



## **Interim Directors' Report**

**as at 31 March 2012**

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## Corporate Bodies

### Board of Directors

As at 31 March 2012 the Board of Directors, whose term of office will expire on approval of the 2013 Financial Statements, was composed as follows:

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) 5/04/1966
Valeria Savelli	Non-independent Director	Non-Executive	Matera 15/10/1962
Alessandro Laterza	Independent Director (**)	Non-Executive	Bari 9/02/1958
Giorgio De Porcellinis	Independent Director (**)	Non-Executive	Milan 21/01/1948
Umberto Paolucci (*)	Independent Director (**)	Non-Executive	Ravenna 28/11/1944

(\*) Co-opted as Director on 13 March 2012

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

For the purpose of their office all directors are domiciled at the registered offices of the company in Molfetta (BA), Viale 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 exception and with full rights 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 duties with the exception of any matters expressly delegated by law to the general shareholders' meeting (see Corporate Governance).

### Board of Statutory Auditors

As at 31 March 2012 the Board of Statutory Auditors, whose term of office will expire on approval of the 2013 Financial Statements, was composed as follows:

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

## Independent Auditors

The Independent Auditors for the Exprivia Group are PKF Italia S.p.A. Their assignment will expire 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 experience gained from over 25 years of operations in Information Technology for banking, financial institutions, industry, energy, telecommunications, utilities, healthcare and public administration.

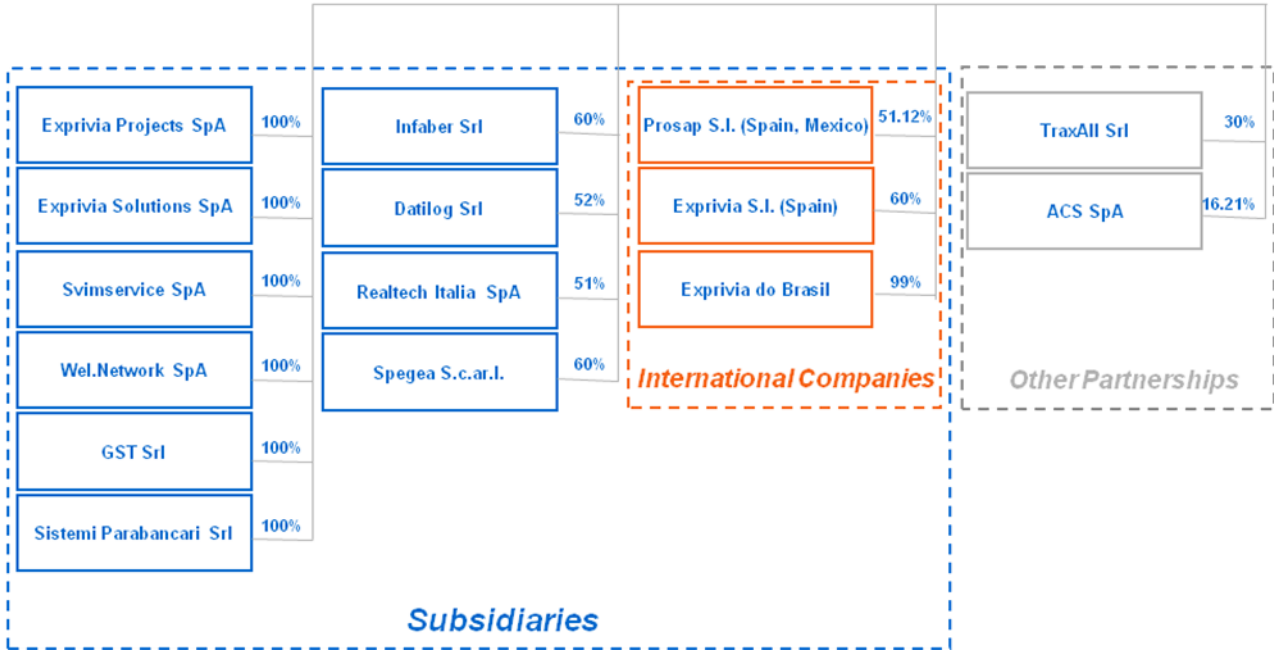
**Exprivia** has always looked towards the future in a constant search for technologies that anticipate market trends so that customers can be provided with solutions and services that actually improve their business processes.

This strategic vision, together with the group's knowledge of the specific needs of each customer, the vertical supply 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 head offices 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



## 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 infrastructures for Call Centres, Contact Centres and Helpdesks.

**Exprivia Solutions S.p.A.** is 100% owned by Exprivia, 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 to the services industry and to local and central public administration.

**Svimservice S.p.A.** is 100% owned by Exprivia, 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.

**Wel.Network S.p.A.** is 100% owned by Exprivia, 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 also been developed.

**Gruppo Soluzioni Tecnologiche S.r.l. - GST** is 100% owned by Exprivia, is based in Trento and has Euro 27,500.00 share capital (fully paid-up). It focuses 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.

**Spegea S.C.a r.l.**, 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 and is now 60% controlled by Exprivia S.p.A.

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

**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 S.p.A. has a 50.12% controlling interest in this company.

**InFaber Srl** is a company specialised in providing Manufacturing Execution System (MES) services and solutions for the Italian and international manufacturing market. Exprivia S.p.A. has a 60% controlling interest in this company.

**Realtech Italia S.p.A.** 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 buyout. Exprivia S.p.A. now has a 51.00% controlling interest in this company.

**Sistemi Par bancari Srl** is a leading Italian company in outsourcing IT, legal and administrative services for factoring companies. 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, and not only IT-related, for the financial services system. The company is now 100% owned by Exprivia S.p.A.

**Datilog Srl** is a company specialised in providing WMS (Warehouse Management System) solutions to automate complex warehouses and large-scale distribution centres. Exprivia S.p.A. has a 52% controlling interest in this company.

**Exprivia do Brasil Serviços de Informatica Ltda**, a Brazilian company specialised in IT Security solutions, operates with around 16 employees from its operations base in Sao Paulo. Exprivia S.p.A. has a 99.85% controlling interest in this company.

Svimservice S.p.A. holds 100% of the share capital of **Al Faro Srl** (in liquidation), a company no longer active. Exprivia Solutions S.p.A. holds 100% of the share capital of **Farm Multimedia Srl** (in liquidation).

## 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 staff and has offices 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 to 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 tender.

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

**Consorzio Biogene** was formed to develop the project known as "Public-private laboratory for the development of integrated bioinformatics 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 as 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 Italian national research plan.

**Distretto Tecnologico Nazionale per l'Energia ("DiTNE")**, based in Brindisi, was formed to provide support for research in the energy production sectors, 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, 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 pre-competitive development.



## The Exprivia Business Model

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

-  **Healthcare and Local Entities**
-  **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, leveraging experience gained in over 25 years of operations.

The group has a team of highly-skilled experts that collaborate with Competence Centres specialised in a variety of 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
-  Security

## 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 IT 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 Local Entities

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 regional level (Regions, Regional Agencies), local care provided by local healthcare providers (ASLs) 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 in numerous 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 and 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, a sector 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 24/7 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 to 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 rapid business development.

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

### Credit sector

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

-  Solutions for operations management for automation, supervision 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 we provide support to develop 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 between individuals and operators, via the web or other methods, enabling credit card payments and cash withdrawals from ATMs using volatile code.

