



**Interim Management
Report
at 31 March 2010**

Index

<u>CORPORATE BODIES</u>	<u>4</u>
<u>EXPRIVIA: ONE STEP AHEAD</u>	<u>5</u>
<u>THE EXPRIVIA BUSINESS MODEL.....</u>	<u>8</u>
<u>THE MARKETS AND THE COMPETITIVE POSITIONING OF EXPRIVIA</u>	<u>8</u>
<u>THE BUSINESS LINES</u>	<u>9</u>
<u>HEALTH AND LOCAL BODIES BUSINESS UNIT.....</u>	<u>10</u>
<u>TREND IN THE RESULTS OF EXPRIVIA GROUP</u>	<u>11</u>
<u>SIGNIFICANT GROUP DATA AND INDICATORS OF RESULTS</u>	<u>14</u>
<u>MANAGEMENT SUMMARY FOR THE FIRST QUARTER 2010</u>	<u>15</u>
<u>RISKS AND UNCERTAINTIES</u>	<u>16</u>
<u>SIGNIFICANT EVENTS IN THE FIRST QUARTER 2010</u>	<u>16</u>
<u>EVENTS AFTER 31/03/2010</u>	<u>17</u>
<u>HUMAN RESOURCES</u>	<u>17</u>
<u>INTER-GROUP RELATIONSHIPS.....</u>	<u>18</u>
<u>RELATIONSHIPS WITH AFFILIATES AND ASSOCIATES</u>	<u>18</u>
<u>GROUP RELATIONSHIPS WITH PARENT COMPANIES.....</u>	<u>19</u>
<u>BUSINESS OUTLOOK.....</u>	<u>20</u>
<u>CONSOLIDATED BALANCE SHEET</u>	<u>22</u>

<u>CONSOLIDATED INCOME STATEMENT</u>	27
<u>OVERALL INCOME STATEMENT (*) AT 31 MARCH 2010, 31 MARCH 2009 AND 31 DECEMBER 2009</u>	29
<u>STATEMENT OF CHANGES IN THE CONSOLIDATED NET WORTH AT 31 MARCH 2009, 31 DECEMBER 2009 AND 31 MARCH 2010</u>	30
<u>MOVEMENTS IN THE CONSOLIDATED NET WORTH</u>	31
<u>CONSOLIDATED CASH FLOW STATEMENT</u>	32
<u>EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS OF THE EXPRIVIA GROUP AT 31 MARCH 2010</u>	33
<u>INFORMATION ON THE BALANCE SHEET AND THE CONSOLIDATED INCOME STATEMENT</u>	35
<u>INFORMATION ON THE CASH FLOW STATEMENT</u>	41

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 Daliso	Not Independent Director	Non executive	Margherita di Savoia (FG) 5/04/1966
Giorgio De Porcellinis	Not 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

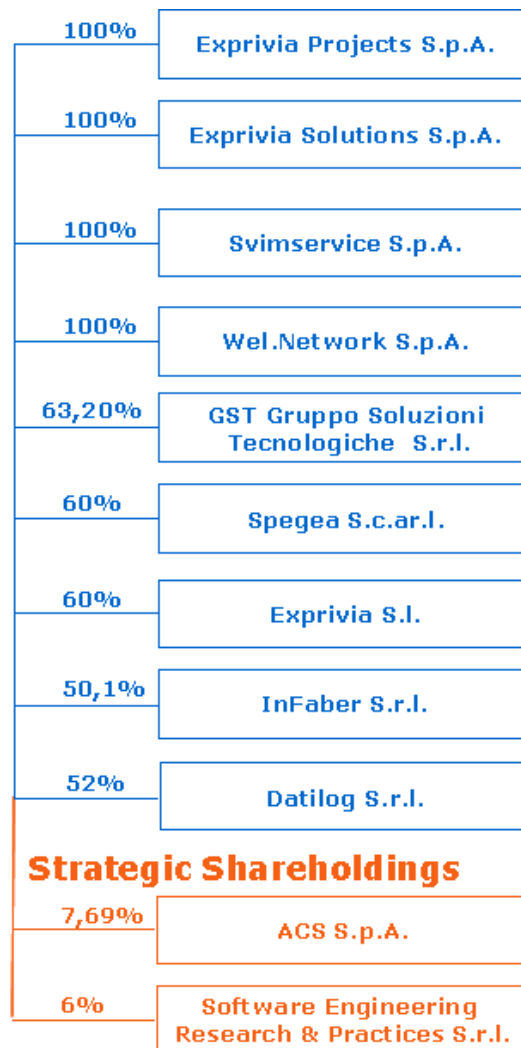
The company

Exprivia bases its success on a wealth of skills and experience gained from more than 20 years of constantly working in Information Technology for banks and financial institutions, industry, telecommunications, utilities, transport, public administration and healthcare.

Exprivia has always looked 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 their own 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.

The group



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. is wholly 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 SI (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 **AIsoftw@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.

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.

In the first half of 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 has been set up recently.

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 based on the sector verticalisation of the SAP platform, and a transversal offer on EAI and ECM (Enterprise Content Management) platforms.

In the **Telecommunications** sector, in addition to providing a highly qualified ERP and Business Intelligence (BI) offer, Exprivia is able to supply solutions on the core processes of mobile and land-line network operators with a complete and innovative range of Systems Integration regarding both business-support and operation-support systems:

- ✓ in the business sphere, 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;
- ✓ for operational support, Exprivia has designed, developed 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 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 namely: 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 e-government plans.

The offer for the **Utilities and Transport sector** is 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 out 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 and the authorities that carry out regulation and control activities 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.

HEALTH AND LOCAL BODIES BUSINESS UNIT

The acquisition of the AuroraWeb branch from Siemens S.p.A., based on the hospital IT management product of the same name, and the resulting integration inside the Exprivia health offer, play a strategic role as they allow the channelling of the participation in the most important tenders for the creation and management of integrated hospital IT systems to be guided with a proposal centred on its own software.

Exprivia can currently present the market with a complete suite of products able to satisfy the needs of the health market on three main levels: regional (with a complete proposal mainly aimed at the Regions), local (with an offer aimed at local health companies and regarding both management and clinical aspects with special focus on telemedicine), and hospitals.

At a hospital level, in particular, a complete range is now available, which is able to address management and clinical and health problems. It is the only software platform available in Italy that is entirely made by an Italian company, which allows for an integrated management of the hospital in all its aspects through proprietary solutions, including diagnostic imaging. This is a field in which Exprivia has been able to conquer undisputed leadership of the medical market with the most complete suite of IT products for diagnostic health services, which it has started to develop in the early 1990s.

