 31/12/2007 |
|--|-------------------|-------------------|-------------------|
| NON CURRENT ASSETS | | | |
| Property, Plant and Equipment | 7,272,266 | 7,612,483 | 7,381,365 |
| Land and Buildings | 6,442,554 | 6,652,765 | 6,495,106 |
| Fixed assets in progress and advances | 64,128 | 64,128 | 64,128 |
| Other assets | 765,585 | 895,590 | 822,131 |
| Property investment | - | - | - |
| Land and Buildings | | | |
| Assets under construction and advances | | | |
| Goodwill and undefined assets | 24,898,814 | 24,298,814 | 24,898,814 |
| Goodwill | 24,898,814 | 24,298,814 | 24,898,814 |
| Consolidation difference | | | |
| Other Intangible Assets | 1,914,453 | 1,875,720 | 1,859,596 |
| Intangible assets | 32,610 | 38,516 | 23,526 |
| Research and development costs | 1,881,843 | 1,837,204 | 1,836,070 |
| Assets under construction and advances | | | |
| Shareholdings | 37,262,424 | 3,161,193 | 40,176,022 |
| Shareholdings in subsidiaries | 35,859,442 | 1,873,712 | 38,796,041 |
| Shareholdings in affiliates | 137,500 | | 114,500 |
| Shareholdings in other companies | 1,265,481 | 1,287,481 | 1,265,481 |
| Other Financial Assets | 378,509 | 32,118 | 378,509 |
| Receivables to subsidiaries | 365,176 | 12,700 | 365,176 |
| Receivables to others | 13,333 | 13,333 | 13,333 |
| Other securities | | 6,085 | |
| Deferred Tax Credits | 929,414 | 759,414 | 929,414 |
| Tax advances/deferred taxes | 929,414 | 759,414 | 929,414 |
| TOTAL NON CURRENT ASSETS | 72,655,880 | 37,739,741 | 75,623,720 |

| | 31/03/2008 | 31/03/2007 | 31/12/2007 |
|---|--------------------|-------------------|--------------------|
| CURRENT ASSETS | | | |
| Commercial Credits and others | 31,126,669 | 28,705,248 | 25,996,942 |
| Receivables to customers | 16,956,831 | 17,415,680 | 18,197,993 |
| Receivables to subsidiaries | 6,693,499 | 4,502,978 | 1,091,983 |
| Receivables to affiliates | 19,780 | | |
| Receivables to parent companies | 418,642 | 376,964 | 403,964 |
| Receivables to affiliates | 248,411 | 248,411 | 248,411 |
| Receivables to others | 5,694,157 | 5,438,783 | 5,562,651 |
| Tax credits | 187,171 | 240,808 | 222,214 |
| Accrued earnings and deferred assets | 908,178 | 481,624 | 269,726 |
| Stock | 46,754 | 104,861 | 27,874 |
| Stock | 46,754 | 104,861 | 27,874 |
| Work in progress to order | 1,048,880 | 581,051 | 429,424 |
| Work in progress to order | 1,048,880 | 581,051 | 429,424 |
| Current Financial Assets | 5,463 | | 6,316 |
| Other securities | 5,463 | | 6,316 |
| Own shares | | | |
| Liquid Assets | 620,326 | 603,968 | 2,282,226 |
| Credit banks | 617,468 | 600,229 | 2,278,979 |
| Cheques and cash in hand | 2,858 | 3,739 | 3,247 |
| ASSETS CLASSIFIED AS HELD FOR SALE AND INCLUDED IN DIVESTED AGGREGATES | | - | 30,532 |
| Subsidiary shareholdings | | | 30,532 |
| TOTAL CURRENT ASSETS | 32,848,092 | 29,995,128 | 28,773,314 |
| TOTAL ASSETS | 105,503,972 | 67,734,869 | 104,397,034 |

