Interim Report as at 30 June 2012

Contents

Corporate Bodies

Board of Directors

As at 30 June 2012 the Board of Directors, whose term of office will expire when the year-end 2013 financial statements are approved, is composed as follows:

BoD Member	Office	Executive/Non-Executive	Place and Date of Birth
Domenico Favuzzi	Chairman and Chief Executive Officer	Executive	Molfetta (BA) 18/04/1962
Dante Altomare	Vice Chairman	Executive	Molfetta (BA) 18/09/1954
Pierfilippo Vito Maria Roggero	Chief Executive Officer	Executive	Milan 22/06/1954
Giancarlo Di Paola	Executive Officer	Executive	Bari 22/05/1952
Marco Forneris	Executive Officer	Executive	Caluso (TO) 19/02/1951
Rosa Daloiso	Non-independent Director	Non-Executive	Margherita di Savoia (FG) 05/04/1966
Valeria Savelli	Non-independent Director	Non-Executive	Matera 15/10/1962
Alessandro Laterza	Independent Director (*)	Non-Executive	Bari 09/02/1958
Giorgio De Porcellinis	Independent Director (*)	Non-Executive	Milano 21/01/1948

(*) Independent Directors under art. 3 of the Corporate Governance Code adopted by Borsa Italiana

The Independent Director Umberto Paolucci, whose office was confirmed by the shareholders' meeting of 19 April 2012, submitted his resignation on 14 May 2012. The board of directors has not yet replaced him.

For the purpose of their office all directors are domiciled at the registered offices of the company in Molfetta (BA), Via Adriano Olivetti 11/A.

The Board of Directors is vested with all the broadest powers necessary for ordinary and extraordinary management of the company without any exception and all options are available to pursue the company purpose. Thus, it can undertake any type of obligation and perform any act without limitation as all operations fall within the scope of their competence with the exception of any matters expressly delegated by law to the shareholders’ meeting (please see Corporate Governance).

Board of Statutory Auditors

As at 30 June 2012 the Board of Statutory Auditors, whose term of office will expire when the year-end 2013 financial statements are approved, is composed as follows:

Member	Office	Place and Date of Birth
Renato Beltrami	Chairman	Storo (TN) 07/12/1942
Gaetano Samarelli	Standing Legal Auditor	Molfetta (BA) 07/12/1945
Ignazio Pellecchia	Standing Legal Auditor	Bari 28/06/1968
Leonardo Giovanni Ciccolella	Substitute Legal Auditor	Bari 24/06/1964
Mauro Ferrante	Substitute Legal Auditor	Bisceglie (BA) 01/11/1964

The shareholders' meeting for Exprivia S.p.A., which was held on 28 April 2011 and approved the 2010 financial statements, confirmed the previous Board of Statutory Auditors for 2011–2013, thereby keeping it unchanged.

Independent Auditors

The Independent Auditors for Exprivia Group is PKF Italia S.p.A.. Their appointment shall end at the end of the 2013 financial year.

Exprivia: one step ahead

The Company

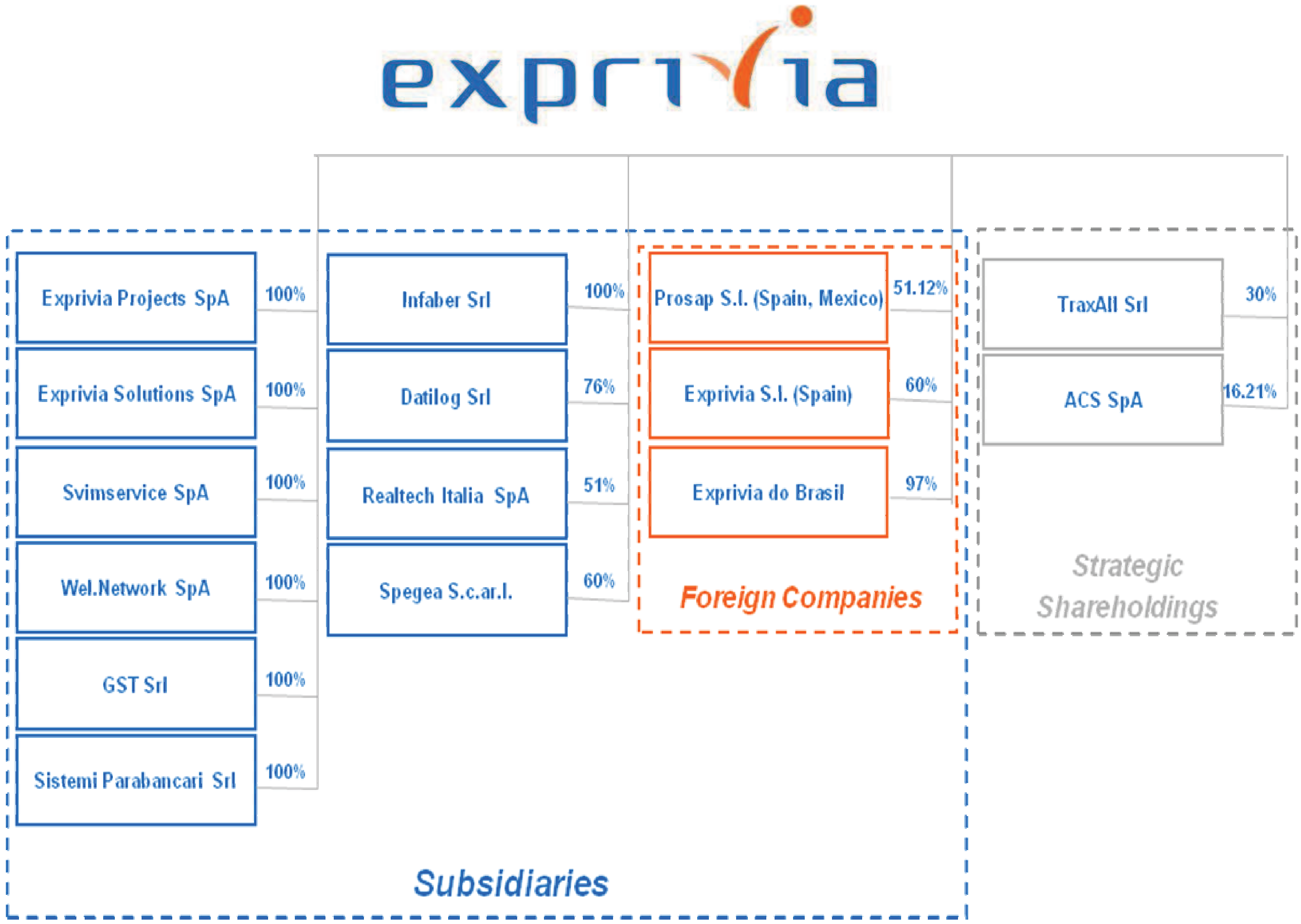
Exprivia S.p.A. bases its success on its wealth of skills and on experience gained from over 25 years of operations in Information Technology for banking, financial institutions, industry, energy, telecommunications, utilities, healthcare, and public administration.

Exprivia has always looked towards the future in a constant search for technologies that anticipate market trends so that customers can be provided with solutions and services that actually improve their business processes.

This strategic vision, together with the group's knowledge of specific needs, vertical offer system, the ability to manage complex projects, and an internationally renowned research and development department, are all distinguishing features of the Group.

It has been listed on the Italian stock exchange since 2000 and in the STAR MTA segment since October 2007. Exprivia currently employs a team of over 1,800 people distributed among their headquarters in Molfetta (BA), branches in Italy (Milan, Rome, Piacenza, Trento, Bari, Vicenza, Genoa, and Padua) and abroad (Spain, Mexico, Guatemala, Peru, and Brazil).

The Group


Exprivia Projects SpA 100%
Exprivia Solutions SpA 100%
Svimservice SpA 100%
Wel.Network SpA 100%
GST Srl 100%
Sistemi Parabancari Srl 100%
Infaber Srl 100%
Datilog Srl 76%
Realtech Italia SpA 51%
Spegea S.c.ar.l. 60%
Prosap S.l. (Spain, Mexico) 51.12%
Exprivia S.l. (Spain) 60%
Exprivia do Brasil 97%
Foreign Companies
TraxAll Srl 30%
ACS SpA 16.21%
Strategic Shareholdings
Subsidiaries

Subsidiaries

Exprivia Projects S.p.A. is 100% owned by Exprivia. It is based in Rome and has Euro 242,000.00 share capital (fully paid-up). It is specialised in designing and managing services and infrastructure for Call Centres, Contact Centres and Helpdesk.

Exprivia Solutions S.p.A. is 100% owned by Exprivia, it is based in Rome and has Euro 170,795.00 share capital (fully paid-up). It is the Group company dedicated to developing and providing high value-added IT solutions and products to the defence and space markets and to a lesser degree also services and local and central public administration.

Svimservice S.p.A. is 100% owned by Exprivia, it is based in Bari and has Euro 1,548,000.00 share capital (fully paid-up). It is a leading ICT company in the healthcare IT sector with a broad and diverse customer base. It develops and manages healthcare IT systems based on proprietary solutions and web-oriented technologies, in addition to operating in the field of IT systems and software applications for local public administration.

Svimservice S.p.A. holds 100% of the share capital of **Al Faro S.r.l.** (in liquidation), a company that does not conduct any industrial activity. Exprivia Solutions S.p.A. holds 100% of the share capital of **Farm Multimedia S.r.l.** (in liquidation).

Wel.Network S.p.A. is 100% owned by Exprivia, it is based in Piacenza and has Euro 1,500,000.00 share capital (fully paid-up). It has acquired in-depth experience in a wide variety of IT segments. In recent years it has focused on professional services for SAP applications especially in the field of Industry and Oil & Gas, where a significant amount of business in reselling third-party software licences has been developed as well.

Gruppo Soluzioni Tecnologiche S.r.l - GST is 100% owned by Exprivia, it is based in Trento and has Euro 27,500.00 share capital (fully paid-up). It is focused on developing and designing speech recognition solutions. GST currently produces and sells sophisticated software applications and services using the best speech recognition technologies available on the international market.

GST S.r.l. has held a 24.9% interest in the company **PerVoice S.p.a.**, a company specialised in voice recognition and processing technologies, since March 2007.

Sistemi Parabancari S.r.l. is 100% owned by Exprivia. Based in Milan and with Euro 580,000.00 share capital (fully paid-up), it is the leading company in outsourcing IT, legal and administrative services for factoring firms in Italy. SiSpa, founded in 1997 by its sole shareholder Meliorbanca S.p.A., operates with about 60 employees and is now the only Italian company able to provide a wide range of business process outsourcing services for the financial services system and not strictly IT in nature.

InFaber S.r.l. is 100% owned by Exprivia. Based in Molfetta with Euro 110,000.00 share capital (fully paid-up), it is a company specialised in supplying Manufacturing Execution System (MES) services and solutions for the Italian and international manufacturing market.

Datilog S.r.l. is 76% owned by Exprivia. Based in Cinisello Balsamo (MI) with Euro 10,400.00 share capital (fully paid-up), it is a company specialised in supplying Warehouse Management System (WMS) solutions for automating complex warehouses and large-scale distribution centres.

Realtech Italia S.p.A. is 51% owned by Exprivia and has Euro 1,520,000.00 share capital (fully paid-up). It is an Italian company specialised in designing and setting up IT solutions on the SAP platform. From 1996 until last year Realtech Italia was the Italian branch of the German multinational Realtech AG, which is listed on the Frankfurt stock exchange. It was then taken over by the company G&K Management S.r.l. through a management buy-out.

Spegea S.C.a r.l. is 60% owned by Exprivia and has Euro 125,000.00 share capital (fully paid-up). It is a School of Management based in Bari, organises and manages specialised seminars, training courses for companies and public administration in addition to the “Master in Management and Industrial Development” programme certified by ASFOR. It was founded 28 years ago by Confindustria Bari with the support of banks and institutions.

Foreign Companies

Profesionales de Sistemas Aplicaciones y Productos S.L. (ProSap), a Spanish company in operation since 2002, also through its subsidiaries in Mexico, Guatemala and Peru, it provides professional services in the SAP environment and services for systems integration and application management for important medium and large customers. Exprivia Spa controls the company with a 51.12% share.

Exprivia S.l., incorporated in April 2008 in Madrid, it is a start-up dedicated to the development of IT solutions and systems for the Spanish healthcare market. In July 2008, Exprivia Spa acquired a controlling share (60%) by subscribing to a share capital increase.

Exprivia do Brasil Serviços de Informatica Ltda, a Brazilian company specialised in IT Security solutions that operates with about 16 employees at its headquarters in Sao Paulo. Exprivia SpA controls the company with a 99.85% share.

Strategic Shareholdings

ACS S.p.A., 16.21% held by Exprivia, covers a significant role on an international scale in the sector of software and hardware for the acquisition, management and interpretation of satellite imagery. The company employs about 110 workers and is based in Rome and Matera.

Software Engineering Research & Practices S.r.l, 6% held by Exprivia S.p.A., is spin-off of the University of Bari. Its goal is to implement the results of university research in the field of software engineering and transfer them into business processes.

TraxAll Srl, 30% held by Exprivia S.p.A., is a start-up that uses the SAP application platform to manage travel & entertainment outsourcing for Italian and foreign companies.

Consortia Initiatives

Società cons. a r.l. Pugliatech was formed to participate in the fulfilment of the programme agreement required by the 2000-2006 POR Puglia notice.

Società cons. a r.l Conca Barese was formed to manage the Conca Barese Land Agreement.

Consorzio Biogene was formed to develop the project known as “Public-private laboratory for the development of integrated bioinformatic tools for Genomics, Transcriptomics, and Proteomics (LAB GTP)".

Società cons. a r.l “DAISY – NET” was formed to undertake initiatives for the development of an I.C.T. technology centre to be part of a network of regional technology centres.

Distretto Tecnologico Pugliese (“DHITECH”), based in Lecce, intends to develop and integrate an interdisciplinary cluster for nanosciences, bioscience and infoscience according to the guidelines of the seventh framework programme and national research plan.

Distretto Tecnologico Nazionale per l’Energia (“DiTNE”), based in Brindisi, it was formed to provide support for research in production sectors in the field of energy, to encourage technology transfer needed by national and international players in the sector, and to favour connections between the worlds of research, production of goods and services, credit and the territory.

Distretto Agroalimentare Regionale (“D.A.Re.”), a consortium based in Foggia, it acts as the interface for technology transfer from the Puglia research system to the agribusiness system. It provides services to support technological innovation by managing complex projects relating to industrial research and competitive development.

The Exprivia Business Model

The many years of experience in the market have enabled Exprivia to provide high-quality ***competence and solutions*** through an array of ***services*** to markets:

- **Healthcare and Public Local Bodies**
- **Banks and Financial Institutions**
- **Industry and Media**
- **Oil, Gas and Telco**
- **CPA, Transport and Utilities**

To achieve these objectives Exprivia has continued to extend and diversify its product range, focusing on proprietary and third-party solutions and on high-level technological skills for the markets.

By ensuring a competitive range in line with the highest quality standards Exprivia guarantees a high degree of technological know-how, excellent specialisation and proven methodology.

Exprivia is now one of the most active groups in the design, development and integration of innovative software solutions. It boasts a wide range of skills acquired in over two decades of operations in its market, also through continuing collaboration with major Italian and international universities.

Skills

In order to adequately meet the needs of a constantly changing market Exprivia acts as a partner specialised in the various market segments and is backed the experience gained in over 25 years of operations.

The group has a team of highly-skilled experts that collaborate with Competence Centres specialised in several different technological sectors:

- 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

Solutions

Extensive technological know-how and experience in specific market segments has made it possible to develop proprietary platforms featuring high reliability, exceptional effectiveness in business process management and continuing adaptation to technological evolution.

- Regional and local healthcare IT system
- Hospital IT System
- Radiology information system and clinical imagery processing

- Voice Recognition Systems
- Solutions for managing credit processes and risk assessment
- Solutions for managing unstructured knowledge bases

Markets

Healthcare and Public Local Bodies

Exprivia's extensive array of applications makes it possible to provide a complete range of solutions to satisfy all healthcare needs, including governance and control at a **regional level** (Regions, Regional Agencies), **local care** provided by local healthcare providers (ASL) and **hospital care** (hospitals, clinics, public and private healthcare facilities).

Regional Governance and Control Solutions

Exprivia has developed a complete IT range for regional healthcare system governance.

Through its complete set of skills in issues related to managing complex healthcare systems Exprivia can computerise all regional healthcare management, whether it is central management of healthcare planning, the system dedicated to primary care or an Internet connection for family practitioners and paediatricians.

A hugely successful experience with this solution is the regional healthcare system (SISR) for Regione Puglia, which has been provided by Exprivia for over 15 years through its subsidiary Svimservice. It provides the service for over 4 million residents.

Solutions for Healthcare Institutions and Hospitals

Exprivia proposes a complete range dedicated to healthcare institutions and hospitals. The Aurora Hospital Information System is able to support the patient's entire clinical and healthcare process and is currently in operation throughout the country including several renowned clinics in Lombardy, Veneto, Tuscany, Emilia Romagna, Liguria, Piedmont and Lazio.

ICT and Medicine, benefits within reach

Exprivia has perfected RIS and PACS diagnostic imaging techniques. It is now one of the most innovative suites of software tools available for diagnostic imaging services. There are now countless public and private healthcare facilities that use Exprivia solutions for complete and integrated computerisation for Radiology, Endoscopy, Gynaecology and Obstetrics, PMA and Cardiology.

The remote consultation systems developed by Exprivia were selected by certain healthcare companies in the North East (Padua, Verona, Trentino Alto Adige) to provide diagnostic support and info-sharing to facilities spread throughout the territory by means of ICT technologies.

Exprivia provided the best solution for voice-enabled medical reporting through its subsidiary GST, which has already set up over 4,000 reporting stations throughout Italy.

The entire portfolio of Exprivia solutions for healthcare is based on international technological standards, namely HL7, IHE, DICOM. This fact, together with web-based interoperability features and development in the J2EE environment, makes these solutions particularly innovative and easy to integrate with the most common information systems used by all types of healthcare facilities.

Banks and Financial Institutions

Exprivia has developed innovative solutions that are a step ahead of the competition and application trends.

Our range covers the primary fields of this sector – credit institutions, financial organisations and multichannel services – also including a complete system of services to support IT operational management.

Finance

Exprivia provides organisations with software and hardware services and solutions dedicated to optimising capital market operations, subject to constant change.

Through the two Murex centres in Milan and Molfetta Exprivia provides services for system design, configuration, integration, upgrades and application management on MXG2000 and MX.3 platforms. In addition, as a Murex certified business partner Exprivia is one of the few organisations able to provide support to companies in processes to optimise and migrate new platform releases.

The experience gained as systems integrators and as a software house, together with fifteen years of operations in financial markets, makes us the ideal partner to design and set up custom solutions to support the quickly evolving business.

Furthermore, the multimedia competence centre enables Exprivia to develop solutions for rationalisation of workstations, thereby reducing TCO.

Receivables

Support for the credit lifecycle is made possible by highly in-depth process competence and by the Global Credit Management proprietary suite, which is structured into three main areas:

- Solutions for operations management for automation, oversight and constant improvement of procedures for screening, disbursement and monitoring
- Decision-making support systems for automatic credit risk assessment
- Business intelligence and reporting solutions that gather and sort information generated and/or archived by application solutions in the suite, thereby expanding access capabilities

Global Credit Management is based on modular and flexible architecture, which ensures each solution can be used as a stand-alone application or easily integrated with third-party solutions. The suite's high quality and flexibility have enabled Exprivia to extend its market to beyond national borders and already in 2011 boasted an installation base of 14 banks in 13 countries in Central Eastern Europe.

Multichannel

As support for marketing, sales and customer service Exprivia provides web 2.0 based services, develops solutions to manage unstructured information and offers mobile and cardless payment products.

For the Internet, Exprivia creates customer service portals that also enable banks to gain in-depth knowledge of their customer base.

The proprietary platform, DeepKnowledge, enables management and correlation of unstructured information from internal and external sources to implement solutions for intelligence (e.g., fraud detection) or marketing (e.g., brand reputation, competition analysis, etc.).

For mobile and cardless payment Exprivia developed Pay4Any, a mobile solution for Remote/Proximity Payment and Money Transfer. This system enables P2P payments, via the web or other methods, enabling credit card payments and cash withdrawals from ATMs using volatile codes.