Trend in the results of Exprivia group

The trend in **revenues by business area** showed a growth in the Health and Local Bodies, Industry & Media, CPA, Transport & Utilities, while a remarkable drop was recorded in the Oil, Gas and Telecommunications market.

Group Exprivia (value in K €)	31/03/2010	31/03/2009	Variation%
Banks, Finance and Insurances	2,328	2,340	-1%
Industry & Media	3,003	2,709	11%
Public Sector, Transport & Utilities	3,655	3,286	11%
Oil, Gas & Telecommunication	2,798	3,107	-10%
Health and Local Bodies	11,608	8,075	44%
Other	503	316	59%
Total	23,895	19,833	20%

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

Group Exprivia (value in K €)	31/03/2010	31/03/2009	Variazioni %
Consultancy	17,803	16,521	8%
Maintenance	1,349	1,855	-27%
Third Party HW/SW	2,948	428	589%
Licences	1,292	712	81%
Other	503	316	59%
Total	23,895	19,832	20%

BANKING, FINANCE AND INSURANCE

The sharp drop in IT expenditure in the banking and finance sector that affected all of 2009, negatively influenced also the trends of the first quarter 2010. As a matter of fact, due to the constantly decreasing expenses for current businesses due to the optimisation actions implemented in previous years, the new investment projects started with uncertainty and were slowed down by an overall economic framework in which the start of the recovery is still not visible.

Nevertheless, the **Banking, Finance and Insurance** Business Line ends the first quarter 2010 with revenues equal to about Euro 2.3 million, substantially in line with the results of the same period of 2009.

This result was mainly due to the transformation of the system management activities into structured services that can be disbursed also as nearshoring, the completion of our finance-related service range on the Murex platform and the continuous updating of our credit product suite that is able to support the automatic analysis of risk profiles, the investigation and resolution processes as well as the monitoring process. These range enhancing choices have allowed us to consolidate the collaboration with existing customers and start an important collaboration with Banca Popolare di Sondrio regarding the electronic credit line and counterparty risk analysis.

INDUSTRY AND MEDIA

The **Industry and Media** business line started the first quarter 2010 by substantially confirming the budgeted volumes and recording an increase of approximately 11% compared to the first quarter 2009.

In a market that is still affected by the downturn of 2009 and an industrial sector that has little inclination towards investments, the year started by recording some remarkable commercial successes, including the acquisition of two important projects for the implementation of ERP SAP systems in Toto Costruzioni Generali and Salver (Invesco Group).

A partnership was also signed with Siemens Spa regarding MES, enabling Exprivia to offer the market a range of factory IT solutions. Furthermore, the Datilog proposal was added to the offer portfolio (contributing by about Euro 110 thousand to the BL results for the first quarter), which regards applications related to operating logistics. The initiatives above will produce benefits also in the quarters to come.

CPA, TRANSPORT & UTILITIES

In addition to the trend to decrease investments in innovative projects, the CPA is concerned by an unstoppable drop in tariffs that is now regularly recorded at every public tender, with a consequent downturn in margins.

In the Transport sector, there has been a consolidation of our presence in some areas (roads, etc.), while a deadlock is experienced in the railway sector while waiting for some important service contracts to be outsourced.

The Utilities sector continues to show considerable dynamism, thus requiring more marketing actions also due to the introduction of players coming from sectors that are currently facing a crisis (telco).

Given a rather uncertain market situation, the **Public Administration, Transport and Utilities** business line obtained revenues of about Euro 3.7 million, up by 11% compared to the same period of 2009 and substantially in line with the results of the last quarter 2009. This is an expression of the company's will to grow in the targeted sectors while pursuing a strategy of strong commercial focus that requested suitable investments, and a verticalisation of the offer on core processes, which is combined with the services on the transversal offer proposed also in remote mode.

OIL, GAS AND TELECOMMUNICATIONS

The **Oil, Gas and Telecommunications** business lines produced revenues of about Euro 2.8 million at 30 March 2010, down 10% compared to the same period of 2009.

Regarding IT investments, in the last few months the OIL and Telco markets experienced a contraction, with a performance expected to be oscillating throughout 2010.

In this scenario, Exprivia is reviewing the offering with its customers, focusing on the near-shoring remoting of its offices of Molfetta and Piacenza. The decreasing budget available to our main customers, as already recorded at the start of the year, caused some important and financially beneficial tenders to be cancelled, which will be probably conducted in the second half of 2010. Key players in the TELCO industry are carrying out significant internal restructuring of the ICT divisions, causing a deadlock in the introduction of new implementation projects. Once these reorganisations become defined, a more "convinced" recovery of development activities is expected.

For these reasons and given the slow and slight market recovery expected by the end of the year, we believe that the results of 2009 can be improved in the next few quarters, in line with the envisaged budget.

HEALTH AND LOCAL BODIES

In the quarter in question, the **Health and Local Bodies** business unit recorded revenues of 44% 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 AuroraWeb company branch purchased from Siemens Italia S.p.a. on 1.6.2009 (which contributes by about Euro 500 thousand to the BL results for the first quarter) and is 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 in Asti, which is expected to continue in the second

quarter, following the awarding of an important tender in the second half of 2009. In line with expectations, the revenues of the company Svmservice are slightly down (10%) compared to the corresponding period of 2009, which coincided with a moment of strong development related to the creation of new software programs.

Lastly, in the **Voice Recognition** sphere, it should be noted that the current revenue volume is in line with expectations, even though it is 35% lower than the corresponding quarter 2009, which had been abnormally positive.

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 result from the balance sheet, drawn up in conformity with the main IAS/IFRS international accounting standards.

