Annual Report
as at 31 December 2014

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LETTER TO SHAREHOLDERS

Dear Shareholders,

There is optimism for the future of the global economy. In this decade, until 2020, it will grow by 4.1%, which is much more than the previous decade when growth amounted to 3.4%. The numbers show an outlook that is better than what we think or perceive. According to widely accepted forecasts, the United States will grow at a robust 2.5%, the Eurozone 1.5%, Japan 1% and China 7.5%. In this economic outlook the expectations of entrepreneurs are improving with respect to market demand and the evolution of the job market. Investments are making a comeback.

Italy is no longer excluded from the path to recovery. Following a change in certain macroeconomic variables last January, the International Monetary Fund raised Italian growth forecasts for 2015. Even the Bank of Italy, and more so Confindustria, confirmed IMF estimates for the year in progress, providing better assumptions.

Also the ICT market in Italy in 2014 gave signs that the decline of recent years (about 4.5% per year) should level off at -1.4%. The initial forecasts (source: Assinform) confirm the inversion trend: +1.1% for 2015, driving a renewed political desire, at least in stated intent, to proceed with digitalisation of the country.

In this context, in 2014, Exprivia grew at a double-digit rate and maintained its profitability, which rose in absolute value. A contribution to this considerable growth for nine months (by about euro 12 million) was given by the acquisition of the company Exprivia Telco&Media (formerly Devoteam AuSystem Italia), to which was added growth in the group by about euro 4 million.

Concerning the Italian market, the group benefitted from the effects of the company reorganisation project launched in 2013, which resulted in a rise in profitability in absolute value (by about euro 2.3 million). On the other hand, foreign markets, which remains a priority to acquire market share, slowed down and profits decreased, unlike last year. In any case, this was a characteristic of the markets where the company operates and in the absence of a historical series, high volatility cannot be excluded.

In 2014, consolidated revenues amounted to euro 147.2 million, an increase of 12.3% compared to 2013 (euro 131.1 million). Consolidated net revenues amounted to euro 141.6 million, an increase of 11.9% compared to the 126.6 million of 2013. Consolidated EBITDA amounted to euro 14.5 million (9.8% of revenues), a 10.5% increase compared to last year (13.1 million in 2013). Profit amounted to euro 3 million, a 6.3% rise over the 2.9 million of 2013. The results of financial management are to be appreciated. They brought the Net Financial Position of the Group to euro -29.7 million as at 31 December 2014, a clear improvement over the -36.1 million of 31 December 2013. Although the Group maintained a remarkable level of investments (euro 3.9 million), during the year it generated liquidity for 6.4 million as a result of positive cash flows resulting from income management and net working capital management, which went from 28% in 2012 to 23% in 2013 and to 17% in 2014.

Internally, the company reorganisation project, announced in April 2013, continued to be executed by the Group. On 27 May, the Exprivia healthcare division was transferred to the subsidiary Exprivia Healthcare IT. On 20 June, the Exprivia banking division was transferred to the subsidiary Sis.Pa., which changed its name to Exprivia Digital Financial Solutions.

The business hubs created in this way are equipped with all the governance tools and assets needed to reach their core markets directly, and they have the flexibility needed for internal processes and cash flow management. The reduction in the number of companies made administrative and governance processes more efficient, with a significant reduction in the operating costs of Group companies in 2014.

The table below shows the performance of revenues by business segment:

Exprivia Group (value in K €)	31.12.2014	31.12.2013	Variations	Variations %
Banks and Financial Istitutions	27,401	27,348	53	0%
Industry and Aerospace	14,486	16,544	-2,057	-12%
Energy	14,760	12,875	1,885	15%
Telcom and Media	11,918	326	11,592	3556%
Health and Healthcare	24,352	22,744	1,608	7%
Utilities	28,183	26,218	1,965	7%
Public Administration	6,409	5,163	1,247	24%
International Business	12,776	14,166	-1,390	-10%
Other	1,363	1,219	145	12%
Total	**141,649**	**126,601**	**15,048**	**11.89%**

The holding company showed good performance in the Energy (+15%), Utilities (+7%), and Public Administration (+24%) segments. In terms of profits, they more than doubled in the utilities market (+2 million), while the performance in the banking market remained constant with high levels of profitability. Revenues from the sale of group healthcare and finance proprietary licences doubled, which is a good sign that our products compete well in new foreign markets.

There was a major effort to penetrate international markets. In Spain the offer portfolio for ERP applications and SAP services was expanded to business intelligence solutions for the healthcare segment and web services. In Mexico, sales and delivery actions continued with major private and public companies operating in the infrastructure construction segment in Latin America. In Brazil, business grew in the IT Security sector and in the development of SAP ERP projects. Operations started up in the United States with the incorporation of the company Prosap Consulting in New York, USA. In China, Exprivia Asia Ltda was incorporated in Hong Kong, which in turn incorporated Exprivia IT Solutions (Shanghai) Co. Ltd as sole shareholder. The company is specialised in providing professional services in IT infrastructure and SAP.

In conclusion, despite an economic cycle that is still unfavourable, our Group grew and maintained its operations and customer-base in Italy and abroad while improving all its economic-financial indicators.

For this reason I requested that Group management should support me in this difficult, yet exciting period of development following the new business plan until 2020, according to which there will be three two-year periods of incremental growth, so as to take our company to a leading position amongst the major IT groups in Italy.

The Chairman

Domenico Favuzzi

SIGNIFICANT GROUP FIGURES AND RESULT INDICATORS

The table below gives a summary of the main consolidated economic, capital and financial data of the Group as at 31 December 2014 and 31 December 2013.

	31.12.2014	31.12.2013
Total production revenues	147,244,871	131,121,779
net proceeds and variation to work in progress to order	141,649,213	126,601,062
increase to assets for internal work	1,395,638	1,652,966
other proceeds and contributions	4,200,020	2,867,751
Difference between costs and production proceeds (EBITDA)	14,452,039	13,072,941
% on production proceeds	9.8%	10.0%
Net operating result (EBIT)	9,864,333	8,704,694
% on production proceeds	6.7%	6.6%
Net result	3,037,163	2,855,879
Group net equity	71,766,104	69,288,199
Total assets	193,925,754	184,344,031
Capital stock	26,410,269	26,342,871
Net working capital (1)	24,650,290	30,264,899
Cash flow (2)	13,838,345	13,871,412
Fixed capital (3)	91,666,633	91,678,248
Investment	3,516,259	4,874,278
Cash resources/bonds (*a*)	14,224,271	9,398,811
Short-term financial debts (*b*)	(31,193,836)	(36,512,829)
Medium-/long-term financial debts (*c*)	(12,764,130)	(9,000,105)
Net financial position (4)	(29,733,695)	(36,114,123)

(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 as at 31 December 2014, compared with the same period of the previous year.

Exprivia Group	31/12/2014	31/12/2013
Index ROE (Net income / Equity Group)	4.23%	4.12%
Index ROI (EBIT / Net Capital Invested)	9.48%	8.02%
Index ROS (EBIT / Revenues from sales and services, net of changes in inventories of raw materials and finished products))	6.96%	6.88%
Financial charges / Net profit	1.093	0.982

The table below shows the main capital and financial indicators of the Group as at 31 December 2014 and at 31 December 2013.

Exprivia Group	31/12/2014	31/12/2013
Net Financial Debt / Equity Capital	0.41	0.52
Debt ratio (Total Liabilities / Equity Capital)	2.70	2.66

In 2014, **consolidated revenues** amounted to euro 147.2 million, an increase of 12.3% compared to 2013 (euro 131.1 million).

Net consolidated revenues, including the change in inventories, amounted to euro 141.6 million, an increase of 11,9% compared to 2013 (euro 126.6 million).

Consolidated **EBITDA** totalled Euro 14.5 million (9.8% of revenues), up 10.5% over last year (euro 13.1 million in 2013).

Consolidated **EBIT** amounted to euro 9.9 million, also up (by 13.3%) compared to 2013 (euro 8.7 million).

Profit before taxes stood at euro 7 million (4.7% of revenues), a net improvement over the same period of 2013 with a 15.4% rise (euro 6 million in 2013).

Lastly, **year-end profit** amounted to euro 3 million, a 6.3% rise compared to euro 2.9 million in 2013.

The **Net Financial Position** as at 31 December 2014 was euro -29.7 million, a significant improvement from the euro -36.3 million at 30 September 2014 and the euro -36.1 million at 31 December 2013. Although a significant level of investments was maintained (euro 3.9 million), the Group generated liquid assets during the year amounting to euro 6.4 million as a result of positive cash flows from income management (euro 8.5 million) and net working capital management (euro 5.4 million).

Group **Shareholders' equity** totalled euro 71.8 million as at 31 December 2014, compared to euro 69.3 million as at 31 December 2013.

SIGNIFICANT EXPRIVIA FIGURES AND RESULT INDICATORS

The table below outlines the main economic, capital and financial data of the company. In 2014 the Holding Company Exprivia SpA sold its banking and finance divisions (effective 30 June 2014) as well as the healthcare division (effective 1 June 2014).

	31.12.2014	31.12.2013
Total production revenues	85,783,306	79,253,081
net proceeds and variation to work in progress to order	81,532,270	75,459,922
increase to assets for internal work	561,084	1,291,890
other proceeds and contributions	3,689,951	2,501,269
Difference between costs and production proceeds (EBITDA)	5,989,149	7,175,490
% on production proceeds	7.0%	9.1%
Net operating result (EBIT)	4,047,177	4,379,061
% on production proceeds	4.7%	5.5%
Net result	2,956,516	4,977,306
Group net equity	70,388,536	67,520,977
Total assets	161,998,245	163,763,883
Capital stock	26,410,270	26,342,871
Net working capital **(1)**	1,029,415	13,093,391
Cash flow **(2)**	3,661,500	8,464,846
Fixed capital **(3)**	95,933,587	93,817,015
Investment	3,574,792	6,318,092
Cash resources/bonds ***(a)***	7,703,098	5,149,487
Receivables (payables) intercompany short-term (b)	872,453	(2,341,870)
Receivables (payables) intercompany m/l-term (b)	1,488,083	1,488,083
Short-term financial debts ***(b)***	(21,627,988)	(27,777,160)
Medium-/long-term financial debts ***(c)***	(6,457,941)	(8,140,022)
Net financial position **(4)**	(18,022,295)	(31,621,482)

(1) - **"Net working capital"** is calculated as the sum of total current assets less liquidity and total 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) + (d + e)

The table below shows the main economic indicators of the company for 2014 compared to 2013:

Exprivia	31/12/2014	31/12/2013
Index ROE (Net income / Equity Group)	4.20%	7.37%
Index ROI (EBIT / Net Capital Invested)	4.43%	4.46%
Index ROS (EBIT / Revenues from sales and services, net of changes in inventories of raw materials and finished products))	4.95%	5.82%
Financial charges / Net profit	77.81%	43.53%

The table below shows the main capital and financial indicators of the company as at 31 December 2014 and at 31 December 2013.

Exprivia	31/12/2014	31/12/2013
Net Financial Debt / Equity Capital	0.26	0.47
Debt ratio (Total Liabilities / Equity Capital)	2.30	2.43

Revenues amounted to euro 85.8 million, compared to euro 79.2 million in 2013.

Net revenues, including changes in inventories, amounted to euro 81.5 million, compared to euro 75.5 million in 2013.

EBITDA amounted to euro 6 million (euro 7.2 million in 2013).

EBIT amounted to euro 4 million (euro 4.4 million in 2013).

Lastly, **net profit** totalled euro 3 million compared to euro 5 million in 2013.

The **Net Financial Position** as at 31 December 2014 was euro -18 million compared to euro -31.6 million in 2013.

Lastly, **Shareholders' equity** as at 31 December 2014 amounted to euro to 70.4 million compared to euro 67.5 million in 2013.

CORPORATE BODIES

Board of Directors

The Board of Directors of Exprivia SpA, whose term ended on 23 April 2014, was composed as follows:

Board Member	Office	Executive/ Non-Executive	Place and Date of Birth	First Appointment
Domenico Favuzzi	Chairman and Chief Executive Officer	Executive	Molfetta (BA) 18/04/1962	29 June 2005
Dante Altomare	Vice Chairman	Executive	Molfetta (BA) 18/09/1954	29 June 2005
Pierfilippo Vito Maria Roggero	Chief Executive Officer	Executive	Milan 22/06/1954	Board Member 28 February 2005 CEO 2 January 2012
Giancarlo Di Paola	Executive Officer	Executive	Bari 22/05/1952	31 March 2008
Marco Forneris	Executive Officer	Executive	Caluso (TO) 19/02/1951	28 April 2011
Rosa Daloiso	Director	Non-Executive	Margherita di Savoia (FG) 5/04/1966	31 March 2008
Valeria Savelli	Director	Non-Executive	Matera 15/10/1962	28 April 2011
Alessandro Laterza	Independent Director	Non-Executive	Bari 09/02/1958	31 March 2008
Giorgio De Porcellinis	Independent Director	Non-Executive	Milan 21/01/1948	25 June 2009
Vito Albino	Independent Director	Non-Executive	Bari 10/09/1957	12 March 2013

The current Board of Directors was appointed by the Exprivia SpA Shareholders' Meeting held on 23 April 2014 from a sole list submitted by the Shareholder Abaco Innovazione SpA, at the time in possession of no. 24,892,855 shares (47.98% of share capital).

As at 31 December 2014 the Board of Directors of Exprivia SpA, whose term of office will expire when the year-end 2016 financial statements are approved, was composed as follows:

Board Member	Office	Executive/ Non-Executive	Place and Date of Birth	Gender	First Appointment
Domenico Favuzzi	Chairman and Chief Executive Officer	Executive	Molfetta (BA) 18/04/1962	M	29 June 2005
Dante Altomare	Vice Chairman	Executive	Molfetta (BA) 18/09/1954	M	29 June 2005
Vito Albino	Independent Director (*)	Non-Executive	Bari 10/09/1957	M	12 March 2013
Angela Stefania Bergantino	Independent Director (*)	Non-Executive	Messina 24/09/1970	F	23 April 2014
Rosa Daloiso	Director	Non-Executive	Margherita di Savoia (FG) 5/04/1966	F	31 March 2008
Mario Ferrario	Director	Non-Executive	Padua 05/02/1946	M	23 April 2014
Marco Forneris	Director	Non-Executive	Caluso (TO) 19/02/1951	M	28 April 2011
Alessandro Laterza	Independent Director (*)	Non-Executive	Bari 09/02/1958	M	31 March 2008
Valeria Savelli	Director	Non-Executive	Matera 15/10/1962	F	28 April 2011

Gianfranco Viesti	Independent Director (*)	Non-Executive	Bari 09/08/1958	M	23 April 2014

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

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

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. For further details see the report on Corporate Governance and Ownership Structure (pursuant to art. 123-bis TUF) available on the Exprivia SpA website (www.exprivia.it), Investor Relations section, Corporate Governance, corporate documents.

Two technical committees were also established within the Board when the Board of Directors was renewed. At 31 December 2014 they were composed as follows:

The Control and Risk Committee comprising Alessandro Laterza, Independent Director - Chairman of the Committee, and the Independent Directors Vito Albino, Angela Stefania Bergantino and Gianfranco Viesti.

The Remuneration and Appointments Committee comprising Alessandro Laterza, Independent Director - Chairman of the Committee, and the Independent Directors Vito Albino and Gianfranco Viesti.

Board of Statutory Auditors

The Board of Statutory Auditors of Exprivia SpA, whose term ended on 23 April 2014, was composed as follows:

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

The current Board of Statutory Auditors was appointed by the Shareholders' Meeting held on 23 April 2014 from a sole list submitted by the Shareholder Abaco Innovazione SpA, at the time in possession of no. 24,892,855 shares (47.98% of share capital).

As at 31 December 2014 the Board of Statutory Auditors, whose term of office will end when the year-end 2016 financial statements are approved, was composed as follows:

Member	Office	Place and Date of Birth	Gender
Ignazio Pellecchia	Chairman	Bari 28/06/1968	M
Anna Lucia Muserra	Regular Auditor	Genoa 21/09/1962	F
Gaetano Samarelli	Regular Auditor	Molfetta (BA) 07/12/1945	M
Valeria Cervellera	Substitute Auditor	Bari 07/08/1969	F
Mauro Ferrante	Substitute Auditor	Bisceglie (BA) 01/11/1964	M

Independent Auditors

The PKF Italia SpA mandate as Independent Auditors for the Exprivia Group ended with the approval of the 2013 year-end financial statements.

On 23 April 2014, the shareholders' meeting appointed **PricewaterhouseCoopers SpA** as independent auditors for the years 2014 – 2022.

DIRECTORS' REPORT

EXPRIVIA: ONE STEP AHEAD

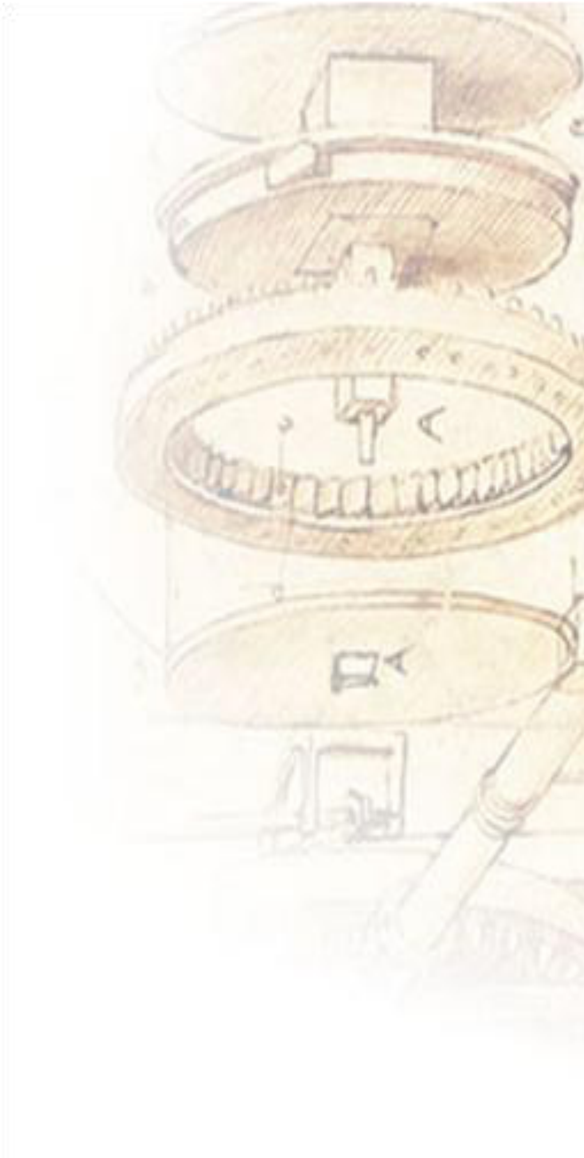
The Company

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

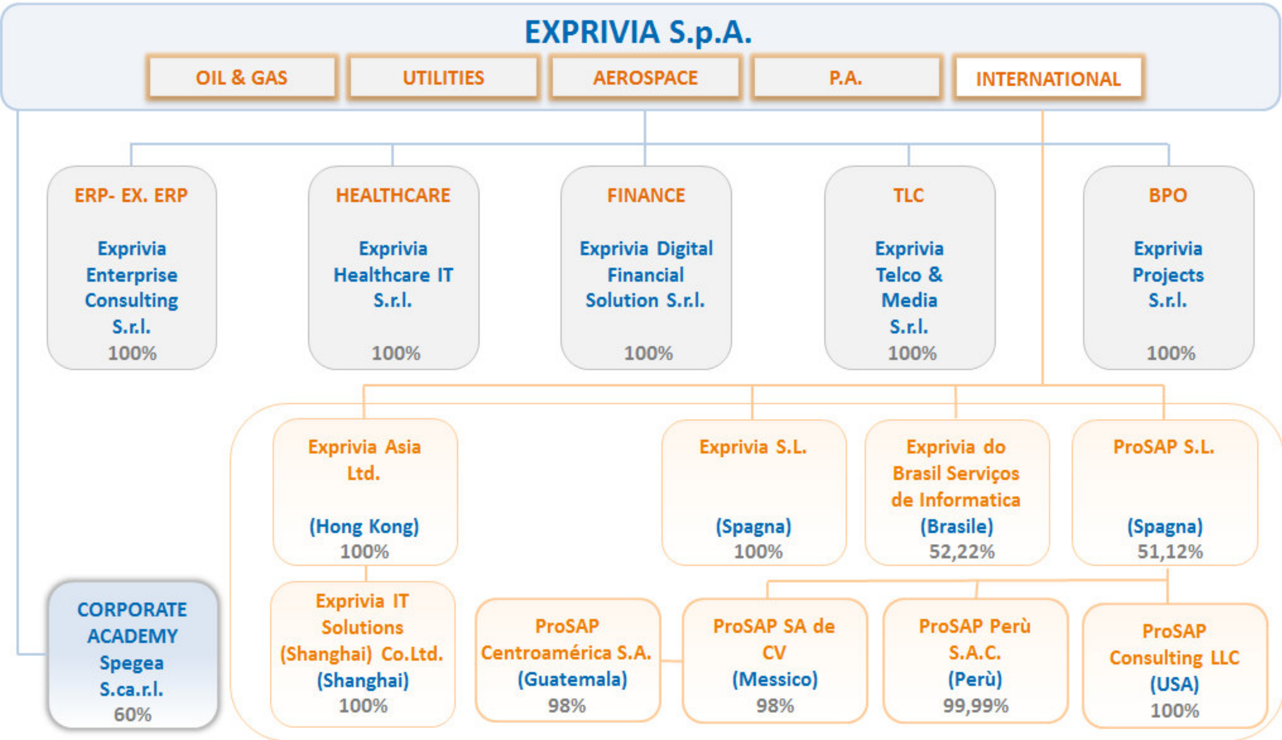
Our constant investments in research and development make us stand out as a benchmark for the creation of innovative solutions to meet the increasingly sophisticated demands of our customers.

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 2,000 people distributed between its headquarters in Molfetta (BA), branches in Italy (Milan, Rome, Piacenza, Trento, Vicenza, Genoa, Turin and Palermo) and abroad (Spain, USA, Mexico, Guatemala, Peru, Brazil and China).

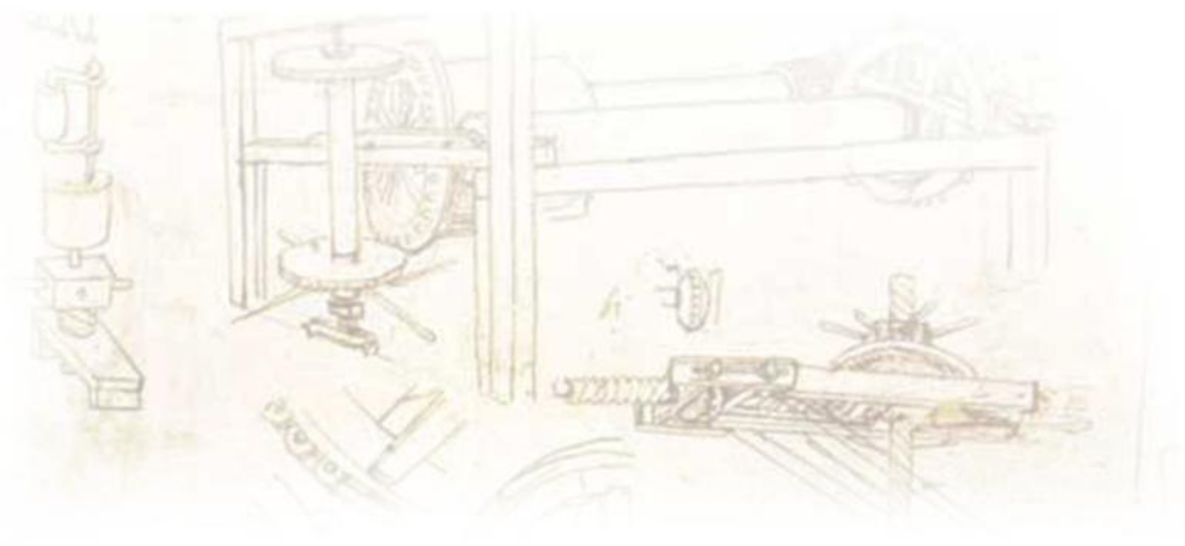
Exprivia has developed an integrated management system that conforms to UNI EN ISO 9001, UNI EN ISO 13485, UNI CEI ISO/IEC 20000-1 e UNI CEI ISO/IEC 27001 for the effective management of company processes, guaranteeing the greatest transparency inside and outside the company.



The Group



EXPRIVIA S.p.A.
OIL & GAS
UTILITIES
AEROSPACE
P.A.
INTERNATIONAL
ERP- EX. ERP
Exprivia Enterprise Consulting S.r.l.
100%
HEALTHCARE
Exprivia Healthcare IT S.r.l.
100%
FINANCE
Exprivia Digital Financial Solution S.r.l.
100%
TLC
Exprivia Telco & Media S.r.l.
100%
BPO
Exprivia Projects S.r.l.
100%
Exprivia Asia Ltd.
(Hong Kong)
100%
Exprivia S.L.
(Spagna)
100%
Exprivia do Brasil Serviços de Informatica
(Brasile)
52,22%
ProSAP S.L.
(Spagna)
51,12%
CORPORATE ACADEMY Spegea S.ca.r.l.
60%
Exprivia IT Solutions (Shanghai) Co.Ltd.
(Shanghai)
100%
ProSAP Centroamérica S.A.
(Guatemala)
98%
ProSAP SA de CV
(Messico)
98%
ProSAP Perù S.A.C.
(Perù)
99,99%
ProSAP Consulting LLC
(USA)
100%



SUBSIDIARIES

Exprivia Healthcare IT Srl is 100% owned by Exprivia. It is based in Trento and has euro 1,982,190.00 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. The Healthcare branch was transferred to the Company by the holding company Exprivia SpA in 2014.

Exprivia Digital Financial Solution Srl, formerly Sistemi Parabancari Srl, is 100% owned by Exprivia. Based in Milan and with euro 1,586,919.00 share capital (fully paid-up), it is the leading company in outsourcing IT, legal and administrative services for factoring firms in Italy. The Bank branch was transferred to the Company by the holding company Exprivia SpA in 2014.

Exprivia Telco & Media, formerly Devoteam auSytem SpA, 100%-owned by Exprivia since 16 April 2014, with registered office in Milan and share capital of euro 1,200,000.00, has operated in the Italian market for more than 15 years as a reference company in the Telecommunications and Media sector.

Exprivia Enterprise Consulting Srl is 100% owned by Exprivia. It is based in Milan 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.

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 services.

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

Consorzio Exprivia Scarl is 70% owned by Exprivia SpA and 30% is held by other wholly-owned subsidiaries in the Group, and its share capital is euro 20,000.00. The object of this consortium is to provide assistance to the Exprivia Group in public tender competitions for project development and providing services.

FOREIGN COMPANIES

Profesionales de Sistemas Aplicaciones y Productos S.L. (ProSap), a Spanish company in operation since 2002, also through its subsidiaries in **Mexico** (ProSAP SA de CV), **Guatemala**(ProSAP Centroamerica S.A.), **Peru** (ProSAP Perù SAC) and the **USA** (ProSAP Holding Inc and ProSAP Consulting LLC), it provides professional services in the SAP environment and services for systems integration and application management for important medium and large customers. Exprivia SpA controls the company with a 51.12% share.

Exprivia S.L., incorporated in April 2008 in Madrid, is dedicated to the development of IT solutions and systems for the Spanish and Latin American healthcare market; Exprivia SpA became sole shareholder on 24 June 2014, having previously held 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 52.22% share while the company Simest it holds 47.70%.

Exprivia Asia Ltd, a company operating in Hong Kong to act on behalf of Exprivia SpA, its sole shareholder, in the Far East in all market sectors considered strategic to the Exprivia Group. Exprivia Asia Ltda incorporated Exprivia IT Solutions (Shanghai) Co. Ltd as sole shareholder. The company is specialised in providing professional services in IT infrastructure and SAP.

Strategic Shareholdings

ACS SpA, 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 is based in Rome and Matera.

Software Engineering Research & Practices S.r.l, 6% held by Exprivia SpA, 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)".

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

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

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

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

Distretto H-BIO Puglia, a consortium company based in Bari, it is known as the "Puglia technological district for human healthcare and biotechnologies". It will develop its operations in the strategic areas of products for molecular diagnostics and integrated diagnostics, treatment and rehabilitation products and bioinformatics products.

Consorzio SI-LAB is a consortium for innovation services set up by Daisy-Net as a result of the MIUR funding project for new public and private laboratories. It brings together companies and universities in Puglia and operates in clusters with similar laboratories in Calabria and Sicily. The focus of SI-Lab is the integration of services, which are then experimented in the field of healthcare services.

Italy Care, a consortium of which Exprivia has been a member since 2013 together with Farmalabor Srl, Villa Maria Care & Research Group, and MASMEC Biomed. It was established on 18 March 2014 and represents a consolidated and effective expression of the healthcare services chain with the aim to optimise results and investments in healthcare. Penetration of international markets plays an essential role in the mission of Italy Care. Promoting a winning image in the healthcare chain that crosses borders is the goal of the consortium.

Cefriel is a consortium company in operation since 1988 as a centre of excellence for innovation, research and training in the Information & Communication Technology sector. Its main goal is to strengthen relations between universities and business through a multidisciplinary approach, starting from business needs and integrating the results of research, the best technologies on the market, emerging standards and the reality of industrial processes to innovate or develop new products and services. On 4 July 2014, Exprivia SpA acquired a 5.78% share.

THE EXPRIVIA BUSINESS MODEL

The Exprivia Group is now one of the leading IT companies in Italy specialised in the design, development and integration of innovative software solutions and services. It boasts a wide range of skills acquired in over two decades of operations in its core market.

Its constant attention to expansion and differentiation is demonstrated by its over 2,000 customers, who every day receive the support of our experts with an extensive collection of proprietary solutions and our partners, together with the high-level technological skills that make them unique.

The Group's business model is distinguished by market segmentation, as follows:

- Energy
- Utilities
- Health and Healthcare
- Industry & Aerospace
- Banks, Finance and Insurance
- Public Administration
- Telco & Media

MARKETS

Energy

In the Energy 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.

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 extensive knowledge in the processes of the companies operating in the oil and natural gas markets, together with the knowledge of innovative technological platforms, enable the group to be a partner of reference for core process projects (Work & Asset Management, Engineering & Automation) as well as non-core projects (AFC, HR, dematerialisation and storage).

Utilities

Utilities companies are going through a complex yet historic period characterised by profound changes related to the liberalisation process and company mergers, which subject them to increasingly stiff competition.

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.

In this context, certain factors become particularly important such as those related to the separation of infrastructure management from services, management efficiency and profit control, service level measurement, etc.

Exprivia supports its customers with solutions for the development and management of transversal and core processes. In particular, it proposes solutions that aim to ensure integrated management of administrative processes, operational process efficiency, quality of services to customers, process performance and service levels.

Health and Healthcare

Patient treatment has always been the focus of all the services provided by the healthcare system.

Starting from our focus on the patients and the continuous improvement of the healthcare services destined for 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.

500 healthcare institutions and hospitals, for a total 20 million patients receiving treatment: this is the result of the daily commitment ensured by a team of 350 professionals and over thirty years of experience in the healthcare industry.

Exprivia developed **e4cure** for the healthcare market, a suite of solutions that makes it possible to link under a single circuit all regional healthcare providers, from healthcare institutions to family physicians, to certified private facilities, also offering online services. **e4cure** meets all the needs of the healthcare market: such as governance and control at a **regional level** (Regions, Regional Agencies), **local care** provided by local healthcare providers (ASL) and **hospital treatment** (hospitals, clinics, public and private healthcare facilities).

Industry & Aerospace

The value of IT comes out only if the tool and solutions are perfectly integrated to meet the specific needs 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 partnership with SAP set up over ten years ago makes Exprivia an important partner in Italy and on an international scale, also due to the 500 professionals certified and 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 Enterprises

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.

As part of the Manufacturing Execution System (MES) solutions are developed based on Simatic IT, Siemens Industry Software and with Service Oriented architectures.

In the retail and wholesale segment Exprivia provides innovative solutions for any type of process (from back office to points of sale) for any type of reporting and analysis requirement and for any type of activity, whether 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, Discrete and Process Manufacturing.

SMEs

Also small companies can enjoy all the benefits of IT that large enterprises have with ad hoc solutions and costs for smaller companies. With this spirit Exprivia developed tools designed for SMEs with advanced features that cover all the main core processes of the company such as finance, sales and logistics. IT management, service desk, server and desktop virtualisation services are also available to meet infrastructure needs.

In the application management field, the large number of factories spread out all over Italy and abroad enables Exprivia to propose structured offers while guaranteeing high service levels wherever needed.

Banks, Finance and Insurance

The customers of banks and financial institutions are increasingly more demanding and require non-stop availability wherever needed and with any device. The experience of Exprivia comes from over 25 years of partnerships with leading credit groups and institutions in Italy and abroad.

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 an ever changing sector and requires companies to constantly revise their business models. 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 institutions of all sizes spread across Europe. The proprietary solutions support the various phases of the credit life cycle from an operational and decision-making standpoint: from preliminary procedures to periodic monitoring and management of disputes.

Operational Management

Exprivia works side-by-side with its customers to give support in operational management of IT systems and provided on-site or through nearshoring. 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 operational risk: these are the essential problems that banks and all companies with systems accessed by a large number of users are trying to solve with "technological security tools". The value of security for banks is led driven by several drivers that converge into a single need: make infrastructure, access and processes secure.

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.

Multichannel

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.

Public Administration

The Public Administration market is represented by IT solutions that streamline the processes of organisations to increase the quality and speed of services provided to citizens and businesses. The recent modernisation policy of the Public Administration has generated a great demand for operating tools and models able to ensure significant improvement in services and substantial rationalisation of public spending.

Reconciling optimisation of spending with service quality is a goal the Public Administration can pursue only by using more innovative technologies that make it possible to raise efficiency in providing those services.

In this context Exprivia has developed increasingly effective solutions to computerise processes, ensure flexible and efficient management and at the same time to improve and intensify communications between administrations, citizens and businesses.

The decade-long presence in central and local Public Administration ensures customers of the Group receive the benefit of the process skill and know-how in all aspects of Public Administration.

The reforms in Public Administration spurred the adoption of innovative IT technologies to quickly achieve tangible results in terms of spending optimisation and process engineering. 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 management of Local Entities (financial statements and accounting, human resources, management control, demographic services, document management, social services, etc.)
- eGovernement aimed at citizens, companies and institutions
- eProcurement to support purchase processes and monitor supplier performance
- solutions for the management, storage and sharing of electronic documents
- solutions for planning and control through business intelligence platforms and 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 exchanging information between entities, citizens and businesses through a single point of access
- solutions for system integration, business continuity and disaster recovery

Telco & Media

TELECOMMUNICATIONS

The Telecommunications sector is characterised by the constant search for value-added services to provide to customers together with the need to offer competitive prices to maintain market share.

In the Telecommunications sector, Exprivia provides solutions for the **key processes of mobile and landline network operators** and a complete and innovative range of **systems integration** for both business support and operational support.

Through its centre of excellence in the field of **Network Transformation**, **OSS** and **Provisioning Systems** Exprivia provides support to its customers in the telecommunications market for the following processes:

- Identification of **best practices for network integration** guaranteeing minimal impact on operational capacity and costs
- Management of **technological migration phases**, reducing operational costs while ensuring the customer experience remains optimum
- Definition and management of **Key Performance Indicators** in the client network, highlighting the most sensitive indicators in terms of network performance and the cost/revenue ratio of services
- Maximise **QoE**, ensuring network monitoring and control with particular attention to the migration to standard LTE (radio component, access and transport)

In the centre of excellence for **Connected Device** applications Exprivia developed M2M platforms and IVR applications, Unified Communication Systems, mobile eApplications for Smartphones and Tablets.

MEDIA

For the Media market we work with companies to provide them with **Digital Transformation** solutions by defining an integrated strategy that comprises content management, Web 2.0 applications, search engine optimisation and social media building synergy between content, user profile and information programming.

We also offer solutions for delivering **video over cellular, point-to-point or in broadcasting** making it possible for remote users to share videos of unexpected or planned events using standard mobile devices.

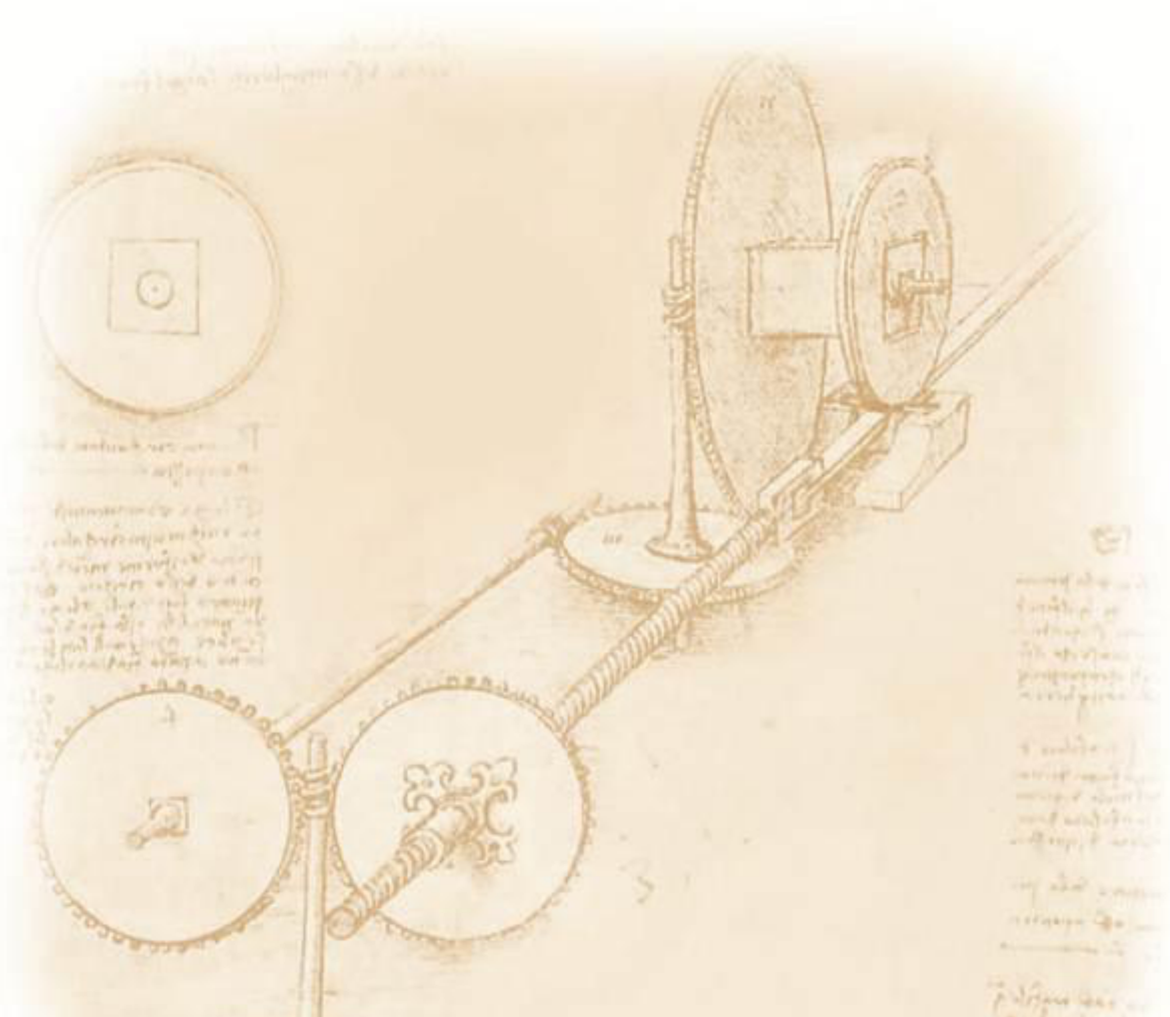
In addition to this are the **development and testing** activities for interactive applications on set-top boxes to assess functional features and any problems with back-end integration.

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 group's knowledge of specific market needs, the ability to manage complex projects, and an internationally renowned research and development department have enabled us to develop proprietary technological platforms and select the best third-party solutions, 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 presents itself on the market with a group of high-quality services and competitive pricing where the added value is expressed by careful planning of the right mix of professional profiles, technological skills and in-depth knowledge of specific markets.

In order to ensure high-quality and competitive services the offering is centred on **Competence Centres** specialised in specific areas (Murex, Tibco, SAP, Java, proprietary applications, etc.), which gather company and individual experiences so as to always guarantee the know-how and experience most suitable to meet the delivery needs of the customer.

The group has a team of highly-skilled experts specialised in several different technological areas:

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

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

The performance of **revenues per business segment**, including the change in inventories of raw materials and finished products, recorded an 11.89% increase in 2014 with respect to the same period of 2013.

Details of the revenues relating to 31 December 2014 are shown below, compared with the figures for the same period of the previous year, broken down by business segment (€/1000).

Exprivia Group (value in K €)	31.12.2014	31.12.2013	Variations	Variations %
Banks and Financial Istitutions	27,401	27,348	53	0%
Industry and Aerospace	14,486	16,544	-2,057	-12%
Energy	14,760	12,875	1,885	15%
Telcom and Media	11,918	326	11,592	3556%
Health and Healthcare	24,352	22,744	1,608	7%
Utilities	28,183	26,218	1,965	7%
Public Administration	6,409	5,163	1,247	24%
International Business	12,776	14,166	-1,390	-10%
Other	1,363	1,219	145	12%
Total	**141,649**	**126,601**	**15,048**	**11.89%**

Details of the EBITDA and EBTIDA/REVENUES relating to 31 December 2014 are shown below, compared with the figures for the same period of the previous year, broken down by business segment (Euro/1000).

	EBITDA				EBITDA/REVENUES		
Exprivia Group (value in K €)	**31.12.2014**	**31.12.2013**	**Variations**	**Variazioni %**	**31.12.2014**	**31.12.2013**	**Variations**
Banks and Financial Istitutions	5,116	4,587	529	12%	18.7%	16.8%	1.90
Industry and Aerospace	553	11	542	4711%	3.8%	0.1%	3.75
Energy	1,470	1,564	-93	-6%	10.0%	12.1%	(2.18)
Telcom and Media	452	11	441	3865%	3.8%	3.5%	0.30
Health and Healthcare	3,244	3,313	-69	-2%	13.3%	14.6%	(1.24)
Utilities	2,426	1,152	1,274	111%	8.6%	4.4%	4.21
Public Administration	837	417	420	101%	13.1%	8.1%	4.98
International Business	331	2,209	-1,878	-85%	2.6%	15.6%	(13.00)
Other	22	-191	214	-112%	1.6%	-15.7%	17.34
Total	**14,453**	**13,073**	**1,379**	**10.56%**	**10.20%**	**10.33%**	**- 0.12**

Details of the revenues relating to 31 December 2014 are shown below, compared with the figures for the same period of the previous year, broken down by business segment (Euro/1000).

Exprivia Group (value in K €)	**31.12.2014**	**31.12.2013**	**Variations**
Projects and Services	117,603	99,702	18%
Maintenance	12,810	15,017	-15%
HW/ SW third parties	7,377	9,419	-22%
Own licences	2,497	1,245	101%
Other	1,362	1,218	12%
Total	**141,649**	**126,601**	**11.89%**

Details of the revenues relating to 31 December 2014 compared with the figures for 31 December 2013, broken down by type of customer (public or private), are shown below.

Exprivia Group (value in K €)	**31.12.2014**	**Effect %**	**31.12.2013**	**Effect%**	**Variations%**
PRIVATE	110,334	77.9%	98,485	77.8%	12.0%
PUBLIC	31,315	22.1%	28,116	22.2%	11.4%
TOTAL	**141,649**		**126,601**		**11.89%**

Details of the revenues relating to 31 December 2014 compared with the figures for 31 December 2013, broken down by geographical area, are shown below, (in K Euro).

