Consolidated Half-Yearly Financial Report at 30 June 2010

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Management Report of Exprivia Group

Corporate bodies

Board of Directors

The Board of Directors, whose term expires with the closing of 2010, is made up as follows:

BoD Member	Office held	Executive/ Non Executive	Place and date of birth
Domenico Favuzzi	Chairman and Managing Director	Executive	Molfetta (BA) 18/04/1962
Dante Altomare	Vice Chairman	Executive	Molfetta (BA) 18/09/1954
Giancarlo Di Paola	Vice Chairman	Non executive	Bari 22/05/1952
Rosa Daloiso	Not Independent Director	Non executive	Margherita di Savoia (FG) 5/04/1966
Giorgio De Porcellinis	Independent director *	Non executive	Milan 21/01/1948
Pierfilippo Vito Maria Roggero	Independent director *	Non executive	Milan 22/06/1954
Alessandro Laterza	Independent director *	Non executive	Bari 9/02/1958

(*) Independent directors pursuant to article 3 of the Code of Self-discipline adopted by the Italian Stock Exchange

The Board of Directors is invested with the broadest powers for the ordinary and extraordinary management of the company, without exception, with full authority for the implementation and achievement of the company aims. Therefore, it can undertake any type of obligation and carry out any capital provision without limitations of any kind, since any task that is not specifically assigned to the resolutions of the shareholders' meetings is its responsibility. (See Corporate Governance).

Board of Statutory Auditors

The current Board of Statutory Auditors, appointed by the Exprivia meeting on 31 March 2008 and with term of office expiring with the closing of 2010, is made up as follows:

Auditor	Office held	Place and date of birth
Renato Beltrami	Chairman	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 success on a wealth of skills and experience gained from more than 20 years of working in Information Technology for banks and financial institutions, industry and services, telecommunications and media, energy and utilities, public administration and healthcare.

Exprivia is looking towards the future, in an ongoing search for technologies that can anticipate market trends so as to offer its customers solutions and skills to improve its business processes.

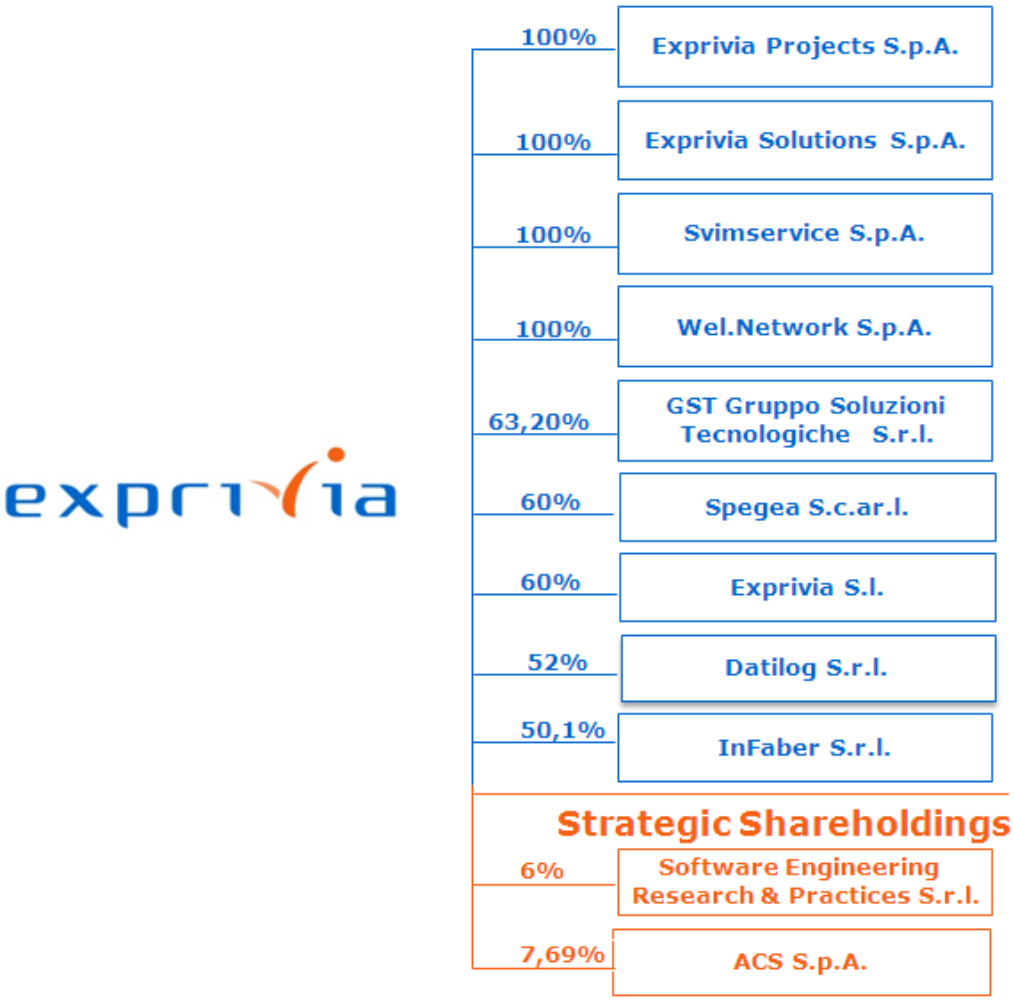
This strategic vision, combined with a knowledge of the specific requirements of each interlocutor, the vertical-offer system and the ability to manage complex projects and an R&D department of international excellence, are the distinguishing features of the Group.

Due to continuous R&D, Exprivia is constantly developing a range of proprietary solutions for the Banking market, the Global Credit Management suite to control credit risk, and for the Clinical-Healthcare market, with solutions for departmental diagnostics, hospital IT systems and systems managing regional healthcare. In addition, the Exprivia group offers solutions based on the leading market software platforms in ERP, BI, SOA, CRM, ECM and Capital Market environments by adopting advanced project management and application management models.

Exprivia provides innovative services by implementing the "Competence Centre" model that, designed following a methodology focusing on ITIL paradigms, acts as a "concentrator" and "distributer" of knowledge and experience, in order to guarantee the most suitable delivery. Furthermore, the remote localisation of some competence centres, in Nearshoring mode, lets Exprivia provide high quality services at competitive costs.

Quoted on the Italian Stock Exchange since 2000 and in the STAR segment since October 2007, Exprivia has currently a team of about 1200 people distributed among the 10 offices of Molfetta (BA), Milan, Rome, Piacenza, Bari, Trento, Vicenza, Bologna, Genoa, and Madrid.

THE GROUP


100%
Exprivia Projects S.p.A.
100%
Exprivia Solutions S.p.A.
100%
Svimservice S.p.A.
100%
Wel.Network S.p.A.
63,20%
GST Gruppo Soluzioni Tecnologiche S.r.l.
60%
Spegea S.c.ar.l.
60%
Exprivia S.l.
52%
Datilog S.r.l.
50,1%
InFaber S.r.l.
Strategic Shareholdings
6%
Software Engineering Research & Practices S.r.l.
7,69%
ACS S.p.A.

SUBSIDIARIES

Exprivia Projects S.p.A., is 100% owned by Exprivia; it is based in Rome and has a share capital of Euro 242,000.00 fully paid-up. It is specialised in the design, development and management of Call Centre, Contact Centre and Help Desk installations.

Exprivia Solutions S.p.A., 100% owned by Exprivia, is based in Rome and has a share capital of Euro 170,795.00 fully paid-up. It is the group company for the creation and supply of high added value IT products and solutions for the Defence and Space markets, and partially for the Services and local and central Public Administration markets.

Svimservice S.p.A., 100% owned by Exprivia and is based in Bari; it has a share capital of Euro 1,548.000.00 fully paid-up. It has become established as a leading ICT company in the sector of IT for healthcare applications. This company stands out for its expansion, geographical diversification of the customer portfolio and an offer of development and management services for IT healthcare applications that is based on proprietary solutions and web-oriented technologies, in addition to IT systems and software applications for the local public administration (LPA).

Wel.Network S.p.A., 100% owned by Exprivia, is based in Piacenza and has a share capital of Euro 1,500,000.00 fully paid-up. It has gained considerable experience in many sectors that are typical of the IT world. In recent years, it has particularly focused on professional services distributed on SAP applications with particular penetration of the Industrial and Oil & Gas sectors. This activity is accompanied by the conspicuous resale of third party software licences.

Gruppo Soluzioni Tecnologiche S.r.l - GST, in which Exprivia has a holding of 63.2%, is based in Trento and has a share capital of Euro 27,500.00 fully paid-up. The company is engaged mainly in the design and development of solutions for the voice recognition field. GST currently produces and sells software applications and evolved services using the best speech recognition technologies available on international markets.

Spegea S.C. a r.l., a Management School based in Bari, organises and manages specialist seminars, specific training courses for companies and the public administration, and the ASFOR-accredited 'Master in Management and Industrial Development'. The company was set up 28 years ago at the instigation of Confindustria, Bari, with the support of banks and institutions; today, it is 60% controlled by Exprivia S.p.A.

Exprivia Sl (Spain) is a company set up in Madrid in April 2008. It is a start-up business for the development of IT solutions and systems for the Health sector in the Spanish market. In July 2008, Exprivia S.p.A. acquired a 60% majority holding by underwriting a capital increase.

InFaber Srl is specialised in the supply of MES (Manufacturing Execution System) services and solutions for the Italian and international manufacturing market. It was set up on 5 September 2008 from the transformation of the company fully-controlled by Exprivia called AEMEDIA S.r.l.; Exprivia S.p.A. holds a 50.10% majority share.

Datilog Srl is specialised in the supply of WMS (warehouse management system) solutions dedicated to the automation of complex warehouses and distribution centres that are typical of large companies; Exprivia Spa holds a majority share of 52.00 %.

Svimservice S.p.A. holds 100% of the share capital of **Al Faro Srl**, a company in liquidation that does not carry out any industrial activity. Exprivia Solutions S.p.A. holds 100% of the share capital of **Farm Multimedia Srl** in liquidation and **AlSoftw@re Professional Services Srl** in liquidation. Neither of these companies carry out any industrial activity.

STRATEGIC HOLDINGS

ACS S.p.A. has an important national and international role in the software and hardware sector for the acquisition, management and interpretation of satellite images. The company, with offices in Rome and Matera, has about 110 employees.

Software Engineering Research & Practices S.r.l, in which Exprivia S.p.A. has a 6% stake, is a spin-off of the Bari University aimed at industrialising the results of university research in the software engineering sector and transferring them to business processes.

CONSORTIA

Società cons. a r.l. Pugliatech was set up to participate in the fulfilment of the programme contract set out in the 2000-2006 POR Puglia notice.

Società cons. a r.l. Conca Barese was set up to manage the Bari Territorial Agreement (Patto Territoriale Conca Barese).

Consorzio Biogene was established to develop the project 'Public-private laboratory for the development of integrated bio-information instruments for genomics, transcriptomes and proteomics (LAB GTP)".

Società cons. a r.l. "DAISY – NET" was set up to undertake suitable initiatives for the development of a Centre of Technological Competence on ICT, arranged into a network of regional Centres of Competence.

Values and principles

The Exprivia group puts the people in the group, who are its main asset, at the centre of its growth strategy, increasingly satisfying the requirements of a market in rapid transformation and pursuing the technological evolution of ICT services.

Exprivia sees its personnel as an important resource that must be taken care of in a strategic manner in order to consolidate and increase its competitive advantage.

To this end Exprivia offers all the associates suitable tools and opportunities for professional growth by considering the skills and professionalism of its personnel as two factors that significantly influence the quality of the products and services provided to its Clients.

Exprivia continuously encourages its staff to achieve levels of excellence, by widening their technical and managerial training, without neglecting motivation, sense of belonging and responsibility.

Their high level of professionalism, meant as a distinctive factor, has allowed Exprivia to increase its weight and importance in recent years especially, receiving acknowledgement at a national level.

With the aim of progressing along its growth route and become a leader in the national and international ICT industry in the next few years, Exprivia concentrates on its greater speed in acquiring and developing know-how and in understanding and meeting the needs of its reference clientele.

For this purpose, the training routes for both professional and transversal personnel have and always will have a greater strategic role as tools aiming to help people reach ever more challenging objectives in the success performance field.

In Exprivia, the processes of Recruitment and Management of Human Resources are conducted by taking due consideration individual reward, competence and professional criteria, while safeguarding the principle of equal opportunity. The Development routes for Human Resources are set on these same criteria, taking care to ensure the transparency, seriousness and correctness of the assessment methods applied.

The desire for technical excellence and the high professionalism of its personnel is nurtured right from the recruitment process, whose main objective is to search for young talents featuring a high growth potential. In this context, constant cooperation takes place with leading national Universities and Polytechnics, reputed to provide fresh talent.

In Exprivia, relationships and behaviour, at all levels of the company, are based on principles such as **honesty, fairness, transparency, discretion, impartiality, diligence, loyalty and reciprocal respect.**

The chief organisational behaviours that Exprivia intends to encourage in order to achieve its aims are the following:

- ✓ **Customer Orientation**, meaning the ability to proactively listen to customers and analyse their organisational, environmental and functional context, in order to interpret and anticipate their needs to be able to promptly and effectively meet their requests. This is translated in the ability to effectively interact and create in the customer a sense of loyalty and trust in the relationships with the company.
- ✓ **Team Work and Cooperation,** meaning the ability to work in a team and contribute to the development of the Group in its entirety, by working to create a cordial environment in terms of cooperation, also among colleagues who operate in faraway professional contexts. In order to pursue the acquisition strategy, Exprivia runs integration programmes aimed at easing the sharing and transfer not just of the knowledge asset of the organisation, but also of the values and principles, among colleagues who operate in contexts historically different in terms of technological and professional content.
- ✓ **Orientation to results and innovation**, meaning the ability to follow standards of excellence in the workplace, pursue new ideas, solutions, methods or occasions to improve the quality of the processes and products, to set challenging work objectives for oneself and others and pursue them coherently.

The Exprivia business model

THE MARKETS AND THE COMPETITIVE POSITIONING OF EXPRIVIA

Exprivia offers the market a range of system integration, project development and application management services as well as solutions based on both proprietary and third-party technologies. The added value derives from an extensive knowledge of its customers' business processes, a careful selection of the competences that best suit the services to be supplied, respect of delivery deadlines and enhancement of company and individual experiences.

Productive activities include the management of both transversal and vertical competences according to the serviced market sector, 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 third-party market leaders in the specific sector.

The Exprivia Business Model

Productive activities include the management of both transversal and vertical competences according to the serviced market sector, 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 third-party market leaders in the specific sector.

During 2009, Exprivia implemented a new organisational structure aimed at integrating the competences, products and services of all the companies that have become part of the group in the three years from 2007 to 2009.

This organisational structure envisages dedicated Business Lines for each individual market area and a Business Unit for the Health and LPA market.

THE BUSINESS LINES

BANKING, FINANCE AND INSURANCE BUSINESS LINE

Exprivia has been operating in the banking market for more than 20 years. In the sphere of ***the automatic assessment of credit merit***, it offers a comprehensive suite of products and professionals with consolidated experience in credit management issues that provide consultancy on the operational-management processes underlying the life-cycle of the loan.

In addition, Exprivia boasts pluriannual expertise in application systems ***for the Finance area***, with great competence on Murex platforms acquired through significant experience in the design, development and management of systems at the main investment banks.

With reference to more strictly technological aspects, Exprivia is able to supply a range of structures, methods and solutions for data security and Information Analytics.

Lastly, the company supplies system application management and technical operation services as well as solutions for the video-collaboration and remote-control of work stations for some key players in that market.

INDUSTRY AND MEDIA BUSINESS LINE

The Exprivia offer for the ***Industry sector*** is based on the ability to interpret the business of its customers and convert the technological competences into lean and efficient solutions for the different operational contexts in which the value chain is arranged. The result is a series of solutions and services which, in an integrated logic, cover both the primary processes (logistics, production and sales) and the support processes (administration and finance, human resources) with special attention to the ERP, Extended ERP, Enterprise Application (EAI) and Manufacturing Execution System (MES) environments.

Exprivia creates real-time applications for the ***Defence and Aerospace sector***, operating at both a national and international level, in accordance with civil and military quality standards since 1985. The company can claim consolidated expertise in the creation of system software, command and control systems, embedded systems, graphic tools, networking and prototyping of complex systems.

Some of these activities are implemented through outsourcing, by adopting a ***nearshore*** strategy governed by specific Service Level Agreements. This production method has been extended to all the market sectors in which the Exprivia group operates.

OIL, GAS AND TELECOMMUNICATIONS BUSINESS LINE

The Oil, Gas and Telecommunications Business Line was set up in the third quarter of 2009.

Based on the many years of experience acquired by Wel.Network in specific processes of extraction, transport, storage, refining and distribution of petroleum and natural gas, Exprivia has addressed the Oil & Gas market with an ERP and an Extended ERP offer, mainly focused on the sector verticalisation of the SAP platform, and a transversal offer on EAI and ECM (Enterprise Content Management) platforms.

Instead in the Telecommunications sector, in addition to providing an ERP and Business Intelligence (“BI”) offer, Exprivia is able to supply solutions on the core processes of mobile and land-line operators with a complete and innovative Systems Integration regarding both business-support and operation support systems. In particular, in the first environment Exprivia has experience and design skills at CRM system and billing/invoicing level for the configuration and management of provisioning, order management, testing and quality control systems, while in the second environment, Exprivia has designed and created solutions for

the efficient management of network infrastructures, remote database management, configuration management, network management and performance analysis.

PUBLIC SECTOR, TRANSPORT & UTILITIES BUSINESS LINE

The Public Sector, Transport & Utilities Business Line addresses the different market segments of this area offering vertical solutions with typical features.

In particular, the offer for the **Public sector** is aimed at central public administration (CPA) or companies under public control which carry out services for the CPA and are independent for expenditure, i.e.: ministries, social welfare and assistance bodies, public law agencies and institutions, companies under public control which carry out direct functions for the development of central and local public administration, and nongovernment organisations. The Exprivia offer for this sector concerns the supply of solutions and services for the management and evolution of IT systems supporting internal processes, rather than innovation programmes focused on the needs of businesses and citizens as part of the e-government plan.

The offer for the **Utilities and Transport sector** is instead aimed at companies which offer public utility services to business and consumer customers. In particular, these services regard: the management of electricity transmission and gas transport networks, distribution and sale of electricity, gas, water, etc., management of aqueducts and the sale of water and sewer services, waste collection and treatment, services relating to public transport on roads (in and ut of towns), by sea, railway and air, management and development of road and motorway networks, railway networks, port and airport systems, and integrated communication, postal and logistic services.

Institutional agencies that carry out regulation and control activities in the sector of specific services are included. The Exprivia offer for this sector concerns the supply of solutions and services for:

- ✓ **ITO**, for the outsourced management and development of systems and IT applications through which the primary processes of a company (logistics, operations, marketing and sales and services) and the support processes (infrastructure, management of human capital, management of technological resources and purchasing) are managed
- ✓ **BPO**, for the outsourced management of some functions or business processes of companies, including credit management.

THE BUSINESS UNIT

HEALTH AND LOCAL BODIES BUSINESS UNIT

Following the acquisition of the 'Aurora' branch from Siemens S.p.A., the intention of positioning Exprivia as one of the most relevant national players in the IT in health sector, implemented in 2007, can be considered to have been fulfilled. In this sector, in which aggregation of the leading suppliers with smaller companies is a current phenomenon, Exprivia now consolidates returns in excess of Euro 35 million. This makes it one of the top four national suppliers by size.

The richness of the application offer allows Exprivia to put forward a complete range of solutions for all areas of the health market: ***regional*** (Regions and regional agencies), ***local*** (local health agencies) and ***hospitals*** (hospital companies and public and private health bodies). In the latter sector, Exprivia is the only Italian supplier able to offer the market complete cover in health and hospital clinical aspects with proprietary integrated software solutions including RIS/PACS for the management of diagnostic images, due to the consolidated experience in health diagnostics services.

Completion of the above offer enables Exprivia to participate with authority in regional tenders, over a large area, or health companies for the complete computerisation of hospital structures or groups of them. This strategy also enables Exprivia to suggest to its customers that it takes care of the complete computerisation of hospitals under construction or being renovated.

The collaboration with SAP for the use of the latter's ERP systems, in integration with Exprivia systems in the sphere of SAP value proposition for Health and LPA, is assuming a particular importance.

In order to pursue the ambitious aim for positioning in the market, the evidence of business centred on software products has led Exprivia to adopt a Business Unit model for this sector, i.e., an integrated structure which allows the commercial, production and delivery work in the same organisational unit to be controlled.

The trend in the reference market

The uncertainty that still dominates the markets makes it still difficult to make predictions on the Ict investments for 2010 for all the market analysis companies.

According to an Assinform research program (24 May 2010), after the severe drop of -8.1% in 2009, the first quarter of 2010 seems to have shown a few signs of easing of the contraction affecting the It market. The decrease of - 2.9% at the end of March suggests a recovery of four percentage points compared to -6.8% recorded in the same period of 2009. The greatest push derives from investments in new IT projects by manufacturing and service companies that mainly concern the medium sized companies, more open to foreign markets.

Nevertheless, this is interesting for the market since it shows a change of strategy: numerous Italian companies now consider IT not only as a tool to reduce the corporate costs but especially as a key investment to restart and consolidate growth.

On the other hand there are some negative events that affect the overall trend of the market: a) the worsening of the employment rate in the IT sector, especially for consultants and freelancers, reflected in the sharp operating cuts in IT costs in 2009 by all the sectors of the Italian economy; b) the continuous decline in PA investments in It, which negatively weighs on the modernisation process; c) the widening of our technological gap with foreign countries, which makes us one of the last main countries in terms of Information Technology expenditure, penalising us at a competitive level.

Trend in the results of Exprivia group

Despite the recessive picture of the market, the Exprivia group confirmed sustained growth in **net revenues** by 11.9%, equal to Euro 46.4 million, and a **consolidated production value** equal to Euro 48.2 million, up by 10.1% compared to the first half of 2009.

The growth in revenues particularly concerned the Health and Local Bodies business unit, the Banking and Industry area. The trend by business area is described in detail in the following table:

Exprivia Group (value in K €)	30/06/2010	30/06/2009	Variation %
Banks, Finance and Insurances	4.689	4.419	6%
Industry, & Media	6.490	5.786	12%
Public Sector, Transport & Utilities	7.153	7.180	0%
Oil, Gas and Telecommunications	5.641	6.233	-9%
Health and Local Bodies	21.353	17.141	25%
Other	1.123	755	49%
Total	**46.449**	**41.514**	**12%**

The details of the EBITDA margin concerning the first half of 2010, compared with the data of 2009, broken down by area of business are shown below (values in K €):

Exprivia Group (value in K €)	30/06/2010	30/06/2009	Variation %
Banks, Finance and Insurances	804	914	-12%
Industry, & Media	-82	665	-112%
Public Sector, Transport & Utilities	647	380	70%
Oil, Gas and Telecommunications	741	322	130%
Health and Local Bodies	3.518	4.028	-13%
Other	193	34	468%
Total	**5.821**	**6.343**	**-8,2%**

The details of the revenues concerning the first half of 2010, compared with the data of 2009, broken down by area of business are shown below (values in K €).