	31.03.2010	31.03.2009	31.12.2009
Total production revenues	24,450,863	21,287,749	90,090,520
net proceeds and variation to work in progress to order	23,894,859	19,832,965	85,736,766
increase to assets for internal work	326,201	336,100	1,776,928
other proceeds and contributions	229,803	1,118,684	2,576,826
Difference between costs and production proceeds (EBITDA)	2,552,688	2,817,281	14,672,644
% on production proceeds	10.44%	13.23%	16.29%
Net operating result (EBIT)	1,857,607	2,144,298	11,730,365
% on production proceeds	7.60%	10.07%	13.02%
Net result	442,639	668,108	5,042,045
Group net equity	62,808,791	59,121,585	61,262,387
Total assets	159,040,639	147,418,828	159,953,440
Capital stock	26,712,118	26,368,918	26,368,918
Net working capital (1)	34,878,851	30,428,112	31,436,241
Cash flow (2)	1,169,574	1,225,609	7,628,954
Fixed capital (3)	79,962,593	77,176,800	80,140,699
Investment	455,734	831,519	4,817,052
Cash resources/bonds (a)	2,929,948	2,748,502	5,988,680
Short-term financial debts (b)	(23,014,161)	(21,568,671)	(26,497,575)
Medium-/long-term financial debts (c)	(20,801,879)	(19,285,285)	(18,749,611)
Net financial position (4)	(40,886,092)	(38,105,454)	(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 at 31 March 2010, compared with the same period of the previous accounting period.

Exprivia Group	31/03/2010	31/03/2009
Index ROE (Net income / equity capital)	0.70%	1.13%
Index ROI (EBIT / Net Capital Invested)	1.78%	2.20%
Index ROS (EBIT / Revenues)	10.60%	11.99%
Financial charges / Net profit	91.67%	107.45%

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

Exprivia Group	31/03/2010	31/03/2009	31/12/2009
Net Financial Debt / Equity Capital	0.65	0.64	0.64
Debt ratio (Total Liabilities / Equity Capital)	2.53	2.49	2.61

Management summary for the first quarter 2010

The table below gives a summary of the main consolidated economic, capital and financial data of the group drawn up in conformity with the main IAS/IFRS international accounting standards and, in particular, standard IAS 34, as shown in the situation at 31 March 2010, compared with the same period of the previous accounting period.

Exprivia group (values in K €)	Q1 2010	Q1 2009	Variation %
Value of production	24,451	21,288	14.86%
Net receipts	23,895	19,833	20.48%
EBITDA	2,553	2,817	-9.37%
EBIT	1,858	2,144	-13.34%
Pre-tax results	1,460	1,408	3.69%

The **value of consolidated production** in the first quarter 2010 was Euro 24.5 million with an increase of (14,86%) compared to the same period in the previous accounting period (Euro 21.3 million).

The **consolidated EBITDA margin** was Euro 2.6 million with a variation of -9.37% compared to the result for the first quarter 2009 (Euro 2.8 million).

The **consolidated EBIT margin** was Euro 1.9 million with a variation of -13.34% compared to the result for the first quarter 2009 (Euro 2.1 million).

The **pre-tax result** for the first quarter 2010 was Euro 1.5 million compared to 1.4 of the first quarter 2009

Exprivia group (values in K €)	31/03/2010	31/12/2009
Group Net Worth	62,809	61,262
Net Financial Position	(40,886)	(39,259)

The **group net worth** at 31 March 2010 was Euro 62.8 million compared to Euro 61.3 million at 31 December 2009, an increase of Euro 1.5 million. The increase of Euro 1.4 million can be attributed mainly to the exercise of the first tranche of the stock option plan for Euro 0.6 million (as already described in the paragraph Significant events in the first quarter 2010) and to the profits for the period for Euro 0.4 million.

The **consolidated net financial position** at 31 March 2010 was Euro -40.9 million compared to Euro -39.2 million at 31 December 2009 and was made up of medium-term debts (53%) and financing with easy terms. The increase of Euro 1.7 million is essentially due to the greater volume of work in progress.

RISKS AND UNCERTAINTIES

There are no updates with respect to the last situation presented.

Significant events in the first quarter 2010

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. At **31 March 2010** 660,000 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 amounts to Euro 26,712,118.16 and is composed of 51,369,458 ordinary shares, all of a nominal value of Euro 0.52.

The subscription of the first tranche of stock options may continue until 30 June 2010.

Description	1st tranche	3rd tranche	4th tranche
Share price	0.8905	1.6582	1.5770
Option price	0.8905	1.6582	1.5770
Duration of option (years)	3.50	3.40	3.30
Volatility	28.20%	62.12%	60.45%
Risk-free rate	3.80%	4.00%	4.30%
Dividend Yield	0	0	0
Fair value option	0.2350	0.7742	0.7139

Events after 31/03/2010

COMPANY EVENTS

On **20 April 2010** the 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.

HUMAN RESOURCES

STAFF

The following table summarises the staff situation of the group at 31 March 2010 in comparison with the period to 30 September 2009 and at 31 December 2009.

Company	Employees 30/09/2009	Employees 31/12/2009	Employees 31/03/2010	Collaborators 30/09/2009	Collaborators 31/12/2009	Collaborators 31/03/2010
Exprivia S.p.A.	553	550	559	54	52	48
Wel.Network S.p.A.	115	115	114	1	1	1
Svimservice S.p.A.	273	272	267	2	2	2
Exprivia Solutions S.p.A.	50	88	95	1	14	10
Network Services S.r.l. (incorporated in Exprivia Sol.)	32			17		
Exprivia Projects S.p.A.	103	103	107	0	0	0
GST S.r.l.	16	16	16	1		
Infaber S.r.l.	14	16	16	1	1	1
Spegea S.c.a r.l.	12	12	11	0	1	3
Total	1168	1172	1184	77	71	65
<i>of which Senior managers</i>	24	24	26			
<i>of which Middle managers</i>	107	111	112			

At 31 March 2010 there were 1,184 employees in the group, compared to 1,168 of September 2009

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.

Relationships with affiliates and associates

See CONSOB Regulation 11971 dated 14 May 1999 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*".

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 31 March 2010.

Receivables from affiliates and associates

Description	31/03/2010	31/12/2009	Variation
Amplomb Srl	298,265	317,203	(18,938)
Axception Srl	36,250	25,000	11,250
TOTAL	334,515	342,203	(7,688)

Payables to affiliates and associates

Description	31/03/2010	31/12/2009	Variation
Pervoce Srl	37,500	75,000	(37,500)
TOTAL	37,500	75,000	(37,500)

Costs with affiliates and associates

Description	Q1 2010	Q1 2009	Variation
Aplomb Srl	25,073	28,465	(3,392)
TOTAL	25,073	28,465	(3,392)

Revenues from affiliates and associates

Description	Q1 2010	Q1 2009	Variation
Pervice Srl	14,632	14,455	177
TOTAL	14,632	14,455	177

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 relationships between the Exprivia group and the parent company Abaco Innovazione S.p.A. at 31 March 2010 are shown below.

