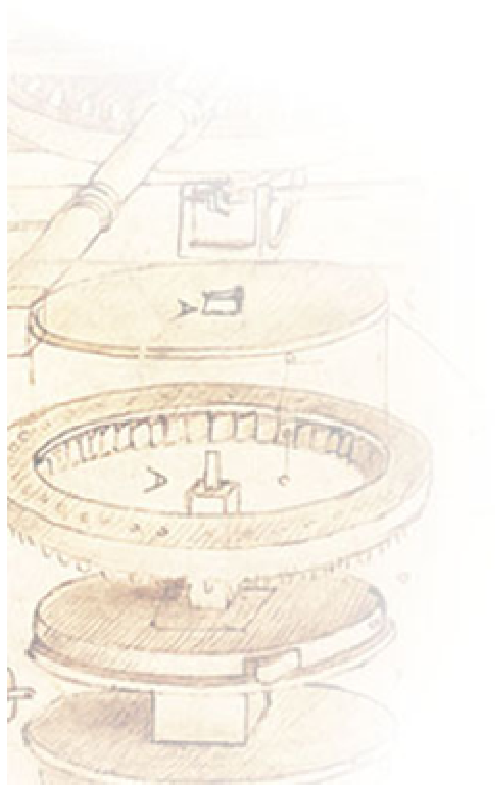




**Interim Report  
as at 30 June 2013**

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## Contents

SIGNIFICANT GROUP FIGURES AND RESULT INDICATORS .....	3
SUMMARY OF THE OPERATIONS IN THE FIRST HALF OF 2013 .....	5
CORPORATE BODIES .....	6
EXPRIVIA: ONE STEP AHEAD .....	8
THE EXPRIVIA BUSINESS MODEL .....	12
MARKETS .....	13
SOLUTIONS .....	18
SKILLS .....	19
MARKET TRENDS IN THE FIRST HALF OF 2013 .....	20
TREND OF EXPRIVIA GROUP RESULTS AND COMMENTS ON THE PERFORMANCE OF INDIVIDUAL BUSINESS LINES ...	21
RISKS AND UNCERTAINTIES .....	24
SIGNIFICANT EVENTS OF THE FIRST HALF OF 2013 .....	27
EVENTS AFTER 30 JUNE 2013 .....	28
EXPRIVIA'S STOCK MARKET PERFORMANCE .....	30
BUSINESS OUTLOOK .....	31
INVESTMENTS .....	31
VALUES AND PRINCIPLES .....	34
STAFF .....	36
MANAGEMENT TRAINING AND DEVELOPMENT .....	37
MANAGEMENT AND CONTROL ORGANISATION MODEL (PURSUANT TO LEGISLATIVE DECREE NO. 231/2001) .....	40
QUALITY ASSURANCE CERTIFICATION .....	40
INTER-COMPANY RELATIONS .....	41
RELATIONS WITH AFFILIATES AND ASSOCIATED COMPANIES .....	42
NOTICE REGARDING MANAGEMENT .....	44
GROUP RELATIONS WITH PARENT COMPANIES .....	47
EXPLANATORY NOTES TO EXPRIVIA GROUP FINANCIAL STATEMENTS .....	57

## 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 2013, 30 June 2012 and 31 December 2012.

	30.06.2013	30.06.2012	31.12.2012
Total production revenues	63,404,519	66,259,077	132,488,003
net proceeds and variation to work in progress to order	61,461,225	64,632,071	128,986,593
increase to assets for internal work	765,028	891,934	1,869,045
other proceeds and contributions	1,178,266	735,072	1,632,365
Difference between costs and production proceeds (EBITDA)	4,951,808	4,439,924	12,409,926
% on production proceeds	7.81%	6.70%	9.37%
Net operating result (EBIT)	3,039,113	2,561,054	7,242,091
% on production proceeds	4.79%	3.87%	5.47%
Net result	537,010	(600,903)	2,424,481
Group net equity	67,546,804	64,613,779	67,180,603
Total assets	185,653,717	201,206,988	187,120,765
Capital stock	26,979,658	26,979,659	26,979,658
Net working capital (1)	31,004,754	32,714,777	36,625,594
Cash flow (2)	7,693,278	900,080	5,833,084
Fixed capital (3)	90,892,326	89,253,786	90,324,982
Investment	2,106,861	2,996,529	4,048,426
Cash resources/bonds (a)	6,009,078	10,341,922	5,343,335
Short-term financial debts (b)	(38,483,727)	(40,059,409)	(39,824,155)
Medium-/long-term financial debts (c)	(6,745,510)	(11,875,243)	(9,551,977)
Net financial position (4)	(39,220,159)	(41,592,730)	(44,032,797)

- (1) **“Net working capital”** is calculated as the sum of total current assets less cash at bank and on hand and total current liabilities plus current bank debt.
- (2) **Cash flow** is calculated as the sum of net profit (loss) adjusted by amortisation, changes in employee severance indemnities and write-downs
- (3) **“Fixed capital”** is equal to total non-current assets
- (4) **Net financial position** = a - (b + c)

The table below shows the main economic indicators of the Group referring to 30 June 2013, compared with the same period of the previous year.

For the calculation of ROE and ROI, it was considered appropriate, from this report, use a logic "rolling" as a reference annual net profit and operating income from 1 July 2012-30 June 2013, for the data 30 June 2013 and 1 July 2011-30 June 2012 for the figures at 30 June 2012.

Exprivia Group	30/06/2013	30/06/2012
Index ROE (Net income / equity capital)	1.73%	2.06%
Index ROI (EBIT / Net Capital Invested)	7.14%	8.61%
Index ROS (EBIT / Revenues)	5.15%	3.74%
Financial charges / Net profit	2.676	-2.496

The table below shows the main capital and financial indicators of the Group as at 30 June 2013, 30 June 2012 and 31 December 2012.

Exprivia Group	30/06/2013	30/06/2012	31/12/2012
Net Financial Debt / Equity Capital	0.58	0.64	0.66
Debt ratio (Total Liabilities / Equity Capital)	2.75	3.11	2.79

The net financial position is calculated as the difference between liquid assets and short- and mid/long-term bank debt.

## SUMMARY OF THE OPERATIONS IN THE FIRST HALF OF 2013

A summary of the main consolidated economic, capital and financial data of the Group is reported below, prepared in accordance with International Financial Reporting Standards, and particularly with standard IAS 34, as emerging from the situation as at 30 June 2013, compared with the same period of the previous year.

Exprivia Group (value in K €)	30.06.2013	30.06.2012	Variazioni %
Revenues	63,405	66,259	-4.31%
Net revenues	61,461	64,632	-4.91%
EBITDA	4,952	4,440	11.53%
EBIT	3,039	2,561	18.66%
Pre-tax result	1,599	1,188	34.60%
Result	537	-601	189.35%

The Exprivia Group ended the first half of 2013 with **consolidated revenues** totalling Euro 63.4 million, lower than the amount of the same period of 2012 (Euro 66.3 million). Consolidated net revenues amounted to Euro 61.5 million, which is lower than the value of the same period of 2012.

Consolidated **EBITDA** totalled Euro 5.0 million (4.4 million in 2012), 7.8% of value of production, showing an increase compared with the same period of the previous year. Consolidated **EBIT** amounted to Euro 3.0 million, also up compared with the amount reported in the previous year (Euro 2.6 million). **Profit before taxes** stood at Euro 1.6 million, 2.5% of value of production, an improvement over the same period of 2012 (Euro 1.2 million).

The Group is continuing to grow in margins compared to the same period of 2012, following the remarkable performance in the Banks and Finance market areas, while revenues in the International area are 12% of the Group's turnover.

The good performance of the parent company is worth noting, which recorded EBITDA rising from the negative value of Euro 259 thousand in 2012 to Euro +1.3 million.

The **net financial position** as at 30 June 2013 was Euro -39.2 million, improved compared to 31 December 2012 when it was Euro -44.0 million (Euro +4.8 million). **Shareholders' Equity** as at 30 June 2013 was Euro 67.5 million, substantially unchanged compared to 31 December 2012.

Exprivia Group (value in K €)	30.06.2013	30.06.2012	31.12.2012
Group Net Worth	67,547	64,614	67,181
Net Financial Position	(39,220)	(41,593)	(44,033)

## CORPORATE BODIES

As at 30 June 2013, following the appointment of Prof. Vito Albino as third independent director occurred on 12 March 2013 and its subsequent confirmation by the Ordinary Shareholders' Meeting of 18 April 2013, the Board of Directors, which will remain in office until the approval of the 2013 financial statements, 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	Milano 22/06/1954
Giancarlo Di Paola	Executive Officer	Executive	Bari 22/05/1952
Marco Forneris	Executive Officer	Executive	Caluso (TO) 19/02/1951
Rosa Dalloiso	Non-independent Director	Non-Executive	Margherita di Savoia (FG) 5/04/1966
Valeria Savelli	Non-independent Director	Non-Executive	Matera 15/10/1962
Alessandro Laterza	Independent Director (*)	Non-Executive	Bari 9/02/1958
Giorgio De Porcellinis	Independent Director (*)	Non-Executive	Milano 21/01/1948
Vito Albino	Independent Director (*)	Non-Executive	Bari 10/09/1957

(\*) 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), 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 (See Corporate Governance).

## BOARD OF STATUTORY AUDITORS

As at 30 June 2013 the Board of Statutory Auditors, whose term of office will end 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 Board of Statutory Auditors has been confirmed by Ordinary Shareholders' Meeting of the 28 April 2011, for the period 2011-2013. The term of office will expire with the approval of the financial statements for the year ended 31 December 2013.

## INDEPENDENT AUDITORS

The Independent Auditors for the Exprivia Group are PKF Italia S.p.A.. Their appointment shall end on approval of the financial statements as at 31 December 2013.

## EXPRIVIA: ONE STEP AHEAD

### The Company

In Italy Exprivia is a leading international company in process consultancy, technological services and Information Technology solutions.

Our constant investments in research and development make us stand out as a benchmark for the creation of innovative solutions to meet the increasingly more sophisticated demands of our customers.

The Company 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 its headquarters in Molfetta (BA), branches in Italy (Milan, Rome, Piacenza, Trento, Bari, Vicenza, Genoa, and Padua) and abroad (Spain, Mexico, Guatemala, Peru, Brazil and China).

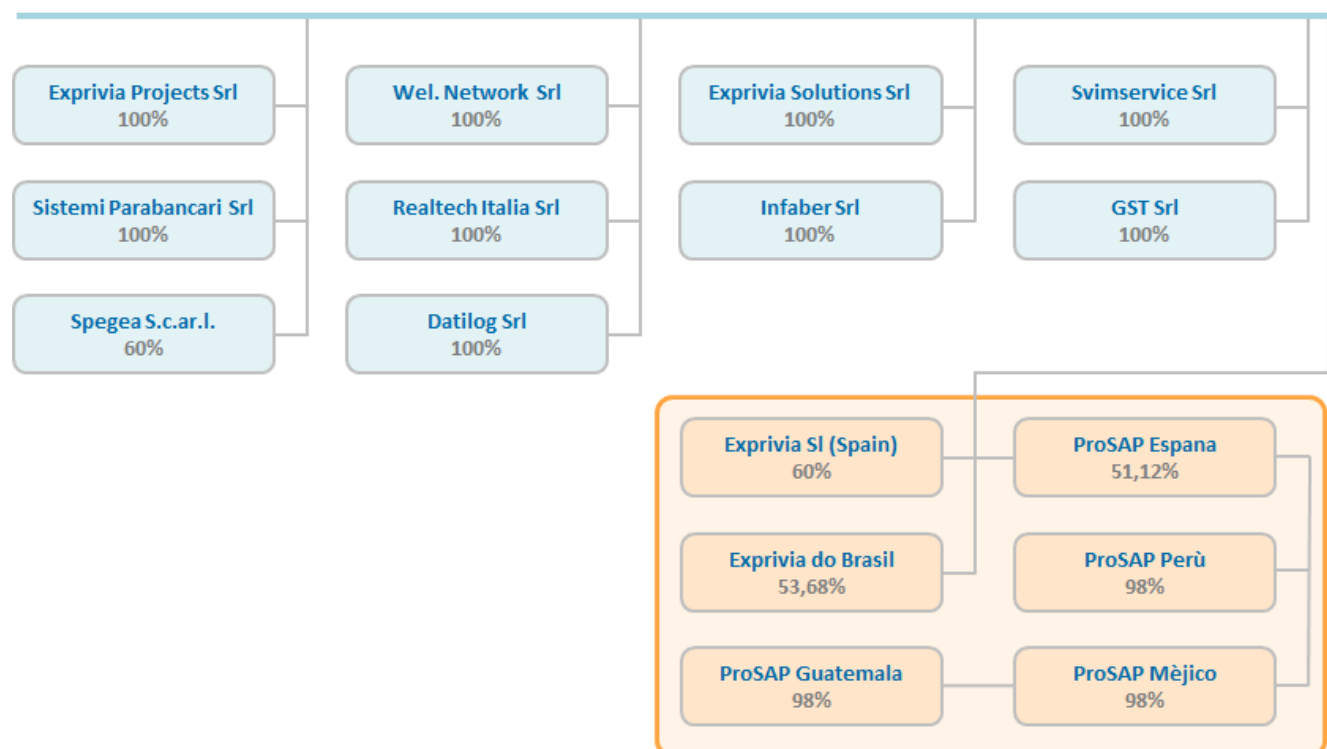
Exprivia has developed a quality system conforming to UNI EN ISO 9001:2008 for the effective management of company processes, guaranteeing the greatest transparency inside and outside the company.





## The Group

### Exprivia SpA



## SUBSIDIARIES

**Exprivia Projects Srl** 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 Srl** 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 National and Regional Public Administration.

Exprivia Solutions Srl holds 100% of the share capital of **Farm Multimedia S.r.l.** (in liquidation).

**Svimservice Srl** 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 regional public administration.

**Wel.Network Srl** 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, 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.

**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. Sis.Pa 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 100% owned by Exprivia. Based in Milan with Euro 10,000.00 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 Srl** is 100% 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 2011, 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, which 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.

**"Consorzio Exprivia Scarl"** was established on 6 September 2012. Exprivia SpA owns 55% of it and the remaining 45% is owned by the other Group companies that are 100% owned by the holding company. This Consortium aims to facilitate the participation of the Exprivia companies in public tenders for project development or service provision.

## 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.I.**, incorporated in April 2008 in Madrid, is dedicated to the development of IT solutions and systems for the for the Spanish healthcare market. Exprivia controls the company with a 60% share

**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 53.68% share while the company Simest it holds 46.145%.

## 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.

## 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)”. LabGTP is a public-private laboratory dedicated to bioinformatics and is based in Naples. Created in 2006, this laboratory has recently received the approval of the Ministry of Industry University and Research for 2 projects PON 2011, to continue its researches.

**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, was formed to provide support for research in production sectors in the field of energy, to encourage the 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 competitive development.

**Distretto H-BIO Puglia**, a consortium company named “Puglia technology district for the health of persons and biotechnologies”, based in Bari, will develop its operations in the strategic areas of molecular diagnostics and integrated diagnostics products, treatment and rehabilitation products, and bioinformatics products.

## THE EXPRIVIA BUSINESS MODEL

The Exprivia Group is a leading Italian company specialised in designing, developing and integrating innovative software solutions and services with a wide range of skills gained from twenty years of working in the reference markets.

Its constant attention to the expansion and segmentation of the offer is confirmed by the over 2000 customers that are supported by the Group specialists on a daily basis with an extensive portfolio of proprietary solutions, and our main partners, combined with the high level technological skills that make them stand out.

The business model adopted by the Group is based on market segmentation as specified below:

- Banks and Financial Institutions
- Energy and Telecom
- Industry, Aerospace and Media
- Public Administration
- Health and Healthcare
- Utilities



## MARKETS

### Banking, Finance and Insurance

Customers of banks and financial institutions are becoming increasingly demanding and require services that are available without interruption anywhere and from any device. Exprivia boasts more than 25 years of partnership with major groups and banks in Italy and abroad.

Together with more than 100 customers, Exprivia has searched and developed innovative technological solutions to control strategic processes, particularly in the credit, risk control and financial market field.

#### FINANCE

The financial market is constantly changing, thus forcing companies to continuously review their business model. Exprivia's experience in the Capital Markets means that it can provide each of its customers with innovative solutions that are customised to keep up with the continuously evolving market. Thanks to the skills gained from the **Murex** technological platform and the experience gathered together with major financial organisations, Exprivia is able to propose specific services and solutions for all the processes that are characteristic of the financial market.

#### CREDIT & RISK MANAGEMENT

For 25 years Exprivia has been present in banking, leasing and factoring instructions of all sizes spread across Europe. The proprietary solutions support the various phases of the credit life cycle in both operating and decisional terms: from the screening and resolution to periodic monitoring and dispute management.

#### OPERATIONAL MANAGEMENT

Exprivia supports its customers with services that assist them in the operating management of IT systems in the financial sectors, provided in on-site and nearshoring mode. As regards operating management, Exprivia proposes comprehensive IT infrastructure optimisation services ranging from project consultancy to architectural designs and their implementation.

#### IT SECURITY

Compliance, reputation and operating risks: these are the main issues that banks, and all the companies featuring systems that are accessible to a broad range of users, are trying to solve through "security technological instruments". These days the value of security for banks is driven by several factors, which all converge in a univocal need: having secure infrastructures, accesses and processes.

In the IT sector Exprivia supports its customers with its extensive security-related technological expertise combined with years of experience regarding the characteristic issues of the banking market.

#### INTERCHANNELS

As support for marketing, sales and customer service Exprivia has devised web 2.0 based services, solutions to manage unstructured information and mobile payment products.



## Energy and Telecommunications

In the Energy and Telecommunications industry, Exprivia's experience derives from 10 years of partnership with the main multinationals in the sector, allowing it to propose innovative solutions and services that make companies competitive by optimising the sector-specific processes.

### ENERGY

In the Energy market Exprivia has consolidated its position over the years through its ability to combine its knowledge of the best practices in the IT sector with specific skills related to processes for the extraction, transportation, storage, refining and distribution of oil and natural gas.

The in-depth understanding of the processes concerning the entities that operate in the oil and natural gas markets, combined with the knowledge of the innovative technological platforms, makes the Group an ideal partner for projects on both core (Work & Asset Management, Engineering & Automation) and non-core processes (AFC, HR, dematerialisation and storage).

### TELECOMMUNICATIONS

The Telecommunications sector is characterised by the continuous search for added value services to be offered to customers and by the need for competitive prices in order to maintain the acquired market share. In the telecommunications market, 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.

The expertise in this sector includes design activities and the creation of customer care & billing, pricing model configuration and CRM systems based on Business Process Management methods to encourage the integration of processes and information systems.

Exprivia also proposes solutions for the configuration and management of provisioning, order management, testing and quality control systems and the efficient management of network infrastructures, security, remote database management, configuration management, network management and performance analysis. Its technological skills allow the provision of cloud services, application management, ERP, payment systems and others, in partnership with telco providers.