Operational Management

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

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

The Exprivia portfolio also includes solutions for Asset & Cost Management, Information Security and Event Management (such as secure management of priority users), Videoconferencing, in addition to proprietary solutions designed to optimise service management, such as Let's Care and Helpdesk Tracking.

Industry and Media

Exprivia's approach is diversified and verticalised for the different areas of the industrial sector, with targeted solutions that always 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 every IT need regardless of the business process or enterprise.

Exprivia in the Large Corporation Market

Exprivia develops integration solutions on 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 companies 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 focusing on key operational areas such as warehousing and transportation.

Exprivia's best practices are 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 provides 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, Exprivia provides 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 infrastructure needs. In the application management field, the large number of factories spread out all over Italy enables Exprivia to propose structured offers while guaranteeing high service levels.

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

Oil, Gas and Telco

The group operates in these sectors with a dedicated business line also due to the acquisition of Wel.Network in 2007.

In the Oil & Gas market Exprivia has consolidated its position over the years through its ability to ***combine*** specific skills related to processes for extraction, transportation, storage, refining, and oil and natural gas distribution with the expertise gained in similar sectors (e.g. multi utilities) and knowledge of the industry's 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 landline network operators with a complete and innovative range of systems integration for both business support and operational support.

This is the foundation 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 provides customers with support in the evolution of the Oil and Gas industry, serving as the sole partner for activities such as:

- Project development for core processes (Work & Asset Management, Engineering & Automation etc…), and non-core processes (AFC, HR, dematerialisation and storage etc.)
- System integration, through architectural logic geared towards services for the integration of processes and operating flows, design and development of integration layers 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 customer premises. Assistance also includes first and second level helpdesk services and infrastructure support for data networks and systems.

Exprivia is the ideal partner for telecommunications companies for designing and creating customer care and billing systems, tariff model configuration and general CRM systems, for the configuration and management of provisioning, order management, testing and quality control systems. Exprivia designs and creates solutions for efficient management of network infrastructure, remote database management, configuration management, network management and performance analysis. All these solutions are provided both within projects and through system management services.

CPA, Transport and 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 ensure elastic and transparent management. In this scenario Exprivia was able 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 competent institutional bodies. Our range is divided into design, creation and management services in the following fields:

- eGovernement for citizens, companies and employees
- eProcurement to support purchase processes and monitor supplier performance
- solutions for the management, storage and sharing of electronic documents
- solutions for planning and control using business intelligence platforms
- performance measurement systems in Public Administration processes
- solutions to support administrative processes concerning self governance and cooperation between administrations based on the SOA paradigm

Transport and Utilities, the future is in process management

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

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 company process management
- 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 operational reporting, forecasts and what-if analysis, data mining, business and corporate performance management, data quality solutions
- Design and creation of solutions to support integration between applications and internal services and towards customers and partners on EAI/SOA platforms
- Business Process Outsourcing (BPO) as part of customer services, customer finance, revenue assurance, document management
- Realtime & Geo systems – real-time monitoring and control of physical systems (SCADA), integration with geographic information systems and georeferencing of information (GIS)
- Document & Content Management Systems – electronic archiving, digital signature and electronic stamping, information management, etc.

Market Trends

According to the Assinform survey published in June 2012, **Italian Information Technology in 2011** continued its contraction trend in all traditional market components. Hardware recorded a 9% drop compared to the previous year, totalling Euro 4,559 million; services went down 2.6% compared to 2010, equal to Euro 8,212 million; and software showed greater stamina (Euro 4,226 million, -1%) because of the role it plays in the upgrading and modernisation of existing technological equipment.

The **ICT market in Italy in 2012** should continue its downward trend. According to Assinform figures, during the first three months it fell 3.2% compared to the same period of 2011 and an overall year over year market contraction of 2.5% is expected.

The telecommunications market recorded Euro 9,960 million during the first quarter of 2012 (-3.1% compared to the first quarter of 2011), and the IT market posted Euro 4,085 million (-3.4%), so the total ICT market came to Euro 14,045 million, down 3.2%.

Assinform's forecasts for all of 2012 and the entire ICT market are that the problems will be slightly less critical, with total business totalling Euro 56,599 million (-2.5%), broken down into telecommunications Euro 39,530 million (-2.1%) and IT Euro 17,119 million (-3.1%).

Assinform research pointed out that the "**Global Digital Market**" is a driving force of the IT market. Italian digital business recorded Euro 69,313 million in 2011 (Euro 11,200 more than the previous period), and it is expected to reach Euro 68,609 million in 2012 (-1%, with just a slight decrease compared to the previous year, which is totally justified by the economic situation).

Trend of Exprivia Group Results

The trend of **revenues per business area** rose 22% during the first half of 2012 with respect to the same period of 2011 and this was mainly due to the sectors of Public Administration, Banking, Finance, and Industry in addition to the turnover from Exprivia's foreign companies Exprivia Sl, Prosap and Exprivia do Brasil (under the item "Spain and Central America"). Nonetheless, demand in the Healthcare sector is still recording a decline, mostly ascribable to a slow-down in public investments.

Exprivia Group (value in K €)	30/06/2012	30/06/2011	Change %
BL Banking, Finance and Insurance	9,894	5,504	80%
BL Industy and Media	9,141	7,795	17%
BL CPA, Transport and Utilities	16,015	10,870	47%
BL Oil, Gas and Telecommunications	7,435	6,579	13%
BU Healthcare and Public Local Bodies	15,298	17,067	-10%
BL Spain and Central America	5,733	4,259	35%
Other	1,116	913	22%
Total	**64,632**	**52,987**	**22%**

Exprivia Group (value in K €)	EBITDA				EBITDA/Revenues		
	30/06/2012	30/06/2011	Change	Change %	30/06/2012	30/06/2011	Change
BL Banking, Finance and Insurance	1,780	1,043	737	71%	18.0%	19.0%	- 1.0
BL Industy and Media	395	617	-222	-36%	4.3%	7.9%	- 3.6
BL CPA, Transport and Utilities	-161	466	-627	-135%	-1.0%	4.3%	- 5.3
BL Oil, Gas and Telecommunications	829	599	230	38%	11.2%	9.1%	2.0
BU Healthcare and Public Local Bodies	1,073	2,375	-1,302	-55%	7.0%	13.9%	- 6.9
BL Spain and Central America	422	511	-89	-17%	7.4%	12.0%	- 4.6
Other	139	120	19	16%	12.5%	13.1%	- 0.7
Total	**4,477**	**5,731**	**- 1,254**	**-21.9%**	**6,9%**	**10,8%**	**- 3.9**

The details of the revenues concerning the first half of 2012, compared with the figures for the first half of 2011, broken down by area of business are shown below (in K €).

Gruppo Exprivia (valori in K €)	30/06/2012	30/06/2011	Change %
Projects and services	56,579	44,832	26%
Maintenance	4,539	4,206	8%
HW/ SW third parties	1,671	1,071	56%
Own licences	726	957	-24%
Other	1,116	913	22%
Total	**64,632**	**52,987**	**22%**

The details of the revenues concerning the first half of 2012, compared with the figures for the first half of 2011, broken down by private and public sector are shown below (in K €).

Exprivia Group (value in K €)	30/06/2012	Incidence %	30/06/2011	Incidence%	Change %
PRIVATE	47,857	74.0%	35,486	67.0%	34.9%
PUBLIC	16,775	26.0%	17,501	33.0%	-4.1%
Total	**64,632**		**52,987**		**22.0%**

The details of the revenues concerning the first half of 2012, compared with the figures for the first half of 2011, broken down by geographic area are shown below (in K €).

Exprivia Group (value in K €)	30/06/2012	Incidence %	30/06/2011	Incidence %	Change %
ITALY	58,142	90.0%	47,735	90.1%	21.8%
FOREIGN	6,490	10.0%	5,252	9.9%	23.6%
Total	**64,632**		**52,987**		**22.0%**

BANKING, FINANCE AND INSURANCE

The **Banks and Finance Business Line** confirmed its positive trend during the first half of 2012 by going up 80% compared to the same period in 2011, achieving a total value of approximately Euro 9.9 million. In addition to the significant contribution given by SIS.PA srl, about 16% this significant increase is due to internal growth, which rewards the quality of the continuously evolving offer portfolio able to effectively satisfy the changeable requirements of the primary segments of reference.

Despite the international crisis, we slowed down the start-up of new design initiatives considerably throughout the first half of the year. The competitive positioning acquired on major Business Line customers in core fields for relaunching the business of the single segments and the attention paid to proposing innovative solutions certainly led to the results of the Business Line in the first half of 2012.

In this perspective, confirmation of the volumes of credit and the marked growth in the capital market, the growth in the multichannel and mobile field and the start-up of new partnerships in IT Security and Compliance becomes clear.

New customers have been acquired in both the Finance and Factoring and Leasing areas, which reinforce a solid customer base that has allowed both activities under way to be confirmed and new partnerships in various supply segments to be started up.

INDUSTRY AND MEDIA

In a setting with the market following a downward trend, the first half of the year for the **Industry Business Line** recorded revenues 17% higher than the same period of 2011, rising from approximately Euro 7.8 million to Euro 9.1 million. Growth affected all types of revenue: software product services, product licenses and maintenance.

It was precisely the acquisition of numerous ERP solution product license maintenance contracts, in force since January 2012 in the Medium Enterprise sector, that made it possible to expand the customer base and, as a result, also increase design activities and supply of services.

From the territorial viewpoint, the North East recorded the highest rate of growth and breathed vitality into the entrepreneurial fabric of the region.

In terms of offer, the most innovative areas - such as mobility solutions - have still not begun to generate significant turnover figures, although they have met with a good amount of market interest, which stands to show the low propensity of companies to invest today.

The defence market is on the decline after years of healthy growth because of the crisis that is thwarting the sector.

CPA, TRANSPORT AND UTILITIES

During the first half of 2012 the **Central Public Administration, Transport and Utilities** Business Line confirmed the growth trend recorded in 2012 with revenues amounting to Euro 16 million, a 47% increase over the same period of the previous year. This increment has basically been attained through internal growth and partly derives from the contribution of Realtech Italia (Euro 675 K).

These results were mainly achieved with the delivery of important long-term public contracts acquired in 2010 and 2011.

Revenues from the System Integrators further decreased compared to the first half of 2011, and remained limited to professional services considered strategic in terms of size of the projects and the technical-function area.

Advances made in the Utility sector in both the administrative process management and core process areas were substantial. One reason for this is the ability to manage end-to-end process outsourcing that allows us to further qualify customer relations.

In the Central Public Administration area, sales of the first half of the year enabled continuity of contractual relations in acquired customers, increased credit facilities in the data mining, business intelligence and document management area, and the start-up of an IT security project.

OIL, GAS AND TELECOMMUNICATIONS

Generally speaking, the Markets are showing differentiated dynamics. Energy is on the rise, Telco is stable, and Media is stagnant except for digital marketing. In this context the Oil/Telco/Media Business Line recorded revenues totalling Euro 7.5 million during the first half of 2012, demonstrating 13% growth over the same period of 2011.

Positioning in the Energy area is good with core solutions in Enterprise Applications, innovative Portals, analytical Reporting and Enterprise Integration. Entry into the Telco domain (portals, integrations, security) was recorded during the half-year period.

HEALTHCARE AND PUBLIC LOCAL BODIES

The **Healthcare & Public Local Bodies** Business Unit posted Euro 15.3 million in revenues during the half-year period, 10% lower than the same period of 2011. This is due to a market demand that slowed down during the previous half-year period in the clinical healthcare systems area.

Introduction of the new **E4CURE** system in any case reawoke interest amongst customers and prospects.

On the contrary, the market in the **Medical Imaging** area is much more exuberant, and indeed Exprivia is bidding on a number of contracts with the leading players of the sector. These activities should reasonably generate revenues during the second half of the year.

Lastly, following a first quarter in the **Voice Recognition** area somewhat low-key due to the heavy sales of the last quarter of 2011, a significant upturn was enjoyed during the second quarter, so revenues basically came back into line with the first half of 2011.

Compared to the same period of the previous year, the **Public Local Bodies** area of the Business Unit increased revenues by 16.7%.

Marked improvement in both revenues and margins is expected during the second half of the year.

SPAIN AND CENTRAL AMERICA

International development during the first half of 2012 was concentrated in consolidating presence in the Spanish market and in developing the Latin America and Brazil market.
In Spain, where the Exprivia Group is present through two subsidiaries, the traditional product range of Prosap (Profesionales de Sistemas Aplicaciones y Productos SL), based on ERP applications and SAP services for industry and distribution, and of Exprivia SL, with Business Intelligence solutions for the Healthcare sector, has been expanded.
In Mexico, where Exprivia operates directly with Prosap Mexico, an important contract in terms of quality and volumes was signed. Its purpose is to update the ERP SAP-based management information system of API, the public consortium that groups together all Mexican trading ports.
Important contracts in other Latin American countries were signed for the supply of PACS clinical solutions.
The business activities of the company Prosap Peru have also gotten off the ground. This start-up is focussed on the industry sector and public administration, and is a partner of SAP Andina.
In Brazil, activities to expand the business of Exprivia do Brasil Serviços de Informatica Ltda into the IT Security sector is continuing, and targeted measures having the goal of carrying the offer of solutions and services into the medical sector and the ERP SAP products in the forthcoming months have been defined.

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 result from the Financial Statements referring to 30 June 2012, 30 June 2011 and 31 December 2011.

Please note that the figures as at 30 June 2011 did not include (i) SiSpa Srl, consolidated starting from 1 July 2011, (ii) Exprivia Do Brasil Serviços de Informatica Ltda, consolidated starting from 1 November 2011, and (iii) Realtech Italia for a part of the period, which in 2011 was consolidated starting from June 2011.

	30.06.2012	30.06.2011	31.12.2011
Total production revenues	66,399,795	55,905,250	120,631,619
net proceeds and variation to work in progress to order	64,632,071	52,986,992	115,776,738
increase to assets for internal work	891,934	856,583	1,837,504
other proceeds and contributions	875,790	2,061,675	3,017,377
Difference between costs and production proceeds (EBITDA)	4,462,369	5,730,732	13,873,882
% on production proceeds	6.72%	10.25%	11.50%
Net operating result (EBIT)	2,701,772	4,334,207	10,886,109
% on production proceeds	4.07%	7.75%	9.02%
Net result	(600,903)	1,273,401	3,206,289
Group net equity	64,613,779	65,596,863	67,240,606
Total assets	201,206,988	188,050,927	197,897,777
Capital stock	26,979,659	26,979,659	26,979,659
Net working capital (1)	32,714,777	42,922,868	39,950,807
Cash flow (2)	900,080	3,494,543	6,755,715
Fixed capital (3)	89,253,786	84,131,648	87,619,519
Investment	2,996,529	2,467,158	7,668,109
Cash resources/bonds (*a*)	10,341,922	7,501,471	7,473,881
Short-term financial debts (*b*)	(40,059,409)	(29,097,340)	(38,053,114)
Medium-/long-term financial debts (*c*)	(11,875,243)	(23,229,502)	(13,774,738)
Net financial position (4)	(41,592,730)	(44,825,371)	(44,353,971)

(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 regarding financial year 2012, compared with the same period of 2011.

Exprivia Group	30.06.2012	30.06.2011
ROE ratio (Net profit/Net capital)	-0.93%	1.94%
ROI ratio (Operating profit/Net inv. cap.)	2.08%	3.29%
ROS ratio (Operating profit/Net revenues)	3.94%	9.41%
Financial charges/Profit for the year	-249.65%	156.61%

The table below shows the main capital and financial indicators of the Group as at 30 June 2012, 30 June 2011 and 31 December 2011.

Exprivia Group	30.06.2012	30.06.2011	31/12/2011
Net financing/Net capital ratio	0.64	0.68	0.66
Debt ratio (Total debt/Working capital)	3.11	2.87	2.94

The Exprivia Group closed the first half of 2012 with a **consolidated revenues** of Euro 66.4 million (+18.8% over 2011), an **EBITDA** of Euro 4.5 million (Euro 5.7 million in 2011), an **EBIT** of Euro 2.7 million (Euro 4.3 million in 2011) and a **pre-tax profit** for the Group of Euro 1.3 million (Euro 3.5 million in 2011). The **EBITDA margin** was 6.7%, whereas the **EBIT margin** was 4%.

Revenues in the first half of 2012 are therefore up 19% over the same period of the previous year, Euro +10 million in absolute value.

Three percent of this increase is attributable to internal growth, meaning less acquisitions of companies or business units.

Ten percent of the revenues were realised abroad (same share in 2011) through the sale of products and services by Italy to foreign customers and by subsidiaries located abroad (in Spain, Brazil and Latin America).

Although investments of Italian IT operators continue to be substantially stagnant, in addition to a downturn of the IT segment of a good 4.1% (source: Assinform), the Exprivia Group has continued in its strategy of differentiating and focussing its offer on the design activities that create value for the enterprises. The Company continues to grow internally as well. The growth trend is also confirmed by the comparison between Q2/2012 and Q1/2012, with a rise from Euro 31 to 35 million (+12%).

Revenues in the Italian public administration sector came to 26% in H1/2012, down compared to the 33% of H1/2011. The figure confirms the public/private mix of the market share Exprivia holds. The growth recorded can indeed be attributed to an increase of private companies in the market (please note that in line with market practice, the Company considers private customers companies such as Enel, Poste Italiane, Terna and the like).

The **consolidated net financial position** as at 30 June 2012 is Euro -41.6 million, Euro 7.5 million better than 31 March 2012 and an improvement over 31 December 2011 by Euro 2.8 million. The Exprivia Group repaid the banking system principal on loans totalling roughly Euro 4 million during the first half of 2012, without further disbursements.

The ratio between **Net Working Capital** and revenues as at 30 June 2012 fell from 38% in 2011 to 25%. Receipts totalling about Euro 3.4 million, paid by customers in the Healthcare market with the progressive freeing up of contract work in progress contributed to the positive performance of Working Capital, despite the lesser recourse to non-recourse factoring transactions equal to Euro 2.5 million.

As already stated in the report of accounts as at 31 December 2011, after one of the financial parameters of the medium-term loan agreement with a pool of banks led by BNL was not met, the Company deemed it necessary, in accordance with IAS 1, paragraph 74, to reclassify the non-current part of the medium-term borrowing (Euro 6,428,571.43) into "**current bank debt**".

In any case the company took measures to obtain a waiver so that, in consideration of the financial and industrial reasons for not respecting the parameter, the banks should renounce certain entitlements under the loan agreement. The company is confident that our request will be accepted shortly.

The **Group's Equity** as at 30 June 2012 is Euro 64.6 million, compared to the Euro 67.2 million as at 31 December 2011.

Investments

REAL ESTATE

All the real estate of the Group is in the name of the Holding Company Exprivia S.p.A.

The property in Viale PIO XI 40 in Molfetta (BA) consists of two rooms totalling about 120 m^2.

The Company's current headquarters, located in Molfetta (BA), Via Adriano Olivetti 11/a, covers a surface area of about 8,000 m^2 on which there is a complex of buildings (made up of four blocks, three of which are multi-storey). All of these are office space and warehouses for a net total of approximately 5,000 m^2 of office space.

Training programmes on the most modern IT technologies for large groups of people are organised and carried out at the Molfetta office. The development of technical staff, both internal staff and customers, is based on continuing professional training and education.

The areas dedicated to IT instrumentation, equipped with advanced security systems, are perfectly able to host not only the current equipment necessary for the management and development of the Group's infrastructure and R&D Laboratory, but also additional IT systems used to provide the market with complete solutions for development projects and outsourcing with the most sophisticated security systems and non-stop operations.

In April 2012 Exprivia transferred its Milan branch from Via Esterle, 9 to Via dei Valtorta, 43, thus occupying a rented independent three-storey building with a total of 2500 sq.m of floor space available for office use. In order to furnish the new offices with the most modern equipment, the Company invested about Euro 700 K in infrastructures and furnishings for the new Milan branch during the first half of 2012.

The Company started expanding its Molfetta production unit during the first half of 2012, a project provided for in the programme agreement signed with the Regione Puglia on 5 December 2011 for a total value of Euro 10.4 million. The first stage of the investment in material assets, totalling Euro 5.6 million, is the erection of a new four-storey office building with a total of 2,500 sq. m of floor space.

RESEARCH & DEVELOPMENT - INNOVATION LAB

In keeping with the industrial plan, R&D in the first half of 2012 focused on a series of research objectives within Exprivia’s framework research project for the next few years, **“Città Digitale 2.0”**. The project provided a technological and application framework to determine and define company innovation strategies.
Underlying Città Digitale is Exprivia’s vision on improving the quality of urban life through services on mobile devices, aimed at supporting the day-to-day life of citizens and making it more comfortable in infomobility, mobile ticketing, helping the disabled, in emergencies and in telemedicine.