Receivables

Description	31/03/2010	31/12/2009	Variation
Exprivia S.p.A.	219,228	216,978	2,250
Exprivia Solutions S.p.A.	571,817	568,788	3,029
TOTAL	791,045	785,766	5,279

Proceeds

Description	Q1 2010	Q1 2009	Variation
Exprivia S.p.A.	1,250	-	1,250
Exprivia Solutions S.p.A.	3,029	3,320	291
TOTAL	4,279	3,320	959

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 quarter 2010.

Difficulties are expected to be experienced in the first part of 2010, to be offset by some opportunities that the Group is managing to seize.

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.

Quarterly Consolidated Financial Statements of Exprivia Group

Consolidated Balance Sheet

	31.03.2010	31.03.2009	31.12.2009
NON-CURRENT ASSETS			
Property, plant & machinery	10,059,591	8,657,813	10,233,350
Land and buildings	6,668,140	6,767,630	6,725,794
Assets under construction and payments on account	96,516	96,516	96,516
Other assets	3,294,935	1,793,667	3,411,040
Goodwill and other undefined assets	62,821,089	62,356,488	62,766,930
Goodwill	29,414,809	26,360,208	29,422,170
Consolidation difference	33,406,280	35,996,280	33,344,760
Other intangible assets	4,149,185	4,041,342	4,190,604
Intangible assets	489,410	547,627	496,263
Research and development costs	3,351,110	3,213,453	3,222,641
Assets under construction and payments on account	308,666	280,262	471,700
Shareholdings	1,754,252	1,839,235	1,754,752
Shareholdings in subsidiaries	51,646		51,646
Shareholdings in associated companies	306,028	425,143	306,028
Shareholdings in other companies	1,396,578	1,414,092	1,397,078
Other financial assets	124,202	170,505	143,793
Receivables to subsidiaries	20,388	20,388	20,388
Receivables to affiliated companies		51,646	
Other accounts receivable	103,814	98,471	123,405
Deferred tax assets	1,054,274	111,417	1,051,270
Tax advances/deferred taxes	1,054,274	111,417	1,051,270
TOTAL NON-CURRENT ASSETS	79,962,593	77,176,800	80,140,699

	31.03.2010	31.03.2009	31.12.2009
CURRENT ASSETS			
Trade receivables and others	60,562,273	57,179,974	62,437,386
Receivables to customers	47,517,900	44,035,376	50,435,282
Crediti verso imprese controllate	1,000		
Receivables to subsidiaries	36,250	360,076	25,000
Receivables to parent companies	791,045	765,086	785,766
Receivables to affiliated companies	298,265	392,953	317,203
Other accounts receivable	8,507,084	8,066,340	8,792,681
Tax credits	1,510,522	2,088,789	1,124,764
Prepaid expenses and accrued income	1,900,208	1,471,354	956,690
Stock	693,576	815,083	369,852
Stock	693,576	815,083	369,852
Work in progress to order	14,891,930	9,496,497	11,016,505
Work in progress to order	14,891,930	9,496,497	11,016,505
Current financial assets	318	1,972	318
Other bonds	318	1,972	318
Cash resources	2,929,948	2,748,502	5,988,680
Current banks	2,907,530	2,732,061	5,967,888
Cheques and unrepresented effects	22,418	16,441	20,792
TOTAL CURRENT ASSETS	79,078,045	70,242,028	79,812,741
TOTAL ASSETS	159,040,639	147,418,828	159,953,440

	31.03.2010	31.03.2009	31.12.2009
NET WORTH			
Capital stock	26,712,118	26,368,918	26,368,918
Capital stock	26,712,118	26,368,918	26,368,918
Own shares	(48,370)	(261,570)	(48,370)
Own shares	(48,370)	(261,570)	(48,370)
Premium reserve	17,890,447	17,645,059	17,645,059
Share premium	17,890,447	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	4,926,874	2,332,356	4,452,066
Legal reserve	394,488	158,860	394,488
Riserva Straordinaria	3,105,075	82,000	3,105,075
Other reserves	1,048,093	1,712,278	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	10,386,529	9,908,432	5,294,359
Profits/losses brought forward	10,386,529	9,908,432	5,294,359
Profit/Loss for the period	442,639	668,108	5,042,045
TOTAL NET WORTH	63,217,375	59,568,441	61,661,215
Minority interest	408,584	446,856	398,828
TOTAL GROUP NET WORTH	62,808,791	59,121,585	61,262,387

	31.03.2010	31.03.2009	31.12.2009
NON-CURRENT LIABILITIES			
Payables to non-current banks	20,801,879	19,285,285	18,749,611
Payables to non-current banks	20,801,879	19,285,285	18,749,611
Other financial liabilities	234,559	412,618	234,559
Payables to other financiers			
Payables to parent companies			
Payables for tax and social security beyond the period	234,559	412,618	234,559
Provision for risks and charges	1,505,484	1,175,451	1,491,372
Other provisions	1,505,484	1,175,451	1,491,372
Staff-related funds	7,550,096	7,345,780	7,440,413
Severance pay	7,550,096	7,345,780	7,440,413
Deferred tax liabilities	1,447,839	997,168	1,490,874
Deferred tax funds	1,447,839	997,168	1,490,874
TOTAL NON-CURRENT LIABILITIES	31,539,857	29,216,302	29,406,829

	31.03.2010	31.03.2009	31.12.2009
CURRENT LIABILITIES			
Payables to current banks	23,014,161	21,568,671	26,497,575
Payables to current quota banks	23,014,161	21,568,671	26,497,575
Payables to suppliers	13,815,270	11,763,696	14,529,852
Payables to suppliers	13,815,270	11,763,696	14,529,852
Advances on work in progress to order	3,104,462	2,595,002	4,298,097
Payments on account	3,104,462	2,595,002	4,298,097
Other financial liabilities	4,573,093	3,391,350	4,182,240
Payables to subsidiaries	(0)		2,451
Payables to associated companies	37,500	38,343	75,000
Payables to parent companies		350,000	
Other accounts payable	4,535,594	3,003,007	4,104,789
Tax debits	6,368,991	4,941,129	6,456,388
Tax debits	6,368,991	4,941,129	6,456,388
Other current liabilities	13,407,430	14,374,237	12,921,243
Payables to welfare and social security institutions	2,688,504	2,766,598	3,488,954
Other payables	6,047,189	6,822,149	5,392,048
Deferred revenue	273,729	537,842	243,524
Accrued liabilities	4,398,008	4,247,648	3,796,717
Liabilities including aggregates			
TOTAL CURRENT LIABILITIES	64,283,407	58,634,085	68,885,395
TOTAL LIABILITIES	159,040,639	147,418,828	159,953,440