Exprivia Group (value in K €)	31.12.2014	Effect %	31.12.2013	Effect%	Variations%
ITALY	126,858	89.6%	110,003	86.9%	15.3%
FOREIGN	14,792	10.4%	16,599	13.1%	-10.9%
TOTAL	**141,649**		**126,601**		**11.89%**

BANKS, FINANCIAL AND INSURANCE COMPANIES

The Business Unit **Banks, Finance and Insurance** ended 2014 with revenues amounting to euro 27.4 million, in line with 2013. This result was obtained in a context where IT spending decreased in 2014, mainly on developing core process solutions and on compliance, especially in the area of Cloud Computing. In this context the Business Unit managed to successfully propose a vertical offering, confirming its position as a point of reference. It also presented itself as an innovative player in Customer Experience management and Compliance. The year 2014 was significant for the Business Unit also for the incorporation of Exprivia Digital Financial Solutions, through which a rationalisation process was undertaken for the entire organisation and offering.

INDUSTRY AND AEROSPACE

The Business Unit recorded a decrease of about 12% (euro 14.5 million compared to euro 16.5 million in 2013). There were contrasting trends in the market, a general reduction in ICT spending for large industrial groups, but also encouraging points for manufacturing companies operating in international markets, especially "Made in Italy", power tools, luxury, design, foodstuffs, etc. The most significant projects comprise experiences in established environments such as ERP, HCM, Extended SAP ERP, in companies with an international presence needing foreign rollout. The experience acquired in the area of mobility and analytics, both on the SAPHana platform and on open-source architecture (visual analytics, Hadoop, etc.), is of great importance to the Group. They have positioned us as one of the leaders on the Italian market.

ENERGY

The **Energy** Business Unit recorded revenues amounting to euro 14.8 million compared to euro 12.9 million in 2013 (a 15% rise). 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 international nature of the Exprivia Group is seen also in the energy sector, a market where Exprivia provides its customers with support in projects for international markets.

TELCO & MEDIA

The **Telco & Media** Business Unit ended 2014 with revenues amounting to euro 11.9 million compared to euro 326 thousand in 2013. This result is mainly due to the contribution (for only 9 months) of the company Exprivia Telco&Media (formerly Devoteam AuSystem Italia). The telecommunications sector is going through a period of transformation, especially in Europe. It is characterised by the continuing research for operational efficiency in traditional services and the launch of value-added services to acquire new market share. Key clients are the most important telecommunications operators and telco technology vendors in

Italy and abroad. The main service areas for customers in 2014 were in the fields of network transformation, operations support systems, portals, M2M, IVR, and mobile applications.

HEALTHCARE

The **Healthcare** Business Unit recorded revenues amounting to euro 24.4 million, a 7% rise compared to 2013. This result was made possible, in such an unfavourable market context, by a series of important factors: the successful conclusion of certain agreements in the private healthcare market, the good performance of upselling with existing clients including the sale of new modules in the **e4cure** suite and the progress of projects in the Italian regions of Marche, Calabria and Campania after being awarded tender contracts. The year 2014 was significant for the Business Unit also for the incorporation of Exprivia Healthcare IT, through which a rationalisation process was undertaken for the entire organisation and offering.

UTILITIES

In 2004 the **Utilities** Business Unit recorded revenues amounting to euro 28.2 million, a 7% rise compared to 2013. The revenues generated derive from IT services (67%) and BPO services (33%), which recorded a 20.7% increase compared to 2013. The Business Unit confirms the positive trend in the segment, which enabled growth of 2% higher than budget forecasts. The positive results were made possible by a strategy to consolidate and strengthen operations and projects performed for key clients as well as technological partnerships.

PUBLIC ADMINISTRATION

The **Public Administration** Business Line recorded revenues of euro 6.4 million in 2014, an increase of 24% compared to the previous year. This considerable improvement is the result of contracts with certain customers that started up in **Central Public Administration** and acquired in 2013 and in the first half of 2014. In terms of turnover, it is also accompanied by an improvement in profitability, already recorded in previous periods, mainly due to the fact that certain projects begun in previous years moved on to the operational phase. In the field of **Local Public Administration**, a market where ICT investments continue to fall, Exprivia was able to increase its revenues compared to the previous year despite its lower backlog. It acquired new contracts that will produce effects in 2015, and development of a set of innovative products on open-source platforms was also completed.

INTERNATIONAL BUSINESS

International development is concentrated in consolidating the company's presence in the Spanish market, developing markets in Latin America and Brazil and penetrating markets in China and the United States.

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 offer portfolio based on ERP applications and SAP services, with Business Intelligence solutions for the Healthcare sector, and web services (marketing and online sales). The Spanish IT market entered a period of stagnation which made profits fall in the sector. Sales in the Latin American countries, through local operators, of professional solutions and services in the Imaging and Business Intelligence for Healthcare area made an important contribution to Exprivia SL's results.

In Mexico, where the Exprivia Group operates directly with **Prosap Mexico**, sales and delivery actions continued with major private and public companies operating in the infrastructure construction sector in Latin America. Prosap Mexico is a SAP Gold Partner.

Operations and development expanded in 2014 for the companies **Prosap Guatemala**, which operates also in other Central American countries, and **Prosap Consulting** started up operations in the USA.

In Brazil, **Exprivia do Brasil Serviços de Informatica Ltda** continued its business growth in the IT Security sector and in the development of ERP SAP projects.

In China, **Exprivia Asia Ltda** was incorporated in Hong Kong in May 2014, which in turn incorporated **Exprivia IT Solutions (Shanghai) Co. Ltd** as sole shareholder. The company is specialised in providing professional services in IT infrastructure and SAP.

RISKS AND UNCERTAINTIES

INTERNAL RISK

RISK RELATED TO EMPLOYMENT OF KEY STAFF MEMBERS

The success of the Exprivia Group mainly depends on the competence and skills of its workers. 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.

Already in 2012 the company set up institutional processes to map and develop certified skills, thereby reducing the risk that the skills of certain key figures might become obsolete and to confirm the Group's ability to attract leading figures with a proven record for innovation.

The programme for building loyalty and keeping the most skilled and deserving workers through performance management schemes, which include systems for rewarding key resources in the organisation.

RISK RELATED TO DEPENDENCE ON CUSTOMERS

The Exprivia group provides services to companies operating in different markets (Healthcare, Public Administration, Banking and Finance, Telecom & Media, Industry, Aerospace and Media and Utilities).

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

RISK RELATED TO CONTRACTUAL COMMITMENTS

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

The 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 cover be insufficient and Exprivia group required to pay for damages amounting to higher than the limit stipulated, the economic, capital and financial situation of the Exprivia group could suffer significant negative effects, in line, moreover, with risk parameters for the 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, the company was considerably active in foreign markets, where the country risk is considered under control and minor.

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 has proven its ability to react, raising and maintaining the necessary profitability even in the current stagnation in the global economy. The risks in this regard are related to the duration of this cycle and the number of variables connected to the national and international political-economic 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 where the companies are - usually - rather large, which means remaining competitive depends on economy of scale and adequate pricing policies. The Exprivia Group mitigates this risk with continuing research and development, encouraged by the near-shoring centre of Molfetta, where it is possible to have access to human resources that are always in line with trends in the sector, especially considering the vicinity of the university and the extensive collaboration with the latter.

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

CREDIT RISK

Exprivia group does not have significant concentrations of credit risk except for work carried out in the Public Administration sector, where delays are recorded 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 group also manages this risk by selecting counterparts considered to be solvent by the market and with high credit standing.

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

LIQUIDITY RISK

Prudent management of liquidity risk is pursued by planning cash flows, financing needs and the liquidity of the Exprivia group to ensure effective management of financial resources by managing any surplus liquidity, and by opening credit lines where necessary, including short-term ones.

EXCHANGE RATE RISK

Since the majority of operations conducted by the Exprivia group are 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 markets characterised by major fluctuations (e.g., Brazil) might constitute a risk to be monitored, depending, however, on the volumes in place, which for the moment are not significant.

SIGNIFICANT EVENTS IN 2014

COMPANY EVENTS

On 23 April 2014, the **shareholders' meeting of Exprivia SpA** met on first call to approve the financial statements as at 31 December 2013.

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 appointed the new Board of Directors and new Board of Statutory Auditors (as they both reached their term of office) and appointed the company Pricewaterhousecoopers SpA as independent auditors.

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

COMPANY OPERATIONS IN THE EXPRIVIA GROUP

On **11 February 2014**, Exprivia SpA signed a binding agreement for the acquisition, from the French Group Devoteam, of all the share capital of **Devoteam auSystem SpA**, which has been a reference company in the Italian market for more than 15 years, operating in the Media and Telecommunications sector, which counts the leading international operators among its customers. **On 16 April 2014**, the acquisition of 100% of the share capital of Devoteam auSystem Spa was completed, whose company name was changed to **Exprivia Telco & Media Srl** and the registered office transferred to Exprivia SpA's site in Milan, Via dei Valtorta 43. The value of the acquisition of 100% of the share capital of Devoteam auSystem SpA amounted to euro 0.5 million, fully settled in cash, including the net financial position (euro 3.7 million) as at 31 December 2013.

On 27 May 2014, Exprivia SpA finalised the transfer of the "Healthcare" branch to its subsidiary **Exprivia Healthcare IT Srl.** The value of the branch, certified by an expert with a sworn appraisal, was estimated on the basis of the accounts as at 31 December 2013 and amounted to euro 7,105,000. Exprivia subscribed to the capital increase of Exprivia Healthcare IT Srl, through the transfer of the company branch, of nominal euro 434,190, with a share premium of euro 6,670,810 (for a total of euro 7,105,000. The effects of this transfer started in June 2014.

In May 2014, the company Profesionales de Sistemas Aplicaciones y Productos S.L. (ProSap) incorporated **ProSAP Holding Inc in** Dover, Delaware (USA), which in turn incorporated **ProSAP Consulting LLC** in **New York** with the object to start up direct operations in the USA as a qualified provider of ERP and SAP services for industry.

In May 2014, a year after opening the representative office in Beijing, Exprivia SpA incorporated a new company called **Exprivia Asia Ltd** based in Hong Kong with the precise goal of developing all business opportunities that have been created in the Chinese market, thanks to the intense accreditation work done with business associations and local public administration offices and Italian and European industrial groups that had already established a foothold in the area.

On 24 June 2014, Exprivia SpA acquired 40% of the shares of the Spanish company Exprivia SL from the company Apotema BPM Holdings SL - it had already held 60% of the company. The shares were acquired by the exercise of the call and put options by Exprivia SpA and Apotema SL respectively, as had already been agreed by contract. The price of sale paid by Exprivia SpA amounted to Euro 1,039,790, with Euro 76,000.15 paid in cash and Euro 963,789.85 in kind, by transfer of 1,027,166 treasury shares, corresponding to 1.98% of the share capital of Exprivia since the value agreed per share amounted to Euro 0.9383.

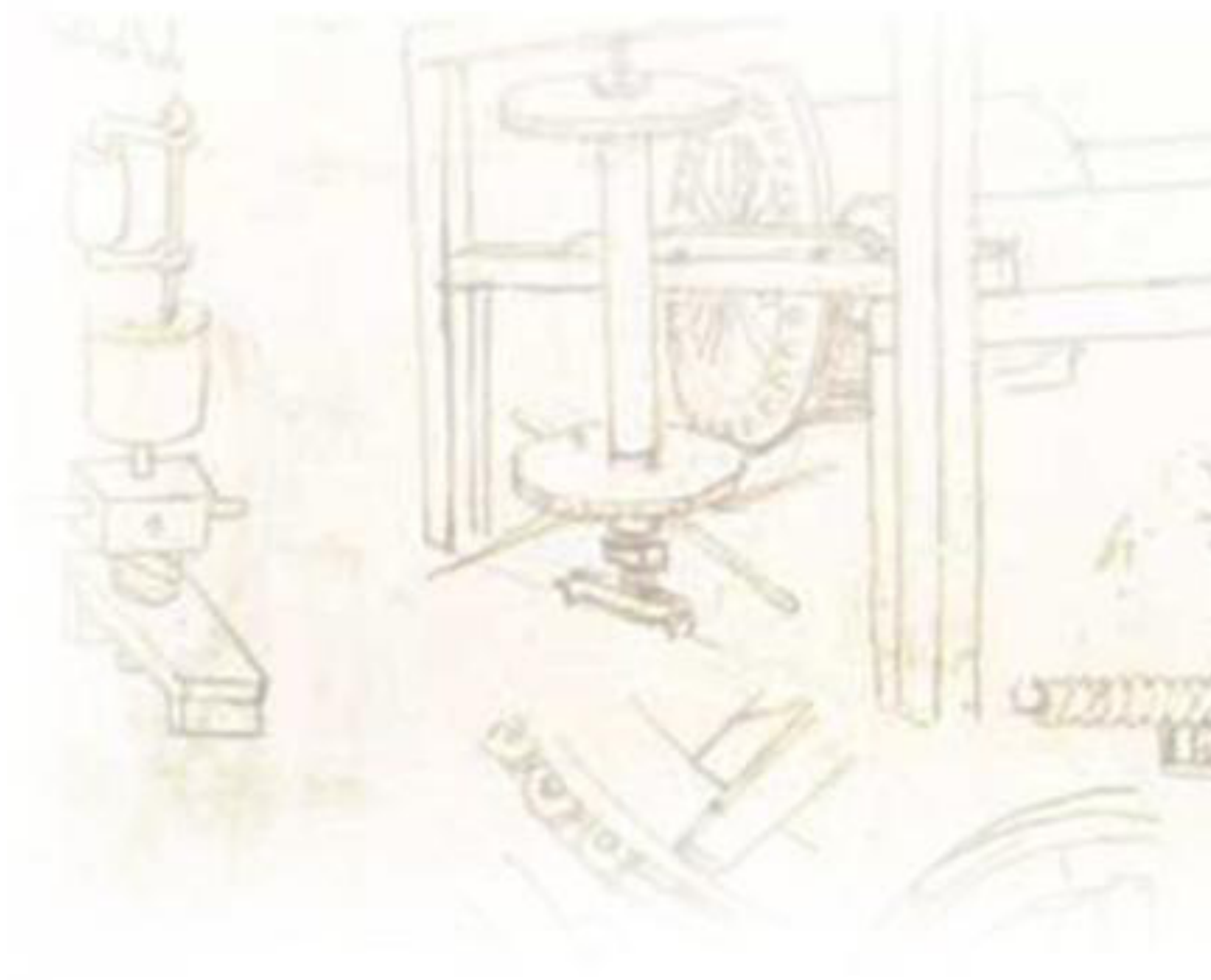
On 30 June 2014, Exprivia SpA finalised the transfer of the "Banks and Financial Institutions" branch to its wholly owned subsidiary **Sistemi Parabancari Srl**, which immediately changed its name to **Exprivia Digital Financial Solution Srl.** The value of the branch, certified by an expert with a sworn appraisal, was estimated on the basis of the accounts as at 31 December 2013 and amounted to euro 9,001,000. Exprivia subscribed to the capital increase of Exprivia Digital Financial Solution Srl, through the transfer of the company branch, of nominal euro 1,006,919, with a share premium of euro 7,994,081 (for a total of euro 9,001,000. The transfer took effect on 30 June 2014.

On 4 July 2014, the acquisition of 5.78% of **CEFRIEL - Società consortile a Responsabilità Limitata** was finalised, which had previously been held by Industrie Dial Face SpA, a company undergoing insolvency proceedings.

On 3 November 2014 the company **Exprivia IT Solutions (Shanghai) Co.** was incorporated. A member of the Exprivia Group, it is wholly owned by Exprivia Asia Ltd and based in the People's Republic of China.

EVENTS AFTER 31 DECEMBER 2014

No significant events were reported after closing the 2014 financial year.



EXPRIVIA'S STOCK MARKET PERFORMANCE

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

51,883,958 shares constitute the Share Capital as at 31 December 2014 with a nominal unit value of Euro 0.52.

Stock Exchange ISIN code:	IT0001477402
Symbol:	XPR
Specialist	Banca Akros

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 31 December 2014, the shareholder structure of Exprivia was as follows:

Shareholder	Shares	Amount held
Abaco Innovazione SpA:	24,212,617	46.67%
Merula Srl:	1,514,736	2.92%
Data Management SpA:	1,055,001	2.03%
Own Shares:	1,094,978	2.11%
Other shareholders (< 2%):	24,006,626	46.27%
Total shares	**51,883,958**	**100%**

STOCK PERFORMANCE

The graph below shows the performance of Exprivia stock on the FTSE Italia Star index in 2014 (closing at 100 at 1 January 2014).

BUSINESS OUTLOOK

With the optimism that the global economy is projected to grow by 4.1% from 2011 to 2020, expectations are higher for what concerns markets and the job market. Investments are making a comeback.

In this macro-economic context the ICT market in Italy in 2014 showed a decline in recent years (about 4.5% per year) and levelled off at -1.4%. The initial forecasts (source: Assinform) confirm the inversion trend: -1.1% for 2015, driving a renewed political desire, at least in stated intent, to proceed with digitalisation of the country.

Exprivia grew at a double-digit rate and maintains its profitability, which rose in absolute value. It is expanding its international presence into the USA and China with two companies that generated revenues already in 2014.

Considering these signs, the Group expects further growth and higher profits, also following the results achieved in the company reorganisation project. The figures will show in the 2015-2020 business plan, which will be divided into three two-year periods characterised by gradual growth approaches.

INVESTMENTS

Real Estate

All the real estate of the Group is in the name of the Holding Company Exprivia SpA.

The property in Viale PIO XI 40 in Molfetta (BA) consists of two rooms totalling about 120 m2.

The Company's current head offices, located in Molfetta (BA), Via Adriano Olivetti 11, covers a surface area of about 8000 sq. m on which there is a complex of buildings (made up of four blocks, three of which are multi-story). All of these are office space and warehouses for a net total of approximately 5000 sq. m of office space.

In 2014, an investment project, which began in 2013, was concluded. Its aim was to bolster and improve the logistics of the head offices of the Holding Company Exprivia thereby making the latter more functional and agreeable for clients.

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 SpA 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.

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, which was completed in February 2014.

The second phase was the renovation of offices in Via Olivetti (Molfetta, Italy) and bolstering its electric infrastructure and network, which was completed on 30 June 2014.

In November 2014, Exprivia SpA held a public institutional event to present the restyling of the offices in Via Olivetti and the new building.

In December 2014 Exprivia SpA transferred its Rome office from Via C. Colombo, 456 to Viale del Tintoretto, 432. It occupies an entire floor with a total surface are of 2,036 sq. m, thus making it possible to integrate all the personnel of the Exprivia subsidiaries Exprivia Telco & Media and Exprivia Enterprise Consulting Srl.

The main goal of the new offices, built on a project commissioned by Exprivia SpA, was to create a representative office as well as an operational office. The project enabled a significant expansion of office space, in addition to bolstering ICT infrastructure.

RESEARCH & DEVELOPMENT

In accordance with the Business Plan, and in coordination with company business units, the goals of the research programmes commenced in 2014 became part of Exprivia's framework research programme, "*Città Digitale 2.0*". Continuing from last year, the plan is based on three priorities for Research & Development: 1) *Healthcare 2.0*; 2) *Mobile Ticketing & Intelligent Transportation System (ITS)*; 3) IT Factory - Cloud - *Big Data*.

All Research & Development projects are sustained by co-financing from the participation in national tenders for research promoted by the competent ministries and regional administrations.

Healthcare 2.0.

In 2014 Exprivia continued its projects **Lab 8 Potenziamento A** and **Lab 8 Potenziamento B**, [***Lab 8 Boost A/B***] in the field of Healthcare. Both are dedicated to developing integrated bioinformatics tools to design monitoring and telemedicine systems for disorders with a specific genetic basis. As a result, hospital files will be extended to enable insertion of genetic information to develop personal medical records. The Lab8 projects (under tender contract PON02- Programma Operativo Nazionale [*National Operational Programme*] – "Notice for the development and enhancement of hitech districts and public-private laboratories and the creation of new districts and/or new public-private combinations") were acquired through Exprivia's membership in the Biogene Consortium, the **LabGTP** project leader, Genomics, Transcriptomics and Proteomics Laboratory financed by MIUR. These projects are an extension approved by the ministry itself.

Two mobile Apps were also released in February 2014 for home assistance and remote monitoring of the lifestyles of patients with chronic health problems such as diabetes and obesity. The two systems were awarded the tender and created by Exprivia as part of the **PCP – Pre Commercial Procurement** tender issued in 2012 by the Puglia Region.

In October 2014, a Memorandum of Obligation was signed with MUIR to execute the **ActiveAgeing@Home** project funded as part of Cluster "Technologies for Living Environments", which Exprivia participated in through the MIUR tender for the definition of National Cluster Technologies (**D. D. 257/Ric of 30 May 2012).** The project includes the issue of monitoring health and remote assistance for needy persons, with special attention to people with neurological disabilities. Exprivia provides its specialist skills in this context and presents itself to develop innovative features for particular characteristics of the setting and people involved.

Mobile Ticketing / Intelligent Transportation System

Regarding Logistics, the **LOGIN** project (Ministry for Economic Development - 2015 National Industry Tender - Made in Italy), which is expected to be completed in the first half of 2015, is currently being implemented. It is dedicated to the development of a cooperative logistics platform which makes it possible to optimise the logistics processes of the agribusiness chain and the chain of haulage contractors specialised in the sector.

Still in this application context, the **ITS (Intelligent Transportation System) Italy 2020** project was also launched. It was acquired as part of the tender for National Technological Clusters, mentioned above, through the participation in the National Technological Cluster "Means and systems for mobility on land and sea". The object of the innovation is to define technological standards and communications protocols to develop national intermodal logistics.

Further research in the ITS segment was conducted within the project known as Puglia Digitale 2.0, outlined below.

IT Factory - Cloud - *Big Data*

In June 2014 the **SDI - Service Delivery Improvement** project was completed. It was co-financed by the Regione Puglia through the measure under Title VI of Regulation 26/06/2008 on the Regional Programme Agreement. SDI was designed to support the company's service model and software factory to obtain ISO 27001 and ISO 20000 certification in order to provide IT services and CMMI-DEV for software development.

The project produced solutions dedicated to improving the quality of IT services provided by Exprivia to its customers by adopting and experimenting new delivery paradigms such as Software as a Service (SaaS) and Cloud Computing.

The **Puglia Digitale 2.0** project was in the same technological context and was also co-financed through the measure under Title VI of Regulation 26/06/2008 on the Puglia Regional Programme Agreement. It was started up in February 2013 in cooperation with 6 SMEs and is defined as a strategic project for the Puglia IT District. For Exprivia its purpose is to develop an original platform to provide software services as Software as a Service (SaaS). The innovative platform will make it possible to activate a multi-enterprise catalogue of modular software components through SaaS. For the project Exprivia is taking part in the creation of tools for the shared SaaS catalogue, advanced service access tools, and integration of vertical services currently offered in the PAL and Healthcare domain. The project includes the development of solutions for infomobility and mobile ticketing in order to modernise services provided to users by public transport operators in Puglia.

Concerning the field of research on **Big Data**, work is continuing on two PON02 projects, to be executed in cooperation with other members of the DHITECH - High Tech District, which Exprivia is a part of. The projects are:

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, a project with the goal to execute strategic, organisational and technological intervention in the *Future Internet* (www.future-internet.eu) to innovate services for the *sustainable knowledge society* and enable the transition of Puglia towards an *intelligent territory* model, i.e., using an adequate technological and digital infrastructure to maximise its innovative capacity and management of its knowledge assets in order to favour integration and raise competitiveness.

Both projects will end in 2015.

Worth mentioning is how, after a prolonged wait due to administrative and bureaucratic issues, which caused a series of delays in ministerial assessments and decisions, also the PON02 project started up, known as **EFFEDIL - Innovative Solutions for Energy Efficiency in Construction**, which Exprivia is a part of as a member of the National Technological District on Energy (Di.T.N.E.) based in Brindisi. The goal of the project is to develop innovative and sustainable solutions to improve energy efficiency in construction in temperate climates. The work of Exprivia focuses on developing algorithms for the management and optimisation of energy use in buildings.

Lastly, following approval by the Supervisory Body (Invitalia), the entire complex process was completed for the techno-administrative control of the reports and results of the research project **Slimport (Slimsafe subproject)**, under the 2015 Industry Tender by the Ministry for Economic Development, which was completed in April 2012. The company is expecting payment of the amounts provided for in the tender, the value of which is in line with estimates made in the budgets from previous years.

EVENTS AND SPONSORSHIPS

- **06/01/2014** - Exprivia took part in the inauguration of **Smart City Science Institute & 1st Smart City Forum of Harbin (China)**. The event, which saw the presence of the highest representatives of the city of Harbin and 30 of the leading experts in Smart City projects, was an opportunity to exchange ideas and meet to learn about the Smart City projects in the province of Heilongjiang and present case studies on the most advanced solutions for Smart Cities in China and Europe. Exprivia participated with a speech given by Mr. Marco Gasparroni, who presented the "**Bari Digitale 2.0**" project as a successful example of Smart City in Italy.

- **14/02/2014** - Exprivia sponsored the **inauguration of the 2013/2014 academic year** at the Bari Polytechnic. The ceremony saw the participation of the highest representatives of the University and local institutions from the Province, Region and Municipality. Exprivia took part with a speech given by Mr. Domenico Favuzzi and gave away t-shirts to all the students enrolled in their first year at the university.

- **26/02/2014** - Exprivia participated in the **Supply Chain Finance Conference**: new opportunities for collaboration in the supply chain, which was held in Milan on 26 February 2014. The results of the research conducted in 2013-2014 by the Supply Chain Finance Observatory were first presented at the conference sponsored by Exprivia.

- **26/03/2014** - Exprivia participated in "**Star Conference 2014**". Exprivia took part in "Star Conference 2014”, organised by Borsa Italiana for the companies listed in the STAR segment, with one-to-one interviews with leading national and international institutional investors.

- **28/03/2014** - Exprivia sponsored the **Biennial Conference by the Confindustria Study Centre** held on 28 and 29 March at the Petruzzelli theatre in Bari. This prestigious event for the national political-economic community analysed the industrial fabric using the case studies of local SMEs and certain large enterprises with well-known trademarks Italy and abroad representing the excellence of our country. The event was attended by representatives from Public Administration, the world of politics and trade unions, industrial executives and managers, and the national press.

- **04/04/2014 -** Exprivia was present at the **annual meeting of Italian Chambers of Commerce for Asia** as an example of a market entry best practice in the IT sector held in Beijing on 4 April 2014. Exprivia was one of the speakers at the seminar: "**More Italy in Asia: Italian Investments and Best Practices**", where it presented its experience as a leader in the IT sector providing support to the multinationals operating in China for the development of Smart City solutions and for the healthcare sector operating in local markets.

- **10/04/2014** - Exprivia sponsored the event **Medit – Health Innovation 2014**, which was held on 10 and 11 April at the Vicenza Trade Fair. At the event dedicated to innovation in the medial-healthcare sector, with a special focus on eHealth, Telemedicine and ICT, Exprivia gave a speech at the session on clinical records named "**The electronic clinical file in the e4cure suite**", delivered by Paolo Stofella, Marketing & Business Development Director.

- **8/05/2014** - Exprivia sponsored the **ICT Observatory in Healthcare 2012-2013** held on 8 May at the Milan Polytechnic Institution. The event focused on analysing the role of digital technologies to improve and innovate processes in Italian Healthcare, and Exprivia participated with a presentation on integration and innovation in treatment and assistance models.

- **22/05/2014 -** Exprivia participated in the **National S.I.R.M. Conference** held from 22 to 25 May at Fortezza da Basso in Florence. This bienniel event is a point of reference from hospital operators specialised in Radiology. Exprivia participated with a stand where it presented its offer in the field of Healthcare, in particular with the e4cure suite and voice-enabled medical reporting.

- **27/05/2014** - Exprivia participated in the event **Banks and Security 2012-2013** held on 27 and 28 May at the Milan ABI Congress Centre. This was the 11th edition of the event organised by the Italian Banking Association dedicated to security in the financial sector. It focused on all the issues related to security in banks and other risk-oriented sectors. Exprivia participated with a stand together with CyberArk and gave a presentation: "**New regulatory provisions on prudential supervision for banks. Management of administrative and technical users: the UBIS case study**" by Alessandro Ronchi, Senior Security Project Manager at Exprivia SpA and a presentation by our customer Unicredit: "**Management of administrative and technical users: the Unicredit Group case study**" by Marco Deidda, Head of Data Access Management at UBIS – Unicredit Group.

- **05/06/2014 -** Exprivia took part in the **Job Meeting** held on 5 June 2014 at the Bari Polytechnic.

- **20/06/2014** - Exprivia sponsored the event **Mind the Bridge Job Creator Tour 2014**, held on 20 June at the Fiera del Levante in Bari. The Mind the Bridge Job Creator Tour consisted of a series of initiatives presented over a period of one day in Italy and in Europe to promote innovation and the search for the best local venture projects. The Puglia date of the tour promoted by Mind the Bridge, which is a business accelerator and investment fund based in San Francisco, focused on awarding the best business ideas presented by researchers, aspiring entrepreneurs, start-ups and companies.

- **30/06/2014** - Exprivia participated in the **"Southern Italy Observatory Forum: growth opportunities for Puglia and southern Italy**" held on 30 June 2014 in Bari. Exprivia sponsored the event and participated with an intervention by Domenico Favuzzi in the debate "**THE HIGHEST PERFORMING COMPANIES IN PUGLIA AND IN SOUTHERN ITALY**".
- **08/07/2014** - Exprivia was a partner for **e-Skills for Jobs 2014**, a project fostered by the European Commission, the objective of which was to organise an information and awareness-raising campaign throughout the Member States on the issue of digital skills.
- **19/09/2014** - Exprivia sponsored **BOLDideas® Business, Innovative Start-ups and Companies** held from 13 to 21 September at Fiera del Levante in Bari. Exprivia had a stand at the trade fair.
- **20/09/2014** - Exprivia participated in the initiative **Promo Day "Made in Italy"** held on 20 September 2014 in Beijing. The event was organised by the Italian Embassy in collaboration with other institutions representing Italy and case histories of Italian companies operating in China were presented. Outside the Embassy building in the auditorium of the Italian Cultural Institution, Italian companies showcased their products which included food and wine, art, music and culture from our country.
- **02/10/2014** - Exprivia participated in the event **Job Meeting 2014** held on 2 October the Milan Employment Centre.

- **30/10/2014** - Exprivia took part in the event "**Sap Forum 2014**" held on 30 October at Fieramilanocity in Milan. Exprivia had its own stand and gave a speech entitled: "Enhance and innovate the strategic role of the CFO".

- **30/10/2014** - Exprivia took part in the **Annual AISIS Conference** held on 30-31 October in Rome. The conference dealt with the issue of assessing results and/or impact deriving from the use of IT, especially in the field of healthcare. Exprivia was present at the event with a presentation by GVM Care & Research, an Exprivia Healthcare IT customer, held by Mr. Andrea Masina, entitled " **Private Cloud GVM for imaging and clinical reporting**" and one by Paolo Stofella and Sandro Gioioso from Exprivia Healthcare IT, entitled: "**Cloud technologies and mobile solutions for homecare and patient empowerment**".

- **17/11/2014** - Exprivia participated in the event “**Health Economics - New development models and public/private collaboration for transparency, service quality and effective governance**" held on 17 November in Bari with a speech given by Dante Altomare.

- **20/11/2014 -** Exprivia took part in the National Convention “**113th SIRM Marche Group Convention**” held from 20 to 22 November 2014 in JESI (AN). At the convention, targeted at radiologists specialised in Magnetic Resonance and, in particular, Senior Radiologists at public hospitals in Marche (Italy), Exprivia was present with a stand to present e4cure for the healthcare market.

- **21/11/2014** - Exprivia participated in the event **“Puglia Effect: Land of Ancient Culture. Meeting with Puglia Excellence**” held on 21 November 2014 in Bari.

- **24/11/2014** - Exprivia participated in the event **Job Finance Day** in Milan, organised and promoted by Cesop Communication and Borsa Italiana - London Stock Exchange Group. The event was the most important one in Italy for discussing the supply and demand in the financial industry job market. Exprivia was present with its own stand.

STAFF AND TURNOVER

Company	Employees		Temporary workers	
	31/12/2013	31/12/2014	31/12/2013	31/12/2014
Exprivia SpA	878	672	41	10
Exprivia Healthcare IT Srl.	265	323	-	-
Exprivia Enterprise Consulting Srl.	202	170	2	1
Exprivia Digital Financial Solutions Srl	56	191	-	-
Exprivia Projects Srl	377	360	-	-
Exprivia Telco&Media Srl	-	274	-	5
Exprivia Shangai	-	14	-	1
Exprivia SL (Spain)	14	15	-	-
Prosap (group) SL	134	105	-	-
Exprivia do Brasil Servicos de Informatica Ltda	27	29	1	1
Spegea S.c. a r. l.	9	9	1	1
Total	**1962**	**2162**	**45**	**19**
Executives	*35*	*38*		
Middle Managers	*180*	*185*		

With respect to Exprivia SpA, the change in 2014 was mainly due to the sale of company units in the healthcare and finance segments to Exprivia Healthcare IT Srl (104 executives and workers transferred) and Exprivia Digital Financial Solution Srl (131 executives and workers transferred) respectively.

Part-time workers made up around 30.45 % of all employees and work on a part-time basis in various arrangements of contractual working hours.

The operations to transfer the companies and relocate workers were conducted following accurate mapping of professional figures according to those needed for the markets in question.

The tables below (turnover in Italy) show the number of incoming resources (recruits) and outgoing resources (resignations), by contractual group and by Company.

	RECRUITS							
	EXECUTIVES		MID MANAGERS		STAFF		PROJECT-BASED WORKERS	
	31/12/2013	31/12/2014	31/12/2013	31/12/2014	31/12/2013	31/12/2014	31/12/2013	31/12/2014
Exprivia SpA	-	1	3	2	43	60	10	1
Exprivia Projects Srl	-	-	-	-	127	86	-	-
Exprivia Telco &Media Srl	-	-	-	-	-	34	-	1
Exprivia Digital Financial Srl	-	-	-		-	4	-	-
Exprivia Healthcare IT Srl	-	-	-	-	4	3	-	-
Exprivia Enterprise Consulting Srl	-	-	-	-	-	1	-	1
Total	*0*	*1*	*3*	*2*	*174*	*188*	*10*	*3*
Total Population	*31*	*33*	*166*	*182*	*1503*	*1775*	*44*	*16*
% Turnover	*0%*	*3%*	*2%*	*1%*	*12%*	*11%*	*23%*	*19%*

	RESIGNATIONS							
	EXECUTIVES		MID MANAGERS		STAFF		PROJECT-BASED WORKERS	
	31/12/2013	31/12/2014	31/12/2013	31/12/2014	31/12/2013	31/12/2014	31/12/2013	31/12/2014
Exprivia SpA	1	1	4	4	54	40	6	-
Exprivia Projects Srl	-	-	-	-	17	13	-	-
Exprivia Telco&Media Srl	-	-	-	-	-	18	-	-
Exprivia Digital Financial Srl	-	-	-	1	-	3	-	-
Exprivia Healthcare IT Srl	-	-	-	-	4	40	-	-
Exprivia Enterprise Consulting Srl	-	1	4	13	10	18	1	1
Total	*1*	*2*	*8*	*18*	*85*	*132*	*7*	*1*
Total Population	*31*	*33*	*166*	*182*	*1503*	*1775*	*44*	*16*
% Turnover	***3%***	***6%***	***5%***	***10%***	***6%***	***7%***	***16%***	***6%***

The table below shows the number of full-time equivalent workers as at 31 December 2014. The figures are compared with those of the same period last year.

Company	Employees		Temporary workers	
	31/12/2013	31/12/2014	31/12/2013	31/12/2014
Exprivia SpA	870	666	41	10
Exprivia Healthcare IT Srl	252	315	-	-
Exprivia Enterprise Consulting Srl	198	165	2	1
Exprivia Digital Financial Solutions Srl	55	190	2	-
Exprivia Projects Srl	248	230	-	-
Exprivia Telco&Media Srl	-	273	-	5
Exprivia Shangai	-	14	-	1
Exprivia SL (Spain)	14	14	-	-
Prosap (group) SL	134	105	-	-
Exprivia do Brasil Servicos de Informatica Ltda	27	29	1	1
Spegea S.c. a r. l.	9	9	1	1
Total	**1806**	**2008**	**47**	**19**
Executives	*35*	*38*		
Middle Managers	*178*	*184*		

MANAGEMENT TRAINING AND DEVELOPMENT

The Exprivia Group invests with particular attention in developing skills and competence in a context strongly oriented towards innovation. The reorganisation operations led the company to specialise by core market through the creation of business units strongly oriented towards the specific market in which they operate, in terms of competence and organisation, thereby making it possible to meet the specific innovation needs in a flexible and speedy manner. The Organisation Development office geared its measures by business unit and gave priority to processes for reorganising human resources and skill class. The analysis of gaps in skills, on which investment policies are based, is linked to an annual process of mapping and balancing of skills identified as the Skill Inventory.

The Skill Inventory consists in:

- Determining the skills gap for each business unit;
- Supporting the AS IS analysis to direct future investment in skill sets;

- Support internal placement throughout the various business units for the best relocation and requalification of human resources;
- Supporting professional development (skills assessment, career planning, etc.);
- Improve dialogue, in terms of competence and skills, between the companies in the group on a national and international scale.

The Organisation Development office also provides support to the companies in the Group by:

- Planning and reviewing work performance (Performance Management);
- Professional development (Training);
- Optimisation of the personnel placement and reallocation process (Selection and Orientation department).

In particular, the analysis of the relevant gaps through the skill inventory allows the company to analyse any out-of-date skills, reconverting them through a permanent academy for personnel redevelopment.

For all the companies in the Group 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.

In terms of Training, the Training Master Plan 2014, a planning tool, provided for approximately 14,238 hours of training for 835 participants. The training courses were set up at the start of the year and reviewed every quarter in order to make the training investment policies consistent with the objectives of each business unit and sustainable with respect to quarterly budget targets. The training programmes, not including those on regulatory provisions (e.g., safety at the workplace), were extensive and carried out with particular attention paid to the needs of each business unit. Indeed, this resulted in selecting training actions that were closely related to the needs of the market and innovation investment. In particular, training programmes concerned the development of:

- Specialised technical skills: measures for developing technical knowledge and skills to support technological innovation and development programmes, through specialised training plans, also for the purpose of obtaining certification. These specialisation courses were held for all ICT roles by business unit in the Group, in the firm belief that improving skills means raising the value of persons and so the competitive advantage of the organisation.
- Management skills: measures to develop managerial skills of the Exprivia Group's middle management, i.e., focused on improving organisational conduct and project management.

The following professional development courses are specifically noted:

- Master's in Business Administration (Corporate MBA): Exprivia Group training aimed at developing sound knowledge of general management, with the purpose of integrating different professional figures in the Group and improving the operational effectiveness of middle management.
- Project Management: geared towards developing the necessary skills to be a Project Manager for the Exprivia Group in order to improve project management in terms of quality and compliance with procedures.

The training programmes involved resources from several companies in the Group, encouraging integration of organisational cultures and experiences acquired in different markets. Exprivia has always aimed at the attainment of technical certification for its personnel, in this way ensuring its customers recognised certification of the technical abilities of its staff involved in projects. In 2014, 141 certification exams were taken and 137 were passed with success (97.2%).

Concerning the Business Process Outsourcing unit (Contact Centre), the following courses were held:

- About 2,923.18 hours dedicated to continuing education in order to improve the performance of our workers for the activities in question. These hours were attended by about 4,075 participants;

- About 3,549 hours dedicated to specialised training to enable our workers to deal with new activities. These were attended by about 154 participants;
- About 13,167 hours dedicated to training for new entries and attended by about 107 participants.

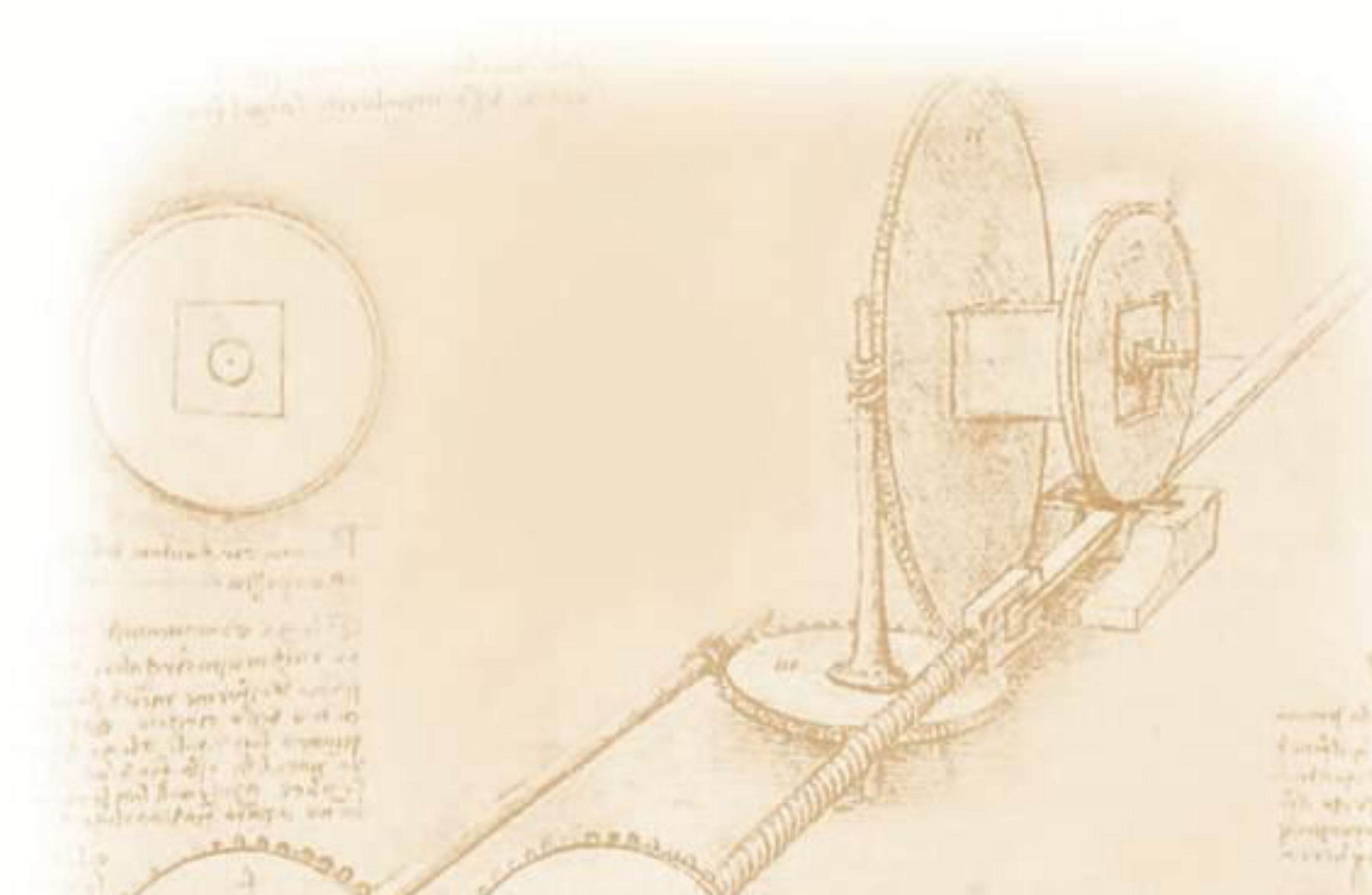
Concerning Orientation, Recruiting and Selection, in 2014 about 74 new resources were hired, including new graduates and workers qualified in technical subjects and IT.

The recruiting processes were particularly focused on hunting for experts specialised in the markets of each business unit, as well as professionals with medium-high seniority. These new recruits boosted the competitive value of Exprivia for each of its core markets.

Concerning the Business Process Outsourcing unit, about 103 new resources were hired to work in the Contact Centre and Back Office. They were hired with particular attention to the quality of the resources considering the increasingly demanding and challenging professional context in which the group operates.

Also in 2014 Exprivia invested in the robust bond enjoyed with Universities, Polytechnics and Research Centres, fully aware of its role in creating innovation and opportunities for young undergraduate students and graduates in the places where it operates. This collaboration materialises in:

- Seminars for final-year university students (specifically, for those obtaining IT and Engineering degrees), in order to inform them of the opportunities that Exprivia offers in terms of innovation in technologies, applications, products and services;
- Internships and on-the-job-training programmes offered to university graduates and undergraduates; a highly effective channel since it offers the trainee an important opportunity to tackle topics directly connected with corporate business, at the same time guaranteeing excellent relations with the academic world.