Work on the two projects started in past years continued: SlimPort and SDI.

SLIMPORT – Security, Logistics, InterModal PORT system – which was kicked off in 2009 under the Industry 2015 programme – sustainable mobility. The project wound up in the research activities in April 2012.

In this context Exprivia is the leading partner in the sub-project SLIMSAFE, whose goal is to develop a smart, modular and scalable platform able to analyse, shape and oversee port operations. The lead company in the entire SLIMPORT project is Elsag Datamat S.p.A. The **GeoCollaboration** system is one of the most interesting results of the SLIMPORT project for Exprivia as it is used on the market in a number of application fields. It manages resources and monitors safety at the workplace. It is based on the extensive use of tablets, smartphones and WiFi sensors for controlling work teams spread out over geographic areas. It will be tested during the second half of 2012 at the Bari Harbour for the safety of the work teams.

SDI - *Service Delivery Improvement*, co-financed by Regione Puglia under the Regional Planning Programme, whose aim is to enhance and innovate IT service delivery starting from adopting and experimenting with new delivery systems, such as Software as a Service (SaaS) and Cloud Computing. The SDI project will lead to the expansion and industrialisation of Exprivia's remote services in the Factory model, with **CMMI** and **ISO** certifications.

LOGIN – LOGistica Integrata (Integrated LOGistics) under Industry 2015 - Made in Italy. This project approved in June 2011 will be launched in the upcoming months and will focus on engineering a regional Web marketplace platform for matching, synchronisation and management of goods transport. It is operated by a cluster of micro transport enterprises oriented toward providing a low-cost service, even to SMEs. It will let Exprivia engineer logistic organisation and matching solutions that can be reused in a number of customer contexts.

Several research projects presented in 2011 as part of the national funding called **PON** (which stands for Programma Operativo Nazionale "Ricerca e Competitività" 2007-2013 *[National Operational Programme "Research and Competitiveness"]*) and concerning development of actions known as *"Hi-tech **Districts** and related networks*" and "***Public-Private Laboratories** and related networks*" (Axis I - Support for structural changes). Exprivia took part in drafting various proposals for the development and enhancement of Hi-tech Districts and Public-Private Laboratories which the company belongs to: the District **Di.T.N.E.** (National Technological District for Energy) based in Brindisi, the Laboratory **LAB GTP**, focussed on Bio-Informatics and based in Naples, and the High-Tech Technological District **DHITECH**, focussed on IT Hi-Tech and based in Lecce.

Preliminary approvals were also obtained for a series of PON 2011 proposals dedicated to the creation of ***New Districts** and/or new Public-Private Combinations* in the fields of **Healthcare**, services dedicated to the elderly and disabled (**Ambient Assisted Living**), and the supply of services to enterprises through social networking systems.

Exprivia saw an important project in the national tender **PON 2012 Smart Cities**, called Pro.Mi.Se, approved in May 2012. It is a project in line with the strategic Digital City topic, with Exprivia playing the role of leading company. Its purpose is to create multimodal infomobility and mobile-ticketing systems, and tests are scheduled for Bari, Lecce, San Giovanni Rotondo and the entire region of Puglia. Synergies and testing with a Smart Mobility project led by Fiat and Ericsson are also planned in the Campania region

The Regional Programme Agreement **Puglia Digitale 2.0** (Programma Operativo Regionale - POR Puglia [Regional Operational Programme]) procedure is continuing along the same lines. Approval and signature are expected in the second half of 2012. The proposal, presented in cooperation with a group of Puglia companies belonging to the Puglia IT district, is dedicated to using the Software as a Service (SaaS) paradigm to create an organised supply chain of 'digital services' starting from the District's present offer of software services and products. In its role of lead company, Exprivia sets out to complete the Digital City pilot application research in fields of interest such Infomobility, Ambient Assisted Living (AAL) & Telemedicine, Tourism, and energy efficiency monitoring.

The company has further cultivated a **Mobile Applications Competence Centre** in the Innovation Lab. It is mostly working on Android and iOS solutions while enlarging the company's skill in a continuously and constantly growing technological and application field. This includes innovative Mobile applications released into production even to customers such as Vodafone and ENI.

Lastly, collaboration with the Municipality of Bari continues with the "**Bari Digitale**" pilot project that aims at creating a "Mobile Citizen Assistant" that will lead to putting Mobile Ticketing for Bus and Parking solution on stream within 2012.

The initiative will provide Bari with an open and ongoing laboratory for engineering Exprivia solutions to potentially supply in SaaS mode in many Italian and foreign cities.

Risk and Uncertainties

INTERNAL RISK

RISK RELATED TO EMPLOYMENT OF KEY STAFF MEMBERS

The success of the Exprivia Group mainly depends on some key figures who significantly contribute to its development. In addition to the executive directors of the Group and subsidiaries, the Exprivia Group also has senior managers with many years of experience in the sector who play a decisive role in managing the operations.

During the first half of 2012 the top functions of senior management were considerably reinforced so as to lower the risk that some key figures might leave the company and to confirm the Group's ability of attracting leading figures in the national IT industry.

The loyalty-inducing tool to keep the most able and merit-worthy human resources through short-term (MBO) and long-term (LTI) incentive plans still continues. The plans are described in Remuneration Report submitted to the shareholders' meeting for approval.

RISK RELATED TO DEPENDENCE ON CUSTOMERS

The Exprivia Group provides services to companies operating in different markets (Healthcare, Central and Local Public Administration, Finance, Telecom & Media, Manufacturing, Oil & Gas and Utilities).

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

RISK RELATED TO CONTRACTUAL COMMITMENTS

The Exprivia Group develops high value solutions with a high technological content and related underlying contracts may provide for the application of penalties for compliance with stipulated terms and quality standards. The application of these penalties could have negative effects on the economic and financial results of the Exprivia Group.

The Exprivia Group has therefore stipulated insurance policies with leading insurance companies, considered adequate to safeguard itself from the risks arising from professional liability (the policy covering "all IT risks"). Should this insurance coverage be insufficient and should the Exprivia Group be required to pay for damages amounting to higher than the limits stipulated, the economic, capital and financial situation of the Exprivia Group could suffer significant negative effects, however in line with the risk parameters of the entire sector.

RISK RELATED TO INTERNATIONALISATION

In its internationalisation strategy the Group could be exposed to typical risks deriving from the performance of business at an international level, which include changes in politics, macro-economic outlook, taxation and/or regulations, as well as currency variations. Nevertheless, please note that as at 30 June 2012 the company is considerably active in foreign markets, where the country risk is entirely under control and moderate in size.

EXTERNAL RISK

RISK ARISING FROM THE GENERAL CONDITIONS OF THE ECONOMY

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

An unfavourable economic phase, particularly at a domestic level, could slow demand, which would result in a capital, economic and financial impact. The Group proved it is able to react to grow and maintain the necessary profitability, even in today's situation with the global economy declining. In this sense, the risks concern the overall duration of the depression cycle and the number of variables connected with the domestic and international political-economical system.

RISK RELATED TO IT SERVICES

The ICT consulting services sector in which the Exprivia Group operates features fast and profound technological changes and constant evolution of the composition of professionals and skills to gather in the creation of services, together with a need for constant development and updating of new products and services.

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

RISK RELATED TO COMPETITION

The Exprivia Group competes in markets of societies that are normally large, whose element of comparison is the capacity of economies of scale and adequate pricing policies. The Exprivia Group reduces this risk through an ongoing research and development activity encouraged by the Molfetta near shoring centre, where it is possible to draw on human resources in line with the trends of the sector in consideration of the closeness of the university and the many activities being carried on with it.

RISK RELATED TO CHANGES IN LEGISLATION

The work conducted by Exprivia Group is not subject to any specific legislation in the sector.

FINANCIAL RISK

INTEREST RATE RISK

Over the years the Exprivia Group has obtained various loans including several medium-long term at a fixed rate and others at a facilitated rate, the latter relating to funded research and development projects. Concerning variable rate loans, where considered necessary the Group stipulates interest rate swap agreements to hedge the risk of fluctuating interest rates.

Details on current loans, hedging and assessment on the effectiveness of hedging are given in the explanatory notes to the financial statements.

CREDIT RISK

The Exprivia Group does not have significant concentrations of credit risk except for work carried out in the Public Administration sector, where delays are allowed mainly due to the payment policies adopted by public bodies. They often do not respect the conditions set forth in contracts but, nevertheless, they do not lead to the risk of bad debts.

The Exprivia Group also manages this risk by selecting counterparts considered to be solvent by the market and with high credit standing.

All amounts receivable are periodically assessed for each individual customer, and they are written down when they are considered impaired.

LIQUIDITY RISK

Prudent management of liquidity risk is pursued by monitoring cash flow, financing needs and the liquidity of the Exprivia Group to ensure effective management of financial resources by managing any surplus liquidity or surplus that can be liquidated, and by opening credit lines where necessary, including short-term ones.

Medium-term bank debt, contracted in May 2008 with a pool of banks led by BNL, have certain financial parameters to meet. If they are not respected then the lending banks are entitled to demand immediate repayment from Exprivia, which would have a negative impact on the financial situation of Exprivia and the overall Group.

EXCHANGE RATE RISK

Since the majority of operations conducted by the Exprivia Group is in the Euro area there is limited exposure to foreign exchange risk arising from transactions that are not in the usual currency (Euro). Opening up to highly fluctuating markets (Brazil, for example) might constitute a risk to keep any eye on, but in any case depending on the volumes, which at this time are insignificant.

Significant Events of the First Half of 2012

ACQUISITIONS/SALES IN THE EXPRIVIA GROUP

On 2 February 2012 Exprivia SpA concluded a binding agreement to acquire Visiant do Brasil, today Exprivia do Brasil Serviços de Informatica Ltda, a Brazilian company specialised in IT Security solutions.

Pursuant to art. 2482-ter of the Italian Civil Code, the share capital of Datilog Srl totalling Euro 10,400.00 was re-established on 24 April 2012. Exprivia SpA subscribed and paid up 76% of this share capital.

On 15 June 2012 the shareholders' meeting of the company Exprivia do Brasil Serviços de Informatica Ltda resolved a face value capital increase for the minority shareholder, which subscribed to it at the same time. The controlling share of Exprivia SpA when this transaction is registered at the local chamber of commerce will be 97%-diluted.

Exprivia SpA acquired the shares held by minority shareholders on 21 June 2012 to become the sole shareholder of the company Infaber Srl.

COMPANY EVENTS

On 13 March 2012 the Board of Directors coopted the independent director Umberto Paolucci.

On 19 April 2012 the shareholders' meeting of Exprivia SpA met on first call to approve the financial statements as at 31 December 2011 and the distribution of a dividend amounting to Euro 0.031 per share.

The Corporate Governance and Ownership Report and the Remuneration Report for directors and management with strategic responsibility of the Exprivia Group were approved during the same shareholders' meeting. Both reports are published on the company's website in the "Investor - Corporate Information" section.

The shareholders' meeting also confirmed the appointments of Pierfilippo Roggero as Executive Director and Umberto Paolucci as Independent Director.

Lastly, the shareholders' meeting withdrew the authorisation to purchase and dispose of treasury shares resolved on 28 April 2011, and approved the issue of a new authorisation to purchase and dispose of treasury shares pursuant to articles 2357 and 2357-ter of the Italian Civil Code.

On 26 April 2012 the company distributed a dividend of Euro 0.031 per share for a total amount of Euro 1,608,402.70.

On 14 May 2012 the Independent Director Umberto Paolucci resigned from the Board of Directors of the company with regret owing to the concomitance of new obligations that had arisen.

Events After 30 June 2012

COMPANY EVENTS

As proposed by the Internal Control Committee and with the favourable opinion of the Board of Statutory Auditors, on 3 August 2012 the Board of Directors of the Company appointed Gianni Sebastiano "executive manager for preparing the corporate accounts".

Mr Gianni Sebastiano also took on the office of Investor Relations Manager starting from the same date.

Exprivia's Stock Market Performance

Exprivia shares have been listed on the Electronic Share Market of Borsa Italiana (MTA – STAR segment) since August 2000 and on 28 September 2007 Exprivia was moved to the STAR segment (high performance securities).

The Share Capital as at 30 June 2012 consists of 51,883,958 shares with a nominal unit value of Euro 0.52.

Stock Exchange ISIN code: IT0001477402

Acronym: XPR

Specialist: Centrobanca

COMPOSITION OF SHAREHOLDERS

On the basis of the entries in the shareholders' register, as supplemented by instructions received in accordance with art. 120 of the Consolidated Finance Act and available information, as at 30 June 2012, the shareholder structure of Exprivia was as follows:

Shareholders	Shares	%
Abaco Innovazione S.p.A..:	25,384,630	48.93%
Merula S.r.l:	2,607,330	5.03%
Data Management S.p.A.:	1,055,001	2.03%
Treasury Shares Held	557,306	1.07%
Other shareholders (< 2%):	22,279,691	42.94%
Total Shares	**51,883,958**	**100%**

STOCK PERFORMANCE

The graph shows the performance of Exprivia stock on the FTSE Italia Star index in January-June 2012.

Staff

Company	Employees 30/06/2012	Employees 31/03/2012	Employees 31/12/2011	Temporary workers 30/06/2012	Temporary workers 31/03/2012	Temporary workers 31/12/2011
Exprivia SpA	762	765	736	60	55	53
Wel.Network SpA	108	111	117	2	2	2
Svimservice SpA	271	268	283	0	0	1
Exprivia Solutions SpA	115	113	110	10	15	18
Exprivia SL (Spain)	14	12	11	0	0	3
Exprivia Projects SpA	273	283	246	0	0	
GST Srl	10	11	11	1	0	1
Realtech Italia Spa	148	153	154	4	3	2
Datilog Srl	7	6	6	0	2	2
Prosap (group) SL	139	142	160			2
InFaber Srl	21	21	20	1	0	0
Sispa Spa	57	57	60	2	2	2
Spegea S.c. a r.l.	9	9	9	4	3	4
Exprivia do Brasil Servicos de Informatica Ltda	9	8	10	4	4	6
Total	**1943**	**1959**	**1933**	**88**	**86**	**96**
of which Management	*37*	*38*	*33*			
of which Middle Management	*179*	*181*	*180*			

Part-time workers make up about 21% of all employees, with 408 units working part-time in various configurations of contractual working hours as at 30 June 2012.

Organisational Development

The Exprivia Group is committed to maximising the value of its resources by adopting integrated management and organisation tools.

In particular, the role of the Organisational Development unit is to provide support to all other departments in the group by improving tools for:

- Planning and reviewing work performance
- Development of professionalism
- Improving the recruitment process

In order to set up an organisation model that strictly focuses on merit and is extended to all persons working for the Exprivia Group, an individual performance assessment process was implemented in 2011, and it came to a close during the first half of 2012. Its purpose was to:

- Measure the short-term performance targets
- Set up development paths based on the results that emerged
- Define the structure rankings to single out key people
- Attribute remuneration in proportion to merits
- Identify gaps in expertise

The individual performance assessment system, MBO (Management By Objectives) form, is the most important source of information for remuneration tools (Talent Management, Incentives, Management Training).

In keeping with the provisions of the CONSOB Issuer Regulations (pursuant to article 123-ter of the Consolidated Finance Act) adopted with resolution no. 11971 of 14 May 2009 and updated on 8 February 2012, art. 84 quater, the Company made the 'Remuneration Report for Directors and Management with Strategic Responsibility' available to the market and submitted it to the approval of the shareholders' meeting of 19 April 2012. This report describes the remuneration policy concerning these figures for the 2011-2013 period.

The incentive model referring to Directors and Management with Strategic Responsibility described in the report applies to everyone in the company as far as assessment and remuneration of short-term targets are concerned, and to specific members of top management as regards assessment and remuneration of long-term targets.

Throughout the company remuneration is connected to results achieved by each individual, and it was designed to be sustainable and compatible with company results while ensuring the approach is based on merit.

As far as Training is concerned, the Training Master Plan has been designed. It consists of the essentials of Exprivia Group's training requirements for the year 2012. Training needs were identified by interviewing line 1 and 2 managers individually in January and February 2012.

The training programmes decided on include measures for developing organisational methodology and measures that enlarge technical knowledge and skills to support technological innovation and development programmes.

Those interviewed stressed the need to strengthen skills tied to project management on all applications concerning knowledge, aptitudes, techniques and tools that allow targets set out in the projects followed by Exprivia personnel to be attained.

The paths included in the plan are essential for passing PMP (Project Management Professional) certification.

Those interviewed also emphasised the need to continue the training they started several years ago in order to reinforce Exprivia Group middle management skills, namely team building, time management, negotiation, public speaking, etc. abilities.

Training paths focussed on strengthening the "customer relations" skill have been planned for the more junior profiles. This action allows the Group to simultaneously strengthen its communication approach and empathise with customers in order foretell their requirements. More specifically, actions to develop a consulting approach have been designed in order to strengthen the junior resources recruited during the past year: the Exprivia functional consultant becomes a "guest" of an organisational setting, a cultural structure based on values that he must be able to consciously identify with.

On the whole, the Training Master Plan provides for the supply of approximately 20,000 hours of training versus the 10,000 hours supplied in 2011 and 641 attendances. During the first half of 2012 10,240 hours of training were provided. The following paths are of particular note:

- 2nd Ed. Corporate Master in Business Administration
- Advanced and basic PM course leading to PMP certification
- Function Point course leading to IFPUG certification
- Customer communication course
- Welcome Company

Exprivia has always aimed at the attainment of technical certification for its personnel, in this way ensuring its customers objective certification of the technical abilities of its staff. Specifically, at least 100 IT certifications (SAP, ITIL, Oracle, Function Point, etc.) are expected to be acquired in 2012. Group employees obtained 88 certifications during the first half of 2012.

As for recruitment, the Exprivia Group has for the most part focussed on benefitting from considerable investments in terms of new staff recruits with the aim of further improving the quality of its resources.

During the first half of 2012 69 new specialists and recent graduates in ICT and 42 new resources operating in the Business Process Outsourcing and Contact Center sectors were hired, for a total of 111 new workers added.

The recruiting processes were particularly focussed on specialised experts in their respective sectors.

To improve access to the labour market in terms of quality, Exprivia has improved the effectiveness of its recruiting process by aiming at management of the process broken down by markets. By improving the monitoring of the needs of each market of reference, assessment of the specialised skills is managed in connection with the market of reference.

As far as the more junior profiles are concerned, Exprivia pursued ongoing collaboration with universities and schools of engineering aware as it is of the high value in terms of skills produced. In this way it considerably increased by both the start-up and consequent monitoring of internships and training periods offered to university graduates and final-year university students (in this latter case, aimed at carrying out experimental thesis projects). This channel is highly virtuous since it offers the intern the important chance to make a foray into topics directly connected with the corporate business together with the innovative contribution coming from the relationship with universities and research centres.

Management and Control Organisation Model (pursuant to Legislative Decree no. 231/2001)

Effective 31 March 2008, Exprivia adopted its Organisation, Management and Control model under Legislative Decree no. 231/2001 and set up a Supervisory Body appointed for the whole Group. None of its members are directors of Group companies.

This model is integrated with the principles and provisions of the Exprivia Code of Ethics. The unique nature of Exprivia's governance system and policies is thus confirmed, which also focuses on developing a corporate culture that fully complies with the principals of conduct for all of Exprivia.

The Supervisory Board meets periodically and performs its job in observance of the tasks assigned to it by the Model and Regulations/Articles of Association it has independently adopted, all with the aim of supervising the model's operation and of updating it.

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

Quality Assurance Certification

The Quality Management System, conforming to ISO 9001:2000, 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 2011 an outside body checked that the ISO 9001:2000 certification is fulfilled, which resulted in confirmation of the certificate.

A check that ISO 13485 certifications and EEC marking (in conformity with the 93/42/EEC directive) for medical devices is fulfilled was performed in March 2012, which resulted in confirmation of the certificates.

In addition to the holding company, the other Group companies with ISO 9001 certification 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.

Inter-company Relations

The organisational structure of the Exprivia Group functionally integrates all staff services of the Group subsidiaries within the consolidation area, thereby optimising the operational structures of each company to ensure effectiveness and efficiency in supporting the business of the Group.

A new organisational structure regarding Staff services became operational starting on 1 July 2012. It operationally and hierarchically reports to the Managing Director.