### **Operations 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 chain 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 Corporate Market**

Exprivia develops integration solutions on leading middleware and application platforms. In the SAP environment for ERP, CRM, SCM, Business Intelligence and Analytics; 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, Discrete Manufacturing 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, we provide real-time applications, command and control systems, embedded systems, graphics 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 preconfigured 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 throughout 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 2009.




In the Oil & Gas market we have consolidated our position over the years through our 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. multiutilities) 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.)
-  Systems 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. Support 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. We design and create solutions for efficient management of network infrastructures, remote database management, configuration management, network management and performance analysis. All these solutions are provided both within projects and through system 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 to automate processes and ensure flexible 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 affected by changes we offer solutions and services created with innovative technologies, in full 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:

-  eGovernment 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 deregulation, unbundling of 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 optimised a product mix to meet the need to develop and manage the transversal processes 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, workforce management, sales force management, AEEG regulatory 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 location systems and georeferencing (GIS)
-  Document & Content Management Systems – electronic archiving, digital signature and electronic stamping, information management, etc.

## Trend of Exprivia Group Results

The **revenue by business segment** trend recorded a growth in all markets except Healthcare and Local Entities.

Group Exprivia (value in K €)	31/03/2012	31/03/2011	Variation %
BL Bank, Finance e Insurance	4,643	2,357	97%
BL Industry & Media	4,548	3,215	41%
BL Government, Trasports & Utilities	6,917	4,007	73%
BL Oil, Gas & Telco	3,535	2,893	22%
BL Health and Local Bodies	7,753	8,343	-7%
Spain and Centre America Area	2,419	1,982	22%
Other	537	458	17%
<b>Total</b>	<b>30,353</b>	<b>23,256</b>	<b>31%</b>

The breakdown by business segment of revenue for the first quarter of 2012, compared with figures for the first quarter of 2011, is shown below (in K€).

Group Exprivia (value in K €)	31/03/2012	31/03/2011	Variation %
Projects and services	26,460	19,518	36%
Maintenance	2,191	2,298	-7%
HW/SW third parties	730	571	28%
Own licences	198	410	-52%
Other	537	458	17%
<b>Total</b>	<b>30,116</b>	<b>23,256</b>	<b>29%</b>

### **BANKING, FINANCE AND INSURANCE**

In the first quarter of 2012 the Banking and Finance Line confirmed its positive trend by achieving a 97% growth compared to the same period in 2011, for a total value of Euro 2.3 million. In addition to the decisive contribution (around 73% for a value of Euro 1.7 million) from SIS.PA S.r.l. (a company acquired by the parent company at the end of July 2011), approximately 24% of this strong increase is due to internal growth, confirming the quality of the defined product portfolio capable of successfully capturing the changing and complex needs of the reference stakeholders.

In a market where the consequences of the international and national crises have resulted not only in a general and significant reduction in IT expenditure budgets but also in an essential block on development initiatives for the entire first quarter, the positioning consolidated in 2011 on wide-ranging partnerships in relation to operating IT systems, the investment in strategic development projects and the promotion of innovative solutions, has certainly led to the Business Line's results for the first three months of 2012.

In this respect, the growth (around 15%) in IT services for the Finance sector benefits from the investment in projects in progress for the development of capital market platforms in leading Italian banking groups, whilst operations on the IT service products for the Credit sector were in Italy characterised by the start-up of significant monitoring partnerships. On the Central Eastern Europe market note the production start-up - for Banca ItaloRumena (BIR) - of the proprietary Credit on Web (CoW) underwriting solution in just 5 months of total time elapsed (BIR is the second Romanian Bank that has adopted our solution).

Partnerships in the IT Governance and IT Security products have confirmed the same volumes as in 2011, whilst a considerable increase was recorded (over 50%) in multichannel operations, benefiting in particular from a number of orders in the Internet banking and mobile payments areas.

Lastly, this first quarter of 2012 recorded major growth (over 40%) in the more transversal markets of Business Intelligence and System Integration as a result of cross-selling begun in 2011.

## **OIL, GAS AND TELECOMMUNICATIONS**

In the first quarter of 2012 the Oil, Gas and Telecommunications Line achieved revenue of Euro 3.2 million, up 3% on the same period in 2011.

The decrease in investments in the Oil, Gas & Telco market continues in a climate characterised by extreme caution as a result of the complex macroeconomic scenario, and nor is a significant increase in investments forecast in 2012.

Despite the stagnant scenario and falling investments in Information Technology, the Business Line has continued to follow its growth path, aiming for greater definition of innovative products and solution.

The increase in revenue is due to better positioning of large customers in this market. Likewise the product ranges are recording good performance in terms of support solutions for mobility processes and for distribution networks.

The Digital Media offering is on the increase and new business activities have started up for porting solutions for the Cloud Computing architecture. Cloud architecture solutions will be one of the areas in which the Business Line will focus for all of 2012.

A presence on key accounts was confirmed by the continuation of important projects in the areas of support for Administrative Accounting Processes, support solutions for Dematerialisation Process and in the field of Enterprise Application Integration.

Exprivia as always offers its services as a strong reference partner in projects to further IT expenditure streamlining and efficiency projects for its customers through the supply of nearshoring services via proprietary production centres in Molfetta and Piacenza.

## **INDUSTRY AND MEDIA**

The Industry and Media business line began the first quarter of 2012 with a growth compared to the first quarter of 2011. Revenue was up by more than 41%, 8% of which internal growth, in line with budget forecasts.

The first months of the year were characterised by the delivery of projects and services acquired towards the end of the previous year, in particular the implementation of ERP and Extended ERP IT solutions for major Italian companies, leaders in their respective business sectors.

A considerable success was recorded in the acquisition of new customers for the maintenance service on SAP user licences, as a result of the quality of the Exprivia competence centre certified to provide this type of service and due to consolidation of the number of SAP Partners able to operate in this respect.

To complete the application products, Exprivia's positioning in infrastructure services was also consolidated, in particular in the provision of remote operating and systems management services.

The Defence sector maintained the volumes recorded last year, which represented the highest level reached in five years in this market.

## **CPA, TRANSPORT AND UTILITIES**

In the first quarter of 2012, the CPA, Transport and Utilities business line confirmed its budget forecast with revenue of around Euro 1.3 million, up 32% on the figure for the same period last year. The revenue derives solely from planning/development activities and professional services.

In the Utilities sector, the business line recorded the most significant results, confirming it as one of the leading national players. In the energy sector in particular, as a result of energy market deregulation policies important business opportunities opened up.



In Central Public Administration revenue was higher than in the previous year though the business volume remains limited in absolute terms.

## **HEALTHCARE AND LOCAL ENTITIES**

The Healthcare and Local Entities business recorded revenue for the quarter 7% lower than that of the same period in 2011, which had benefited from extraordinary income. The lower revenue came from the medical and hospitals area in which the Company is investing in terms of product innovation to expand the reference market, also with a view to internationalisation.

Revenue in the Local Healthcare and Local Public Administration was essentially in line with the budget and slightly up on the corresponding period in 2011.

Lastly, in the Voice Recognition market, note that the current revenue volume is down on the corresponding quarter in 2011, mainly due to slippage in concluding certain contracts expected in the near future.

