



**Interim Management Report at  
31st March 2011**

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## Corporate bodies

### Board of Directors

At 31st March 2011, the Board of Directors, whose term of office expired with the approval of the 2010 financial statements, 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 Dalloiso	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 which, at the date of approving this Report, 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 Dalloiso	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

<b>BoD Member</b>	<b>Office held</b>	<b>Executive/ Non Executive</b>	<b>Place and date of birth</b>
Giorgio De Porcellinis	Independent director *	Non-executive	Milan 21/01/1948
Carla Chiara Santarsiero	Director	Non-executive	Avigliano (PZ) 12/08/1952

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

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 consisted of 9 members.

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 limitations of any kind, since any task that is not specifically assigned to the resolutions of the shareholders' meetings is its responsibility. (See Corporate Governance).

## **Board of Auditors**

At 31st March 2011, the Board of Auditors, whose term of office expired with the approval of the 2010 financial statements, is made up as follows:

<b>Auditor</b>	<b>Office held</b>	<b>Place and date of birth</b>
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

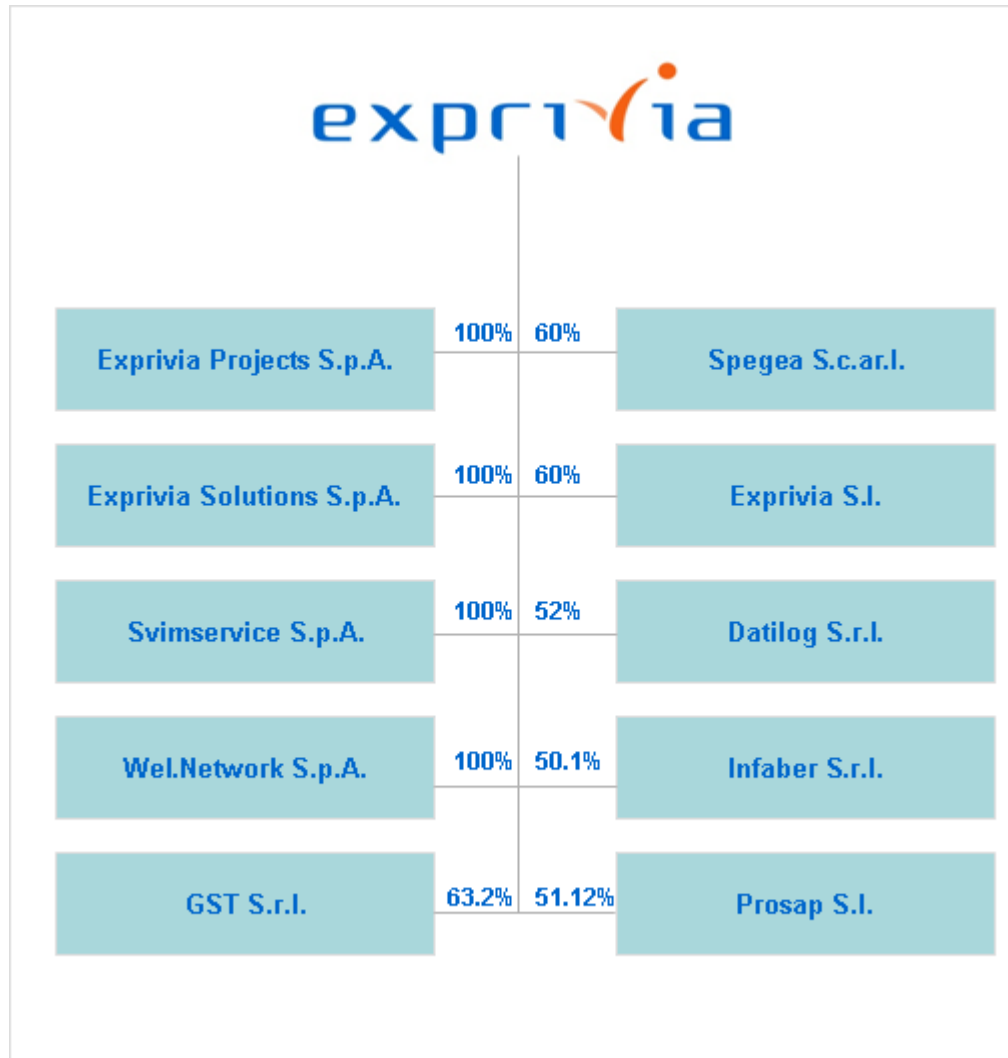
**Exprivia S.p.A.** bases its success on a wealth of skills and experience gained from more than 25 years of constantly working in Information Technology for banks and financial institutions, industry, energy, telecommunications, utilities, public administration and healthcare.

**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 1400 people distributed among the head office in Molfetta (BA) and offices in Milan, Rome, Piacenza, Trento, Bari, Vicenza, Genoa) and abroad (Spain, Mexico and Guatemala).

### The Group



## **Subsidiaries**

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

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

**Svimservice S.p.A.**, is wholly owned by Exprivia and is based in Bari; it has a share capital of Euro 1,548,000.00 fully paid-up. It has become established as a leading ICT company in the sector of IT for healthcare applications. This company stands out for its expansion, geographical diversification of the customer portfolio and an offer of development and management services for IT healthcare applications that is based on proprietary solutions and web-oriented technologies, in addition to IT systems and software applications for the local public administration (LPA).

**Wel.Network S.p.A.**, 100% owned by Exprivia, is based in Piacenza and has a share capital of Euro 1,500,000.00 fully paid-up. It has gained considerable experience in many sectors that are typical of the IT world. In recent years, it has particularly focused on professional services distributed on SAP applications with particular penetration of the Industrial and Oil & Gas sectors. This activity is accompanied by the conspicuous resale of third party software 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 SI** (Spain) is a company set up in Madrid in April 2008. It is a start-up business for the development of IT solutions and systems for the Health sector in the Spanish market. In July 2008, Exprivia S.p.A. acquired a 60% majority holding by underwriting a capital increase.

**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%.

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 fulfilment of the programme contract set out in the 2000-2006 POR Puglia notice.

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

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

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



## The Exprivia business model

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
-  Infrastructure Management Services
-  Business Process Outsourcing
-  Capital Market
-  Web and Mobile Applications

## 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

Due to its twenty years in the healthcare and a customer base of over 200 public hospitals and private clinics, today Exprivia is one of the leading players in the Italian Healthcare and Local Authorities marketplace.

Exprivia's vast array of applications provides a complete range of solutions, meeting the needs of the healthcare market, all the way from **regional** government (Regions, Regional Bodies), and **local assistance** provided by the Local Health Institutes and **hospital services** (Hospitals and Clinics, both private and public).

At a **regional level** the Exprivia group has in-depth knowledge of the organisational and management issues affecting the healthcare system, after completely computerising the Apulian Regional administration's healthcare system (over 4 million patients) in a system known as SISR, run by our subsidiary Svimservice. Again through Svimservice, Exprivia is setting up an IT system in Apulia dedicated to primary assistance and to creating a network for family doctors and paediatrician.

The solutions offered by Exprivia bring together all of the main players in the regional healthcare system into one single circuit, from health authorities to family doctors and accredited private clinics, also providing online services to the public.