The structure is divided into: Administration, Finance and Control Department, Human Resources Department, Corporate IT System and Quality, Legal Office, and Marketing and Communication Department.

The Group companies constantly collaborate with each other for commercial, technological and application development. In particular the following should be pointed out:

- Widespread use of specific corporate marketing and communication competencies within the Group including the production of paper, digital and web-based 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 highly specialised technical competencies;
- Coordinated participation by Exprivia in public contract tenders with the contribution of all companies according to their specific competencies.

The table below shows financial relationships between the companies of Exprivia Group and its subsidiaries.

The table below illustrates the equity relationships between the companies of Exprivia Group and its subsidiaries not part of the consolidation area as at 30 June 2012 and 31 December 2011.

Description	30/06/2012	31/12/2011	Change
Farm Srl winding up	20,388	20,388	-
Al Faro Srl winding up	2,100	2,100	-
TOTAL	*22,488*	*22,488*	*-*

Relations with Affiliates and Associated Companies

In compliance with applicable legislative and regulatory provisions, and in particular with:

(i) the new "Regulations on transactions with affiliated parties – CONSOB resolution no. 17221 of 12 March 2010" as amended by resolution no. 17389 of 23 June 2010; (ii) the outcome of the subsequent "consultation" published by CONSOB on 24 September 2010; (iii) the CONSOB notice on guidelines for applying the regulations published on 24 September 2010; (iv) CONSOB notice no. 10094530 of 15 November 2010 with additional clarifications.

On 27 November 2010 the Board of Directors of the company adopted a new PROCEDURE FOR TRANSACTIONS WITH AFFILIATES, setting forth provisions concerning transactions with affiliates in order to ensure transparent and correct operations with affiliates in substance and procedure carried out directly or through companies that are directly and/or indirectly controlled by Exprivia ("Exprivia Group").

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

Transactions with affiliates are part of normal business management and are carried out under normal market terms.

The procedure for performing inter-company transactions and transactions with associated companies is published on the company website in the section "*Investor – Corporate Information*".

The table below shows amounts payable and receivable and costs and revenues, both commercial and financial, between the companies of Exprivia Group and associated companies.

Receivables from Affiliates and Associated Companies

Description	30/06/2012	31/12/2011	Change
Pervoice S.p.A.	352	914	(562)
Traxall Srl	75,431		75,431
TOTAL	*75,783*	*914*	*74,869*

Payables to Affiliates and Associated Companies

Description	30/06/2012	31/12/2011	Change
Pervoice S.p.A.	7,493	9,941	(2,448)
TOTAL	*7,493*	*9,941*	*(2,448)*

Costs with Affiliates and Associated Companies

Description	30/06/2012	30/06/2011	Change
Pervoice S.p.A.		13,630	(13,630)
TOTAL	-	*13,630*	*(13,630)*

Revenues from Affiliates and Associated Companies

Description	30/06/2012	30/06/2011	Change
TraxAll S.r.l.	75,592		75,592
Pervoice S.p.A.		141	(141)
TOTAL	*75,592*	*141*	*75,451*

Group Relations with Parent Companies

Exprivia S.p.A. has relationships of a commercial nature with its Parent Company Abaco Innovazione S.p.A., namely, these consist of the supply of logistics services, consultancy and support.

The tables below show relations between the Exprivia Group and the parent company Abaco Innovazione SpA, at 30 June 2012.

Receivables

Description	30/06/2012	31/12/2011	Change
Exprivia S.p.A.	233,263	229,713	3,550
Exprivia Solutions S.p.A.	606,420	599,250	7,170
TOTAL	*839,683*	*828,963*	*10,720*

Revenues and Income

Description	30/06/2012	30/06/2011	Change
Exprivia S.p.A.	2,500		2,500
Exprivia Solutions S.p.A.	7,170	8,232	(1,062)
TOTAL	*9,670*	*8,232*	*1,438*

Business Outlook

The data **Assinform** supplied in March 2012 show that the Information Technology market in Italy has dropped off another 2.2% compared to 2011. Nevertheless, a few positive signs are coming from development of the digital economy, and hope arises from implementation of the Digital Agenda, which might aid and strengthen switching over to a more modern country with less bureaucracy.

In any case, 2012 is a year that is still particularly difficult. On the international scale, Italy is still at the tail end of the European Union with only Spain, Portugal and Greece following in its wake.

The new digital economy application needs have led to the start-up of experimental projects for mobile payment, mobile ticketing and, more generally, Smart City. They may become a major opportunity for modernizing the country and improving the quality of life.

During this recession, the Exprivia Group not only confirmed rapid growth of its consolidated total revenues, 18.6% to hit the Euro 66 million mark, but also initiated another development phase with the goal of:

- Enlarging its customer base, particularly in the Private sector and more specifically in the Utilities and Energy area
- Strengthening its offer in the Digital Economy and Security area
- Expanding expertise in the Core Business areas
- Improving its management and delivery of more complex projects

- Reinforcing its international operations by exporting products and services from Italy and enlarging its companies abroad

These actions, together with a new organisational model, will not only allow the group to keep the growth and development goal set out in the industrial plan unaltered, but have also already contributed to compensating the drop in productivity and margins noticed during the first quarter of 2012, and they are a positive sign for the rest of the year.

Notice regarding Management

In accordance with Art. 2497 et seq. of the Italian Civil Code, governing transparency in the exercise of company management, it is acknowledged that this is exercised by Abaco Innovazione S.p.A., with offices in Viale Adriano Olivetti 11/a, Molfetta (BA), tax code and VAT no. 05434040720.

It should be noted that in the exercise of such activity:

- Abaco Innovazione S.p.A. has not caused any damage to the interests and assets of our company;
- Full transparency of inter-company relations was ensured to the extent that anyone can check whether this principle is being observed;
- Transactions with Abaco Innovazione S.p.A. were carried out under market terms, i.e., under conditions that would have been applied by independent parties.

Relations with Abaco Innovazione S.p.A. of an economic, capital and financial nature are set forth in the section of this Directors' Report "Group Relations with Parent Companies".

Further, in accordance with Art. 2497 et seq. of the Italian Civil Code aiming to regulate transparency in the exercise of company management, the tables below provide summary data referring to the latest financial statements of Abaco Innovazione S.p.A..

		31/12/2011	31/12/2010
NON-CURRENT ASSETS			
Investments		31,689,569	31,791,782
	Investments in subsidiaries	31,689,569	31,791,782
TOTAL NON-CURRENT ASSETS		*31,689,569*	*31,791,782*
CURRENT ASSETS			
Trade receivables and other		19,645	18,591
	Receivables from parent companies	12,763	12,763
	Other receivables		239
	Tax receivables	6,882	5,589
Cash at bank and on hand		77	199
	Held at banks	62	196
	Cheques and cash in hand	15	3
TOTAL CURRENT ASSETS		*19,722*	*18,790*
TOTAL ASSETS		*31,709,292*	*31,810,572*

		31/12/2011	31/12/2010
EQUITY			
Share capital		1,000,000	1,000,000
	Share capital	1,000,000	1,000,000
Treasury shares		(166,670)	(166,670)
	Treasury shares	(166,670)	(166,670)
Other reserves		24,444,139	23,877,007
	Legal reserve	200,000	200,000
	Extraordinary reserve	5,592,547	5,025,415
	IAS transaction reserve	(8,408)	(8,408)
	Share swap reserve	18,660,000	18,660,000
Profit/loss periods previous		4,586	4,586
	Retained earnings/loss	4,586	4,586
Profit/loss for the year		711,449	567,131
TOTAL EQUITY		25,993,505	25,282,054
NON-CURRENT LIABILITIES			
Non-current bank debt		2,800,000	3,500,000
	Non-current bank debt	2,800,000	3,500,000
TOTAL NON-CURRENT LIABILITIES		*2,800,000*	*3,500,000*

CURRENT LIABILITIES			
Current bank debt		1,200,476	1,305,943
	Bank debt, current portion	1,200,476	1,305,943
Trade payables		200,273	168,758
	Trade payables	200,273	168,758
Other financial liabilities		828,963	917,795
	Payables to subsidiaries	828,963	804,992
	Amounts payable to others		112,803
Tax liabilities		53	0
	Tax liabilities	53	
Other current liabilities		686,022	636,022
	Amounts payable to pension and social security institutions	33,560	28,610
	Other payables	652,462	607,412
TOTAL CURRENT LIABILITIES		*2,915,787*	*3,028,518*
TOTAL LIABILITIES		***31,709,292***	***31,810,572***
		-	-

		31/12/2011	**31/12/2010**
COSTS RELATED TO EMPLOYEE BENEFITS		49,950	49,950
	Salaries	45,000	45,000
	Social security charges	4,950	4,950
OTHER COSTS		53,291	53,126
	Other costs for services	36,247	35,175
	Sundry operating expenses	17,045	17,951
TOTAL PRODUCTION COSTS		***103,241***	***103,076***
DIFFERENCE BETWEEN PRODUCTION COSTS AND REVENUES		**(103,241)**	**(103,076)**
FINANCIAL INCOME AND CHARGES		(814,743)	(670,207)
	Income from equity investments	(1,022,011)	(1,023,759)
	Income other than the above, indicated separately	(252,885)	(35)
	Interest and other financial charges	443,182	340,095
	Financial charges with subsidiaries	16,971	13,492
PRE-TAX PROFIT		711,502	567,131
INCOME TAXES		53	0
	IRES	53	
PROFIT OR LOSS FOR THE YEAR		***711,449***	***567,131***

Half-year Consolidated Financial Statements of the Exprivia Group

Consolidated Balance Sheet

Importi espressi in Euro

	30.06.2012	30.06.2011	31.12.2011
STATO PATRIMONIALE			
ATTIVITA' NON CORRENTI			
Immobili, Impianti e macchinari	**11.622.494**	**10.703.822**	**10.871.998**
Terreni e Fabbricati	6.490.870	6.513.238	6.496.858
Immobilizzazioni in corso e acconti	323.417	188.005	231.468
Altri beni	4.808.206	4.002.579	4.143.672
Avviamento e altre attività a vita non definita	**69.140.702**	**65.968.556**	**69.211.588**
Avviamento	29.439.128	29.378.005	29.453.849
Differenza di consolidamento	39.701.574	36.590.551	39.757.739
Altre Attività Immateriali	**5.208.601**	**3.997.326**	**4.337.933**
Attivita' Immateriali	1.655.095	490.950	907.207
Costi di ricerca e sviluppo	3.114.651	3.368.743	3.154.541
Immobilizzazioni in corso e acconti	438.856	137.633	276.185
Partecipazioni	**1.922.204**	**1.844.069**	**1.862.205**
Partecipazioni in imprese controllate	51.644	51.646	51.646
Partecipazioni in imprese collegate	249.224	175.188	189.224
Partecipazioni in altre imprese	1.621.336	1.617.235	1.621.335
Altre Attività Finanziarie	**325.647**	**254.349**	**279.716**
Crediti verso imprese controllate	22.488	22.488	22.488
Crediti verso altri esigibili	303.159	231.861	257.228
Altri Titoli			
Imposte differite Attive	**1.034.138**	**1.363.527**	**1.056.079**
Imposte anticipate/differite	1.034.138	1.363.527	1.056.079
TOTALE ATTIVITA' NON CORRENTI	89.253.786	84.131.648	87.619.519
ATTIVITA' CORRENTI			
Crediti Commerciali e altri	**76.772.232**	**69.531.555**	**73.882.552**
Crediti verso Clienti	60.192.965	57.145.697	58.151.010
Crediti verso imprese collegate	75.783	5.116	914
Crediti verso imprese controllanti	839.683	815.224	828.963
Crediti v/altri	14.210.290	10.699.341	13.388.129
Crediti tributari	1.453.512	866.177	1.513.536
Ratei e Risconti attivi			
Rimanenze	**199.463**	**176.233**	**136.934**
Rimanenze	199.463	176.233	136.934
Lavori in corso su ordinazione	**24.639.585**	**26.709.702**	**28.784.892**
Lavori in corso su ordinazione	24.639.585	26.709.702	28.784.892
Attività Finanziarie Correnti		**318**	
Altri Titoli		318	
Disponibilita' Liquide	**10.341.922**	**7.501.471**	**7.473.881**
Banche Attive	10.319.932	7.488.840	7.447.395
Assegni e Valori in cassa	21.990	12.631	26.486
TOTALE ATTIVITA' CORRENTI	111.953.202	103.919.279	110.278.259
TOTALE ATTIVITA'	**201.206.988**	**188.050.927**	**197.897.778**

Importi espressi in Euro

	30.06.2012	30.06.2011	31.12.2011
PATRIMONIO NETTO			
Capitale Sociale	**26.979.659**	**26.979.658**	**26.979.658**
Capitale Sociale	26.979.659	26.979.658	26.979.658
Crediti verso soci per versamenti ancora dovuti			
Azioni Proprie	**(289.799)**		**(46.508)**
Azioni proprie	(289.799)		(46.508)
Riserva da Sovrapprezzo	**18.081.738**	**18.081.738**	**18.081.738**
Sovrapprezzo azioni	18.081.738	18.081.738	18.081.738
Riserva da Rivalutazione	**2.907.138**	**2.907.138**	**2.907.138**
Riserva da rivalutazione	2.907.138	2.907.138	2.907.138
Altre Riserve	**12.601.011**	**11.008.828**	**10.998.820**
Riserva Legale	3.182.603	3.021.831	3.021.831
Altre Riserve	9.418.408	7.986.997	7.976.989
Utili/Perdite esercizi precedenti	**6.155.214**	**6.966.273**	**6.405.325**
Utili / Perdite a nuovo	6.155.214	6.966.273	6.405.325
Utile/Perdite dell'esercizio	**(600.903)**	**1.273.401**	**3.206.289**
TOTALE PATRIMONIO NETTO	65.834.057	67.217.036	68.532.460
Interessenze di minoranza	**1.220.278**	**1.620.173**	**1.291.854**
TOTALE PATRIMONIO NETTO GRUPPO	**64.613.779**	**65.596.863**	**67.240.606**

Importi espressi in Euro

	30.06.2012	30.06.2011	31.12.2011
Debiti v/banche non correnti	**11.875.243**	**23.229.502**	**13.774.738**
Debiti v/banche non correnti	11.875.243	23.229.502	13.774.738
Altre Passivita' Finanziarie	**3.057.435**	**3.417.232**	**3.215.077**
Debiti verso fornitori oltre esercizio	814.256	585.352	516.608
Debiti verso altri finanziatori	240.678	790.603	478.368
Debiti per acquisto partecipazioni	1.740.396	1.957.996	1.957.996
Debiti trbutari e previdenziali oltre l'esercizio	262.105	83.281	262.105
Fondi per Rischi e Oneri	**1.442.471**	**1.539.869**	**1.521.892**
Altri accantonamenti	1.442.471	1.539.869	1.521.892
Fondi Relativi al Personale	**8.747.084**	**8.735.068**	**8.632.353**
Fondo trattamento di fine mandato			
Trattamento di fine rapporto subordinato	8.747.084	8.735.068	8.632.353
Imposte Differite Passive	**1.294.786**	**1.319.940**	**1.314.573**
Fondi per imposte differite	1.294.786	1.319.940	1.314.573
TOTALE PASSIVITA' NON CORRENTI	26.417.019	38.241.611	28.458.633
PASSIVITA' CORRENTI			
Debiti v/banche correnti	**40.059.409**	**29.097.340**	**38.053.114**
Debiti v/banche quota corrente	40.059.409	29.097.340	38.053.114
Debiti v/Fornitori	**21.187.743**	**15.721.169**	**19.570.296**
Debiti verso fornitori	21.187.743	15.721.169	19.570.296
Anticipi su lavori in corso su ordinazione	**7.490.181**	**4.461.340**	**4.662.209**
Acconti	7.490.181	4.461.340	4.662.209
Altre Passivita' Finanziarie	**5.036.308**	**6.219.524**	**10.634.234**
Debiti verso imprese collegate	7.493	19.401	9.941
Debiti verso altri	5.028.815	6.200.123	10.624.293
Debiti Tributari	**11.004.474**	**10.189.139**	**7.686.919**
Debiti tributari	11.004.474	10.189.139	7.686.919
Altre Passivita' Correnti	**24.177.797**	**16.903.767**	**20.299.913**
Debiti v/istituti previdenza e sicurezza sociale	4.254.062	3.786.811	4.488.200
Altri debiti	19.923.735	13.116.956	15.811.713
Passività incluse aggregati			
TOTALE PASSIVITA' CORRENTI	108.955.912	82.592.280	100.906.685
TOTALE PASSIVITA'	**201.206.988**	**188.050.927**	**197.897.778**

Consolidated Income Statement

Importi espressi in Euro

		30.06.2012	30.06.2011	31.12.2011
Ricavi		**68.487.028**	**46.075.910**	**106.821.525**
	Ricavi delle vendite e delle prestazioni	68.487.028	46.075.910	106.821.525
Altri proventi		**875.790**	**2.061.675**	**3.017.377**
	Altri ricavi e proventi	412.811	1.625.565	1.985.185
	Contributi in conto esercizio	462.979	436.110	1.032.192
Variazione delle rimanenze di prodotti finiti e prodotti in corso di lavorazione		**(2.963.023)**	**7.767.665**	**10.792.717**
	Variaz. rimanenze prodotti in corso di lavor., sem	62.528	(11.402)	(48.474)
	Variazione dei lavori in corso su ordinazione	(3.917.485)	6.922.484	9.003.687
	Incrementi di immobilizzazioni per lavori interni	891.934	856.583	1.837.504
TOTALE RICAVI PRODUZIONE		66.399.795	55.905.250	120.631.619
Materie prime e materiali di consumo utilizzati		**3.211.959**	**3.343.027**	**6.736.024**
	Costi per materie prime, sussidiarie, di consumo e merci	3.211.959	3.343.027	6.736.024
Costi connessi ai benefici per i dipendenti		**43.109.771**	**32.980.094**	**70.249.449**
	Retribuzioni e compensi	31.970.814	24.675.666	52.435.426
	Oneri sociali	8.617.241	6.397.446	13.973.412
	Trattamento di fine rapporto	1.888.934	1.466.724	2.852.463
	Altri costi del Personale	632.782	440.258	988.148
Altri costi		**15.615.696**	**13.851.397**	**29.772.264**
	Altri costi per servizi	12.098.890	11.549.326	24.478.703
	Costi per godimento beni di terzi	2.674.928	1.551.079	3.643.538
	Oneri diversi di gestione	685.780	704.707	1.435.631
	Rimanenze e Accantonamenti	156.098	46.285	214.392
	Oneri straordinari			
TOTALE COSTI PRODUZIONE		61.937.426	50.174.518	106.757.737
DIFFERENZA TRA COSTI E RICAVI DELLA PRODUZIONE		4.462.368	5.730.732	13.873.882

Importi espressi in Euro

	30.06.2012	30.06.2011	31.12.2011
Ammortamenti e svalutazioni	**1.760.597**	**1.396.525**	**2.987.773**
Ammortamento ordinario delle immobilizzazioni immateriali	928.831	818.536	1.785.540
Ammortamento ordinario delle immobilizzazioni materiali	457.420	411.281	875.276
Altre svalutazioni delle immobilizzazioni	56.165	56.165	158.294
Svalutaz. crediti compresi nell'attivo circolante	318.180	110.543	168.663
RISULTATO OPERATIVO	**2.701.771**	**4.334.207**	**10.886.109**
Proventi e oneri finanziari	**1.373.506**	**809.316**	**2.204.166**
Proventi da partecipazioni da controllanti	(7.170)	(8.232)	(16.970)
Proventi da partecipazioni da altre	(39)		(669)
Proventi diversi dai precedenti	(28.084)	(168.409)	(320.805)
Interessi e altri oneri finanziari	1.500.130	993.684	2.569.749
Utile e perdita su cambi	(91.331)	(7.727)	(27.139)
RISULTATO ANTE IMPOSTE	**1.328.265**	**3.524.891**	**8.681.943**
Imposte sul reddito	**1.929.168**	**2.251.490**	**5.475.654**
IRES	547.107	746.652	2.336.943
IRAP	1.379.629	1.150.181	2.615.437
Imposte differite	(22.259)	65.836	49.646
Imposte anticipate	24.691	288.821	473.628
UTILE O PERDITA D'ESERCIZIO	**(600.903)**	**1.273.401**	**3.206.289**
Attribuibile a:			
Azionisti della capogruppo	(591.919)	1.202.780	3.393.473
Azionisti di minoranza	(8.984)	70.621	(187.184)