## Industry, Aerospace and Media

The value of IT only emerges when the instruments and the solutions are perfectly integrated in accordance with the individual peculiarities of each industry: size, production chain and distribution models. Exprivia supports large and small sized companies with flexible and modular technologies designed for each individual company requirement and for each of its production and organisational process.

The association with SAP, which started over 10 years ago, makes Exprivia one of the main reference partners in the Italian and international markets, also thanks to six hundred certified professionals specialised in ERP and logistics.

The widespread presence in Italy means that Exprivia can assist companies all over the country, also thanks to the innovative models for the provisions of services in nearshoring mode.

### LARGE CORPORATIONS

Thanks to its consolidated expertise in the SAP sector, Exprivia is able to create integration projects through ERP, CRM, SCM, Business Intelligence and Analytics application and middleware platforms.

Implementations based on Simatic IT, Siemens Industry Software and with Service Oriented architectures are created in the Manufacturing Execution System (MES) sector.

In the Retail and Wholesale sector, Exprivia designs innovative solutions for any type of process, from back office to points of sale, for any reporting and analysis requirement and for any type of activity, BtB or BtC.

The history of Exprivia is full of Best Practices that have enabled it to create implementation models for the specific requirements of any market: Automotive, Aerospace, Consumer Products, Chemical & Pharma, Engineering and Construction, Food, Manufacturing Discrete and Process.

### SME

Small-sized enterprises can also benefit from all the IT advantages of large corporations, with solutions and costs that reflect their smaller size. With this in mind, Exprivia has designed tools for SMEs featuring advanced functions that cover all the main core processes of the enterprise in the financial, commercial and logistic sector. IT management, service desk, server and desktop virtualisation services are also available to meet infrastructure needs.

In the Application Management field, the widespread presence all over Italy and abroad enables Exprivia to propose structured offers while guaranteeing high service levels.

### MEDIA

In the Media market Exprivia assists companies with solutions that support digital marketing by defining an integrated strategy that includes content management, Web 2.0 applications, search engines all the way to social media to obtain a synergy among contents, user profile and information programs.

## Public Administration

The Public Administration market features IT solutions that simplify the processes of organisations to increase the quality and speed of the services provided to citizens and corporations. The modernisation policy of the Public Administration has generated a great demand for operating tools and models aiming to significantly improve the services and substantially rationalise public spending.

The Public Administration's objective of combining optimal expenditure with service quality can only be achieved by focusing on state-of-the-art technologies that make the provision of services more efficient.

In this scenario Exprivia has identified new effective solutions to computerise processes, ensure elastic and transparent management as well as improve and intensify communications among the various administrations, citizens and companies.

Exprivia's 10-year presence in the National and Regional Public Administration means that the Group's customers can benefit from its knowledge of both peripheral and central processes to better manage their complexity.

Public Administration reforms have significantly stimulated the adoption of innovative IT technologies to quickly achieve tangible results in terms of optimised expenditure and process industrialisations. To achieve these objectives the Group supports national and regional organisations on a daily basis, proposing the most suitable solutions to obtain efficient processes and reduce their expenditure.

For each area concerned by changes Exprivia offers solutions and services created with innovative technologies, in complete compliance with the strategic guidelines defined by the competent institutional bodies.

The range is divided into design, creation and management services in the following fields:

- products and services for the management area of Regional Bodies (financial statements and accounts, personnel, management control, demographic services, document management, personal services, etc.)
- eGovernment aimed at citizens, companies and institutions
- eProcurement to support purchase processes and the monitoring of suppliers' performance
- solutions for the management, storage and sharing of electronic documents
- solutions for planning and control using business intelligence platforms e business analytics
- performance measurement systems in Public Administration processes
- solutions to support administrative processes concerning self governance and cooperation between administrations based on the SOA paradigm
- web based solutions for the information exchange among bodies, citizens and companies via a single access point
- system integration, business continuity and disaster recovery solutions



## Health and Healthcare

Care for patients has always been a pivotal point for all the activities of the healthcare system.

Starting from our focus on the patients and the continuous improvement of the healthcare services focused on them, Exprivia has devised its offer for the healthcare market with innovative solutions for governance and control at regional level, local care provided by local healthcare providers (ASL) and hospital care.

250 healthcare institutions and hospitals totalling 20 million assisted citizens: this is the result of the daily commitment ensured by a team of 350 professionals and the thirty years of experience in the healthcare segment.

For the Health and Healthcare market Exprivia has developed **e4cure**, a suite of solutions that brings together into one circuit all the players in the regional healthcare system, from health authorities to family doctors and accredited private clinics, also providing online services to the public. **e4cure** addresses all the needs of the healthcare market: from governance and control at **regional level** (Regions, Regional Agencies), to **local care** provided by local healthcare providers (ASL) and **hospital care** (hospitals, clinics and public and private healthcare facilities).

## Utilities

The companies in the utilities sector are experiencing a complex historical period characterised by profound changes related to the liberalisation process and company mergers that generate an increasingly marked competitive pressure.

The Public Utility Services sector, which also includes energy, postal, environmental, water and transport services, has undergone significant transformations in the last ten years, which are related to the conversion into a joint stock company, the definition of service contracts to fulfil the public service obligations, the introduction of service charters for consumer protection, the regulation by independent authorities or the ministers in charge, the laying of the legislative and regulatory basis to start competition or the regulation of the regime for the concession of natural monopolies.

The separated management of the infrastructure (networked) from the services, the efficient management and profit control as well as the measuring of the service level are among the main aspects of importance in this context.

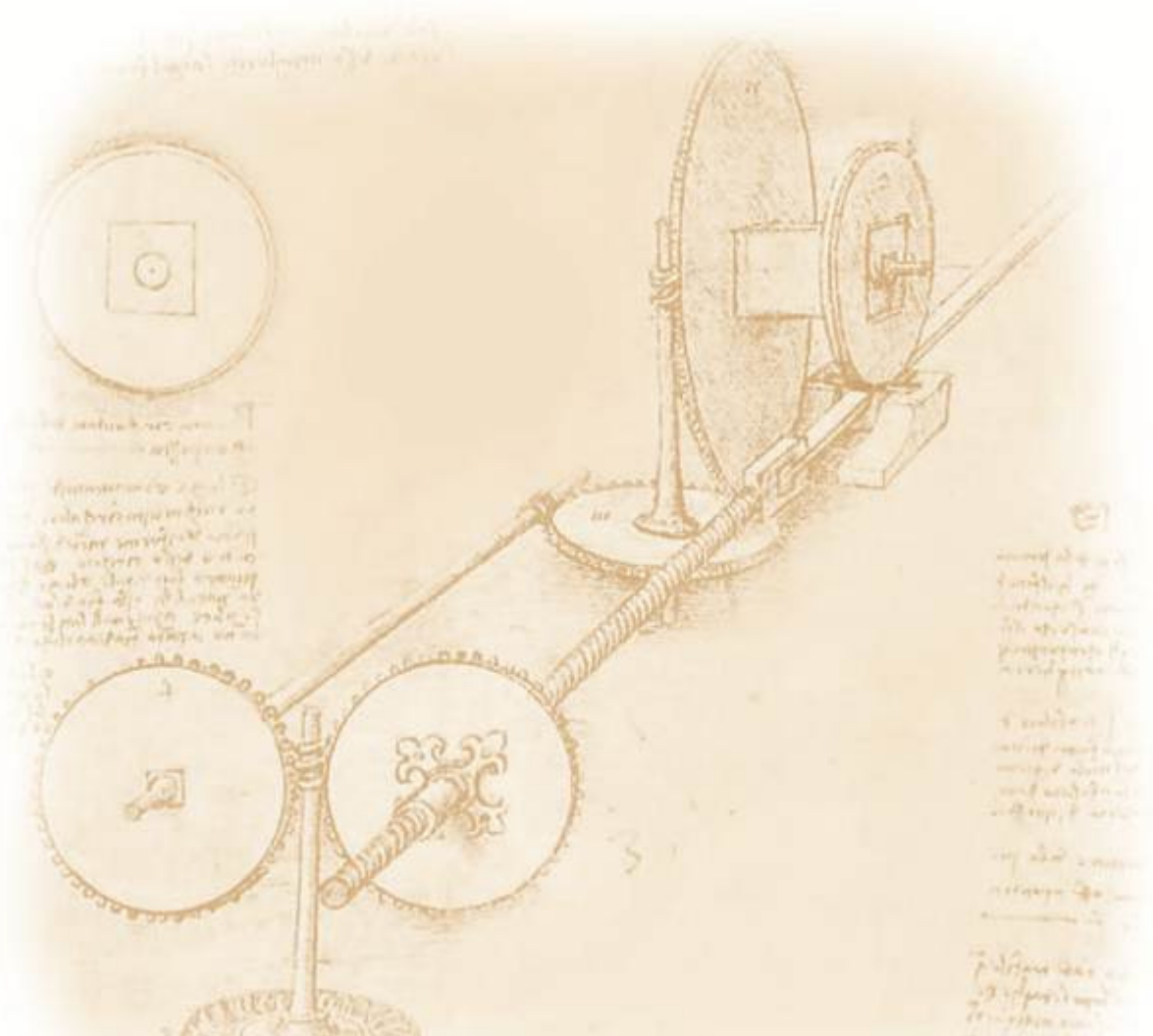
Exprivia assists its customers with solutions for the development and management of transversal and characteristic processes. In particular it proposes solutions aimed at ensuring an integrated management of administrative processes, efficient operating processes, the quality of customer services, process performance and compliance with service levels.

## SOLUTIONS

**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 knowledge of specific market needs, the ability to manage complex projects and an internationally renowned research and development department, have made it possible to develop proprietary technological platforms and choose high quality third-party solutions, and in particular:

- Healthcare solutions
- Trading room solutions
- Credit & Risk Management solutions
- Mobile solutions
- IT infrastructure monitoring solutions
- SAP Suite solutions
- Security solutions
- Voice recognition solutions



## SKILLS

Exprivia proposes a high-quality and competitive range of services to the market, with a market value that is expressed through the accurate planning of the right mix of professional profiles, technological skills and in-depth knowledge of the specific markets.

The quality and competitiveness of the service provided is guaranteed by an offer that focuses on **Competence Centres** specialised in specific topics (Murex, Tibco, SAP, Java, proprietary applications, etc.), to share personal experience and the experience gained in companies in order to always ensure that the most suitable knowledge and expertise are delivered to the customer.

By structuring and formalising the processes, the Competence Centres accumulate the knowledge needed to make application management, project development and training services efficient both on site and remotely, all the way to the full outsourcing.

In methodological terms the Competence Centre is a mix between the ITIL best practices and the methodology of analysis for Jacobson's BPR processes.

This service model proposed by Exprivia ensures a suitable governance of the activities relating to:

- SLA (Service Level Agreement) monitoring
- Business continuity
- Change management
- Capacity management

The Group relies on a team of experts with domain functional and technical skills specialised in the various technological aspects:

- Capital Market
- Credit & Risk Management
- SAP
- Social & WEB 2.0
- IT Governance & Infrastructure
- Business Analytics
- Business Process Management & Enterprise Application Integration
- Business Process Outsourcing

## MARKET TRENDS IN THE FIRST HALF OF 2013

Exprivia Group (value in K €)	30.06.2013	30.06.2012	Variazioni %
Banks and Financial Institutions	11,505	9,894	16%
Industry, Aerospace and Media	8,949	9,141	-2%
Energy and Telecom	6,908	7,435	-7%
Health and Healthcare	10,973	13,861	-21%
Utilities	13,354	14,125	-5%
Public Administration	2,783	3,327	-16%
<b>Total</b>	<b>54,472</b>	<b>57,784</b>	<b>-5.7%</b>

The ICT trend is increasingly split between traditional IT (vertical solutions, ERP, etc.) and innovative IT (mobile, analytics, digital market, etc.). Exprivia covers both vertical solutions (capital market and credit risk applications, solutions in the financial segment) and horizontal, SAP, CRM, and other solutions in the **Banks, Financial and Insurance, Industry, Aerospace and Media, Energy & Telecom** sectors. Special emphasis is given to web, mobile and social solutions that are transversal to the various industries with particular stress in the Energy & Telecom sector and in the Fashion & Design industry.

The security solutions (information management, governance, risk management) and the analytics solutions are important, both in the traditional BI version and the new BIC data technologies, whether in the opensource or proprietary version. The company is expanding its offer with R&D investments in the smart city platforms with mobile payment solutions, mobility info, search engines, geocollaboration in tangible assets, goods and spaces, and workforce management administration. In this context the private market trend presents differentiated data, even if during a half-year period that has sustained about a 4% shrinkage in demand.

In the **Health and Healthcare, Utilities, Transport and Public Administration** sectors to which the customers of the regional and local healthcare system, specific clinical-medical areas, public and private hospital facilities, Municipal Authorities, Provincial Authorities and Regional Authorities and their Associations or Investee Companies, Central Government Administrations, Government-owned companies, Social Security Entities, companies operating in energy generation, management and development of the energy transport, distribution and sales networks, companies operating in waste water collection, purification, transport, distribution and sales, companies operating in waste collection, transport, treatment, transformation and storage, companies providing public transport by road in urban and suburban areas, by sea, by train and by air; companies that manage and develop transport networks, manage port, airport and railway systems; companies offering postal, logistics and integrated communications services; and regulatory and control authorities in the specific sector, Exprivia generated revenues amounting to **Euro 27.1 million**, about **13%** lower than the values of the same period in 2012. This is the result of the trend of the various areas. Revenues of the Health and Local and Central Public Administration area sustained a somewhat marked decrease and business in the Utility area basically remained stable. Public bodies (healthcare and other sectors) cutting costs appears to be relentless, and has been noticed year after year. This phenomenon manifests itself in the increasingly greater importance given to the economic component rather than the technical and quality components in the contracts. What is always asked of suppliers is to continue to supply the same services at progressively lower prices. The Digital Agenda repeatedly announced has still not been implemented. The Utilities sector is the one in which the competition is increasingly pushing toward innovation, globalisation and efficiency. There are therefore still margins of growth insofar as the company will be able to a partner even before it becomes a supplier. The basic confirmation of the volume of revenues, and hence the end of a steady growth phase, means that repositioning the company in this market has become necessary.

## TREND OF EXPRIVIA GROUP RESULTS AND COMMENTS ON THE PERFORMANCE OF INDIVIDUAL BUSINESS LINES

The trend of **revenues per business area** recorded a -4.91% decrease in the first half of 2013 with respect to the same period of 2012.

The details of the revenues concerning 30 June 2013 compared with the figures of the same period of the previous year, broken down by business line are shown below (in K €).

Exprivia Group (value in K €)	30.06.2013	30.06.2012	Variations %
Banks and Financial Institutions	11,505	9,894	16%
Industry, Aerospace and Media	8,949	9,141	-2%
Energy and Telcom	6,908	7,435	-7%
Health and Healthcare	10,973	13,861	-21%
Utilities	13,354	14,125	-5%
Public Administration	2,783	3,327	-16%
International Business	6,454	5,733	13%
Other	535	1,116	-52%
<b>Total</b>	<b>61,461</b>	<b>64,632</b>	<b>-4.91%</b>

Exprivia Group (value in K €)	EBTIDA				EBITDA/REVENUES		
	30.06.2013	30.06.2012	Variations	Variations	30.06.2013	30.06.2012	Variations %
Banks, Finance and Insurance	1,736	1,646	90	5%	15.1%	16.6%	-9%
Industry, Aerospace and Media	-226	252	-478	-190%	-2.5%	2.8%	-192%
Energy and Telcom	768	629	139	22%	11.1%	8.5%	31%
Health and Healthcare	1,103	1,562	-460	-29%	10.0%	11.3%	-11%
Utilities	459	-130	589	-454%	3.4%	-0.9%	474%
Public Administration	-12	-82	70	-85%	-0.4%	-2.5%	83%
International Business	1,271	422	848	201%	19.7%	7.4%	167%
Other	-146	141	-287	-204%	-27.3%	12.6%	-317%
<b>Total</b>	<b>4,952</b>	<b>4,440</b>	<b>512</b>	<b>11.53%</b>	<b>8.06%</b>	<b>6.87%</b>	<b>17%</b>

The details of the revenues concerning 30 June 2013 compared with the figures of the same period of the previous year, broken down by area of operations, are shown below (in K €).

Exprivia Group (value in K €)	30.06.2013	30.06.2012	Variations%
Projects and Services	50,820	56,579	-10%
Maintenance	7,713	4,539	70%
HW/ SW third parties	1,845	1,671	10%
Own licences	549	726	-24%
Altro	534	1,116	-52%
<b>Total</b>	<b>61,461</b>	<b>64,632</b>	<b>-4.91%</b>

The details of the revenues concerning 30 June 2013, compared with the figures as at 30 June 2012, broken down by type of customer (public or private) are shown below.

Exprivia Group (value in K €)	30.06.2013	30.06.2012	Variations %
PRIVATE	47,583	46,967	1.3%
PUBLIC	13,878	17,665	-21.4%
<b>TOTAL</b>	<b>61,461</b>	<b>64,632</b>	<b>-4.91%</b>

The details of the revenues concerning 30 June 2013, compared with the figures as at 30 June 2012, broken down by geographic area are shown below (in K €).

Exprivia Group (value in K €)	30.06.2013	30.06.2012	Variations %
ITALY	54,038	58,142	-7.1%
FOREIGN	7,423	6,490	14.4%
<b>TOTAL</b>	<b>61,461</b>	<b>64,632</b>	<b>-4.91%</b>

## BANKING, FINANCE AND INSURANCE

The results of the first half of 2013 in the **Banking, Finance and Insurance** area increased by 16% with respect to those of 2012 due to important projects in the Capital Market area with the major Italian banks, also including foreign branches, in the Credit Risk Management and factoring applications areas.

The subject of being compliant with the European Bank of Italy standards is one of the investment areas in the world of banking where Exprivia has initiated significant projects in the Governance and Risk Management area. Security topics are just as important in terms of priority, and Exprivia boasts successful projects in handling access to bank IT system information.

The virtualisation topics are another area of excellence, with references in prominent banks where the trading application areas have found fresh efficiency.

## INDUSTRY, AEROSPACE AND MEDIA

The **Industry, Aerospace and Media** area recorded a slight decrease of 2% between the first half of 2013 and that of 2012, with results falling off on large customers but with positive peaks in medium-size company areas, especially on the international market, also in the Design & Fashion sector.

The customer base was provided with design services, application management services and in-cloud services, as part of mature offers such as those relating to ERP, HCM and extended ERP processes, rather than relating to highly innovative issues.

Of great importance for growth prospects are the experiences acquired in the area of mobility and analytics. Investments made on the SAP Hana platform have positioned us among the leaders on the Italian market.

## ENERGY AND TELECOM

The **Energy & Telecom** market recorded a 7% decrease in results of the first half of 2013 as compared to 2012. Recovery during the second half of 2013 is expected due to the significant presence of ongoing projects and a backlog on a large number of areas (new portals and their management, ERP updating and extension with new functions, new self-service solutions, loyalty and cards). The company holds a new positioning in the **Telecom** area, in innovative areas (voice recognition, new customer care services and new testing on analytics/big data technologies for marketing analysis).