## Significant Group Figures and Result Indicators

The table below gives a summary of the main consolidated economic, equity and financial data of the Group as emerging from the Financial Statements prepared in compliance with IAS/IFRS.

	31.03.2012	31.03.2011	31.12.2011
Total production revenues	31,015,203	24,486,160	120,631,619
net proceeds and variation to work in progress to order	30,352,808	23,256,508	115,776,738
increase to assets for internal work	411,635	368,474	1,837,504
other proceeds and contributions	250,760	861,178	3,017,377
Difference between costs and production proceeds (EBITDA)	919,887	2,601,425	13,873,882
% on production proceeds	2.97%	10.62%	11.50%
Net operating result (EBIT)	(315,736)	1,941,700	10,886,109
% on production proceeds	-1.02%	7.93%	9.02%
Net result	(1,604,267)	511,263	3,206,289
Group net equity	65,740,107	66,355,029	67,240,606
Total assets	201,846,633	175,428,210	197,897,777
Capital stock	26,979,658	26,979,658	26,979,658
Net working capital (1)	42,412,107	40,147,828	39,950,807
Cash flow (2)	(980,812)	1,137,322	6,755,715
Fixed capital (3)	88,256,333	82,508,421	87,619,519
Investment	1,240,601	533,143	7,668,109
Cash resources/bonds (a)	6,258,480	5,802,164	7,473,881
Short-term financial debts (b)	(42,204,393)	(24,199,833)	(38,053,114)
Medium-/long-term financial debts (c)	(13,146,108)	(23,232,861)	(13,774,738)
Net financial position (4)	(49,092,021)	(41,630,530)	(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 calculated as the sum of the net result adjusted for amortisements variations in TFR

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

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

The table below shows the main economic indicators of the Group as at 31 March 2012, compared with the same period last year.

Exprivia Group	Q1 2012	Q1 2011
Index ROE (Net income / equity capital)	-2.44%	0.77%
Index ROI (EBIT / Net Capital Invested)	-0.27%	1.78%
Index ROS (EBIT / Revenues)	-1.01%	9.63%
Financial charges / Net profit	-45.72%	85.88%

The table below shows the main equity and financial indicators of the Group as at 31 March 2012, 31 March 2011 and 31 December 2011.

Exprivia Group	31/03/2012	31/03/2011	31/12/2011
Net Financial Debt / Equity Capital	0.75	0.63	0.66
Debt ratio (Total Liabilities / Equity Capital)	3.07	2.64	2.94

## Key figures for the first quarter of 2012

The main consolidated economic, equity and financial data of the Group, prepared in compliance with IAS/IFRS and particularly IAS 34, are shown below, as emerging from the position for the first quarter of 2012 and compared with the same period last year.

Exprivia Group (value in K €)	Q1 2012	Q1 2011	Variazioni %
Value of Production	31,015	24,486	26.66%
Net revenues	30,353	23,257	30.51%
EBITDA	920	2,601	-64.63%
EBIT	-316	1,942	-116.27%
Pre-tax result	-1,001	1,654	-160.52%

The consolidated **value of production** for the first quarter of 2012 was Euro 31 million, up 26.7% on the same period of the previous year (Euro 24.5 million).

**Consolidated net revenue** for the first quarter of 2012 amounted to Euro 30.4 million, up 30.5% on the same period last year (Euro 23.2 million). This results was achieved mainly as a result of the start-up of new orders and public contracts awarded in 2012.

Consolidated **EBITDA** stood at Euro 0.9 million compared to Euro 2.6 million in the first quarter of 2011. This decrease relates mainly to the impact of certain orders with lower margins together with the drop in licensing sales.

Consolidated **EBIT** was Euro -0.3 million compared to Euro 1.9 million in the first quarter of 2011.

Lastly, **pre-tax profit** for the first quarter of 2012 was Euro -1 million against the Euro 1.7 million recorded in the first quarter of 2011, the decrease also due to a Euro 0.3 million rise in financial charges compared to the first quarter of 2011.

Exprivia Group (value in K €)	31/03/2012	31/03/2011	31/12/2011
Group Net Worth	65,740	66,355	67,241
Net Financial Position	(49,092)	(41,631)	(44,354)

**Group equity** as at 31 March 2012 amounted to Euro 65.7 million compared to Euro 67.2 million as at 31 December 2011.

The **consolidated net financial position** as at 31 March 2012 was Euro -49.1 million compared to Euro -44.4 million as at 31 December 2011. The Euro 4.7 million change mainly refers to cash flow used from current assets for Euro 3.5 million (particularly to the increase in trade receivables for Euro 4.5 million not yet invoiced as at 31 March 2012).

## RISKS AND UNCERTAINTIES

There is no updated information compared to the last position stated.

## Significant events of the first quarter of 2012

### ACQUISITIONS/SALES IN THE EXPRIVIA GROUP

On 2 February 2012 the agreement was finalised for Exprivia S.p.A.'s acquisition of Visiant do Brasil, now Exprivia do Brasil Serviços de Informatica Ltda, a Brazilian company specialised in IT Security solutions.

### COMPANY EVENTS

On 13 March 2012 the Board of Directors co-opted Umberto Paolucci to the office of Independent Director.

## Events after 31 March 2012

### COMPANY EVENTS

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 same Shareholders' meeting approved the Report on Corporate Governance and Ownership Structures and the Report on Remuneration for Exprivia Group Directors and Strategic Executives. Both reports are published the "Investor - Company Briefing" section of the company website (the Remuneration Report in Italian only).

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

Lastly, the Shareholders' meeting cancelled the authorisation to purchase and hold own shares approved on 28 April 2011, and approved the issue of a new authorisation to purchase and hold own 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.

## HUMAN RESOURCES

### STAFF

The following table summarises the staff situation of the group as at 31 March 2012 compared with the situation as at 31 March 2011.

Company	Employees 31/03/2012	Employees 31/03/2011	Collaborators 31/03/2012	Collaborators 31/03/2011
Exprivia S.p.A.	765	632	55	35
Wel.Network S.p.A.	111	110	2	3
Svimservice S.p.A.	268	244	0	1
Exprivia Solutions S.p.A.	113	106	15	25
Exprivia SL	12	11	0	2
Exprivia Projects S.p.A.	283	73	0	
GST Srl	11	14	0	1
Realtech	153		3	
Datilog	6	4	2	2
Prosap	142	118		1
InFaber Srl	21	19	0	
Sispa	57		2	
Spegea S.c. a r.l.	9	11	3	4
<b>Total</b>	<b>1951</b>	<b>1342</b>	<b>82</b>	<b>74</b>
<i>of which senior managers</i>	<i>38</i>	<i>28</i>		
<i>of which middle managers</i>	<i>181</i>	<i>113</i>		

As at 31 March 2012 there were 1,951 employees in the group, compared to 1,342 as at 31 March 2011.




## Inter-company Relations

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

The Human Resources Department handles development of skills, union relations, contracts and staff administration for all the companies in the group.

The Central Services Department consists of the Administration and Finance Department, Planning and Control Unit, General Services Unit, Logistics, ICT Infrastructure, Quality, Processes and Corporate Information System and the Legal Office.

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 skills within the group including the production of printed, 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 skills;
-  Coordinated participation by Exprivia in public contract tenders with the contribution of all companies according to their specific skills.

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 consolidated as at 31 December 2011 and 31 March 2012.