Comprehensive Income Statement (*)

Description	30/06/2012	30/06/2011	31/12/2011
Profit for the year	(600,903)	1,273,401	3,206,289
Income/(charges) for the year recognised as equity	-	-	-
Total profit	**(600,903)**	**1,273,401**	**3,206,289**
attributable to:			
Group	(591,919)	1,202,780	3,393,473
Other owners	(8,984)	70,621	(187,184)

(*) It should be noted that accounting standard IAS 1, paragraph 81, in force since 1 January 2009, prescribes that the Comprehensive Income Statement should be presented as one of the following:

- 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 Consolidated Equity

Operations	Share capital	Treasury shares	Share Premium Reserve	Revaluation Reserve	Other Reserves	Retained earnings/loss	Profit/loss for the year	Other owners	Total profit	Total Equity	Total Group Equity
Balance at 31/12/2010	*26,979,658*	*0*	*18,081,738*	*2,907,138*	*7,478,094*	*6,243,417*	*4,929,299*	*829,160*	*4,590,447*	*66,619,344*	*65,790,184*
Reclassification of last year's profit to profits of previous years						4,929,299	(4,929,299)			-	
Allocation of profit					5,308,350	(5,308,350)				-	
Distribution of dividend					(2,075,358)					(2,075,358)	
Stock Option					297,742					297,742	
Changes in consolidation area						1,101,907				1,101,907	
Profit/loss for the year							1,273,401	791,013		1,273,401	
Income and charges recognised to equity					-				-	-	
Balance at 30/06/2011	*26,979,658*	*0*	*18,081,738*	*2,907,138*	*11,008,829*	*6,966,273*	*1,273,401*	*1,620,173*	*-*	*67,217,036*	*65,596,863*
Reclassification of last year's profit to profits of previous years										-	
Purchase of treasury shares		(46,508)			(10,007)					(56,515)	
Changes in consolidation area						(560,948)				(560,948)	
Profit/loss for the year							1,932,888	(328,319)		1,932,888	
Income and charges recognised to equity					-				-	-	
Balance at 31/12/2011	*26,979,658*	*(46,508)*	*18,081,738*	*2,907,138*	*10,998,820*	*6,405,325*	*3,206,289*	*1,291,854*	*-*	*68,532,461*	*67,240,606*
Reclassification of last year's profit to profits of previous years					1,607,041	1,599,248	(3,206,289)			-	
Distribution of dividend						(1,603,295)				(1,603,295)	
Purchase of treasury shares		(243,291)			(4,850)					(248,141)	
Changes in consolidation area						(246,064)				(246,064)	
Profit/loss for the year							(600,903)	(71,576)	(600,903)	(600,903)	
Income and charges recognised to equity					-				-	-	
Balance at 30/06/2012	*26,979,658*	*(289,799)*	*18,081,738*	*2,907,138*	*12,601,011*	*6,155,214*	*(600,903)*	*1,220,278*	*(600,903)*	*65,834,057*	*64,613,779*

Consolidated Cash Flow Statement

	30.06.2012	30.06.20121	31.12.2011
Operating activities:			
- Profit (loss)	(600,903)	1,273,401	3,206,289
- Amortisation, depletion and depreciation of assets	1,386,252	1,229,817	2,660,816
- Provision for Severance Pay Fund	1,888,934	1,466,724	2,852,463
- Advances/Payments Severance Pay	(1,774,203)	(475,399)	(1,963,853)
Cash flow arising from operating activities	**900,080**	**3,494,543**	**6,755,715**
Increase/Decrease in net working capital:			
- Variation in stock and payments on account	4,082,778	(6,962,832)	(8,998,723)
- Variation in receivables to customers	(2,041,955)	(5,141,595)	(6,146,908)
- Variation in receivables to parent/subsidiary/associated company	(85,589)	5,546.00	(3,990)
- Variation in other accounts receivable	(762,136)	133,891	(3,201,938)
- Variation in payables to suppliers	1,915,095	4,274,199	8,054,582
- Variation in payables to parent/subsidiary/associated company	(2,448)	1,322	(8,138)
- Variation in tax and social security liabilities	3,083,417	1,818,085	196,078
- Variation in other accounts payable	889,229	1,352,492	8,360,051
- Variation in prepaid expenses and accrued income	(99,208)	(656,717)	(680,061)
Cash flow arising (used) from current assets and liabilities	**6,979,183**	**(5,175,609)**	**(2,429,047)**
Cash flow arising (used) from current activities	**7,879,263**	**(1,681,066)**	**4,326,668**
Investment activities:			
- Variation in tangible assets	(1,207,916)	(511,654)	(1,143,825)
- Variation in intangible assets	(1,728,614)	(1,936,721)	(6,487,364)
- Variation in financial assets	(83,990)	(262,602)	1,343
Cash flow arising (used) from investment activities	**(3,020,519)**	**(2,710,977)**	**(7,629,846)**
Financial activities:			
- Variation in other reserves	(2,097,501)	(675,709)	(1,293,174)
Cash flow arising (used) from financial activities	**(2,097,501)**	**(675,709)**	**(1,293,174)**
Increase (decrease) in cash	**2,761,241**	**(5,067,752)**	**(4,596,352)**
Banks and cash profits at start of year	7,473,881	7,276,753	7,276,753
Banks and cash losses at start of year	(51,827,852)	(47,034,372)	(47,034,372)
Banks and cash profits at end of period	10,341,922	7,501,471	7,473,881
Banks and cash losses at end of period	(51,934,652)	(52,326,842)	(51,827,852)
Increase (decrease) in liquidity	**2,761,241**	**(5,067,752)**	**(4,596,352)**

Explanatory Notes to Exprivia Group Financial Statements

REFERENCES TO REGULATIONS

DECLARATION OF COMPLIANCE WITH IFRS

Pursuant to the provisions of art. 154 ter of the Consolidated Finance Act (as amended by Legislative Decree 195/2007), the Exprivia Group presents its Consolidated Interim Financial Report as at 30 June 2012 including:

- the Half-year Financial Statements of the Exprivia Group as at 30 June 2012
- the Interim Directors' Report
- the certification required by art. 154 bis (5)

As required by the above-mentioned article and by accounting standard IAS 34, these financial statements have been prepared only in the consolidated form since our company is forced to draw up the Consolidated Financial Statements (except for the Financial Statements of the Holding Company Exprivia S.p.A.).

ACCOUNTING POLICIES

These half-year financial statements, drawn up in keeping with IAS 34 - Interim financial statements, have been prepared applying the same accounting policies adopted when drawing up the consolidated financial statements as at 31 December 2011. There are no accounting policies, amendments or interpretations applicable since 1 January 2012 that affect these financial statements.

The estimates and assumptions necessary for preparing the financial statements, and that affect not only the economic, capital and financial representation but also any annexed information, are based on the best assessment made by Management as at the date of reference. Any changes in the circumstances and events upon which the estimates and assumptions are based will be considered in order to introduce the appropriate modifications in the period during which they arise.

CONSOLIDATION CRITERIA

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

Subsidiaries are companies controlled by the Holding Company. Control is held when more than half the effective or potentially exercisable voting rights in the shareholders' meeting are directly or indirectly held. Associates are companies in which the Holding Company exercises significant influence. This influence is held when 20% or more of the effective or potentially exercisable voting rights are held.

Associates are 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 associated companies 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 and deconsolidated from the date control is lost or when there are decisions, events and evidence relating to the future assignment of the interests that changes its status, causing it to become interests held for disposal/sale.

The acquisition of subsidiaries is accounted for according to 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 acquisition cost with respect to the Group's attributable share of the current value of net assets acquired is carried under assets as goodwill in the case of subsidiaries whereas it is included in the investment value in the case of associated companies. Any negative goodwill is recognised in the Income Statement as at the acquisition date.

The line-by-line method is used to consolidate subsidiaries, i.e. assuming the entire amount of assets and liabilities and all costs and revenues regardless of the actual percentage of interests. The book value of consolidated investments is therefore eliminated against the equity. The transactions, balances and profit and loss not realised on intercompany transactions are eliminated. The amounts of equity and the accrued results of minority interests are shown in a specific entry under equity and on a separate line of the consolidated Income Statement.

After the acquisition, investments in associated companies are recognised using the equity method while showing the Group's share of the result in the income statement and movements of reserves under equity. Profit and loss not realised on intercompany transactions are eliminated in the amount of the interest. When the Group's portion of losses in an associated company is equal to or higher than the value of the interest, the group does not recognise further losses unless it has obligations to cover losses or has made payments on behalf of the associated company.

CONSOLIDATION OF FOREIGN COMPANIES

All assets and liabilities of foreign companies in currency other than the Euro and that fall within the consolidation area are converted using the exchange rate 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 equity until disposal of the investment. In preparing the consolidated financial statements we used the average exchange rates to convert foreign subsidiary cash flows.

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 primary exchange rates used for conversion into Euro of the financial statements of foreign companies as at 30 June 2012 were as follows:

Exchange rate	EUR to GTQ	EUR to MXN	EUR to PEN	EUR to REAL
30/06/2012	9.7427	16.8755	3.35398	2.5788
Average H1 2012	10.0907	17.1867	3.5170	2.4144

INVESTMENTS IN OTHER COMPANIES

Investments 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 profit/(loss) until they are sold or are impaired; at that time, the Other comprehensive profit/(loss) previously recognised under equity are recognised in the income statement of the period. Investments in other companies for which the fair value is unavailable are carried at cost, less any impairment.

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

BUSINESS COMBINATIONS

Business combinations are recognised using the 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. Acquisition-related costs for the transaction are generally recognised in the income statement when incurred.

On the date of acquisition the identifiable assets acquired and liabilities assumed are recorded at acquisition-date fair value. The following items are exceptions, which are valued according to their specific standard:

- Deferred tax assets and liabilities;
- Assets and liabilities for employee benefits;
- Liabilities or equity instruments related to payments based on acquiree shares or payments based on shares pertaining to the Group issued to replace acquiree contracts;
- Assets held for sale and discontinued operations.

Goodwill is determined as the difference between the sum of the amounts transferred in the business combination, the value of equity attributable to minority interests and the fair value of any investments 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 equity attributable to minority interests and the fair value of any investments retained in the acquiree then the surplus is recognised immediately in the income statement as a proceed arising from the transaction.

The share of equity pertaining to minority interests at the acquisition date can be measured at fair value or at the pro-rata value of net assets recognised for the acquiree. The method of assessment is chosen transaction by transaction.

Contingent payments provided for by the acquisition agreement are measured at acquisition-date fair value, and they are included in the value of payments made in the business combination to determine goodwill. Any subsequent changes to such fair value, which are classified as adjustments arising in the reporting period, are retrospectively included in goodwill. Changes in fair value classified as adjustments arising in the measurement period are those that derive from additional information on events and circumstances that existed at the date of acquisition and were obtained during the measurement period (which does not exceed a period of one year from the business combination).
If the initial values of a business combination are incomplete at the end of the financial year when the acquisition took place then the Group reports the provisional values in its consolidated financial statements. These provisional values are adjusted in the measurement period to take into account any new information obtained on 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 1 January 2010 were recognised according to the previous version of IFRS 3.

VALUATION POLICIES

Please note that the figures as at 30 June 2011 have been adjusted since the version published last year regarding the minority interests and consequent equity of the Group. This adjustment had already been implemented in the financial statements as at 30 September 2011 and 31 December 2011.

INTANGIBLE FIXED ASSETS

Intangible fixed assets are recognised at the cost of acquisition or production. Acquisition cost is the price paid to acquire the asset. The cost of acquisition is the equivalent cash price as at the date of accounting. Therefore, if payment is deferred beyond the normal terms 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 to form the asset is separated into two stages: research (not capitalised) and development (capitalised). If the two stages cannot be distinguished, the whole project is considered as research. Financial charges incurred for the acquisition are never capitalised.

GOODWILL AND OTHER ASSETS WITH AN INDEFINITE USEFUL LIFE

Goodwill and other assets with indefinite useful life arising from acquisition or merger operations recognised on the basis of the acquisition method according to IFRS 3, as described in the section on business combinations, are not amortised but are subject to an impairment test at least once a year if there are no conditions to identify a finite useful life. To this end these values are allocated to one or more cash generating units starting on the acquisition date or by the end of the subsequent financial year. Any impairment emerging from the impairment tests is reversed in subsequent periods.

OTHER INTANGIBLE FIXED ASSETS

Other intangible assets, which include development costs, patent rights and use of intellectual property, concessions, licenses, trademarks and similar rights and software, are recognised as assets only if all the conditions laid down in IAS 38 are met (cost can be measured reliably, technical feasibility of product, expected volume and price indicate that the costs incurred during development will generate future economic benefit) and valued at cost minus accumulated amortisation, determined on a straight-line basis over the period of expected use, on average, except for specific cases of 3-5 years, and any impairment. The amortisation criteria used, the useful live and residual value are reviewed and redefined at least at the end of each accounting period to take into account any significant changes.

TANGIBLE FIXED ASSETS

Tangible fixed assets are accounted for at the cost of acquisition or production. The cost of acquisition or production is the price paid to acquire or build the business and any other cost incurred to prepare the asset for use. The price paid to acquire or produce the asset is the cash price equivalent at the time of accounting; therefore, if payment is deferred beyond normal credit extension terms, the difference with respect to the equivalent cash price is recorded as interest for the extension period. The financial charges incurred for the acquisition or production of the asset are never capitalised. The capitalisation of costs relating to the expansion, modernisation or improvement of leased assets is done only in so far as they satisfy the requirements for being classified as an asset or part of an asset.

After initial recognition tangible assets, with the exception of buildings, are entered at cost, net of accumulated depreciation and any impairment. The depreciated value of each significant component of a tangible asset, with a different useful life, is amortised by the straight-line method over the expected period of use. 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 (with the exception of certain significant cases):

Land	indefinite useful life
Buildings	33 years
Plant and Machinery	4 – 7 years
Office Furnishings and Electronic Equipment	5 – 8 years
Equipment and 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 carried at a value periodically reassessed at market value less depreciation and impairment (fair value model). As set forth by IAS 16, the company measures fair value on a yearly basis and then remeasures it only when there is a significant difference with respect to the book value. Values are measured by an expert.

Costs that can be capitalised for improvements to leased assets are attributed to the classes of fixed assets to which they refer and depreciated for the shorter time between the remaining period on the lease agreement and the remaining useful life of the asset to which the improvement was made.
If the fair value model is used to recognise tangible assets, revaluations are made with reference to the current value. Normally, the fair value is the market value of the asset, and it consists of the amount for which the property in question can be sold to third parties.

The book value of tangible assets is maintained in the financial statements to the extent that such value can be recovered through use. If significant factors are noticed, which include the likelihood of recovering the net carrying amount, an impairment test is performed to determine any loss of value (see next paragraph). A reversal is applied if the conditions at the basis of the impairment no longer apply.

LEASED ASSETS

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 estimated useful life.

Amounts owed to the lessor are included in the financial statements under payables to suppliers, distinguishing the current portion from the non-current portion.

GOVERNMENT GRANTS

Regardless of whether there is a formal resolution assigning grants, they are recognised if there is a reasonable certainty that the company will respect the conditions set out for the grant and that it will be received.

A government grant collected as compensation for expenses and costs already incurred or with the aim of giving immediate financial assistance to the entity without having future related costs, is recognised as a proceed in the accounting period in which it becomes collectable.

IMPAIRMENT OF ASSETS

Impairment occurs every time the book value of an asset is greater than its recoverable value. The existence of any indicators suggesting impairment is checked at every balance sheet date. If those indicators are found the recoverable value of the asset is estimated (impairment test) and a write-down is recognised where necessary. Regardless of the existence of the indicators, an impairment test is carried out at least once a year for the assets recognised during the financial year in progress and for 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 is calculated with reference to a single asset, unless it is unable to generate incoming cash flow from continued use notably independent of the incoming cash flows generated by other assets or groups of assets, in which case the test is carried out for the smallest unit generating independent flows which include the asset in question (Cash Generating Unit).

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

FINANCIAL ASSETS AND LIABILITIES

Financial assets are classified into the following categories:

- Financial assets at fair value offset in the Income Statement: financial assets mainly acquired with the intention of making a profit from short-term price fluctuations (a period not longer than three months) or designated as such from the start;
- Financial assets held to maturity: investments in financial assets with preset maturity and 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 payments that are fixed or can be decided, not listed on an active market and different from those originally classified as financial assets at fair value and offset in the income statement or as financial assets available for sale;
- Financial assets available for sale: financial assets other than those in the above categories or those designated as such from the start.

The Group classifies financial assets at the date of acquisition and accounts for them at fair value at the date of acquisition. -

After initial recognition, the financial assets at fair value offset in the income statement and assets available for sale (where there is no “active” market) are measured at fair value, financial assets held to maturity and as well as loans and other financial receivables are valued at amortised cost.

Profit and loss arising from changes in the fair value of financial assets at fair value offset in the income statement is recognised in the income statement of financial year in which they occur. Unrealised profit and loss arising from changes in the fair value of assets classified as available for sale are carried under equity.

The fair value of financial assets is determined on the basis of their market prices or by using financial models. The fair value of unlisted financial assets is measured using special assessment techniques adapted to the specific context of the Company. Financial assets for which the current value cannot be determined in a reliable manner are accounted for at a lower cost due to impairment.

The existence of any impairment indicators is checked at each balance sheet date. Write-downs in the income statement and under equity reflect the valuation policies for financial assets. The impairment previously accounted for is eliminated whenever the circumstances leading to the write-down no longer apply, with the exception of assets valued at cost.

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

INVENTORIES

Inventories are recognised at the lesser value between the purchase price, determined in accordance with the average weighted cost, and the net sales price. The cost is the fair value of the price paid and any other cost directly attributable with the exception of financial charges. The net sales value is the estimated sales price net of costs for completion and sales. Any write-downs are eliminated in subsequent financial years if the reasons for the write-down no longer apply.

CONTRACT WORK IN PROGRESS

Contract work in progress lasting more than one year is recorded using the percentage of completion method. The percentage of completion is determined with reference to the proportion of contract costs incurred for work performed up to the end of the reporting period and the total cost estimated by completion. Such work can be measured including any advance payments (therefore accountable separately under liabilities), or net of any advance payments (therefore accounted for only under assets), and valued at cost, consisting of direct charges, excluding payable interest and general expenses, minus any write-downs taking into account estimated losses on completion of the work and any other risks.

CASH AT BANK AND ON HAND

Cash at bank and on hand consists of short-term investments (generally not exceeding three months), easily convertible into amounts of cash and subject to an insignificant risk of changes in value. They are carried at fair value.

For the purpose of the cash flow statement, liquid assets are made up of cash, demand deposits at banks, short-term, highly liquid financial assets (original maturity not exceeding three months), and overdraft facilities. Current account overdrafts are carried under current financial liabilities.

EQUITY

Share capital

This item consists of capital subscribed and paid up. Costs strictly related to the issue of shares are classified in reduction of the equity in other reserves provided these are variable marginal costs directly attributable to the capital transaction and unavoidable otherwise.

Treasury shares

Own shares are carried in a special reserve under equity. No profit (loss) is recognised in the Income statement for the acquisition, sale, issue or cancellation of own shares.

Share premium reserve

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

Revaluation reserve

This item includes changes in the fair value (before tax) of items carried at fair value and offset in equity.

Other reserves

These items consist of capital provisions for specific use by the Holding Company.

Retained earnings (loss)

This item includes the profit or loss from previous reporting periods for the amount not distributed or set aside in provisions (in the case of profit) or covered (in the case of loss), transfers from other provisions when freed from the restrictions, and also the effects of accounting for changes in accounting standards and significant errors.

Total profit

Following the application of IAS 1 (revised), paragraphs 81-105, the item 'total profit' shows the comprehensive result of proceeds and expenses recognised under equity.

EMPLOYEE BENEFITS

Short-term benefits

Short-term benefits for employees are accounted for in the income statement in the period in which the work was performed.

Defined benefit plans

The Group grants its employees benefits under the Employee Severance Indemnity Fund (TFR). These benefits fall within the definition of: defined benefit plans, the existence and amount of which are determined but their maturity date is uncertain. The liability is determined as the current value of the obligation under the laws in force, defined as at the balance sheet date and adjusted to take into account actuarial (gain) loss. The total amount of the obligation is calculated on a yearly basis by an external actuary using the Projected Unit Credit Method. The actuarial valuations, necessary for determining employee benefit provisions, are usually worked out when preparing the annual financial statements.