## HEALTH AND HEALTHCARE

The **Health and Healthcare** Business Line recorded revenues amounting to Euro 11 million during the half-year period, down by 21% compared to 2012. This deviation, already noticed in Q1 and included in the budget, is mostly attributable to the conclusion of two important contracts in the **Region and Territory** sector voiced by the company Svimservice. Revenues in this sector totalled over Euro 6.5 million. Revenues in the **Medical and Hospital** sector amounted to over Euro 3.5 million, substantially in line with the first half of 2012.

It should also be noted that major contracts were won in both the **Region and Territory** and the **Medical and Hospital** areas. Presently in the formalisation stage, they will generate revenues in the second half of 2013.

Awareness campaigns regarding the new **e4cure** offer are continuing in the **Medical and Hospital** area, and they are bringing in revenues from the customers and are attracting a large amount of interest from the market and its influencers.

Lastly, as regards the **Voice Recognition** sector, expressed by the GST company, the positive sales trend continues with Euro 0.9 million of revenues, considerably higher than the same period of 2012.

## PUBLIC ADMINISTRATION

During the first half of 2013 the **Public Administration** Business Line recorded revenues totalling Euro 2.8 million, showing a 16% decrease compared to the figure of the same period of the previous year.

The overall IT expenditure of central government administrations during the first half of 2013 decreased, and the effects of the unification policies launched in 2012 for those entities having a significant amount of IT spending (Consip-Sogei efficiency - unification of social security entities decree) are noted. Contributing to making the picture appear uncertain is the critical situation of the financial statements of the local administrations and the uncertainty of the fate lying in wait for the provincial administrations and in-house companies. The effects of these processes aimed at lowering operating costs, together with an overall slowness in starting up the policies for reintroducing IT investments, jeopardised the start-up of important contracts acquired at the end of 2012, which caused revenues expected in the first half of 2013 to be deferred to the next half-year period.

The breakdown of the revenues confirms a significant percentage of the number of services for application management activities addressed to the IT systems of current customers.

## UTILITIES

The **Utilities** Business Line recorded revenues of Euro 13.4 million in the first half of 2013, slightly lower (5%) compared to the same period of 2012.

Of total revenues, 68% come from the IT services area (10% less than the same period of the previous year) and 32% come from the BPO services area (33% higher than the same period of the previous year). The data, in line with budget forecasts, reflect the goals of consolidating the IT area and of stimulating growth in the BPO area.

The trend of IT revenues is determined by the will to favour the revenues in the areas of higher value and those that more than represent the customer's core processes. On the other hand, the growth trend in the BPO component in connection with the market's growing demand for these services is still strong.

## INTERNATIONAL BUSINESS

International development in the first half of 2013 was concentrated in consolidating the 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, **Profesionales de Sistemas Aplicaciones y Productos S.L. (ProSap)** and **Exprivia S.L.**, the characteristic product range based on ERP applications and SAP services for industry and distribution, with Business Intelligence solutions for the Healthcare sector, and web services (marketing and online sales) for Banks and large distribution chains, has been expanded.

Sales in the Latin American countries through local operators of area imaging solutions and Business Intelligence for Healthcare made an important contribution to Exprivia SL's results.

In Mexico, where the Exprivia Group operates directly with **Prosap Mexico**, harmonisation of the IT systems of 11 Mexican port authorities (APIS) was completed. They are based on the integrated SAP management systems for accounting, and an important project aimed at updating the ERP-based SAP IT management system of the largest infrastructure construction company in Latin America is under way. Prosap Mexico is a SAP Gold Partner.

Activities continue for **Prosap Guatemala**, which operates also in other Central America countries, and Prosap Perú, start-up focused 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.

## RISKS 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 the Remuneration Report.

## **RISK RELATED TO DEPENDENCE ON CUSTOMERS**

The Exprivia Group provides services to companies operating in different markets (Healthcare, Public Administration, Banks and Finance, Energy and Telecom, Manufacturing, Aerospace and Media and Utilities).

The revenues 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 the company was considerably active in foreign markets, where the country risk is under control and small 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 companies that are normally large, whose element for 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 nearshoring 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 loans 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 receivables 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 2013

## COMPANY EVENTS

The Exprivia Board of Directors meeting of 12 March 2013 co-opted Prof. Vito Albino as a third Independent Director, bringing the number of members of the Board of Directors to ten.

On 12 March 2013, the Board of Directors of Exprivia SpA assigned Ms. Valeria Savelli the position of head of Internal Audit.

On 18 April 2013, the shareholders' meeting of Exprivia SpA met on first call to approve the financial statements as at 31/12/2012.

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 Relations - Corporate Governance - Corporate Information" section.

The shareholders' meeting also confirmed the appointment of Prof. Vito Albino as Independent Director.

Lastly, the shareholders' meeting withdrew a new authorisation to purchase and dispose of treasury shares, pursuant to articles 2357 and 2357-ter of the Italian Civil Code.

## ACQUISITIONS/SALES IN THE EXPRIVIA GROUP

On 10 April 2013, the shareholders' meeting of Exprivia do Brasil Serviços de Informatica Ltda approved the capital increase by Exprivia SpA for an amount of Euro 510,000.00 and by Simest SpA for an amount of Euro 490,000.00. By virtue of this increase, the company is now owned as follows: Exprivia SpA: 53.680% / Simest SpA: 46.145% / Christian Roberto Maggioni 0.175%.

On 23 April 2013 the Company covered losses and replenish the share capital of Datilog Srl. Since the minority shareholder waived participation in this operation, Exprivia SpA became sole shareholder.

On 30 April 2013, the sale agreement was concluded with the shareholder G&K for the sale of Realtech Italia SpA's shares to Exprivia SpA, which became the sole shareholder.

On 3 May 2013, the sales agreement was concluded by Exprivia SpA for the sale of TraxAll Srl's shares owned by the company to the majority interest UVET SpA.

On 29 May 2013, the subsidiary GST S.r.l. sold its 24.9% interest in the company PerVoice SpA.

## COMPANY STREAMLINING PROJECT

On 23 April 2013, the Board of Directors approved a project to streamline the Exprivia Group.

The initial phase, which has already been completed, consisted in acquiring the minority interest of the companies Realtech SpA and Datilog Srl, which today are 100% owned by the parent company Exprivia SpA, in turning the juridical form into private limited company for all 100% owned companies, in concentrating their headquarters and in the possibility of appointing a single supervisory body as an alternative to the board of statutory auditors.

On 8 May 2013, the extraordinary shareholders' meetings of the subsidiaries Exprivia Solutions SpA, Exprivia Projects SpA, Svimservice SpA and Wel.Network SpA were held to approve the change of the juridical form from joint stock companies into private limited companies and to appoint the single auditor to replace the former boards of statutory auditors.

The second phase, which is presently in progress, sets out to streamline the structure of the shareholding chain and to optimise management of the resources and cash flows coming from the activities currently split between the many companies forming the Exprivia Group in Italy.

At this time two mergers have been identified. They will let us attain important synergies deriving from the elimination of corporate and administrative duplications and overlapping, with consequent savings on overheads due to exercising a lower number of entrepreneurial activities.

The first operation consists of **merger by incorporation of the companies Exprivia Solutions Srl and Infaber Srl into Exprivia SpA.**

The relevant "plan for merger" was approved by the individual administrative bodies of the three companies and was afterwards approved by the respective shareholders' meetings (for Exprivia S.p.A. the board of directors pursuant to Art. 2505 and 2505-ter of the Italian Civil Code).

The "plan for merger" was then filed with the Register of Companies and once the time period required by current law elapses, the merger may become effective for all practical purposes through the actual merger deed, expected to take place by the end of September.

The second operation consists of **merger by incorporation of the companies Realtech Italia Srl and Datilog Srl into Wel.Network Srl.**

The relevant "plan for merger" was approved by the individual administrative bodies of the three companies and was afterwards approved by the respective shareholders' meetings

The "plan for merger" was then filed with the Register of Companies and once the time period required by current law elapses, the merger may become effective for all practical purposes through the actual merger deed, expected to take place by the end of September.

**The incorporating company Wel.Network Srl will change its name to Exprivia Enterprise Consulting Srl** at the same time Realtech and Datilog are incorporated.

## EVENTS AFTER 30 JUNE 2013

### COMPANY EVENTS

There were no events after the closing of the financial statements at 30 June 2013 which could have significant impacts on the financial Statements themselves.

## ACQUISITIONS/SALES IN THE EXPRIVIA GROUP

There were no operations after the closing of the financial statements at 30 June 2013 which could have significant impacts on the financial Statements themselves.

## 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 joined the STAR segment (high performance securities).

The Share Capital as at 30 June 2013 consists of 51,883,958 shares with a nominal unit value of Euro 0.52.

**Stock Exchange ISIN code:** IT0001477402

**Acronym:** XPR

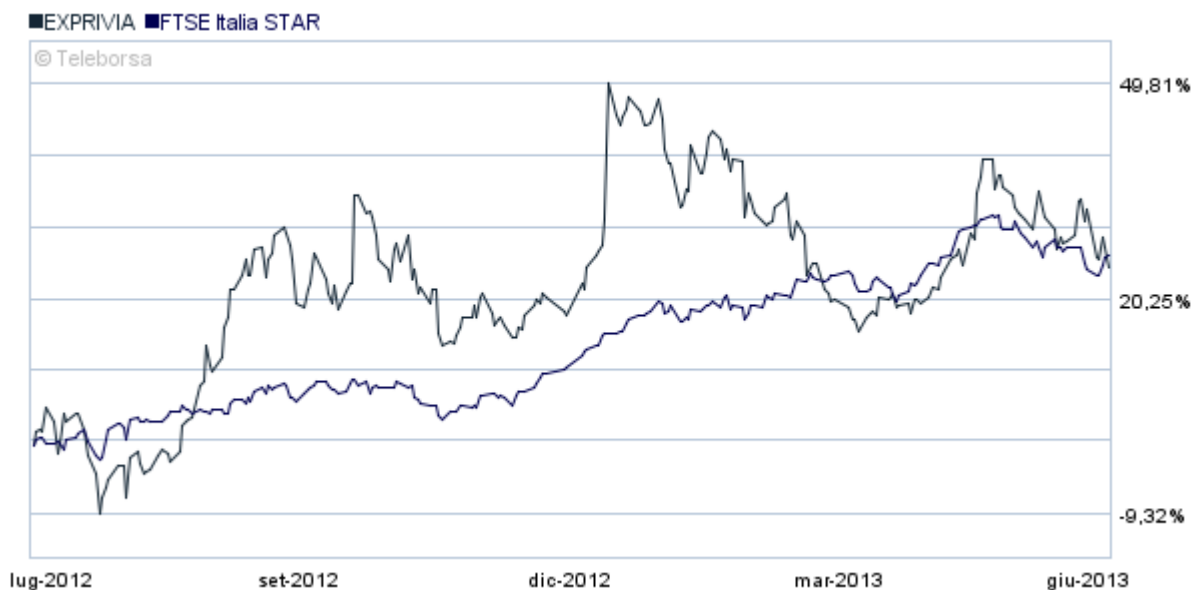
**Specialist:** Centrobanca

## 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 2013, the shareholder structure of Exprivia was as follows:

Shareholders	Shares	%
Abaco Innovazione S.p.A.:	25,172,309	48.52%
Merula S.r.l.:	2,364,000	4.56%
Data Management S.p.A.:	1,055,001	2.03%
Azioni Proprie Detenute	1,005,862	1.94%
Altri azionisti (< 2%):	22,286,786	42.96%
<b>Totale Azioni</b>	<b>51,883,958</b>	<b>100%</b>

## STOCK PERFORMANCE



The graph shows the performance of Exprivia stock on the FTSE Italia Star index in July 2012-June 2013.

## BUSINESS OUTLOOK

In a context marked by a continued shrinkage of the IT market in Italy (-5.8% YoY – Assinform figures) together with the political instability of recent months, the performance of the Exprivia Group in the first half of 2013 improved compared to the trend of the reference sector and recorded a considerable increase in margin of profit over last year.

The measures defined for Group management in 2013 regarding streamlining the company, governance and reinforcing the Group's international operations (commercial and geographical) were developed during the first half of the year by:

- defining the process for unifying the subsidiaries
- expanding international operations on the Mexican market and starting up on the Chinese market by opening new representation offices and acquiring new important contracts in America

## 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 m2.

The Company's current headquarters, located in Molfetta (BA), Via Adriano Olivetti 11/a, covers a surface area of about 8,000 m2 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 m2 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 0,700 million in infrastructures and furnishings for the new Milan branch during 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

The research and innovation activities commenced in 2012 that are part of Exprivia's framework research project, "*Città Digitale 2.0*", continued during the first half of 2013:

**SDI** - *Service Delivery Improvement*, co-financed by the Puglia Region 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 project will be completed during the first quarter of 2014.

**LOGIN** - *Integrated LOGistics*, tender Industry 2015 - Made in Italy. The goal of the project is to develop a cooperative logistics platform that allows the logistics processes of the agribusiness chain and the chain of haulage contractors specialised in the sector to be optimised. The project was launched on 1 July 2012 and will be completed in mid-2015.

Moreover, after Exprivia submitted new research proposals co-financed by the Ministry of Universities and Research in the two-year period 2011-2012 as part of the PON "Ricerca e Competitività" 2007-2013 [National Operation Programme "Research and Competitiveness"] concerning development of actions known as "*Hi-tech districts and related networks*" and "*Public-private laboratories and related networks*" (Managerial Decree No. 713/Request dated 29 October 2010), a number of new research projects were acquired and contracted during the first half of the year:

**VINCENTE**, a project with the goal of setting up a Web-oriented methodological and technological platform aimed at proactively supporting and developing new forms of business for the region of Puglia;

**Puglia@service**, dedicated to searching for methods of scientific analysis for the design, production and provision of innovative services for the "Knowledge Intensive Services" (KIS) market.

Both of these projects were developed and presented in cooperation with other members of the DHITECH High Tech District, which Exprivia is a part of.

Again part of the same Ministry of Universities and Research public tender, two projects were also contracted with the Exprivia partner **Laboratory LAB GTP** through the Biogene Consortium. They are dedicated to the building of integrated bio-IT instruments for Genomics, Transcriptomics and Proteomics respectively called Lab 8 Potentiation A and Lab 8 Potentiation B. Exprivia will be specifically involved in clinical-genetic information analysis systems and in monitoring and telemedicine systems for pathologies arising from genetic bases.



In September 2012, Exprivia also participated in the tender called by the Ministry of Universities and Research for the purpose of defining the National Technology Clusters (Notice Reg. No. 257/Request dated 30 May 2012). The objective is to rebuild large public and private combinations on several specific issues of strategic interest for national industry. All Technology Clusters were approved -1) Italy Transport 2020 - Means and systems for mobility on land and sea, 2) TAV- Technologies for Environments for Living, 3) CTN – TSC Technologies for Smart Communities, 4) CFI - Smart Factory, 5) CL.A.N. – Agrifood.

More specifically, the project Active Ageing (at) Home project will be financed within the "Technologies for Environments for Living" Cluster, while the ITS (Intelligent Transportation System) Italy 2020 project dedicated to the transport intermodal system to which Exprivia has given a significant technical and scientific contribution will be financed in the "Means and systems for mobility on land and sea" Cluster. The expectation for both is the issuing of loan decrees.

Lastly, the executive projects completing the approval process of the *New Districts and/or New Public-Private Combinations* in the fields of Healthcare (**H-BIO Puglia** District), Ambient Assisted Living services (New Public-Private Combination **INNOVAAL**), and the supply of business services using technological innovations in the ICT field (New Public-Private Combination **SI-LAB**) have been delivered.

The project **Puglia Digitale 2.0** was then started up in application of the rules set out in the Regional Programme Agreement (Regional Operational Programme - POR Puglia). The proposal was approved by the Puglia Region in December 2012 and is now at the second step of the assessment process for final approval of the technical-economic plan.

The project, in which another six companies of the Puglia IT Production District are competing, is dedicated to the using the Software as a Service (SaaS) paradigm to create an organised supply chain of 'digital services'. 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, eGovernment and energy efficiency monitoring.

The research projects in progress have generated new solutions and new expertise, especially in the Mobile area, which today allow Exprivia to introduce itself as a Centre of Competence for industrial mobile applications. Customers include ENEL, ENI, Vodafone and the Puglia Region.

With innovative "geoCollaboration"-based mobile offers, a real-time workforce automation solution, and other "Digital City"-based offers, the platform of mobile services supplied to the public that Exprivia is transversally developing makes optimum use of the various research projects under way.

Testing in the Municipality of Bari called **"Bari Digitale"** was started up during the May 2013 Innovation Festival in order to validate the Digital City solution. In fact, a Mobile Ticketing service for Bus Transport and Parking is already operative in Bari. The service that Exprivia offers to the Puglia city is aimed at improving the usability of public transport and at simplifying payment for parking, with the objective of becoming the platform of reference for the mobile services supplied to the public for infomobility, assistance, tourism, eGovernment and culture. Negotiations to extend this service to other Italian cities with an SaaS model are already in progress.

## VALUES AND PRINCIPLES

The Exprivia Group places its people at the centre of their growth strategy and adopts an organisation model geared towards skills development. Exprivia's skills and workers enable the group to meet market needs and adapt to the technological evolution of ICT services.

Exprivia's human resources make up its most important value and it is considered essential to "take care" of them in order to consolidate and increase the competitive edge.

For that purpose Exprivia provides all its workers and temporary workers with the tools and opportunities to *develop their skills and accept challenges*, as these are the primary factors that influence quality and innovation in products and services.

Exprivia constantly encourages its workers to achieve higher levels of excellence by extending their technical and management skills while enhancing motivation and their sense of belonging and responsibility.

Their high degree of professionalism makes Exprivia stand out and has enabled the company to constantly improve its competitive position on a national scale, redefining processes and services and focusing on a new capacity for innovation and product engineering.

Exprivia focuses on increasing the speed in acquiring and developing know-how so as to continue its growth rate and become the leading player also in the international ICT market.

For that purpose, technical training and professional development play a strategic role as a means to pursue increasingly challenging objectives for successful performance in organisation and technical innovation.



Investments in training and development aim to seize new opportunities arising in the national and international ICT market also by approaching the IT market and innovative technologies with a broader and diversified outlook.


Its inclination towards excellence and innovation is cultivated from the selection process. The main goal is to recruit young professionals with high potential. In this context the company constantly collaborates with major universities and polytechnic institutions well-known to produce new talent.

At Exprivia all processes for organisational development are conducted paying close attention to individual merit, skill and professionalism while ensuring equal opportunity, transparency, commitment and fairness in assessment methods.

At Exprivia relationships and behaviours at all levels are based on basic principles such as **honesty, fairness, transparency, discretion, impartiality, diligence, loyalty, and mutual respect**.