Description	31/03/2012	31/12/2011	Variation
Farm Srl liquidation	20,388	20,388	-
Al Faro Srl liquidation	2,100	2,100	-
<b>TOTAL</b>	<b>22,488</b>	<b>22,488</b>	<b>-</b>

## Relations with Related Parties and Associates

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

(i) the new "Regulations containing provisions on transactions with related parties - Consob Resolution no. 17221 of 12 March 2010", as amended by Resolution no. 17389 of 23 June 2010; (ii) the results of the subsequent consultation published by Consob on 24 September 2010; (iii) the Consob communication providing guidance on application of the Regulation published on 24 September 2010; (iv) Consob Communication no. 10094530 of 15 November 2010 providing further clarification.

On 27 November 2010 the Board of Directors of the company adopted a new PROCEDURE FOR TRANSACTIONS WITH RELATED PARTIES, containing provisions to ensure substantial and procedural transparency and fairness in related party transactions carried out directly by the company or through its direct or indirect subsidiaries ("Exprivia Group").

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

Transactions with related parties are part of normal business operations and are carried out at arm's length.

The procedure for performing inter-company transactions and transactions with other related parties is published on the company website in the section "*Investor – Informativa Societaria*" (Italian version only).

The table below shows amounts payable and receivable and costs and revenue, both commercial and financial, between the companies of Exprivia Group and its related parties.

## RECEIVABLES FROM RELATED PARTIES AND ASSOCIATES

Description	31/03/2012	31/12/2011	Variation
Pervice S.p.A.	13,620	12,424	1,196
<b>TOTAL</b>	<b>13,620</b>	<b>12,424</b>	<b>1,196</b>

## PAYABLES TO RELATED PARTIES AND ASSOCIATES

Description	31/03/2012	31/12/2011	Variation
Pervice S.p.A.	11,830	20,184	(8,354)
<b>TOTAL</b>	<b>11,830</b>	<b>20,184</b>	<b>(8,354)</b>

## REVENUE FROM RELATED PARTIES AND ASSOCIATES

Description	Q1 2012	Q1 2011	Variation
Pervice S.p.A.	-	1,979	(1,979)
<b>TOTAL</b>	<b>-</b>	<b>1,979</b>	<b>(1,979)</b>

## Group Relations with Parent Companies

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

Relations between the Exprivia Group and the parent company Abaco Innovazione S.p.A. as at 31 March 2012 are illustrated below.

### RECEIVABLES

Description	31/03/2012	31/12/2011	Variation
Exprivia S.p.A.	232,013	229,713	2,300
Exprivia Solutions S.p.A.	603,098	599,250	3,848
<b>TOTAL</b>	<b>835,111</b>	<b>828,963</b>	<b>6,148</b>

### REVENUE AND INCOME

Description	Q1 2012	Q1 2011	Variation
Exprivia S.p.A.	1,250	1,250	-
Exprivia Solutions S.p.A.	3,848	3,848	-
<b>TOTAL</b>	<b>5,098</b>	<b>5,098</b>	<b>-</b>

## Business Outlook

The economic results for the first quarter of 2012 are more than satisfactory in terms of growth and development. The Group has consolidated its presence in the domestic market, especially in the large public enterprise segment, and it has obtained its first significant returns in the international market, also as a result of consolidation of the companies acquired in 2011.

Despite the persisting economic recession, in 2012 the company intends to continue developing its activities in line with the 2011-2013 Industrial Plan while paying special attention to financial resources and operating profit margins.



# **Consolidated Interim Financial Statements**

## **of the Exprivia Group**

## Consolidated Balance Sheet

	31.03.2012	31.03.2011	31.12.2011
<b>NON-CURRENT ASSETS</b>			
<b>Property, plant &amp; machinery</b>	<b>10,922,248</b>	<b>10,564,020</b>	<b>10,871,998</b>
Land and buildings	6,446,830	6,528,119	6,496,858
Assets under construction and payments on account	273,969	182,813	231,468
Other assets	4,201,449	3,853,088	4,143,672
<b>Goodwill and other undefined assets</b>	<b>69,176,145</b>	<b>64,896,420</b>	<b>69,211,588</b>
Goodwill	29,446,488	29,385,366	29,453,849
Consolidation difference	39,729,657	35,511,054	39,757,739
<b>Other intangible assets</b>	<b>4,872,680</b>	<b>3,922,631</b>	<b>4,337,933</b>
Intangible assets	1,367,833	513,244	907,207
Research and development costs	3,136,127	3,361,319	3,154,541
Assets under construction and payments on account	368,720	48,068	276,185
<b>Shareholdings</b>	<b>1,922,205</b>	<b>1,847,718</b>	<b>1,862,205</b>
Shareholdings in subsidiaries	51,646	54,195	51,646
Shareholdings in associated companies	249,224	175,188	189,224
Shareholdings in other companies	1,621,335	1,618,335	1,621,335
<b>Other financial assets</b>	<b>284,927</b>	<b>201,351</b>	<b>279,716</b>
Receivables to subsidiaries	22,488	22,488	22,488
Other accounts receivable	262,439	178,863	257,228
<b>Deferred tax assets</b>	<b>1,078,129</b>	<b>1,076,281</b>	<b>1,056,079</b>
Tax advances/deferred taxes	1,078,129	1,076,281	1,056,079
<b>TOTAL NON-CURRENT ASSETS</b>	<b>88,256,333</b>	<b>82,508,421</b>	<b>87,619,519</b>

	31.03.2012	31.03.2011	31.12.2011
<b>CURRENT ASSETS</b>			
<b>Trade receivables and others</b>	<b>79,903,932</b>	<b>64,004,053</b>	<b>73,882,552</b>
Receivables to customers	62,691,859	51,087,140	58,151,010
Receivables to subsidiaries	13,620	12,424	914
Receivables to parent companies	835,111	812,090	828,963
Other accounts receivable	14,389,550	11,193,537	13,388,129
Tax credits	1,973,792	898,862	1,513,536
<b>Stock</b>	<b>171,462</b>	<b>174,141</b>	<b>136,934</b>
Stock	171,462	174,141	136,934
<b>Work in progress to order</b>	<b>27,256,426</b>	<b>22,939,113</b>	<b>28,784,892</b>
Work in progress to order	27,256,426	22,939,113	28,784,892
<b>Current financial assets</b>		<b>318</b>	
Other bonds		318	
<b>Cash resources</b>	<b>6,258,480</b>	<b>5,802,164</b>	<b>7,473,881</b>
Current banks	6,232,145	5,777,609	7,447,395
Cheques and unrepresented effects	26,335	24,555	26,486
<b>TOTAL CURRENT ASSETS</b>	<b>113,590,300</b>	<b>92,919,789</b>	<b>110,278,259</b>
<b>TOTAL ASSETS</b>	<b>201,846,633</b>	<b>175,428,210</b>	<b>197,897,778</b>