Exprivia Group (value in K €)	30/06/2010	30/06/2009	Variation %
Projects and services	35.254	34.259	3%
Maintenance	3.586	4.108	-13%
SW/HW indirect	3.896	1.094	256%
Proprietary license	2.590	1.299	99%
Other	1.123	754	49%
Total	**46.449**	**41.514**	**12%**

BANKING, FINANCE AND INSURANCE

In the first half of 2010 the Banking, Finance and Insurance Business Line started to benefit from the rationalisation and enhancement of its range commencing from the second quarter of 2009.

The results can be summarised in a growth of 6% compared to the first half of 2009 and in the acquisition of two new customers, contributing to the range in the credit field and thus consolidating its positioning on the Electronic credit line solutions both in Italy and abroad, and widening the coverage with the CR Data Monitor product (dynamic solution for the management, analysis and immediate consultation of data coming from the Risk Central of the Bank of Italy), with Business Performance Management dashboards and Pratica Electronic management line solutions. Also the Finance range on the Murex platform confirmed its development trend, encouraged by the complete coverage of the services, as well as the start of the second Competence Centre located in Molfetta, in addition to the one operating for more than a year in Milan. Furthermore, an important contribution derives from the innovative range for Dealing Rooms, on PC over IP (PCoIP) technology, and for the internal threat management to Data Security solutions based on the Cyber Ark platform. Finally, the solutions supporting the development of multi channels prepared at the end of last year were highly appreciated by the customers acquired, creating new prospects that further increase the overall pipeline, from which interesting developments are expected already in the second half of the year.

INDUSTRY AND MEDIA

At 30 June 2010 the **Industry and Media** Business Line created revenues for Euro 6.5 million, in line with the budget forecasts, recording an increase of about 12% compared to the first half of 2009.

In contrast to the expenditure trend that characterises the IT market in the industrial world, with this growth Exprivia underlines the good positioning of its range and its ability to address the market. This materialised in the acquisition of four new customers during the first half of 2010, as the result of accounting and direct or developed marketing actions with our strategic Partners.

During the first half of 2010 some initiatives were implemented in co-marketing with SAP, targeting the logistic range of the company Datilog (acquired recently by Exprivia) with the SAP WM and EWM products. The success of these activities resulted in contacts being made with the leading industries of the sector and in the creation of a considerable prospect list that will be the main source of sales in the second half of this range segment.

In the Large Enterprise Client segment growth came from the Defence and Space sector, where the competences on the real time systems and on the command and control consoles are recognised and appreciated and the Partnership with Finmeccanica has been consolidated over the years.

The path taken to verticalise and focus the range has proved to be correct, also in the sector of the medium sized companies, where segments such as Food, Engineering & Construction, Retail, Wholesale represent targets for our solutions and for our sales approach.

CPA, TRANSPORT & UTILITIES

The **CPA, Transport and Utilities** Business Line in the first half of 2010 generated revenues equalling Euro 7.1 million, substantially confirming the results of the same period of 2009.

These results were obtained despite the conclusion of some activities with a lower added value that had characterised the first half of 2009, and especially the notable reduction, in particular in the second quarter of 2010, in revenues from System Integrators, which in the past represented an important component of the revenues of the Business Line. The new reference context for the Business Line consists of a general trend to reduce expenditure by customers, a process of internalisation of activities previously outsourced, and especially the recent positioning of Exprivia in the market as an equal operator for System Integrators rather than as a supplier.

The sharp reduction in the demand by System Integrators was profitably offset by the greater revenues recorded in the Utilities sector, where Exprivia is obtaining impressive results, in line with the penetration plan for this market sector. In the CPA a slowdown was recorded in the performance of tender procedures, while the reduction in expenditure for new initiatives persists. In transport, the large tender for the outsourcing of ICT services in Ferrovie dello Stato will open interesting scenarios for the Business Line. If the schedule for awarding the public tenders in which the Business Line has participated is reasonable, a positive impact may be recorded in the 4th quarter of the year.

OIL, GAS AND TELECOMMUNICATIONS

The **Oil, Gas and Telecommunications** Business Line produced revenues in the first half of 2010 equal to about Euro 5.7 million.

The Oil and Telco markets have recorded a continuously contracting trend concerning IT investments in recent months. This negative trend is expected to continue throughout the year and the gradual light at the end of the tunnel will be seen only from 2011.

In this scenario, Exprivia is redefining the offering with its customers, focusing on the near-shoring outsourcing of its offices of Molfetta and Piacenza.

In the world of OIL, the situation is highly static and until next year no important tenders are foreseen in the sector. In any case, with some of our reference customers, we are converging on new business areas by trying to acquire new business shares to increase revenue volumes.

In the TELCO world, significant internal restructuring of the ICT divisions is taking place, aiming to create full-outsourcing services for the leading market players and thus important tenders will be initiated starting from September 2010

For these reasons and given the slow and slight market recovery expected by the end of the year, we believe that the revenues of the year can be improved in the next few quarters.

HEALTH AND LOCAL BODIES

The **Health and Local Bodies** business unit recorded revenues in the quarter of 26% higher than the same period of 2009. In line with the envisaged budget, this result was affected by the revenues deriving from the acquisition of the **Hospital IT systems** (AuroraWeb) company branch purchased from Siemens Italia S.p.a. on 1 June 2009, which were therefore not present in the same period of last year, and is also mainly due to the greater revenues obtained in the **Medical Imaging** sector. This sector was influenced by the implementation of the Ris/Pacs system at the ASL, Asti, following the awarding of an important tender in the second half of 2009, which was concluded with a trial carried out in the foreseen times and with total customer satisfaction. Worth mentioning is also the awarding of two important jobs (IRCCS Santa Lucia, Rome and Sistema Ospedaliero of the ASL, Asti) that require the installation of software solutions concerning the two sectors above, confirming the positive growth indications of the SIO sector for the second part of the year. The revenues of the **Region, Territory and Local bodies** sector, expressed by the company Svimservice, of a little less than 11 million, are, in line with forecasts, slightly reduced (-13%) compared to the same period of 2009, which corresponded to a moment of high development for the activities linked to the creation of new software.

Lastly, in the **Vocal recognition** sphere, it should be noted that the current revenue volume is in line with expectations, even though it is slightly lower than the corresponding quarter 2009.

Significant group data and indicators of results

The table below gives a summary of the main consolidated economic, capital and financial data of the group as at 30 June 2010, compared with the data of 30 June 2009 and 31 December 2009.

	progressive data		
	30.06.2010	30.06.2009	31.12.2009
Total production revenues	48,214,184	43,807,117	90,090,520
net proceeds and variation to work in progress to	46,448,824	41,513,892	85,736,766
increase to assets for internal work	847,477	682,162	1,776,928
other proceeds and contributions	917,883	1,611,063	2,576,826
Difference between costs and production proceeds	5,820,895	6,344,099	14,672,644
% on production proceeds	12.07%	14.48%	16.29%
Net operating result (EBIT)	4,510,671	4,919,759	11,730,365
% on production proceeds	9.36%	11.23%	13.02%
Net result	1,605,697	2,327,259	5,042,045
Group net equity	62,032,961	58,422,331	61,262,387
Total assets	163,886,857	153,697,495	159,953,440
Capital stock	26,979,658	26,368,918	26,368,918
Net working capital (1)	33,114,233	25,812,460	31,436,241
Cash flow (2)	2,935,959	3,777,039	7,628,954
Fixed capital (3)	80,135,392	80,181,891	80,140,699
Investment	1,283,213	4,202,455	4,817,052
Cash resources/bonds (*a*)	5,935,618	3,904,661	5,988,680
Short-term financial debts (*b*)	(21,146,020)	(20,023,599)	(26,497,575)
Medium-/long-term financial debts (*c*)	(25,059,617)	(20,443,307)	(18,749,611)
Net financial position (4)	(40,270,019)	(36,562,245)	(39,258,506)

(1) - The 'working capital' is calculated as a sum of total current activities, less cash balance, less total current liabilities plus debts with banks within current

(2) - The Cash flow is calculated as the sum of the net result adjusted for amortisements variations in TFR and devaluat

(3) - The 'capital assets' are equal to total non-current activities

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

The table below shows the main economic indicators of the Group concerning the first half of 2010 and the first half of 2009.

Exprivia Group	H1 2010	H1 2009
Index ROE (Net income / equity capital)	2.59%	3.98%
Index ROI (EBIT / Net Capital Invested)	4.39%	5.16%
Index ROS (EBIT / Revenues)	12.15%	13.37%
Financial charges / Net profit	56.20%	51.46%

The table below shows the main capital and financial indicators of the Group at 30 June 2010, al 30 June 2009 and 31 December 2009.

Exprivia Group	H1 2009	H1 2008	12/31/2008
	6/30/2010	6/30/2009	12/31/2009
Net Financial Debt / Equity Capital	0.65	0.63	0.64
Debt ratio (Total Liabilities / Equity Capital)	2.64	2.63	2.61

The Exprivia Group ended the first half of 2010 with **a consolidated production value** equal to Euro 48.2 million (+10.1% vs. the same period of 2009), an **EBITDA** of Euro 5.8 million (-8.2% vs. the same period of 2009), an **EBIT** of Euro 4.5 million (-8.3% vs. the same period of 2009) and a Group **pre-tax profit** of Euro 3.6 million (-1.9% vs. 2009).

The consolidated net financial position at 30 June 2010 is Euro -40.3 million, compared to Euro 39.3 million at 31 December 2009, and consists of medium-long term debts (62%) and financing on easy terms. The variation can be mainly attributed to the rise in work in progress on order, increased by about Euro 8.4 million.

The Group's **Net worth** as at 30 June 2010 is expected to stand at Euro 62 million compared to Euro 61.3 million of 31 December 2009.

Investments

REAL ESTATE

All the real estate of the group is in the name of the parent company Exprivia S.p.A.

The property in Viale XI no. 40 a Molfetta (BA) consists of two rooms totalling about 120 m2.

The current registered and operational office of the company, in Via Adriano Olivetti 11/a, Molfetta (BA), has a surface area of 7,950 m2 on which there is a building complex (consisting of four blocks, three of which are multi-storey, all for use as offices and warehouses for a usable total of about 5,000 m2, constructed on the basis of building permission 7584 dated 2 August 2002.

Training programmes on the most modern IT technologies for large groups of people are organised and created in the Molfetta office. The strategies of the evolution of the expertise of technical staff, both internal and that of customers, are based on the aim of continuous professional updating.

The areas for IT instrumentation, equipped with sophisticated security systems, are perfectly able to host not only the current equipment necessary for the management and evolution of the infrastructure of the group and the Research and development laboratory, but also additional IT systems used to offer the market

complete solutions of development projects and management in outsourcing with the most evolved security systems and non-stop operation.

RESEARCH & DEVELOPMENT

The crisis currently affecting the global economy, characterised by great uncertainty, is forcing companies to adopt effective actions and countermeasures, able to withstand the consequent negative impacts on production and turnover. In this context Exprivia confirms its commitment to Research and Development, meant as one of the key factors towards the innovation of the range and therefore the growth of the entire group.

The first half of 2010 saw the approval of two research projects in the national finance sphere of *Industria 2015-Made in Italy*, presented together with other expert partner groups in the reference sector.

The first project, **DIVINO**, proposes innovative solutions to communicate the distinctive characteristics of Italian wine in the international consumer market. The intention is to develop a technologically innovative distributive format to be proposed in the consumer market, with the aim of explaining the identity of 'Made in Italy' wine. Exprivia will develop software solutions to access and analyse information from the Web, customer and post-sales management (Market Intelligence and CRM), including the social Web as an added value at an informative and communicative level.

The second project, **LOGIN** - Integrated LOGistics, has the aim of developing a system that intervenes in the specific industrial processes of various branches, by harmonising the processes of the individual production units with the acquisition of the raw materials and the distribution of the product to the delivery to the customer.

Alongside the two approved projects, work continues on the three research projects started during 2009: "LABGTP", "SLIMPORT" and "La qualità distintiva del Made in Italy"

The first project, named **LAB GTP (Lab 8)** – 'Public-private laboratory for the development of integrated bioinformatics instruments for genomics, transcriptomics and proteomics' - is aimed at the creation of a bioinformatics laboratory for the study of methods and algorithms which allow the analysis of biological events; these generate a great quantity of data from distributed resources (informatics and clinical) which must be processed via suitable techniques and tools.

The second project, **SLIMPORT** – Security, Logistics, and InterModality of PORTs – concerns the creation of an innovative port project which integrates modular solutions based on info-telematic technological, plant and sensory components, aimed at making the operational transport processes of goods and people more efficient in the ambit of the last sea mile and first land mile. In this context, Exprivia will be the partner responsible of the sub-project SLIMSAFE whose aim is that of developing an intelligent, modular and scalable platform able to analyse, shape and supervise port activities. The identification of potentially dangerous processes and critical points in the performance of the work will allow the Slim-SAFE module to manage these in order to reduce the probability of an accident and the magnitude of the effects. The leader of the whole SLIMPORT project is Elsag Datamat S.p.A.

The third project, **La Qualità Distintiva del Made in Italy** (Distinctive Quality of Made in Italy) aims to value typical Italian food and drink in six branches (bread, pasta, milk, wine, fruit and vegetables, oil) and enable the consolidation of market shares both at a national and international level, through the identification and heightening of the distinctive qualities perceived by the consumer. The key points of the project are:

- ✓ identify the distinctive qualities of the typical Made in Italy products in a process of valorisation of the products in the markets, and protection from "imitations", also through integrated tracking systems;
- ✓ develop "minimally processed" technologies to preserve and raise the characteristics of quality in the work processes;
- ✓ encourage consumption through product innovation (specialities).

Finally, the start of 2010 saw the presentation of some research projects in national research programmes (PON- Programma operativo nazionale "Ricerca e Competitività" 2007-2013) and regional research

programmes (POR – Programma Operativo Regionale Toscana e Puglia). The assessment of these projects by the competent bodies is being waited for:

- **Puglia Digitale 2.0** (PON 2007-2013). Here the intention is to strengthen and value the Apulian sector of software companies participating in the Productive District of regional IT by creating an organised "digital service" compartment in a way to seize the opportunities offered by the new software application creation, integration and distribution paradigm called SaaS (*Software as a Service*). Exprivia, coordinator of the entire project, in particular will create a pilot of applications for *Città Intelligente*, Bari, with free WiFi hotspots, and Mobile services for Tourists, the elderly and citizens in general.
- **Medico** (PON 2007-2013). The intention is to create *Medical Imaging 3D solutions*, to enhance the Exprivia RIS/PACS solution. Exprivia is also the leader of Medico.
- Within PON, Exprivia has also participated as a partner in presenting another four research projects, three within food and farming and one in cataloguing and monitoring cultural assets.
- **ParkFactory** **(POR** financed by the Tuscan Region). Creation of tools (the *park factory*) to devise, design, operate and communicate the image inside and out theme parks, which represent the evolution of the traditional fun parks towards naturalistic, historic, archaeological, technological environments, currently more aligned to the needs of modern mass tourism. Exprivia will develop solutions for large tourist flows, useful for opportunities in Expo2015.
- **SDI** - *Service Delivery Improvement* (Puglia Region Programme Contract) aims to improve the quality of the IT services provided by Exprivia to its customers, as an effect of the continuous improvement of the processes underlying these services (CMMI), and the simultaneous adoption of new delivery paradigms: SaaS and AMS Factory.

RISKS AND UNCERTAINTIES

INTERNAL RISKS

RISKS RELATING TO THE EMPLOYMENT OF KEY STAFF

The success of the Exprivia group mainly depends on some key figures, such as the president and executive directors of the parent company Exprivia S.p.A., who have contributed to its development in a decisive manner.

In addition, the Exprivia group has senior managers with many years' experience in the sector, with a decisive role in the management of the work.

The loss of the services of one of the so-called key figures without an appropriate replacement, and also the inability to attract and keep new, qualified resources, could have negative effects on the prospects, work and economic and financial results of the Exprivia group.

The management believes, however, that the Exprivia group has an operational and senior manager structure able to ensure continuity in the management of the company's business. Further, the group has adopted a stock option plan as a loyalty-inducing tool to keep the most able and merit worthy human resources.

RISKS CONNECTED WITH DEPENDENCE ON CUSTOMERS

The Exprivia group offers services to companies operating in different markets (Health, Central and Local Public Administration, Finance, Telco & Media, Manufacturing, Oil & Gas and Utilities).

The revenue of the group is well distributed over different customers but, nevertheless, the withdrawal of certain leading customers from the portfolio could weigh on the economic, capital and financial situation of the Exprivia group.

RISKS CONNECTED TO CONTRACTUAL COMMITMENTS

The Exprivia group develops high value solutions with a high technological content and the relative underlying contracts may provide for the application of penalties for the respect of the time and the quality standards agreed. Application of these penalties could have negative effects on the economic and financial results of the Exprivia group.

The group has also signed insurance policies with leading insurance companies, considered adequate to safeguard itself from the risks arising from professional responsibility (the so-called policy covering "all IT risks"). Moreover, if this cover was insufficient and Exprivia group was required to repay damages for an amount higher than the planned maximum limit, the economic, capital and financial situation of the Exprivia group could suffer significant negative effects.

EXTERNAL RISKS

RISKS ARISING FROM THE GENERAL CONDITIONS OF THE ECONOMY

The Information Technology market is naturally linked to the trend in the economy.

An unfavourable economic phase, particularly at a domestic level, could slow the demand with the resulting capital, economic and financial impact.

RISKS CONNECTED TO IT SERVICES

The ICT consultancy services sector in which the Exprivia group operates features fast and profound technological changes and constant evolution of the composition of the professionalism and competences to collect in the creation of the services, with the need for the continuous development and updating of new products and services.

The Exprivia group has always been able to anticipate these changes, and being ready for the needs of the market, also because of conspicuous investment in research and development.

RISKS CONNECTED TO COMPETITION

The intensification of the level of competition, also linked to the possible entrance of new entities with human resources and financial and technological ability which can offer greatly more competitive prices could condition the work of the Exprivia group and the possibility of consolidating or extending its competitive position in the reference sectors with the resulting repercussions on the work and the economic, capital and financial situation of the Exprivia group.

RISKS CONNECTED TO THE EVOLUTION OF THE LEGISLATIVE FRAMEWORK

The work carried out by Exprivia group is not subject to any particular sector legislation.

FINANCIAL RISKS

INTEREST RATE RISK

Over the years, Exprivia group has contracted various loans including some medium-long term at a fixed, facilitated rate, linked to financed research and development projects. Concerning variable rate loans, the company stipulates interest rate swap type derivatives hedging agreements with the aim of reducing the risk of oscillations in rates.

The details relating current loans, the related hedging and their assessed effectiveness are given in the notes to the financial statements.

CREDIT RISK

Exprivia group does not have significant concentrations of credit risks except for the work carried out in the Public Administration sector for which delays are conceded mainly linked to the payment policy adopted by public bodies. These often don't respect the conditions set out in the contracts but, nevertheless, do not lead to the risk of bad debts.

The group also manages this risk through the selection of counterparts considered to be solvent by the market and with high credit standing.

All the credits periodically undergo an analytical assessment of each individual customer, proceeding to depreciation in cases in which a possible loss of value is prospected.

All the details relating to commercial credits are given in the notes to the financial statements.

LIQUIDITY RISK

Prudent management of the liquidity risk is pursued by monitoring cash flows, financing needs and the liquidity of the Exprivia group with the aim of ensuring valid management of financial resources through the opportune management of any surplus liquidity or surplus that can be liquidated, and the subscription of appropriate credit lines, including short-term ones.

EXCHANGE RATE RISK

The preponderance of work conducted in the 'Euro area' by the Exprivia group limits exposure to foreign exchange risks arising from operations in different currencies from the functional one (Euro).

Significant events in the first half of 2010

COMPANY EVENTS

On **20 April 2010** the first Shareholders' meeting of Exprivia SpA met on first call to approve the financial statements at 31/12/2009 and the distribution of a dividend equal to Euro 0.04 per share.

The same meeting renewed the authorisation to buy and sell own shares and appointed Mr. Giorgio De Porcellinis as non executive director of the company.

The Board of Directors of Exprivia subsequently qualified Mr. De Porcellinis as "Independent Director" instead of non executive, pursuant to art. 3 of the Self-discipline Code.

ACQUISITIONS/SALES IN THE SPHERE OF THE EXPRIVIA GROUP

On **9 March 2010** the purchase by Exprivia SpA of 52% of Datilog Srl, a company specialising in WMS (warehouse management system) solutions was perfected.

STOCK OPTION PLAN

In **January 2010** the subscription of option rights assigned with the first tranche was started. On **30 June 2010,** 1,174,500 new Exprivia shares had been subscribed and paid up, for a nominal value of Euro 0.52 each.

Following this subscription, the share capital of Exprivia at 30 June 2010 amounts to Euro 26,979,658.16 and is subdivided of 51,883,958 ordinary shares, all of a nominal value of Euro 0.52.

Description	III tranche	IV tranche
Share price	1.6582	1.5770
Option price	1.6582	1.5770
Duration of option (years)	3.40	3.30
Volatility	62.12%	60.45%
Risk-free rate	4.00%	4.30%
Dividend Yield	0	0
Fair value option	0.7742	0.7139

Events after 30/6/2010

On 23 July 2010 Exprivia signed an agreement to purchase an additional 218,607 shares of the company ACS S.p.A. from Infusion 2002 Ltd for Euro 200,000; this purchase will mean an increase in the stake in ACS S.p.A. from 7.7% to 16.21%. The perfection of the transaction, expected by the end of 2010, is governed by the authorisation by the pool of banks that financed the previous Exprivia purchase transactions.

Stock market performance

Exprivia shares have been listed on the Electronic Share Market of Borsa Italiana (Italian Stock Exchange) since August 2000 and since 28 September 2007 Exprivia was moved to the STAR segment.

The share capital at 30 June 2010 totals EUR 26,979,658.16, divided into 51,883,958 ordinary shares with a par value of Euro 0.52 each;

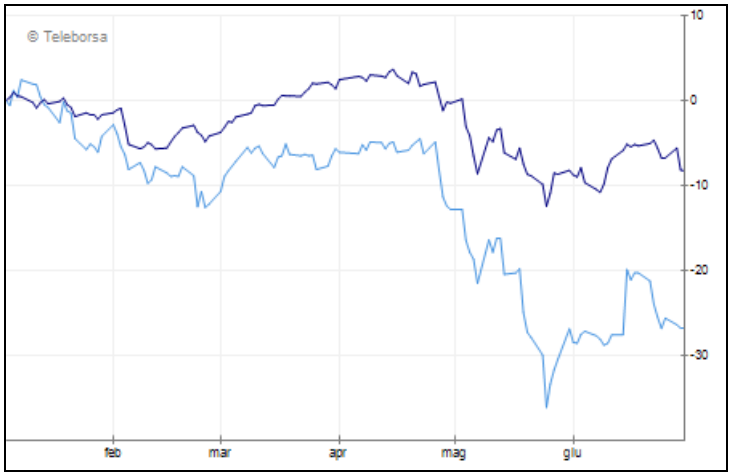
Stock Exchange ISIN code:	IT0001477402
Code:	XPR
Specialist	Centrobanca

COMPOSITION OF SHAREHOLDERS:

At 30 June 2010, the shareholders of Exprivia were made up as follows:

Abaco Systems & Services S.r.l.:	49,8828 % (through Abaco Innovazione SpA)
Merula S.r.l:	5,3855 %
Data Management S.p.A.:	2,0787 %
Own shares	0,8658 %
Other shareholders (< 2%):	41,7872%

LISTING PERFORMANCE



Exprivia

FTSE Italia STAR

The graph shows the performance of the Exprivia listing with the FTSE Italia Star index in the period January-June 2010.