The main approach that Exprivia intends to promote in order to achieve its objectives is through:

-  **Customer Orientation**, meaning the ability to listen proactively, analyse the customer's organisation, environment and function in order to interpret and anticipate their needs and be able to satisfy their requirements in a timely and effective manner. This is also translated into the ability to interact effectively with customers and build a sense of trust and reliability.
-  **Team work and cooperation**, meaning the ability to work as a team and contribute to group development by creating a cordial environment of cooperation, also between colleagues operating in professional and cultural contexts that are geographically far apart from each other. In order to follow through with its acquisition strategy Exprivia sets up an integration plan not only to foster knowledge transfer and sharing but also to exchange values and principles between colleagues working in different cultural and historical contexts and in diverse technological and professional settings.

-  **Focus on results and innovation**, meaning the ability to take the initiative in following standards of excellence in their work, pursue new ideas, solutions, methods or opportunities to improve the quality of processes and products, setting challenging goals for themselves and for others and achieve them consistently.

## STAFF




Company	Employees 30.06.12	Employees 31.12.12	Employees 31.03.13	Employees 30.06.13	Temporary workers 30.06.12	Temporary workers 31.12.12	Temporary workers 31.3.13	Temporary workers 30.6.13
Exprivia SpA	762	750	737	731	60	70	68	55
Wel.Network Srl	108	104	101	98	2	2	1	1
Svimservice Srl	271	266	262	257	0		0	0
Exprivia Solutions Srl	115	108	106	107	10	9	7	3
Exprivia SL (Spain)	14	14	13	14	0		0	0
Exprivia Projects Srl	273	287	357	375	0		0	0
GST Srl	10	11	10	10	1		0	0
Realtech Italia Srl	148	138	120	118	4	4	2	2
Datilog Srl	7	4	3	2	0	1	0	0
Prosap (Group) SL	139	145	147	140	0			
InFaber Srl	21	21	21	19	1		0	0
Sispa Srl	57	56	56	56	2	1	1	1
Spegea S.c. a r.l.	9	9	9	9	4	2	1	1
Exprivia do Brasil Serviços de Informatica Ltda	9	10	10	12	4	5	5	10
<b>Total</b>	<b>1943</b>	<b>1923</b>	<b>1952</b>	<b>1948</b>	<b>88</b>	<b>94</b>	<b>85</b>	<b>73</b>
<b>of which Management</b>	<b>37</b>	<b>34</b>	<b>34</b>	<b>35</b>				
<b>of which Middle Management</b>	<b>179</b>	<b>187</b>	<b>188</b>	<b>189</b>				

In the number of Executives and Middle Management we took the national contract regulations of reference into account. In the case of Brazil, no Executives and Middle Management category exists.

## MANAGEMENT TRAINING AND 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 department is to provide support to all other departments in the group by improving tools for:

-  Planning and reviewing work performance;
-  Development of professionalism;
-  Optimisation of the Human Resources Requirements.

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 Executives with Strategic Responsibility' available to the market and submitted it to the approval of the shareholders' meeting of 18 April 2013. This report describes the remuneration policy concerning these figures for the 2012-2013 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 2013 Training Master Plan (TMP), consisting of the essentials of Exprivia Group's training requirements, has been designed starting from the Group Strategic Objectives and the organisational methodology in line with the Exprivia Group Quality Policy.

The set of objectives and organisational methods consistent with the Group strategy at hand gave rise to the skills map on the basis of which the 2013 training action was planned.

The training requirements were collected following interviews of company management, positioning the individual contributions in the Group skills map.

The skills identified were grouped in Macro Areas with which specific training actions are associated:



-  Economic Skills (Management Control; Accounting and Financial Statements; Finance)
-  Management Skills (Team Building; Development of Temporary Workers; Project Management)
-  Sales & Bid Management Skills (Customer Orientation; Marketing Management; Contract Design)
-  Language Skills (English; Spanish; Chinese)
-  Professional Technical Skills (Methodologies; Platforms; Languages)
-  Process/Procedure/Regulatory Fulfilments Skills (Internal Processes and Procedures; Security and Privacy; Italian Legislative Decree No. 231/2001 Model)

The TMP establishes a direct correspondence between: the Group Skills Map, in line with strategic objectives and organisational methods, the Training Actions and the consequent Value generated by the organisation.

The training programmes include actions to develop organisational methods, enlargement of knowledge of technical skills supporting technological innovation and development programmes, actions supporting mandatory regulatory fulfilments, actions to develop skills and abilities in managing projects and controlling project costs.

In particular, a customised training plan has been devised for Project Managers that is oriented toward developing managerial skills for project management.

On the whole, the Training Master Plan provides for the supply of 25,233 hours of training versus the 17,075 hours supplied in 2012 and 1,392 attendances. During the first half of 2013 11,085 hours of training were provided. The following paths are of particular note:

-  Corporate Master in Business Administration
-  English language courses
-  Spanish language course for attaining DELE certification
-  Plan for training technical/functional specialists in the Banks and Financial Area.

As far as the certifications are concerned, 38 were carried out in the first half of 2013, of which 26 were passed. Among other things, the certifications regard the following fields: Cognos, Netweaver, SAP.

As for recruitment, the Exprivia Group was able to benefit from considerable investments in terms of new staff recruits - junior and middle profiles in particular - in previous years, aiming at increasing staff productivity, developing new skills, and improving structural efficiency in the Operational Departments.

Thirty-three new resources were recruited in the first half of 2013, comprising recent graduates in technical-IT and economic fields and qualified professionals with medium-high seniority.

The recent graduates in technical-IT and economic subjects were mainly involved in recruitment processes aimed at strengthening specific Solution Lines (e.g., Banking & Finance Solution Line) and were placed in special development programmes whose objectives are to transfer professionalising specialised technical skills.

The recruitments of experts in their respective sectors, as well as professionals with medium-high seniority, are to be considered as additions aimed at reinforcing competitiveness and Exprivia's presence in the market, especially in terms of quality.

It is worth mentioning the Contact Management Area, in which 67 new resources were added during the first half of 2013. They became operative after following structured training plans.

The trend in this field was to strengthen staff by increasing the work group with resources having high quality skills, a profile in line with the trends of a reference market increasingly outbound-oriented and consultancy more and more demanding and challenging.

Exprivia did not fail to keep its tie with universities and polytechnic universities alive during 2013. These schools produce new talent and are always contacted for scouting and assessment of recent graduates endowed with great potential. This collaboration was increased sharply, in terms of:

seminars for students and final-year university students (specifically, for those obtaining IT, Engineering and Mathematics degrees), in order to inform them of the opportunities of professional growth and development that Exprivia offers young people with a desire to increase their skills in a clearly expanding market;

start-up and monitoring of internships and training periods offered to university graduates and final-year university students. This channel is highly virtuous since it offers the trainee the important chance to

personally study topics directly connected with the corporate business in-depth and acquire specialised instrumental skills to be more easily placed in the labour market.

Below are tables summarising the entries and exits due to resignations during the half-year period of reference.

#### Hires 1/1/2013 - 30/6/2013

	MANAGEMENT	MIDDLE MANAGEMENT	OFFICE WORKERS	PROJECT-BASED CONTRACTORS
Exprivia S.p.A.	-	2	17	9
Exprivia Projects Srl.	-	-	92	-
Exprivia Solutions Srl.	-	-	1	-
Svimservice Srl.	-	-	4	-
InFaber Srl	-	-	-	-
Wel.Network Srl.	-	-	-	-
<b>Total</b>	<b>-</b>	<b>2</b>	<b>114</b>	<b>9</b>

#### DISMISSALS 1/1/2013 - 30/6/2013

	MANAGEMENT	MIDDLE MANAGEMENT	OFFICE WORKERS	PROJECT-BASED CONTRACTORS
Exprivia S.p.A.	-	3	33	4
Exprivia Projects Srl.	-	-	8	-
Exprivia Solutions Srl	-	-	3	-
Svimservice Srl	-	-	3	-
InFaber Srl	-	-	2	-
Wel.Network Srl.	-	-	4	-
<b>Total</b>	<b>-</b>	<b>3</b>	<b>53</b>	<b>4</b>

## 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. 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 Governance – Corporate Information Report".

## QUALITY ASSURANCE CERTIFICATION

The Quality Management System, conforming to ISO 9001:2008, 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 2012 an outside body checked that the ISO 9001:2008 certification is fulfilled, which resulted in renewal 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 November 2012, Exprivia obtained ISO/IEC 27001 certification (Information security management systems - Requirements) for its Molfetta production facility, for the following certification purposes:

*Analysis, design, development, installation, maintenance and management of Information Systems.  
Design, development and provision of technical and operational services for Information Systems.*

In addition to the holding company, the other Group companies with ISO 9001 certification are: Exprivia Solutions Srl., Exprivia Projects Srl., Svimservice Srl., Wel.Network Srl., Spegea S.c.a r.l., GST Gruppo Soluzioni Tecnologiche S.r.l. and Realtech Italia Srl.



## 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.

On 1 January 2013, a new top level organisational structure of the Exprivia Group became operational, which made changes to the organisational structure implemented on 1 June 2012.

The Administration, Finance and Control Department aggregates the Group Finance function with the Administration and Control functions, reporting to the Chairman of the Exprivia Group.

The Human Resources Department reports directly to the Chairman of the Exprivia Group, who is the head of the department ad interim.

The Internal Audit, Mergers & Acquisitions, Corporate Affairs and International Business Departments, as well as the CEO/Chief Executive Officer, also report to the Chairman.

The operational structure under the CEO/Chief Executive Officer is based on a “Matrix Model”, and is organised into:

**2 Commercial Divisions** with market development functions: the Private Markets Division, divided into Industry – Banking and Insurance – Oil, Telecom & Media, and the Public Markets Division, divided into in CPA & RPA - Utilities & Public Services – Healthcare. These Divisions are in charge of developing their specific markets to achieve the revenue/profit targets and, in synergy with the production and delivery divisions, identifying area for improvement/expansion of the offer of products and solutions.

**8 Production and Delivery Departments** specialised according to technology and type of services, which supplement and oversee all the expertise and skills provided by the companies in the Group. Each Department is fully responsible for the profit & loss of the business achieved transversally across the various markets.

**3 Staff Functional Units** that operate transversally to support the Divisions and Departments at Group level. These are: Marketing & Communication, Corporate IT System and Quality and 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 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 the financial receivables due from subsidiaries of Exprivia, not included in the consolidation area.

Description	30/06/2013	31/12/2012	Variation
Farm Srl winding up	20,388	20,388	-
<b>TOTAL</b>	<b>20,388</b>	<b>20,388</b>	<b>-</b>

## 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 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.

During the first half of 2013, no relevant transactions were carried out pursuant to the procedure of transactions with affiliates.

On 23 April 2013, Exprivia SpA made a transaction with an affiliate of minor importance by granting an interest-bearing loan of Euro 400,000.00 to its parent company Abaco Innovazione SpA. This loan is subjected to an interest rate equal to 3-month Euribor, + 5 percentage points, to be repaid in two half-year instalments of the same amount. The first instalment shall be paid after 12 months from the supply of the loan and the second instalment after 18 months, less one day. The loan is secured by a commitment to sell Exprivia shares of equivalent value in the event the loan is not repaid on maturity. This transaction was previously evaluated and approved by the Risk and Control Committee.

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

Please note that the companies Traxall Srl and Pervoice S.p.A. were sold. More details, please refer to the section "Significant Events of the First Half of 2013".

The table below shows amounts payable and receivable and costs and revenues, both commercial and financial, between the companies of the Exprivia Group and associated companies at 30 June 2013.

## RECEIVABLES FROM AFFILIATES AND ASSOCIATED COMPANIES

Description	30/06/2013	31/12/2012	Variation
Traxall Srl		125,345	(125,345)
<b>TOTAL</b>	<b>-</b>	<b>125,345</b>	<b>(125,345)</b>

## PAYABLES TO AFFILIATES AND ASSOCIATED COMPANIES

Description	30/06/2013	31/12/2012	Variation
Pervoice S.p.A.		34,390	(34,390)
Traxall Srl		38,115	(38,115)
<b>TOTAL</b>	<b>-</b>	<b>72,505</b>	<b>(72,505)</b>

## REVENUES FROM AFFILIATES AND ASSOCIATED COMPANIES

Description	30/06/2013	30/06/2012	Variation
Traxall S.r.l.		75,592	(75,592)
<b>TOTAL</b>	<b>-</b>	<b>75,592</b>	<b>(75,592)</b>

## 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..

	31/12/2012	31/12/2011
<b>NON CURRENT ASSETS</b>		
Shareholdings	31,160,889	31,689,569
Holdings in subsidiary companies	31,160,889	31,689,569
<b>TOTAL NON CURRENT ASSETS</b>	<b>31,160,889</b>	<b>31,689,569</b>
<b>CURRENT ASSETS</b>		
Commercial credits and others	29,642	19,645
Receivables to subsidiaries	12,763	12,763
Receivables to subsidiaries		
Tax assets	16,879	6,882
Liquid assets	399	77
Bank assets	376	62
Cheques and unrepresented effects	23	15
<b>TOTAL CURRENT ASSETS</b>	<b>30,041</b>	<b>19,722</b>
<b>TOTAL ASSETS</b>	<b>31,190,930</b>	<b>31,709,291</b>

	31/12/2012	31/12/2011
<b>NET WORTH</b>		
Company capital	1,000,000	1,000,000
Company capital	1,000,000	1,000,000
Own shares	(31,209)	(31,209)
Own shares	(31,209)	(31,209)
Other reserves	25,020,127	24,308,678
Legal reserve	200,000	200,000
Extraordinary reserve	6,303,996	5,592,547
Other reserve	18,516,131	18,516,131
Profits/Losses on previous periods	4,586	4,586
Profits/ Losses brought forward	4,586	4,586
Profit/Loss for period	289,755	711,448
<b>TOTAL NET WORTH</b>	<b>26,283,259</b>	<b>25,993,503</b>

**NON CURRENT LIABILITIES**

Non current liabilities to banks	2,100,000	2,800,000
Non current liabilities to banks	2,100,000	2,800,000
<b>TOTAL NON CURRENT LIABILITIES</b>	<b>2,100,000</b>	<b>2,800,000</b>

**CURRENT LIABILITIES**

Current liabilities to banks	799,441	1,200,476
Payables to banks current share	799,441	1,200,476
Payables to suppliers	162,188	200,273
Payables to suppliers	162,188	200,273
Advances	75,520	0
Advances	75,520	
Other financial liabilities	1,049,347	828,963
Payables to subsidiaries	1,049,347	828,963
Tax liabilities	0	53
Tax liabilities		53
Other current liabilities	721,175	686,023
Payables to welfare and social securit	71,760	33,560
Other liabilities	649,415	652,463
<b>TOTAL CURRENT LIABILITIES</b>	<b>2,807,671</b>	<b>2,915,788</b>
<b>TOTAL LIABILITIES</b>	<b>31,190,930</b>	<b>31,709,291</b>

<b>OTHER REVENUES</b>	<b>6</b>	<b>0</b>
	6	

<b>TOTAL PRODUCTION REVENUES</b>	<b>6</b>	<b>0</b>
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<b>COSTS CONNECTED WITH BENEFITS FOR EMPLOYEES</b>	<b>49,950</b>	<b>49,950</b>
Salaries and wages	45,000	45,000
Social contributions	4,950	4,950
<b>OTHER COSTS</b>	<b>45,060</b>	<b>53,292</b>
Other costs for services	36,218	36,247
Sundry management charges	8,842	17,045
<b>TOTAL PRODUCTION COSTS</b>	<b>95,010</b>	<b>103,242</b>

<b>DIFFERENCE BETWEEN PRODUCTION REVENUE AND COSTS</b>	<b>(95,004)</b>	<b>(103,242)</b>
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<b>FINANCIAL INCOME AND CHARGES</b>	<b>(384,706)</b>	<b>(814,743)</b>
Income from holdings in subsidiaries	(786,924)	(1,022,011)
Other financial income with separate	(35)	(252,885)
Interest and other financial charges	389,008	443,182
Financial charges with subsidiaries	13,245	16,971

<b>PRE-TAX RESULT</b>	<b>289,702</b>	<b>711,501</b>
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<b>INCOME TAX</b>	<b>(53)</b>	<b>53</b>
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TAX IN PREVIOUS YEARS	(53)	
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<b>PROFIT OR LOSS FOR THE PERIOD</b>	<b>289,755</b>	<b>711,448</b>
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## GROUP RELATIONS WITH PARENT COMPANIES

The tables below show relations between the Exprivia Group and the parent company Abaco Innovazione SpA as at 30 June 2013, compared with 31 December 2012 for the equity data and with the same period of the previous year for economic data.

### RECEIVABLES

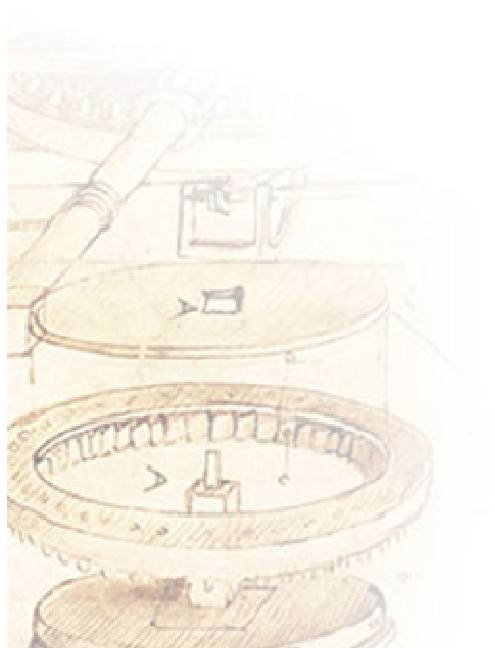
Description	30/06/2013	31/12/2012	Variation
Exprivia S.p.A.	846,325	437,446	408,879
Exprivia Solutions Srl	617,106	611,901	5,205
<b>TOTAL</b>	<b>1,463,431</b>	<b>1,049,347</b>	<b>414,084</b>

It is worth noting that receivables, in the amount of Euro 1,214,487 are of the financial, interest-bearing type.

