Consolidated Half-Yearly Financial Report at 30th June 2011

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Management Report of Exprivia Group

Corporate bodies

BOARD OF DIRECTORS

At 28th April 2011, the Board of Directors, whose term of office expired with the approval of the financial statements 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	Non-Independent Director	Non-executive	Margherita di Savoia (FG) 5/04/1966
Giorgio De Porcellinis	Non-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 Ordinary Shareholders' Meeting of Exprivia S.p.A. of 28th April 2011, which approved the Financial Statements 2010, appointed a new Board of Directors for the three-year period 2011 – 2013.

On 13th May 2011, the Board acknowledged the motivated resignation of Carla Chiara Santarsiero, communicated on 11th May, without co-opting a replacement.

Therefore, at the date of approving this Report, the Board consists of 9 members and is structured 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	Managing Director	Executive	Bari 22/05/1952
Marco Forneris	Managing Director	Executive	Caluso (TO) 19/02/1951
Rosa Daloiso	Non-Independent Director	Non-executive	Margherita di Savoia (FG) 5/04/1966
Valeria Savelli	Non-Independent Director	Non-executive	Matera 15/10/1962
Pierfilippo Vito Maria Roggero	* Lead Independent Director	Non-executive	Milan 22/06/1954
Alessandro Laterza	Independent director *	Non-executive	Bari 9/02/1958
Giorgio De Porcellinis	Independent director *	Non-executive	Milan 21/01/1948

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

The Board of Directors is vested 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 corporate aims. Therefore, it can undertake any type of obligation and carry out any capital provision without limitation 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 AUDITORS

At 28th April 2011, the Board of Auditors, whose term of office expired with the approval of the financial statements 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

The Ordinary Shareholders' Meeting of Exprivia S.p.A. of 28th April 2011, which approved the Financial Statements 2010, confirmed the previous Board of Auditors for the three-year period 2011 – 2013 which, at the date of approving this Report, has remained unchanged.

Exprivia: one step ahead

THE COMPANY

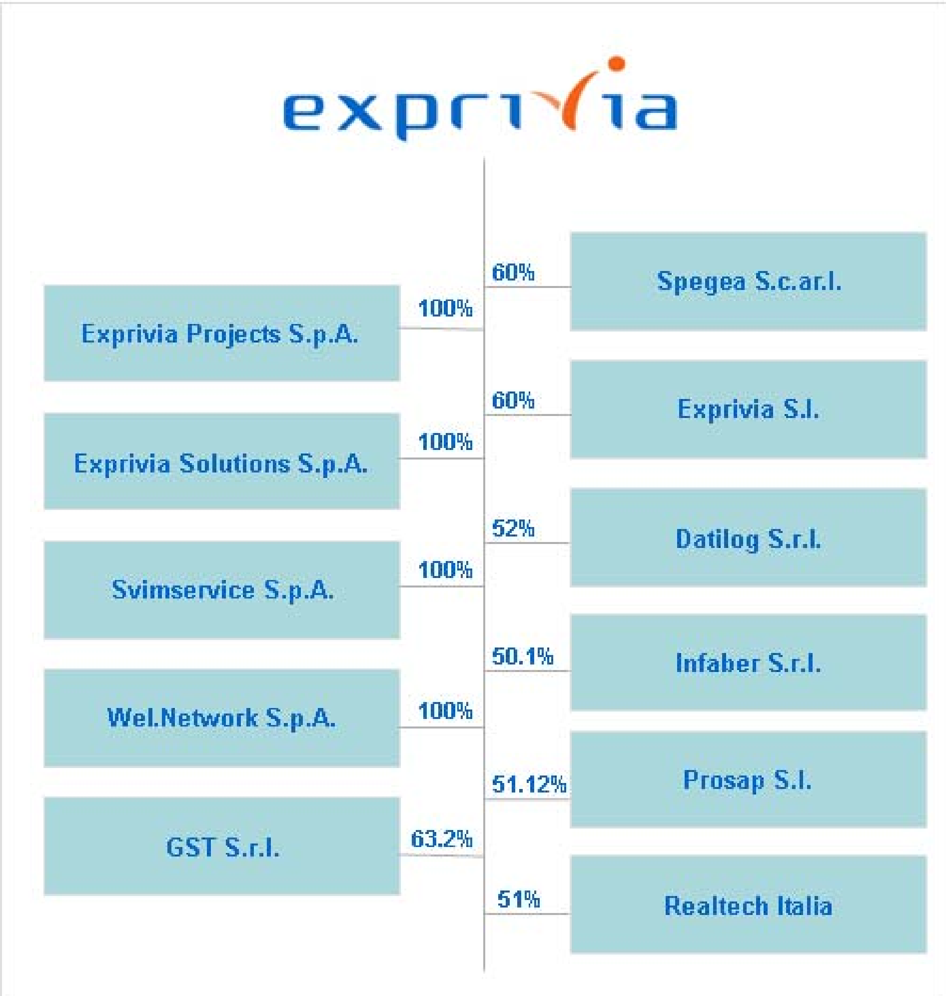
Exprivia S.p.A. bases its success on a wealth of skills and experience gained from more than 25 years of constantly working in Information Technology for banks and financial institutions, industry, energy, telecommunications, utilities, public administration and healthcare.

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.

Quoted on the Italian Stock Exchange since 2000 and in the STAR MTA segment since October 2007, Exprivia currently has a team of over 1600 people distributed among the head office in Molfetta (BA), Italy and Italian offices in Milan, Rome, Piacenza, Trento, Bari, Vicenza, Genoa, Padua, and abroad (Spain, Mexico, Guatemala and Peru).

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 Defense 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 licenses.

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 upon the initiative of the Bari Confindustria [Italian Manufacturers' Association] 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.

Profesionales de Sistemas Aplicaciones y Productos S.L. (ProSap), a Spanish company that has been operating since 2002, also through its subsidiaries in Mexico, Guatemala and Peru, offering professional services in SAP environments, system integration and application management for prominent medium and large customers; Exprivia Spa holds the majority stake of 50.12%.

InFaber Srl is , a company specialised in providing Manufacturing Execution System (MES) services and solutions for the Italian and international manufacturing market; Exprivia Spa holds the majority stake of 50.10%.

Realtech Italia S.p.A., an Italian company specialising in the design and creation of IT solutions on the SAP platform. From 1996 until last year, Realtech Italia represented the Italian branch of the German multinational Realtech AG, listed on the Frankfurt stock exchange, prior to being entirely taken over by the company G&K Management S.r.l. through a management buyout; Exprivia Spa holds the majority stake of 51.00 %.

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 a 100% stake in the share capital of **Farm Multimedia Srl** which is winding up.

STRATEGIC HOLDINGS

ACS S.p.A, in which Exprivia S.p.A. has a 16.21% stake, plays 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 University of Bari aimed at industrialising the results of university research in the software engineering sector and transferring them to business processes.

CONSORTIA INITIATIVES

Società cons. a r.l. Pugliatech was set up to participate in the fulfillment 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.

Distretto Tecnlogico Pugliese (“DHITECH”), with offices in Lecce, aims to develop and integrate an interdisciplinary cluster for NanoScience, Bioscience and Infoscience, according to the guidelines of the seventh framework programme and the national research plan.

Distretto Tecnologico Nazionale per l’Energia (“DiTNE”), with offices in Brindisi, was established with the purpose of supporting the development of research in production sectors in the Energy industry, promoting the technological transfer required by national and international production companies and encouraging the connection among research, the production of goods and services, finance and the territory.

Distretto Agroalimentare Regionale (“D.A.Re.”), società cons. a r.l. with offices in Foggia, represents an interface for the technological transfer of the research system of the Apulia region to the agrifood system. It provides services to encourage technological innovation, through the management of complex projects related to industrial research and precompetitive development.

The Exprivia business model

Exprivia offers high quality ***skills and solutions*** that it proposes through a plurality of ***services*** to the markets:

- ***Health and Local bodies***
- ***Banks and Financial Institutions***
- ***Industry and Media***
- ***Oil, Gas and Telecom***
- ***CPA, Transport & Utilities***

To reach these objectives Exprivia has continuously broadened and focused on the segmentation of its range by concentrating on proprietary and third-party solutions and on high level technological skills for the markets.

Ensuring a competitive range in line with the highest quality standards, Exprivia provides its customers with state-of-the-art technological know-how, excellent specialisation and tested methodologies.

Today Exprivia is one of the most active companies in designing, developing and integrating innovative software solutions and boasts a wide range of skills gained from twenty years of working in the reference markets, also through the constant collaboration with leading Italian and international universities.

Skills

In order to suitably meet the needs of a continuously changing market, Exprivia offers its services as a partner specialised in the various market segments, relying on the specific skills it has garnered over almost 25 years of operation.

The group uses a team of experts with functional and technical domain skills that work in collaboration with the Centres of Competence specialised in the various technological fields:

- ERP and Extended ERP
- Business Intelligence
- Enterprise Application Integration – Service Oriented Architecture
- Enterprise Content Management and Knowledge Management
- Visual Collaboration
- Infrastructure Management Services
- Business Process Outsourcing

The Solutions

The high technological know-how and the experience acquired in certain market sectors have allowed the development of proprietary technology platforms that feature high reliability, significant effectiveness in managing the supported business processes and continuous adaptation to the technological evolution.

- Regional and local healthcare IT system
- Hospital IT system
- IT radiology system and handling clinical images
- Voice recognition system
- Solutions for the management of credit and risk assessment processes
- Solutions for the management of nonstructured knowledge

Markets

Health and Local bodies

Exprivia's vast array of applications provide a complete range of solutions, meeting the needs of the healthcare market, all the way from **regional government** (by Italian Regional Administrations and Health Authorities), down to**local care** provided by Local Health Authorities and**hospital care** (by Hospital Authorities, public and private Clinics).

Governance and control solutions at regional level

Exprivia has developed a complete IT range for Healthcare System Governance at Regional Level.

Through its wide array of skills concerning complex healthcare system organisational issues, Exprivia offers complete computerisation of regional healthcare assistance, from the central monitoring of local healthcare programming to the system dedicated to primary assistance and to creating a network for family doctors and pediatricians.

A highly successful experience with this solution comes from the SISR regional healthcare system of the Puglia Region, provided by Exprivia for more than 15 years through its subsidiary Svimservice, to a user base of more than 4 million citizens.

Solutions for health institutes and hospitals

Exprivia proposes a complete range focused on health authorities and hospitals set up by the Aurora Hospital Information System, which is able to support the entire clinical/healthcare process for patients within healthcare facilities, and is currently working throughout the nation, with a presence in a host of prestigious institutes and clinics in Lombardy, Veneto, Tuscany, Emilia Romagna, Liguria, Piedmont and Lazio.

ICT and medicine, benefits to citizens

Exprivia has perfected diagnostic imaging techniques in RIS and PACS, which are currently some of the most innovative software tool suites dedicated to diagnostic imaging services. Numerous public and private health facilities use Exprivia's complete and integrated information system solutions in Radiology, Endoscopy, Gynaecology and Obstetrics, IVF and Cardiology.

The remote teleconsultation systems developed by Exprivia have been chosen by some health institutes in north-eastern Italy (Padua, Verona, Trentino Alto Adige) to provide support to structures distributed across Italy via ICT technologies for diagnostic processes and for clinical and diagnostic information sharing.

The best voice recognition technology for reporting is made available by Exprivia through it subsidiary GST, which had already installed more than 4,000 reporting workstations active throughout the country.

The entire portfolio of Exprivia solutions dedicated to healthcare is based on international technological standards, such as HL7, IHE, DICOM. The characteristics of interoperability via web service and the development in J2EE environment, all contribute to giving these solutions a particularly innovative connotation, making them suitable for integration with the most common IT systems adopted by any kind of healthcare facility.

Banks and Financial Institutions

Exprivia has developed innovative solutions which, ahead of the market, were often later confirmed by real application trends.

Our range covers the main fields of this sector – credit institutes, financial organisations and multi-channel services - as well as a complete system of services to support operating management in the IT sector.

Finance

Exprivia provides service organisations and software and hardware solutions dedicated to optimising Capital Market operations in a constantly changing sector.

Through the two Murex centres in Milan and Molfetta, Exprivia provides system design, configuration, integration, upgrade and application management services 24/7 on MXG2000 and MX.3 platforms. In addition, in its capacity as certified Murex business partner, Exprivia is one of the few organisations able to assist companies in optimisation and migration processes to new platform releases.

The experience gained as a system integrator and a software house, combined with fifteen years of working in the financial markets, qualifies us as the ideal partner to study and create custom solutions to support the quickly evolving business.

Furthermore, the Multimedia competence centre lets Exprivia develop solutions for the rationalisation of workstations in trading rooms, ensuring a reduced TCO.

Receivables

The range supporting the credit life cycle consists of an in-depth process competence and the Global Credit Management proprietary suite, which is divided into three main areas:

- solutions for the managerial operating area aiming at automation, control and the continuous improvement of credit screening, disbursement and monitoring processes
- decision-support systems for the automatic measurement of the credit risk
- Business Intelligence and Managerial Reporting products that collect and organise, according to various drivers, the data generated and/or archived by the application solutions, thus widening the usage possibilities

Global Credit Management is based on a modular and flexible architecture which guarantees the possibility of using individual solutions in a stand alone mode or in easy integration with third party solutions. The quality and flexibility of the suite allow Exprivia to expand its market beyond national borders, with 14 banks in 13 countries in Central Eastern Europe already using this system in 2011.

Multi channel

To support marketing, commercial and customer service processes, Exprivia offers specialist services in web 2.0, creates solutions for the management of unstructrued information and proposes mobile and cardless payment products.

For the Internet channel we assist in creating service portals that facilitate users' available capacity, allowing banks to really get to know their customers.

The DeepKnowledge proprietary platform manages and correlates unstructrued information originating from internal and external sources, to implement Intelligence solutions (e.g.: fraud detection) rather than marketing (e.g. brand reputation, competition analysis etc.).

Concerning mobile and cardless payment, Exprivia provides the Mobile pay4any solution for Remote/Proximity Payment and Money Transfer. The system provides P2P payments among private individuals and shopkeepers, via the web or other methods, enabling credit card payments and allowing the withdrawal of cash from ATMs through volatile codes.

Operational Management

Exprivia proposes a wide range of services and solutions able to meet all the operating continuity needs of its clients.

It provides design, management and optimisation services for infrastructure and IT systems, through on site control rather than remote, in nearshoring mode.

The Exprivia portfolio also includes Asset & Cost Management, Security Information and Event Management (such as the secure management of privileged users), Videocommunication market solutions, as well as proprietary solutions designed to optimise the management of services, such as Let’s Care and Help Desk tracking.

Industry and Media

Exprivia's approach is diversified and verticalised for the different fields of the industrial sector, with targeted solutions that necessarily consider aspects such as dimensional class, production chains and distribution models. Our range provides innovative, modular, flexible, high quality, reliable and customised solutions which meet the individual IT needs originating from a host of business processes and enterprises.

Exprivia in the Large Corporation market

Exprivia develops integration solutions on market leading middleware and application platforms. As part of SAP, for ERP, CRM, SCM, Business Intelligence and Analytics projects; in Manufacturing Execution Systems with Simatic it implementations, the Siemens Industry Software MES product and innovative solutions in Service Oriented Architecture.

For the companies engaged in the manufacturing and service sectors who have chosen Exprivia as a partner due to our experience in logistics, we have developed and implemented innovative solutions focused on areas of maximum operating characterisation such as warehousing and transportation.

Exprivia's best practices constitute implementation models that are easy to customise for any company operating in the Automotive, Aerospace, Consumer Products, Engineering and Construction, Food, Manufacturing Discrete and Process markets.

In the Retail and Wholesale segment, Exprivia proposes innovative solutions for any type of process, from back office to points of sale, for any type of reporting and analysis requirement and for any type of activity, BTB or BTC.

In the defence sector, we provide real-time applications, command and control systems, embedded systems, graphical tools, networking and prototyping of complex systems, all developed to high standards of quality for both civil and military purposes.

Exprivia in the SME market

Exprivia's Business Intelligence solutions are also suitable for smaller companies, as they are pre-configured and easy to implement with affordable costs for SMEs, though with advanced financial, commercial and logistics functions.

IT management, service desk, server and desktop virtualisation services are also available to meet infrastructural needs. In the Application Management field, the large amount of factories spread all over Italy enables Exprivia to propose structured offers while guaranteeing high service levels.

Likewise, foreign branches are reassuring for those Italian companies that wish to open up international markets while keeping Exprivia as their only technological partner.

Oil, Gas and Telecom

The group works in these sectors with a dedicated Business Line also due to acquisition of Wel.Network in 2009.

In the Oil & Gas market we have consolidated our position over the years through our ability to combine specific skills concerning extraction, transportation, storage, refining and oil and natural gas distribution processes with the expertise gained in similar sectors (e.g. multi utilities) and the knowledge of the industry technicalities and ICT best practices.