For **Health Authorities and Hospitals** Exprivia has a complete product range called the Aurora Hospital Information System which manages the entire patient clinical/healthcare process for inpatients at healthcare facilities. The system is currently implemented throughout Italy, with installations in various prestigious institutes and clinics in Lombardy, Veneto, Tuscany, Emilia Romagna, Liguria and Piedmont.

In the **diagnostic imaging sector** Exprivia has over a decade of experience working on RIS and PACS, which today has grown into the most complete suite of software products for diagnostic imaging services.

In this sector, Exprivia has installed a number of complete and integrated information systems, not only for Radiology Services, but also for Endoscopy, Gynaecology and Obstetrics, IVF and Cardiology.

Exprivia has also created inter-authority teleconsultation systems, which can be used in vast areas (neurosurgical teleconsultation over most of north-eastern Italy, from Padua to Verona, Trento and Alto Adige), thus acquiring unique experience in providing support via ICT technologies for diagnostic processes and for clinical and diagnostic information sharing.

Through its subsidiary GST, Exprivia offers the best voice recognition technology for reporting available in Italy, with over 4000 reporting workstations active throughout the country.

The adoption of international standards (such as HL7, IHE, DICOM), co-operation via web service, and development using the J2EE platform make the whole Exprivia healthcare suite extremely innovative and easy to integrate with all existing information systems in healthcare facilities.

## Banks and Financial Institutions

Exprivia has worked in banks for 25 years, providing innovative projects and solutions that, ahead of the market, were often later confirmed by real application trends.

Exprivia's offer of products and solutions focuses on Credit, Finance and Multi-channels as well as a wide range of services supporting the operating management of IT systems.

The range supporting the **credit screening, disbursement and monitoring processes** consists of two main components: the **decision support systems for the automatic measurement of the credit risk**, that integrate the ratings with functions for the automatic generation of a comment in natural language and the **solutions supporting the operating processes**, such as the resolution and its subsequent monitoring. The offer in this field is complemented by **Business Intelligence and Managerial Reporting products** that collect and organise, according to various drivers, the data generated and/or archived by the application solutions mentioned above, thus widening the usage possibilities. The modular and flexible architecture ensures the possibility for individual solutions to stand alone and, as an alternative, to be easily integrated with third-party solutions.

In **Finance** Exprivia supports its customers in the rapidly evolving business through the optimisation of trading room operations with software and hardware services and solutions. Exceptional elements of the Exprivia range are not represented by the two **Murex Competence Centres**, located in Milan and Molfetta, and by the **Multimedia Competence Centre**.

In particular, concerning Murex, Exprivia provides system design, configuration, integration, upgrade and application management services 24/7 on MXG2000 and MX.3 platforms. Furthermore, in its capacity as a certified Murex business partner, today Exprivia is one of the few companies that can help customers in the delicate process of migration from MXG2000 to MX.3.

Concerning the multimedia arena, Exprivia proposes solutions to optimize and rationalize workstations of deal rooms, that is insuring a reduction of TCO

In the area of **Multichannel services**, more specifically for the processes of marketing, sales and customer service, we offer specialised services in the **web 2.0** environment, create solutions based on the Deep Knowledge proprietary **semantic engine** to support **marketing** and **CRM** as well as solutions for **mobile payments**.

Finally, the range that supports the **operating management** proposes a **complete range of services** able to meet all the business continuity needs of institutions, provided through various service models, including **near shoring**, thereby guaranteeing quality and reliability at extremely competitive costs. In addition, specific solutions are available, such as the **secure management of privileged users** as well as the proprietary solutions aiming to optimize service management (Help Desk tracking, etc.).

## Industry and Media

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

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

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

## Oil, Gas and Telecom

Thanks to the acquisition of Wel.Network, the Oil, Gas and Telecom Business Line was set up in the third quarter 2009. It specialises in the specific scope of the processes of the extraction, transport, storage, refining and distribution of petroleum and natural gas.

In this market, Exprivia offers ERP and ExtendedERP, mainly focusing on the sector verticalisation of the SAP platform, and a transversal offer on the EAI, Enterprise Content Management ("ECM") platforms.



In the Telecommunications sector, in addition to providing an ERP and Business Intelligence (BI) offer, Exprivia is able to supply 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 operation-support systems. Particularly in the business sphere, Exprivia has gained experience and design skills related to CRM and billing/invoicing systems for the configuration and management of provisioning, order management, testing and quality control systems, while in the second environment, Exprivia has designed and created solutions for the efficient management of network infrastructures, remote database management, configuration management, network management and performance analysis.

## CPA, Transport & Utilities

The CPA, Transport & Utilities Business Line addresses the different market segments by offering vertical solutions for specific themes within the sector.

The Exprivia offer **for the Public sector** in particular concerns the supply of solutions and services for the management and evolution of IT systems supporting internal processes, as well as innovation programs focusing on the needs of businesses and citizens as part of the e-Government plan.

The offer for **the Transport and Utilities sector** is focused on the supply of solutions and services for:

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

## Trend in the results of the Exprivia group

The trend of the **revenues by business area** showed a growth in all the markets except for Health and Local Bodies.

Group Exprivia (value in K €)	31/03/2011	31/03/2010	Var %
BL Bank, Finance & Insurance	2,357	2,328	1%
BL Industry & Media	3,215	3,003	7%
BL Government, Trasports & Utilities	4,007	3,655	10%
BL Oil, Gas & Telco	2,893	2,798	3%
BL Health and Local Bodies	8,343	11,310	-26%
Spain and Centre America Area	1,982	298	565%
Other	458	503	-9%
<b>Total</b>	<b>23,256</b>	<b>23,895</b>	<b>-3%</b>

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

Group Exprivia (value in K €)	31/03/2011	31/03/2010	Variazioni %
Projects and services	19,518	17,803	10%
Maintenance	2,298	1,349	70%
Third party HW/SW	571	2,948	-81%
Proprietary licences	410	1,292	-68%
Other	458	503	-9%
<b>Total</b>	<b>23,256</b>	<b>23,895</b>	<b>-3%</b>

### BANKING, FINANCE AND INSURANCE

For the Business Line **Banks, Finance and Insurance**, the first quarter of 2011 confirmed the work started in the previous quarters, with revenues equal to about Euro 2.35 million, basically in line with the same period of 2010.

The result was obtained from already acquired customers, thus consolidating the operating support and application maintenance activities, and also by starting new significant relationships. Within the IT services for finance, thanks to the ever more consolidated partnership with Murex, the initial migration to the new release has begun, and also new integration projects were started. As part of IT services for receivables, market development activities led to the acquisition of two new customers, one in Italy and the other in Moldavia, confirming the effectiveness of the Global Credit Management proprietary platform for the needs of the Italian market and the Central Eastern European markets.

The solutions were customised and completed for the secure management of privileged passwords sold at the end of 2010; in the multi-channel field, at the end of March, the new Exprivia mobile payment "pay4any" range was presented at the 7th ABILAB forum, awarded by the banks as the most innovative of the Innovation LAB section.

## INDUSTRY AND MEDIA

The Business Line **Industry and Media** began to grow in the first quarter 2011 compared to the same quarter of 2010; revenues record an additional 7% in line with the budget forecast.

The first months of the year were characterised by the delivery of the projects and services acquired at the end of last year, among which worth mentioning are the implementation of SAP EWM at Natuzzi and the management of the Application Management of Prenatal's IT system.

Commercial successes were also obtained in the SME market, with ERP solutions and design services aimed at the vertical industrial sector of the Customer.