### REVENUES AND INCOME

Description	30/06/2013	30/06/2012	Variation
Exprivia S.p.A.	7,829	2,500	5,329
Exprivia Solutions Srl	5,204	7,170	(1,966)
<b>TOTAL</b>	<b>13,033</b>	<b>9,670</b>	<b>3,363</b>

# Half-year Consolidated Financial Statements of the Exprivia Group





## Consolidated Balance Sheet

	30.06.2013	30.06.2012	31.12.2012
Land and buildings	6,336,494	6,490,870	6,469,466
Work in progress and advances	2,026,263	323,417	898,331
Other assets	3,752,505	4,808,206	4,353,117
<b>Property, plant and machinery</b>	<b>12,115,262</b>	<b>11,622,493</b>	<b>11,720,914</b>
Goodwill	29,409,685	29,439,128	29,424,407
Consolidation difference	39,589,244	39,701,574	39,645,410
<b>Goodwill and other assets with an indefinite useful life</b>	<b>68,998,929</b>	<b>69,140,702</b>	<b>69,069,817</b>
Intangible assets	1,596,276	1,655,095	1,440,500
Research and development costs	2,995,928	3,114,651	2,956,859
Work in progress and advances	758,926	438,856	680,446
<b>Other Intangible Assets</b>	<b>5,351,130</b>	<b>5,208,602</b>	<b>5,077,805</b>
Investments in subsidiaries		51,644	
Investments in associates	36,028	249,224	218,599
Investments in other companies	905,172	1,621,336	903,335
<b>Equity investments</b>	<b>941,200</b>	<b>1,922,204</b>	<b>1,121,934</b>
Receivables from associates	20,388	22,488	20,388
Other receivables	1,975,618	303,159	1,977,936
<b>Other financial assets</b>	<b>1,996,006</b>	<b>325,647</b>	<b>1,998,324</b>
Tax advances/deferred taxes	1,489,799	1,034,138	1,336,189
<b>Deferred tax assets</b>	<b>1,489,799</b>	<b>1,034,138</b>	<b>1,336,189</b>
<b>NON-CURRENT ASSETS</b>	<b>90,892,326</b>	<b>89,253,786</b>	<b>90,324,982</b>
Trade receivables	56,018,058	60,192,965	62,615,049
Receivables from associates		75,783	125,345
Receivables from parent companies	1,463,431	839,683	1,049,347
Other receivables	13,467,069	14,210,290	11,610,375
Tax receivables	1,235,600	1,453,512	1,503,321
<b>Trade receivables and other</b>	<b>72,184,158</b>	<b>76,772,233</b>	<b>76,903,437</b>
Inventories	426,884	199,463	171,054
<b>Inventories</b>	<b>426,884</b>	<b>199,463</b>	<b>171,054</b>
Work in progress contracts	16,141,271	24,639,585	14,377,957
<b>Work in progress contracts</b>	<b>16,141,271</b>	<b>24,639,585</b>	<b>14,377,957</b>
Held at bank	5,979,847	10,319,932	5,310,083
Cheques and cash in hand	29,231	21,990	33,252
<b>Cash at bank and on hand</b>	<b>6,009,078</b>	<b>10,341,922</b>	<b>5,343,335</b>
<b>CURRENT ASSETS</b>	<b>94,761,391</b>	<b>111,953,203</b>	<b>96,795,783</b>
<b>ASSETS</b>	<b>185,653,717</b>	<b>201,206,989</b>	<b>187,120,765</b>

	30.06.2013	30.06.2012	31.12.2012
Share Capital	26,979,658	26,979,659	26,979,658
Share capital	26,979,658	26,979,659	26,979,658
Treasury shares	(523,048)	(289,799)	(494,012)
Treasury shares	(523,048)	(289,799)	(494,012)
Share premium	18,081,738	18,081,738	18,081,738
Share Premium Reserve	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
Legal reserve	3,312,804	3,182,603	3,182,603
Other reserves	11,867,329	9,418,408	9,399,821
Other reserves	15,180,133	12,601,011	12,582,424
Retained earning/loss	5,756,729	6,155,214	6,199,449
Profits/Losses for previous periods	5,756,729	6,155,214	6,199,449
Profit/Loss for the period	537,010	(600,903)	2,424,481
<b>SHAREHOLDERS' EQUITY</b>	<b>68,919,358</b>	<b>65,834,058</b>	<b>68,680,875</b>
Minority interest	1,372,554	1,220,278	1,500,272
<b>GROUP SHAREHOLDERS' EQUITY</b>	<b>67,546,804</b>	<b>64,613,780</b>	<b>67,180,603</b>

	30.06.2013	30.06.2012	31.12.2012
Non-current bank debt	6,745,510	11,875,243	9,551,977
<b>Non-current bank debt</b>	<b>6,745,510</b>	<b>11,875,243</b>	<b>9,551,977</b>
Trade payables after the financial year	546,913	814,256	697,665
Payables to other lenders		240,678	
Payables for equity investments	1,740,396	1,740,396	1,740,396
Tax liabilities and amounts for social security payable after the financial year	164,569	262,105	191,085
<b>Other financial liabilities</b>	<b>2,451,878</b>	<b>3,057,435</b>	<b>2,629,146</b>
Other provisions	1,481,968	1,442,471	1,612,698
<b>Provision for risks and charges</b>	<b>1,481,968</b>	<b>1,442,471</b>	<b>1,612,698</b>
Employee severance indemnities	8,543,894	8,747,084	8,699,275
<b>Employee provisions</b>	<b>8,543,894</b>	<b>8,747,084</b>	<b>8,699,275</b>
Provisions for deferred taxes	1,279,823	1,294,786	1,295,785
<b>Deferred tax liabilities</b>	<b>1,279,823</b>	<b>1,294,786</b>	<b>1,295,785</b>
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>20,503,073</b>	<b>26,417,019</b>	<b>23,788,881</b>
Current bank debt	38,483,727	40,059,409	39,824,155
<b>Current bank debt</b>	<b>38,483,727</b>	<b>40,059,409</b>	<b>39,824,155</b>
Trade payables	18,777,149	21,187,743	18,260,095
<b>Trade payables</b>	<b>18,777,149</b>	<b>21,187,743</b>	<b>18,260,095</b>
Advances	2,832,822	7,490,181	3,065,134
<b>Advances payment on work in progress contracts</b>	<b>2,832,822</b>	<b>7,490,181</b>	<b>3,065,134</b>
Payables to associated companies		7,493	72,505
Other payables	2,431,073	5,028,815	2,761,627
<b>Other financial liabilities</b>	<b>2,431,073</b>	<b>5,036,308</b>	<b>2,834,132</b>
Tax liabilities	11,063,547	11,004,474	11,703,372
<b>Tax liabilities</b>	<b>11,063,547</b>	<b>11,004,474</b>	<b>11,703,372</b>
Amounts payable to pension and social security institutions	4,375,275	4,254,062	4,735,262
Other payables	18,267,693	19,923,735	14,228,859
<b>Other current liabilities</b>	<b>22,642,968</b>	<b>24,177,797</b>	<b>18,964,121</b>
<b>CURRENT LIABILITIES</b>	<b>96,231,286</b>	<b>108,955,912</b>	<b>94,651,009</b>
<b>LIABILITIES</b>	<b>185,653,717</b>	<b>201,206,989</b>	<b>187,120,765</b>

## Consolidated Income Statement

	30.06.2013	30.06.2012	31.12.2012
Revenue from sales and services	59,039,206	68,487,028	137,421,919
<b>Revenues</b>	<b>59,039,206</b>	<b>68,487,028</b>	<b>137,421,919</b>
Other revenues and income	450,180	272,093	508,108
Grants related to income	728,086	462,979	1,124,257
<b>Other income</b>	<b>1,178,266</b>	<b>735,072</b>	<b>1,632,365</b>
Changes in inventories of work in progress	255,830	62,528	42,204
Changes in work in progress contracts	2,166,189	(3,917,485)	(8,477,530)
Increase in capitalised expenses for intenal projects	765,028	891,934	1,869,045
Changes in inventories of finished goods and work in progress	3,187,047	(2,963,023)	(6,566,281)
<b>PRODUCTION REVENUES</b>	<b>63,404,519</b>	<b>66,259,077</b>	<b>132,488,003</b>
Costs of raw, subsid. & consumable mat. and goods	4,535,567	3,211,959	7,429,209
<b>Raw materials and consumables used</b>	<b>4,535,567</b>	<b>3,211,959</b>	<b>7,429,209</b>
Salaries	31,170,394	31,970,814	61,335,697
Social security charges	8,494,218	8,617,241	16,718,142
Employee severance indemnities	1,776,044	1,888,934	4,012,832
Other staff costs	580,244	632,782	1,123,978
<b>Costs related to employee benefits</b>	<b>42,020,900</b>	<b>43,109,771</b>	<b>83,190,649</b>
Other costs for services	8,740,414	12,098,890	22,664,387
Costs for leased assets	2,469,560	2,674,928	4,931,809
Sundry operating expenses	599,218	685,780	1,606,243
Provisions	87,052	37,825	255,780
<b>Other costs</b>	<b>11,896,244</b>	<b>15,497,423</b>	<b>29,458,219</b>
<b>TOTAL PRODUCTION COSTS</b>	<b>58,452,711</b>	<b>61,819,153</b>	<b>120,078,077</b>
<b>DIFFERENCE BETWEEN PRODUCTION COSTS AND REVENUES</b>	<b>4,951,808</b>	<b>4,439,924</b>	<b>12,409,926</b>

	30.06.2013	30.06.2012	31.12.2012
Ordinary amortisement of intangible assets	885,050	928,832	2,068,899
Ordinary depreciation of tangible assets	805,759	457,420	1,272,782
Othe write-downs	84,577	56,165	897,406
Doubtful receivables included in current assets	137,310	436,453	928,749
<b>Amortisation, depreciation and write-downs</b>	<b>1,912,696</b>	<b>1,878,870</b>	<b>5,167,836</b>
<b>OPERATIVE RESULT</b>	<b>3,039,113</b>	<b>2,561,054</b>	<b>7,242,091</b>
Income from parents companies	(10,533)	(7,170)	(13,245)
Income from other investments	(110,890)	(38)	(39)
Other income other than the above	(10,795)	(28,084)	(71,580)
Interest and other financial charges	1,436,804	1,500,130	3,025,454
Profit and loss on currency exchange	135,639	(91,331)	77,639
<b>Financial income and charges</b>	<b>1,440,225</b>	<b>1,373,507</b>	<b>3,018,229</b>
<b>PRE-TAX RESULT</b>	<b>1,598,888</b>	<b>1,187,547</b>	<b>4,223,862</b>
IRES	376,169	547,107	1,746,354
IRAP	1,252,573	1,379,629	2,605,956
Taxes previous years	(614,909)	(140,718)	(2,533,326)
Deferred taxes	(15,961)	(22,259)	(33,812)
Tax paid in advance	64,006	24,691	14,209
<b>Income tax</b>	<b>1,061,878</b>	<b>1,788,450</b>	<b>1,799,381</b>
<b>PROFIT OR LOSS FOR THE PERIOD</b>	<b>537,010</b>	<b>(600,903)</b>	<b>2,424,481</b>
Attributable to:			
Shareholders of holding company	262,154	(591,919)	2,151,958
Minority interest	274,856	(8,984)	272,523

## Statement of Comprehensive Income as at 30 June 2013, as at 30 June 2012 and as at 31 December 2012<sup>(\*)</sup>

Description	30/06/2013	30/06/2012	31/12/2012	01/01/2012
Profit for the period	537,010	(600,903)	2,424,481	
Profit (loss) for the actuarial effect of applying IAS 19			(19,711)	378,233
Net income (loss) from sale of own shares			(45,788)	
Tax effect of variations	-	-	18,012	(104,014)
<b>Net income / (expense) for the period recognized in equity</b>	<b>-</b>	<b>-</b>	<b>(47,487)</b>	<b>274,219</b>
<b>Total comprehensive income</b>	<b>537,010</b>	<b>(600,903)</b>	<b>2,376,994</b>	<b>274,219</b>

(\*) 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.

It should be noted that the amounts presented in the Statement of Comprehensive Income as at 01/01/2012 represent the value of the past actuarial gain/loss from severance assessments, reclassified after applying the revised IAS 19.

## Statement of Changes in Consolidated Shareholders' Equity

Operations	Company Capital	Own shares	Share Premium Fund	Reval. Reserve	Other Reserves	Profits (Losses) brought forward	Valuation reserve	Profit (Loss) for the period	Minority Interests	Minority Interests	Total Net Worth	Total Group Net Worth
<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>
Changes in opening balances						(274,219)	274,219					
<b>Opening at 01/01/12</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>6,131,106</b>	<b>274,219</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					1,607,041	1,599,248		(3,206,289)			-	
Dividend distribution						(1,603,295)					(1,603,295)	
Purchase of own shares		(243,291)			(4,850)						(248,141)	
Changes in consolidated companies						(246,064)					(246,064)	
Profit (loss) of the period								(600,903)	(71,576)	(600,903)	(600,903)	
Net income / (expense) for the period recognized in					-					-	-	
<b>Balance at 30/06/2012</b>	<b>26,979,658</b>	<b>(289,799)</b>	<b>18,081,738</b>	<b>2,907,138</b>	<b>12,601,011</b>	<b>5,880,995</b>	<b>274,219</b>	<b>(600,903)</b>	<b>1,220,278</b>	<b>(600,903)</b>	<b>65,834,058</b>	<b>64,613,780</b>
year's profit to previous year's profit					1,699						1,699	
Dividend distribution											-	
Dividend distribution											-	
Purchase of own shares		(287,180)			(49,916)						(337,096)	
Sale of own shares		82,967			62,827						145,794	
Changes in consolidated companies						58,525					58,525	
Profit (loss) of the period								3,025,384	279,994	3,025,384	3,025,384	
Net income / (expense) for the period recognized in					(33,197)		(14,290)			(47,487)	(47,487)	
<b>Balance at 31/12/2012</b>	<b>26,979,658</b>	<b>(494,012)</b>	<b>18,081,738</b>	<b>2,907,138</b>	<b>12,582,424</b>	<b>5,939,520</b>	<b>259,929</b>	<b>2,424,481</b>	<b>1,500,272</b>	<b>2,376,994</b>	<b>68,680,875</b>	<b>67,180,603</b>
Reclassification previous year's profit to previous year's					2,604,023	(179,542)		(2,424,481)			-	
Purchase of own shares		(29,036)			(6,313)						(35,349)	
Sale of own shares											-	
Changes in consolidated companies						(263,178)					(263,178)	
Profit (loss) of the period								537,010		537,010	537,010	
Net income / (expense) for the period recognized in					-				(127,718)		-	
<b>Balance at 30/06/2013</b>	<b>26,979,658</b>	<b>(523,048)</b>	<b>18,081,738</b>	<b>2,907,138</b>	<b>15,180,134</b>	<b>5,496,800</b>	<b>259,929</b>	<b>537,010</b>	<b>1,372,554</b>	<b>537,010</b>	<b>68,919,358</b>	<b>67,546,804</b>

## Consolidated Cash Flow Statement

	30.06.2013	30.06.2012	31.12.2012
<b>Operating activities:</b>			
Profit (loss)	537,010	(600,903)	2,424,481
Amortisation, depletion and depreciation of assets	1,690,809	1,386,252	3,341,681
Provision for Severance Pay Fund	1,776,044	1,888,934	4,012,832
Advances/Payments Severance Pay	(1,931,425)	(1,774,203)	(3,945,910)
<b>Cash flow arising from operating activities</b>	<b>2,072,438</b>	<b>900,080</b>	<b>5,833,084</b>
<b>Increase/Decrease in net working capital:</b>			
Variation in stock and payments on account	(2,251,456)	4,082,778	12,775,740
Variation in receivables to customers	6,596,991	(2,041,955)	(4,464,039)
Variation in receivables to parent/subsidiary/associated company	(288,739) -	85,589.00	(344,815)
Variation in other accounts receivable	(1,588,973)	(762,136)	1,787,969
Variation in payables to suppliers	517,054	1,915,095	(1,310,201)
Variation in payables to parent/subsidiary/associated company	(72,505)	(2,448)	62,564
Variation in tax and social security liabilities	(999,812)	3,083,417	4,263,515
Variation in other accounts payable	3,708,280	889,229	(9,445,520)
Variation in risk funds reserve		(99,208)	
<b>Cash flow arising (used) from current assets and liabilities</b>	<b>5,620,840</b>	<b>6,979,183</b>	<b>3,325,213</b>
<b>Cash flow arising (used) from current activities</b>	<b>7,693,278</b>	<b>7,879,263</b>	<b>9,158,297</b>
<b>Investment activities:</b>			
Variation in tangible assets	(1,200,107)	(1,207,916)	(2,121,698)
Variation in intangible assets	(1,087,487)	(1,728,614)	(2,667,000)
Variation in financial assets	29,442	(83,990)	(1,258,447)
<b>Cash flow arising (used) from investment activities</b>	<b>(2,258,153)</b>	<b>(3,020,520)</b>	<b>(6,047,144)</b>
<b>Financial activities:</b>			
Changes in financial assets not held as fixed assets	(323,960)		(513,913)
Variation in other reserves	(298,527)	(2,097,502)	(2,276,065)
<b>Cash flow arising (used) from financial activities</b>	<b>(622,487)</b>	<b>(2,097,502)</b>	<b>(2,789,979)</b>
<b>Increase (decrease) in cash</b>	<b>4,812,638</b>	<b>2,761,241</b>	<b>321,174</b>
Banks and cash profits at start of year	5,343,335	7,473,881	7,473,881
Banks and cash losses at start of year	(49,376,132)	(51,827,852)	(51,827,852)
Banks and cash profits at end of period	6,009,078	10,341,922	5,343,335
Banks and cash losses at end of period	(45,229,237)	(51,934,652)	(49,376,132)
<b>Increase (decrease) in liquidity</b>	<b>4,812,638</b>	<b>2,761,241</b>	<b>321,174</b>



## 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 2013 including:

- the Half-year Financial Statements of the Exprivia Group as at 30 June 2013
- the Interim Directors' Report
- the certification required by art. 154-bis (5) of the Consolidated Finance Act

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.

#### GENERAL INFORMATION

Please note that in order to provide readers with greater clarity and adequate comparison of the information included in the consolidated interim report as at 30 June 2013, several changes were made to the balance sheet and several reclassifications were made to the information provided for comparison in the financial statements and the explanatory notes.

#### 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 2012, with the addition of the new accounting policy IAS 19 (2011) as adopted by EU Regulation 475 of 5 June 2012.

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.

#### IAS 19 (2011) (*Employee benefits*)

EC Regulation No. 475-2012 was issued in June 2012. It implemented the revised version of accounting policy IAS 19 (*Employee Benefits*) throughout the European Community and must be applied starting from 1 January 2013 in keeping with the retrospective method, as required by IAS 8 (*Accounting Policies, Changes in Accounting Estimates and Errors*).

IAS 19 (2011) particularly requires that changes in actuarial gain/loss ("remeasurements") amongst the other comprehensive income statement components be recorded for the defined benefit plans, in this way eliminating the other previously envisaged options (including the one adopted by Exprivia Group, which recognised said components as Staff costs in the separate income statement). The cost regarding service and the interest payable concerning the "time value" component in the actuarial calculations are still recognised in the income statement.

## 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 associated companies. 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 removed from the consolidation area 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 an investment 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 net equity. The transactions, balances and profit and loss not realised on intercompany transactions are eliminated. The amounts of net equity and the accrued results of minority interests are shown in a specific entry under net equity and on a separate line of the consolidated Income Statement.

After the acquisition, investments in associated companies are recognised using the net equity method while showing the Group's share of the result in the income statement and movements of reserves under net 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 net 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 for 2013 were as follows:

Exchange rate	EUR to GT	EUR to MX	EUR to PE	EUR to REAL
<b>30/06/2013</b>	10,2475	17,0413	3,63782	2,8899
<b>Six-month average 2013</b>	10,2708	16,4998	3,43969	2,6684

## 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 net 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 net 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 net 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 net 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

The accounting standards adopted for drawing up the consolidated financial statements are the same as those adopted for drawing up the consolidated financial statements of the Group for the financial year which closed as at 31 December 2012, with the exception of adjustments made to comply with amendments/updates to international accounting standards. Accounting policy IAS 19 (2011) was applied for the first half-year period of 2013.

