exprivia

Annual Report
as at 31 December 2015

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LETTER TO SHAREHOLDERS

Dear Shareholders,

2015 was a complicated year, at least for advanced countries. It was characterised by some events, such as a reduction in prices for raw materials, in particular oil, which reached record lows, geo-political tensions in North Africa and the Middle East, which made it difficult to make decisions on investments and commercial expansion.

In any case, the world economic outlook remained positive.

Indeed, the international economic cycle kept up an expansion rate in line with that of the previous year, the positive forecasts on the future of the world economy (a 4.1% rise until 2020), the Eurosystem's securities purchase programme, which has proven to be effective in supporting the economy on the whole.

According to Banca D'Italia reports the recovery in Italy continues as manufacturing is the rise and there are signs of expansion also in services.

The ICT market appears to be in line with the weak signs on a macroeconomic level. The negative cycle that characterised recent years until 2014 came to an end, thereby leaving room for emerging segments that confirm forecasts for growth at 1.1% at the end of 2015 (source: Assinform). This growth was driven by the most innovative components: **software, services and know-how, enabling forecasts for 2016 to be growth at 1.5%.**

In 2015 the Exprivia Group recorded revenues amounting to Euro 144.8 million compared to 147.2 in 2014, EBITDA amounted to 15.3 million, a 5.9% rise compared to 14.5 million in 2014 (10.6% over revenues), EBIT was 10 million, a 1.3% rise compared to 9.9 million in 2014 (6.9% over revenues), net profit amounted to 4.6 million, a 51.4% rise over 2014. The group closed the year with a negative net financial position of 36.3 million compared to 29.7 in 2014.

For our group 2015 was characterised by positive performance on the domestic market despite delays in starting up certain important projects. In the international market we suffered the impact of high volatility, however, there were clear signs of recovery (e.g., Spain, Mexico), especially in the second half of the year. In this context the group continued to invest in innovation, involving key customers, improving its profitability and recording the highest EBITDA of its history.

The slowdown in growth (-1.7%) was due to the slowdown in the international market and delays in starting up a major contract in the BPO services market. Nevertheless, the group closed 2015 with an EBITDA of 15.3 million. This profit margin produced a result before taxes amounting to Euro 7.7 million, which benefitted from the significant reduction in financial charges and was affected by non-recurring write-downs on assets for about one million euro.

The net financial position (6.6 million higher than in 2014) was characterised by the absorption of working capital in the segments where turnover rose and by lower proceeds, mainly in the last quarter of the year in the public market.

The Finance and Insurance business unit, represented by the subsidiary Exprivia Digital Financial Solutions, closed 2015 with revenues amounting to Euro 25.6 million compared to Euro 27.4 million in 2014, a slight decrease due to lower revenues from the resale of third-party hardware and software.

In 2015 Exprivia Telco & Media, the subsidiary operating in telecommunications, reported a considerable increase in revenues, rising from Euro 11.9 million in 2014 to Euro 19.3 million in 2015 (+62%), as well as a significant improvement in profit margins.

The Healthcare and Health business unit, represented by the subsidiary Exprivia Healthcare IT, reported revenues of Euro 22 million, which is a 10% decrease compared to 2014. This was the result of Regione Puglia's insourcing workers for local healthcare providers (CUP), which started in December 2014 and affected all of 2015. It was also due to delays in finalising agreements for a major tender contract won in Regione Marche.

Concerning the holding company, Exprivia, its business units reported the results below.

The results of the Industry business unit in 2015 mark an inversion with respect to figures in recent years, with a rise in revenues over 2014, increasing from Euro 11.4 million to Euro 11.7 million in 2015.

The Oil & Gas business unit closed 2015 with revenues amounting to Euro 15.7 million compared to Euro 14.8 million in 2014 (a 7% rise).

In 2015, the Health and Healthcare business unit recorded revenues of Euro 21.9 million, which is lower than the figure in 2014 (Euro 28.2 million), in line with sector trends.

After three years in decline the Defence and Aerospace began to rise (+6%) compared to the previous year, closing 2015 with revenues of Euro 3.3 million**.**

The Public Administration business line recorded revenues of Euro 8 million in 2015, an increase of 24% compared to the previous year.

International business development focused on consolidating the group's presence in markets where companies in the Exprivia Group operate. In Spain the offer portfolio for ERP applications and SAP services for industry and distribution and 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. A branch was opened in Ecuador for the purpose of creating an on-site operating unit able to participate, as part of an RTI (temporary association of companies), in significant public and private healthcare tenders. In Brazil, business grew in the IT Security sector. In China, just a few months after being incorporated, the company developed business in providing professional services in IT infrastructure and SAP.

Although the economic cycle is still unfavourable, our group increased profits, thereby enabling the Board of Directors to propose to the general shareholders' meeting to distribute a dividend amounting to Euro 0.0213 per share.

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 2015 and 31 December 2014.

	31.12.2015	31.12.2014
Total production revenues	144,812,442	147,244,871
net proceeds and variation to work in progress to order	139,360,862	141,649,213
increase to assets for internal work	1,358,828	1,395,638
other proceeds and contributions	4,092,752	4,200,020
Difference between costs and production proceeds (EBITDA)	15,311,239	14,452,039
% on production proceeds	10.6%	9.8%
Net operating result (EBIT)	9,994,017	9,864,333
% on production proceeds	6.9%	6.7%
Net result	4,597,608	3,037,163
Group net equity	73,402,218	71,766,104
Total assets	178,808,809	193,925,754
Capital stock	25,754,016	26,410,269
Net working capital (1)	32,798,089	24,650,290
Cash flow (2)	7,909,996	8,478,540
Fixed capital (3)	91,065,368	91,666,633
Investment	2,452,257	3,516,259
Cash resources/bonds (*a*)	10,317,640	14,224,270
Short-term financial debts (*b*)	(37,109,580)	(31,193,836)
Medium-/long-term financial debts (*c*)	(9,522,335)	(12,764,130)
Net financial position (4)	(36,314,275)	(29,733,697)

(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 2015, compared with the same period of the previous year.

Exprivia Group	31/12/2015	31/12/2014
Index ROE (Net income / Equity Group)	6.26%	4.23%
Index ROI (EBIT / Net Capital Invested) **(5)**	8.89%	9.54%
Index ROS (EBIT / Revenues from sales and services, net of changes in inventories of raw materials and finished products))	7.17%	6.96%
Financial charges **(6)** / Net profit	0.558	0.978

(5) **Net Capital** is equal to net working capital plus non-current assets net of total non-current liabilities (excluding bank debt and bond issues)

(6) **Financial Charges**: calculated net of interest cost IAS 19

The table below shows the main capital and financial indicators of the Group as at 31 December 2015 and at 31 December 2014.

Exprivia Group	31/12/2015	31/12/2014
Net Financial Debt / Equity Capital	0.49	0.41
Debt ratio (Total Liabilities / Equity Capital)	2.44	2.70

In 2015, **consolidated revenues** amounted to Euro 144.8 million compared to 2014 when they were Euro 147.2 million.

Consolidated net revenues amounted to Euro 139.4 million compared to Euro 141.6 million in 2014.

Consolidated **EBITDA** totalled Euro 15.3 million (10.6% of revenues), up 5.9% over last year (Euro 14.5 million in 2014).

Consolidated **EBIT** amounted to Euro 10 million, also up (by 1.3%) compared to Euro 9.9 million in 2014.

Profit before taxes stood at Euro 7.7 million (5.3% of revenues), a net improvement over the same period in 2014 with a 10% rise (Euro 7 million in 2014).

Lastly, **year-end profit** amounted to Euro 4.6 million, a 51,4% rise compared to Euro 3 million in 2014.

The **Net Financial Position** as at 31 December 2015 was negative at Euro 36.3 million while it was negative at Euro 29.7 million as at 31 December 2014.

Group Shareholders' Equity as at 31 December 2015 was Euro 73.4 million, compared to Euro 71.8 million as at 31 December 2014.

SIGNIFICANT EXPRIVIA FIGURES AND RESULT INDICATORS

The table below outlines the main economic, capital and financial data taken from the separate financial statements of Exprivia SpA. It should be mentioned that the data for the holding company Exprivia SpA as at 31 December 2015 do not include the healthcare division, which was transferred to the subsidiary Exprivia Healthcare IT Srl on 27 May 2014, and the banking division transferred to the subsidiary Exprivia Digital Financial Solution Srl on 30 June 2014. These transfers resulted in moving positive amounts of revenues and profitability in favour of the subsidiaries.

	31.12.2015	31.12.2014
Total production revenues	67,104,499	85,783,306
net proceeds and variation to work in progress to order	63,133,082	81,532,271
increase to assets for internal work		561,084
other proceeds and contributions	3,971,418	3,689,951
Difference between costs and production proceeds (EBITDA)	6,418,410	5,989,149
% on production proceeds	9.6%	7.0%
Net operating result (EBIT)	4,126,996	4,047,177
% on production proceeds	6.2%	4.7%
Net result	4,437,726	2,956,516
Group net equity	72,458,498	70,388,536
Total assets	141,660,079	161,998,245
Capital stock	25,754,016	26,410,270
Net working capital **(1)**	4,074,427	1,029,415
Cash flow **(2)**	5,588,086	3,661,500
Fixed capital **(3)**	94,792,459	95,933,587
Investment	1,106,703	3,574,792
Cash resources/bonds **(a)**	5,401,244	7,703,098
Receivables (payables) short-term intercompany financial **(b)**	(7,404,485)	872,453
Receivables (payables) medium-long-term intercompany financial **(c)**	1,019,791	1,488,083
Short-term financial debts **(b)**	(20,031,638)	(21,627,988)
Medium-/long-term financial debts **(c)**	(5,240,281)	(6,457,941)
Net financial position **(4)**	(26,255,369)	(18,022,295)

(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 2015 compared to 2014:

Exprivia	31/12/2015	31/12/2014
Index ROE (Net income / Equity Group)	6.12%	4.20%
Index ROI (EBIT / Net Capital Invested) **(5)**	4.38%	4.43%
Index ROS (EBIT / Revenues from sales and services, net of changes in inventories of raw materials and finished products))	6.54%	4.96%
Financial charges **(6)** / Net profit	0.32	0.72

(5) **Net Capital** is equal to net working capital plus non-current assets net of total non-current liabilities (excluding bank debt)

(6) **Financial Charges**: calculated net of interest cost IAS 19

The table below shows the main capital and financial indicators of the company as at 31 December 2015 and at 31 December 2014.

Exprivia	31/12/2015	31/12/2014
Net Financial Debt / Equity Capital	0.36	0.26
Debt ratio (Total Liabilities / Equity Capital)	1.96	2.30

Revenues amounted to Euro 67.1 million, which is a 21.8% drop compared to 2014 (Euro 85.8 million).

Net revenues amounted to Euro 63.1 million, a decrease of 22.6% compared to 2014 (Euro 81.5 million).

EBITDA amounted to Euro 6.4 million (Euro 6 million in 2014).

EBIT amounted to Euro 4.1 million (Euro 4 million in 2014).

Net profit totalled Euro 4.4 million compared to Euro 3 million in 2014.

The **Net Financial Position** as at 31 December 2015 was negative at Euro 26.3 million while it was negative at Euro 23.8 million as at 30 September 2015 and Euro 18 million as at 31 December 2014.

Lastly, **Shareholders' equity** as at 31 December 2015 amounted to Euro 72.5 million compared to Euro 70.4 million as at 31 December 2014.

CORPORATE BODIES

Board of Directors

As at 31 December 2015 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) 18.04.62	M	29 June 2005
Dante Altomare	Vice Chairman	Executive	Molfetta (BA) 18.09.54	M	29 June 2005
Vito Albino	Independent Director (*)	Non-Executive	Bari 10.09.57	M	12 March 2013
Angela Stefania Bergantino	Independent Director (*)	Non-Executive	Messina 24.09.70	F	23 April 2014
Rosa Daloiso	Director	Non-Executive	Margherita di Savoia (FG) 05.04.66	F	31 March 2008
Mario Ferrario	Director	Non-Executive	Padua 05.02.46	M	23 Aprile 2014
Marco Forneris	Director	Non-Executive	Caluso (TO) 19.02.51	M	28 Aprile 2011
Alessandro Laterza	Independent Director (*)	Non-Executive	Bari 09.02.58	M	31 March 2008
Valeria Savelli	Director	Non-Executive	Matera 15.10.62	F	28 April 2011
Gianfranco Viesti	Independent Director (*)	Non-Executive	Bari 09.08.58	M	23 Aprile 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.

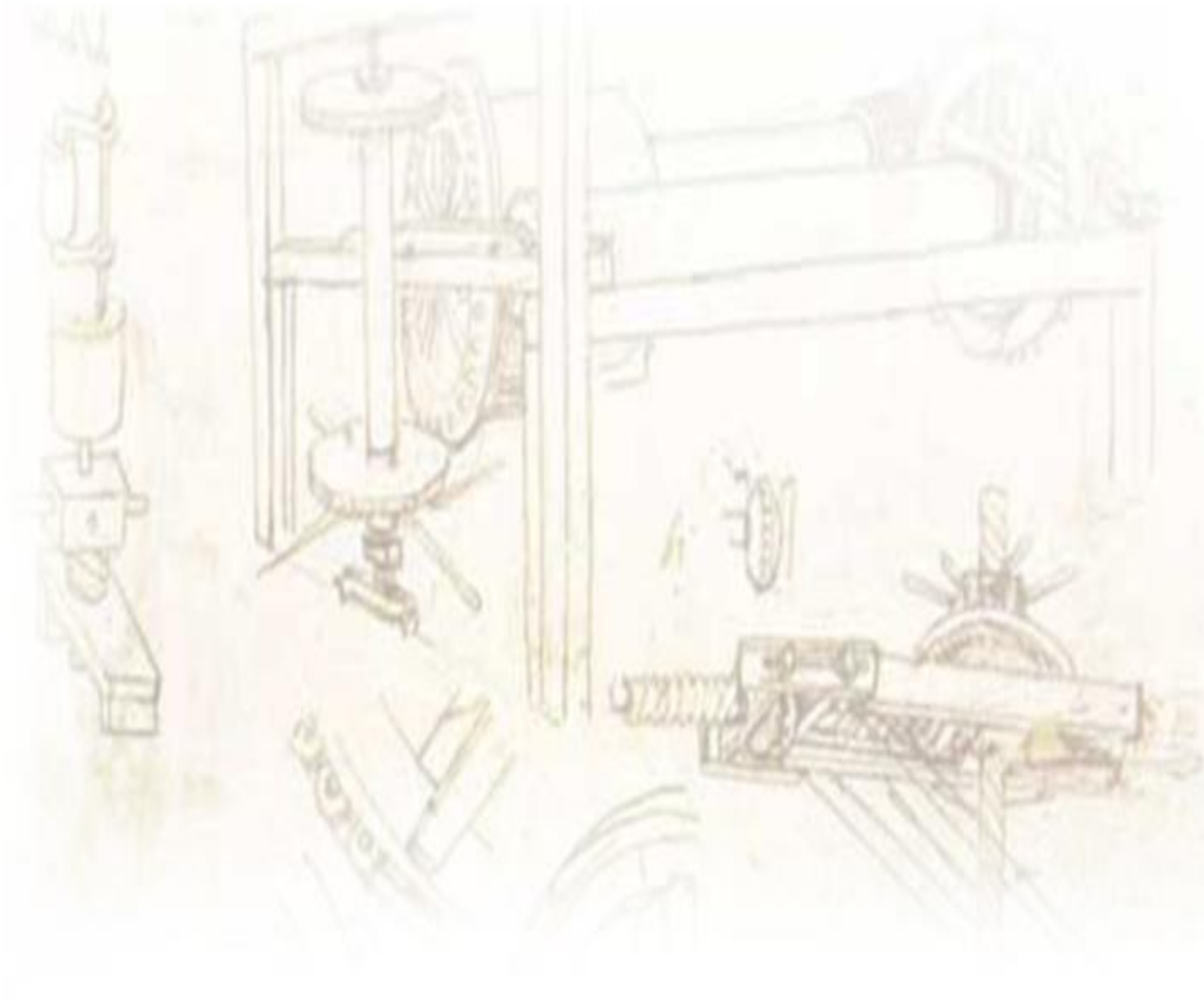
Board of Statutory Auditors

As at 31 December 2015 the Board of Statutory Auditors, whose term of office will end when the year-end 2016 financial statements are approved, was composed as follows:

Board Member	Office	Place and Date of Birth	Gender
Ignazio Pellecchia	Chairman	Bari 28.06.68	M
Anna Lucia Muserra	Regular Auditor	Genoa 21.09.62	F
Gaetano Samarelli	Regular Auditor	Molfetta (BA) 07.12.45	M
Valeria Cervellera	Substitute Auditor	Bari 07.08.69	F
Mauro Ferrante	Substitute Auditor	Bisceglie (BA) 01.11.64	M

Independent Auditors

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

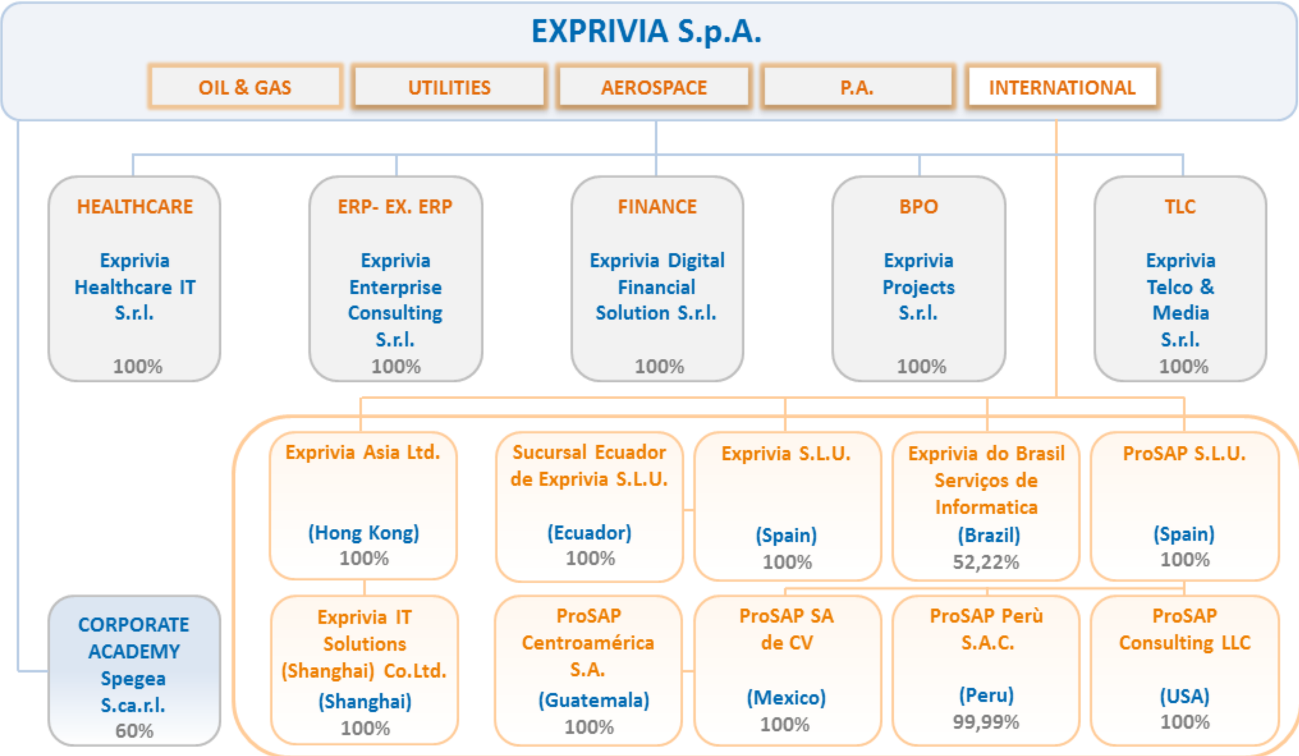
In Italy Exprivia is a leading international company in process consultancy, technological services and Information Technology solutions.

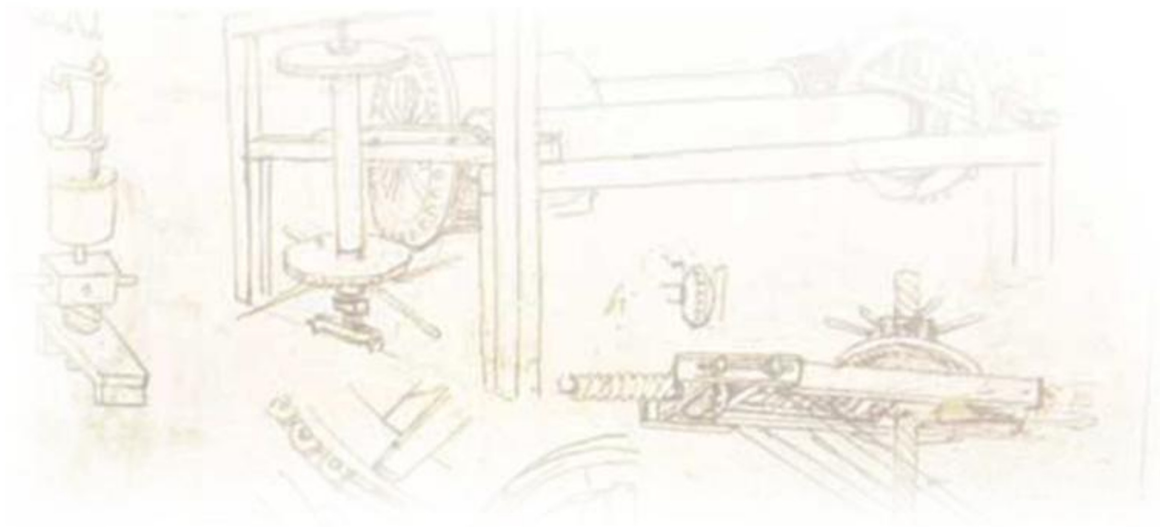
Our constant investments in research and development make us stand out as a benchmark for the creation of innovative solutions to meet the increasingly sophisticated demands of our customers.

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 1,800 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
HEALTHCARE
Exprivia Healthcare IT S.r.l.
100%
ERP- EX. ERP
Exprivia Enterprise Consulting S.r.l.
100%
FINANCE
Exprivia Digital Financial Solution S.r.l.
100%
BPO
Exprivia Projects S.r.l.
100%
TLC
Exprivia Telco & Media S.r.l.
100%
Exprivia Asia Ltd.
(Hong Kong)
100%
Sucursal Ecuador de Exprivia S.L.U.
(Ecuador)
100%
Exprivia S.L.U.
(Spain)
100%
Exprivia do Brasil Serviços de Informatica
(Brazil)
52,22%
ProSAP S.L.U.
(Spain)
100%
CORPORATE ACADEMY
Spegea S.ca.r.l.
60%
Exprivia IT Solutions (Shanghai) Co.Ltd.
(Shanghai)
100%
ProSAP Centroamérica S.A.
(Guatemala)
100%
ProSAP SA de CV
(Mexico)
100%
ProSAP Perù S.A.C.
(Peru)
99,99%
ProSAP Consulting LLC
(USA)
100%



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

Exprivia Healthcare IT Srl is 100% owned by Exprivia. It is based in Trento and has share capital of Euro 1,982,190.00 (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.

Exprivia Enterprise Consulting Srl, wholly-owned by Exprivia, based in Piacenza and with fully paid-up share capital of Euro 1,500,000.00, represents the ERP / SAP centre of competence for the entire Exprivia Group in Italy and abroad; in addition to directly serving the manufacturing market in Italy, it provides other Group companies with the technical resources needed to develop SAP projects within their relevant product sector.

Exprivia Digital Financial Solution Srl, wholly-owned by Exprivia, based in Milan and with fully paid-up share capital of Euro 1,586,919.00, is a leader in Italy in the outsourcing of IT, legal and administrative services targeted at factoring companies, and supports the various phases of the credit life cycle with proprietary solutions.

Exprivia Telco & Media Srl, formerly Devoteam Ausytem, 100%-owned by Exprivia, based 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.

Spegea S.C.a r.l. is 60% owned by Exprivia and has fully paid-up share capital of Euro 125,000.00. 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, 70% owned by Exprivia SpA, with the remaining 30% held by other Group companies wholly-owned by the holding company. This consortium's objective is to facilitate the Exprivia Group's participation in public tenders for project development and service provision.

Foreign Companies

Profesionales de Sistemas Aplicaciones y Productos SLU (ProSap), a Spanish company wholly owned by Exprivia, 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 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 SLU, incorporated in April 2008 in Madrid, is dedicated to the development of web portals and information systems for the healthcare market in Spain and Latin America. Exprivia controls the company with a 100% share The company ProSap SLU is currently being merged by incorporation.

Exprivia do Brasil Serviços de Informatica Ltda, a Brazilian company specialised in IT Security solutions based in Sao Paulo. Exprivia SpA controls the company with a 52.22% share while the company Simest holds 47.70%. The remainder is held by a natural person.

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 of optimising 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
- Banks, Finance and Insurance
- Healthcare
- Oil & Gas
- Industry
- Telco & Media
- Defence, Aerospace and Public Sector

MARKETS

Energy & 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.

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.

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).

Oil & Gas

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).

Industry

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.

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.

Defence, Aerospace and Public Sector

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:

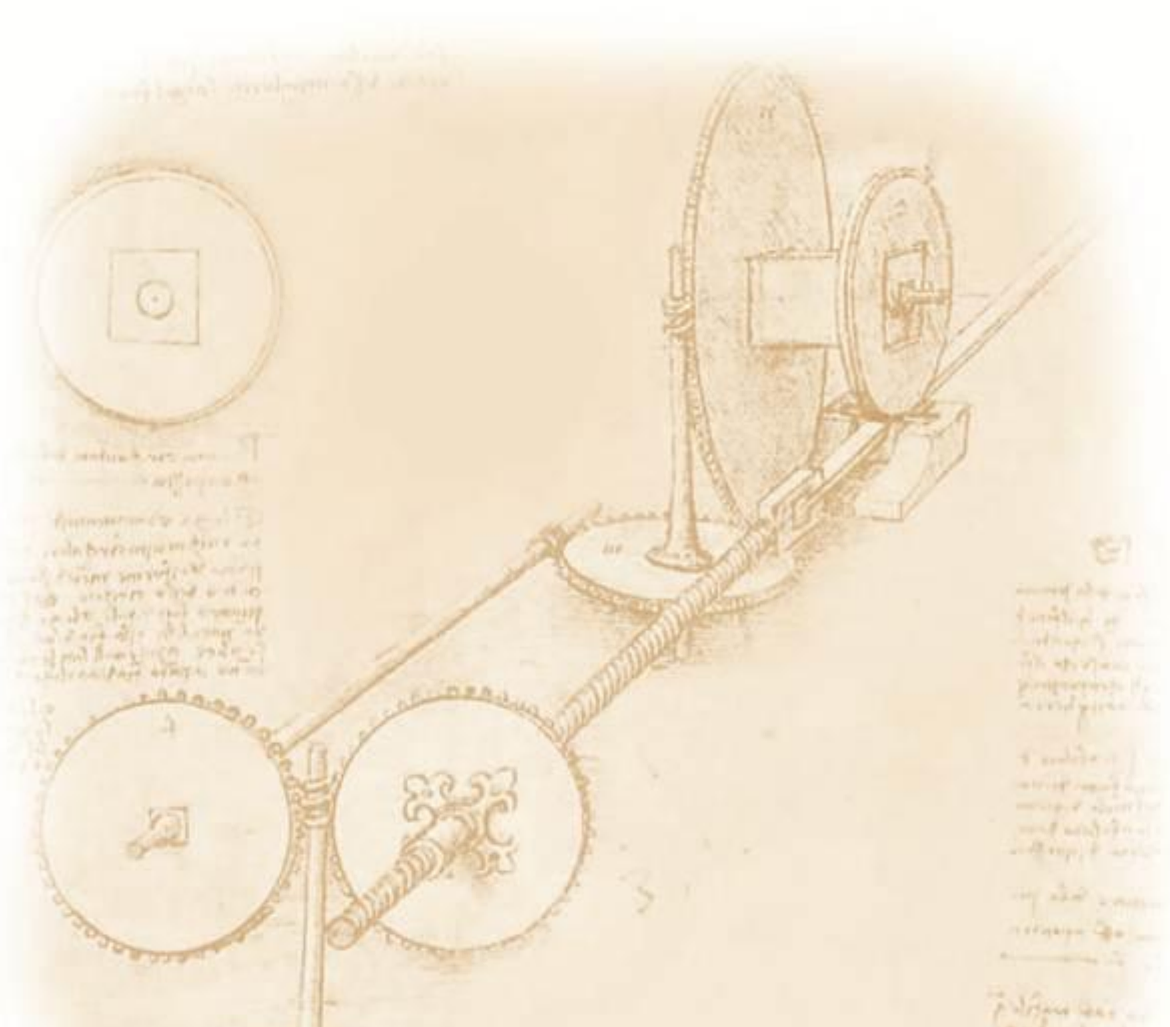
- products and services for management of Local Entities (financial statements and accounting, human resources, management control, demographic services, document management, social services, etc.)
- eGovernement aimed at citizens, companies and institutions
- eProcurement to support purchase processes 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

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

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

Revenues by business area recorded a -1.62% decrease in 2015 with respect to the same period in 2014.

The information by operating segments shown below reflects the internal reporting used by the management to take strategic decisions.

Some internal organisational changes took place within the Group in 2015, consequently, the segment reporting shown below was modified to reflect this organisational change. In particular, the activities relating to the Defence and Aerospace market sector were removed from the business segment previously identified as “Industry and Aerospace” and incorporated into the Public Administration business segment. The revenues of the Defence and Aerospace business segment as at 31 December 2015 amounted to Euro 3.3 million (Euro 3.1 million as at 31 December 2014).

The business segments previously referred to as “Energy” and “Utilities” respectively were renamed to “Oil & Gas” and “Energy & Utilities” to better reflect the corresponding market sector.

Details of the revenues, including the change in inventories and finished goods, relating to 31 December 2015 are shown below, compared with the figures for the same period of the previous year and broken down by business segment (€/1000).

Exprivia Group (value in K €)	31.12.2015	31.12.2014	Variations	Variations %
Banks, Financial Istitutions and Insurance	25,606	27,401	-1,795	-7%
Industry	11,689	11,425	264	2%
Oil & Gas	15,725	14,760	965	7%
Telcom and Media	19,307	11,918	7,389	62%
Health and Healthcare	22,018	24,352	-2,334	-10%
Energy and Utilities	21,933	28,183	-6,250	-22%
Defence, Aerospace and Public Administration	11,221	9,471	1,750	18%
International Business	10,439	12,776	-2,337	-18%
Other	1,423	1,363	60	4%
Total	**139,361**	**141,649**	**- 2,288**	**-1.62%**

Details of the EBITDA and EBITDA/REVENUES relating to 31 December 2015 are shown below, compared with the figures for the same period of the previous year, broken down by business segment (€/1000).

	EBITDA				EBITDA/RICAVI		
Exprivia Group (value in K €)	**31.12.2015**	**31.12.2014**	**Variations**	**Variations %**	**31.12.2015**	**31.12.2014**	**Variations**
Banks, Financial Istitutions and Insurance	5,445	5,116	330	6%	21.3%	18.7%	2.60
Industry	277	188	89	47%	2.4%	1.6%	0.72
Oil & Gas	2,317	1,470	846	58%	14.7%	10.0%	4.77
Telcom and Media	909	452	457	101%	4.7%	3.8%	0.91
Health and Healthcare	2,931	3,244	-313	-10%	13.3%	13.3%	(0.01)
Energy and Utilities	2,432	2,426	6	0%	11.1%	8.6%	2.48
Defence, Aerospace and Public Administration	1,477	1,202	275	23%	13.2%	12.7%	0.47
International Business	-463	331	-794	-240%	-4.4%	2.6%	(7.03)
Other	-15	22	-37	-165%	-1.0%	1.6%	(2.65)
Total	**15,312**	**14,453**	**859**	**5.94%**	**11.0%**	**10.2%**	**0.78**

Details of the net revenues relating to 31 December 2015 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 €)	**31.12.2015**	**31.12.2014**	**Variations**	**Variations %**
Projects and Services	119,182	117,603	1,579	1%
Maintenance	14,244	12,810	1,434	11%
HW/ SW third parties	2,836	7,377	-4,541	-62%
Own licences	1,681	2,497	-816	-33%
Altro	1,418	1,362	56	4%
Total	**139,361**	**141,649 -**	**2,288**	**-1.62%**

Details of the net revenues relating to 31 December 2015 compared with the figures for 31 December 2014, broken down by type of customer (public or private), are shown below (€/1000).