Consolidated Income Statement

	31.03.2010	31.03.2009	31.12.2009
Revenues	17,532,136	17,886,291	81,793,288
Proceeds of sales and services	17,532,136	17,886,291	81,793,288
Other revenues	229,803	1,118,684	2,576,826
Other proceeds	99,425	500,355	1,302,508
Invest. grants trf to P&L account	130,378	618,329	1,274,318
Variation in stock of finished products and products being processed	6,688,924	2,282,774	5,720,406
Var. stock of products being processed, semi-finished items	(70,336)	118,876	(321,163)
Variation in work in progress to order	6,433,059	1,827,798	4,264,641
Increase in assets for internal work	326,201	336,100	1,776,928
TOTAL PRODUCTION REVENUES	24,450,863	21,287,749	90,090,520
Raw materials and consumables used	3,060,876	774,947	4,967,791
Costs of raw, subsid. & consumable mat. and goods	3,060,876	774,947	4,967,791
Costs connected with employee-related benefits	13,630,195	13,038,842	52,030,885
Salaries and wages	10,217,918	9,838,472	38,913,962
Social charges	2,656,489	2,503,832	10,014,085
Severance Pay	581,547	529,435	2,385,606
Other staff costs	174,240	167,103	717,232
Other costs	5,207,104	4,656,679	18,419,200
Other costs for services	4,407,715	3,838,574	14,850,512
Costs for leased assets	503,058	450,974	1,665,855
Sundry management charges	296,331	367,131	1,541,956
Stock and payments on account			360,877
TOTAL PRODUCTION COSTS	21,898,175	18,470,468	75,417,876
DIFFERENCE BETWEEN PRODUCTION COSTS AND REVENUES	2,552,688	2,817,281	14,672,644

	31.03.2010	31.03.2009	31.12.2009
Depreciation and devaluation	695,081	672,983	2,942,279
Ordinary amortisement of intangible assets	403,460	389,507	1,547,027
Ordinary amortisement of tangible assets	213,792	235,338	1,012,593
Altre svalutazioni delle immobilizzazioni	30,082		59,206
Devaluation of credits included in working capital	47,747	48,138	323,453
OPERATIVE RESULT	1,857,607	2,144,298	11,730,365
Proceeds and financial charges	397,447	736,353	2,527,707
Proceeds from parents companies	(3,030)	(4,767)	(15,152)
Proceeds from others shareholdings			(972)
Other proceeds with separate indication	(1,494)	(5,006)	(132,166)
Interest and other financial charges	405,746	717,913	2,216,346
Profit and loss on foreign exchange	(3,775)	159	(1,336)
Devaluation of shareholding		28,054	460,987
PRE-TAX RESULT	1,460,160	1,407,945	9,202,658
Income tax	1,017,521	739,837	4,160,613
IRES	441,706	9,839	419,503
IRAP	585,761	558,534	2,437,512
Tax in previous years	(2,016)		100,045
Deferred taxes	(10,928)	173,829	583,568
Tax paid in advance	2,998	(2,365)	619,985
PROFIT OR LOSS FOR THE PERIOD	442,639	668,108	5,042,045
Attributable to:			
Shareholders of parent company	487,568	640,673	5,062,638
Minority shareholder	(44,929)	27,435	(20,593)

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

Description	31/03/2010	31/03/2009	31/12/2009
Bank interest income	442,639	668,108	5,042,045
Income (loss) resulting from the change in costs to increase CS			
Income (loss) arising from revaluation properties			
Income (loss) from the sale of treasures shares			129,256
Tax effects of changes	0		-
Income (expense) for the period recognized in equity	0		129,256
Total profit	442,639	668,108	5,171,301
<i>attributable to:</i>			
Group	487,568	640,673	5,191,894
Derived products reserve	(44,929)	27,435	(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 31 March 2009, 31 December 2009 and 31 March 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
Balance at 31/12/2007	21,801,519	-	12,215,082	7,076,021	2,672,905	(1,341,424)	3,483,361	246,358		45,907,465	45,661,107
Purchase of own shares		(52,198)								(52,198)	
Destination of result to legal reserve				103,916			(3,483,361)			(3,379,445)	
Destination of result to profits/losses brought forward						3,379,445				3,379,445	
Costs of capital increases										0	
Stock Option				276,956						276,956	
IAS reserve				(16,358)						(16,358)	
Reclassification IAS reserve				112,219						112,219	
IAS tax effect				(100,635)						(100,635)	
Adjustment own shares				(56,330)						(56,330)	
Changes in consolidated companies						867,440				867,440	
Increase CS	4,567,399		5,429,977	(5,000,000)						4,997,376	
Purchase of own shares		(260,013)								(260,013)	
Profit (loss) of the period							6,894,948	125,771	6,894,948	6,894,948	
Proceeds and burdens recognized to clean patrimony				(456,560)	234,233				(222,327)	(222,327)	
Balance at 30/06/08	26,368,918	(312,211)	17,645,059	1,939,229	2,907,138	2,905,461	6,894,948	372,129	6,672,621	58,348,542	57,976,413
Decrease share premium of the fair value share		123,323		(123,323)						0	
Purchase of own shares		(72,682)		(49,139)						(121,821)	
Reclassification profit for the period to profit brought forward						6,894,948	(6,894,948)			0	
Stock Option				565,589						565,589	
Changes in consolidated companies						108,023				108,023	
Profit (loss) of the period							668,108	74,727	668,108	668,108	
Proceeds and burdens recognized to clean patrimony										0	
Balance at 31/03/09	26,368,918	(261,570)	17,645,059	2,332,356	2,907,138	9,908,432	668,108	446,856	668,108	59,568,441	59,121,585
Sale of own shares		213,200		143,275						356,475	
Stock Option				6,476						6,476	
Destination of result to legal reserve				235,628		(235,628)				0	
Destination of result to extraordinary reserve				1,605,075		(1,605,075)				0	
Destination of result to distribution dividends						(2,021,457)				(2,021,457)	
Recapitalization Spegas from third partner						33,310				33,310	
Recapitalization Spegas from Experiva						(49,966)				(49,966)	
Goodwill depreciation						209,745				209,745	
Changes in consolidated companies						(945,002)				(945,002)	
Profit (loss) of the period							5,042,045	(48,028)	5,042,045	5,042,045	
Proceeds and burdens recognized to clean patrimony				129,256					129,256	129,256	
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 profit for the period to profit brought forward						5,042,045	(5,042,045)			0	
Stock Option				474,808						474,808	
Increase CS to stock option - first tranche	343,200		245,388							588,588	
Changes in consolidated companies						50,125				50,125	
Profit (loss) of the period							442,639	9,756	442,639	442,639	
Proceeds and burdens recognized to clean patrimony									0	0	
Balance at 31/03/10	26,712,118	(48,370)	17,890,447	4,926,874	2,907,138	10,386,529	442,639	408,584	442,639	63,217,375	62,808,791