	31.03.2012	31.03.2011	31.12.2011
<b>NET WORTH</b>			
Capital stock	26,979,658	26,979,658	26,979,658
Capital stock	26,979,658	26,979,658	26,979,658
Own shares	(82,585)		(46,508)
Own shares	(82,585)		(46,508)
Premium reserve	18,081,738	18,081,738	18,081,738
Share premium	18,081,738	18,081,738	18,081,738
Revaluation reserve	2,907,138	2,907,138	2,907,138
Revaluation reserve	2,907,138	2,907,138	2,907,138
Other reserves	10,991,769	7,775,835	10,998,820
Legal reserve	3,021,831	621,831	3,021,831
Other reserves	7,969,938	7,154,004	7,976,989
Profits/Losses for previous periods	9,665,701	11,147,714	6,405,325
Profits/losses brought forward	9,665,701	11,147,714	6,405,325
Profit/Loss for the period	(1,604,267)	511,263	3,206,289
<b>TOTAL NET WORTH</b>	<b>66,939,152</b>	<b>67,403,346</b>	<b>68,532,460</b>
Minority interest	1,199,045	1,048,317	1,291,854
<b>TOTAL GROUP NET WORTH</b>	<b>65,740,107</b>	<b>66,355,029</b>	<b>67,240,606</b>

	31.03.2012	31.03.2011	31.12.2011
<b>NON-CURRENT LIABILITIES</b>			
<b>Payables to non-current banks</b>	<b>13,146,108</b>	<b>23,232,861</b>	<b>13,774,738</b>
Payables to non-current banks	13,146,108	23,232,861	13,774,738
<b>Other financial liabilities</b>	<b>3,065,605</b>	<b>2,700,089</b>	<b>3,215,077</b>
Payables to other financiers	485,610	649,582	516,608
Payables to parent companies	359,894		478,368
	1,957,996	1,957,996	1,957,996
Payables for tax and social security beyond the period	262,105	92,511	262,105
<b>Provision for risks and charges</b>	<b>1,629,747</b>	<b>1,814,584</b>	<b>1,521,892</b>
Other provisions	1,629,747	1,814,584	1,521,892
<b>Staff-related funds</b>	<b>8,624,760</b>	<b>7,791,017</b>	<b>8,632,353</b>
Severance pay	8,624,760	7,791,017	8,632,353
<b>Deferred tax liabilities</b>	<b>1,317,155</b>	<b>1,316,683</b>	<b>1,314,573</b>
Deferred tax funds	1,317,155	1,316,683	1,314,573
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>27,783,375</b>	<b>36,855,234</b>	<b>28,458,633</b>

	31.03.2012	31.03.2011	31.12.2011
<b>CURRENT LIABILITIES</b>			
<b>Payables to current banks</b>	42,204,393	24,199,833	38,053,114
Payables to current quota banks	42,204,393	24,199,833	38,053,114
<b>Payables to suppliers</b>	19,315,483	12,111,498	19,570,296
Payables to suppliers	19,315,483	12,111,498	19,570,296
<b>Advances on work in progress to order</b>	5,466,216	5,089,933	4,662,209
Payments on account	5,466,216	5,089,933	4,662,209
<b>Other financial liabilities</b>	8,760,127	7,023,791	10,634,234
Payables to associated companies	11,830	20,184	9,941
Other accounts payable	8,748,297	7,003,607	10,624,293
<b>Tax debits</b>	8,347,121	9,028,526	7,686,919
Tax debits	8,347,121	9,028,526	7,686,919
<b>Other current liabilities</b>	23,030,766	13,716,048	20,299,913
Payables to welfare and social security institutions	3,488,439	2,611,416	4,488,200
<b>TOTAL CURRENT LIABILITIES</b>	<b>107,124,106</b>	<b>71,169,629</b>	<b>100,906,685</b>
<b>TOTAL LIABILITIES</b>	<b>201,846,633</b>	<b>175,428,210</b>	<b>197,897,778</b>

## Consolidated Income Statement

	31.03.2012	31.03.2011	31.12.2011
<b>Revenues</b>	<b>31,387,650</b>	<b>20,172,582</b>	<b>106,821,525</b>
Proceeds of sales and services	31,387,650	20,172,582	106,821,525
<b>Other revenues</b>	<b>250,760</b>	<b>861,178</b>	<b>3,017,377</b>
Other proceeds	44,195	582,922	1,985,185
Invest. grants trf to P&L account	206,565	278,256	1,032,192
<b>Variation in stock of finished products and products being processed</b>	<b>-623,207</b>	<b>3,452,400</b>	<b>10,792,717</b>
Var. stock of products being processed, semi-finished items	34,527	(13,493)	(48,474)
Variation in work in progress to order	(1,069,369)	3,097,419	9,003,687
Increase in assets for internal work	411,635	368,474	1,837,504
<b>TOTAL PRODUCTION REVENUES</b>	<b>31,015,203</b>	<b>24,486,160</b>	<b>120,631,619</b>
<b>Raw materials and consumables used</b>	<b>1,143,130</b>	<b>1,238,501</b>	<b>6,736,024</b>
Costs of raw, subsid. & consumable mat. and goods	1,143,130	1,238,501	6,736,024
<b>Costs connected with employee-related benefits</b>	<b>21,456,758</b>	<b>14,792,656</b>	<b>70,249,449</b>
Salaries and wages	15,907,387	11,110,983	52,435,426
Social charges	4,310,611	2,876,047	13,973,412
Severance Pay	933,074	651,385	2,852,463
Other staff costs	305,686	154,241	988,148
<b>Other costs</b>	<b>7,495,428</b>	<b>5,853,578</b>	<b>29,772,264</b>
Other costs for services	5,824,381	4,838,967	24,478,703
Costs for leased assets	1,215,617	778,350	3,643,538
Sundry management charges	335,550	205,002	1,435,631
Stock and payments on account	119,880	31,259	214,392
<b>TOTAL PRODUCTION COSTS</b>	<b>30,095,316</b>	<b>21,884,735</b>	<b>106,757,737</b>
<b>DIFFERENCE BETWEEN PRODUCTION COSTS AND REVENUES</b>	<b>919,887</b>	<b>2,601,425</b>	<b>13,873,882</b>

	31.03.2012	31.03.2011	31.12.2011
<b>Depreciation and devaluation</b>	<b>1,235,623</b>	<b>659,725</b>	<b>2,987,773</b>
Ordinary amortisement of intangible assets	417,193	380,254	1,785,540
Ordinary amortisement of tangible assets	213,855	198,531	875,276
Altre svalutazioni delle immobilizzazioni	28,083	28,082	158,294
Devaluation of credits included in working capital	576,492	52,858	168,663
<b>OPERATIVE RESULT</b>	<b>(315,736)</b>	<b>1,941,700</b>	<b>10,886,109</b>
<b>Proceeds and financial charges</b>	<b>684,777</b>	<b>288,146</b>	<b>2,204,166</b>
Proceeds from parents companies	(3,847)	(3,848)	(16,970)
Proceeds from others shareholdings	(401)		(669)
Other proceeds with separate indication	(16,747)	(138,659)	(320,805)
Interest and other financial charges	733,449	439,084	2,569,749
Charges from subsidiaries			
Profit and loss on foreign exchange	(27,677)	(8,431)	(27,139)
<b>PRE-TAX RESULT</b>	<b>(1,000,513)</b>	<b>1,653,554</b>	<b>8,681,943</b>
<b>Income tax</b>	<b>603,754</b>	<b>1,142,291</b>	<b>5,475,654</b>
IRES	(9,508)	377,096	2,336,943
IRAP	615,246	574,062	2,615,437
Deferred taxes	109	(18,391)	49,646
Tax paid in advance	(2,093)	209,524	473,628
<b>PROFIT OR LOSS FOR THE PERIOD</b>	<b>(1,604,267)</b>	<b>511,263</b>	<b>3,206,289</b>
Attributable to:			
Shareholders of parent company	(1,465,042)	313,665	3,393,473
Minority shareholder	(139,224)	197,598	(187,184)