Complementing the application range, also Exprivia's positioning became consolidated within infrastructural services, in particular for the supply of remote management services.

The Defence industry continues the positive trend of growing revenues, confirming the quality of the proposed solutions and the skills expressed by the team of specialised resources.

As hypothesised in the three-year industrial plan for the industrial market, already from the first quarter of 2011 the area of Triveneto, which is important for the high concentration of industry, was focused on, with a dedicated commercial presence.

## CPA, TRANSPORT & UTILITIES

The Business Line **Public Administration, Transportation and Utilities** confirms the volumes budgeted in the first quarter of 2011, with a revenue volume of about Euro 4 million, 10% more than the same period of last year. Revenues exclusively come from services and design activities.

In CPA, revenues substantially concerned the activities already started in 2010. Despite the provisory awarding of some tenders already obtained in the last months of 2010, no new activities were started due to some claims lodged by competitors. Nevertheless, these problems were all overcome, and positive impacts on revenues may start to be seen from the second quarter of the year.

In the Transport sector we are consolidating and extending our presence in some important areas concerning road and rail. The Utilities sector continues to show an impressive dynamism, especially in energy, a sector BL is paying a great deal of attention to.

## OIL, GAS AND TELECOMMUNICATIONS

In the 1st quarter of 2011 the revenues of the Business Line **Oil, Gas and Telecommunications** stood at Euro 2.9 million, recording a 3% increase compared to the corresponding period of the previous year.

An analysis of the revenues obtained in the individual markets followed by the Business Line shows how the increase in revenues in the Oil market was mostly attained from direct customers, while the increase in revenues in the Telco market was attained from both direct customers and through the activation or strengthening of strategic partnerships with other ICT operators whose offer, which complements Exprivia's, has allowed an integrated offer to be made to some industry customers.

A qualitative analysis of revenues reveals that the cross selling work (started at the end of last year) on existing customers has led to the positioning also of innovative content lines towards them (development of services in SOA architecture and development of on line invoicing scenarios for gas retail customers). In the Telco market, revenues linked to security are up.

## HEALTH AND LOCAL BODIES

In the quarter, the Business Unit **Health and Local Bodies** recorded revenues that are 26% lower than the same period of 2009. This is in line with budget forecasts and is due to the revenues from the Medical Imaging sector returning to their physiological level. In the first two quarters of 2010 this sector had benefited from the significant activity concerning the Ris/Pacs system at the ASL in Asti, following the important tender

awarded in the second half of 2009. In the first half of 2010, in addition to the normal activities of the Medical Imaging sector, this system included a notable amount of sales of basic hardware and software (Euro 2.9 million). Revenues continue to grow in the Hospital IT systems sector, originating from the acquisition of the company branch Auroraweb from Siemens S.p.A..

The revenues of the company **Svimservice** are, in line with the budget, slightly down compared to the corresponding period of 2010, due to the completion of activities linked with the creation of new software.

Finally, within **Voice Recognition**, worth mentioning is that the current volume of revenues is down compared to the corresponding quarter of 2010, mainly due to the deferred conclusion of some contracts expected shortly.



## Significant group data and indicators of results

The table below gives a summary of the main consolidated economic, capital and financial data of the group as result from the financial statements, drawn up in conformity with the main IAS/IFRS international accounting standards.

	progressive date		
	31.03.2011	31.03.2010	31.12.2010
Total production revenues	24,486,160	24,452,879	100,045,888
net revenues and variation to work in progress to order	23,256,508	23,894,859	96,662,179
increase to assets for internal work	368,474	326,201	1,236,959
other proceeds and contributions	861,178	231,819	2,146,750
Difference between costs and production proceeds (EBITDA)	2,601,425	2,554,704	15,252,445
% on production proceeds	10.62%	10.45%	15.25%
Net operating result (EBIT)	1,941,700	1,859,623	11,877,425
% on production proceeds	7.93%	7.60%	11.87%
Net result	511,263	442,639	4,929,299
Group net equity	66,355,029	62,808,791	65,790,184
Total assets	175,428,210	159,040,639	174,380,060
Capital stock	26,979,658	26,712,118	26,979,658
Net working capital (1)	40,147,828	34,878,851	37,696,763
Cash flow (2)	1,137,322	1,169,574	7,826,201
Fixed capital (3)	82,508,421	79,962,593	82,650,489
Investment	533,143	455,734	4,924,367
Cash resources/bonds (a)	5,802,164	2,929,948	7,276,753
Short-term financial debts (b)	(24,199,833)	(23,014,161)	(24,002,467)
Medium-/long-term financial debts (c)	(23,232,861)	(20,801,879)	(23,031,905)
Net financial position (4)	(41,630,530)	(40,886,092)	(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 calculated 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 at 31st March 2011, compared with the same period of the previous year.



Exprivia Group	Q1 2011	Q1 2010
Index ROE (Net income / equity capital)	0.77%	0.70%
Index ROI (EBIT / Net Capital Invested)	1.63%	1.78%
Index ROS (EBIT / Revenues)	9.63%	10.60%
Financial charges / Net profit	85.88%	91.67%

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

Exprivia Group	31/03/2011	31/12/2009	31/12/2010
Net Financial Debt / Equity Capital	0.63	0.65	0.60
Debt ratio (Total Liabilities / Equity Capital)	2.64	2.53	2.65

## Management summary for the first quarter 2010

The table below gives a summary of the main consolidated economic, capital and financial data of the group drawn up in conformity with the main IAS/IFRS international accounting standards and, in particular, standard IAS 34, as shown in the situation at 31st March 2011, compared with the same period of the previous year.

Exprivia group (values in K €)	Q1 2011	Q1 2010	Variation %
Value of production	24.486	24.453	+ 0,13%
Net receipts	23.257	23.895	-2,67%
EBITDA	2.601	2.555	+ 1,80%
EBIT	1.942	1.860	+ 4,41%
Pre-tax results	1.654	1.462	+ 13,13%

The **value of consolidated production** in the first quarter of 2011 was Euro 24.5 million, an increase of 0.13% over the same period in the previous year.

Exprivia's **consolidated net revenues** were slightly lower than in the first quarter of 2010, when it benefited from the specific resale of third parties' products by its Health and Local Institutions Business Line. All the other Business Lines registered growing net revenues over the first quarter 2010.

Consolidated **EBITDA** is Euro 2.6 million, up 1.80% over the first quarter of 2010 (Euro 2.5 million) due to a mixture of services and products with higher profit margins.

Consolidated **EBIT**, at Euro 1.94 million, also registered a 4.41% improvement over the result in the first quarter of 2010 (Euro 1.86 million) due to lower depreciation.

Lastly, the **pre-tax profit** in the first quarter of 2011 was around Euro 1.7 million, 13.13% higher than the first quarter of 2010, benefiting from lower financial charges.

Exprivia group (values in K €)	31/03/2011	31/03/2010	31/12/2010
Group's Net Worth	66.355	62.809	65.790
Net Financial Position	(41.631)	(40.886)	(39.758)

The **group's net worth** at 31st March 2011 was Euro 66.4 million, compared to Euro 65.8 million at 31.12.10; an increase of Euro 0.6 million, mostly due to the positive result of the period.