HUMAN RESOURCES

STAFF

The following table summarises the staff situation of the group at 30 June 2010 compared with the period at 31 December 2009.

Company	Employees as at 30/06/2010	Employees as at 31/12/2009	Associates as at 30/06/2010	Associates as at 31/12/2009
Exprivia S.p.A.	582	550	43	52
Wel.Network S.p.A.	114	115	3	1
Svimservice S.p.A.	261	272	1	2
Exprivia Solutions S.p.A.	99	88	19	14
Exprivia Projects S.p.A.	98	103	0	0
GST Srl	16	16	0	0
InFaber Srl	18	16	0	1
Spegea S.c. a r.l.	11	12	0	1
Total	**1199**	**1172**	**66**	**71**
of which Senior managers	*25*	24		
of which Middle managers	*106*	111		

ORGANISATION AND DEVELOPMENT

The Exprivia group is continuously committed to raising the effectiveness of its staff, by increasing their technical and managerial skills, motivation, sense of belonging and responsibility and the level of professional participation to the needs of the group.

Among the numerous actions planned and implemented in the first half of 2010, worth mentioning are:

a) Training course called “Change and development Management”, aimed to the Executive area and arranged and developed around 7 subjects emerged during the gap analysis conducted at the beginning of the year

b) Project management course aimed at attaining the PMP certificate and targeting the middle management

c) Specific training course for Delivery Managers

d) Corporate Master in Business Administration, aimed at Service Line Managers

e) Language training

f) Communicating with customers

g) Time management

From 1 January 2010 to 31 May 2010 we concluded the training courses concerning the project "ICT Skills Leap", whose only beneficiaries were employees of the companies Exprivia and Svimservice.

During the first half of 2010 the Group employees took various certification exams and in total passed 235 exams of a technical and/or professional nature

A part of the actions of Organisational Development worth mentioning are: the experiments concerning **Performance Management;** support to the **Organisational Planning** activities; coordination of the activities linked to the **Associative Presence of the Exprivia Group** .

Organisation, management and control model pursuant to legislative decree 231/2001

With effect from 31 March 2008, Exprivia adopted a new Organisation, Management and Control model as per Leg. Decree 231/2001, and has set up a Surveillance Body, appointed for the whole Group, whose members do not cover any administrative role in the Group companies.

This model is integrated with the principles and provisions of the Exprivia Ethics Code. The unique nature of the Exprivia processes government system and policies is thus confirmed, including the development of a company Ethics culture, in full harmony with the behavioural principles of the whole of Exprivia.

The Surveillance body carried out its work respecting the tasks assigned it by the Model and the Regulations/Statute which it independently adopted, with the aim of checking the operation of the Model and arranging for it to be updated.

During 2009 the model was updated to adjust it to the legislative developments on the subject.

The Organisation, Management and Control model is published on the Company site in the section *"Investor – Company Information"*.

Quality certifications of the group

The Quality Management System, conforming to ISO 9001:2000 regulations, has been operational in Exprivia S.p.A. since 2003. This system enables effective management of company processes, guaranteeing the greatest transparency inside and outside the company.

In the second half of 2009 the certification was subject to the three-year review, which confirmed the certificate for the three-year period from 2010 to 2012, suitably in compliance with ISO standard 9001:2008.

In April 2010, Exprivia S.p.A. obtained the (1) ISO 13485 certification, with the following purpose and field of application: "Design, development, marketing and assistance of software products and information systems for the management and archiving of images, records and clinical data," (2) the product certification in compliance with directive 93/42/CEE, with the following purpose and field of application: "Software and hardware for managing, administrating, viewing and archiving medical images, waveforms and clinical documents".

The other Group companies with ISO 9001 certifications are: Exprivia Solutions S.p.A., Exprivia Projects S.p.A., Svimservice S.p.A., Wel.Network S.p.A., Spegea S.c.a r.l. and GST Gruppo Soluzioni Tecnologiche s.r.l.

Group relationships with parent companies

Exprivia S.p.A. has relationships of a commercial nature with its parent company Abaco Innovazione S.p.A.; in detail, these consist of the supply of logistics services, consultancy and support.

The equity relationships between the Exprivia group and the parent company Abaco Innovazione S.p.A. at 30 June 2010 are compared with those of 31 December 2009.

Receivables

Description	6/30/2010	12/31/2009	Variation
Exprivia S.p.A.	220,478	216,978	3,500
Exprivia Solutions S.p.A.	575,080	568,788	6,292
TOTAL	*795,558*	*785,766*	*9,792*

The economic relationships between the Exprivia group and the parent company Abaco Innovazione S.p.A. at the first half of 2010 are compared with those of the first half of 2009.

Revenues and income

Description	H1 2010	H1 2009	Variation
Exprivia S.p.A.	2,500		2,500
Exprivia Solutions S.p.A.	6,294	8,676	(2,382)
TOTAL	*8,794*	*8,676*	*118*

Inter-group relationships

The new organisational structure became effective on 1 June 2009 and functionally integrated all staff services in the Central Services Division, optimising the operational structures of the individual companies to ensure effectiveness and efficiency in supporting the business of the group. It consists of the Administration and Finance division, the Human Resources division, the Planning and Control Unit, the General Services, Logistics, ICT Infrastructure units, the Quality, Processes and Corporate Information System Unit and the Legal Office.

The Group companies constantly collaborate with each other at commercial, technological and application level. The following are particularly noteworthy:

- ✓ widespread use of the specific corporate marketing and communication competences within the group with the creation of paper, digital and Web promotional material;
- ✓ centralised management for the supply of specialist technical resources between group companies to manage critical points in turnover and to give all operational units access to the highly specialist technical competences;
- ✓ coordinated participation by Exprivia in public contract tenders with the contribution of all companies according to the specific competences.

The table below illustrates the equity relationships between the Companies of the Exprivia Group and its subsidiaries as at 30 June 2010 and 31 December 2009.

RECEIVABLES TO SUBSIDIARIES

Description	6/30/2010	12/31/2009	Variation
Farm Srl in liquidation	20,388	20,388	-
Al Faro Srl in liquidation	1,000		1,000
TOTAL	*21,388*	*20,388*	*1,000*

AMOUNTS OWED TO SUBSIDIARY COMPANIES

Description	6/30/2010	12/31/2009	Variation
AISoftware Professional Services Srl in liquidation		2,451	(2,451)
TOTAL	-	*2,451*	*(2,451)*

Relationships with affiliates and associates

See CONSOB Regulation 11971 dated 14 May 1999, as specified by article 2, letter), and subsequent amendments and integrations for the current definition of affiliated company (the 'Issuer Regulations') and refer to the indications of the international accounting standards, in particular IAS 24 adopted in accordance with the procedure in Art. 6 of Regulation (CE) 1606/2002.

The operations with affiliates set up by the company are part of normal business management and are regular under normal market conditions.

The procedure for the performance of infra-group company operations and other associated bodies is published on the company site in the section "Investor – Company Information".

Due to the losses incurred in 2008 and 2009, Axception srl found itself to be in the situation provided for by art. 2482-ter of the Civil Code. During the Shareholders' meeting of 23 April 2010, the will of some shareholders to continue with the business by removing and rebuilding the share capital was recorded; Exprivia Solutions did not deem it suitable to continue with the initiative since no significant industrial and/or economic returns had emerged. In the subsequent extraordinary meeting of 21 May 2010, Exprivia Solutions waived the option right for its portion, thus losing its title as shareholder. Due to the above, the amount claimed from the company Axception Srl as at 31 December 2009, equal to Euro 25,000, was reclassified from receivables from associated companies to trade receivables.

The table below highlights the payables and receivables and the costs and revenues of both a commercial and financial nature, between Exprivia group companies and the bodies associated with them at 30 June 2010.

RECEIVABLES FROM AFFILIATES AND ASSOCIATES

Description	6/30/2010	12/31/2009	Variation
Aplomb Srl	298,266	317,203	(18,937)
Axception Srl		25,000	(25,000)
Pervoice	22,931		22,931
TOTAL	*321,197*	*342,203*	*(21,006)*

PAYABLES TO AFFILIATES AND ASSOCIATES

Description	6/30/2010	12/31/2009	Variation
Pervoce Srl	23,950	75,000	(51,050)
TOTAL	*23,950*	*75,000*	*(51,050)*

COSTS WITH AFFILIATES AND ASSOCIATES

Description	H1 2010	H1 2009	Variation
Aplomb Srl	50,339	244,113	(193,774)
Pervoice Srl	28,000	8,091	19,909
TOTAL	*28,000*	*8,091*	*19,909*

REVENUES FROM AFFILIATES AND ASSOCIATES

Description	H1 2010	H1 2009	Variation
Pervoice Srl	27,097	31,887	(4,790)
TOTAL	*27,097*	*31,887*	*(4,790)*

Business outlook

The integration of the various Group companies within a single organisation and the centralisation of the personnel functions with the formalisation of a Group integrated organisational structure were completed during 2009. The work of additional optimisation of the Exprivia group in terms of IT systems, logistics and personnel, in addition to the company structure, continued in the first half of 2010.

In the second half of 2010 investments by customers are expected to grow, with a possible increase in the business towards the end of the year.

Exprivia managed to minimise the impact of the crisis and continue with its development by relying on its distinctive features and setting out some clear and defined strategic actions:

- ✓ improved positioning of the Exprivia brand as a leading company in the domestic market due to its ability to innovate and the speed with which it offers and creates innovative solutions;
- ✓ extension of the commercial cover and the offer to overseas markets by developing strategic alliances with leading institutions and local companies;
- ✓ enhanced competitive skills as the result of an excellent services provision model also through near-shoring;
- ✓ start of new production and commercial initiatives, also in collaboration with other partners, to accelerate internal growth and for external ranges in market sectors featuring a high technological content with significant growth expectations;
- ✓ consolidation of the group structures operating in market sectors that are part of the core business.

REPORT ON MANAGEMENT AND COORDINATION ACTIVITIES

In accordance with Art. 2497 et seq. of the Italian Civil Code, disciplining transparency in the exercise of company management and co-ordination work, it is acknowledged that this work is carried out by Abaco Innovazione S.p.A., with offices in Viale Adriano Olivetti, Molfetta (BA), tax code and VAT No. 05434040720.

It should be noted that:

- ✓ Abaco Innovazione S.p.A. has not caused any damage to the interests and property of our company;
- ✓ full transparency of infra-group relationships was ensured to the extent that all those who are interested can check observation of the previous principle;
- ✓ the operations made with Abaco Innovazione S.p.A. and the other companies controlled by it were made at market conditions, i.e., with conditions that would have been applied between independent parties, in relation to this work.

Relationships of an economic, capital and financial nature between Abaco Innovazione S.p.A. are highlighted in the paragraph in the Management Report 'Relationships of the Group with parent companies".

Further, in accordance with Art. 2497 et seq. disciplining in the exercise of company management and co-ordination work, the summary data referring to the latest financial statements Abaco Innovazione S.p.A. is given below.

		12/31/2009	12/31/2008
NON CURRENT ASSETS			
Shareholdings		**31,864,955**	**32,558,685**
	Holdings in subsidiary companies	31,864,955	32,558,685
TOTAL NON CURRENT ASSETS		***31,864,955***	***32,558,685***
CURRENT ASSETS			
Commercial credits and others		**19,585**	**355,404**
	Receivables to subsidiaries		350,000
	Receivables to subsidiaries	12,763	
	Receivables to subsidiaries	1,077	
	Tax assets	5,745	5,404
Liquid assets		**1,623**	**8,820**
	Bank assets	1,556	8,772
	Cheques and unpresented effects	67	48
TOTAL CURRENT ASSETS		***21,208***	***364,224***
TOTAL ASSETS		***31,886,163***	***32,922,909***
NET WORTH			
Company capital		**1,000,000**	**1,000,000**
	Company capital	1,000,000	1,000,000
Own shares		**(152,920)**	**(152,920)**
	Own shares	(152,920)	(152,920)
Other reserves		**23,441,161**	**22,627,991**
	Legal reserve	200,000	200,000
	Extraordinary reserve	4,589,569	3,776,399
	Riserve from IAS transaction	(8,408)	(8,408)
	Share exchange reserve	18,660,000	18,660,000
Profits/Losses on previous periods		**4,586**	**4,586**
	Profits/ Losses brought forward	4,586	4,586
Profit/Loss for period		**435,846**	**813,170**
TOTAL NET WORTH		**24,728,673**	**24,292,827**
NON CURRENT LIABILITIES			
Non current liabilities to banks		**4,200,000**	**3,500,000**
	Non current liabilities to banks	4,200,000	3,500,000
TOTAL NON CURRENT LIABILITIES		***4,200,000***	***3,500,000***
CURRENT LIABILITIES			
Current liabilities to banks		**1,213,844**	**3,456,263**
	Payables to banks current share	1,213,844	3,456,263
Payables to suppliers		**161,130**	**166,282**
	Payables to suppliers	161,130	166,282
Other financial liabilities		**998,864**	**921,211**
	Payables to subsidiaries	785,766	750,777
	Payables to others	213,098	170,434
Tax liabilities		**0**	**29,005**
	Tax liabilities		29,005
Other current liabilities		**583,652**	**557,321**
	Payables to welfare and social security	23,660	18,710
	Other liabilities	530,522	485,522
	Accrued liabilities	29,470	53,089
TOTAL CURRENT LIABILITIES		***2,957,490***	***5,130,082***
TOTAL LIABILITIES		***31,886,163***	***32,922,909***

INCOME		**0**	**200,000**
	Income from sales and services		200,000
OTHER REVENUES		**4,239**	**4,957**
	Other revenues	4,239	4,957
	Capital gains		
TOTAL PRODUCTION REVENUES		***4,239***	***204,957***
COSTS CONNECTED WITH BENEFITS FOR EMPLOYEES		**49,950**	**49,950**
	Salaries and wages	45,000	45,000
	Social contributions	4,950	4,950
OTHER COSTS		**112,237**	**133,662**
	Other costs for services	40,220	75,803
	Sundry management charges	72,017	57,859
TOTAL PRODUCTION COSTS		***162,187***	***183,612***
DIFFERENCE BETWEEN PRODUCTION REVENUE		**(157,948)**	**21,345**
FINANCIAL INCOME AND CHARGES		**(590,963)**	**(848,394)**
	Income from holdings in subsidiaries	(1,038,976)	(1,390,729)
	Other financial income with separate	(25,119)	(183,782)
	Interest and other financial charges	457,980	701,462
	Financial charges with subsidiaries	15,152	24,655
PRE-TAX RESULT		**433,015**	**869,739**
INCOME TAX		**(2,831)**	**56,569**
	IRES		44,300
	IRAP		3,200
	TAX IN PREVIOUS YEARS	(2,831)	9,069
	DEFERRED TAXES		
PROFIT OR LOSS FOR THE PERIOD		***435,846***	***813,170***

Half-yearly financial statements of the Exprivia Group

Consolidated Balance Sheet

		06.30.2010	06.30.2009	12.31.2009
NON-CURRENT ASSETS				
Property, plant & machinery		10,152,468	8,963,349	10,233,350
	Land and buildings	6,647,136	6,833,514	6,725,794
	Assets under construction and payments on account	96,515	96,516	96,516
	Other assets	3,408,817	2,033,319	3,411,040
Goodwill and other undefined assets		62,785,645	63,205,093	62,766,930
	Goodwill	29,407,448	29,720,502	29,422,170
	Consolidation difference	33,378,197	33,484,591	33,344,760
Other intangible assets		4,336,106	5,576,870	4,190,604
	Intangible assets	480,243	2,079,710	496,263
	Research and development costs	3,234,861	3,140,435	3,222,641
	Assets under construction and payments on account	621,002	356,725	471,700
Shareholdings		1,754,252	1,817,045	1,754,752
	Shareholdings in subsidiaries	51,646		51,646
	Shareholdings in associated companies	306,028	409,409	306,028
	Shareholdings in other companies	1,396,578	1,407,636	1,397,078
Other financial assets		149,878	169,731	143,793
	Receivables to subsidiaries	21,388	20,388	20,388
	Receivables to affiliated companies		51,646	
	Other accounts receivable	128,490	97,697	123,405
Deferred tax assets		957,044	449,802	1,051,270
	Tax advances/deferred taxes	957,044	449,802	1,051,270
TOTAL NON-CURRENT ASSETS		80,135,392	80,181,891	80,140,699

		06.30.2010	06.30.2009	12.31.2009
CURRENT ASSETS				
Trade receivables and others		58,243,232	56,188,242	62,437,386
	Receivables to customers	45,444,284	42,777,765	50,435,282
	Receivables to subsidiaries	22,931	269,534	25,000
	Receivables to parent companies	795,560	773,897	785,766
	Receivables to affiliated companies	298,266	355,078	317,203
	Other accounts receivable	8,372,450	7,742,073	8,792,681
	Tax credits	1,148,607	2,450,482	1,124,764
	Prepaid expenses and accrued income	2,161,134	1,819,413	956,690
Stock		297,142	776,227	369,852
	Stock	297,142	776,227	369,852
Work in progress to order		19,275,155	12,646,156	11,016,505
	Work in progress to order	19,275,155	12,646,156	11,016,505
Current financial assets		318	318	318
	Other bonds	318	318	318
Cash resources		5,935,618	3,904,661	5,988,680
	Current banks	5,910,478	3,892,449	5,967,888
	Cheques and unpresented effects	25,140	12,212	20,792
TOTAL CURRENT ASSETS		83,751,465	73,515,604	79,812,741
TOTAL ASSETS		***163,886,857***	***153,697,495***	***159,953,440***

		06.30.2010	06.30.2009	12.31.2009
NET WORTH				
Capital stock		**26,979,658**	**26,368,918**	**26,368,918**
	Capital stock	26,979,658	26,368,918	26,368,918
Own shares		**(233,594)**	**(89,970)**	**(48,370)**
	Own shares	(233,594)	(89,970)	(48,370)
Premium reserve		**18,081,738**	**17,645,059**	**17,645,059**
	Share premium	18,081,738	17,645,059	17,645,059
Revaluation reserve		**2,907,138**	**2,907,138**	**2,907,138**
	Revaluation reserve	2,907,138	2,907,138	2,907,138
Other reserves		**7,269,497**	**4,381,990**	**4,452,066**
	Legal reserve	621,831	394,488	394,488
	Extraordinary reserve	5,373,534	3,105,075	3,105,075
	Other reserves	894,914	503,209	573,285
	IAS transaction reserve	101,875	101,875	101,875
	IAS reserve available	501,236	501,236	501,236
	IAS tax effect	(223,893)	(223,893)	(223,893)
Profits/Losses for previous periods		**5,866,975**	**5,315,338**	**5,294,359**
	Profits/losses brought forward	5,866,975	5,315,338	5,294,359
Profit/Loss for the period		**1,605,697**	**2,327,259**	**5,042,045**
TOTAL NET WORTH		62,477,109	58,855,732	61,661,215
Minority interest		**444,148**	**433,402**	**398,828**
TOTAL GROUP NET WORTH		***62,032,961***	***58,422,330***	***61,262,387***

		06.30.2010	06.30.2009	12.31.2009
NON-CURRENT LIABILITIES				
Payables to non-current banks		25,059,617	20,443,307	18,749,611
	Payables to non-current banks	25,059,617	20,443,307	18,749,611
Other financial liabilities		234,559	412,618	234,559
	Payables for tax and social security beyond the peric	234,559	412,618	234,559
Provision for risks and charges		1,253,288	1,171,814	1,491,372
	Other provisions	1,253,288	1,171,814	1,491,372
Staff-related funds		7,570,297	7,534,603	7,440,413
	Severance pay	7,570,297	7,534,603	7,440,413
Deferred tax liabilities		1,444,353	1,457,338	1,490,874
	Deferred tax funds	1,444,353	1,457,338	1,490,874
TOTAL NON-CURRENT LIABILITIES		35,562,114	31,019,680	29,406,829

		06.30.2010	06.30.2009	12.31.2009
CURRENT LIABILITIES				
Payables to current banks		**21,146,020**	**20,023,599**	**26,497,575**
	Payables to current quota banks	21,146,020	20,023,599	26,497,575
Payables to suppliers		**11,574,761**	**14,394,260**	**14,529,852**
	Payables to suppliers	11,574,761	14,394,260	14,529,852
Advances on work in progress to order		**5,734,950**	**3,216,751**	**4,298,097**
	Payments on account	5,734,950	3,216,751	4,298,097
Other financial liabilities		**5,403,550**	**3,615,656**	**4,182,240**
	Payables to subsidiaries		17,451	2,451
	Payables to associated companies	23,950	40,983	75,000
	Payables to parent companies		350,000	
	Payables to affiliated companies			
	Other accounts payable	5,379,600	3,207,222	4,104,789
Tax debits		**7,147,717**	**6,413,049**	**6,456,388**
	Tax debits	7,147,717	6,413,049	6,456,388
Other current liabilities		**14,840,636**	**16,158,767**	**12,921,243**
	Payables to welfare and social security institutions	2,807,667	2,941,138	3,488,954
	Other payables	7,321,746	9,062,238	5,392,048
	Deferred revenue	210,653	313,778	243,524
	Accrued liabilities	4,500,571	3,841,613	3,796,717
TOTAL CURRENT LIABILITIES		65,847,634	63,822,082	68,885,395
TOTAL LIABILITIES		***163,886,857***	***153,697,494***	***159,953,440***

Consolidated Income Statement

		06.30.2010	06.30.2009	12.31.2009
Revenues		**37,124,921**	**36,806,858**	**81,793,288**
	Proceeds of sales and services	37,124,921	36,806,858	81,793,288
Other revenues		**917,883**	**1,611,063**	**2,576,826**
	Other proceeds	631,160	696,291	1,302,508
	Invest. grants tfr to P&L account	286,723	914,772	1,274,318
Variation in stock of finished products and products being processed		**10,171,380**	**5,389,196**	**5,720,406**
	Var. stock of products being processed, semi-finished items	(72,710)	82,395	(321,163)
	Variation in work in progress to order	9,396,613	4,624,639	4,264,641
	Increase in assets for internal work	847,477	682,162	1,776,928
TOTAL PRODUCTION REVENUES		**48,214,184**	**43,807,117**	**90,090,520**
Raw materials and consumables used		**4,642,760**	**1,690,960**	**4,967,791**
	Costs of raw, subsid. & consumable mat. and goods	4,642,760	1,690,960	4,967,791
Costs connected with employee-related benefits		**27,448,355**	**26,670,220**	**52,030,885**
	Salaries and wages	20,518,530	20,104,582	38,913,962
	Social charges	5,336,539	5,072,579	10,014,085
	Severance Pay	1,232,420	1,104,645	2,385,606
	Other staff costs	360,866	388,414	717,232
Other costs		**10,302,175**	**9,101,838**	**18,419,200**
	Other costs for services	8,513,275	7,459,422	14,850,512
	Costs for leased assets	1,118,122	869,116	1,665,855
	Sundry management charges	632,768	746,677	1,541,956
	Stock and payments on account	38,010	26,623	360,877
TOTAL PRODUCTION COSTS		**42,393,289**	**37,463,018**	**75,417,876**
DIFFERENCE BETWEEN PRODUCTION COSTS AND REVENUES		**5,820,895**	**6,344,099**	**14,672,644**

		06.30.2010	06.30.2009	12.31.2009
Depreciation and devaluation		**1,310,224**	**1,424,340**	**2,942,279**
	Ordinary amortisement of intangible assets	764,165	839,006	1,547,027
	Ordinary amortisement of tangible assets	436,213	489,295	1,012,593
	Altre svalutazioni delle immobilizzazioni	58,165		59,206
	Devaluation of credits included in working capital	51,681	96,039	323,453
OPERATIVE RESULT		**4,510,671**	**4,919,759**	**11,730,365**
Proceeds and financial charges		**867,532**	**1,207,819**	**2,527,707**
	Proceeds from parents companies	(6,294)	(8,676)	(15,152)
	Proceeds from others shareholdings	(949)	(57)	(972)
	Other proceeds with separate indication	(5,835)	(32,096)	(132,166)
	Interest and other financial charges	902,452	1,197,637	2,216,346
	Profit and loss on foreign exchange	(21,842)	767	(1,336)
	Devaluation of shareholding		50,244	460,987
PRE-TAX RESULT		**3,643,139**	**3,711,940**	**9,202,658**
Income tax		**2,037,442**	**1,384,681**	**4,160,613**
	IRES	736,687	55,200	419,503
	IRAP	1,190,414	1,238,987	2,437,512
	Tax in previous years	(59,042)		100,045
	Deferred taxes	68,977	564,734	583,568
	Tax paid in advance	100,406	(474,240)	619,985
PROFIT OR LOSS FOR THE PERIOD		***1,605,697***	***2,327,259***	***5,042,045***
Attributable to:				
	Shareholders of parent company	1,615,062	2,313,278	5,062,638
	Minority shareholder	(9,366)	13,981	(20,593)
Basic profit per share		0.0313	0.0459	0.1003
Diluted profit per share		0.0325	0.0471	0.1030

Overall Income Statement (*) at 30 June 2010, 30 June 2009 and 31 December 2009

Description	H 1 2009	H 1 2008	12/31/2009
Profit for the period	1,605,697	2,327,259	5,042,045
Net income (loss) from the change in costs for stock option exercise	(13,460)		
Net income (loss) from sale of own shares	10,312	74,838	129,256
Net income / (expense) for the period recognized in equity	***(3,148)***	***74,838***	***129,256***
Total comprehensive income	**1,602,549**	**2,402,097**	**5,171,301**
attributable to:			
Group	1,611,915	2,388,116	5,191,884
Minority interest	(9,366)	13,981	(20,593)

(*) It should be noted that accounting standard IAS 34, paragraph 8 A, in force from 1 January 2009, provides for the presentation of the Overall Income Statement, either as:

- ✓ a single summary of the income statement
- ✓ a separate summary of the overall income statement

The presentation of a separate summary of the overall income statement was considered preferable.