MANAGEMENT AND CONTROL ORGANISATION MODEL (PURSUANT TO LEGISLATIVE DECREE 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 Ethics Code. 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 the Exprivia Group.

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".

GROUP 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.

In 2012 and 2013 the Management System was certified and complies with ISO/IEC 27001 and ISO/IEC 20000-1.

In May 2014 Exprivia Sp.A. obtained level 2 under the CMMI-DEV model.

Checks are regularly and successfully carried out by an outside body to ensure the certifications are maintained.

In addition to the holding company, the other Group companies with ISO 9001 certification are: Exprivia Healthcare IT Srl, Exprivia Projects Srl, Exprivia Enterprise Consulting Srl, Exprivia Digital Financial Solutions Srl, Exprivia Telco & Media Srl and Spegea S.c.a.r.l.

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.

The Administration, Finance and Control Department aggregates the Group Finance function with the Administration and Control functions.

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

The Internal Audit, Merger & Acquisition, Corporate Affairs and International Business Departments also report to the Chairman.

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.

RELATIONS WITH ASSOCIATES

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

(in) 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.

There is a special section in the explanatory notes to the consolidated financial statements (note 41) that describes the relations between associated parties. During the financial year in question there were no unusual transactions with such parties and the business transactions with associated parties, also those not belonging to the Group, were carried out under normal market terms and conditions.

In 2014, no relevant transactions were carried out pursuant to the procedure of transactions with affiliates.

By 31 December 2014 the parent company Abaco Innovazione finished paying back the interest-bearing loan for euro 400,000.00 at an interest rate equal to the Euribor six months plus 5% granted by the company Exprivia SpA on 23 April 2013.

On 24 October 2013, the company Exprivia SpA carried out a minor transaction with an affiliate, consisting of the disbursement to the parent company Abaco Innovazione SpA of an interest-bearing loan of euro 400,000.00 at an interest rate equal to Euribor six months plus 5%, to be repaid in a lump-sum after 18 months from the disbursement, with interest payment deferred to every six months. 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 associates is published on the company website in the section "Investor Relations – Corporate Governance – Corporate Information".

NOTICE REGARDING MANAGEMENT

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

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

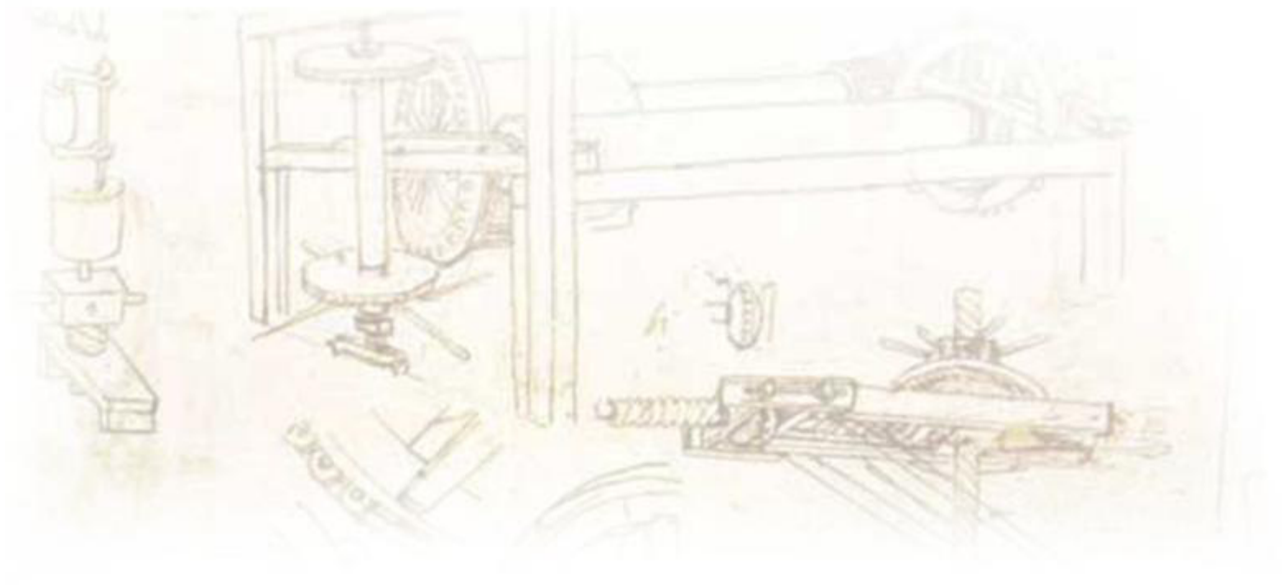
- Abaco Innovazione SpA has not caused any damage to the interests and assets of the Exprivia Group;
- Full transparency of inter-company relations was ensured to the extent that anyone can check whether this principle is being observed;

- 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 SpA of an economic, capital and financial nature are set forth in the section of this Directors' Report "Group Relations with Parent Companies".

The figures required under art. 2497 et seq. of the Italian Civil Code, relating to the most recent year-end financial statements approved by the company Abaco Innovazione SpA are provided in the Explanatory Notes to the separate financial statements for Exprivia SpA.

In accordance with art. 2.6.2(10) of the Regulations for Markets regulated and managed by Borsa Italiana SpA, the Directors declare that as at 31 December 2014 the Company has none of the conditions provided under art. 37(1) of CONSOB regulation no. 16191/2007.



GROUP RELATIONS WITH PARENT COMPANIES

The tables below show the financial and equity relations between the Exprivia Group and the parent company Abaco Innovazione SpA as at 31 December 2014 compared to 31 December 2013.

RECEIVABLES

Description	31/12/2014	31/12/2013	Variation
Exprivia S.p.A.	1,302,438	1,675,919	(373,481)
TOTAL	**1,302,438**	**1,675,919**	**(373,481)**

It is worth noting that receivables, in the amount of Euro 1,019,791 are of the financial, interest-bearing type.

REVENUE AND INCOME

Description	31/12/2014	31/12/2013	Variation
Exprivia S.p.A.	50,949	36,694	14,255
TOTAL	**50,949**	**36,694**	**14,255**

2014 CONSOLIDATED FINANCIAL STATEMENTS FOR THE EXPRIVIA GROUP

Consolidated Balance Sheet as at 31.12.2014

EURO	Note	31.12.2014	31.12.2013
Land and buildings		11,266,613	6,542,909
Work in progress and advances			3,210,906
Other assets		3,436,488	3,340,849
Property, plant and machinery	1	14,703,101	13,094,664
Goodwill		67,263,482	68,928,041
Goodwill and other assets with an indefinite useful life	2	67,263,482	68,928,041
Intangible assets		1,351,287	1,618,137
Research and development costs		2,876,063	3,010,465
Work in progress and advances		776,627	748,927
Other Intangible Assets	3	5,003,977	5,377,529
Investments in associates			15,613
Investments in other companies		893,352	857,172
Equity investments	4	893,352	872,785
Other receivables		1,714,748	1,837,134
Other financial assets	5	1,714,748	1,837,134
Tax advances/deferred taxes		2,087,973	1,568,095
Deferred tax assets	6	2,087,973	1,568,095
NON-CURRENT ASSETS		91,666,633	91,678,248

EURO	Note	31.12.2014	31.12.2013
Trade receivables		62,325,125	55,998,014
Crediti verso imprese controllate			20,388
Receivables from associates		219,150	219,150
Receivables from parent companies		1,302,438	1,675,919
Other receivables		12,246,976	13,706,980
Tax receivables		2,137,941	1,131,054
Trade receivables and other	7	78,231,630	72,751,505
Inventories		143,126	449,799
Inventories	8	143,126	449,799
Work in progress contracts		11,426,026	12,214,932
Work in progress contracts	9	11,426,026	12,214,932
Held at bank		12,042,644	7,199,765
Cheques and cash in hand		65,955	49,782
Cash at bank and on hand	10	12,108,599	7,249,547
Cheques and cash in hand		349,740	
Cash at bank and on hand	11	349,740	
CURRENT ASSETS		**102,259,121**	**92,665,783**
ASSETS		**193,925,754**	**184,344,031**

EURO	Note	31.12.2014	31.12.2013
Share Capital		26,410,269	26,342,871
Share capital	12	26,410,269	26,342,871
Share premium		18,081,738	18,081,738
Share Premium Reserve	12	18,081,738	18,081,738
Revaluation reserve		2,907,138	2,907,138
Revaluation reserve	12	2,907,138	2,907,138
Legal reserve		3,561,670	3,312,804
Other reserves		16,983,866	11,718,309
Riseva in sospensione di imposta	12	(270,895)	
Other reserves	12	20,274,641	15,031,113
Retained earning/loss		2,014,991	5,975,474
Profits/Losses for previous periods	12	2,014,991	5,975,474
Profit/Loss for the period		3,037,163	2,855,879
SHAREHOLDERS' EQUITY	12	72,725,940	71,194,213
Minority interest		959,836	1,906,014
GROUP SHAREHOLDERS' EQUITY		71,766,104	69,288,199
NON-CURRENT LIABILITIES			
Non-curent bond		4,272,794	
Non-current bond	13	4,272,794	
Non-curent bank debt		7,265,127	8,531,974
Non-current bank debt	14	7,265,127	8,531,974
Trade payables after the financial year		228,427	489,948
Payables for equity investments			1,740,396
Tax liabilities and amounts for social security payable after		119,161	119,161
Other financial liabilities	15	347,588	2,349,505
Other provisions		1,384,724	1,019,046
Provision for risks and charges	16	1,384,724	1,019,046
Employee severance indemnities		10,230,522	8,714,511
Employee provisions	17	10,230,522	8,714,511
Provisions for deferred taxes		991,905	1,262,729
Deferred tax liabilities	18	991,905	1,262,729
TOTAL NON-CURRENT LIABILITIES		24,492,660	21,877,765

EURO	Note	31.12.2014	31.12.2013
Current bond		656,902	
Current bond	19	656,902	
Current bank debt		31,206,922	36,120,716
Current bank debt	20	31,206,922	36,120,716
Trade payables		22,524,620	20,449,069
Trade payables	21	22,524,620	20,449,069
Advances		4,162,600	2,448,157
Advances payment on work in progress contracts	22	4,162,600	2,448,157
Payables to associated companies		63,345	63,345
Other payables		2,637,341	4,023,929
Other financial liabilities	23	2,700,686	4,087,274
Tax liabilities		15,253,993	8,848,388
Tax liabilities	24	15,253,993	8,848,388
Amounts payable to pension and social security institution:		5,550,781	4,976,918
Other payables		14,650,650	14,341,531
Other current liabilities	25	20,201,431	19,318,449
CURRENT LIABILITIES		**96,707,154**	**91,272,053**
LIABILITIES		**193,925,754**	**184,344,031**

Consolidated Income Statement as at 31.12.2014

	Note	31.12.2014	31.12.2013
Revenue from sales and services		141,958,617	126,322,011
Revenues	26	141,958,617	126,322,011
Other revenues and income		943,591	801,065
Grants related to income		3,256,429	2,066,686
Increase in capitalised expenses for intenal projects		1,395,638	1,652,966
Other income	27	5,595,658	4,520,717
Changes in inventories of work in progress		(309,404)	279,051
Changes in inventories of finished goods and work in progress	28	(309,404)	279,051
PRODUCTION REVENUES		147,244,871	131,121,779
Costs of raw, subsid. & consumable mat. and goods	29	12,857,487	11,182,948
Salaries	30	89,813,335	81,805,151
Other costs for services	31	23,296,619	18,348,989
Costs for leased assets	32	4,716,850	4,998,890
Sundry operating expenses	33	1,834,165	1,450,226
Provisions	34	274,376	262,634
TOTAL PRODUCTION COSTS		132,792,832	118,048,838
DIFFERENCE BETWEEN PRODUCTION COSTS AND REVENUES		14,452,039	13,072,941

EURO	Note	31.12.2014	31.12.2013
Ordinary amortisement of intangible assets		2,256,615	2,055,464
Ordinary depreciation of tangible assets		1,668,751	1,536,264
Othe write-downs		337,791	294,050
Doubtful receivables included in current assets		324,549	482,469
Amortisation, depreciation and write-downs	35	4,587,706	4,368,247
OPERATIVE RESULT		**9,864,333**	**8,704,694**
Financial income and charges	36	2,899,926	2,671,052
PRE-TAX RESULT		**6,964,407**	**6,033,642**
Income tax	37	3,927,244	3,177,763
PROFIT OR LOSS FOR THE PERIOD	38	**3,037,163**	**2,855,879**
Attributable to:			
Shareholders of holding company		3,501,360	2,418,127
Minority interest		(464,197)	437,752
Earnings per share losses			
Basic earnings per share		0.0688	0.0476
Basic earnings diluted		0.0688	0.0476

Comprehensive Consolidated Income Statement as at 31.12.2014

EURO		
Description	**31/12/2014**	**31/12/2013**
Profit for the year	**3,037,163**	**2,855,879**
Other gains (losses) total will not subsequently be reclassified in profit (loss)		
Profit (loss) Actuarial effect of IAS 19	(1,111,493)	(286,059)
Tax effect of changes	305,661	78,666
Total other comprehensive income (loss) will not subsequently be reclassified in profit (loss)	**(805,832)**	**(207,393)**
Other gains (losses) total that will be subsequently reclassified to profit (loss) for the period we		
Change in translation reserve	(270,895)	
Total other comprehensive income (loss) that will subsequently be reclassified in profit (loss)	**(270,895)**	**-**
NET COMPREHENSIVE INCOME FOR THE PERIOD	**1,960,436**	**2,648,486**
attributable to:		
Group	2,566,944	2,206,713
Minority interest	(606,508)	441,773

Statement of Changes in Consolidated Shareholders' Equity as at 31.12.2014

Euro	Company Capital	Own shares	Share Premium Fund	Reval. Reserve	Other Reserves	Profits (Losses) brought forward	Profit (Loss) for the period	Total Net Worth	Minority Interests	Total Group Net Worth
Balance at 31/12/2012	**26,979,658**	**(494,012)**	**18,081,738**	**2,907,138**	**12,582,424**	**6,199,449**	**2,424,481**	**68,680,875**	**1,500,272**	**67,180,603**
Reclassification previous year's profit to previous year's profit					2,604,023	(179,542)	(2,424,481)			
Dividend distribution										
Dividend distribution										
Purchase of own shares		(142,775)			(56,858)			(199,633)		(199,633)
Sale of own shares								-		
Changes in consolidated companies					(98,476)	162,960		64,484	(35,131)	99,615
Components of comprehensive income								-		
Profit (loss for the period)							2,855,879	2,855,879	437,752	2,418,127
Effects of applying IAS 19						(207,393)		(207,393)	4,021	(211,414)
Total income (loss) for the year Overall								**2,648,486**	**441,773**	**2,206,713**
Balance at 31/12/2013	**26,979,658**	**(636,787)**	**18,081,738**	**2,907,138**	**15,031,113**	**5,975,474**	**2,855,879**	**71,194,213**	**1,906,914**	**69,287,299**
Reclassification previous year's profit to previous year's profit					4,977,306	(2,121,427)	(2,855,879)			
Purchase of own shares		(477,128)			(196,798)			(673,926)		(673,926)
Other movements (sales / use treasury shares)		544,526			432,264			976,790		976,790
Changes in consolidated companies					301,651	(1,033,224)		(731,573)	(340,570)	(391,003)
Components of comprehensive income										
Profit (loss for the period)							3,037,163	3,037,163	(464,197)	3,501,360
Effects of applying IAS 19						(805,832)		(805,832)	(9,875)	(795,957)
Translation reserve					(270,895)			(270,895)	(132,436)	(138,459)
Total income (loss) for the year Overall								**1,960,436**	**(606,508)**	**2,566,944**
Balance at 31/12/2014	**26,979,658**	**(569,389)**	**18,081,738**	**2,907,138**	**20,274,641**	**2,014,991**	**3,037,163**	**72,725,941**	**959,836**	**71,766,105**

Consolidated Cash Flow Statement as at 31.12.2014

EURO	NOTE	31.12.2014	31.12.2013
Operating activities:			
Profit (loss)	40	3,037,163	2,855,879
Amortisation, depletion and depreciation of assets		3,925,366	3,591,728
Provision for Severance Pay Fund		4,099,076	4,056,182
Advances/Payments Severance Pay		(2,583,065)	(4,040,946)
Adjustment of value of financial assets			
Cash flow arising from operating activities		**8,478,540**	**6,462,843**
Increase/Decrease in net working capital:			
Variation in stock and payments on account		2,810,022	1,267,303
Variation in receivables to customers		(6,327,111)	6,397,885
Variation in receivables to parent/subsidiary/associated company		373,482	(486,301)
Variation in other accounts receivable		453,117	(2,305,775)
Variation in payables to suppliers		2,148,296	3,882,362
Variation in payables to parent/subsidiary/associated company			(38,115)
Variation in tax and social security liabilities		6,979,468	(2,613,328)
Variation in other accounts payable		(1,077,469)	1,304,538
Cash flow arising (used) from current assets and liabilities		**5,359,805**	**7,408,569**
Cash flow arising (used) from current activities		**13,838,345**	**13,871,412**
Investment activities:			
Variation in tangible assets		(3,277,188)	(2,910,014)
Variation in intangible assets		(218,504)	(2,213,412)
Variation in financial assets		(418,059)	158,045
Cash flow arising (used) from investment activities		**(3,913,751)**	**(4,965,382)**
Financial activities:			
Changes in financial assets not held as fixed assets		(1,907,063)	(324,912)
Variation in other reserves		(1,637,102)	(142,909)
Cash flow arising (used) from financial activities		**(3,544,166)**	**(467,821)**
Increase (decrease) in cash		**6,380,428**	**8,438,209**
Banks and cash profits at start of year		9,398,811	5,958,275
Banks and cash losses at start of year		(45,512,934)	(50,510,607)
Banks and cash profits at end of period		14,224,271	9,398,811
Banks and cash losses at end of period		(43,957,966)	(45,512,934)
Increase (decrease) in liquidity		**6,380,428**	**8,438,209**

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 2014

LEGAL REFERENCES, PREPARATION POLICIES AND PRESENTATION

In application of European Regulation No. 1606/2002 of 19 July 2002 and Legislative Decree no. 38 of 28 February 2005, the consolidated financial statements of the Exprivia Group and the financial statements of the parent company Exprivia SpA as at 31 December 2014, were drawn up in compliance with International Accounting Standards approved by the European Community (hereinafter referred to individually as IAS/IFRS or together as IFRS) in force as at 31 December 2014.

The consolidated financial statements were prepared based on the draft financial statements as at 31 December 2014 provided by the management bodies of the consolidated companies. Where necessary, they were duly adjusted to bring them in line with the classification policies and accounting standards adopted by the Group. The consolidated financial statements were prepared under the general policy of giving an accurate and truthful presentation of the Group's financial standing, economic result and cash flows, while adopting the going-concern assumption, and the general policies of accrual basis accounting, presentation coherence, relevance and aggregation, rule against offsetting and comparability of information. The reporting period and the closing date for preparing the consolidated financial statements correspond to those of the financial statements for the Holding Company and for all the consolidated companies. The consolidated financial statements are presented in euro, which is the currency used by the Holding Company Exprivia SpA, and all figures are rounded off to the euro, unless stated otherwise. The consolidated financial statements provide comparative information referring to the previous financial year.

The schedules in the financial statements are the following:

- For the balance sheet the current assets, non-current assets, current liabilities and non-current liabilities are posted separately. Current assets are those that are to be made, sold or consumed during the normal operating cycle of the Group. Current liabilities are those that are to be extinguished during the normal operating cycle of the Group or within twelve months following the end of the financial year;
- For the income statement, the cost and revenue items are posted according to their nature;
- For the comprehensive income statement, a separate schedule was prepared;
- For the cash flow statement, the indirect method was used.

ADJUSTMENTS TO COMPARATIVE DATA

In order to make the presentation of data more intelligible, the presentation was changed for certain items in comparative data presented in accordance with IAS 1, with respect to data reported in the consolidated financial statements as at 31 December 2013. This had no effect on the result and net equity at that date.

	Statement Published		Statement presented for comparative purposes
EURO	**31.12.2013**		**31.12.2013**
NON-CURRENT ASSETS	**91,678,248**		**91,678,248**
Trade receivables	56,217,164	(219,150)	55,998,014
Crediti verso imprese controllate	20,388		20,388
Receivables from associates		219,150	219,150
Receivables from parent companies	1,675,919		1,675,919
Other receivables	14,288,417	(581,437)	13,706,980
Tax receivables	1,131,054		1,131,054
Trade receivables and other	73,332,942	(581,437)	72,751,505
Inventories	449,799		449,799
Inventories	449,799		449,799
Work in progress contracts	12,214,932		12,214,932
Work in progress contracts	12,214,932		12,214,932
Held at bank	7,199,765		7,199,765
Cheques and cash in hand	49,782		49,782
Cash at bank and on hand	7,249,547		7,249,547
CURRENT ASSETS	**93,247,220**	**(581,437)**	**92,665,783**
ASSETS	**184,925,468**	**(581,437)**	**184,344,031**

The balance of the item "receivables from associates" (euro 219,150), given for the purpose of comparison, was previously reported under “trade receivables”.

The item “other receivables” was posted net of adjusted provisions related the item, whereas previously they were classified as “provisions for risks and charges” (euro 581,437).

	Statement Published		Statement presented for comparative purposes
EURO	**31.12.2013**		**31.12.2013**
SHAREHOLDERS' EQUITY	**71,194,213**		**71,194,213**
Minority interest	1,906,914		1,906,914
NON-CURRENT LIABILITIES			
Non-current bank debt	8,531,974		8,531,974
Other financial liabilities	2,349,505		2,349,505
Provision for risks and charges	1,600,483	(581,437)	1,019,046
Employee provisions	8,714,511		8,714,511
Deferred tax liabilities	1,262,729		1,262,729
TOTAL NON-CURRENT LIABILITIES	**22,459,202**	**(581,437)**	**21,877,765**
Current bank debt	36,120,716		36,120,716
Trade payables	20,512,414	(63,345)	20,449,069
Advances payment on work in progress contracts	2,448,157		2,448,157
Payables to associated companies		63,345	63,345
Other payables	4,023,929		4,023,929
Other financial liabilities	4,023,929	63,345	4,087,274
Tax liabilities	8,848,388		8,848,388
Other current liabilities	19,318,449		19,318,449
CURRENT LIABILITIES	**91,272,053**		**91,272,053**
LIABILITIES	**184,925,468**	**(581,437)**	**184,344,031**

The balance of the item "payables to associates" (euro 63,345), given for the purpose of comparison, was previously reported under “trade payables”.

	Statement Published
Revenue from sales and services	127,190,277
Revenues	**127,190,277**
Other revenues and income	801,065
Grants related to income	2,171,208
Other income	**2,972,273**
Changes in inventories of work in progress	279,051
Changes in work in progress contracts	(868,266)
Increase in capitalised expenses for intenal projects	1,652,966
Changes in inventories of finished goods and work in progress	**1,063,751**
PRODUCTION REVENUES	**131,226,301**
Costs of raw, subsid. & consumable mat. and goods	11,182,948
Raw materials and consumables used	**11,182,948**
Salaries	60,361,447
Social security charges	16,243,345
Employee severance indemnities	4,056,182
Other staff costs	1,144,177
Costs related to employee benefits	**81,805,151**
Other costs for services	18,348,989
Costs for leased assets	4,998,890
Sundry operating expenses	1,450,226
Provisions	367,156
Other costs	**25,165,261**
TOTAL PRODUCTION COSTS	**118,153,360**
DIFFERENCE BETWEEN PRODUCTION COSTS AND REVENUES	**13,072,941**

EURO		Statement presented for comparative purposes 31.12.2013
	Revenue from sales and services	126,322,011
Revenues		126,322,011
	Other revenues and income	801,065
	Grants related to income	2,066,686
	Increase in capitalised expenses for intenal projects	1,652,966
Other income		4,520,717
	Changes in inventories of work in progress	279,051
Changes in inventories of finished goods and work in progress		279,051
PRODUCTION REVENUES		131,121,779
	Costs of raw, subsid. & consumable mat. and goods	11,182,948
	Salaries	81,805,151
	Other costs for services	18,348,989
	Costs for leased assets	4,998,890
	Sundry operating expenses	1,450,226
	Provisions	262,634
TOTAL PRODUCTION COSTS		118,048,838
DIFFERENCE BETWEEN PRODUCTION COSTS AND REVENUES		13,072,941

The balance of the item “revenue from sales and services”, provided for the purpose of comparison, includes “changes in contract work in progress” (euro -868,266), which were posted under "changes in inventories of work in progress, semi-finished and finished goods" in the 2013 financial statements.

The balance of the item “grants related to income” is posted net of the provision to offset the risk of receiving a lower amount of grants after administrative assessments (euro -104,522). In the previous financial year the amount was posted under the item “provisions".

Lastly, the item “costs for capitalised internal projects” (euro 1,652,966) included under the item “revenues” in the comparative schedule was previously posted under “other income”.

ACCOUNTING POLICIES

"IFRS" is intended as the International Accounting Standards (IAS) now in force, as well as all the interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") formerly called the Standing Interpretations Committee ("SIC"), and in accordance with the regulatory provisions issued to implement art. 9 of Italian Legislative Decree no. 38/2005 (CONSOB Resolution no. 15519 of 27 July 2006 providing the "Rules for financial statement schedules", CONSOB Resolution no. 15520 of 27 July 2006 providing the "Changes and amendments to the Issuer Regulations adopted under Resolution no. 11971/99", CONSOB notice no. 6064293 of 28 July 2006 providing rules for "Company disclosure pursuant to art. 114(5), Italian Legislative Decree 58/98").

ACCOUNTING ESTIMATES USED IN PREPARING THE FINANCIAL STATEMENTS

Preparation of the financial statements in accordance with applicable accounting standards required the use of estimates and assumptions based on historical experience and on other factors that are deemed reasonable with respect to the circumstances and knowledge available as at the date of the financial statements. Actual results may depart from these estimates. The estimates and assumptions are revised constantly. The effects of revised estimates are recognised in the income statement for the period in which the estimates are revised. The estimates mainly concern: amounts allocated to provisions for bad or doubtful debts, made according to the expected sale value of related assets; amounts allocated to provisions for risks, made according to the reasonable estimate of the amount of the potential liability, also with respect to any demands from the counterparty; amounts allocated for employee benefits, recognised according to actuarial valuations; amortisation/depreciation of tangible and intangible assets, recognised according to their remaining useful life and their recoverable value; income taxes, determined according to the best estimate of the rate expected for the entire financial year; development costs, initial capitalisation for which is based on the technical and financial feasibility of the project (future cash flow projections are made for each project). The Group conducts impairment tests on goodwill at least once per year. For such tests an estimate is made on the value of the cash generating unit to which the goodwill pertains. This estimate requires a projection of future cash flows and the estimate of the discount rate after tax, which reflects the market conditions at the date of the assessment.

ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS APPLICABLE FROM 1 JANUARY 2014

IFRS10 "Consolidated Financial Statements"

On 12 May 2011 IASB issued IFRS 10 – *Consolidated Financial Statements*, which replaces SIC-12 *Consolidation – Special Purpose Entities* and parts of IAS 27 – *Consolidated and Separate Financial Statements* renamed to *Separate Financial Statements*. It provides accounting requirements for subsidiaries in separate financial statements. The new standard moves from existing standards and according to the new definition of control it determines the crucial factors for the purpose of consolidating a company in the parent company's financial statements. It also provides guidance for determining the existence of control where it is difficult to verify (de facto control, potential votes, special purpose entities, etc.). The standard has been applicable retrospectively since January 1, 2014. The group re-examined its relations of control over its investee entities as at 1 January 2014 without finding any effect from adopting the new standard.

IFRS 10 did not have any impact on the consolidation of the equity investments held by the Group.

IFRS 11 "Joint Arrangements" replacing IAS 31

On 12 May 2011 the IASB issued IFRS 11 - Joint Arrangements, which replaces IAS 31 - Interests in Joint Ventures and SIC-13 - Jointly Controlled Entities - non monetary contributions by venturers. The new standard provides criteria for determining joint arrangements based on rights and obligations deriving from agreements rather than on their legal form, and it establishes the equity method as the only one for recognition of investments in joint ventures. The standard has been applicable retrospectively since 1 January 2014. Adoption of the new standard had no effect on the group.

IFRS 12 "Disclosure of Interests in Other Entities"

On 12 May 2011 the IASB issued IFRS 12 - *Disclosure of Interests in Other Entities*, which is a new and complete standard on additional information to disclose for any type of investment, including those in subsidiaries, joint arrangements, associated entities, special purpose entities and other non-consolidated vehicle companies. The standard has been applicable retrospectively since 1 January 2014. Adoption of the new standard had no significant effects on the group.

On issue of IFRS 10 and IFRS 12, the previous IAS 27 *Consolidated and Separate Financial Statements*, renamed *Separate Financial Statements* was amended by changing its name and by eliminating all provisions related to consolidated financial statements (the other provisions remain valid). As a result of this change the standard now indicates only criteria for measurement and recognition as well as disclosures to provide in the separate financial statements for subsidiaries, joint ventures and associates.

IFRS 11 and IFRS 12 IAS 28

On issue of IFRS 11 and IFRS 12, the previous IAS 28 was amended in name and in content. In particular, the new standard, which also includes provisions from SIC 13, describes the application of the equity method, which is the valuation criteria for joint ventures and associated entities in the consolidated financial statements. Adoption of the new standard had no effect on the group.

IAS 32 "Financial Instruments"

On 16 December 2011 the IASB issued certain amendments to IAS 32 - *Financial instruments: Presentation* in order to clarify the application of certain criteria for offsetting financial assets and liabilities presented in IAS 32. The standard has been applicable retrospectively since 1 January 2014. Adoption of the new standard had no significant effects on the group.

IAS 39 "Financial Instruments: Recognition and Measurement

On 27 June 2013 the IASB issued certain minor amendments to IAS 39 – *Financial Instruments: Recognition and Measurement*, entitled "Novation of Derivatives and Continuation of Hedge Accounting". The changes allow the continuation of hedge accounting when a derivative financial instrument, designated as a hedging instrument, is novated as a result of laws or regulations for the purpose of replacing the original counterparty to ensure the obligation is fulfilled and if certain conditions are met. The same amendment is also included in IFRS 9 - *Financial Instruments*. The standard has been applicable retrospectively since 1 January 2014. Adoption of the new standard had no significant effects on the group.

IAS 36 "Recoverable Amount Disclosures for Non-Financial Assets"

On 29 May 2013, the IASB issued an amendment to IAS 36 - *Recoverable Amount Disclosures for Non-Financial Assets* in order to clarify information to disclose on the recoverable value of impaired assets if the amount is based on fair value net of sales costs. The standard has been applicable retrospectively since 1 January 2014. Adoption of the new standard had no significant effects on the group.

IFRIC 21 "Levies" - IAS 37 "Provisions, Contingent Liabilities and Contingent Assets"

On 20 May 2013, the IASB issued IFRIC 21 - *Levies*, interpretation of IAS 37 - *Provisions, Contingent Liabilities and Contingent Assets*. IFRIC 21 provides clarification on when an entity must recognise a liability for the payment of government levies, with the exception of those already regulated by other standards (e.g., IAS 12 - Income Taxes). IAS 37 establishes criteria for recognising a liability, one of which when a company has a current obligation resulting from past events (known as a binding fact). The interpretation clarifies that the binding fact, which gives rise to a liability for the payment of a levy, is described in the law that requires for the payment itself. IFRIC 21 is operative for periods beginning on 1 January 2014. Adoption of the new standard had no significant effects on the group.

ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS NOT YET APPLICABLE ON 01 JANUARY 2014

At the date of these financial statements, the competent bodies of the European Union have not yet concluded the approval process needed to adopt the following accounting standards and amendments:

On 21 November 2013 the IASB issued certain minor amendments to IAS 19 – *Employee Benefits* entitled "Defined Benefit Plans: Employee Contributions". These amendments simplify accounting of contributions to defined benefit plans made by employees or third parties in specific cases. The amendments are retrospectively applicable for periods beginning on or after 1 July 2014. Early adoption is allowed.

On 12 December 2013, the IASB issued a group of amendments to IFRSs (Annual Improvements to IFRSs - 2010-2013 Cycle and Annual Improvements to IFRSs - 2011-2013 Cycle). Among others, the most significant issues dealt with in the amendments are: definition of vesting conditions in IFRS 2 – Share-based Payment, disclosures on estimates and opinions used in grouping operating segments in IFRS 8 – Operating Segments, identification and disclosure of transactions with a related party when a service entity provides key management personnel services to the reporting entity in IAS 24 – Related Party Disclosures, exclusion from application scope of IFRS 3 – Business Combinations, of all types of joint arrangements (as defined in IFRS 11 – Joint Arrangements), and certain clarifications on the exceptions to the application of IFRS 13 – Fair Value Measurement.

On 6 May 2014, the IASB issued certain amendments to IFRS 11 - Joint Arrangements: Accounting for the acquisition of interests in joint operations, providing clarifications on accounting for the acquisition of interests in joint operations that constitute a business. The amendments are retrospectively applicable for periods beginning on or after 1 January 2016. Early adoption is allowed.

In May 2014 the IASB and FASB jointly published IFRS 15 "Revenue from Contracts with Customers". This standard intends to improve disclosure of revenues and their comparison between different annual reports. The new standard is retrospectively applicable for periods beginning on or after 1 January 2017. Early adoption is allowed.

On 12 May 2014, the IASB issued amendments to IAS 16 and IAS 38 "Clarification of Acceptable Methods of Depreciation and Amortisation", in which the adoption of revenue-based methods of depreciation and amortisation are considered inappropriate. For intangible assets only, the clarification introduces a presumption that can be overcome only under one of the following circumstances: (i) the right of use for an intangible asset is correlated to the achievement of a predetermined revenue threshold; or (ii) when it can be demonstrated that revenue and the consumption of economic benefits of the intangible asset are highly correlated. The amendments are applicable for reporting periods starting on or after 1 January 2016.

On 24 July 2014, the IASB finished the draft of the accounting standard on financial instruments and issued the complete version of IFRS 9 “Financial Instruments”. In particular, the new provisions of IFRS 9: (i) amend the classification and measurement model for financial assets; (ii) introduce a new model for impairment of financial assets that takes into consideration expected credit losses; and (iii) amend regulations on hedge accounting. The amendments to IFRS 9 are applicable for reporting periods starting on or after 1 January 2018.

The group will adopt these new standards, amendments and interpretations according to the date of application required for each, and it will assess the potential impact when they are approved by the European Union.

CONSOLIDATION CRITERIA

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

Companies considered subsidiaries are those where: voting rights, also potential, held by the Group enable achievement of a majority of votes in the ordinary shareholders’ meeting of the company; control is obtained by virtue of any agreements between the shareholders or any particular statutory stipulations that give the Group the power to oversee the company; the Group controls a sufficient number of votes to exercise control in the ordinary shareholders’ meeting of the company.

Subsidiaries are consolidated line-by-line in consolidated accounts starting from the date in which control is established and until the Group no longer holds such control. The book value of the interests in subsidiaries is eliminated from the accounts against the related net equity for the period, not including the profit or loss for the period. The share of net equity and profit or loss pertaining to minority interests is reported under the item “Minority Interests” in the Balance Sheet and under the item “Minority Shareholders” in the Income Sheet. The result of the comprehensive income statement for a subsidiary is attributed to minorities also when this means minority interests have a negative balance. Interests in associates are valued with the equity method. An entity is considered associated when the Group is able to participate in defining its operational and financial policies even if it is not controlled or subject to joint control. According to the equity method, interests in an associated company is carried at purchase cost and adjusted, up or down, by the variations in the associate's net assets for the amount pertaining to the Group. Goodwill pertaining to the associate is included in the book value of the interest, and it is not subject to amortisation. Transactions generating internal earnings between the Group and associates are eliminated by the percentage of Group ownership. Adjustments are made to the financial statements of companies valued with the equity method in order to make them compliant with the valuation policies adopted by the Group. All balances and transactions between consolidated entities, including profit not yet realised, are eliminated. Losses deriving from intercompany transactions and not yet realised are eliminated with the exception of cases where there is impairment of transferred assets. Third party profits and losses not yet realised and deriving from transactions with associates or joint ventures are eliminated in the amount pertaining to the Group. Transactions concerning acquisitions and disposal of minority interests in consolidated subsidiaries are considered transactions with shareholders and therefore their effects are reported under net equity.

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 the average exchange rates were used 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 2014 were as follows:

Exchange rate	EUR/GTQ	EURO/MXN	EURO/PEN	EURO/USA	EURO/BRL	EURO/HKD	EURO/CNY
31/12/2014	9.22534	17.8692	3.6327	1.2141	3.2207	9.4170	7.5358
Year average 2014	10.28390	17.6621	3.7687	1.3288	3.1151	9.9828	7.6775

Transactions in foreign currency are initially converted into the reporting currency at the exchange rate applicable on the date of the transaction. At the end of the period in question the monetary assets and liabilities in foreign currency are converted into the reporting currency at the exchange rate applicable on the closing date. Exchange differences are recognised in the Income Statement. Non-monetary assets and liabilities in foreign currency, valued at cost, are converted at the exchange rate applicable at the date of the transaction, whereas those measured at fair value are converted at the exchange rate applicable on the date the measurement is made.

BUSINESS COMBINATIONS

Business combinations are recognised according to the purchase accounting method pursuant to IFRS 3. According to this method, the cost of a business combination is measured at fair value, calculated as the sum of the fair value of assets transferred and liabilities assumed by the Group at the date of acquisition and the equity instruments issued to the seller in exchange for control over the acquired entity. Acquisition-related costs for the transaction are recognised in the income statement when incurred.

The cost of a business combination it compared to the fair value of assets, liabilities and contingent liabilities found on purchase. Any positive difference between the purchase cost and the amount pertaining to the group of the fair value of assets, liabilities and contingent liabilities found on purchase is recognised as goodwill. If the difference is negative it is charged directly to the Income Statement. If only a temporary initial book value of a business combination can be determined the initial value adjustments are carried within twelve months from the date of purchase. Amounts pertaining to third parties are carried according to the fair value of the net assets purchased. If a business combination is made over several phases with subsequent purchase of shares each phase is valued separately using the cost and information on fair value of assets, liabilities and contingent liabilities at the date of each transaction to determine the amount of any difference. When a subsequent purchase results in obtaining control of an entity the amount previously held is carried again according to the fair value of assets, liabilities and contingent liabilities determined at the date control is achieved. Any amounts payable by the buyer are recognised at fair value on the date of acquisition. Changes in the fair value of amounts payable and classed as assets or liabilities, as a financial instrument under IAS 39, are recognised in the Income Statement or in the schedule containing the other components of the comprehensive income statement. When the amount does not fall under IAS 39 it is measured in accordance with the appropriate IFRS. If the amount is classed under net equity its value is not redetermined and its subsequent regulation is accounted for under net equity. Goodwill is initially recognised at cost, i.e., the excess of the sum of the amount paid and the amount carried for minority interests with respect to the net assets acquired and liabilities undertaken by the Group. If the amount is lower than the fair value of the acquired investee company's net assets the difference is carried in the Income Statement.

The option to purchase a part of minority interests or the option to sell minority interests is taken into consideration when determining whether control has been acquired. Additionally, if control is acquired the amounts related to minority call options are considered financial liabilities as provided for under IAS 32.

ACCOUNTING STANDARDS AND 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 2013.

PROPERTY, PLANT AND MACHINERY

Property, plant and machinery are recognised 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, plant, machinery and other assets are entered at cost, net of accumulated depreciation and any impairment. The depreciated value of each significant component of a tangible asset, with a different useful life, is amortised by the straight-line method over the expected period of use. Considering the homogeneity of the assets included in the individual categories of the financial statements, it is assumed that the useful life per category of assets is the following (with the exception of certain significant cases):

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

Land, including pertaining to buildings, is accounted for separately and not depreciated as it is a component with indefinite useful life.

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 (revaluation model). As set forth by IAS 16, the company measures fair value and then remeasures it only when there is a significant difference with respect to the book value.

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.

The book value of property, plant and machinery 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. A reversal is applied if the conditions at the basis of the impairment no longer apply.

GOODWILL

Goodwill is recognised based on the acquisition method in accordance with IFRS 3, as described in the section on business combinations, is not amortised but is subject to impairment tests at least once a year. 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 financial year.

If goodwill was allocated to a cash generating unit and the entity disposes of an asset that belongs to that unit then the goodwill associated to the asset is included in the book value of the asset when determining the gain or loss from the disposal. This amount is determined according to the values of the assets disposed of and the part kept.

OTHER INTANGIBLE 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, the asset can be identified or separated, the Group controls the asset, or it has the power receive its future economic benefit, 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.

Costs for development projects are capitalised under the item “costs for capitalised internal projects” only when the development phase has ended and the product developed begins to generate economic benefit. They are subject to amortisation. During the period in which costs are incurred for capitalised internal development projects they are floated in the Income Statement as increases in fixed assets for internal work and classed under “costs for capitalised internal projects”.

LEASING

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.

Leasing agreements where the lessor substantially keeps all risks and benefits of ownership are considered as operating leasing. The costs for leasing are carried in consistent amounts in the Income Statement for the duration of the agreement.

The amount payable to the lessor is included in the other financial liabilities.

GOVERNMENT GRANTS

Government grants are reported in the presence of a formal resolution and are accounted for as income in the financial year when related costs are incurred.

Grants received against specific assets whose value is carried under fixed assets are entered in the income statement in relation to the period of amortisation/depreciation for the assets to which they refer.

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 not yet available for use 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

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 under the item financial income and charges and other investments.

All the other 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.

Loans, payables and other financial and/or trade liabilities with preset or definable maturity are initially carried at their fair value, not including costs incurred for assuming the amounts payable. The valuation policy applied following initial recognition is the amortisation cost using the effective interest rate method. Long-term loans without an interest rate are accounted for by discounting future cash flows at the market rate if the increase in amounts is due to the passing of time. Amounts for interest are then carried in the income statement under the item “net financial income and charges". Financial payables are cancelled when the obligation underlying the payable is extinguished, voided or settled.

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.

CONTRACT WORK IN PROGRESS

Work in progress is recognised according to the state of progress or percentage of completion so that costs, revenue and margin are carried according to the state of progress determined by referring to the ratio between costs incurred at the date of valuation and total expected cost. The valuation reflects the best estimate of programmes carried out at the balance sheet date. The estimates are updated periodically. Any economic effects are accounted for in the financial year in which the updates are made. If completed contract work is expected to result in a loss this is recognised entirely in the financial year in which it is reasonably forecast. Contract work in progress is carried without including any write-down provisions, losses on contract completion, or payments on account and advances for the contract being executed. This analysis is performed on a contract by contract basis. Whenever the difference is positive for work in progress higher than the amount of payments on account then it is classified under assets in the item in question. Whenever this difference is negative the amount is classified under liabilities in the item “advance payment for contract work in progress".

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.

OWN SHARES

Own Shares

Own shares are reported in reduction of share capital. No profit (loss) is recognised in the Income statement for the acquisition, sale, issue or cancellation of own shares.

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). The employee severance indemnity accrued as at 31 December 2006 is considered a defined benefit to be accounted for in accordance with IAS 19. These benefits fall under the definition: defined benefit plan determined in existence and amount but uncertain in when payable.

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.

Recognition of the changes in actuarial gain/loss is carried amongst the comprehensive income statement components after the revised version of IAS 19 (Employee benefits) was adopted.

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.

The employee severance indemnity accrued after 31 December 2006 is considered a defined contribution obligation.

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 Group plan concluded in 2011 and the related 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 contractual obligation which makes the use of economic resources necessary, provided a reliable estimate of the obligation can be made. The amount recognised 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 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.

FINANCIAL INCOME AND CHARGES

Payable/receivable interest is recognised as financial income/charges after being checked on an accruals basis.

DIVIDENDS

Dividends are recognised when the shareholders hold the right to receive them, in accordance with local legislation.

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.