## 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.

## 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.

## 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 life and residual value are reviewed at the end of each accounting period and, if necessary, redefined 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):

<b>Land</b>	indefinite useful life
<b>Buildings</b>	33 years
<b>Plant and Machinery</b>	4 – 7 years
<b>Office Furnishings and Electronic Equipment</b>	5 – 8 years
<b>Equipment and Vehicles</b>	4 - 7 years

The amortisation criteria used, the useful life and residual value are reviewed at the end of each accounting period and, if necessary, redefined to take into account any significant changes.

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 trade payables, 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.

Advances received for terminated projects, for which a closing report has yet to be issued, have been classified as deductions from receivables. For ongoing projects, advances remain accounted for under liabilities.

## 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 net 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 net 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 specific 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.

## WORK IN PROGRESS CONTRACTS

Work in progress contracts 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 known 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.

## SHAREHOLDER'S 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 net 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 net 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 includes the surplus price paid for issue of shares in relation to their nominal value.

### 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 net 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.

Recognition of the changes in actuarial gain/loss for the years 2012 and 2013 was reclassified amongst the other comprehensive income statement components after the revised version of accounting policy IAS 19 (Employee benefits) was adopted.

The total amount of the obligation is calculated on a yearly basis by an external actuary using the Projected Unit Credit Method. Actuarial gains and losses are fully accounted for in the related financial year.

## 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.

## STOCK OPTIONS

Share-based payments are measured at fair value on the date they are assigned. This value is charged to the income statement and offset under shareholders' equity over the entire period in which the entitlement accrues. The fair value of the options, calculated on the date of assignment, is measured by using financial mathematical models and taking into consideration the basic terms and conditions under which the entitlement is assigned. The plan concluded in 2011 and the reserve was classified under other provisions.

## 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 net equity, and charging the ineffective portion to the Income statement. The changes recognised directly under net 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, which comply with the requirements established by IAS 39, are derecognised from the balance sheet.

## 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 net 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 2013 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 2012.

The table below shows the companies under consolidation:

Company	Area
Consorzio Exprivia Scarl	Energy and Telco
Datilog S.r.l.	Industry, Aerospace and Media
Exprivia Projects Srl	Utilities
Exprivia Do Brasil	Spain and the Americans
Exprivia SL	Spain and the Americans
Exprivia Solutions Srl	Industry, Aerospace and Media
GST S.r.l.	Healthcare
Infaber Srl	Industry, Aerospace and Media
ProSap	Spain and the Americans
Realtech Srl	Industry, Aerospace and Media/Public Administration/Utilities/ Banks ,Finance and Insurance/ Energy and Telco/Healthcare
SiSpa Srl	Banks, Finance and Insurance
Spegea Scarl	Other
Svimservice Srl	Healthcare/ Public Administrations
Wel.Network Srl	Industry, Aerospace and Media/Energy and Telco

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

Farm Multimedia S.r.l., in liquidation, 100% owned, is not included in the consolidation area as it is considered irrelevant.

Company	H.O.	Company capital	Results for period	Net worth	Value of production	Total Assets	% of holding
Consorzio Exprivia S.c.a.r.l.	Milano	20,000	(550)	12,464		20,000	100.00%
Datilog Srl	Milano	10,000	(73,199)	(63,199)	138,984	351,201	100.00%
Exprivia SL	Madrid (Spagna)	8,250	290,006	993,000	1,356,391	1,905,830	60.00%
Exprivia Do Brasil Servicos Ltda	Rio de Janeiro (Brasile)	927,792	83,873	1,111,566	584,838	1,404,066	53.68%
Exprivia Projects Srl	Roma	242,000	(104,058)	245,568	4,208,438	3,954,087	100.00%
Exprivia Solutions Srl	Roma	170,795	444,514	1,224,076	3,920,295	7,967,185	100.00%
GST S.r.l.	Trento	27,500	143,245	512,836	1,188,831	2,086,003	100.00%
Infaber S.r.l.	Molfetta (BA)	110,000	93,696	611,546	775,763	1,177,957	100.00%
Gruppo ProSap	Madrid (Spagna)/Città del Messico/Città del Guatemala/Lima (Perù)	197,904	332,608	667,455	4,586,627	6,233,049	51.12%
Realtech Srl	Milano	1,520,000	(662,890)	1,191,057	3,612,714	5,333,073	100.00%
SiSpa Srl	Milano	580,000	479,776	1,895,307	3,505,662	4,720,038	100.00%
Spegea S.c.a.r.l.	Bari	125,000	(106,438)	335,562	552,681	1,986,956	60.00%
Svimservice Srl	Molfetta (BA)	1,548,000	513,123	3,386,664	8,117,150	19,326,830	100.00%
Wel.Network Srl	Piacenza	1,500,000	133,556	1,287,128	5,648,407	15,467,872	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 MACHINERY

The item **“property, plant and machinery”** amounted to Euro 12,115,262 compared to Euro 11,720,914 as at 31 December 2012.

Categories	Historical cost 01/01/13	Inc.	Dec.	Historical cost at 30/06/13	Reserve prov. at 01/01/13	Provision for period	Dec.	Cum. prov.	Net value at 30/06/13
Land	247,716	-	-	247,716	-	-	-	-	247,716
Buildings	8,158,412	-	-	8,158,412	(1,936,662)	(132,972)	-	(2,069,634)	6,088,778
Others	18,011,806	72,978	(957,606)	17,127,178	(13,658,685)	(672,787)	956,834	(13,374,638)	3,752,535
Fixed assets in progress	898,331	1,127,932	-	2,026,263	-	-	-	-	2,026,263
<b>TOTAL</b>	<b>27,316,265</b>	<b>1,200,910</b>	<b>(957,606)</b>	<b>27,559,569</b>	<b>(15,595,347)</b>	<b>(805,759)</b>	<b>956,834</b>	<b>(15,444,272)</b>	<b>12,115,292</b>

The change in the item **“others”**, amounting to Euro 72,978, is mainly due to purchases made for electronic office equipment (Euro 61,433).

The change in the item **“work in progress”**, amounting to Euro 1,127,932, relates to costs incurred for the construction work on the branch in Molfetta – Via Giovanni Agnelli (for further information, please refer to the section "Investments").

It should be mentioned that the net book value of leased items amounted to Euro 1,216,170 and mainly pertains to electronic office equipment for Euro 641,946 and furniture and furnishings for Euro 468,677. It should also be noted that minimum future payments within one year amount to Euro 315,138, while those due in one to five years amount to Euro 546,913.

## GOODWILL AND OTHER ASSETS WITH AN INDEFINITE USEFUL LIFE

The item “**goodwill and other assets with an indefinite useful life**” amounted to Euro 68,998,929 as at 30 June 2013 compared to Euro 69,069,817 as at 31 December 2012.

The table below provides details on the items:

Categories	Historical cost 01/01/13	Total historical cost at 30/06/13	Write- downs previous	Write-downs	Accum. deprec.	Net value at 30/06/13
COST OF GOODWILL ABACO MERGER	461,168	461,168	-	-	-	461,168
GOODWILL DIVESTMENT AZ AIS PS BRANCH	1,767,655	1,767,655	-	-	-	1,767,655
GOODWILL DIVESTMENT KTONES BRANCH	517,714	517,714	-	-	-	517,714
DIFFERENCE ETA BETA MERGER	3,040,710	3,040,710	-	-	-	3,040,710
DIFFERENCE AIS MEDICAL MERGER	3,913,764	3,913,764	-	-	-	3,913,764
GOODWILL AURORA BRANCH	1,406,955	1,406,955	-	-	-	1,406,955
GOODWILL	18,631,899	18,631,899	(315,457)	(14,721)	(330,178)	18,301,720
DIFFERENCE FROM CONSOLIDATION	40,330,250	40,330,250	(684,840)	(56,166)	(741,006)	39,589,244
<b>TOTAL</b>	<b>70,070,115</b>	<b>70,070,115</b>	<b>(1,000,297)</b>	<b>(70,887)</b>	<b>(1,071,184)</b>	<b>68,998,929</b>

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

Company	Date of acquis.	Controlling share	Difference from consolidation generated
Datilog S.r.l.	30/11/09	100%	89,600
Exprivia Do Brasil	31/10/11	54%	338,668
Exprivia Projects Srl	11/06/04	100%	1,334,500
Exprivia Solutions Srl	14/04/05	100%	512,662
GST S.r.l.	14/04/05	100%	304,577
ProSap Srl	30/09/10	51.12%	2,217,105
Network Services Srl	31/10/08	100%	519,594
Realtech Italia Srl	01/04/11	100%	740,380
SiSpa Srl	30/06/11	100%	3,251,885
Svimservice Srl	30/11/07	100%	22,309,288
Wel.Network Srl	30/11/07	100%	7,970,984
<b>TOTAL</b>			<b>39,589,244</b>

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 net equity at the date of acquisition.

The table below shows the item “Consolidation Difference” with the changes arising as at 30 June 2013 compared to 31 December 2012.

Company	30/06/2013	31/12/2012	Variation
Datilog Srl	89,600	89,600	-
Exprivia Do Brasil	338,668	338,668	-
Exprivia Projects Srl	1,334,500	1,334,500	-
Exprivia Solutions Srl	512,662	512,662	-
GST S.r.l.	304,577	304,577	-
Network Service Srl	519,594	575,760	(56,166)
ProSap	2,217,105	2,217,105	-
Realtech Srl	740,380	740,380	-
SiSpa Srl	3,251,885	3,251,885	-
Svimservice Srl	22,309,289	22,309,289	-
Wel.Network Srl	7,970,984	7,970,984	-
<b>TOTAL</b>	<b>39,589,244</b>	<b>39,645,410</b>	<b>(56,166)</b>

## OTHER INTANGIBLE ASSETS

The item **other intangible assets** amounted to Euro 5,351,130 as at 30 June 2013 (net of amortisation) compared to Euro 5,077,805 as at 31 December 2012.

The table below provides a summary of the item.

Categories	Historic cost 01/01/13	Increases at 30/06/13	Deprec. al 30/06/13	IAS Adjustments	Total historic cost at 30/06/13	Deprec. fund at 01/01/13	Deprec. quota for period	Depreciation	Cumulated deprec. 30/06/13	Net value at 30/06/13
Development of advertising	30,563,797	696,547	-	-	31,260,344	(27,606,939)	(657,479)	-	(28,264,418)	2,995,928
Patents and Intellectual Property Rights	2,867,179	290,088	(39)	-	3,159,370	(2,774,234)	(149,711)	-	(2,923,946)	235,422
Permits, brands	419,103	-	-	-	419,103	(214,066)	(10,858)	-	(224,924)	194,178
Assets under constr. & payment on a/c	680,445.58	78,480	-	-	758,926	-	-	-	-	758,926
Sundries	3,902,996	76,436	-	-	3,979,433	(2,745,354)	(52,282)	(15,120)	(2,812,757)	1,166,675
<b>TOTAL</b>	<b>38,433,520</b>	<b>1,141,552</b>	<b>(39)</b>	<b>-</b>	<b>39,577,175</b>	<b>(33,340,594)</b>	<b>(870,330)</b>	<b>(15,120)</b>	<b>(34,226,044)</b>	<b>5,351,130</b>

The increase by Euro 1,141,552 in the period mainly pertains to Euro 696,547 for investments in **development** of software applications for banking, medical and manufacturing segments, Euro 290,088 for **purchasing software licenses** and Euro 78,480 for investments in **development** to execute projects not yet amortised.

## INVESTMENTS

The item **"investments"** as at 30 June 2013 amounted to Euro 941,200 compared to Euro 1,121,934 as at 31 December 2012.

The composition of equity investments is described below.

### Investments in subsidiaries

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 2013 the item **“investments in associated companies”** amounted to Euro 36,028 compared to Euro 218,599 at 31 December 2012. The change pertains to the value of the investment in Consorzio S2B. The change amounting to Euro 182,571 is due to the sale of the equity investments Traxall Srl and Pervoice S.p.A., as previously described in the section "Significant Events of the First Half of 2013".

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

### Investments in other companies

The item **“investments in other companies”** at 30 June 2013 amounted to Euro 905,172 compared to Euro 903,335 at 31 December 2012.

The table below provides details on the items:



Description	30/06/2013	31/12/2012	Variation
Ultimo Miglio Sanitario	2,500	2,500	-
Certia	516	516	-
Conai	9	9	-
Finapi	775	775	-
Cered Software	104	104	-
Società Consortile Piano del Cavaliere	516	516	-
Consorzio Pugliatech	2,000	2,000	-
Iqs New Srl	1,291	1,291	-
Consorzio Conca Barese	2,000	2,000	-
Software Engineering Research	12,000	12,000	-
Advanced Computer Systems	740,816	740,816	-
Consorzio Biogene	3,000	3,000	-
Consorzio DARE	1,000	1,000	-
Consorzio DHITECH	17,000	17,000	-
Consorzio Consorzio SILAB-Daisy	1,837		1,837
H.BIO Puglia	12,000	12,000	-
Consorzio DITNE	12,384	12,384	-
SELP	50,000	50,000	-
Consorzio Daisy-Net Partecipation	13,939	13,939	-
Cattolica Popolare Soc. Cooperativa	23,491	23,491	-
Banca di Credito Cooperativo	2,461	2,461	-
ENFAPI CONFIND Partecipation	1,033	1,033	-
Consorzio Heath Innovation HUB	3,000	3,000	-
Consorzio Semantic Valley	1,500	1,500	-
<b>TOTAL</b>	<b>905,172</b>	<b>903,335</b>	<b>1,837</b>

## OTHER FINANCIAL ASSETS

### Receivables from subsidiaries

As at 30 June 2013, **“receivables from subsidiaries”**, amounting to Euro 20,388, did not change from 31 December 2012 and pertains to receivables due from the subsidiary Farm Multimedia S.r.l. in liquidation (written down in full).

### Other receivables

At 30 June 2013 the item **“other receivables”** amounted to Euro 1,975,618 compared to Euro 1,977,936 at 31 December 2012. The change is shown in the table below.

Description	30/06/2013	31/12/2012	Variation
Long term deposit	241,294	253,185	(11,891)
Financial receivables	33,517	33,517	-
Tax credits	1,700,807	1,691,234	9,573
<b>TOTAL</b>	<b>1,975,618</b>	<b>1,977,936</b>	<b>(2,318)</b>

The amounts required for application for the refund relating to the deductibility of the IRAP tax calculated on staff costs, which generated a recovery of IRES tax, are recorded in the item **“tax receivables”**. The refunds for the years 2008 to 2011 are recognised in the item, while those relating to 2007 are included in the item **“current receivables from tax authorities”**.

## DEFERRED TAX ASSETS

The item **“deferred tax assets”** amounted to Euro 1,489,799 compared to Euro 1,336,189 at 31 December 2012, and refers to taxes on temporary changes either deductible or that will be future tax benefits. They are stated in the financial statements if it is very likely they will be recovered, and are measured on the basis of the ability to generate taxable income in future years.

## CURRENT ASSETS

### TRADE RECEIVABLES AND OTHERS

#### Trade receivables

At 30 June 2013 the item **“trade receivables”** amounted to Euro 56,018,058 (net of the bad debts provision) compared to Euro 62,615,049 at 31 December 2012.

The following table provides details on the item as well as a comparison with 31 December 2012.

Description	30/06/2013	31/12/2012	Variation
To Italian customers	43,141,356	48,762,202	(5,620,845)
To foreign customers	6,704,862	5,360,541	1,344,321
To public bodies	9,684,786	12,162,711	(2,477,925)
<b>S-total receivables to customers</b>	<b>59,531,005</b>	<b>66,285,454</b>	<b>(6,754,449)</b>
Less: provision for bad debts	(3,512,947)	(3,670,406)	157,459
<b>Total receivables to customers</b>	<b>56,018,058</b>	<b>62,615,049</b>	<b>(6,596,990)</b>

Trade receivables were made up as specified below.

Details	30/06/2013	31/12/2012	Variation
To third parties	50,822,363	55,933,944	(5,111,581)
Invoices for issue to third parties	8,708,643	10,351,511	(1,642,868)
<b>TOTAL</b>	<b>59,531,005</b>	<b>66,285,454</b>	<b>(6,754,449)</b>

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 parent companies

The item **“receivables from parent companies”** amounted to Euro 1,463,431 compared to Euro 1,049,347 at 31 December 2012 and refers to amounts owed to the holding company (Euro 846,325) and to the subsidiary Exprivia Solutions Srl (Euro 617,106) by the Parent Company Abaco Innovazione S.p.A. Part of the receivables (Euro 1,214,487) are of the interest-bearing financial type.

### Other receivables

At 30 June 2013 the item **“other receivables”** amounted to Euro 13,467,069 compared to Euro 11,610,375 at 31 December 2012.

The table below shows movements that occurred.

Description	30/06/2013	31/12/2012	Variation
Receivables for contrib.	6,494,184	6,524,593	(30,410)
Receivables to s/holders for holdings/spin-offs	19,109	19,109	-
Advances to suppliers for services	153,746	160,573	(6,828)
Sundry credits	352,242	224,537	127,705
Receivables to factoring	1,495,197	1,826,002	(330,805)
Receivables to welfare institutes/INAIL	104,057	18,466	85,591
Receivables to employees	131,228	118,300	12,929
Receivables INPS for CIG	2,084	2,084	-
Guaranteed securities	96,315	91,869	4,446
Costs in future years expertise	4,618,908	2,624,842	1,994,066
<b>TOTAL</b>	<b>13,467,069</b>	<b>11,610,375</b>	<b>1,856,695</b>

The amounts receivable in relation to **“government grants”** refer to provisional resolutions for grant eligibility. These entries will be brought to zero when the balance of the grants is collected following the final assessments made by the respective Ministries and Local Bodies.

The item **“expenses pertaining to future financial years”** for Euro 4,618,908 mainly refers to maintenance costs for future reporting periods.

## Tax receivables

At 30 June 2013 the item **“tax receivables”** amounted to Euro 1,235,600 compared to Euro 1,503,321 at 31 December 2012. The table below provides a breakdown.

Description	30/06/2013	31/12/2012	Variation
Receivables to tax a/c - IRES	155,414	68,218	87,196
Receivables to tax a/c - IRAP	55,032	27,471	27,561
Tax authority w/holding taxes on interest income	555	103	453
Tax authority deductions on foreign payments	5,322	38,125	(32,803)
Credits to tax authority for VAT	307,942	424,286	(116,345)
Credits on substitute severance fund tax	17,799	6,744	11,055
Credits with tax authority	675,867	902,511	(226,644)
Advanced Tax Credits	-	18,193	(18,193)
Art. 8 tax credits	17,670	17,670	-
<b>TOTAL</b>	<b>1,235,600</b>	<b>1,503,321</b>	<b>(267,721)</b>

## INVENTORIES

**“Inventories”** amounted to Euro 426,884 compared to Euro 171,054 at 31 December 2012 and refer to software and hardware purchased by group companies for planned to be resold in future periods.