Statement of changes in the Consolidated Net Worth at 30 June 2009, 31 December 2009 and 30 June 2010.

Operations	Company Capital	Own shares	Share Premium Fund	Other Reserves	Reval. Reserve	Profits (Losses) brought forward	Profit (Loss) for the period	Minority Interests	Minority Interests	Total Net Worth	Total Group Net Worth
Transfer from the nominal value of share premium		123,323		(123,323)						-	
Purchase of own shares		(72,682)		(49,139)						(121,821)	
Reclassification previous year's profit to previous year's profit						6,894,948	(6,894,948)			-	
Stock Option				565,589						565,589	
Sale of own shares		171,600		134,093						305,693	
Destination of the period result - legal reserve				235,628		(235,628)				-	
Destination of the period result - extraordinary reserve				1,605,075		(1,605,075)				-	
Destination of the period result - extraordinary reserve						(2,021,457)				(2,021,457)	
Changes in consolidated companies						(622,911)				(622,911)	
Profit (loss) of the period							2,327,259	13,981	2,327,259	2,327,259	
Net income / (expense) for the period recognized in equity				74,838					74,838	74,838	
Balance at 30/06/09	***26,368,918***	***(89,970)***	***17,645,059***	***4,381,990***	***2,907,138***	***5,315,338***	***2,327,259***	***433,402***	***2,402,097***	***58,855,732***	***58,422,330***
Stock Option				6,476						6,476	
Sale of own shares		41,600		9,182						50,782	
Changes in consolidated companies						(20,979)				(20,979)	
Profit (loss) of the period							2,714,786	(34,574)	2,714,786	2,714,786	
Net income / (expense) for the period recognized in equity				54,418					54,418	54,418	
Balance at 31/12/09	***26,368,918***	***(48,370)***	***17,645,059***	***4,452,066***	***2,907,138***	***5,294,359***	***5,042,045***	***398,828***	***5,171,301***	***61,661,215***	***61,262,387***
Reclassification previous year's profit to previous year's profit						5,042,045	(5,042,045)			0	
Destination of the period result				4,546,860		(4,546,860)				0	
Dividend distribution				(2,051,058)						(2,051,058)	
Stock Option				474,808						474,808	
Capital increase due to the subscription stock options-the first tranche	610,740		436,679							1,047,419	
Purchase of own shares		(204,464)		(156,183)						(360,647)	
Sale of own shares		19,240		6,152						25,392	
Changes in consolidated companies						77,431				77,431	
Profit (loss) of the period							1,605,697	45,320	1,605,697	1,605,697	
Net income / (expense) for the period recognized in equity				(3,148)					(3,148)	(3,148)	
Balance at 30/06/2010	***26,979,658***	***(233,594)***	***18,081,738***	***7,269,497***	***2,907,138***	***5,866,975***	***1,605,697***	***444,148***	***1,602,549***	***62,477,109***	***62,032,961***

Movements in the Consolidated Net Worth

Operations	Company Capital	Own shares	Share Premium Fund	Riserva legale	Riserva per azioni proprie in portafoglio	Other Reserves	Reval. Reserve	Profits (Losses) brought forward	Profit (Loss) for the period	Total Net Worth	Minority Interests	Total Group Net Worth
Transfer from the nominal value of share premium		123,323				(123,323)				-		
Purchase of own shares		(72,682)				(49,139)				(121,821)		
Reclassification previous year's profit to previous year's profit								6,894,948	(6,894,948)	-		
Stock Option						572,065				572,065		
Changes in consolidated companies								8,742		8,742		
Sale of own shares		213,200				272,531				485,731		
Destination of the period result - legal reserve						235,628		(235,628)		-		
Destination of the period result - extraordinary reserve						1,605,075		(1,605,075)		-		
Destination of the period result - dividend distribution								(2,021,457)		(2,021,457)		
Recapitalization SPEGEA by minority shareholders								33,310		33,310		
Recapitalization SPEGEA by Exprivia								(49,966)		(49,966)		
Amortization of goodwill								209,745		209,745		
Elimination participation ClinicHall for sale								91,542		91,542		
Changes in consolidated companies								(937,263)		(937,263)		
Result at 31/12/2009									5,042,045	5,042,045	26,699	
Balance at 31/12/09	***26,368,918***	***(48,370)***	***17,645,059***	***0***	***0***	***4,452,066***	***2,907,138***	***5,294,359***	***5,042,045***	***61,661,215***	***398,828***	***61,262,387***
Reclassification previous year's profit to previous year's profit								5,042,045	(5,042,045)	-		
Destination of the period result						4,546,860		(4,546,860)		0		
Dividend distribution						(2,051,058)				(2,051,058)		
Stock Option						474,808				474,808		
Capital increase due to the subscription stock options-the first tranche	610,740		436,679							1,047,419		
Costs due for stock option exercise						(13,460)				(13,460)		
Purchase of own shares		(204,464)				(156,183)				(360,647)		
Sale of own shares		19,240				16,464				35,704		
Changes in consolidated companies								77,431		77,431		
Result at 30/06/2010									1,605,697	1,605,697	45,320	
Balance at 30/06/10	***26,979,658***	***(233,594)***	***18,081,738***	***0***	***0***	***7,269,497***	***2,907,138***	***5,866,975***	***1,605,697***	***62,477,109***	***444,148***	***62,032,961***

Consolidated Cash Flow Statement

	06.30.2010	06.30.2009	12.31.2009
Operating activities:			
- Profit (loss)	1,605,697	2,327,259	5,042,045
- Amortisation, depletion and depreciation of assets	1,200,378	1,328,301	2,559,620
- Provision for Severance Pay Fund	1,232,420	1,104,645	2,385,606
- Advances/Payments Severance Pay	(1,102,536)	(983,166)	(2,358,317)
- Adjustment of value of financial assets			
Cash flow arising from operating activities	**2,935,959**	**3,777,039**	**7,628,954**
Increase/Decrease in net working capital:			
- Variation in stock and payments on account	(8,185,940)	(4,468,554)	(2,432,528)
- Variation in receivables to customers	4,990,998	2,096,799	(5,560,718)
- Variation in receivables to parent/subsidiary/associated company	11,212	(489)	270,051
- Variation in other accounts receivable	396,388	(1,121,892)	(846,782)
- Variation in payables to suppliers	(2,955,091)	2,372,004	2,507,596
- Variation in payables to parent/subsidiary/associated company	1,221,310	43,141	609,725
- Variation in tax and social security liabilities	10,042	(347,568)	65,528
- Variation in other accounts payable	3,366,550	2,111,730	(477,114)
- Variation in prepaid expenses and accrued income	(1,204,444)	(1,082,945)	(220,222)
- Variation in deferred revenue	670,983	1,215,698	1,100,549
- Variation in risk funds reserve	(284,605)	461,494	814,588
Cash flow arising (used) from current assets and liabilities	**(1,962,598)**	**1,279,418**	**(4,169,327)**
Cash flow arising (used) from current	**973,361**	**5,056,458**	**3,459,627**
Investment activities:			
- Variation in tangible assets	(355,331)	(1,033,054)	(2,826,353)
- Variation in intangible assets	(928,381)	(3,219,645)	(2,103,237)
- Variation in financial assets	88,640	(270,666)	(783,903)
Cash flow arising (used) from investment activities	**(1,195,072)**	**(4,523,365)**	**(5,713,493)**
Financial activities:			
- Capital increase	610,740		
- Variation in other reserves	(1,400,543)	(1,820,068)	(1,729,371)
Cash flow arising (used) from financial activities	**(789,803)**	**(1,820,068)**	**(1,729,371)**
Increase (decrease) in cash	**(1,011,513)**	**(1,286,975)**	**(3,983,237)**
Banks and cash profits at start of year	5,988,680	6,232,470	6,232,470
Banks and cash losses at start of year	(45,247,186)	(41,507,740)	(41,507,740)
Banks and cash profits at end of period	5,935,618	3,904,661	5,988,680
Banks and cash losses at end of period	(46,205,637)	(40,466,906)	(45,247,186)
Increase (decrease) in liquidity	**(1,011,513)**	**(1,286,975)**	**(3,983,237)**

NOTES TO THE HALF-YEARLY FINANCIAL STATEMENTS OF THE EXPRIVIA GROUP AT 30 June 2010

REFERENCES TO REGULATIONS

In accordance with the provisions of Art. 154(c) of the TUF (as amended by Legis. Dec. 195/2007), the Exprivia group presents the Consolidated Half-yearly Financial Report as at 30 June 2010 including:

- ✓ the half-yearly financial statements of the Exprivia group at 30 June 2010
- ✓ the Interim Management Report
- ✓ the certification set out by art. 154 bis, par. 5

As set out by the above Article, and accounting principle IAS 34, these financial statements have been drawn up exclusively in consolidated form, as our company is obliged to draw up the Consolidated Balance Sheet (with the exclusion of the Financial Statements of the parent company Exprivia S.p.A.).

NEW ACCOUNTING PRINCIPLES

ACCOUNTING PRINCIPLES, AMENDMENTS AND INTERPRETATIONS APPLICABLEBY THE GROUP

IAS 1 REVIEWED – PRESENTATION OF THE FINANCIAL STATEMENTS

The reviewed version of IAS 1 – Presentation of the financial statements, no longer allows the presentation of the components of income such as income and expenses (defined as 'variations generated by transactions with non-partners') in the prospectus of the variations of net worth. Instead, it requires a separate indication with respect to the variations generated by transactions with partners. According to the revised version of IAS 1,all the variations generated by transactions with non-partners must be highlighted in a single separate prospectus which shows the trend for the period (prospectus of the overall profits and losses found) or two separate prospectuses (income statement and prospectus of the overall profits or losses found). These variations must also be separately highlighted in the prospectus of the variations in net worth.

The group applied the revised version of the principle from 1 January 2009 in a retrospective manner, choosing to highlight all the variations arising from transactions with non-partners in two prospectuses measuring the trend for the period, respectively entitled 'Consolidated income statement' and 'Prospectus of profits and losses found in the net worth for the years 2008 and 2009". As a result,the group changed the presentation of the prospectus of the variations in net worth.

Further, an amendment to revised IAS 1 was published in the sphere of the Annual Improvement Process 2008 conducted by IASB. This states that the assets and liabilities arising from derivative financial instruments as cover are classified in the equity and financial situation, distinguishing between current and non-current assets and liabilities. With reference to this, it should be noted that adoption of this amendment has not led to any change in the presentation of the entries relating to the assets and liabilities from derivative financial instruments as a result of the form of mixed presentation of the current and non-current distinction adopted by the group and allowed by IAS 1.

AMENDMENT TO IFRS 2 – MATURATION AND CANCELLATION CONDITIONS

The amendment to IFRS 2 – *Maturation and cancellation conditions* establishes that only the service and performance conditions can be considered vesting conditions for the purposes of the assessment of remuneration instruments based on shares. Any other clauses must be considered non-vesting conditions and incorporated in the definition of fair value at the date of grant of the conditions. The amendment also clarifies that, if the conditions are annulled, the same accounting treatment must be applied whether the annulment comes from the company or the counterpart.

Accounting effects for the group have not emerged from its application as the current stock option about to mature in the period does not provide for maturation conditions different from those of performance and service as defined in the amendment and there were no cancellations of plans in the periods considered.

"IFRS 3 (2008) – BUSINESS COMBINATIONS

The updated version of IFRS 3 introduced important changes, as described below. These mainly concern: the process of acquisition in stages of subsidiaries; the possibility of valuing at fair value any non-controlling interest acquired in a partial acquisition; the allocation to the income statement of all the costs related to the business combination and the recognition on the date of acquiring the liabilities for conditioned payments. This IFRS did not have any particular effect on the half-year financial statements of the Group.

IMPROVEMENT TO IAS 19 – BENEFITS TO EMPLOYEES

The improvement to IAS 19 – *Benefits to employees* clarifies the definition of cost/proceeds relating to the past performance of assets and establishes that, if a plan is reduced, the immediate effect on the income statement must only include the reduction of benefits relating to future periods, while the effect arising from any reduction connected to past periods of service must be considered a negative cost in relation to past performance of assets. This change is applicable prospectively to the changes made to plans from 1 January2009. It should also be noted that no significant accounting effect has been found following the adoption of this amendment at 31 December 2009.

IMPROVEMENT TO IAS 20 – ACCOUNTING AND INFORMATION ON PUBLIC CONTRIBUTIONS

The improvement to IAS 20 – *Accounting and information on public contributions* sets out that the benefits arising from loans from public bodies granted at a lower interest rate than that of the market must be treated as public contributions and so follow the rules of recognition/payment set out by IAS 20. The previous version of IAS 20 set out that if there was financing at a favourable rate of interest received as a public contribution, the company couldn't obtain any benefit. Now, at the time of supply of such loans, the financial debt must be recorded at fair value and there must be deferred income against the contributions on the favourable interest rate to be received for an amount equal to the difference between the fair value of the debt and what has been received. This value will be found in the income statement when and only when all the necessary conditions for the payment of the contribution have been systematically satisfied to correlate it to the costs that are meant to be compensated.

There have been relevant effects for the group through the application of this principle.

IAS 27 (2008) - CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

The changes to IAS 27 mainly concern the accounting treatment of transactions or events that change the interest in subsidiaries and the allocation of the losses of the subsidiary to the non-controlling interest. According to IAS 27 (2008), once the control of a company has been obtained, the transactions in which the parent company acquires or transfers additional minority shares without changing the control exercised over the subsidiary, are transactions with the shareholders and must be therefore recorded under the net worth. Consequently, the carrying amount of the controlling shareholding and the non-controlling interest must be adjusted to reflect the change of interest in the subsidiary, and any difference between the amount of the adjustment made to the non-controlling interest and the fair value of the price paid or received for this transaction is recorded directly in the net worth and attributed to the shareholders of the parent company.

There will be no adjustments to the value of goodwill and profits or losses posted under the income statement. The additional charges deriving from these transactions must also be recorded in the net worth, in accordance with the provisions of IAS 32, par. 35. The introduction of this IFRS has had no special effects on the interim financial statements of the Group.

IMPROVEMENT TO IAS 28 – SHAREHOLDINGS IN AFFILIATES

The improvement to IAS 28 – *Shareholdings in affiliates* sets out that for shareholdings valued according to the net worth method, any loss of value must not be allocated to the individual activities (and, in particular, any goodwill) which make up the book value of the shareholding, but to the value of the shareholding overall. As a result, if there are the conditions for a subsequent restoration of value, this must be paid in full.

In accordance with the rules of transition set out by the improvement, the group will apply this amendment prospectively manner to the restorations of value made from 1 January 2009. Nevertheless, no accounting effect has arisen from the adoption of this new principle because the group has not found any restoration of value of goodwill included in the book value of the shareholdings during 2009.

IFRS 8 OPERATIONAL SECTORS

The IASB issued IFRS 8 in November 2006 replaces IAS 14 Sector Information for accounting periods which start from 1 January 2009. The new accounting principle requires the company to base the information shown in the sector information on the elements which the management uses to make its operational decisions. Therefore, it requires the identification of operational segments on the base of internal reporting which is regularly reviewed by the management for the purposes of the allocation of resources to the different segments and the analysis of performance.

The application of this principle has not had any effect for the group as the information was already based on these assumptions.

The following amendments and interpretations, applicable from 1 January 2010, govern the matter in hand and cases not in the group at the date of these interim financial statements, but may affect future transactions or agreements:

- ✓ Improvement to IFRS 5 – Non current assets available for sale and discontinued operational assets.
- ✓ Amendments to IAS 28 – Shareholdings in affiliates
- ✓ Amendments to IAS 31 – Investments in joint ventures, consequent to the changes made to IAS 27.
- ✓ Amendment to IFRS 2 – Payments based on shares: payment based on Group shares and settled in cash.
- ✓ IFRIC 17 – Distribution of non-liquid assets to the shareholders.
- ✓ IFRIC 18 – Transfer of assets from customers.
- ✓ Amendment to IAS 39 – Financial instruments: measurement and assessment – Hedging elements
- ✓ amendment to IAS 32 – Financial instruments: presentation: classification of the rights issued for the purpose of an organised accounting of the issue of rights (rights, options or warrants) in a currency other than the functional currency of the issuer
- ✓ reviewed version of IAS 24 – Financial statement information on the related parties that simplifies the type of information required in case of transactions with related parties controlled by the Government and clarifies the meaning of related parties. The standard is applicable from 1 January 2011; as of the date of these condensed interim financial statements, the competent EU bodies have not yet completed the homologation process needed for its application."

DECLARATION OF CONFORMITY TO IFRS INTERNATIONAL ACCOUNTING STANDARDS

The interim report of the Exprivia group at 30 June 2010 was drawn up in accordance with the international accounting standards homologated by the European Community (referred below to as IAS/IFRS individually or IFRS overall), and particularly with standard IAS 34, regarding interim reports.

In conformity with the provisions of IFRS Principle 1, we state that we have applied all the international IAS/IFRSs accounting principles in force at the date of the preparation of this consolidated half yearly financial report to 30 June 2010.

CONSOLIDATION CRITERIA

The consolidation area includes the financial statements of the parent company Exprivia S.p.A. with those of the subsidiary and affiliated companies except for the shareholdings held for subsequent sale.

Subsidiary companies mean those in which the parent company holds control. The existence of control is presumed when more than half the effective or potentially exercisable voting rights in the shareholders' meeting at the accounting date are held, directly or indirectly. Affiliated companies mean those in which the parent company exercises a significant influence. This is presumed when 20% or more of the effective or potentially exercisable voting rights at the accounting date are held.

Subsidiary and affiliated companies are consolidated from the date in which the group acquires control of them and deconsolidated from the date control is lost or when there are decisions, events and evidence relating to the future assignment of the shareholding that changes its status, causing it to become a shareholding held for subsequent disposal/sale.

The acquisition of subsidiaries and affiliates is accounted for on the basis of the method of purchase. The cost of acquisition corresponds to the current value of the assets sold, shares issued or liabilities assumed at the date of acquisition plus the directly attributable costs. The excess of the cost of acquisition over the share of pertinence of the group of the current value of the net assets of the company acquired is accounted for in the total assets as goodwill for subsidiaries while it is included in the value of the shareholding for associated companies. Any negative goodwill is accounted for in the Income Statement at the date of acquisition.

The overall integration method is applied for the purposes of the consolidation of subsidiaries, i.e., assuming the whole amount of total assets and liabilities and all the costs and revenues apart from the effective participation percentage. The accounting value of the consolidated shareholdings is, therefore, eliminated in the face of the relative net worth. The operations and balances, and also the profits and losses not realised on infra-group transactions are eliminated. The quotas of net worth and so the responsibility of minority shareholders are highlighted respectively in a special entry of the net worth and in a separate line of the consolidated Income Statement.

After acquisition, the shareholdings in associated companies are accounted for by the net equity method noting the quota relevant to the group in the result and movements of the reserves respectively in the income statement and net worth. The profits and losses not realised on infragroup operations are eliminated for the quota of interest. When the relevant quota for the group of the losses of an associated company is equal to or higher than the value of the shareholding, the group does not recognise further losses unless it has duties to cover losses or has made payments on behalf of the associated company.

VALUATION CRITERIA

The accounting principles adopted for drawing up this half-yearly consolidated financial statements are the same as those adopted for drawing up the annual consolidated balance sheet of the group for the financial

year which closed on 31 December 2009, except for the amendments/updates to the international accounting standards, with which we complied.

INTANGIBLE FIXED ASSETS

Intangible fixed assets are accounted for at the cost of acquisition or production. The cost of acquisition is the price paid to acquire the asset and all direct costs borne to prepare the asset for its use. The cost of acquisition is the equivalent cash price at the date of accounting. Therefore, if payment of the price is deferred beyond the normal terms of extension of credit, the difference compared to the equivalent cash price is accounted for as interest throughout the period of extension. For intangible assets generated internally, the process of the formation of the asset is separated into the stages of research (not capitalised)and development (capitalised). If the two stages cannot be distinguished, the whole project is considered as research. The financial charges borne for the acquisition are never capitalised.