SEGMENT REPORTING

In accordance with the qualitative and quantitative factors provided by IFRS 8, the Group identified the following operating segments:

- Banks, Finance and Insurance
- Industry & Aerospace
- Energy
- Telco & Media
- Health and Healthcare
- Utilities
- Public Administration
- International Business

Transfer prices applied to transactions between segments for trading goods and providing services are regulated according to standard market conditions.

FINANCIAL RISK MANAGEMENT

The Exprivia Group is exposed to the following financial risks:

Interest Rate Risk

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

Changes in interest rates during the financial year did not have a significant impact on the financial statements.

Credit Risk

Exprivia group does not have significant concentrations of credit risk except for work carried out in the Public Administration sector, where delays are recorded 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 group also manages this risk by selecting counterparts considered to be solvent by the market and with high credit standing.

All amounts receivable are periodically assessed for each individual customer, and they are written down when they are considered impaired. Risk for the Group is mainly related to trade receivables.

Liquidity Risk

Prudent management of liquidity risk is pursued by planning cash flows, financing needs and the liquidity of the Exprivia group to ensure effective management of financial resources by managing any surplus liquidity, and by opening credit lines where necessary, including short-term ones.

As a result of this management, while taking into accoiunt liquidity from loans and credit lines already in place and cash flows the Group is able to generate, risks related to liquidity (at least in the short term) are considered insignificant.

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 markets characterised by major fluctuations (e.g., Brazil) might constitute a risk to be monitored, depending, however, on the volumes in place, which for the moment are not significant.

Fluctuating exchange rates during the financial year did not have a significant effect on the Group.

The table below provides a reconciliation between financial assets and liabilities included in the schedule for the Group balance sheet and classes of financial assets and liabilities provided by IFRS 7 (amounts in millions of euro):

ACTIVITY 'FINANCIAL AT 31 December 2014	Loans and receivables "amortized cost"	Investments valued at cost	Derivatives "financial liabilities designated at FV through profit or loss"	Securities available for sale "fair value level 2"	Total
In thousands of Euro					
Non current assets					
financial assets	1,715				1,715
Investments in other companies		893			893
Total no current assets	**1,715**	**893**	**0**	**0**	**2,608**
Current assets					
Trade receivables	78,232				78,232
Other financial assets				350	350
Cash	12,109				12,109
Total Current assets	**90,341**	**0**	**0**	**350**	90,691
TOTAL	**92,056**	**893**	**0**	**350**	**93,299**

LIABILITIES 'FINANCIAL IN December 31, 2014	Loans and borrowings "amortized cost"	Investments held to maturity "amortized cost"	Derivatives "financial liabilities designated at FV through profit or	Securities available for sale "fair value level 2"	Total
In thousands of Euro					
Non Current liabilities					
Bond	4,273				4,273
Due to banks	7,265				7,265
Other financial liabilities	348				348
Total Non Current liabilities	**11,886**	**0**	**0**	**0**	**11,886**
Current liabilities					
Trade payables and advances	25,721				25,721
Other financial liabilities	2,681			20	2,701
Due to banks	31,207				31,207
Bond	657				657
Total Current liabilities	**60,266**	**0**	**0**	**20**	**60,286**
TOTAL	**72,152**	**0**	**0**	**20**	**72,172**

The financial instruments outlined above were valued at book value as that is considered nearest to the fair value.

Fair Value Hierarchy Measurement

Concerning financial instruments carried in the balance sheet at fair value, IFRS 7 requires that these values be classified according to a hierarchy reflecting the significance of input used in determining fair value. There are three levels as follows: :

- Level 1 - quoted prices on an active market for similar assets or liabilities;
- Level 2 - inputs other than the quoted prices in level 1, which are directly observable (prices) or indirectly observable on the market;
- Level 3 - inputs that are not based on observable market data.

Scope of Consolidation

The consolidated financial statements as at 31 December 2014 include the equity, economic and financial position of the holding company Exprivia S.p.A. and subsidiaries and has changed compared to 31 December 2013 due to the purchase of the investment in Exprivia Telco & Media Srl (formerly Devoteam au Systems S.p.A.) (consolidated from 1 April 2014) and the incorpoaration of the company Exprivia Asia Ltd (consolidated starting from 27 May 2014) and Exprivia IT Solutions Shanghai (starting from 3 November 2014).

Concerning the acquisition of Devoteam auSystem SpA (now Exprivia Telco & Media), on 11 February 2014 Exprivia SpA stipulated a binding agreement to acquire from the French group 100% of Devoteam auSystem SpA, which for over 15 years has been a leading company in the Italian media and telecommunications market. Its customers include major international operators and it offers embedded systems, telecommunications networks, OSS systems, new generation networks (NGN) mobile applications and M2M solutions. On 16 April 2014 Exprivia concluded its acquisition of 100% of the share capital in Devoteam auSystem SpA. The value of the acquisition of 100% of the share capital was euro 0.5 million, fully settled in cash, including the net financial position of the company as at 31.12.2013, which was negative for euro 3.7 million. In accordance with IFRS 3, the difference between the net worth of the acquired company at the date when control was achieved (euro 826,737) and the price paid (euro 500,000) was carried in the income statement under the item “financial income and charges and other investments” for euro 326,737.

On 24 June 2014, Exprivia SpA acquired 40% of the shares of the Spanish company Exprivia SL from the company Apotema BPM Holdings SL - it had already held 60% of the company. The shares were acquired by the exercise of the call and put options by Exprivia SpA and Apotema SL respectively, as had already been agreed by contract. The price of sale paid by Exprivia SpA amounted to euro 1,039,790, with euro 76,000.15 paid in cash and euro 963,789.85 in kind, by transfer of 1,027,166 treasury shares. This transaction did not effect the scope of consolidation as the company Exprivia SL had already been fully consolidated since Exprivia SpA held control.

The table below shows the companies under consolidation; the investments shown below are all held directly by the Holding Company Exprivia apart from the companies ProSap SA de CV, ProSap Centroamerica SA, ProSap Perù Sac, ProSap Holding Inc and ProSap Consulting LLC (incorporated in 2014), which are held indirectly:

Company	Area
Consorzio Exprivia	Other
Exprivia Asia Ltd	International Area
Exprivia IT Solutions (Shanghai) Co Ltd	International Area
Exprivia Projects Srl	Utilities
Exprivia Do Brasil	International Area
Exprivia SL	International Area
Exprivia Healthcare IT Srl	Healthcare/ Public Administrations
Exprivia Telco & Media Srl	Telco & Media
ProSap Group	International Area
ProSap SA de CV (Messico)	International Area
ProSAP Perù SAC	International Area
ProSAP Centroamerica S.A (Guatemala)	International Area
ProSap Holding Inc.	International Area
ProSap Consulting LLC	International Area
Exprivia Enterprise Consulting Srl	Industry & Aerospace
Exprivia Digital Financial Solutions Srl	Banks and Finance
Spegea Scarl	Other

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

Company	Company capital	Results for period	Net worth	Total revenues	Total Assets	% of holding
Consorzio Exprivia S.c.a.r.l	20,000	(733)	11,576		20,748	100.00%
Expriva SL	8,250	573,962	1,647,993	3,820,389	3,820,349	100.00%
Gruppo Exprivia Asia	0.09	5,276	56,370	213,198	442,370	100.00%
Exprivia Enterprise Consulting Srl	1,500,000	(132,423)	1,492,716	11,054,652	9,942,518	100.00%
Exprivia Healthcare IT Srl	1,982,190	941,534	11,123,090	23,419,832	34,671,853	100.00%
Exprivia Do Brasil Servicos Ltda	1,829,001	(274,451)	1,737,505	1,497,647	2,029,700	52.22%
Exprivia Projects Srl	242,000	(46,648)	15,988	9,498,858	3,407,641	100.00%
Exprivia Telco & Media Srl	1,200,000	75,992	934,882	11,979,788	10,421,869	100.00%
Gruppo ProSap	197,904	(677,625)	54,849	7,667,728	4,958,355	51.12%
Exprivia Digital Financial Solution Srl	1,586,919	2,002,994	12,327,248	19,132,120	25,098,751	100.00%
Spegea Sc a rl	125,000	(4,602)	257,115	1,582,826	1,606,879	60.00%

In 2014 the parent company Exprivia SpA transferred the bank and healthcare business units to the subsidiaries Exprivia Digital Fiancial Solution Srl and Exprivia Healthcare It Srl respectively. These operations did not effect the consolidated financial statements. In the separate financial statements pertaining to the transfer, in accordance with OPI 1, they were accounted for in value continuity being a "business combination involving entities under comon control", and therefore making IFRS 3 not applicable.

Explanatory notes on the Consolidated Balance Sheet

Details are provided below on the entries making up the assets and liabilities that comprise the consolidated financial position, which is drawn up in accordance with international accounting standards (IAS/IFRS).

All the figures reported in the tables below are in euro, unless expressly indicated.

NON-CURRENT ASSETS

1 - PROPERTY, PLANT AND MACHINERY

The item "**property, plant and machinery**" amounted to Euro 14,703,101 compared to Euro 13,094,664 at 31 December 2013.

Categories	Historical cost 01/01/14	Inc. per new area of consolid.	Inc.	Dec.	Historical cost at 31/12/14	Reserve prov. at 01/01/14	Reserve prov. new consolid. Area	Provision for period	Dec.	Cum. prov.	Net value at 31/12/14
Land	357,941	-	182,813	-	540,754	-	-	-	-	-	540,754
Buildings	8,389,317	-	5,005,609	(83,066)	13,311,860	(2,204,351)	-	(381,652)	-	(2,586,003)	10,725,857
Others	16,910,363	519,470	1,257,619	(508,815)	18,178,636	(13,569,512)	(384,517)	(1,287,099)	498,979	(14,742,148)	3,436,488
Fixed assets in progress	3,210,906	-	-	(3,210,906)	-	-	-	-	-	-	-
TOTAL	**28,868,526**	**519,470 #**	**6,446,041**	**(3,802,787)**	**32,031,250**	**(15,773,862)**	**(384,517)**	**(1,668,751)**	**498,979**	**(17,328,151)**	**14,703,101**

The increase (of euro 519,470) and the accumulated depreciation (for euro 384,517) for the **new scope of consolidation** refers to the tangible fixed assets acquired with the company Exprivia Telco & Media in 2014; more specifically the most significant item is attributable to the purchases for electronic office machinery where the net book value amounts to euro 81,175.

The increase in **"land"**, amounting to euro 182,813, is attributable to the land at the head office in Via Giovanni Agnelli in Molfetta.

The increase of euro 5,005,609 in the item "**buildings**" is mainly due to:

- euro 3,869,349 in costs incurred to build the Molfetta building in Via Giovanni Agnelli
- euro 1,136,260 in costs incurred to renovate the Molfetta buildings in Via Adriano Olivetti 11.

The increase in the item **"others"**, equal to euro 1,284,524, is mainly due to the purchases of electronic office equipment (euro 954,979), utility systems (euro 84,766), furniture and furnishings (euro 68,555) and leased assets (euro 107,498).

The decrease in the item **"work in progress"** is due to the reclassification of costs (incurred in previous financial years to increase the value of buildings) after the work was concluded and the buildings became operational.

The net book value of leased assets came to Euro 804,582 and relates to electronic office equipment (Euro 334,432), furniture and furnishings (Euro 453,926), vehicles (Euro 7,663) and telephone systems (Euro 8,561). It should also be noted that minimum future payments within one year amount to Euro 343,070, while those due in one to five years amount to Euro 325,837.

2 - GOODWILL AND OTHER ASSETS WITH AN INDEFINITE USEFUL LIFE

The item "**goodwill and other assets with an indefinite useful life**" amounted to euro 67,263,482 as at 31 December 2014 compared to euro 68,928,041 as at 31 December 2014. This change is mainly due to the reduction of goodwill pertaining to ProSap SL as a result of the failure to achieve the earn-out objectives stipulated in the agreement to acquire the controlling share of the company. In 2014 agreements were reached with minority shareholders which included the release of the debt from previous financial years for the same amount (euro 1,522,784).

Descriptions	01/01/2014	Decrem.	Value at 31/12/2014
GOODWILL	69,928,041	(1,664,559)	68,263,482
TOTAL	**69,928,041**	**(1,664,559)**	**68,263,482**

Goodwill was generated in the business combinations made in previous financial years as a result of the Group's growth from acquiring companies operating in the same market.

The table below shows the CGUs to which the goodwill was allocated:

GOODWILL		Allocation CGU								
	Value at 31/12/14	Energy	Utilities	Public Administration and Aerospace	Industry	Banks, Finace and Insurance	Healthcare	BPO	ProSap	Exprivia Do Brasil
DIFFERENCE ETA BETA MERGER	3,040,710					3,040,710				
DIFFERENCE AIS MEDICAL MERGER	3,913,776						3,913,776			
GOODWILL AURORA BRANCH	1,406,955						1,406,955			
GOODWILL EX WELNETWORK	3,571,424	3,571,424								
GOODWILL ODX BRANCH EX EXPRIVIA SOLUTIONS	88,328			88,328						
GOODWILL AIS PS BRANCH	1,767,655	246,332	517,491	118,585	339,858	545,389				
GOODWILL ABACO INFORMATION SERVICES SRL AND AISOFTWARE SPA	15,058,971	2,098,549	4,408,597	1,010,250	2,895,312	4,646,264				
GOODWILL KSTONES BRANCH	517,714	72,146	151,564	34,731	99,539	159,734				
CONSOLIDATED GOODWILL EHIT (EX GST SRL)	304,577						304,577			
CONSOLIDATED GOODWILL EHIT (EX SVIMSERVICE SRL)	22,309,288						22,309,288			
CONSOLIDATED GOODWILL EEC (EX WELNETWROK SRL)	7,970,984	7,970,984								
CONSOLIDATED GOODWILL EEC (EX DATILOG SRL)	89,600				89,600					
CONSOLIDATED GOODWILL PROSAP	694,309								694,309	
GOODWILL RECO MERGER										
CONSOLIDATED GOODWILL EEC (EX REALTECH ITALIA SRL)	740,380	133,268	177,691		370,190	37,019	22,211			
CONSOLIDATED GOODWILL EDSF (EX SISPA SRL)	3,251,885					3,251,885				
CONSOLIDATED GOODWILL EXPRIVIA DO BRASIL	338,668									338,668
CONSOLIDATED GOODWILL EXPRIVIA SOLUTIONS	863,758			863,758						
CONSOLIDATED GOODWILL EXPRIVIA PROJECTS	1,334,500							1,334,500		
TOTAL	**67,263,482**	**14,092,703**	**5,255,343**	**2,115,652**	**3,794,499**	**11,681,001**	**27,956,807**	**1,334,500**	**694,309**	**338,668**

INFORMATION RELATED TO IMPAIRMENT TESTS PERFORMED ON GOODWILL AND OTHER ASSETS WITH AN INDEFINITE USEFUL LIFE: IMPAIRMENT TEST

Scope

Accounting standard IAS 36 requires that impairment tests should be performed on tangible and intangible assets in the presence of indicators which suggest that this problem could exist.

In the case of goodwill, as well as all other intangible assets with an indefinite useful life, such impairment tests should be performed on a yearly basis or more frequently in the case of special negative events that might result in impairment.

Identification of CGU (Cash Generating Unit) and Allocation of Goodwill

Not representing goodwill, according to international accounting standards, an asset that is unable to generate cash flow independently from other assets or groups of assets cannot be tested for impairment separately from other related assets.

For this purpose goodwill is allocated to a CGU or a group of CGUs in compliance with the maximum aggregation consistent with the notion of operating segment referred to in IFRS 8.

Concerning the Exprivia Group goodwill was allocated to CGUs as follows:

- goodwill arising from business combinations through which assets were acquired and assigned to specific CGUs from an operational standpoint was allocated to the respective CGUs.
- Goodwill arising from business combinations, through which assets were acquired and to date do not refer to specific CGUs as they were assigned to different CGUs, was attributed to different CGUs in proportion to the sales volumes they generated in the financial year when the allocation was first made.
- Goodwill allocated as above was reallocated as a result of internal reorganisation in line with the same allocation criteria described above.

Impairment Test Process and Assessment System

The recoverability of the amount of goodwill carried in the financial statements is checked by comparing the book value allocated to each CGU and the recoverable amount in the definition of value of use. At the date of analysis, the latter is identified as the current value of future cash flow expected to be generated by the CGUs. The "DCF - Discounted Cash Flow" model was used in determining the value of use. The DCF discounts estimated future cash flow by applying an appropriate discount rate.

The WACC (Weighted Average Cost of Capital) used to discount cash flows was equal to 6.8% and was determined using the following parameters:

- Cost of KE risk capital equal to 8.61% calculated according to:
  - risk-free rate of 3% equal to the average rate in 2014 of ten-year BTP with implicit country risk (source: Treasury Department Ministry of the Economy and Finance “Primary Interest Rates”)
  - Specific beta coefficient for the Group equal to 1.5 (source: Banca Akros Analyst Coverage of 9.1.2014) cleared from financial risk (unlevered beta equal to 0.98)
  - 5.7% market risk premium (source: survey on market risk premiums used in 51 countries in 2013 P. Fernandez, J. Aguirreamalloa and P. Linares)
- Cost of debt equal to 6%
- Debt/Equity ratio equal to 0.72 calculated according to the ratio between the net financial position and average stock market capitalisation in the last 12 months.

Identification of Cash Flow

For the purpose of the projections required by IAS 36, strict reference was made to the current condition of use of each CGU regardless of the cash flow from any investment plans and extraordinary transactions that may constitute a "break" from normal company operations.

The operating cash flow projections for the period of five years used for the purpose of assessing the value derive from economic-financial forecasts for 2015-2020, the assumptions underlying adopted scenarios and flows achieved, are submitted to the Board of Directors prior to approving the impairment test.

The end value was calculated as the current value of perpetual performance obtained capitalising the cash flow generated in the last analytical forecast period normalised through a 20% reduction at a 2% G growth factor.

Sensitivity Analysis

A sensitivity analysis was carried out on the outcome of impairment tests assuming the following change in key parameters:

- A 1% increase in the weighted average cost of capital;
- A decrease in the growth rate “G” from 2% to 1%;

The sensitivity analysis shows that the values in use were higher than the book value except for the Industry CGU so a WACC higher by 1% together with a 1% growth rate would result in a writedown of about euro 175 thousand.

The tests performed did not show any impairment that should be reported in the financial statements.

3 - OTHER INTANGIBLE ASSETS

The item **Other intangible assets** amounted to Euro 5,003,977 at 31 December 2014 (net of amortisation) compared to Euro 5,377,529 at 31 December 2013.

The table below provides a summary of the item.

Categories	Historic cost 01/01/14	Increases at 31/12/14	Variation to consol. of cos	Dec. al 31/12/14	Total historic cost at 31/12/14	Deprec. fund at 01/01/14	Variation to consol. of cos	Deprec. quota for period	Cumulated deprec. 31/12/14	Net value at 31/12/14
Cost of plant and extension	6,195,002	440,139	242,068	-	6,877,210	(4,576,865)	(224,220)	(724,839)	(5,525,925)	1,351,287
Development of advertising	9,986,973	1,361,527	-	-	11,348,500	(6,976,508)	-	(1,495,927)	(8,472,435)	2,876,063
Assets under constr. & payment on a/c	748,927	31,700	-	(4,000)	776,627	-	-	-	-	776,627
TOTAL	**16,930,902**	**1,833,366**	**242,068**	**(4,000)**	**19,002,336**	**(11,553,373)**	**(224,220)**	**(2,220,766)**	**(13,998,360)**	**5,003,977**

The increase in the item **"costs for capitalised internal projects"** is mainly due to the development of software applications in the segments banks, finance and insurance and healthcare.

The item "**change in scope of consolidation**" is for the contribution of the company Exprivia Telco & Media Srl (formerly Devoteam auSystems SpA) amounting to euro 242,038 and the cost incurred for acquisition rights for customer contracts to develop new markets (euro 205,948) by the company Exprivia It Solutions (Shanghai).

The item "**change in the scope of consolidation**" is attributable to the contribution by the company Exprivia Telco & Media Srl (formerly Devoteam au Systems S.p.A.) amounting to euro -224,220.

4 - EQUITY INVESTMENTS

The item **"equity investments"** at 31 December 2014 amounted to Euro 893,352 compared to Euro 872,785 at 31 December 2013.

The composition of equity investments is described below.

Interests in Subsidiaries

As at 31 December 2013 the Group held 100% ownership of Farm Multimedia Srl (in liquidation), whose book value was brought to zero and in 2014 the company was cancelled from the Business Register.

Interests in Associates

The Group also holds a 32.80% share in Fallimento Mindmotion Srl (in liquidation), whose book value was brought to zero.

Investments in Other Companies

The item **"investments in other companies"** at 31 December 2014 amounted to Euro 893,352 compared to Euro 857,172 at 31 December 2013.

The table below provides details on the items:

Description	31/12/2014	31/12/2013	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	-
H.BIO Puglia	12,000	12,000	-
Consorizio Italy Care	10,000		10,000
Consorzio DITNE	5,564	12,384	(6,820)
Consorzio Daisy-Net Partecipation	13,939	13,939	-
Cattolica Popolare Soc. Cooperativa	23,491	23,491	-
Banca di Credito Cooperativo	2,461	2,461	-
Partecipazione Consorzio SILAB-Daisy	1,837	1,837	-
ENFAPI CONFIND Partecipation	1,033	1,033	-
Partecipazione Consorzio GLOCAL ENABLER	2,000	2,000	-
Consorzio Heath Innovation HUB	3,000	3,000	-
Cefriel Scarl	33,000		33,000
Consorzio Semantic Valley	1,500	1,500	-
TOTAL	**893,352**	**857,172**	**36,180**

5 - OTHER FINANCIAL ASSETS

Other Receivables

At 31 December 2014 the item **"other receivables"** amounted to Euro 1,714,748 compared to Euro 1,837,134 at 31 December 2013. The change is shown in the table below.

Description	31/12/2014	31/12/2013	Variation
Long term deposit	229,646	244,091	(14,445)
Financial recivables	228	7,922	(7,694)
Tax credits	1,484,874	1,585,121	(100,247)
TOTAL	**1,714,748**	**1,837,134**	**(122,387)**

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"**. Similarly to previous years, the refunds for the years 2009 to 2011 are recognised in the item, while those relating to 2007 and 2008 are included in the item **"current tax receivables"**.

6 - PREPAID TAXES

The item "**prepaid taxes**" amounted to euro 2,087,973 compared to euro 1,568,095 as at 31 December 2013, and refers to taxes on temporary changes that are 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.

The table below provides details on this item:

Description	31/12/2014		31/12/2013	
	Amount temporary differ	tax effect	Amount temporary differ	tax effect
Goodwill	1,212,572	375,027	1,202,358	388,602
Fair value of derivative	20,190	5,552	63,501	17,463
Allowance for doubtful accounts	1,290,941	355,019	1,177,020	323,690
Fund risks	2,081,709	625,479	1,003,504	290,584
incentives exodus			89,000	24,475
tax losses	2,429,087	673,575	1,837,527	505,598
Adjustments for IFRS	183,899	53,322	51,703	14,218
several			12,274	3,465
TOTAL	**7,218,398**	**2,087,973**	**5,436,887**	**1,568,095**

CURRENT ASSETS

7 - TRADE RECEIVABLES AND OTHERS

Trade Receivables

At 31 December 2014 the item **"trade receivables"** amounted to euro 62,325,125 (net of the bad debts provision) compared to euro 55,998,014 at 31 December 2013.

The following table provides details on the item as well as a comparison with 31 December 2013.

Description	31/12/2014	31/12/2013	Variation
To Italian customers	46,432,806	43,891,910	2,540,896
To foreign customers	8,363,303	7,374,059	989,244
To public bodies	11,091,487	8,398,794	2,692,693
S-total receivables to customers	**65,887,597**	**59,664,763**	**6,222,834**
Less: provision for bad debts	(3,562,472)	(3,666,749)	104,278
Total receivables to customers	**62,325,125**	**55,998,014**	**6,327,111**

Trade receivables, including the write-down provision, can be broken down as follows:

Details	31/12/2014	31/12/2013	Variation
To third parties	56,492,357	50,638,049	5,854,308
Invoices for issue to third parties	9,395,240	9,026,714	368,526
TOTAL	**65,887,597**	**59,664,763**	**6,222,834**

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 the amount that had been accrued up to December included and the amount that will be invoiced in the following months.

The table below provides details on receivables (not including invoices to be issued), specifying amounts falling due and those overdue.

Amount of receivables	in		days past due							
	expire	due	1 - 30	31- 60	61 - 90	91-120	121-180	181-270	271-365	beyond
56,492,357	37,884,404	18,607,953	2,495,185	2,370,283	1,368,209	1,409,659	1,655,720	1,673,632	1,009,402	6,625,863
100.0%	67.1%	32.9%	4.4%	4.2%	2.4%	2.5%	2.9%	3.0%	1.8%	11.7%

Overdue amounts are mainly for customers operating in Public Administration, which are late in payment but, nevertheless, are not considered bad debts.

Receivables from associates

As at 31 December 2014, **"receivables from associates"**, amounting to euro 219,150, did not change from 31 December 2013 and pertain to receivables due from the company Fallimento Mindmotion Srl (in liquidation).

Receivables from Parent Companies

As at 31 December 2014, the balance of **"receivables from parent companies"** amounted to euro 1,302,438, compared to euro 1,675,919 as at 31 December 2013, and relates to amounts receivable by the

Holding Company owed by the parent company Abaco Innovazione SpA. Some of the receivables (Euro 1,019,791) are of the interest-bearing financial type.

Other Receivables

At 31 December 2011 the item **"other receivables"** amounted to Euro 12,246,976 compared to Euro 13,706,980 at 31 December 2013.

The table below shows movements that occurred.

Description	31/12/2014	31/12/2013	Variation
Receivables for contrib.	5,954,194	7,841,024	(1,886,830)
Receivables to s/holders for holdings/spin-offs	19,109	19,109	-
Advances to suppliers for services	282,693	245,943	36,750
Sundry credits	191,213	67,582	123,631
Receivables to factoring	729,285	1,014,829	(285,544)
Receivables to welfare institutes/INAIL	585,675	5,109	580,566
Receivables to employees	83,625	97,732	(14,107)
Guaranteed securities	81,378	98,764	(17,386)
Costs in future years expertise	4,319,805	4,316,888	2,917
TOTAL	**12,246,976**	**13,706,980**	**(1,460,004)**

The amounts receivable in relation to "**government grants**" refer to grants accrued and/or accounted for to date in relation to costs incurred. 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 receivables are carried net of the risk provision for any minor grants that might not be received.

The item **"expenses pertaining to future financial years"** for euro 4,319,805 mainly refers to maintenance costs for future reporting periods.

Tax Receivables

At 31 December 2014 the item **"tax receivables"** amounted to Euro 2,137,941 compared to Euro 1,131,054 at 31 December 2013. The table below provides a breakdown.

Description	31/12/2014	31/12/2013	Variation
Receivables to tax a/c - IRES	369,940	83,337	286,603
Receivables to tax a/c - IRAP	2,085	31,755	(29,670)
Tax authority w/holding taxes on interest income	958	-	958
Tax authority deductions on foreign payments	197,948	125,429	72,519
Credits to tax authority for VAT	168,076	178,272	(10,196)
Credits with tax authority	1,360,765	712,261	648,504
Advanced Tax Credits	38,170	-	38,170
TOTAL	**2,137,941**	**1,131,054**	**1,006,887**

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 included in the item “tax receivables”. Rebates for the years 2007 and 2008 are included under the item. The change with respect to the previous year is mainly due to the contribution by the company Exprivia Telco & Media Srl (for Euro 646.5230).

8 - INVENTORIES

“Inventories” amount to Euro 143,126 compared to Euro 449,799 as at 31 December 2013 and refer to software and hardware purchased and destined to be resold in future periods.

9 - WORK IN PROGRESS CONTRACTS

“Work in progress contracts” amounted to Euro 11,426,026 compared to Euro 12,214,932 as at 31 December 2013 and refers to the percentage of completion of contracts in progress pertaining to the reporting period.

The table below shows the work in progress by business segment.

Business Areas	31/12/2014	31/12/2013	Variation
Bank, Finance and Insurance	200,658	89,484	111,174
Industry and Aerospace	868,213	437,239	430,974
Energy	715,150	719,898	- 4,748.00
Heatlhcare	5,174,655	6,694,887	(1,520,232)
Utilities	1,912,907	1,072,817	840,090
Public Administration	1,320,981	447,978	873,003
International aerea	617,151	2,148,259	(1,531,108)
Other	616,311	604,370	11,941
TOTALI	**11,426,026**	**12,214,932**	**(788,906)**

CURRENT FINANCIAL ASSETS

10 - CASH AT BANK AND ON HAND

The item **“cash at bank and on hand”** amounted to Euro 12,108,599 compared to Euro 7,249,547 at 31 December 2013 and refers to Euro 12.042.644 held at banks and Euro 65,955 in cheques and notes on hand. The bank balance includes secured deposits for guarantees (euro 193,597.23) given to a bank, euro 69,000.00 for a bond loan issued by Exprivia Healthcare IT Srl and euro 49,938.77 for other lenders.

11 - OTHER FINANCIAL ASSETS AVAILABLE FOR SALE

The item **“other financial assets”** amounting to euro 349,740 refers to the stipulation of financial instruments on 30 December 2014 issued by Banca Popolare di Bari, namely: (i) 23,394 new securities issued by the same bank for euro 8.95 each, of which euro 3.95 as a share premium, for a total of euro 209,376.30 and (ii) 23,394 bonds “Banca Popolare di Bari 6.50% 2014/2021 subordinate Tier II” for euro 6.00 each, amounting to euro 140,364.00. These financial instruments are carried at fair value (level 2).

12 - SHAREHOLDERS' EQUITY

12 - SHARE CAPITAL

"Share Capital", fully paid up, amounted to Euro 26,410,269 and is represented by 51,883,958 ordinary shares at Euro 0.52 nominal value each, including 1,094,978 own shares amounting to euro 569,389 held as at 31 December 2014.

12 - SHARE PREMIUM RESERVE

At 31 December 2014 the **"share premium reserve"** amounted to Euro 18,081,738 and is the same as 31 December 2013.

12 - REVALUATION RESERVE

At 31 December 2014 the **"revaluation reserve"** amounted to Euro 2,907,138 and is the same as 31 December 2013.

12 - LEGAL RESERVE

The **"legal reserve"** amounted to euro 3,561,670, which rose by euro 248,866 compared to 31 December 2013 after allocation of Exprivia SpA profit from the previous year, as resolved by the shareholders' meeting of 23 April 2014.

12 - OTHER RESERVES

The balance of the item **"other reserves"** amounted to Euro 16,983,866 compared to Euro 11,718,309 at 31 December 2013 and pertains to:

- Euro 4,992,231 for the **"extraordinary reserve"**, which rose by Euro 4,728,440 compared to 31 December 2013 after allocation of profit for 2013 as resolved by the Exprivia SpA Shareholders' Meeting of 23 April 2014;
- 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" and has not changed since 31 December 2013;
- 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, which remained unchanged with respect to 31 December 2013;
- euro 240,735 "**other reserves**". Movements in 2014 refer to:
    - euro -196,798 as an effect deriving from the premium paid when buying own shares;
    - euro 429,664 an effect deriving from the use of own shares to fulfil an obligation arising as a result of the acquisition of a 40% interest in Exprivia SL and euro 2,600 as an effect deriving from the sale of own shares (for a total of euro 432,264);
    - lastly, the reserve was affected by about euro 300 thousand for the change in the scope of consolidation.

12 - CURRENCY TRANSLATION RESERVE

As at 31 December 2014 the **currency translation reserve** amounted to euro -270,895 and derives from the translation into euro of the financial statements for foreign subsidiaries prepared in local currencies.

12 - PROFIT/LOSS FROM PREVIOUS PERIODS

As at 31 December 2014 the **retained profit/loss** reserve amounted to euro 2,014,991 compared to euro 5,975,474 as at 31 December 2013. The reserve was affected by the allocation of profit from the previous financial year (euro 2,121,427), in addition to the effects produced by the acquisition of the minority shares of the company Exprivia SL (about euro 1 million) and by actuarial gains and losses deriving from adopting IAS 19 (euro 805,832).

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

DESCRIPTION	Result to 31/12/2013	Net Worth at 31/12/2013	Result for period to 31/12/2014	Net Worth at 31/12/2014
Exprivia S.p.A.	**4,977,306**	**67,520,977**	**2,956,516**	**70,388,536**
Contribution of subsidiaries	1,796,838	13,321,681	2,463,275	30,050,333
Depreciation and cover for losses of subsidiaries		(49,882,999)		(64,687,993)
Elimination capital gain divestment of Exprivia Projects branch/Elimination Svimservice dividends		38,795,121		37,272,337
Elimination intercompany licence purchases/Elimination WelNetwork dividends	(3,772,235)		(2,637,263)	
Elimination capital gain divestment AIS Professional branch	(146,030)	155,496	(72,101)	93,731
Variation in consolidation of companies		1,283,937	326,736	(391,003)
Contribution of third parties to net worth	(437,752)	(1,906,914)	464,197	(959,836)
TOTAL GROUP NET WORTH	**2,418,127**	**69,287,299**	**3,501,360**	**71,766,105**

NON-CURRENT LIABILITIES

13 - BOND ISSUES

As at 31 December 2014 the balance amounted to euro 4,272,794 for the non-current amount of the bond issue (*minibond*) entitled "EHIT SRL fixed rate 5.20% 2014-2018", issued by Exprivia Healthcare It Srl for a total of euro 5 million, subscribed by the fund Anthilia Bond Impresa Territorio (Anthilia BIT) for 90% and by Banca Popolare di Bari for the remaining 10%, listed in the multilateral trading system managed by Borsa Italiana, ExtraMOT-Pro segment, reserved for professional investors. The minibond has a duration of 4 years, with a fixed yield of 5.2% and amortising repayment. Further information can be found in the admission document on the company website in the section *Investor Relations*.

14 - NON-CURRENT PAYABLES TO BANKS

At 31 December 2014 the item **"non-current payables to banks"** amounted to Euro 7,265,127 compared to Euro 8,531,974 at 31 December 2013, and pertains to medium-term borrowing from major credit and financial institutions and to low-interest loans for specific investments programmes.

The table below provides details on the item and breaks down the non-current portion (Euro 7,265,127) and the current portion (Euro 12,286,481).

Financial institution	Typology	Contract amount	Amount paid to 31.12.14	Date contract	Expiration Date	Repayment installment	Rate applied	Residual capital at 31.12.14	To be repaid within 12 months	To be repaid over 12 months
Banca Nazionale del Lavoro	Financing	18,000,000	18,000,000	30/11/07	30/11/15	semi-annual	Euribor 6 mesi + 1,7%	2,571,420	2,571,420	
Ministero dell'Università e della Ricerca	Financing	1,430,905	1,243,453	12/04/07	01/07/15	semi-annual	0.50%	97,090	97,090	
Ministero dello Sviluppo Economico	Financing	2,151,000	1,787,006	27/12/09	27/02/19	annual	0.87%	912,850	179,421	733,429
Ministero dell'Università e della Ricerca	Financing	934,900	380,624	10/01/08	01/07/15	semi-annual	0.50%	35,036	35,036	
Monte dei Paschi di Siena	Financing	5,000,000	5,000,000	04/05/10	10/05/17	montly	Euribor 3 mesi + 2,5%	2,026,163	1,203,146	823,017
Banco Napoli	Financing	2,000,000	2,000,000	20/05/11	20/05/16	montly	Euribor 1 mese + 3,70%	608,982	426,533	182,450
IBM Italia Servizi Finanziari	Financing	306,856	306,856	01/05/12	01/02/17	quarterly	9.66%	152,098	63,041	89,057
ICCREA Banca Impresa	Financing	1,020,000	1,020,000	18/07/13	30/09/18	quarterly	Euribor 3 mesi + 3,80%	783,931	197,606	586,325
ICCREA Banca Impresa	Financing	2,500,000	2,500,000	14/07/14	31/12/15	montly	Euribor 3 mesi + 3,80%	1,779,901	1,779,901	
Simest	Financing	1,955,000	586,500	26/07/13	19/04/20	montly	0.500%	586,500	58,650	527,850
Banca del Mezzogiorno	Financing	3,000,000	3,000,000	04/06/14	31/03/24	quarterly	Euribor 3 mesi + 4,80%	2,878,024	252,952	2,625,071
Banca Carime	Financing	2,000,000	2,000,000	07/11/14	07/05/16	montly	Euribor 1 mese + 3,80%	1,891,830	1,324,603	567,227
Banca Popolare di Milano	Financing	2,000,000	2,000,000	11/07/14	31/01/15	montly	Euribor 3 mesi + 3,75%	336,152	336,152	
Banca Popolare di Milano	Financing	2,000,000	2,000,000	17/12/14	30/06/15	montly	Euribor 3 mesi + 3,75%	2,000,000	2,000,000	
Deutsche	Financing	1,000,000	1,000,000	07/08/14	04/02/16	montly	Euribor 1 mese +2,20%	777,778	666,667	111,111
Banca Popolare Pugliese	Financing	500,000	500,000	28/11/14	28/11/15	montly	Euribor 6 mesi + 4,75%	459,268	459,268	
Ubi banca	Financing	2,025,228	1,822,705	28/12/04	05/08/16	annual	0.960%	511,650	254,819	256,832
Banca Popolare di Bari	Financing	500,000	500,000	04/12/14	31/03/20	quarterly	Euribor 3 mesi + 2,20%	500,000	100,000	400,000
Banco Polular	Financing	100,000	100,000	25/04/12	10/05/19	montly	4.700%	67,084	12,859	54,226
Banco Polular	Financing	300,000	300,000	18/10/13	18/11/16	montly	6.230%	288,230	146,096	142,134
Banco Polular	Financing	60,000	60,000	09/09/14	20/10/17	montly	5.000%	56,897	19,170	37,727
Banco de Santander	Financing	120,000	120,000	08/07/14	20/07/17	montly	3.527%	103,333	40,000	63,333
Banco de Santander	Financing	90,000	90,000	09/10/14	09/01/15	montly	6.950%	30,000	30,000	
Banco Popular	Financing	100,000	100,000	20/10/14	20/11/17	montly	4.218%	97,389	32,052	65,337
Total								*19,551,607*	*12,286,481*	*7,265,127*

Medium-term Loan Agreement

On 8 May 2008 Exprivia stipulated a medium-term loan for up to a total of Euro 20,500,000.00 (twenty million five hundred thousand/00) with a pool of banks consisting of BNL (lead bank and lead arranger), Centrobanca-Banca di Credito Finanziario e Mobiliare S.p.A., Unicredit Corporate Banking S.p.A. and Banca Antonveneta S.p.A..

In particular, under the medium-term loan agreement the lenders granted the following medium-term credit lines to Exprivia:

- A credit line called "Line A" for up to a total of Euro 3,000,000.00 (three million/00) to fund payment of Svimservice share premium and to be paid back by 30 November 2015;
- A credit line called "Line B" for up to a total of Euro 15,000,000.00 (fifteen million/00) to refinance a portion of the Bridge Loan and to be paid back by 30 November 2015;
- A revolving credit line called "Revolving Line" for up to a total of Euro 2,500,000.00 (two million five hundred/00) to fund working capital and the company's general cash needs. It was paid back on full by 31 December 2010.

The medium-term loan was facilitated by the following real guarantees:

- A second lien granted by the parent company Abaco Innovazione S.p.A. on a number of Exprivia shares such that the ratio between the market value of those shares and the remainder of the loan is always 125%;
- A lien on 100% of the share capital in Exprivia Healthcare IT Srl (formerly Svimservice Srl) and Exprivia Enterprise Consulting Srl (formerly Wel.Network);
- A mortgage on the property owned by the company in Molfetta in Viale Adriano Olivetti 11, which became a first mortgage following the settlement of the ten-year mortgage of 2004 that paid for the property;
- Assignment of receivables and indemnities deriving from Wel.Network S.p.A. and Svimservice S.p.A. acquisition agreements;
- Assignment of receivables deriving from contracts for services and/or software stipulated by the company for a sufficient amount to cover debt servicing for at least one year; this guarantee can be replaced and/or supplemented by a lien on a current account where the company will deposit enough funds to cover 50% of the difference between one year of debt servicing and the value of receivables assigned as guarantee.

The following financial parameters are to be respected under the medium-term loan agreement for its entire duration, as amended on 30 January 2014 in accordance with agreements reached with the pool of banks with BNL as the leading bank:

Date of Reference	**Net Borrowing/EBITDA** *not more than*	**Net Borrowing/Net equity** *not more than*	**Free Cash Flow/Debt Servicing** *not less than*	**Overall Investments** *not more than*
31.12.2014	2.3	0.56	1.0	6,400
30.06.2015	2.3	0.56	1.0	6,400

These financial parameters will be measured on a consolidated basis every six months by 30 April and 30 September of each year and will refer to the 12 months preceding 30 June and 31 December of each year, using standard calculation criteria agreed by the parties.

The financial parameter "overall investments" does not take into account investments for acquiring interests not subject to authorisation, or those that received specific written authorisation from the banks.

As at 31 December 2014, the financial parameters recorded on the basis of accounting data were respected.

Low-interest Loan from the Ministry of Universities and Research

A loan resolved for Euro 1,430,905 stipulated by Exprivia on 12 April 2007 and provided for Euro 1,243,453 at 31 December 2014 to finance a research and development project under the financing law Ministerial Decree no. 593 of 8 August 2000. It expires on 1 July 2015 and bears a below-market rate of interest (0.50% yearly).

This loan was granted under the following Ministry of Universities and Research decrees: 1769/Ric. of 1 August 2005, 107/Ric. of 26 January 2006 and 2386/Ric. of 16 November 2006.

As at 31 December 2014 the remaining debt amounted to Euro 97,090 to be repaid within the next twelve months (and therefore recorded under current liabilities).

There are no real guarantees for this loan.

Low-interest Loan from Ministry of Economic Development - Istituto Finanziario Ubi Banca (formerly Centrobanca) POR Puglia

A loan resolved for Euro 2,151,000 and provided for Euro 1,787,006 at 31/12/2014 to finance a research and development project under Law 46/82 F.I.T. art. 14 Circular no. 1034240 of 11 May 2001. It expires on 27 December 2019 and bears a below-market rate of interest (0.87% yearly).

This loan was granted under decree n. POR 05 of 27.12.2006 by the Ministry of Economic Development.

At 31 December 2014 the remaining debt amounted to Euro 912,850, Euro 179,421 of which should be repaid within twelve months (carried under short-term liabilities) and the remaining Euro 733,429 to be repaid in 2015-2019 (carried under long-term liabilities).

There are no real guarantees for this loan.

Low-interest Loan from the Ministry of Universities and Research

A loan resolved for Euro 934,900 (stipulated by Exprivia Solutions SpA, formerly Exprivia SpA) on 10 January 2008 and provided for Euro 380,624 at 31 December 2014 to finance a research and development project under the financing law Ministerial Decree no. 593 of 8 August 2000. It expires on 1 July 2015 and bears a below-market rate of interest (0.50% yearly).

This loan was granted under the following Ministry of Universities and Research decrees: nos. 3244/Ric. of 5 December 2005 and 11177/Ric. of 19 September 2007.

As at 31 December 2014 the remaining debt amounted to Euro 35,036 to be repaid within the next twelve months (and therefore recorded under current liabilities).

There are no real guarantees for this loan.

Banca Antonveneta Loan

A loan for Euro 5,000,000 stipulated on 04.05.10 and provided on 01.06.10 to be repaid in monthly instalments starting from 10.02.11 until 10.05.17.

The interest rate applied is Euribor 3 months + a 2,5% spread.

As at 31 December 2014 the remaining debt amounted to Euro 2,026,163, Euro 1,203,146 of which is to be repaid within the next twelve months (and therefore recorded under current liabilities) and the remaining Euro 823,017 to be repaid in 2015-2017 (carried under non-current liabilities).

There are no real guarantees for this loan.

Banco di Napoli Loan

A loan for Euro 2,000,000 stipulated on 20.05.11 to be repaid in monthly instalments starting from 20.06.11 until 20.05.16.