| | 31/03/2008 | 31/03/2007 | 31/12/2007 |
|--|-------------------|--------------------|--------------------|
| NET WORTH | | | |
| Company Capital | 21,801,519 | 17,642,488 | 21,801,519 |
| Company capital | 21,801,519 | 17,642,488 | 21,801,519 |
| Credits to partners for payments still due | | | |
| Own Shares | (52,198) | | - |
| Own shares | (52,198) | | |
| Surplus Reserve | 12,215,082 | 1,999,113 | 12,215,082 |
| Share premiums | 12,215,082 | 1,999,113 | 12,215,082 |
| Appreciation Reserve | 2,672,905 | 3,033,230 | 2,672,905 |
| Appreciation reserve | 2,672,905 | 3,033,230 | 2,672,905 |
| Other Reserves | 7,490,318 | 7,634,150 | 7,076,021 |
| Legal reserve | 158,860 | | 54,944 |
| Non-distributable reserves | | | |
| Deposits future capital increase account | 5,000,000 | 6,000,000 | 5,000,000 |
| Euro conversion reserve | | | |
| Extraordinary reserve | | | |
| Other Reserves | 1,947,368 | 1,627,471 | 1,636,986 |
| Deferred tax provision | | | |
| Special reserve | | | |
| IAS transaction reserve | 124,949 | 142,675 | 124,949 |
| IAS reserve available | 378,051 | | 378,051 |
| IAS tax effect | (118,909) | (135,996) | (118,909) |
| Merger advance | | | |
| Fund to cover losses | | | |
| Own shares | | | |
| Results of previous years | (850,407) | (2,769,874) | (2,824,818) |
| Profits/(Losses) of previous years | (850,407) | (2,769,874) | (2,824,818) |
| Profit/Loss for the period | 1,977,997 | 322,729 | 2,078,328 |
| TOTAL NET WORTH | 45,255,217 | 27,861,836 | 43,019,037 |
| Minority holding | | | |
| TOTAL GROUP NET WORTH | 45,255,217 | 27,861,836 | 43,019,037 |

| | 31/03/2008 | 31/03/2007 | 31/12/2007 |
|---|-------------------|------------------|-------------------|
| NON CURRENT LIABILITIES | | | |
| Non current outstanding bonds | - | - | - |
| Bonds | | | |
| Convertible bonds | | | |
| Non current payables to banks | 18,151,742 | 4,170,948 | 18,876,514 |
| Non current payables to banks | 18,151,742 | 4,170,948 | 18,876,514 |
| Other Financial Liabilities | 306,390 | 741,660 | 306,390 |
| Payables to other financiers | | | |
| Tax and social security debts beyond the period | 306,390 | 741,660 | 306,390 |
| Provisions for Risks and Charges | 315,875 | | 315,875 |
| Other reserves | 315,875 | | 315,875 |
| Staff Related Funds | 3,342,296 | 3,565,834 | 3,328,843 |
| Employee Severance Indemnity | 3,342,296 | 3,565,834 | 3,328,843 |
| Deferred Tax Debts | 184,589 | 198,231 | 184,921 |
| Deferred tax funds | 184,589 | 198,231 | 184,921 |
| TOTAL NON CURRENT LIABILITIES | 22,300,893 | 8,676,673 | 23,012,543 |

| | 31/03/2008 | 31/03/2007 | 31/12/2007 |
|--|--------------------|-------------------|--------------------|
| CURRENT LIABILITIES | | | |
| Current outstanding bonds | | | |
| Current Payables to Banks | 14,888,955 | 11,165,894 | 15,593,448 |
| Current payables to banks | 14,888,955 | 11,165,894 | 15,593,448 |
| Payables to Suppliers | 6,159,342 | 3,696,258 | 5,334,641 |
| Payables to suppliers | 6,159,342 | 3,696,258 | 5,334,641 |
| Advances on Work in Progress to Order | 69,339 | 1,680 | 65,159 |
| Advances | 69,339 | 1,680 | 65,159 |
| Other Financial Liabilities | 2,949,241 | 5,734,420 | 2,637,683 |
| Bonded debts | | | |
| Payables to subsidiaries | 456,302 | 3,738,779 | 43,561 |
| Payables to affiliates | | | |
| Payables to parent companies | 250,000 | | 250,000 |
| Payables to affiliates | 117,375 | 239,458 | 218,559 |
| Payables to others | 2,125,563 | 1,756,183 | 2,125,563 |
| Tax Debts | 1,892,644 | 1,897,279 | 2,465,694 |
| Tax debts | 1,892,644 | 1,897,279 | 2,465,694 |
| Other Current Liabilities | 11,988,340 | 8,700,829 | 12,268,829 |
| Payables to welfare and social security institutes | 1,590,179 | 1,668,847 | 2,001,442 |
| Other payables | 6,542,995 | 2,777,020 | 6,604,343 |
| Accrued costs | 635,135 | 313,800 | 314,326 |
| Deferred earnings | 3,220,032 | 3,941,162 | 3,348,718 |
| Liabilities included in divested aggregates | | | |
| TOTAL CURRENT LIABILITIES | 37,947,862 | 31,196,360 | 38,365,454 |
| TOTAL LIABILITIES | 105,503,972 | 67,734,869 | 104,397,034 |