## WORK IN PROGRESS CONTRACTS

**“Work in progress contracts”** amounted to Euro 16,141,271 compared to Euro 14,377,957 at 31 December 2012 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”** amounted to Euro 6,009,078 compared to Euro 5,343,335 at 31 December 2012 and refers to Euro 5,979,847 held at banks and Euro 29,231 in cheques and cash in hand.

## 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 is the same as 31 December 2012.

### TREASURY SHARES

At 30 June 2013 **“treasury shares”** amounted to Euro -523,048.24 compared to Euro -494,012.48 at 31 December 2012 and the amount refers to the purchase of treasury shares under the plan approved by the shareholders' meeting of 18 April 2013. The number of treasury shares amounts to 1,005,862.

### SHARE PREMIUM RESERVE

At 30 June 2013 the **“share premium reserve”** amounted to Euro 18,081,738 and is the same as 31 December 2012.

### REVALUATION RESERVE

At 30 June 2013 the **“revaluation reserve”** amounted to Euro 2,907,138 and is the same as 31 December 2012.

### OTHER RESERVES

The item **“other reserves”** amounted to Euro 15,180,133 compared to Euro 12,582,424 at 31 December 2012 and pertains to:

- Euro 3,312,804 for the **“legal reserve”**, which rose by Euro 130,201 compared to 31 December 2012 after allocation of profit from the previous year, as resolved by the shareholders' meeting of 18 April 2013;
- Euro 263,790 for the **“extraordinary reserve”** compared to Euro 1,636,092 at 31 December 2012. The change pertains to allocation of the 2012 profit and part of the reserve to a restricted reserve, as resolved by the Exprivia S.p.A. shareholders' meeting of 18 April 2013.
- 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”, which remained unchanged with respect to 31 December 2012;
- Euro 3,846,124 to the **“Puglia Digitale Project Reserve”** created in connection with the investment programme called "Puglia Digitale Project" as resolved by the Exprivia shareholders' meeting on 18 April 2013;
- Euro 76,532 to **“other reserves”** compared to Euro 82,846 as at 31 December 2012. The change pertains to the share premium value resulting from transactions to purchase and sell treasury shares;
- Euro -223,893 **“IAS/IFRS tax effect reserve”** represents the tax effect calculated on changes after adopting IFRS and is the same as at 31 December 2012.

## PROFIT FROM PREVIOUS PERIODS

At 30 June 2013 the **profit from previous periods** amounted to Euro 5,756,729 compared to Euro 6,199,449 at 31 December 2012. The item includes the valuation reserve totalling Euro 259,929 that was created due to the change in accounting policy IAS 19.

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

DESCRIPTION	Result to 31/12/2012	Sundries	Net Worth at 31/12/2012	Result for period to 30/06/2013	Sundries	Net Worth at 30/06/2013
<b>Exprivia S.p.A.</b>	<b>2,604,023</b>	<b>(2,079,345)</b>	<b>62,660,968</b>	<b>3,716,371</b>	<b>(35,348)</b>	<b>66,341,991</b>
Contribution of subsidiaries	5,757,633		25,657,551	1,566,464		27,224,015
Depreciation and cover for losses of subsidiaries			3,322,000			3,322,000
Elimination capital gain divestment of Exprivia Projects branch/Elimination Svmservice dividends	(4,000,235)		(17,844,390)	(4,745,824)		(22,590,214)
Elimination intercompany licence purchases/Elimination WelNetwork dividends	(1,936,940)		(4,856,782)			(4,856,782)
Elimination capital gain divestment AIS Professional branch			(1,767,655)			(1,767,655)
Variation in consolidation of companies		(196,721)	1,509,183		(263,180)	1,246,003
Contribution of third parties to net worth		(208,418)	(1,500,272)		127,718	(1,372,554)
<b>TOTAL GROUP NET WORTH</b>	<b>2,424,481</b>	<b>(2,484,484)</b>	<b>67,180,603</b>	<b>537,010</b>	<b>(170,810)</b>	<b>67,546,804</b>

## NON-CURRENT LIABILITIES

### NON-CURRENT BANK DEBT

At 30 June 2013 the item **“non-current bank debt”** amounted to Euro 6,745,510 compared to Euro 9,551,977 at 31 December 2012, and pertains to medium-term borrowing from major credit and financial institutions and to low-interest loans for specific investments programmes.

As a result of not meeting several financial parameters as at 31 December 2012, the company deemed it necessary, in accordance with IAS 1, paragraph 74, to reclassify the non-current part of medium-term borrowing (Euro 5,357,137) provided by the pool of banks with lead company BNL into **“current bank debt”**.

The table below provides details on the item and breaks down the non-current portion (Euro 6,745,510) and the current portion (Euro 13,260,462).

Financial institute	Type	Contractual amount	Amount distrib. at 30.06.13	Date of contract	Expiry date	Repay-ment date	Rate applied	Residual capital at 30.06.13	To be repaid in 12 mths	To be repaid beyond 12 mths
Banca Nazionale del Lavoro	Financing	18,000,000	18,000,000	30/11/07	30/11/15	semi-annual	Euribor 6 mounths + 1,7%	6,745,233	6,745,233	
Banca Nazionale del Lavoro	Mutual	2,400,000	2,400,000	15/10/04	30/09/14	semi-annual	Euribor 6 mounths + 1,2%	423,528	282,352	141,176
Banca Nazionale del Lavoro	Financing	950,000	950,000	24/06/11	30/06/14	semi-annual	Euribor 3 mounths + 1,5%	316,667	316,667	
Ministry of University and Research	Financing	1,430,905	1,243,453	12/04/07	01/07/15	semi-annual	0.50%	483,001	192,457	290,544
Ministry of Economic Development	Financing	2,151,000	1,787,006	27/12/09	27/02/19	annual	0.87%	1,267,062	176,339	1,090,723
Monte dei Paschi di Siena	Financing	5,000,000	5,000,000	04/05/10	10/05/17	monthly	Euribor 3 mounths + 2,5%	3,203,157	774,588	2,428,569
Banco Napoli	Financing	2,000,000	2,000,000	20/05/11	20/05/16	monthly	Euribor 1 mounths + 3,70%	1,219,044	393,777	825,267
Credito Emiliano	Financing	1,000,000	1,000,000	04/04/11	04/04/14	monthly	Euribor 3 mounths + 1,7%	285,355	285,355	
Emilia Romagna Factor	Financing	3,500,000	3,500,000	22/07/11	31/12/14	monthly	Euribor 3 mounths + 2,75%	1,750,000	1,166,667	583,333
IBM Italia Servizi Finanziari	Financing	306,856	306,856	01/05/12	01/02/17	quarterly	9.66%	237,329	55,506	181,823
IBM Italia Servizi Finanziari	Financing	187,429	187,429	01/05/12	01/02/14	quarterly	8.37%	72,359	72,359	-
ICCREA Banca Impresa	Financing	2,000,000	2,000,000	17/01/12	16/06/14	monthly	Euribor 3 mounths + 3,80%	1,456,531	1,456,531	
Ministry of University and Research	Financing	934,900	380,624	10/01/08	01/07/15	semi-annual	0.50%	174,307	69,462	104,845
Cassa Rurale di Aldeno e Cadine	Mutual	300,000	300,000	25/09/07	25/09/13	monthly	Euribor 1 month + 0,9%	21,990	21,990	-
Ubi Banca	Financing	2,025,228	1,822,705	28/12/04	05/08/16	annual	0.96%	750,042	184,832	565,210
Cassa Depositi e Prestiti	Financing	1,244,100	1,119,600	27/07/09	30/06/14	semi-annual	0.50%	226,180	226,180	
Banca Popolare di Bari	Financing	138,234	124,413	27/07/09	30/06/14	semi-annual	Euribor 6 mounths + 3,00%	50,280	50,280	
Banca Popolare di Bari	Financing	3,000,000	3,000,000	04/12/09	31/12/14	semi-annual	Euribor 6 mounths + 2,5%	1,177,339	777,486	399,853
Banco Polular	Financing	160,000	160,000	10/05/12	10/05/19	semi-annual	5.54%	146,788	12,401	134,167
<b>TOTAL</b>								<b>20,006,192</b>	<b>13,260,462</b>	<b>6,745,510</b>

## OTHER FINANCIAL LIABILITIES

At 30 June 2013 the item **“other financial liabilities”** amounted to Euro 2,451,878 compared to Euro 2,629,146 at 31 December 2012. The change is shown in the table below.

Description	30/06/2013	31/12/2012	Variation
Payables for purchase of investments	1,740,396	1,740,396	-
Trade payables	546,913	697,665	(150,752)
Due to tax and social security	164,569	191,085	(26,516)
<b>TOTAL</b>	<b>2,451,878</b>	<b>2,629,146</b>	<b>(177,268)</b>

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 earn out expected to be payable to the sellers of Prosap once the targets set at acquisition are reached.

The item **“trade payables”** refers to medium/long-term payment for leased assets.

The item **“tax and social security liabilities”** 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.

## PROVISION FOR RISKS AND CHARGES

At 30 June 2013 the item **“provision for risks and charges”** amounted to Euro 1,481,968 compared to Euro 1,612,698 at 31 December 2012. The breakdown is shown in the table below:

Description	30/06/2013	31/12/2012	Variation
Fund to cover losses	35,356	35,356	-
Fund for stock related risks		231,813	(231,813)
Fund for tax litigation risks	631,192	697,103	(65,911)
Fund for staff related risks	211,657	134,136	77,521
Fund for contribution related risks	587,889	498,415	89,474
Fund for tax bill related risks	15,875	15,875	
<b>TOTAL</b>	<b>1,481,968</b>	<b>1,612,698</b>	<b>(130,730)</b>

The provision of Euro 35,356 relating to the **“hedge fund”** was set up for the subsidiary Farm Multimedia Srl (in liquidation).

The provision for Euro 631,192 refers to the **“provision for tax dispute risks”** divided as follows:

- Euro 622,649 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 investments in Infusion Spa and AISoftw@re Technologies & Solutions. The investigation report 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, with petitions notified on 10 June 2011, and the Company submitted its claims within the terms of law at the second-degree proceedings; (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 and at the second-degree proceedings the Company submitted its claims within the terms of law. The appeals were rejected.

Similar notices of assessment were received from the Inland Revenue Agency of Bari in subsequent years arising from the same investigation report of 18 December 2007 and referring to 2005 (IRES and IRAP) and 2006 (IRES), duly challenged by the Company. Section 24 of the Provincial Tax Commission of Bari ruled on the appeals. It cancelled by judgement no. 472413 filed on 12 April 2013 the 2006 IRES write-downs in full and declared several 2005 IRES and IRAP tax write-downs legitimate, lowering the fewer losses ascertained.

The Company decided to appeal the Provincial Tax Commission ruling within the terms of law.



- o Euro 8,543 as the residual amount of provisions of 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 an inspection report 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 (now Srl - limited liability company) interests in a French company. 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 (now Srl - limited liability company) submitted an appeal within the terms of law. A copy of the appeal was filed with the Provincial Tax Commission of Piacenza on 10/06/2011 together with numerous documents. On 25 October 2011 the tax commission suspended the effects of the notice of assessment and assessed tax served against the company. At the first hearing of the first appeal, 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, and postponed the hearing. With judgment no. 55/01/12 filed on 31 August 2012, the Tax Commission of Piacenza, ruling on the case after suspending judgment, accepted both of Wel.Network Spa's (now Srl - limited liability company) appeals, which had been joined, completely cancelling the significant findings for VAT purposes and accepting the arguments of the Piacenza Inland Revenue Agency only in relation to two more modest findings (Euro 7,379 + Euro 9,650 – numbers 2 and 3 of 2004) on the issue of income taxes. In December the judgment was served by Wel.Network to the opposing party, the Inland Revenue Agency. On 18 February 2013, the Piacenza Inland Revenue Agency served an appeal against the judgment. On 17 January 2013, Wel.Network was served with the assessed tax resulting from the first instance judgment, amounting to Euro 14,874.29 which was paid by using the provisions of Euro 23,322. The outcome of the appeal is expected to be positive for Wel.Network, which has submitted its claims to the relevant Regional Tax Commission of Bologna. The IRS did not provide sufficient evidence to prove their claims, whereas Wel.Network amply demonstrated that no illegal activity was undertaken. Based on these arguments of the attorneys appointed to handle the matter it was not deemed necessary to set up additional 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 official audit report 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. In any case, after a

number of postponements the next hearing has been set for 13 November to examine witnesses, whose failure to appear would lead to a declaration of forfeiture.

The allocation of Euro 211,657 to the **“provision for staff risks”** refers amounts set aside for current disputes with former employees.

The allocation of Euro 587,889 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 indemnities

Employee severance indemnities amounted to Euro 8,543,894 compared to Euro 8,699,275 as at 31 December 2012. The fund is net of amounts paid to INPS and specific pension funds.

## DEFERRED TAX LIABILITIES

The item **“provision for deferred taxes”** amounted to Euro 1,279,823 compared to Euro 1,295,785 at 31 December 2012, and refers to allocations for temporary changes 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 2013 the basic and diluted earnings per share amounted to Euro 0.0052.

Profits (Euro)	30/06/2013
Profits for determining basic earnings per share (Net profit due to shareholders of parent company)	262,154
Profit for determining the earnings per basic share	262,154
Number of shares	30/06/2013
Number of ordinary shares at 1 January 2013	51,883,958
Purchase of own shares at 30 June 2013	(1,005,862)
Average weighted number ordinary shares for calculation of basic profit	50,856,727
Earnings per share (Euro)	30/06/2013
Profit (loss) per basic share	0.0052
Diluted earnings (loss) per share	0.0052

## CURRENT LIABILITIES

### CURRENT BANK DEBT

At 30 June 2013 the item “**current bank debt**” amounted to Euro 38,483,727 compared to Euro 39,824,155 at 31 December 2012. Euro 13,260,462 refers to the current amount of loans (previously described under item “non-current bank debt”) and Euro 25,222,265 refers to current account overdrafts at major credit institutions.

### TRADE PAYABLES

At 30 June 2012 the item “**trade payables**” amounted to Euro 18,777,149 compared to Euro 18,260,095 at 31 December 2012.

### ADVANCE PAYMENT ON WORK IN PROGRESS CONTRACT

#### Advances

At 30 June 2013 the item “**advances**” amounted to Euro 2,832,822 compared to Euro 3,065,134 at 31 December 2012 and mainly refers to advance payments received from customers for work in progress contracts.

### OTHER FINANCIAL LIABILITIES

#### Amounts payable to others

At 30 June 2013 the item “**amounts payable to others**” amounted to Euro 2,431,073 compared to Euro 2,761,627 at 31 December 2012. The table below provides details on the item:

Description	30/06/2013	31/12/2012	Variation
Derived products	92,701	133,936	(41,235)
Payables to others	416,646	693,664	(277,018)
Advance for contrib.	1,921,726	1,934,027	(12,300)
<b>TOTAL</b>	<b>2,431,073</b>	<b>2,761,627</b>	<b>(330,553)</b>

The item **“advances on projects”** relates to advances of government grants for ongoing research projects.

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 2013.

Banks	Date	Expiry	Operation	Notional amount	Value Mark to market at 30/06/2013
Unicredit	27/11/2008	30/11/2015	IRS	1,902,500	20
B.N.L.	30/11/2008	30/11/2015	IRS	3,841,500	(92,721)
<b>Total</b>					<b>(92,701)</b>

## TAX LIABILITIES

At 30 June 2013 the item **“tax liabilities”** amounted to Euro 11,063,547 compared to Euro 11,703,372 at 31 December 2012. The table below provides details on the item compared to figures from the previous financial year.

Description	30/06/2013	31/12/2012	Variation
Payables to tax authority for VAT	5,535,064	6,370,703	(835,640)
Payables to tax authority for IRAP	2,380,130	1,130,472	1,249,658
Payables to tax authority for IRES	96,650	438,075	(341,425)
Payables to tax authority for IRPEF employees	1,610,314	2,688,198	(1,077,885)
Payables to tax authority for IRPEF freelance workers	58,433	83,382	(24,950)
Payables Debiti verso Erario per tassazione straordinari	5,675	3,826	1,848
Payables to tax authority for IRPEF collaborators	88,210	91,298	(3,088)
Payables to tax authority	645,578	403,498	242,080
Payables to tax authority for IRPEF severance fund	90,438	128,109	(37,671)
Payables to tax authority for Regional and Municipal add	204,297	28,576	175,721
Payables to tax authority for interest and penalties	348,759	337,234	11,525
<b>TOTAL</b>	<b>11,063,547</b>	<b>11,703,372</b>	<b>(639,825)</b>

## OTHER CURRENT LIABILITIES

### Amounts payable to pension and social security institutions

The item “**amounts payable to pension and social security institutions**” amounts to Euro 4,375,275. The table below shows movements during the period and a comparison with figures at 31 December 2012:

Description	30/06/2013	31/12/2012	Variation
INPS with contributions	2,223,881	3,309,924	(1,086,043)
Payables to pension funds	140,531	192,515	(51,984)
PREVINDAI-FASI-ALDAI-INPDAL-FASDAPI-PREVINDAPI	56,310	109,037	(52,727)
Contributions on accrued holiday pay and year-end bonus	1,811,780	1,063,082	748,698
Payables for penalties and interest	9,587	9,614	(27)
INAIL with contributions	133,187	51,091	82,095
<b>TOTAL</b>	<b>4,375,275</b>	<b>4,735,262</b>	<b>(359,987)</b>

### Other payables

The item “**other payables**” amounted to Euro 18,267,693 compared to Euro 14,228,859 at 31 December 2012.

The table below shows the changes taking place during the period with a comparison to figures at 31 December 2012:

Description	30/06/2013	31/12/2012	Variation
Directors' pay for settlement	43,156	49,475	(6,318)
Employees/Collaborators for fees accrued	5,654,491	4,160,228	1,494,263
Debts to purchase shareholdings	688,322	226,600	461,722
Accrued holidays, festivities, summer & yr-end bonuses	5,112,303	4,301,077	811,226
Payables to associations	9,804	23,588	(13,784)
Sundry payables	433,717	472,009	(38,292)
Interest and other costs of exercise	319,797	334,541	(14,744)
Maintenance/services/contributions competence in future years	6,006,103	4,661,342	1,344,762
<b>TOTAL</b>	<b>18,267,693</b>	<b>14,228,859</b>	<b>4,038,834</b>

## Information on the Income Statement

Details are provided below on the entries making up the expenses and revenue in the 2013 interim income statement, which was drawn up in accordance with international accounting standards (IAS/IFRS).

### PRODUCTION REVENUES

#### REVENUES

**Revenue from sales and services** in the first half of 2013 amounted to Euro 59,039,206 compared to Euro 68,487,028 in the same period of 2012. See the section 'Trends in Exprivia Group results' in the Report for details and information on revenue from sales and services for the business segments (including changes in inventories in progress).

The table below provides details on the revenue from sales and services (Euro 59,039,206), including changes in inventories for products in progress (Euro 255,830) and changes in work in progress contracts (Euro 2,166,189) pertaining to the first half of 2013, compared to 2012 figures and broken down by business segment (in K Euro).