GOODWILL AND OTHER ASSETS WITH AN INDEFINITE LIFE

Goodwill arising from acquisition or merger operations accounted for on the basis of the purchase method, in accordance with IFRS principle 3, if there are not the suppositions for the identification of a definite useful life, are not subject to amortisation but subject to the 'impairment test' at least once a year. These values are allocated to one or more independent cash generating units from the date of acquisition or the end of the accounting period following this for this purpose. Any reductions in value emerging from the impairment test are not adjusted in the following periods. Any goodwill to which a definite useful life can be associated is subject to amortisation on the estimated useful life (usually 10-15 years).

OTHER INTANGIBLE FIXED ASSETS

The other intangible fixed assets, such as development costs, industrial patent and intellectual property rights, assignments, licences, brands and similar rights, and software, are valued at cost net of accumulated amortisation, decided on the basis of the criterion at constant quotes throughout the expected period of use, on average, unless for specific cases of 3/5 years, and any losses of value. The amortisation criteria used, the useful lives and residual values are re-examined and redefined at least at the end of each administrative period to take account of any significant variations.

TANGIBLE FIXED ASSETS

Tangible fixed assets are accounted for at the cost of acquisition or production. This is represented by the price paid to purchase or produce the assets and any other cost directly sustained to prepare the asset for its use. The cost paid to acquire or produce the asset is the equivalent cash price at the accounting date; as a result, if payment is deferred beyond the normal terms of extension of the credit, the difference with respect to the equivalent cash price is accounted for as interest throughout the period of extension. The financial charges borne for the acquisition or production of the asset are never capitalised. Capitalisation of the costs relating to the extension, modernisation or improvement of the structural elements of property or in use by third parties is only carried out within the limits in which they respond to the requirements to be separately classified as an asset or part of an asset.

After the initial accounting, tangible assets written down at cost, net of the accumulated depreciation and any losses of value. The depreciated value of each significant component of a tangible asset, with a different useful life, is divided over the expected period of use in constant rates. Considering the homogeneity of the assets included in the individual categories of the financial statements, it is assumed that the useful life per category of assets is the following, unless there are specific relevant cases:

Land	indefinite useful life
Industrial buildings	33 years
Plants and machinary	4 – 7 years
Office furniture and electronic machinary	5 – 8 years
Equipment and automobiles	4 - 7 years

The amortisation criteria used, the useful lives and residual values are re-examined and redefined at least at the end of each administrative period to take account of any significant variations.

Costs that can be capitalised for improvements to third party assets are attributed to the classes of fixed assets to which they refer and amortised for the shorter time between residual period on the rental contract and the useful residual life of the asset to which the improvement relates.

The accounting value of tangible assets is maintained in the financial statements within the limits in which it highlights that such a value could be recovered through use. If symptoms are noted which could indicate difficulties in recovering the net accounting value, the impairment test is carried out in order to decide any loss of value (see the paragraph below). Restoration of value is made if the reasons at the basis of the loss of value no longer apply.

ASSETS IN FINANCIAL LEASING

The machinery owned through financial leasing contracts, for which the group has substantially assumed the risks and benefits which would from ownership, are recognised as assets on the basis of the criteria indicated by IAS 17. They are amortised according to the estimated useful life.

The debt with the lessor can be found in the financial statements under ‘Payables to Suppliers’.

CONTRIBUTIONS

Contributions are accounted for if they exist, independently of whether there is a formal assignment decision, if there is a reasonable certainty that the company will respect the conditions set out for the assignment and that the contributions will be received.

A public collectable contribution like compensation of expenses andcosts already borne or with the aim of giving immediate financial assistance to the body without having futurecosts related to it, is accounted for as a proceed in the accounting period in which it becomes payable.

LOSS IN VALUE OF ASSETS

A loss in value occurs every time the book value of an asset is greater than its recoverable value. The possible existence of indicators which suggest a loss of value is checked at every balance sheet date. If those indicators are found, an impairment test is carried out and the any depletion is accounted for. The impairment test is carried out at least once a year, independently of the existence of the indicators, for assets not yet available for use, those accounted during the current accounting period and goodwill.

The recoverable value of an asset is the greater between its fair value, net of sale costs, and its use value. The recoverable value of an asset is the greater between its fair value, net of sale costs, and its use value. The recoverable value is calculated with reference to a single asset, unless it is unable to generate incoming financial flows deriving from continuative use extensively independent from the incoming financial flows generated by other assets or groups of assets, in which case the test is carried out at the level of the smallest unit generating independent flows which include the asset in question (Cash Generating Unit).

When the devaluation has no reason to be maintained, the accounting value of the asset (or the unit generating cash flows), except for goodwill, is increased by the new value deriving from its estimated recovery value, in any case not beyond the net carrying amount that the assets would have had if the depreciation due to impairment had not been made. The recovered value is charged to the income statement, unless the asset is valued at the re-valued value; in this case the recovered value is posted under the revaluation reserve.

FINANCIAL ASSETS AND LIABILITIES

The financial assets are classified in the following categories:

- financial assets at fair value offset in the Income statement: financial assets mainly acquired with the intention of making a profit from the fluctuations in price in the short term (a period of not more than 3months) or designated as such from the start;
- Financial assets held to maturity: investments in financial assets with a preset maturity with fixed payments or that can be decided that the group intends and is able to maintain through to maturity;
- loans and other financial receivables: financial assets with fixed payments or that can be decided, not quoted on a two way market and different from those classified as financial assets at fair value from the origin offset in the Income Statement or financial assets available for assignment;
- financial assets available for sale: financial assets other than those above or those designated assuch from the start.

The group decides the classification of the financial assets at the time of the acquisition, the initial accounting is made at the fair value of the date of acquisition. Following the introduction of IFRS 3 (2008), the transaction costs are recoded in the Income Statement.

After the initial accounting, the financial assets at fair value with offset in the Income Statement and the assets available for sale are valued at fair value, the financial assets held to maturity and also the loans and other financial receivables are valued at the depreciated cost.

Profits and losses arising from the variations in the fair value of the financial assets at fair value offset in the Income Statement are accounted in the Income Statement of the accounting period in which they occur. Unrealised profits and losses arising from variations in fair value of classified assets as available for assignment are accounted for in net worth.

The fair values of financial assets are determined on the basis of the offer prices quoted or through the use of financial models. The fair values of financial assets not quoted are estimated using special assessment techniques adapted to the specific situation of the Company. Financial assets for which the current value cannot be determined in a reliable manner are accounted for at reduced cost because of the loss of value.

The existence of loss of value indicators is checked at the date of each balance sheet date. Recording the depletion mirrors the criterion of the increase in value of the financial assets in the Income Statement or net worth. The loss of value previously recorded is eliminated if the circumstances leading to the valuation no longer apply, except for assets valued at cost.

Financial liabilities are initially valued at the fair value of the amounts collected, net of the transaction costs borne, and then valued at the depreciated cost.

INVENTORIES

Inventories were recorded at the lesser of the purchase price, determined in accordance with the average weighted cost, and the net sales price. The cost is represented by the fair value of the price paid and every other cost directly attributable except for financial charges. The net sales value is the estimated sale price in the normal assets net of the costs of completion and sales. The write-down is eliminated in subsequent financial years if the reasons for the write-down no longer apply.

CONTRACTS IN PROGRESS

The contracts in progress for orders lasting more than one year are recorded with the method of the completion percentage. The completion percentage is calculated with reference to the ratio between the costs incurred for the activities performed as of the accounting date and the total of the costs estimated until completion. These contracts are posted gross of the related prepayments (which are recorded separately under liabilities) and measured at the industrial cost, consisting of the directly attributable expense, excluding interest payable, reduced through suitable write-downs, to take into account the losses expected at the time of completing the order and any other related risk.

CASH AT BANK AND IN HAND

Cash at bank and in hand consist of very liquid short-term investments (generally not more than 3 months), easily convertible into considerable amounts of cash and subject to an irrelevant risk of changes of value were taken at fair value.

For the purposes of the financial statement, the liquid assets were made up of cash, demand deposits in banks, other short-term, high liquidity financial assets, with original maturity of not more than 3 months, and overdraft facilities. For the purposes of drawing up the balance sheet, the latter are included in the debts in the current liabilities.

NET WORTH

SHARE CAPITAL

The item is formed of capital underwritten and paid up. Costs strictly correlated to the issue of shares are classified in reduction of the net worth in other reserves as long as these are variable marginal costs directly attributable to the operation of capital and cannot be otherwise avoided.

OWN SHARES

Own shares are noted in a special net worth reserve. No profit (loss) is noted in the Income statement for the acquisition, sale, issue or cancellation of own shares.

SHARE PREMIUM RESERVE

The share premium reserve increases in case of capital increases and when stock option plans are subscribed.

REVALUATION RESERVE

The item groups variations in fair value, gross of the effect of taxes, entries accounted for at fair value offset in the net worth.

OTHER RESERVES

The items consist of reserves of capital for specific destinations relating to the parent company.

RETAINED EARNINGS (ACCUMULATED LOSSES)

The item includes the economic results of the accounting period in progress and previous ones neither distributed nor set aside in the reserves (for profits) or reprogrammed (for losses), transfers from other assets when freed from the constraints to which they were subjected, and also the effects of noting the changes of accounting principles and relevant errors.

OVERALL PROFIT

Following the application of accounting principle IAS 1, paragraph , the item 'overall profit' shows the overall result of proceeds and charges recognised in the net worth.

BENEFITS FOR EMPLOYEES

SHORT-TERM BENEFITS

Short-term benefits for employees are accounted for in the Income Statement of the period in which the work was performed.

DEFINED BENEFIT PLANS

The group pays its employees benefits for the Severance Pay Fund (TFR). These benefits fall within the definition of definite benefit plans decided in being and total but with uncertain maturity. The liability is determined as a current value of the service duty defined at the date of the balance sheet in conformity with the current regulations, adjusted to take account of actuarial (profits) losses. The total of the defined service duty is calculated annually by an external actuary on the basis of the 'Projection of the credit units method'. Actuarial profits and losses are fully accounted for in the relative financial year without application of the so called 'corridor method'.

DEFINED CONTRIBUTION PLANS

The group takes part in publicly or privately managed pension plans with a defined contribution on an obligatory, contractual or voluntary basis. Payment of the contributions fulfils the group's duty towards its employees. As a result, the contributions form a charge for the period in which they were due.

STOCK OPTION

The payments based on shares are valued at fair value on the assignment date. This value is charged to the income statement, with the net worth as a contra-item, over the inter period in which the rights accrue. The fair value of the option, calculated at the time of the assignment, is valued by using financial mathematical models, considering the basic terms and conditions under which these rights are assigned.

POTENTIAL ASSETS AND LIABILITIES

The potential assets and liabilities of an unlikely but possible or remote nature are not noted in the financial statements; nevertheless, appropriate information is given concerning the possible potential assets and liabilities.

Where financial disbursement relating to the obligation is planned and occurs after the normal payment terms and the effect of the discounting back is relevant, the amount set aside is represented by the current value of future expected payments to cancel the obligation.

PROVISIONS FOR RISKS AND CHARGES

The provisions for risks and charges are probable liabilities of an uncertain amount and/or due date deriving from past events whose fulfilment will lead to the use of economic resources. The amounts are only set aside if there is a current, legal or implicit obligation which makes the use of economic resources necessary, as long as a reliable estimate of the obligation can be made. The amount noted as set aside is the best estimation of the necessary charge for fulfilment of the obligation at the date of the balance sheet. Set aside funds are re-examined at every balance sheet date and rectified so that they are the best current estimate.

DERIVATIVE INSTRUMENTS

Derivative contracts were noted in the statement of assets and liabilities at the fair value. The accounting data of variations of fair value is different according to the designation of the financial instruments (speculative or hedging) and the nature of the risk covered (Fair Value Hedge or Cash Flow Hedge).

For contracts designated as speculative, the variations of fair value were directly noted in the Income statement.

Fair Value Hedge is accounted for by noting the variations of fair value of the cover (hedge) instrument and the instrument covered (hedged) independently of the criterion of assessment adopted for the latter in the Income statement. In particular, the rectification of the accounting value of interest-bearing hedged financial instruments is amortised in the Income statement throughout the residual contractual life of the hedged profit/loss element through the effective interest method.

Cash Flow Hedge is accounted for by suspending the portion of variation of fair value of the hedging instrument recognised as effective cover in the net worth, and noting the ineffective portion in the Income statement. The variations noted directly in the net worth were issued to the Income statement in the same period or periods in which the asset or liability covered (hedged) influences the Income statement.

REVENUES AND EXPENSES

The revenues arising from the assignment of assets were noted at the time of transfer of the risks which usually occurs with the despatch, at the fair value of the payment received or due taking any discounts into account.

The revenues arising from the provision of services were defined on the basis of the completion percentage, defined as the ratio between the services performed at the date of reference and the total value of the planned services.

The costs were attributed in accordance with similar criteria to those of revenue recognition and, in any case, according to the accruals basis.

The interest receivable/payable was noted on the criterion of accrual basis, taking residual liabilities in capital manner and the effective tax applicable in the period to the deadline/expiry into account.

Dividends were accounted for in the period in which distribution was decided.

EARNINGS PER SHARE

The EPS is calculated by dividing the net profit for the period attributable to ordinary shareholders of the Parent Company by the average number of ordinary shares in circulation during the period.

For the purposes of calculating the basic earnings per share, the economic result for the period less the quota attributable to third parties was used in the numerator. Further, there are no privileged dividends, conversion of privileged shares and other similar effects which could adjust the economic result attributable to holders of ordinary capital instruments.

The diluted profit per share is equal to the profit per share adjusted to take into account the theoretical conversion of all the potential shares; the dilutive effect is consequent to the stock option plan.

TAXES

The taxes on the period were defined on the basis of the presumed charges to be paid on the application of the current tax laws.

In addition, the deferred taxes and those paid in advance were accounted for on the temporary differences between the asset values written into the balance sheet and the corresponding values recognised for tax purposes, shown brought forward with tax losses or unused tax credits, as long as it is probable that the recovery (discharge) reduces (increases) future tax payments with respect to those that would have occurred if that recovery (discharge) had not had effects on tax. The tax effects of operations or other events were noted, in the Income statement or directly in the net worth, with the same methods as the operations or events from which the tax imposition arose.

CURRENCIES

Operations in foreign currency were converted into the currency of presentation at the rate of exchange on the date of the operation. The profits and losses on exchange arising from the liquidation of those operations and the conversion of the monetary assets and liabilities into foreign currency were accounted for in the Income statement.

CONSOLIDATION AREA

The six-monthly management report at 30 June 2010 includes the capital, economic and financial situations of the holding company Exprivia S.p.A. and the subsidiary companies.

The table below shows the consolidated companies:

Company	Area
Datilog S.r.l.	Industry & Media
Exprivia Projects S.p.A.	Industry & Media/Public Administration, Transport & Utilities
Exprivia SL	Health and Medical
Exprivia Solutions S.p.A.	Industry & Media/Public Administration, Transport & Utilities
GST S.r.l.	Health and Medical
Infaber Srl	Industry & Media
Spegea Scarl	Others (Training)
Svimservice S.p.A.	Health & Medical/Public Administration, Transport & Utilities
Wel.Network S.p.A.	Industry & Media. Oil, Gas and Telecommunications

The main data of the aforesaid subsidiaries, consolidated with the integral method, can be summarised as follows.

Company	Company	H.O.	Company capital	Results for period	Net worth	Value of production	Total Assets	% of holding
Datilog Srl	Datilog Srl	Cinisello Balsamo (MI)	10,400	(91,166)	7,359	272,873	376,896	52.00%
Exprivia Projects S.p.A.	Exprivia Projects S.p.A.	Roma	242,000	(11,000)	243,941	1,748,359	3,463,061	100.00%
Expriva SL	Expriva SL	Madrid (Spagna)	8,250	28,891	164,650	685,822	649,046	60.00%
Exprivia Solutions S.p.A.	Exprivia Solutions S.p.A.	Roma	170,795	638,952	1,418,515	4,000,987	6,554,800	100.00%
GST S.r.l.	GST S.r.l.	Trento	27,500	(127,581)	495,110	1,027,930	2,462,842	63.20%
Infaber S.r.l.	Infaber S.r.l.	Molfetta (BA)	110,000	56,563	292,339	625,477	669,636	50.10%
Spegea Sc a rl	Spegea Sc a rl	Bari	125,000	103,906	116,695	1,129,752	3,432,522	60.00%
Svimservice S.p.A.	Svimservice S.p.A.	Molfetta (BA)	1,548,000	1,756,836	3,949,931	11,332,322	23,823,411	100.00%
Wel.Network S.p.A.	Wel.Network S.p.A.	Piacenza	1,500,000	(128,978)	1,148,246	5,365,381	10,794,082	100.00%

Farm Multimedia S.r.l. in liquidation, AISoftw@re Professional Service S.r.l. in liquidation, and Al Faro Srl in liquidation, 100% controlled, are not included among the consolidated companies, as they are not pertinent.

The consolidation area was changed compared to 31 December 2009 due to the acquisition of **Datilog Srl.**, as already described in Significant events in the first half of 2010.

INFORMATION ON THE CONSOLIDATED BALANCE SHEET

All the entries making up the assets and liabilities in the Consolidated Statement of Assets and Liabilities are shown in detail, drawn up in accordance with international IAS/IFRS accounting principles.

All the figures shown in the tables below are in Euro.

NON–CURRENT ASSETS

PROPERTY, PLANT AND MACHINERY

The net consistency of "**Property, plant and machinery**" totalled Euro 10,152,468 compared to Euro 10,233,350 at 31 December 2009.

Categories	Historical cost 01/01/10	Inc. per new area of consolid.	Inc.	Dec.	Historical cost at 30/06/10	Reserve prov. at 01/01/10	Reserve prov. new consolid. Area	Provision for period	Dec.	Cum. prov.	Net value at 30/06/10
Land	247,716	-	-	-	247,716	-	-	-	-	-	247,716
Buildings	7,696,195	-	36,811	-	7,733,006	(1,218,117)	-	(115,469)	-	(1,333,586)	6,399,420
Others	14,683,520	108,948	304,986	(24,457)	15,072,997	(11,272,480)	(95,414)	(320,744)	24,457	(11,664,181)	3,408,816
Fixed assets in progress	96,516	-	-	-	96,516	-	-	-	-	-	96,516
TOTAL	*22,723,947*	*108,948*	*341,797*	*(24,457)*	*23,150,235*	*(12,490,597)*	*(95,414)*	*(436,213)*	*24,457*	*(12,997,767)*	*10,152,468*

The variation in **"others"**, equal to Euro 304,986, was mainly due to the costs borne for electronic office machinery (Euro 200,246), furniture and furnishings (Euro 14,670), plant and machinery (Euro 16,444) and leased assets (Euro 58,831).

It should be noted that, for items of financial leasing, the net accounting value was Euro 676,352 and related to electronic office machinery for Euro 435,879, Software for Euro 59,521, furniture and furnishings for Euro 135,064 and finally company cars for Euro 15,888. It should also be noted that the minimum future payments within one year, were Euro 186,408, while those for one to five years were Euro 506,831.

GOODWILL AND OTHER ASSETS WITH AN INDEFINITE LIFE

"**Goodwill and other assets with an indefinite life**" showed a balance of Euro 62,785,645 at 30 June 2010 compared to Euro 62,766,930 at 31 December 2009.

✓

The details of the entries are shown in the table below:

Categories	Historical cost 01/01/10	Increases	Change consolid. area	Decreases	Adj. for deconsolid. IAS	Total historical cost at 30/06/10	Deprec. carried forward	Deprec.	Accum. deprec.	Net value at 30/06/10
COST OF GOODWILL ABACO MERGER	461,168	-	-	-	-	461,168	-	-	-	461,168
GOODWILL DIVESTMENT AZ AIS PS BRANCH	1,767,655	-	-	-	-	1,767,655	-	-	-	1,767,655
GOODWILL DIVESTMENT KTONES BRANCH	517,714	-	-	-	-	517,714	-	-	-	517,714
DIFFERENCE ETA BETA MERGER	3,040,710	-	-	-	-	3,040,710	-	-	-	3,040,710
DIFFERENCE AIS MEDICAL MERGER	3,913,764	-	-	-	-	3,913,764	-	-	-	3,913,764
GOODWILL AURORA BRANCH	1,316,390	-		-	-	1,316,390	-	-	-	1,316,390
GOODWILL	18,631,899	-	-	-	-	18,631,899	(227,130)	(14,721)	(241,851)	18,390,047
GOODWILL RECO MERGER	64,058			(57,652)		6,406	(6,406)		(6,406)	-
DIFFERENCE FROM CONSOLIDATION	33,695,611		89,600			33,785,211	(350,852)	(56,165)	(407,017)	33,378,197
TOTAL	***63,408,969***	***-***	***89,600***	***(57,652)***	***-***	***63,440,917***	***(584,388)***	***(70,886)***	***(655,274)***	***62,785,645***

The table below shows the calculation of the consolidation difference for each consolidated company.

Company	Date of acquis.	Controlling share	Value of holding	Ref. Net worth	Depreciations carried forward at 01.01.10	Depreciations	Difference from consolidation generated
Datilog S.r.l.	30/11/09	52%	138,000	48,400			89,600
Exprivia Customer Services Srl	11/06/04	100%	10,329	(11,752)	22,081		-
Exprivia Projects S.p.A.	11/06/04	100%	1,741,391	406,891			1,334,500
Exprivia SL	19/05/08	60%	104,158	62,293	41,864		-
Exprivia Solutions S.p.A.	14/04/05	100%	2,017,000	1,504,338			512,662
GST S.r.l.	14/04/05	63.2%	625,525	320,948			304,577
Infaber Srl	14/04/05	50.1%	77,200	55,110	22,090		-
Network Services Srl	31/10/08	100%	1,328,650	205,350	210,550	56,165	856,585
Reco Sistemi Srl	29/12/05	63.2%	77,500	23,234	54,266		-
Spegea S c.a.r.l.	31/05/08	60.000%	0	0			-
Svimservice S.p.A.	30/11/07	100%	27,030,299	4,721,011			22,309,288
Wel.Network S.p.A.	30/11/07	100%	10,050,830	2,079,846			7,970,984
TOTAL			***43,200,881***	***9,415,669***	***350,851***	***56,165***	***33,378,197***

The **Consolidation difference** was generated through the effect of the integral consolidation of the subsidiaries, included in the consolidation area through the elimination of the value of the shareholdings against their net worth.

The table below shows the 'difference from consolidation' with the variations arising at 30 June 2010 compared to 31 December 2009.

Company	6/30/2010	12/31/2009	Variation
Datilog Srl	89,600	-	89,600
Exprivia Projects S.p.A.	1,334,500	1,334,500	-
Exprivia Solutions S.p.A.	512,662	512,662	-
GST S.r.l.	304,577	304,577	-
Network Service Srl	856,585	912,750	(56,165)
Svimservice S.p.A.	22,309,289	22,309,289	-
Wel.Network S.p.A.	7,970,984	7,970,984	-
TOTAL	*33,378,197*	*33,344,760*	*33,435*

The increase of Euro 89,600 concerns the acquisition of **Datilog Srl.** equity, as already described in "Significant events in the first half of 2010".

OTHER INTANGIBLE ASSETS

The entry **Other intangible assets** shows a balance, net of amortisation, of Euro 4,336,106 at 30 June 2010 compared to Euro 4,190,604 at 31 December 2009.

The summary of the entries is shown in the following table.