Exprivia Group (value in K €)	**31.12.2015**	**Effect %**	**31.12.2014**	**Effect%**	**Variations%**
PRIVATE	109,389	78.5%	110,334	77.9%	-0.9%
PUBLIC	29,972	21.5%	31,315	22.1%	-4.3%
TOTAL	**139,361**		**141,649**		**-1.62%**

Details of the net revenues relating to 31 December 2015 compared with the figures for 31 December 2014, broken down by geographical area, are shown below, (in €/1000).

Exprivia Group (value in K €)	31.12.2015	Effect %	31.12.2014	Effect%	Variations%
ITALY	126,800	91.0%	126,858	89.6%	0.0%
FOREIGN	12,561	9.0%	14,792	10.4%	-15.1%
TOTAL	139,361		141,649		-1.62%

Banks, Finance and Insurance

The **Banking, Finance and Insurance** Business Unit closed 2015 with revenues amounting to Euro 25.6 million compared to Euro 27.4 million in 2014, a 7% decrease for lower revenues from the resale of third-party hardware and software.

This result was obtained in a context where IT spending in the segment remains undetermined. Demand was not constant during the year as it was on the rise in the first six months and stable in the second half of the year. Indeed, the positive impetus from the two primary banking groups, which certainly made a positive impact on overall demand in the first half of the year, was completely cancelled out in the second half by the inactivity of the entire segment of cooperative banking and credit unions due to the restructuring of these segments and to the uncertainty linked to the bail-out of the troubled credit institutions with the creation of the Bad Bank.

Concerning investment priorities, the direction of the market led to investments in streamlining core processes, both those that focus on recovering retail operations through omnichannel retailing and big data analytics and those related to ICT Security and in particular Cyber Security. This did not include mandatory investments in regulation and compliance.

In this context the Business Unit managed to consolidate and expand its customer base by developing its vertical offering in finance, credit and factoring and by providing innovative solutions for customer engagement and IT security.

The consolidation and business development actions made in 2015 made it possible to:

- In finance, offset the decrease in operations on the Murex platform in Italy after the end of certain large upgrade projects for key customers, with the development of collaboration on the same platform abroad, the expansion of operations on other platforms in Italy and the confirmation of activities in the development and management of trading room infrastructures;
- For credit and risk management, renew collaborations in risk management in Italy and the first customer in Serbia for underwriting processes and contract management;
- Growth in the offering of factoring services deriving from revamping the information system and from the continuing organisational development of BPO services, together with instances deriving from compliance with legal rules related to the new directory resulting in the acquisition of new customers;
- For the offering in security and GRC, offset the postponement to 2016 of important projects in technical user management, with the start of initial collaboration in cyber security and confirmation of our solutions to manage the impact of new legal rules (and regulatory provisions) on several applications;

- for the offering in customer engagement, the start of collaboration for market place development and sales in solutions for setting up new front ends enabling faster semantic searches, in addition to personal financial management solutions.

Business development activities in 2015 also laid the foundations for developing business unit actions set forth in the group's business plan.

Industry

The results of the **Industry** business unit in 2015 mark an inversion with respect to figures in recent years, with a slight rise in revenues over the same period in 2014, increasing from Euro 11.4 million to Euro 11.7 million in 2015.

The industry sector showed some signs of recovery, in particular the segments with international markets recovered investments in IT projects as companies are aware that innovation gives a competitive advantage over the competition.

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

Good results were obtained in international rollouts in Europe and the Far East for customers with head offices in Italy.

The experience acquired in the area of mobility and analytics is of great importance for growth prospects. Investments made on the SAP Hana platform have positioned us among the leaders on the Italian market. Again in terms of the offer, positive results were achieved in the development of web solutions and portals, bringing the efforts capitalised on in our Research and Development laboratories to the market.

Oil & Gas

The **Oil & Gas** business unit closed 2015 with revenues amounting to Euro 15.7 million compared to Euro 14.8 million in 2014 (a 7% rise). In terms of market share, Exprivia further consolidated its position in the **Oil & Gas** sector by expanding its offering and with its ability to combine operational efficiency and high quality it acts as a key partner for its customers facing the uncertainty of the commodities markets.

Profitability continues to rise due to a progressive search for efficiency in production processes and continuing work to propose new innovative solutions to markets with the highest profitability.

In particular, revenues are up from innovative projects to optimise the customer experience (customer engagement systems for Retail, Gas&Light and fuel) and more in general for streamlining operations. The rise in revenues is also a result of business development carried out by the foreign associates of large Italian multinationals. Lastly, Exprivia continues to be a leading ICT operator for solutions for security and employee welfare.

Telco and Media

In 2015 revenues rose from Euro 11.9 million in 2014 to Euro 19.3 million in 2015, which is a 62% increase. It should also be mentioned that the figures for 2014 include the consolidation of Exprivia Telco & Media Srl starting on 1 April 2014.

This marks a countertrend with respect to the decline in the telecommunications sector in Italy. The growth of Exprivia was taken forward by nearly all its customers thanks to an effective capacity for innovation and to the quality of Exprivia services. In 2015 Exprivia consolidated its offer of network engineering solutions and services and carrier grade software solutions.

Growth continued in the first few months of 2016 and expectations are positive for an effective implementation of the business plan for Italy and abroad.

Health and Healthcare

The **Healthcare and Health** business unit reported revenues of just over Euro 22 million, which is a 10% decrease compared to 2014 when revenues amounted to Euro 24.3 million. This was the result of Regione Puglia's insourcing workers for local healthcare providers (CUP), which started in December 2014 and affected all of 2015. It was also due to delays in finalising agreements for a major tender contract won in Regione Marche. In a market situation that continues to be unfavourable, it was still possible to mitigate these effects on revenues thanks to intense upselling with current customers and in the sector of private healthcare through the consolidation of sales of new modules of the e4cure suite, and to the continuation of regional projects in Marche, Calabria and Campania, contracted in previous years. Rationalisation of the entire organisation and the positioning of the entire offering continued throughout 2015 after being started up with the incorporation of the company Exprivia Healthcare IT.

Energy & Utilities

In 2015, the **Health and Healthcare** business unit recorded revenues of Euro 21.9 million, which is lower than the figure in the same period in 2014 (Euro 28.2 million). In any case, the positive growth trend was confirmed for certain major customers such as Acquirente Unico (16.3%).

The overall lower result follows the segment's trend, however, the commercial consolidation strategy was strengthened as well as business development and projects performed for key clients in addition to consolidating technological partnerships, which will certainly take off in 2016.

BPO (Business Process Outsourcing) is specialised in Customer Care, both front office and back office. In the first half of 2015 the tender to renew the call center service contract with a leading Italian multinational in the energy sector, managed by RTI (composed of Exprivia Project Srl, Exprivia Healthcare It Srl, Network Contacts srl and Exprivia Spa, agent company), was awarded to another provider. The amount pertaining to the Exprivia companies decreased gradually in the second half of 2015 until closing on 30 November. Revenues in 2015 fell by 24% compared to 2014, while the accounts held due to the good performance in the first six months, up compared to the same period in 2014 and from the subsequent and significant decrease following the loss of the contract. Also profitability continued its recovery that started already at the end of 2014.

In the last quarter of 2015, Exprivia was awarded two important contracts in the energy segment. Their contractual value amounts to about Euro 60 million with a duration of three years. The new contracts will have an impact on future balance sheets for what concerns economic and employment growth.

Defence, Aerospace and Public Administration

DEFENCE AND AEROSPACE

After three years in decline the **Defence and Aerospace** began to increase (+6%) compared to the previous year (when revenues amounted to Euro 3.1 million), closing 2015 with revenues amounting to Euro 3.3 million**.** Despite the fact that the sector is still characterised by far-reaching industrial reorganisation processes and by the strong desire to reduce spending, major national and European programmes, both civil and military, were kicked off, which will help normalise the market and lead to recovery, thereby opening up areas for growth for hi-tech companies like Exprivia.

PUBLIC ADMINISTRATION

The **Public Administration** Business Line recorded revenues of euro 8 million in 2015, an increase of 24% compared to the previous year.

The significant improvement is a result of certain contracts with important entities in **Central Public Administration** awarded in 2014 and of the acquisition of a new contract with a public administration entity in Northern Italy in Q3 2015, the object of which is the implementation of a new ERP system running on the SAP platform.

The above took place in a context where there are still few clear signs of a recovery in ICT investments, though necessary to implement the Digital Transformation strategy broadly defined by the government.

Concerning **Local Public Administration**, in 2015 there was a slight decrease in revenues, partly due to the end of certain activities and partly due to a slowdown in ICT investments, also because of the reorganisation of ICT governance.

International Business

International business development focused on consolidating the group's presence in markets where companies in the Exprivia Group operate.

Spain, where the Exprivia Group is present through two subsidiaries, **Profesionales de Sistemas Aplicaciones y Productos S.L. (ProSap) and Exprivia S.L.**, saw the confirmation of the offer of ERP applications and SAP services for industry and distribution, Business Intelligence solutions for the Healthcare sector, and web services (marketing and on-line sales) for Banks and large distribution chains.

In Mexico, where the Exprivia Group operates directly through **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.

The sales and development activities of the companies **Prosap Guatemala**, which also operates in other Central American countries. Concerning **Prosap Perù**, sales actions are continuing in the healthcare and telecommunications field to give this company fresh impetus.

The Spanish company Exprivia SL opened a branch in Ecuador for the purpose of creating an on-site operating unit able to participate, as part of an RTI (temporary association of companies), in significant public and private healthcare tenders.

In Brazil, business growth continued for **Exprivia do Brasil Serviços de Informatica Ltda** in the IT Security segment and in the development of SAP ERP projects, even if growth in the country's economy was much slower than originally expected, with GDP in 2015 falling by 3.8% compared to the previous year and the value of the local currency (BRL) declining significantly with respect to the euro and US dollar.

In **China**, a few months after its incorporation, **"Exprivia IT Solutions (Shanghai) Co. Ltd"**, whose sole shareholder is **"Exprivia Asia Ltda" in Hong Kong**, developed its business in providing professional services in IT infrastructure and SAP. Their customers are currently the Italian companies and institutions operating in China and European manufacturers.

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 2015

Corporate Events

On 23 April 2015, the **shareholders' meeting of Exprivia SpA** met on second call.

The Ordinary Shareholders' Meeting approved the financial statements as at 31/12/2014, resolving on the distribution of a dividend of Euro 1,452,750.82, equal to Euro 0.028 per share.

On 29 April 2015, the company distributed dividends totalling Euro 1,402,336.42; the difference of Euro 50,414.40 compared to Euro 1,452,750.82 in profit allocated by the Shareholders' Meeting is due to the dividends accrued by the treasury shares held by the company, which amounted to 1,788,689 as at 23 April 2015.

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 Ordinary Shareholders' Meeting also 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.

The **Extraordinary Shareholders' Meeting** approved the proposal to make statutory amendments concerning:

1) Formal amendments to articles 5, 16, 19 of the articles of association;

2) Amendments to articles 14 and 23 of the articles of association on the appointment and replacement of members of the Board of Directors and Board of Statutory Auditors in order to ensure a balance in gender representation in company bodies;
3) Amendment to art. 6 of the articles of association and inclusion of art. 6-bis, pursuant to art. 127 quinquies of Italian legislative decree 58/1998 and art. 20(1 bis) of Italian law decree 91/2014 converted by Italian law 116/2014 for the adoption of loyalty shares, for which the shareholders' meeting resolved to exercise the option to assign two votes for each share held for at least two years after the date of registration, pursuant to the laws in force.

30 December 2015 marked the completion of the merger by incorporation with **Abaco Systems & Services Srl in Abaco Innovazione SpA**. The operation was brought to an end after receiving confirmation from CONSOB that for the reverse merger by incorporation of Abaco Srl in Abaco SpA the conditions are in place that makes them exempt from the requirement to have a mandatory tender offer.

Acquisitions/Sales in the Exprivia Group

In July 2015 acquisition was completed for **the remaining 48.88% of Profesionales de Sistemas Aplicaciones y Productos SL.** Thanks to this acquisition, Exprivia SpA now has complete control of this Spanish company and its subsidiaries in North and Central America.

The Spanish company Exprivia SL opened a branch in Ecuador for the purpose of creating an on-site operating unit able to participate, as part of an RTI (temporary association of companies), in significant public healthcare tenders. **The company is called "Exprivia SL Sucursal Ecuador"**, with share capital of USD 10,000, fully subscribed and paid-in by Exprivia SL and its incorporation was registered at the local "Superintendencia de Compañías".

On 16 October 2015, the holding company, Exprivia SpA, sold 10% of its shares in Consorzio Exprivia Scarl to the subsidiary Exprivia Telco & Media, thus making it a member of the consortium together with the other wholly owned Italian companies of the Exprivia Group.

In December 2015 the remaining 2% of **ProSAP SA de CV in Mexico** and **ProSAP Centroamerica S.A. in Guatemala** was acquired, 98% of which was already held by Profesionales de Sistemas Aplicaciones y Productos SL.

EVENTS AFTER 31 DECEMBER 2015

In January 2016 the merger project **between the Spanish companies Profesionales de Sistemas Aplicaciones y Productos SLU (ProSap) and Exprivia SLU** was approved and disclosed. After complying with the legal requirements, the merger should be complete by March 2016 and effectively retroactively from 1 January 2016.

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 2015 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 2015, the shareholder structure of Exprivia was as follows:

Shareholders	Shares	Amount held
Abaco Innovazione S.p.A..:	24,125,117	46.50%
Merula S.r.l:	1,384,581	2.67%
Treasury shares held	2,357,005	4.54%
Other shareholders (< 2%):	24,017,255	46.29%
Total Shares	**51,883,958**	**100%**

STOCK PERFORMANCE

The graph below shows the performance of Exprivia stock on the FTSE Italia Star index in 2015 (closing at 100 at 1 January 2015).

Source: Thomson Reuters Datastream

BUSINESS OUTLOOK

2015 was a complicated year, characterised by negative performance in foreign markets where the group operates and by recovery in the domestic market despite certain delays in kicking off important activities. Nevertheless, the group continued to invest in innovation, involving its key customers, improving its profitability and recording the highest EBITDA of its history.

Its prospects are improving, at least in advanced countries. The international economic cycle kept up a rate of expansion in line with that of the previous year as well as the positive forecasts on the future of the economy.

The ICT market appears to be in line with the weak signs on a macroeconomic level. The negative cycle that characterised recent years until 2014 came to an end, thereby leaving room for emerging segments that confirm forecasts for growth at 1.1% at the end of 2015 (source: Assinform). This growth was driven by the most innovative components: software, services and know-how, enabling forecasts for 2016 to be growth at 1.5%.

In this context the Exprivia Group continues on the path set by its own business plan for 2015-2020, which was presented last November.

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 sq. m .

The Company's current head offices, located in Molfetta (BA), Via Adriano Olivetti 11, covers a surface area of about 8,000 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 5,000 sq. m of office space.

In 2013, 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 2,500 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 involved the renovation of offices in Via Olivetti (Molfetta, Italy) and bolstering of electrical and network infrastructures, 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.

In January 2015, new offices were identified for the Vicenza production unit, in the Serenissima Area of East Vicenza, in via Zamenhoff 200 with an area covering 500 sq. m, to which all personnel present in the old Via Benedetto Marcello office were transferred in April 2015. The new office has architectural and service characteristics in line with the Group’s renovated offices.

Research & Development

In accordance with the previous 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*", were substantially achieved. The main priorities of the Research & Development programme are as follows: 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.

Concerning healthcare, in 2015 Exprivia brought the **LABGTP** project to a conclusion as a member of the Biogene Consortium. The project consisted of building a public-private genomics and transcriptomics laboratory. The public-private laboratory ensured the following objectives:

1. Generate proteomics, transcriptomics and genomics data and build the corresponding advanced tools for their interpretation in a vast range of biological phenotypes and physiological and pathological conditions;
2. Disseminate information through a web portal with tutorials and documentation;
3. Study methods and algorithms that enable processing of huge quantities of data from devices for genomics and post-genomics using high-performance scientific calculation techniques;
4. Create an information system (GRID) that enables the availability of relevant computational resources.

The projects **Lab 8 Potenziamento A** and **Lab 8 Potenziamento B**, [***Lab 8 Boost A/B***] were also brought to a conclusion. Both are dedicated to developing integrated bioinformatics tools to design monitoring and telemedicine systems for disorders with a specific genetic basis. The main result is the extension of hospital patient records by inserting genetic information to develop personalised medical treatment. Both projects were acquired through Exprivia's membership in the Biogene membership as leading agent in the **LabGTP** project mentioned above, the Genomics, Transcriptomics and Proteomics Laboratory.

The **ActiveAgeing@Home** project is also underway. It is a part of the cluster "Technologies for Living Environments", which Exprivia participated in through the MIUR tender for the definition of National Cluster Technologies (**Directors' Decision 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

As regards Logistics, the **LOGIN** project was brought to a conclusion (Ministry of Economic Development - National Industry 2015-Made in Italy Tender), 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, closed in June.

Still in this application context, the **ITS (Intelligent Transportation System) Italy 2020** project is underway. 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.

IT Factory - Cloud - *Big Data*

The **Puglia Digitale 2.0** project was completed. It 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 makes it possible to activate a multi-enterprise catalogue of modular software components through SaaS. For the project Exprivia created advanced tools for the shared catalogue, for access to services, and the development and integration of vertical services for PAL and Healthcare. The project includes 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**, two PON02 projects were completed. They were 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.

Lastly, the project **EFFEDIL – Innovative Solutions for Energy Efficiency in Construction** also completed, where Exprivia participated as a member of the National Technological District on Energy (Di.T.N.E.), based in Brindisi. The project studied and developed 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, after a difficult administrative process, the **DSE** project was awarded and work commenced. It marks the first phase of an incremental process to build an ICT/Smart Community Technologies laboratory consisting of an ecosystem of digital services. The final objective of the **DSE** is to develop a platform that supports the management of the ecosystem and open innovation.

EVENTS AND SPONSORSHIPS

- **07/01/2015.** Exprivia, already a partner for **e-Skills for Jobs 2014**, renewed its partnership also for **2015-2016**. The objective of the project, fostered by the European Commission, was to organise an information and awareness-raising campaign throughout the Member States on the issue of digital skills.
- **03/02/2015.** Exprivia participated in the **ACI World Congress 2015 - ASSIOM FOREX 21st Congress** held from 3 to 7 February in Milan. The annual ASSIOM FOREX congress, founded in 1994 in close collaboration with Banca d'Italia, is an extremely important opportunity for operators in financial markets to meet and exchange views. Exprivia Digital Financial Solution had its own exhibition space to present its range of services for finance.
- **24/03/2015.** Exprivia participated in the event **Health IT** held on **24 March at the Humanitas convention centre in Milan**. At its eleventh edition, the IT Health event marks a meeting point between the world of healthcare and information technology. For the last ten years it has been the most important opportunity for managers in the healthcare industry to meet and exchange views.

  Exprivia had its own exhibition space where it presented its services for the clinical information system, especially components for automating clinical and hospital processes.

- **24/03/2015.** Exprivia participated in the conference "**Diamo Credito alla Supply Chain**" held on **24 March 2015 at the Assolombarda Auditorium in Milan.** The results of research in 2014-2015 by the Supply Chain Finance Observatory were presented at the conference organised by the Polytechnic of Milan. Exprivia participated as sponsor of the Supply Chain Finance Observatory of the School of Management at the Polytechnic of Milano.
- **26/05/2015.** Exprivia participated in the event "**Alleanza Innovazione Sanità – Networking and dining"** held on **26 May 2015** in Rome. "Alleanza Innovazione in Sanità" is an initiative dedicated to the world of healthcare with the objective to meet authorities and influential players in supply and demand. In particular, the event was an opportunity to discuss the immediate need for governance over the system of innovation in healthcare that can integrate the actions of different players such as the Ministry of Health, Regions, the Agency for Digital Italy (AgID) and the Ministry of Economics and Finance.
- **09/06/2015.** Exprivia participated in the event **China Days Expo Event** held on 9 and 10 June in Milan. The event, organised by the European Commission, assisted companies (especially SMEs) in the internationalisation process through business relations between Europe and China.
- **18/06/2015.** Exprivia participated in the event **6th IEEE International Workshop on Advances in Sensors and Interfaces (IWASI)** held on **18 and 19 June in Gallipoli (LE)**. The international workshop by the prestigious professional association from the U.S. was particularly focused on applications in the healthcare industry. Innovative technologies in neuroelectronics and neurocomputing were presented: sensor networks in the bio-medical field; new materials and sensors for medical diagnostics; sensor networks for monitoring neural signals (brain activity); human/machine interface.
- **30/09/2015.** Exprivia participated in the event "**Alleanza Innovazione Sanità – Public Procurement in Healthcare"** held on **30 September 2015** in Rome.
- **03/10/2015.** Exprivia participated in the event "**Radiology Forum**" held on **20 October 2015** at the Humanitas convention centre in Milan. The Radiology Forum presented studies on the new technologies that are changing the world of radiology and the organisation of healthcare. Exprivia presented its own cloud offer for healthcare.
- **22/10/2015.** Exprivia participated in the **Annual AISIS Conference 2015** held from **22 to 23 October in Naples**. The conference dealt with the issue of assessing results and/or impact deriving from the use of IT, especially in the field of healthcare. Success stories with results on the use of ICT solutions by healthcare companies were presented and shared at the event. Exprivia had its own exhibition space to present its range of healthcare products and solutions.
- **28/10/2015.** Exprivia participated in **MEDIT 2015 held from 28 to 29 October 2015 in Vicenza.** Medit is the institutional event of reference for healthcare professionals seeking innovation for hospitals and electronic healthcare. Exprivia was present and gave talks on the radiology cloud, privacy, and healthcare files and records.
- **29/10/2015.** Exprivia took part in the event **Sap Forum** held on **29 October in Milan**. SAP Forum is the event of reference in Italy for the SAP customer and partner community. Exprivia had its own exhibition space and presented its case history **abMedica**, entitled "How to transform the post-sales support system with the SAP Cloud solution: the abMedica case", outlining the benefits of adopting the SAP Cloud solution for customer service.

- **30/10/2015.** Exprivia participated in the **114th congress of the SIRM Marche Regional Group** held **30-31 October 2015 in Caldarola.** The event focused on providing information for specialist surgery (radiodiagnostics, radiotherapy, neuroradiology) and enabled participants to learn more about innovative diagnostic procedures in radiology. Exprivia had its own exhibition space to present its range of RISPACS products and solutions.

  03/12/2015. Exprivia sponsored the roundtable organised by Data Manager at Unicredit Milan entitled "**The data compass for business orientation**". With the leading Italian groups it dealt with the issue of big data and the most innovative technologies for information management.

MANAGEMENT TRAINING AND DEVELOPMENT

The Exprivia Group invests with particular attention in developing skills and competence in a context strongly oriented towards innovation. The new business plan includes new major investments in training and development on particularly innovative matters. 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 Organisation Development office provides support to the companies in the Group by:

- Managing performance and remuneration plans (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 relocation process managed by a specially appointed resource manager.

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 2015, a planning tool, provided for approximately 20,418 hours of training for 935 participants compared to 14,238 hours in 2014 (a 43% increase). 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 budget targets. The training programmes, not including those on regulatory provisions (e.g., safety at the workplace), were organised in accordance with regulatory requirements and designed according to market and investment needs. 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 in the firm belief that improving skills means raising the value of persons and so the competitive advantage of the organisation. Of particular interest were the training courses SALESFORCE, ITA-STQB, AGILE, ITIL SERVICE STRATEGY, MOBILE, INTERWOVEN, SAP HANA, SAP FIORI.

- Management skills: measures to develop managerial skills of the Exprivia Group's middle management, i.e., focused on improving organisational conduct.

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 to improve 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 2015, 274 certification exams were taken and 235 were passed with success (86%) compared to 141 exams in 2014, which is a change of 94%.

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

- About 1,698 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 2,143 participants;
- About 2,356 hours dedicated to specialised training to enable our workers to deal with new activities. These were attended by about 318 participants.

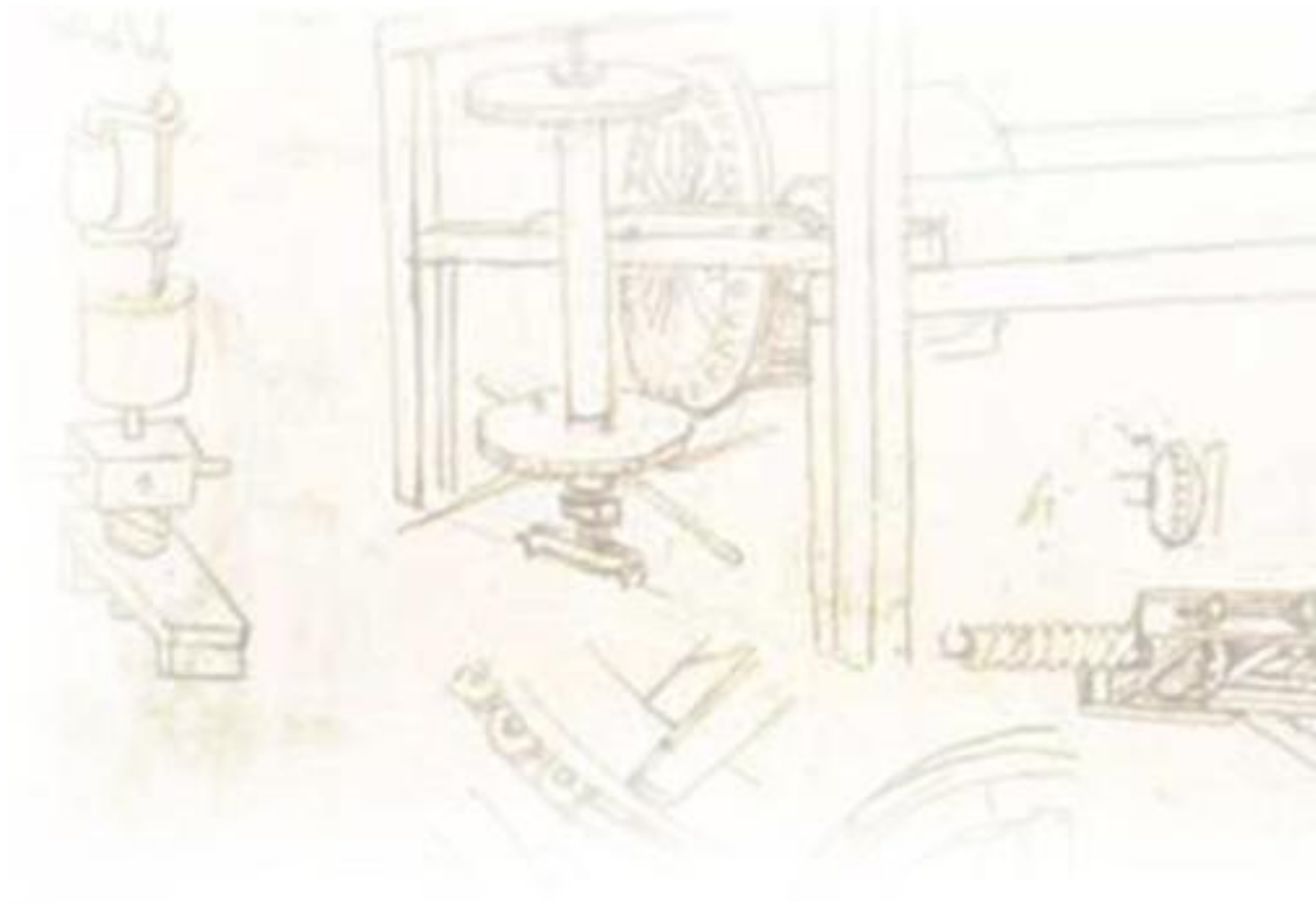
Concerning Orientation, Recruiting and Selection, in 2015 about 211 new resources were hired, including new graduates and workers qualified in technical/IT subjects and process experts. 36 new workers were placed in the contact centre.

The recruiting processes were particularly focussed on specialised experts with current and potential skills for the markets covered by each business unit. These new recruits boosted the competitive value of Exprivia for each of its core markets.

Also in 2015 Exprivia invested in the robust bond enjoyed with schools, universities, polytechnics and research centres, fully aware of its role in generating innovation and opportunities for young undergraduate students and graduates in the places where it operates. This collaboration materialises in:

- School/work projects;
- 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, processes and services;
- Internships for final-year university students to carry out innovative projects for specific markets;

- Post-graduate internships to provide the opportunity to gain experience in areas directly related to business administration, or research projects in research and development laboratories;
- Funding for doctorate programmes or high-level internships to combine research with market needs.



STAFF AND TURNOVER

The table below provides details on staff as at 31 December 2015, compared with 31 December 2014, as well as the average number of workers in 2015 and 2014. In particular, the number of part-time workers amounts to about 15% of the total as at 31 December 2015. It should be pointed out that part-time workers are under different contract terms.

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

Company	Employees		Media employees		Temporary workers		Media temporary workers	
	31/12/2014	31/12/2015	Year 2014	Year 2015	31/12/2014	31/12/2015	Year 2014	Year 2015
Exprivia SpA	672	673	782	670	10	2	22	8
Exprivia Healthcare IT Srl	323	335	320	330	0	0	0	0
Exprivia Enterprise Consulting Srl	170	156	176	165	1	1	2	1
Exprivia Digital Financial Solutions Srl	191	194	124	194	0	0	0	0
Exprivia Projects Srl	360	219	370	302	0	0	0	0
Exprivia Telco & Media Srl	274	358	267	311	5	1	5	4
Exprivia It Solutions Shanghai	14	17	14	16	1	1	1	1
Exprivia SLU (Spagna)	15	15	16	16	0	0	0	0
Gruppo ProSap	105	73	120	89	0	0	0	0
Exprivia do Brasil Servicos de Informatica Ltda	29	28	30	27	1	1	1	1
Spegea Scarl	9	8	9	8	1	1	1	1
Total	**2162**	**2076**	**2228**	**2128**	**19**	**7**	**32**	**16**
of which Executives	*38*	*39*	*40*	*48*				
of which Middle Managers	*185*	*187*	*190*	*192*				

HIRES

	EXECUTIVES		MID MANAGERS		STAFF		TEMPORARY WORKERS	
	31/12/2014	31/12/2015	31/12/2014	31/12/2015	31/12/2014	31/12/2015	31/12/2014	31/12/2015
Exprivia SpA	1	1	2	2	60	45	1	7
Exprivia Projects Srl	0	0	0	0	86	100	0	0
Exprivia Telco &Media Srl	0	0	0	3	34	128	1	3
Exprivia Digital Financial Srl	0	0	0	1	4	17	0	0
Exprivia Healthcare IT Srl	0	0	0	1	3	33	0	0
Exprivia Enterprise Consulting Srl	0	0	0	0	1	1	1	0
Total	1	1	2	7	188	324	3	10
Total Population	33	35	182	184	1775	1716	16	4
% Turnover	**3%**	**3%**	**1%**	**4%**	**11%**	**19%**	**19%**	**250%**

RESIGNATIONS

	EXECUTIVES		MID MANAGERS		STAFF		TEMPORARY WORKERS	
	31/12/2014	31/12/2015	31/12/2014	31/12/2015	31/12/2014	31/12/2015	31/12/2014	31/12/2015
Exprivia SpA	1	1	4	2	40	44	0	15
Exprivia Projects Srl	0	0	0	0	13	241	0	0
Exprivia Telco & Media Srl	0	1	0	0	18	43	0	7
Exprivia Digital Financial Srl	0	0	1	3	3	12	0	0
Exprivia Healthcare IT Srl	0	1	0	4	40	18	0	0
Exprivia Enterprise Consulting Srl	1	0	13	1	18	14	1	0
Total	2	3	2	10	132	372	1	22
Total Population	33	35	182	184	1775	1716	16	4
% Turnover	**6%**	**9%**	**50%**	**5%**	**7%**	**22%**	**6%**	**550%**

The table below shows the number of full-time equivalent workers (on an annual basis).