The **consolidated net financial position** at 31st March 2011 was Euro -41.6 million compared to Euro -39.8 million at 31st December 2010 and comprises medium-long term debts (58%) and financing with easy terms. Ordered work in progress grew by Euro 3.2 million, contributing to an overall increase of Euro 1.9 million.

## RISKS AND UNCERTAINTIES

There are no updates compared to the last situation presented.

## Significant events in the first quarter 2010

### 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.

### 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. At **31st March 2011**, no option right had been exercised. The subscription of the third tranche of stock options may continue until 30th June 2011.

## Events after 31/03/2010

### 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".

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.

## HUMAN RESOURCES

### STAFF

The following table summarises the staff situation of the group at 31st March 2011 compared with the period at 31st March 2010.

Company	Employees 31/03/2011	Employees 31/03/2010	Collaborators 31/03/2011	Collaborators 31/03/2010
Exprivia S.p.A.	632	559	35	48
Wel.Network S.p.A.	110	114	3	1
Svimservice S.p.A.	244	267	1	2
Exprivia Solutions S.p.A.	106	95	25	10
Exprivia SL	11		2	
Exprivia Projects S.p.A.	73	107		
GST Srl	14	16	1	
Datilog	4	5	2	2
Prosap	118		1	
InFaber Srl	19	16		1
Spegea S.c. a r.l.	11	11	4	3
<b>Total</b>	<b>1342</b>	<b>1190</b>	<b>74</b>	<b>67</b>

At 31st March 2011 there were 1,342 employees in the group, compared to 1,190 of 31st March 2010.

## 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.

## 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" issued by CONSOB on 23rd June 2010; (ii) the outcome of the subsequent "consultation" published by Consob last 24th September; (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.

on 27th November 2010 the Board of Directors of the Company adopted 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	31/03/2011	31/12/2010	Variation
Pervice S.p.A.	12,424	19,894	(7,470)
<b>TOTAL</b>	<b>12,424</b>	<b>19,894</b>	<b>(7,470)</b>

### Payables to affiliates and associates

Description	31/03/2011	31/12/2010	Variation
Pervice S.p.A.	20,184	18,079	2,105
<b>TOTAL</b>	<b>20,184</b>	<b>18,079</b>	<b>2,105</b>

### Revenues from affiliates and associates

Description	Q1 2011	Q1 2010	Variation
Pervice S.p.A.	1,979	14,632	(12,653)
<b>TOTAL</b>	<b>1,979</b>	<b>14,632</b>	<b>(12,653)</b>

## Group relationships with parent companies

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

The relationships between the Exprivia group and the parent company Abaco Innovazione S.p.A. at 31st March 2011 are shown below.

### Receivables

Description	31/03/2011	31/12/2010	Variation
Exprivia S.p.A.	225,963	223,713	2,250
Exprivia Solutions S.p.A.	586,127	582,279	3,848
<b>TOTAL</b>	<b>812,090</b>	<b>805,992</b>	<b>6,098</b>

### Revenues and income

Description	Q1 2011	Q1 2010	Variation
Exprivia S.p.A.	1,250	1,250	-
Exprivia Solutions S.p.A.	3,848	3,029	819
<b>TOTAL</b>	<b>5,098</b>	<b>4,279</b>	<b>819</b>

## 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.

During the first quarter of 2011 the Group managed to confirm the results of the first quarter of last year, which had benefited from a specific resale of third party products of the Business Line Health and Local bodies;.

The Group's growth continues in line with the strategies outlined in its Industrial Plan, and all business organisations are working on expanding their markets and delivery capacity. At this point the Group is also focusing on starting up projects for innovation and expansion of its sales channels into foreign markets.

# **Consolidated Quarterly Financial Statements of the Exprivia Group**



## Consolidated Balance Sheet

	31.03.2011	31.03.2010	31.12.2010
<b>BALANCE SHEET</b>			
<b>NON-CURRENT ASSETS</b>			
<b>Property, plant &amp; machinery</b>	<b>10,564,020</b>	<b>10,059,591</b>	<b>10,603,449</b>
Land and buildings	6,528,119	6,668,140	6,586,465
Assets under construction and payments on account	182,813	96,516	254,315
Other assets	3,853,088	3,294,935	3,762,669
<b>Goodwill and other undefined assets</b>	<b>64,896,420</b>	<b>62,821,089</b>	<b>64,931,863</b>
Goodwill	29,385,366	29,414,809	29,392,727
Consolidation difference	35,511,054	33,406,280	35,539,136
<b>Other intangible assets</b>	<b>3,922,631</b>	<b>4,149,185</b>	<b>3,915,834</b>
Intangible assets	513,244	489,409	533,368
Research and development costs	3,361,319	3,351,110	3,382,466
Assets under construction and payments on account	48,068	308,666	
<b>Shareholdings</b>	<b>1,847,718</b>	<b>1,754,252</b>	<b>1,825,285</b>
Shareholdings in subsidiaries	54,195	51,646	51,646
Shareholdings in associated companies	175,188	306,028	185,688
Shareholdings in other companies	1,618,335	1,396,578	1,587,951
<b>Other financial assets</b>	<b>201,351</b>	<b>124,202</b>	<b>169,648</b>
Receivables to subsidiaries	22,488	20,388	21,488
Other accounts receivable	178,863	103,814	148,160
<b>Deferred tax assets</b>	<b>1,076,281</b>	<b>1,054,274</b>	<b>1,204,410</b>
Tax advances/deferred taxes	1,076,281	1,054,274	1,204,410
<b>TOTAL NON-CURRENT ASSETS</b>	<b>82,508,421</b>	<b>79,962,593</b>	<b>82,650,489</b>

	31.03.2011	31.03.2010	31.12.2010
<b>CURRENT ASSETS</b>			
<b>Trade receivables and others</b>	<b>64,004,053</b>	<b>60,562,274</b>	<b>64,529,397</b>
Receivables to customers	51,087,140	47,517,900	52,004,102
Receivables to subsidiaries	12,424	36,250	19,894
Receivables to parent companies	812,090	791,045	805,992
Receivables to affiliated companies		298,265	
Other accounts receivable	11,193,537	10,407,292	10,667,126
Tax credits	898,862	1,510,522	1,032,283
<b>Stock</b>	<b>174,141</b>	<b>693,576</b>	<b>187,635</b>
Stock	174,141	693,576	187,635
<b>Work in progress to order</b>	<b>22,939,113</b>	<b>14,891,930</b>	<b>19,735,468</b>
Work in progress to order	22,939,113	14,891,930	19,735,468
<b>Current financial assets</b>	<b>318</b>	<b>318</b>	<b>318</b>
Other bonds	318	318	318
<b>Cash resources</b>	<b>5,802,164</b>	<b>2,929,948</b>	<b>7,276,753</b>
Current banks	5,777,609	2,907,530	7,257,793
Cheques and unrepresented effects	24,555	22,418	18,960
<b>TOTAL CURRENT ASSETS</b>	<b>92,919,789</b>	<b>79,078,046</b>	<b>91,729,571</b>
<b>TOTAL ASSETS</b>	<b>175,428,210</b>	<b>159,040,639</b>	<b>174,380,060</b>