Profit and Loss Account Exprivia S.p.A.

| | 31/03/2008 | 31/03/2007 | 31/12/2007 |
|--|-------------------|------------------|-------------------|
| REVENUE | 9,433,678 | 7,866,979 | 39,285,756 |
| Revenue from sales and services | 9,433,678 | 7,866,979 | 39,285,756 |
| OTHER PROCEEDS | 383,237 | 367,900 | 1,154,364 |
| Other proceeds and revenue | 68,822 | 58,789 | 321,507 |
| Contributions to the quarter's account | 314,416 | 309,111 | 832,857 |
| Surpluses | | | |
| VARIATIONS IN STOCK OF FINISHED PRODUCTS AND PRODUCTS IN PROGRESS | 1,181,160 | 820,329 | 1,378,956 |
| Var. in stock of products in progress, semi-finished products | 18,880 | (3,216) | (11,063) |
| Variation in work in progress to order | 924,602 | 570,804 | 429,424 |
| Increase in fixed assets for internal work | 237,677 | 246,309 | 960,595 |
| TOTAL PRODUCTION REVENUE | 10,998,075 | 9,055,208 | 41,819,076 |
| RAW MATERIALS AND CONSUMABLES USED | 1,060,417 | 132,333 | 2,396,130 |
| Cost of raw and subsidiary materials, consumables and goods | 1,060,417 | 132,333 | 2,396,130 |
| EMPLOYEE BENEFIT-RELATED COSTS | 6,801,369 | 5,591,063 | 23,551,582 |
| Salaries and wages | 5,215,692 | 4,285,020 | 18,245,011 |
| Social security contributions | 1,241,315 | 1,019,984 | 4,238,748 |
| Employee severance indemnity | 255,850 | 219,493 | 811,556 |
| Other staff costs | 88,512 | 66,566 | 256,267 |
| OTHER COSTS | 2,643,030 | 2,281,652 | 9,956,224 |
| Other service costs | 2,375,064 | 2,051,390 | 8,662,083 |
| Costs to enjoy third party assets | 185,898 | 170,098 | 681,627 |
| Sundry management costs | 82,068 | 60,164 | 312,514 |
| Stock and reserves | | | 300,000 |
| TOTAL PRODUCTION COSTS | 10,504,816 | 8,005,048 | 35,903,936 |
| DIFFERENCE BETWEEN PRODUCTION COSTS AND REVENUE | 493,259 | 1,050,160 | 5,915,140 |

| | 31/03/2008 | 31/03/2007 | 31/12/2007 |
|---|--------------------|----------------|------------------|
| DEPRECIATION AND DEVALUATION | 336,913 | 351,085 | 1,632,554 |
| Ordinary depreciation of intangible fixed assets | 197,731 | 204,572 | 962,251 |
| Ordinary depreciation of tangible fixed assets | 139,182 | 146,513 | 607,596 |
| Other devaluations of fixed assets | | | |
| Credit devaluations included in circulating assets | | | 62,707 |
| FINANCIAL PROCEEDS AND CHARGES | (1,489,214) | 171,346 | 1,367,882 |
| Proceeds from shareholdings from subsidiary companies | (2,078,159) | (23,393) | (77,069) |
| Proceeds other than those listed above | (2,322) | (67,226) | (206,652) |
| Interest and other financial charges | 589,470 | 242,878 | 1,217,811 |
| Charges from subsidiaries | 1,049 | 19,167 | 34,132 |
| Profits and losses on exchanges | 747 | (80) | (340) |
| Devaluations | | | 400,000 |
| TOTAL COSTS | (1,152,301) | 522,431 | 3,000,436 |
| PRE-TAX RESULT | 1,645,560 | 527,729 | 2,914,704 |
| INCOME TAX | (332,437) | 205,000 | 836,376 |
| IRES | (582,105) | | (116,439) |
| IRAP | 250,000 | 205,000 | 1,015,000 |
| Taxes from previous years | | | 104,038 |
| Deferred taxes | 101,787 | | 1,208,777 |
| Tax advances | (102,119) | | (1,375,000) |
| PROFIT OR LOSS FOR THE PERIOD | 1,977,997 | 322,729 | 2,078,328 |