Company	Employees		Temporary workers	
	31/12/2014	31/12/2015	31/12/2014	31/12/2015
Exprivia SpA	666	665	10	2
Exprivia Healthcare IT Srl	315	323	0	0
Exprivia Enterprise Consulting Srl	165	150	1	1
Exprivia Digital Financial Solutions Srl	190	191	0	0
Exprivia Projects Srl	230	88	0	0
Exprivia Telco & Media Srl	239	346	5	1
Exprivia It Solutions Shanghai	14	16	1	1
Exprivia SLU (Spagna)	14	15	0	0
Gruppo ProSap	105	73	0	0
Exprivia do Brasil Servicos de Informatica Ltda	29	28	1	1
Spegea Scarl	9	7	1	1
Total	**1976**	**1902**	**19**	**7**
of which Executives	*38*	*39*		
of which Middle Managers	*184*	*185*		

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

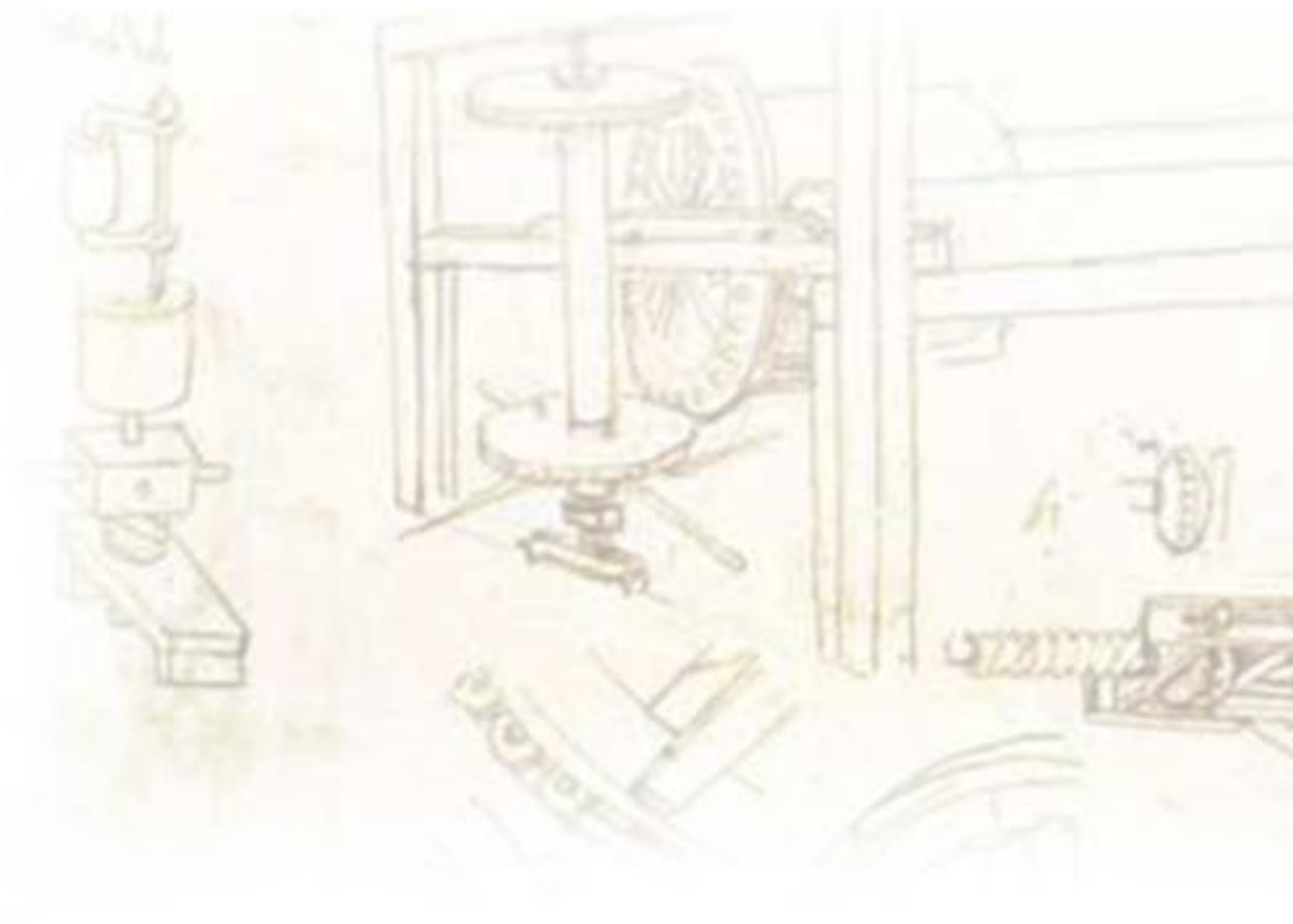
The Quality Management System, conforming to ISO 9001:2008, has been operational in Exprivia S.p.A. since 2003. This system enables effective management of company processes, guaranteeing the greatest transparency inside and outside the company.

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

In May 2014 Exprivia SpA. 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 unites the Group Finance function with the Administration, Finance 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.

A cash pooling relationship is in place between the Italian Group companies, and all companies adhere to tax consolidation based on a specific regulation.

RELATIONS WITH RELATED PARTIES

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

(i) the "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 “Procedure for Transactions with Related Parties”, setting forth provisions concerning transactions with related parties in order to ensure the transparency and substantive and procedural correctness of operations with related parties carried out directly or through companies that are directly and/or indirectly controlled by Exprivia ("Exprivia Group").

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

Transactions with related parties are part of normal business management and are carried out on an arm’s length basis. No atypical or unusual transactions were carried out with related parties.

During the first half of 2015, no new relevant transactions were carried out pursuant to the procedure for transactions with related parties.

The procedure for performing inter-company transactions and transactions with related parties is published on the company website in the section “Investor Relations – Corporate Governance – Corporate Information”.

INFORMATION ON MANAGEMENT AND COORDINATION

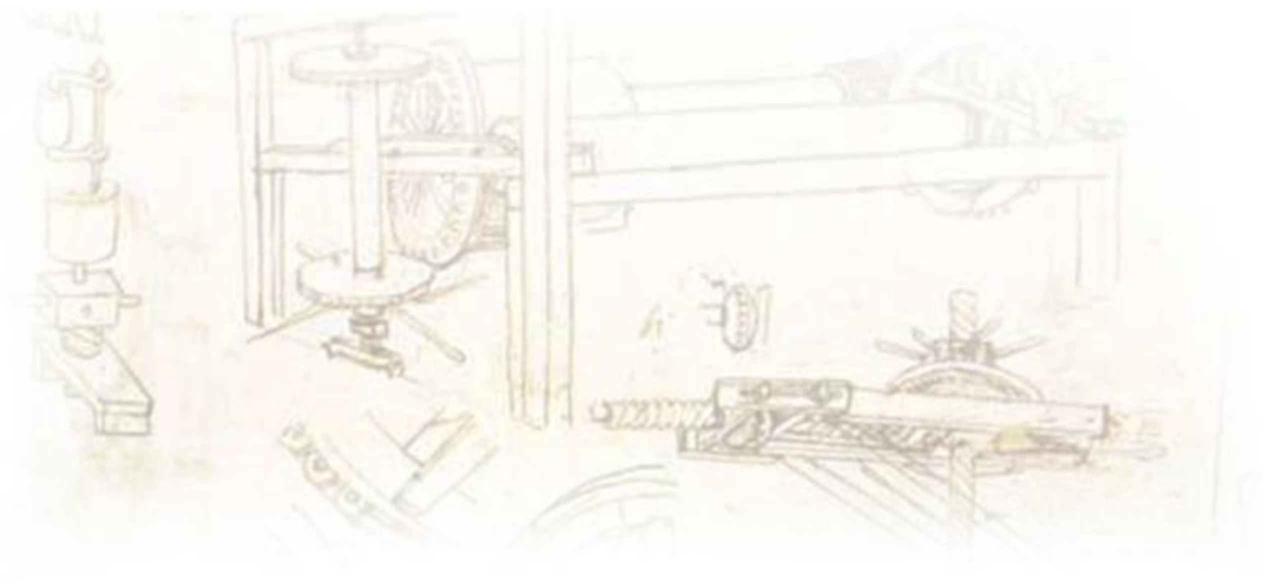
In accordance with Art. 2497 et seq. of the Italian Civil Code, governing transparency in the exercise of company management and coordination, it is recognised that this is exercised by Abaco Innovazione S.p.A., with head offices in Viale Adriano Olivetti 11, Molfetta (Bari, Italy), tax code and VAT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

It should be noted that in the performing said 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 on an arm's length basis, 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".

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 30 June 2015, the Company does not meet 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 2015 compared to 31 December 2014.

RECEIVABLES

Description	31/12/2015	31/12/2014	Variation
Exprivia S.p.A.	1,305,338	1,302,438	2,900
TOTAL	**1,305,338**	**1,302,438**	**2,900**

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

It is noted than on 31 December 2015 the receivable from Abaco Innovazione SpA has been reclassified as non-current assets as they will be reimbursed from 2017.

COST

Description	31/12/2015	31/12/2014	Variation
Exprivia SpA	84,575	13,425	71,150
TOTAL	**84,575**	**13,425**	**71,150**

The costs relate to fees for guarantees.

REVENUE AND INCOME

Description	31/12/2015	31/12/2014	Variation
Exprivia S.p.A.	29,188	50,945	(21,757)
TOTAL	**29,188**	**50,945**	**(21,757)**

The revenue and income includes interest accrued on the loan granted to the parent.

2015 CONSOLIDATED FINANCIAL STATEMENTS FOR THE EXPRIVIA GROUP

CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2015

Consolidated Balance Sheet

Amount in Euro	Note	31.12.2015	31.12.2014
Land and buildings		10,981,543	11,266,613
Other assets		2,815,269	3,436,488
Property, plant and machinery	1	13,796,812	14,703,101
Goodwill		67,118,492	67,263,482
Goodwill and other assets with an indefinite useful life	2	67,118,492	67,263,482
Intangible assets		820,552	1,351,287
Research and development costs		3,370,013	2,876,063
Work in progress and advances			776,627
Other Intangible Assets	3	4,190,565	5,003,977
Investments in other companies		896,195	893,352
Equity investments	4	896,195	893,352
Receivables to parent companies		1,305,338	
Other receivables		201,199	229,874
Other financial assets	5	1,506,537	229,874
Other receivables		1,716,806	1,484,874
Other financial assets	6	1,716,806	1,484,874
Tax advances/deferred taxes		1,839,961	2,087,973
Deferred tax assets	7	1,839,961	2,087,973
NON-CURRENT ASSETS		91,065,368	91,666,633

Amount in Euro			
	Note	31.12.2015	31.12.2014
Trade receivables		58,097,533	62,325,125
Receivables from associates			219,150
Receivables from parent companies			1,302,438
Other receivables		7,947,205	12,246,976
Tax receivables		2,655,240	2,137,941
Trade receivables and other	**8**	**68,699,978**	**78,231,630**
Inventories		269,325	143,126
Inventories	**9**	**269,325**	**143,126**
Work in progress contracts		11,228,568	11,426,026
Work in progress contracts	**10**	**11,228,568**	**11,426,026**
Held at bank		7,005,422	12,042,644
Cheques and cash in hand		38,588	65,955
Cash at bank and on hand	**11**	**7,044,010**	**12,108,599**
Cheques and cash in hand		501,561	349,740
Cash at bank and on hand	**12**	**501,561**	**349,740**
CURRENT ASSETS		**87,743,442**	**102,259,121**
ASSETS		**178,808,809**	**193,925,754**

Amount in Euro	Note	31.12.2015	31.12.2014
Share Capital		25,754,016	26,410,269
Share capital	13	25,754,016	26,410,269
Share premium		18,081,738	18,081,738
Share Premium Reserve	13	18,081,738	18,081,738
Revaluation reserve		2,907,138	2,907,138
Revaluation reserve	13	2,907,138	2,907,138
Legal reserve		3,709,496	3,561,670
Revaluation reserve	13	3,709,496	3,561,670
Other reserves		17,201,619	16,712,971
Other reserves	13	17,201,619	16,712,971
Retained earning/loss		1,945,640	2,014,991
Profits/Losses for previous periods	13	1,945,640	2,014,991
Profit/Loss for the period		4,597,608	3,037,163
SHAREHOLDERS' EQUITY		74,197,255	72,725,940
Minority interest		795,038	959,836
GROUP SHAREHOLDERS' EQUITY		73,402,218	71,766,104

Amount in Euro		31.12.2015	31.12.2014
NON-CURRENT LIABILITIES			
Non-current bond		3,311,748	4,272,794
Non-current bond	**14**	**3,311,748**	**4,272,794**
Non-current bank debt		6,111,015	7,265,127
Non-current bank debt	**15**	**6,111,015**	**7,265,127**
Trade payables after the financial year		109,273	228,427
Other financial liabilities	**16**	**109,273**	**228,427**
Tax liabilities and amounts for social security payable after the financial year		408,762	119,161
Other financial liabilities	**17**	**408,762**	**119,161**
Other provisions		622,311	1,384,724
Provision for risks and charges	**18**	**622,311**	**1,384,724**
Employee severance indemnities		9,228,805	10,230,522
Employee provisions	**19**	**9,228,805**	**10,230,522**
Provisions for deferred taxes		1,038,852	991,905
Deferred tax liabilities	**20**	**1,038,852**	**991,905**
NON CURRENT LIABILITIES		**20,830,766**	**24,492,660**

Amount in Euro	Note	31.12.2015	31.12.2014
Current bond		1,007,399	656,902
Current bond	21	1,007,399	656,902
Current bank debt		35,879,446	31,206,922
Current bank debt	22	35,879,446	31,206,922
Trade payables		17,087,806	22,524,621
Trade payables	23	17,087,806	22,524,621
Advances		2,774,376	4,162,600
Advances payment on work in progress contracts	24	2,774,376	4,162,600
Payables to associated companies			63,344
Other payables		384,214	2,637,341
Other financial liabilities	25	384,214	2,700,685
Tax liabilities		7,583,444	15,253,993
Tax liabilities	26	7,583,444	15,253,993
Amounts payable to pension and social security institutions		5,480,960	5,550,781
Other payables		13,583,144	14,650,650
Other current liabilities	27	19,064,104	20,201,431
CURRENT LIABILITIES		**83,780,789**	**96,707,154**
LIABILITIES		**178,808,809**	**193,925,754**

Consolidated Income Statement

Amount in Euro	Note	31.12.2015	31.12.2014
Revenue from sales and services		139,233,663	141,958,617
Revenues	28	139,233,663	141,958,617
Other revenues and income		1,108,882	943,591
Grants related to income		2,983,870	3,256,429
Increase in capitalised expenses for intenal projects		1,358,828	1,395,638
Other income	29	5,451,580	5,595,658
Changes in inventories of work in progress		127,199	(309,404)
Changes in inventories of finished goods and work in progress	30	127,199	(309,404)
PRODUCTION REVENUES		144,812,442	147,244,871
Costs of raw, subsid. & consumable mat. and goods	31	11,199,568	12,857,487
Salaries	32	90,581,123	89,813,335
Other costs for services	33	21,726,478	23,296,619
Costs for leased assets	34	4,216,394	4,716,850
Sundry operating expenses	34	1,511,903	1,834,165
Provisions	36	265,737	274,376
TOTAL PRODUCTION COSTS		129,501,203	132,792,832
DIFFERENCE BETWEEN PRODUCTION COSTS AND REVENUES		15,311,239	14,452,039

Amount in Euro	Note	31.12.2015	31.12.2014
Ordinary amortisement of intangible assets		2,394,563	2,256,615
Ordinary depreciation of tangible assets		1,919,542	1,668,751
Othe write-downs		1,003,117	662,340
Amortisation, depreciation and write-downs	37	5,317,222	4,587,706
OPERATIVE RESULT		9,994,017	9,864,333
Financial income and charges	38	2,332,328	2,899,926
PRE-TAX RESULT		7,661,689	6,964,407
Income tax	39	3,064,081	3,927,244
PROFIT OR LOSS FOR THE PERIOD	40	4,597,608	3,037,163
Attributable to:			
Shareholders of holding company		4,515,391	3,501,360
Minority interest		82,217	(464,197)
Earnings per share losses	41		
Basic earnings per share		0.0904	0.0688
Basic earnings diluted		0.0904	0.0688

Consolidated Statement of Comprehensive Income

Amount in Euro	Note		
Description		**31/12/2015**	**31/12/2014**
Profit for the year		**4,597,608**	**3,037,163**
Other gains (losses) total will not subsequently be reclassified in profit (loss)			
Profit (loss) Actuarial effect of IAS 19		181,146	(1,111,493)
Tax effect of changes		(49,815)	305,661
Total other comprehensive income (loss) will not subsequently be reclassified in profit (loss)	**13**	**131,331**	**(805,832)**
Other gains (losses) total that will be subsequently reclassified to profit (loss) for the period we			
Change in translation reserve		(648,744)	(270,895)
Total other comprehensive income (loss) that will subsequently be reclassified in profit (loss)	**13**	**(648,744)**	**(270,895)**
NET COMPREHENSIVE INCOME FOR THE PERIOD		**4,080,195**	**1,960,436**
attributable to:			
Group		4,208,550	2,566,944
Minority interest		(128,356)	(606,508)

Statement of Changes in Consolidated Shareholders' Equity

Amount in Euro	Company Capital	Own shares	Share Premium Fund	Reval. Reserve	Legal Reserve	Other Reserves	Profits (Losses) brought forward	Profit (Loss) for the period	Total Net Worth	Minority Interests	Total Group Net Worth
Balance at 01/01/2014	**26,979,658**	**(636,787)**	**18,081,738**	**2,907,138**	**3,312,804**	**11,718,309**	**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					248,866	4,728,440	(2,121,427)	(2,855,879)	0		0
Reclassification									0		0
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**	**3,561,670**	**16,712,971**	**2,014,991**	**3,037,163**	**72,725,941**	**959,836**	**71,766,105**
Reclassification previous year's profit to previous year's profit					147,826	1,355,940	1,533,397	(3,037,163)	-		0
Dividend							(1,452,751)		(1,452,751)		(1,452,751)
Acquiring equity attributable third Prosap Group							(149,999)		(149,999)	(36,442)	(113,557)
Purchase of own shares		(656,253)				(349,879)			(1,006,132)		(1,006,132)
Components of comprehensive income											
Profit (loss for the period)								4,597,608	4,597,608	82,217	4,515,391
Effects of applying IAS 19						131,331			131,331	2,926	128,405
Translation reserve						(648,744)			(648,744)	(213,500)	(435,244)
Total income (loss) for the year Overall									**4,080,195**	**(128,356)**	**4,208,550**
Balance at 31/12/2015	**26,979,658**	**(1,225,642)**	**18,081,738**	**2,907,138**	**3,709,496**	**17,201,619**	**1,945,640**	**4,597,608**	**74,197,255**	**795,038**	**73,402,218**

Consolidated Cash Flow Statement

Amount in Euro	NOTE	31.12.2015		31.12.2014
Operating activities:				
Profit (loss)	42	4,597,608	(1)	3,037,163
Amortisation, depletion and depreciation of assets		4,314,105		3,925,366
Provision for Severance Pay Fund		3,983,347		4,099,076
Advances/Payments Severance Pay		(4,985,064)		(2,583,065)
Cash flow arising from operating activities		**7,909,996**		**8,478,540**
Increase/Decrease in net working capital:				
Variation in stock and payments on account		(1,316,965)		2,810,022
Variation in receivables to customers		4,227,592		(6,327,111)
Variation in receivables to parent/subsidiary/associated company		501,797		373,482
Variation in other accounts receivable		3,782,472		453,117
Variation in payables to suppliers		(5,335,921)		2,148,296
Variation in payables to parent/subsidiary/associated company		(63,344)		
Variation in tax and social security liabilities		(7,740,370)		6,979,468
Variation in other accounts payable		(3,300,443)		(1,077,469)
Cash flow arising (used) from current assets and liabilities		**(9,245,182)**		**5,359,805**
Cash flow arising (used) from current activities		**(1,335,186)**		**13,838,345**
Investment activities:				
Variation in tangible assets		(1,013,253)		(3,277,188)
Variation in intangible assets		(1,436,161)		(218,504)
Variation in financial assets		(243,634)		(418,060)
Purchase of minority interests		(150,000)		(1,039,790)
Cash flow arising (used) from investment activities		**(2,843,048)**		**(4,953,542)**
Financial activities:				
Changes in financial assets not held as fixed assets		(432,187)		(1,907,063)
Capital increase		(1,006,137)		(131,666)
Dividend paid		(1,402,336)		
Variation shareholdres' equity		(567,820)		(597,312)
Cash flow arising (used) from financial activities		**(3,408,480)**		**(2,636,041)**
Increase (decrease) in cash		**(7,586,714)**		**6,248,762**
Banks and cash profits at start of year		13,478,132		8,784,338
Banks and cash losses at start of year		(43,957,966)		(45,512,934)
Banks and cash profits at end of period		8,565,365		13,478,132
Banks and cash losses at end of period		(46,631,913)		(43,957,966)
Increase (decrease) in liquidity		**(7,586,714)**		**6,248,762**
(1) including taxes and interest paid in the period		4,916,444		

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2015

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 2015, were drawn up in compliance with International Accounting Standards issued by the International Accounting Standards Board (IASB), approved by the European Union (hereinafter referred to individually as IAS/IFRS or together as IFRS) in force as at 31 December 2015.

The consolidated financial statements were prepared based on the draft financial statements as at 31 December 2015 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

For the sake of clarity, the presentation of certain items was changed for providing comparative data in the cash flow statement in accordance with IAS 7, with respect to the data reported in the consolidated financial statements as at 31 December 2014. In particular, the cash flow from the purchase/sale of own shares was reported under cash flow deriving from financial assets and liabilities (Euro 131,666 in 2014). Therefore, own shares were excluded from the items "banks/cash/securities and other financial assets” at the end of the period (Euro 614,473 at the beginning of 2014, Euro 746,139 at the end of 2014).

Lastly, the cash flow pertaining to the purchase of minority interests, previously reported under changes in shareholders’ equity (Euro 1,039,790 in 2014).

Drafting and presentation criteria

The consolidation principles, accounting policies and valuation criteria are the same as those adopted to prepare the consolidated financial statements as at 31 December 2014.

The valuation and measurement policies are based on the IFRS standards in effect as at 31 December 2015 and approved by the European Union.

The table below shows the list of international accounting standards and interpretations approved by IASB and approved for adoption by Europe and applied for the first time this year.

Description	Endorsement date	Publication on G.U.C.E.	EFFECTIVE DATE PROVIDED BY PRINCIPLE
IFRIC 21 Tributes	June 13, 2014	June 14, 2014	Periods beginning on or after June 17, 2014
Annual cycle of improvements to IFRSs 2011-2013	December 18, 2014	December 19, 2014	Periods beginning on or after January 1, 2015

IFRIC 21 “Levies” is an interpretation of IAS 37 “Provisions, Contingent Liabilities and Contingent Assets" and clarifies the recognition of liabilities for payment of levies different from income taxes, especially with respect to the event that gave rise to the obligation and the moment when the liabilities are recognised.

The 2011-2013 annual improvements include minor amendments to several standards for sections that needed clarification, in particular:

• IFRS 3 “Business Combinations” IASB clarified that the rules under this standard are not applicable to all joint agreements, as defined under IFRS 11;

• With the amendment to IFRS 13 “Fair Value Measurement”, IASB clarified that the exception provided for measuring fair value on the basis of a portfolio of assets and liabilities is applicable also for agreements falling under the application of IAS 39 or IFRS 9, even when these agreements do not respect the definition of financial assets and liabilities under IAS 32 (for instance agreements for the purchase or sale of non-financial assets that involve payment by cash);

• Certain amendments to IFRS 1 “First-time Adoption of International Financial Reporting Standards” and to IAS 40 “Investment Property”.

The adoption of these interpretations and standards did not and will not have any material impact on the valuation of the Group’s assets, liabilities, costs and revenues.

The table below shows the IFRS and interpretations approved by IASB and approved for adoption by Europe, effective after 31 December 2015:

Description	Endorsement date	Publication on G.U.C.E.	EFFECTIVE DATE PROVIDED BY PRINCIPLE
Amendments to IAS 27. Net equity method in the separate financial statements	December 18, 2015	December 23, 2015	Periods beginning on or after Junary 1, 2016
Amendments to IAS 1 - disclosure initiative	December 18, 2015	December 19, 2015	Periods beginning on or after Junary 1, 2016
Annual improvements cycle to IFRS 2012-2014	December 15, 2015	December 16, 2015	Periods beginning on or after Junary 1, 2016
Amendments to IAS 16 and to IAS 38 - clarification on depreciation acceptable	December 2, 2015	December 3, 2015	Periods beginning on or after Junary 1, 2016
Amendments to IFRS 11: Accounting for acquisitions of interests in joint activities	November 24, 2015	November 25, 2015	Periods beginning on or after Junary 1, 2016
Amendments to IAS 16: Property, plant and equipment, and IAS 41: Agriculture Agriculture bearing the title-bearing plants	November 23, 2015	November 24, 2015	Periods beginning on or after Junary 1, 2016
Amendments to IAS 19 - Defined benefit plans: Employee contributions	December 17, 2014	January 9, 2015	Periods beginning on or after Febrary 1, 2015
Annual improvements cycle to IFRS 2010-2012	December 17, 2014	January 9, 2015	Periods beginning on or after Febrary 1, 2015

The amendment to IAS 27 “Separate Financial Statements” introduced the option to account for investments in subsidiaries, associates and joint ventures using the equity method, while previously IAS 27 required that they should be accounted for at cost or in accordance with IFRS 9 (IAS 39 for entities that did not adopt IFRS 9).

The amendments to IAS 1 “Disclosure Initiative (amendments to IAS 1)”, clarify certain aspects concerning the presentation of financial statements highlighting the emphasis on the importance of information (disclosures) in the financial statements, specifying that there is no longer a specific order for presenting explanatory notes and giving the possibility to group/ungroup items so that items considered as minimum content under IAS 1 can be grouped together when not considered significant.

The 2012-2014 improvements cycle brought amendments to certain accounting standards, especially concerning certain aspects not considered clear. In particular, the amendments concerned:

• IAS 19 “Employee Benefits”: with the amendment to IAS 19, IASB clarified that the discount rate for an obligation under a defined benefit plan should be determined on the basis of “high-quality corporate bonds or government bonds” identified in the same currency used to pay the benefits;

• IFRS 7 “Financial Instruments”: additional disclosures: IASB clarified that an entity transferring financial assets and derecognising them from its balance sheet is required to disclose any continuing involvement, where existing. In addition to the disclosures required by IFRS 7 concerning offsetting financial assets and liabilities this is required only for the annual report and provided in the interim financial statements only where deemed necessary;

• IAS 34: with the amendment to IAS 34, IASB clarified that the disclosures required under this standard can be included in the notes to the interim financial statements, or they can be included in other documents (such as the risk reports), by providing references to them in the interim financial statements, as long as the users of the interim financial statements have access to the same conditions and timeframes as the interim financial statements.

The annual improvements to IFRSs 2012-2014 cycle also includes amendments to IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", which are currently not applicable to the Exprivia group.

With the amendment to IAS 16 and IAS 38 "Property, Plant and Equipment", IASB clarified that a depreciation process according to revenues cannot be applied for property, plant and equipment since this method is based on factors, for instance volumes and sale prices, that do not represent the actual consumption of the economic benefits of the asset.

IFRS 11 "Accounting for Acquisitions of Interests in Joint Operations" clarifies how to account for the acquisition of interests in joint operations that constitute a business.

Amendments to IAS 16 "Property, Plant and Equipment" and to IAS 41 "Agriculture" concern accounting rules for fruit trees.

The amendment to IAS 19 "Employee Benefits" concern accounting for defined employee benefits plans that provide contributions from third-parties or employees.

The 2010-2012 annual improvements include minor amendments to several standards for sections that needed clarification. In brief:

• IFRS 2 "Share-Based Payments": with amendments to IFRS 2, IASB clarified the criteria and characteristics that a performance condition should meet;

• With amendments to IFRS 3 "Business Combinations", IASB clarified aspects for the classification and valuation of contingent considerations;

• With amendments to IFRS 8 "Operating Segments", IASB introduced a new disclosure requirement to include a brief description of the operating segments that were aggregated and the financial indicators that were used for the aggregation and clarified the reconciliation of assets belonging to the operating segments subject to the disclosure with all of the entity's assets only in cases where the disclosure is normally provided at the highest level of the entity's management ("CODM");

• With the amendment to IFRS 13, IASB clarified that the goal of amendments to IAS 39 following publication of IFRS 13 was not to exclude the possibility to assess short-term receivables and payables without taking into account the effect of discounting, if the effect is not considered significant.

Since the amendments to IFRS 13 refer only to the basis for conclusion, they were not approved by the European Union;

• With the amendments to IAS 16 and to IAS 38, IASB clarified how to apply the method to determine the values under the above standards;

• With amendments to IAS 24, IASB extended the definition of "related party" to management companies.

The adoption of these standards will not have any material impact on the valuation of the Group's assets, liabilities, costs and revenues.

The table below shows the international accounting standards, interpretations and amendments to existing accounting standards and interpretations, which are specific provisions contained in the standards and interpretations approved by IASB, which were not yet approved for approval in Europe at the date of this annual report:

Description	EFFECTIVE DATE PROVIDED BY PRINCIPLE
IFRS 9: financiale instruments (issued on 24 July 2014)	Periods beginning on or after Junary 1, 2018
IFRS 15 revenue from contracts with customes (issued on 28 May 2014) and related Arrendement (issued on 11 September 2015) formalising the deferral ot the Effective date by one year to 2018	Periods beginning on or after Junary 1, 2018
IFRS 14 regulatory deferral accounts (issued on 30 January 2014)	Periods beginning on or after Junary 1, 2016
Arrendments to IFRS 10 ant IAS 28: sale or contribution of assets between on Investor and ist associate or joint venture (issued on 11 September 2014)	To be defined
Arrendments to IFRS 10 , IFRS 12 and IAS 28: investment entities: applying the consolidation exception (issued on 18 December 2014)	Periods beginning on or after Junary 1, 2016
IFRS 16 Leases (issued 13 Jabyary 2016)	Periods beginning on or after Junary 1, 2019
Arrendments to IAS 12: Recognition of Deferred Tax Assets for Unrealised Losses (issued on 19 January 2016)	Periods beginning on or after Junary 1, 2017

The IASB finished the draft of the accounting standard on financial instruments and issued the complete version of IFRS 9 “Financial Instruments”. The new rules under the standard:

(i) amend the classification and measurement model for financial assets; (ii) introduce the concept of expected credit losses amongst the variables to be considered in the valuation and write-down of financial assets; (iii) amend regulations on hedge accounting. The amendments take effect for reporting periods starting on or after 1 January 2018.

IFRS 15 “Revenue from Contracts with Customers” requires companies to recognise revenue at the moment control of the goods or services is transferred to customers at the amount of payment that would be expected in exchange for such goods or services. The new standard introduces a method following five steps to analyse transactions and to define recognition of revenues according to their timing and amount. One of the probable impacts of applying the new standard will be on the different timing for recognising revenue (in advance or deferred), as well as the application of different methods (for instance, recognition of revenue over time in place of spot recognition or vice versa). The new standard also requires additional information on the nature, amount, timing and uncertainty of revenue and cash flows deriving from contracts with customers. As defined in an amendment to the standard issued on 11 September 2015, the amendment is applicable for periods beginning on or after 1 January 2018. Early adoption is allowed.

IFRS 14 “Regulatory Deferral Accounts” concern rate regulated activities, i.e., segments subject to prices through regulations.

With amendments to IFRS 10 “Consolidated Financial Statements” and to IAS 28 “Investments in Associates and Joint Ventures”, IASB resolved a conflict between these two standards concerning the accounting treatment applied in cases when an entity sells or transfers a controlled entity to another entity over which it exercises joint control (joint ventures) or significant influence (“associated entities”).

The document “Investment entities: applying the consolidation exception (amendments to IFRS 10, IFRS 12 and IAS 28)”, clarifies certain aspects of investment entities.

With the new standard IFRS 16 “Leases”, IASB replaced the accounting rules under IAS 17, which were no longer suitable to represent leasing in the current economic context.

The new accounting standard requires that all leasing contracts should be recognised in the balance sheet as assets and liabilities whether they are “finance” or “operating”.

5Amendments to IAS 12: recognition of deferred tax assets for unrealised losses" clarifies how to account for deferred tax assets related to debt instruments measured at fair value.