Categories	Historic cost 01/01/10	Increases at 30/06/10	Change in consolid. area	Total historic cost at 30/06/10	Deprec. fund at 01/01/10	Transfers	Deprec. quota of period	Cumul. deprec. 30/06/10	Net value at 30/06/10
Intangible assets	5,701,398	46,893	14,417	5,762,708	(5,212,696)	(13,838)	(55,928)	(5,282,462)	480,243
Development costs	25,740,277	705,735		26,446,012	(22,517,636)	-	(693,516)	(23,211,152)	3,234,861
Assets under constr. & payment on a/c	471,700	149,302		621,002	-	-	-	-	621,002
TOTAL	*31,913,376*	*901,930*	*14,417*	*32,829,723*	*(27,730,331)*	*(13,838)*	*(749,444)*	*(28,493,614)*	*4,336,106*

The entry "**development costs**" increase to Euro 705,735 following the investments for the creation of software applications in the banking and medical field.

"Fixed assets under construction and payments on account" increased to Euro 149,302. This change is mainly due for Euro 100,856 to the development of the Nuovo CUP system.

SHAREHOLDINGS

At 30 June 2010, **"Shareholdings"** amounted to Euro 1,754,252 with respect to Euro 1,754,752 at 31 December 2009.

The composition of the shareholdings is described below:

SHAREHOLDINGS IN SUBSIDIARIES

At 30 June 2010, the balance totalled Euro 51,646 and concerns the purchase cost of the shareholding in Al Faro Srl in liquidation no longer entered in the consolidation area since not relevant.

The group holds a 100% shareholding in Farm Multimedia S.r.l. in liquidation, AISoftw@re Professional Services S.r.l. in liquidation, whose accounting values are zeroed.

SHAREHOLDINGS IN ASSOCIATED COMPANIES

At 30 June 2010, **"Shareholdings in associated companies"** amounted to Euro 306,028 and did not undergo any variation with respect to 31 December 2009.

It should be noted that the group also has a shareholding of 32.80% in the bankrupt company Mindmotion Srl whose accounting value has been zeroed.

The details of the entries are shown in the table below:

Description	6/30/2010	12/31/2009	Variation
Pervoice	270,000	270,000	-
S2B Soc. Consortile	36,028	36,028	-
TOTAL	*306,028*	*306,028*	*-*

SHAREHOLDINGS IN OTHER COMPANIES

The balance of **"Shareholdings in other companies"** at 30 June 2010 was Euro 1,396,578 compared to Euro 1,397,078 at 31 December 2009.

The details of the entries are shown in the table below:

Description	6/30/2010	12/31/2009	Variation
Mo.ma	6,197	6,197	-
Ultimo Miglio Sanitario	2,500	2,500	-
Certia	516	516	-
Conai	9	9	-
Finapi	775	775	-
Cered Software	104	104	-
Società Consortile Piano del Cavaliere	516	516	-
Consorzio Pugliatech	2,000	2,000	-
Iqs New Srl	1,291	1,291	-
Consorzio Conca Barese	2,000	2,000	-
Software Engineering Research	12,000	12,000	-
Advanced Computer Systems	1,235,816	1,235,816	-
Consorzio Biogene	3,000	3,000	-
SELP	100,000	100,000	-
Consorzio Daisy-Net Partecipation	1,460	1,460	-
Cattolica Popolare Soc. Cooperativa	23,491	23,491	-
Distretto Produttivo dell'Informatica	1,500		1,500
Banca di Credito Cooperativo	2,370	2,370	-
ENFAPI CONFIND Partecipation	1,033	1,033	-
Moda Mediter Partecipation		2,000	(2,000)
TOTAL	*1,396,578*	*1,397,078*	*(500)*

The Company continues to deem the shareholding in Advanced Computer Systems (ACS) strategic, for which no long-term loss in value is shown. In addition on 23 July 2010, Exprivia took the opportunity to increase its shareholding, as broadly described in the Management Report in paragraph "Events after 30 June 2010".

OTHER FINANCIAL ASSETS

RECEIVABLES TO SUBSIDIARIES

The balance of **"Receivables to subsidiaries",** at 30 June 2010, was Euro 21,388 compared to Euro 20,388 at 31 December 2009 and refers to loans granted to the subsidiary Farm Multimedia S.r.l. in liquidation (Euro 20,388) and loans to the subsidiary Al Faro S.r.l. in liquidation (Euro 1,000) no longer consolidates since no relevant.

OTHER RECEIVABLES

The balance of **"other receivables"** at 30 June 2010 was Euro 128,490 compared to Euro 123,405 at 31 December 2009. The change is reported in the following table.

Description	6/30/2010	12/31/2009	Variation
Receivables call and put agreem.	13,333	13,333	-
Long term security deposits	91,523	82,023	9,500
Financial receivables	23,634	28,049	(4,415)
TOTALS	*128,490*	*123,405*	*5,085*

DEFERRED TAX ASSETS

The balance of **"Deferred tax assets"** was Euro 957,044 compared to Euro 1,051,270 at 31 December 2009, and refers to taxes on temporary variations arising from the effect of the application of the international accounting principles IAS/IFRS. In particular, the most important change (Euro 576,244) is attributable to the allocation carried out following the tax deductibility of the goodwill paid for the purchase of the Aurora Branch (not amortised in the accounts as foreseen by the IAS/IFRS principles).

CURRENT ASSETS

COMMERCIAL RECEIVABLES AND OTHERS

RECEIVABLES TO CUSTOMERS

The balance of **"Receivables to customers"**, net of the bad debts provision, amounted to Euro 45,444,284 with respect to Euro 50,435,282 at 31 December 2009.

The following table shows the detail of the accounting entries, including the comparison with 31 December 2009.

Description	6/30/2010	12/31/2009	Variation
To Italian customers	34,180,725	42,988,520	(8,807,795)
To foreign customers	984,598	931,061	53,537
To public bodies	13,934,599	10,115,928	3,818,671
S-total receivables to customers	*49,099,922*	*54,035,510*	*(4,935,587)*
Less: provision for bad debts	(3,655,638)	(3,600,228)	(55,410)
Total receivables to customers	*45,444,284*	*50,435,282*	*(4,990,998)*

Receivables to customers were made up as specified below.

Details	6/30/2010	12/31/2009	Variation
To third parties	38,069,215	43,818,977	(5,749,762)
Invoices for issue to third parties	11,030,708	10,216,533	814,175
TOTAL	*49,099,922*	*54,035,510*	*(4,935,587)*

The decrease in customer receivables is mainly due to the increase of the long-term jobs with the mature credit upon approval of trials.

The value of invoices to issue reflects the particular type of business in which group companies operate so, although many contracts can be invoiced on a monthly basis, others must follow an authorising process which does not necessarily finish in the reference month for their issue. The amount shown in the balance sheet relates to what had been matured up to June inclusive and will be invoiced in the immediately following months.

RECEIVABLE TO ASSOCIATED COMPANIES

The balance of **"Receivables to associated companies"** totalled Euro 22,931 with respect to Euro 25,000 at 31 December 2009 and refers to a loan granted to the subsidiary G.S.T. S.r.l. to its associate Pervoice S.r.l..

RECEIVABLES TO PARENT COMPANIES

The balance of **"Receivables to parent companies"** amounted to Euro 795,560 with respect to Euro 785,766 at 31 December 2009 and refers to a loan granted to the Parent company (for Euro 220,479) and the subsidiary Solutions S.p.A. (for Euro 575.082) to the parent company Abaco Innovazione S.p.A..

RECEIVABLES TO RELATED COMPANIES

The balance of **"Receivables to related companies"** amounted to Euro 298,266 with respect to Euro 317,203 at 31 December 2009 and refers to a loan granted to the subsidiary Svimservice S.p.A. to the company Aplomb Srl, for which there is a plan for payment by instalments by this company.

OTHER RECEIVABLES

The balance of **"Other receivables"** was Euro 8,372,450 compared to Euro 8,792,681 at 31 December 2009.

The Table below shows the movements occurring.

Description	6/30/2010	12/31/2009	Variation
EU/Indep. Province Trento/Regione Lazio contributions	151,691	475,022	(323,331)
Receivables to consortia	336,740	929	335,811
Receivables CNOS project	1,304,868	1,343,398	(38,530)
Receivables Fondimpresa	14,380	36,296	(21,916)
Receivables to POR Puglia- Pugliatech	1,065,420	1,121,075	(55,655)
Receivables Agriplan project	821,000	821,000	-
Receivables to Lab. 8	698,125	698,125	-
Recaivables to SlimSafe	451,111	451,111	-
Receivables to PIA Innovazione	1,974,014	1,974,014	-
Receivables L. 488/92 for contrib. decided	684,508	684,508	-
Receivables L. 598/94	317,745	317,745	-
Receivables to s/holders for holdings/spin-offs	19,109	31,589	(12,480)
Advances to suppliers for services	113,254	182,714	(69,460)
Sundry credits	127,766	34,281	93,485
Receivables to factoring	40,082	461,144	(421,062)
Receivables to welfare institutes/INAIL	92,224	5,547	86,677
Receivables to employees	46,064	43,511	2,553
Guaranteed securities	100,102	110,672	(10,570)
TOTAL	***8,372,450***	***8,792,681***	***(420,231)***

The credits relating to contributions, the collected quota of which has a contra entry in “Other Accounts Payable” in the Liabilities of the Statement of Assets and Liabilities, refer to provisional assignment decisions of admission to facilitation. These entries will be zeroed with the deposit of the balance of the contributions following the respective final tests by the respective Ministries.

TAX RECEIVABLES

At 30 June 2010 the **“tax receivables”** were Euro 1,148,607 compared to Euro 1,124,764 at 31 December 2009 and are made up as per the table below.

Description	6/30/2010	12/31/2009	Variation
Receivables to tax a/c - IRES	60,321	35,961	24,360
Receivables to tax a/c - IRAP	67,567	42,054	25,513
Tax authority w/holding taxes on interest income	8,850	32,201	(23,351)
Art. R&S L. 296/06 tax credits	116,345	116,345	-
Tax authority deductions on foreign payments	71,174	3,590	67,584
Credits to tax authority for VAT	193,856	122,764	71,092
Credits on substitute severance fund tax	18,086	17,850	236
Credits with tax authority	119,310	108,273	11,037
Advanced Tax Credits	404,747	522,035	(117,288)
Art. 8 tax credits	88,350	123,691	(35,341)
TOTAL	*1,148,607*	*1,124,764*	*23,843*

ACCRUALS AND DEFERRALS

The **"Accruals and deferrals"** totalled Euro 2,161,134 and include accrued income of Euro 98,797 prepaid e assets of Euro 2,062,337. The following tables with the details of the entries for **accruals and deferrals** with the comparison with 31 December 2009.

Accrued income

Description	6/30/2010	12/31/2009	Variation
Bank interest income	47	867	(820)
Deferred VAT.	98,750	-	98,750
TOTAL	*98,797*	*867*	*97,930*

Prepaid expenses

Description	6/30/2010	12/31/2009	Variation
Interest on INPS instalments	18,988	45,848	(26,860)
Car rental payments	242,912	26,926	215,986
Insurance	56,331	15,501	40,830
Stock Option	237,404	-	237,404
Sundry services and maintenance	1,506,702	867,548	639,154
TOTAL	*2,062,337*	*955,823*	*1,106,514*

Prepaid expenses for **"various services and maintenance"** for Euro 1,506,702 mainly refer to MAINTENANCE costs pertaining to future years.

STOCK

"Stock" totalled Euro 297,142 compared to Euro 369,852 at 31 December 2009 e and refers to software and software e hardware hardware products purchased by group companies for resale within the next year.

WORK IN PROGRESS TO ORDER

"Work in progress to order" totalled Euro 19,275,155 compared to Euro 11,016,505 at 31 December 2009 and refers to orders being processed; it should be noted that this entry mainly refers to:

- Euro 6,787,561 to the progress of the job of the "New Regional Health System" of Puglia Region (N-SISR Puglia)
- Euro 5,420,678 to the progress of the job for the supply of the integrated systems for the management of the data and images in radiology and cardiology of the A.S.L. of Asti
- Euro 2,490,236 for training jobs. With reference to these, they are separated into "accounting orders" and "market orders". The former are training projects financed by public bodies, subject to accounting of the costs and checks on them while the latter are the so-called 'market' orders consisting of training projects not subject to accounting as the customers are represented by public bodies or private companies which do not request it, or private citizens
- Euro 1,638,310 to the progress of the job for the supply of RIS/PACS systems for the archiving of the radiologic images of the ASUR Marche.

The value of the work in progress is shown in the balance gross of the payments on account by customers, shown in a special entry of the liabilities which totalled Euro 5,734,950 at 30 June 2010 compared to Euro 4,298,097 at 31 December 2009.

CURRENT FINANCIAL ASSETS

OTHER SHARES

"Other shares" total Euro 318 and did not undergo any variation with respect to 31 December 2009.

LIQUIDITY

"Liquidity" totalled Euro 5,935,618 compared to Euro 5,988,680 at 31 December 2009 and refers for Euro 5,910,478 to current bank balances and Euro 25,140 to cheques and cash.

NET WORTH

SHARE CAPITAL

The **"Share Capital"**, fully paid-up, totalled Euro 26,979,658.16 and is represented by 51,883,958 ordinary shares with a nominal value of Euro 0.52 each. It has increased by Euro 610,740 in comparison to 31 December 2009 due to the exercise of the first tranche of the stock option plan as already described in the paragraph "Significant events in the first half of 2010".

OWN SHARES

On 30 June 2010, the balance of **"Own shares"** was Euro -233,594 compared to Euro -48,370 at 31 December 2009. The variation can be attributed to the purchase and sale transactions, taking place in the half, carried out in accordance with the plan decided by the Shareholders' Meeting of 20 April 2010.

The total number of own shares held by the holding company at 30 June 2010 was 449,219.

SHARE PREMIUM RESERVE

The **"Share premium reserve"** at 30 June 2010 totalled Euro 18,081,738, compared to Euro 17,645,059 of 31 December 2008. The increase, equal to Euro 436,679, can be attributed mainly to the exercise of the first tranche of the stock option plan as already described in the paragraph **"share capital"**.

REVALUATION RESERVE

The **"Revaluation reserve"** totalled Euro 2,907,138 at 30 June 2010 and had not varied compared to 31 December 2009.

OTHER RESERVES

The balance of **"other reserves"** totalled Euro 7,269,497 compared to Euro 4,452,066 at 31 December 2009 and referrs to the following:

- ✓ Euro 621,831 **"legal reserve"**, increased by Euro 227,343 compared to 31 December 2009 following the allocation of 5% of the result of the Parent Company Exprivia S.p.A. from the previous year , as decided by the Shareholders' Meeting on 20 April 2010;
- ✓ Euro 5,373,534 for the **"extraordinary reserve"** compared to Euro 3,105,075 at 31 December 2009. The variation can be attributed, for Euro 2,264,739 to the allocation of the result of 2009 of the Parent Company Exprivia S.p.A., as decided by the Shareholders' meeting on 20 April 2010, and for Euro 3,720 relating to the dividend, not distributed, relating to treadury shares held by Exprivia upon detachment of the coupon;
- ✓ Euro 894,914 **"other reserves"** compared to Euro 573,285 of 31 December 2009. The variation of Euro 321,629 can be attributed to:
- ✓ Euro -139,719 relating to the net value of the share premium resulting from purchase and sale operations of own shares
- ✓ Euro 474,808 relating to the increase in the "Stock option reserve", set up to signal the amount relating to the exercise of the option rights following the implementation of the stock option plan, which went from Euro 1,115,523 of 31 December 2009 to Euro 1,590,331 of 30 June 2010
- ✓ Euro -13,460 relating to the costs incurred for consultancy to exercise the stock option plan for the first batch
- ✓ Euro 101,875 **"IAS/IFRS transition reserve"** deriving from the variations made as a consequence of adopting the IFRS, and has not undergone variations compared to 31 December 2009;
- ✓ Euro 501,236 **"IAS/IFRS transition available reserve"** refers basically to the revaluation and IAS/IFRS transition reserves, which became available as a result of the accrued depreciation. There has been no variations with respect to 31 December 2009;
- ✓ Euro -236,486 **"IAS/IFRS tax effect reserve"** represents the tax effect calculated on the variations made after adopting the IFRS accounting standards and has not undergone variations with respect to 31 December 2009;

- ✓ Euro 12,593 **"IAS/IFRS tax effect available reserve"** represents the tax effect calculated on the variations made after adopting the IFRS accounting standards and has not undergone variations with respect to 31 December 2009.

PROFIT IN PREVIOUS PERIODS

The **profit in previous period** at 30 June 2010 was Euro 5,866,975 compared to Euro 5,294,359 of 31 December 2009.

RECONCILIATION BETWEEN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY AND THE CONSOLIDATED FINANCIAL STATEMENTS

DESCRIPTION	Result to 31/12/2009	Sundries	Net Worth at 31/12/2009	Result for period to 30/06/2010	Sundries	Net Worth at 30/06/2010
Exprivia S.p.A.	*4,546,860*	*(1,085,482)*	*55,871,671*	*4,408,425*	*(867,236)*	*59,412,860*
Contribution of subsidiaries	4,444,572		10,302,976	2,232,897		12,535,873
Depreciation and cover for losses of subsidiaries			3,322,000			3,322,000
Elimination capital gain divestment of Exprivia Projects branch/Elimination Svimservice dividends	(3,705,058)		(5,777,459)	(3,955,676)		(9,733,135)
Elimination intercompany licence purchases/Elimination WelNetwork dividends	(294,296)		(971,391)	(1,079,949)		(2,051,340)
Elimination capital gain divestment AIS Professional branch			(1,767,655)			(1,767,655)
Coverage of Exprivia/Spegea loss	49,966					
Variation in consolidation of companies			681,073		77,433	758,506
Contribution of third parties to net worth			(398,828)		(45,320)	(444,148)
TOTAL GROUP NET WORTH	*5,042,044*	*(1,085,482)*	*61,262,387*	*1,605,697*	*(835,123)*	*62,032,961*

NON–CURRENT LIABILITIES

NON-CURRENT PAYABLES TO BANKS

The balance of the entry **"Non-current payables to banks"** at 30 June 2010 amounted to Euro 25,059,617 compared to Euro 18,749,611 at 31 December 2009, and relates to the medium-term financing and mortgages set up with leading credit institutes for Euro 22,605,790 and Euro 3,453,827 and financing at a favourable rate of interest for specific investment plans.

The table below shows the detail of the entries with the record of the non-current payables quota (Euro 25,059,617) and the current quota (Euro 6,365,296).

Financial institute	Type	Contractual amount	Amount distrib. at 30.06.10	Date of contract	Expiry date	Repay-ment date	Rate applied	Residual capital at 30.06.10	To be repaid in 12 mths	To be repaid beyond 12 mths
Banca Nazionale del Lavoro	Loan	18,000,000	18,000,000	30/11/07	30/11/15	semestrale	Euribor 6 mesi + 1,7%	14,142,856	2,571,430	11,571,426
Banca Nazionale del Lavoro	Loan	2,500,000	2,500,000	08/05/08	30/11/10	unica soluzione o trimestrale	Euribor 6 mesi + 1,5%	2,000,000	2,000,000	
Banca Nazionale del Lavoro	Mortgage	2,400,000	2,400,000	15/10/04	30/09/14	semestrale	Euribor 6 mesi + 1,2%	1,270,588	282,353	988,235
Deteuche Bank	Loan	1,500,000	1,500,000	16/07/09	23/06/13	trimestrale	Euribor 3 mesi + 0,9%	1,218,750	375,000	843,750
MPS Capital Services	Loan	1,783,332	1,480,166	05/08/03	05/08/13	annuale	0.96%	600,565	298,848	301,717
Ministero dell'Università e della Ricerca	Loan	1,430,905	575,698	12/04/07	01/07/16	semestrale	0.50%	444,499	88,014	356,485
Ministero dell'Università e della Ricerca	Loan	2,151,000	645,300	27/12/09	27/02/19	annuale	0.87%	645,300	62,044	583,256
Antonveneta	Loan	5,000,000	5,000,000	04/05/10	10/05/17	mensile	Euribor 3 mesi + 2,5%	5,000,000	298,765	4,701,235
Ministero dell'Università e della Ricerca	Loan	934,900	380,624	10/01/08	01/07/15	semestrale	0.50%	346,450	35,245	311,205
Cassa di Risparmio di Parme e Piacenza	Loan	380,000	380,000	21/01/09	21/10/12	trimestrale	Euribor 3 mesi + 1,375%	244,284	47,617	196,667
Cassa Rurale di Aldeno e Cadine	Loan	300,000	300,000	25/09/07	25/09/13	mensile	Euribor 1 mese + 0,9%	184,000	3,936	180,064
Centrobanca	Loan	2,025,228	1,822,705	28/12/04	05/08/16	annuale	0.96%	1,305,225	190,775	1,114,450
Cassa Depositi e Prestiti	Loan	1,244,100	1,119,600	27/07/09	30/06/14	semestrale	0.50%	897,983	111,269	786,714
Banca Popolare di Bari	Loan	138,234	124,413	27/07/09	30/06/14	semestrale	2.65%	124,413		124,413
Banca Popolare di Bari	Loan	3,000,000	3,000,000	04/12/09	31/12/14	semestrale	Euribor 6 mesi + 2,5%	3,000,000		3,000,000
TOTAL								*31,424,913*	*6,365,296*	*25,059,617*

MEDIUM-TERM FINANCING CONTRACT

On 8 May 2008, Exprivia signed the medium-term financing for a maximum overall amount of Euro20,500,000.00 (twenty million five hundred thousand/00 Euros) with a syndicate of banks consisting of BNL,as leader and lead arranger, *Centrobanca-Banca di Credito Finanziario e Mobiliare S.p.A.*, *UnicreditCorporate Banking S.p.A.* and *Banca Antonveneta S.p.A.*

In particular, in accordance with the provisions ofthe medium-term financing, the financing banks granted the following lines of medium-term credit to Exprivia:

1) a cash line, called 'Line A', for an overall maximum amount of Euro 3,000,000.00 (three million/00) tofinance the payment of the Svimservice share premium and to be repaid by 30 November 2015;
2) a cash line, called 'Line B', for an overall maximum amount of Euro 15,000,000.00 (fifteen million/00) for refinancing part of the bridging loan and to be repaid by 30 November 2015;
3) a revolving line to be used for cash called 'Revolving Line' for an overall maximum amount of Euro2,500,000.00 (two million, five hundred thousand/00) to finance the working capital and the general cash needs of the company, to be repaid by 30 November 2010;

The medium-term financing is aided by the following collateral securities:

1) a second lien, granted by the controlling company Abaco Innovazione S.p.A., on a number of Exprivia shares such that the ratio between the value on the Stock Exchange of those shares and the residual loan is always 125%;
2) a lien on 100% of the share capital of Svimservice and Wel.Network;
3) the second mortgage on the property owned by the company in Viale Adriano Olivetti snc, Molfetta;
4) the assignment as guarantee of credits and indemnities arising from the purchase contracts of Wel.Network S.p.A. and Svimservice S.p.A.;

5) assignment as guarantee of credits arising from the supply contracts for services and/or software signed by the company for an amount sufficient to cover the debt servicing for at least one year, at any time; this guarantee can be replaced and/or integrated by a current account lien on which sums of money sufficient to cover 50% of the difference between a year of debt servicing and the value of the credits sold as guarantee will be deposited by the company.