In the Telecommunications sector, in addition to providing ERP, Business Intelligence and custom software development services, Exprivia supplies solutions for the core processes of mobile and land-line network operators with a complete and innovative range of Systems Integration regarding both business support and operating support.

These are the bases of the process that is taking the Group towards international markets to capitalise on all its skills in new and growing contexts.

New energy in innovation

Exprivia supports clients in the evolution of the Oil and Gas industry, serving as the sole partner for activities such as:

- project development for both core processes (Work & Asset Management, Engineering & Automation etc…), and non core processes (AFC, HR, dematerialisation and storage etc…)
- system integration, through architectural logics orientated to services for the integration of processes and operating flows, design and integration layer development with legacy systems, development of integrated scenarios of enterprise content management and custom scenarios
- application management in total or partial outsourcing mode, by sending work teams to the clients' premises. Assistance also includes first and second level help desk services and infrastructural support for data networks and systems.

For Telecommunications companies, Exprivia is the ideal partner for designing and creating customer care & billing systems, tariff model configuration and more generally CRM systems, for the configuration and management of provisioning, order management, testing and quality control systems. We design and create solutions for the efficient management of network infrastructures, remote database management, configuration management, network management and performance analysis. All these solutions are provided both within projects and through system conduction services.

CPA, Transport & Utilities

The recent modernisation policy of the Central Public Administration (CPA) has generated a great demand for operating tools and models aiming to automate processes and guarantee their elastic and transparent management. In this scenario, Exprivia has known how to identify new effective solutions to computerise processes and improve and intensify communication among the various administrations, by exploiting our experience in open source and proprietary technologies.

For Utilities, the Group offers a complete range to meet all process optimisation and management needs.

Optimising means modernising

Recent reforms have encouraged plans to invest in new IT solutions and increasingly effective services to improve and replace the systems currently in use, industrialise processes, enhance and intensify communication among the various administrations.

For each area concerned by changes, we offer solutions and services created with innovative technologies, in complete compliance with the strategic guidelines defined by the reference institutions. Our range is divided into design, creation and management services in the following fields:

- eGovernement aimed at citizens, companies and employees
- eProcurement to support purchase processes and the monitoring of suppliers' performance
- solutions for the management, storage and sharing of computer documents
- solutions for planning and control through business intelligence platforms
- performance measurement systems in Public Administration processes
- solutions to support administrative processes concerning self governance and cooperation among administrations based on SOA paradigm

Transport and Utilities, the future is in the management of processes

The Utilities sector is undergoing profound changes due to the progressive implementation of the industry liberalisation process, the unbundling of roles along the supply chain, the development of the renewable energy market, the growing environmental awareness, the problems of the micro generation, the focus on efficiency of internal processes and the quality of the offered services.

In this context we have arranged an offer to meet the need to develop and manage the transversal processes that are characteristic of the companies operating in this market:

- ERP systems supporting the management of company processes
- integrated and modular systems to manage characteristic processes: detection and measurement, billing, invoicing, work force management, sales force management, AEEG legislation adjustments, energy market, settlement, etc.
- business Intelligence for institutional, managerial and operative reporting, forecast and what-if analysis, data mining, business and corporate performance management, data quality solutions
- design and creation of solutions to support the integration among applications and internal services and services towards clients and partners on EAI/SOA platforms
- Business Process Outsourcing (BPO) as part of customer services, customer finance, revenue assurance, document management services
- realtime & geo systems – real time monitoring and control of physical systems (SCADA), integration with geographic localisation and geospatial information systems (GIS)
- Document & Content Management Systems – electronic archiving, digital signature and electronic stamping, information management, etc.

The trend in the reference market

An Assinform survey published in April 2011 revealed that in the first three months of 2011 Italian Information Technology suffered a deadlock (-1.3%) compared to the recovery trend the sector had recorded in 2010, thus confirming the persisting framework of great uncertainty; the IT sector in Italy still can not find the push necessary to overcome the depressing situation it has been experiencing after the global crisis.

Nevertheless some signs suggesting a growing innovative demand can be seen, such as the hold of the **software** segment with a **+ 0.4%** growth recorded at the end of March 2011 and the **cloud computing** market, currently worth **Euro 130 million** and estimated to triple in the next two years.

2011 will be another difficult year for the Italian economy. This has repercussions for the IT market too, where the existing interest in renewing ICT equipment and new services is still static and not reflected in the demand. This trend is in any case slowing down compared to the figures in the first quarter of 2010, with the hardware market expected at - 2.1%, software at +0.4%, IT services at -1.5% and technical assistance at -2.9%.

Concerning the 2011 forecasts, according to a prudential logic that substantially confirms the current situation, the ICT market will continue to drop, with a trend to the tune of -4.5%, with IT expected to mitigate the fall to -0.8%. On the other hand, if an improvement in the national economy is hypothesised, the ICT market could be stable overall at the end of 2011, a result determined by -0.6% in the TLC segment and +1.3% in IT.

Trend in the results of the Exprivia group

Within this downturn, the Exprivia group states a sustained 15.8% growth of the **consolidated production value** which reached Euro 56 million and **the consolidated net revenues**, standing at Euro 53 million and growing by 14.1% compared to the first half of 2010. The increase in the value of production benefited for Euro 6.4 million also from the contribution of the companies Realtech (for 3 months) and Prosap (for 6 months), companies which joined the consolidated companies in the first half of 2011.

The growth in revenues concerned all the markets except the one of the Health and Local Bodies; the latter recorded a reduction in revenues compared to the first half of 2010, during which important healthcare-related jobs were started.

Group Exprivia (value in K €)	30/06/2011	30/06/2010	Variation %
BL Bank, Finance e Insurance	5,504	4,689	17%
BL Industry & Media	7,795	6,490	20%
BL Government, Trasports & Utilities	10,870	7,153	52%
BL Oil, Gas & Telco	6,579	5,641	17%
BL Health and Local Bodies	17,067	20,667	-17%
Spain and Centre America Area	*4,259*	*686*	*521%*
Other	*913*	*1,123*	*-19%*
Total	**52,987**	**46,449**	**14%**

The details of the EBITDA margin concerning the first half of 2011, compared with the data of 2010 (suitably reclassified to make the comparison homogenous), broken down by area of business are shown below (values in K Euro):

Group Exprivia (value in K €)	30/06/2011	30/06/2010	Variation %
BL Bank, Finance e Insurance	1,043	685	52%
BL Industry & Media	617	673	-8%
BL Government, Trasports & Utilities	491	339	45%
BL Oil, Gas & Telco	573	0	"n.s."
BL Health and Local Bodies	2,375	3,861	-38%
Spain and Centre America Area	511	70	630%
Other	120	193	-38%
Total	**5,731**	**5,821**	**-1.6%**

The details of the revenues concerning the first half of 2011, compared with the data of 2010, broken down by area of business are shown below (values in K €).

Group Exprivia (value in K €)	30/06/2011	30/06/2010	Variation %
Projects and services	44,832	35,254	27%
Maintenance	5,214	3,586	45%
HW/SW third parties	1,071	3,896	-73%
Own licences	957	2,590	-63%
Other	913	1,123	-19%
Total	**52,987**	**46,449**	**14%**

HEALTH AND LOCAL BODIES

In the first half of the year the Business Unit **Health and Local Bodies** recorded revenues of Euro 17.1 million, 17% lower than the same period of 2010. This is in line with budget forecasts and is due to the revenues from the **Medical Imaging** sector realigning in physiological terms. In the first two quarters of 2010 this sector had benefited from important activities concerning the Ris/Pacs system at the ASL in Asti, following the tender awarded in the second half of 2009. In the first half of 2009, in addition to the normal activities of the Medical Imaging sector, this system envisaged a notable amount of sales of basic hardware and software (Euro 2.9 million) as well as own licenses.

Growth continues in the **Hospital IT systems** sector (AuroraWeb) acquired by Siemens Italia S.p.a. in 2009, which may be considered now fully integrated with the **Medical Imaging** sector.

The revenues of the **Region, Territory and Local bodies** sector, expressed by the company Svimservice, are in line with forecasts and substantially the same as those in the corresponding period 2010.

Finally,within **Voice Recognition**, it should be noted that the current revenue volume is slightly below the corresponding period of last year, mainly due to the delay of some contracts that are expected to be concluded in the third quarter of 2011. The margins of this sector are also improving.

BANKING, FINANCE AND INSURANCE

In the first half of 2011 the **Banks, Finance and Insurance** Business Line continued the growing trend recorded in 2010, with revenues at Euro 5.5 million, up 17% compared to the same period of last year.

This result was mainly due to the contribution of the IT offer lines for Finance and Multi channels.

Regarding IT services for the capital market in particular, commercial activities in the first half of the year mainly focused on projects of migration to the new release 3 of the Murex platform for our leading clients.

In the Multi channels area, first half of 2011 saw our company being award important negotiations concerning Internet Banking started in 2010 and intense commercial activity in the Mobile Payment sector, with the pay4any solution, which could generated revenues by the end of the year.

In the Credit IT product and services area, the growth in revenues can be mainly attributed to the activities on the Global Credit Management platform at an international level, obtained with the acquisition of new clients and upselling initiatives on the acquired clients. In the national market the commercial activity led to the acquisition of a new client and the strengthening of the presence at acquired clients in fields such as resolution process, risk management and subjects closer to the core banking such as the Credit Line and Guarantee applications.

INDUSTRY AND MEDIA

The **Industry and Media** Business Line recorded revenues growing by 20% compared to the first half of 2010 also deriving from the inclusion of part of the revenues of Realtech Italia in the scope of the Business Line.

Also thanks to the arrival of Realtech Italia, the commercial and productive activity of the area has led to the consolidation of the leadership in the technological Governance of the SAP systems and the creation of the new Exprivia “SAP pole”.

In Large Enterprise, the commercial activity concentrated on new projects focusing on digitalisation and migration to the latest platforms released by Sap Ag.

Particularly interesting are the new jobs acquired to develop Personnel Management Systems (SAP HCM), which consolidate the excellence of the skills of the Exprivia Group gained in recent years.

In the sector of Organised Large Distribution, Exprivia was awarded a significant project for a leading Italian group while in the Defence sector a positive trend is recorded for revenues and activities for the consolidated clients.

In the SME segment, the Industry and Media area gained 15 new clients, many of which are concentrated in north-eastern Italy. In addition, in cooperation with Sap Italia, two initiatives were developed for the SME market: in Business Intelligence, Exprivia created the “Smart BI” solution, while a commercial plan was drawn up to spread the ERP Fast Start solution designed for medium sized companies, which requires sector vertical solutions at sure and competitive implementation costs and times.

Finally during the first half of the year numerous co-marketing initiatives were taken with Sap Italia, to promote the Datilog offer. Datilog is a group company specialised in operating logistics, Sybase and Open Text based, and leading solutions in Enterprise Mobile and Enterprise Content Management.

CPA, TRANSPORT & UTILITIES

The Central Public Administration, Transport and Utilities Business Line in the first half of 2011 generated revenues equalling Euro 10.8 million, with an increase of 52% compared to the same period last year, also deriving from the inclusion of part of the revenues of Realtech Italia in the scope of the Business Line.

These results were mainly achieved due to the delivery of important long-term public jobs acquired in 2010.

The revenues from System Integrators component was decreased and limited to activities deemed strategic. Notable progress was made in the Utility sector both on the administrative process management front and the core processes, also thanks to the ability to outsource end-to-end processes, thus further qualifying relations with clients.

Results achieved in the Central Public Administration include the awarding of important jobs in the field of Business Intelligence and interesting openings particularly in the most innovative areas.

OIL, GAS AND TELECOMMUNICATIONS

The **Oil, Gas and Telecommunications Business Line** produced revenues in the first half of 2011 equal to about Euro 6.6 million recording a 17% increase compared to the first half of 2010.

In Oil, Gas & Telco markets, Exprivia managed to grow significantly in the first half by constantly enriching its offer and concentrating on the areas with the highest added value.

The Exprivia model values the provision of Outsourcing services, through the competence centers in Molfetta and Piacenza and the areas of excellence of the company, and is characterised by a high level of sector verticalisation arising from the ten-year experience of its resources that monitor the Oil & Gas market leaders.

In the world of Telecommunications, Exprivia is reconfiguring its entire range, placing itself as a company able to propose and implement solutions that target process automation and the containment of operating costs.

The strategy of redefining the offering and repositioning Exprivia in greater value offer segments has already allowed the first results to be achieved in the current half of the year. This growing trend may be confirmed for the entire year.

Significant Group figures and result indicators

The table below gives a summary of the main consolidated economic, capital and financial data of the group as at 30th June 2011, compared with the data of 30th June 2010 and 31st December 2010.

	30.06.2011	30.06.2010	31.12.2010
Total production revenues	55,905,250	48,273,227	100,045,888
net proceeds and variation to work in progress to order	52,986,992	46,448,824	96,662,179
increase to assets for internal work	856,583	847,477	1,236,959
other proceeds and contributions	2,061,675	976,926	2,146,750
Difference between costs and production proceeds (EBITDA)	5,730,732	5,879,937	15,252,445
% on production proceeds	10.25%	12.18%	15.25%
Net operating result (EBIT)	4,334,207	4,569,713	11,877,425
% on production proceeds	7.75%	9.47%	11.87%
Net result	1,273,401	1,605,697	4,929,299
Group net equity	65,990,909	62,032,961	65,790,184
Total assets	188,050,927	163,886,858	174,380,060
Capital stock	26,979,658	26,979,658	26,979,658
Net working capital **(1)**	42,922,868	33,114,233	37,696,763
Cash flow **(2)**	3,494,543	2,935,959	7,826,201
Fixed capital **(3)**	84,131,648	80,135,393	82,650,489
Investment	2,467,158	1,283,213	4,924,367
Cash resources/bonds ***(a)***	7,501,471	5,935,618	7,276,753
Short-term financial debts ***(b)***	(29,097,340)	(21,146,020)	(24,002,467)
Medium-/long-term financial debts **(c)**	(23,229,502)	(25,059,617)	(23,031,905)
Net financial position **(4)**	(44,825,371)	(40,270,019)	(39,757,619)

(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 caluclated as the sum of the net result adjusted for amortisements
variations in TFR
(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 2011 and the first half of 2010.

Exprivia Group	H1 2011	H1 2010
Index ROE (Net income / equity capital)	1.93%	2.59%
Index ROI (EBIT / Net Capital Invested)	3.87%	4.39%
Index ROS (EBIT / Revenues)	9.41%	12.15%
Financial charges / Net profit	78.03%	56.20%

The table below shows the main capital and financial indicators of the Group at 30th June 2011, 30th June 2010 and 31st December 2010.

Exprivia Group	30/06/2011	30/06/2010	31/12/2010
Net Financial Debt / Equity Capital	0.68	0.65	0.60
Debt ratio (Total Liabilities / Equity Capital)	2.85	2.64	2.65

Exprivia Group confirms a firm 15.81% **Consolidated Production Value growth** equal to Euro 55.9 million and **consolidated net revenues** equal to Euro 53 million, growing by 14.08% compared to the first half of 2010.

The **consolidated EBITDA stood** at Euro 5.7 million compared to Euro 5.9 million of the first half 2010; the drop in percentage terms of the EBITDA, which also extended to the EBIT (Euro 4.3 million of 1H 2011 compared to 4.6 of 1H 2010) and the pre-tax profit (Euro 3.5 million of 1H 2011 compared to 3.7 of 1H 2010), was determined by the higher investments required to support the growth and the development of sales and production.

At 30th June 2011 **the Consolidated Net Financial Position** equalled Euro -44.8 million compared to Euro –39.8 million as at 31st December 2010, 52% of which relates to medium to long term debts and subsidised loans. Total financial debt increased by Euro 5 million mainly due to the loan to acquire Realtech SpA for Euro 0.8 million, investments in ProSAP for Euro 0.65 million and the increase in contract work in progress for Euro 7.0 million as well as the positive contribution from ordinary management.

At 30th June 2011 the **Net Worth** of the Group increased by Euro 201 thousand compared to Euro 65.8 million reported at 31st December 2010.

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 PIO XI 40 in 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 2nd 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 advanced security systems, are perfectly able to host not only the current equipment necessary for the management and evolution of the Group's infrastructure and R&D Laboratory, but also additional IT systems used to offer the market complete solutions for outsourced development projects and management with the most evolved security systems and non-stop operation.

RESEARCH & DEVELOPMENT

In the first half of 2011, Exprivia's R&D continued the work carried out in 2010, aiming to achieve a series of objectives in terms of acquiring new loans to be combined with supporting the work performed for the creation of the projects already approved.