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 associated companies, 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 shareholders' equity for the period, not including the profit or loss for the period. The share of shareholders' 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 associated companies 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 associated companies 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 shareholders' 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 shareholders' 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 31 December 2015 were as follows:

Exchange rate	EUR/GTQ	EURO/MXN	EURO/PEN	EURO/USD	EURO/BRL	EURO/HKD	EURO/CNY
31/12/2015	8.3105	18.9145	3.7083	1.0887	4.3117	8.4376	7.0608
Year average 2015	8.4968	17.5995	3.5311	1.1096	3.6916	8.6023	6.9730

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 shareholders' equity its value is not redetermined and its subsequent regulation is accounted for under shareholders' 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 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 applying the current rate for the 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 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 2014.

The financial statements were prepared in accordance with IFRS. 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").

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

The Group's financial statements are presented in Euros, the Group's functional 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 the 2015 within the Group were changes in the organization, consequently the disclosure of industry reported below has been modified to reflect this organizational change; in particular from business previously identified as "Industry and Aerospace" we were separated activities related to the market share of the defense and aerospace business by merging the area of Public Administration.

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

In the 2015 within the Group were changes in the organization, consequently the disclosure of industry reported below has been modified to reflect this organizational change; in particular from business previously identified as "Industry and Aerospace" we were separated activities related to the market share of the defense and aerospace business by merging the area of Public Administration.

The previously identified areas of business, respectively, as "Energy" and "Utilities" have been renamed to better reflect the corresponding market sector "Oil & Gas" and "Energy & Utilities".

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 2015	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	3,223				3,223
Investments in other companies		896			896
Total no current assets	**3,223**	**896**	**0**	**0**	**4,119**
Current assets					
Trade receivables	68,700				68,700
Other financial assets				502	502
Cash	7,044				7,044
Total Current assets	**75,744**	**0**	**0**	**502**	76,246
TOTAL	**78,967**	**896**	**0**	**502**	**80,365**

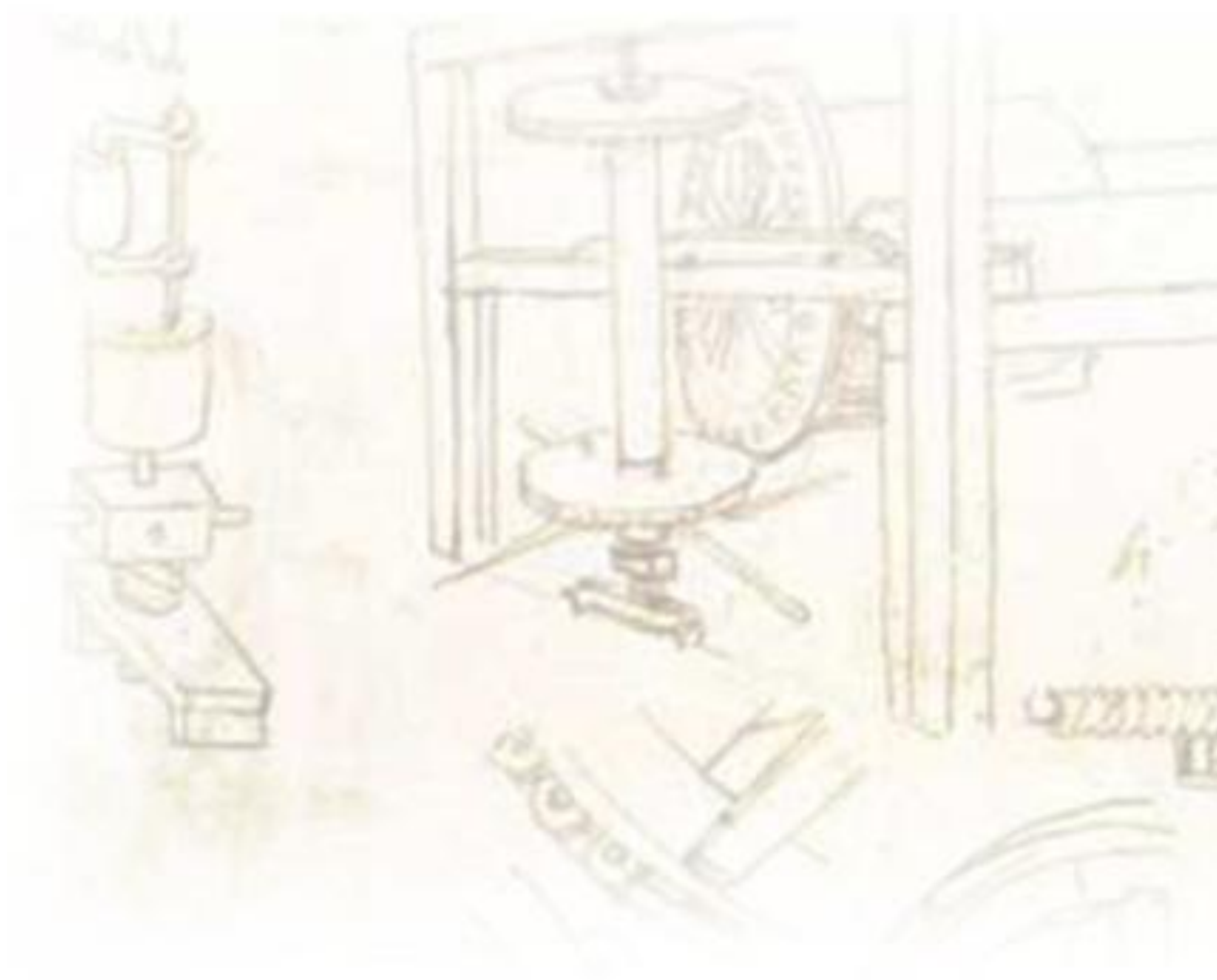
LIABILITIES 'FINANCIAL IN December 31, 2015	Loans and borrowings "amortized cost"	Investments held to maturity "amortized cost"	Derivatives "financial liabilities designated at FV through profit or	Securities available for sale "fair value level 2"	Total
In thousands of Euro					
Non Current liabilities					
Bond	3,312				3,312
Due to banks	6,111				6,111
Other financial liabilities	518				518
Total Non Current liabilities	**9,941**	**0**	**0**	**0**	**9,941**
Current liabilities					
Trade payables and advances	19,862				19,862
Other financial liabilities	7,968				7,968
Due to banks	35,879				35,879
Bond	1,007				1,007
Total Current liabilities	**64,716**	**0**	**0**	**0**	**64,716**
TOTAL	**74,657**	**0**	**0**	**0**	**74,657**

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 2015 include the equity, economic and financial position of the Holding Company Exprivia S.p.A. and subsidiaries. There are changes compared to 31 December 2014 due to the incorporation of Sucursal Ecuador de Exprivia SLU and to the purchase of minority interests in ProSap Group (ProSap SLU 48.88%, ProSap SA de CV 2% and ProSap Centroamerica 2%).

The table below shows the companies under consolidation; the investments shown below are all controlled 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 and Sucursal Ecuador de Exprivia SLU, controlled 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 SLU	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
Brand Ecuador de Exprivia SLU	International Area
Exprivia Enterprise Consulting Srl	Industry & Aerospace
Exprivia Digital Financial Solutions Srl	Banks and Finance
Spegea Scarl	Other

The table below provides a summary of the main data on the aforementioned subsidiaries consolidated using the line-by-line method (as at 31 December 2015).

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	(3,837)	16,163		16,762	100.00%
Expriva SLU	Madrid (Spagna)/Ecuador	8,250	144,331	1,792,094	1,616,974	4,605,391	100.00%
Gruppo Exprivia Asia	Hong Kong	57,519	(300,179)	(244,978)	983,476	509,290	100.00%
Exprivia Enterprise Consulting Srl	Milano	1,500,000	(47,628)	1,480,248	9,203,520	7,711,714	100.00%
Exprivia Healthcare IT Srl	Trento	1,982,190	348,134	10,601,070	23,149,331	32,375,856	100.00%
Exprivia Do Brasil Servicos Ltda	Rio de Janeiro (Brasile)	1,366,204	190,190	1,460,697	1,316,967	1,679,467	52.22%
Exprivia Projects Srl	Roma	242,000	433,247	599,730	6,957,069	2,261,362	100.00%
Exprivia Telco & Media Srl	Milano	1,200,000	376,377	1,216,161	20,191,777	14,713,668	100.00%
Gruppo ProSap	Madrid (Spagna)/Città del Messico/Città del Guatemala/ Perù/Delaware/New York	197,904	(777,892)	(924,449)	6,634,896	4,163,899	100.00%
Exprivia Digital Financial Solution Srl	Milano	1,586,919	2,872,481	13,228,652	26,193,684	22,836,745	100.00%
Spegea Sc a rl	Bari	125,000	(21,639)	242,792	1,628,113	1,046,187	60.00%

Explanatory notes on the Consolidated Balance Sheet

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 13,796,812 as at 31 December 2015 compared to Euro 14,703,101 at 31 December 2014.

Categories	Historical cost 01/01/15	Inc.	Dec.	Historical cost at 31/12/15	Reserve prov. at 01/01/15	Provision for period	Dec.	Cum. prov. 31/12/15	Net value at 31/12/15
Land	540,754	-	-	540,754	-	-	-	-	540,754
Buildings	13,311,859	150,488	(8,034)	13,454,314	(2,586,003)	(429,291)	1,769	(3,013,525)	10,440,789
Others	18,155,387	885,571	(352,381)	18,688,578	(14,718,900)	(1,490,251)	335,841	(15,873,309)	2,815,269
TOTAL	**32,008,000**	**1,036,060**	**(360,415)**	**32,683,645**	**(17,304,903)**	**(1,919,542)**	**337,610**	**(18,886,834)**	**13,796,812**

The increase in the item **"buildings"**, of Euro 150,488, is related to the residual investment for the construction of the Molfetta building in Via Giovanni Agnelli.

The increase in the item "**others**", equal to Euro 885,571, is mainly due to the purchases of electronic office equipment (Euro 282,842), furniture and furnishings (Euro 57,324), mobile telephony (Euro 343,980), various equipment (Euro 57,545) and leased assets (Euro 139,303).

The net book value of leased assets came to Euro 652,797 and relates to electronic office equipment (Euro 140,349), furniture and furnishings (Euro 490,552), vehicles (Euro 20,184) and telephone systems (Euro 1,712). It should also be noted that minimum future payments within one-year amount to Euro 230,023, while those due in one to five years amount to Euro 109,273.

2 - GOODWILL AND OTHER ASSETS WITH AN INDEFINITE USEFUL LIFE

The item **"goodwill and other assets with an indefinite useful life" amounted** to Euro 67,118,492 at 31 December 2015 compared to Euro 67,263,482 at 31 December 2014.

Descriptions	Value at 01/01/2015	Other variations	Value at 31/12/2015
GOODWILL	67,263,482	(144,990)	67,118,492
TOTAL	**67,263,482**	**(144,990)**	**67,118,492**

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.

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 previously allocated to the CGU Prosap and the CGU Exprivia SL was reallocated following the criteria described above to the CGUs in Spain and CGU Latinueo America to reflect the effects of the reorganisation underway following the merger between Exprivia SLU and Prosap SLU.

The table below summarises allocation of goodwill to CGUs identified:

GOODWILL	Value at 31/12/2015	Allocation CGU OIL & GAS	ENERGY & UTILITIES	DEFENCE, AEROSPACE AND PUBLIC ADMINISTRATION	INDUSTRY	BANKS, FINANCE AND INSURANCE	HEALTHCARE	ENERGY	SPAIN	MEXICO AND GUATEMALA	EXPRIVIA DO BRASIL
DIFFERENCE MERGER ETA BETA	3,040,710					3,040,710					
DIFFERENCE MERGER AIS MEDICAL	3,910,559						3,910,559				
GOODWILL BRANCH OF AURORA	1,406,955						1,406,955				
GOODWILL EX WELNETWORK	3,571,424	3,571,424									
GOODWILL BRANCH OF EX ODX AND EX EXPRIVIA SOLUTIONS	58,886			58,886							
GOODWILL BRANCH COMPANY AIS PS	1,767,656	246,332	517,491	118,585	339,858	545,389					
GODWILL ABACO INFORMATION SERVICES SRL AND AISOFTWARE SPA	15,058,971	2,098,548	4,408,597	1,010,250	2,895,312	4,646,264					
GOODWILL BRANCH OF KSTONES	517,714	72,146	151,564	34,731	99,539	159,734					
GOODWILL EXPRIVIA HEALTHCARE IT SRL (EX GST SRL)	304,577						304,577				
GOODWILL EXPRIVIA HEALTHCARE IT SRL (EX SVIMSERVICE SPA)	22,309,268						22,309,268				
GOODWILL EXPRIVIA ENTERPRISE CONSULTING SRL (EX WELNETWORK SPA)	7,970,984	7,970,984									
GOODWILL EXPRIVIA ENTERPRISE CONSULTING SRL (EX DATILOG SRL)	89,600				89,600						
GOODWILL PROSAP	694,309								410,337	283,972	
GOODWILL EXPRIVIA ENTERPRISE CONSULTING SRL (EX REALTECH SRL)	740,380	133,268	177,691		370,190	37,019	22,211				
GOODWILL EXPRIVIA DIGITAL FINANCIAL SOLUTION SRL (EX SISPA SRL)	3,251,885					3,251,885					
GOODWILL EXPRIVIA DO BRASIL	338,688										338,688
GOODWILL EX EXPRIVIA SOLUTIONS SRL	751,426			751,426							
GOODWILL EXPRIVIA PROJECTS SRL	1,334,500							1,334,500			
TOTAL	**67,118,492**	**14,092,702**	**5,255,343**	**1,973,879**	**3,794,499**	**11,681,001**	**27,953,570**	**1,334,500**	**410,337**	**283,972**	**338,688**

The CGU Energy refers to the operating segment Energy & Utilities, whereas the CGUs in Spain, Mexico, Guatemala and Exprivia Do Brasil refer to the International Division.

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 7.5% and was determined using the following parameters:

- Cost of KE risk capital equal to 8,1% calculated according to:
    - risk-free rate of 1,7% equal to the average rate in 2015 of ten-year BTP with implicit country risk (source: Treasury Department Ministry of the Economy and Finance “Primary Interest Rates”)
    - sector-based beta coefficient equal to 0.8 cleared from financial risk (beta unlevered equal to 0.69) (source: Bloomberg)
    - 5.5% premium for market risk (source: Bloomberg)
    - Small Size Premium 2%

- Cost of debt pre-tax equal to 5%

- Debt/equity ratio equal to 0.15 as target value for sector (source: Bloomberg)

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 2016-2020, in accordance with the business plan. The assumptions underlying the adopted scenarios and flows achieved for each CGU were submitted to the Board of Directors for approval prior to approving the impairment test.

The main assumptions underlying the 2016-2020 financial forecasts are listed below:

- for 2016 the projections reflect budget data from the year
- for 2017-2018 the projections reflect a 5% growth rate, with consolidation of profit margins obtained by streamlining external costs for 2% and streamlining personnel costs so as to absorb the increase in personnel costs estimated at being 2% per year
- for the last 2 years (2019-2020) the projections reflect a 10% growth rate, with consolidation of profit margins obtained by streamlining external costs for 1 % and streamlining personnel costs so as to absorb the increase in personnel costs estimated at being 2% per year

The end value was calculated as the current value of perpetual performance obtained capitalising the cash flow generated in the last analytical forecast period at a 1.5% G growth factor.

Sensitivity Analysis

A sensitivity analysis was carried out on the outcome of impairment tests assuming the following changes:

- A 0.5% increase in the weighted average cost of capital, from 7.5% to 8%;
- A decrease in the growth rate "G" from 1,5% to 1%;

The sensitivity analysis shows that the values used are higher than the book values.

Conclusions

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 4,190,565 at 31 December 2015 (net of amortisation) compared to Euro 5,003,977 at 31 December 2014.

The table below provides a summary of the item.

Categories	Historic cost 01/01/15	Increases at 31/12/15	Dec. al 31/12/15	Total historic cost at 31/12/15	Deprec. fund at 01/01/15	Deprec. quota for period	Decrementi	Cumulated deprec. 31/12/15	Net value at 31/12/15
Cost of plant and extension	5,720,339	265,767	(249,297)	5,736,808	(4,369,052)	(792,911)	245,707	(4,916,256)	820,552
Development of advertising	7,538,367	2,107,754	(48,001)	9,598,120	(4,662,304)	(1,565,803)	-	(6,228,107)	3,370,013
Assets under constr. & payment on a/c	776,627	-	(776,627)	(0)	-	-	-	-	(0)
TOTAL	**14,035,332**	**2,373,521**	**(1,073,925)**	**15,334,928**	**(9,031,356)**	**(2,358,714)**	**245,707**	**(11,144,363)**	**4,190,565**

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.

It should be noted that the item **"work in progress"** was reclassified under the item "costs for capitalised internal projects" as a result of the entry into production of the relative projects.

4 - EQUITY INVESTMENTS

The item **"equity investments"** at 31 December 2015 amounted to Euro 896,195 compared to Euro 893,352 at 31 December 2014 and refer to investments in other companies.

The table below provides details on the items:

Description	31/12/2015	31/12/2014	Variation
Ultimo Miglio Sanitario	2,500	2,500	0
Certia	0	516	(516)
Conai	9	9	0
Finapi	0	775	(775)
Cered Software	0	104	(104)
Società Consortile Piano del Cavaliere	516	516	0
Consorzio Pugliatech	2,000	2,000	0
Iqs New Srl	0	1,291	(1,291)
Consorzio Conca Barese	2,000	2,000	0
Software Engineering Research	12,000	12,000	0
Advanced Computer Systems	740,816	740,816	0
Consorzio Biogene	3,000	3,000	0
Consorzio DARe	1,000	1,000	0
Consorzio DHITECH	17,000	17,000	0
H.BIO Puglia	12,000	12,000	0
Consorizio Italy Care	10,000	10,000	0
Consorzio DITNE	5,583	5,564	19
Consorzio Daisy-Net Partecipation	13,939	13,939	0
Cattolica Popolare Soc. Cooperativa	23,491	23,491	0
Banca di Credito Cooperativo	2,461	2,461	0
Partecipazione Consorzio SILAB-Daisy	7,347	1,837	5,510
ENFAPI CONFIND Partecipation	1,033	1,033	0
Partecipazione Consorzio GLOCAL ENABLER	2,000	2,000	0
Consorzio Heath Innovation HUB	3,000	3,000	0
Cefriel Scarl	33,000	33,000	0
Consorzio Semantic Valley	1,500	1,500	0
TOTAL	**896,195**	**893,352**	**2,843**

In November 2015 Exprivia SpA stipulated a preliminary agreement for acquiring control of ACS SpA. Since certain conditions precedent to acquisition of control have not taken place, it has not yet been concluded.

The Group also holds a share in Selp SpA (in liquidation), whose book value was brought to zero.

Interests in Associates

The Group also holds a 32.8% share in Fallimento Mindmotion Srl (in liquidation), whose book value was brought to zero.

5 - OTHER FINANCIAL ASSETS

Receivables from Parent Companies

The balance of **"receivables from parent companies"** as at 31 December 2015 amounted to Euro 1,305,338 and refers to the amount owed to the holding company Exprivia by its parent company Abaco Innovazione SpA, which was reclassified under non-current assets, with respect to the figure at 31 December 2014, as payment is scheduled for collection in 2017.

Other Receivables

At 31 December 2015 the item **"other receivables"** amounted to Euro 201,199 compared to Euro 229,874 at 31 December 2014. The change is shown in the table below.

Description	31/12/2015	31/12/2014	Variation
Long term deposit	201,199	229,646	(28,447)
Financial recivables	-	228	(228)
TOTAL	**201,199**	**229,874**	**(28,676)**

6 - NON-CURRENT TAX RECEIVABLES

The balance of the item **"tax receivables"** as at 31 December 2015 amounted to Euro 1,716,806 compared to Euro 1,484,874 as at 31 December 2014 and amounts required for the refund application relating to the deductibility of the IRAP tax calculated on staff costs, which generated a recovery of IRES tax. 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"**.

Description	31/12/2015	31/12/2014	Variation
Tax credits	1,716,806	1,484,874	231,932
TOTAL	**1,716,806**	**1,484,874**	**231,931**

7 - PREPAID TAXES

The item "**prepaid taxes**" amounted to Euro 1,839,961 compared to Euro 2,087,973 as at 31 December 2014, and refers to taxes on temporary changes that are deductible or that will be future tax benefits. Prepaid taxes are stated in the financial statements if there is reasonable certainty 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	31/12/2015		31/12/2014	
	Amount temporary differ	tax effect	Amount temporary differ	tax effect
	89,106	21,385	24,911	6,851
Goodwill	86,960	11,660	1,212,572	375,027
Fair value of derivative	-	-	20,190	5,552
Allowance for doubtful accounts	2,709,980	651,175	1,431,052	398,154
Fund risks	972,540	275,606	1,991,029	595,024
Wip	313,273	101,250	-	-
Tax losses	2,918,360	742,036	2,596,739	673,575
Adjustments for IFRS	131,627	34,629	122,874	33,790
several	9,241	2,219	-	-
TOTAL	**7,231,087**	**1,839,961**	**7,399,366**	**2,087,973**

CURRENT ASSETS

8 - TRADE RECEIVABLES AND OTHERS

Trade Receivables

At 31 December 2015 the item **"trade receivables"** amounted to Euro 58,097,533 (net of the bad debts provision) compared to Euro 62,325,125 at 31 December 2014.

The following table provides details on the item as well as a comparison with 31 December 2014.

Description	31/12/2015	31/12/2014	Variation
To Italian customers	44,794,875	46,432,806	(1,637,932)
To foreign customers	8,551,394	8,363,303	188,092
To public bodies	8,401,284	11,091,487	(2,690,204)
S-total receivables to customers	**61,747,553**	**65,887,597**	**(4,140,044)**
Less: provision for bad debts	(3,650,020)	(3,562,472)	(87,548)
Total receivables to customers	**58,097,534**	**62,325,125**	**(4,227,592)**

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

Details	31/12/2015	31/12/2014	Variation
To third parties	53,920,833	56,492,357	(2,571,524)
Invoices for issue to third parties	7,826,720	9,395,240	(1,568,520)
TOTAL	**61,747,553**	**65,887,597**	**(4,140,043)**

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 until the close of the period and which will be invoiced in the following months.

The table below provides details on trade 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
53,920,833	34,832,921	19,087,912	2,783,794	1,926,304	1,061,889	1,165,977	1,188,858	2,132,474	868,515	7,960,101
100.0%	65%	35%	5%	4%	2%	2%	2%	4%	2%	15%

Receivables from Parent Companies

The balance of **"receivables from parent companies"** at 31 December 2015 was reclassified under "receivables from parent companies" in non-current assets, as described under note 5.

Other Receivables

At 31 December 2015 the item **"other receivables"** amounted to Euro 7,947,205 compared to Euro 12,246,976 at 31 December 2014.

The table below shows movements that occurred.

Description	31/12/2015	31/12/2014	Variation
Receivables for contrib.	3,109,529	5,954,194	(2,844,665)
Receivables to s/holders for holdings/spin-offs	19,109	19,109	-
Advances to suppliers for services	457,363	282,693	174,670
Sundry credits	204,201	191,213	12,988
Receivables to factoring	870,113	729,285	140,829
Receivables to welfare institutes/INAIL	69,271	585,675	(516,404)
Receivables to employees	79,963	83,625	(3,662)
Guaranteed securities	28,250	81,378	(53,128)
Costs in future years expertise	3,109,405	4,319,805	(1,210,400)
TOTAL	**7,947,205**	**12,246,976**	**(4,299,771)**

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.

In 2015, the method for determining an estimate of these provisions for risks was reviewed on the basis of the historical information available. The variation determined, in 2015, a benefit in the income statement, recorded under the item "grants" for around Euro 350 thousand.

The change in the item **"receivables from pension institutions/INAIL"** is mainly due to the reclassification of INAIL payments on account to INAIL following the self-payment in 2015.

The item **"expenses pertaining to future financial years"** for euro 3,109,405 mainly refers to maintenance costs for future reporting periods.

Tax Receivables

At 31 December 2015 the item **"tax receivables"** amounted to Euro 2,655,240 compared to Euro 2,137,941 at 31 December 2014. The table below provides a breakdown:

Description	31/12/2015	31/12/2014	Variation
Receivables to tax a/c - IRES	457,670	369,940	87,730
Receivables to tax a/c - IRAP	753,206	2,085	751,121
Tax authority w/holding taxes on interest income	1,482	958	524
Tax authority deductions on foreign payments	189,317	197,948	(8,632)
Credits to tax authority for VAT	218,503	168,076	50,427
Credits with tax authority	1,035,062	1,360,765	(325,703)
Advanced Tax Credits	0	38,170	(38,170)
TOTAL	**2,655,240**	**2,137,941**	**517,297**

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". The item shows the refunds for the years 2007 and 2008.

9 - INVENTORIES

"Inventories" amounted to Euro 269,325 at 31 December 2015 compared to Euro 143,126 as at 31 December 2014 and refer to software and hardware purchased and destined to be resold in future periods.

10 – CONTRACT WORK IN PROGRESS

"Contract Work in progress" amounted to Euro 11,228,568 at 31 December 2015 compared to Euro 11,426,026 as at 31 December 2014 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	31/12/2015	31/12/2014	Variation
Banks, Finance and Insurance	83,549	200,658	(117,109)
Industry	1,223,483	868,213	355,270
Oil & Gas	663,951	715,150	(51,199)
Health and Heatlhcare	4,729,934	5,174,655	(444,721)
Energy & Utilities	2,409,798	1,912,907	496,891
Defence, Aerospace and Public Administration	1,440,348	1,320,981	119,367
International aerea	494,275	617,151	(122,876)
Other	183,230	616,311	(433,081)
TOTALI	**11,228,568**	**11,426,026**	**(197,458)**

11 - CASH AT BANK AND ON HAND

The item "**cash at bank and on hand**" amounted to Euro 7,044,010 at 31 December 2015 compared to Euro 12,108,599 at 31 December 2014 and refers to Euro 7,005,422 held at banks and Euro 38,588 in cheques and cash in hand.

The bank balance includes secured deposits for guarantees (Euro 403 thousand) given to two banks and Euro 204,000 for a bond loan issued by Exprivia Healthcare IT Srl.

12 - OTHER FINANCIAL ASSETS AVAILABLE FOR SALE

The item **"other financial assets"** amounted to Euro 501,561 at 31 December 2015 compared to Euro 349,740 as at 31 December 2014. The latter balance included the financial instruments issued by Banca Popolare di Bari, more specifically: (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.

In June 2015, Exprivia participated in the subscription of the second share capital increase of Banca Popolare di Bari; more specifically, it subscribed: (i) 10,033 new securities issued by the same bank for Euro 8.95 each, of which Euro 3.95 as a share premium, for a total investment of Euro 89,795.35 and (ii) 10,033 bonds "Banca Popolare di Bari 6.50% 2014/2021 subordinate Tier II" for Euro 6 each, amounting to a total investment of Euro 62,025.44.

These financial instruments were booked at fair value (level 2).

13 - SHAREHOLDERS' EQUITY

13 - SHARE CAPITAL

"Share Capital", fully paid up, amounted to Euro 25,754,016 compared to Euro 26,410,269 at 31 December 2014 and is represented by 51,883,958 ordinary shares at a nominal value of euro 0.52 each for a total of Euro 26,797,658, net of 2,357,005 own shares held at 30 September 2015 for a value of Euro 1,225,642.

13 - SHARE PREMIUM RESERVE

At 31 December 2015 the **“share premium reserve”** amounted to euro 18,081,738 and is the same as 31 December 2014.

13 - REVALUATION RESERVE

At 31 December 2015 the **“revaluation reserve”** amounted to euro 2,907,138 and is the same as 31 December 2014.

13 - LEGAL RESERVE

The **“legal reserve”** amounted to euro 3,709,496, which rose by euro 147,826 compared to 31 December 2014 after allocation of Exprivia SpA profit from the previous year, as resolved by the shareholders’ meeting of 23 April 2015.

13 - OTHER RESERVES

The balance of the item **“other reserves”** amounted to euro 17,201,619 at 31 December 2015 compared to euro 16,712,971 at 31 December 2014 and pertains to:

- Euro 9,348,170 for the **“extraordinary reserve”** which rose by euro 4,355,940 compared to 31 December 2014, due to both the allocation of 2014 profit (euro 1,355,940) as resolved by the shareholders’ meeting of Exprivia SpA on 23 April 2015 due to the effect of the partial release of the "Provision for investments in the Regione Puglia Programme Agreement” (euro 3,000,000);
- Euro 4,904,776 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” (project S.D.I.) and decreased by Euro 3,000,000 with respect to 31 December 2014, as a result of the release of the provision reclassified under "extraordinary reserve";
- 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 2014;

- Euro -897.451 "**other reserves**" compared to Euro -30,160 in 2014. The movements in 2015 (Euro -867,291) refer:
    - to the effect of the application of IAS 19 with the associated recognition in the statement of comprehensive income of actuarial gains net of the tax effect of Euro 131,331;
    - to the effect of the premium paid to purchase treasury shares amounting to Euro -349,879.
    - to the effect of the currency translation reserve, which changed by Euro -648,744, posted in the comprehensive income statement.

13 - PROFIT/LOSS FROM PREVIOUS PERIODS

As at 31 December 2015 the **retained profit(loss)** reserve amounted to Euro 1,945,640 compared to Euro 2,014,991 as at 31 December 2014. The reduction is due to the effects produced by the acquisition of minority shares in the Prosap Group (Euro 149,999), net of the effect of allocating profit from the previous year, in part distributed as dividends.

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

DESCRIPTION	Result to 31/12/2014	Net Worth at 31/12/2014	Result for period to 30/06/2015	Net Worth at 30/06/2015
Exprivia S.p.A.	**2,956,516**	**70,388,536**	**4,437,726**	**72,458,498**
Contribution of subsidiaries	2,463,275	30,050,333	3,593,819	29,581,738
Depreciation and cover for losses of subsidiaries		(64,687,993)		(64,996,417)
Elimination capital gain divestment of Exprivia Projects branch/Elimination Svimservice dividends		37,272,337		37,163,196
Elimination intercompany licence purchases/Elimination WelNetwork dividends	(2,637,263)		(2,933,567)	
Elimination capital gain divestment AIS Professional branch	(72,101)	93,730	(120,136)	103,798
Variation in consolidation of companies	326,736	(391,003)	(380,234)	(113,557)
Contribution of third parties to net worth	464,197	(959,836)	(82,217)	(795,038)
TOTAL GROUP NET WORTH	**3,501,360**	**71,766,104**	**4,515,391**	**73,402,218**

NON-CURRENT LIABILITIES

14 - BOND ISSUES

As at 31 December 2015 the balance amounted to Euro 3,311,748 compared to Euro 4,272,794 at 31 December 2014 and relates to 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*.

15 - NON-CURRENT PAYABLES TO BANKS

At 31 December 2015 the item **"non-current payables to banks"** amounted to Euro 6,111,016 compared to Euro 7,265,127 at 31 December 2014, 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 items and breaks down the non-current portion (Euro 6,111,016) and the current portion (Euro 13,774,296) of the payable.