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

As at 31 December 2014 the remaining debt amounted to Euro 608,982, Euro 426,533 of which is to be repaid within the next twelve months (and therefore recorded under current liabilities) and the remaining Euro 182,450 to be repaid in 2015-2016 (carried under non-current liabilities).

There are no real guarantees for this loan.

Iccrea Banca Impresa Loan

A loan of Euro 1,020,000 entered into on 18 July 2013; it is to be repaid in monthly instalments starting from 30.09.2013 until 30.09.2018 and is targeted at supporting international development in Brazil through its subsidiary Exprivia do Brasil.

The interest rate applied is Euribor 3 months + a 3,80% spread.

As at 31 December 2014 the remaining debt amounted to Euro 783,931, Euro 197,606 of which is to be repaid within the next twelve months (and therefore recorded under current liabilities) and the remaining Euro 586,325 to be repaid in 2015-2018 (carried under non-current liabilities).

The loan is backed by a SACE guarantee of Euro 535,500.

Simest Loan

A loan of Euro 1,955,000 resolved, entered into on 19.04.2013, of which Euro 585,500 disbursed on 26.07.2013, is to be repaid in six-month instalments starting from 19.10.2015 until 19.04.2020. The loan is targeted at supporting international development in China and bears a below-market fixed rate of interest (0.50% yearly).

As at 31 December 2014 the remaining debt amounted to Euro 586,500, Euro 58,650 of which is to be repaid within the next twelve months (and therefore recorded under current liabilities) and the remaining Euro 527,850 to be repaid in 2015-2020 (carried under non-current liabilities).

There are no real guarantees for this loan.

Banca del Mezzogiorno Loan

A loan of euro 3,000,000 entered into on 04 June 2014 and disbursed on 18/06/2014. It is to be repaid in quarterly instalments starting from 30/09/2014 until 31/03/2024. The loan is targeted at supporting the purchase of land and for construction of the Molfetta building at Via Giovanni Agnelli no. 5, which is an investment falling under the programme agreement stipulated with Regione Puglia on 5 December 2011.

The interest rate applied is Euribor 3 months + a 4,80% spread.

As at 31 December 2014 the remaining debt amounted to Euro 2,878,024, Euro 252,952 of which is to be repaid within the next twelve months (and therefore recorded under current liabilities) and the remaining Euro 2,625,071 to be repaid in 2015-2024 (carried under non-current liabilities).

The loan in question is backed by a first mortgage on the property.

Ubi Banca Low-interest Loan

A loan resolved for Euro 2,025,228, entered into by Svimservice (formerly Exprivia Healthcare IT Srl) on 28 December 2004, with Euro 1,822,705 disbursed as at 31/12/2014 to finance a research and development project under the financing law 46/82 F.I.T - Project A17/0472/P concerning: Misura 2.1. Pacchetto Integrato Agevolazioni - PIA Innovazione prevista dal P.O.N. Sviluppo Imprenditoriale Locale" [PIA Innovation under the P.O.N. Local Entrepreneurial Development]. It expires on 5 August 2016 and bears a below-market rate of interest (0.96% yearly).

This loan was granted under decree no. 127358 of 05.08.03.

At 31 December 2014 the remaining debt amounted to Euro 511,650, Euro 254,819 of which should be repaid within twelve months (carried under short-term liabilities) and the remaining Euro 256,832 to be repaid in 2015-2016.

There are no real guarantees for this loan.

Banca Popolare di Bari Loan

A loan for Euro 500,000 stipulated by Exprivia Healthcare IT Srl to be repaid in quarterly instalments starting from 31/03/2015 until 31/03/2020.

The interest rate applied is Euribor 3 months + a 2.20% spread.

At 31 December 2014 the debt amounted to Euro 500,000, Euro 100,000 of which should be repaid within twelve months (carried under short-term liabilities) and the remaining Euro 400,000 to be repaid in 2016-2020 (carried under long-term liabilities).

There are no real guarantees for this loan.

Banco Popular Loan

A loan for Euro 100,000 entered into on 20 October 2014 by ProSap España, expiring on 20 November 2017 and bearing interest at a fixed rate of 4.218%.

As at 31 December 2014 the remaining debt amounted to Euro 97,389, Euro 33,333 of which is to be repaid within the next twelve months (and therefore recorded under current liabilities) and the remaining Euro 64,056 to be repaid in 2015-2017 (carried under non-current liabilities).

There are no real guarantees for this loan.

Banco de Santander Loan

A loan for Euro 120,000 entered into on 08 July 2014 by ProSap España, expiring on 20 July 2017 and bearing interest at a fixed rate of 3.527%.

As at 31 December 2014 the remaining debt amounted to Euro 103,333, Euro 40,000 of which is to be repaid within the next twelve months (and therefore recorded under current liabilities) and the remaining Euro 63,333 to be repaid in 2015-2017 (carried under non-current liabilities).

There are no real guarantees for this loan.

Banco Popular Loan

A loan for Euro 100,000 entered into on 25 April 2012 by Exprivia SL on 20 April 2012, expiring on 20 May 2019 and bearing interest at a fixed rate of 4.70%.

As at 31 December 2014 the remaining debt amounted to Euro 67,084, Euro 12,859 of which is to be repaid within the next twelve months (and therefore recorded under current liabilities) and the remaining Euro 54,226 to be repaid in 2015-2019 (carried under non-current liabilities).

There are no real guarantees for this loan.

Banco Popular Loan

A loan for Euro 300,000 entered into on 18 October 2013 by Exprivia SL, expiring on 18 November 2016 and bearing interest at a fixed rate of 6.230%.

As at 31 December 2014 the remaining debt amounted to Euro 288,230, Euro 146,096 of which is to be repaid within the next twelve months (and therefore recorded under current liabilities) and the remaining Euro 142,134 to be repaid in 2015-2016 (carried under non-current liabilities).

There are no real guarantees for this loan.

Banco Popular Loan

A loan for Euro 60,000 entered into on 9 September 2014 by Exprivia SL, expiring on 20 October 2017 and bearing interest at a fixed rate of 5.00%.

As at 31 December 2014 the remaining debt amounted to euro 56,897, euro 19,170 of which is to be repaid within the next twelve months (and therefore recorded under current liabilities) and the remaining euro 37,727 to be repaid in 2015-2017 (carried under non-current liabilities).

There are no real guarantees for this loan.

NET FINANCIAL POSITION

In accordance with the CONSOB notice of 28 July 2006 and CESR recommendation of 10 February 2005 “Recommendations for standard implementation of European Commission regulations on disclosure schedules”, the table below shows the net financial position of the Exprivia Group as at 31 December 2014 compared with figures from the previous year.

Description	31/12/2014	31/12/2013	Variation
Intercompany current financial assets	1,019,791	1,419,791	(400,000)
Current financial assets	349,740	115,000	234,740
Cash at bank and on hand	12,108,599	7,249,547	4,859,052
Treasury shares	746,139	614,473	131,666
Non-curent bank debt	(7,255,127)	(8,531,974)	1,276,847
Non-curent liabilities	(4,501,221)	(498,948)	(4,002,273)
Current bank debt	(31,206,922)	(36,120,716)	4,913,794
Current liabilities	(994,695)	(361,296)	(633,399)
	(29,733,695)	***(36,114,123)***	***6,380,428***

15 - OTHER FINANCIAL LIABILITIES

At 31 December 2014 the item **"other financial liabilities"** amounted to euro 347,588 compared to euro 2,349,505 at 31 December 2013. The change is shown in the table below.

Description	31/12/2014	31/12/2013	Variation
Payables for purchase of investments	-	1,740,396	(1,740,396)
Trade payables	228,427	489,948	(261,521)
Due to tax and social security	119,161	119,161	-
TOTAL	**347,588**	**2,349,505**	**(2,001,917)**

Balance of the item **"payables for equity investments"** was set fully to zero, both because of reclassification of the payable of euro 217,600 relating to the acquisition of 51.12% in Prosap SL, included in current payables, and for the cancellation of the earn-out (euro 1,522,796) as a result of the agreements reached with ProSap SL minority shareholders.

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

16 - PROVISION FOR RISKS AND CHARGES

At 31 December 2014 the item **"provision for risks and charges"** amounted to Euro 1,384,724 compared to Euro 1,019,046 at 31 December 2013. The breakdown is shown in the table below:

Description	31/12/2014	31/12/2013	Variation
Fund risks disputes	710,000	111,554	598,446
Risk fund tax dispute	73,453	557,635	(484,182)
Risk provisions staff	287,713	145,636	142,077
Provision for other risks	313,558	204,221	109,337
TOTAL	**1,384,724**	**1,019,046**	**365,677**

The **provision for dispute risks** of euro 710,000 refers to amounts set aside for possible risks related to current disputes:

- Euro 150,000 relates to the provision for risks set aside by Exprivia Enterprise ConsultingSrl, concerning Realtech AG's criminal claim due to the non-fulfilment of the obligation to retain the name of Realtech Italia until 31.12.13, a penalty claimed by the licensor despite the fact it had been notified of the corporate merger operation beforehand which would have led to the incorporation of the company Realtech Italia in WelNetwork Srl (now Exprivia Enterprise Consulting Srl).
- Euro 560,000 provision against any adverse outcome of pending civil legal proceedings in which the Holding Company is involved.

The **"provision for tax dispute risks"** of Euro 73,453 can be broken down as follows:

- Euro 65,000 for the official audit report issued by the Inland Revenue Agency of Bari on 27/10/2014 against Exprivia SpA, where certain tax irregularities were found for about euro 81,000 in addition to interest and sanctions. The company only partially accepts the report by the Inland Revenue Agency of Bari and set aside euro 65,000.

- Euro 8,453 as the remaining amount from the previous provision of euro 23,322. The matter refers to the assessment notices of 2004 and 2005 in relation to the official audit report served to WELNETWORK SpA (now Exprivia Enterprise Consulting Srl, hereafter: EEC) on 7 December 2007, which states that the company allegedly broke VAT laws as well as allegations concerning undeclared capital gains, irrelevant entertainment costs and software capitalisation. In 2010 the company made separate appeals. At the hearing of 8/11/2011 the presiding judge combined the two appeals and with decision 55/01/12 filed on 31/08/2012 the combined appeals submitted by Wel.Network SpA were accepted, with the exception of a lower amount related to IRAP 2004 (recovery of costs considered non-deductible for euro 7,379.00). All the other allegations were cancelled. On 17/1/2013 the company received a payment order for 14,868.41, which was duly paid. On 18 February 2013, the Inland Revenue Agency filed an appeal. The company filed its counter-claims at the Regional Tax Commission of Bologna. The hearing has not yet been scheduled. On 27/10/2014 EEC received a notice from the Inland Revenue Agency of Piacenza for a new assessment in relation to the official audit report mentioned above referring to 2006. Unlike the previous two notices, this assessment is related only to VAT. No irregularity was reported with respect to IRES. The counts contained in the notices are not consistent with the documentation related to previous periods. This change in counts by the Inland Revenue Agency renders their position weaker. Based on these considerations made by the attorneys appointed to handle the matter it was not deemed necessary to set up additional special provisions.

Concerning the notices of assessment received by Exprivia SpA from the Inland Revenue Agency of Bari in relation to 2005 (IRES and IRAP) and 2006 (IRES), as a result of the final judgement issued by the Regional Tax Commission of Bari the remaining risk provision of euro 486,945 was brought to zero.

With respect to the official audit report made in 2014 by the Finance Police against Exprivia Healthcare IT Srl, pending the appropriate action by the company as declared during the tax audit, as things stand, the company does not believe that it should make any provisions in the financial statements pending the assessments to be made by the inland revenue agency.

The **“provision for staff risks”** of Euro 287,713 refers to amounts set aside for current disputes with former employees.

The **“provision for grant risks”** was reclassified to reverse receivables for research project grants.

The **“provision for other risks”** amounting to euro 313,558 is mainly for:

- Euro 120,551 set aside by the company Exprivia Telco & Media for payment received due to the transfer of the receivable due from a customer who is now insolvent; the provision is equal to 50% of the amount for which the revocation action is being exercised, net of VAT.

- Euro 61,400 against the risk for lack of provisions by the company Exprivia Projects Srl.

17 - EMPLOYEE PROVISIONS

Employee Severance Indemnity Fund

The amounts for the employee severance indemnity accrued after 31 December 2006 were paid to the INPS pension fund and union pension funds. The remaining employee severance indemnity fund amounted to euro 10,230,522 compared with euro 8,714,511 as at 31 December 2013. The fund is net of amounts deposited. An actuarial assessment was performed on the liability in accordance with IAS 19 using the retrospective method, which requires recognition of actuarial gains/losses in the comprehensive 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.

The table below shows the primary actuarial and financial assumptions used in the calculation:

Description	31/12/2014	31/12/2013
Discount rate	1.50%	3.80%
Inflation rate	1.50%	2.00%
Annual rate of wage growth	3.00%	3.00%
Mortality	Tav ISTAT 2011	Tav ISTAT 2004
Inability	Tav. INAIL	Tav. INAIL
Turn-over	7.25%	7.25%
Probability advance	2.50%	2.50%
Amount% of the severance pay in advance	70.00%	70.00%

Some of the general criteria used for the projections are described below. In order to meet the need to make assessments based on all the information available a technical procedure was used known in the actuarial literature as MAGIS (actuarial method of years in operation on an individual basis and by means of random drawings).

This method is a Monte Carlo-based stochastic simulation that makes it possible to develop projections of amounts payable for each employee while taking into account the demographic and salary data of each position without making aggregations and without introducing average values.

To make the procedure possible, drawings are made for each employee year by year to determine elimination by death, invalidity and incapacity due to resignation or termination.

Reliability is ensured by replicating the procedure a certain number of times until the results are stable.

The calculations were made by the number of years necessary for all the workers currently employed are no longer in service.

The projections were made on a closed group, meaning no new recruits were included.

In accordance with IAS 19, actuarial valuations were carried out using the Projected Unit Credit Method. This method makes it possible to calculate employee severance indemnities accrued at a certain date based on actuarial assumptions, distributing the charge for all remaining years workers are employed. It is no longer an expense to be paid if the company winds up its business at the balance sheet date, but gradually provisioning the charge according to the remaining service period of employees.

The method makes it possible to calculate certain demographic and financial variables at the date of assessment, especially charges relating to service already rendered by employees represented by the DBO – Defined Benefit Obligation (also called Past Service Liability). It is obtained by calculating the present value of amounts due to the worker (severance indemnities) arising from seniority gained at the date of assessment.

It should be noted that the calculations include the 11% annual tax that weighs on the revaluation of employee severance indemnities provisions.

18 - DEFERRED TAX LIABILITIES

The item **"provision for deferred taxes"** amounted to Euro 991,905 compared to Euro 1,262,729 as at 31 December 2013, and refers to allocations for temporary changes considered recoverable in subsequent financial years.

The table below provides details on this item:

Description	31/12/2014		31/12/2013	
	Amount temporary differences	Tax effect	Amount temporary differences	Tax effect
TFR	(47,928)	(13,179)	918,242	252,517
Goodwill	737,404	231,545	704,739	221,288
Buildings	2,290,881	740,412	2,390,993	772,768
Provision for bad credit	92,087	25,324	16,364	4,500
Adjustments for IFRS	25,622	7,803	42,384	11,656
TOTAL	**3,098,066**	**991,905**	**4,072,722**	**1,262,729**

CURRENT LIABILITIES

19 - BOND ISSUES

As at 31 December 2014 the "**bond issue**" amounted to euro 656,902 and refers to the current amount of the bond loan issued by the company Exprivia Healthcare It Srl. For further information see the item "bond issues" under non-current assets (note 13).

20 - CURRENT BANK DEBT

As at 31 December 2014, the item **"current bank debt"** amounted to euro 31,206,922 compared to euro 36,120,716 as at 31 December 2013. Euro 12,286,481 refers to the current amount of loans (previously described under item "non-current bank debt") and euro 18,920,441 refers to current account overdrafts at major credit institutions.

21 - TRADE PAYABLES

The item **"trade payables"** amounted to euro 22,524,620 compared to euro 20,449,069 as at 31 December 2013 and mainly refers to payables for due or overdue invoices (euro 16,912,136), invoices to be received (euro 5,286,646), and the current amount due for leasing (euro 325,837). The table below shows the breakdown of due and overdue trade payables.

Trade payables	in		days past due							
	expire	due	1 - 30	31- 60	61 - 90	91-120	121-180	181-270	271-365	beyond
16,912,136	11,761,824	5,150,312	658,986	941,402	663,411	511,065	526,312	485,947	202,949	1,160,240
100.0%	69.5%	30.5%	3.9%	5.6%	3.9%	3.0%	3.1%	2.9%	1.2%	6.9%

22 - ADVANCE PAYMENT ON WORK IN PROGRESS CONTRACTS

Advance Payments

As at 31 December 2014 the item **"advance payments"** amounted to euro 4,162,600 compared with euro 2,448,157 as at 31 December 2013 and refers to contract work in progress for which the payments on account and advance payments ended up being higher than the work in progress at year-end.

23 - OTHER FINANCIAL LIABILITIES

Payables to associates

The balance of the item **"payables to associates"** amounted to euro 63,345 and did not change from 31 December 2013. It pertains to payables due to the associate Fallimento Mindmotion Srl (in liquidation).

Amounts Payable to Others

At 31 December 2011 the item **"amounts payable to others"** amounted to Euro 2,637,341 compared to Euro 4,023,929 at 31 December 2013. The table below provides details on the item:

Description	31/12/2014	31/12/2013	Variation
Derived products	20,190	63,501	(43,311)
Payables to others	42,082	175,968	(133,886)
Advance for contrib.	2,575,069	3,784,460	(1,209,391)
TOTAL	**2,637,341**	**4,023,929**	**(1,386,588)**

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 31 December 2014.

Banks	Date	Expiry	Operation	Notional amount	Value Mark to market at 31/12/2014
Unicredit	27/11/2008	30/11/2015	IRS	271,571	
B.N.L.	30/11/2008	30/11/2015	IRS	548,786	(20,190)
Total					*(20,190)*

The derivative products were subscribed by the Holding Company Exprivia with the credit institutions Unicredit and BNL and both of the financial instruments are linked to two distinct loans at variable interest rate (Euribor).

For the derivative with BNL, linked to a variable interest rate loan, the nature of the instrument did not enable it to be considered as a hedging instrument in accordance with IAS 39.

For the Unicredit derivative product the intrinsic value of the derivative is nil due to the high strike rate of the derivative agreement. The entire time value should be distinct in the income statement. Since the intrinsic value is nil it can be considered useless to perform a prospectd effectiveness test, which would not require carrying in the income statement when exceeded due to the absence of value of the options component that IAS 39 requires recognising in the income statement (i.e., the intrinsic value).

24 - TAX LIABILITIES

The item **"tax liabilities"** amounted to euro 15,253,993 compared to euro 8,848,388 at 31 December 2013. The table below provides details on the item compared to figures from the previous financial year.

Description	31/12/2014	31/12/2013	Variation
Payables to tax authority for VAT	9,602,195	4,798,932	4,803,263
Payables to tax authority for IRAP	(256,655)	(16,014)	(240,641)
Payables to tax authority for IRES	1,849,526	688,808	1,160,718
Payables to tax authority for IRPEF employees	2,649,594	2,490,131	159,463
Payables to tax authority for IRPEF freelance workers	28,723	39,799	(11,077)
Taxes payable for taxation overtime	8,195	6,961	1,234
Payables to tax authority for IRPEF collaborators	40,845	87,350	(46,505)
Payables to tax authority	66,254	375,609	(309,356)
Payables to tax authority for IRPEF severance fund	179,342	84,295	95,046
Payables to tax authority for Regional and Municipal add	33,120	14,809	18,311
Payables to tax authority for interest and penalties	1,052,855	277,708	775,146
TOTAL	**15,253,993**	**8,848,388**	**6,405,605**

25 - OTHER CURRENT LIABILITIES

Amounts Payable to Pension and Social Security Institutions

The item **"amounts payable to pension and social security institutions"** amounts to Euro 5,550,781. The table below shows movements during the period and a comparison with figures at 31 December 2013:

Description	31/12/2014	31/12/2013	Variation
INPS with contributions	3,506,124	3,464,358	41,765
Payables to pension funds	218,716	170,671	48,045
PREVINDAI-FASI-ALDAI-INPDAI-FASDAPI-PREVINDAPI	137,608	113,492	24,116
Contributions on accrued holiday pay and year-end bonus	1,683,277	1,219,793	463,484
INAIL with contributions	5,056	8,604	(3,548)
TOTAL	**5,550,781**	**4,976,918**	**573,863**

Other Payables

The item **"other payables"** amounted to Euro 14,650,650 compared to Euro 14,341,531 at 31 December 2013.

The table below shows the changes taking place during the period with a comparison to figures at 31 December 2013:

Description	31/12/2014	31/12/2013	Variation
Directors' pay for settlement	39,678	74,453	(34,775)
Employees/Collaborators for fees accrued	3,855,181	4,120,765	(265,584)
Debts to purchase shareholdings	942,020	162,750	779,270
Accrued holidays, festivities, summer & yr-end bonuses	4,879,297	4,183,605	695,691
Sundry payables	626,785	458,742	168,042
Interest and other costs of excercise	14,714	390,086	(375,372)
Maintenance/services/contributions competence in future years	4,291,476	4,951,129	(659,654)
TOTAL	**14,650,650**	**14,341,531**	**309,119**

Explanatory Notes on the Income Statement

Details are provided below on the entries making up the 2014 income statement, compared with the same period of the previous financial year, drawn up in accordance with international accounting standards (IAS/IFRS).

All the figures reported in the tables below are in euro, unless expressly indicated.

26 - REVENUE

Revenue from sales and services in 2014 amounted to euro 141,958,617 compared to euro 126,322,011 in the same period of 2013.

The table below shows details on revenues, including changes in inventories of raw materials and finished products, broken down by business segment in 2014 and compared with the figures for the same period of the previous year.

Exprivia Group (value in K €)	31.12.2014	31.12.2013	Variations	Variations %
Banks and Financial Istitutions	27,401	27,348	53	0%
Industry and Aerospace	14,486	16,544	-2,057	-12%
Energy	14,760	12,875	1,885	15%
Telcom and Media	11,918	326	11,592	3556%
Health and Healthcare	24,352	22,744	1,608	7%
Utilities	28,183	26,218	1,965	7%
Public Administration	6,409	5,163	1,247	24%
International Business	12,776	14,166	-1,390	-10%
Other	1,363	1,219	145	12%
Total	**141,649**	**126,601**	**15,048**	**11.89%**

The significant increase in the Telco & Media sector is due to the acquisition of the equity interest of Exprivia Telco & Media Srl (formerly Devoteam au Systems SpA).

Details of the EBITDA and EBTIDA/REVENUES relating to 31 December 2014 are shown below, compared with the figures for the same period of the previous year, broken down by business segment (Euro/1000).

	EBITDA				EBITDA/REVENUES		
Exprivia Group (value in K €)	**31.12.2014**	**31.12.2013**	**Variations**	**Variazioni %**	**31.12.2014**	**31.12.2013**	**Variations**
Banks and Financial Istitutions	5,116	4,587	529	12%	18.7%	16.8%	1.90
Industry and Aerospace	553	11	542	4711%	3.8%	0.1%	3.75
Energy	1,470	1,564	-93	-6%	10.0%	12.1%	(2.18)
Telcom and Media	452	11	441	3865%	3.8%	3.5%	0.30
Health and Healthcare	3,244	3,313	-69	-2%	13.3%	14.6%	(1.24)
Utilities	2,426	1,152	1,274	111%	8.6%	4.4%	4.21
Public Administration	837	417	420	101%	13.1%	8.1%	4.98
International Business	331	2,209	-1,878	-85%	2.6%	15.6%	(13.00)
Other	22	-191	214	-112%	1.6%	-15.7%	17.34
Total	**14,453**	**13,073**	**1,379**	**10.56%**	**10.20%**	**10.33%**	**- 0.12**

Details of the revenues relating to 31 December 2014 are shown below, compared with the figures for the same period of the previous year, broken down by business segment (Euro/1000).

Exprivia Group (value in K €)	**31.12.2014**	**31.12.2013**	**Variations**
Projects and Services	117,603	99,702	18%
Maintenance	12,810	15,017	-15%
HW/ SW third parties	7,377	9,419	-22%
Own licences	2,497	1,245	101%
Other	1,362	1,218	12%
Total	**141,649**	**126,601**	**11.89%**

For further detail on business segments see the section “Trends in Exprivia Group Results” in the Directors’ Report.

27 - OTHER INCOME

Other Revenue and Income

In 2014 "**other revenue and income**" amounted to euro 943,591 compared to euro 801,065 in the same period of the previous year. The table below provides details on the items.

Description	31/12/2014	31/12/2013	Variation
Contingency assets	419,297	340,151	79,146
Penalty on customer/damages	366	148	218
Rental income	-	25,158	(25,158)
Other revenue	272,344	203,777	68,566
Pay in lieu of notice	69,367	72,248	(2,880)
Income from assignment of vehicles to staff	181,578	158,724	22,854
capital gains	640	859	(219)
TOTAL	**943,591**	**801,065**	**142,528**

Grants for Operating Expenses

In 2014 **"grants related to income"** amounted to euro 3,256,429 compared to euro 2,066,686 in the same period of 2013 and refer to grants and tax breaks pertaining to the period or authorised in the period for funded research and development projects.

Costs for Capitalised Internal Projects

In 2014 the item **"costs for capitalised internal projects"** amounted to euro 1,395,638 compared to euro 1,652,966 in the same period of 2013 and mainly refers to expenses incurred in the period to develop products for the banking and healthcare segments.

28 – CHANGE IN INVENTORIES OF RAW MATERIALS AND FINISHED PRODUCTS

In 2014 the balance of the item **"change in inventories of raw materials and finished products"** amounted to Euro -309,404 compared to euro 279,051 in the same period of the previous year. It refers to changes in finished products in the healthcare segment.

29 - RAW MATERIALS, CONSUMABLES AND GOODS

In 2014 the item "**raw materials, consumables and goods**" amounted to euro 12,857,487 compared to euro 11,182,948 in the same period of the previous year. The table below provides details on the items.

Description	31/12/2014	31/12/2013	Variation
Purchase of HW-SW products	7,348,803	7,029,296	319,507
Purchase of HW-SW maintenance	5,054,823	3,631,042	1,423,781
Stationery and consumables	128,052	131,308	(3,256)
Fuel and oil	203,991	301,134	(97,142)
Other costs	106,497	22,449	84,048
Warranty services on our customers activities	15,321	52,515	(37,194)
TOTAL	**12,857,487**	**11,182,948**	**1,674,539**

30 - STAFF COSTS

The item **"staff costs"** amounted to euro 89,813,335 in 2014 compared with euro 81,805,151 in 2013. The table below provides details on the item:

Description	31/12/2014	31/12/2013	Variation
Salaries and wages	66,133,667	60,361,447	5,772,220
Social charges	17,971,416	16,243,346	1,728,070
Severance Pay	4,099,076	4,056,181	42,895
Other staff costs	1,609,175	1,144,177	464,998
TOTAL	**89,813,335**	**81,805,151**	**8,008,183**

The number of group employees at 31 December 2014 amounted to 2,181 workers, 2,162 of which contract employees and 19 temporary workers, compared with 2,007 (1,962 contract employees and 45 temporary workers) at 31 December 2013. The change compared with 31 December 2013 (274 employees) is mainly due to the contribution of the company Exprivia Telco & Media Srl (formerly Devoteam auSystems SpA).

31 - COSTS FOR SERVICES

In 2014 the consolidated balance of the item **"costs for services"** amounted to euro 23,296,619 compared with euro 18,348,989 in 2013. The table below provides details on the item:

Description	31/12/2014	31/12/2013	Variation
Technical and commercial consultancy	12,672,858	7,870,953	4,801,904
Administrative/company/legal consultancy	1,501,264	1,555,864	(54,599)
Data processing service	392,491	363,769	28,722
Auditors' fees	241,894	285,296	(43,402)
Travel and transfer expenses	2,149,664	2,646,383	(496,719)
Other staff costs	201,877	134,757	67,120
Utilities	1,167,143	1,190,228	(23,085)
Advertising and agency expenses	392,194	495,610	(103,415)
HW and SW maintenance	717,474	839,235	(121,761)
Insurance	620,100	359,727	260,373
Costs of temporary staff	1,217,256	995,589	221,667
Other costs	1,629,525	1,226,825	402,699
Mail services	392,878	384,753	8,125
TOTAL	**23,296,619**	**18,348,989**	**4,947,630**

The most significant change is due to the increase in costs for consultancy, mainly in the banking, finance and insurance and energy segments where there was a corresponding increase in revenues.

The statement below is provided in accordance with art. 149-*duodecies* of CONSOB Issuer Regulations to show amounts paid to the independent auditors in 2014.

The fees are shown net of the CONSOB contribution.

Description	Entity providing the services	Target company	Fees for year 2014
Audit	PricewaterhouseCoopers SpA	Exprivia S.p.A. (Capogruppo)	67,000
Audit	PricewaterhouseCoopers SpA	Exprivia Projects Srl	9,200
Audit	PricewaterhouseCoopers SpA	Exprivia Digital Financial Solution Srl	13,800
Audit	PricewaterhouseCoopers SpA	Spegea S. c.a.r.l.	8,000
Audit	PricewaterhouseCoopers SpA	Exprivia Healthcare IT Srl	16,500
Audit	PricewaterhouseCoopers SpA	Exprivia Enterprise Consulting Srl	13,800
Audit	PricewaterhouseCoopers	ProSap SA de CV (Messico)	9,200
Audit	PricewaterhouseCoopers	Profesionales de Sistemas Aplicaciones y Productos S.L.	11,000
TOTAL			**148,500**

32 - COSTS FOR LEASED ASSETS

In 2014 the consolidated balance of the item "**costs for leased assets**" amounted to euro 4,716,850 compared with euro 4,998,890 in the same period of the previous year. The table below provides details on the items:

Description	31/12/2014	31/12/2013	Variation
Rental expenses	1,977,125	2,146,457	(169,332)
Car rental/leasing	1,149,218	1,246,279	(97,061)
Rental of other assets	1,498,131	1,530,081	(31,950)
Royalties	81,667	67,405	14,262
Leasing payments	-	8,065	(8,065)
Other costs	10,709	602	10,107
TOTAL	**4,716,850**	**4,998,890**	**(282,039)**

The decrease in the item "payable rent" is mainly related to rationalisation and optimisation projects at branch offices.

33 - SUNDRY OPERATING EXPENSES

In 2014 the consolidated balance of the item **"sundry operating expenses"** amounted to euro 1,834,165 compared with euro 1,450,226 in 2013. The table below provides details on the item:

Description	31/12/2014	31/12/2013	Variation
Annual subscriptions	198,099	205,286	(7,187)
Books and magazines	11,925	5,370	6,555
Taxes	254,270	333,969	(79,699)
Stamp duty	79,252	87,414	(8,162)
Penalties and fines	215,879	59,777	156,103
Charitable donations	30,435	15,995	14,440
Contingency liabilities	100,887	128,587	(27,699)
Bank charges and commissions	431,607	484,733	(53,126)
Sundry expenses	307,715	83,987	223,728
Capital losses on disposals	3,221	29,840.33	(26,619)
TOTAL	**1,834,165**	**1,450,226**	**383,938**

34 - PROVISIONS

In 2014 the consolidated balance of the item "**provisions**" amounted to euro 274,376 compared with euro 262,634 in 2013.

The table below shows 2014 movements compared with those in 2013.

Description	31/12/2014	31/12/2013	Variation
Provision for risks of litigation	760,000		760,000
Releases funds of redundant risk	(618,285)		(618,285)
Provision for tax litigation risks	33,000		33,000
Provision for legal disputes with employees	6,521	174,990	(168,469)
Other provisions	93,140	87,644	5,496
TOTAL	**274,376**	**262,634**	**11,742**

The item "release of surplus risk allowance" refers to the reversal of a provision allocated for a final judgement related to a legal action.

35 - AMORTISATION, DEPRECIATION AND WRITE-DOWNS

Amortisation and Depreciation

The item **"amortisation and depreciation**" amounted to euro 3,925,366 compared with euro 3,591,728 in 2013 and refers to euro 2,256,615 for amortisation of intangible assets and euro 1,668,751 for depreciation of 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**" amounted to euro 337,791 compared with euro 294,050 in 2013 and refers to asset write-downs.

Doubtful Receivables Included in Current Assets

The balance of **"write-downs"** amounted to euro 324,549 compared with euro 482,469 in 2013 and refers to doubtful receivables unlikely to be collected.

36 - FINANCIAL (INCOME) CHARGES AND OTHER INVESTMENTS

The balance of the item **"financial (income) charges and other investments"** amounted to euro 2,899,926 compared with euro 2,671,052 in 2013. The table below provides details on the item:

Description	31/12/2014	31/12/2013	Variation
Proceeds from shareholdings from subsidiaries	(326,737)	-	(326,737)
Proceeds from shareholdings from parents	(45,949)	(31,694)	(14,255)
Income from other investments	(349)	(111,256)	110,907
Other income other than the above	(92,632)	(37,236)	(55,396)
Interest and other financial charges	3,320,425	2,804,308	516,117
Profit and loss on currency exchange	45,168	46,930	(1,762)
TOTAL	**2,899,926**	**2,671,052**	**228,874**

Income from subsidiaries

The balance of the item **"income from subsidiaries"** in 2014 amounted to euro 326,737 and is related to the effects of the first consolidation of Exprivia Telco & Media Srl.

Income from Parent Companies

In 2014 the balance of the item **"income from subsidiaries"** amounted to euro 45,949 compared with euro 31,694 in 2013 and refers to interest accrued by the parent company Abaco Innovazione S.p.A. for a loan in place with Exprivia SpA.

Income from Equity Investments

In 2014 the balance of the item **"income from other investments"** amounted to Euro 349 compared with euro 111,256 in 2013 and refers to the dividend in 2013 received for the investment in Banca Centropadana.

Other Financial Income

In 2014 the balance of the item **"other financial income"** amounted to euro 92,632 compared with euro 37,236 in 2013. The table below provides details on the item:

Description	31/12/2014	31/12/2013	Variation
Bank interest receivable	4,174	22,510	(18,336)
Revenues from financial derivatives	66,927	1,428	65,499
Interest income from securities	25	64	(38)
Other interest income	19,675	12,993	6,681
Rounding up of assets	1,831	240	1,590
TOTAL	**92,632**	**37,236**	**55,397**

Interest and Other Financial Charges

In 2014 the balance of the item "**interest and other financial charges**" amounted to euro 3,320,425 compared with euro 2,804,308 in the same period of the previous year. The table below provides details on the items:

Description	31/12/2014	31/12/2013	Variation
Bank interest payable	1,457,502	1,604,778	(147,276)
Interest on loans and mortgages	631,844	870,363	(238,519)
Sundry interest	530,342	123,959	406,383
Charges on financial products and sundry items	699,422	198,215	501,206
Rounding up/down	1,314	6,993	(5,678)
TOTAL	**3,320,425**	**2,804,308**	**516,118**

Profit and Loss on Currency Exchange

In 2014 the item **"losses on currency exchange"** amounted to euro 45,168 compared with euro 46,930 in 2013 and mainly refers to the fluctuations in exchange rates due to the commercial transactions made in currencies different from the national currency used by the foreign companies in the Exprivia Group.

37 - TAXES

As at 31/12/2014 **"taxes"** amounted to euro 3,927,244 compared with euro 3,177,763 in 2013. The table below provides details on the changes compared to the previous period:

Description	31/12/2014	31/12/2013	Variation
IRES	1,868,014	731,989	1,136,025
FOREIGN TAX	217,613	518,136	(300,523)
IRAP	2,656,922	2,572,396	84,526
Taxes from prior years	(472,818)	(689,788)	216,970
Defered tax	4,817	(694)	5,511
deferred tax assets	(347,304)	45,724	(393,028)
TOTAL	**3,927,244**	**3,177,763**	**749,482**

The Holding Company Exprivia SpA 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 SpA as a payable/receivable for the consolidating company, depending on their IRES.

The table below shows the reconciliation between the theoretical IRES rate and the actual rate:

Description	31/12/2014		31/12/2013	
	AMOUNT	%	AMOUNT	%
RECONCILIATION OF THEORETICAL AND EFFECTIVE RATE				
PROFIT BEFORE TAXES	9,572,639		8,340,097	
SET THEORY	2,632,476	27.5%	2,293,527	27.5%
COSTS AND EXPENSES NOT DEDUCTIBLE	2,750,680		1,969,578	
REVENUES NOT TAXABLE	(2,567,930)		(4,007,873)	
ALIGNMENTS DIFFERENCES IAS	325,720		(635,139)	
OTHER DECREASES	(3,212,699)		(2,753,999)	
USE EXISTING TAX LOSSES	(75,636)		(250,885)	
TAXABLE INCOME TAX	6,792,774		2,661,779	
IRES YEAR	**1,868,013**		**731,989**	
EFFECTIVE RATE		19.5%		8.8%

38 - PROFIT (LOSS) FOR THE YEAR

The 2014 income statement closed with a consolidated profit (after tax) of Euro 3,037,163, compared with euro 2,855,879 in 2013.

39 - 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 (loss) per share is calculated by dividing net profit for the period as reported in the consolidated financial statements drawn up in accordance with IAS/IFRS, attributable to ordinary shareholders of the Holding Company, excluding the treasury shares, 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 31 December 2014 the basic and diluted earnings per share amounted to Euro 0.0688.

Profits (Euro)	31/12/2014
Profits for determining basic earnings per share (Net profit due to shareholders of parent company)	3,501,360
Profit for determining the earnings per basic share	3,501,360
Number of shares	**31/12/2014**
Number of ordinary shares at 1 January 2014	51,883,958
Purchase of own shares at 31 december 2014	(1,338,591)
Average weighted number ordinary shares for calculation of basic profit	50,913,122
Earnings per share (Euro)	**31/12/2014**
Profit (loss) per basic share	0.0688
Diluted earnings (loss) per share	0.0688

40 - Information on the Cash Flow Statement

The **Consolidated Net Financial Position** as at 31 December 2014 was negative euro 29.7 million, a significant improvement from the euro -36.3 million at 30 September 2014 and the euro -36.1 million at 31 December 2013. Although a significant level of investments was maintained (euro 3.9 million), the Group generated liquid assets during the year amounting to euro 6.4 million as a result of positive cash flows from income management (euro 8.5 million) and net working capital management (euro 5.4 million).

The ratio between **net working capital** and total revenues as at 31 December 2014 decreased to 17% from 24% at 31 December 2013.

The ratio of the net financial position to the value of production improved further to 20% from 28% at 31 December 2013.

41 - RELATED PARTIES

In the Exprivia Group there are relations between entities, parent companies, subsidiaries and associates and with other related parties.

INTER-COMPANY RELATIONS

The Group companies constantly collaborate with each other to optimise human resources and for technological and application development.

Transactions between Exprivia SpA and the companies included in the consolidation area essentially consist in services and the exchange of software products. They are part of ordinary operations conducted at market conditions, meaning at the conditions that would be applied between independent parties. All transactions are carried out in the interest of the companies involved.

The tables below show amounts for commercial relations (first table) and financial relations (second table) with companies included in consolidation.

Trade Receivables

Description	31/12/2014	31/12/2013	Variation
Consorzio Exprivia	9,115	8,565	550
Exprivia Projects S.p.A.	520,319		520,319
Exprivia Do Brasil	89,873	156,578	(66,705)
Exprivia SL	352,426	352,426	-
ProSap Group	14,100	14,100	-
Exprivia Digital Financial Solution Srl	3,762,517	95,726	3,666,791
Spegea S.c. a.r.l.	195	107,598	(107,403)
Exprivia Healthcare IT srl	836,181	(41,925)	878,106
Exprivia Enterprise Consulting Srl	2,619,691	5,123,948	(2,504,257)
Exprivia Telco & Media Srl	14,225		14,225
TOTAL	*8,218,641*	*5,817,016*	*2,401,625*

Current and Non-Current Financial Receivables

Description	31/12/2014	31/12/2013	Variation
Consorzio Exprivia	40	40	
Exprivia Projects S.p.A.	292		292
Farm S.r.l. in liquidazione		20,388	(20,388)
ProSap Group	3,005,051	2,945,730	59,321
Exprivia Digital Financial Solution Srl	789,338	10,417	778,921
Spegea S.c. a.r.l.		5,612	(5,612)
Exprivia Healthcare IT srl già Svimservice Srl	22,035	477,524	(455,489)
Exprivia Enterprise Consulting Srl già WelNetwork Srl	(2)		(2)
TOTAL	*3,816,754*	*3,459,711*	*357,043*

Trade Payables

Description	31/12/2014	31/12/2013	Variation
Exprivia Projects S.p.A.	2,960,761	1,868,947	1,091,814
ProSap SL	1,287	4,420	(3,133)
Exprivia Digital Financial Solution Srl	13,715,114	34,020	13,681,094
Spegea S.c. a.r.l.	106,150	39,309	66,841
Exprivia Healthcare IT srl già Svimservice Srl	678,628	700,681	(22,053)
Exprivia Enterprise Consulting Srl già WelNetwork Srl	2,966,990	4,279,830	(1,312,840)
Exprivia Telco & Media Srl	474,402	-	474,402
Exprivia SL	20,000	-	20,000
TOTAL	*20,923,332*	*6,927,207*	*13,996,125*

Current and Non-Current Financial Payables

Description	31/12/2014	31/12/2013	Variation
Exprivia Projects Srl	108,617	253,250	(144,633)
Exprivia Digital Financial Solution Srl	-	1,813,582	(1,813,582)
Spegea S.c. a.r.l.	176,636	162,736	13,900
Exprivia Healthcare IT srl	2,353,981	4,065,278	(1,711,297)
Exprivia Enterprise Consulting Srl	130,019	591,805	(461,786)
TOTAL	*2,769,253*	*6,886,651*	*(4,117,398)*

Trade Costs

Description	31/12/2014	31/12/2013	Variation
Exprivia Projects S.p.A.	56,341	7,857,292	(7,800,951)
ProSap SL	323,446	76,277	247,169
Exprivia Digital Financial Solution Srl	11,765,615	8,000	11,757,615
Spegea S.c. a.r.l.	37,073	39,527	(2,454)
Exprivia Healthcare IT srl già Svimservice Srl	1,081,136	2,263,340	(1,182,204)
Exprivia Enterprise Consulting Srl già WelNetwork Srl	6,912,004	5,152,476	1,759,528
Exprivia Telco & Media Srl	477,610		477,610
Exprivia SL (Spagna)	20,000		20,000
TOTAL	***20,673,225***	***15,396,912***	***5,276,313***

Financial Charges

Description	31/12/2014	31/12/2013	Variation
Spegea S.c.a.r.l	7,960	2,510	5,450
Exprivia Digital Financial Solution Srl	89,840	104,323	(14,483)
Exprivia Healthcare IT srl	170,471	103,847	66,624
TOTAL	***268,271***	***210,680***	***57,591***

Trade Revenue

Description	31/12/2014	31/12/2013	Variation
Exprivia Projects Srl	1,289,012	821,124	467,888
Exprivia SL		313,275	(313,275)
Exprivia Do Brasil	183,392	156,578	26,814
Exprivia Digital Financial Solution Srl	3,781,850	91,325	3,690,525
Spegea S.c. a.r.l.	500	221,524	(221,024)
Exprivia Healthcare IT srl already Svimservice Srl	2,288,410	1,060,057	1,228,353
Exprivia Enterprise Consulting Srl	962,873	3,294,084	(2,331,211)
Exprivia Telco & Media	216		216
TOTAL	*8,506,253*	*5,957,967*	*2,548,286*

Financial Income

Description	31/12/2014	31/12/2013	Variation
Exprivia Projects Srl	10,421	515,755	(505,334)
Exprivia Do Brasil		367,762	(367,762)
Exprivia SL		691	(691)
ProSap SL	109,321	88,525	20,796
Exprivia Digital Financial Solution Srl	1,018,058	1,197,891	(179,833)
Exprivia Healthcare IT srl	1,619,205	1,976,045	(356,840)
TOTAL	*2,757,005*	*4,146,669*	*(1,389,664)*

Relations with Parent Companies

For information concerning relations with parent companies see the Directors' Report in the sections "Group Relations with Parent Companies" and "Report on Management and Coordination Activities".