	31.03.2011	31.03.2010	31.12.2010
<b>NET WORTH</b>			
Capital stock	26,979,658	26,712,118	26,979,658
Capital stock	26,979,658	26,712,118	26,979,658
Own shares		(48,370)	
Own shares		(48,370)	
Premium reserve	18,081,738	17,890,447	18,081,738
Share premium	18,081,738	17,890,447	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	7,775,835	4,926,874	7,478,094
Legal reserve	621,831	394,488	621,831
Extraordinary reserve	5,373,534	3,105,075	5,373,534
Other reserves	1,401,252	1,048,093	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)
Profits/Losses for previous periods	11,147,714	10,386,529	6,243,417
Profits/losses brought forward	11,147,714	10,386,529	6,243,417
Profit/Loss for the period	511,263	442,639	4,929,299
<b>TOTAL NET WORTH</b>	<b>67,403,346</b>	<b>63,217,375</b>	<b>66,619,344</b>
Minority interest	1,048,317	408,584	829,160
<b>TOTAL GROUP NET WORTH</b>	<b>66,355,029</b>	<b>62,808,791</b>	<b>65,790,184</b>

	31.03.2011	31.03.2010	31.12.2010
<b>NON-CURRENT LIABILITIES</b>			
<b>Payables to non-current banks</b>	<b>23,232,861</b>	<b>20,801,879</b>	<b>23,031,905</b>
Payables to non-current banks	23,232,861	20,801,879	23,031,905
<b>Other financial liabilities</b>	<b>2,700,089</b>	<b>234,559</b>	<b>2,710,020</b>
Payables to other financiers	649,582		650,282
	1,957,996		1,957,996
Payables for tax and social security beyond the period	92,511	234,559	101,742
<b>Provision for risks and charges</b>	<b>1,814,584</b>	<b>1,505,484</b>	<b>2,183,592</b>
Other provisions	1,814,584	1,505,484	2,183,592
<b>Staff-related funds</b>	<b>7,791,017</b>	<b>7,550,096</b>	<b>7,743,743</b>
Severance pay	7,791,017	7,550,096	7,743,743
<b>Deferred tax liabilities</b>	<b>1,316,683</b>	<b>1,447,839</b>	<b>1,332,934</b>
Deferred tax funds	1,316,683	1,447,839	1,332,934
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>36,855,234</b>	<b>31,539,857</b>	<b>37,002,194</b>

	31.03.2011	31.03.2010	31.12.2010
<b>CURRENT LIABILITIES</b>			
<b>Payables to current banks</b>	<b>24,199,833</b>	<b>23,014,161</b>	<b>24,002,467</b>
Payables to current quota banks	24,199,833	23,014,161	24,002,467
<b>Payables to suppliers</b>	<b>12,111,498</b>	<b>13,815,270</b>	<b>11,382,040</b>
Payables to suppliers	12,111,498	13,815,270	11,382,040
<b>Advances on work in progress to order</b>	<b>5,089,933</b>	<b>3,104,462</b>	<b>5,381,166</b>
Payments on account	5,089,933	3,104,462	5,381,166
<b>Other financial liabilities</b>	<b>7,023,791</b>	<b>4,573,093</b>	<b>7,053,562</b>
Payables to associated companies	20,184	37,500	18,079
Other accounts payable	7,003,607	4,535,593	7,035,483
<b>Tax debits</b>	<b>9,028,526</b>	<b>6,368,991</b>	<b>8,801,872</b>
Tax debits	9,028,526	6,368,991	8,801,872
<b>Other current liabilities</b>	<b>13,716,049</b>	<b>13,407,429</b>	<b>14,137,414</b>
Payables to welfare and social security institutions	2,611,416	2,688,504	3,337,532
Other payables	11,104,633	10,718,925	10,799,882
<b>TOTAL CURRENT LIABILITIES</b>	<b>71,169,630</b>	<b>64,283,406</b>	<b>70,758,521</b>
<b>TOTAL LIABILITIES</b>	<b>175,428,210</b>	<b>159,040,639</b>	<b>174,380,060</b>

## Consolidated Income Statement

	31.03.2011	31.03.2010	31.12.2010
<b>Revenues</b>	<b>20,172,582</b>	<b>17,532,136</b>	<b>85,278,639</b>
Proceeds of sales and services	20,172,582	17,532,136	85,278,639
<b>Other revenues</b>	<b>861,178</b>	<b>231,819</b>	<b>2,146,750</b>
Other proceeds	582,922	101,441	1,559,632
Invest. grants trf to P&L account	278,256	130,378	587,118
<b>Variation in stock of finished products and products being processed</b>	<b>3,452,400</b>	<b>6,688,924</b>	<b>12,620,499</b>
Var. stock of products being processed, semi-finished items	(13,493)	(70,336)	(43,509)
Variation in work in progress to order	3,097,419	6,433,059	11,427,049
Increase in assets for internal work	368,474	326,201	1,236,959
<b>TOTAL PRODUCTION REVENUES</b>	<b>24,486,160</b>	<b>24,452,879</b>	<b>100,045,888</b>
<b>Raw materials and consumables used</b>	<b>1,238,501</b>	<b>3,060,876</b>	<b>8,263,281</b>
Costs of raw, subsid. & consumable mat. and goods	1,238,501	3,060,876	8,263,281
<b>Costs connected with employee-related benefits</b>	<b>14,792,656</b>	<b>13,630,195</b>	<b>54,758,498</b>
Salaries and wages	11,110,983	10,217,918	40,546,908
Social charges	2,876,047	2,656,490	10,672,275
Severance Pay	651,385	581,547	2,805,969
Other staff costs	154,241	174,240	733,346
<b>Other costs</b>	<b>5,853,578</b>	<b>5,207,104</b>	<b>21,771,664</b>
Other costs for services	4,838,967	4,407,715	17,350,622
Costs for leased assets	778,350	503,058	2,290,743
Sundry management charges	205,002	296,331	968,489
Stock and payments on account	31,259		1,161,810
<b>TOTAL PRODUCTION COSTS</b>	<b>21,884,735</b>	<b>21,898,175</b>	<b>84,793,443</b>
<b>DIFFERENCE BETWEEN PRODUCTION COSTS AND REVENUES</b>	<b>2,601,425</b>	<b>2,554,704</b>	<b>15,252,445</b>

	31.03.2011	31.03.2010	31.12.2010
<b>Depreciation and devaluation</b>	<b>659,725</b>	<b>695,081</b>	<b>3,375,020</b>
Ordinary amortisement of intangible assets	380,254	403,460	1,700,960
Ordinary amortisement of tangible assets	198,531	213,792	892,612
Altre svalutazioni delle immobilizzazioni	28,082	30,082	301,345
Devaluation of credits included in working capital	52,858	47,747	480,103
<b>OPERATIVE RESULT</b>	<b>1,941,700</b>	<b>1,859,623</b>	<b>11,877,425</b>
<b>Proceeds and financial charges</b>	<b>288,146</b>	<b>397,447</b>	<b>1,918,700</b>
Proceeds from parents companies	(3,848)	(3,030)	(13,491)
Proceeds from others shareholdings			(951)
Other proceeds with separate indication	(138,659)	(1,494)	(33,052)
Interest and other financial charges	439,084	405,746	1,994,217
Profit and loss on foreign exchange	(8,431)	(3,775)	(28,023)
<b>PRE-TAX RESULT</b>	<b>1,653,554</b>	<b>1,462,176</b>	<b>9,958,725</b>
<b>Income tax</b>	<b>1,142,291</b>	<b>1,019,537</b>	<b>5,029,426</b>
IRES	377,096	441,706	2,599,699
IRAP	574,062	585,761	2,434,051
Deferred taxes	(18,391)	(10,928)	18,445
Tax paid in advance	209,524	2,998	(22,769)
<b>PROFIT OR LOSS FOR THE PERIOD</b>	<b>511,263</b>	<b>442,639</b>	<b>4,929,299</b>
Attributable to:			
Shareholders of parent company	313,665	487,568	4,930,094
Minority shareholder	197,598	(44,929)	(795)