Exprivia will be obliged to repay the medium-term loan in advance, destining the relative net proceeds to the advance repayment if the following circumstances occur:

1) issues (public or private), bonds (including convertible ones), securitisation operations, or other collections made by the company;
2) individual rights of tangible and/or intangible assets for any reason (including, as an example, property, company shareholdings, branches of companies or other activities) owned by the company which are higher than Euro 1,000,000.00 (one million/00) per individual right i.e., if less, they can be accumulated and will go for compulsory advance reimbursement on reaching the sum of Euro 2,000,000.00 (two million/00), unless those proceeds are reinvested within 3 (three) months of their receipt, in the purchase of similar tangible or intangible fixed assets;
3) sums received for any reason by the direct and indirect partners of the company;
4) payments as indemnity, price adjustment or other title in accordance with the purchase contracts;
5) 50% of the excess cash flow generated by the company;
6) payment (including partial payment) of increases in capital of the company other than the increase inequity option for the part underwritten by Abaco;
7) payment of insurance indemnities by the insurance companies, with the exception of the proceeds which will be used within 6 (six) months of the relative receipt for the purchase of assets functionally similar and of a technological level not less than those damaged or for the restoration of the pre-damage situation from which the right to reimbursement arose.

The medium-term loan provides for the respect of the financial parameters indicated below for the whole ofits duration:

Reference date	Net Financial indebtedness /EBITDA *not more than*	Net Financial indebtedness/ Net worth *not more than*	Free Cash Flow / Debt Services *not less than*	Overall investment *not more than*
31.12.2008	2.3	0.6	1.0	3,500
30.06.2009	2.3	0.6	1.0	3,500
31.12.2009	1.9	0.5	1.0	3,500
30.06.2010	1.9	0.5	1.0	3,500
31.12.2010	1.6	0.5	1.0	3,500
30.06.2011	1.6	0.5	1.0	3,800
31.12.2011	1.2	0.5	1.0	3,800
30.06.2012	1.2	0.5	0.9	3,800
31.12.2012	1.0	0.5	0.9	3,800
30.06.2013	1.0	0.5	0.9	4,200
31.12.2013	1.0	0.5	1.0	4,200
30.06.2014	1.0	0.5	1.0	4,200
31.12.2014	1.0	0.5	1.0	4,200

Reference date	Net Financial indebtedness /EBITDA *not more than*	Net Financial indebtedness/ Net worth *not more than*	Free Cash Flow / Debt Services *not less than*	Overall investment *not more than*
30.06.2015	1.0	0.5	1.0	4,200
31.12.2015	1.0	0.5	1.0	4,200

These financial parameters on a consolidated basis will be measured every six months by 30 April and 30September of each year and will refer to the 12 months preceding the 30 June and the 31 December of each year, using standard calculation criteria agreed by the parties.

Failure to respect the above-mentioned parameters and the undertakings set out in the medium-term loan will give the financing banks the right to ask Exprivia for immediate reimbursement, a circumstance which will have negative effects on the economic, capital and financial situation of Exprivia and the overall group.
The measurement of the financial parameters made on 30 April 2010 referring to the 12 months prior to 31 December 2009 showed the failure to respect the parameter 'Free Cash Flow/Debt servicing'. Following this event, BNL, as leader of the syndicate, did not make use of the right to ask for repayment of the loan in advance.

In consideration of the extraordinary transactions and investments that Exprivia made during the three-year period from 2007 to 2009, following the stipulation of the Medium Term loans, which contributed to its development, despite the economic and financial crisis that hit the entire Western world, the Company started a procedure to review the financial parameters with the pool headed by BNL.

In addition, it should be noted that, in the sphere of the agreements relating to the medium-term loan, Exprivia transferred any indemnity that the seller of Wel.Network was required to pay to Exprivia, as guarantee to BNL, following the ascertained breach in fiscal and tax matters (see the details of the entry 'Funds for Risks and Charges') as set out by the Wel.Network contract; the collection of this indemnity and its resulting transfer to BNL, would go to the reduction of the residual debt on the medium-term loan. If, instead, this indemnity was paid directly to Wel.Network, it would not non come under the guarantee sold to BNL and would remain in the total availability of Wel.Network.

In addition to the above, specific limitations and duties are set out for Exprivia S.p.A. such as, *inter alia*:

1) the undertaking to maintain, directly or indirectly through a subsidiary company, a holding of 100% of the share capital of Svimservice and Wel.Network;
2) the maintenance in place of the insurance cover on its activity and assets in conformity with good commercial practice with leading insurance companies corresponding, however, to those currently inbeing;
3) the undertaking to not create real or contractual limitations of any kind to guarantee its own bonds and/or those of third parties, for tangible or intangible assets or its own shareholdings in companies or its credits without the prior consent of the financing banks;
4) the undertaking to not sell, assign, transfer, exchange, or however dispose of its assets in any way, except for the case in which the act of disposal (i) concerns one or more obsolete fixed assets and its own shares; or (ii) the value is not higher than Euro 3,000,000.00 for each act of disposal;
5) the undertaking to not distribute dividends totalling more than 50% of the net profit for the duration of the medium-term loan, as long as all the financial parameters set out by the loan are respected following the distribution of dividends;

Exprivia and the other companies of the Exprivia group will not be able to make any extraordinary operation, including mergers, spin-offs, company restructuring, make conveyances, purchase companies or branches of companies, modify its body of shareholders unless for operations already decided by the board of directors of the company and extraordinary operations previously authorised in writing by the financing banks.

Further, in accordance with the medium-term loan, there is an undertaking to ensure that the duty to repay any financing received from present or future partners, in any technical form, is entirely retained and subordinated to the complete repayment of the loan.

Lastly, the medium-term loan sets out so-called cross default clauses, as a result of which the occurrence of certain events set out by other financing contracts as causes of non-fulfilment (such as the failure to repay the sums supplied or the loss of the benefit of the term) is also considered as non-fulfilment by the medium-term loan. These events could, therefore, result in the accelerated maturity and the consequent duty to also repay the medium-term loan. A non-fulfilment of that financing contract could then further result in the acceleration of other loans with cross acceleration or cross default clauses.

BNL mortgage

The mortgage for Euro 2,400,000, originally underwritten by Abaco Innovazione S.p.A. on 15 October 2004for financial support for the creation of industrial buildings, was subsequently assumed by Exprivia following merger by takeover with Abaco Information Services on 15 October 2005, to which Abaco InnovazioneS.p.A. had sold the company branch with all its industrial activities.

The financing is assisted by a first charge mortgage guarantee on the property of Exprivia in Viale Adriano Olivetti snc, Molfetta, for a maximum of Euro 6,700,000.

At 30 June 2010, the residual debt totalled Euro 1,270,588, of which Euro 282,353 is to be repaid in the next twelve months (and so is included in the short-term liabilities) and the residual Euro 988,235 to be reimbursed from 2012-2014 (and included in long-term liabilities).

Deutsche Bank financing

The financing contract of Euro 1,500,000 was signed on 23.06.2008 with disbursement on 20.08.2008.

On 16 July2009, as set out by the contract, the financing was converted from short- to medium-term, to be repaid in quarterly instalments from 23 October 2009, terminating on 23 June 2013.

The rate of interest applied is Euribor 3 months + spread 0.90.

The financing was used for cash in hand.

At 30 June 2010, the residual debt totalled Euro 1,218,750, of which Euro 375,000 is to be repaid in the next twelve months (and so is included in the short-term liabilities) and the residual Euro 843,750 to be reimbursed from 2012-2013 (and included in the long-term liabilities).

The financing in question is not aided by collateral securities.

MPS Capital Services Banca per le Imprese S.p.A. facilitated credit

Financing allocated for Euro 1,783,332.00 and originally underwritten by Abaco on 5 August 2003 of which Euro 1,480,166 had been allocated at 31 December 2008. It is for financial support for the creation of are search and development project as per Measure 2.1.of the Integrated Facilitation Package, PIA Innovazione, set out by P.O.N. ‘Local Entrepreneurial Development’ first announcement. It expires on 5August 2011 and there is interest payable at a fixed facilitated annual rate of 0.96%. It was taken on by Exprivia following the merger by takeover with Abaco Information Services, as already described previously.

The financing was granted in accordance with provisional concession decree 127.336 of 5 August 2003 of the Ministry for Production, General Division for the co-ordination of incentives for businesses.

At 30 June 2010, the residual debt totalled Euro 600,565, of which Euro 298,848 is to be repaid in the next twelve months (and so is included in the short-term liabilities) and the residual Euro 301,717 to be reimbursed in 2013 (and included in long-term liabilities).

The financing in question is not aided by collateral securities.

Ministry of Universities and Research facilitated credit

Financing allocated for Euro 1,430,905.00, underwritten by Exprivia on 12 April 2007, of which Euro 429,271had been distributed at 31 December 2008. It is the financial support for the creation of a research

and development project as per the Financing Law, Ministerial Decree 593 of 8 August 2000 and expires on 1July 2016. The interest payable is at a fixed facilitated annual rate of 0.50%.

This financing was granted as per the following MIUR concession decrees: 1769/ric. of 1 August 2005, 107/ric. of 26 January 2006 and 2386/ric. of 16 November 2006.

At 30 June 2010, the residual debt totalled Euro 444,499, of which Euro 88,014 is to be repaid in the next twelve months (and so is included in the short-term liabilities) and the residual Euro 356,485 to be reimbursed from 2012-2015 (and included in long-term liabilities).

The financing in question is not aided by collateral securities.

Ministry for economic development – Istituto Finanziario Centrobanca POR PUGLIA facilitated credit

Financing allocated for Euro 2,151,000 and disbursed for Euro 645,300 on 31.12.2009. It is the financial support for the creation of a research and development project as per the law 46/82 F.I.T. art. 14 of the Circular of 11 May 2001 no. 1034240, and expires on 27 December 2019. The interest payable is at a fixed facilitated annual rate of 0.87%.

The financing was granted in accordance with provisional concession decree no. POR 05 of 27.12.2006 of the Ministry for Economic Development.

At 30 June 2010, the residual debt totalled Euro 645,300, of which Euro 62,044 is to be repaid in the next twelve months (and so is included in the short-term liabilities) and the residual Euro 583,256 to be reimbursed from 2012-2019 (and included in long-term liabilities).

The financing in question is not aided by collateral securities.

Antonveneta financing

The financing contract of Euro 5,000,000 was signed on 04.05.2010 with disbursement on 01.06.2010; the first instalment is payable on 10.02.11 and the last one on 10.05.17.

The rate of interest applied is Euribor 3 months + spread 2.5%.

The financing was needed as the initial investment for the job for ASL Asti.

At 30 June 2010, the debt totalled Euro 5,000,000, of which Euro 298,765 is to be repaid in the next twelve months (and so is included in the short-term liabilities) and the residual Euro 4,701,235 to be reimbursed from 2012-2017 (and included in the long-term liabilities).

The financing in question is not aided by collateral securities.

Ministry of Universities and Research facilitated credit

Financing allocated for Euro 934,900, underwritten by Exprivia Solutions S.p.A. on 10 January 2008 and disbursed for Euro 38,0624 at 30 June 2010. It is the financial support for the creation of a research and development project as per the Financing Law, Ministerial Decree 593 of 8 August 2000 and expires on 1July 2015. The interest payable is at a fixed facilitated annual rate of 0.50%.

This financing was granted as per the following MIUR concession decrees: no. 3244/Ric. of 5 December 2005 and no. 11177/Ric. of 19 September 2007.

At 30 June 2010, the residual debt totalled Euro 346,450, of which Euro 35,245 is to be repaid in the next twelve months (and so is included in the short-term liabilities) and the residual Euro 311,205 to be reimbursed from 2012-2016 (and included in long-term liabilities).

The financing in question is not aided by collateral securities.

Cassa di Risparmio di Parma e Piacenza S.p.A. financing

Financing of Euro 380,000 underwritten by Wel.Network on 21 October 2008 for the financial restructuring of the company; it expires on 21 October 2012 and has interest payable at Euribor rate at three months with a spread of 1.375%.

At 30 June 2010, the residual debt totalled Euro 244,284, of which Euro 47.617 is to be repaid in the next twelve months (and so is included in the short-term liabilities) and the residual Euro 196,667 to be reimbursed in 2012 (and included in long-term liabilities).

Cassa Rurale di Aldeno e Cadine – Banca di Credito Cooperativo financing

An unsecured loan of Euro 300,000 underwritten by GST on 25 September 2007 for the financial support of the extraordinary investments of the company; it expires on 25 December 2012 and has interest payable at the monthly Euribor rate with a spread of 0.9%.

At 30 June 2010, the residual debt totalled Euro 184,000, of which Euro 3,936 is to be repaid in the next twelve months (and so is included in the short-term liabilities) and the residual Euro 180,064 to be reimbursed from 2012-2013 (and included in long-term liabilities).

Centrobanca S.p.A. facilitated credit

Financing decided for Euro 2,025,228, underwritten by Svimservice on 28 December 2004; its purpose is financial support for the creation of a research and development project as per the Financing Law 46/82 F.I.T, Project A17/0472/P concerning Measure 2.1. Integrated Facilitation Package, PIA Innovazione set out by P.O.N. 'Local Entrepreneurial Development'. It expires on 5 August 2016 and has interest payable at a fixed facilitated annual rate of0.96%.

This financing was granted as per concession decree 127358 dated 05/08/2003.

At 30 June 2010, the residual debt totalled Euro 1,305,225, of which Euro 190,775 is to be repaid in the next twelve months (and so is included in the short-term liabilities) and the residual Euro 1,114,450 to be reimbursed from 2012-2016 (and included in long-term liabilities).

The financing in question is not aided by collateral securities.

Cassa Depositi e Prestiti/ Finanziamento Banca Popolare di Bari facilitated credit

Svimservice signed contract no. 10673/5672 on 27/07/2009 for financing for the creation of a Development Programme covered by project no. A 20/1469/P 29921-13 for a sum of Euro 1,535,960.00.

This financing was granted as follows:

a) Facilitated credit no. B 69758/01 for Euro 1,244,100.00 from the Cassa Depositi e Prestiti,

b) Bank financing no. B 69758 for Euro 138,236.40 from Banca Popolare di Bari.

A first amount of Euro 1,244,102.76 of the financing was supplied on 14 April 2009 (of which Euro 1,119,690.00 from the facilitated credit and Euro 124,412.76 from the bank financing).

The amortisation plans for the principal are divided thus:

Facilitated credit to be repaid in 10 six-monthly instalments with the first payment of Euro 110,715.11 due on 31/12/2009

Bank financing to be repaid in 5 six-monthly instalments, with the first payment due on 30/06/2012.

Interest is payable every six months, deferred, on the sum distributed from the facilitated credit, at a nominal fixed annual rate of 0.50%.

The sums distributed from the total of the bank financing will generate interests ofan initial nominal annual amount of 5.30% to be divided for the purposes of calculating the six-monthly rate,payable every six months deferred.

The residual debt at 30 June 2010, relating to the facilitated credit totalled an overall Euro 897,983, of which Euro 111,269 is to be repaid in the next twelve months (and so written into short-term liabilities) and the residual Euro 786,714 is to be repaid from 2012 to 2014 (and written into the long-term liabilities).

The residual debt, relating to the bank financing, totalled an overall Euro124,413 at 30 June 2010 to be repaid from 2012 to 2014 (and written into the long-term liabilities).

Banca Popolare di Bari loan

The financing contract of Euro 3,000,000 was signed on 04.12.2009 with disbursement on 08.01.2010; the first instalment is payable on 30.06.2011 and the last one on 31.12.14.

The rate of interest applied is Euribor 3 months + spread 2.5%.

The financing was needed as the initial investment for the job for Regione Puglia.

The debt at 30 June 2010 totals Euro 3,000,000 and is recorded as medium and long liabilities.

The financing in question is not aided by collateral securities.

OTHER FINANCIAL LIABILITIES

The balance of **"Other financial liabilities"** as 30 June 2010 was Euro 234,559 and there were no variations with respect to 31 December 2009. It refers to INPS debt (Euro 170,046) and tax debt (Euro 64,613) from previous years relating to the quota beyond12 months for which payment by instalments is continuing.

PROVISIONS FOR RISKS AND CHARGES

At 30 June 2010, the **"Provision for risks and charges"** was Euro 1,253,288 compared to Euro 1,491,372 of 31 December 2009; the table below shows the composition of the entry in detail:

Description	6/30/2010	12/31/2009	Variation
Fund other risks	19,245	100,000	(80,755)
Fund to cover losses	137,294	170,929	(33,635)
Fund for stock related risks	100,000	100,000	-
Fund for tax litigation risks	223,322	200,000	23,322
Fund for staff related risks	56,708	91,876	(35,168)
Fund for contribution related risks	526,719	599,370	(72,651)
Fund for tax bill related risks	190,000	229,197	(39,197)
TOTAL	*1,253,288*	*1,491,372*	*(238,084)*

The provision of Euro 19,245 relates to **"other risks"** essentially refers to the risk prudentially allocated for taxes and municipal charges.

The provision of Euro 137,294 relating to the **"Loss coverage fund"** concerns the subsidiary Farm Srl in liquidation (Euro 35,648), Spegea S.c.a.r.l. (Euro 50,000) and Al Faro Srl in liquidation (Euro 51,646).

The provision of Euro 100,000 relating to the **"Fund for stock-related risks"** refers to possible risks for the final tests of work in progress.

The provision of Euro 223,322 refers to the **"Fund for tax dispute risks",** divided as follows:

- ✓ Euro 200,000 for the report on findings issued by the Italian Revenue Police on 18 December 2007, which improper deductions for amortisation amounts on goodwill, contributions on the financed research projects, extraordinary losses, restructuring charges were disputed.

  Referring the notice of assessment issued by the Finance Police on 18 December 2007, it contained the surveys concerning the devaluation amounts on the Infusion and AISoftw@re Technology & Solutions shareholdings, against which the Inland Revenue of Milan 3, on 29 December 2008, produced "Notices of assessment" for the years 2002 and 2003 and, on 25 March 2009, for 2004 concerning identical disputes. Against the notices of assessment the company lodged separate to the claims with the Provincial Tax Commission, Milan, which for those accounting periods 2002 and 2003 had successful hearings on 8.4.2010 with compensation of expenses and for the one concerning the accounting period 2004 the hearing date is awaited to be set.

- ✓ Euro 23,322, for taxes, sanctions and interest possibly due from the outcome of the tax dispute against the company Wel.Network S.p.A. which on 18 December 2009 was issued a Notice of Assessment by the Piacenza control office of the Revenue Office concerning 2004. The document is directly consequent to the general tax check concerning the accounting period 2004 and an inspection of documents for VAT purposes for the accounting periods 2005 and 2006. The inspections were concluded with the dispute report process notification on 7 December 2007, which alleges presumed breaches of the VAT regulations by the company, undeclared capital gains, irrelevant, entertainment costs and software capitalisation. The company arranged for an extensive memorandum, lodged on 25 October 2007, attached to the document by the Revenue Office. The memorandum in question carefully rebutted the declarations made giving appropriate evidence of the operations performed.

  Based on the opinions of the professionals engaged to follow the dispute on behalf of the company, the directors of Exprivia considered it unnecessary to make special provisions.

The provision of Euro 56,708 relating to the **"Fund for staff-related risks"** refers to allocations made in relation to current disputes with former employees.

The provision of Euro 526,719 relating to the **"Fund for contribution-related risks"** refers to allocations for any missing payments of contributions following final tests on research projects.

The provision of Euro 190,000, relating to the **"fund for risks on tax bills"** refers to allocations made for disputed tax bills between the Revenue Office of Bari and Abaco Innovazione and concerns the recognition o a tax credit for the year 2000. The competence of the bill was reflected in Exprivia S.p.A in relation to the obligation deriving from the conferment of the corporate complex from Abaco Innovazione S.p.A. to Abaco Information Services S.r.l., subsequently incorporated in the company AISoftw@re now Exprivia S.p.A.. The appeal was rebutted at first and second degree; currently it is pending at the Court of Cassation.

With reference to AISoftw@re Professional Services S.r.l. in liquidation, deconsolidated, the following disputes should be noted:

- ✓ Recovery of the ten-year exemption 1991-2000 on the taxes IRPEG–ILOR (about Euro 843,000): The company has made an appeal to the Court of Cassation following the unfavourable sentence of the Regional Tax Commission; the date of the hearing is awaited.
- ✓ In the meantime, the Tax Collection Agency has issued an account for Euro 28,266.69 in charges and suspension interest matured to the capital of Euro 843,000. At the hearing of 11/12/09 the suspension application was discussed. The sentence is awaited.
- ✓ Recovery of the CFL facilitations as a result of the sentence of the European Commission: (about Euro 452,000). The Court of Avezzano, Employment section, upheld the appeal presented by the company opposing the tax bill issued for the recovery by INPS. The latter lodged an appeal with the Court of Appeal, Aquila, which set the date of the hearing for 7 May 2009, suspended because of the earthquake. At the hearing of 7 January 2010, the Court rebutted the appeal requiring INPS to pay the legal costs.
- ✓ Recovery of tax credits for Law 388/2000 for Euro 250,252.23 the Avezzano Tax Collection Agency (Italian Revenue Police Report): Following the sentence of the Provincial Tax Commission of Aquila in favour of the company, the Avezzano Tax Collection Agency has appealed to the Regional Tax Commission, who, with the sentence communicated of 23 November 2009, upheld the appeal. The decision on whether to continue by resorting to the Court of Cassation is to be assessed.
- ✓ Labornet Sistemi S.p.A. (a company which merged by incorporation with AIS Professional) to the Tax Collection Agency and Banca Monte dei Paschi di Siena (tax bill no. 09720060040016228 notified on 4.10.2006) concerning the recovery of a tax credit deemed unduly compensated for the sum of Euro 51,574.31: lodged an appeal with the Provincial Tax Commission of Rome, obtaining a suspension; the concerned hearing was held on 25 June 2009, the appeal was upheld, with compensation of costs (December 2009). The sentence is awaited.
- ✓ INPS Avezzano - (Italian Revenue Police Report) - Recovery of tax credits for Law 407 for 2002 - 2005: there has been no answer to the administrative appeal ex art. 23 L. no. 88/89 presented by the company in November 2007; on 10 April 2009 a bill was presented by INPS for the recovery of Euro 248,585.84; an appeal was presented to the Employment Tribunal, Avezzano. The judgement is currently in the preliminary phase.
- ✓ the abovementioned check resulted in the procedure ex Leg. Decree 231/01 at the Court of Avezzano. At the hearing of 23.02.2010 the judge upheld the preliminary objection of all the facts prior to September 2004, leaving aside only the charges to Exprivia (for indirect and concurrent responsibility) for Euro 170. Thus no provision has been allocated.
- ✓ Financing Abruzzi Region (revocation of POP contributions for about Euro 250,000): appeal made before the State Council against Abruzzi Region; on 1 April 2009 the sentence of the State Council was published that rebutted, for the same reasons examined in first degree, the appeal proposed against the Abruzzi Region. With this definitive ruling, the long legal procedure against the Region to obtain the cancelation of the executive order of the regional assembly of May 2000 with which the POP contributions were revoked, ended unfavourably for the company. Following the release by the Abruzzi Region of the guarantee provided by Atradius, the latter sued AISoftw@re Professional Services to claim the incurred payment of Euro 250,000 granted as a guarantee of the loan disbursed by the Abruzzi

Region. The cognition case was called before the Civil Court of Rome for the hearing stated in the summons of 23/9/2010, with establishment charges of the company 20 days before.