Relations with Other Related Parties

Transactions made by the Group with other related parties essentially consist in services and the exchange of products. They are part of ordinary operations conducted at market conditions, meaning at the conditions that would be applied between independent parties. All transactions are carried out in the interest of the companies involved.

The table below provides information on relations with other related parties:

Investments in other companies			
Description	**31/12/2014**	**31/12/2013**	**Variazione**
Daisy-Net- Driving Advances of ICT in South Italya	13,939	13,939	-
DHITECH Srl	17,000	17,000	-
TOTAL	**30,939**	**30,939**	**-**

Loans to other non-current			
Description	**31/12/2014**	**31/12/2013**	**Variazione**
Aplomb Srl	40,000	89,203	(49,203)
TOTAL	**40,000.00**	**89,203**	**(49,203)**

Trade payables			
Description	**31/12/2014**	**31/12/2013**	**Variazione**
Kappa Emme Sas	11,468	22,936	(11,468)
TOTAL	**11,468**	**22,936**	**(11,468)**

Costs			
Description	**31/12/2014**	**31/12/2013**	**Variazione**
Aplomb Srl	99,731	90,896	8,835
Kappa Emme Sas	129,570	120,985	8,585
TOTAL	**229,301**	**211,881**	**17,420**

The table below provides information on remuneration for directors, statutory auditors and key executives.

	31/12/2014				31/12/2013			
Offices	Fixed remuneration as a member of the Board of Director	Equity compensation committees	Wages and salaries	Other incentives	Fixed remuneration as a member of the Board of Director	Equity compensation committees	Wages and salaries	Other incentives
Administrators	763,538	69,375	1,340,402	41,223	869,000	40,000	1,237,215	67,000
Statutory Auditors	241,894				285,296			
Strategic managers			273,333	54,167			281,000	64,000
TOTAL	**1,005,433**	**69,375**	**1,613,735**	**95,390**	**1,154,296**	**40,000**	**1,518,215**	**131,000**

For further information see the "Remuneration Report" available on the Exprivia website (www.exprivia.it - Investor Relations, Corporate Governance, Corporate Information).

STATEMENT FOR CONSOLIDATED FINANCIAL STATEMENTS PURSUANT TO ART. 154 BIS OF ITALIAN LEGISLATIVE DECREE 58/98

The undersigned Domenico Favuzzi, Chairman and CEO, and Giovanni Sebastiano, Executive manager responsible for preparing the corporate accounts of Exprivia SpA, 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 consolidated financial statements for the reporting period at 31 December 2014.

Furthermore, it is certified that the financial statements:

a) Correspond to accounting records;

b) were 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, economic and financial situation of the company.

c) The Directors' Report for 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, 12 March 2015

The Chairman and CEO

Domenico Favuzzi

The Reporting Officer

Gianni Sebastiano

AUDITORS' REPORT IN ACCORDANCE WITH ARTICLES 14 AND 16 OF LEGISLATIVE DECREE N° 39 OF 27 JANUARY 2010

EXPRIVIA SPA

CONSOLIDATED FINANCIAL STATEMENTS 31.12.2014

AUDITORS' REPORT IN ACCORDANCE WITH ARTICLES 14 AND 16 OF LEGISLATIVE DECREE N° 39 OF 27 JANUARY 2010

To the Shareholders of
Exprivia SpA

1 We have audited the consolidated financial statements of Exprivia SpA and its subsidiaries ("Exprivia Group") as of 31 December 2014, which comprise the statement of financial position, income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows and related explanatory notes. The Directors of Exprivia SpA are responsible for the preparation of these financial statements in compliance with the International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree n° 38/2005. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

2 We conducted our audit in accordance with the auditing standards and criteria recommended by Consob, the Italian Commission for listed Companies and the Stock Exchange. Those standards and criteria require that we plan and perform the audit to obtain the necessary assurance about whether the consolidated financial statements are free of material misstatement and, taken as a whole, are presented fairly. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors. We believe that our audit provides a reasonable basis for our opinion.

For the opinion on the consolidated financial statements of the prior period, which are presented for comparative purposes, reference is made to the report issued by other auditors on 26 March 2014.

3 In our opinion, the consolidated financial statements of the Exprivia Group as of 31 December 2014 comply with the International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree n° 38/2005; accordingly, they have been prepared clearly and give a true and fair view of the financial position, result of operations and cash flows of the Exprivia Group for the period then ended.

4 The Directors of Exprivia SpA are responsible for the preparation of a report on operations and a report on corporate governance and ownership structure published in section "Investor Relations, Corporate Governance, Corporate Information" of the website of Exprivia SpA in compliance with the applicable laws and regulations. Our responsibility is to express an

opinion on the consistency of the report on operations and of the information referred to in paragraph 1, letters c), d), f), l), m), and paragraph 2, letter b), of article 123-bis of Legislative Decree n° 58/98 presented in the report on corporate governance and ownership structure, with the financial statements, as required by law. For this purpose, we have performed the procedures required under Italian Auditing Standard n° 001 issued by the Italian Accounting Profession (Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili) and recommended by Consob. In our opinion, the report on operations and the information referred to in paragraph 1, letters c), d), f), l), m) and paragraph 2, letter b), of article 123-bis of Legislative Decree n° 58/98 presented in the report on corporate governance and ownership structure are consistent with the consolidated financial statements of Exprivia SpA as of 31 December 2014.

Bari, 31 March 2015

PricewaterhouseCoopers SpA

Signed by

Corrado Aprico
(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 consolidated financial statements referred to in this report.

Exprivia S.p.A.

Head Office Molfetta (BA), via Adriano Olivetti 11

Tax Code 00721090298

VAT no. 09320730154

STATUTORY AUDITORS' REPORT TO THE GENERAL SHAREHOLDERS' MEETING PURSUANT TO ART. 153 OF ITALIAN LEGISLATIVE DECREE 58/98 ("T.U.F.") AND ART. 2429 OF ITALIAN CIVIL CODE

Dear Shareholders,

During the financial year ending at 31 December 2014 the Board of Statutory Auditors of Exprivia S.p.A. ("Company") conducted supervisory activities required by law, also taking into consideration CONSOB instructions on company audits and activities exercised by the Board of Statutory Auditors and "Standards for the Board of Statutory Auditors of companies listed on regulated capital markets" provided by the Italian National Board of Chartered Accountants.

During the financial year ending at 31 December 2014, the Board of Statutory Auditors supervised (i) compliance with the law and articles of association, (ii) compliance with the standards of correct administration, (iii) the adequacy of the company's organisation structure under its competence, the internal control system and the administrative/accounting system as well as the accuracy of the latter in correctly representing management events, (iv) procedures for actual implementation of the governance rules under the Corporate Governance Code provided by the Committee for Corporate Governance of listed companies and adopted by the Company and (v) the adequacy of rules issued to subsidiaries pursuant to art. 114(2), T.U.F.

In addition, in its role as Committee for internal control and audit pursuant to art. 19 of Italian Legislative Decree no. 39 of 27 January 2010, the Board of Statutory Auditors also supervised (i) the financial disclosure process, (ii) the efficiency of systems for internal control, internal audit and risk management, (iii) independent audits of annual accounts and consolidated accounts, (iv) the independence of the external auditor.

In particular, the following is pointed out:

1. The Board supervised significant financial transactions conducted by the Company by participating in meetings held by the board of directors and shareholders' meetings and by communicating with senior management. The transactions were found to be compliant with the law and the articles of association.

2. In 2014, the Board did not find any irregular and/or unusual transactions with companies in the Group, third parties or associated parties.

The ordinary transactions conducted with companies in the Group and related parties, which are described in the Directors' Report and the Explanatory Notes for further details, are consistent with the interests of the Company. Information on the events characterising operations and business outlook is provided in an extensive and clear manner.

3. Concerning the transactions mentioned above (point 2), the Board considers adequate the information provided in the Directors' Report and Explanatory Notes.

4. The reports by the new independent auditor PricewaterhouseCoopers S.p.A. (hereafter also "Independent Auditor") on the year-end financial statements and consolidated financial statements, issued on 31 March 2015 in accordance with articles 14 and 16 of Italian Legislative Decree no. 39 of 27 January 2010, do not mention any irregularities and/or non-conformities, and they certify that the year-end financial statements and consolidated financial statements were drafted clearly and in compliance with the regulatory rules on their preparation, and they provide an accurate and truthful representation of the financial standing, result and cash flows of the Company and Group for the financial year ending 31.12.2014. The reports mentioned above also certify that the directors' report and disclosures required under art. 123-bis, paragraph 1, letters c), d), f), l), and m) and paragraph 2, letter b) of T.U.F. provided in the corporate governance and ownership report are consistent with the year-end financial statements and consolidated financial statements.

The Board of Statutory Auditors reviewed the statement issued by the Independent Auditor, in accordance with art. 17 of Italian Legislative Decree no. 39 of 27 January 2010, on 25 March 2015, in which the auditor (i) certified that no circumstances were found that would jeopardise their independence or lead to incompatibility as provided under articles 10 and 17 of Italian Legislative Decree 39/2010 and related implementation provisions, (ii) stated that no services were provided to the Company by the independent auditor or its group, other than those related to audits.

5. No reports provided under art. 2408 of the Italian Civil Code were submitted during the year.

6. The Board is not aware of any notices of complaint or objection to be mentioned in this report.

7-8. In 2014, the Company disbursed € 67,000.00 to PricewaterhouseCoopers S.p.A. for audit services, whereas the subsidiaries of Exprivia S.p.A. disbursed € 81,500.00 to PricewaterhouseCoopers S.p.A. for audit services.

In view of the above and the statement of independence and absence of incompatibility issued by PricewaterhouseCoopers S.p.A., the Board of Statutory Auditors considers the external auditor to be adequately independent.

9. In 2014, the Board of Statutory Auditors issued its opinions and statements required by law.

In accordance with the Corporate Governance Code, the Board of Statutory Auditors also ensured:

a) The correct application of policies and procedures adopted by the Board of Directors to assess the independence of its members in accordance with the law and the Corporate Governance Code;

b) The continuity of requirements for Statutory Auditors to be considered independent - already ensured prior to their appointment - in accordance with the law and the Corporate Governance Code.

Each member of the Board also states their compliance with the limit on the number of offices they can hold in accordance with art. 148-bis(1) TUF. The members of the Board of Statutory Auditors agree on the need to notify the Board of Directors and other members of the Board of Statutory Auditors in the event of any transactions that might be for personal interest or for the interest of others.

10. In 2014, the company's Board of Directors held eleven meetings, the Control and Risk Committee held three meetings and the Remuneration Committee held three meetings. In the same year, the Board of Statutory Auditors held eleven meetings. The Board also participated in all the board meetings and shareholders' meetings held during the year.

The Board of Statutory Auditors, represented by the Chairman, also participated in meetings held by the Control and Risk Committee.

11. The Board of Statutory Auditors acquired information on the matters within its competence and supervised compliance with the standards of correct administration and adequacy of the Company's administrative structure for the purpose of complying with such standards.

In particular, concerning the Board of Directors' decision-making processes, the Board of Statutory Auditors ensured the decisions made by the Directors comply with the law and the articles of association and ensured that related resolutions did not conflict with the interests of the Company.

Thus, the Board considers that the standards of correct administration were complied with.

12. The Board of Statutory Auditors supervised the Company's organisation structure. In light of the supervisory activities performed and to the extent of its competence, the Board considers the structure to be adequate on the whole.

13. The Board of Statutory Auditors supervised the Company's internal control system by interacting and coordinating with the Control and Risk Committee, the head of Internal Audit, the Chief Executive Officer in his position as Officer in charge of the internal control and risk management system and with the Supervisory Body.
In addition, in its role as Committee for internal control and audit pursuant to art. 19 of Italian Legislative Decree no. 39 of 27 January 2010, the Board of Statutory Auditors also acknowledge that the report issued by the Independent Auditor pursuant to art. 19 of Italian Legislative Decree no. 39 of 27 January 2010 did not mention any significant deficiencies in the internal control system with respect to financial disclosures.

The board ensured a constant flow of information and liaised with the Independent Auditor and with the Control and Risk Committee.

Furthermore, the Board of Statutory Auditors supervised transactions made by the Company with associated parties, ensuring the implementation and correct application of the procedure approved by the Board of Directors following the issue of CONSOB Regulation no. 17221 of 12 March 2010.

In light of the supervisory activities performed and also taking into consideration the assessment of adequacy, effectiveness and actual functioning of the internal control system made by the Control and Risk Committee and by the Board of Directors, the Board of Statutory Auditors find, to the extent of their competence, that the system is adequate on the whole.

14. The Board of Statutory Auditors supervised the Company’s accounting/administration system and its accuracy in correctly representing events in operations by gathering information from the financial reporting officer and the heads of related departments, by reviewing company documentation and by analysing the results of the work performed by the Independent Auditor.

In particular, the Board reports that the Financial Reporting Officer, with the support of the internal audit department, completed for the Company and its key subsidiaries the assessment on the adequacy and actual application of the administration and accounting procedures prescribed under art. 154-bis T.U.F.. This activity made it possible to certify that the financial statements and documents provide a truthful and accurate representation of the Company’s financial standing as well as that of the entities included in the scope of consolidation.

It should also be mentioned that the Company started revising its control matrixes and procedures set up in compliance with Italian Legislative Decree 262/05.

15. We have no comments to make on the adequacy of information flows from the subsidiaries to ensure the disclosures and notices required by law.

16. During the year the Board of Statutory Auditors met with the independent auditors in order to exchange data and information required under art. 150(3) T.U.F.

At these meetings the Independent Auditor did not report any significant event or irregularity that would need mentioning in this report.

17. The Company adhered to the Corporate Governance Code for listed companies approved by the Corporate Governance Committee and fostered by Borsa Italiana S.p.A.

The corporate governance system adopted by the Company is described in detail in the Corporate Governance and Ownership Report for 2014 approved by the Board of Directors on 12 March 2015.

18. Within the scope of supervisory and control activities performed during the year, there were no signs of reprehensible events, omissions or significant irregularities that would require mentioning in this report.

19. The Board of Directors acknowledge that on 12 March 2015 the Chief Executive Officer and the Financial Reporting Officer issued the statement prescribed by art. 154-bis(5) of Italian Legislative Decree no. 58/1998, following the model indicated under art. 81-ter of CONSOB Regulation no. 11971/1999.

To their knowledge, the Board found that there were no departures from legal rules when preparing the consolidated and year-end financial statements.

The Board, also considering the results of activities conducted by the audit committee, within the scope of its competence on its general compliance with the law with respect to its presentation and structure and completeness, does not have any reasons to prevent approval of the financial statements as at 31.12.2014 as well as the draft prepared and approved by the Board of Directors on 12 March 2015, and the Board agrees with the latter on how to distribute year-end profit.

Bari, 31 March 2015

Board of Statutory Auditors

Ignazio Pellecchia - Chairman

Anna Lucia Muserra - Standing Auditor

Gaetano Samarelli - Standing Auditor

2014 SEPARATE FINANCIAL STATEMENTS FOR EXPRIVIA SPA

EXPRIVIA - BALANCE SHEET AS AT 31.12.2014

EURO	NOTE	31.12.2014	31.12.2013
Land and buildings		11,142,265	6,335,311
Assets under construction and payments on account			3,210,906
Other assets		1,960,648	1,286,167
Property, plant & machinery	**1**	**13,102,913**	**10,832,384**
Goodwill		12,681,281	26,423,539
Goodwill and other undefined assets	**2**	**12,681,281**	**26,423,539**
Intangible assets		634,339	951,722
Research and development costs		(0)	2,552,171
Other intangible assets	**3**	**634,339**	**3,503,893**
Shareholdings in subsidiaries		64,681,993	48,508,999
Shareholdings in other companies		861,867	825,687
Shareholdings	**4**	**65,543,860**	**49,334,686**
Receivables to subsidiaries		1,488,083	1,488,083
Receivables to parent companies			
Other bonds		1,334,539	1,334,539
Other financial assets	**5**	**2,822,622**	**2,822,622**
Tax advances/deferred taxes		1,148,572	899,891
Deferred tax assets	**6**	**1,148,572**	**899,891**
NON-CURRENT ASSETS		**95,933,587**	**93,817,015**

EURO		31.12.2014	31.12.2013
Receivables to customers		27,884,797	37,305,364
Crediti verso imprese controllate		10,547,313	7,788,644
Receivables to subsidiaries		219,150	219,150
Receivables to parent companies		1,302,438	1,675,919
Other accounts receivable		9,349,508	10,915,041
Tax credits		258,986	217,171
Trade receivables and others	**7**	**49,562,192**	**58,121,289**
Stock		156,754	316,759
Stock	**8**	**156,754**	**316,759**
Work in progress to order		9,388,754	6,973,806
Work in progress to order	**9**	**9,388,754**	**6,973,806**
Cash resources	**10**	**6,607,218**	**4,535,014**
Shareholdings in subsidiaries		349,740	
Assets classified as owned for sales and those included in aggregates for disposal	**11**	**349,740**	
CURRENT ASSETS		**66,064,658**	**69,946,868**
TOTAL ASSETS		**161,998,245**	**163,763,883**

EURO		31.12.2014	31.12.2013
Capital stock		26,410,270	26,342,871
Capital stock	**12**	**26,410,270**	**26,342,871**
Share premium		18,081,738	18,081,738
Share premium	**12**	**18,081,738**	**18,081,738**
Revaluation reserve		2,907,138	2,907,138
Revaluation reserve	**12**	**2,907,138**	**2,907,138**
Legal reserve		3,561,670	3,312,804
Extraordinary reserve		4,992,230	263,790
Reserve Investment C.D.P. Puglia region		7,904,776	7,904,776
Reserve Investment Puglia Digitale		3,846,124	3,846,124
Other reserve		(390,805)	70,970
IAS tax effect		118,879	(186,540)
Other reserves	**12**	**20,032,874**	**15,211,924**
Profits/losses brought forward			
Profits/Losses for previous periods	**12**		
Profit/Loss for the period		**2,956,516**	**4,977,306**
NET WORTH		**70,388,536**	**67,520,977**
Payables to non-current banks		6,245,537	7,725,859
Payables to non-current banks	**13**	**6,245,537**	**7,725,859**
Payables to other financiers		415,899	499,080
Payables to parent companies		119,161	119,161
Payables for equity investments			1,740,396
Payables for tax and social security beyond the period		212,404	414,163
Other financial liabilities	**14**	**747,464**	**2,772,800**
Other provisions		723,028	648,321
Provision for risks and charges	**15**	**723,028**	**648,321**
Severance pay		3,431,924	4,433,842
Staff-related funds	**16**	**3,431,924**	**4,433,842**
Deferred tax funds		691,924	872,902
Deferred tax liabilities	**17**	**691,924**	**872,902**
NON-CURRENT LIABILITIES		**11,839,877**	**16,453,724**

EURO		31.12.2014	31.12.2013
Payables to current quota banks		21,341,807	27,470,719
Payables to current banks	**18**	**21,341,807**	**27,470,719**
Payables to suppliers		14,440,467	15,852,562
Payables to suppliers	**19**	**14,440,467**	**15,852,562**
Payments on account		3,195,887	1,831,033
Advances on work in progress to order	**20**	**3,195,887**	**1,831,033**
Payables to subsidiaries		23,276,686	13,314,778
Payables to associated companies		63,344	63,344
Other accounts payable		2,445,223	3,574,761
Other financial liabilities	**21**	**25,785,253**	**16,952,883**
Tax debits		6,103,199	4,911,992
Tax debits	**22**	**6,103,199**	**4,911,992**
Payables to welfare and social security institutions		2,067,801	2,996,320
Other payables		6,835,418	9,773,673
Other current liabilities	**23**	**8,903,219**	**12,769,993**
CURRENT LIABILITIES		**79,769,831**	**79,789,182**
TOTAL LIABILITIES		**161,998,245**	**163,763,883**

EXPRIVIA - INCOME STATEMENT AS AT 31.12.2014

EURO		31.12.2014	31.12.2013
Proceeds of sales and services		81,832,900	75,187,695
Revenues	**24**	**81,832,900**	**75,187,695**
Other proceeds		598,623	793,361
Invest. grants tfr to P&L account		3,091,328	1,707,908
Capital gains		561,084	1,291,890
Other revenues	**25**	**4,251,035**	**3,793,159**
Var. stock of products being processed, semi-finished items		(300,629)	272,227
Variation in stock of finished products and products being processed	**26**	**(300,629)**	**272,227**
TOTAL PRODUCTION REVENUES		**85,783,306**	**79,253,081**
Costs of raw, subsid. & consumable mat. and goods	27	6,975,015	8,300,276
Salaries and wages	28	39,557,582	44,972,692
Other costs for services	29	29,565,611	15,372,017
Costs for leased assets	30	2,650,910	2,746,901
Sundry management charges	31	920,230	673,705
Stock and payments on account	32	124,808	12,000
TOTAL PRODUCTION COSTS		**79,794,157**	**72,077,591**
DIFFERENCE BETWEEN PRODUCTION COSTS AND REVENUES		**5,989,149**	**7,175,490**

EURO		31.12.2014	31.12.2013
Ordinary amortisement of intangible assets		900,916	1,636,893
Ordinary amortisement of tangible assets		805,985	640,851
Altre svalutazioni delle immobilizzazioni			90,000
Devaluation of credits included in working capital		235,071	428,685
Depreciation and devaluation	**33**	**1,941,972**	**2,796,429**
OPERATIVE RESULT		**4,047,177**	**4,379,061**
Proceeds and financial charges	**34**	**(237,025)**	**(1,823,133)**
PRE-TAX RESULT		**4,284,202**	**6,202,194**
Income tax	**35**	**1,327,686**	**1,224,888**
PROFIT OR LOSS FOR THE PERIOD	**37**	**2,956,516**	**4,977,306**

COMPREHENSIVE INCOME STATEMENT AS AT 31.12.2014

EURO		
Description	**31/12/2014**	**31/12/2013**
PROFIT FOR THE PERIOD	**2,956,516**	**4,977,306**
Profit (loss) for the actuarial effect of applying IAS 19	(540,443)	(135,828)
Tax effect of changes	148,622	37,353
Total other income (loss) on will not subsequently be reclassified in Profit (Loss) for the Period	*(391,821)*	*(98,475)*
Total comprehensive income	**2,564,695**	**4,878,831**

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AS AT 31.12.2014

Euro	Company Capital	Own shares	Share Premium Fund	Reval. Reserve	Legal Reserve	*Extraordinary reserve*	*Reserve investment CdP Puglia*	*Reserve investments Puglia Digitale*	Other Reserve	*Tax effect of IAS*	Other Reserve	Profit (Loss) for the period	Total Net Worth
Balance at 31/12/2012	**26,979,658**	**(494,012)**	**18,081,738**	**2,907,138**	*3,182,603*	*1,636,092*	*7,904,776*		*82,845*	*(223,893)*	**12,582,423**	**2,604,023**	**62,660,968**
Reclassification previous year's profit					*130,201*	*2,473,822*					2,604,023	(2,604,023)	-
Other movements (treasury shares)		(142,775)							*(56,858)*		(56,858)		(199,633)
Surplus / deficit fusion Exrivia Solutions / InFaber									*180,811*		180,811		180,811
Bond reserve						*(3,846,124)*		*3,846,124*					-
Components of comprehensive income:													
Profit / (loss)												4,977,306	4,977,306
Effects of applying IAS 19									*(135,828)*	*37,353*	(98,475)		(98,475)
Total comprehensive income (loss) for the year													**4,878,831**
Balance at 31/12/2013	**26,979,658**	**(636,787)**	**18,081,738**	**2,907,138**	***3,312,804***	***263,790***	***7,904,776***	***3,846,124***	***70,970***	***(186,540)***	**15,211,924**	**4,977,306**	**67,520,977**
Reclassification previous year's profit					*248,866*	*4,728,440*					4,977,306	(4,977,306)	-
Other movements (treasury shares)		(477,128)							*(196,798)*		(196,798)		(673,926)
Other movements (sales / Use Own shares)		544,526							*432,264*		432,264		976,790
Other changes in reclassification									*(156,797)*	*156,797*	-		-
Components of comprehensive income:													
Profit / (loss)												2,956,516	2,956,516
Effects of applying IAS 19									*(540,443)*	*148,622*	(391,821)		(391,821)
Total comprehensive income (loss) for the year													**2,564,695**
Balance at 31/12/2014	**26,979,658**	**(569,389)**	**18,081,738**	**2,907,138**	*3,561,670*	*4,992,230*	*7,904,776*	*3,846,124*	*(390,805)*	*118,879*	**20,032,874**	**2,956,516**	**70,388,536**

EXPRIVIA - CASH FLOW STATEMENT AS AT 31.12.2014

	NOTE	31.12.2014	31.12.2013
Operating activities:	10		
- Profit (loss)		2,956,516	4,977,306 (1)
- Amortisation, depletion and depreciation of assets		1,706,901	2,277,744
- Provision for Severance Pay Fund		1,640,813	2,277,458
- Advances/Payments Severance Pay		(2,642,731)	(1,067,662)
Cash flow arising from operating activities		**3,661,500**	**8,464,846**
Increase/Decrease in net working capital:			
- Variation in stock and payments on account		(1,456,676)	1,535,203
- Variation in receivables to customers		4,968,597	(5,448,536)
- Variation in receivables to parent/subsidiary/associated		609,985	3,749,608
- Variation in other accounts receivable		1,276,610	(3,230,184)
- Variation in payables to suppliers		(166,889)	2,801,294
- Variation in payables to parent/subsidiary/associated company		10,579,786	(4,605,730)
- Variation in tax and social security liabilities		664,728	44,608
- Variation in other accounts payable		(1,001,349)	2,568,035
- Variation in prepaid expenses and accrued income		(2,713,044)	(597,165)
- Variation in deferred revenue		1,088,368	
Cash flow arising (used) from current assets and liabilities		**13,850,117**	**(3,182,867)**
Cash flow arising (used) from current activities		**17,511,617**	**5,281,979**
Investment activities:			
- Variation in tangible assets		(3,076,514)	(2,894,954)
- Variation in intangible assets		(636,720)	(1,854,304)
- Variation in financial assets		(351,855)	(124,436)
- Variation in financial assets		241,616	
Cash flow arising (used) from investment activities		**(3,823,473)**	**(4,873,694)**
Financial activities:			
- Change in minority interests		(88,957)	(117,297)
Cash flow arising (used) from financial activities		**(88,957)**	**(117,297)**
Increase (decrease) in cash		**13,599,187**	**290,988**
Banks and cash profits at start of year		4,295,700	7,351,082
Banks and cash losses at start of year		(35,917,182)	(39,263,552)
Banks and cash profits at end of period		10,063,634	4,295,700
Banks and cash losses at end of period		(28,085,929)	(35,917,182)
Increase (decrease) in liquidity		**13,599,187**	**290,988**

1-of which for taxes and interest paid in the year		3,617,658	4,042,918

EXPLANATORY NOTES FOR EXPRIVIA SPA FINANCIAL STATEMENTS AT 31 DECEMBER 2014

EXPRIVIA SPA ASSETS

In addition to coordinating the other companies in the group, the Holding Company Exprivia S.p.A plays an industrial role which includes research & development, developing solutions and projects, customer service and, naturally, sales support.

NOTICE REGARDING MANAGEMENT

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 most recently approved financial statements of Abaco Innovazione SpA.

Amount in Euro		31/12/2013	31/12/2012
NON CURRENT ASSETS			
Shareholdings		30,792,939	31,160,889
	Holdings in subsidiary companies	30,792,939	31,160,889
TOTAL NON CURRENT ASSETS		*30,792,939*	*31,160,889*
CURRENT ASSETS			
Commercial credits and others		30,874	29,642
	Receivables to subsidiaries	12,763	12,763
	Tax assets	18,111	16,879
Liquid assets		2,944	399
	Bank assets	2,921	376
	Cheques and unpresented effects	23	23
TOTAL CURRENT ASSETS		*33,818*	*30,041*
TOTAL ASSETS		30,826,757	31,190,930
NET WORTH			
Company capital		1,000,000	1,000,000
	Company capital	1,000,000	1,000,000
Own shares		(21,639)	(31,209)
	Own shares	(21,639)	(31,209)
Other reserves		25,396,011	25,020,127
Profits/Losses on previous periods		4,586	4,586
	Profits/ Losses brought forward	4,586	4,586
Profit/Loss for period		(371,101)	289,755
TOTAL NET WORTH		26,007,857	26,283,259
NON CURRENT LIABILITIES			
Non current liabilities to banks		1,400,000	2,100,000
	Non current liabilities to banks	1,400,000	2,100,000
TOTAL NON CURRENT LIABILITIES		*1,400,000*	*2,100,000*
CURRENT LIABILITIES			
Current liabilities to banks		775,684	799,441
Payables to suppliers		198,832	162,188
Advances		0	75,520
Other financial liabilities		1,674,819	1,049,347
	Payables to subsidiaries	1,674,819	1,049,347
Other current liabilities		769,565	721,175
	Payables to welfare and social security	79,329	71,760
	Other liabilities	690,236	649,415
TOTAL CURRENT LIABILITIES		*3,418,900*	*2,807,671*
TOTAL LIABILITIES		30,826,757	31,190,930

Amount in Euro	31/12/2013	31/12/2012
COSTS CONNECTED WITH BENEFITS FOR EMPLOYEES	52,569	49,950
Salaries and wages	45,000	45,000
Social contributions	7,569	4,950
OTHER COSTS	52,165	45,060
Other costs for services	37,733	36,218
Sundry management charges	14,432	8,842
TOTAL PRODUCTION COSTS	*104,734*	*95,010*
DIFFERENCE BETWEEN PRODUCTION REVENUE AND COSTS	(104,734)	(95,004)
FINANCIAL INCOME AND CHARGES	266,367	(384,706)
Income from holdings in subsidiaries		(786,924)
Other financial income with separate indication	(38)	(35)
Interest and other financial charges	234,711	389,008
Financial charges with subsidiaries	31,694	13,245
PRE-TAX RESULT	(371,101)	289,702
INCOME TAX	-	(53)
TAX IN PREVIOUS YEARS		(53)
PROFIT OR LOSS FOR THE PERIOD	(371,101)	289,755

FORM AND CONTENT OF SEPARATE FINANCIAL STATEMENTS

Introduction

The separate financial statements for Exprivia SpA as at 31 December 2014 were prepared in accordance with art. 4 of Italian Legislative Decree no. 38 of 28 February 2005 and the international accounting standards (IFRS) in force as at 31 December 2014, as well as all the interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") formerly called the Standing Interpretations Committee ("SIC"), and in accordance with the regulatory provisions issued to implement art. 9 of Italian Legislative Decree no. 38/2005 (CONSOB Resolution no. 15519 of 27 July 2006 providing the "Rules for financial statement schedules", CONSOB Resolution no. 15520 of 27 July 2006 providing the "Changes and amendments to the Issuer Regulations adopted under Resolution no. 11971/99", CONSOB notice no. 6064293 of 28 July 2006 providing rules for "Company disclosure pursuant to art. 114(5), Italian Legislative Decree 58/98").

The schedules in the financial statements are the following:

- For the balance sheet the current assets, non-current assets, current liabilities and non-current liabilities are posted separately. Current assets are those that are to be made, sold or consumed during the normal operating cycle of the Company. Current liabilities are those that are to be extinguished during the normal operating cycle of the Company or within twelve months following the end of the financial year;
- For the income statement, the cost and revenue items are posted according to their nature;
- For the comprehensive income statement, a separate schedule was prepared;
- For the cash flow statement, the indirect method was used.

The separate financial statements were prepared under the general policy of giving an accurate and truthful presentation of the Company's financial standing, economic result and cash flows, while adopting the going-concern assumption, and the general policies of accrual basis accounting, presentation coherence, relevance and aggregation, rule against offsetting and comparability of information.

ADJUSTMENTS TO COMPARATIVE DATA

In order to make the presentation of data more intelligible, the presentation was changed for certain items in comparative data presented in accordance with IAS 1, with respect to data reported in the consolidated financial statements as at 31 December 2013. This had no effect on the net result and net equity at that date.

Amount in Euro	Statement Published		Statement presented for comparative purposes
	31.12.2013		**31.12.2013**
Receivables to customers	37,524,514	(219,150)	37,305,364
Crediti verso imprese controllate	7,788,644		7,788,644
Receivables to subsidiaries		219,150	219,150
Receivables to parent companies	1,675,919		1,675,919
Other accounts receivable	11,496,478	(581,437)	10,915,041
Tax credits	217,171		217,171
Trade receivables and others	**58,702,726**	**(581,437)**	**58,121,289**
Stock	**316,759**		**316,759**
Work in progress to order	**6,973,806**		**6,973,806**
Cash resources	**4,535,014**		**4,535,014**
CURRENT ASSETS	**70,528,305**	**(581,437)**	**69,946,868**
TOTAL ASSETS	**164,345,320**	**(581,437)**	**163,763,883**

The balance of the item "receivables from associates" (euro 219,150), given for the purpose of comparison, was previously reported under “trade receivables”.

The item “other receivables” was posted net of adjusted provisions related the item, whereas previously they were classified as “provisions for risks and charges” (euro 581,437).

Amount in Euro	Statement Published		Statement presented for comparative purposes
	31.12.2013		**31.12.2013**
Capital stock	26,342,871		26,342,871
Capital stock	**26,342,871**		**26,342,871**
NET WORTH	**67,520,977**		**67,520,977**
Payables to non-current banks	7,725,859		7,725,859
Payables to non-current banks	**7,725,859**		**7,725,859**
Payables to other financiers	499,080		499,080
Payables to parent companies	119,161		119,161
Payables for equity investments	1,740,396		1,740,396
Payables for tax and social security beyond the period	414,163		414,163
Other financial liabilities	**2,772,800**		**2,772,800**
Other provisions	1,229,758	(581,437)	648,321
Provision for risks and charges	**1,229,758**	**(581,437)**	**648,321**
Staff-related funds	**4,433,842**		**4,433,842**
Deferred tax liabilities	**872,902**		**872,902**
NON-CURRENT LIABILITIES	**17,035,161**	**(581,437)**	**16,453,724**
Payables to current banks	**27,470,719**		**27,470,719**
Payables to suppliers	15,915,907	(63,345)	15,852,562
Payables to suppliers	**15,915,907**	**(63,345)**	**15,852,562**
Payments on account	1,831,033		1,831,033
Advances on work in progress to order	**1,831,033**		**1,831,033**
Payables to subsidiaries	13,314,778		13,314,778
Payables to associated companies		63,345	63,345
Other accounts payable	3,574,761		3,574,761
Other financial liabilities	**16,889,539**	**63,345**	**16,952,884**
Tax debits	**4,911,992**		**4,911,992**
Other current liabilities	**12,769,993**		**12,769,993**
CURRENT LIABILITIES	**79,789,183**		**79,789,183**
TOTAL LIABILITIES	**164,345,320**	**(581,437)**	**163,763,883**

The balance of the item "payables to associates" (euro 63,345), given for the purpose of comparison, was previously reported under “trade payables”.

Amount in Euro	Statement presented for comparative purposes
Proceeds of sales and services	75,187,695
Revenues	**75,187,695**
Other proceeds	793,361
Invest. grants tfr to P&L account	1,707,908
Capital gains	1,291,890
Other revenues	**3,793,159**
Var. stock of products being processed, semi-finished items	272,227
Variation in stock of finished products and products being processed	**272,227**
TOTAL PRODUCTION REVENUES	**79,253,081**
Costs of raw, subsid. & consumable mat. and goods	8,300,276
Salaries and wages	44,972,692
Other costs for services	15,372,017
Costs for leased assets	2,746,901
Sundry management charges	673,705
Stock and payments on account	12,000
TOTAL PRODUCTION COSTS	**72,077,591**
DIFFERENCE BETWEEN PRODUCTION COSTS AND REVENUES	**7,175,490**
Depreciation and devaluation	**2,796,429**
OPERATIVE RESULT	**4,379,061**
Proceeds and financial charges	**(1,823,133)**
PRE-TAX RESULT	**6,202,194**

Amount in Euro	Statement published
	31.12.2013
Proceeds of sales and services	77,495,353
Revenues	**77,495,353**
Other proceeds	950,349
Invest. grants tfr to P&L account	1,790,930
Other revenues	**2,741,280**
Var. stock of products being processed, semi-finished items	272,227
Variation in work in progress to order	(2,307,658)
Increase in assets for internal work	1,291,890
Variation in stock of finished products and products being processed	**(743,541)**
TOTAL PRODUCTION REVENUES	**79,493,091**
Costs of raw, subsid. & consumable mat. and goods	8,300,276
Raw materials and consumables used	**8,300,276**
Costs connected with employee-related benefits	**43,887,466**
Other costs for services	16,751,253
Costs for leased assets	2,746,900
Sundry management charges	673,705
Stock and payments on account	95,022
Other costs	**20,266,881**
TOTAL PRODUCTION COSTS	**72,454,623**
DIFFERENCE BETWEEN PRODUCTION COSTS AND REVENUES	**7,038,468**
Depreciation and devaluation	**2,796,429**
OPERATIVE RESULT	**4,242,040**
Proceeds and financial charges	**(1,960,154)**
PRE-TAX RESULT	**6,202,194**

The balance of the item “revenue from sales and services”, provided for the purpose of comparison, includes “changes in contract work in progress” (euro -868,266), which were posted under "changes in inventories of work in progress, semi-finished and finished goods" in the 2013 financial statements.

The balance of the item “grants related to income” is posted net of the provision to offset the risk of receiving a lower amount of grants after administrative assessments. In the previous financial year the amount was posted under the item “provisions".

The item “costs for capitalised internal projects” (euro 1,652,966) included under the item “revenues” in the comparative schedule was previously posted under “other income”.

Lastly, the item “remuneration and compensation/costs related to employee benefits" in 2013 included the “interest cost” for the actuarial calculation of the employee severance indemnity (euro 137,022), which was reclassified in the schedules presented for the purpose of comparison under the item "financial income and charges”.

ACCOUNTING ESTIMATES USED IN PREPARING THE FINANCIAL STATEMENTS

Preparation of the financial statements in accordance with applicable accounting standards required the use of estimates and assumptions based on historical experience and on other factors that are deemed reasonable with respect to the circumstances and knowledge available as at the date of the financial statements. Actual results may depart from these estimates. The estimates and assumptions are revised constantly. The effects of revised estimates are recognised in the income statement for the period in which the estimates are revised. The estimates mainly concern: amounts allocated to provisions for bad or doubtful debts, made according to the expected sale value of related assets; amounts allocated to provisions for risks, made according to the reasonable estimate of the amount of the potential liability, also with respect to any demands from the counterparty; amounts allocated for employee benefits, recognised according to actuarial valuations; amortisation/depreciation of tangible and intangible assets, recognised according to their remaining useful life and their recoverable value; income taxes, determined according to the best estimate of the rate expected for the entire financial year; development costs, initial capitalisation for which is based on the technical and financial feasibility of the project (future cash flow projections are made for each project). The Company conducts impairment tests on goodwill at least once per year. For such tests an estimate is made on the value of the cash generating unit to which the goodwill pertains. This estimate requires a projection of future cash flows and the estimate of the discount rate after tax, which reflects the market conditions at the date of the assessment.

ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS APPLICABLE FROM 1 JANUARY 2014

IFRS10 “Consolidated Financial Statements”

On 12 May 2011 IASB issued IFRS 10 – *Consolidated Financial Statements*, which replaces SIC-12 *Consolidation – Special Purpose Entities* and parts of IAS 27 – *Consolidated and Separate Financial Statements* renamed to *Separate Financial Statements*. It provides accounting requirements for subsidiaries in separate financial statements. The new standard moves from existing standards and according to the new definition of control it determines the crucial factors for the purpose of consolidating a company in the parent company’s financial statements. It also provides guidance for determining the existence of control where it is difficult to verify (de facto control, potential votes, special purpose entities, etc.). The standard has been applicable retrospectively since January 1, 2014. The group re-examined its relations of control over its investee entities as at 1 January 2014 without finding any effect from adopting the new standard.

IFRS 11 "Joint Arrangements" replacing IAS 31

On 12 May 2011 the IASB issued IFRS 11 - Joint Arrangements, which replaces IAS 31 - Interests in Joint Ventures and SIC-13 - Jointly Controlled Entities - non monetary contributions by venturers. The new standard provides criteria for determining joint arrangements based on rights and obligations deriving from agreements rather than on their legal form, and it establishes the equity method as the only one for recognition of investments in joint ventures. The standard has been applicable retrospectively since 1 January 2014. Adoption of the new standard had no effect on the Company.

IFRS 12 "Disclosure of Interests in Other Entities"

On 12 May 2011 the IASB issued IFRS 12 - *Disclosure of Interests in Other Entities*, which is a new and complete standard on additional information to disclose for any type of investment, including those in subsidiaries, joint arrangements, associated entities, special purpose entities and other non-consolidated vehicle companies. The standard has been applicable retrospectively since 1 January 2014. Adoption of the new standard had no significant effects on the Company.

On issue of IFRS 10 and IFRS 12, the previous IAS 27 *Consolidated and Separate Financial Statements*, renamed *Separate Financial Statements* was amended by changing its name and by eliminating all provisions related to consolidated financial statements (the other provisions remain valid). As a result of this change the standard now indicates only criteria for measurement and recognition as well as disclosures to provide in the separate financial statements for subsidiaries, joint ventures and associates.

IAS 32 "Financial Instruments"

On 16 December 2011 the IASB issued certain amendments to IAS 32 - *Financial instruments: Presentation* in order to clarify the application of certain criteria for offsetting financial assets and liabilities presented in IAS 32. The standard has been applicable retrospectively since 1 January 2014. Adoption of the new standard had no significant effects on the Company.

IAS 39 "Financial Instruments: Recognition and Measurement

On 27 June 2013 the IASB issued certain minor amendments to IAS 39 – *Financial Instruments: Recognition and Measurement*, entitled "Novation of Derivatives and Continuation of Hedge Accounting". The changes allow the continuation of hedge accounting when a derivative financial instrument, designated as a hedging instrument, is novated as a result of laws or regulations for the purpose of replacing the original counterparty to ensure the obligation is fulfilled and if certain conditions are met. The same amendment is also included in IFRS 9 - *Financial Instruments*. The standard has been applicable retrospectively since 1 January 2014. Adoption of the new standard had no significant effects on the Company.

IAS 36 "Recoverable Amount Disclosures for Non-Financial Assets"

On 29 May 2013, the IASB issued an amendment to IAS 36 - *Recoverable Amount Disclosures for Non-Financial Assets* in order to clarify information to disclose on the recoverable value of impaired assets if the amount is based on fair value net of sales costs. The standard has been applicable retrospectively since 1 January 2014. Adoption of the new standard had no significant effects on the Company.

IFRIC 21 "Levies" - IAS 37 "Provisions, Contingent Liabilities and Contingent Assets"

On 20 May 2013, the IASB issued IFRIC 21 - *Levies*, interpretation of IAS 37 - *Provisions, Contingent Liabilities and Contingent Assets*. IFRIC 21 provides clarification on when an entity must recognise a liability for the payment of government levies, with the exception of those already regulated by other standards (e.g., IAS 12 - Income Taxes). IAS 37 establishes criteria for recognising a liability, one of which when a company has a current obligation resulting from past events (known as a binding fact). The interpretation clarifies that the binding fact, which gives rise to a liability for the payment of a levy, is described in the law that requires for the payment itself. IFRIC 21 is operative for periods beginning on 1 January 2014. Adoption of the new standard had no significant effects on the Company.

ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS NOT YET APPLICABLE ON 01 JANUARY 2014

At the date of these financial statements, the competent bodies of the European Union have not yet concluded the approval process needed to adopt the following accounting standards and amendments:

On 21 November 2013 the IASB issued certain minor amendments to IAS 19 – *Employee Benefits* entitled "Defined Benefit Plans: Employee Contributions". These amendments simplify accounting of contributions to defined benefit plans made by employees or third parties in specific cases. The amendments are retrospectively applicable for periods beginning on or after 1 July 2014. Early adoption is allowed.