Defined contribution plans

The Group takes part in public or private pension plans with defined contributions on a mandatory, contractual or voluntary basis. Payment of the contributions fulfils the Group's obligation towards its employees. Thus, such contributions form an expense for the period in which they are due.

POTENTIAL ASSETS AND LIABILITIES

Potential assets and liabilities of an unlikely (but possible) or remote nature are not recognised in the financial statements; nevertheless, adequate information is given concerning possible potential assets and liabilities.

Whenever there is any financial disbursement relating to the obligation, and it occurs after the normal payment terms and the effect of discounting back is significant, the amount set aside corresponds to the current value of future payments expected to cancel the obligation.

PROVISIONS FOR RISKS AND CHARGES

Provisions for risks and charges are probable liabilities of an uncertain amount and/or due date deriving from past events whose fulfilment will entail 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, provided a reliable estimate of the obligation can be made. The amount recognised as a provision is the best estimate of the expense to fulfil the obligation as at the balance sheet date. Provisions set aside are reviewed at every balance sheet date and adjusted to ensure they are the best current estimate.

DERIVATIVE INSTRUMENTS

Derivative contracts were recognised according to the designation the derivative instruments (speculative or hedging) and the nature of the risk covered (Fair Value Hedge or Cash Flow Hedge).

For contracts designated as speculative, any changes in fair value are directly recognised in the income statement.

In hedging contracts Fair Value Hedge is accounted for by recognising any changes in the fair value of the hedging instrument and the instrument hedged.

If it is identified as Cash Flow Hedge, it is accounted for by floating the fair value portion of change of the hedging instrument, which is recognised as effective cover in the equity, and charging the ineffective portion to the Income statement. The changes recognised directly under equity are released in the income statement in the same reporting period or periods in which the asset or liability hedged influences the income statement.

ASSET TRANSFERS

The Group can assign its own trade receivables through factoring. The assets transferred by way of factoring transactions comply with the derecognition requirements established by IAS 39.

REVENUE AND EXPENSES

Revenues arising from the assignment of assets are recognised when risk is transferred, which usually occurs on despatch, at the fair value of payment received or due while taking into account any discounts.

Revenues arising from the provision of services are defined according to the percentage of completion, determined as the proportion of services performed at the date of reference and the total value of the services remaining to be performed.

Expenses are recognised with the same criteria used to recognise revenue recognition and, in any case, on an accruals basis.

Interest receivable/payable is recognised on an accruals basis while taking into account remaining liabilities in capital and the effective rate applicable in the period until maturity.

Dividends are accounted for in the reporting period in which distribution is resolved.

TAXES

Taxes during the reporting period are defined on the basis of amounts expected to be due according to the tax laws in force.

In addition, deferred taxes and those paid in advance are recognised on the temporary differences between the values carried in the financial statements and the corresponding values recognised for tax purposes, and showing accumulated tax losses or unused tax credits, provided 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 any tax effect. The tax effects of transactions or other events are recognised in the income statement or directly under equity using the same methods used to recognise transactions or events that result in taxation.

EARNINGS PER SHARE

Earnings per share is calculated by dividing net profit for the period attributable to ordinary shareholders of the Holding Company by the average number of ordinary shares in circulation during the period.

For the purpose of calculating basic earnings per share, the economic result for the period minus the amount attributable to minority interests was used in the numerator. Further, there are no privileged dividends, conversion of privileged shares and other similar effects which could adjust the economic result attributable to holders of ordinary capital instruments.

The diluted earnings per share is equal to the earnings per share adjusted to take into account the theoretical conversion of all potential shares.

FOREIGN CURRENCY

Transactions in foreign currency are converted into the reporting currency at the rate of exchange on the date of the transaction. Gains and losses on exchanges arising from liquidation related to these transactions and the conversion of monetary assets and liabilities into foreign currency are recognised in the income statement.

CONSOLIDATION AREA

The consolidated financial statements as at 30 June 2012 include the equity, economic and financial situations of the Holding Company Exprivia S.p.A. and subsidiaries, and is not subjected to changes with respect to 31 December 2011.

The table below shows the companies under consolidation:

Company	Area
Datilog S.r.l.	Industry & Media
Exprivia Projects S.p.A.	Industry & Media/ CPA, Transport & Utilities
Exprivia Do Brasil	Spain and Central America
Exprivia SL	Spain and Central America
Exprivia Solutions S.p.A.	Industry & Media/ CPA, Transport & Utilities
GST S.r.l.	Health and Medical
Infaber Srl	Industry & Media
ProSap Group	Spain and Central America
Realtech S.p.A.	Industry & Media/CPA, Transport & Utilities/Banks, Financial and Insurance Companies/Oil, Gas and Telecommunications/Health and Local Entities
SiSpa Srl	Banks, Financial and Insurance Companies
Spegea Scarl	Others (Training)
Svimservice S.p.A.	Health & Medical/CPA, Transport & Utilities
Wel.Network S.p.A.	Industry & Media/ Oil, Gas and Telecommunications

The table below provides the main data on the aforementioned subsidiaries consolidated using the line-by-line method.

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

Company	H.O.	Share capital	Profit for the year	Equity	Total revenues	Total Assets	% of holding
Datilog Srl	Cinisello Balsamo (Italy)	10,400	(180,013)	(169,613)	359,426	530,003	76.00%
Exprivia SL	Madrid (Spain)	8,250	186,797	609,613	1,350,389	1,285,489	60.00%
Exprivia Do Brasil Servicos Ltda	Rio de Janeiro (Brazil)	58,851	93,781	491,476	564,345	837,915	99.85%
Exprivia Projects S.p.A.	Rome	242,000	310,260	633,836	3,404,669	3,126,960	100.00%
Exprivia Solutions S.p.A.	Rome	170,795	174,275	953,837	4,268,722	9,846,171	100.00%
GST S.r.l.	Trento	27,500	(85,535)	284,057	799,286	2,027,996	100.00%
Infaber S.r.l.	Molfetta (Italy)	110,000	104,062	610,733	800,974	1,112,613	100.00%
ProSap Group	Madrid (Spain)/Mexico City/Guatemala City/Lima (Peru)	197,904	1,108	355,796	4,070,472	5,603,464	51.12%
Realtech S.p.A.	Agrate Brianza (Italy)	1,520,000	(176,164)	1,435,561	5,132,414	6,379,563	51.00%
SiSpa Srl	Milan	580,000	456,263	1,871,795	3,497,608	4,418,127	100.00%
Spegea Sc a rl	Bari	125,000	112,847	347,661	961,988	2,458,722	60.00%
Svimservice S.p.A.	Molfetta (Italy)	1,548,000	1,150,590	3,343,684	10,412,495	26,470,587	100.00%
Wel.Network S.p.A.	Piacenza	1,500,000	(30,017)	993,551	5,745,293	11,582,083	100.00%

INFORMATION ON THE CONSOLIDATED BALANCE SHEET

Details are provided below on the entries making up the assets and liabilities in the Consolidated Balance Sheet, which is drawn up in accordance with international accounting standards (IAS/IFRS).

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

NON-CURRENT ASSETS

PROPERTY, PLANT AND EQUIPMENT

The item "**property, plant and machinery**" amounts to Euro 11,622,494 compared to Euro 10,871,998 as at 31 December 2011.

Categories	Historical cost 01/01/12	Inc.	Dec.	Historical cost at 30/06/12	Accum. deprec. at 01/01/12	Deprec. for period	Dec.	Accum. deprec.	Net value at 30/06/12
Land	247,716	-	-	247,716	-	-	-	-	247,716
Buildings	7,932,268	113,574	-	8,045,842	(1,683,126)	(119,561)	-	(1,802,687)	6,243,155
Other	17,949,793	1,004,544	(2,477)	18,951,860	(13,806,121)	(337,859)	326	(14,143,654)	4,808,206
Work in progress	231,469	91,948	-	323,417	-	-	-	-	323,417
TOTAL	*26,361,246*	*1,210,066*	*(2,477)*	*27,568,835*	*(15,489,247)*	*(457,420)*	*326*	*(15,946,341)*	*11,622,494*

The increase in the item **“buildings”**, amounting to Euro 113,574, mainly pertains (Euro 103,340) to the restructuring costs incurred for the leased office space of the holding company Exprivia S.p.A. in Milan.

The change in the item **“others”**, amounting to Euro 1,000,834, is mainly due to purchases made for electronic office equipment (Euro 386,669) and leased assets (Euro 583,880).

It should be mentioned that the net book value of leased items amounted to Euro 1,526,047 and mainly pertains to electronic office equipment for Euro 895,826 and furniture and furnishings for Euro 543,727. It should also be noted that minimum future payments within one year amount to Euro 349,345, while those due in one to five years amount to Euro 812,331.

GOODWILL AND OTHER ASSETS WITH AN INDEFINITE USEFUL LIFE

The item “**goodwill and other assets with an indefinite useful life**” amounted to Euro 69,140,702 as at 30 June 2012 compared to Euro 69,211,588 as at 31 December 2011.

The table below provides details on the items:

Categories	Historical cost 01/01/12	Increases	Total historical cost at 30/06/2012	Previous write-downs	Write-downs	Total write-downs	Net value at 30/06/2012
GOODWILL ABACO MERGER COSTS	461,168	-	461,168	-	-	-	461,168
GOODWILL ACQUISITION OF AIS PS BRANCH	1,767,655	-	1,767,655	-	-	-	1,767,655
GOODWILL ACQUISITION OF KSTONES 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
ACQUISITION AURORA BRANCH	1,406,952	-	1,406,952	-	-	-	1,406,952
GOODWILL	18,631,899	-	18,631,899	(286,015)	(14,718)	(300,733)	18,331,165
DIFFERENCE FROM CONSOLIDATION	40,333,250	-	40,333,250	(575,512)	(56,165)	(631,677)	39,701,574
TOTAL	*70,073,112*	*-*	*70,073,112*	*(861,527)*	*(70,883)*	*(932,410)*	*69,140,702*

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

Company	Date of acquis.	Controlling share	Investment value	Equity of ref.	Write-downs prior to 01/01/11	Write-downs	Difference from consolidation generated
Datilog S.r.l.	30/11/09	76%	152,945	48,400			89,600
Exprivia Customer Services Srl	11/06/04	100%	10,329	(11,752)	22,081		-
Exprivia Do Brasil	31/10/11	99.85%	750,000	411,332			338,668
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	100%	866,275	561,698			304,577
Infaber Srl	14/04/05	100.0%	494,200	122,110	22,090		-
ProSap Sl	30/09/10	51.1%	2,708,716	393,691			2,217,105
Network Services Srl	31/10/08	100%	1,328,650	205,350	435,211	56,165	631,924
Realtech Spa	01/04/11	51%	1,620,000	879,620			740,380
Reco Sistemi Srl	29/12/05	63.2%	77,500	23,234	54,266		-
SiSpa Srl	30/06/11	100%	5,184,705	1,932,820			3,251,885
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			*54,136,998*	*13,340,883*	*575,512*	*56,165*	*39,701,574*

It should be mentioned that the **Consolidation Difference** was generated as the result of line-by-line consolidation of subsidiaries, included under the consolidation area, by eliminating the value of the interests against their equity at the date of acquisition.

The table below shows the item “Consolidation Difference“ with the changes arising as at 30 June 2012 compared to 31 December 2011.

Company	30/06/2012	31/12/2011	Change
Datilog Srl	89,600	89,600	-
Exprivia Do Brasil	338,668	338,668	-
Exprivia Projects S.p.A.	1,334,500	1,334,500	-
Exprivia Solutions S.p.A.	512,662	512,662	-
GST S.r.l.	304,577	304,577	-
Network Service Srl	631,924	688,090	(56,165)
ProSap Group	2,217,105	2,217,105	-
Realtech Spa	740,380	740,380	-
SiSpa Srl	3,251,885	3,251,885	-
Svimservice S.p.A.	22,309,289	22,309,289	-
Wel.Network S.p.A.	7,970,984	7,970,984	-
TOTAL	*39,701,574*	*39,757,739*	*(56,165)*

OTHER INTANGIBLE ASSETS

The item **Other intangible assets** amounted to Euro 5,208,601 as at 30 June 2012 (net of amortisation) compared to Euro 4,337,933 as at 31 December 2011.

The table below provides a summary of the item.

Categories	Historical cost 01/01/12	Increases at 30/06/12	Decreases at 30/06/12	Total historical cost at 30/06/2012	Accum. deprec. at 01/01/12	Amort. portion for period	Decreases	Accum. deprec. 30/06/12	Net value at 30/06/12
Advertising development	29,098,519	729,759	-	29,828,278	(25,943,979)	(769,648)	-	(26,713,626)	3,114,652
Patents and know-how	2,880,874	20,976	-	2,901,850	(2,667,246)	(44,816)	-	(2,712,062)	189,786
Concessions, trademarks	433,908	2,651	-	436,559	(205,781)	(11,045)	-	(216,826)	219,732
Work in progress and advances	276,185.00	162,670	-	438,855	-	-	-	-	438,855
Other	2,959,901	868,876	(155)	3,828,622	(2,479,325)	(88,600)	(15,120)	(2,583,045)	1,245,576
TOTAL	*35,649,387*	*1,784,932*	*(155)*	*37,434,164*	*(31,296,331)*	*(914,109)*	*(15,120)*	*(32,225,559)*	*5,208,601*

The increase by Euro 1,784,932 in the period mainly pertains to Euro 729,759 for investments in **development** of software applications for banking, medical and manufacturing segments, Euro 858,876 for **purchasing software licenses** and Euro 162,670 for investments in **development** to execute projects not yet amortised.

INVESTMENTS

The item **"investments"** as at 30 June 2012 amounted to Euro 1,922,204 compared to Euro 1,862,205 as at 31 December 2011.

The composition of equity investments is described below.

Investments in subsidiaries

At 30 June 2012 the balance amounted to Euro 51,644, and it did not change from 31 December 2011. This amount pertains to the cost of acquiring interests in Al Faro Srl (in liquidation), which is no longer included under the consolidation area as it is considered irrelevant.

The Group holds 100% ownership of Farm Multimedia S.r.l. (in liquidation), whose book value was brought to zero.

Investments in associated companies

At 30 June 2012 the item **"investments in associated companies"** amounted to Euro 249,224 compared to Euro 189,224 at 31 December 2011. The change pertains to the payment of Euro 60,000.00 made by the holding company Exprivia S.p.A. to its associated company Traxall Srl as a future share capital increase.

The Group also holds a 32.80% share in Mindmotion S.r.l. (bankrupt), whose book value was brought to zero.

The table below provides details on the items:

Description	30/06/2012	31/12/2011	Change
Traxall Srl	74,036	14,036	60,000
Pervoice S.p.A.	139,160	139,160	-
S2B Consortium	36,028	36,028	-
TOTAL	*249,224*	*189,224*	*60,000*

Investments in other companies

The balance of the item **"investments in other companies"** at 30 June 2012 amounted to Euro 1,621,335 and it did not change from 31 December 2011.

The table below provides details on the items:

Description	30/06/2012	31/12/2011	Changes
Ultimo Miglio Sanitario	2,500	2,500	-
Certia	516	516	-
Conai	9	9	-
Finapi	775	775	-
Cered Software	104	104	-
Piano del Cavaliere Consortium	516	516	-
Pugliatech Consortium	2,000	2,000	-
Iqs New Srl	1,291	1,291	-
Conca Barese Consortium	2,000	2,000	-
Software Engineering Research	12,000	12,000	-
Advanced Computer Systems	1,420,816	1,420,816	-
Biogene Consortium	3,000	3,000	-
DARe Consortium	1,000	1,000	-
DHITECH Consortium	17,000	17,000	-
DITNE Consortium	12,384	12,384	-
SELP	100,000	100,000	-
Daisy-Net Consortium investment	13,939	13,939	-
Cattolica Popolare Cooperative	23,491	23,491	-
Cooperative Commercial Bank	2,461	2,461	-
ENFAPI CONFINDUSTRIA Consortium	1,033	1,033	-
Health Innovation HUB Consortium	3,000	3,000	-
Semantic Valley Consortium	1,500	1,500	-
TOTAL	*1,621,335*	*1,621,335*	*-*

OTHER FINANCIAL ASSETS

Receivables from subsidiaries

At 30 June 2012 the item **"receivables from subsidiaries"** amounted to Euro 22,488 and it did not change from 31 December 2011. It pertains to amounts receivable from the subsidiaries Farm Multimedia S.r.l. (in liquidation) for Euro 20,388 (written down in full) and Al Faro S.r.l. (in liquidation) for Euro 2,100, no longer consolidated as it is considered irrelevant.

Other receivables

At 30 June 2012 the item **"other receivables"** amounted to Euro 303,159 compared to Euro 257,228 at 31 December 2011. The change is shown in the table below.

Description	30/06/2012	31/12/2011	Changes
Long-term security deposits	245,249	199,318	45,931
Financial receivables	33,517	33,517	-
Tax receivables	24,393	24,393	-
TOTAL	*303,159*	*257,228*	*45,931*

DEFERRED TAX ASSETS

The balance of item **"deferred tax assets"** amounts to Euro 1,034,138 compared to Euro 1,056,079 at 31 December 2011, and refers to taxes on temporary changes as a result of applying IAS/IFRS and considered recoverable in subsequent financial years.

CURRENT ASSETS

TRADE RECEIVABLES AND OTHERS

Trade receivables

The balance of item **"trade receivables"** amounts to Euro 60,192,965 (net of the bad debts provision) compared to Euro 58,151,010 at 31 December 2011.

The following table provides details on the item as well as a comparison with 31 December 2011.

Description	30/06/2012	31/12/2011	Changes
From Italian customers	49,545,878	43,393,931	6,151,947
From foreign customers	5,557,691	4,735,794	821,897
From public entity customers	9,408,407	14,284,679	(4,876,272)
Sub-total trade receivables	*64,511,976*	*62,414,405*	*2,097,572*
Less: bad debts provision	(4,319,012)	(4,263,394)	(55,617)
Total trade receivables	*60,192,965*	*58,151,010*	*2,041,954*

Trade receivables were made up as specified below.

Details	30/06/2012	31/12/2011	Changes
From third parties	53,031,358	55,809,239	(2,777,881)
Invoices to issue to third parties	11,480,618	6,605,165	4,875,453
TOTAL	*64,511,976*	*62,414,405*	*2,097,572*

The value of invoices to be issued reflects the particular type of business in which group companies operate so, although many contracts can be invoiced on a monthly basis, others must follow an authorisation process which does not necessarily end in the month of reference. The amount shown in the financial statements is what had been matured up to June included and what will be invoiced in the following months.

Receivables from associated companies

The balance of item **"receivables from associated companies"** amounts to Euro 75,783 compared to Euro 914 at 31 December 2011 and refers to amounts owed to the associated companies Traxall Srl for Euro 75,431 and Pervoice S.p.A. for Euro 352.

Receivables from parent companies

The balance of item **"receivables from parent companies"** amounts to Euro 839,683 compared to Euro 828,963 at 31 December 2011 and refers to amounts owed to the holding company (Euro 233,263) and to the subsidiary Exprivia Solutions S.p.A. (Euro 606,420) by the Parent Company Abaco Innovazione S.p.A.

Other receivables

The balance of item **"other receivables"** amounts to Euro 14,210,290 compared to Euro 13,388,129 at 31 December 2011.

The table below shows movements that occurred.

Description	30/06/2012	31/12/2011	Changes
EU/Autonomous Province of Trento/Lazio Region grants/FAR ICT grants	101,954	101,954	-
Receivables from CNOS project	1,304,868	1,304,868	-
Receivables from Puglia Region - SDI	3,021,615	3,021,615	-
Receivables from Min. of Univ. and Research	323,330	323,330	-
Receivables from POR Puglia-Pugliatech	1,072,621	1,072,621	-
Receivables from Agriplan project	821,000	821,000	-
Receivables from Lab. 8	698,125	698,125	-
Receivables from POR - Spegea Training	14,248	14,248	-
Receivables from SlimSafe	640,952	640,952	-
Receivables from PIA Innovazione	811,604	1,935,546	(1,123,942)
Receivables from Puglia Region - new recruitment	545,600	545,600	-
Receivables from s/holders for inv. or spin-offs	146,937	184,812	(37,875)
Advances to suppliers for services	139,592	154,984	(15,392)
Sundry receivables	116,637	77,478	39,159
Receivables from factoring	878,399	313,570	564,829
Receivables from pension/INAIL	106,867	22,279	84,589
Receivables from employees	212,764	168,456	44,309
Security deposits	216,172	98,028	118,144
Expenses pertaining to future financial years	3,037,004	1,888,663	1,148,341
TOTAL	*14,210,290*	*13,388,129*	*822,161*

The amounts receivable in relation to government grants, collected shares of which are offset in “other payables” under liabilities in the Balance Sheet, refer to provisional resolutions for grant eligibility. The change during the period is mainly due to the clearance account of the credit of the PIA Innovazione research project, and reversal of the relevant advance received following the final decree of the Italian Ministry of Economic Development.