## Statement of Comprehensive Income (\*) as at 31 March 2012, 31 March 2011 and 31 December 2011

Description	31/03/2012	31/03/2011	31/12/2011
Profit for the period	(1,604,267)	511,263	3,206,289
<i>Net income / (expense) for the period recognized in equity</i>	-	-	-
<b>Total comprehensive income</b>	<b>(1,604,267)</b>	<b>511,263</b>	<b>3,206,289</b>
<i>attributable to:</i>			
Group	(1,465,043)	313,665	3,393,473
Minority interest	(139,224)	197,598	(187,184)

(\*) It should be noted that accounting standard IAS 34, paragraph 8A, in force since 1 January 2009, prescribes that the statement of comprehensive income should be presented as one of the following:

- ✓ a single condensed income statement
- ✓ a separate condensed statement of comprehensive income

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

## Consolidated Statement of Changes in Equity as at 31 March 2011, 31 December 2011 and 31 March 2012.

Operations	Company Capital	Own shares	Share Premium Fund	Reval. Reserve	Other Reserves	Profits (Losses) brought forward	Profit (Loss) for the period	Minority Interests	Minority Interests	Total Net Worth	Total Group Net Worth
<b>Balance at 31/12/2010</b>	<b>26,979,658</b>	<b>0</b>	<b>18,081,738</b>	<b>2,907,138</b>	<b>7,478,094</b>	<b>6,243,417</b>	<b>4,929,299</b>	<b>829,160</b>	<b>4,590,447</b>	<b>66,619,344</b>	<b>65,790,184</b>
Reclassification previous year's profit to previous year's profit						4,929,299	(4,929,299)			-	
Stock Option					297,742					297,742	
Changes in consolidated companies						(25,002)				(25,002)	
Profit (loss) of the period							511,263	219,157	511,263	511,263	
Net income / (expense) for the period recognized in equity											
<b>Balance at 31/03/2011</b>	<b>26,979,658</b>	<b>0</b>	<b>18,081,738</b>	<b>2,907,138</b>	<b>7,775,837</b>	<b>11,147,714</b>	<b>511,263</b>	<b>1,048,317</b>	<b>511,263</b>	<b>67,403,346</b>	<b>66,355,029</b>
Reclassification previous year's profit to previous year's profit					5,308,350	(5,308,350)				-	
Dividend distribution					(2,075,358)					(2,075,358)	
Purchase of own shares		(46,508)			(10,007)					(56,515)	
Changes in consolidated companies						565,961				565,961	
Profit (loss) of the period							2,695,026	243,537	2,695,026	2,695,026	
Net income / (expense) for the period recognized in equity											
<b>Balance at 31/12/2011</b>	<b>26,979,658</b>	<b>(46,508)</b>	<b>18,081,738</b>	<b>2,907,138</b>	<b>10,998,820</b>	<b>6,405,325</b>	<b>3,206,289</b>	<b>1,291,854</b>	<b>3,206,289</b>	<b>68,532,460</b>	<b>67,240,606</b>
Reclassification previous year's profit to previous year's profit						3,206,289	(3,206,289)			-	
Purchase of own shares		(36,077)			(7,051)					(43,128)	
Changes in consolidated companies						54,087				54,087.00	
Profit (loss) of the period							(1,604,267)	(92,809)	(1,604,267)	(1,604,267)	
Net income / (expense) for the period recognized in equity											
<b>Balance at 31/03/2012</b>	<b>26,979,658</b>	<b>(82,585)</b>	<b>18,081,738</b>	<b>2,907,138</b>	<b>10,991,769</b>	<b>9,665,701</b>	<b>(1,604,267)</b>	<b>1,199,045</b>	<b>(1,604,267)</b>	<b>66,939,152</b>	<b>65,740,107</b>

## Consolidated Cash Flow Statement

	31.03.2012	31.03.2011	31.12.2011
<b>Operating activities:</b>			
- Profit (loss)	(1,604,267)	511,263	3,206,289
- Amortisation, depletion and depreciation of assets	631,048	578,785	2,660,816
- Provision for Severance Pay Fund	933,074	651,385	2,852,463
- Advances/Payments Severance Pay	(940,667)	(604,111)	(1,963,853)
- Adjustment of value of financial assets			
<b>Cash flow arising from operating activities</b>	<b>(980,812)</b>	<b>1,137,322</b>	<b>6,755,715</b>
<b>Increase/Decrease in net working capital:</b>			
- Variation in stock and payments on account	1,493,938	(3,190,151)	(8,998,723)
- Variation in receivables to customers	(4,540,849)	916,962	(6,146,908)
- Variation in receivables to parent/subsidiary/associated company	(18,854)	1,372	(3,990)
- Variation in other accounts receivable	(1,461,677)	(392,990)	(3,201,938)
- Variation in payables to suppliers	(285,811)	728,758	8,054,582
- Variation in payables to parent/subsidiary/associated company	1,889	2,105	(8,138)
- Variation in tax and social security liabilities	(339,559)	(508,693)	196,078
- Variation in other accounts payable	2,540,152	(18,358)	8,360,051
- Variation in risk funds reserve	110,437	(385,259)	(680,061)
<b>Cash flow arising (used) from current assets and liabilities</b>	<b>(2,500,334)</b>	<b>(2,846,254)</b>	<b>(2,429,047)</b>
<b>Cash flow arising (used) from current activities</b>	<b>(3,481,146)</b>	<b>(1,708,932)</b>	<b>4,326,668</b>
<b>Investment activities:</b>			
- Variation in tangible assets	(264,105)	(159,102)	(1,143,825)
- Variation in intangible assets	(916,497)	(351,608)	(6,487,364)
- Variation in financial assets	(87,261)	73,993	1,343
<b>Cash flow arising (used) from investment activities</b>	<b>(1,267,862)</b>	<b>(436,717)</b>	<b>(7,629,846)</b>
<b>Financial activities:</b>			
- Capital increase			
- Variation in other reserves	10,959	272,738	(1,293,174)
<b>Cash flow arising (used) from financial activities</b>	<b>10,959</b>	<b>272,738</b>	<b>(1,293,174)</b>
<b>Increase (decrease) in cash</b>	<b>(4,738,050)</b>	<b>(1,872,911)</b>	<b>(4,596,352)</b>
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	6,258,480	5,802,164	7,473,881
Banks and cash losses at end of period	(55,350,501)	(47,432,694)	(51,827,852)
<b>Increase (decrease) in liquidity</b>	<b>(4,738,050)</b>	<b>(1,872,911)</b>	<b>(4,596,352)</b>

# EXPLANATORY NOTES TO EXPRIVIA GROUP FINANCIAL STATEMENTS AS AT 31 MARCH 2012

## DECLARATION OF COMPLIANCE WITH IFRS

The interim report of the Exprivia Group as at 31 March 2012 was prepared in compliance with International Accounting Standards endorsed by the European Union (hereinafter individually referred to as IAS/IFRS or together as IFRS).