Financial Institute	Typology	Contract amount	Amount paid 31.12.2015	Date contract	Expiration date	Repayment installment	Rate applied	Residual capital 31.12.2015	To be repaid within 12 months	To be repaid over 12 months
Ministero dello Sviluppo Economico	Financing	2,019,162	2,019,162	27/12/09	27/02/19	annual	0.87%	919,955	227,009	692,946
Monte dei Paschi di Siena	Financing	5,000,000	5,000,000	04/05/10	10/05/17	montly	Euribor + 2.50%	1,202,554	844,081	358,473
Banco Napoli	Financing	2,000,000	2,000,000	20/05/11	20/05/16	montly	Euribor + 3.70%	182,392	182,392	-
Intesa San Paolo	Financing	1,000,000	1,000,000	17/06/15	17/06/16	montly	Euribor + 2.00%	502,424	502,424	-
Intesa San Paolo	Financing	1,000,000	1,000,000	18/12/15	18/12/16	montly	Euribor + 1.688%	993,601	993,601	-
IBM Italia Servizi Finanziari	Financing	306,856	306,856	01/05/12	01/02/17	quarterly	9.66%	88,375	69,876	18,499
ICCREA Banca Impresa	Financing	1,020,000	1,020,000	18/07/13	30/09/18	quarterly	Euribor + 3.80%	586,325	205,731	380,594
ICCREA Banca Impresa	Financing	2,500,000	2,500,000	30/12/15	30/03/17	quarterly	Euribor + 3.90%	2,500,000	1,990,159	509,841
Simest	Financing	1,955,000	1,198,063	19/04/13	19/04/20	semi-annual	0.5%	1,078,257	239,613	838,644
Banca del Mezzogiorno	Financing	3,000,000	3,000,000	04/06/14	31/03/24	quarterly	Euribor + 4.80%	2,624,540	265,446	2,359,094
Banca Carime	Financing	2,000,000	2,000,000	07/11/14	07/05/16	montly	Euribor + 3.80%	567,227	567,227	-
Banca Popolare di Milano	Financing	3,000,000	3,000,000	11/11/15	31/05/16	montly	Euribor + 2.75%	2,499,593	2,499,593	-
Deutsche	Financing	1,000,000	1,000,000	07/08/14	04/02/16	montly	Euribor + 2.20%	111,111	111,111	-
Unicredit	Financing	2,740,000	2,740,000	15/12/15	30/12/16	montly	Euribor + 4.50%	2,732,354	2,732,354	-
Credem	Financing	1,000,000	1,000,000	14/09/15	31/10/16	quarterly	Euribor + 1.50% *	1,000,000	1,000,000	-
Ubi banca	Financing	2,025,228	2,025,228	28/12/04	05/08/16	annual	0.79%	256,832	256,832	
Banca Popolare di Bari	Financing	500,000	500,000	04/12/14	31/12/19	quarterly	Euribor + 1.50% *	404,825	97,455	307,370
Credem	Financing	300,000	300,000	14/09/15	25/07/16	quarterly	Euribor + 1.50% *	300,000	300,000	
Banco Popular	Financing	100,000	100,000	25/04/12	10/05/19	montly	Euribor + 1.70%	53,461	13,931	39,530
Banco Popular	Financing	300,000	300,000	25/02/15	25/02/20	montly	Euribor + 1.20%	71,148	55,131	16,017
Banco Popular	Financing	60,000	60,000	09/09/14	20/10/17	montly	Euribor + 1.50%	204,672	21,697	182,975
Deutsche	Financing	290,000	290,000	06/10/15	06/10/17	montly	Euribor + 2.00%	289,090		289,090
Banco de Santander	Financing	90,000	90,000	13/02/15	31/12/15	montly	2.32%	82,913	82,913	
Banco de Santander	Financing	200,000	200,000	15/04/15	31/12/15	montly	2.73%	200,000	200,000	
Banco de Santander	Financing	183,000	183,000	08/07/15	31/12/15	montly	3.00%	166,869	166,869	
Banco de Santander	Financing	120,000	120,000	08/07/14	20/07/17	montly	3.527%	63,333	40,000	23,333
Banco de Santander	Financing	130,000	130,000	15/10/15	14/01/16	montly	5.100%	43,333	43,333	-
Banco Popular	Financing	100,000	100,000	20/10/14	20/11/17	montly	4.218%	65,337	33,431	31,906
Banco Popular	Financing	100,000	100,000	26/10/15	26/10/18	montly	4.500%	94,791	32,087	62,704
Totali								*19,885,312*	*13,774,296*	*6,111,016*

Medium-term Loan Agreement

On 30 November 2015 the medium-term loan stipulated on 8 May 2008 by Exprivia for 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 Monte dei Paschi di Siena (formerly Antonveneta S.p.A.).

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

A loan resolved and fully paid for Euro 2,019,162 as at 31/12/2015; it was targeted at financing 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 February 2019 and bears a below-market fixed 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 2015 the remaining debt amounted to Euro 919,955, Euro 227,009 of which should be repaid within twelve months (carried under short-term liabilities) and the remaining Euro 692,946 to be repaid in 2017-2019 (carried under long-term liabilities).

There are no real guarantees for this loan.

Monte dei Paschi di Siena Loan

A loan for Euro 5,000,000 stipulated on 04.05.2010 and provided on 01.06.2010 to be repaid in monthly instalments starting from 10.02.2011 until 10.05.2017.

The interest rate applied is Euribor 3 months + a 2.5% spread.

At 31 December 2015 the debt amounted to Euro 1,202,554, Euro 844,081 of which should be repaid within twelve months (carried under short-term liabilities) and the remaining Euro 358,473 to be repaid in 2017 (carried under long-term liabilities).

There are no real guarantees for this loan.

Banco di Napoli Loan

A loan for Euro 2,000,000 stipulated on 20.05.2011 to be repaid in monthly instalments starting from 20.06.2011 until 20.05.2016.

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

As at 31 December 2015 the remaining debt amounted to Euro 182,392 to be repaid within the next twelve months (and therefore recorded under 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 September 2013 until 30 September 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 2015 the debt amounted to Euro 586,325, Euro 205,731 of which is to be repaid within the next twelve months (and therefore recorded under current liabilities) and the remaining Euro 380,594 to be repaid in 2017-2018 (carried under non-current liabilities).

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

The loan agreement provides financial parameters to be respected for its entire duration. According to figures at 31 December 2015 these have been respected.

Iccrea Banca Impresa Loan

A loan for Euro 2,500,000 stipulated on 30/12/2015 to be repaid in quarterly instalments starting from 30/03/2016 until 30/03/2017.

The interest rate applied is Euribor 3 month + a 3.90% spread.

At 31 December 2015 the debt amounted to Euro 2,500,000, Euro 1,990,159 of which should be repaid within twelve months (carried under short-term liabilities) and the remaining Euro 509,841 to be repaid in 2017 (carried under long-term liabilities).

There are no real guarantees for this loan.

Simest Loan

A loan of Euro 1,955,000 resolved, entered into on 19 April 2013, of which Euro 1,198,063 disbursed on 31/12/2015, 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 2015 the debt amounted to Euro 1,078,257, Euro 239,613 of which is to be repaid within the next twelve months (and therefore recorded under current liabilities) and the remaining Euro 838,644 to be repaid in 2017-2020 (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 2015 the debt amounted to Euro 2,624,540, Euro 265,446 of which is to be repaid within the next twelve months (and therefore recorded under current liabilities) and the remaining Euro 2,359,094 to be repaid in 2017-2024 (carried under non-current liabilities).

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

It should be pointed out that, by contract the entire amount of the next two instalments were secured in a current account at 31 December 2015.

Ubi Banca Low-interest Loan

A loan of Euro 2,025,228 entered into on 28 December 2004 by Svimservice (formerly Exprivia Healthcare IT Srl) and entirely disbursed on 31 December 2015 (balance in January 2014). The purpose of the loan was to fund 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 (0.79% yearly).

This loan was granted under decree no. 127358 of 05/08/2003.

As at 31 December 2015 the remaining debt amounted to Euro 256,832 to be repaid within the next twelve months (and therefore recorded under current liabilities). The loan in question is not supported by real guarantees.

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 31/12/2019.

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

At 31 December 2015 the debt amounted to Euro 404,825, Euro 97,455 of which should be repaid within twelve months (carried under short-term liabilities) and the remaining Euro 307,370 to be repaid in 2017-2020 (carried under long-term 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 2015 and at 31 December 2014.

	Description	31/12/2015	31/12/2014
A.	Cash	38,588	65,964
B.	Other cash and bank on hand	7,005,423	12,042,636
C. 1	Securities held for trading	501,561	349,740
C. 2	Own shares	1,752,277	746,139
D.	**Liquidity (A)+(B)+('C)**	**9,297,849**	**13,204,479**
E.	**Current financial receivables**		**1,019,791**
F.	Current bank loans	(32,751,198)	(26,886,207)
G.	Current portion of non-current	(4,135,647)	(4,977,615)
H.	Other current financial liabilities	(222,735)	(343,819)
I.	**Current financial liabilities (F) + (G) + (H)**	**(37,109,580)**	**(32,207,640)**
J.	**Net current financial debt (I) + (E) + (D)**	**(27,811,731)**	**(17,983,370)**
K.	No current bank loans	(6,111,015)	(7,265,127)
L.	Bonds issued	(3,311,748)	(4,272,794)
M.	Other liabilities no current	(99,572)	(212,404)
N.	Other receivables no current	1,019,791	
O.	**Net no current financial debt (K) + (L) + (M) + (N)**	**(8,502,544)**	**(11,750,325)**
P.	**Net financial position (J) + (O)**	**(36,314,275)**	**(29,733,695)**

Own shares held by the holding company (Euro 1,752,227) are included in the calculation of the net financial position. They were not listed under the opening and closing balance of financial assets in the cash flow statement since the change is shown in a dedicated item.

16 - OTHER FINANCIAL LIABILITIES

As at 31 December 2015 **"other financial liabilities"** totalled Euro 109,273 compared to Euro 228,427. It refers to medium/long term payments relating to contracts for leased assets.

17 - OTHER FINANCIAL LIABILITIES

The item **"tax liabilities after current year"** as at 31 December 2015 amounted to Euro 408,762 compared to Euro 119,161 at 31 December 2014. They mainly refer to the division into medium/long-term instalments of the tax payable for the years 2009-2012 (Euro 367,456), which arose following the tax settlement agreement between the subsidiary Exprivia Healthcare IT Srl and the Inland Revenue Agency. Also see note 39 Taxes.

18 - PROVISION FOR RISKS AND CHARGES

At 31 December 2015 the item **"provision for risks and charges"** amounted to Euro 622,311 compared to Euro 1,384,724 at 31 December 2014. The breakdown is shown in the table below:

Description	31/12/2015	31/12/2014	Variation
Fund risks disputes	100,000	710,000	(610,000)
Risk fund tax dispute		73,453	(73,453)
Risk provisions staff	351,854	287,713	64,141
Provision for other risks	170,457	313,559	(143,102)
TOTAL	**622,311**	**1,384,724**	**(762,413)**

The **provision for dispute risks** amounted to Euro 100,000 and was allocated during the year as a prudent measure to cover any risk of losing pending court cases. In particular, the allocation of Euro 100,000 by Exprivia SpA refers to a pending appeal before the TAR (regional administrative court) against the decision to exclude the RTI (temporary association of companies) with Exprivia as the agent company in addition to six principals, for an alleged tax irregularity by the principals ITS Lab Srl and Postel SpA, which requires the enforcement of the temporary fine of Euro 300,000, Euro 100 thousand of which to be paid by Exprivia for itself and for the principal Exprivia Healthcare IT.

Use of the provision, amounting to Euro 710,000, is mainly for:

- Euro 150,000 for the risk provided for by Exprivia Enterprise Consulting Srl in previous financial years against payment made to Realtech AG for not fulfilling the obligation to maintain the name Realtech Italia until 31 12 2013.
- Euro 560,000 for a settlement reached in the first half of 2015 with reference to a civil dispute which had a negative impact of around Euro 700 thousand on the income statement.

The **"provision for tax dispute risks"** was brought to zero (Euro 65,000) following the tax settlement and payment in relation to the tax assessment report issued by the Inland Revenue Agency of Bari on 27/10/2014 against Exprivia SpA, where certain tax irregularities were found.

Concerning the tax assessments of 2004 and 2005, in relation to the tax assessment report submitted to WELNETWORK SpA (now Exprivia Enterprise Consulting Srl, hereinafter EEC) on 7 December 2007 (hereinafter report 2007), which contested alleged violations of VAT rules, 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 Euro 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 of a new assessment in relation to the report on findings mentioned above referring to 2006. Unlike the previous two notices, this assessment relates solely 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. Concerning the assessment relating to 2006, on 16/04/2015 the company filed an appeal (RG 119/2015). At the hearing the presiding judge suspended the executive effects of the assessment notice and scheduled a hearing on the matter for 14/12/2015. On 15/02/2016 the presiding judge in Piacenza filed decision no. 28/02/2016 against the company. In any case, the decision of the presiding judge, also according to legal opinions from the company's legal consultants, is not grounded, as required by Italian law, on unequivocally adequate supporting evidence (with prerequisites of seriousness, accuracy and consistency) that would prove the company's wilful intent to act as an accomplice to fraud, but it is based on a rough description of the operation without any additional assessments made by the judge that would lead one to agree with the reasoning that brought him to admit the Agency's demand, since the inexistence of the operations does not appear to be adequately supported, whereas the company fully demonstrated that it was not in any way involved in any criminal wrongdoing. This position was confirmed by the fact that a former director of the company under investigation and charged by the court was acquitted for not having committed the offence in question (on request from the prosecutor on 10 February 2012). The same decision no. 28/02/16, which the company filed an appeal against, does not significantly mitigate the conclusions reached by the Provincial Tax Commission of Piacenza in the previous decision no. 55/01/12, which reflects a more reliable account of the operation and supports the arguments that the company acted in good economic sense and in good faith. Furthermore, any tax liabilities deriving from the 2007 assessment report is covered by the indemnity towards the buyer and/or the company undertaken by the seller by virtue of the sales agreement to Exprivia of all shares in Wel.Network as stipulated on 3 August 2007 between the seller and Exprivia. Thus, in light of the above it was deemed appropriate not to change the tax risk assessment with respect to the disputes related to the assessment report and so no risk provisions were allocated.

The **"provision for staff risks"** of Euro 351,854 was adjusted for the current disputes with former employees.

The **"other risks provision"** amounting to Euro 170,457, is mainly for the company Exprivia Telco & Media (Euro 145,110) 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.

19 - 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 9,228,805 as at 31 December 2015 compared with Euro 10,230,522 as at 31 December 2014. 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	31/12/2015	31/12/2014
Discount rate	2.00%	1.50%
Inflation rate	1.50%	1.50%
Annual rate of wage growth	2.50%	3.00%
Annual rate of TFR growth	2.62%	2.62%
Mortality	Tav ISTAT 2011	Tav ISTAT 2011
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.

The calculations take into account the yearly tax that from 1 January 2015 rose to 17% (previously 11%), determining the recognition of a past service cost.

20 - DEFERRED TAX LIABILITIES

The item **"provision for deferred taxes"** amounted to Euro 1,038,852 compared to Euro 991,905 as at 31 December 2014, and refers to allocations for temporary changes considered recoverable in subsequent financial years.

The table below provides details on this item:

Description	31/12/2015		31/12/2014	
	Amount temporary differences	Tax effect	Amount temporary differences	Tax effect
TFR	91,239	25,092	(47,928)	(13,179)
Goodwill	1,377,674	385,105	737,404	231,545
Buildings	2,190,770	627,656	2,290,881	740,412
Provision for bad credit	4,164	999	92,087	25,324
Adjustments for IFRS			25,622	7,803
TOTAL	**3,663,847**	**1,038,852**	**3,098,066**	**991,905**

CURRENT LIABILITIES

21 - BOND ISSUES

As at 31 December 2015 the "**bond issue**" amounted to Euro 1,007,399 compared to Euro 656,902 at 31 December 2014 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 14).

22 - CURRENT BANK DEBT

As at 31 December 2015, the item **"current bank debt"** amounted to Euro 35,879,446 compared to Euro 31,206,922 as at 31 December 2014. Euro 13,774,296 refers to the current amount of loans (previously described under item "non-current bank debt", note 15) and Euro 22,105,150 refers to current account overdrafts at major credit institutions.

23 - TRADE PAYABLES

At 31 December 2011 the item **"trade payables"** amounted to Euro 17,087,806 compared to Euro 22,524,621 at 31 December 2014.

The table below provides details on the changes compared to the previous period:

Description	31/12/2015	31/12/2014	Variation
Invoices received Italy	12,145,207	14,818,113	(2,672,906)
Suppliers of leased assets	223,691	325,837	(102,146)
Invoices received foreing	648,574	2,053,013	(1,404,439)
Invoices to consultants	115,748	41,011	74,737
Invoices to be received	3,954,586	5,286,647	(1,332,061)
TOTAL	**17,087,806**	**22,524,621**	**(5,436,815)**

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

Trade payables	in		days past due							
	expire	due	1 - 30	31- 60	61 - 90	91-120	121-180	181-270	271-365	beyond
13,133,220	8,254,612	4,878,608	1,015,051	1,112,457	504,327	654,662	348,264	249,527	444,229	550,091
100%	63%	37%	8%	8%	4%	5%	3%	2%	3%	4%

24 - ADVANCE PAYMENTS ON CONTRACT WORK IN PROGRESS

Advance Payments

As at 31 December 2015 the item **"advance payments"** amounted to Euro 2,774,376 compared with Euro 4,162,600 as at 31 December 2014 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.

25 - OTHER FINANCIAL LIABILITIES

Amounts Payable to Others

At 31 December 2015 the item **"amounts payable to others"** amounted to Euro 384,214 compared to Euro 2,637,341 at 31 December 2014. The table below provides details on the item:

Description	31/12/2015	31/12/2014	Variation
Derived products		20,190	(20,190)
Payables to others		42,082	(42,082)
Advance for contrib.		2,575,069	(2,575,069)
Payables to factoring	384,214		384,214
TOTAL	**384,214**	**2,637,341**	**(2,253,127)**

It should be pointed out that at 31 December 2015 all contracts related to derivative products were terminated.

Concerning the change in **"advances on projects",** they pertain to the conclusion of certain projects and the classification of project receivables for tax withholdings.

26 - TAX LIABILITIES

The item **"tax liabilities"** amounted to Euro 7,583,444 at 31 December 2015 compared to Euro 15,253,993 as at 31 December 2014. The table below provides details on the item compared to figures from the previous financial year.

Description	31/12/2015	31/12/2014	Variation
Payables to tax authority for VAT	2,743,296	9,602,195	(6,858,899)
Payables to tax authority for IRAP	0	(256,655)	256,655
Payables to tax authority for IRES	1,088,862	1,849,526	(760,664)
Payables to tax authority for IRPEF employees	2,798,872	2,649,594	149,278
Payables to tax authority for IRPEF freelance workers	51,580	28,723	22,858
Payables to tax authority for IRPEF collaborators	35,994	40,845	(4,852)
Payables to tax authority	508,885	74,449	434,436
Payables to tax authority for IRPEF severance fund	46,540	179,342	(132,802)
Payables to tax authority for Regional and Municipal add	8,924	33,120	(24,197)
Payables to tax authority for interest and penalties	300,742	1,052,855	(752,113)
TOTAL	**7,583,444**	**15,253,993**	**(7,670,549)**

27 - OTHER CURRENT LIABILITIES

Amounts Payable to Pension and Social Security Institutions

The item **"social security liabilities"** amounted to Euro 5,480,960 at 31 December 2015 compared to Euro 5,550,781 as at 31 December 2014. The table below provides details on the item compared to figures from the previous financial year.

Description	31/12/2015	31/12/2014	Variation
INPS with contributions	3,411,873	3,506,124	(94,251)
Payables to pension funds	262,600	218,716	43,884
PREVINDAI-FASI-ALDAI-INPDAI-FASDAPI-PREVINDAPI	88,132	137,608	(49,476)
Contributions on accrued holiday pay and year-end bonus	1,726,637	1,683,277	43,360
INAIL with contributions	(8,281)	5,056	(13,338)
TOTAL	**5,480,960**	**5,550,781**	**(69,821)**

Other Payables

As at 31 December 2015, the item **"other payables"** amounted to Euro 13,583,144 compared to Euro 14,650,650 as at 31 December 2014.

The table below shows the changes that occurred in 2015 compared with figures at 31 December 2014:

Description	31/12/2015	31/12/2014	Variation
Directors' pay for settlement	62,451	39,678	22,772
Employees/Collaborators for fees accrued	3,751,320	3,855,181	(103,861)
Debts to purchase shareholdings		942,020	(942,020)
Accrued holidays, festivities, summer & yr-end bonuses	5,540,023	4,879,297	660,726
Sundry payables	677,629	626,785	50,845
Interest and other costs of excercise	387,975	14,714	373,261
Maintenance/services/contributions competence in future years	3,163,746	4,291,476	(1,127,729)
TOTAL	**13,583,144**	**14,650,650**	**(1,067,506)**

Explanatory notes to the consolidated income statement

28 - REVENUE

Revenue from sales and services in 2015 amounted to Euro 139,233,663 compared to Euro 141,958,617 in the same period in 2014.

The table below shows details on revenues, including changes in inventories of raw materials and finished products (Euro 127,199), broken down by business segment relating to 2015 and compared with the figures for the same period in the previous year (figures in thousands of Euro).

Exprivia Group (value in K €)	31.12.2015	31.12.2014	Variations	Variations %
Banks, Financial Istitutions and Insurance	25,606	27,401	-1,795	-7%
Industry	11,689	11,425	264	2%
Oil & Gas	15,725	14,760	965	7%
Telcom and Media	19,307	11,918	7,389	62%
Health and Healthcare	22,018	24,352	-2,334	-10%
Energy and Utilities	21,933	28,183	-6,250	-22%
Defence, Aerospace and Public Administration	11,221	9,471	1,750	18%
International Business	10,439	12,776	-2,337	-18%
Other	1,423	1,363	60	4%
Total	**139,361**	**141,649**	**- 2,288**	**-1.62%**

Details of the revenues relating to 31 December 2015 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 €)	31.12.2015	31.12.2014	Variations	Variations %
Projects and Services	119,182	117,603	1,579	1%
Maintenance	14,244	12,810	1,434	11%
HW/ SW third parties	2,836	7,377	-4,541	-62%
Own licences	1,681	2,497	-816	-33%
Altro	1,418	1,362	56	4%
Total	**139,361**	**141,649**	**- 2,288**	**-1.62%**

For further details, see the section "Trends in Exprivia Group Results" and comments on the "performance of the individual business lines" in the Directors' Report.

29 - OTHER INCOME

Other Revenue and Income

In 2015 "**other revenue and income"** amounted to Euro 1,108,882 compared to Euro 943,591 in the same period of the previous year. The table below provides details on the items.

Description	31/12/2015	31/12/2014	Variation
Contingency assets	0	419,297	(419,297)
Penalty on customer/damages	0	366	(366)
Discounts and rebates from suppliers	377,175		377,175
Other revenue	491,909	272,344	219,565
Pay in lieu of notice	75,030	69,367	5,663
Income from assignment of vehicles to staff	164,368	181,578	(17,210)
capital gains	401	640	(240)
TOTAL	**1,108,882**	**943,591**	**165,291**

The item **"discounts and rebates from suppliers"** refers to the discount for the purchase of mobile phones.

Grants for Operating Expenses

In 2015 **"grants for operating expenses"** amounted to Euro 2,983,870 compared to Euro 3,256,429 in the same period in 2014 and refer to grants and tax breaks pertaining to the period or authorised in the period for funded research and development projects. The grants are carried net of the amount allocated to the risk provision for any minor grants that might not be received.

Costs for Capitalised Internal Projects

In 2015 the item **"costs for capitalised internal projects"** amounted to Euro 1,358,828 compared to Euro 1,395,638 in the same period in 2014 and mainly refers to expenses incurred in the period to develop products for the banking and healthcare segments.

30 – CHANGE IN INVENTORIES OF RAW MATERIALS AND FINISHED PRODUCTS

In 2015 the balance of the item **"change in inventories of raw materials and finished products"** amounted to Euro 127,199 compared to Euro -309,404 in the same period of the previous year. It refers to changes in finished products in the healthcare segment.

31 - RAW MATERIALS, CONSUMABLES AND GOODS

In 2015 the item "**raw materials, consumables and goods"** amounted to Euro 11,199,568 compared to Euro 12,857,487 in the same period of the previous year. The table below provides details on the items:

Description	31/12/2015	31/12/2014	Variation
Purchase of HW-SW products	3,740,804	7,348,803	(3,607,998)
Purchase of HW-SW maintenance	7,002,240	5,054,823	1,947,417
Stationery and consumables	131,675	128,052	3,623
Fuel and oil	204,197	203,991	205
Other costs	116,780	106,497	10,283
Warranty services on our customers activities	3,872	15,321	(11,449)
TOTAL	**11,199,568**	**12,857,487**	**(1,657,919)**

32 - STAFF COSTS

In 2015 the item "**staff costs**" amounted to Euro 90,581,123 compared to Euro 89,813,335 in the same period of 2014. The table below provides details on the item:

Description	31/12/2015	31/12/2014	Variation
Salaries and wages	67,174,479	66,133,667	1,040,812
Social charges	17,568,373	17,971,416	(403,043)
Severance Pay	3,983,347	4,099,076	(115,729)
Other staff costs	1,854,924	1,609,175	245,749
TOTAL	**90,581,123**	**89,813,335**	**767,787**

The number of employees at 31 December 2015 came to 2,083 (of which 2,076 employees and 7 temporary workers) while the Group employed 2,181 staff at 31 December 2014, of which 2,162 employees and 19 temporary workers.

33 - COSTS FOR SERVICES

In 2015 the consolidated balance of the item **"costs for services"** amounted to Euro 21,726,478 compared with Euro 23,296,619 in 2014. The table below provides details on the item:

Description	31/12/2015	31/12/2014	Variation
Technical and commercial consultancy	12,345,429	12,672,858	(327,429)
Administrative/company/legal consultancy	1,605,529	1,501,264	104,265
Data processing service	338,004	393,047	(55,043)
Auditors' fees	148,032	241,894	(93,862)
Travel and transfer expenses	2,417,778	2,149,664	268,114
Other staff costs	218,669	201,877	16,792
Utilities	1,129,771	1,167,143	(37,372)
Advertising and agency expenses	359,244	392,194	(32,951)
HW and SW maintenance	424,775	717,474	(292,699)
Insurance	562,591	620,100	(57,508)
Costs of temporary staff	328,201	1,217,256	(889,054)
Other costs	1,442,800	1,628,969	(186,169)
Mail services	405,654	392,878	12,776
TOTAL	**21,726,478**	**23,296,619**	**(1,570,141)**

The statement below is provided in accordance with art. 149-*duodecies* of CONSOB Issuer Regulations to show amounts paid to the independent auditors in 2015 for audit services and for other services provided by PricewaterhouseCoopers SpA and other entities belonging to its network.

The fees are shown net of the CONSOB contribution and reimbursement for expenses.

Type of service	Party providing the service	Recipient	Fee attributable 2015
Auditing services	PricewaterhouseCoopers	Parent Company	67,000
	PricewaterhouseCoopers	Subsidiaries	102,920
Services other than auditing *	PricewaterhouseCoopers Advisory	Parent Company	15,000
TOTAL			**184,920**

* Services other than auditing concern support provided for internal audits.

34 - COSTS FOR LEASED ASSETS

In 2015 the item "**costs for leased assets"** amounted to Euro 4,216,394 compared to Euro 4,716,850 in the same period of the previous year. The table below provides details on the items:

Description	31/12/2015	31/12/2014	Variation
Rental expenses	1,668,656	1,977,125	(308,470)
Car rental/leasing	1,047,925	1,149,218	(101,292)
Rental of other assets	1,395,740	1,498,131	(102,391)
Royalties	95,281	81,667	13,614
Other costs	8,793	10,709	(1,916)
TOTAL	**4,216,394**	**4,716,850**	**(500,456)**

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

35 - SUNDRY OPERATING EXPENSES

In 2015 the item **"sundry operating expenses"** amounted to Euro 1,511,903 compared to Euro 1,834,165 in 2014. The table below provides details on the item:

Description	31/12/2015	31/12/2014	Variation
Annual subscriptions	128,121	198,099	(69,978)
Books and magazines	7,736	11,925	(4,189)
Taxes	250,454	254,270	(3,817)
Stamp duty	67,864	79,252	(11,388)
Penalties and fines	178,254	215,879	(37,626)
Charitable donations	50,582	30,435	20,147
Contingency liabilities	41,380	100,887	(59,507)
Bank charges and commissions	532,574	431,607	100,967
Write-offs		165,873	(165,873)
Sundry expenses	103,971	307,715	(203,744)
Penalties and damages	150,000	35,000	115,000
Capital losses on disposals	969	3,221.09	(2,252)
TOTAL	**1,511,903**	**1,834,165**	**(322,262)**

36 - PROVISIONS

In 2015 the consolidated balance of the item **"provisions"** amounted to Euro 265,737 compared with Euro 274,376 in 2014.

The table below shows 2015 movements compared with those in 2014.

Description	31/12/2015	31/12/2014	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	184,927	6,521	178,406
Other provisions	80,810	93,140	(12,330)
TOTAL	**265,737**	**274,376**	**(8,639)**

See note 18 for further details.

37 - AMORTISATION, DEPRECIATION AND WRITE-DOWNS

Amortisation and Depreciation

In 2015 **"amortisation and depreciation"** amounted to Euro 4,314,105 compared with Euro 3,925,366 in 2014 and refers to Euro 2,394,563 for intangible assets and Euro 1,919,542 for tangible assets. Details of the aforementioned items are provided in notes 1 and 3.

Write-downs

In 2015 **"write-downs"** totalled Euro 1,003,117 and refer essentially to the write-downs of contract work in progress.

38 - FINANCIAL (INCOME) CHARGES AND OTHER INVESTMENTS

In 2015 the balance of the item **"financial (income) charges and other investments"** amounted to Euro 2,332,328 compared with Euro 2,899,926 in the same period in 2014. The table below provides details on the item.

Description	31/12/2015	31/12/2014	Variation
Proceeds from shareholdings from subsidiaries		(326,737)	326,737
Proceeds from shareholdings from parents	(29,188)	(45,949)	16,761
Income from other investments	(13,105)	(349)	(12,756)
Other income other than the above	(220,245)	(92,632)	(127,613)
Interest and other financial charges	2,666,975	3,320,425	(653,450)
Profit and loss on currency exchange	(72,109)	45,168	(117,277)
TOTAL	**2,332,328**	**2,899,926**	**(567,598)**

Income from Parent Companies

The balance of the item **"income from parent companies"** amounted to Euro 29,188 in 2015 compared to Euro 45,949 in the same period in 2014 and refers to interest accrued to Abaco Innovazione SpA on a loan disbursed by Exprivia SpA.

Income from Other Investments

The balance of the item **"income from other investments"** totalled Euro 13,105 in 2015 compared to Euro 349 in 2014 and refers to dividends received by minority interests.

Other Financial Income

In 2015 the balance of the item **"other financial income"** amounted to Euro 220,245 compared with Euro 92,632 in 2014. The table below provides details on the item:

Description	31/12/2015	31/12/2014	Variation
Bank interest receivable	18,081	4,174	13,907
Revenues from financial derivatives		66,927	(66,927)
Interest income from securities	113,316	25	113,291
Other interest income	87,391	19,675	67,716
Rounding up of assets	1,457	1,831	(374)
TOTAL	**220,245**	**92,632**	**127,613**

Interest and Other Financial Charges

In 2015 the balance of the item "**interest and other financial charges"** amounted to Euro 2,666,975 compared with Euro 3,320,425 in the same period of the previous year. The table below provides details on the items:

Description	31/12/2015	31/12/2014	Variation
Bank interest payable	796,545	1,404,077	(607,532)
Interest on loans and mortgages	866,671	631,844	234,827
Sundry interest	774,189	571,641	202,548
Charges on financial products and sundry items	76,765	360,680	(283,915)
Rounding up/down	212	1,314	(1,102)
Interest cost IAS 19	152,592	350,869	(198,277)
TOTAL	**2,666,975**	**3,320,425**	**(653,450)**

Gains and Losses on Currency Exchange

In 2015 the item **"gains on currency exchange"** amounted to Euro 72,109 compared with Euro 45,168 in 2014 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.

39 - TAXES

In 2015 **"taxes"** amounted to Euro 3,064,081 compared to Euro 3,927,244 in 2014; the table below provides details on the changes compared to the previous period:

Description	31/12/2015	31/12/2014	Variation
IRES	1,650,843	1,868,014	(217,171)
IRAP	724,719	2,656,922	(1,932,203)
Foreing tax	192,281	217,613	(25,332)
Taxes from prior years	220,844	(472,818)	693,662
Defered tax	27,365	4,817	22,548
Deferred tax assets	248,029	(347,304)	595,333
TOTAL	**3,064,081**	**3,927,244**	**(863,162)**

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.

In the first half of 2015 a tax assessment and settlement that started in 2014 was concluded for Exprivia Healthcare IT Srl. Following this event taxes were accounted for pertaining to previous years amounting to about Euro 300 thousand and offset by prepaid taxes for about Euro 100 thousand and by low current taxes for about Euro 200 thousand, as well as interest and fines for about Euro 200 thousand. The total effect of taxes of the different tax periods concerned was zero.

40 - PROFIT (LOSS) FOR THE YEAR

The income statement closed 2015 with a consolidated profit (after tax) of Euro 4,597,608, compared with Euro 3,037,163 in the same period in 2014.

41 - 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. In addition, 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 2015 the basic and diluted earnings per share amounted to euro 0.0904.