The item **“expenses pertaining to future financial years”** for Euro 3,037,004 mainly refers to maintenance costs for future reporting periods.

Tax receivables

At 30 June 2012 the item **“tax receivables”** amounted to Euro 1,453,512 compared to Euro 1,513,536 at 31 December 2011. The table below provides a breakdown.

Description	30/06/2012	31/12/2011	Changes
Receivables from prepaid taxes - IRES	97,098	372,971	(275,873)
Receivables from prepaid taxes - IRAP	31,700	63,918	(32,218)
Tax authority w/holding on interest receivable	6,245	3,578	2,667
Tax authority w/holding on foreign payments	67,629	34,367	33,262
Receivables from tax authority for VAT	531,540	276,661	254,879
Receivables from empl. sev. ind. substitute tax	19,040	18,876	164
Receivables from tax authority	682,590	674,211	8,379
Prepaid tax credit	-	15,944	(15,944)
Art. 8 tax credits	17,670	53,010	(35,340)
TOTAL	*1,453,512*	*1,513,536*	*(60,024)*

The item “receivables from tax authorities” amounted to Euro 408,527 in relation to tax demands under dispute for IRES and IRAP pertaining to 2005 and 2006 and issued against Exprivia S.p.A.. The company obtained a suspension order.

INVENTORIES

“Inventories” amount to Euro 199,463 compared to Euro 136,934 at 31 December 2011 and refer to software and hardware purchased by group companies for planned to be resold in future periods.

CONTRACT WORK IN PROGRESS

“Contract work in progress” amounts to Euro 24,639,585 compared to Euro 28,784,892 at 31 December 2011 and refers to the percentage of completion of contracts in progress pertaining to the reporting period.

CURRENT FINANCIAL ASSETS

CASH AT BANK AND ON HAND

The item **“cash at bank and on hand”** amounts to Euro 10,341,922 compared to Euro 7,473,881 at 31 December 2011 and refers to Euro 10,319,932 held at banks and Euro 21,990 in cheques and cash in hand.

EQUITY

SHARE CAPITAL

“Share Capital”, fully paid up, amounts to Euro 26,979,658.16 and is represented by 51,883,958 ordinary shares at Euro 0.52 nominal value each. This is the same as 31 December 2011.

TREASURY SHARES

At 30 June 2012 **"treasury shares"** amounted to Euro -289,799.12 compared to Euro -46,508.28 and the amount refers to the purchase of treasury shares under the plan approved by the shareholders' meeting of 19 April 2012. The number of treasury shares amounts to 557,306.

SHARE PREMIUM RESERVE

At 30 June 2012 the **"share premium reserve"** amounted to Euro 18,081,738 and is the same as 31 December 2011.

REVALUATION RESERVE

At 30 June 2012 the **"revaluation reserve"** amounted to Euro 2,907,138 and is the same as 31 December 2011.

OTHER RESERVES

The balance of item **"other reserves"** amounts to Euro 12,601,011 compared to Euro 10,998,820 at 31 December 2011 and pertains to:

- Euro 3,182,603 for the **"legal reserve"**, which rose by Euro 160.772 compared to 31 December 2011 after allocating profit from the previous year, as resolved by the shareholders' meeting of 19 April 2012;
- Euro 1,636,092 for the **"extraordinary reserve"** compared to Euro 189,823 at 31 December 2011. The change pertains to allocation of the 2011 profit, as resolved by the Exprivia S.p.A. shareholders' meeting of 19 April 2012.
- Euro 7,904,776 to the **"Provision for Investments in the Regione Puglia Programme Agreement"** under the General Regulations governing aid no. 9 of 26 June 2009 as amended – Title VI "Aid to the investment programmes promoted by Large Enterprises to be granted through Regional Programme Agreements";
- Euro 101,433 to **"other reserves"** compared to Euro 106,283 as at 31 December 2011. The change of Euro 4,850 pertains to the share premium value resulting from transactions to purchase treasury shares;
- Euro -236,486 **"IAS/IFRS tax effect reserve"** represents the tax effect calculated on changes after adopting IFRS and is the same as 31 December 2011;
- Euro 12,593 **"available IAS/IFRS tax effect reserve"** represents the tax effect calculated on changes after adopting IFRS and is the same as 31 December 2011.

PROFIT FROM PREVIOUS FINANCIAL YEARS

At 30 June 2012 **profit from previous financial years** amounted to Euro 6,155,214 compared to Euro 6,405,325 at 31 December 2011.

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

Description	Profit at 31/12/2011	Other	Equity at 31/12/2011	Profit for period at 30/06/2012	Other	Equity at 30/06/2012
Exprivia S.p.A.	*3,215,443*	*(1,834,131)*	*62,136,290*	*3,248,424*	*(1,856,544)*	*63,528,170*
Contribution of subsidiaries	4,955,368		19,899,918	2,024,153		21,924,071
Write-downs and hedging of losses of subsidiaries			3,322,000			3,322,000
Elimination of capital gain on divestment of Exprivia Projects branch/Elimination of Svimservice dividends	(4,111,020)		(13,844,155)	(5,873,480)		(19,717,635)
Elimination of intercompany licence purchases/Elimination of WelNetwork and Exprivia Solutions S.p.A. dividends	(853,502)		(2,889,842)			(2,889,842)
Elimination of capital gain on divestment of AISoftware Professional Service Srl branch winding up			(1,767,655)			(1,767,655)
Change in consolidation area		540,958	1,675,904		(240,956)	1,434,948
Contribution of third parties to equity		(462,694)	(1,291,854)		71,576	(1,220,278)
TOTAL GROUP EQUITY	*3,206,289*	*(1,755,867)*	*67,240,606*	*(600,903)*	*(2,025,924)*	*64,613,779*

NON-CURRENT LIABILITIES

NON-CURRENT BANK DEBT

At 30 June 2012 the item **"non-current bank debt"** amounted to Euro 11,875,244 compared to Euro 13,774,738 at 31 December 2011, and pertains to medium-term bank debt from major credit and financial institutions and to low-interest loans for specific investments programmes.

As a result of not meeting a financial parameter at 30 June 2012, "Net Borrowing/EBITDA", the company deemed it necessary, in accordance with IAS 1, paragraph 74, to reclassify the non-current part of medium-term borrowing (Euro 6,428,571.43) provided by the pool of banks headed by BNL into "**current bank debt**".

The table below provides details on the item and breaks down the non-current portion (Euro 11,875,244) and the current portion (Euro 14,884,831).

Financial institution	Type	Contractual amount	Amount distrib. at 30/06/12	Date of contract	Expiry date	Repayment date	Rate applied	Residual capital at 30/06/12	To repay within 12 months	To repay beyond 12 months
Banca Nazionale del Lavoro	Loan	18,000,000	18,000,000	30/11/07	30/11/15	half-yearly	Euribor 6 months + 1.7%	9,000,000	9,000,000	
Banca Nazionale del Lavoro	Mortgage	2,400,000	2,400,000	15/10/04	30/09/14	half-yearly	Euribor 6 months + 1.2%	705,882	282,353	423,529
Banca Nazionale del Lavoro	Loan	950,000	950,000	24/06/11	30/06/14	quarterly	Euribor 3 months + 1.5%	712,500	395,833	316,667
Deutsche Bank	Loan	1,500,000	1,500,000	23/06/08	23/06/13	quarterly	Euribor 3 months + 0.9%	468,750	375,000	93,750
Monte dei Paschi di Siena	Loan	700,000	700,000	16/02/11	31/08/12	monthly	Euribor 6 months + 3.05%	84,680	84,680	
Ministry of Universities and Research	Loan	1,430,905	1,243,453	12/04/07	01/07/15	half-yearly	0.50%	674,532	191,498	483,034
Ministry of Economic Development	Loan	2,151,000	1,787,006	27/12/09	27/02/19	annually	0.87%	1,441,880	174,818	1,267,062
Banca Antonveneta	Loan	5,000,000	5,000,000	04/05/10	10/05/17	monthly	Euribor 3 months + 2.5%	3,969,199	757,297	3,211,902
BNP Paribas Lease Group	Loan	548,600	548,600	24/09/10	30/09/12	quarterly	1.999%	137,150	137,150	
Banco Napoli	Loan	2,000,000	2,000,000	20/05/11	20/05/16	monthly	Euribor 1 months + 3.70%	1,605,948	381,449	1,224,499
Credito Emiliano	Loan	1,000,000	1,000,000	04/04/11	04/04/14	monthly	Euribor 3 months + 1.7%	621,654	334,883	286,771
Emilia Romagna Factor	Loan	3,500,000	3,500,000	22/07/11	31/12/14	monthly	Euribor 3 months + 2.75%	2,916,667	1,166,667	1,750,000
IBM Italia Servizi Finanziari	Loan	306,856	306,856	01/05/12	01/12/17	quarterly	9.660%	287,926	50,608	237,318
IBM Italia Servizi Finanziari	Loan	187,429	187,429	01/05/12	01/02/14	quarterly	8.370%	162,319	89,948	72,371
Banca Popolare di Milano	Loan	250,000	250,000	19/07/11	31/07/12	monthly	Euribor 3 months + 2.25%	21,193	21,193	
Ministry of Universities and Research	Loan	934,900	380,624	10/01/08	01/07/15	half-yearly	0.50%	243,424	69,116	174,308
Cassa di Risparmio di Parme e Piacenza	Loan	380,000	380,000	21/10/09	21/10/12	quarterly	Euribor 3 months + 1,375%	50,260	50,260	
Cassa Rurale di Aldeno e Cadine	Loan	300,000	300,000	25/09/07	25/09/13	monthly	Euribor 1 months + 0.9%	81,159	64,642	16,517
Centrobanca	Loan	2,025,228	1,822,705	28/12/04	05/08/16	annually	0.96%	941,216	191,174	750,042
Cassa Depositi e Prestiti	Loan	1,244,100	1,119,600	27/07/09	30/06/14	half-yearly	0.50%	451,233	225,053	226,180
Banca Popolare di Bari	Loan	138,234	124,413	27/07/09	30/06/14	half-yearly	Euribor 6 months + 3.00%	100,284	50,004	50,280
Banca Popolare di Bari	Loan	3,000,000	3,000,000	04/12/09	31/12/14	half-yearly	Euribor 6 months + 2.5%	1,931,667	752,621	1,179,046
Banco Polular	Loan	100,000	100,000	10/05/12	10/05/19	monthly	5.540%	99,023	12,086	86,937
Cajamadrid	Loan	75,000	75,000	30/04/10	25/05/13	monthly	5.367%	51,529	26,498	25,031
TOTAL								*26,760,074*	*14,884,831*	*11,875,243*

OTHER FINANCIAL LIABILITIES

At 30 June 2012 the item **"other financial liabilities"** amounted to Euro 3,057,435 compared to Euro 3,215,077 at 31 December 2011. The change is shown in the table below.

Description	30/06/2012	31/12/2011	Changes
Payables for equity investments	1,740,396	1,957,996	(217,600)
Trade payables	814,256	516,608	297,648
Tax liabilities and amounts payable to pension	262,105	262,105	-
Payables to other lenders	240,678	478,368	(237,690)
TOTAL	*3,057,435*	*3,215,077*	*(157,642)*

The item **"payables for equity investments"** refers to Euro 217,600 for the acquisition of 51.12% of Prosap to be paid in future reporting periods and Euro 1,522,796 for the earnout expected to be payable to the sellers of Prosap once the targets set at acquisition are reached. The change during the period is due to reclassification of the payable to ProSap from non-current amount to current amount.

The item **"payables to suppliers"** refers to medium/long-term payment for leased assets.

The item **"tax and social security payables"** refers to amounts payable for social security and taxes from previous years for the amount due after 12 months, which are being paid in instalments.

The item **"payables to other lenders"** refers to the non-current amount of the subsidiary Realtech S.p.A.'s loan from Realtech AG, and decreases as a result of reclassification of the payable from non-current amount to current amount.

PROVISION FOR RISKS AND CHARGES

At 30 June 2012 the item **"provision for risks and charges"** amounted to Euro 1,442,471 compared to Euro 1,521,892 at 31 December 2011. The breakdown is shown in the table below:

Description	30/06/2012	31/12/2011	Changes
Hedge fund	87,002	87,027	(25)
Fund for stock/contract work in progress risks		40,372	(40,372)
Fund for tax dispute risks	777,692	777,692	-
Fund for employee-related risks	66,775	51,775	15,000
Fund for grant-related risks	495,127	537,151	(42,024)
Fund for other risks	15,875	27,875	(12,000)
TOTAL	*1,442,471*	*1,521,892*	*(79,421)*

The provision of Euro 87,002 relating to the **"hedge fund"** was set up for the subsidiaries Farm Multimedia Srl (in liquidation) (Euro 35,356) and Al Faro Srl (in liquidation) (Euro 51,646).

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

> Euro 754,370 for the report on findings issued by the Tax Police on 18 December 2007, which stated that illicit deductions had been made following the write-down applied in 2002 for interests in Infusion Spa and AISoftw@re Technologies & Solutions. The report on findings gave rise to five notices of assessment: (i) concerning IRPEG for 2002, (ii) concerning IRPEG and IRAP for 2003, (iii) first-level assessment of consolidated income for 2004, (iv) one second-level assessment on IRES of tax

consolidation for 2004 and (v) another notice of assessment on IRAP referring to 2004. The company challenged all of these notices of assessment before the Provincial Tax Commission of Milan, which accepted our claims and issued judgments to cancel the notices of assessment. The developments of each dispute are as follows: (i) IRPEG 2002, the Inland Revenue Agency appealed the judgment regarding the 2002 assessment that the Regional Tax Commission of Milan handed down at the hearing of 29 March 2012 with its judgment 53.29.12 published on 14 May 2012, rejecting the appeal with costs to be paid by the Inland Revenue Agency; (ii) IRPEG/IRAP 2003, the judgment cancelling the notice of assessment for 2003 held since the Inland Revenue Agency failed to appeal the decision; (iii)-(iv)-(v) the Inland Revenue Agency appealed the judgments to cancel the 2004 assessments with petitions notified on 14 April 2011; with separate judgments on 29 March 2012 published on 14 May 2012, 50.29.12, 51.29.12 and 52.29.12, the Regional Tax Commission rejected the appeals except for a minor reprimand of about € 36,000 regarding the write-down of a contribution received. Half of the costs were compensated, and the other half were at the total charge of the Inland Revenue Agency.

Similar notices of assessment were received from the Inland Revenue Agency of Bari in subsequent years arising from the same report on findings of 18 December 2007 and referring to 2005 (IRES and IRAP) and 2006 (IRES). The petitions are pending before the Provincial Tax Commission of Bari (which in the meantime accepted the petition to suspend execution of payment ordered in the assessment) and were discussed at the 7 May 2012 hearing, the results of which we are awaiting.

Euro 23,322 for taxes, sanctions and interest possibly due for small expenses (restaurants, entertainment and costs deducted during the year) considered by the Inland Revenue Agency to be non-deductible in 2004. They are considered the only irregularities that might be confirmed by the Tax Commission. The issue is related to the Notice of Assessment from the Inland Revenue Agency – Provincial Office of Piacenza – Audit Office, notified on 18 December 2009 for the year 2004. It is the result of a general tax audit for the 2004 financial period and an inspection of documents for VAT purposes for the 2005 and 2006 tax periods. The inspections were concluded with a report on findings issued on 7 December 2007, which states that the VAT legal rules were allegedly broken by the company as well as allegations concerning undeclared capital gains, irrelevant entertainment costs and software capitalisation. In May 2010 a petition was submitted to the Provincial Tax Commission of Piacenza. In September 2010 the Commission suspended the effects of the challenged action. The Inland Revenue Agency renounced a specific irregularity they claimed in the assessment (no. 1/2004), which called for taxing capital gains on the sale of Wel.Network Spa interests in a French company. At the first hearing held on 25 January 2011 the chairman of the commission encouraged the parties to reach a settlement and rescheduled the hearing to 8 November 2011. The parties did not reach an agreement. On 8 November the Commission acknowledged the request and ordered a hearing to take place to decide on the petition regarding 2004 and the challenge to the 2005 assessment (see herein), and postponed the hearing, which has not yet been scheduled. The outcome of the proceedings is expected to be positive for Wel.Network. The IRS did not provide sufficient evidence to prove their claims, whereas Wel.Network amply demonstrated that no illegal activity was undertaken. 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. Wel.Network Spa submitted an appeal within the terms of law. A copy of the appeal was filed with the Provincial Tax Commission of Piacenza on 10 June 2011 together with numerous documents. On 25 October 2011 the tax commission suspended the effects of the petition and file against the company. Based on the opinions of the attorneys appointed to handle the matter the directors did not deem it necessary to set up special provisions. This position was confirmed by the fact that one of the company directors involved in the investigation and charged with misconduct was acquitted for not having committed the act. It was the public prosecutor who requested the acquittal and the judgment passed on 10 February 2012.

It should also be mentioned that proceedings under Legislative Decree no. 231/01 are in progress before the Court of Avezzano regarding Exprivia's alleged indirect liability for conduct imputed to its subsidiary

Aisoftw@re Professional Services (which at the time was a subsidiary of the company and now closed) in the Tax Police report on findings 383/2006 concerning "Recovery of facilities under law 407 for 2002–2005". At the hearing of 23 February 2010 the judge accepted the plea of limitation for all facts prior to September 2004, while upholding only a single charge against Exprivia. At the same time, the Preliminary Hearing Judge accepted the plea for nullity of the notice of investigation submitted by Aisoftw@re Professional due to failure of notification as laid down by art. 57 of Legislative Decree no. 231/01 and ordered the return of documents to the public prosecutor under its jurisdiction. The outcome of the hearing of 23 February 2010 means Exprivia SpA is not exposed to any risk related to the issue and therefore no provision was set aside given the insignificant value of the only offence upheld, which amounts to Euro 170.00.

The allocation of Euro 66,775 to the **“provision for staff risks”** refers amounts set aside for current disputes with former employees.

The allocation of Euro 495,127 to the **“provision for grant risks”** refers amounts set aside for possible failure to receive payment of grants following final tests related to research projects.

The allocation of Euro 15,875 refers to the provision for waste management fees from previous years that are currently being assessed by the issuing entity.

EMPLOYEE PROVISIONS

Employee severance indemnity fund

The employee severance indemnity fund amounts to Euro 8,747,084 compared to Euro 8,632,353 as at 31 December 2011. The fund is net of amounts paid to Pension Fund Treasury and Union pension funds.

DEFERRED TAX LIABILITIES

The item **“provision for deferred taxes”** amounts to Euro 1,294,786 compared to Euro 1,314,573 at 31 December 2011, and refers to allocations for temporary changes as a result of applying IFRS and considered recoverable in subsequent financial years.

EARNINGS (LOSS) PER SHARE

Information on figures used to calculate earnings per share and diluted earnings is provided below in accordance with IAS 33.

Earnings per share is calculated by dividing net profit for the period as reported in the half-year consolidated financial statements drawn up in accordance with IAS/IFRS, attributable to ordinary shareholders of the Holding Company by the average number of ordinary shares in circulation during the period.

For the purpose of calculating basic earnings per share, the economic result for the period minus the amount attributable to minority interests 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.

At 30 June 2012 the basic and diluted loss per share amounted to Euro -0.0118.

Profit (Euro)	30/06/2012
Profit for determining basic earnings per share (Net profit due to shareholders of parent company)	(591,919)
Profit for determining basic earnings per share	(591,919)
Number of shares	**30/06/2012**
Number of ordinary shares at 1 January 2012	51,883,958
Purchase of treasury shares in June 2012	(557,306)
Average weighted number of ordinary shares for calculation of basic profit	49,959,119
Earnings per share (Euro)	**30/06/2012**
Profit/loss per basic share	-0.0118
Earnings/loss per diluted share (*)	-0.0118

CURRENT LIABILITIES

CURRENT BANK DEBT

At 30 June 2012 the item "**current bank debt**" amounted to Euro 40,059,409 compared to Euro 38,053,114 at 31 December 2011. Euro 14,884,831 refers to the current amount of loans (previously described under item "non-current bank debt") and Euro 25,174,578 refers to current account overdrafts at major credit institutions.