- ✓ On 13.12.2008, the company received a tax bill (about Euro 34,000) relating to INPDAI contributions (now managed by INPS) for 2000/2001/2002; this bill includes the contentions already made relating to the contributions for 2002 which the company made, which it supported by sending the documentation proving the payments made. The company sent INPS, Avezzano, a copy of all the payments made in 2000, 2001 and 2002 accompanied by a request for the suspension of the tax bill. On 13 January 2009, INPS Avezzano formally advised acceptance of the suspension in order to allow the position to be checked.

With reference to the above disputes, also following the opinions of their legal advisers, the directors consider that there are no risks for any liabilities that may be the responsibility of Exprivia Solutions S.p.A. and therefore Exprivia S.p.A..

STAFF-RELATED FUNDS

SEVERENCE PAY FUND

The Severance Pay Fund totalled Euro 7,570,297 compared to Euro 7,440,413 at 31 December 2009. The fund is net of the quotas deposited with the INPS treasury and the relevant Pension Funds.

DEFERRED TAX LIABILITIES

The **"Deferred tax fund"** totalled Euro 1,444,353 compared to Euro 1,490,874 at 31 December 2009. It refers to the sum set aside following the temporary variations occurring as a result of the application of the IFRS accounting principles.

PROFIT (LOSS) ON SHARES

The information on the data used for the calculation of the earnings per share and the dilution is supplied, as requested by IAS 33.

The earnings per share is calculated by dividing the net profit for the period, as shown in the consolidated annual financial statements, drawn up according to the international IAS/IFRS accounting principles, attributable to ordinary shareholders of the parent company for the average number of ordinary shares in circulation during the period.

For the purposes of calculating the basic earnings per share, the economic result for the period less the quota attributable to third parties was used in the numerator. Further, there are no privileged dividends, conversion of privileged shares and other similar effects which could adjust the economic result attributable to holders of ordinary capital instruments.

It should be noted that at 31 December 2009, the basic profit per share was Euro 0.0966 while that per diluted share was Euro 0.0992. At 30 June 2010 the basic profit per share was Euro 0.0313 and that per diluted share was Euro 0.0325; the details of the calculation are shown in the following table:

Profits (Euro)	30/06/2010
Profits for determining basic earnings per share (Net profit due to shareholders of parent company)	1,615,062
Profit for determining the earnings per basic share	1,615,062

Number of shares	30/06/2010
Number of ordinary shares at 1 January 2008	50,709,458
Purchase of own shares at 16 January 2008	(449,219)
Balance at 30 June 2010- exercise of the first tranche of the stock option plan	1,174,500
Average weighted number ordinary shares for calculation of basic profit	51,641,289

Earnings per share (Euro)	30/06/2010
Profit (loss) per basic share	0.0313
Diluted earnings (loss) per share (*)	0.0325

(*) For the purposes of calculating the profit per diluted share, it should be noted that the dilution effect results from the stock option plan as explained in the Report in the 'Stock Option Plan' paragraph.

CURRENT LIABILITIES

PAYABLES TO CURRENT BANKS

"Payables to current banks" totalled Euro 21,146,020 at 30 June 2010, compared to Euro 26,497,575 at 31 December 2009. They refer to the current quota of debts for financing and mortgages (as extensively at the entry for 'Payables to non-current banks') of Euro 6,365,296 and current account debts with leading credit institutes (Euro 14,780,724).

AMOUNTS OWED TO SUPPLIERS

"Payables to suppliers" amounted to Euro 11,574,761 compared to Euro 14,529,852 at 31 December 2009.

ADVANCES ON WORK IN PROGRESS TO ORDER

ADVANCES

The entry **"Advances"** was Euro 5,734,950, at 30 June 2010, compared to Euro 4,298,097 at 31 December 2009 and refers to advances received from customers for work in progress to order for 2,253,475, and for Euro 3,481,475 for an advance on machinery suppliers to a leasing company.

OTHER FINANCIAL LIABILITIES

AMOUNTS OWED TO ASSOCIATED COMPANIES

The balance of the entry **"amounts owed to associated companies"** equals Euro 23,950 compared to Euro 75,000 at 31 December 2009, and refers to the debt to the associated company Pervoice Srl.

AMOUNTS OWED TO OTHERS

The balance of **"Other payables"** amounted to Euro 5,379,600 compared to Euro 4,104,789 at 31 December 2009. The Table below highlights the details of the entry:

Description	6/30/2010	12/31/2009	Variation
Derived products	407,978	440,021	(32,043)
PIA Innovazione advance	1,341,445	1,314,445	27,000
Anticipo PIA Formazione	-	27,000.00	(27,000)
L. 598/94 advance	95,324	95,324	-
CNOS project advance	525,377	525,377	-
POR Puglia advance	378,240	378,240	-
Payables to factoring	2,455,948	1,324,382	1,131,566
FAR ICT project advance	175,288		175,288
TOTAL	*5,379,600*	*4,104,789*	*1,274,811*

Summarised below are the identifying characteristics of the financial derivatives, valued at Fair value with effect in the profit and loss account, and the Mark to Market value at 30 June 2010. The net positive accounting effect in the first half of 2010 equals Euro 32,043.

Banking Institute	Contract Date	Expiry Date	Transaction Type	Notional Sum	Mark to market value at 30/06/2010
Unicredit	27/11/2008	30/11/2015	IRS	1,902,500	1,076
Banco di Napoli	19/01/2007	23/01/2012	IRS	2,000,000	(109,843)
B.N.L.	30/11/2008	30/11/2015	IRS	3,841,500	(299,211)
TOTAL					*(407,978)*

AMOUNTS OWED TO THE TAX ADMINISTRATION

The balance of the entry **"amounts owed to the tax administration"** amounts to Euro 7,147,717 compared to Euro 6,456,388 of 31 December 2009, in the following table the breakdown of the entry is shown compared to the data of the previous year.

Description	30/06/2010	31/12/2009	Variation
Payables to tax authority for VAT	3,511,995	4,256,036	(744,041)
Payables to tax authority for IRAP	1,290,376	280,236	1,010,140
Payables to tax authority for IRES	1,147,770	410,000	737,770
Payables to tax authority for IRPEF employees	595,220	1,121,088	(525,868)
Payables to tax authority for IRPEF freelance workers	47,443	32,956	14,487
Payables to tax authority for extraordinary taxation	3,668	24,903	(21,235)
Payables to tax authority for IRPEF collaborators	27,081	31,982	(4,901)
Payables to tax authority	207,767	67,126	140,641
Payables to tax authority for IRPEF severance fund	60,259	47,354	12,906
Payables to tax authority for Regional and Municipal add	41,758	5,300	36,458
Payables to tax authority for refuse taxes	11,210	6,037	5,173
Payables to tax authority for interest and penalties	203,171	173,372	29,799
TOTAL	*7,147,717*	*6,456,388*	*691,329*

OTHER CURRENT LIABILITIES

PAYABLES TO WELFARE AND SOCIAL SECURITY INSTITUTES

The balance of **"Payables to welfare and social security institutes"** equals Euro 2,807,667; the Table below shows the movements occurring during the period compared with those to 31 December 2009:

Description	6/30/2010	12/31/2009	Variation
INPS with contributions	1,329,783	2,251,253	(921,471)
Payables to pension funds	118,940	158,674	(39,734)
INPS with contributions by instalment	103,144	267,133	(163,989)
PREVINDAI-FASI-ALDAI-INPDAI-FASDAPI-PREVINDAPI	42,590	58,500	(15,910)
Contributions on accrued holiday pay and year-end bonus	1,082,988	595,411	487,577
INPS with contributions on accrued bonuses	11,283	51,844	(40,561)
INPS with contributions for collaborators	49,154	70,978	(21,824)
Contributions to suppl. benefit funds	1,104	286	818.44
Payables to regional fd for employment of disabled	-	9	(9)
Payables for penalties and interest	15,560	16,210	(650)
INAIL with contributions	53,121	18,656	34,465
TOTAL	*2,807,667*	*3,488,954*	*(681,287)*

OTHER PAYABLES

The balance of **"other payables"** amounted to Euro 7,321,746 and the Table below highlights the variations occurring during the period compared with that to 31 December 2009:

Description	6/30/2010	12/31/2009	Variation
Payables to employees/collaborators for expenses	18,490	53,421	(34,931)
Directors' pay for settlement	13,493	15,997	(2,504)
Employees/Collaborators for fees accrued	2,201,350	2,195,225	6,125
Debts to purchase shareholdings	44,194	16,710	27,484
Accrued holidays, festivities, summer & yr-end bonuses	4,195,852	2,365,995	1,829,857
Payables to associations	14,958	16,049	(1,091)
Factoring advances	448,159	359,089	89,071
Payables to partners for bids	84,656	148,815	(64,159)
Sundry payables	299,634	220,746	78,888
TOTAL	*7,321,746*	*5,392,048*	*1,929,698*

ACCRUED EXPENSES

The balance of **"accrued expenses"** amounts to Euro 210,653 compared to Euro 243,524 at 31 December 2009; the table below shows the movements:

Description	6/30/2010	12/31/2009	Variation
Bank charges and interest	201,353	220,013	(18,660)
Sundry costs	-	13,185	(13,185)
Insurance	9,300	10,326	(1,026)
TOTAL	*210,653*	*243,524*	*(32,871)*

DEFERRED REVENUES

The balance of **"Deferred revenue"** is Euro 4,500,571 compared to Euro 3,796,717 at 31 December 2009 and and mainly refers to deferments of contributions not accrued in the period after 30 June 2010.

INFORMATION ON THE INCOME STATEMENT

All the entries of costs and revenues making up the Income statement are shown in detail, drawn up according to the international accounting principles (IAS/IFRS) concerning 2009 compared to the same period of the previous year.

PRODUCTION REVENUES

REVENUES

The **revenues from sales and services** in the first half 2010 were 37,124,921 compared to Euro 36,806,858 in the first half of 2009. See the paragraph 'The Trend in Exprivia group results' in the Interim Report on Group Management for the details and relative information per area of business on revenues of sales and services (including the variations in stock in progress to order), as per the provisions of IFRS 8.

The details of the revenues from sales and services (Euro 37,124,921) are reported below, inclusive of the variations in stocks of work in progress (Euro – 72,710) and contracts in progress (Euro 9,396,613) regarding the first half of 2010, compared to the data of the first half of 2009 and broken down by type of asset (values in K Euro).

Exprivia Group (value in K €)	30/06/2010	30/06/2009	Variation %
Banks, Finance and Insurances	4.689	4.419	6%
Industry, & Media	6.490	5.786	12%
Public Sector, Transport & Utilities	7.153	7.180	0%
Oil, Gas and Telecommunications	5.641	6.233	-9%
Health and Local Bodies	21.353	17.141	25%
Other	1.123	755	49%
Total	**46.449**	**41.514**	**12%**

The details of the revenues and the changes in work in progress for the first half of 2010 are reported below, compared with the data of the first half of 2009 and broken down by business area (values in K Euro).

Exprivia Group (value in K €)	30/06/2010	30/06/2009	Variation %
Projects and services	35.254	34.259	3%
Maintenance	3.586	4.108	-13%
SW/HW indirect	3.896	1.094	256%
Proprietary license	2.590	1.299	99%
Other	1.123	754	49%
Total	**46.449**	**41.514**	**12%**

OTHER INCOME

OTHER REVENUES AND INCOME

In the first half of 2010, "**other revenues and income" amounted to** Euro 631,160 compared to Euro 696,291 for the same period in the previous year. The table below shows the details of the entries.

Description	H1 2010	H1 2009	Variation
Contingency assets	347,776	540,768	(192,992)
Penalità su clienti/risarcimento danni	-	13,746	(13,746)
Rental income with subsidiary company	27,097	28,087	(990)
Travel expenses to be charged to clients	6,637	43,164	(36,527)
Other revenue	219,341	51,424	167,917
Pay in lieu of notice	-	15,570	(15,570)
Income from assignment of vehicles to staff	27,109	2,667	24,442
capital gains	3,200	865	2,335
TOTAL	*631,160*	*696,291*	*(65,131)*

REVENUE GRANTS

The **"revenue grants"** in the first half of 2010 amounted to Euro 286,723 compared to Euro 914,772 of the first half of 2009 and refer to contributions and tax credit for the period or authorised in the period and related to research and development projects.

VARIATION OF THE STOCK IN HAND

VARIATION OF THE STOCK ON HAND OF PRODUCTS BEING PROCESSED, SEMI-FINISHED AND FINISHED PRODUCTS

The balance of **"variation of the stock on hand of products being processed, semi-finished and finished products"** in the first half of 2010 amounted to Euro -72,710 compared to Euro 82,395 of the same period of the previous year. It refers to variations in finished products relating to the medical sector reporting to the parent company and its subsidiaries GST and Svimservice.

VARIATION IN WORK IN PROGRESS ON ORDERS

The balance of **"variation on work in progress on orders"** totalled Euro 9,396,613 in the first half of 2010,compared to Euro 4,624,639 for the same period of 2009. This change is mainly attributable to the progress of the job for the supply of the integrated systems for the management of the data and images in radiology and cardiology of the A.S.L. di Asti.

INCREASES IN FIXED INVESTMENTS FOR INTERNAL WORK

The balance of **"increases in fixed investments for internal work"** in the first half of 2010 was Euro 847,477 compared to Euro 682,162 of the first half of 2009. It refers to costs borne during the period for the development of projects in the banking area (Euro 114,443) and the healthcare area (Euro 733,034).

PRODUCTION COSTS

RAW AND SUBSIDIARY MATERIALS, CONSUMABLES AND GOODS

The balance of **"raw and subsidiary materials, consumables and goods"** in the first quarter of 2010 totalled Euro 4,642,760, compared to Euro 1,690,960 in the same period of the previous accounting period. The table below shows the details of the entries.

Description	H1 2010	H1 2009	Variation
Purchase of HW-SW products	4,108,465	1,373,576	2,734,888
Purchase of HW-SW maintenance	286,967	201,781	85,185
Purchase of equipment for plant	49,415	-	49,415
Stationery and consumables	60,731	55,690	5,041
Fuel and oil	59,679	52,655	7,023
Transport and freight rates on purchases	2,668	1,971	697
Purchase of sundries	21,721	5,286	16,435
Warranty services on our customers activities	53,115	-	53,115
TOTAL	*4,642,760*	*1,690,960*	*2,951,800*

The increase in **"purchases of hw-sw"** is mainly attributable to the purchase of assets to carry out the work in progress to order.

STAFF COSTS

The balance for **"staff costs"** amounted overall to Euro 27,448,355 in the first half of 2010, compared to Euro 26,670,220 of the first half of 2009; the table below shows the item in detail

Description	H1 2010	H1 2009	Variation
Salaries and wages	20,518,530	20,104,582	413,948
Social charges	5,336,539	5,072,579	263,960
Severance Pay	1,232,420	1,104,645	127,775
Other staff costs	360,866	388,414	(27,548)
TOTAL	*27,448,355*	*26,670,220*	*778,135*

The number of staff in the group as at 30 June 2010 was 1,265, of whom 1,199 were employees and 66 collaborators, compared to 1,269 (1,187 employees and 82 collaborators) in June 2009.

OTHER COSTS

OTHER COSTS FOR SERVICES

The consolidated balance of the entry **"other costs for services"** in the first half of 2010 totalled Euro 8,513,275, compared to Euro 7,459,422 in the first half of 2009. A table with the details of the entries is shown below:

Description	H1 2010	H1 2009	Variation
Technical and commercial consultancy	3,428,826	2,833,209	595,617
Administrative/company/legal consultancy	302,904	419,903	(116,999)
Consultancy to subsidiary companies	28,000	8,091	19,909
Data processing service	575,745	526,263	49,482
Auditors' fees	129,763	132,581	(2,819)
Travel and transfer expenses	1,396,870	1,263,318	133,552
Other staff costs	151,512	73,567	77,945
Utilities	520,621	440,367	80,253
Advertising and agency expenses	188,943	134,338	54,605
HW and SW maintenance	407,954	397,672	10,282
Insurance	146,143	141,279	4,864
Costs of temporary staff	617,794	683,324	(65,530)
Other costs	618,199	405,508	212,691
TOTAL	*8,513,275*	*7,459,421*	*1,053,852*

COSTS FOR LEASED ASSETS

The consolidated balance of **"costs for leased assets"** in the first half of 2010 totalled Euro 1,118,122, compared to Euro 869,116 in the same period of the previous accounting year. The details of the entries are shown in the table below:

Description	H1 2010	H1 2009	Variation
Rental expenses	447,755	545,879	(98,124)
Car rental/leasing	308,978	245,584	63,394
Rental of other assets	45,508	48,155	(2,647)
Royalties	59,015	26,909	32,106
Leasing payments	256,867	-	256,867
Other costs	-	2,589	(2,589)
TOTAL	*1,118,122*	*869,116*	*249,007*

SUNDRY MANAGEMENT CHARGES

The consolidated balance of **"sundry management charges"** in the first half of 2010 totalled Euro 632,768, compared to Euro 746,677 in the first half of 2009. A table with the details of the entries is shown below.

Description	H1 2010	H1 2009	Variation
Annual subscriptions	43,915	39,548	4,366
Books and magazines	24,184	15,430	8,754
Taxes	87,973	136,581	(48,608)
Stamp duty	22,789	18,064	4,725
Penalties and fines	25,819	3,301	22,518
Charitable donations	27,001	22,561	4,440
Contingency liabilities	221,402	234,750	(13,347)
Bank charges and commissions	146,544	133,297	13,247
Write-offs	-	21,389	(21,389)
Sundry expenses	33,141	17,656	15,485
Penalties and damages	-	100,000	(100,000)
Capital losses on disposals	-	4,101	(4,101)
TOTAL	*632,768*	*746,677*	*(113,909)*

INVENTORIES AND PROVISIONS

The consolidated balance of **"inventories and provisions"** in the first half of 2010 amounted to Euro 38,010 compared to Euro 26,623 of the first half of 2009 and refers to the risk provision for any missing payments of contributions following final tests on research projects.

AMORTISATION, DEPRECIATION AND WRITE-DOWNS

AMORTISATION

The **"amortisation"** totalled Euro 1,200,378, compared to Euro 1,328,301 of the first half of 2009 and consists of Euro 764,165 relating to the amortisation of intangible assets and Euro 436,213 for the amortisation of tangible assets. The details of these entries are shown in the Comment in the Statement of Assets and Liabilities in the entry 'Tangible and Intangible Assets'.

OTHER DEVALUATIONS OF FIXED ASSETS

The **"other devaluations of fixed assets"** amount to Euro 58,165.

CURRENT RECEIVABLES WRITE-DOWN

The balance of **"devaluations"** amounted to Euro 51,681, compared to Euro 96,039 of the first half of 2009 and refers to the depreciation of bad debts.

FINANCIAL INCOME AND CHARGES

REVENUE FROM PARENT COMPANIES

The balance of **"revenue from parent companies"** in the first half of 2010 totalled Euro 6,294 compared to Euro 8,676 of the first half of 2009 and refers to the interest paid by Abaco Innovazione to Exprivia Solutions S.p.A. for current financing.

INCOME FROM OTHER EQUITY INVESTMENTS

The balance of **"income from other equity investments"** in the first half of 2010 amounted to Euro 949 compared to Euro 57 of the first half of 2009.

REVENUE FROM OTHER COMPANIES

The balance of the entry **"Revenues from other companies"** in the first half of 2010 totalled Euro 5,835, compared to Euro 32,096 in the same period of 2009. A table with the details of the entry is shown below:

Description	H1 2010	H1 2009	Variation
Bank interest receivable	4,980	21,579	(16,599)
Interest income from securities	136	-	136
Other interest income	340	10,370	(10,030)
Rounding up of assets	379	147	232
TOTAL	*5,835*	*32,096*	*(26,262)*

INTEREST AND OTHER FINANCIAL CHARGES

The balance of **"interest and other financial charges"** in the first half of 2010 totalled Euro 902,452, compared to Euro 1,197,637 in the same period of the previous accounting year. The details of the entries are shown in the table below.

Description	H1 2010	H1 2009	Variation
Bank interest payable	328,264	361,523	(33,259)
Interest on loans and mortgages	357,608	621,022	(263,414)
Sundry interest	127,217	92,076	35,141
Charges on financial products and sundry items	89,165	122,931	(33,766)
Rounding up/down	197	84	113
TOTAL	*902,452*	*1,197,637*	*(295,185)*

PROFITS ON FOREIGN EXCHANGE

In the first half of 2010 **"profits on foreign exchange"** equalled Euro 21,842 compared to foreign exchange losses, equal to Euro 767, of the first half of 2009.

INCOME TAX

In the first half of 2010 **"income tax"** amounted to Euro 2,037,442 and refer to taxes set aside of which Euro 736,687 for IRES, Euro 1,190,414 for IRAP, Euro 68,977 for deferred taxes, Euro 100,406 for taxes paid in advance and Euro -59,042 for taxes of previous years after fiscal controls.

PROFIT (LOSS) FOR THE PERIOD

The Profit and Loss Account for the first half of 2010 closed with a consolidated profit, after tax, of Euro 1,605,697.

INFORMATION ON THE CASH FLOW STATEMENT

The consolidated **net financial position** at 30 June 2010 is Euro -40.3 million, compared to Euro 39.3 million at 31 December 2009. The variation of Euro 1 million is mainly attributable to the following factors:

- Euro 1 million from the positive cash flow arising from income management and continuing operations
- Euro -1.2 million from the cash flow used by the investment operations
- Euro -0.8 million from the cash flow used for financial assets, of which Euro -2 million for the payment of the dividend.

HALF-YEARLY REPORT DISCLOSURE PURSUANT TO ART. 81 –TER OF CONSOB REGULATION NO. 11971 OF 14 MAY 1999, AS AMENDED

The undersigned Domenico Favuzzi, president and managing director, and Pietro Sgobba, senior manager responsible for drawing up the company accounts of Exprivia S.p.A., certify the following, taking into account the provisions of Art. 154-b, sub-paras. 3 and 4, of Legislative Decree 58 of 24 February 1998, no. 58:

- ✓ the adequacy, in relation to the business characteristics and
- ✓ the effective application of the administrative and accounting procedures for the formation of the consolidated financial statements as of 30 June 2010.

Furthermore, it is certified that the consolidated half-yearly report:

a) corresponds to accounting records;

b) has been drawn up in conformity with the international accounting principles International Financial Reporting Standards (IFRS) adopted by the European Commission with regulation 1725/2003 and subsequent amendments and, and as far as is known, is suitable for giving a true and correct representation of the equity, economic and financial situation of the business.

c) The Interim Report on the Management of the group includes a reliable analysis consistent with the financial statements, the trend and the results of the management, and also the situation of the company and the subsidiaries included in the consolidation, together with the description of the main risks and uncertainties.

Molfetta, 5 August 2010

Chairman and Managing Director

(Mr. Domenico Favuzzi)

Administrative and financial chief officer

(Mr. Pietro Sgobba)