Therefore work continued on two projects currently underway:

SDI - *Service Delivery Improvement*, co-funded by the Apulia Regional Board as part of the *Regional Programme Contracts*, aims to enhance and innovate IT service supply methods starting from the adoption and testing of new delivery paradigms such as Software as a Service (SaaS) and Cloud Computing;

SLIMPORT - Security, Logistics, and InterModality of PORTs – started during 2009 as part of Industria 2015 - Mobilità sostenibile. The project 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 for the sub-project SLIMSAFE which is aimed to develop an intelligent, modular and scalable platform 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 activities on the other two research projects started in 2009, "**LAB GTP**", and "**La qualità distintiva del Made in Italy**", [Distinctive Quality of Made in Italy], have undergone a slowdown that will require a postponement of the project timeline.

Among the projects approved but not yet started is **LOGIN** - Integrated LOGistics, within Industria 2015-Made in Italy.

As regards the presentation of new proposals, under the domestic funding program PON (Programma Operativo Nazionale "Ricerca e Competitività" 2007-2013) [National Operative Program "Research and Competitiveness" 2007-2013] and this time regarding the development of actions known as "*Hi-tech districts and relative networks*" and "*Public-Private Laboratories and relative networks*" Axis I - Support for structural changes), Exprivia participated in the drafting of various proposals for the development and reinforcement of Hi-tech Districts and Public-Private Laboratories which the company belongs to: the District Di.T.N.E. S.c.a.r.l., Distretto Tecnologico Nazionale sull'Energia), based in Brindisi, and the Laboratory LAB GTP, based in Naples, the Distretto Tecnologico High Tech DHITECH S.c.ar.l, based in Lecce.

Exprivia also participated in drafting a series of proposals dedicated to creating *new Districts and/or Public-Private Combinations* in fields such as Healthcare, services for the elderly and disabled (Inclusion and domotics), agrifood and business services through the use of technological innovations in the ICT sector. The PON announcement for the development and enhancement of existing districts and the creation of new ones closed on 21st April 2011.

Exprivia also took part in the development of a project proposal within the European programme called LIFE+ Environment Policy and Governance[1], the European financial tool dedicated to cofund actions in the field of nature preservation and other environmental sectors of European interest, such as environmental policy and governance. The project is driven by the Municipality of Milan and developed together with a Consortium of large companies such as Telecom, Alcatel - Lucent and agencies located in the territorial context, ATM - Milan Transportation Agency. The main objective of the project is to improve the local policies adopted by the Municipality of Milan in terms of reducing emissions due to city traffic by devising innovative technologies that support users in their search for alternative roads to avoid traffic jams and find parking.

Then we are glad to announce the definition of the Exprivia research framework program for the next few years, the "*Citta' Digitale 2.0*", which proposes the corporate vision for improving the quality of urban life through *ICT*- based services aimed at supporting and facilitating the daily life of citizens. The partnership ratified in December 2010 between Exprivia and CISCO, a world leader in a the supply of network solutions, joined the shared vision of the two companies and defined the intention to work together for using technology as a fundamental and indispensable instrument for the realization of an "intelligent city" model for our urban areas, starting with the infrastructure that already exists.
Still concerning Exprivia's activities in the Città Digitale and services to citizens, it is worth mentioning that the company, thanks to its new "*pay4any*" solution for "mobile" payments, won the prize for the best innovative solution 2011 in the area "Innovation Lab", as part of the 7th edition of the Forum ABI Lab 2011. The *pay4any* solution uses a virtual account, similar to an electric wallet, which may be topped up with a credit card, wire transfer or in cash, at bank cashiers.

RISKS AND UNCERTAINTIES

There are no updates compared to the last situation presented.

Significant events in the first half of 2011

COMPANY EVENTS

On **28th April 2011** the Shareholders' meeting of Exprivia SpA met on first call to approve the financial statements at 31/12/2010 and the distribution of a dividend equal to Euro 0.04 per share.

In the same meeting, in addition to approving the Report on Corporate Governance and the Ownership Structures, also the remuneration policy proposal for the Administrators and Managers with strategic responsibilities of the Exprivia Group was approved, drawn up by the Remuneration Committee of the Company with the support of a consultancy firm specialising in defining long-term incentive methodologies.

At the same time of renewing the Board of Directors and the Board of Auditors, which shall remain in office for three financial years until the approval of the financial statements 2013, the shareholders' meetings revoked the authorisation to purchase and make available own shares as resolved on 20th April 2010, and approved the release of a new authorisation to purchase and sell own shares, pursuant to articles 2357 and 2357-ter of the Italian Civil Code.

On **2nd May 2011**, the new Board of Directors of Exprivia appointed the Chairman, Domenico Favuzzi, as Managing Director and Dante Altomare as Vice-Chairman of the company.

The requirements of independence of the Directors Alessandro Laterza, Giorgio De Porcellinis and Pierfilippo Roggero were verified; the latter was appointed as "lead independent director".

[1] ec.europa.eu/environment/life/funding/lifeplus.htm

In the same meeting the Board resolved on the establishment of the Internal Control Committee and the Technical Committee for Remuneration, appointing as members the Independent Directors Pierfilippo Roggero, Alessandro Laterza and Giorgio De Porcellinis

On **5th May 2011** the company distributed a dividend of Euro 0.04 per share, totalling Euro 2,075,120.88.

ACQUISITIONS/SALES IN THE SPHERE OF THE EXPRIVIA GROUP

On **14th March 2011,** Exprivia SpA signed a binding contract to acquire 51% of Realtech Italia S.p.A., an Italian company specialising in the design and creation of IT solutions on the SAP platform. From 1996 until last year, Realtech Italia represented the Italian branch of the German multinational Realtech AG, listed on the Frankfurt stock exchange, prior to being entirely taken over by the company G&K Management S.r.l. through a management buyout.

The acquisition of 51% of Realtech Italia S.p.A. was perfected on **31st May 2011**.

In **March 2011** ProSAP Perù S.A.C. was established and activated, with offices in Lima, Peru, 99.9% owned by ProSAP Spagna (Profesionales de Sistemas Aplicaciones y Productos S.L.); in addition to serving the international clients in the country, this new company has the priority task of selecting and recruiting specialist resources to operate in favour of other group companies in Central America.

STOCK OPTION PLAN

The period of subscription of the option rights assigned with the third tranche of the Stock Option Plan began on **1st March 2011**, at a price of Euro 1.6582 per share.

The period of subscription of the option rights assigned with the fourth tranche of the Stock Option Plan began on **11th April 2011**, at a price of Euro 1.577 per share.

In both cases, the exercise period ended on **30th June 2011**, when no option right was exercised.

Capital increase was therefore completed on 30th June 2011 as approved by the 3rd August 2006 Extraordinary Shareholders' Meeting by issuing up to no. 3,300,000 new ordinary shares with a par value Euro 0.52 each, offered for subscription to Directors, Officers, Employees and Associates of Exprivia SpA and to its subsidiaries and affiliates. A total of 1,174,500 shares have been subscribed and issued for a total nominal amount of Euro 610,740,00. This amount is already part of the company's share capital which amounts to Euro 26,979,658.16 divided into 51,883,958 shares valued Euro 0.52 each.

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 30/06/2011

ACQUISITIONS/SALES IN THE SPHERE OF THE EXPRIVIA GROUP

On **22nd July 2011**, Exprivia S.p.A. signed a binding agreement to acquire 100% of the share capital of Sistemi Parabancari S.r.l. (SisPa), a Milan-based company belonging to the Banca Popolare dell'Emilia Romagna Group, an Italian leader in IT, legal and administration outsourcing services for factoring companies.

The acquisition was perfected on 25th July 2011.

Stock market performance

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

The share capital at 30th June 2011 totals Euro 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

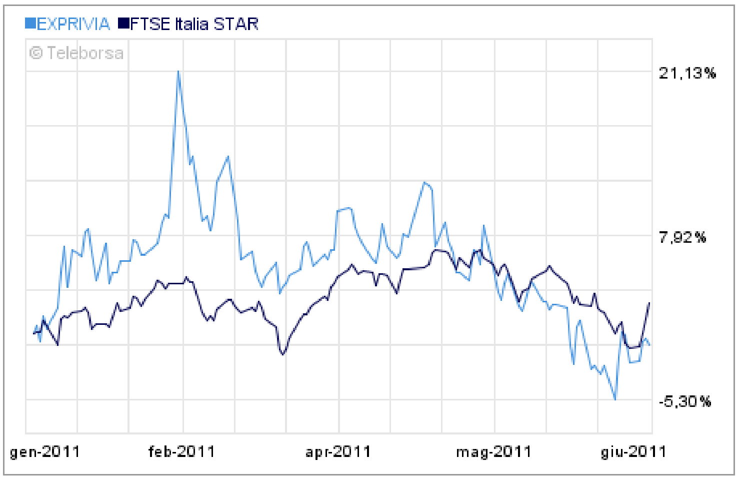
Specialist Centrobanca

COMPOSITION OF SHAREHOLDERS

At 30th June 2011, as far as the company is aware, the shareholders of Exprivia were made up as follows:

Azionisti	Azioni	Quote
Abaco Innovazione S.p.A..:	25.673.560	49,48%
Merula S.r.l:	2.607.330	5,03%
Data Management S.p.A.:	1.055.001	2,03%
Altri azionisti (< 2%):	*22.548.067*	*43,46%*
Totale Azioni	***51.883.958***	***100%***

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 2011.

HUMAN RESOURCES

STAFF

The following table summarises the staff situation of the group at 30th June 2011 compared with the period at 30th June 2010.

Company	Employees 30/06/2011	Employees 30/06/2010	Collaborators 30/06/2011	Collaborators 30/06/2010
Exprivia S.p.A.	662	582	41	43
Wel.Network S.p.A.	115	114	3	3
Svimservice S.p.A.	242	261	1	1
Exprivia Solutions S.p.A.	108	99	22	19
Exprivia SL	11		3	
Exprivia Projects S.p.A.	95	98		
GST Srl	13	16	1	
Realltech	159		2	
Datilog	4		2	
Prosap	140			
InFaber Srl	20	18		
Spegea S.c. a r.l.	11	11	3	
Total	**1580**	**1199**	**78**	**66**
of which senior managers	*33*	*25*		
of which middle managers	*160*	*106*		

Organisation model for management and control pursuant to Legislative Decree 231/2001

With effect from 31st 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 process and policy government system is thus confirmed, including the development of a company Ethics culture, in full harmony with the behavioral 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.

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

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.

During the second half of 2010 the maintenance of the ISO 9001:2000 certification was checked by an external body which led to the confirmation of the certificate.

In March 2011, the first maintenance check of the ISO 13485 certifications and CEE marking was carried out (in compliance with directive 93/42/CEE) for medical devices, which led to the confirmation of the certificate.

In addition to the parent company, 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., GST Gruppo Soluzioni Tecnologiche s.r.l. and Realtech Italia S.p.A..

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 capital relationships between the Exprivia group and the parent company Abaco Innovazione S.p.A. at 30th June 2011 are shown below compared with 31st December 2010.

Receivables

Description	30/06/2011	31/12/2010	Variation
Exprivia S.p.A.	224,713	223,713	1,000
Exprivia Solutions S.p.A.	590,511	582,279	8,232
TOTAL	***815,224***	***805,992***	***9,232***

The economic relationships between the Exprivia group and the parent company Abaco Innovazione S.p.A. at the first half of 2011 are compared with those of the first half of 2010.

Revenues and income

Description	H1 2011	H1 2010	Variation
Exprivia S.p.A.		2,500	(2,500)
Exprivia Solutions S.p.A.	8,232	6,294	1,938
TOTAL	***8,232***	***8,794***	***(562)***

Inter-group relationships

The organisational structure of the Exprivia Group functionally integrates all the staff services in the Human Resources Division and in the Central Services Division, thereby optimising the operational structures of the individual companies to ensure effectiveness and efficiency in supporting the business of the Group.

The Human Resources Division deals with Skills Development, Trade Union Relations, Contracts and Personnel Administration for all the companies of the group.

The Central Services Division heads the Administration and Finance 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 competencies;

- coordinated participation by Exprivia in public contract tenders with the contribution of all companies according to the specific competencies.

The table below illustrates the equity relationships between the Companies of the Exprivia Group and its subsidiaries as at 30th June 2011 and 31st December 2010.

Receivables to subsidiaries

Description	30/06/2011	31/12/2010	Variation
Farm Srl in liquidation	20,388	20,388	-
Al Faro Srl in liquidation	2,100	1,100	1,000
TOTAL	*22,488*	*21,488*	*1,000*

Relationships with affiliates and associates

In conformity with the applicable legislative and regulatory provisions, and in particular with:

(i) the new "Regulations on operations with affiliated parties -- no. 17221 of 12/03/2010" adopted by Consob and subsequently amended with resolution no. 17389 of 23rd June 2010; (ii) the outcomes of the subsequent "consultation" published by Consob last 24th September 2010; (iii) the Consob notice on the guidance for the application of the regulation published on 24th September 2010; (iv) Consob notice no. 10094530 of 15th November 2010 with additional clarifications. The Board of Directors of the Company adopted, on 27th November 2010, a new PROCEDURE FOR OPERATIONS WITH AFFILIATED PARTIES, with provisions concerning operations with affiliated parties, in order to ensure transparent and correct, substantial and procedural operations with affiliated parties performed directly or through companies of the same, directly and/or controlled ("Exprivia Group").

This new procedure replaced the one previously in force that had been introduced on 26th March 2007.

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 with other affiliated parties 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 affiliates.

Receivables from affiliates and associates

Description	30/06/2011	31/12/2010	Variation
Pervoice S.p.A.	5,116	19,894	(14,778)
TOTAL	*5,116*	*19,894*	*(14,778)*

Payables to affiliates and associates

Descrizione	30/06/2011	31/12/2010	Variazione
Pervoice S.p.A.	19.401	18.079	1.322
TOTALI	***19.401***	***18.079***	***1.322***

Costs with affiliates and associates

Description	H1 2011	H1 2010	Variation
Pervoice S.p.A.	13,630	28,000	(14,370)
TOTAL	***13,630***	***28,000***	***(14,370)***

Revenues from affiliates and associates

Description	H1 2011	H1 2010	Variation
Pervoice S.p.A.	141	27,097	(26,956)
TOTAL	***141***	***27,097***	***(26,956)***

Business outlook

In 2010, Exprivia S.p.A. management completed a major effort for planning and scheduling its near future, which became manifest outside the company with the approval of the Board of Directors of Exprivia S.p.A on 21st October 2010 of the ***Industrial Plan* 2011-2013**.

The results of the first half of 2011 are very satisfying in terms of growth and development. The Group consolidates its presence in the national market, particularly in the sector of large public companies, and achieves significant returns in the international market. The recent acquisition of Sistemi Parabancari Srl considerably strengthens the presence in the banking sector. All of the above confirms the excellent work which the entire organisation is doing to achieve the ambitious Industrial Plan 2011-2013.

REPORT ON MANAGEMENT AND COORDINATION ACTIVITIES

Pursuant to articles 2497 et seq. of the Italian Civil Code, governing 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 11/a, Molfetta (BA), tax code and VAT No. 05434040720.

In running this business:

- 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 done with Abaco Innovazione S.p.A. and the other companies controlled by it were done at market conditions, i.e., with conditions that would have been applied between independent parties.

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”.

Furthermore, pursuant to articles 2497 et seq. of the Italian Civil Code aiming to regulate transparency in the exercise of company management and co-ordination work, the summary data referring to the latest financial statements ending on 31st December 2010 of Abaco Innovazione S.p.A. is reported below.