Movements in the Consolidated Net Worth

Operations	Company Capital	Own shares	Share Premium Fund	Other Reserves	Reval. Reserve	Profits (Losses) brought forward	Profit (Loss) for the period	Total Net Worth	Minority Interests	Total Group Net Worth
Balance at 31/12/2007	21,801,519	0	12,215,082	7,076,021	2,672,905	(1,341,424)	3,483,361	45,907,464	246,358	45,661,107
Purchase of own shares		(312,211)						(312,211)		
Adjustment own shares				(56,330)				(56,330)		
Destination of result to legal reserve				103,916			(3,483,361)	(3,379,445)		
Destination of result to profits/losses brought forward						3,379,445		3,379,445		
Costs of capital increases				(456,460)				(456,460)		
Stock Option				276,956				276,956		
IAS reserve				100,111				100,111		
IAS tax effect				(104,985)				(104,985)		
Revaluation reserve					234,233			234,233		
Capital increase	4,567,399		5,429,977	(5,000,000)				4,997,376		
Own shares acquired								-		
Changes in consolidated companies						867,440		867,440		
Result at 31/12/2008							6,894,948	6,894,948	125,772	
Balance at 31/12/08	26,368,918	(312,211)	17,645,059	1,939,229	2,907,138	2,905,461	6,894,948	58,348,542	372,129	57,976,413
Decrease share premium of the fair value share		123,323		(123,323)				-		
Own shares acquired		(72,682)		(49,139)				(121,821)		
Reclassification profit for the period to profit brought forward						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 result to legal reserve				235,628		(235,628)		-		
Destination of result to extraordinary reserve				1,605,075		(1,605,075)		-		
Destination of result to distribution dividends						(2,021,457)		(2,021,457)		
Recapitalization Spegea from third partner						33,310		33,310		
Recapitalization Spegea from Exprivia						(49,966)		(49,966)		
Goodwill depreciation						209,745		209,745		
Changes in consolidated companies						(845,721)		(845,721)		
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	4,452,066	2,907,138	5,294,359	5,042,045	61,661,215	398,828	61,262,387
Reclassification profit for the period to profit brought forward						5,042,045	(5,042,045)	-		
Stock Option				474,808				474,808		
Increase CS to stock option - first tranche	343,200		245,388					588,588.00		
Changes in consolidated companies						50,125		50,125		
Result at 31/03/2010							442,639	442,639	9,756	
Balance at 31/03/10	26,712,118	(48,370)	17,890,447	4,926,874	2,907,138	10,386,529	442,639	63,217,375	408,584	62,808,791

Consolidated Cash Flow Statement

	31.03.2010	31.03.2009	31.12.2009
Operating activities:			
- Profit (loss)	442,639	668,108	5,042,045
- Amortisation, depletion and depreciation of assets	617,252	624,845	2,559,620
- Provision for Severance Pay Fund	581,547	529,435	2,385,606
- Advances/Payments Severance Pay	(471,864)	(596,779)	(2,358,317)
- Adjustment of value of financial assets			
Cash flow arising from operating activities	1,169,574	1,225,609	7,628,954
Increase/Decrease in net working capital:			
- Variation in stock and payments on account	(4,199,149)	(1,357,751)	(2,432,528)
- Variation in receivables to customers	2,917,382	839,188	(5,560,718)
- Variation in receivables to parent/subsidiary/associated company	1,408	(120,095)	270,051
- Variation in other accounts receivable	(100,161)	(1,086,120)	(846,782)
- Variation in payables to suppliers	(714,582)	(258,560)	2,507,596
- Variation in payables to parent/subsidiary/associated company	390,853	(181,165)	609,725
- Variation in tax and social security liabilities	(887,847)	(1,994,028)	65,528
- Variation in other accounts payable	(538,495)	(750,108)	(477,114)
- Variation in prepaid expenses and accrued income	(943,518)	(734,886)	(220,222)
- Variation in deferred revenue	631,496	1,845,797	1,100,549
- Variation in risk funds reserve	(28,923)	4,961	814,588
Cash flow arising (used) from current assets and liabilities	(3,471,534)	(3,792,767)	(4,169,327)
Cash flow arising (used) from current	(2,301,960)	(2,567,158)	3,459,627
Investment activities:			
- Variation in tangible assets	(40,033)	(473,561)	(2,826,353)
- Variation in intangible assets	(416,200)	(386,013)	(2,103,237)
- Variation in financial assets	17,087	44,756	(783,903)
Cash flow arising (used) from investment activities	(439,147)	(814,818)	(5,713,493)
Financial activities:			
- Variation in other reserves	1,113,521	551,792	(1,729,371)
Cash flow arising (used) from financial activities	1,113,521	551,792	(1,729,371)
Increase (decrease) in cash	(1,627,586)	(2,830,184)	(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	2,929,948	2,748,502	5,988,680
Banks and cash losses at end of period	(43,816,040)	(40,853,956)	(45,247,186)
Increase (decrease) in liquidity	(1,627,586)	(2,830,184)	(3,983,237)

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS OF THE EXPRIVIA GROUP AT 31 MARCH 2010

DECLARATION OF CONFORMITY TO IFRS INTERNATIONAL ACCOUNTING STANDARDS

The quarterly report of the Exprivia group at 31 March 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).

- ✓ The form and content of this quarterly report at 31 March 2010 conform to the information set out by IAS 34 'Interim Financial Statements' in compliance with Art. 154c of Leg. Decree 58/1998 of the Consolidated Law on Finance (TUF) and subsequent amendments and integrations.
- ✓ The financial statements were drawn up in accordance with IAS 1 while the notes were prepared in an abbreviated form, applying the right set out by IAS 34, and consequently do not include all the information required for an annual report drawn up in accordance with IFRS.