Exprivia Group (value in K €)	30.06.2013	30.06.2012	Variations %
Banks and Financial Institutions	11,505	9,894	16%
Industry, Aerospace and Media	8,949	9,141	-2%
Energy and Telcom	6,908	7,435	-7%
Health and Healthcare	10,973	13,861	-21%
Utilities	13,354	14,125	-5%
Public Administration	2,783	3,327	-16%
International Business	6,454	5,733	13%
Other	535	1,116	-52%
<b>Total</b>	<b>61,461</b>	<b>64,632</b>	<b>-4.91%</b>

The details of the revenues concerning the first half of 2013, compared with the figures of the same period of 2012, broken down by area of business are shown below (in K €).

Exprivia Group (value in K €)	30.06.2013	30.06.2012	Variations%
Projects and Services	50,820	56,579	-10%
Maintenance	7,713	4,539	70%
HW/ SW third parties	1,845	1,671	10%
Own licences	549	726	-24%
Altro	534	1,116	-52%
<b>Total</b>	<b>61,461</b>	<b>64,632</b>	<b>-4.91%</b>

#### OTHER INCOME

##### Other revenues and income

In the first half of 2013 "**other revenues and income**" amounted to Euro 450,180 compared to Euro 272,093 in the same period of the previous year. The table below provides details on the items.

Description	30/06/2013	30/06/2012	Variation
Contingency assets	237,559	229,394	8,165
Rental income with subsidiary company	19,887	291	19,596
Other revenue	32,187	20,632	11,555
Pay in lieu of notice	35,826	(2,617)	38,443
Income from assignment of vehicles to staff	124,312	24,394	99,918
capital gains	410	-	410
<b>TOTAL</b>	<b>450,180</b>	<b>272,093</b>	<b>178,087</b>

### Grants related to income

In the first half of 2013 **“grants related to income”** amounted to Euro 728,086 compared to Euro 462,979 in the same period of 2012 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 work in progress, semi-finished and finished goods

In the first half of 2013 the item **“changes in inventories of work in progress, semi-finished and finished goods”** amounted to Euro 255,830 compared to Euro 62,528 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 Svmservice.

### Fluctuation in work in progress contracts

In the first half of 2013 the item **“fluctuation in work in progress contracts”** amounted to Euro 2,166,189 compared to Euro -3,917,485 of the same period of 2012 and refers to the change in work in progress contracts pertaining to the reporting period.

### Increases in fixed assets for internal work

In the first half of 2013 the item **“increases in fixed assets for internal work”** amounted to Euro 765,028 compared to Euro 891,934 in 2012 and mainly refers to expenses incurred in the period to develop products for the banking, healthcare and manufacturing sectors.

## PRODUCTION COSTS

### RAW MATERIALS, CONSUMABLES AND GOODS

In the first half of 2013 the item **“raw materials, consumables and goods”** amounted to Euro 4,535,567 compared to Euro 3,211,959 in the same period of the previous year. The table below provides details on the items.

Description	30/06/2013	30/06/2012	Variation
Purchase of HW-SW products	2,435,497	1,998,282	437,215
Purchase of HW-SW maintenance	1,814,431	879,762	934,669
Stationery and consumables	67,199	78,121	(10,921)
Fuel and oil	153,142	167,823	(14,681)
Transport and freight rates on purchases	40,682	21,420	19,261
Warranty services on our customers activities	24,616	66,551	(41,935)
<b>TOTAL</b>	<b>4,535,567</b>	<b>3,211,959</b>	<b>1,323,608</b>

## STAFF COSTS

In the first half of 2013 the item **“staff costs”** amounted to Euro 42,020,900 compared to Euro 43,109,771 in 2012. The table below provides details on the item:

Description	30/06/2013	30/06/2012	Variation
Salaries and wages	31,170,394	31,970,812	(800,419)
Social charges	8,494,218	8,617,243	(123,025)
Severance Pay	1,776,044	1,888,933	(112,889)
Other staff costs	580,244	632,783	(52,539)
<b>TOTAL</b>	<b>42,020,900</b>	<b>43,109,771</b>	<b>(1,088,871)</b>

The number of group employees at 30 June 2013 amounted to 2,031 workers, 1,943 of which employees and 88 temporary workers, compared to 2,021 (1,948 employees and 73 temporary workers) at 30 June 2012 and compared to 2,017 (1,923 employees and 94 temporary workers) at 31 December 2012.

## OTHER COSTS

### Other costs for services

In the first half of 2013 the item **“other costs for services”** amounted to Euro 8,740,414 compared to Euro 12,098,890 in 2012. The table below provides details on the item:



Description	30/06/2013	30/06/2012	Variation
Technical and commercial consultancy	2,946,676	5,202,045	(2,255,369)
Administrative/company/legal consultancy	1,063,917	843,671	220,245
Consultancy to subsidiary companies	-	2,448	(2,448)
Data processing service	168,874	397,716	(228,842)
Auditors' fees	217,645	236,715	(19,070)
Travel and transfer expenses	1,469,723	2,066,722	(596,999)
Other staff costs	56,035	130,594	(74,558)
Utilities	681,878	779,214	(97,336)
Advertising and agency expenses	192,767	357,477	(164,710)
HW and SW maintenance	416,904	445,191	(28,287)
Insurance	263,482	257,983	5,499
Costs of temporary staff	526,874	360,166	166,709
Other costs	557,680	914,143	(356,463)
Mail services	177,959	104,805	73,154
<b>TOTAL</b>	<b>8,740,414</b>	<b>12,098,890</b>	<b>(3,358,476)</b>

### Costs for leased assets

In the first half of 2013 the item “**costs for leased assets**” amounted to Euro 2,469,560 compared to Euro 2,674,928 in the same period of the previous year. The table below provides details on the items:

Description	30/06/2013	30/06/2012	Variation
Rental expenses	1,013,135	921,572	91,563
Car rental/leasing	645,034	692,115	(47,081)
Rental of other assets	470,393	250,625	219,768
Royalties	38,812	49,344	(10,532)
Leasing payments	299,671	753,409	(453,737)
Other costs	2,515	7,848	(5,333)
<b>TOTAL</b>	<b>2,469,560</b>	<b>2,674,928</b>	<b>(205,367)</b>

### Sundry operating expenses

In the first half of 2013 the item “**sundry operating expenses**” amounted to Euro 599,218 compared to Euro 685,780 in 2012. The table below provides details on the item:

Description	30/06/2013	30/06/2012	Variation
Annual subscriptions	62,132	68,915	(6,783)
Books and magazines	3,077	16,233	(13,156)
Taxes	124,561	161,773	(37,212)
Stamp duty	56,318	42,109	14,208
Penalties and fines	24,816	28,163	(3,347)
Charitable donations	3,120	-	3,120
Contingency liabilities	25,160	107,205	(82,045)
Bank charges and commissions	214,463	175,245	39,219
Sundry expenses	85,570	86,136	(566)
<b>TOTAL</b>	<b>599,218</b>	<b>685,780</b>	<b>(86,562)</b>

### Inventories and provisions

In the first half of 2013 the item **“inventories and provisions”** amounted to Euro 87,052 compared to Euro 37,825 of the first half of 2012. It mainly refers to the provisions for risks related to tests for research projects that received financing.

## AMORTISATION, DEPRECIATION AND WRITE-DOWNS

### Amortisation and depreciation

In the first half of 2013 **“amortisation and depreciation”** amounted to Euro 1,690,809 compared to Euro 1,386,252 in the first half of 2012 and refers to Euro 885,050 for intangible assets and Euro 805,759 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 84,577 compared to Euro 56,165 in the first half of 2012.

### Doubtful receivables included in current assets

The balance of **“write-downs”** amounted to Euro 137,310 compared to a Euro 436,453 in the first half of 2012 and refers to doubtful receivables unlikely to be collected.

## FINANCIAL INCOME AND CHARGES

### Income from parent companies

In the first half of 2013 the item **“income from parent companies”** amounted to Euro 10,533 compared to Euro 7,170 in the first half of 2012 and refers to interest accrued by the Parent Company Abaco Innovazione S.p.A. for a loan with Exprivia S.p.A. and Exprivia Solutions Srl.

### Income from other investments

In the first half of 2013 the item **“income from other investments”** amounted to Euro 110,890 compared to Euro 38 in the first half of 2012. It mainly refers to the capital gains made following the sale of the equity investment Pervoice S.p.A. (Euro 110,840).

## Other financial income

In the first half of 2013 the item **“other financial income”** amounted to Euro 10,795 compared to Euro 28,084 in the same period of 2012. The table below provides details on the item:

Description	30/06/2013	30/06/2012	Variation
Bank interest receivable	2,783	27,037	(24,254)
Revenues from financial derivatives	1,428	-	1,428
Other interest income	6,584	1,047	5,537
<b>TOTAL</b>	<b>10,795</b>	<b>28,084</b>	<b>(17,289)</b>

## Interest and other financial charges

In the first half of 2013 the item **“interest and other financial charges”** amounted to Euro 1,436,804 compared to Euro 1,500,130 in the same period of the previous year. The table below provides details on the items:

Description	30/06/2013	30/06/2012	Variation
Bank interest payable	721,469	687,642	33,828
Interest on loans and mortgages	378,416	563,436	(185,020)
Sundry interest	309,265	196,567	112,698
Charges on financial products and sundry items	27,654	52,486	(24,832)
<b>TOTAL</b>	<b>1,436,804</b>	<b>1,500,130</b>	<b>(63,326)</b>

## Profit and loss on currency exchange

In the first half of 2013 **“profit and loss on currency exchange”** amounted to Euro 135,639 compared to Euro 91,331 in the first half of 2012.

## INCOME TAXES

In the first half of 2013 **“income taxes”** amounted to Euro 1,061,878 compared to Euro 1,788,450 of the first half of 2012. The table below provides details on the changes compared to the previous period:

Description	30/06/2013	30/06/2012	Variation
IRES	376,169	547,107	(170,938)
IRAP	1,252,573	1,379,629	(127,056)
Prior year taxes	(614,909)	(140,718)	(474,191)
Defferd taxes	(15,961)	(22,259)	6,298
Deferred tax assets	64,006	24,691	39,315
<b>TOTAL</b>	<b>1,061,878</b>	<b>1,788,450</b>	<b>(726,571)</b>

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.

## PROFIT (LOSS) FOR THE PERIOD

The income statement for the first half of 2013 closed with a consolidated profit (after tax) of Euro 537,010.

## Information on the Cash Flow Statement

The **consolidated net financial position** as at 30 June 2013 is Euro -39.2 million, showing a Euro 2.9 million increase over 31 March 2013 and up Euro 4.8 million compared with 31 December 2012.

The ratio between **net working capital** and total revenues as at 30 June 2013 fell from 25% in 2012 to 24%.

## 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 responsible 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:

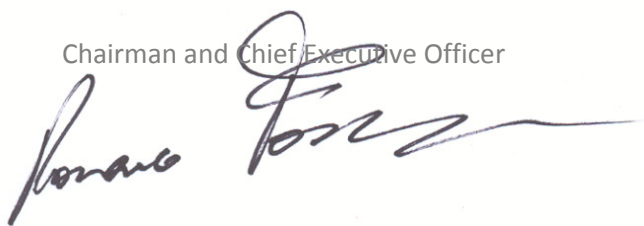
- ✓ Adequacy, in relation to the characteristics of the group and
- ✓ actual application of administrative and accounting procedures to draft the half-year consolidated financial statements for the first half-year as at 30 June 2013.

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, 1 August 2013

Chairman and Chief Executive Officer



Executive Manager responsible for  
Preparing the Corporate Accounts



AUDITORS' REVIEW REPORT ON THE HALF-YEAR  
CONSOLIDATED 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, 2013, 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.

The consolidated interim financial statements present for comparative purposes prior year data and the consolidated interim financial statements of the corresponding period of the prior year. As explained in the notes to the consolidated interim financial statements, the Directors have re-presented comparative figures related to the prior year's consolidated financial statements and to the corresponding period of the prior year consolidated interim financial statements with respect to the data previously reported and audited by us, on which we issued an auditor's report dated 26 March, 2013 and 6 August, 2012, respectively. These changes in comparative figures and related disclosures included in the notes to the consolidated interim financial statements have been audited by us for the purpose of this report.

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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, 2013 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.

Bari, Italy  
August 8, 2013

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.*

## **REPORT OF THE BOARD OF STATUTORY AUDITORS ON THE INTERIM REPORT OF THE EXPRIVIA GROUP AS AT 30 JUNE 2013**

Dear Shareholders,

The following observations are written pursuant to the issuer regulations of CONSOB resolution no. 11971 of 14 May 1999 as amended presently being finalised.

The Board acknowledges to have received the interim directors' report on the first half of 2013 for the Exprivia Group, approved by the Board of Directors on 1 August 2013, in observance of the deadline established in art. 2428 (3) of the Italian Civil Code.

Concerning this issue, the following is taken into consideration:

- During the period reflected in the accounting statements as at 30/06/2013 the company drew up, it performed the supervisory activity required by law, in keeping with the principals of conduct of boards of statutory auditors recommended by the Italian accounting profession.
- As required by the above-mentioned CONSOB regulations, the interim report has been drawn up in observance of the specific provisions of said regulations and of the statutory rules on the subject of financial statements.
- Accounting policies and consolidation principles in line with those used for drawing up the annual financial statements were adopted for forming the holding company's consolidated final statement of the first six months of 2013. The directors prepared the report adhering to the international accounting standards.
- The balance sheet and income statement formats adopted for the accounting statements in the interim report comply with the provisions of the regulations issued by CONSOB.

Please note that the consolidation area has not changed since 31/12/2012.

- With regard to the comments on business activities, the information provided is consistent and complete as far as the requirements of the above-mentioned CONSOB resolution are concerned. The directors periodically reported to the Board of Statutory Auditors in full on the transactions of greater economic, financial and equity significance that Exprivia S.p.A. carried out during the first



half of 2013. These operations are analytically described in the Interim Directors' Report, to which you are referred for further details.

- The Directors' Report also gives an account of the key performance highlights following the date of 31/12/2012, which we are reporting hereunder:

**- SIGNIFICANT EVENTS OF THE FIRST HALF OF 2013**

**COMPANY EVENTS**

The Exprivia Board of Directors meeting of 12 March 2013 co-opted Prof. Vito Albino as a third Independent Director, bringing the number of members of the Board of Directors to ten.

On 12 March 2013, the Board of Directors of Exprivia SpA assigned Ms. Valeria Savelli the position of head of Internal Audit.

On 18 April 2013, the shareholders' meeting of Exprivia SpA met on first call and it:

- approved the financial statements at 31/12/2012
- approved the Corporate Governance and Ownership Report
- approved the Remuneration Report for directors and management with strategic responsibility of the Exprivia Group
- confirmed the appointment of Prof. Vito Albino as Independent Director
- approved issue of a new authorisation to purchase and dispose of treasury shares, pursuant to articles 2357 and 2357-ter of the Italian Civil Code.

**Acquisitions/sales in the Exprivia Group**

On 10 April 2013, the shareholders' meeting of Exprivia do Brasil Serviços de Informatica Ltda approved the capital increase by Exprivia SpA for an amount of Euro 510,000.00 and by Simest SpA for an amount of Euro 490,000.00. By virtue of this increase, the company is now owned as follows: Exprivia SpA: 53.680 % / Simest SpA: 46.145 % / Christian Roberto Maggioni 0.175 %.

On 23 April 2013 the Company covered losses and replenish the share capital of Datilog Srl. Since the minority shareholder waived participation in this operation, Exprivia SpA became sole shareholder.

On 30 April 2013, the sale agreement was concluded with the shareholder G&K for the sale of Realtech Italia SpA's shares to Exprivia SpA, which became the sole shareholder.

On 3 May 2013, the sales agreement was concluded by Exprivia SpA for the sale of TraxAll Srl's shares owned by the company to the majority interest UVET SpA.

On 29 May 2013, the subsidiary GST S.r.l. sold its 24.9% interest in the company PerVoice S.p.a.

### **Company streamlining project**

On 23 April 2013, the Board of Directors of Exprivia Spa approved a project to streamline the Exprivia Group consisting of the following:

- transformation of the juridical form into private limited company for all 100% owned companies, which took place on 08/05/2013 for Exprivia Solutions SpA, Exprivia Projects SpA, Svimservice SpA and Wel.Network SpA, and the single auditor was appointed.
- Merger by incorporation of the companies Exprivia Solutions Srl and Infaber Srl into Exprivia SpA, previously approved by the corresponding boards of directors and shareholders' meetings with the "Plan for Merger" previously lodged at the Company's Register. The merger deed is expected to take place by the end of September.
- Merger by incorporation of the companies Realtech Italia Srl and Datilog Srl into Wel.Network Srl, previously approved by the corresponding boards of directors and shareholders' meetings with the "Plan for Merger" previously lodged at the Company's Register. The actual merger deed is expected to take place by the end of September.

The incorporating company Wel.Network Srl will change its name to Exprivia Enterprise Consulting Srl at the same time Realtech and Datilog are incorporated.

**- COMPANY EVENTS AND ACQUISITIONS/SALES WITHIN EXPRIVIA GROUP AFTER 30 JUNE 2013**

There were no events after the closing of the financial statements at 30 June 2013 which could have significant impacts on the financial Statements themselves.

**- INTER-COMPANY RELATIONS**

The relations are clearly and thoroughly described in detail in the Directors' Report.

**- RELATIONS WITH AFFILIATES AND ASSOCIATED COMPANIES**

On 27 November 2010 the Board of Directors of the Company adopted the "Procedure for Transactions with Affiliates".

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

During the first half of 2013, no relevant transactions were carried out pursuant to the procedure of transactions with affiliates.

On 23 April 2013, Exprivia SpA made a transaction of minor importance with an affiliate by granting an interest-bearing loan of Euro 400,000 to its parent company Abaco Innovazione SpA. The transaction is described in detail in the Directors' Report. Therefore, total receivables for interest-bearing loans to the parent company Abaco Innovazione SpA amount to Euro 600,000 as of today.

- As for the internal control system and administrative-accounting organisation, which is undergoing constant development, we believe that they are adequate for the Group's needs and reliable for correctly representing operational transactions.
- The Board of Statutory Auditors became acquainted with and supervised, as far as it is competent, observance of the principles of correct administration through direct observations, attending Board of Directors, Internal Control Committee and Remuneration Committee meetings, collecting information from Company management and meetings with the management of the Independent Auditors for reciprocal exchange of data and important information purposes.

As for the foregoing, the Board of Statutory Auditors makes no further remarks on the interim report as at 30 June 2013 other than those made above, pursuant to the above-mentioned CONSOB resolution.

- The interim report underwent a regulatory audit by the Independent Auditors PKF Italia S.p.A., which it issued in its report dated 08/08/2013. The Independent Auditors confirmed in said report that the half-year consolidated financial statements of the company were prepared in compliance with the international accounting standard applicable for interim financial reporting (IAS 34). The Independent Auditors limited themselves to pointing out information requests contiguous with those already set out in the Report on the Financial Statements as at 31/12/2012.

Molfetta, 9 August 2013

**Board of Statutory Auditors**

Renato Beltrami, Chairman