		31/12/2010	31/12/2009
NON CURRENT ASSETS			
Shareholdings		**31,791,782**	**31,864,955**
	Holdings in subsidiary companies	31,791,782	31,864,955
Deferred taxes		-	-
	Tax advances/deferred taxes		
TOTAL NON CURRENT ASSETS		***31,791,782***	***31,864,955***
CURRENT ASSETS			
Commercial credits and others		**18,591**	**19,585**
	Receivables to subsidiaries		
	Receivables to subsidiaries	12,763	12,763
	Receivables to subsidiaries	239	1,077
	Tax assets	5,589	5,745
Liquid assets		**199**	**1,623**
	Bank assets	196	1,556
	Cheques and unpresented effects	3	67
TOTAL CURRENT ASSETS		***18,790***	***21,208***
TOTAL ASSETS		***31,810,572***	***31,886,163***

		31/12/2010	31/12/2009
NET WORTH			
Company capital		**1,000,000**	**1,000,000**
	Company capital	1,000,000	1,000,000
Own shares		**(166,670)**	**(152,920)**
	Own shares	(166,670)	(152,920)
Other reserves		**23,877,007**	**23,441,161**
	Legal reserve	200,000	200,000
	Extraordinary reserve	5,025,415	4,589,569
	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		**567,131**	**435,846**
TOTAL NET WORTH		**25,282,054**	**24,728,673**
NON CURRENT LIABILITIES			
Non current liabilities to banks		**3,500,000**	**4,200,000**
	Non current liabilities to banks	3,500,000	4,200,000
TOTAL NON CURRENT LIABILITIES		***3,500,000***	***4,200,000***
CURRENT LIABILITIES			
Current liabilities to banks		**1,305,943**	**1,213,844**
	Payables to banks current share	1,305,943	1,213,844
Payables to suppliers		**168,758**	**161,130**
	Payables to suppliers	168,758	161,130
Other financial liabilities		**917,795**	**998,864**
	Payables to subsidiaries	804,992	785,766
	Payables to others	112,803	213,098
Other current liabilities		**636,022**	**583,652**
	Payables to welfare and social security	28,610	23,660
	Other liabilities	607,412	559,992
TOTAL CURRENT LIABILITIES		***3,028,518***	***2,957,490***
TOTAL LIABILITIES		***31,810,572***	***31,886,163***

		31/12/2010	31/12/2009
OTHER REVENUES		-	**7,070**
	Other revenues		7,070
	Capital gains		
TOTAL PRODUCTION REVENUES		**-**	***7,070***
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		**53,126**	**112,237**
	Other costs for services	35,175	40,220
	Sundry management charges	17,951	72,017
TOTAL PRODUCTION COSTS		***103,076***	***162,187***
DIFFERENCE BETWEEN PRODUCTION REVENUE AND COSTS		**(103,076)**	**(155,117)**
FINANCIAL INCOME AND CHARGES		**(670,207)**	**(590,963)**
	Income from holdings in subsidiaries	(1,023,759)	(1,038,976)
	Other financial income with separate indication	(35)	(25,119)
	Interest and other financial charges	340,095	457,980
	Financial charges with subsidiaries	13,492	15,152
PRE-TAX RESULT		**567,131**	**435,846**
INCOME TAX		-	-
PROFIT OR LOSS FOR THE PERIOD		***567,131***	***435,846***

Half-yearly Financial Statements of the Exprivia Group

Consolidated Balance Sheet

	30.06.2011	30.06.2010	31.12.2010
NON-CURRENT ASSETS			
Property, plant & machinery	**10,703,822**	**10,152,468**	**10,603,449**
Land and buildings	6,513,238	6,647,136	6,586,465
Assets under construction and payments on account	188,005	96,515	254,315
Other assets	4,002,579	3,408,817	3,762,669
Goodwill and other undefined assets	**65,968,556**	**62,785,645**	**64,931,863**
Goodwill	29,378,005	29,407,448	29,392,727
Consolidation difference	36,590,551	33,378,197	35,539,136
Other intangible assets	**3,997,326**	**4,336,106**	**3,915,834**
Intangible assets	490,950	480,243	533,368
Research and development costs	3,368,743	3,234,861	3,382,466
Assets under construction and payments on account	137,633	621,002	
Shareholdings	**1,844,069**	**1,754,252**	**1,825,285**
Shareholdings in subsidiaries	51,646	51,646	51,646
Shareholdings in associated companies	175,188	306,028	185,688
Shareholdings in other companies	1,617,235	1,396,578	1,587,951
Other financial assets	**254,349**	**149,878**	**169,648**
Receivables to subsidiaries	22,488	21,388	21,488
Other accounts receivable	231,861	128,490	148,160
Deferred tax assets	**1,363,527**	**957,044**	**1,204,410**
Tax advances/deferred taxes	1,363,527	957,044	1,204,410
TOTAL NON-CURRENT ASSETS	**84,131,648**	**80,135,393**	**82,650,489**

	30.06.2011	30.06.2010	31.12.2010
CURRENT ASSETS			
Trade receivables and others	**69,531,555**	**58,243,232**	**64,529,397**
Receivables to customers	57,145,697	45,444,284	52,004,102
Receivables to subsidiaries	5,116	22,931	19,894
Receivables to parent companies	815,224	795,560	805,992
Receivables to affiliated companies		298,266	
Other accounts receivable	10,699,341	10,533,584	10,667,126
Tax credits	866,177	1,148,607	1,032,283
Stock	**176,233**	**297,142**	**187,635**
Stock	176,233	297,142	187,635
Work in progress to order	**26,709,702**	**19,275,155**	**19,735,468**
Work in progress to order	26,709,702	19,275,155	19,735,468
Current financial assets	**318**	**318**	**318**
Other bonds	318	318	318
Cash resources	**7,501,471**	**5,935,618**	**7,276,753**
Current banks	7,488,840	5,910,478	7,257,793
Cheques and unpresented effects	12,631	25,140	18,960
TOTAL CURRENT ASSETS	**103,919,279**	**83,751,465**	**91,729,571**
TOTAL ASSETS	***188,050,927***	***163,886,858***	***174,380,060***

	30.06.2011	30.06.2010	31.12.2010
NET WORTH			
Capital stock	**26,979,658**	**26,979,658**	**26,979,658**
Capital stock	26,979,658	26,979,658	26,979,658
Own shares		**(233,594)**	
Own shares		(233,594)	
Premium reserve	**18,081,738**	**18,081,738**	**18,081,738**
Share premium	18,081,738	18,081,738	18,081,738
Revaluation reserve	**2,907,138**	**2,907,138**	**2,907,138**
Revaluation reserve	2,907,138	2,907,138	2,907,138
Other reserves	**11,008,828**	**7,269,497**	**7,478,094**
Legal reserve	3,021,831	621,831	621,831
Extraordinary reserve	2,091,750	5,373,534	5,373,534
Other reserves	5,516,029	894,914	1,103,511
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)
Own shares			
Profits/Losses for previous periods	**6,966,273**	**5,866,975**	**6,243,417**
Profits/losses brought forward	6,966,273	5,866,975	6,243,417
Profit/Loss for the period	**1,273,401**	**1,605,697**	**4,929,299**
TOTAL NET WORTH	**67,217,036**	**62,477,109**	**66,619,344**
Minority interest	**1,226,127**	**444,148**	**829,160**
TOTAL GROUP NET WORTH	***65,990,909***	***62,032,961***	***65,790,184***

	30.06.2011	30.06.2010	31.12.2010
NON-CURRENT LIABILITIES			
Payables to non-current banks	**23,229,502**	**25,059,617**	**23,031,905**
Payables to non-current banks	23,229,502	25,059,617	23,031,905
Other financial liabilities	**3,417,232**	**234,559**	**2,710,020**
Payables to other financiers	585,352		650,282
Payables to parent companies	790,603		
	1,957,996		1,957,996
Payables for tax and social security beyond the period	83,281	234,559	101,742
Provision for risks and charges	**1,539,869**	**1,253,288**	**2,183,592**
Other provisions	1,539,869	1,253,288	2,183,592
Staff-related funds	**8,735,068**	**7,570,297**	**7,743,743**
Severance pay	8,735,068	7,570,297	7,743,743
Deferred tax liabilities	**1,319,940**	**1,444,353**	**1,332,934**
Deferred tax funds	1,319,940	1,444,353	1,332,934
TOTAL NON-CURRENT LIABILITIES	**38,241,611**	**35,562,114**	**37,002,194**

	30.06.2011	30.06.2010	31.12.2010
CURRENT LIABILITIES			
Payables to current banks	**29,097,340**	**21,146,020**	**24,002,467**
Payables to current quota banks	29,097,340	21,146,020	24,002,467
Payables to suppliers	**15,721,169**	**11,574,761**	**11,382,040**
Payables to suppliers	15,721,169	11,574,761	11,382,040
Advances on work in progress to order	**4,461,340**	**5,734,950**	**5,381,166**
Payments on account	4,461,340	5,734,950	5,381,166
Other financial liabilities	**6,219,524**	**5,403,550**	**7,053,562**
Payables to associated companies	19,401	23,950	18,079
Other accounts payable	6,200,123	5,379,600	7,035,483
Tax debits	**10,189,139**	**7,147,717**	**8,801,872**
Tax debits	10,189,139	7,147,717	8,801,872
Other current liabilities	**16,903,768**	**14,840,636**	**14,137,414**
Payables to welfare and social security institutions	3,786,811	2,807,667	3,337,532
Other payables	13,116,957	12,032,969	10,799,882
TOTAL CURRENT LIABILITIES	**82,592,280**	**65,847,634**	**70,758,521**
TOTAL LIABILITIES	***188,050,927***	***163,886,858***	***174,380,060***

Consolidated Income Statement

	30.06.2011	30.06.2010	31.12.2010
Revenues	**46,075,910**	**37,124,921**	**85,278,639**
Proceeds of sales and services	46,075,910	37,124,921	85,278,639
Other revenues	**2,061,675**	**976,926**	**2,146,750**
Other proceeds	1,625,565	690,203	1,559,632
Invest. grants tfr to P&L account	436,110	286,723	587,118
Variation in stock of finished products and products being processed	**7,767,665**	**10,171,380**	**12,620,499**
Var. stock of products being processed, semi-finished items	(11,402)	(72,710)	(43,509)
Variation in work in progress to order	6,922,484	9,396,613	11,427,049
Increase in assets for internal work	856,583	847,477	1,236,959
TOTAL PRODUCTION REVENUES	**55,905,250**	**48,273,227**	**100,045,888**
Raw materials and consumables used	**3,343,027**	**4,642,760**	**8,263,281**
Costs of raw, subsid. & consumable mat. and goods	3,343,027	4,642,760	8,263,281
Costs connected with employee-related benefits	**32,980,094**	**27,448,355**	**54,758,498**
Salaries and wages	24,675,666	20,518,530	40,546,908
Social charges	6,397,446	5,336,539	10,672,275
Severance Pay	1,466,724	1,232,420	2,805,969
Other staff costs	440,258	360,866	733,346
Other costs	**13,851,397**	**10,302,175**	**21,771,664**
Other costs for services	11,549,326	8,513,275	17,350,622
Costs for leased assets	1,551,079	1,118,122	2,290,743
Sundry management charges	704,707	632,768	968,489
Stock and payments on account	46,285	38,010	1,161,810
TOTAL PRODUCTION COSTS	**50,174,518**	**42,393,290**	**84,793,443**
DIFFERENCE BETWEEN PRODUCTION COSTS AND REVENUES	**5,730,732**	**5,879,937**	**15,252,445**

	30.06.2011	30.06.2010	31.12.2010
Depreciation and devaluation	**1,396,525**	**1,310,224**	**3,375,020**
Ordinary amortisement of intangible assets	818,536	764,165	1,700,960
Ordinary amortisement of tangible assets	411,281	436,213	892,612
Altre svalutazioni delle immobilizzazioni	56,165	58,165	301,345
Devaluation of credits included in working capital	110,543	51,681	480,103
OPERATIVE RESULT	**4,334,207**	**4,569,713**	**11,877,425**
Proceeds and financial charges	**809,316**	**867,532**	**1,918,700**
Proceeds from parents companies	(8,232)	(6,294)	(13,491)
Proceeds from others shareholdings		(949)	(951)
Other proceeds with separate indication	(168,409)	(5,835)	(33,052)
Interest and other financial charges	993,684	902,452	1,994,217
Profit and loss on foreign exchange	(7,727)	(21,842)	(28,023)
PRE-TAX RESULT	**3,524,891**	**3,702,181**	**9,958,725**
Income tax	**2,251,490**	**2,096,484**	**5,029,426**
IRES	746,652	736,687	2,599,699
IRAP	1,150,181	1,190,414	2,434,051
Deferred taxes	65,836	68,977	18,445
Tax paid in advance	288,821	100,406	(22,769)
PROFIT OR LOSS FOR THE PERIOD	***1,273,401***	***1,605,697***	***4,929,299***
Attributable to:			
Shareholders of parent company	1,286,980	1,615,062	4,930,094
Minority shareholder	(13,579)	(9,366)	(795)
Basic profit per share	0.0248	0.0313	0.1003
Diluted profit per share	0.0248	0.0325	0.1030

Comprehensive Income Statement (*) at 30th June 2011, 30th June 2010 and 31st December 2010

Description	H1 2011	H1 2010	31/12/2010
Profit for the period	1,273,401	1,605,697	4,929,299
Net income (loss) from the change in costs for stock option exercise		(13,460)	(13,460)
Net income (loss) from sale of own shares		10,312	117,247
Net income / (expense) for the period recognized in equity	-	*(3,148)*	*103,787*
Total comprehensive income	**1,273,401**	**1,602,549**	**5,033,086**
attributable to:			
Group	1,286,980	1,611,915	5,033,881
Minority interest	(13,579)	(9,366)	(795)

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

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

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

Statement of changes in the Consolidated Net Worth as at 30th June 2010, 31st December 2010 and 30th June 2011

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 31/12/09	***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)			-	
Destination of the period result				4,546,860		(4,546,860)				-	
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***	***7,269,498***	***2,907,138***	***5,866,975***	***1,605,697***	***444,148***	***1,602,549***	***62,477,109***	***62,032,961***
Sale of own shares		233,594		101,661						335,255	
Changes in consolidated companies						376,442				376,442	
Profit (loss) of the period							3,323,602	385,012	3,323,602	3,323,602	
Net income / (expense) for the period recognized in equity				106,935					106,935	106,935	
Balance at 31/12/2010	***26,979,658***	***-***	***18,081,738***	***7,478,094***	***2,907,138***	***6,243,417***	***4,929,299***	***829,160***	***3,430,537***	***66,619,344***	***65,790,184***
Reclassification previous year's profit to previous year's profit						4,929,299	(4,929,299)			-	
Destination of the period result				5,308,350		(5,308,350)				-	
Dividend distribution				(2,075,359)						(2,075,359)	
Stock Option				297,744						297,744	
Changes in consolidated companies						1,101,907				1,101,907	
Profit (loss) of the period							1,273,401	396,967	1,273,401	1,273,401	
Net income / (expense) for the period recognized in equity				-					-	-	
Balance at 30/6/2011	***26,979,658***	***-***	***18,081,738***	***11,008,828***	***2,907,138***	***6,966,273***	***1,273,401***	***1,226,127***	***1,273,401***	***67,217,036***	***65,990,909***

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
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***
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***	***-***	***-***	***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		252,834				225,060				477,894		
Changes in consolidated companies								453,873		453,873		
Result at 30/06/2010									4,929,299	4,929,299	430,332	
Balance at 30/06/10	***26,979,658***	***-***	***18,081,738***	***-***	***-***	***7,478,093***	***2,907,138***	***6,243,417***	***4,929,299***	***66,619,344***	***829,160***	***65,790,184***
Reclassification previous year's profit to previous year's profit								4,929,299	(4,929,299)	-		
Destination of the period result						5,308,350		(5,308,350)		0		
Dividend distribution						(2,075,359)				(2,075,359)		
Stock Option						297,744				297,744		
Changes in consolidated companies								1,101,907		1,101,907		
Result at 30/06/2010									1,273,401	1,273,401	396,967	
Balance at 30/06/10	***26,979,658***	***-***	***18,081,738***	***-***	***-***	***11,008,828***	***2,907,138***	***6,966,273***	***1,273,401***	***67,217,036***	***1,226,127***	***65,990,909***

Consolidated Cash Flow Statement

	30.06.2011	30.06.2010	31.12.2010
Operating activities:			
- Profit (loss)	1,273,401	1,605,697	4,929,299
- Amortisation, depletion and depreciation of assets	1,229,817	1,200,378	2,593,572
- Provision for Severance Pay Fund	1,466,724	1,232,420	2,805,969
- Advances/Payments Severance Pay	(475,399)	(1,102,536)	(2,502,639)
- Adjustment of value of financial assets			
Cash flow arising from operating activities	**3,494,543**	**2,935,959**	**7,826,201**
Increase/Decrease in net working capital:			
- Variation in stock and payments on account	(6,962,832)	(8,185,940)	(8,536,746)
- Variation in receivables to customers	(5,141,595)	4,990,998	(1,568,820)
- Variation in receivables to parent/subsidiary/associated company	5,546	11,212	302,083
- Variation in other accounts receivable	133,891	(808,056)	(825,274)
- Variation in payables to suppliers	4,274,199	(2,955,091)	(2,497,530)
- Variation in payables to parent/subsidiary/associated company	1,322	1,221,310	(59,372)
- Variation in tax and social security liabilities	1,818,085	10,042	2,061,245
- Variation in other accounts payable	1,352,492	4,037,533	7,339,352
- Variation in risk funds reserve	(656,717)	(284,605)	534,280
Cash flow arising (used) from current assets and liabilities	**(5,175,609)**	**(1,962,597)**	**(3,250,782)**
Cash flow arising (used) from current activities	**(1,681,066)**	**973,362**	**4,575,419**
Investment activities:			
- Variation in tangible assets	(511,654)	(355,331)	(1,262,711)
- Variation in intangible assets	(1,936,721)	(928,381)	(3,591,123)
- Variation in financial assets	(262,602)	88,640	(249,528)
Cash flow arising (used) from investment activities	**(2,710,976)**	**(1,195,072)**	**(5,103,362)**
Financial activities:			
- Capital increase		610,740	610,740
- Variation in other reserves	(675,709)	(1,400,543)	(581,910)
Cash flow arising (used) from financial activities	**(675,709)**	**(789,803)**	**28,830**
Increase (decrease) in cash	**(5,067,752)**	**(1,011,513)**	**(499,113)**
Banks and cash profits at start of year	7,276,753	5,988,680	5,988,680
Banks and cash losses at start of year	(47,034,372)	(45,247,186)	(45,247,186)
Banks and cash profits at end of period	7,501,471	5,935,618	7,276,753
Banks and cash losses at end of period	(52,326,842)	(46,205,637)	(47,034,372)
Increase (decrease) in liquidity	**(5,067,752)**	**(1,011,513)**	**(499,113)**

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS OF THE EXPRIVIA GROUP AS AT 30th JUNE 2011

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 30th June 2011 including:

- ✓ the half-yearly financial statements of the Exprivia group at 30th June 2011
- ✓ 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 APPLICABLE BY THE GROUP

IAS 1 Revised – 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 Statement of variations in net worth.