Financial Statement Exprivia S.p.A.

| Amounts in Euro | 31.03.2008 | 31.03.2007 | 31.12.2007 |
|--|--------------------|------------------|---------------------|
| Income management operations: | | | |
| - Profit (Loss) | 1,977,997 | 322,729 | 2,078,328 |
| - Depreciation and devaluation of fixed assets | 336,913 | 351,085 | 1,569,848 |
| - E.S.I. Reserve | 255,850 | 219,493 | 811,556 |
| - E.S.I Advances/payments | (242,397) | (104,966) | (934,020) |
| - Financial asset value adjustments | | | |
| Cash flow resulting from income management | 2,328,363 | 788,340 | 3,525,712 |
| Increases/Reductions in circulating assets and liabilities: | | | |
| - Variation in stock and advances | (638,336) | (502,928) | (274,315) |
| - Variation in receivables to customers | 1,241,162 | 1,148,709 | 366,396 |
| - Variation in receivables to parent companies/subsidiaries/affiliates | (5,635,974) | (150,536) | 3,233,459 |
| - Variation in receivables to others | (65,078) | (12,409) | (148,214) |
| - Variation in payables to suppliers | 824,701 | (350,900) | 1,287,482 |
| - Variation in payables to parent companies/subsidiaries/affiliates | 311,558 | (139,629) | (3,605,746) |
| - Variation in tax and social security debts | (984,313) | (621,318) | 279,694 |
| - Variation in payables to others | (57,168) | 223,067 | 4,483,249 |
| - Variation in accrued earnings/deferred assets | (638,452) | (232,853) | (20,956) |
| - Variation in accrued expenses | 192,123 | (23,485) | (615,407) |
| - Variation in risk fund reserve | (331) | (40,329) | (173,034) |
| Cash flow resulting from (used by) circulating assets and liabilities | (5,450,109) | (702,611) | 4,812,608 |
| Cash flow resulting from (used by) current assets | (3,121,746) | 85,729 | 8,338,320 |
| Investments: | | | |
| - Variation in tangible fixed assets | (30,083) | (88,387) | (318,352) |
| - Variation in intangible fixed assets | (252,589) | (248,595) | (1,590,151) |
| - Variation in financial fixed assets | 2,913,599 | 0 | (37,537,536) |
| Cash flow resulting from (used by) investment activities | 2,630,927 | (336,982) | (39,446,039) |
| Financial assets: | | | |
| - Payables to other financiers | | | |
| - Variations in financial assets that do not constitute fixed assets | | | |
| - Variations as a result of differences | | | |
| - Variation in Net Worth | 258,183 | 174,832 | 13,576,434 |
| - Difference in reserves due to variation in consolidation perimeter | | | |
| - Variation in third party Net Worth | | | |
| Cash flow resulting from (used by) financial assets | 258,183 | 174,832 | 13,576,434 |
| Increases (decreases) in cash | (232,635) | (76,421) | (17,531,285) |
| Banks and cash in credit at start of year | 2,282,226 | 1,069,392 | 1,069,392 |
| Banks and cash in debit at start of year | (34,469,962) | (15,725,844) | (15,725,844) |
| Banks and cash in credit at end of period | 620,326 | 603,968 | 2,282,225 |
| Banks and cash in debit at end of period | (33,040,697) | (15,336,841) | (34,469,962) |
| Increases (decreases) in cash in hand | (232,635) | (76,421) | (17,531,285) |

Declaration as per Art. 154-bis, sub-para 2 of Legislative Decree 58, dated 24 February 1998 – Consolidation Act on the provisions concerning intermediation and later amendments

The undersigned Pietro Sgobba, senior manager responsible for drawing up the company accounting documents, certify that, in accordance with the provisions of Art. 154-b, sub-para. 2 of Legislative Decree 58 dated 24/02/1998 introduced by Law 262 dated 28/12/2005, the information and data on the economic and financial situation and net worth in this Quarterly Report to 31 March 2008, referring to both the Consolidated Financial Statements and the Balance Sheet of Exprivia S.p.A. correspond to the documented results in the accounting books and records.



(Pietro Sgobba)

Senior manager responsible for drawing up the accounting documents