Consolidation area

The interim management report at 31 March 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	H.O.	Company capital	Results for period	Net worth	Value of production	Total Assets	% of holding
Datilog Srl	Cinisello Balsamo (MI)	10,400	(42,688)	55,837	112,144	503,228	52.00%
Exprivia Projects S.p.A.	Roma	242,000	47,285	302,225	967,224	3,739,536	100.00%
Exprivia SL	Madrid (Spagna)	8,250	5,117	140,876	298,155	495,262	60.00%
Exprivia Solutions S.p.A.	Roma	170,795	363,332	1,142,895	2,040,318	7,417,112	100.00%
GST S.r.l.	Trento	27,500	(110,867)	511,824	483,297	2,835,181	63.20%
Infaber S.r.l.	Molfetta (BA)	110,000	13,908	249,684	275,765	572,471	50.10%
Spegea Sc a rl	Bari	125,000	18,432	31,221	503,283	3,627,665	60.00%
Svimservice S.p.A.	Molfetta (BA)	1,548,000	852,711	3,045,806	5,559,470	21,555,174	100.00%
Wel.Network S.p.A.	Piacenza	1,500,000	(60,880)	1,216,344	2,698,518	10,994,358	100.00%

Farm Multimedia S.r.l. in liquidation, AISoftware 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 Exprivia one step ahead – Subsidiaries.

INFORMATION ON THE BALANCE SHEET AND THE CONSOLIDATED INCOME STATEMENT

Here are some of the entries of the Balance Sheet and the Income Statement, drawn up in accordance with international accounting standards (IAS/IFRS).

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

NET WORTH

SHARE CAPITAL

The **“Share Capital”**, fully paid-up, totalled Euro 26,712,118.16 and represents 51,369,458 ordinary shares with a nominal value of Euro 0.52 each. It has changed in comparison to 31 December 2009, equal to Euro 343.200, due to the exercise of the first tranche of the stock option plan as already described in the paragraph Significant events in the first quarter 2010.

OWN SHARES

At 31 March 2010, **“Own shares”** amounted to Euro -48,370 and did not undergo any variation with respect to 31 December 2009.

The total number of own shares held by the holding company at 31 March 2010 was 93,019.

SHARE PREMIUM RESERVE

The **“Share premium reserve”** at 31 March 2010 totalled Euro 17,890,447, compared to Euro 17,645,059 of 31 December 2009. The variation can be attributed mainly to the exercise of the first tranche of the stock option plan as already described in the paragraph Significant events in the first quarter 2010.

REVALUATION RESERVE

The **“Revaluation reserve”**, at 31 March 2010, totalled Euro 2,907,138 and has not undergone any variation with respect to 31 December 2009. The balance relates to the adjustment to the fair value of the properties owned by Exprivia S.p.A.

OTHER RESERVES

At 31 March 2010, **“other reserves”** totalled Euro 4,926,874 and referred to the following:

- ✓ Euro 394,488 **“legal reserve”**, which has not undergone any variation with respect to 31 December 2009
- ✓ Euro 3,105,075 for **“extraordinary reserve”**, which has not undergone any variation with respect to 31 December 2009
- ✓ Euro 1,048,093 **“other reserves”** compared to Euro 573,285 of 31 December 2009. The variation can be attributed to:

- ✓ 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 31 March 2010
- ✓ 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**" is the tax effect calculated on the variations made after adopting the IFRS accounting standards and has not undergone variations compared to 31 December 2009.

PROFIT IN PREVIOUS PERIODS

The **profit in previous periods** at 31 March 2010 was Euro 10,386,529 and underwent a variation with respect to 31 December 2009, basically due to the allocation of the profit of the previous accounting period.

NON-CURRENT PAYABLES TO BANKS

The measurements of the financial parameters made on 30 April 2010 and referring to the 12 months prior to 31 December 2009, highlighted that the "Net Financial Indebtedness / EBITDA" and the "Net Financial Indebtedness / Net worth" parameters were not respected. This result was due to the economic, capital and financial effect of the extraordinary operations performed during 2008 and 2009, approved individually time after time by the pool of banks granting the Medium Term loan and not included in the original business plan.

It is specified that the company started the process of reviewing the covenants included in the Medium Term Loan at the same time.

PRODUCTION REVENUES

REVENUES FROM SALES AND SERVICES, WORK IN PROGRESS AND STOCK VARIATIONS

The revenues from sales and services, work in progress and stock variations in the first quarter 2010 were Euro 23,894,859, compared to Euro 19,832,965 of the first quarter 2009. See the paragraph "Trend in the results of the Exprivia group" in the Group Management Report for the details of the revenues from sales and services at 31 March 2010.

PRODUCTION COSTS

RAW AND SUBSIDIARY MATERIALS, CONSUMABLES AND GOODS

The balance of “**raw and subsidiary materials, consumables and goods**” in the first quarter 2010 totalled Euro 3,060,876, compared to Euro 774,947 in the same period of the previous accounting period. The table below shows the details of the entries.

Description	Q1 2010	Q1 2009	Variation
Purchase of HW-SW products	2,818,868	612,767	2,206,101
Purchase of HW-SW maintenance	146,346	81,140	65,206
Purchase of equipment for plant	615	0	615
Stationery and consumables	26,554	27,793	(1,239)
Fuel and oil	25,660	21,791	3,869
Transport and freight rates on purchases	723	1,654	(931)
Purchase of sundries	5,926	1,875	4,051
Warranty services on our customers activities	36,184	27,927	8,257
TOTAL	3,060,876	774,947	2,285,930

STAFF COSTS

“**Staff costs**” totalled Euro 13,630,195 in the first quarter 2010, compared to Euro 13,038,842 of the first quarter 2009, of which Euro 10,217,918 refer to salaries and fees, Euro 2,656,489 to social charges, Euro 581,547 to the staff severance fund and Euro 174,240 to other costs.

The group's personnel at 31 March 2010 had 1249 people, 1184 of which were employees and 65 of which were collaborators, compared to the 1259 people (1173 employees and 86 collaborators) at 31 March 2009 and compared to the 1243 people (1171 employees and 71 collaborators) at 31 December 2009.