The group applied the revised version of the principle from 1st 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 are incorporated in the definition of*fair value* at the plan transfer date. 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.

Phase Acquisition of a subsidiary

In the case of the phased acquisition of a subsidiary, IFRS 3 (2008) states that a business combination takes place only when the control is acquired and that, at this time, all the identifiable net assets of the acquired company must be measured at *fair value;* the minority interests must be evaluated based on their *fair value* or on the proportional share of the *fair value* of identifiable net assets of the acquired company (method already allowed by the previous version of IFRS 3).

In a phased acquisition of control of a partial owned company, the investment previously held, until then counted according to IAS 39 – *Financial Instruments: recognition and measurement*, or according to IAS 28 – *Investments in associated companies* or according to IAS 31 – *Investments in joint ventures*must be treated as if it had been sold, and repurchased as at the date on which the control is acquired. Said investment must therefore be calculated at its *fair value* as at the acquisition date and the profits and losses resulting from this evaluation must be recognised in the income statement In addition, each value previously recognised in the net equity as Other profits and total losses, which should be included in the Income Statement following the sale of the asset to which it relates, must be reclassified in the Income Statement. Goodwill or the proceeds from the acquisition of control of a subsidiary must be determined as the sum of the price paid for the acquisition of control, the value of minority interests (as measured by one of the methods permitted by the principle) the *fair value* of the minority shareholding previously held, net of the *fair value* of identifiable net assets acquired.

According to the previous phased version of the principle, the acquisition of control was calculated transaction by transaction as a separate series of acquisitions that generated a total of goodwill determined as the sum of the goodwill generated by individual transactions.

This change in accounting policy had no effect on the Consolidated Financial Statements of the Company.

Ancillary costs of the transaction

The IFRS 3 (2008) provides that the ancillary costs of business combinations must be expensed in the period in which they are incurred. According to the previous version of the principle, these charges were included in the determination of the cost of acquisition of the net assets of the acquired company. In relation to the acquisition of the company Datilog and Prosap SL, in 2010 the application of said adjustment led to entering ancillary costs amounting to Euro 155,738 in the Income Statement.

Recognition of amounts subjected to conditions

The IFRS 3 (2008) provides that fees are subject to the condition considered part of the transfer price of net assets acquired and are valued at *fair value* at the acquisition date. Similarly, if the aggregation contract provides for the right to a refund of some components of the price upon certain conditions, this right is classified as an asset by the buyer. Any subsequent changes in *fair value* must be recognised as an adjustment of the original accounting treatment only if they are determined by more or better information about the *fair value* and if they occur within 12 months after the date of acquisition; all other changes must be entered in the Income Statement. The previous version of the standard provided that the fees subject to conditions had to be calculated at the acquisition date only if their payment was considered probable and the amount could be determined reliably. Any subsequent change in the value of such fees also had to always be recognised as an adjustment of the *goodwill*. In connection with the acquisition of 51.12% in the partially held Prosap, in 2010 the application of this change resulted in effects on the financial position of the Group amounting to Euro 1,522,796.

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 1st January2009. It should also be noted that no significant accounting effect has been found following the adoption of this amendment at 31st December 2009.

Improvement to IAS 20 – Accounting and information on public contributions

Improvement to IAS 20 – *Accounting and information on public contributions* provides that the benefits of public loans granted at a lower interest rate than that of the market should be treated as government grants and therefore follow the rules for recognition established by IAS 20. The previous version of IAS 20 states that in case of subsidised loans received as government grants, the company need not show any benefit. Now, for these funds, at the moment of disbursement, the financial liabilities must be entered at *fair value* and deferred income must be entered against contributions to the discounted rate for an amount equal to the difference between the *fair value* of the debt and the amount collected. 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, para. 35. The introduction of this IFRS has had no special effects on the annual financial statements of the Group.

Improvement to IAS 28 – Shareholdings in associated companies

I*mprovement* to IAS 28 – *Investments in associated companies* provides that in the case of investments accounted for under the equity method, the possible loss of value should not be allocated to individual assets (particularly to goodwill, if any) that make up the value of the investment, but to the value of the investment as a whole. Therefore, in the presence of conditions for a subsequent reversal of impairment loss, the reversal must be recognised in full.

In accordance with the rules of transition set out by the *Improvement* ,the Group will apply this amendment prospectively to the restorations of value made from 1st 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 1st 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 had no effect on the Group because the information was already based on these assumptions.

The following amendments and interpretations, applicable from 1st 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 associated companies
- 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 1st 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 30th June 2011 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 30th June 2011.

CONSOLIDATION CRITERIA

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

Subsidiaries refer to companies in over 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 are held as at the reporting date.

For companies, we intend the companies in which the Group exercises significant influence, but not control or joint control, over financial and operating policies, as defined by IAS 28 - Investments in associates. The consolidated financial statements include the portion of results of the associates attributable to the Group, accounted for using the equity method from the date on which significant influence commences until the time when that significant influence ceases.

Subsidiaries and associated 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 is accounted for under the purchase method. The acquisition cost corresponds to the current value of assets transferred, shares issued or liabilities assumed at the date of acquisition. 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 book value of consolidated investments is therefore eliminated against 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 in the amount of interest. When the Group's portion 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 obligations to make up losses or has made payments on behalf of the associated company.

CONSOLIDATION OF FOREIGN COMPANIES

All the assets and liabilities of foreign companies in currencies other than the Euro which are included in the area of consolidation are converted using the exchange rates existing at the reference date of the financial statements. Income and expenses are converted at the average exchange rate. The exchange differences arising from the application of this method are classified under net worth until the disposal of the investment. In preparing the consolidated financial statements we used the average exchange rates to convert the cash flows of foreign subsidiaries.

Goodwill and fair value adjustments generated by the acquisition of a foreign entity are recorded in the relevant currency and are converted using the exchange rate effective at the end of the accounting period. The principal exchange rates used for conversion into Euro of the financial statements of foreign companies at 30th June 2011 were as follows:

Exchange rate	GTQ to EUR	MXN to EUR	PEN to EUR
30.06.2011	11,24	16,99	3,98
Average H1 2011	10,89	16,68	3,89

SHAREHOLDINGS IN OTHER COMPANIES

Shareholdings in other companies constituting financial assets available for sale are measured at fair value, if determinable, and gains and losses arising from changes in fair value are attributed directly to other comprehensive profits (losses) until they are sold or have suffered a loss of value; at that time, the Other comprehensive gains /(losses) previously recognised in the net worth are recognised in the income statement of the period. Shareholdings in other companies for which the fair value is unavailable are stated at cost, less any impairment losses.

Dividends received from these investments are included in Other proceeds (charges) from the management of shareholdings.

BUSINESS COMBINATIONS

Business combinations are recognised using the purchase method *(acquisition method).* According to this method, the amount transferred in a business combination is measured at fair value, calculated as the sum of the fair value of the assets transferred and liabilities assumed by the Group at the date of acquisition and the equity instruments issued in exchange for control over the acquired company. The ancillary costs of the transaction are generally recognised in the income statement when incurred.

As at the date of acquisition, the identifiable assets acquired and liabilities assumed are recorded at fair value as at the acquisition date; the following items are exceptions, which are valued according to their principle of reference:

- Deferred tax assets and liabilities;
- Assets and liabilities for employee benefits;
- Liabilities or instruments of capital related to share-based payments of the acquired company or share-based payments related to the Group issued in replacement of the contracts of the acquired company;
- Assets held for sale and Discontinued Operation.

Goodwill is determined as the difference between the sum of the amounts transferred in the aggregation business, the value of net worth attributable to minority interests and the *fair value* of any investment previously held in the acquiree with respect to the *fair value* of net assets acquired and liabilities assumed at the date of acquisition. If the value of net assets acquired and liabilities assumed at the date of acquisition exceeds the sum of the amounts transferred, the value of net worth attributable to minority interests and the *fair value* of any investment retained in the acquiree, the surplus is recognised immediately in the income statement as a proceed arising from the transaction completed.

The shares of net worth of minority interest, at the acquisition date, can be measured at *fair value* or at the pro-quota value of net assets recognised for the acquired company. The choice of method of assessment is made transaction by transaction.

The amounts subjected to a condition of the business combination contract are measured at *fair value* as at the acquisition date and included in the value of the amounts transferred in the business aggregation for the purpose of determining the goodwill. Any subsequent changes to such *fair value,* which are classified as adjustments arising in the accounting period, are retrospectively included in the goodwill. Changes in *fair value* classified as adjustments arising in the measurement period are those that derive from more information about events and circumstances that existed at the date of acquisition, obtained during the measurement period (which shall not exceed a period of one year from the business combination).
If the initial values of a business combination are incomplete at the closing of the financial statements in which the business combination is completed, the Group reports in its consolidated financial statements the provisional values of the elements that can not be completed the accounting. These provisional values are adjusted during the measurement to take account of new information obtained about facts and circumstances existing at the acquisition date that, if known, would have affected the value of the assets and liabilities recognised on that date.

The business combinations that occurred before 1st January 2010 were counted according to the previous version of IFRS 3.

VALUATION CRITERIA

The accounting principles adopted for drawing up the Consolidated Half-yearly Financial Report as at 30th June 2011 are consistent with those adopted for drawing up the annual consolidated financial statements of the Group for the financial year which closed as at 31st December 2010, 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 acquisition cost is the price paid to acquire the asset. 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 USEFUL LIFE

Goodwill arising from acquisition or merger operations, if the suppositions for the identification of a definite useful life are lacking, is accounted for on the basis of the purchase method in accordance with IFRS 3 and is 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 impairment emerging from the impairment tests are reversed in subsequent periods.

OTHER INTANGIBLE NONCURRENT ASSETS

Other intangible assets, which include development costs, patents and industrial use of intellectual works, by concessions, licenses, trademarks and similar rights and software, are recognised as assets only if all the conditions in IAS 38 are met (the cost can be measured reliably and the technical feasibility of the product, expected volumes and prices indicate that the costs incurred during the development will generate future economic benefits) and valued at cost minus accumulated amortisation, determined on the straight-line basis over the period of expected use, on average, except for specific cases of 3 - 5 years, and any loss 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, with the exception of buildings, are written down at cost, net of accumulated depreciation and losses of value, if any. 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
Buildings	33 years
Plants and machinery	4 - 7 years
Office furnishings and electronic equipment	5 - 8 years
Equipment and motor vehicles	4 - 7 years

The depreciation methods used, the useful lives and residual values are reviewed and redefined at the end of each accounting period to reflect any significant changes that may have occurred.

Industrial buildings are stated at a value periodically reassessed at market value less depreciation and impairment losses (the fair value model). As set forth by the IAS16, the company annually estimates the fair value and then re-evaluates if there is a significant difference with respect to the book value. The revaluation is entrusted to an expert.

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.
If for the accounting of tangible assets it is intended to use the fair value model, revaluations must be made with reference to the current value. Normally, the fair value is the market value of the asset and is made up of the amount for which the property in question can be exchanged with third parties

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.

FINANCIAL LEASING ASSETS

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

The liability to the lessor is included in the financial statements under payables to suppliers, distinguishing the current portion from the non-current portion.

CONTRIBUTIONS

Contributions are accounted for if they exist, regardless 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 and costs already borne or with the aim of giving immediate financial assistance to the body without having future costs 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 devaluation 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 with offset entry 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 3 months) or designated as such from the start;
- Financial assets held to maturity: investments in financial assets with a preset maturity with fixed payments or determinable payments that the Group has the intention and capability 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 as such 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 the revised IFRS 3 (2008), the transaction costs are recorded 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 devaluation 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.

STOCK

Stock was 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.

CONTRACT WORK IN PROGRESS

The contract work in progress lasting more than one year is recorded with the method of the completion percentage. The completion percentage is determined with reference to the ratio between costs borne for jobs underway as at the date of accounting and the total of the costs estimated until completion. Such jobs can be evaluated gross of their relative advance payments (therefore accountable separately under liabilities), or net of the relative advance payments (therefore accounted for only under assets), and valued at industrial cost, consisting of the direct charges, excluding payable interest and general expenses, reduced through appropriate devaluations to take into account the presumed losses upon completion of the job and other possible related risks.

CASH AT BANK AND IN HAND

Cash at bank and in hand consist of short-term investments (generally not longer than three months), easily convertible into considerable amounts of cash and subject to an insignificant risk of changes in value are shown at fair value.

For the purposes of the financial statements, 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 three 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 previous accounting periods for the amount not distributed or set aside in the reserves (in the case of profits) or reprogrammed (in the case of losses), transfers from other assets when freed from the constraints to which they were subjected, and also the effects of accounting for changes in the accounting standards and significant errors.

Comprehensive profit

Following the application of accounting principle IAS 1, paragraph 81/105, the item ‘comprehensive 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 through the Severance Pay Fund (TFR). These benefits fall within the definition of: defined benefits plans determined in the existence and in the amount 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).

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.

CREDIT TRANSFERS

The Group can assign its own trade credits through factoring operations. However, if the assigned credits through factoring do not meet the requirements for elimination set forth by IAS 39, they remain recorded on the financial statements of the Group though they have been legally assigned and are a financial liability of the Group of an equal amount. The profits and losses of the assignment of such assets are calculated on when the assets themselves are removed from the Group's Statement of Assets and Liabilities.

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.

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.

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.

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.

The financial statements of foreign companies have been converted into the presentation currency based on the following procedures:

a) the assets and liabilities, for each financial statements presented, were converted at the exchange rate of the closing date of each financial statements (30th June 2011);
b) the revenues and costs of each income statement were converted using the average exchange rate of the accounting period;
c) all the differences in exchange rate are posted under a specific heading of the net worth.

CONSOLIDATION AREA

The six-monthly management report at 30th June 2011 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
ProSap Group	Spain and Central America
Realtech Italia S.p.A.	
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	(4,547)	41,532	450,393	532,334	52.00%
Exprivia Projects S.p.A.	Roma	242,000	43,730	241,731	2,159,682	3,433,843	100.00%
Expriva SL	Madrid (Spagna)	8,250	88,711	370,817	957,719	992,111	60.00%
Exprivia Solutions S.p.A.	Roma	170,795	464,869	1,244,432	4,551,337	8,137,866	100.00%
GST S.r.l.	Trento	27,500	(156,065)	318,901	717,003	2,035,176	63.20%
Gruppo ProSap	Madrid (Spagna)/Città del Messico/Città del Guatemala/Lima (Perù)	6,384	172,258	806,150	3,611,735	4,089,740	51.12%
Infaber S.r.l.	Molfetta (BA)	110,000	80,699	397,383	697,468	775,404	50.10%
Realtech Italia S.p.A.	Agrete Brianza (MB)	1,520,000	(137,837)	1,305,150	2,798,362	7,236,141	51.00%
Spegea Sc a rl	Bari	125,000	94,556	256,729	953,914	2,989,369	60.00%
Svimservice S.p.A.	Molfetta (BA)	1,548,000	1,482,386	3,675,481	11,157,013	23,321,608	100.00%
Wel.Network S.p.A.	Piacenza	1,500,000	23,269	936,504	5,678,262	8,633,252	100.00%

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

The consolidation area was changed compared to 31st December 2010 due to the acquisition of **Realtech Italia S.p.A** as described in the paragraph **"Significant events in the first half of 2011**".

INFORMATION ON THE CONSOLIDATED STATEMENTS OF ASSETS AND LIABILITIES

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 relative to "**property, plant and machinery**" item amounts to Euro 10,703,822 compared to Euro 10,603,449 at 31st December 2010.