- ✓ The format and content of these interim financial statements as at 31 March 2012 comply with the provisions of IAS 34 "Interim financial reporting", in accordance with art. 154-ter, Italian Legislative Decree 58/1998 (the Consolidated Finance Act), as amended.
- ✓ The financial statements were prepared in accordance with IAS 1, whilst the Notes were prepared in condensed format, applying the option offered by IAS 34, and therefore do not include all information necessary in annual financial statements prepared according to IFRS.

## Scope of Consolidation

The interim directors' report as at 31 March 2012 includes the equity, economic and financial positions of the parent company Exprivia S.p.A. and its subsidiaries.

The table below shows the companies included in the consolidation:

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

The 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 S.r.l. in liquidation**, both 100% owned, are immaterial and are therefore not included in the scope of consolidation.

There has been no change in the scope of consolidation since 31 December 2011.

Company	H.O.	Company capital	Results for period	Net worth	Value of production	Total Assets	% of holding
Datilog Srl	Cinisello Balsamo (MI)	10,400	(169,618)	(178,882)	165,550	579,615	52.00%
Exprivia SL	Madrid (Spagna)	8,250	134,150	556,966	708,476	1,359,433	60.00%
Exprivia Do Brasil Servicos Ltda	Rio de Janeiro (Brasile)	62,455	32,991	460,025	275,141	866,015	99.85%
Exprivia Projects S.p.A.	Roma	242,000	53,396	376,972	1,425,762	2,544,340	100.00%
Exprivia Solutions S.p.A.	Roma	170,795	56,710	836,273	2,139,391	8,538,929	100.00%
GST S.r.l.	Trento	27,500	(120,987)	248,604	222,293	1,891,263	100.00%
Infaber S.r.l.	Molfetta (BA)	110,000	45,353	552,024	383,880	982,778	60.00%
Gruppo ProSap	Madrid (Spagna)/Città del Messico/Città del Guatemala/Lima	6,384	(169,921)	7,267	1,506,949	4,602,192	51.12%
Realtech S.p.A.	Agrate Brianza (MB)	1,520,000	(147,706)	1,464,020	2,502,016	6,276,033	51.00%
SiSpa Srl	Milano	580,000	224,476	1,640,007	1,738,342	4,311,639	100.00%
Spegea Sc a rl	Bari	125,000	64,437	299,251	454,673	2,125,412	60.00%
Svmservice S.p.A.	Molfetta (BA)	1,548,000	666,722	2,859,817	5,400,020	29,582,468	100.00%
Wei.Network S.p.A.	Piacenza	1,500,000	(59,795)	963,773	2,720,829	11,113,851	100.00%

## INFORMATION ON THE CONSOLIDATED BALANCE SHEET AND INCOME STATEMENT

Certain items of the Balance Sheet and Income Statement, prepared in accordance with IAS/IFRS, are illustrated below.

All the figures reported in the tables are in Euro.

### EQUITY

#### SHARE CAPITAL

“Share Capital”, fully paid up, amounted to Euro 26,979,658.16 and is represented by 51,883,958 ordinary shares at Euro 0.52 nominal value each. This information has not changed compared to 31 December 2011.

#### OWN SHARES

As at 31 March 2012 “own shares” amounted to Euro -82,585 and refer to the purchase of own shares under the plan approved by the general shareholders' meeting of 28 April 2012. The number of own shares held is 158,818.

#### SHARE PREMIUM RESERVE

As at 31 March 2012 the “share premium reserve” amounted to Euro 18,081,738 and is the same as at 31 December 2011.

#### REVALUATION RESERVE

As at 31 March 2012 the “revaluation reserve” amounted to Euro 2,907,138 and is the same as at 31 December 2011. The balance refers to the fair value adjustment to buildings owned by Exprivia S.p.A.

#### OTHER RESERVES

The balance of “other reserves” as at 31 March 2012 amounted to Euro 10,991,769, compared to Euro 10,998,820 as at 31 December 2011, with breakdown as follows:

- ✓ Euro 3,021,831 “legal reserve”, unchanged compared to 31 December 2011;
- ✓ Euro 189,823 “extraordinary reserve”, unchanged compared to 31 December 2011;
- ✓ Euro 7,904,776 “Provision for Investments in the Regione Puglia Programme Agreement”, unchanged compared to 31 December 2011;
- ✓ Euro 99,232 “other reserves” compared to Euro 106,283 as at 31 December 2011. The change of Euro -7,051 relates to the share premium value following the transactions to purchase own shares
- ✓ Euro -236,486 “IAS/IFRS tax effect reserve” represents the tax effect calculated on changes after adopting IFRS and is the same as at 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 at 31 December 2011.

## PROFIT FROM PREVIOUS FINANCIAL YEARS

**Profit from previous financial years** as at 31 March 2012 amounted to Euro 9,665,701 compared to Euro 6,405,325. The change is mainly attributable to reclassification of the 2011 result.

## NON-CURRENT PAYABLES TO BANKS

As at 31 March 2012 the item **“non-current payables to banks”** amounted to Euro 13,146,108 compared to Euro 13,774,738 as at 31 December 2011, and pertains to medium-term borrowings from major credit and financial institutions and to low-interest loans for specific investment programmes.

As a result of exceeding the “Net Borrowings/EBITDA” financial benchmark as at 31 December 2011, the company deemed it necessary, in accordance with IAS 1, paragraph 74, to reclassify the non-current part of medium-term borrowings (Euro 7,714,286), disbursed by the pool of banks headed by BNL, to **“current bank payables”**.

## PRODUCTION REVENUE

### REVENUE FROM SALES AND SERVICES, CONTRACT WORK IN PROGRESS AND CHANGES IN INVENTORIES

Revenue from sales and services, contract work in progress and changes in inventories for the first quarter of 2012 totalled Euro 30,352,808, compared to Euro 23,256,508 in the first quarter of 2011. See the section ‘Trends in Exprivia group results’ in the Interim Directors’ Report for details on sales revenue and performance as at 31 March 2011.

## COST OF PRODUCTION

### RAW MATERIALS, CONSUMABLES AND GOODS

In the first quarter of 2012 the item **“raw materials, consumables and goods”** amounted to Euro 1,143,130 compared to Euro 1,238,501 in the same period of the previous year. The table below provides details of the items.

Description	Q1 2012	Q1 2011	Variation
Purchase of HW-SW products	684,100	483,159	200,941
Purchase of HW-SW maintenance	301,241	349,206	(47,965)
Stationery and consumables	50,844	36,315	14,529
Fuel and oil	74,134	27,969	46,166
Transport and freight rates on purchases	4,701	831	3,870
Purchase of sundries	3,680	7,208	(3,528)
Warranty services on our customers activities	24,430	333,814	(309,384)
<b>TOTAL</b>	<b>1,143,130</b>	<b>1,238,501</b>	<b>(95,371)</b>

## STAFF COSTS

The item **“staff costs”** amounted to Euro 21,456,758 in the first quarter of 2012 compared to Euro 14,792,656 in the first quarter of 2011 and refers to Euro 15,907,387 for salaries, Euro 4,310,611 for social security obligations, Euro 933,074 for employee severance indemnity, and Euro 305,686 for other staff costs. The number of group employees as at 31 March 2012 amounted to 2,033, 1,951 of which contract employees and 82 temporary workers, compared to 1,416 (1,342 contract employees and 74 temporary workers) as at 31 March 2011.