Profits (Euro)	31/12/2015
Profits for determining basic earnings per share (Net profit due to shareholders of parent company)	4,515,391
Profit for determining the earnings per basic share	4,515,391

Number of shares	31/12/2015
Number of ordinary shares at 1 January 2014	51,883,958
Purchase of own shares at 31 december 2014	(2,357,005)
Average weighted number ordinary shares for calculation of basic profit	49,972,688

Earnings per share (Euro)	31/12/2015
Profit (loss) per basic share	0.0904
Diluted earnings (loss) per share	0.0904

42 - INFORMATION ON THE CASH FLOW STATEMENT

The group increased its financial debt by Euro 7.6 million due to higher absorption of net working capital for Euro 9.2 million, maintaining an adequate level of investments for Euro 2.8 million, and the distribution in the first half of 2015 of the 2014 dividend for Euro 1.4 million, despite positive cash flows deriving from income management for Euro 7.9 million.

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	31/12/2015	31/12/2014	Variation
Consorzio Exprivia	6	9,115	(9,109)
Exprivia Projects S.p.A.	171,693	520,319	(348,625)
Exprivia Do Brasil		89,873	(89,873)
Exprivia SL	353,274	352,426	848
ProSap Group	465,896	14,100	451,796
Exprivia Digital Financial Solution Srl	1,832,614	3,762,517	(1,929,903)
Spegea S.c. a.r.l.	(109)	195	(304)
Exprivia Healthcare IT srl	466,626	836,181	(369,555)
Exprivia Enterprise Consulting Srl	1,708,194	2,619,691	(911,496)
Exprivia Telco & Media Srl	344,839	14,225	330,614
	15,903		15,903
TOTAL	*5,358,937*	*8,218,641*	*(2,859,705)*

Contract Work in Progress

Description	31/12/2015	31/12/2014	Variation
Spegea Scarl	4,144		4,144
Exprivia Telco & Media Srl	37,273		37,273
TOTAL	*41,417*	*0*	*41,417*

Current and Non-Current Financial Receivables

Description	31/12/2015	31/12/2014	Variation
Consorzio Exprivia		40	(40)
Exprivia Projects S.p.A.	142,411	292	142,119
Exprivia SL	200,000		200,000
Farm S.r.l. in liquidazione	410,000		410,000
ProSap Group	3,125,106	3,005,051	120,055
Network Services S.r.l.	22,602		22,602
Exprivia Digital Financial Solution Srl	294,308	789,338	(495,030)
Spegea S.c. a.r.l.			0
Exprivia Healthcare IT srl già Svimservice Srl	98,453	22,035	76,418
Exprivia Enterprise Consulting Srl già WelNetwork Srl		(2)	2
TOTAL	*4,292,880*	*3,816,754*	*476,125*

Trade Payables

Description	31/12/2015	31/12/2014	Variation
Exprivia Projects S.p.A.	569,715	2,960,761	(2,391,046)
ProSap SL		1,287	(1,287)
Exprivia Digital Financial Solution Srl	412,945	13,715,114	(13,302,169)
Spegea S.c. a.r.l.	104,906	106,150	(1,244)
Exprivia Healthcare IT srl già Svimservice Srl	1,292,174	678,628	613,546
Exprivia Enterprise Consulting Srl già WelNetwork Srl	2,081,725	2,966,990	(885,265)
Exprivia Telco & Media Srl	595,062	474,402	120,660
Exprivia SL	20,000	20,000	0
TOTAL	*5,076,528*	*20,923,332*	*(15,846,803)*

Current and Non-Current Financial Payables

Description	31/12/2015	31/12/2014	Variation
Exprivia Projects Srl	1,171,070	108,617	1,062,453
Exprivia Digital Financial Solution Srl	7,254,609	0	7,254,609
Spegea S.c. a.r.l.	178,776	176,636	2,140
Exprivia Healthcare IT srl	3,077,123	2,353,981	723,142
Exprivia Enterprise Consulting Srl	8,559	130,019	(121,460)
TOTAL	*11,690,137*	*2,769,253*	*8,920,884*

Trade Costs

Description	31/12/2015	31/12/2014	Variation
Exprivia Projects Srl	116,258	56,341	59,917
Gruppo ProSap		323,446	(323,446)
Exprivia Digital Financial Solution Srl	2,328,082	11,765,615	(9,437,533)
Spegea S.c. a.r.l.	168,153	37,073	131,080
Exprivia Healthcare IT srl	1,890,565	1,081,136	809,429
Exprivia Enterprise Consulting Srl	6,822,994	6,912,004	(89,010)
Exprivia Telco & Media Srl	1,041,086	477,610	563,476
Exprivia SL		20,000	(20,000)
TOTAL	*12,367,139*	*20,673,225*	*(8,306,086)*

Financial Charges

Description	31/12/2015	31/12/2014	Variation
Exprivia Projects Srl	14,696		14,696
Spegea S.c.a.r.l	6,168	7,960	(1,792)
Exprivia Digital Financial Solution Srl	242,343	89,840	152,503
Exprivia Healthcare IT srl	115,955	170,471	(54,516)
TOTAL	***379,163***	***268,271***	***110,892***

Trade Revenue and Income

Description	31/12/2015	31/12/2014	Variation
Exprivia Projects Srl	1,039,008	1,289,012	(250,004)
Exprivia Do Brasil		183,392	(183,392)
Exprivia Digital Financial Solution Srl	5,610,395	3,781,850	1,828,545
Spegea S.c. a.r.l.	14,379	500	13,879
Exprivia Healthcare IT srl	1,550,850	2,288,410	(737,560)
Exprivia Enterprise Consulting Srl	726,383	962,873	(236,490)
Exprivia Telco & Media	697,217	216	697,001
TOTAL	***9,638,232***	***8,506,253***	***1,131,978***

Financial Income

Description	31/12/2015	31/12/2014	Variation
Exprivia Projects Srl	5,975	10,421	(4,446)
Exprivia SL	848		848
Exprivia Asia ltd	15,903		15,903
Gruppo ProSap	134,653	109,321	25,332
Exprivia Digital Financial Solution Srl	2,001,610	1,018,058	983,552
Exprivia Healthcare IT srl	931,957	1,619,205	(687,248)
TOTAL	***3,090,945***	***2,757,005***	***333,940***

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	31/12/2015	31/12/2014	Variazione
Daisy-Net- Driving Advances of ICT in South Italya	13,939	13,939	0
DHITECH Srl	17,000	17,000	0
TOTAL	**30,939**	**30,939**	**0**

Loans to other non-current

Description	31/12/2015	31/12/2014	Variazione
Aplomb Srl		40,000	(40,000)
TOTAL	**0**	**40,000**	**(40,000)**

Trade payables

Description	31/12/2015	31/12/2014	Variazione
Kappa Emme Sas	22,814	11,468	11,346
TOTAL	**22,814**	**11,468**	**11,346**

Costs

Description	31/12/2015	31/12/2014	Variazione
Aplomb Srl		99,731	(99,731)
Kappa Emme Sas	150,000	129,570	20,430
Innovision International Ltd	42,503		42,503
TOTAL	**192,503**	**229,301**	**(36,798)**

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

	31/12/2015				31/12/2014			
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	694,200	80,000	1,401,728	85,834	763,538	69,375	1,340,402	41,223
Statutory Auditors	148,032				241,894			
Strategic managers			90,000	30,000			273,333	54,167
TOTAL	**842,232**	**80,000**	**1,491,728**	**115,834**	**1,005,432**	**69,375**	**1,613,735**	**95,390**

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

Transactions for Atypical/Unusual Operations

In accordance with Consob notice no. 6064293 of 28 July 2006, it should be pointed out that in 2015 the group did not undertake any atypical and/or unusual operations, as defined in the notification itself.

Subsequent Events

No additional significant events were reported after closing the 2015 financial year or as of 11 March 2016.

Molfetta, 11 March 2016

The Board of Directors

Chairman and Chief Executive Officer

Domenico Favuzzi

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, 11 March 2016

The Chairman and CEO — The Reporting Officer

Domenico Favuzzi — **Gianni Sebastiano**

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

To the Shareholders of
Exprivia SpA

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of the Exprivia Group, which comprise the statement of financial position as of 31 December 2015, income statement, statement of comprehensive income, statement of changes in shareholders' equity and statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the consolidated financial statements

The directors of Exprivia SpA are responsible for the preparation of consolidated financial statements that give a true and fair view in compliance with 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°38/05.

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA Italia) drawn up pursuant to article 11, paragraph 3, of Legislative Decree n°39/10. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The audit procedures selected depend on the auditor's professional judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Exprivia Group as of 31 December 2015 and of the result of its operations and cash flows for the year then ended in compliance with 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° 38/05.

Report on compliance with other laws and regulations

Opinion on the consistency with the consolidated financial statements of the report on operations and of certain information set out in the report on corporate governance and ownership structure

We have performed the procedures required under auditing standard (SA Italia) n°720B in order to express an opinion, as required by law, on the consistency of the report on operations and of the information set out in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree n°58/98, which are the responsibility of the directors of Exprivia SpA, with the consolidated financial statements of the Exprivia Group as of 31 December 2015. In our opinion, the report on operations and the information in the report on corporate governance and ownership structure mentioned above are consistent with the consolidated financial statements of the Exprivia Group as of 31 December 2015.

Bari, 30 March 2016

PricewaterhouseCoopers SpA

Signed by

Corrado Aprico
(Partner)

This report has been translated into English from the Italian original 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 ITALIAN CIVIL CODE

Dear Shareholders,

During the financial year ending at 31 December 2015 the Board of Statutory Auditors of Exprivia S.p.A. ("Company") conducted oversight 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 2015, the Board of Statutory Auditors oversaw (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 events in operations, (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 oversaw (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 oversaw 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 2015, 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 associates described in the Directors' Report, which contains a detailed description of the risks and uncertainties the company and group are exposed to, and the Explanatory Notes, 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 independent auditor PricewaterhouseCoopers S.p.A. (hereafter also "Independent Auditor") on the year-end financial statements and consolidated financial statements, issued on 30 March 2016 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 legal 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 31/12/2015. 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 2016, 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 regulatory provisions, (ii) stated that non-audit services were provided to the Company, also by its network..

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 2015, the Company disbursed € 67,000.00 to PricewaterhouseCoopers S.p.A. for audit services and € 15,000.00 for non-audit services, whereas the subsidiaries of Exprivia S.p.A. disbursed € 102,920.00 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 2015, 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 2015, the company's Board of Directors held thirteen meetings, the Control and Risk Committee held two meetings and the Remuneration Committee held two meetings. In the same year, the Board of Statutory Auditors held seven 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 oversaw 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 respected.

12. The Board of Statutory Auditors oversaw the Company's organisation structure. In light of the oversight 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 oversaw 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 information exchanged with the Independent Auditor 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 oversaw 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 oversight 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 oversaw 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 continued its revision of 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 2015 approved by the Board of Directors on 11 March 2016.

18. Within the scope of oversight 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 11 March 2016 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 11 March 2016, and the Board agrees with the latter on how to distribute year-end profit.

Bari, 30 March 2016

Board of Statutory Auditors

Ignazio Pellecchia - Chairman

Anna Lucia Muserra - Standing Auditor

Gaetano Samarelli - Standing Auditor

2015 SEPARATE FINANCIAL STATEMENTS FOR EXPRIVIA SPA

EXPRIVIA - BALANCE SHEET AS AT 31.12.2015

Amount in Euro	NOTE	31.12.2015	31.12.2014
Land and buildings		10,870,938	11,142,265
Other assets		1,934,185	1,960,648
Property, plant & machinery	**1**	**12,805,123**	**13,102,913**
Goodwill		12,651,838	12,681,281
Goodwill and other undefined assets	**2**	**12,651,838**	**12,681,281**
Intangible assets		260,947	634,339
Other intangible assets	**3**	**260,947**	**634,339**
Shareholdings in subsidiaries		64,985,891	64,681,993
Shareholdings in other companies		864,710	861,867
Shareholdings	**4**	**65,850,600**	**65,543,860**
Receivables to subsidiaries			1,488,083
Receivables to associated companies		1,305,338	
Other financial assets	**5**	**1,305,338**	**1,488,083**
Other bonds		1,348,732	1,334,539
Other financial assets	**6**	**1,348,732**	**1,334,539**
Tax advances/deferred taxes		569,880	1,148,572
Deferred tax assets	**7**	**569,880**	**1,148,572**
NON-CURRENT ASSETS		**94,792,459**	**95,933,587**

Amount in Euro		31.12.2015	31.12.2014
Receivables to customers		18,356,242	27,884,797
Crediti verso imprese controllate		9,462,074	10,547,313
Receivables to subsidiaries			219,150
Receivables to parent companies			1,302,438
Other accounts receivable		5,601,490	9,349,508
Tax credits		482,088	258,986
Trade receivables and others	**8**	**33,901,893**	**49,562,192**
Stock		31,119	156,754
Stock	**9**	**31,119**	**156,754**
Work in progress to order		9,285,642	9,388,754
Work in progress to order	**10**	**9,285,642**	**9,388,754**
Current banks		3,141,852	6,583,191
Cheques and unpresented effects		5,553	24,027
Cash resources	**11**	**3,147,406**	**6,607,218**
Shareholdings in subsidiaries		501,561	349,740
Assets classified as owned for sales and those included in aggregates for disposal	**12**	**501,561**	**349,740**
CURRENT ASSETS		**46,867,620**	**66,064,658**
TOTAL ASSETS		**141,660,079**	**161,998,245**

Amount in Euro		31.12.2015	31.12.2014
Capital stock		25,754,016	26,410,270
Capital stock	**13**	**25,754,016**	**26,410,270**
Share premium		18,081,738	18,081,738
Share premium	**13**	**18,081,738**	**18,081,738**
Revaluation reserve		2,907,138	2,907,138
Revaluation reserve	**13**	**2,907,138**	**2,907,138**
Legal reserve		3,709,496	3,561,670
Revaluation reserve	**13**	**3,709,496**	**3,561,670**
		17,568,385	16,471,204
Other reserves	**13**	**17,568,385**	**16,471,204**
Profit/Loss for the period		**4,437,726**	**2,956,516**
NET WORTH		**72,458,498**	**70,388,536**

Amount in Euro		31.12.2015	31.12.2014
Payables to non-current banks		5,158,092	6,245,537
Payables to non-current banks	**14**	**5,158,092**	**6,245,537**
Payables to other financiers		430,093	415,899
Payables for tax and social security beyond the period		99,572	212,404
Other financial liabilities	**15**	**529,665**	**628,303**
Payables to parent companies		41,306	119,161
Other financial liabilities	**16**	**41,306**	**119,161**
Other provisions		173,028	723,028
Provision for risks and charges	**17**	**173,028**	**723,028**
Severance pay		3,081,697	3,431,924
Staff-related funds	**18**	**3,081,697**	**3,431,924**
Deferred tax funds		763,102	691,924
Deferred tax liabilities	**19**	**763,102**	**691,924**
NON-CURRENT LIABILITIES		**9,746,890**	**11,839,877**

Amount in Euro		31.12.2015	31.12.2014
Payables to current quota banks		19,808,903	21,341,807
Payables to current banks	**20**	**19,808,903**	**21,341,807**
Payables to suppliers		9,562,171	14,440,467
Payables to suppliers	**21**	**9,562,171**	**14,440,467**
Payments on account		2,122,032	3,195,887
Advances on work in progress to order	**22**	**2,122,032**	**3,195,887**
Payables to subsidiaries		16,336,573	23,276,686
Payables to associated companies			63,344
Other accounts payable		384,215	2,445,223
Other financial liabilities	**23**	**16,720,787**	**25,785,253**
Tax debits		3,413,744	6,103,199
Tax debits	**24**	**3,413,744**	**6,103,199**
Payables to welfare and social security institutions		1,933,923	2,067,801
Other payables		5,893,130	6,835,418
Other current liabilities	**25**	**7,827,053**	**8,903,219**
CURRENT LIABILITIES		**59,454,691**	**79,769,832**
TOTAL LIABILITIES		**141,660,079**	**161,998,245**

EXPRIVIA - INCOME STATEMENT AS AT 31.12.2015

Amount in Euro		31.12.2015	31.12.2014
Proceeds of sales and services		63,104,163	81,832,900
Revenues	**26**	**63,104,163**	**81,832,900**
Other proceeds		1,074,391	598,623
Invest. grants tfr to P&L account		2,897,027	3,091,328
Capital gains			561,084
Other revenues	**27**	**3,971,418**	**4,251,035**
Var. stock of products being processed, semi-finished items		28,919	(300,629)
Variation in stock of finished products and products being processed	**28**	**28,919**	**(300,629)**
TOTAL PRODUCTION REVENUES		**67,104,499**	**85,783,306**
Costs of raw, subsid. & consumable mat. and goods	**29**	6,325,764	6,975,015
Salaries and wages	**30**	33,036,552	39,557,582
Other costs for services	**31**	18,350,514	29,565,611
Costs for leased assets	**32**	2,308,484	2,650,911
Sundry management charges	**33**	589,775	920,230
Stock and payments on account	**34**	75,000	124,808
TOTAL PRODUCTION COSTS		**60,686,089**	**79,794,157**
DIFFERENCE BETWEEN PRODUCTION COSTS AND REVENUES		**6,418,410**	**5,989,149**

Amount in Euro		31.12.2015	31.12.2014
Ordinary amortisement of intangible assets		423,316	900,916
Ordinary amortisement of tangible assets		1,077,271	805,985
Devaluation of credits included in working capital		790,826	235,071
Depreciation and devaluation	**35**	**2,291,413**	**1,941,972**
OPERATIVE RESULT		**4,126,996**	**4,047,177**
Proceeds from shareholdings from parents		(2,933,567)	(2,637,263)
Proceeds from shareholdings from subsidiaries		(13,037)	
Proceeds from parents companies		(157,378)	(119,742)
Proceeds from others shareholdings		(29,188)	(45,949)
Other proceeds with separate indication		(19,099)	(5,440)
Interest and other financial charges		1,484,802	2,300,524
Charges from subsidiaries		379,163	268,270
Profit and loss on foreign exchange		34,381	2,575
Proceeds and financial charges	**36**	**(1,253,924)**	**(237,025)**
PRE-TAX RESULT		**5,380,920**	**4,284,202**
Income tax	**37**	**943,194**	**1,327,686**
PROFIT OR LOSS FOR THE PERIOD		**4,437,726**	**2,956,516**

COMPREHENSIVE INCOME STATEMENT AS AT 31.12.2015

EURO			
Description	**Note**	**31/12/2015**	**31/12/2014**
PROFIT FOR THE PERIOD		**4,437,726**	**2,956,516**
Profit (loss) for the actuarial effect of applying IAS 19		125,682	(540,443)
Tax effect of changes		(34,563)	148,622
Total other income (loss) on will not subsequently be reclassified in Profit (Loss) for the Period	*13*	*91,120*	*(391,821)*
Total comprehensive income		**4,528,846**	**2,564,695**

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AS AT 31.12.2015

Euro	Share capital	Own share	Share premium reserve	Revaluation reserve	Legal reserve	Other reserves	Profit (loss) for the period	Total Shareholders' Equity
Balance at 31/12/2013	26,979,658	(636,787)	18,081,738	2,907,138	3,312,804	11,899,120	4,977,306	67,520,977
Reclassification previous year's profit					248,866	4,728,440	(4,977,306)	-
Other movements (treasury shares)		(477,128)				(196,798)		(673,926)
Other movements (sales / Use Own shares)		544,526				432,264		976,790
Components of comprehensive income:								
Profit / (loss)							2,956,516	2,956,516
Effects of applying IAS 19						(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	16,471,204	2,956,516	70,388,536
Reclassification previous year's profit					147,826	1,355,940	(1,503,765)	0
Dividend distribution							(1,452,751)	(1,452,751)
Other movements (treasury shares)		(656,254)				(349,879)		(1,006,133)
Components of comprehensive income:								
Profit / (loss)							4,437,726	4,437,726
Effects of applying IAS 19						91,120		91,120
Total comprehensive income (loss) for the year								4,528,846
Balance at 31/12/2015	26,979,658	(1,225,643)	18,081,738	2,907,138	3,709,496	17,568,385	4,437,726	72,458,498

EXPRIVIA - CASH FLOW STATEMENT AS AT 31.12.2015

Amount in Euro	Note	31.12.2015		31.12.2014
Operating activities:				
- Profit (loss)	11	4,437,726	(1)	2,956,516
- Amortisation, depletion and depreciation of assets		1,500,587		1,706,901
- Provision for Severance Pay Fund		1,470,705		1,640,814
- Adjustment of value of financial assets		(1,820,932)		(2,642,731)
Cash flow arising from operating activities		**5,588,086**		**3,661,500**
Increase/Decrease in net working capital:				
- Variation in stock and payments on account		(845,107)		(1,456,675)
- Variation in receivables to customers		9,528,555		4,968,597
- Variation in receivables to parent/subsidiary/associated company		3,398,781		609,985
- Variation in other accounts receivable		3,547,778		1,276,610
- Variation in payables to suppliers		(4,835,040)		(166,889)
- Variation in payables to parent/subsidiary/associated company		(16,072,350)		10,579,786
- Variation in tax and social security liabilities		(2,823,333)		664,728
- Variation in other accounts payable		(2,988,584)		(1,001,349)
- Variation for charges				1,088,368
Cash flow arising (used) from current assets and liabilities		**(11,089,300)**		**16,563,161**
Cash flow arising (used) from current activities		**(5,501,214)**		**20,224,661**
Investment activities:				
- Variation in tangible assets		(779,481)		(3,076,514)
- Variation in intangible assets		(20,480)		(636,720)
- Variation in financial assets		122,211		687,935
- Purchase of minority interests		(150,000)		(1,039,790)
- Variation in financial assets				241,616
Cash flow arising (used) from investment activities		**(827,750)**		**(3,823,473)**
Financial activities:				
=- Changes in financial assets other than fixed assets		(542,483)		(2,713,044)
- Capital increase		(1,006,137)		(131,666)
- Dividend paid		(1,402,336)		
- Change in shareholders' equity		40,709		(88,957)
Cash flow arising (used) from financial activities		**(2,910,247)**		**(2,933,667)**
Increase (decrease) in cash		**(9,239,211)**		**13,467,521**
Banks and cash profits at start of year		9,317,495		3,681,227
Banks and cash losses at start of year		(28,085,929)		(35,917,182)
Banks and cash profits at end of period		8,403,864		9,317,495
Banks and cash losses at end of period		(36,411,509)		(28,085,929)
Increase (decrease) in liquidity		**(9,239,211)**		**13,467,521**

(1) including taxes and interest paid in the year 3,526,676

EXPLANATORY NOTES FOR EXPRIVIA SPA FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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.

The essential data of the parent company Abaco Innovazione SpA, shown in the schedule in accordance with article 2497-bis of the Italian Civil Code, were taken from the year-end financial statements as at 31 December 2014. For further information on the financial standing of Abaco Innovazione SpA at 31 December 2014, and the economic result of the company please see the financial statements, which are available in the form and manner provided for by law as well as the report by the independent auditor.

Amount in Euro		31/12/2014	31/12/2013
NON CURRENT ASSETS			
Shareholdings		**29,951,484**	**30,792,939**
	Holdings in subsidiary companies	29,951,484	30,792,939
TOTAL NON CURRENT ASSETS		***29,951,484***	***30,792,939***
CURRENT ASSETS			
Commercial credits and others		**84,274**	**30,875**
	Receivables to subsidiaries	74,209	12,763
	Tax assets	10,066	18,111
Liquid assets		**2,642**	**2,945**
TOTAL CURRENT ASSETS		***86,916***	***33,819***
TOTAL ASSETS		**30,038,400**	**30,826,758**
NET WORTH			
Company capital		**978,361**	**978,361**
	Company capital	978,361	978,361
Other reserves		**25,024,910**	**25,396,011**
	Legal reserve	200,000	200,000
	Other reserve	24,824,910	25,196,011
Profits/Losses on previous periods		**4,586**	**4,586**
	Profits/ Losses brought forward	4,586	4,586
Profit/Loss for period		**(547,214)**	**(371,101)**
TOTAL NET WORTH		**25,460,643**	**26,007,857**
NON CURRENT LIABILITIES			
Non current liabilities to banks		**1,680,000**	**1,400,000**
	Non current liabilities to banks	1,680,000	1,400,000
TOTAL NON CURRENT LIABILITIES		***1,680,000***	***1,400,000***
CURRENT LIABILITIES			
Current liabilities to banks		**525,639**	**775,684**
Payables to suppliers		**160,424**	**198,832**
Other financial liabilities		**1,302,438**	**1,674,819**
	Payables to subsidiaries	1,302,438	1,674,819
Tax liabilities		**766**	**0**
	Tax liabilities	766	
Other current liabilities		**908,489**	**769,566**
	Payables to welfare and social security	87,498	79,329
	Other liabilities	820,991	690,237
TOTAL CURRENT LIABILITIES		***2,897,757***	***3,418,901***
TOTAL LIABILITIES		**30,038,400**	**30,826,758**

Amount in Euro	31/12/2014	31/12/2013
INCOME	13,425	0
Income from sales and services	13,425	
TOTAL PRODUCTION REVENUES	*13,425*	*0*
COSTS CONNECTED WITH BENEFITS FOR EMPLOYEES	53,169	52,569
OTHER COSTS	77,438	52,165
Other costs for services	33,451	37,733
Sundry management charges	43,987	14,432
TOTAL PRODUCTION COSTS	*130,607*	*104,734*
DIFFERENCE BETWEEN PRODUCTION REVENUE AND COSTS	(117,182)	(104,734)
FINANCIAL INCOME AND CHARGES	430,032	266,367
PRE-TAX RESULT	(547,214)	(371,101)
PROFIT OR LOSS FOR THE PERIOD	(547,214)	(371,101)

FORM AND CONTENT OF SEPARATE FINANCIAL STATEMENTS

Introduction

The separate financial statements for Exprivia SpA as at 31 December 2015 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 2015, 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 schemes are prepared in accordance with IAS 1 and 7.

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

For the purposes of clearer data exposure, it changed the presentation of certain items in the data

comparative financial statements presented in accordance with IAS 7 when compared to the data published in the separate financial statements at 31 December 2014. In particular, he was exposed the flow resulting from the purchase / sales of treasury shares in the cash flow from assets and financial liabilities (131,666 euros in 2014); therefore, its shares have been excluded from the items "banks / funds / securities and other financial assets" to the beginning and end of the period (Euro 614,473 at the beginning of 2014, Euro 746,139 at the end of 2014).

It was finally exposed the flow for the purchase of minority interests, previously reported as a change in shareholders' equity (Euro 1,039,790 in 2014).

Drafting and presentation criteria

The accounting principles and the evaluation criteria are the same adopted in the arrangement of the financial statements at 31 December 2014.

The evaluation and measurement criteria are based on the IFRS standards in force at December 31, 2015 and endorsed by the European Union.

The following table contains the list of international accounting principles and interpretations approved IASB and endorsed to be adopted in Europe and applied for the first time in the current year.

Description	Endorsement date	Publication on G.U.C.E.	EFFECTIVE DATE PROVIDED BY PRINCIPLE
IFRIC 21 Tributes	June 13, 2014	June 14, 2014	Periods beginning on or after June 17, 2014
Annual cycle of improvements to IFRSs 2011-2013	December 18, 2014	December 19, 2014	Periods beginning on or after January 1, 2015

IFRIC 21 "Levies" is an interpretation of IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" and clarifies the recognition of liabilities for payment of levies different from income taxes, especially with respect to the event that gave rise to the obligation and the moment when the liabilities are recognised.

The 2011-2013 annual improvements include minor amendments to several standards for sections that needed clarification, in particular:

• IFRS 3 "Business Combinations" IASB clarified that the rules under this standard are not applicable to all joint agreements, as defined under IFRS 11;

• With the amendment to IFRS 13 "Fair Value Measurement", IASB clarified that the exception provided for measuring fair value on the basis of a portfolio of assets and liabilities is applicable also for agreements falling under the application of IAS 39 or IFRS 9, even when these agreements do not respect the definition of financial assets and liabilities under IAS 32 (for instance agreements for the purchase or sale of non-financial assets that involve payment by cash);

• Certain amendments to IFRS 1 "First-time Adoption of International Financial Reporting Standards" and to IAS 40 "Investment Property".

The adoption of these interpretations and standards did not and will not have any material impact on the valuation of the Company's assets, liabilities, costs and revenues.

The table below shows the IFRS and interpretations approved by IASB and approved for adoption by Europe, effective after 31 December 2015.

Description	Endorsement date	Publication on G.U.C.E.	EFFECTIVE DATE PROVIDED BY PRINCIPLE
Amendments to IAS 27. Net equity method in the separate financial statements	December 18, 2015	December 23, 2015	Periods beginning on or after Junary 1, 2016
Amendments to IAS 1 - disclosure initiative	December 18, 2015	December 19, 2015	Periods beginning on or after Junary 1, 2016
Annual improvements cycle to IFRS 2012-2014	December 15, 2015	December 16, 2015	Periods beginning on or after Junary 1, 2016
Amendments to IAS 16 and to IAS 38 - clarification on depreciation acceptable	December 2, 2015	December 3, 2015	Periods beginning on or after Junary 1, 2016
Amendments to IFRS 11: Accounting for acquisitions of interests in joint activities	November 24, 2015	November 25, 2015	Periods beginning on or after Junary 1, 2016
Amendments to IAS 16: Property, plant and equipment, and IAS 41: Agriculture Agriculture bearing the title-bearing plants	November 23, 2015	November 24, 2015	Periods beginning on or after Junary 1, 2016
Amendments to IAS 19 - Defined benefit plans: Employee contributions	December 17, 2014	January 9, 2015	Periods beginning on or after Febrary 1, 2015
Annual improvements cycle to IFRS 2010-2012	December 17, 2014	January 9, 2015	Periods beginning on or after Febrary 1, 2015

The amendment to IAS 27 “Separate Financial Statements” introduced the option to account for investments in subsidiaries, associates and joint ventures using the equity method, while previously IAS 27 required that they should be accounted for at cost or in accordance with IFRS 9 (IAS 39 for entities that did not adopt IFRS 9).

The amendments to IAS 1 “Disclosure Initiative (amendments to IAS 1)”, clarify certain aspects concerning the presentation of financial statements highlighting the emphasis on the importance of information (disclosures) in the financial statements, specifying that there is no longer a specific order for presenting explanatory notes and giving the possibility to group/ungroup items so that items considered as minimum content under IAS 1 can be grouped together when not considered significant.

The 2012-2014 improvements cycle brought amendments to certain accounting standards, especially concerning certain aspects not considered clear. In particular, the amendments concerned:

• IAS 19 “Employee Benefits”: with the amendment to IAS 19, IASB clarified that the discount rate for an obligation under a defined benefit plan should be determined on the basis of “high-quality corporate bonds or government bonds” identified in the same currency used to pay the benefits;

• IFRS 7 “Financial Instruments”: additional disclosures: IASB clarified that an entity transferring financial assets and derecognising them from its balance sheet is required to disclose any continuing involvement, where existing. In addition to the disclosures required by IFRS 7 concerning offsetting financial assets and liabilities this is required only for the annual report and provided in the interim financial statements only where deemed necessary;

• IAS 34: with the amendment to IAS 34, IASB clarified that the disclosures required under this standard can be included in the notes to the interim financial statements, or they can be included in other documents (such as the risk reports), by providing references to them in the interim financial statements, as long as the users of the interim financial statements have access to the same conditions and timeframes as the interim financial statements.

The annual improvements to IFRSs 2012-2014 cycle also includes amendments to IFRS 5 “Non-current Assets Held for Sale and Discontinued Operations”, which are currently not applicable to the Exprivia.

With the amendment to IAS 16 and IAS 38 “Property, Plant and Equipment”, IASB clarified that a depreciation process according to revenues cannot be applied for property, plant and equipment since this method is based on factors, for instance volumes and sale prices, that do not represent the actual consumption of the economic benefits of the asset.

IFRS 11 “Accounting for Acquisitions of Interests in Joint Operations” clarifies how to account for the acquisition of interests in joint operations that constitute a business.

Amendments to IAS 16 “Property, Plant and Equipment” and to IAS 41 “Agriculture" concern accounting rules for fruit trees.

The amendment to IAS 19 “Employee Benefits" concern accounting for defined employee benefits plans that provide contributions from third-parties or employees.