On 12 December 2013, the IASB issued a group of amendments to IFRSs (Annual Improvements to IFRSs - 2010-2013 Cycle and Annual Improvements to IFRSs - 2011-2013 Cycle). Among others, the most significant issues dealt with in the amendments are: definition of vesting conditions in IFRS 2 – Share-based Payment, disclosures on estimates and opinions used in grouping operating segments in IFRS 8 – Operating Segments, identification and disclosure of transactions with a related party when a service entity provides key management personnel services to the reporting entity in IAS 24 – Related Party Disclosures, exclusion from application scope of IFRS 3 – Business Combinations, of all types of joint arrangements (as defined in IFRS 11 – Joint Arrangements), and certain clarifications on the exceptions to the application of IFRS 13 – Fair Value Measurement.

On 6 May 2014, the IASB issued certain amendments to IFRS 11 - Joint Arrangements: Accounting for the acquisition of interests in joint operations, providing clarifications on accounting for the acquisition of interests in joint operations that constitute a business. The amendments are retrospectively applicable for periods beginning on or after 1 January 2016. Early adoption is allowed.

In May 2014 the IASB and FASB jointly published IFRS 15 "Revenue from Contracts with Customers". This standard intends to improve disclosure of revenues and their comparison between different annual reports. The new standard is retrospectively applicable for periods beginning on or after 1 January 2017. Early adoption is allowed.

On 12 May 2014, the IASB issued amendments to IAS 16 and IAS 38 "Clarification of Acceptable Methods of Depreciation and Amortisation", in which the adoption of revenue-based methods of depreciation and amortisation are considered inappropriate. For intangible assets only, the clarification introduces a presumption that can be overcome only under one of the following circumstances: (i) the right of use for an intangible asset is correlated to the achievement of a predetermined revenue threshold; or (ii) when it can be demonstrated that revenue and the consumption of economic benefits of the intangible asset are highly correlated. The amendments are applicable for reporting periods starting on or after 1 January 2016.

On 24 July 2014, the IASB finished the draft of the accounting standard on financial instruments and issued the complete version of IFRS 9 "Financial Instruments". In particular, the new provisions of IFRS 9: (i) amend the classification and measurement model for financial assets; (ii) introduce a new model for impairment of financial assets that takes into consideration expected credit losses; and (iii) amend regulations on hedge accounting. The amendments to IFRS 9 are applicable for reporting periods starting on or after 1 January 2018.

The Company will adopt these new standards, amendments and interpretations according to the date of application required for each, and it will assess the potential impact when they are approved by the European Union.

BUSINESS COMBINATIONS

Business combinations are recognised according to the purchase accounting method pursuant to IFRS 3. According to this method, the cost of a business combination is measured at fair value, calculated as the sum of the fair value of assets transferred and liabilities assumed by the Company at the date of acquisition and the equity instruments issued to the seller in exchange for control over the acquired entity. Acquisition-related costs for the transaction are recognised in the income statement when incurred.

The cost of a business combination it compared to the fair value of assets, liabilities and contingent liabilities found on purchase. Any positive difference between the purchase cost and the amount pertaining to the Company of the fair value of assets, liabilities and contingent liabilities found on purchase is recognised as goodwill. If the difference is negative it is charged directly to the Income Statement. If only a temporary initial book value of a business combination can be determined the initial value adjustments are carried within twelve months from the date of purchase. Amounts pertaining to third parties are carried according to the fair value of the net assets purchased. If a business combination is made over several phases with subsequent purchase of shares each phase is valued separately using the cost and information on fair value of assets, liabilities and contingent liabilities at the date of each transaction to determine the amount of any difference. When a subsequent purchase results in obtaining control of an entity the amount previously held is carried again according to the fair value of assets, liabilities and contingent liabilities determined at the date control is achieved. Any amounts payable by the buyer are recognised at fair value on the date of acquisition. Changes in the fair value of amounts payable and classed as assets or liabilities, as a financial instrument under IAS 39, are recognised in the Income Statement or in the schedule containing the other components of the comprehensive income statement. When the amount does not fall under IAS 39 it is measured in accordance with the appropriate IFRS. If the potential amount is classified under net equity its value is not recalculated and its subsequent regulation is recognised under net equity. Goodwill is initially recognised at cost, i.e., the excess of the sum of the amount paid and the amount carried for minority interests with respect to the net assets acquired and liabilities undertaken by the Company. If the amount is lower than the fair value of the acquired investee company's net assets the difference is carried in the Income Statement.

ACCOUNTING STANDARDS AND VALUATION POLICIES

The accounting standards adopted for drawing up the consolidated financial statements are the same as those adopted for drawing up the separate financial statements of the Company for the financial year which closed as at 31 December 2013.

PROPERTY, PLANT AND MACHINERY

Property, plant and machinery are recognised 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, plant, machinery and other assets are entered at cost, net of accumulated depreciation and any impairment. The depreciated value of each significant component of a tangible asset, with a different useful life, is amortised by the straight-line method over the expected period of use. Considering the homogeneity of the assets included in the individual categories of the financial statements, it is assumed that the useful life per category of assets is the following (with the exception of certain significant cases):

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

Land, including pertaining to buildings, is accounted for separately and not depreciated as it is a component with indefinite useful life.

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 (revaluation model). As set forth by IAS 16, the company measures fair value and then remeasures it only when there is a significant difference with respect to the book value.

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.

The book value of property, plant and machinery 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. A reversal is applied if the conditions at the basis of the impairment no longer apply.

GOODWILL

Goodwill is recognised based on the acquisition method in accordance with IFRS 3, as described in the section on business combinations, is not amortised but is subject to impairment tests at least once a year. 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 financial year.

OTHER INTANGIBLE 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, the asset can be identified or separated, the Company controls the asset, or it has the power receive its future economic benefit, 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.

Costs for development projects are capitalised under the item "costs for capitalised internal projects" only when the development phase has ended and the product developed begins to generate economic benefit. They are subject to amortisation. During the period in which costs are incurred for capitalised internal development projects they are floated in the Income Statement as increases in fixed assets for internal work and classed under "costs for capitalised internal projects".

EQUITY INVESTMENTS

Equity investments are valued at purchase cost not including any impairment. If the reasons for applying write-downs no longer exist then the investments are revalued in the amount of the write-down itself.

The option to purchase a part of minority interests or the option to sell minority interests is taken into consideration when determining whether control has been acquired. Additionally, if control is acquired the amounts related to minority call options are considered financial liabilities as provided for under IAS 32.

LEASING

Machinery owned through financial leasing contracts, for which the Company 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.

Leasing agreements where the lessor substantially keeps all risks and benefits of ownership are considered as operating leasing. The costs for leasing are carried in consistent amounts in the Income Statement for the duration of the agreement.

The amount payable to the lessor is included in the other financial liabilities.

GOVERNMENT GRANTS

Government grants are reported in the presence of a formal resolution and are accounted for as income in the financial year when related costs are incurred.

Grants received against specific assets whose value is carried under fixed assets are entered in the income statement in relation to the period of amortisation/depreciation for the assets to which they refer.

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 not yet available for use 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

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 under the item financial income and charges and other investments.

All the other 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 Company 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.

Loans, payables and other financial and/or trade liabilities with preset or definable maturity are initially carried at their fair value, not including costs incurred for assuming the amounts payable. The valuation policy applied following initial recognition is the amortisation cost using the effective interest rate method. Long-term loans without an interest rate are accounted for by discounting future cash flows at the market rate if the increase in amounts is due to the passing of time. Amounts for interest are then carried in the income statement under the item “net financial income and charges". Financial payables are cancelled when the obligation underlying the payable is extinguished, voided or settled.

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.

CONTRACT WORK IN PROGRESS

Work in progress is recognised according to the state of progress or percentage of completion so that costs, revenue and margin are carried according to the state of progress determined by referring to the ratio between costs incurred at the date of valuation and total expected cost. The valuation reflects the best estimate of programmes carried out at the balance sheet date. The estimates are updated periodically. Any economic effects are accounted for in the financial year in which the updates are made. If completed contract work is expected to result in a loss this is recognised entirely in the financial year in which it is reasonably forecast. Contract work in progress is carried without including any write-down provisions, losses on contract completion, or payments on account and advances for the contract being executed. This analysis is performed on a contract by contract basis. Whenever the difference is positive for work in progress higher than the amount of payments on account then it is classified under assets in the item in question. Whenever this difference is negative the amount is classified under liabilities in the item “advance payment for contract work in progress".

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.

OWN SHARES

Own Shares

Own shares are reported in reduction of share capital. No profit (loss) is recognised in the Income statement for the acquisition, sale, issue or cancellation of own shares.

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 Company grants its employees benefits under the Employee Severance Indemnity Fund (TFR). The employee severance indemnity accrued as at 31 December 2006 is considered a defined benefit to be accounted for in accordance with IAS 19. These benefits fall under the definition: defined benefit plan determined in existence and amount but uncertain in when payable.

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.

Recognition of the changes in actuarial gain/loss is carried amongst the comprehensive income statement components after the revised version of IAS 19 (Employee benefits) was adopted.

Defined contribution plans

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

The employee severance indemnity accrued after 31 December 2006 is considered a defined contribution obligation.

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 Group plan concluded in 2011 and the related 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 contractual obligation which makes the use of economic resources necessary, provided a reliable estimate of the obligation can be made. The amount recognised 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 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.

FINANCIAL INCOME AND CHARGES

Payable/receivable interest is recognised as financial income/charges after being checked on an accruals basis.

DIVIDENDS

Dividends are recognised when the shareholders hold the right to receive them, in accordance with local legislation.

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.

FOREIGN CURRENCY

Transactions in foreign currency are converted into euro 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.

SEGMENT REPORTING

In accordance with the qualitative and quantitative factors provided by IFRS 8, the Company identified the following operating segments:

- Industry & Aerospace
- Energy
- Utilities
- Public Administration

FINANCIAL RISK MANAGEMENT

Exprivia SpA is exposed to the following financial risks:

INTEREST RATE RISK

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

Changes in interest rates during the financial year did not have a significant impact on the financial statements.

Credit Risk

The Company does not have significant concentrations of credit risk except for work carried out in the Public Administration sector, where delays are recorded 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 Company also manages this risk by selecting counterparts considered to be solvent by the market and with high credit standing.

All amounts receivable are periodically assessed for each individual customer, and they are written down when they are considered impaired. Risk for the Company is mainly related to trade receivables.

Liquidity Risk

Prudent management of liquidity risk is pursued by planning cash flows, financing needs and the liquidity of the Company to ensure effective management of financial resources by managing any surplus liquidity, and by opening credit lines where necessary, including short-term ones.

As a result of this management, while taking into account liquidity from loans and credit lines already in place and cash flows the Company is able to generate, risks related to liquidity (at least in the short term) are considered insignificant.

Exchange Rate Risk

Since the majority of operations conducted by the Company is in the euro area there is limited exposure to foreign exchange risk arising from transactions that are not in the usual currency (euro). Fluctuating exchange rates during the financial year did not have a significant effect on the Company.

The table below provides a reconciliation between financial assets and liabilities included in the schedule for the Company balance sheet and classes of financial assets and liabilities provided by IFRS 7 (amounts in millions of euro):

ACTIVITY 'FINANCIAL AT 31 December 2014	Loans and receivables "amortized cost"	Investments valued at cost	Derivatives "financial liabilities designated at FV through profit or loss"	Securities available for sale "fair value level 2"	Total
In thousands of Euro					
Non current assets					
financial assets	2,823				2,823
Investments in other companies		862			862
Total no current assets	**2,823**	**862**	**0**	**0**	**3,685**
Current assets					
Trade receivables	49,562				49,562
Other financial assets				350	350
Cash	6,607				6,607
Total Current assets	**56,169**	**0**	**0**	**350**	56,519
TOTAL	**58,992**	**862**	**0**	**350**	**60,204**

LIABILITIES 'FINANCIAL IN December 31, 2014	Loans and borrowings "amortized cost"	Investments held to maturity "amortized cost"	Derivatives "financial liabilities designated at FV through profit or loss"	Securities available for sale "fair value level 2"	Total
In thousands of Euro					
Non Current liabilities					
Due to banks	6,246				6,246
Other financial liabilities	747				747
Total Non Current liabilities	**6,993**	**0**	**0**	**0**	**6,993**
Current liabilities					
Trade payables and advances	17,636				17,636
Other financial liabilities	25,765			20	25,785
Due to banks	21,342				21,342
Total Current liabilities	**64,743**	**0**	**0**	**20**	**64,763**
TOTAL	**71,736**	**0**	**0**	**20**	**71,756**

The financial instruments outlined above were valued at book value as that is considered nearest to the fair value.

Fair Value Hierarchy Measurement

Concerning financial instruments carried in the balance sheet at fair value, IFRS 7 requires that these values be classified according to a hierarchy reflecting the significance of input used in determining fair value. There are three levels as follows:

- Level 1 - quoted prices on an active market for similar assets or liabilities;
- Level 2 - inputs other than the quoted prices in level 1, which are directly observable (prices) or indirectly observable on the market;
- Level 3 - inputs that are not based on observable market data.

Explanatory notes on the Exprivia SpA Balance Sheet

Details are provided below on the entries making up the assets and liabilities in the 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, unless expressly indicated.

In 2014 the parent company Exprivia SpA transferred the bank and healthcare business units to the subsidiaries Exprivia Digital Financial Solution Srl and Exprivia Healthcare It Srl respectively. In the separate financial statements for the companies, in accordance with OPI 1, they were accounted for in value continuity being a “business combination involving entities under common control”, and therefore making IFRS 3 not applicable.

NON-CURRENT ASSETS

1 - PROPERTY, PLANT AND MACHINERY

The item **“property, plant and machinery”** amounted to Euro 13,102,913 compared to Euro 10,832,384 at 31 December 2013.

The table below shows movement in the reporting period:

Categories	Historical cost 01/01/14	Inc.	Dec.	Historical cost at 31/12/14	Reserve prov. at 01/01/14	Provision for period	Dec.	Cum. prov.	Net value at 31/12/14
Land	357,941	182,813		540,754	-	-	-	-	540,754
Buildings	8,168,095	5,005,609	(7,291)	13,166,413	(2,190,725)	(374,177)		(2,564,902)	10,601,511
Others	5,783,231	1,108,706	(126,469)	6,765,468	(4,497,062)	(431,808)	124,050	(4,804,820)	1,960,647
Fixed assets in progress	3,210,906		(3,210,906)		-	-	-	-	
TOTAL	***17,520,173***	***6,297,128***	***(3,344,665)***	***20,472,636***	***(6,687,787)***	***(805,985)***	***124,050***	***(7,369,722)***	***13,102,913***

The increase in **“land”**, amounting to euro 182,813, is attributable to the land at the head office in Via Giovanni Agnelli in Molfetta.

The increase of euro 5,005,609 in the item **“buildings”** is mainly due to:

- euro 3,869,349 in costs incurred to build the Molfetta building in Via Giovanni Agnelli;
- euro 1,136,260 in costs incurred to renovate the Molfetta buildings in Via Adriano Olivetti 11.

The increase in the item “**others**”, equal to euro 1,108,706, is mainly due to the purchases of electronic office equipment (euro 856,937), utility systems (euro 75,051), furniture and furnishings (euro 65.344) and leased assets (euro 107,498).

The decrease in the item **“work in progress”** is due to the reclassification of costs (incurred in previous financial years to increase the value of buildings) after the work was concluded and the buildings became operational.

The net book value of leased assets came to Euro 577,361 and relates to electronic office equipment (Euro 107,211), furniture and furnishings (Euro 453,926), vehicles (Euro 7,663) and telephone systems (Euro 8,561). It should also be noted that future payments within one year amount to euro 265,991, while those due in one to five years amount to euro 212,404.

2- GOODWILL AND OTHER ASSETS WITH AN INDEFINITE USEFUL LIFE

The balance of **goodwill** as at 31 December 2014 amounted to euro 12,681,281 compared with euro 26,423,539 at 31 December 2013. The change (euro 13,742,258) is due to the transfer of the banking and finance business unit to the company Exprivia Digital Financial Solution S.r.l. and the healthcare unit to the company Exprivia Healthcare It Srl.

Categories	Historical cost 01/01/14	Variaz. area di cons.to	Increase of the perdiod	Net value at 31/12/14
COST OF GOODWILL ABACO MERGER	461,165	(142,288)		318,878
GOODWILL DIVESTMENT AIS PS BRANCH	1,767,655	(545,389)		1,222,266
GOODWILL DIVESTMENT KTONES BRANCH	517,714	(159,734)		357,980
DIFFERENCE ETA BETA MERGER	3,040,712	(3,040,712)		-
DIFFERENCE AIS MEDICAL MERGER	3,913,766	(3,913,766)		-
GOODWILL AURORA BRANCH	1,406,954	(1,406,954)		-
GOODWILL EX ODX	117,770		(29,443)	88,328
GOODWILL DIVESTMENT EX. PROJECTS BRANCH	600,000			600,000
GOODWILL	14,597,803	(4,503,976)		10,093,827
TOTAL	***26,423,539***	***(13,712,819)***	***(29,443)***	***12,681,281***

Goodwill was generated in the business combinations made in previous financial years as a result of the Company's growth from acquiring companies operating in the same market.

The table below shows allocation of goodwill to CGUs:

GOODWILL		Allocation CGU			
	Value at 31/12/14	Energy	Utilities	Public Administration and Aerospace	Industry
GOODWILL ODX BRANCH EX EXPRIVIA SOLUTIONS	88,328			88,328	
GOODWILL AIS PS BRANCH	1,222,266	246,332	517,491	118,585	339,858
GOODWILL ABACO INFORMATION SERVICES SRL AND AISOFTWARE SPA	10,412,705	2,098,549	4,408,594	1,010,250	2,895,312
GOODWILL KSTONES BRANCH	357,980	72,146	151,564	34,731	99,539
CONSOLIDATED GOODWILL EXPRIVIA PROJECTS	600,000		600,000		
TOTAL	**12,681,279**	**2,417,027**	**5,677,649**	**1,251,894**	**3,334,709**

INFORMATION RELATED TO IMPAIRMENT TESTS PERFORMED ON GOODWILL AND OTHER ASSETS WITH AN INDEFINITE USEFUL LIFE: IMPAIRMENT TEST

Scope

Accounting standard IAS 36 requires that impairment tests should be performed on tangible and intangible assets in the presence of indicators which suggest that this problem could exist.

In the case of goodwill, as well as all other intangible assets with an indefinite useful life, such impairment tests should be performed on a yearly basis or more frequently in the case of special negative events that might result in impairment.

Identification of CGU (Cash Generating Unit) and Allocation of Goodwill

Not representing goodwill, according to international accounting standards, an asset that is unable to generate cash flow independently from other assets or groups of assets cannot be tested for impairment separately from other related assets.

For this purpose goodwill is allocated to a CGU or a group of CGUs in compliance with the maximum aggregation consistent with the notion of operating segment referred to in IFRS 8.

Concerning the Company, goodwill was allocated to CGUs as follows:

- goodwill arising from business combinations through which assets were acquired and assigned to specific CGUs from an operational standpoint was allocated to the respective CGUs.
- Goodwill arising from business combinations, through which assets were acquired and to date do not refer to specific CGUs as they were assigned to different CGUs, was attributed to different CGUs in proportion to the sales volumes they generated in the financial year when the allocation was first made.
- Goodwill allocated as above was reallocated as a result of internal reorganisation in line with the same allocation criteria described above.

Impairment Test Process and Assessment System

The recoverability of the amount of goodwill carried in the financial statements is checked by comparing the book value allocated to each CGU and the recoverable amount in the definition of value of use. At the date of analysis, the latter is identified as the current value of future cash flow expected to be generated by the CGUs. The "DCF - Discounted Cash Flow" model was used in determining the value of use. The DCF discounts estimated future cash flow by applying an appropriate discount rate.

The WACC (Weighted Average Cost of Capital) used to discount cash flows was equal to 6.8% and was determined using the following parameters:

- Cost of KE risk capital equal to 8.61% calculated according to:
    - risk-free rate of 3% equal to the average rate in 2014 of ten-year BTP with implicit country risk (source: Treasury Department Ministry of the Economy and Finance “Primary Interest Rates”)
    - Specific beta coefficient for the Group equal to 1.5 (source: Banca Akros Analyst Coverage of 9.1.2014) cleared from financial risk (unlevered beta equal to 0.98)
    - 5.7% market risk premium (source: survey on market risk premiums used in 51 countries in 2013 P. Fernandez, J. Aguirreamalloa and P. Linares)
- Cost of debt equal to 6%

- Debt/Equity ratio equal to 0.72 calculated according to the ratio between the net financial position and average stock market capitalisation in the last 12 months.

Identification of Cash Flow

For the purpose of the projections required by IAS 36, strict reference was made to the current condition of use of each CGU regardless of the cash flow from any investment plans and extraordinary transactions that may constitute a "break" from normal company operations.

The operating cash flow projections for the period of five years used for the purpose of assessing the value derive from economic-financial forecasts for 2015-2020, the assumptions underlying adopted scenarios and flows achieved, are submitted to the Board of Directors prior to approving the impairment test.

The end value was calculated as the current value of perpetual performance obtained capitalising the cash flow generated in the last analytical forecast period normalised through a 20% reduction at a 2% G growth factor.

Sensitivity Analysis

A sensitivity analysis was carried out on the outcome of impairment tests assuming the following change in key parameters:

- A 1% increase in the weighted average cost of capital;
- A decrease in the growth rate “G” from 2% to 1%;

No impairment was detected by the sensitivity analysis.

The tests performed did not show any impairment that should be reported in the financial statements.

3- OTHER INTANGIBLE ASSETS

As at 31 December 2014 the balance of the item **“other intangible assets”** amounted to euro 634,339 compared with euro 3,503,893 at 31 December 2013.

The table below shows movement in the reporting period:

Categories	Historical cost 01/01/14	Inc. at 31/12/14	Changes to merger	Total historical cost 31.12.14	Reserve prov. at 01/01/14	Changes to merger	Dep. of the perdiod	Dep. 31/12/14	Net value at 31/12/14
Development of advertising	8,740,553	561,084	(5,491,504)	3,810,133	(6,188,382)	2,858,896	(480,647)	(3,810,133)	-
Sundries	3,068,575	75,634	(1,158,271)	1,985,938	(2,116,852)	1,156,079	(390,826)	(1,351,599)	634,339
TOTAL	***11,809,128***	***636,718***	***(6,649,775)***	***5,796,071***	***(8,305,234)***	***4,014,975***	***(871,473)***	***(5,161,732)***	***634,339***

The item “**changes from business unit transfers**” refers to extraordinary operations due to the transfer of the “bank and finance” and “healthcare” business units from the Holding Company Exprivia to its subsidiaries Exprivia Digital Financial Solution Srl and Exprivia Healthcare It Srl.

The items “**decreases from business unit transfers**” refer to accumulated amortisation of assets that the holding company Exprivia assigned as a result of the business unit transfers described above.

The increase in the item **“costs for capitalised internal projects”** is mainly due to the development of software applications in the bank and healthcare segments pertaining to the Company prior to transferring the business units.

4- EQUITY INVESTMENTS

The item **"equity investments"** at 31 December 2014 amounted to euro 65,543,860 compared with euro 49,334,686 at 31 December 2013.

The item is broken down below.

Interests in Subsidiaries

At 31 December 2014 the item **"interests in subsidiaries"** amounted to euro 64,681,993 compared with euro 48,508,999 at 31 December 2013. The table below provides details on the item:

Description	31/12/2014	31/12/2013	Variation
Exprivia Do Brasil	1,670,000	1,670,000	-
Exprivia Projects Srl	1,241,391	1,241,391	-
Exprivia S.L.	1,143,948	104,158	1,039,790
Exprivia Enterprise Consulting Srl	11,954,869	11,954,869	-
ProSap	1,185,920	2,708,716	(1,522,796)
Exprivia Digital Fin. Solution Srl	14,185,705	5,184,705	9,001,000
Spegea S.c.a r.l.	300,000	300,000	-
Exprivia Healthcare It Srl	32,436,159	25,331,159	7,105,000
Consorzio Exprivia S.c. a r.l.	14,000	14,000	-
Exprivia Telco & Media Srl	500,000	-	500,000
Exprivia Asia Ltd	50,000	-	50,000
TOTAL	***64,681,993***	***48,508,999***	***16,172,994***

The investments were subjected to impairment tests where impairment indicators were detected. The impairment test was performed applying the method indicated above for goodwill under note 2. No impairment was detected.

The decrease relating to ProSap SL (euro 1,522,796) is due to the failure to achieve the earn-out objectives provided in the acquisition agreement with cancellation of the debt as a result of agreements reached with minority shareholders.

The increase in the investment "Exprivia Digital Financial Solution Srl" (euro 9,001,000) refers to the subscription of the subsidiary's share capital increase executed by transferring the bank and finance business unit and certified by an expert (certified public accountant) with a sworn appraisal, determined according to the book value as at 31 December 2013.

Indeed, Exprivia subscribed the Exprivia Digital Financial Solution Srl share capital increase by transferring the business unit and issuing, in its favour, a nominal share for euro 1,006,919 with a share premium of euro 7,994,081. The objective of this operation, resolved by the company's Board of Directors on 16 December 2013, is to seize opportunities offered by the market of ICT solutions for banks by building a hub of about 200 employees and 90 customers in Italy and abroad incorporating a special legal entity with all the tools for governance and assets needed to penetrate the core market directly, ensuring high flexibility in internal processes and in the management of cash flows generated by operations previously shared between subsidiaries and the holding company.

The business unit transfer took effect starting on 30 June 2014.

The increase in the investment “Exprivia Healthcare It Srl” (euro 7,105,000) refers to the subscription of the subsidiary’s share capital increase executed by transferring the healthcare business unit and certified by an expert with a sworn appraisal, determined according to the book value as at 31 December 2013.

Exprivia subscribed the Exprivia Healthcare It Srl share capital increase by transferring the business unit and issuing, in its favour, a nominal share for euro 434,190 with a share premium of euro 6,670,810.

The objective of this operation, resolved by the company’s Board of Directors on 16 December 2013, is to seize opportunities offered by the market of ICT solutions for healthcare by building a hub of about 370 employees and 200 customers in Italy and abroad incorporating a special legal entity with all the tools for governance and assets needed to penetrate the core market directly, ensuring high flexibility in internal processes and in the management of cash flows generated by operations previously shared between subsidiaries and the holding company.

The business unit transfer took effect starting on 01 June 2014.

There were changes due to increases resulting from the acquisition of Exprivia Telco & Media Srl (euro 500,000) and the incorporation of the company Exprivia Asia Ltd (euro 50,000). Concerning the acquisition of Devoteam auSystem SpA (now Exprivia Telco & Media), on 11 February 2014 Exprivia SpA stipulated a binding agreement to acquire from the French group 100% of Devoteam auSystem SpA, which for over 15 years has been a leading company in the Italian media and telecommunications market. Its customers include major international operators and it offers embedded systems, telecommunications networks, OSS systems, new generation networks (NGN) mobile applications and M2M solutions.

On 16 April 2014 Exprivia concluded its acquisition of 100% of the share capital in Devoteam auSystem SpA. The value of the acquisition of 100% of the share capital was euro 0.5 million, fully settled in cash, including the net financial position as at 31.12.2013, which was negative for euro 3.7 million.

Lastly, the increase in the investment in Exprivia SL (euro 1,039,790) refers to the acquisition of an additional 40% in the company’s share capital.

The table below provides figures related to the net equity of subsidiaries.

Company	H.O.	Company capital	Results for period	Net worth	Total revenues	Total Assets	% of holding
Consorzio Exprivia S.c.a.r.l	Milano	20,000	(733)	11,576		20,747	70/%
Expriva SL	Madrid (Spagna)	8,250	573,962	1,647,993	3,820,389	3,820,349	100.00%
Exprivia Asia Ltd	Hong Kong	0.11	(2,640)	48,738		341,181	100.00%
Exprivia Enterprise Consulting Srl	Milano	1,500,000	(132,423)	1,492,716	11,054,652	9,942,518	100.00%
Exprivia Healthcare IT Srl	Trento	1,982,190	941,534	11,123,090	23,419,833	34,671,853	100.00%
Exprivia Do Brasil Servicos Ltda	Rio de Janeiro (Brasile)	1,829,001	(274,451)	1,737,505	1,497,647	2,029,700	52.22%
Exprivia Projects Srl	Roma	242,000	(46,648)	15,988	9,498,858	3,407,641	100.00%
Exprivia Telco & Media Srl	Milano	1,200,000	15,027	934,882	16,025,281	10,421,869	100.00%
ProSpa SL	Madrid (Spagna)	197,904	(216,409)	407,602	3,515,633	5,464,305	51.12%
Exprivia Digital Financial Solution Srl	Milano	1,586,919	2,002,994	12,327,248	19,132,120	25,098,751	100.00%
Spegea Sc a rl	Bari	125,000	(4,602)	257,115	1,582,826	1,606,879	60.00%

Interests in Associates

The company also holds a 32.80% share in Fallimento Mindmotion Srl (in liquidation), whose book value was brought to zero.

Equity Investments in Other Companies

The item **"equity investments in other companies"** at 31 December 2014 amounted to euro 861,867 compared with euro 825,687 at 31 December 2013. Details are provided in the table below:

Description	31/12/2014	31/12/2013	Variation
Advanced Computer Systems	740,816	740,816	-
Consorzio SILAB-Daisy	1,837	1,837	-
Consorzio Global Enabler	2,000	2,000	-
Conai	9	9	-
Cered Software	103	103	-
Consorzio Biogene	3,000	3,000	-
Consorzio Conca Barese	2,000	2,000	-
Consorzio Pugliatech	2,000	2,000	-
Consorzio Daisy-Net	13,939	13,939	-
Finapi	775	775	-
Iqs New Srl	1,291	1,291	-
Consorzio DARe	1,000	1,000	-
Consorzio DHITECH	17,000	17,000	-
Consorzio DITNE	5,564	12,384	(6,820)
Certia	516	516	-
Società Consortile Piano del Cavaliere	516	516	-
Software Engineering Research	12,000	12,000	-
H.BIO Puglia	12,000	12,000	-
Ultimo Miglio Sanitario	2,500	2,500	-
Consorzio Italy Care	10,000		10,000
Cefriel Scarl	33,000		33,000
TOTAL	***861,867***	***825,687***	***36,180***

5- OTHER FINANCIAL ASSETS

Receivables from Subsidiaries

The balance of the item **"Receivables from subsidiaries"** as at 31 December 2014 amounted to euro 1,488,083 and did not undergo any changes from 31 December 2013. It refers to the medium/long-term portion of an interest-bearing loan granted to the subsidiary ProSap SL, regulated by a contract between the parties.

Tax Receivables

The item "**tax receivables**" amounted to euro 1,334,539 as at 31 December 2014, of which euro 631,114 pertaining to the subsidiaries under tax consolidation relating to the deductibility of the IRAP tax calculated on staff costs, which generated a recovery of IRES tax. Article 4 of Italian Decree Law no. 16/2012 extended the above deduction to tax periods prior to 2012 for the years 2007 to 2011. The receivables in the periods from 2009 to 2011 were recorded under non-current assets, while the receivables for 2007 and 2008 were included in the item "**current receivables from tax authorities**".

6- PREPAID TAXES

The balance of the item "**prepaid taxes**" amounted to euro 1,148,572 as at 31 December 2014 compared with euro 899,891 as at 31 December 2013, and mainly refers to taxes on temporary changes (recoverable in future periods) as a result of applying tax regulations and IAS/IFRS.

The table below provides details on this item:

Description	31/12/2014		31/12/2013	
	Amount temporary differ	tax effect	Amount temporary differ	tax effect
Goodwill	1,109,870	358,710	1,202,358	388,602
Fair value of derivative	20,190	5,552	63,501	17,463
Allowance for doubtful accounts	1,150,000	316,250	1,150,000	316,250
Fund risks	1,563,523	468,060	645,728	177,576
TOTAL	**3,843,583**	**1,148,572**	**3,061,587**	**899,891**

CURRENT ASSETS

7- TRADE RECEIVABLES AND OTHERS

Trade Receivables

The item **"trade receivables"** rose from Euro 37,305,364 at 31 December 2013 to Euro 27,884,797 at 31 December 2014 and are carried under assets less Euro 1,696,446 as an adjustment for the risk of doubtful debts.

The table below provides details on the item:

Description	31/12/2014	31/12/2013	Variation
To Italian customers	27,422,222	36,411,529	(8,989,307)
To foreign customers	661,556	875,506	(213,950)
To public bodies	1,497,464	1,935,823	(438,359)
S-total receivables to customers	***29,581,242***	***39,222,858***	***(9,641,616)***
Less: provision for bad debts	(1,696,446)	(1,917,494)	221,048
Total receivables to customers	***27,884,796***	***37,305,364***	***(9,420,567)***

Details	31/12/2014	31/12/2013	Variation
To third parties	24,241,335	32,544,730	(8,303,395)
Invoices for issue to third parties	5,339,907	6,678,128	(1,338,221)
TOTAL	***29,581,242***	***39,222,858***	***(9,641,616)***

The value of invoices to be issued reflects the particular type of business in which the Company operates 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 figures shown in the financial statements are the amounts accrued up to December 2014 included and will be invoiced in the following months.

The table below shows a breakdown of receivables by date of maturity, net of invoices/credit notes to be issued and including receivables carried under the bad debts provision:

Amount of receivables	in		days past due							
	expire	due	1 - 30	31- 60	61 - 90	91-120	121-180	181-270	271-365	beyond
24,241,335	17,501,686	6,739,649	627,072	662,761	212,899	279,016	346,714	989,302	446,503	3,175,382
100.0%	72.2%	27.8%	2.6%	2.7%	0.9%	1.2%	1.4%	4.1%	1.8%	13.1%

Receivables from Subsidiaries

The item **"receivables from subsidiaries"** at 31 December 2014 amounted to Euro 10,547,313 compared to Euro 7,788,644 at 31 December 2013.

The table below provides details on this item:

Description	31/12/2014	31/12/2013	Variation
Consorzio Exprivia	9,155	8,605	550
Exprivia Projects Srl	520,612	-	520,612
Exprivia SL	352,426	352,426	-
Exprivia Do Brasil	89,873	156,578	(66,705)
ProSap	1,531,068	1,471,747	59,321
Farm Multimedia Srl in liquidation	-	20,388	(20,388)
Exprivia Digital Financial Solution Srl	4,551,855	106,144	4,445,711
Spegea S. c. a.r.l.	195	113,209	(113,014)
Exprivia Healthcare IT Srl	858,216	421,598	436,618
Exprivia Enterprise Consulting Srl	2,619,689	5,137,948	(2,518,259)
Exprivia Telco & Media Srl	14,225		14,225
TOTAL	***10,547,313***	***7,788,644***	***2,758,670***

Receivables from subsidiaries are all regulated by framework agreements and mainly refer to charges for corporate and logistics services, in addition to special resources provided from one company to another, to financial receivables for loans and cash pooling and receivables deriving from the application of tax consolidation.

Receivables from associates

As at 31 December 2014, **"receivables from associates"**, amounting to euro 219,150, did not change from 31 December 2013 and pertain to receivables due from the company Fallimento Mindmotion Srl (in liquidation), for which the Company is awaiting the distribution plan from the bankruptcy receiver.

Receivables from Parent Companies

As at 31 December 2014, the balance of **"receivables from parent companies"** amounted to euro 1,302,438, compared with euro 1,675,919 as at 31 December 2013, and relates mainly to the remaining amounts for the interest-bearing loans (euro 1,019,791) granted to the parent company Abaco Innovazione SpA.

Other Receivables

At 31 December 2014 the item **"other receivables"** amounted to Euro 9,349,508 compared to Euro 10,915,041 at 31 December 2013.

The table below provides details on the item and respective changes:

Description	31/12/2014	31/12/2013	Variation
Advances on projects	5,279,884	6,496,174	(1,216,290)
Advances to suppliers for services	17,485	-	17,485
Sundry credits	26,715	38,344	(11,629)
Receivables to factoring	871,677	341,894	529,783
Guaranteed securities	32,151	37,036	(4,884)
Costs relating to future years	3,121,595	4,001,593	(879,999)
TOTAL	***9,349,508***	***10,915,041***	***(1,565,533)***

The amounts receivable in relation to "**government grants**" refer to grants accrued and/or accounted for to date in relation to costs incurred. 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 receivables are carried net of the risk provision for any minor grants that might not be received.

The item **"expenses pertaining to future financial years"** for euro 3,121,595 mainly refers to maintenance costs for future reporting periods.

Tax Receivables

At 31 December 2014 the item **"tax receivables"** amounted to Euro 258,986 compared to Euro 217,171 at 31 December 2013. The table below provides a breakdown and a comparison with the previous year:

Description	31/12/2014	31/12/2013	Variation
Credits for instance IRAP on IRES	165,004	165,004	-
Tax authority w/holding taxes on interest income	46,821	10,797	36,024
Credits with tax authority	47,161	41,370	5,790
TOTAL	***258,986***	***217,171***	***41,815***

The change in the item "receivable for IRAP application on IRES" is due to the classification of the receivable pertaining to 2008 from non-current assets to current assets.

8- INVENTORIES

At 31 December 2014 the item **"inventories"** amounted to euro 156,754 compared with euro 316,759 at 31 December 2013 and refers to software and hardware held for resale.

9 CONTRACT WORK IN PROGRESS

At 31 December 2014 the item **"contract work in progress"** amounted to Euro 9,388,754 compared to Euro 6,973,806 at 31 December 2013 and refers to the value of contract work in progress according to contractual payments accrued.

The table below shows the breakdown of work in progress by business segment:

Business Area	31/12/2014	31/12/2013	Variation
Bank, Finance and Insurance	95,651	89,484	6,167
Industry and Aereospace	762,264	239,788	522,476
Energy	624,458	715,511	(91,053)
Healthcare	4,717,095	4,504,276	212,819
Utilities	1,935,160	997,510	937,650
Public Administration	1,254,125	427,237	826,888
TOTALI	**9,388,754**	**6,973,806**	**2,414,947**

10 - CASH AT BANK AND ON HAND

At 31 December 2014 the item **"cash at bank and on hand"** amounted to euro 6,607,218 compared with euro 4,535,014 at 31 December 2013 and refers to euro 6,583,191 held at banks and euro 24,027 in cash on hand. Additionally, the bank balance includes secured deposits for guarantees amounting to euro 243,546 undertaken in favour of banks.

INFORMATION ON THE CASH FLOW STATEMENT

The **Net Financial Position** as at 31 December 2014 was negative euro 18,022,295 compared, which is a significant improvement to the negative euro 31,621,482 in 2013 (euro +15,599,187). Despite retaining a remarkable level of investment, equal to euro 3,823,474, the Company generated euro 13,599,187 in liquidity during the year, also due to positive cash flows from operations amounting to euro 3,661,500 and the management of net working capital amounting to euro 13,850,017.

11 - OTHER FINANCIAL ASSETS

The item **"other financial assets"** amounting to euro 349,740 refers to the stipulation of financial instruments on 30 December 2014 issued by Banca Popolare di Bari, namely: (i) 23,394 new securities issued by the same bank for euro 8.95 each, of which euro 3.95 as a share premium, for a total of euro 209,376.30 and (ii) 23,394 bonds "Banca Popolare di Bari 6.50% 2014/2021 subordinate Tier II" for euro 6.00 each, amounting to euro 140,364.00. These financial instruments are carried at fair value (level 2).

Description	31/12/2014	31/12/2013	Variation
Bond BPB	140,364	-	140,364
Share BPB	209,376	-	209,376
TOTAL	***349,740***	**-**	***349,740***

NET EQUITY

12 SHARE CAPITAL

"Share Capital", fully paid up, amounted to Euro 26,410,279 and is represented by 51,883,958 ordinary shares at Euro 0.52 nominal value each, including 1,094,978 own shares amounting to euro 569,389 held as at 31 December 2014. Transactions with own shares were approved by the Shareholders' Meeting of 23 April 2014. During the year own shares were bought for a nominal value of euro 477,128 and sold/used own shares for a nominal value of euro 544,528.

EXPRIVIA SHARES HELD BY MEMBERS OF THE BOARD OF DIRECTORS

As at 31 December 2014 Domenico Favuzzi, Chairman and CEO of Exprivia SpA, directly held 267,734 Exprivia shares. In addition, 1,900 Exprivia shares were held by the Vice-President Dante Altomare, 21,630 shares by the director Mario Ferrario, 7,000 shares by the director Valeria Savelli and 12,000 shares by the standing statutory auditor Gaetano Samarelli.

None of the other members of the Board of Directors, their spouses not legally separated, or their underage children hold, directly or indirectly, any shares in Exprivia SpA.

12 - SHARE PREMIUM RESERVE

At 31 December 2014 the **"share premium reserve"** amounted to Euro 18,081,738 and is the same as 31 December 2013.

12 - REVALUATION RESERVE

At 31 December 2014 the **"revaluation reserve"** amounted to Euro 2,907,138 and is the same as 31 December 2013.

12 - OTHER RESERVES

As at 31 December 2014, the balance of item "**other reserves**" amounted to euro 20,032,874 compared with euro 15,211,924 as at 31 December 2013 and pertains to:

- Euro 3,561,670 for the **"legal reserve"**, which rose by Euro 248,866 compared to 31 December 2013 after allocation of profit from the previous year, as resolved by the shareholders' meeting of 23 April 2014;
- Euro 4,992,230 for the **"extraordinary reserve"**, which rose by Euro 4,728,440 compared to 31 December 2013 after allocation of profit for 2013 as resolved by the shareholders' meeting of 23 April 2014;
- 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" and has not changed since 31 December 2013;

- 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, which remained unchanged with respect to 31 December 2013;
- Euro -390,805 to **"other reserves"**; the movements in the year mainly refer to:
  - euro 196,798 as an effect deriving from the premium paid when buying own shares;
  - euro 429,664 an effect deriving from the use of own shares to fulfil an obligation arising as a result of the acquisition of a 40% interest in Exprivia SL and euro 2,600 as an effect deriving from the sale of own shares (for a total of euro 432,264);
  - Euro 540,443 for actuarial gains and losses deriving from the adoption of IAS 19.

NON-CURRENT LIABILITIES

13 - NON-CURRENT PAYABLES TO BANKS

At 31 December 2014 the balance of the item **"non-current payables to banks"** amounted to euro 6,245,537 compared with euro 7,725,859 last year, and pertains to the amounts of medium-term borrowing overdue for over twelve months after 31 December 2014.

Bank Institute	Tipology	Contract amount	Amout paid to 31,12,14	Date contract	Expriratio Date	Repayment insallment	Rate applied	Residual capital at 31,12,14	To be repaid within 12 mouths	To be repaid over 12 mounths
Banca Nazionale del Lavoro	Financing	18,000,000	18,000,000	30/11/07	30/11/15	semi-annual	Euribor 6 mesi + 1,7%	2,571,420	2,571,420	
Ministero dell'Università e della Ricerca	Financing	1,430,905	1,243,453	12/04/07	01/07/15	semi-annual	0.50%	97,090	97,090	
Ministero dello Sviluppo Economico	Financing	2,151,000	1,787,006	27/12/09	27/02/19	annual	0.87%	912,850	179,421	733,429
Ministero dell'Università e della Ricerca	Financing	934,900	380,624	10/01/08	01/07/15	semi-annual	0.50%	35,036	35,036	
Monte dei Paschi di Siena	Financing	5,000,000	5,000,000	04/05/10	10/05/17	montly	Euribor 3 mesi + 2,5%	2,026,163	1,203,146	823,017
Banco Napoli	Financing	2,000,000	2,000,000	20/05/11	20/05/16	montly	Euribor 1 mese + 3,70%	608,982	426,533	182,450
IBM Italia Servizi Finanziari	Financing	306,856	306,856	01/05/12	01/02/17	quarterly	9.66%	152,098	63,041	89,057
ICCREA Banca Impresa	Financing	1,020,000	1,020,000	18/07/13	30/09/18	quarterly	Euribor 3 mesi + 3,80%	783,931	197,606	586,325
ICCREA Banca Impresa	Financing	2,500,000	2,500,000	14/07/14	31/12/15	montly	Euribor 3 mesi + 3,80%	1,779,901	1,779,901	
Simest	Financing	1,955,000	586,500	26/07/13	19/04/20	montly	0.500%	586,500	58,650	527,850
Banca del Mezzogiorno	Financing	3,000,000	3,000,000	04/06/14	31/03/24	quarterly	Euribor 3 mesi + 4,80%	2,878,024	252,952	2,625,071
Banca Carime	Financing	2,000,000	2,000,000	07/11/14	07/05/16	montly	Euribor 1 mese + 3,80%	1,891,830	1,324,603	567,227
Banca Popolare di Milano	Financing	2,000,000	2,000,000	11/07/14	31/01/15	montly	Euribor 3 mesi + 3,75%	336,152	336,152	
Banca Popolare di Milano	Financing	2,000,000	2,000,000	17/12/14	30/06/15	montly	Euribor 3 mesi + 3,75%	2,000,000	2,000,000	
Deutsche	Financing	1,000,000	1,000,000	07/08/14	04/02/16	montly	Euribor 1 mese +2,20%	777,778	666,667	111,111
Banca Popolare Pugliese	Financing	500,000	500,000	28/11/14	28/11/15	montly	Euribor 6 mesi + 4,75%	459,268	459,268	
TOTAL								*17,897,023*	*11,651,486*	*6,245,537*

Medium-term Loan Agreement

On 8 May 2008 Exprivia stipulated a medium-term loan for up to a total of Euro 20,500,000.00 (twenty million five hundred thousand/00) with a pool of banks consisting of BNL (lead bank and lead arranger), Centrobanca-Banca di Credito Finanziario e Mobiliare S.p.A., Unicredit Corporate Banking S.p.A. and Banca Antonveneta S.p.A..