## OTHER COSTS

### OTHER COSTS FOR SERVICES

The consolidated balance of **“other costs for services”** for the first quarter of 2012 amounted to Euro 5,824,381, compared to Euro 4,838,967 in the first quarter of 2011. The table below provides details of the items:

Description	Q1 2012	Q1 2011	Variation
Technical and commercial consultancy	2,406,276	1,901,087	505,189
Administrative/company/legal consultancy	433,911	196,557	237,355
Data processing service	351,514	317,269	34,245
Auditors' fees	173,113	148,092	25,020
Travel and transfer expenses	1,011,832	835,587	176,245
Other staff costs	53,338	37,900	15,438
Utilities	337,502	266,733	70,769
Advertising and agency expenses	102,396	125,798	(23,401)
HW and SW maintenance	229,755	132,905	96,851
Insurance	101,744	69,309	32,435
Costs of temporary staff	71,368	509,412	(438,043)
Other costs	453,294	298,318	154,976
Mail costs	98,336	-	98,336
<b>TOTAL</b>	<b>5,824,381</b>	<b>4,838,967</b>	<b>985,414</b>

### COSTS FOR LEASED ASSETS

In the first quarter of 2012 the item **“costs for leased assets”** amounted to Euro 1,215,617 compared to Euro 778,350 in the same period of the previous year. The table below provides details of the items:



Description	Q1 2012	Q1 2011	Variation
Rental expenses	481,018	237,210	243,807
Car rental/leasing	351,643	179,506	172,138
Rental of other assets	351,160	191,131	160,029
Royalties	23,871	161,439	(137,568)
Leasing payments	7,776	5,563	2,213
Other costs	149	3,501	(3,352)
<b>TOTAL</b>	<b>1,215,617</b>	<b>778,350</b>	<b>437,267</b>

## SUNDRY OPERATING EXPENSES

The consolidated balance in the first quarter of 2012 for “**sundry operating expenses**” was Euro 335,550, compared to Euro 205,002 in the first quarter of 2011. The breakdown of the items is provided in the table below.

Description	Q1 2012	Q1 2011	Variation
Annual subscriptions	19,852	27,688	(7,836)
Books and magazines	8,652	5,323	3,329
Taxes	62,564	50,009	12,555
Stamp duty	23,033	7,629	15,404
Penalties and fines	1,297	1,975	(678)
Contingency liabilities	87,813	41,790	46,023
Bank charges and commissions	71,786	51,038	20,747
Write-offs	27,410	-	27,410
Sundry expenses	33,144	18,583	14,561
Capital losses on disposals	-	967	(967)
<b>TOTAL</b>	<b>335,550</b>	<b>205,002</b>	<b>130,548</b>

## INVENTORIES AND PROVISIONS

The consolidated balance of “**inventories and provisions**” for the first quarter of 2012 amounted to Euro 119,880, compared to Euro 31,259 in the first quarter of 2011, and refers mainly to the provision for risks on contracts in progress.

## AMORTISATION, DEPRECIATION AND WRITE-DOWNS

### AMORTISATION AND DEPRECIATION

“**Amortisation and depreciation**” totalled Euro 631,048 compared to Euro 578,785 in the first quarter of 2011, of which Euro 417,193 referring to amortisation of intangible assets and Euro 213,855 to depreciation of tangible assets.

### OTHER WRITE-DOWNS

The item “**other write-downs**” amounts to Euro 28,082.

## DOUBTFUL RECEIVABLES INCLUDED IN CURRENT ASSETS

The balance of “**doubtful receivables included in current assets**” was Euro 576,492 compared to Euro 52,858 for the first quarter of 2011 and refers mainly to the write-down of part of the contracts in progress in relation to one order.

## FINANCIAL INCOME AND CHARGES

### INCOME FROM PARENT COMPANIES

In the first quarter of 2012 “**income from parent companies**” totalled Euro 3,847 compared to Euro 3,848 for the first quarter of 2011 and refers to interest due from Abaco Innovazione S.p.A. to Exprivia Solutions S.p.A. on the outstanding loan.

### OTHER FINANCIAL INCOME

The balance of “**other financial income**” for the first quarter of 2012 was Euro 17,148 compared to Euro 138,659 for the same period in 2011. The table below provides details of the item.

Description	Q1 2012	Q1 2011	Variation
Bank interest receivable	7,186	1,070	6,117
Revenues from financial derivatives	-	135,361	(135,361)
Other interest income	9,891	2,122	7,769
Rounding up of assets	71	103	(32)
<b>TOTAL</b>	<b>17,148</b>	<b>138,656</b>	<b>(121,508)</b>

### INTEREST AND OTHER FINANCIAL CHARGES

In the first quarter of 2012 the item “**interest and other financial charges**” amounted to Euro 735,449 compared to Euro 439,084 in the same period of the previous year. The table below provides details of the items.

Description	Q1 2012	Q1 2011	Variation
Bank interest payable	287,356	210,959	76,397
Interest on loans and mortgages	271,482	180,497	90,984
Sundry interest	83,079	10,317	72,762
Charges on financial products and sundry items	34,628	4,796	29,832
Rounding up/down	144	293	(149)
Other financial charges	56,761	32,222	24,539
<b>TOTAL</b>	<b>733,449</b>	<b>439,084</b>	<b>294,365</b>

### FOREIGN EXCHANGE GAINS AND LOSSES

In the first quarter of 2012 “**foreign exchange gains**” were recorded for Euro 27,677, compared to Euro 8,431 in the first quarter of 2011.

## **INCOME TAX**

In the first quarter of 2012 **"income tax"** amounted to Euro 603,754 against the Euro 1,142,291 for the first quarter of 2011, and refers to tax provisions of which Euro -9,508 for IRES, Euro 615,246 for IRAP, Euro 109 for deferred taxes and Euro -2,093 for prepaid taxes.

## **PROFIT (LOSS) FOR THE PERIOD**

In the first quarter of 2012 the Income Statement closed with a consolidated loss after tax of Euro 1,604,267.

## INFORMATION ON THE CASH FLOW STATEMENT

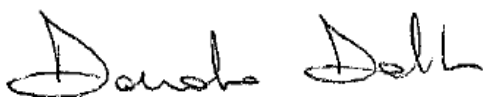
The **consolidated net financial position** as at 31 March 2012 was Euro -49.1 million compared to Euro -44.4 million as at 31 December 2011. The Euro 4.7 million change mainly refers to cash flow used from current assets for Euro 3.5 million (particularly to the increase in trade receivables for Euro 4.5 million not yet invoiced as at 31 March 2012).

### **Statement pursuant to art. 154-bis, paragraph 2, Italian Legislative Decree no. 58 of 24 February 1998 - the Consolidated Finance Act containing provisions for intermediaries, as amended**

The undersigned, Donato Dalbis, the Executive responsible for preparing corporate accounting documents pursuant to Art. 154-bis, paragraph 2, Italian Legislative Decree no. 58 of 24 February 1998, introduced by Italian Law no. 2 of 28 December 2005, hereby declares that the information and data on the economic, equity and financial position contained in these Interim Financial Statements as at 31 March 2012 in reference to the Consolidated Financial Statements correspond to the document results, books and accounting records.

Molfetta, 14 May 2012.

*Executive Responsible for Preparing Corporate  
Accounting Documents*



**(Donato Dalbis)**