Categories	Historical cost 01/01/11	Inc. per new area of consolid.	Inc.	Dec.	Historical cost at 30/06/11	Reserve prov. at 01/01/11	Reserve prov. new consolid.	Provision for period	Dec.	Cum. prov.	Net value at 30/06/11
Land	247,716	-	-	-	247,716	-	-	-	-	-	247,716
Buildings	7,788,493	-	43,464	-	7,831,957	(1,449,744)	-	(116,691)	-	(1,566,435)	6,265,522
Others	15,287,859	1,327,888	431,895	(34,715)	17,012,928	(11,525,190)	(1,224,900)	(294,667)	34,409	(13,010,348)	4,002,579
Fixed assets in progress	254,315	-	(66,310)	-	188,005	-	-	-	-	-	188,005
TOTAL	*23,578,383*	*1,327,888*	*409,049*	*(34,715)*	*25,280,605*	*(12,974,934)*	*(1,224,900)*	*(411,358)*	*34,409*	*(14,576,783)*	*10,703,822*

The increase of Euro 1,327,888 (gross of the amortisation reserve equalling Euro 1,224,900) is due to the contribution of the company Realtech Italia S.p.A. included in the consolidation area starting from the second quarter 2011.

The variations in **"others"**, equal to Euro 431,895, was mainly attributable to the purchase of electronic office machinery (Euro 300,152), furniture and furnishings (Euro 44,942), plant and machinery (Euro 13,737) and leased assets (Euro 57,124).

GOODWILL AND OTHER ASSETS WITH AN INDEFINITE LIFE

"**Goodwill and other assets with an indefinite life** " showed a balance of Euro 65,968,556 at 30th June 2011 compared to Euro 64,931,863 at 31st December 2010.

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

Categories	Historical cost 01/01/11	Increases	Total historical cost at 30/06/11			Accum. deprec.	Net value at 30/06/11
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	(256,572)	(14,722)	(271,294)	18,360,604
DIFFERENCE FROM CONSOLIDATION	36,002,416	1,107,580	37,109,996	(463,281)	(56,165)	(519,446)	36,590,551
TOTAL	***65,651,716***	***1,107,580***	***66,759,296***	***(719,853)***	***(70,887)***	***(790,740)***	***65,968,556***

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	Previous devaluation at 1/1/11	Devaluation	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		-
ProSap	30/09/10	51.1%	2,610,796	393,691			2,217,105
Network Services Srl	31/10/08	100%	1,328,650	205,350	322,880	56,165	744,255
Realtech Spa	01/04/11	51%	1,620,000	512,420			1,107,580
Reco Sistemi Srl	29/12/05	63.2%	77,500	23,234	54,266		-
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			***47,431,677***	***10,321,781***	***463,181***	***56,165***	***36,590,551***

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 shares against their net worth.

The table below shows the "consolidation difference" with the variations arising at 30th June 2011 compared to 31st December 2010.

Company	30/06/2011	31/12/2010	Variation
Datilog Srl	89,600	89,600.00	-
Exprivia Customer Services Srl	-	-	-
Exprivia Projects S.p.A.	1,334,500	1,334,500	-
Exprivia SL	-	-	-
Exprivia Solutions S.p.A.	512,662	512,662	-
GST S.r.l.	304,577	304,577	-
Infaber Srl	-	-	-
Network Service Srl	744,255	800,420	(56,165)
ProSap	2,217,105	2,217,105	-
Realtech Spa	1,107,580		1,107,580
Reco Sistemi Srl	-	-	-
Spegea Scarl	-	-	-
Svimservice S.p.A.	22,309,289	22,309,289	-
Wel.Network S.p.A.	7,970,984	7,970,984	-
TOTAL	*36,590,551*	*35,539,136*	*1,051,415*

The increase of Euro 1,107,580 concerns the acquisition of the shareholding in **Realtech Italia S.p.A.** as already described in **"Significant events in the first half of 2011"**.

OTHER INTANGIBLE ASSETS

The entry **Other intangible assets** shows a balance, net of amortisation, of Euro 3,997,326 at 30th June 2011 compared to Euro 3,915,834 at 31st December 2010.

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

Categories	Historic cost 01/01/11	Increases at 30/06/11	Variation to consol. of cos	Total historic cost at 30/06/11	Deprec. fund at 01/01/11	Variation to consol. of cos	Deprec. quota for period	Cumulated deprec. 30/06/11	Net value at 30/06/11
Cost of plant and extension	119,588	-	-	119,588	(119,588)	-	-	(119,588)	-
Development of advertising	27,688,567	718,952	-	28,407,519	(24,296,715)	-	(742,060)	(25,038,775)	3,368,745
Patents and Intellectual Property Rights	2,703,649	15,666	-	2,719,315	(2,615,197)	-	(39,972)	(2,655,169)	64,144
Permits, brands	430,250	6,081	-	436,331	(183,614)	-	(10,614)	(194,228)	242,103
Assets under constr. & payment on a/c	-	137,633	-	137,633	-	-	-	-	137,633
Sundries	2,421,220	1,350	10,000	2,432,570	(2,223,589)	(4,373)	(19,908)	(2,247,870)	184,700
TOTAL	*33,363,274*	*879,682*	*10,000*	*34,252,956*	*(29,438,703)*	*(4,373)*	*(812,554)*	*(30,255,630)*	*3,997,326*

The entry "**development costs**" increase to Euro 718,952 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 137,633. This change is mainly due to the development of the Nuovo CUP system.

SHAREHOLDINGS

The balance of the **"Shareholdings"** at 30th June 2011 amounted to Euro 1,844,069 compared to Euro 1,825,285 at 31st December 2010.

The composition of the shareholdings is described below.

Shareholdings in subsidiaries

At 30th June 2011, 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 100% shareholding in Farm Multimedia S.r.l. in liquidation, whose accounting value has been zeroed.

Shareholdings in affiliated companies

The balance of the **"Shareholdings in subsidiaries"** at 30th June 2011 amounted to Euro 175,188 compared to Euro 185,688.

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

Descrizione	30/06/2011	31/12/2010	Variation
Pervoice Srl	139,160	149,660	(10,500)
S2B Soc. Consortile	36,028	36,028	-
TOTALI	***175,188***	***185,688***	***(10,500)***

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.

Shareholdings in other companies

The balance of **"Shareholdings in other companies"** at 30th June 2011 is equal to Euro 1,617,235 compared to Euro 1,587,951 at 31st December 2010.

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

Description	30/06/2011	31/12/2010	Variation
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	1,420,816	1,420,816	-
Consorzio Biogene	1,900	3,000	(1,100)
SELP	100,000	100,000	-
Consorzio Daisy-Net Partecipation	13,939	13,939	-
Cattolica Popolare Soc. Cooperativa	23,491	23,491	-
Banca di Credito Cooperativo	2,461	2,461	-
ENFAPI CONFIND Partecipation	1,033	1,033	-
Consorzio Semantic Valley	1,500	1,500	-
DARe	1,000		1,000
DHITECH	17,000		17,000
DITNE	12,384		12,384
TOTAL	***1,617,235***	***1,587,951***	***29,284***

The Company continues to deem the shareholding in Advanced Computer Systems (ACS) as strategic, for which no long-term loss in value is expected.

OTHER FINANCIAL ASSETS

Receivables to subsidiaries

The balance of **"Receivables to subsidiaries",** at 30th June 2011 was Euro 22,488 compared to Euro 21,488 at 31st December 2010 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 2,100) no longer consolidated since no relevant.

Other receivables

The balance of **"other receivables",** at 30th June 2011 was Euro 231,861 compared to Euro 148,160 at 31st December 2010. The change is reported in the table below.

Description	30/06/2011	31/12/2010	Variation
Credit for call and put	13,333	13,333	-
Long term deposit	175,763	121,056	54,707
Financial recivables	42,765	13,771	28,994
TOTAL	***231,861***	***148,160***	***83,701***

DEFERRED TAX ASSETS

The balance of the **"deferred tax assets"** amounted to Euro 1,363,527 compared to Euro 1,204,410 at 31st December 2010.

CURRENT ASSETS

COMMERCIAL RECEIVABLES AND OTHERS

Receivables to customers

The balance of **"Receivables to customers"**, net of the bad debts provision, amounted to Euro 57,145,697 with respect to Euro 52,004,102 at 31st December 2010.

The following table shows the detail of the accounting entries, including the comparison with 31st December 2010.

Description	30/06/2011	31/12/2010	Variation
To Italian customers	42,262,762	40,369,374	1,893,388
To foreign customers	4,827,949	1,615,890	3,212,059
To public bodies	14,347,749	14,333,104	14,645
S-total receivables to customers	***61,438,460***	***56,318,368***	***5,120,092***
Less: provision for bad debts	(4,292,763)	(4,314,266)	21,503
Total receivables to customers	***57,145,697***	***52,004,102***	***5,141,595***

Receivables to customers were made up as specified below.

Details	30/06/2011	31/12/2010	Variation
To third parties	52,980,736	48,068,440	4,912,295
Invoices for issue to third parties	8,457,724	8,249,928	207,796
TOTAL	***61,438,460***	***56,318,368***	***5,120,092***

Receivables to affiliated companies

The balance of **"receivables to affiliated companies"** was Euro 5,116 compared to Euro 19,894 at 31st December 2010 and refers to a loan granted to the subsidiary G.S.T. S.r.l. to its associated Pervoice S.r.l..

Receivables to parent companies

The balance of **"receivables to parent companies"** was Euro 815,224 compared to Euro 805,992 at 31st December 2010 and refers to a loan granted both to the Parent company (for Euro 224,713) and the subsidiary Exprivia Solutions S.p.A. (for Euro 590,511) to the parent company Abaco Innovazione S.p.A..

Other receivables

The balance of **"Other receivables"** was Euro 10,699,341 compared to Euro 10,667,126 of 31st December 2010.

The Table below shows the movements occurring.

Description	30/06/2011	31/12/2010	Variation
EU/Indep. Province Trento/Regione Lazio contributions	101,954	129,222	(27,268)
Receivables to consortia	929	929	-
Receivables CNOS project	1,304,868	1,304,868	-
Receivables to MIUR	323,330	323,330	-
Receivables Fondimpresa	0	35,050	(35,050)
Receivables to POR Puglia- Pugliatech	1,079,668	1,079,668	-
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	-	202,692	(202,692)
Receivables to s/holders for holdings/spin-offs	19,109	19,109	-
Advances to suppliers for services	216,965	616,272	(399,307)
Sundry credits	208,957	96,125	112,832
Receivables to factoring	546,151	423,775	122,376
Receivables to welfare institutes/INAIL	99,840	9,081	90,760
Receivables to employees	144,368	30,225	114,143
Receivables INPS for CIG	2,084	87,198	(85,114)
Guaranteed securities	101,412	96,385	5,027
Costs pertaining to future years	2,375,029	1,584,439	790,590
TOTAL	***10,699,341***	***10,667,126***	***(198,211)***

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.

Please note that the variation concerning the contribution of L. 488/92 is due to the waiver by Exprivia S.p.A. of the abovementioned contribution.

The item **"costs apportioned to future financial periods"** for Euro 2,375,029, refers mainly to maintenance costs for future financial periods.

Tax receivables

The **"tax receivables"** at 30th June 2011 are Euro 866,177 compared to Euro 1,032,283 at 31st December 2010 and are made up as detailed in the table below.

Description	30/06/2011	31/12/2010	Variation
Receivables to tax a/c - IRES	94,990	42,622	52,368
Receivables to tax a/c - IRAP	31,020	195,201	(164,181)
Tax authority w/holding taxes on interest income	4,534	2,756	1,779
Tax authority deductions on foreign payments	36,777	85,867	(49,090)
Credits to tax authority for VAT	405,898	202,440	203,458
Credits on substitute severance fund tax	17,358	18,860	(1,502)
Credits with tax authority	206,416	51,574	154,841
Advanced Tax Credits	8,064	344,614	(336,550)
Art. 8 tax credits	61,120	88,350	(27,230)
TOTAL	***866,177***	***1,032,283***	***(166,106)***

STOCK

The **"stock"** amounts to Euro 176,233 compared to Euro 187,635 at 31st December 2010 and refers to hardware and software products purchased by the Group companies and to be resold within the next financial periods.

CONTRACT WORK IN PROGRESS

The **"contract work in progress"** amounts to Euro 26,709,702 compared to Euro 19,735,468 at 31st December 2010 and refers to orders of work in progress.

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 4,461,340 at 30th June 2011 compared to Euro 5,381,166 at 31st December 2010.

CURRENT FINANCIAL ASSETS

OTHER SHARES

The **"other shares"** amount to Euro 318 and remain unchanged compared to 31st December 2010.

LIQUIDITY

The **"liquidity"** amounts to Euro 7,501,471 compared to Euro 7,276,753 at 31st December 2010 and is relative to Euro 7,488,840 for current bank balances and Euro 12,631 for cheques and cash.

NET WORTH

SHARE CAPITAL

The fully paid **"Share Capital"** amounts to Euro 26,979,658.16 and is represented by 51,883,958 ordinary shares with a nominal value of Euro 0.52 each and has not changed compared to 31st December 2010.

OWN SHARES

At 30th June 2011 the Parent company does not hold any own shares.

SHARE PREMIUM RESERVE

The **"Share premium reserve"** totalled Euro 18,081,738 at 30th June 2011 and had not varied compared to 31st December 2010.

REVALUATION RESERVE

The **"Revaluation reserve",** at 30th June 2011, totalled Euro 2,907,138 and has not changed compared to 31st December 2010.

OTHER RESERVES

The balance of **"other reserves"** totalled Euro 11,008,828 compared to Euro 7,478,094 at 31st December 2010 and refers to the following:

- Euro 3,021,831 **"legal reserve"**, increased by Euro 2,400,000 compared to 31st December 2010 following the allocation of the result of the Parent Company Exprivia S.p.A. from the previous year, as decided by the Shareholders' Meeting on 28th April 2011;
- Euro 2,091,750 for the **"extraordinary reserve"** compared to Euro 5,373,534 at 31st December 2010. The variation can be attributed, for the increase of Euro 832,992, to the allocation of the 2010 result of the Parent Company Exprivia S.p.A., as resolved by the Shareholders' meeting on 28th April 2011, and for the decrease of Euro 4,114,776, to the allocation of this amount to the collateral reserve for the investment envisaged by the "SDI - Puglia Region Programme Contract" project.
- Euro 5,516,029 **"other reserves"** compared to Euro 1,103,511 of 31st December 2010. The variation of Euro 4,412,518 can be attributed to:
  - Euro 4,114,776 to the **"Puglia Region Programme Contract Investment Reserve"** applicable to the General regulations of the assistance regimes with exemption no. 9 of 26th June 2009 and subsequent amendments and integrations – Title VI "Assistance to the investment programmes promoted by Large Corporations to be granted through Regional Programme Contracts", as resolved by the Shareholders' meeting on 28th April 2011.
  - Euro 297,742 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 1,590,331 at 31st December 2010 to Euro 1,888,073 at 30th June 2011
- 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 31st December 2010;
- 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 31st December 2010;

- 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 31st December 2010;
- 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 31st December 2010.

PROFIT IN PREVIOUS PERIODS

The **profit in previous period** at 30th June 2011 was Euro 6,966,273 compared to Euro 6,243,417 of 31st December 2010.

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

DESCRIPTION	Result to 31/12/201	Sundries	Net Worth at 31/12/2010	Result for period to 30/06/2011	Sundries	Net Worth at 30/06/2011
Exprivia S.p.A.	*5,308,350*	*(425,043)*	*60,754,978*	*4,271,638*	*(1,777,617)*	*63,248,999*
Contribution of subsidiaries	4,641,574		14,944,550	1,981,285		16,925,835
Depreciation and cover for losses of subsidiaries			3,322,000			3,322,000
Elimination capital gain divestment of Exprivia Projects branch/Elimination Svimservice dividends	(3,955,676)		(9,733,135)	(4,111,020)		(13,844,155)
Elimination intercompany licence purchases/Elimination WelNetwork dividends	(1,094,949)		(2,096,340)	(883,502)		(2,979,842)
Elimination capital gain divestment AIS Professional branch			(1,767,655)			(1,767,655)
Elimination "intellectual rights" between Exprivia / Svimservice / Exprivia and / WelNetwork	30,000		30,000	15,000		45,000
Variation in consolidation of companies		453,873	1,164,946		1,101,908	2,266,854
Contribution of third parties to net worth		(430,332)	(829,160)		(396,967)	(1,226,127)
TOTAL GROUP NET WORTH	*4,929,299*	*(401,502)*	*65,790,184*	*1,273,401*	*(1,072,676)*	*65,990,909*

NON-CURRENT LIABILITIES

NON-CURRENT PAYABLES TO BANKS

The balance of **"Non-current payables to banks"** at 30th June 2011 amounted to Euro 23,229,502 compared to Euro 23,031,905 at 31st December 2010, and relates to medium-term financing and mortgages set up with leading credit institutes.