In particular, under the medium-term loan agreement the lenders granted the following medium-term credit lines to Exprivia:

- A credit line called "Line A" for up to a total of Euro 3,000,000.00 (three million/00) to fund payment of Svimservice share premium and to be paid back by 30 November 2015;
- A credit line called "Line B" for up to a total of Euro 15,000,000.00 (fifteen million/00) to refinance a portion of the Bridge Loan and to be paid back by 30 November 2015;
- A revolving credit line called "Revolving Line" for up to a total of Euro 2,500,000.00 (two million five hundred/00) to fund working capital and the company's general cash needs. It was paid back on full by 31 December 2010.

The medium-term loan was facilitated by the following real guarantees:

- A second lien granted by the parent company Abaco Innovazione S.p.A. on a number of Exprivia shares such that the ratio between the market value of those shares and the remainder of the loan is always 125%;
- A lien on 100% of the share capital in Exprivia Healthcare IT Srl (formerly Svimservice Srl) and Exprivia Enterprise Consulting Srl (formerly Wel.Network);
- A mortgage on the property owned by the company in Molfetta in Viale Adriano Olivetti 11, which became a first mortgage following the settlement of the ten-year mortgage of 2004 that paid for the property;
- Assignment of receivables and indemnities deriving from Wel.Network S.p.A. and Svimservice S.p.A. acquisition agreements;
- Assignment of receivables deriving from contracts for services and/or software stipulated by the company for a sufficient amount to cover debt servicing for at least one year; this guarantee can be replaced and/or supplemented by a lien on a current account where the company will deposit enough funds to cover 50% of the difference between one year of debt servicing and the value of receivables assigned as guarantee.

The following financial parameters are to be respected under the medium-term loan agreement for its entire duration, as amended on 30 January 2014 in accordance with agreements reached with the pool of banks with BNL as the leading bank:

Date of Reference	**Net Borrowing/EBITDA** *not more than*	**Net Borrowing/Net equity** *not more than*	**Free Cash Flow/Debt Servicing** *not less than*	**Overall Investments** *not more than*
31.12.2014	2.3	0.56	1.0	6,400
30.06.2015	2.3	0.56	1.0	6,400

These financial parameters will be measured on a consolidated basis every six months by 30 April and 30 September of each year and will refer to the 12 months preceding 30 June and 31 December of each year, using standard calculation criteria agreed by the parties.

The financial parameter “overall investments” does not take into account investments for acquiring interests not subject to authorisation, or those that received specific written authorisation from the banks.

As at 31 December 2014, the financial parameters recorded on the basis of accounting data were respected.

Low-interest Loan from the Ministry of Universities and Research

A loan resolved for Euro 1,430,905 stipulated by Exprivia on 12 April 2007 and provided for Euro 1,243,453 at 31 December 2014 to finance a research and development project under the financing law Ministerial Decree no. 593 of 8 August 2000. It expires on 1 July 2015 and bears a below-market rate of interest (0.50% yearly).

This loan was granted under the following Ministry of Universities and Research decrees: 1769/Ric. of 1 August 2005, 107/Ric. of 26 January 2006 and 2386/Ric. of 16 November 2006.

As at 31 December 2014 the remaining debt amounted to Euro 97,090 to be repaid within the next twelve months (and therefore recorded under current liabilities).

There are no real guarantees for this loan.

Low-interest Loan from Ministry of Economic Development - Istituto Finanziario Ubi Banca (formerly Centrobanca) POR Puglia

A loan resolved for Euro 2,151,000 and provided for Euro 1,787,006 at 31/12/2014 to finance a research and development project under Law 46/82 F.I.T. art. 14 Circular no. 1034240 of 11 May 2001. It expires on 27 December 2019 and bears a below-market rate of interest (0.87% yearly).

This loan was granted under decree n. POR 05 of 27.12.2006 by the Ministry of Economic Development.

At 31 December 2014 the remaining debt amounted to Euro 912,850, Euro 179,421 of which should be repaid within twelve months (carried under short-term liabilities) and the remaining Euro 733,429 to be repaid in 2015-2019 (carried under long-term liabilities).

There are no real guarantees for this loan.

Low-interest Loan from the Ministry of Universities and Research

A loan resolved for Euro 934,900 (stipulated by Exprivia Solutions SpA, formerly Exprivia SpA) on 10 January 2008 and provided for Euro 380,624 at 31 December 2014 to finance a research and development project under the financing law Ministerial Decree no. 593 of 8 August 2000. It expires on 1 July 2015 and bears a below-market rate of interest (0.50% yearly).

This loan was granted under the following Ministry of Universities and Research decrees: nos. 3244/Ric. of 5 December 2005 and 11177/Ric. of 19 September 2007.

As at 31 December 2014 the remaining debt amounted to Euro 35,036 to be repaid within the next twelve months (and therefore recorded under current liabilities).

There are no real guarantees for this loan.

Banca Antonveneta Loan

A loan for Euro 5,000,000 stipulated on 04.05.10 and provided on 01.06.10 to be repaid in monthly instalments starting from 10.02.11 until 10.05.17.

The interest rate applied is Euribor 3 months + a 2,5% spread.

As at 31 December 2014 the remaining debt amounted to Euro 2,026,163, Euro 1,203,146 of which is to be repaid within the next twelve months (and therefore recorded under current liabilities) and the remaining Euro 823,017 to be repaid in 2015-2017 (carried under non-current liabilities).

There are no real guarantees for this loan.

Banco di Napoli Loan

A loan for Euro 2,000,000 stipulated on 20.05.11 to be repaid in monthly instalments starting from 20.06.11 until 20.05.16.

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

As at 31 December 2014 the remaining debt amounted to Euro 608,982, Euro 426,533 of which is to be repaid within the next twelve months (and therefore recorded under current liabilities) and the remaining Euro 182,450 to be repaid in 2015-2016 (carried under non-current liabilities).

There are no real guarantees for this loan.

Iccrea Banca Impresa Loan

A loan of euro 1,020,000 entered into on 18 July 2013. It is to be repaid in monthly instalments starting from 30.09.2013 until 30.09.2018 and its aim is to support international development in Brazil through its subsidiary Exprivia do Brasil.

The interest rate applied is Euribor 3 months + a 3,80% spread.

As at 31 December 2014 the remaining debt amounted to Euro 783,931, Euro 197,606 of which is to be repaid within the next twelve months (and therefore recorded under current liabilities) and the remaining Euro 586,325 to be repaid in 2015-2018 (carried under non-current liabilities).

The loan is backed by a SACE guarantee of Euro 535,500.

Simest Loan

A loan of Euro 1,955,000 resolved, entered into on 19.04.2013, of which Euro 585,500 disbursed on 26.07.2013, is to be repaid in six-month instalments starting from 19.10.2015 until 19.04.2020. The loan is targeted at supporting international development in China and bears a below-market fixed rate of interest (0.50% yearly).

As at 31 December 2014 the remaining debt amounted to Euro 586,500, Euro 58,650 of which is to be repaid within the next twelve months (and therefore recorded under current liabilities) and the remaining Euro 527,850 to be repaid in 2015-2020 (carried under non-current liabilities).

There are no real guarantees for this loan.

Banca del Mezzogiorno Loan

A loan of euro 3,000,000 entered into on 04 June 2014 and disbursed on 18/06/2014. It is to be repaid in quarterly instalments starting from 30/09/2014 until 31/03/2024. The loan is targeted at supporting the purchase of land and for construction of the Molfetta building at Via Giovanni Agnelli no. 5, which is an investment falling under the programme agreement stipulated with Regione Puglia on 5 December 2011.

The interest rate applied is Euribor 3 months + a 4,80% spread.

As at 31 December 2014 the remaining debt amounted to Euro 2,878,024, Euro 252,952 of which is to be repaid within the next twelve months (and therefore recorded under current liabilities) and the remaining Euro 2,625,071 to be repaid in 2015-2024 (carried under non-current liabilities).

The loan in question is backed by a first mortgage on the property.

NET FINANCIAL POSITION

In accordance with the CONSOB notice of 28 July 2006 and CESR recommendation of 10 February 2005 "Recommendations for standard implementation of European Commission regulations on disclosure schedules", the table below shows the net financial position of Exprivia as at 31 December 2014 compared with figures from the previous year.

Description	31/12/2014	31/12/2013	Variation
Intercompany non current financial assets	1,488,083	1,488,083	-
Intercompany current financial assets	2,611,909	1,156,103	1,455,806
Current financial assets	349,740	-	349,740
Interest receivable from Prosap	331,243	221,922	109,321
Cash at bank and on hand	6,607,218	4,535,014	2,072,204
Treasury shares	746,139	614,473	131,666
Non-curent bank debt	(6,245,537)	(7,725,859)	1,480,321
Non-curent liabilities	(212,404)	(414,163)	201,759
Current bank debt	(21,341,807)	(27,470,719)	6,128,913
Intercompany current financial liabilities	(2,070,699)	(3,719,895)	1,649,196
Current financial liabilities	(286,181)	(306,441)	20,260
TOTAL	**(18,022,295)**	**(31,621,482)**	**13,599,187**

14 - OTHER FINANCIAL LIABILITIES

Payables to subsidiaries

The item "**payables to subsidiaries**" amounted to euro 415,899 as at 31 December 2014 compared with euro 499,080 in the previous year. It refers to the security deposit (euro 50,000) paid by the subsidiary Exprivia Healthcare IT Srl in relation to the lease contract for the head offices in Molfetta and to the tax receivable deriving from the application for refund of IRAP on IRES which, as a result of tax consolidation, is assigned to the holding company by its subsidiaries Exprivia Projects Srl (euro 63,537), Exprivia Healthcare It Srl (euro 293,516) and Spegea Scasrl (euro 8,846).

Tax Liabilities and Amounts for Social Security Payable after the Financial Year

The balance of the item "**tax liabilities and amounts for social security payable after the financial year**", amounting to euro 119,161, unchanged from 31 December 2013, refers to the amounts payable to public entities after the financial year for payment injunctions.

Payables for equity investments

The balance of the item **"payables for equity investments"** at 31 December 2014 amounted to zero, compared with euro 1,740,396 the previous year. As at 31 December 2013 the item referred to euro 217,600 for the acquisition of ProSap SL (duly paid in 2014) and euro 1,522,796 for the earnout expected to be payable to the selling shareholders of ProSap SL, which was cancelled due to the failure to reach the targets set for the acquisition, in accordance with agreements reached with the former minority shareholders.

Trade payables after the financial year

As at 31 December 2014, the balance of the item **"payables to suppliers after the financial year"** amounted to euro 212,404 compared with euro 414,163 at 31 December 2013 and refers to the amounts payable to leasing companies but pertaining to future reporting periods.

15 - PROVISIONS FOR RISKS AND CHARGES

The balance of the item **"provisions for risks and charges"** at 31 December 2014 amounted to euro 723,028 compared with euro 648,321 at 31 December 2013.

Description	31/12/2014	31/12/2013	Varition
Fund risks disputes	560,000		560,000
Risk fund tax dispute	65,000	532,583	(467,583)
Risk provisions staff	71,028	64,507	6,521
Provision for other risks	27,000	15,875	11,125
Provisions for losses		35,356	(35,356)
TOTAL	*723,028*	*648,321*	*74,707*

The **provision for dispute risks**, amounting to euro 560,000, was allocated in the year against any adverse outcome of pending civil legal proceedings in which the Holding Company is involved.

The **"provision for task dispute risks"**, amounting to euro 65,000, was allocated for the official audit report issued by the Inland Revenue Agency of Bari on 27/10/2014 against Exprivia SpA, where certain tax irregularities were found for about euro 81,000 in addition to interest and sanctions. The company only partially accepts the report by the Inland Revenue Agency of Bari and set aside euro 65,000.

Concerning the notices of assessment received from the Inland Revenue Agency of Bari in relation to 2005 (IRES and IRAP) and 2006 (IRES), as a result of the final judgement issued by the Regional Tax Commission of Bari the remaining risk provision of euro 486,945 was brought to zero.

The allocation of euro 71,028 to the **"provision for staff risks"** refers amounts set aside for current disputes with former employees.

The allocation of euro 27,000 to the **"provision for other risks"** refers to amounts set aside for other risks.

The **hedge fund** was brought to zero as the risk related to the losses suffered by the subsidiary Farm Srl (in liquidation) no longer exist since the latter was cancelled from the Business Register.

16 - EMPLOYEE PROVISIONS

Employee Severance Indemnity Fund

The amounts for the employee severance indemnity accrued after 31 December 2006 were paid to the INPS pension fund and union pension funds. The employee severance indemnity as at 31 December 2014 amounted to euro 3,431,924 compared with euro 4,433,842 as at 31 December 2013. The amount assigned as a result of the transfer of the business units to subsidiaries amounted to euro 1,329,985.

The fund is net of amounts deposited. An actuarial assessment was performed on the liability in accordance with IAS 19 using the retrospective method, which requires recognition of actuarial gains/losses in the comprehensive 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.

The table below shows the primary actuarial and financial assumptions used in the calculation:

Description	31/12/2014	31/12/2013
Discount rate	1.50%	3.80%
Inflation rate	1.50%	2.00%
Annual rate of wage growth	3.00%	3.00%
Mortality	Tav ISTAT 2011	Tav ISTAT 2004
Inability	Tav. INAIL	Tav. INAIL
Turn-over	7.25%	7.25%
Probability advance	2.50%	2.50%
Amount% of the severance pay in advance	70.00%	70.00%

Some of the general criteria used for the projections are described below. In order to meet the need to make assessments based on all the information available a technical procedure was used known in the actuarial literature as MAGIS (actuarial method of years in operation on an individual basis and by means of random drawings).
This method is a Monte Carlo-based stochastic simulation that makes it possible to develop projections of amounts payable for each employee while taking into account the demographic and salary data of each position without making aggregations and without introducing average values.
To make the procedure possible, drawings are made for each employee year by year to determine elimination by death, invalidity and incapacity due to resignation or termination.
Reliability is ensured by replicating the procedure a certain number of times until the results are stable.
The calculations were made by the number of years necessary for all the workers currently employed are no longer in service.
The projections were made on a closed group, meaning no new recruits were included.
In accordance with IAS 19, actuarial valuations were carried out using the Projected Unit Credit Method. This method makes it possible to calculate employee severance indemnities accrued at a certain date based on actuarial assumptions, distributing the charge for all remaining years workers are employed. It is no longer an expense to be paid if the company winds up its business at the balance sheet date, but gradually provisioning the charge according to the remaining service period of employees.
The method makes it possible to calculate certain demographic and financial variables at the date of assessment, especially charges relating to service already rendered by employees represented by the DBO – Defined Benefit Obligation (also called Past Service Liability). It is obtained by calculating the present value of amounts due to the worker (severance indemnities) arising from seniority gained at the date of assessment.

It should be noted that the calculations include the 11% annual tax that weighs on the revaluation of employee severance indemnities provisions.

17 - DEFERRED TAX LIABILITIES

Provisions for Deferred Taxes

The item **"provisions for risks and charges"** at 31 December 2014 amounted to euro 691,924 compared with euro 872,902 at 31 December 2013.

The table below provides details on this item:

	31/12/2014		31/12/2013	
Description	**Amount temporary differences**	**Tax effect**	**Amount temporary differences**	**Tax effect**
TFR	(176,321)	(48,488)	364,123	100,134
Building	2,290,881	740,412	2,390,993	772,768
TOTAL	**2,114,560**	**691,924**	**2,755,116**	**872,902**

CURRENT LIABILITIES

18 - CURRENT PAYABLES TO BANKS

At 31 December 2014 the item "**current payables to banks**" amounted to euro 21,341,807 compared with euro 27,470,719 at 31 December 2013. Euro 11,651,486 refers to the current amount of loans (as described under the item "**non-current payables to banks**") and euro 9,690,321 refers to current account overdrafts at major credit institutions for current working assets.

19 - PAYABLES TO SUPPLIERS

As at 31 December 2014, the balance of the item **"trade payables"** amounted to euro 14,440,467 compared with euro 15,852,562 as at 31 December 2013 and mainly refers to payables owed to suppliers for due or overdue invoices (euro 10,394,074), invoices to be received (euro 3.780.402), and the current amount due for leasing (euro 265,991) reclassified in the net financial position.

The table below provides details on the payables by due date, net of invoices to be received:

Amount Payables	of which		days past due							
	expire	expired	1 - 30	31- 60	61 - 90	91-120	121-180	181-270	271-365	more
10,394,074	7,444,671	2,949,404	415,586	367,524	369,949	376,442	325,207	257,100	149,321	688,276
100.0%	71.6%	28.4%	4.0%	3.5%	3.6%	3.6%	3.1%	2.5%	1.4%	6.6%

20 - ADVANCE PAYMENTS ON CONTRACT WORK IN PROGRESS

Advance Payments

The balance, amounting to euro 3,195,887 compared with euro 1,831,033 as at 31 December 2013, refers to contract work in progress for which the payments on account and advance payments ended up being higher than the work in progress at year-end.

21 - OTHER FINANCIAL LIABILITIES

Payables to Subsidiaries

As at 31 December 2014, the item **"payables to subsidiaries**" amounted to euro 23,276,686 compared with euro 13,314,778 at 31 December 2013 and refers to commercial and financial transactions with the company and its subsidiaries under normal market conditions regulated by specific agreements. The table below shows its breakdown:

Description	31/12/2014	31/12/2013	Variation
Exprivia Digital Financial Solution Srl	13,715,114	1,847,603	11,867,511
Exprivia Projects Srl	3,005,841	2,058,660	947,181
Exprivia Healthcare It Srl	2,655,842	4,422,443	(1,766,601)
Exprivia Enterprise Consulting Srl	3,130,260	4,788,454	(1,658,194)
Exprivia Telco & Media Srl	474,402	-	474,402
Spegea S.c. a r.l.	273,940	193,198	80,742
Gruppo ProSap	1,287	4,420	(3,133)
Exprivia Sl	20,000	-	20,000
TOTAL	***23,276,686***	***13,314,778***	***9,961,908***

The rise in amounts payable to the subsidiary Exprivia Digital Financial Solution Srl is mainly due to contract agreements following the transfer of the bank, finance and insurance business unit. The Holding Company maintained ownership of the agreements and in the second half of 2014 it acted as commercial front and received charge backs from the subsidiary for services rendered for the work in question.

Payables to Associates

The balance of the item **"payables to associates"** amounted to euro 63,345 and did not change from 31 December 2013. It pertains to payables due to the associate Fallimento Mindmotion Srl (in liquidation).

Amounts Payable to Others

The item **"amounts payable to others"** amounted to Euro 2,445,223 compared to Euro 3,574,761 at 31 December 2013. The table below provides details on the item:

Description	31/12/2014	31/12/2013	Variation
Derived products	20,190	63,501	(43,311)
Advances on projects	2,425,033	3,511,260	(1,086,227)
TOTAL	***2,445,223***	***3,574,761***	***(1,129,538)***

As regards the item **"advances on projects"** it should be noted that the advance payments received for completed research programmes were reclassified to reduce "project receivables", while advance payments relating to ongoing projects remain recorded in the item.

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 31/12/2014:

Bank	Contract day	Expiration Date	Transaction type	Notional value	Mark to market value at 31/12/2014
Unicredit	27/11/2008	30/11/2015	IRS	271,571	-
B.N.L.	30/11/2008	30/11/2015	IRS	548,786	(20,190)
TOTAL					*(20,190)*

The derivative products were subscribed with the credit institutions Unicredit and BNL and both of the financial instruments are linked to two distinct loans at variable interest rate (Euribor).

For the derivative with BNL, linked to a variable interest rate loan, the nature of the instrument did not enable it to be considered as a hedging instrument in accordance with IAS 39.

For the Unicredit derivative product the intrinsic value of the derivative is nil due to the high strike rate of the derivative agreement. The entire time value should be distinct in the income statement. Since the intrinsic value is nil it can be considered useless to perform a prospected effectiveness test, which would not require carrying in the income statement when exceeded due to the absence of value of the options component that IAS 39 requires recognising in the income statement (i.e., the intrinsic value).

22 - TAX LIABILITIES

The item **"tax liabilities"** amounted to Euro 6,103,199 compared to Euro 4,911,992 at 31 December 2013. The table below provides details on the item:

Description	31/12/2014	31/12/2013	Variation
Payables to tax authority for VAT	3,210,447	2,466,804	743,643
Payables to tax authority for IRAP	(257,948)	72,771	(330,719)
Payables to tax authority for IRES	1,489,986	396,662	1,093,324
Payables to tax authority for IRPEF employees	1,217,542	1,658,074	(440,532)
Payables to tax authority	(3,779)	45,408	(49,187)
Payables to tax authority for interest and penalties	446,951	272,273	174,678
TOTAL	*6,103,199*	*4,911,992*	*1,191,207*

23 - OTHER CURRENT LIABILITIES

Amounts Payable to Pension and Social Security Institutions

The item "**payables to pension institutions** "amounted to euro 2,067,801 compared with euro 2,996,320 as at 31 December 2013. The table below shows the breakdown and movement in 2014 as well as a comparison with the previous year.

Description	31/12/2014	31/12/2013	Variation
INPS with contributions	1,373,530	2,083,672	(710,142)
Payables to pension funds	49,875	62,147	(12,272)
Enter other social security and welfare	28,339	79,370	(51,031)
Payables for penalties and interest	631,267	757,351	(126,085)
INAIL with contributions	(15,209)	13,781	(28,990)
TOTAL	*2,067,801*	*2,996,320*	*(928,520)*

Other Payables

As at 31 December 2014, the item **"other payables"** amounted to euro 6,835,418 compared with euro 9,773,673 at 31 December 2013.

The table below provides details on the item:

Description	31/12/2014	31/12/2013	Variation
Directors' pay for settlement	25,056	43,848	(18,792)
Employees/Collaborators for fees accrued	1,686,309	2,279,851	(593,542)
Debts to purchase shareholdings	10,500	160,500	(150,000)
Accrued holidays, festivities, summer & yr-end bonuses	2,147,165	2,576,025	(428,860)
Payables to associations	2,621	13,900	(11,279)
Sundry payables	183,724	46,051	137,673
Interests and other costs	-	363,245	(363,245)
Competence Contributions in future years	2,780,043	4,290,253	(1,510,210)
TOTAL	*6,835,418*	*9,773,673*	*(2,938,256)*

Explanatory notes on the Exprivia SpA Income Statement

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

All the figures reported in the tables below are in euro, unless expressly indicated.

24 - REVENUE FROM SALES AND SERVICES

In 2014 "**revenue from sales and services"** amounted to euro 81,832,900 (euro 2,799,801 for changes in contract work in progress) compared with euro 75,187,695 in 2013.

In the second half of 2014 the Company acted as commercial front for customers of the bank, finance and insurance segment. Their activities were conducted by the subsidiary Exprivia Digital Financial Solution Srl in accordance with contract agreements following the business unit transfer. According to these agreements Exprivia SpA maintained ownership of the contracts.

The revenue related to these activities amounted to euro 11.7 million, for which the company received costs for services from the subsidiary.

The table below provides details on the items:

Description	31/12/2014	31/12/2013	Variation
Hardware and plants	3,146,715	4,631,628	(1,484,913)
Licences, software and products	2,427,631	4,492,555	(2,064,924)
Project development	61,060,588	55,097,376	5,963,212
Maintenance	6,901,726	9,677,397	(2,775,671)
Services	8,296,239	1,288,739	7,007,500
TOTAL	*81,832,900*	*75,187,695*	*6,645,205*

The revenue as at 31 December 2014 (euro 81,832,900) includes intercompany revenue for a total of euro 8,124,364. The table below provides details on the item:

Description	Exprivia Healthcare It Srl	Exprivia Enterprise Consulting Srl	Exprivia Digital Financial Solution Srl	Exprivia Projects Srl	Spegea S.c.a.r.l.	Abaco Innovazione	Exprivia Do Brasil	Totale
Professional services	491,622	766,829	2,455,207	181,412	500		183,392	4,078,962
Commercial advice	285,152	111,215	151,394					547,761
Hardware / Software / Maintenance	655,200	71,700	8,250					735,150
Corporate services and logistics	510,515		1,139,376	924,274		5,000		2,579,165
Coordination RTI				183,326				183,326
TOTAL	*1,942,489*	*949,744*	*3,754,227*	*1,289,012*	*500*	*5,000*	*183,392*	*8,124,364*

Transactions with subsidiaries are all regulated by framework agreements and specific contracts.

25 - OTHER INCOME

Other Revenue and Income

In 2014 the item "**other revenue and income**" amounted to euro 598,623 compared with euro 793,361 the previous year. The table below provides details on the items:

Description	31/12/2014	31/12/2013	Variation
Contingency assets	54,464	259,457	(204,994)
Rental income	329,532	347,576	(18,044)
Pay in lieu of notice	32,649	44,472	(11,823)
Income from assignment of vehicles to staff	67,893	82,977	(15,084)
Other revenue	114,086	58,879	55,207
TOTAL	*598,623*	*793,361*	*(194,738)*

Grants for Operating Expenses

In 2014 the item **"grants for operating expenses"** amounted to euro 3,091,328 compared with euro 1,707,908 the previous year and refer to grants and tax breaks pertaining to the period or authorised in the period for research projects.

Costs for Capitalised Internal Projects

In 2014 the balance of the item **"costs for capitalised internal projects"** amounted to euro 561,084 compared with euro 1,291,890 the previous year and refers to expenses incurred in the period to develop products for the banking, finance and insurance and healthcare segments. The change compared to the previous year is due to the transfer of business units in the banking and healthcare segments as described above.

26 – CHANGE IN INVENTORIES OF RAW MATERIALS AND FINISHED PRODUCTS

Change in inventories of finished goods

As at 31 December 2014 the balance of the item **"change in inventories of raw materials and finished products"** amounted to Euro -300,629 compared with the positive change of euro 279,051 in 2013. It refers to changes in hardware/software products purchased from resales by the various business units.

27 - RAW MATERIALS, CONSUMABLES AND GOODS

In 2014 costs for "**raw materials, consumables and goods"** amounted to euro 6,975,015 compared with euro 8,300,276 in the previous year. The table below provides details on the items:

Description	31/12/2014	31/12/2013	Variation
Purchase of HW-SW products	6,826,106	7,825,593	(999,487)
Stationery and consumables	29,381	30,539	(1,158)
Fuel and oil	70,231	140,654	(70,422)
Purchase of sundries	28,910	15,924	12,985
Purchase of parents company	12,980	235,051	(222,071)
Warranty services on our customers activities	7,407	52,515	(45,108)
TOTAL	***6,975,015***	***8,300,277***	***(1,325,262)***

28 – REMUNERATION AND COMPENSATION

As at 31 December 2014 the balance of the item **"remuneration and compensation"** amounted to euro 39,557,582 compared with euro 44,972,692 in 2013 and refers to euro 28.269.789 for remuneration and compensation, euro 7,696,279 for social security obligations, euro 1,640,813 for employee severance indemnities, and euro 1,950,701 for other staff costs.

The number of employees at 31 December 2014 amounted to 682 workers, 672 of which contract employees and 10 temporary workers, compared to 919 (878 contract employees and 41 temporary workers) in 2013. The change is mainly due to the transfer of the bank, finance and insurance and healthcare business units to its subsidiaries Exprivia Digital Fiancial Solution Srl and Exprivia Healthcare It Srl.

29 - COSTS FOR SERVICES

In 2014 the balance of the item "**costs for services**" amounted to euro 29,565,611 compared with euro 15,372,017 the previous year and is broken down as follows:

Description	31/12/2014	31/12/2013	Variation
Technical and commercial consultancy	5,770,947	4,297,765	1,473,182
Administrative/company/legal consultancy	770,796	839,283	(68,487)
Consultancy to associated companies	19,355,401	6,001,941	13,353,460
Auditors' fees	156,490	142,663	13,827
Travel and transfer expenses	1,106,583	1,745,895	(639,313)
Other staff costs	149,858	97,293	52,565
Utilities	595,856	659,293	(63,437)
Advertising and agency expenses	333,080	439,706	(106,626)
HW and SW maintenance	121,709	93,958	27,751
Insurance	397,162	187,799	209,363
Costs of temporary staff		2,595	(2,595)
Other costs	807,729	863,825	(56,096)
TOTAL	***29,565,611***	***15,372,017***	***14,193,594***

The table below provides details on "intercompany consultancy", amounting to euro 19,355,401, broken down by company and type of service. There are framework agreements and special professional contracts in place between the companies of the group.

Description	Exprivia Healthcare It Srl	Exprivia Enterprise Consulitng Srl	Exprivia Digital Financial Solution Srl	Exprivia Projects Srl	Exprivia Telco & Media Srl	Spegea S.c.a.r.l.	ProSap Spagna	Exprivia Sl	Abaco Innovazione Spa	Total
Professional services	336,867	5,650,548	11,759,145	56,342	402,082	116,310	323,446	20,000		**18,664,740**
Corporate services and logistics	1,835	274,928							13,425	**290,188**
Selling expenses	36,437	364,036								**400,473**
TOTAL	***375,139***	***6,289,512***	***11,759,145***	***56,342***	***402,082***	***116,310***	***323,446***	***20,000***	***13,425***	***19,355,401***

30 - COSTS FOR LEASED ASSETS

The item "**costs for leased assets"** amounted to Euro 2,650,910 compared to Euro 2,746,901 the previous year and is broken down in the table below:

Description	31/12/2014	31/12/2013	Variation
Rental expenses	921,302	872,584	48,718
Car rental/leasing	419,363	549,750	(130,387)
Rental of other assets	1,268,351	1,315,355	(47,004)
Royalties	41,894	9,211	32,683
TOTAL	***2,650,910***	***2,746,901***	***(95,990)***

31 - SUNDRY OPERATING EXPENSES

In 2014 "**sundry operating expenses"** amounted to Euro 920,230 compared to Euro 673,705 the previous year and is broken down in the table below:

Description	31/12/2014	31/12/2013	Variation
Annual subscriptions	111,828	145,578	(33,751)
Taxes	168,027	137,901	30,126
Penalties and fines	154,671	33,379	121,292
Charitable donations	9,435	14,995	(5,560)
Contingency liabilities	8,216	15,949	(7,733)
Bank charges and commissions	239,463	301,894	(62,431)
Sundry expenses	226,176	23,381	202,795
Capital losses on disposals	2,415	629	1,787
TOTAL	***920,230***	***673,705***	***246,525***

32 - PROVISIONS

"**Provisions**" amounted to euro 124,808 compared with euro 12,000 in the previous year and are broken down in the table below:

Description	31/12/2014	31/12/2013	Variation
Provision for risks of litigation	560,000		560,000
Releases funds of redundant risk	(501,713)		(501,713)
Provision for tax litigation risks	33,000		33,000
Provision for legal disputes with employees	6,521	12,000	(5,479)
Other provisions	27,000		27,000
TOTAL	***124,808***	***12,000***	***112,808***

The provision for euro 560,000 is a prudent measure against any adverse outcome of pending civil legal proceedings. The item "release of surplus risk allowance" refers to the reversal of a provision allocated for a final judgement related to a legal action.

33 - AMORTISATION, DEPRECIATION AND WRITE-DOWNS

As at 31 December 2014, the balance of the item **"amortisation, depreciation and write-downs"** amounted to euro 1,941,972 compared with euro 2,796,429 the previous year and comprise amounts pertaining to the reporting period for amortisation and depreciation of intangible and tangible assets and write-downs. The table below provides a breakdown for the item as well as a comparison with 2013.

Description	31/12/2014	31/12/2013	Variation
Amortisation intangible assets	900,916	1,636,893	(735,977)
Amortisation tangible assets	805,985	640,851	165,134
Provision for bad debts	235,071	428,685	(193,614)
Other Assets write-downs	-	90,000	(90,000)
TOTAL	***1,941,972***	***2,796,429***	***(854,457)***

Amortisation of intangible assets amounted to Euro 900,916 and is detailed in the section on intangible assets in these explanatory notes. The reduction is due to the fact that the costs for capitalised internal projects were transferred to the subsidiaries Exprivia Digital Financial Solution Srl and Exprivia Healthcare It Srl.

Depreciation of tangible assets amounted to Euro 805,985 and is detailed in the section on tangible assets in these explanatory notes.

The provision for bad debts amounted to euro 235,071 and refers to adjustments made to the provision for receivables considered as uncollectible.

34 - FINANCIAL (INCOME) CHARGES

In 2014 the balance of the item **"financial income and charges"** amounted to euro 237,025 compared with euro 1,823,133 in 2013. The table below provides details on the item:

Description	31/12/2014	31/12/2013	Variation
Income from investments in subsidiaries	(2,637,263)	(4,036,650)	1,399,387
Income from subsidiaries	(119,742)	(110,020)	(9,722)
Income from parent companies	(45,950)	(31,694)	(14,256)
Other income	(5,440)	(19,505)	14,065
Interest and other financial charges	2,300,524	2,166,611	133,913
Expenses from subsidiaries	268,270	210,680	57,590
Profit and loss on foreign exchange	2,575	(2,555)	5,130
TOTAL	**(237,025)**	**(1,823,133)**	**1,586,108**

Income from equity investments

As at 31 December 2014 the item **"income from equity investments"** amounted to euro 2,637,263 compared with euro 4,036,650 the previous year and refers to the distribution of dividends, which were managed by Exprivia S.p.A. but distributed by the subsidiaries Exprivia Healthcare IT Srl (euro 1,619,205) and Exprivia Digital Financial Solution Srl (euro 1,018,058).

Income from subsidiaries

As at 31 December 2014 the item **"income from subsidiaries"** amounted to euro 119,742 compared with euro 110,020 in 2013 and refers to interest accrued from cash pooling and for loans in place with its subsidiaries.

Income from Parent Companies

As at 31 December 2014 the item "**Income from parent companies**" amounted to euro 45,950 compared with euro 31,694 and related to receivable interest accrued on loans in place with the parent company Abaco Innovazione SpA.

Other Income Other than the Above

As at 31 December 2014 the item **"other income other than the above"** amounted to euro 5,440 compared with euro 19,505 the previous year. The table below provides details on the items.

Description	31/12/2014	31/12/2013	Variation
Bank interest receivable	3,625	17,831	(14,206)
Revenues from financial derivatives		1,428	(1,428)
Interest income from securities		64	(64)
Rounding up of assets	1,815	183	1,633
TOTAL	*5,440*	*19,505*	*(14,065)*

Interest and Other Financial Charges

As at 31 December 2014 the item **"interest and other financial charges"** amounted to euro 2,300,524 compared with euro 2,166,611 the previous year. The table below provides details on the items.

Description	31/12/2014	31/12/2013	Variation
Bank interest payable	792,330	919,213	(126,882)
Interest on loans and mortgages	554,949	551,858	3,091
Sundry interest	741,058	506,746	234,312
Charges on financial products and sundry items	43,701	51,733	(8,032)
Rounding up/down	168,486	137,022	31,464
TOTAL	*2,300,524*	*2,166,572*	*133,952*

Financial Charges to Subsidiaries

As at 31 December 2014 the item **"financial charges to subsidiaries"** amounted to euro 268,270 compared with euro 210,680 the previous year and refers to interest for the cash pooling in place with its subsidiaries.

Profit/loss on currency exchange

As at 31 December 2014, the balance of the item "**profit/loss on currency exchange**" amounted to euro -2,575 compared with euro 2,555 the previous year and pertains to losses on currency exchange.

35 - TAXES

As at 31 December 2014 the item **"taxes"** amounted to euro 1,327,686 compared with euro 1,224,888 in 2013. The table below provides details on the item.

Description	31/12/2014	31/12/2013	Variation
IRES	655,491	269,883	385,608
IRAP	1,215,215	1,495,758	(280,543)
Other taxes on income	6,370	7,015	(645)
Deferred taxes	(268,353)	(589,148)	320,795
Taxes paid in advance	(32,356)	(32,356)	-
Prior year taxes	(248,681)	73,736	(322,417)
TOTAL	*1,327,686*	*1,224,887*	*102,798*

The table below shows the reconciliation between theoretical IRES charge reported in the balance sheet and the actual tax charge:

Description	31/12/2014		31/12/2013	
	AMOUNT	%	AMOUNT	%
RECONCILIATION OF THEORETICAL AND EFFECTIVE RATE				
PROFIT BEFORE TAXES	4,284,202		6,202,194	
TAX THEORY	1,178,156	27.5%	1,705,603	27.5%
COSTS AND EXPENSES NOT DEDUCTIBLE	2,113,774		984,202	
REVENUES NOT TAXABLE	(2,525,833)		(3,856,019)	
ALIGNMENTS DIFFERENCES IAS	99,292		(475,722)	
OTHER DECREASES	(1,587,833)		(1,621,671)	
USE EXISTING TAX LOSSES			(251,590)	
TAXABLE INCOME TAX	2,383,602		981,394	
IRES YEAR	**655,491**		**269,883**	
EFFECTIVE RATE		15.3%		4.4%

36 - RELATED PARTIES

As per the requirements of CONSOB resolution no. 11520 of 1 July 1998, the table below illustrates the remuneration for Holding Company Directors, Statutory Auditors and Key Executives. For further information see the "**Remuneration Report**" available on the company website (www.exprivia.it) in the section Investor Relations - Corporate Governance - Corporate Information.

Description	31/12/2014				31/12/2013			
Offices	Fixed remuneration as a member of the Board of Director	Equity compensation committees	Wages and salaries	Other incentives	Fixed remuneration as a member of the Board of Director	Equity compensation committees	Wages and salaries	Other incentives
Administrators	493,538	69,375	362,300	41,223	654,000	40,000	254,500	67,000
Statutory Auditors	156,490				142,663			
Strategic managers			273,333	54,167			281,000	64,000
TOTAL	**650,029**	**69,375**	**635,633**	**95,390**	**796,663**	**40,000**	**535,500**	**131,000**

Transactions with related parties essentially consist in services and the exchange of products. They are part of ordinary operations conducted at market conditions, meaning at the conditions that would be applied between independent parties. All transactions are carried out in the interest of the Companies involved.

The table below provides information on relations with other related parties:

Investments in other companies			
Description	**31/12/2014**	**31/12/2013**	**Variation**
Daisy-Net- Driving Advances of ICT in South Italya	13,939	13,939	-
DHITECH Srl	17,000	17,000	-
TOTAL	**30,939**	**30,939**	-

Trade payables	31/12/2014	31/12/2013	Variation
Kappa Emme Sas	11,468	22,936	(11,468)
TOTAL	**11,468**	**22,936**	**(11,468)**

Costs	31/12/2014	31/12/2013	Variation
Kappa Emme Sas	129,570	120,985	8,585
TOTAL	**129,570**	**120,985**	**8,585**

37 - PROFIT (LOSS) FOR THE YEAR

The income statement closed with a profit (after tax) of Euro 2,956,516 and is confirmed in the balance sheet as well.

These financial statements, which comprise the Separate Financial Statements for Exprivia, the Balance Sheet, Income Statement, Comprehensive Statement of Income, Cash Flow Statement as at 31 December 2014 and Explanatory Notes, are an accurate and correct representation of the equity and financial situation of the company as well as its year-end profit, and they correspond the corporate accounting records.

We would like to thank you for your trust and we encourage you to approve the financial statements as presented. We also propose that the profit of euro 2,956,516.29 be distributed as follows:

- Euro **147,825.81** to the Legal Reserve
- Euro **1,355,939.66** to the Extraordinary Reserve
- Euro **1,452,750.82 as dividends**

Molfetta, 12 March 2015

STATEMENT FOR THE FINANCIAL STATEMENTS PURSUANT TO ART. 154 OF ITALIAN LEGISLATIVE DECREE 58/98

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

- Adequacy, in relation to the characteristics of the company and
- actual application

of administrative and accounting procedures to draft the year-end financial statements for the reporting period at 31 December 2014.

Furthermore, it is certified that the financial statements:

a) Correspond to accounting records;

b) were 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, economic and financial situation of the company.

c) The Directors' Report for the group includes a reliable analysis that is consistent with the financial statements, operating trends and results, and also the situation of the company, together with the description of the main risks and uncertainties.

Molfetta, 12 March 2015

The Chairman and CEO	The Reporting Officer
Domenico Favuzzi	**Gianni Sebastiano**

AUDITORS' REPORT IN ACCORDANCE WITH ARTICLES 14 AND 16 OF LEGISLATIVE DECREE N° 39 OF 27 JANUARY 2010

EXPRIVIA SPA

FINANCIAL STATEMENTS 31.12.2014

AUDITORS' REPORT IN ACCORDANCE WITH ARTICLES 14 AND 16 OF LEGISLATIVE DECREE N° 39 OF 27 JANUARY 2010

To the Shareholders of
Exprivia SpA

1 We have audited the separate financial statements of Exprivia SpA as of 31 December 2014 which comprise the statement of financial position, income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows and related explanatory notes. The Directors of Exprivia SpA are responsible for the preparation of these financial statements in compliance with the International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree n° 38/2005. Our responsibility is to express an opinion on these separate financial statements based on our audit.

2 We conducted our audit in accordance with the auditing standards and criteria recommended by Consob, the Italian Commission for listed Companies and the Stock Exchange. Those standards and criteria require that we plan and perform the audit to obtain the necessary assurance about whether the separate financial statements are free of material misstatement and, taken as a whole, are presented fairly. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors. We believe that our audit provides a reasonable basis for our opinion.

For the opinion on the separate financial statements of the prior period, which are presented for comparative purposes, reference is made to the report issued by other auditors on 26 March 2014.

3 In our opinion, the separate financial statements of Exprivia SpA as of 31 December 2014 comply with the International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree n° 38/2005; accordingly, they have been prepared clearly and give a true and fair view of the financial position, result of operations and cash flows of Exprivia SpA for the period then ended.

4 The Company, as required by law, has included in the explanatory notes to the financial statements the key figures of the latest financial statements of the entity which directs and coordinates its activities. Our opinion on the separate financial statements of Exprivia SpA does not extend to those figures.

5 The Directors of Exprivia SpA are responsible for the preparation of a report on operations

PricewaterhouseCoopers SpA

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and a report on corporate governance and ownership structure published in section “Investor Relations, Corporate Governance, Corporate Information” of the website of Exprivia SpA in compliance with the applicable laws and regulations. Our responsibility is to express an opinion on the consistency of the report on operations and of the information referred to in paragraph 1, letters c), d), f), l), m), and paragraph 2, letter b), of article 123-bis of Legislative Decree n° 58/98 presented in the report on corporate governance and ownership structure, with the financial statements, as required by law. For this purpose, we have performed the procedures required under Italian Auditing Standard n° 001 issued by the Italian Accounting Profession (Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili) and recommended by Consob. In our opinion, the report on operations and the information referred to in paragraph 1, letters c), d), f), l), m) and paragraph 2, letter b), of article 123-bis of Legislative Decree n° 58/98 presented in the report on corporate governance and ownership structure are consistent with the separate financial statements of Exprivia SpA as of 31 December 2014.

Bari, 31 March 2015

PricewaterhouseCoopers SpA

Signed by

Corrado Aprico
(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 separate financial statements referred to in this report.