OTHER COSTS

OTHER COSTS FOR SERVICES

The consolidated balance of the entry “**other costs for services**” in the first quarter 2010 totalled Euro 4,407,715, compared to Euro 3,838,574 in the first quarter 2009. A table with the details of the entries is shown below:

Description	Q1 2010	Q1 2009	Variation
Technical and commercial consultancy	1,972,053	1,539,072	432,981
Administrative/company/legal consultancy	127,453	178,592	(51,139)
Data processing service	250,560	356,636 -	106,076.00
Auditors' fees	90,891	85,124	5,767
Travel and transfer expenses	599,096	601,478	(2,382)
Other staff costs	60,739	38,489	22,250
Utilities	266,732	231,014	35,718
Advertising and agency expenses	85,062	68,065	16,997
HW and SW maintenance	162,723	42,589	120,134
Insurance	70,221	83,357	(13,136)
Costs of temporary staff	296,250	363,288	(67,038)
Other costs	425,935	250,870	175,066
TOTAL	4,407,715	3,838,574	569,141

COSTS FOR LEASED ASSETS

The consolidated balance of “**costs for leased assets**” in the first quarter 2010 totalled Euro 503,058, compared to Euro 450,974 in the same period of the previous accounting year. The details of the entries are shown in the table below:

Description	Q1 2010	Q1 2009	Variation
Rental expenses	304,966	284,828	20,138
Car rental/leasing	53,141	118,601	(65,460)
Rental of other assets	108,567	20,352	88,215
Royalties	31,225	25,354	5,871
Leasing payments	4,318	-	4,318
Other costs	841	1,839	(998)
TOTAL	503,058	450,974	52,084

SUNDRY MANAGEMENT CHARGES

The consolidated balance of “**sundry management charges**” in the first quarter 2010 totalled Euro 296,331, compared to Euro 367,131 in the first quarter 2009. A table with the details of the entries is shown below.

Description	Q1 2010	Q1 2009	Variation
Annual subscriptions	15,524	19,440	(3,915)
Books and magazines	8,626	8,513	113
Taxes	18,197	20,825	(2,628)
Stamp duty	13,620	6,550	7,071
Penalties and fines	18,264	1,535	16,729
Charitable donations	27,778	355	27,423
Contingency liabilities	120,472	133,448	(12,976)
Bank charges and commissions	48,227	62,859	(14,632)
Sundry expenses	25,623	13,606	12,016
Penalties and damages	-	100,000	(100,000)
TOTAL	296,331	367,131	(70,800)

AMORTISATION, DEPRECIATION AND WRITE-DOWNS

AMORTISATION

The “**amortisation**” totalled Euro 617,252, compared to Euro 624,845 of the first quarter 2009 and consists of Euro 403,460 relating to the amortisation of intangible assets and Euro 213,792 for the amortisation of tangible assets.

OTHER DEVALUATIONS OF FIXED ASSETS

The balance of “**other devaluations of fixed assets**” totalled Euro 30,082 and mainly refers to the devaluation of the difference from the consolidation of some investments, following their loss in value.

DEVALUATIONS

The balance of “**devaluations**” amounted to Euro 47,747, compared to Euro 48,138 of the first quarter 2009 and refers to the depreciation of bad debts.

FINANCIAL PROCEEDS AND CHARGES

REVENUE FROM PARENT COMPANIES

The balance of “**revenue from parent companies**” in the first quarter 2010 totalled Euro 3,030 compared to Euro 4,767 of the first quarter 2009 and refers to the interest paid by Abaco Innovazione to Exprivia Solutions S.p.A. for current financing.

REVENUE FROM OTHER COMPANIES

The balance of the entry “**Revenue from other companies**” in the first quarter 2010 totalled Euro 1,494, compared to Euro 5,006 in the same period of 2009. A table with the details of the entry is shown below:

Description	Q1 2010	Q1 2009	Variation
Bank interest receivable	1,440	3,146	(1,706)
Other interest income	13	1,747	(1,734)
Rounding up of assets	41	114	(73)
TOTAL	1,494	5,006	(3,512)

INTEREST AND OTHER FINANCIAL CHARGES

The balance of “**Interest and other financial charges**” in the first quarter 2010 totalled Euro 405,746, compared to Euro 717,913 in the same period of the previous accounting year. The details of the entries are shown in the table below.

Description	Q1 2010	Q1 2009	Variation
Bank interest payable	204,075	197,236	6,839
Interest on loans and mortgages	76,731	348,262	(271,532)
Sundry interest	56,915	26,389	30,526
Charges on financial products and sundry items	68,004	145,951	(77,947)
Rounding up/down	21	74	(53)
TOTAL	405,746	717,913	(312,167)

PROFITS ON FOREIGN EXCHANGE

“**Profits on foreign exchange**” of Euro 3,775 were recorded in the first quarter 2010.

INCOME TAX

In the first quarter 2010 “**Income tax**” amounted to Euro 1,017,521, compared to Euro 739,837 of the first quarter 2009 and refers to the provision for taxes, of which Euro 441,706 was for IRES, Euro 585,761 for IRAP, Euro -2,016 for taxes of previous years, Euro -10,928 for deferred taxes and Euro 2,998 for prepaid taxes.

PROFIT (LOSS) FOR THE PERIOD

The Profit and Loss Account for the first quarter 2010 closed with a consolidated profit, after tax, of Euro 442,639.

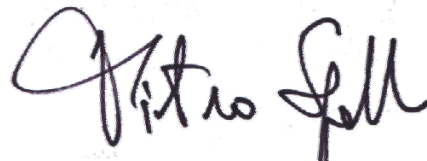
INFORMATION ON THE CASH FLOW STATEMENT

The **consolidated net financial position** at 31 March 2010 is Euro –40.9 million, compared to Euro –39.2 million at 31 December 2009, and consists of medium-long term debts (53%) and financing on easy terms. The variation of Euro 1.7 million arises from the negative cash flow of current and financial assets of Euro 2.3 million, investments of Euro 0.4 million and Euro 1.1 million from the positive cash flow of financial assets partly due to the increase in share capital for the exercise of the first tranche of the stock option plan

Declaration in accordance with Art. 154-b, sub-par. 2 of Legislative Decree 58 dated 24 February 1998 - T.U. (Consolidated Tax Code) on the provisions on broking and subsequent amendments

The undersigned Pietro Sgobba, senior manager responsible for drawing up the company accounting documents, in accordance with Art. 154-b, sub-par. 2 of Legislative Decree 58 dated 24/02/1998 introduced by Law 262 dated 28/12/2005 states that the information and data on the economic, capital and financial situation in this Quarterly Report at 31 March 2010 referring to the Consolidated Financial Statements of Exprivia S.p.A. correspond to the documentary results of the accounting records.

Molfetta, 13 May 2010

A handwritten signature in black ink, appearing to read "Pietro Sgobba".

(Pietro Sgobba)

Senior Manager responsible for drawing up the accounting documents