The 2010-2012 annual improvements include minor amendments to several standards for sections that needed clarification. In brief:

• IFRS 2 “Share-Based Payments”: with amendments to IFRS 2, IASB clarified the criteria and characteristics that a performance condition should meet;

• With amendments to IFRS 3 “Business Combinations”, IASB clarified aspects for the classification and valuation of contingent considerations;

• With amendments to IFRS 8 “Operating Segments”, IASB introduced a new disclosure requirement to include a brief description of the operating segments that were aggregated and the financial indicators that were used for the aggregation and clarified the reconciliation of assets belonging to the operating segments subject to the disclosure with all of the entity's assets only in cases where the disclosure is normally provided at the highest level of the entity’s management (“CODM”);

• With the amendment to IFRS 13, IASB clarified that the goal of amendments to IAS 39 following publication of IFRS 13 was not to exclude the possibility to assess short-term receivables and payables without taking into account the effect of discounting, if the effect is not considered significant.

Since the amendments to IFRS 13 refer only to the basis for conclusion, they were not approved by the European Union;

• With the amendments to IAS 16 and to IAS 38, IASB clarified how to apply the method to determine the values under the above standards;

• With amendments to IAS 24, IASB extended the definition of “related party” to management companies.

The adoption of these standards will not have any material impact on the valuation of the Company’s assets, liabilities, costs and revenues.

The table below shows the international accounting standards, interpretations and amendments to existing accounting standards and interpretations, which are specific provisions contained in the standards and interpretations approved by IASB, which were not yet approved for approval in Europe at the date of this annual report:

Description	EFFECTIVE DATE PROVIDED BY PRINCIPLE
IFRS 9: financiale instruments (issued on 24 July 2014)	Periods beginning on or after Junary 1, 2018
IFRS 15 revenue from contracts with customes (issued on 28 May 2014) and related Arrendement (issued on 11 September 2015) formalising the deferral ot the Effective date by one year to 2018	Periods beginning on or after Junary 1, 2018
IFRS 14 regulatory deferral accounts (issued on 30 January 2014)	Periods beginning on or after Junary 1, 2016
Arrendments to IFRS 10 ant IAS 28: sale or contribution of assets between on Investor and ist associate or joint venture (issued on 11 September 2014)	To be defined
Arrendments to IFRS 10 , IFRS 12 and IAS 28: investment entities: applying the consolidation exception (issued on 18 December 2014)	Periods beginning on or after Junary 1, 2016
IFRS 16 Leases (issued 13 Jabyary 2016)	Periods beginning on or after Junary 1, 2019
Arrendments to IAS 12: Recognition of Deferred Tax Assets for Unrealised Losses (issued on 19 January 2016)	Periods beginning on or after Junary 1, 2017

The IASB finished the draft of the accounting standard on financial instruments and issued the complete version of IFRS 9 “Financial Instruments”. The new rules under the standard:

(i) amend the classification and measurement model for financial assets; (ii) introduce the concept of expected credit losses amongst the variables to be considered in the valuation and write-down of financial assets; (iii) amend regulations on hedge accounting. The amendments take effect for reporting periods starting on or after 1 January 2018.

IFRS 15 “Revenue from Contracts with Customers” requires companies to recognise revenue at the moment control of the goods or services is transferred to customers at the amount of payment that would be expected in exchange for such goods or services. The new standard introduces a method following five steps to analyse transactions and to define recognition of revenues according to their timing and amount. One of the probable impacts of applying the new standard will be on the different timing for recognising revenue (in advance or deferred), as well as the application of different methods (for instance, recognition of revenue over time in place of spot recognition or vice versa). The new standard also requires additional information on the nature, amount, timing and uncertainty of revenue and cash flows deriving from contracts with customers. As defined in an amendment to the standard issued on 11 September 2015, the amendment is applicable for periods beginning on or after 1 January 2018. Early adoption is allowed.

IFRS 14 “Regulatory Deferral Accounts” concern rate regulated activities, i.e., segments subject to prices through regulations.

With amendments to IFRS 10 “Consolidated Financial Statements” and to IAS 28 “Investments in Associates and Joint Ventures”, IASB resolved a conflict between these two standards concerning the accounting treatment applied in cases when an entity sells or transfers a controlled entity to another entity over which it exercises joint control (joint ventures) or significant influence (“associated entities”).

The document “Investment entities: applying the consolidation exception (amendments to IFRS 10, IFRS 12 and IAS 28)”, clarifies certain aspects of investment entities.

With the new standard IFRS 16 “Leases”, IASB replaced the accounting rules under IAS 17, which were no longer suitable to represent leasing in the current economic context.

The new accounting standard requires that all leasing contracts should be recognised in the balance sheet as assets and liabilities whether they are “finance” or “operating”.

Amendments to IAS 12: recognition of deferred tax assets for unrealised losses" clarifies how to account for deferred tax assets related to debt instruments measured at fair value.

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.

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 AND POLICIES

The accounting policies adopted in the preparation of these separate financial statements are consistent with those applied in preparing the separate financial statements of the Company for the year ended December 31, 2014.

"IFRS" means International Accounting Standards (IAS) still in force, as well as al linterpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") formerly the Standing Interpretations Committee ("SIC"), and in accordance with measures implementing art. 9 of Legislative Decree. N. 38/2005 (Consob Resolution no. 15519 of 27 July 2006 on "Measures for the presentation of financial statements", Consob Resolution no. 15520 of July 27, 2006 on "Amendments and additions to the Issuer Regulation adopted with Resolution no. 11971/99" Consob communication no. 6064293 of 28 July 2006 laying down "Disclosures required underart. 114, paragraph 5, Legislative Decree no. 58/98 ").

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 recognized in the financial statements in relation to business combinations and is initially writing to the cost incurred, equal to the excess of the cost of acquisition over the fair value of net assets, liabilities and contingent liabilities acquired. Goodwill is classified as intangible assets. Since the acquisition date, goodwill acquired in a business combination is allocated to each cash-generating units or groups of units generating financial flows. After initial recognition, goodwill is not amortized but valued at cost less any accumulated impairment losses. If goodwill has been allocated to cash-generating unit and the entity disposes of an activity that is part of that unit, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal; this share is determined based on the relative values of the operation disposed of and the retained portion.

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 company 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 Company 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
- Energy & Utilities
- Oil & Gas
- Defence, Aerospace and Public Administration

In the 2015 within the Group were changes in the organization, consequently the disclosure of industry reported below has been modified to reflect this organizational change; in particular from business previously identified as "Industry and Aerospace" we were separated activities related to the market share of the defense and aerospace business by merging the area of Public Administration.

The previously identified areas of business, respectively, as "Energy" and "Utilities" have been renamedto better reflect the corresponding market sector "Oil & Gas" and "Energy & Utilities".

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 'FINANARIARIE AT 31 December 2015	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 migliaia di Euro					
Attivita non correnti					
Attività finanziarie	2,654				2,654
Partecipazioni in altre imprese		865			865
Totale attività non correnti	**2,654**	**865**	**0**	**0**	**3,519**
Attività correnti					
Crediti commerciali a altri	33,902				33,902
Altre attività finanziarie				502	502
Disponibilità liquide	3,147				3,147
Totale attività correnti	**37,049**	**0**	**0**	**502**	37,551
TOTALE	**39,703**	**865**	**0**	**502**	**41,070**

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 migliaia di Euro					
Passività non correnti					
Debiti verso banche	5,158				5,158
Altre passività finanziarie	571				571
Totale passività non correnti	**5,729**	**0**	**0**	**0**	**5,729**
Passività correnti					
Debiti verso fornitori e acconti	11,684				11,684
Altre passività finanziarie	20,135				20,135
Debiti verso banche	19,809				19,809
Totale passività correnti	**51,628**	**0**	**0**	**0**	**51,628**
TOTALE	**57,357**	**0**	**0**	**0**	**57,357**

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 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

As at 31 December 2015, the item **"property, plant and machinery"** amounted to Euro 12,805,123 compared to Euro 13,102,913 at 31 December 2014.

The table below shows movement in the reporting period:

Categories	Historical cost 01/01/15	Inc.	Dec.	Historical cost at 31/12/15	Reserve prov. at 01/01/15	Provision for period	Dec.	Cum. prov.	Net value at 31/12/15
Land	540,754	0	0	540,754	-	-	-	-	540,754
Buildings	13,166,413	495,778	(345,290)	13,316,902	(2,564,902)	(421,815)	0	(2,986,717)	10,330,184
Others	6,765,468	629,923	(4,220)	7,391,172	(4,804,820)	(655,456)	3,290	(5,456,987)	1,934,185
TOTAL	***20,472,636***	***1,125,702***	***(349,510)***	***21,248,827***	***(7,369,722)***	***(1,077,271)***	***3,290***	***(8,443,704)***	***12,805,123***

The increase in the item **"buildings",** of Euro 150,488, is related to costs incurred for the construction of the Molfetta building in Via Giovanni Agnelli.

The increase in the item "**others**", equal to Euro 629,923, mainly pertains to plant costs (Euro 1,528), electronic office equipment (Euro 114,236), furniture and furnishings (Euro 48,843), mobile telephony (Euro 307,449) and leased assets (Euro 139,303).

The net book value of leased assets came to Euro 536,583 and relates to electronic office equipment (Euro 43,521), furniture and furnishings (Euro 491,350), and telephony systems (Euro 1,712). It should also be noted that future lease payments due within one year amounted to Euro 222,735, while those due in one to five years amounted to Euro 99,572.

2 - GOODWILL AND OTHER ASSETS WITH AN INDEFINITE USEFUL LIFE

The item **"goodwill"** at 31 December 2015 amounted to Euro 12,651,838 compared to Euro 12,681,281 at 31 December 2014.

Categories	Historical cost 01/01/15	Decrem.	Net value at 31/12/15
COST OF GOODWILL ABACO MERGER	318,878	-	318,878
GOODWILL DIVESTMENT AIS PS BRANCH	1,222,268	-	1,222,268
GOODWILL DIVESTMENT KTONES BRANCH	357,980	-	357,980
GOODWILL EX ODX	88,328	(29,443)	58,885
GOODWILL DIVESTMENT EX. PROJECTS BRANCH	600,000		600,000
GOODWILL	10,093,827	-	10,093,827
TOTAL	***12,681,281***	***(29,443)***	***12,651,838***

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.

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.

The table below summarises allocation of goodwill to CGUs identified:

GOODWILL	Allocation CGU				
	Value at 31/12/15	Oil & Gas	Energy and Utilities	Public Administration and Aerospace	Industry
GOODWILL ODX BRANCH EX EXPRIVIA SOLUTIONS	58,885			58,885	
GOODWILL AIS PS BRANCH	1,222,268	246,332	517,491	118,587	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	**12,651,838**	**2,417,027**	**5,677,649**	**1,222,453**	**3,334,709**

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 7.5% and was determined using the following parameters:

- Cost of KE risk capital equal to 8.1% calculated according to:
  - risk-free rate of 1.7% equal to the average rate in 2015 of ten-year BTP with implicit country risk (source: Treasury Department Ministry of the Economy and Finance “Primary Interest Rates”)
  - sector-based beta coefficient equal to 0.8 cleared from financial risk (beta unlevered equal to 0.69) (source: Bloomberg)
  - 5.5% premium for market risk (source: Bloomberg)
  - Small Size Premium 2%
- Cost of debt pre-tax equal to 5%
- Debt/equity ratio equal to 0.15 as target value for sector (source: Bloomberg)

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 2016-2020, in accordance with the business plan. The assumptions underlying the adopted scenarios and flows achieved for each CGU were submitted to the Board of Directors.

The main assumptions underlying the 2016-2020 financial forecasts are listed below:

- for 2016 the projections reflect budget data from the year
- for 2017-2018 the projections reflect a 5% growth rate, with consolidation of profit margins obtained by streamlining external costs for 2% and streamlining personnel costs so as to absorb the increase in personnel costs estimated at being 2% per year

- for the last 2 years (2019-2020) the projections reflect a 10% growth rate, with consolidation of profit margins obtained by streamlining external costs for 1 % and streamlining personnel costs so as to absorb the increase in personnel costs estimated at being 2% per year

The end value was calculated as the current value of perpetual performance obtained capitalising the cash flow generated in the last analytical forecast period at a 1.5% G growth factor.

Sensitivity Analysis

A sensitivity analysis was carried out on the outcome of impairment tests assuming the following changes:

- A 0.5% increase in the weighted average cost of capital, from 7.5% to 8%;
- A decrease in the growth rate "G" from 1,5% to 1%;

The sensitivity analysis shows that the values used are higher than the book values.

Conclusions

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

3 - OTHER INTANGIBLE ASSETS

As at 31 December 2015 the balance of the item **"other intangible assets"** amounted to Euro 260,947 compared with Euro 634,339 at 31 December 2014.

The table below shows movement in the reporting period:

Categories	Historical cost 01/01/15	Inc/ at 31/12/15	Total historical cost 31/12/15	Reserve prov/ at 01/01/15	Dep/ of the perdiod	Dep/ 31/12/15	Net value at 31/12/15
Sundries	1,985,938	20,481	2,006,419	(1,351,599)	(393,873)	(1,745,472)	260,947
TOTAL	***1,985,938***	***20,481***	***2,006,419***	***(1,351,599)***	***(393,873)***	***(1,745,472)***	***260,947***

The increase in the item **"others"** for Euro 20,481 is mainly due to the purchase of software licenses.

4 - EQUITY INVESTMENTS

The balance of the item **"equity investments"** at 31 December 2015 amounted to Euro 65,850,600 compared with Euro 65,543,860 at 31 December 2014.

The item is broken down below.

Interests in Subsidiaries

At 31 December 2015 the item **"interests in subsidiaries"** amounted to Euro 64,985,891 compared with Euro 64,681,993 at 31 December 2014. The table below provides details on the item:

Description	31/12/2015	31/12/2014	Variation
Exprivia Do Brasil	1,670,000	1,670,000	
Exprivia Projects Srl	1,391,391	1,241,391	150,000
Exprivia SLU	1,143,948	1,143,948	
Exprivia Enterprise Consulting Srl	11,954,869	11,954,869	
ProSap	1,335,920	1,185,920	150,000
Exprivia Digital Fin. Solution Srl	14,185,705	14,185,705	
Spegea S.c.a r.l.	300,000	300,000	
Exprivia Healthcare It Srl	32,436,159	32,436,159	
Consorzio Exprivia Scarl	17,898	14,000	3,898
Exprivia Telco & Media Srl	500,000	500,000	
Exprivia Asia Ltd	50,000	50,000	
TOTAL	***64,985,891***	***64,681,993***	***303,898***

The investments were subjected to impairment tests where impairment indicators were detected. The impairment test was performed using the method described under Goodwill, note 2. The impairment test did not indicate any impairment, however, the sensitivity analysis, conducted with a 0.5% rise in the weighted average cost of capital, from 7.5% to 8%, and a decrease in the growth rate "G" from 1.5% to 1%, shows that the interests held in Exprivia Enterprise Consulting Srl and in Prosap the book value is higher than the value in use by Euro 1,522 thousand and Euro 257 thousand respectively.

The Euro 303,898 rise is mainly due to:

- Euro 150,000 for acquiring the remaining share of 48.88% in the company Profesionales de Sistemas Aplicaciones y Productos SL (Spanish company 51.12% already held), 2% of the company ProSAP SA de CV (Mexican company, 98% already controlled by Profesionale de Sistemas Aplicaciones Y Productos Sl) and 2% of the company ProSAP Centroamerica S.A. (Guatemalan company 98% already controlled by ProSap SA de CV);
- Euro 150,000 allocated to the future capital increase account for the subsidiary Exprivia Projects Srl.

The table below provides figures related to the shareholders' 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	(3,837)	16,193		16,762	60.00%
Expriva SLU	Madrid (Spagna)	8,250	146,627	1,794,620	1,616,974	4,607,197	100.00%
Exprivia Asia Ltd	Hong Kong	57,519	(118,232)	(66,145)	29,505	429,196	100.00%
Exprivia Enterprise Consulting Srl	Milano	1,500,000	(47,628)	1,480,248	9,203,520	7,711,714	100.00%
Exprivia Healthcare IT Srl	Trento	1,982,190	348,134	10,601,071	23,149,331	32,375,856	100.00%
Exprivia Do Brasil Servicos Ltda	Rio de Janeiro (Brasile)	1,366,204	190,190	1,460,697	1,316,967	1,679,467	52.22%
Exprivia Projects Srl	Roma	242,000	433,247	599,730	6,957,069	2,261,362	100.00%
Exprivia Telco & Media Srl	Milano	1,200,000	376,377	1,216,161	20,191,777	14,713,668	100.00%
ProSap SLU	Madrid (Spagna)	197,904	(233,113)	165,047	3,529,377	5,056,226	100.00%
ProSap SA de CV	Messico	2,643	(607,589)	(615,021)	4,348,821	3,861,787	2.00%
ProSap Centroamerica	Guatemala	602	122,285	171,287	703,504	1,083,551	2.00%
Exprivia Digital Financial Solution Srl	Milano	1,586,919	2,872,481	13,228,652	26,193,684	22,836,746	100.00%
Spegea Scarl	Bari	125,000	(21,639)	242,792	1,628,113	1,046,187	60.00%

Equity investments in Other Companies

The item **"equity investments in other companies"** at 31 December 2015 amounted to Euro 864,710 compared with Euro 861,867 at 31 December 2014. Details are provided in the table below:

	31/12/2015	31/12/2014	Variation
Advanced Computer Systems Spa	740.816	740.816	0
Consorzio SILAB-Daisy	7.347	1.837	5.510
Consorzio Global Enabler	2.000	2.000	
Conai	9	9	
Cered Software Srl		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	0
Finapi Srl		775	(775)
Iqs New Srl		1.291	(1.291)
Consorzio DARe	1.000	1.000	
Consorzio DHITECH	17.000	17.000	
Consorzio DITNE	5.582	5.565	17
Certia	516	516	0
Società Consortile Piano del Cavaliere		516	(516)
Software Engineering Research Srl	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	
TOTALI	***864.710***	***861.867***	***2.843***

In November 2015 Exprivia SpA stipulated a preliminary agreement for acquiring control of ACS SpA. Since certain conditions precedent to acquisition of control have not taken place, it has not yet been concluded.

5 - OTHER FINANCIAL ASSETS

Receivables from Parent Companies

As at 31 December 2015, the balance of **"receivables from parent companies"** amounted to Euro 1,305,338, and relates mainly to the remaining amounts for the interest-bearing loans (Euro 1,019,791) granted to the parent company Abaco Innovazione SpA. It should be mentioned that, unlike 31 December 2014, the receivable was reclassified under non-current assets since payments will start in 2017.

6 - NON-CURRENT TAX RECEIVABLES

Non-current tax receivables

The item "**tax receivables**" amounted to Euro 1,348,732 as at 31 December 2015 compared to Euro 1,334,539 at 31 December 2014, of which Euro 463,272 pertained 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 **"tax receivables"**.

7 - PREPAID TAXES

At 31 December 2015 the item **"prepaid taxes"** amounted to Euro 569,880 compared to Euro 1,148,572 at 31 December 2014. The change is shown in the table below compared to figures at 31 December 2014.

Description	31/12/2015		31/12/2014	
	Amount temporary differ	tax effect	Amount temporary differ	tax effect
Goodwill			1,109,870	358,710
Fair value of derivative			20,190	5,552
Tax and statutory depreciation difference				
Allowance for doubtful accounts	1,555,000	373,200	1,150,000	316,250
Fund risks	697,209	196,680	1,563,523	468,060
TOTAL	**2,252,209**	**569,880**	**3,843,583**	**1,148,572**

CURRENT ASSETS

8 - TRADE RECEIVABLES AND OTHERS

Trade Receivables

The item **"trade receivables"** rose from Euro 27,884,797 at 31 December 2014 to Euro 18,356,242 at 31 December 2015 and are carried under assets less Euro 1,722,056 as an adjustment for the risk of doubtful debts.

The table below provides details on the item:

Description	31/12/2015	31/12/2014	Variation
To Italian customers	18,934,877	27,422,222	(8,487,345)
To foreign customers	145,583	661,556	(515,973)
To public bodies	997,838	1,497,464	(499,627)
S-total receivables to customers	*20,078,298*	*29,581,242*	*(9,502,944)*
Less: provision for bad debts	(1,722,056)	(1,696,446)	(25,610)
Total receivables to customers	*18,356,242*	*27,884,796*	*(9,528,554)*

Details	31/12/2015	31/12/2014	Variation
To third parties	17,420,953	24,241,335	(6,820,382)
Invoices for issue to third parties	2,657,345	5,339,907	(2,682,562)
TOTAL	*20,078,298*	*29,581,242*	*(9,502,944)*

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 2015 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
17,420,953	11,885,194	5,535,759	464,485	932,735	186,532	36,020	174,384	709,350	84,550	2,947,702
100.0%	68.2%	31.8%	2.7%	5.4%	1.1%	0.2%	1.0%	4.1%	0.5%	16.9%

Receivables from Subsidiaries

The item **"receivables from subsidiaries"** at 31 December 2015 amounted to Euro 9,462,074 compared to Euro 10,547,313 at 31 December 2014.

The table below provides details on this item:

Description	31/12/2015	31/12/2014	Variation
Consorzio Exprivia	6	9,155	(9,149)
Exprivia Projects Srl	314,104	520,612	(206,507)
Exprivia SL	553,274	352,426	200,848
Exprivia Do Brasil	-	89,873	(89,873)
ProSap	3,591,002	1,531,068	2,059,934
Exprivia Digital Financial Solution Srl	1,937,180	4,551,855	(2,614,675)
Spegea S. c. a.r.l.	(109)	195	(304)
Exprivia Healthcare IT Srl	565,078	858,216	(293,137)
Exprivia Enterprise Consulting Srl	1,708,194	2,619,689	(911,494)
Exprivia Asia Ltd	425,903		425,903
Exprivia Telco & Media Srl	367,441	14,225	353,216
TOTAL	***9,462,074***	***10,547,313***	***(1,085,240)***

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.

Other Receivables

At 31 December 2015 the item **"other receivables"** amounted to Euro 5,601,490 compared to Euro 9,349,508 at 31 December 2014.

The table below provides details on the item and respective changes:

Description	31/12/2015	31/12/2014	Variation
Advances on projects	2,616,976	5,279,884	(2,662,908)
Advances to suppliers for services	127,000	17,485.00	109,515
Sundry credits	33,114	26,715	6,399
Receivables to factoring	701,144	871,677	(170,533)
Guaranteed securities	11,066	32,151	(21,085)
Costs relating to future years	2,112,190	3,121,595	(1,009,405)
TOTAL	***5,601,490***	***9,349,508***	***(3,748,018)***

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.

In 2015, the method for determining an estimate of these provisions for risks was reviewed on the basis of the historical information available. The variation determined, in 2015, a benefit in the income statement, recorded under the item "grants" for around Euro 350 thousand.

The item **"expenses pertaining to future financial years"** for euro 2,112,190 mainly refers to maintenance costs for future reporting periods.

Tax Receivables

At 31 December 2015 the item **"tax receivables"** amounted to Euro 482,088 compared to Euro 258,986 at 31 December 2014. The table below provides a breakdown and a comparison with the previous year:

Description	31/12/2015	31/12/2014	Variation
Credits for instance IRAP on IRES	150,811	165,004	(14,193)
Receivables to tax a/c - IRAP	263,078		263,078
Tax authority w/holding taxes on interest income	1,425	46,821	(45,396)
Credits with tax authority	66,774	47,161	19,613
TOTAL	***482,088***	***258,986***	***223,102***

It should be pointed out that the amounts receivable for the IRAP tax on IRES pertain to the amounts receivable for the deductibility of the IRAP tax calculated on staff costs, which generated a recovery of IRES tax. Tax receivables pertaining to 2007 and 2008 were reclassified under current tax receivables.

The amount receivable for IRAP (Euro 263,078) refers to the fact that the prepayments made were higher than the amount owed for 2015.

9 - INVENTORIES

At 31 December 2015 the item **"inventories"** amounted to Euro 31,119 compared with Euro 156,754 at 31 December 2014 and refers to software and hardware held for resale.

Description	31/12/2015	31/12/2014	Variation
Closing inventories	371,607	342,688	28,919
Inventories intercompany	0	154,554	(154,554)
Inventory obsolescence	(340,488)	(340,488)	0
TOTAL	***31,119***	***156,754***	***(125,635)***

10 – CONTRACT WORK IN PROGRESS

At 31 December 2015 the item **"contract work in progress"** amounted to Euro 9,285,642 compared to Euro 9,388,754 at 31 December 2014 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:

Description	31/12/2015	31/12/2014	Variation
Banks, Finance and Insurance	2,898	95,651	(92,753)
Industry	1,208,379	762,264	446,115
Oil & Gas	641,737	624,458	17,279
Telcom & Media	37,273	0	37,273
Healthcare	3,620,218	4,717,095	(1,096,877)
Energy & Utilities	2,409,799	1,935,160	474,639
Defence, Aerospace and Public Administration	1,361,195	1,254,125	107,070
Other	4,143		4,143
TOTALI	**9,285,642**	**9,388,754**	**(103,112)**

11 - CASH AT BANK AND ON HAND

At 31 December 2015 the item **"cash at bank and on hand"** amounted to Euro 3,147,406 compared with Euro 6,607,218 at 31 December 2014 and refers to Euro 3,141,852 held at banks and Euro 5,553 in cash on hand. Additionally, the bank balance includes secured deposits for guarantees amounting to Euro 399 thousand undertaken in favour of banks.

INFORMATION ON THE CASH FLOW STATEMENT

The **Net Financial Position** at 31 December 2015 was negative for Euro 26,272,752 whereas it was negative for Euro 18,022,295 at 31 December 2014. The change is mainly due to lower net working capital by Euro 5.5 million and a decrease in cash flow deriving from financial assets and liabilities by about Euro 2.9 million and negative cash flow deriving from investments by Euro 0.8 million. See note 14 for further details.

12 - OTHER FINANCIAL ASSETS AVAILABLE FOR SALE

The item **"other financial assets available for sale"** amounted to Euro 501,561 at 31 December 2015 compared to Euro 349,740 as at 31 December 2014. The latter balance included the financial instruments issued by Banca Popolare di Bari, more specifically: (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 each, amounting to Euro 140,364.

In June 2015, Exprivia participated in the subscription of the second share capital increase of Banca Popolare di Bari; more specifically, it subscribed: (i) 10,033 new securities issued by the same bank for Euro 8.95 each, of which Euro 3.95 as a share premium, for a total investment of Euro 89,795 and (ii) 10,033 bonds "Banca Popolare di Bari 6.50% 2014/2021 subordinate Tier II" for Euro 6 each, amounting to a total investment of Euro 62,025.

These financial instruments were booked at fair value (level 2).

Description	31/12/2015	31/12/2014	Variation
Bond BPB	202,389	140,364	62,025
Share BPB	299,172	209,376	89,796
TOTAL	*501,561*	*349,740*	*151,821*

SHAREHOLDERS' EQUITY

13 - SHAREHOLDERS' EQUITY

13 - SHARE CAPITAL

"Share Capital", fully paid up, amounted to Euro 25,754,016 compared to Euro 26,410,269 at 31 December 2014 and is represented by 51,883,958 ordinary shares at a nominal value of euro 0.52 each for a total of Euro 26,797,658, net of 2,357,005 own shares held at 31 December 2015 for a value of Euro 1,225,642.

EXPRIVIA SHARES HELD BY MEMBERS OF THE BOARD OF DIRECTORS

As at 31 December 2015 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.

13 - SHARE PREMIUM RESERVE

At 31 December 2015 the **"share premium reserve"** amounted to euro 18,081,738 and is the same as 31 December 2014.

13 - REVALUATION RESERVE

At 31 December 2015 the **"revaluation reserve"** amounted to euro 2,907,138 and is the same as 31 December 2014.

13 - LEGAL RESERVE

As at 31 December 2015 the **"legal reserve"** amounted to Euro 3,709,496, which rose by Euro 147,826 compared to 31 December 2014 after allocation of Exprivia SpA profit from the previous year, as resolved by the shareholders' meeting of 23 April 2015.

13 - OTHER RESERVES

The balance of the item **"other reserves"** amounted to Euro 17,568,385 at 31 December 2015 compared to Euro 16,471,204 at 31 December 2014 and pertains to:

- Euro 9,348,170 for the **"extraordinary reserve"** which rose by Euro 4,355,940 compared to 31 December 2014, due to both the allocation of 2014 profit (Euro 1,355,940) as resolved by the shareholders' meeting of Exprivia SpA on 23 April 2015 due to the effect of the partial release of the "Provision for investments in the Regione Puglia Programme Agreement" (Euro 3,000,000);
- Euro 4,904,776 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" (project S.D.I.) and decreased by Euro 3,000,000 with respect to 31 December 2014, as a result of the release of the provision reclassified for the same amount under "extraordinary reserve";
- 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 2014;
- euro -530,685 "**other reserves**". Movements in 2015 refer to:
    - to the effect of the application of IAS 19 with the associated recognition in the statement of comprehensive income of actuarial gains net of the tax effect of Euro 91,120;
    - to the effect of the premium paid to purchase treasury shares amounting to Euro -349,879.

NON-CURRENT LIABILITIES

14 - NON-CURRENT PAYABLES TO BANKS

At 31 December 2015 the balance of the item **"non-current payables to banks"** amounted to Euro 5,158,092 compared with Euro 6,245,537 last year, and pertains to the amounts of medium-term borrowing overdue for over twelve months after 31 December 2015.

Financial Institute	Typology	Contract amount	Amount paid 31.12.2015	Date contract	Expiration date	Repayment installment	Rate applied	Residual capital 31.12.2015	To be repaid within 12 months	To be repaid over 12 months
Ministero dello Sviluppo Economico	Financing	2,019,162	2,019,162	27/12/09	27/02/19	annual	0.87%	919,955	227,009	692,946
Monte dei Paschi di Siena	Financing	5,000,000	5,000,000	04/05/10	10/05/17	montly	Euribor + 2.50%	1,202,554	844,081	358,473
Banco Napoli	Financing	2,000,000	2,000,000	20/05/11	20/05/16	montly	Euribor + 3.70%	182,392	182,392	-
Intesa San Paolo	Financing	1,000,000	1,000,000	17/06/15	17/06/16	montly	Euribor + 2.00%	502,424	502,424	-
Intesa San Paolo	Financing	1,000,000	1,000,000	18/12/15	18/12/16	montly	Euribor + 1.688%	993,601	993,601	-
IBM Italia Servizi Finanziari	Financing	306,856	306,856	01/05/12	01/02/17	quarterly	9.66%	88,375	69,876	18,499
ICCREA Banca Impresa	Financing	1,020,000	1,020,000	18/07/13	30/09/18	quarterly	Euribor + 3.80%	586,325	205,731	380,594
ICCREA Banca Impresa	Financing	2,500,000	2,500,000	30/12/15	30/03/17	quarterly	Euribor + 3.90%	2,500,000	1,990,159	509,841
Simest	Financing	1,955,000	1,198,063	19/04/13	19/04/20	semi-annual	0.5%	1,078,257	239,613	838,644
Banca del Mezzogiorno	Financing	3,000,000	3,000,000	04/06/14	31/03/24	quarterly	Euribor + 4.80%	2,624,540	265,446	2,359,094
Banca Carime	Financing	2,000,000	2,000,000	07/11/14	07/05/16	montly	Euribor + 3.80%	567,227	567,227	-
Banca Popolare di Milano	Financing	3,000,000	3,000,000	11/11/15	31/05/16	montly	Euribor + 2.75%	2,499,593	2,499,593	-
Deutsche	Financing	1,000,000	1,000,000	07/08/14	04/02/16	montly	Euribor + 2.20%	111,111	111,111	-
Unicredit	Financing	2,740,000	2,740,000	15/12/15	30/12/16	montly	Euribor + 4.50%	2,732,354	2,732,354	-
Credem	Financing	1,000,000	1,000,000	14/09/15	31/10/16	quarterly	Euribor + 1.50% *	1,000,000	1,000,000	-
Totale								***17,588,708***	***12,430,617***	***5,158,092***

Medium-term Loan Agreement

On 30 November 2015 the medium-term loan stipulated on 8 May 2008 by Exprivia for 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 Monte dei Paschi di Siena (formerly Antonveneta S.p.A.).

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

A loan resolved and fully paid for Euro 2,019,162 as at 31/12/2015; it was targeted at financing 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 February 2019 and bears a below-market fixed 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 2015 the remaining debt amounted to Euro 919,955, Euro 227,009 of which should be repaid within twelve months (carried under short-term liabilities) and the remaining Euro 692,946 to be repaid in 2017-2019 (carried under long-term liabilities).