The table below shows the detail of the entries, with the record of the debt divided between the non-current portion (Euro 23,229,502) and the current portion (Euro 8,189,031).

Financial Institute	Type	Contractual amount	Amount distrib. at 30.06.11	Date of contract	Expiry date	Repay-ment date	Rate applied	Residual capital at 30.06.11	To be repaid in 12 mths	To be repaid beyond 12 mths
Banca Nazionale del Lavoro	Finanziamento	18,000,000	18,000,000	30/11/07	30/11/15	semestrale	Euribor 6 mesi + 1,7%	11,571,426	2,571,430	8,999,996
Banca Nazionale del Lavoro	Mutuo	2,400,000	2,400,000	15/10/04	30/09/14	semestrale	Euribor 6 mesi + 1,2%	988,236	282,353	705,883
Banca Nazionale del Lavoro	Finanziamento	950,000	950,000	24/06/11	30/06/14	trimestrale	Euribor 3 mesi + 1,5%	950,000	316,667	633,333
Deteuche Bank	Finanziamento	1,500,000	1,500,000	16/07/09	23/06/13	trimestrale	Euribor 3 mesi + 0,9%	875,000	875,000	
Deteuche Bank	Finanziamento	500,000	500,000	03/12/10	02/06/13	trimestrale	Euribor 3 mesi + 1,2%	468,750	468,750	
MPS Capital Services	Finanziamento	1,783,332	1,480,166	05/08/03	05/08/13	annuale	0.96%	359,483	301,717	57,766
Ministero dell'Università e della Ricerca	Finanziamento	1,430,905	575,698	12/04/07	01/07/16	semestrale	0.50%	865,142	190,559	674,583
Ministero dell'Università e della Ricerca	Finanziamento	2,151,000	1,787,006	27/12/09	27/02/19	annuale	0.87%	1,615,190	173,310	1,441,880
Antonveneta	Finanziamento	5,000,000	5,000,000	04/05/10	10/05/17	mensile	Euribor 3 mesi + 2,5%	4,701,235	733,459	3,967,776
BNP Paribas Lease Group	Finaziamento	548,600	548,600	24/09/10	30/09/12	trimestrale	1.999%	342,875	205,725	137,150
Banco Napoli	Finaziamento	2,000,000	2,000,000	20/05/11	20/05/16	mensile	Euribor 1 mesi + 3,7%	1,970,536	363,147	1,607,389
Credito Emiliano	Finanziamento	1,000,000	1,000,000	04/04/11	04/04/14	mensile	Euribor 2 mesi + 1,7%	946,797	325,200	621,597
MPS	Finanziamento	700,000	700,000	16/02/11	31/07/12	mensile	Euribor 6 mesi + 3,05%	481,433	481,433	
Ministero dell'Università e della Ricerca	Finanziamento	934,900	380,624	10/01/08	01/07/15	semestrale	0.50%	312,195	68,772	243,423
Cassa di Risparmio di Parme e Piacenza	Finanziamento	380,000	380,000	21/01/09	21/10/12	trimestrale	Euribor 3 mesi + 1,375%	148,443	48,799	99,644
Cassa Rurale di Aldeno e Cadine	Finanziamento	300,000	300,000	25/09/07	25/09/13	mensile	Euribor 1 mese + 0,9%	143,580	62,422	81,158
Centrobanca	Finanziamento	2,025,228	1,822,705	28/12/04	05/08/16	annuale	0.96%	1,124,093	190,977	933,116
Cassa Depositi e Prestiti	Finanziamento	1,244,100	1,119,600	27/07/09	30/06/14	semestrale	0.50%	675,166	223,932	451,234
Banca Popolare di Bari	Finanziamento	3,000,000	3,000,000	04/12/09	31/12/14	semestrale	Euribor 6 mesi + 2,5%	2,749,413	774,129	1,975,284
Cajamadrid	Finanziamento	150,000	150,000	17/04/09	25/05/12	mensile	5.679%	57,481		57,481
Cajamadrid	Finanziamento	75,000	75,000	30/04/10	25/05/13	mensile	5.367%	72,059		72,059
TOTAL								*33,418,533*	*8,657,781*	*22,760,752*

Collateral backed loans and new loans set up after 31st December 2010 are shown below.

Medium-Term Financing Contract

On 8th May 2008, Exprivia signed the medium-term financing for a maximum overall amount of Euro 20,500,000.00 (twenty million five hundred thousand/00 Euro) 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 of the 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) to finance the payment of the Svimservice Share Premium and to be repaid by 30th 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 30th November 2015;
3) a revolving line to be used for cash called ‘Revolving Line’ for an overall maximum amount of Euro 2,500,000.00 (two million, five hundred thousand/00) to finance the working capital and the company's general cash needs, which results to be completely repaid at 31st December 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 11/a, 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.

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

Reference date	**Net Financial Indebtedness/EBITDA** *not exceeding*	**Net Financial Indebtedness / Net Worth** *not exceeding*	**Free Cash Flow / Debt Servicing** *not less than*	**Overall investments** *not exceeding*
31.12.2010	2,9	0,7	1,0	3.500
30.06.2011	2,9	0,7	1,0	3.800
31.12.2011	2,6	0,6	1,0	3.800
30.06.2012	2,6	0,6	1,0	3.800
31.12.2012	2,2	0,5	1,0	3.800
30.06.2013	2,2	0,5	1,0	4.200
31.12.2013	2,0	0,5	1,0	4.200
30.06.2014	2,0	0,5	1,0	4.200
31.12.2014	1,8	0,5	1,0	4.200
30.06.2015	1,8	0,5	1,0	4.200
31.12.2015	1,6	0,5	1,0	4.200

These financial parameters on a consolidated basis will be measured every six months by 30th April and 30th September of each year and will refer to the 12 months preceding the 30th June and the 31st 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.

It should noted that on 27th August 2010, by mutual agreement, the Company and the pool of banks headed by BNL have modified the financial parameters of the Medium Term Financing, in line with the new 2010 – 2013 Industrial Plan presented by the Company.

Worth mentioning is that the recognition of the financial parameters carried out on 30th April 2011 with reference to the 12 months prior to 31st December 2010 showed the respect of the covenants.

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 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 in being;
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.

Furthermore, 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-fulfillment (such as the failure to repay the sums supplied or the loss of the benefit of the term) is also considered as non-fulfillment 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-fulfillment of that financing contract could then further result in the acceleration of other loans with cross acceleration or cross default clauses.

Monte Paschi di Siena Loan

Loan of Euro 700,000 signed on 16.02.2011 with disbursement taking place on the same date, and repaid in 17 monthly instalments starting from 31.03.2011 until 31.07.2012.

The rate of interest applied is Euribor 6 months + spread 3.05.

The financing in question is not aided by collateral securities.

Credito Emiliano Loan

Loan of Euro 1,000,000 signed on 04.04.2011 with disbursement taking place on 05.04.2011 and repaid in 36 monthly instalments starting from 04.05.2011 until 04.04.2014.

The rate of interest applied is Euribor 3 months + spread 1.70.

The financing in question is not aided by collateral securities.

Banco di Napoli Loan

Loan of Euro 2,000,000 signed on 20.05.2011 with disbursement taking place on the same date and repaid in 60 monthly instalments starting from 20.06.2011 until 20.05.2016.

The rate of interest applied is Euribor 1 month + 3.70 spread.

The financing in question is not aided by collateral securities.

B.N.L. Loan

Loan of Euro 950,000 signed on 24.06.2011 with disbursement taking place on 28.06.2011 and repaid in 12 monthly instalments starting from 30.09.2011 until 30.06.2014.

The rate of interest applied is Euribor 3 months + spread 1.50.

The financing in question is assisted by the SACE collateral.

OTHER FINANCIAL LIABILITIES

The balance of the **"other financial liabilities"** at 30th June 2011 is equal to Euro 3,417,232 compared to Euro 2,710,020 at 31st December 2010. The table with the details of the entry is found below.

Description	30/06/2011	31/12/2010	Variation
Payables for purchase of investments	1,957,996	1,957,996	-
Trade payables	585,352	650,282	(64,930)
Due to tax and social security	83,281	101,742	(18,461)
Other lenders	790,603		790,603
TOTAL	***3,417,232***	***2,710,020***	***707,212***

PROVISION FOR RISKS AND CHARGES

At **30th June 2011**, the "Provision for risks and charges" was Euro 1,539,869 compared to Euro 2,183,592 of 31st December 2010; the table below shows the composition of the entry in detail:

Description	30/06/2011	31/12/2010	Variation
Fund other risks	21,245	-	21,245
Fund to cover losses	87,027	87,294	(267)
Fund for stock related risks	40,484	542,960	(502,476)
Fund for tax litigation risks	777,692	777,692	
Fund for staff related risks	36,276	48,276	(12,000)
Fund for contribution related risks	371,270	521,495	(150,225)
Fund for tax bill related risks	205,875	205,875	
TOTAL	***1,539,869***	***2,183,592***	***(643,723)***

The provision of Euro 87,027 relating to the **"loss coverage fund"** concerns the subsidiary Farm Multimedia Srl in liquidation (Euro 35,381) and Al Faro Srl in liquidation (Euro 51,646).

The provision of Euro 40,484 relative to **"fund for stock-related risks and work in progress"** refers to possible risks for the final tests of work contracts in progress.

The provision of Euro 777,692 refers to the **"Fund for tax dispute risks",** divided as follows:

- Euro 754,370 for the report on findings issued by the Italian Revenue Police on 18th December 2007, in 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 18th 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 29th December 2008, produced "Notices of assessment" for the years 2002 and 2003 and, on 25th March 2009, for 2004 concerning identical disputes. Against the notices of assessment the company lodged separate claims with the Provincial Tax Commission of Milan, which had first-degree successful hearings on 8.4.2010 and 4.10.2010. Opposing the first-degree ruling for 2002, the Inland Revenue appealed against the ruling with appeal sent to the company on 14.06.2011; the company is now preparing the counterclaims, which will be filed at the Regional Tax Commission, Milan, by the set deadline. For the year 2003 no appeal to the ruling of the Inland Revenue has been received, whose final deadline was on 13.06.2011. For the year 2004 the Inland Revenue appealed against the sentence with an appeal notified to the company on 18.04.2011, for which the counterclaims of the company were filed on 16.06.2011 with the Regional Tax Commission, Milan. Concerning 2005 and 2006, the Inland Revenue of Bari sent, on 30th July 2010, the related notices of assessment and issued payment bills towards Exprivia S.p.A. and jointly the subsidiaries Exprivia Projects S.p.A. and GST S.r.l., for which the companies filed separate appeals with the Provincial Tax Commission of Bari on 10.02.2011 and subsequent memorandums on 31.05.2011.

- 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 18th 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 7th 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 25th 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. The appeal is still pending and the company Wel. Network is absolutely confident of proving their extraneousness to any fraudulent conduct before the court. In December 2010, a notice of assessment was served for 2005 relating to only one of the irregularities already covered by the first notice of assessment. The deadline to present the appeal for the latter assessment is still pending and is being prepared by the professionals in charge. Also for 2005, as per the subsequent year, the company is not involved in any fraudulent conduct and is fully convinced that it can prove the legitimacy of their conduct in competent court offices. 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.

- Please also note that, proceedings in compliance with Legislative Decree 231/01 are pending before the Court of Avezzano regarding Exprivia's presumed indirect liability for conduct imputed to its subsidiary Aisoftw@re Professional Services in liquidation with Italian Tax Police's official tax audit report 383/2006, concerning "Recovery of law 407 facilitation for 2002 – 2005". At the hearing of 23.02.2010 the judge accepted the objection of limitation for all facts prior to September 2004, leaving aside only the charges to Exprivia. Simultaneously, the Preliminary Hearing Judge accepted the plea for nullity of the notice of guarantee lodged by Aisoftw@re Professional due to the lack of warning pursuant to article 57 of Legislative Decree 231/01 arranging for the return of documents to the public prosecutor as far as its jurisdiction is concerned. From this outcome of the hearing dated 23rd February 2010, it should be noted that there was an inexistence of risks, worthy of provision, for Exprivia SpA, given the insignificant value of the sole non-statutory crime equal to 170.00 Euro.

- The provision of Euro 36,276 relating to the "Fund for staff-related risks" refers to allocations made in relation to current disputes with former employees.

- The provision of Euro 371,270 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 205,875, relating to the “fund for tax bill-related risks”, is divided as follows:
  - 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 of 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.
  - Euro 15,875 for the provision of previous years' waste collection tax for which checks are being conducted with the issuing entity;

STAFF-RELATED FUNDS

Severance pay fund

The Severance Pay Fund totalled Euro 8,735,068 compared to Euro 7,743,743 at 31st December 2010. The fund is net of the quotas deposited with the INPS treasury and the relevant Pension Funds.

DEFERRED TAX LIABILITIES

The **“deferred tax fund”** amounted to Euro 1,319,940 compared to Euro 1,332,934 at 31st December 2010.

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 31st December 2010, the basic profit per share was Euro 0.1003 while that per diluted share was Euro 0.1030. At 30th June 2011 the basic profit per share and the diluted profit were Euro 0.0248.

Profits (Euro)	30/06/2011
Profits for determining basic earnings per share (Net profit due to shareholders of parent company)	1,286,980
Profit for determining the earnings per basic share	1,286,980
Number of shares	**30/06/2011**
Number of ordinary shares at 1 January 2008	51,883,958
Average weighted number ordinary shares for calculation of basic profit	51,883,958
Earnings per share (Euro)	**30/06/2011**
Profit (loss) per basic share	0.0248
Diluted earnings (loss) per share (*)	0.0248

CURRENT LIABILITIES

CURRENT PAYABLES TO BANKS

"Current payables to banks" amount to Euro 29,097,340 compared to Euro 24,002,467 at 31st December 2010 and refer to payables for loans and mortgages and current account debts with leading credit institutes.

PAYABLES TO SUPPLIERS

"Payables to suppliers" amount to Euro 15,721,169 compared to Euro 11,382,040 at 31st December 2010.

ADVANCES ON CONTRACT WORK IN PROGRESS

Advances

The entry **"advances"** at 30th June 2011 amounted to Euro 4,461,340 compared to Euro 5,381,166 at 31st December 2010.

OTHER FINANCIAL LIABILITIES

Amounts owed to associated companies

The balance of the entry **"amounts owed to associated companies"** is equal to Euro 19,401 compared to Euro 18,079 at 31st December 2010, and refers to the debt to the associated company Pervoice S.p.A..

Amounts owed to others

The balance of the entry **"amounts owed to others"** amounts to Euro 6,200,123 compared to Euro 7,035,483 at 31st December 2010; the table with the details of the entry is found below:

Description	30/06/2011	31/12/2010	Variation
Derived products	207,988	366,907	(158,919)
Payables to partners	270,704	100,000	170,704
Payables to other lender	460,780		460,780
PIA Innovazione advance	1,341,445	1,341,445	-
CNOS project advance	1,174,378	525,377	649,001
POR Puglia advance	1,000,328	1,000,328	-
Payables to factoring	1,569,212	3,526,138	(1,956,926)
FAR ICT project advance	175,288	175,288	-
TOTAL	***6,200,123***	***7,035,483***	***(835,360)***

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 30th June 2011. The net positive accounting effect in the first half of 2011 equals Euro 158,919.

Banks	Date	Expiry	Operation	Notional amount	Value Mark to market at 30/06/2011	Variation
Unicredit	27/11/2008	30/11/2015	IRS	1,902,500	947	(1,164)
Banco di Napoli	19/01/2007	23/01/2012	IRS	2,000,000	(45,911)	62,412
B.N.L.	30/11/2008	30/11/2015	IRS	3,841,500	(163,024)	97,671
Total					***(207,988)***	***158,919***

AMOUNTS OWED TO THE TAX ADMINISTRATION

The balance of the entry **"amounts owed to the tax administration"** amounts to Euro 10,189,139 compared to Euro 8,801,872 at 31st December 2010, the following table shows a breakdown of the entry compared with the data from the previous financial period.