## Overall Income Statement (\*) at 31st March 2011, 31st March 2010 and 31st December 2010

Description	31/03/2011	31/03/2010	31/12/2010
Profit for the period	511,263	442,639	4,929,299
Net income (loss) from the change in costs for stock option exercise			(13,460)
Net income (loss) from revaluation of assets			
Net income (loss) from sale of own shares			117,247
<i>Net income / (expense) for the period recognized in equity</i>	<i>0</i>	<i>0</i>	<i>103,787</i>
<b>Total comprehensive income</b>	<b>511,263</b>	<b>442,639</b>	<b>5,033,086</b>
<i>attributable to:</i>			
Group	313,665	487,568	5,033,881
Minority interest	197,598	(44,929)	(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 Overall 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 overall income statement was considered preferable.



## Statement of changes in the Consolidated Net Worth at 31st March 2010, 31st December 2010 and 31st March 2011.

Operations	Company Capital	Own shares	Share Premium Fund	Reval. Reserve	Other Reserves	Profits (Losses) brought forward	Profit (Loss) for the period	Minority Interests	Minority Interests	Total Net Worth	Total Group Net Worth
Reclassification previous year's profit to previous year's profit						5,042,045	(5,042,045)			0	
Stock Option					474,808					474,808	
Capital increase due to the subscription stock options-the first tranche	343,200		245,388							588,588	
Purchase of own shares										0	
Sale of own shares										0	
Changes in consolidated companies						50,125				50,125	
Profit (loss) of the period							442,639	9,756	442,639	442,639	
Net income / (expense) for the period recognized in equity					0				0	0	
<b>Balance at 31/03/2010</b>	<b>26,712,118</b>	<b>(48,370)</b>	<b>17,890,447</b>	<b>2,907,138</b>	<b>4,926,874</b>	<b>10,386,529</b>	<b>442,639</b>	<b>408,584</b>	<b>442,639</b>	<b>63,217,375</b>	<b>62,808,791</b>
Destination of the period result					4,546,860	(4,546,860)				0	
Dividend distribution					(2,051,058)					(2,051,058)	
Stock Option										0	
Capital increase due to the subscription stock options-the first tranche	267,540		191,291							458,831	
Purchase of own shares		(204,464)			(156,183)					(360,647)	
Sale of own shares		252,834			107,813					360,647	
Changes in consolidated companies						403,748				403,748	
Profit (loss) of the period							4,486,660	420,576	4,486,660	4,486,660	
Net income / (expense) for the period recognized in equity					103,787				103,787	103,787	
<b>Balance at 31/12/2010</b>	<b>26,979,658</b>	<b>0</b>	<b>18,081,738</b>	<b>2,907,138</b>	<b>7,478,094</b>	<b>6,243,417</b>	<b>4,929,299</b>	<b>829,160</b>	<b>4,590,447</b>	<b>66,619,344</b>	<b>65,790,184</b>
Reclassification previous year's profit to previous year's profit						4,929,299	(4,929,299)			0	
Stock Option					297,742					297,742	
Changes in consolidated companies						(25,002)				(25,002)	
Profit (loss) of the period							511,263	219,157	511,263	511,263	
Net income / (expense) for the period recognized in equity					0				0	0	
<b>Balance at 31/03/2011</b>	<b>26,979,658</b>	<b>0</b>	<b>18,081,738</b>	<b>2,907,138</b>	<b>7,775,837</b>	<b>11,147,714</b>	<b>511,263</b>	<b>1,048,317</b>	<b>511,263</b>	<b>67,403,346</b>	<b>66,355,029</b>

## Movements in the Consolidated Net Worth

Operations	Company Capital	Own shares	Share Premium Fund	Reval. Reserve	Other Reserves	Profits (Losses) brought forward	Profit (Loss) for the period	Total Net Worth	Minority Interests	Total Group Net Worth
<b>Balance at 31/12/08</b>	<b>26,368,918</b>	<b>(312,211)</b>	<b>17,645,059</b>	<b>2,907,138</b>	<b>1,939,229</b>	<b>2,905,461</b>	<b>6,894,948</b>	<b>58,348,542</b>	<b>372,129</b>	<b>57,976,413</b>
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)	0		
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)		0		
Destination of the period result - extraordinary reserve					1,605,075	(1,605,075)		0		
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	
<b>Balance at 31/12/09</b>	<b>26,368,918</b>	<b>(48,370)</b>	<b>17,645,059</b>	<b>2,907,138</b>	<b>4,452,066</b>	<b>5,294,359</b>	<b>5,042,045</b>	<b>61,661,215</b>	<b>398,828</b>	<b>61,262,387</b>
Reclassification previous year's profit to previous year's						5,042,045	(5,042,045)	0		
Destination of the period result					4,546,860	(4,546,860)		0		
Dividend distribution					(2,051,058)			(2,051,058)		
Stock Option					474,808			474,808		
Capital increase due to the subscription stock options-the first tranche	610,740		436,679					1,047,419		
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 31/12/2010							4,929,299	4,929,299	430,332	
<b>Balance at 31/12/10</b>	<b>26,979,658</b>	<b>0</b>	<b>18,081,738</b>	<b>2,907,138</b>	<b>7,478,093</b>	<b>6,243,417</b>	<b>4,929,299</b>	<b>66,619,344</b>	<b>829,160</b>	<b>65,790,184</b>
Reclassification previous year's profit to previous year's						4,929,299	(4,929,299)	0		
Dividend distribution								0		
Stock Option					297,742			297,742		
Changes in consolidated companies						(25,002)		(25,002)		
Result at 31/03/2011							511,263	511,263	219,157	
<b>Balance at 31/03/11</b>	<b>26,979,658</b>	<b>0</b>	<b>18,081,738</b>	<b>2,907,138</b>	<b>7,775,835</b>	<b>11,147,714</b>	<b>511,263</b>	<b>67,403,346</b>	<b>1,048,317</b>	<b>66,355,029</b>