There are no real guarantees for this loan.

Monte dei Paschi di Siena 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.

At 31 December 2015 the debt amounted to Euro 1,202,554, Euro 844,081 of which should be repaid within twelve months (carried under short-term liabilities) and the remaining Euro 358,473 to be repaid in 2017 (carried under long-term 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 2015 the remaining debt amounted to Euro 182,392 to be repaid within the next twelve months (and therefore recorded under 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 September 2013 until 30 September 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 2015 the remaining debt amounted to Euro 586,325, Euro 205,731 of which is to be repaid within the next twelve months (and therefore recorded under current liabilities) and the remaining Euro 380,594 to be repaid in 2017-2018 (carried under non-current liabilities).

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

The loan agreement provides financial parameters to be respected for its entire duration. According to figures at 31 December 2015 these have been respected.

Iccrea Banca Impresa Loan

A loan for Euro 2,500,000 stipulated on 30/12/2015 to be repaid in quarterly instalments starting from 30/03/2016 until 30/03/2017.

The interest rate applied is Euribor 3 month + a 3.90% spread.

At 31 December 2015 the debt amounted to Euro 2,500,000, Euro 1,990,159 of which should be repaid within twelve months (carried under short-term liabilities) and the remaining Euro 509,841 to be repaid in 2017 (carried under long-term liabilities).

There are no real guarantees for this loan.

Simest Loan

A loan of Euro 1,955,000 resolved, entered into on 19 April 2013, of which Euro 1,198,063 disbursed on 31/12/2015, 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 2015 the remaining debt amounted to Euro 1,078,257, Euro 239,613 of which is to be repaid within the next twelve months (and therefore recorded under current liabilities) and the remaining Euro 838,644 to be repaid in 2017-2020 (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 2015 the remaining debt amounted to Euro 2,624,540, Euro 265,446 of which is to be repaid within the next twelve months (and therefore recorded under current liabilities) and the remaining Euro 2,359,094 to be repaid in 2017-2024 (carried under non-current liabilities).

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

It should be pointed out that, by contract the entire amount of the next two instalments were secured in a current account at 31 December 2015.

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 2015 compared with figures from the previous year.

		al 31.12.2015	al 31.12.2014
A.	Cash	5,553	24,027
B.	Other cash and bank on hand	3,141,853	6,583,192
C 1.	Securities held for trading	501,561	349,740
C 2.	Own shares	1,752,277	746,139
D	**Liquidity (A)+(B)+(C)**	**5,401,244**	**7,703,098**
E.	**Current financial receivables**	**3,735,106**	**2,943,192**
F.	Current bank loans	(15,966,989)	(16,969,188)
G.	Current portion of non-current	(3,841,914)	(4,372,619)
H.	Other current financial liabilities	(11,362,326)	(2,356,880)
I.	**Current financial debt (F) + (G) + (H)**	**(31,171,229)**	**(23,698,687)**
J.	**Net current financial debt (I) + (E) + (D)**	**(22,034,879)**	**(13,052,397)**
K.	No current bank loans	(5,158,092)	(6,245,537)
L.	Bonds issued		
M.	Other non-current liabilities, net of non-current loans	920,219	1,275,679
N.	**No current financial debt (K) + (L) + (M)**	**(4,237,873)**	**(4,969,858)**
O.	**Net current financial debt (J) + (N)**	**(26,272,752)**	**(18,022,255)**

Own shares held by the company (Euro 1,752,227) are included in the calculation of the net financial position. They were not listed under the opening and closing balance of financial assets in the cash flow statement since the change is shown in a dedicated item.

15 - OTHER FINANCIAL LIABILITIES

Payables to subsidiaries

The item **"payables to subsidiaries"** amounted to Euro 430,093 as at 31 December 2015 compared with Euro 415,899 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 Euro 380,093 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 307,710) and Spegea Scasrl (euro 8,846).

Trade payables after the financial year

As at 31 December 2015 the item **"trade payables after the financial year"** amounted to Euro 99,572 compared to Euro 212,404 at 31 December 2014 and refers to the amounts payable to leasing companies but pertaining to future reporting periods.

16 - NON-CURRENT TAX LIABILITIES

Non-current tax liabilities

The balance of the item "**non-current tax liabilities**" at 31 December 2015 amounted to Euro 41,306 compared to Euro 119,161 at 31 December 2014 and refers to the amounts payable to public entities after the financial year for payment injunctions.

17 - PROVISIONS FOR RISKS AND CHARGES

The balance of the item **"provisions for risks and charges"** at 31 December 2015 amounted to Euro 173,028 compared with Euro 723,028 at 31 December 2014.

Description	31/12/2015	31/12/2014	Varition
Fund risks disputes	100,000	560,000	(460,000)
Risk fund tax dispute	0	65,000	(65,000)
Risk provisions staff	66,028	71,028	(5,000)
Provision for other risks	7,000	27,000	(20,000)
TOTAL	***173,028***	***723,028***	***(550,000)***

The **provision for dispute risks**, amounting to Euro 100,000, was prudently allocated in the year to hedge against any adverse outcome of pending civil legal proceedings. See note 34 for details. The use of the provision (roughly Euro 560,000 thousand) relates to a settlement reached in the first half of 2015 with reference to a civil dispute which had a negative impact of around Euro 700 thousand on the income statement.

The **"provision for tak dispute risks"** was brought to zero following the tax settlement and payment in relation to the tax assessment report issued by the Inland Revenue Agency of Bari on 27/10/2014 against Exprivia SpA, where certain tax irregularities were found.

The **"provision for staff risks"** of Euro 66,028 refers to amounts set aside in previous financial years for current disputes with former employees.

18 - 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 at 31 December 2015 amounted to Euro 3,081,697 compared with Euro 3,431,924 at 31 December 2014.

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	31/12/2015	31/12/2014
Discount rate	2.00%	1.50%
Inflation rate	1.50%	1.50%
Annual rate of wage growth	2.50%	3.00%
Annual rate of TFR growth	2.62%	2.62%
Mortality	Tav ISTAT 2011	Tav ISTAT 2011
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.

The calculations take into account the yearly tax that from 1 January 2015 rose to 17% (previously 11%), determining the recognition of a past service cost.

19 - DEFERRED TAX LIABILITIES

Provisions for Deferred Taxes

The item **"provisions for deferred taxes"** at 31 December 2015 amounted to Euro 763,103 compared with Euro 691,924 at 31 December 2014.

The table below provides details on this item:

	31/12/2015		31/12/2014	
Description	**Amount temporary differences**	**Tax effect**	**Amount temporary differences**	**Tax effect**
TFR	(50,640)	(13,926)	(176,321)	(48,488)
Goodwill	521,373	149,373		
Building	2,190,770	627,656	2,290,881	740,412
TOTAL	**2,661,503**	**763,103**	**2,114,560**	**691,924**

CURRENT LIABILITIES

20 - CURRENT PAYABLES TO BANKS

At 31 December 2015 the item "**current payables to banks**" amounted to Euro 19,808,903 compared with Euro 21,341,807 at 31 December 2014, Euro 12,430,617 refers to the current amount of loans (as described under the item "**non-current payables to banks**") and Euro 7,378,286 refers to current account overdrafts at major credit institutions for current working assets.

21 - TRADE PAYABLES

The item **"trade payables"** amounted to Euro 9,562,171 at 31 December 2015 compared to Euro 14,440,467 at 31 December 2014. The table below provides details on the item:

Description	31/12/2015	31/12/2014	Variation
Invoices received Italy	7,185,203	10,010,101	(2,824,898)
Suppliers of leased assets	222,735	265,991	(43,256)
Invoices received foreing	70,895	165,467	(94,572)
Invoices to consultants	102,437	294,901	(192,464)
Invoices to be received	1,980,901	3,704,007	(1,723,106)
TOTAL	**9,562,171**	**14,440,467**	**(4,878,297)**

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
7,358,535	4,965,379	2,393,156	417,987	652,097	276,534	274,665	154,823	64,261	332,495	220,294
100.0%	67.5%	32.5%	5.7%	8.9%	3.8%	3.7%	2.1%	0.9%	4.5%	3.0%

22 - ADVANCE PAYMENTS ON CONTRACT WORK IN PROGRESS

Advance Payments

At 31 December 2015 the item **"advance payments"** amounted to Euro 2,122,032 compared to Euro 3,195,887 at 31 December 2014 and refers to advance payments received for contract work in progress.

23 - OTHER FINANCIAL LIABILITIES

Payables to Subsidiaries

As at 31 December 2015, the item **"payables to subsidiaries"** amounted to Euro 16,336,573 compared with Euro 23,276,686 at 31 December 2014 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	31/12/2015	31/12/2014	Variation
Exprivia Digital Financial Solution Srl	7,667,554	13,715,114	(6,047,560)
Exprivia Projects Srl	1,677,248	3,005,841	(1,328,593)
Exprivia Healthcare It Srl	4,011,588	2,655,842	1,355,746
Exprivia Enterprise Consulting Srl	2,090,285	3,130,260	(1,039,975)
Exprivia Telco & Media Srl	595,062	474,402	120,660
Spegea S.c. a r.l.	274,835	273,940	895
Gruppo ProSap	0	1,287	(1,287)
Exprivia Sl	20,000	20,000	0
TOTAL	*16,336,573*	*23,276,686*	*(6,940,113)*

The decrease in payables to the subsidiary Exprivia Digital Financial Solution Srl is mainly due to the transfer of costumer contracts for which the holding company had kept until 31 December 2014, with reference to the transfer of the banking division in 2014.

Amounts Payable to Others

The item **"amounts payable to others"** amounted to Euro 384,215 compared to Euro 2,445,223 at 31 December 2014. The table below provides details on the item:

Description	31/12/2015	31/12/2014	Variation
Derived products	0	20,190	(20,190)
Advances on projects	0	2,425,033	(2,425,033)
Unicredit Factoring	384,215	0	384,215
TOTAL	*384,215*	*2,445,223*	*(2,061,009)*

As regards the item **"advances on projects"** it should be noted that the advance payments received were reclassified to reduce "contribution receivables", since they pertained to research projects that ended in 2015 and for which a termination report is pending.

Contracts for derivative instruments were ended in 2015.

24 - TAX LIABILITIES

The item **"tax liabilities"** amounted to Euro 3,413,744 compared to Euro 6,103,199 at 31 December 2014. The table below provides details on the item:

Description	31/12/2015	31/12/2014	Variation
Payables to tax authority for VAT	838,272	3,210,447	(2,372,175)
Payables to tax authority for IRAP	0	(257,948)	257,948
Payables to tax authority for IRES	999,435	1,489,986	(490,551)
Payables to tax authority for IRPEF employees	1,209,553	1,217,542	(7,989)
Payables to tax authority	65,404	(3,779)	69,183
Payables to tax authority for interest and penalties	301,080	446,951	(145,872)
TOTAL	***3,413,744***	***6,103,199***	***(2,689,455)***

25 - OTHER CURRENT LIABILITIES

Payables to Pension and Social Security Institutions

As at 31 December 2015 the item "**payables to pension and social security institutions**" amounted to Euro 1,933,923 compared with Euro 2,067,801 as at 31 December 2014. The table below shows the breakdown and movement in 2015 as well as a comparison with the previous year.

Description	31/12/2015	31/12/2014	Variation
INPS with contributions	1,218,592	1,373,530	(154,938)
Payables to pension funds	55,793	49,875	5,918
Enter other social security and welfare	29,457	28,339	1,118
Payables for penalties and interest	664,084	631,267	32,817
INAIL with contributions	(34,004)	(15,209)	(18,794)
TOTAL	***1,933,923***	***2,067,801***	***(133,878)***

Other Payables

As at 31 December 2015, the item **"other payables"** amounted to Euro 5,893,130 compared with Euro 6,835,418 at 31 December 2014.

The table below provides details on the item:

Description	31/12/2015	31/12/2014	Variation
Directors' pay for settlement	25,625	25,056	569
Employees/Collaborators for fees accrued	1,505,031	1,686,309	(181,278)
Debts to purchase shareholdings	0	10,500	(10,500)
Accrued holidays, festivities, summer & yr-end bonuses	2,142,340	2,147,165	(4,825)
Payables to associations	8,131	2,621	5,510
Sundry payables	171,486	183,724	(12,237)
Competence Contributions in future years	2,040,517	2,780,043	(739,526)
TOTAL	***5,893,130***	***6,835,418***	***(942,287)***

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.

26 - REVENUE FROM SALES AND SERVICES

In 2015 "**revenue from sales and services**", including work in progress, amounted to Euro 63,104,163 compared to Euro 81,832,900 in 2014.

The reduction mainly refers to revenue from consultancy and project development and is mainly due to the effect of transferring the banking and healthcare divisions in the first half of 2014.

Description	31/12/2015	31/12/2014	Variation
Hardware and plants	535,651	3,146,715	(2,611,064)
Licences, software and products	1,142,482	2,427,631	(1,285,149)
Project development	54,854,043	69,356,827	(14,502,784)
Maintenance	6,571,986	6,901,726	(329,740)
TOTAL	***63,104,163***	***81,832,900***	***(18,728,736)***

The revenue as at 31 December 2015 (euro 63,104,164) includes intercompany revenue for a total of euro 9,164,950.

The table below provides details on the items and intercompany relations:

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 Telco & Media Srl	Total
Professional services	302,558	625,766	3,287,289	24,512	14,379		380,858	4,635,363
Commercial fronting			193,644					193,644
Commercial advice	254,353	35,516	134,863	104,110				528,842
Corporate services and logistics	586,357		1,994,599	772,690		5,000	310,759	3,669,405
Coordination RTI				137,695				137,695
TOTAL	***1,143,268***	***661,283***	***5,610,395***	***1,039,008***	***14,379***	***5,000***	***691,617***	***9,164,950***

Transactions with subsidiaries are all regulated by framework agreements and specific contracts.

In 2015 the company held certain contracts in 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 in the previous year.

The revenue related to these activities amounted to Euro 2,287,465, for which the company received costs for services from the subsidiary of the same amount.

Payment for commercial fronting amounted to Euro 193,644, in accordance with contractual stipulations.

The table below provides details on revenues by segment:

Exprivia (value in K €)	31.12.2015	31.12.2014	Variations	Variations %
Banks, Financial Istitutions and Insurance	2,299,083	20,172,236	(17,873,153)	-89%
Industry	11,351,385	10,282,122	1,069,263	10%
Oil & Gas	13,917,319	12,778,966	1,138,353	9%
Healthcare	2,900,675	5,060,167	(2,159,492)	-43%
Energy and Utilities	14,557,487	18,408,467	(3,850,980)	-21%
Defence, Aerospace and Public Administration	8,913,700	7,026,133	1,887,567	27%
Other	-436	(14,555)	14,119	-97%
Parent revenue	9,164,950	8,119,364	1,045,586	13%
Total	**63,104,163**	**81,832,900**	**- 18,728,737**	**-22.89%**

27 - OTHER INCOME

Other Revenue and Income

In 2015 the item "**other revenue and income"** amounted to Euro 1,074,391 compared to Euro 598,623 the previous year. The table below provides details on the items:

Description	31/12/2015	31/12/2014	Variation
Contingency assets	122,375	54,464	67,911
Rental income	329,532	329,532	0
Guarantees given to subsidiaries	148,750	0	148,750
Pay in lieu of notice	39,714	32,649	7,065
Income from assignment of vehicles to staff	42,178	67,893	(25,715)
Other revenue	391,842	114,086	277,756
TOTAL	***1,074,391***	***598,623***	***475,768***

The balance of amounts receivable for rent from subsidiaries pertains to the proceeds from rent changed to the subsidiary Exprivia Healthcare It Srl for the building located in Molfetta in Via Adriano Olivetti 11 where the subsidiary's head offices are located.

The guarantees granted to subsidiaries refer to the payment made to the parent company for guarantees granted by the latter to subsidiaries (Euro 78,050 to Exprivia Healthcare It Srl, Euro 65,100 to Exprivia Enterprise Consulting Srl and Euro 5,600 to Exprivia Telco & Media Srl).

Grants for Operating Expenses

In 2015 the item **"grants for operating expenses"** amounted to Euro 2,897,027 compared to Euro 3,091,328 in 2014 and refer to grants and tax breaks pertaining to the period or authorised in the period for funded research and development projects.

28 – CHANGE IN INVENTORIES OF RAW MATERIALS AND FINISHED PRODUCTS

Change in inventories of finished products

As at 31 December 2015 the balance of the item **"change in inventories of raw materials and finished products"** amounted to Euro 28,919 compared with Euro -300,629 in 2014. It refers to changes in hardware/software products purchased from resales by the various business units.

29 - RAW MATERIALS, CONSUMABLES AND GOODS

In 2015 costs for "**raw materials, consumables and goods**" amounted to Euro 6,325,764 compared with Euro 6,975,015 in the previous year. The table below provides details on the items:

Description	31/12/2015	31/12/2014	Variation
Purchase of HW-SW products	6,212,445	6,826,106	(613,661)
Stationery and consumables	36,685	29,381	7,304
Fuel and oil	58,944	70,231	(11,288)
Purchase of sundries	17,690	28,910	(11,220)
Purchase of parents company	0	12,980	(12,980)
Warranty services on our customers activities	0	7,407	(7,407)
TOTAL	***6,325,764***	***6,975,015***	***(649,251)***

30 - STAFF COSTS

As at 31 December 2015 the item **"staff costs"** amounted to Euro 33,036,552 compared to Euro 39,557,582 in 2014 and refers to Euro 22.587.950 for salaries and wages, Euro 6,075,055 for social security obligations, Euro 1,470,705 for employee severance indemnities, and Euro 2,902,842 for other staff costs.

The decrease in the item is mainly due to the effects of the transfer of business units in the banking and healthcare segments in the first half of 2014.

The number of employees at 31 December 2015 amounted to 675 workers (673 contract employees and 2 temporary workers), compared to 682 in 2014 (672 contract employees and 10 temporary workers).

Staff costs include Euro 2,432,779 for workers on secondment and charged by the company to the following subsidiaries:

- Exprivia Projects Euro 15,925;
- Exprivia Healthcare It Srl Euro 1,239,744;
- Exprivia Enterprise Consulting Srl Euro 909,824;
- Exprivia Digital Financial Solution Srl Euro 37,187;
- Exprivia Telco & Media Srl Euro 230,100.

31 - COSTS FOR SERVICES

In 2015 the balance of the item **"costs for services"** amounted to Euro 18,350,514 compared to Euro 29,565,611 in 2014. The decrease in the item is mainly due to the effects of the transfer of business units in the banking and healthcare segments in the first half of 2014. The table below shows figures from 2015 compared to figures from 2014:

Description	31/12/2015	31/12/2014	Variation
Technical and commercial consultancy	4,228,043	5,770,947	(1,542,904)
Administrative/company/legal consultancy	814,670	770,796	43,874
Consultancy to associated companies	10,018,935	19,355,401	(9,336,466)
Auditors' fees	83,544	156,490	(72,947)
Travel and transfer expenses	937,894	1,106,583	(168,689)
Other staff costs	170,225	149,858	20,367
Utilities	586,372	595,856	(9,484)
Advertising and agency expenses	275,625	333,080	(57,455)
HW and SW maintenance	130,472	121,709	8,763
Insurance	356,273	397,162	(40,889)
Other costs	748,463	807,729	(59,266)
TOTAL	***18,350,514***	***29,565,611***	***(11,215,097)***

The table below provides details on intercompany services, amounting to Euro 10,018,935, 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 Projects Srl	Exprivia Healthcare IT srl	Exprivia Enterprise Consulting Srl	Spegea Srl	Exprivia Digital Financial Solution srl	Exprivia Telco & Media	Abaco Innovazione SpA	Total
Professional services	94,506	502,880	4,940,979	168,153	3,430	810,987		**6,520,935**
Commercial Fronting					2,287,465			**2,287,465**
Guarantees received							84,575	**84,575**
Corporate services and logistics			569,620					**569,620**
Selling expenses	5,827	147,941	402,572					**556,340**
TOTAL	***100,333***	***650,821***	***5,913,171***	***168,153***	***2,290,895***	***810,987***	***84,575***	***10,018,935***

The statement below is provided in accordance with art. 149-*duodecies* of CONSOB Issuer Regulations to show amounts paid to the independent auditors in 2015 for audit services and for other services provided by PricewaterhouseCoopers SpA and other entities belonging to its network.

The fees are shown net of the CONSOB contribution and reimbursement for expenses.

Type of service	Party providing the service	Recipient	Fee attributable 2015
Auditing services	PricewaterhouseCoopers	Exprivia SpA	67,000
Services other than auditing *	PricewaterhouseCoopers Advisory	Exprivia SpA	15,000
TOTAL			**82,000**

* Services other than auditing concern support provided for internal audits.

32 - COSTS FOR LEASED ASSETS

In 2015 the item "**costs for leased assets**" amounted to Euro 2,308,484 compared to Euro 2,650,911 in 2014 and is broken down in the table below:

Description	31/12/2015	31/12/2014	Variation
Rental expenses	738,232	921,302	(183,070)
Car rental/leasing	331,126	419,364	(88,239)
Rental of other assets	1,198,461	1,268,351	(69,890)
Royalties	40,666	41,894	(1,229)
TOTAL	***2,308,484***	***2,650,911***	***(342,427)***

33 - SUNDRY OPERATING EXPENSES

In 2015 "**sundry operating expenses"** amounted to Euro 589,775 compared to Euro 920,230 the previous year and is broken down in the table below:

Description	31/12/2015	31/12/2014	Variation
Annual subscriptions	58,623	111,828	(53,205)
Taxes	149,694	168,027	(18,332)
Penalties and fines	48,804	154,671	(105,867)
Charitable donations	22,995	9,435	13,560
Contingency liabilities	4,460	8,216	(3,756)
Bank charges and commissions	260,179	239,463	20,716
Sundry expenses	44,090	226,176	(182,086)
Capital losses on disposals	931	2,415	(1,485)
TOTAL	***589,775***	***920,230***	***(330,456)***

34 - PROVISIONS

The item **"provisions"** amounted to Euro 75,000, net of risk provision releases, compared to Euro 124,808 in 2014. The refer to:

- Euro 100,000 for provisions allocated by Exprivia SpA for a pending appeal before the TAR (regional administrative court) against the decision to exclude the RTI (temporary association of companies) with Exprivia as the agent company in addition to six principals, for an alleged tax irregularity by the principals ITS Lab Srl and Postel SpA, which requires the enforcement of the temporary fine of Euro 300,000, Euro 100 thousand of which to be paid by Exprivia for itself and for the principal Exprivia Healthcare IT;
- Euro -20,000 for adjustments to the provision pertaining to work in progress contracts;
- Euro -5,000 set aside for legal proceedings in progress with former employees.

35 - AMORTISATION, DEPRECIATION AND WRITE-DOWNS

As at 31 December 2015 the item **"amortisation, depreciation and write-downs"** amounted to Euro 2,291,413 compared to Euro 1,941,972 in 2014 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 2014.

Description	31/12/2015	31/12/2014	Variation
Amortisation intangible assets	423,316	900,916	(477,600)
Amortisation tangible assets	1,077,271	805,985	271,286
Other Assets write-downs	790,826	235,071	555,755
TOTAL	*2,291,413*	*1,941,972*	*349,441*

Amortisation of intangible assets (Euro 423,316) is described under note 3. The reduction is due to the effects of the transfer of business units in 2014 to the subsidiaries Exprivia Digital Financial Solution Srl and Exprivia Healthcare It Srl.

Depreciation of tangible assets amounted to Euro 1,077,271 and is detailed under note 1.

The balance of write-downs amounted to Euro 790,826 and mainly refers to write-downs on contract work in progress (Euro 706,713) and adjustments to the doubtful receivables provision (Euro 81,428), Euro 205,771 in 2014.

36 - FINANCIAL (INCOME) CHARGES AND OTHER INVESTMENTS

In 2015 the balance of the item **"financial (income) charges and other investments"** amounted to Euro 1,253,924 compared with Euro 237,025 in 2014. The table below provides details on the item:

Description	31/12/2015	31/12/2014	Variation
Income from investments in subsidiaries	(2,933,567)	(2,637,263)	(296,305)
Income from other financial assets available for sale	(13,037)		(13,037)
Income from subsidiaries	(157,378)	(119,742)	(37,636)
Income from parent companies	(29,188)	(45,950)	16,762
Other income	(19,099)	(5,440)	(13,659)
Interest and other financial charges	1,484,801	2,300,524	(815,723)
Expenses from subsidiaries	379,163	268,270	110,893
Profit and loss on foreign exchange	34,381	2,575	31,805
TOTAL	**(1,253,924)**	**(237,025)**	**(1,016,899)**

Income from equity investments

As at 31 December 2015 the item **"income from equity investments"** amounted to Euro 2,933,567 compared with Euro 2,637,263 in 2014 and refers to the distribution of dividends, which were resolved in 2015 by the subsidiaries Exprivia Healthcare IT Srl (Euro 931,957) and Exprivia Digital Financial Solution Srl (Euro 2,001,610).

Income from other financial assets available for sale

As at 31 December 2015 the item **"income from other financial assets available for sale"** amounted to Euro 13,037 and refers to income from Banca Popolare di Bari for bonds and shares subscribed.

Income from subsidiaries

As at 31 December 2015 the item **"income from subsidiaries"** amounted to Euro 157,378 compared with Euro 119,742 in 2014 and refers to interest accrued from cash pooling and for loans in place with its subsidiaries.

Income from Parent Companies

As at 31 December 2015 the item "**Income from parent companies**" amounted to Euro 29,188 compared with Euro 45,949 and related to receivable interest accrued on loans in place with the parent company Abaco Innovazione SpA.

Other Income other than the above

The item **"other income other than the above"** at 31 December 2015 amounted to Euro 19,099 compared to Euro 5,440 in 2014. The table below provides details on the items.

Description	31/12/2015	31/12/2014	Variation
Bank interest receivable	17,681	3,625	14,056
Rounding up of assets	1,418	1,815	(397)
TOTAL	***19,099***	***5,440***	***13,659***

Interest and Other Financial Charges

As at 31 December 2015 the item **"interest and other financial charges"** amounted to Euro 1,484,801 compared with Euro 2,300,524 in 2014. The table below provides details on the items.

Description	31/12/2015	31/12/2014	Variation
Bank interest payable	344,952	792,330	(447,378)
Interest on loans and mortgages	459,295	554,949	(95,654)
Sundry interest	601,844	741,058	(139,214)
Charges on financial products and sundry items	27,073	43,701	(16,628)
Rounding up/down	51,636	168,486	(116,850)
TOTAL	***1,484,801***	***2,300,524***	***(815,723)***

Financial Charges from Subsidiaries

As at 31 December 2015 the item **"financial charges from subsidiaries"** amounted to Euro 379,163 compared with Euro 268,270 in 2014 and refers to interest for the cash pooling in place with its subsidiaries.

Profit/loss on currency exchange

As at 31 December 2015, the balance of the item "**profit/loss on currency exchange**" amounted to Euro 34,381 compared with Euro 2,575 in 2014.

37 - TAXES

As at 31 December 2015 the item **"taxes"** amounted to Euro 943,194 compared with Euro 1,327,686 in 2014. The table below provides details on the item.

Description	31/12/2015	31/12/2014	Variation
IRES	260,828	655,491	(394,663)
IRAP	222,542	1,215,215	(992,673)
Other taxes on income	14,115	6,370	7,746
Deferred taxes	(169,599)	(268,353)	98,754
Taxes paid in advance	36,616	(32,356)	68,972
Prior year taxes	578,692	(248,681)	827,373
TOTAL	***943,194***	***1,327,686***	***(384,492)***

The reduction in IRAP is mainly due to the effect of changes in legal rules governing the calculation of this tax.

Prepaid and deferred taxes were determined taking into consideration the *Stability Law* approved in December 2015 with respect to the 3.5% reduction in the IRES rate starting in 2017. Thus, amounts receivable for prepaid taxes and provisions for deferred taxes, which will be executed in financial years following 2016, were duly adjusted.

The table below shows the reconciliation between theoretical IRES charge reported in the balance sheet and the actual tax charge:

Description	31/12/2015		31/12/2014	
	AMOUNT	%	AMOUNT	%
RECONCILIATION OF THEORETICAL AND EFFECTIVE RATE				
PROFIT BEFORE TAXES	5,380,920		4,284,202	
TAX THEORY	1,479,753	27.5%	1,178,156	27.5%
COSTS AND EXPENSES NOT DEDUCTIBLE	586,437		2,113,774	
REVENUES NOT TAXABLE	(2,857,323)		(2,525,833)	
DEPRECIATION	(151,952)		99,292	
OTHER DECREASES	(2,009,617)		(1,587,833)	
TAXABLE INCOME TAX	948,465		2,383,602	
IRES YEAR	**260,828**		**655,491**	
EFFECTIVE RATE		4.8%		15.3%

38 - PROFIT (LOSS) FOR THE YEAR

The income statement closed with a profit (after tax) of Euro 4,437,726 and is confirmed in the balance sheet, up from 2014 (Euro 2,956,516).

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	31/12/2015				31/12/2014			
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	421,000	80,000	258,305	20,000	493,538	69,375	362,300	41,223
Statutory Auditors	83,544				156,490			
Strategic managers			90,000	30,000			273,333	54,167
TOTAL	**504,544**	**80,000**	**348,305**	**50,000**	**650,029**	**69,375**	**635,633**	**95,390**

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	31/12/2015	31/12/2014	Variation
Daisy-Net- Driving Advances of ICT in South Italya	13,939	13,939	0
DHITECH Srl	17,000	17,000	0
TOTAL	**30,939**	**30,939**	**0**

Trade payables

Description	31/12/2015	31/12/2014	Variation
Kappa Emme Sas	22,814	11,468	11,346
TOTAL	**22,814**	**11,468**	**11,346**

Costs

Description	31/12/2015	31/12/2014	Variation
Kappa Emme Sas	150,000	129,570	20,430
Innovision International Ltd	42,503		42,503
TOTAL	**192,503**	**129,570**	**62,933**

Transactions for Atypical/Unusual Operations

In accordance with Consob notice no. 6064293 of 28 July 2006, it should be pointed out that in 2015 the company did not undertake any atypical and/or unusual operations, as defined in the notification itself.

Subsequent Events

No additional significant events were reported after closing the 2015 financial year or as of 11 March 2016.

Molfetta, 11 March 2016

The Board of Directors

Chairman and Chief Executive Officer

Domenico Favuzzi

BOARD OF DIRECTORS' PROPOSAL TO THE SHAREHOLDERS' MEETING

Dear Shareholders,

We would like to thank you for your trust and we encourage you to approve the year-end financial statements as at 31 December 2015. We propose that the profit of Euro 4,437,726 be distributed as follows:

- Euro 221,886.31 to the Legal Reserve
- Euro 3,110,711.55 to the Extraordinary Reserve
- Euro 1,105,128.31 as dividends

Molfetta, 11 March 2016

The Board of Directors

Chairman and Chief Executive Officer

Domenico Favuzzi

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 2015.

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, 11 March 2016

The Chairman and CEO	The Reporting Officer
Domenico Favuzzi	**Gianni Sebastiano**

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

To the Shareholders of
Exprivia SpA

Report on the financial statements

We have audited the accompanying financial statements of Exprivia SpA, which comprise the statement of financial position as of 31 December 2015, income statement, statement of comprehensive income, statement of changes in shareholders' equity and statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the financial statements

The directors of Exprivia SpA are responsible for the preparation of financial statements that give a true and fair view in compliance with 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°38/05.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA Italia) drawn up pursuant to article 11, paragraph 3, of Legislative Decree n°39/10. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The audit procedures selected depend on the auditor's professional judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Exprivia SpA as of 31 December 2015 and of the result of its operations and cash flows for the year then ended in compliance with 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°38/05.

Report on compliance with other laws and regulations

Opinion on the consistency with the financial statements of the report on operations and of certain information set out in the report on corporate governance and ownership structure

We have performed the procedures required under auditing standard (SA Italia) n°720B in order to express an opinion, as required by law, on the consistency of the report on operations and of the information set out in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree n°58/98, which are the responsibility of the directors of Exprivia SpA, with the financial statements of Exprivia SpA as of 31 December 2015. In our opinion, the report on operations and the information in the report on corporate governance and ownership structure mentioned above are consistent with the financial statements of Exprivia SpA as of 31 December 2015.

Bari, 30 March 2016

PricewaterhouseCoopers SpA

Signed by

Corrado Aprico
(Partner)

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