Description	30/06/2011	31/12/2010	Variation
Payables to tax authority for VAT	4,375,682	4,200,829	174,852
Payables to tax authority for IRAP	1,331,133	373,448	957,685
Payables to tax authority for IRES	2,891,520	2,480,641	410,879
Payables to tax authority for IRPEF employees	962,103	1,110,195	(148,093)
Payables to tax authority for IRPEF freelance workers	52,332	51,800	531
Payables Debiti verso Erario per tassazione straordinari	-	15,107	(15,107)
Payables to tax authority for IRPEF collaborators	40,542	32,031	8,511
Payables to tax authority	216,346	248,167	(31,821)
Payables to tax authority for IRPEF severance fund	59,606	74,094	(14,488)
Payables to tax authority for Regional and Municipal add	43,637	5,438	38,199
Payables to tax authority for refuse taxes	1,190	1,190	-
Payables to tax authority for interest and penalties	215,049	208,932	6,117
TOTAL	***10,189,139***	***8,801,872***	***1,387,267***

OTHER CURRENT LIABILITIES

Payables to welfare and social security institutes

The balance of the entry **"payables to welfare and social security institutes"** is equal to Euro 3,786,811; the table below shows the movements occurring during the period compared with those at 31st December 2010:

Description	30/06/2011	31/12/2010	Variation
INPS with contributions	2,371,360	2,438,699	(67,339)
Payables to pension funds	175,941	159,423	16,518
PREVINDAI-FASI-ALDAI-INPDAI-FASDAPI-PREVINDAPI	53,593	58,157	(4,564)
Contributions on accrued holiday pay and year-end bonus	1,072,814	657,975	414,840
INAIL with contributions	113,103	23,277	89,825
TOTAL	***3,786,811***	***3,337,532***	***449,279***

Other payables

The balance of the entry **"other payables"** amounts to Euro 13,116,957 and the table below highlights the variations occurring during the period compared with that of 31st December 2010:

Description	30/06/2011	31/12/2010	Variation
Payables to employees/collaborators for expenses	62,471	20,518	41,952
Directors' pay for settlement	168,488	32,705	135,783
Employees/Collaborators for fees accrued	3,164,300	3,355,899	(191,599)
Debts to purchase shareholdings	627,910	14,273	613,637
Payables for the purchase of company branches	-	31,540	(31,540)
Accrued holidays, festivities, summer & yr-end bonuses	4,832,512	3,300,900	1,531,612
Payables to associations	17,852	16,844	1,008
Payables to partners for bids	84,656	222,361	(137,705)
Sundry payables	451,316	273,606	177,710
Interest and other costs of excercise	243,962	263,502	(19,540)
Maintenance/services/contributions competence in future years	3,463,490	3,267,733	195,757
TOTAL	*13,116,957*	*10,799,882*	*2,317,075*

Please note that the item “payables for the purchase of shares” includes Euro 450,000.00 related to the earn out value of the shareholding in Realtech S.p.A.

INFORMATION ON THE PROFIT AND LOSS ACCOUNT

We will explain in detail all the entries of costs and revenues making up the Profit and loss account, which was drawn up according to the international accounting principles (IAS/IFRS) concerning the first half of the year 2011 compared to the same period of the previous year.

PRODUCTION REVENUES

REVENUES

The **revenues from sales and services** in the first half of 2011 equal Euro 46,075,910 compared to Euro 37,124,921 of the first half of 2010. See the paragraph **"The Trend in Exprivia group results**" in the Interim Report on Group Management for details and relative information per area of business on revenues from 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 46,075,910) are reported below, inclusive of the variations in stocks of work in progress (Euro – 11,402) and contracts in progress (Euro 6,922,484) regarding the first half of 2011, compared to the data of the first half of 2010 and broken down by type of asset (values in K Euro).

Group Exprivia (value in K €)	30/06/2011	30/06/2010	Variation %
Projects and services	44,832	35,254	27%
Maintenance	5,214	3,586	45%
HW/SW third parties	1,071	3,896	-73%
Own licences	957	2,590	-63%
Other	913	1,123	-19%
Total	**52,987**	**46,449**	**14%**

The details of the revenues and the changes in work in progress for the first half of 2011 are reported below, compared with the data of the first half of 2010 and broken down by business area (values in K Euro).

Group Exprivia (value in K €)	30/06/2011	30/06/2010	Variation %
BL Bank, Finance e Insurance	5,504	4,689	17%
BL Industry & Media	7,795	6,490	20%
BL Government, Trasports & Utilities	10,870	7,153	52%
BL Oil, Gas & Telco	6,579	5,641	17%
BL Health and Local Bodies	17,067	20,667	-17%
Spain and Centre America Area	*4,259*	*686*	*521%*
Other	*913*	*1,123*	*-19%*
Total	**52,987**	**46,449**	**14%**

OTHER INCOME

OTHER REVENUES AND INCOME

In the first half of 2011, **"other revenues and income"**, amounted to Euro 1,625,565 compared to Euro 690,203 for the same period in the previous year. The table below shows the details of the entries.

Description	H1 2011	H1 2010	Variation
Contingency assets	1,559,910	406,819	1,153,091
Penalty on customer/damages	8,000	-	8,000
Rental income with subsidiary company	1,979	27,097	(25,119)
Travel expenses to be charged to clients	-	6,637	(6,637)
Other revenue	10,522	219,341	(208,819)
Pay in lieu of notice	12,252	-	12,252
Income from assignment of vehicles to staff	32,892	27,109	5,783
capital gains	11	3,200	(3,189)
TOTAL	*1,625,565*	*690,203*	*935,362*

Revenue grants

The **"revenue grants"**, in the first half of 2011 amounted to Euro 436,110 compared to Euro 286,723 of the first half of 2010 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 2011 totalled Euro -11,402, compared to Euro -72,710 in the same period of the previous accounting year.

Variations in contract work in progress

The balance of **"variation in contract work in progress"** in the first half of 2011 amounts to Euro 6,922,484 compared to Euro 9,396,613 of the same period in 2010.

Increases in fixed investments for internal work

The balance of **"increases in fixed investments for internal work"** in the first half of 2011 was Euro 856,583 compared to Euro 847,477 in the first half of 2010. It refers to costs incurred during the period for the development of projects in the banking sector (Euro 207,182) and the healthcare sector (Euro 511,768).

PRODUCTION COSTS

RAW AND SUBSIDIARY MATERIALS, CONSUMABLES AND GOODS

The balance of **"raw and subsidiary materials, consumables and goods"** in the first half of 2011 totalled Euro 3,343,027 compared to Euro 4,642,760 in the same period of the previous year. The table below shows the details of the entries.

Description	H1 2011	H1 2010	Variation
Purchase of HW-SW products	2,063,143	4,108,465	(2,045,321)
Purchase of HW-SW maintenance	463,893	286,967	176,926
Purchase of equipment for plant	-	49,415	(49,415)
Stationery and consumables	52,487	60,731	(8,244)
Fuel and oil	112,702	59,679	53,023
Transport and freight rates on purchases	2,521	2,668	(147)
Purchase of sundries	56,938	21,721	35,217
Warranty services on our customers activities	591,343	53,115	538,228
TOTAL	***3,343,027***	***4,642,760***	***(1,299,733)***

STAFF COSTS

In the first half of 2011, the balance of **"staff costs"** amounts to Euro 32,980,094 compared to Euro 27,448,355 for the first half of 2010. The table below gives the details of this entry.

Description	H1 2011	H1 2010	Variation
Salaries and wages	24,675,667	20,518,530	4,157,137
Social charges	6,397,447	5,336,539	1,060,908
Severance Pay	1,466,723	1,232,420	234,303
Other staff costs	440,257	360,866	79,391
TOTAL	***32,980,094***	***27,448,355***	***5,531,739***

The number of staff in the group as at 30th June 2011 was 1,658, of whom 1,580 were employees and 78 collaborators, compared to 30th June 2010 when this figure equalled 1,265 (1,199 employees and 66 collaborators).

OTHER COSTS

Other costs for services

The consolidated balance of the entry **"other costs for services"** in the first half of 2011 totalled Euro 11,549,326 compared to Euro 8,513,275 in the first half of 2010. A table with the details of the entries is shown below:

Description	H1 2011	H1 2010	Variation
Technical and commercial consultancy	4,643,959	3,428,826	1,215,133
Administrative/company/legal consultancy	549,183	302,904	246,278
Consultancy to subsidiary companies	-	28,000	(28,000)
Data processing service	703,948	575,745	128,203
Auditors' fees	189,736	129,763	59,974
Travel and transfer expenses	1,881,012	1,396,870	484,141
Other staff costs	142,393	151,512	(9,119)
Utilities	585,946	520,621	65,325
Advertising and agency expenses	262,114	188,943	73,172
HW and SW maintenance	279,151	407,954	(128,803)
Insurance	162,289	146,143	16,146
Costs of temporary staff	1,440,422	617,794	822,628
Other costs	709,174	618,199	90,974
TOTAL	***11,549,326***	***8,513,275***	***3,036,052***

Costs for leased assets

The consolidated balance of **"costs for leased assets"** in the first half of 2011 totalled Euro 1,551,079 compared to Euro 1,118,122 in the same period of the previous accounting year. The details of the entries are shown in the table below:

Description	H1 2011	H1 2010	Variation
Rental expenses	685,815	447,755	238,060
Car rental/leasing	490,971	308,978	181,993
Rental of other assets	10,589	45,508	(34,919)
Royalties	30,757	59,015	(28,258)
Leasing payments	332,947	256,867	76,080
TOTAL	***1,551,079***	***1,118,122***	***432,956***

Sundry management charges

The consolidated balance of **"sundry management charges"** in the first half of 2011 totalled Euro 704,707 compared to Euro 632,768 in the first half of 2010. A table with the details of the entries is shown below.

Description	H1 2011	H1 2010	Variation
Annual subscriptions	61,891	43,915	17,976
Books and magazines	16,208	24,184	(7,976)
Taxes	83,439	87,973	(4,534)
Stamp duty	27,047	22,789	4,258
Penalties and fines	17,993	25,819	(7,826)
Charitable donations	300	27,001	(26,701)
Contingency liabilities	136,889	221,402	(84,513)
Bank charges and commissions	151,368	146,544	4,824
Sundry expenses	206,719	33,141	173,578
Capital losses on disposals	2,853	-	2,853
TOTAL	***704,707***	***632,768***	***71,939***

STOCK AND PROVISIONS

The consolidated balance of **"inventories and provisions"** in the first half of 2011 amounted to Euro 46,285 compared to Euro 38,010 of the first half of 2010 and refers to the risk provision for any missing payments of contributions following final tests on research projects.

AMORTISATION AND DEPRECIATION

Amortisation

The **"amortisation**" amounts to Euro 1,229,817 compared to Euro 1,200,378 for the first half of 2010 and refers to Euro 818,536 relative to the amortisation of intangible assets and Euro 411,281 relative to 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 devaluation of fixed assets

The **"other devaluation of fixed assets**" amounts to Euro 56,165 compared to Euro 58,165 for the first half of 2010.

Current receivables write-down

The balance of **"devaluation"** amounted to Euro 110,543, compared to Euro 51,681 of the first half of 2010 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 half of 2011 totalled Euro 8,232 compared to Euro 6,294 of the first half of 2010 and refers to the interest paid by Abaco Innovazione to Exprivia Solutions S.p.A. for current financing.

Other financial income

The balance of the entry **"Revenue from other companies"** in the first half of 2011 totalled Euro 168,409 compared to Euro 5,835 in the same period of 2010. A table with the details of the entry is shown below.

Description	H1 2011	H1 2010	Variation
Bank interest receivable	6,547	4,980	1,567
Revenues from financial derivatives	158,919	-	158,919
Interest income from securities	23	136	(113)
Other interest income	2,321	340	1,981
Rounding up of assets	599	379	220
TOTAL	***168,409***	***5,835***	***162,574***

Interest and other financial charges

The balance of **"Interest and other financial charges"** in the first half of 2011 totalled Euro 993,684 compared to Euro 902,452 in the same period of the previous accounting year. The details of the entries are shown in the table below.

Description	H1 2011	H1 2010	Variation
Bank interest payable	406,357	328,264	78,092
Interest on loans and mortgages	390,919	357,608	33,311
Sundry interest	139,421	127,217	12,204
Charges on financial products and sundry items	56,678	89,165	(32,487)
Rounding up/down	309	197	112
TOTAL	***993,684***	***902,452***	***91,232***

Profits on foreign exchange

In the first half of 2011 **"profits on foreign exchange"** equal to Euro 7,727 were recorded compared to Euro 21,842 of the first half of 2010.

INCOME TAX

In the first half of 2011, **"income tax"** amounted to Euro 2,251,490 compared to Euro 2,096,484 of the first half of 2010 and refers to the provisions for taxes, of which Euro 746,652 for IRES, Euro 1,150,181 for IRAP, Euro 65,836 for deferred taxes, Euro 288,821 for taxes paid in advance.

PROFIT (LOSS) FOR THE PERIOD

The Profit and Loss Account for the first half of 2011 closed with a consolidated profit, after tax, of Euro 1,273,401.

INFORMATION ON THE CASH FLOW STATEMENT

At 30th June 2011 **the Consolidated Net Financial Position** equalled Euro -44.8 million compared to Euro –39.8 million as at 31st December 2010, 52% of which relates to medium to long term debts and subsidised loans. Total financial debt increased by Euro 5 million mainly due to the loan to acquire Realtech SpA for Euro 0.8 million, investments in ProSAP for Euro 0.65 million and the increase in contract work in progress for Euro 7.0 million as well as the positive contribution from ordinary management.

CERTIFICATION OF THE HALF-YEARLY REPORT PURSUANT TO ARTICLE 81-TER AND CONSOB REGULATION NO. 11971 DATED 14TH MAY 1999 AND SUBSEQUENT AMENDMENTS AND INTEGRATIONS

The undersigned Domenico Favuzzi, president and managing director, and Donato Dalbis, 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 no. 58 of 24th February 1998:

- 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 30th June 2011.

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

a) correspond 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, 4th August 2011

Chairman and Managing Director

(Mr. Domenico Favuzzi)

The Executive in charge of drawing up the company accounts

(Mr. Donato Dalbis)

REPORT BY THE BOARD OF AUDITORS ON THE INTERIM REPORT OF THE EXPRIVIA GROUP AT 30TH JUNE 2011

Dear Shareholders,

The following considerations were made pursuant to the Issuer Regulations while perfecting CONSOB resolution no. 11971 of 14th May 1999 and subsequent amendments and integrations.

The Board acknowledges to have received, in compliance with the term set by art. 2428, paragraph 3, of the Italian civil code, the interim report on operations in the first half of 2011 for the Exprivia group, approved by the Board of Directors on 4th August 2011.

On this point the following considerations are made:

- During the period reflected in the financial statements drawn up by the company on 30/06/2011, we have carried out the supervisory work set by law, according to the principles of conduct of the Board of Auditors approved by the National Board of Certified Accountants and Bookkeepers.
- The interim half-yearly report is prepared, as set forth by the mentioned CONSOB resolution regulation, in compliance with the specific provisions of the same regulation, as well as the financial standards concerning financial statements.
- To prepare the final consolidated financial statements of the parent company for the first six months of 2011, accounting criteria and consolidation principles were used that are homogeneous to those adopted for the financial statements, in consideration of the adjustments necessary for the half-yearly data. The directors prepared the report in compliance with international accounting standards.
- The statements of the balance sheet and the income statement adopted for the account schedules contained in the half-yearly report comply with the regulatory provisions issued by CONSOB.

Please note that the consolidation area has changed compared to 31/12/2010, due to the purchase by Exprivia S.p.A. of: Realtech Italia s.p.a. acquired with deed on 31.05.2011, limiting the consolidation to the second quarter 2011 for a percentage equal to 51 %.

- Concerning the comments on management, the information provided is complete and consistent with the provisions of the mentioned CONSOB resolution. The most important economic, financial and capital operations performed by Exprivia S.p.A. during the first half of 2011 were periodically and fully advised to the Board of Auditors by the directors. These operations are analytically described in the Interim Management Report prepared by the Directors, which should be referred to for further details. The management report also shows the important events after 31/12/2010, which are briefly reported below:
- On 31st May 2011 Exprivia S.p.A. purchased 51% of Realtech Italia S.p.a.;
- Events after the closure of the Financial Statements as at 30/06/2011:

On 25th July 2011, with deed by the Notary Capruzzi di Milano, 100% of Sispa S.r.l. was purchased. This is a company located in Milan and specialised in IT systems for financial institutes.

- The constantly evolving administrative-accounting organisation and internal control system are considered to be adequate for the Group's needs and reliable for a fair representation of the management facts.
- The Board of Auditors was informed of and supervised, within the limits of its responsibility, the respect for the principles of correct administration through direct observations, participation in board, Internal Control Committee and Remuneration Committee meetings, the collection of information from company managers and meetings with managers of the auditing company for the purposes of a mutual exchange of data and important information.
- The half-yearly report was submitted to limited auditing by the auditing company PKF Italia S.p.A., which issued its report on 24th August 2011. Based on the information exchanged among the control bodies, the auditors have found that no elements have been brought to their attention that make them believe that the consolidated half-yearly report of the company was not prepared in all of its significant aspects, in compliance with the accounting standard applicable to interim financial reports (IAS 34). The Auditing company will limit itself to making reference to this information in continuity with the data already present in the Report on the Financial Statements 31/12/2010.

Considering the above, the Board of Auditors, pursuant to the mentioned CONSOB resolution, does not deem it necessary to make additional considerations, other than those above, on the half-yearly report at 30th June 2011.

Molfetta, 25th August 2011.

The Board of Auditors

The Chairman
Renato Beltrami