## Consolidated Cash Flow Statement

	31.03.2011	31.03.2010	31.12.2010
<b>Operating activities:</b>			
- Profit (loss)	511,263	442,639	4,929,299
- Amortisation, depletion and depreciation of assets	578,785	617,252	2,593,572
- Provision for Severance Pay Fund	651,385	581,547	2,805,969
- Advances/Payments Severance Pay	(604,111)	(471,864)	(2,502,639)
- Adjustment of value of financial assets			
<b>Cash flow arising from operating activities</b>	<b>1,137,322</b>	<b>1,169,574</b>	<b>7,826,201</b>
<b>Increase/Decrease in net working capital:</b>			
- Variation in stock and payments on account	(3,190,151)	(4,199,149)	(8,536,746)
- Variation in receivables to customers	916,962	2,917,382	(1,568,820)
- Variation in receivables to parent/subsidiary/associated company	1,372	1,408	302,083
- Variation in other accounts receivable	(392,990)	(1,043,678)	(825,274)
- Variation in payables to suppliers	728,758	(714,582)	(2,497,530)
- Variation in payables to parent/subsidiary/associated company	2,105	390,853	(59,372)
- Variation in tax and social security liabilities	(508,693)	(887,847)	2,061,245
- Variation in other accounts payable	(18,358)	93,001	7,339,352
- Variation in risk funds reserve	(385,259)	(28,923)	534,280
<b>Cash flow arising (used) from current assets and liabilities</b>	<b>(2,846,254)</b>	<b>(3,471,535)</b>	<b>(3,250,782)</b>
<b>Cash flow arising (used) from current activities</b>	<b>(1,708,932)</b>	<b>(2,301,961)</b>	<b>4,575,419</b>
<b>Investment activities:</b>			
- Variation in tangible assets	(159,102)	(40,033)	(1,262,711)
- Variation in intangible assets	(351,608)	(416,200)	(3,591,123)
- Variation in financial assets	73,993	17,087	(249,528)
<b>Cash flow arising (used) from investment activities</b>	<b>(436,717)</b>	<b>(439,146)</b>	<b>(5,103,362)</b>
<b>Financial activities:</b>			
- Capital increase			610,740
- Variation in other reserves	272,739	1,113,521	(581,910)
<b>Cash flow arising (used) from financial activities</b>	<b>272,739</b>	<b>1,113,521</b>	<b>28,830</b>
<b>Increase (decrease) in cash</b>	<b>(1,872,911)</b>	<b>(1,627,586)</b>	<b>(499,113)</b>
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	5,802,164	2,929,948	7,276,753
Banks and cash losses at end of period	(47,432,694)	(43,816,040)	(47,034,372)
<b>Increase (decrease) in liquidity</b>	<b>(1,872,911)</b>	<b>(1,627,586)</b>	<b>(499,113)</b>

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

### DECLARATION OF CONFORMITY TO IFRS INTERNATIONAL ACCOUNTING STANDARDS

The quarterly report of the Exprivia group at 31st March 2010 was drawn up in accordance with the international accounting standards homologated by the European Community (referred below to as IAS/IFRS individually or IFRS overall).

- ✓ The form and content of this quarterly report at 31st March 2011 conform to the information set out by IAS 34 'Interim Financial Statements' in compliance with Art. 154-ter of Leg. Decree 58/1998 of the Consolidated Law on Finance (TUF) and subsequent amendments and integrations.
- ✓ The financial statements were drawn up in accordance with IAS 1 while the notes were prepared in an abbreviated form, applying the right set out by IAS 34, and consequently do not include all the information required for an annual report drawn up in accordance with IFRS.

### Consolidation area

The interim management report at 31st March 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
Datillog 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
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.

**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 remains unchanged compared to 31st December 2010.

Company	H.O.	Company capital	Results for period	Net worth	Value of production	Total Assets	% of holding
Datilog Srl	Cinisello Balsamo (MI)	10,400	2,800	48,879	211,386	588,330	52.00%
Exprivia Projects S.p.A.	Roma	242,000	38,721	236,722	836,963	3,317,771	100.00%
Exprivia SL	Madrid (Spagna)	8,250	11,842	293,948	382,127	952,900	60.00%
Exprivia Solutions S.p.A.	Roma	170,795	182,914	962,477	2,141,086	7,962,987	100.00%
GST S.r.l.	Trento	27,500	(138,042)	336,924	250,694	2,231,319	63.20%
Gruppo ProSap	Madrid (Spagna)/Città del Messico/Città del Guatemala	6,384	359,968	1,010,698	1,709,460	3,082,941	51.12%
Infaber S.r.l.	Molfetta (BA)	110,000	58,375	375,058	381,849	735,055	50.10%
Spegea Sc a rl	Bari	125,000	93,088	255,261	483,094	3,175,304	60.00%
Swimservice S.p.A.	Molfetta (BA)	1,548,000	697,290	2,890,385	5,422,483	25,487,251	100.00%
Wel.Network S.p.A.	Piacenza	1,500,000	21,662	934,897	2,621,095	9,425,214	100.00%

## INFORMATION ON THE BALANCE SHEET AND THE CONSOLIDATED INCOME STATEMENT

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

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

### NET WORTH

#### SHARE CAPITAL

The 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.

#### SHARE PREMIUM RESERVE

The **“Share premium reserve”** totalled Euro 18,081,738 at 31st March 2011 and had not varied compared to 31st December 2010.

#### REVALUATION RESERVE

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

#### OTHER RESERVES

At 31st March 2011 the balance of **“other reserves”** totalled Euro 7,775,835 compared to Euro 7,478,094 at 31st December 2010 and refers to the following:

- ✓ Euro 621,831 **“legal reserve”**, which has not undergone any variation with respect to 31st December 2010
- ✓ Euro 5,373,534 for **“extraordinary reserve”**, which has not undergone any variation with respect to 31st December 2010
- ✓ Euro 1,401,252 **“other reserves”** compared to Euro 1,103,511 at 31st December 2010. The change, equal to Euro 297,741, relates 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,
- ✓ 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 periods** at 31st March 2011 was Euro 11,147,714 and underwent a variation with respect to 31st December 2010, basically due to the allocation of the profit of the previous accounting period.

### NON-CURRENT PAYABLES TO BANKS

The balance of **“Non-current payables to banks”** at 31st March 2011 amounted to Euro 23,232,861 compared to Euro 23,031,905 at 31st December 2010 and is relative to the medium-term financing financing opened with leading Credit Institutes and financing at a favourable rate of interest for specific investment plans.

Worth mentioning is that the recognition of the financial parameters (concerning the medium term loan that the Parent company signed on 8th May 2008 with a pool of banks headed by BNL) perfected on 30th April 2011 with reference to the 12 months prior to 31st December 2010 showed the respect of the covenants.

## PRODUCTION REVENUES

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

The revenues from sales and services, work in progress and stock variations in the first quarter 2011 were Euro 23,256,508, compared to Euro 23,894,859 of the first quarter 2010. See the paragraph “Trend in the results of the Exprivia group” in the Exprivia Group Management Report for details of the revenues from sales and services at 31st March 2011.

## PRODUCTION COSTS

### RAW AND SUBSIDIARY MATERIALS, CONSUMABLES AND GOODS

The balance of **“raw and subsidiary materials, consumables and goods”** in the first quarter 2011 totalled Euro 1,238,501 compared to Euro 3,060,876 in the same period of the previous year. The table below shows the details of the entries.

Description	Q1 2011	Q1 2010	Variation
Purchase of HW-SW products	483,159	2,818,868	(2,335,708)
Purchase of HW-SW maintenance	349,206	146,346	202,859
Purchase of equipment for plant	0	615	(615)
Stationery and consumables	36,315	26,554	9,761
Fuel and oil	27,969	25,660	2,308
Transport and freight rates on purchases	831	723	108
Purchase of sundries	7,208	5,926	1,282
Warranty services on our customers activities	333,814	36,184	297,630
<b>TOTAL</b>	<b>1,238,501</b>	<b>3,060,876</b>	<b>(1,822,375)</b>

## STAFF COSTS

“**Staff costs**” totalled Euro 14,792,656 in the first quarter 2011, compared to Euro 13,630,195 of the first quarter 2010, of which Euro 11,110,983 refer to salaries and fees, Euro 2,876,047 to social charges, Euro 651,385 to the staff severance fund and Euro 154,241 to other costs.