PAYABLES TO SUPPLIERS

The item **"payables to suppliers"** amounts to Euro 21,187,743 compared to Euro 19,570,296 at 31 December 2011.

ADVANCE PAYMENT ON WORK IN PROGRESS CONTRACT

Advance payments

At 30 June 2012 the item **"advance payments"** amounted to Euro 7,490,181 compared to Euro 4,662,209 at 31 December 2011 and mainly refers to advance payments received from customers for contract work in progress.

OTHER FINANCIAL LIABILITIES

Payables to associated companies

The balance of item **"payables to associates"** amounts to Euro 7,493 compared to Euro 9,941 at 31 December 2011 and refers to the amounts payable to Pervoice S.p.A..

Amounts payable to others

The balance of item **"amounts payable to others"** amounts to Euro 5,028,815 compared to Euro 10,624,293 at 31 December 2011. The table below provides details on the item:

Description	30/06/2012	31/12/2011	Changes
Derivative products	158,285	164,827	(6,542)
Payables to others	655,061	707,665	(52,604)
PIA Innovazione/Formazione advance	354,668	1,341,445	(986,777)
CNOS project advance	1,174,378	1,174,378	-
POR Puglia advance	1,000,328	1,000,328	-
SDI advance	1,510,807		1,510,807
Payables to Factoring	-	6,060,362	(6,060,362)
FAR ICT project advance	175,288	175,288	-
TOTAL	*5,028,815*	*10,624,293*	*(5,595,478)*

The change pertains to reclassification of the assignment of receivables from factoring with non-recourse clause in the trade receivables having the write-off requisites.

The table below outlines features of financial derivatives measured at fair value with an effect in the income statement and the Mark to Market value at 30 June 2012.

Bank	Date of Contract	Expiry Date	Operation	Notional Amount	MtM at 30/06/2012
Unicredit	27/11/2008	30/11/2015	IRS	1,902,500	89
B.N.L.	30/11/2008	30/11/2015	IRS	3,841,500	(158,374)
TOTAL					*(158,285)*

TAX LIABILITIES

The balance of item **"tax liabilities"** amounts to Euro 11,004,474 compared to Euro 7,686,919 at 31 December 2011. The table below provides details on the item compared to figures from the previous financial year.

Description	30/06/2012	31/12/2011	Changes
Payables to tax authority for VAT	6,642,085	4,524,528	2,117,557
Payables to tax authority for IRAP	1,384,170	239,093	1,145,077
Payables to tax authority for IRES	102,345	11,067	91,278
Payables to tax authority for IRPEF employees	1,804,559	1,653,829	150,730
Payables to tax authority for IRPEF freelance workers	46,937	58,668	(11,731)
Payables to tax authority for IRPEF temporary workers	88,002	22,923	65,078
Payables to tax authority	554,158	933,796	(379,638)
Payables to tax authority for Regional and Municipal add.	147,277	8,670	138,607
Payables to tax authority for interest and penalties	234,942	234,346	596
TOTAL	*11,004,474*	*7,686,919*	*3,317,554*

The item “amounts payable to tax authorities” includes payment injunctions and interest.

OTHER CURRENT LIABILITIES

Amounts payable to pension and social security institutions

The item **“amounts payable to pension and social security institutions”** amounts to Euro 4,254,062. The table below shows movements during the period and a comparison with figures at 31 December 2011:

Description	30/06/2012	31/12/2011	Change
INPS contributions	2,492,200	3,311,371	(819,172)
Payables to pension funds	169,412	233,510	(64,099)
Other pension and social security entities	56,433	73,906	(17,474)
Contributions on accrued holiday pay and year-end bonus	1,402,070	823,608	578,462
Payables for penalties and interest	9,587	13,308	(3,722)
INAIL contributions	124,361	32,497	91,865
TOTAL	*4,254,062*	*4,488,200*	*(234,139)*

Other payables

The item **“other payables”** amounts to Euro 19,923,735 compared to Euro 15,811,713 at 31 December 2011.

The table below shows the changes taking place during the period with a comparison to figures at 31 December 2011:

Description	30/06/2012	31/12/2011	Changes
Payables to employees/temporary workers for expenses	71,814	38,129	33,685
Directors' fees to pay	74,567	57,256	17,311
Employees/Temporary Workers for wages accrued	5,283,810	4,272,260	1,011,549
Payables for equity investments	633,540	1,172,205	(538,665)
Accrued holidays, summer & yr-end bonuses	6,188,145	3,820,425	2,367,720
Sundry payables	388,337	447,059	(58,722)
Interest and other costs of the year	304,345	282,953	21,392
Maintenance/Services/Contributions of future years	6,979,177	5,721,425	1,257,752
TOTAL	*19,923,735*	*15,811,713*	*4,112,022*

The item “payables for equity investments” refers to the acquisition of interests in Realtech S.p.A., Exprivia do Brasil Serviços de Informatica and an additional 40% in Infaber Srl.

The item "maintenance/services/grants pertaining to future financial years" mainly refers to revenues on maintenance for future reporting periods.

INFORMATION ON THE INCOME STATEMENT

Details are provided below on the entries making up the expenses and revenue in the 2012 interim income statement, which was drawn up in accordance with international accounting standards (IAS/IFRS).

Please note that the figures as at 30 June 2011 did not include (i) SiSpa, consolidated starting from 1 July 2011, (ii) Exprivia Do Brasil Serviços de Informatica Ltda, consolidated starting from 1 November 2011, and (iii) Realtech Italia for a part of the period, which in 2011 was consolidated starting from the second quarter of 2011.

PRODUCTION REVENUE

REVENUE

Revenue from sales and services in the first half of 2012 amounted to Euro 68,487,028 compared to Euro 46,075,910 in 2011. See the section 'Trends in Exprivia Group results' in the Report for details and information on sales revenue and performance for the business segments (including changes in inventories in progress), in accordance with IFRS 8.

The table below provides details on the revenue from sales and services (Euro 68,487,028), including changes in inventories for products in progress (Euro 62,528) and changes in contract work in progress (Euro -3,917,485) pertaining to the first half of 2012, compared to 2011 figures and broken down by business segment (in K Euro).

Exprivia Group (value in K €)	30/06/2012	30/06/2011	Change %
BL Banking, Finance and Insurance	9,894	5,504	80%
BL Industy and Media	9,141	7,795	17%
BL CPA, Transport and Utilities	16,015	10,870	47%
BL Oil, Gas and Telecommunications	7,435	6,579	13%
BU Healthcare and Public Local Bodies	15,298	17,067	-10%
BL Spain and Central America	5,733	4,259	35%
Other	1,116	913	22%
Total	**64,632**	**52,987**	**22%**

The details of the revenues concerning the first half of 2012, compared with the figures of the same period of 2011, broken down by area of business are shown below (in K €).

Exprivia Gruoup (value in K €)	30/06/2012	30/06/2011	Change %
Projects and services	56.579	44.832	26%
Maintenance	4.539	4.206	8%
HW/ SW third parties	1.671	1.071	56%
Own licences	726	957	-24%
Other	1.116	913	22%
Total	**64.632**	**52.987**	**22%**

OTHER INCOME

Other revenue and income

In the first half of 2012 "**other revenue and income**" amounted to Euro 412.811 compared to Euro 1,625,565 in the same period of the previous year. The table below provides details on the items.

Description	H1 2012	H1 2011	Changes
Other operating income	360,121	1,559,910	(1,199,789)
Penalties on customers/comp. for damage	-	8,000	(8,000)
Rental income from assoc. companies	291	1,979	(1,688)
Indemnity for no advance notice	(2,617)	12,252	(14,869)
Income from assignment of vehicles to employees	34,385	32,892	1,493
Other revenue	20,632	10,533	10,099
TOTAL	*412,811*	*1,625,565*	*(1,212,754)*

Grants for operating expenses

In the first half of 2012 "**grants for operating expenses**" amounted to Euro 462,979 compared to Euro 436,110 in 2011 and refer to grants and tax breaks pertaining to the period or authorised in the period for development projects.

CHANGES IN INVENTORIES

Changes in inventories of products in progress, semi-finished and finished

In the first half of 2012 the item "**changes in inventories of products in progress, semi-finished and finished**" amounted to Euro 62,528 compared to Euro -11,402 in the same period of the previous year. It refers to changes in finished products for the medical sector held by the holding company and its subsidiaries GST and Svimservice.

Fluctuation in work in progress contracts

In the first half of 2012 the item "**fluctuation in work in progress contracts**" amounted to Euro -3,917,485 compared to Euro 6,922,484 of the same period of 2011 and refers to the change in contract work in progress pertaining to the reporting period.

Increases in fixed assets for internal work

In the first half of 2012 the item "**increases in fixed assets for internal work**" amounted to Euro 891.934 compared to Euro 856,583 in 2011 and mainly refers to expenses incurred in the period to develop products for the banking, healthcare and manufacturing sectors.

COST OF PRODUCTION

RAW MATERIALS, CONSUMABLES AND GOODS

In the first half of 2012 the item **"raw materials, consumables and goods"** amounted to Euro 3,211,959 compared to Euro 3,343,027 in the same period of the previous year. The table below provides details on the items.

Description	H1 2012	H1 2011	Changes
Purchase of HW-SW products	2,140,370	2,063,143	77,227
Purchase of HW-SW maintenance	737,674	463,893	273,781
Stationery and consumables	78,121	52,487	25,633
Fuel and lubricants	167,823	112,702	55,121
Transport and freight on purchases	7,166	2,521	4,645
Purchase of sundries	14,255	56,938	(42,683)
Warranty services on our customers' assets	66,551	591,343	(524,792)
TOTAL	*3,211,959*	*3,343,027*	*(131,069)*

STAFF COSTS

In the first half of 2012 the item **"staff costs"** amounted to Euro 43,109,771 compared to Euro 32,980,094 in 2011. The table below provides details on the item:

Description	H1 2012	H1 2011	Changes
Salaries	31,970,813	24,675,667	7,295,146
Social security charges	8,617,242	6,397,447	2,219,795
Employee severance indemnities	1,888,933	1,466,723	422,210
Other staff costs	632,783	440,257	192,526
TOTAL	*43,109,771*	*32,980,094*	*10,129,677*

The number of group employees at 30 June 2012 amounted to 2,031 workers, 1,923 of which employees and 88 temporary workers, compared to 2,013 (1,923 employees and 90 temporary workers) at 31 December 2011.

OTHER COSTS

Other costs for services

In the first half of 2012 the item **"other costs for services"** amounted to Euro 12,098,890 compared to Euro 11,549,326 in 2011. The table below provides details on the item:

Description	H1 2012	H1 2011	Changes
Technical and commercial consultancy	5,202,045	4,643,959	558,086
Administrative/company/legal consultancy	843,671	549,183	294,489
Consultancy to affiliates	2,448	(0)	2,448
Data processing service	397,716	703,948	(306,232)
Auditors' fees	236,715	189,736	46,979
Travel expenses	2,066,722	1,881,012	185,710
Other staff costs	130,594	142,393	(11,800)
Utilities	779,214	585,946	193,268
Advertising and agency expenses	357,477	262,114	95,363
HW and SW maintenance	445,191	279,151	166,040
Insurance	257,983	162,289	95,693
Costs of temporary staff	360,166	1,440,422	(1,080,256)
Other costs	914,143	709,174	204,969
Mail services	104,805		104,805
TOTAL	*12,098,890*	*11,549,326*	*549,564*

Costs for leased assets

In the first half of 2012 the item **"costs for leased assets"** amounted to Euro 2,674,928 compared to Euro 1,551,079 in the same period of the previous year. The table below provides details on the items:

Description	H1 2012	H1 2011	Changes
Rental expenses	921,572	685,815	235,757
Car rentals/leases	692,115	490,971	201,144
Rental of other assets	250,625	10,589	240,036
Licensing rights	49,344	30,757	18,587
Leasing payments	753,409	332,947	420,462
Property maintenance	15	-	15
Other costs	7,848	-	7,848
TOTAL	*2,674,928*	*1,551,079*	*1,123,849*

Sundry operating expenses

In the first half of 2012 the item **"sundry operating expenses"** amounted to Euro 685,780 compared to Euro 704,707 in 2011. The table below provides details on the item:

Description	H1 2012	H1 2011	Changes
Membership fees	68,915	61,891	7,024
Books and magazines	16,233	16,208	25
Taxes	161,773	83,439	78,334
Stamp duty	42,109	27,047	15,063
Penalties and fines	28,163	17,993	10,170
Other operating charges	107,205	136,889	(29,684)
Bank charges and commissions	175,245	151,368	23,876
Sundry expenses	86,136	209,872	(123,736)
TOTAL	*685,780*	*704,707*	*(18,927)*

Inventories and provisions

In the first half of 2012 the item **"inventories and provisions"** amounted to Euro 156,098 compared to Euro 46,285 of the first half of 2011. It mainly refers to the provisions for risks related to tests for research projects that received financing and for trade receivables considered uncollectible.

AMORTISATION, DEPRECIATION AND WRITE-DOWNS

Amortisation and depreciation

The item **"amortisation and depreciation"** amounts to Euro 1,386,252 compared to Euro 1,229,817 of the first half of 2011 and refers to Euro 928,831 for intangible assets and Euro 457,420 for tangible assets. Details on these items are provided in the notes to the balance sheet under "tangible and intangible assets".

Other write-downs

The item **"other write-downs"** amounts to Euro 56,165.

Doubtful receivables included in current assets

The balance of **"write-downs"** amounts to Euro 318,180 compared to a Euro 110,543 of the first half of 2011 and refers to doubtful receivables unlikely to be collected.

FINANCIAL INCOME AND CHARGES

Income from parent companies

In the first half of 2012 the item **"income from parent companies"** amounted to Euro 7,170 compared to Euro 8,232 in the first half of 2011 and refers to interest accrued by the Parent Company Abaco Innovazione S.p.A. for a loan with the subsidiary Exprivia Solutions S.p.A.

Income from other investments

In the first half of 2012 **"income from other investments"** amounted to Euro 39.

Other financial income

In the first half of 2012 the item **"other financial income"** amounted to Euro 28,084 compared to Euro 168,409 in the same period of 2011. The table below provides details on the item:

Description	H1 2012	H1 2011	Changes
Bank interest receivable	27,037	6,547	20,490
Income from financial derivatives	-	158,919	(158,919)
Other interest and financial income	1,047	2,943	(1,896)
TOTAL	*28,084*	*168,409*	*(140,325)*

Interest and other financial charges

In the first half of 2012 the item "**interest and other financial charges**" amounted to Euro 1,500,130 compared to Euro 993,684 in the same period of the previous year. The table below provides details on the items:

Description	H1 2012	H1 2011	Changes
Bank interest payable	687,642	406,357	281,285
Interest on loans and mortgages	563,436	390,919	172,517
Sundry interest	196,567	139,421	57,146
Charges on financial products and sundry items	52,486	56,987	(4,501)
TOTAL	*1,500,130*	*993,684*	*506,448*

Profit and loss on currency exchange

In the first half of 2012 **"profit on currency exchange"** amounted to Euro 91,331 compared to Euro 7,727 in the first half of 2011.

INCOME TAXES

In the first half of 2012 **"income taxes"** amounted to Euro 1,929,168 compared to Euro 2,251,490 in the first half of 2011 and refers to tax provisions, namely Euro 547,107 for IRES, Euro 1,379,629 for IRAP, Euro -22,259 for deferred taxes, and Euro 24,691 for prepaid taxes.

The Holding Company Exprivia S.p.A. acts as the consolidating company and determines a single taxable result for the companies under National Tax Consolidation in accordance with art. 117 of T.U.I.R..

Each company under Tax Consolidation contributes taxable income or tax loss to Exprivia S.p.A. as a payable/receivable for the consolidating company, depending on their IRES.

YEAR-END PROFIT (LOSS)

The income statement for the first half of 2012 closed with a consolidated profit (after tax) of Euro 600,903.

INFORMATION ON THE CASH FLOW STATEMENT

The **consolidated net financial position** as at 30 June 2012 is Euro -41.6 million, showing a Euro 7.5 million increase over 31 March 2012 and up Euro 2.8 million compared with 31 December 2011.

The ratio between **net working capital** and total revenues as at 30 June 2012 fell from 33% in 2011 to 25%. Receipts totalling about Euro 3.4 million, paid by customers in the Healthcare market with the progressive freeing up of contract work in progress, contributed to the positive performance of Working Capital, despite the lesser recourse to non-recourse factoring transactions equal to Euro 2.5 million.

STATEMENT FOR INTERIM REPORT PURSUANT TO ART. 81-*TER* AND CONSOB REGULATION NO. 11971 OF 14 MAY 1999 AS AMENDED

The undersigned Domenico Favuzzi, Chairman and CEO, and Giovanni Sebastiano, executive manager for preparing the corporate accounts of Exprivia S.p.A., certify the following, taking into account the provisions of Art. 154-*bis* (3, 4) of Legislative Decree no. 58 of 24 February 1998:

- ✓ Adequacy, in relation to the characteristics of the group and
- ✓ actual application of administrative and accounting procedures to draft the half-year consolidated financial statements for the first half-year as at 30 June 2012.

Furthermore, it is certified that the consolidated interim financial report:

a) Was prepared in accordance with International Financial Reporting Standards, which were adopted by the European Commission with Regulation 1725/2003 as amended, and are suitable for giving an accurate and correct representation of the equity-financial and economic situation of the company.

b) The Interim Directors' Report of the Group includes a reliable analysis that is consistent with the financial statements, operating trends and results, and also the situation of the company and group of subsidiaries included in consolidation, together with the description of the main risks and uncertainties.

Molfetta, 3 August 2012

Chairman and Chief Executive Officer	Executive Manager for Preparing Corporate Accounting Documents
(Dott. Domenico Favuzzi)	(Dott. Gianni Sebastiano)

PKF Italia S.p.A.

Revisione e
organizzazione contabile

Auditors' review report
on the consolidated interim financial statements

To the Shareholders of
Exprivia S.p.A.

1. We have reviewed the consolidated interim financial statements of Exprivia S.p.A. and its subsidiaries (the "Exprivia Group") which comprise the balance sheet, the income statement, the statement of comprehensive income, the statement of changes in shareholders' equity and the cash flows statement for the six month period ended June 30, 2012, and the related explanatory notes. It is the responsibility of Exprivia S.p.A. Directors to prepare the consolidated interim financial statements in accordance with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34), as adopted by the European Union. Our responsibility is to issue this report based on our review.

2. We conducted our review in accordance with review standards recommended by Consob (the Italian Stock Exchange Regulatory Agency) in its Resolution n.10867 of July 31,1997. Our review consisted principally of obtaining information on the accounts included in the consolidated interim financial statements and the consistency of the accounting principles applied, through discussion with management, and of applying analytical procedures to the financial data presented in the consolidated interim financial statements. The review excluded audit procedures such as tests of controls and substantive procedures on assets and liabilities and was therefore substantially less in scope than an audit performed in accordance with generally accepted auditing standard. Accordingly, unlike our report on the year-end consolidated financial statements, we do not express an audit opinion on the consolidated interim financial statements.

   For the corresponding figures relating to the consolidated financial statements of the prior year and the consolidated interim financial statements of the corresponding period of the prior year, presented for comparative purposes, reference should be made to our reports issued on March 28, 2012 and August 24, 2011, respectively.

3. Based on our review, nothing has come to our attention that causes us to believe that the consolidated interim financial statements of the Exprivia Group as of June 30, 2012 are not prepared, in all material respects, in accordance with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34), as adopted by the European Union.

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4. We point out the following information, disclosed and more detailed in the explanatory notes:

   - Subsidiary Wel.Network S.p.A.: two different reports on tax assessment has been notified by the tax inspectors ("Agenzia delle Entrate – Direzione Provinciale di Piacenza – Ufficio Controlli") on December 18, 2009 and on December 14, 2010 respectively, for the fiscal year 2004 and 2005. The assessments are directly related to the general tax inspection for income tax years 2004, 2005 and 2006. The issues raised in the reports were rejected by the Company through an extensive memory of defense providing an adequate explanation of the operations performed. Wel.Network Directors, based on the advice of the professionals charged with the proceeding, consider the provision reported in the financial statements appropriate.

Bari, Italy
August 6, 2012

PKF Italia S.p.A.
Signed by
Francesco Demonte
(Partner)

This report has been translated into the English language from the original, which was issued in Italian, solely for the convenience of international readers. We have not examined the translation of the financial statements referred to in this report.