The group's personnel at 31st March 2011 had 1,416 people, 1,342 of which were employees and 74 of which were collaborators, compared to the 1,257 people (1,190 employees and 67 collaborators) at 31st March 2010 and compared to the 1,394 people (1,312 employees and 82 collaborators) at 31st December 2010.

## OTHER COSTS

### OTHER COSTS FOR SERVICES

The consolidated balance of the entry “**other costs for services**” in the first quarter 2011 totalled Euro 4,838,967 compared to Euro 4,407,715 in the first quarter 2010. A table with the details of the entries is shown below:



Description	Q1 2011	Q1 2010	Variation
Technical and commercial consultancy	1,901,087	1,972,053	(70,966)
Administrative/company/legal consultancy	196,557	127,453	69,104
Data processing service	317,269	250,560	66,709
Auditors' fees	148,092	90,891	57,202
Travel and transfer expenses	835,587	599,096	236,491
Other staff costs	37,900	60,739	(22,838)
Utilities	266,733	266,732	0
Advertising and agency expenses	125,798	85,062	40,735
HW and SW maintenance	132,905	162,723	(29,819)
Insurance	69,309	70,221	(912)
Costs of temporary staff	509,412	296,250	213,162
Other costs	298,318	425,935	(127,617)
<b>TOTAL</b>	<b>4,838,967</b>	<b>4,407,715</b>	<b>431,251</b>

### COSTS FOR LEASED ASSETS

The consolidated balance of “**costs for leased assets**” in the first quarter 2011 totalled Euro 778,350 compared to Euro 503,058 in the same period of the previous accounting year. The details of the entries are shown in the table below:

Description	Q1 2011	Q1 2010	Variation
Rental expenses	237,210	304,966	(67,756)
Car rental/leasing	179,506	53,141	126,365
Rental of other assets	191,131	108,567	82,564
Royalties	161,439	31,225	130,214
Leasing payments	5,563	4,318	1,245
Other costs	3,501	841	2,660
<b>TOTAL</b>	<b>778,350</b>	<b>503,058</b>	<b>275,292</b>

### SUNDRY MANAGEMENT CHARGES

The consolidated balance of “**sundry management charges**” in the first quarter 2011 totalled Euro 205,002 compared to Euro 296,331 in the first quarter 2010. A table with the details of the entries is shown below.

Description	Q1 2011	Q1 2010	Variation
Annual subscriptions	27,688	15,524	12,164
Books and magazines	5,323	8,626	(3,303)
Taxes	50,009	18,197	31,811
Stamp duty	7,629	13,620	(5,991)
Penalties and fines	1,975	18,264	(16,289)
Charitable donations	-	27,778	(27,778)
Contingency liabilities	41,790	120,472	(78,683)
Bank charges and commissions	51,038	48,227	2,812
Sundry expenses	18,583	25,623	(7,039)
Capital losses on disposals	967	-	967
<b>TOTAL</b>	<b>205,002</b>	<b>296,331</b>	<b>(91,329)</b>

## AMORTISATION, DEPRECIATION AND WRITE-DOWNS

### AMORTISATION

The “**amortisation**” totalled Euro 578,785 compared to Euro 617,252 of the first quarter 2010 and consists of Euro 380,254 relating to the amortisation of intangible assets and Euro 198,531 for the amortisation of tangible assets.

### OTHER DEVALUATIONS OF FIXED ASSETS

The balance of the item “**other devaluations of fixed assets**” amounted to Euro 28,082 compared to Euro 30,082 of the first quarter of 2010.

### CURRENT RECEIVABLES WRITE-DOWN

The balance of “**Current receivables write-down**” amounted to Euro 52,858, compared to Euro 47,747 of the first quarter 2010 and referred to the depreciation of bad debts.

## FINANCIAL PROCEEDS AND CHARGES

### REVENUE FROM PARENT COMPANIES

The balance of “**revenue from parent companies**” in the first quarter 2011 totalled Euro 3,848 compared to Euro 3,30 of the first quarter 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 quarter 2011 totalled Euro 138,659 compared to Euro 1,494 in the same period of 2010. A table with the details of the entry is shown below:

Description	Q1 2011	Q1 2010	Variation
Bank interest receivable	1,070	1,440	(370)
Revenues from financial derivatives	135,361	0	135,361
Other interest income	2,122	13	2,109
Rounding up of assets	103	41	62
<b>TOTAL</b>	<b>138,656</b>	<b>1,494</b>	<b>137,162</b>

## INTEREST AND OTHER FINANCIAL CHARGES

The balance of **“Interest and other financial charges”** in the first quarter 2011 totalled Euro 439,084 compared to Euro 405,746 in the same period of the previous accounting year. The details of the entries are shown in the table below.

Description	Q1 2011	Q1 2010	Variation
Bank interest payable	210,959	204,075	6,884
Interest on loans and mortgages	180,497	76,731	103,767
Sundry interest	10,317	56,915	(46,598)
Charges on financial products and sundry items	4,796	68,004	(63,208)
Rounding up/down	293	21	272
Other financial charges	32,222	-	32,222
<b>TOTAL</b>	<b>439,084</b>	<b>405,746</b>	<b>33,338</b>

## PROFITS ON FOREIGN EXCHANGE

In the first quarter of 2011 **“profits on foreign exchange”** equal to Euro 8,431 were recorded compared to Euro 3,775 of the first quarter of 2010.

## INCOME TAX

In the first quarter 2011 **“Income tax”** amounted to Euro 1,142,291, compared to Euro 1,019,537 of the first quarter 2010 and refers to the provision for taxes, of which Euro 377,096 was for IRES, Euro 574,062 for IRAP, Euro -18,391 for deferred taxes and Euro 209,524 for prepaid taxes.

## PROFIT (LOSS) FOR THE PERIOD

The Profit and Loss Account for the first quarter 2011 closed with a consolidated profit, after tax, of Euro 511,263.

## **INFORMATION ON THE CASH FLOW STATEMENT**

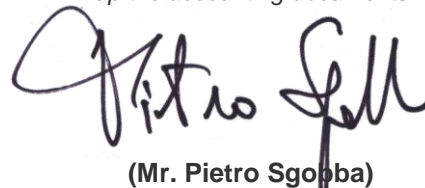
The **consolidated net financial position** at 31st March 2011 is Euro -41.6 million, compared to Euro -39.8 million at 31st December 2010, and consists of medium-long term debts (58%) and financing on easy terms. The variation of Euro 1.9 million derives from the negative cash flow of current and financial assets for Euro 1.4 million, and from investments for about Euro 0.5 million.

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

The undersigned Pietro Sgobba, senior manager responsible for drawing up the company accounting documents, in accordance with Art. 154-b, sub-par. 2 of Legislative Decree 58 dated 24/02/1998 introduced by Law 262 dated 28/12/2005 states that the information and data on the economic, capital and financial situation in this Quarterly Report at 31st March 2011 referring to the Consolidated Financial Statements of Exprivia S.p.A. correspond to the documentary results of the accounting records.

Molfetta, 13th May 2011

*The Executive in charge of drawing  
up the accounting documents*

A handwritten signature in black ink, appearing to read "Pietro Sgobba". The signature is fluid and cursive, with the first name "Pietro" being more prominent than the last name "Sgobba".

(Mr. Pietro Sgobba)