



**Interim Report on Operations  
as at 31 March 2016**

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## 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 reported in the balance sheet, compared to the figures as at 31 March 2016, 31 March 2015 and 31 December 2015.

	31.03.2016	31.03.2015	31.12.2015
Total production revenues	32,542,859	34,914,502	144,812,442
net proceeds and variation to work in progress to order	31,609,390	33,646,223	139,360,862
increase to assets for internal work	316,844	318,808	1,358,828
other proceeds and contributions	616,625	949,471	4,092,752
Difference between costs and production proceeds (EBITDA)	1,725,158	2,006,899	15,311,239
% on production proceeds	5.3%	5.7%	10.6%
Net operating result (EBIT)	663,666	871,325	9,994,017
% on production proceeds	2.0%	2.5%	6.9%
Net result	(273,518)	(271,320)	4,597,608
Group net equity	72,968,976	71,007,666	73,402,218
Total assets	181,277,317	191,893,126	178,808,809
Capital stock	25,553,221	26,100,219	25,754,016
Net working capital (1)	34,053,470	23,608,635	32,798,089
Cash flow (2)	580,327	570,376	7,909,996
Fixed capital (3)	90,599,650	91,114,241	91,065,368
Investment	(850,531)	(464,022)	2,452,257
Cash resources/bonds (a)	9,255,319	11,796,991	10,317,640
Short-term financial debts (b)	(38,791,499)	(28,712,532)	(37,109,580)
Medium-/long-term financial debts (c)	(7,538,127)	(11,531,380)	(9,522,335)
Net financial position (4)	(37,074,307)	(28,446,921)	(36,314,275)

- (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 March 2016, compared with the same period of the previous year.

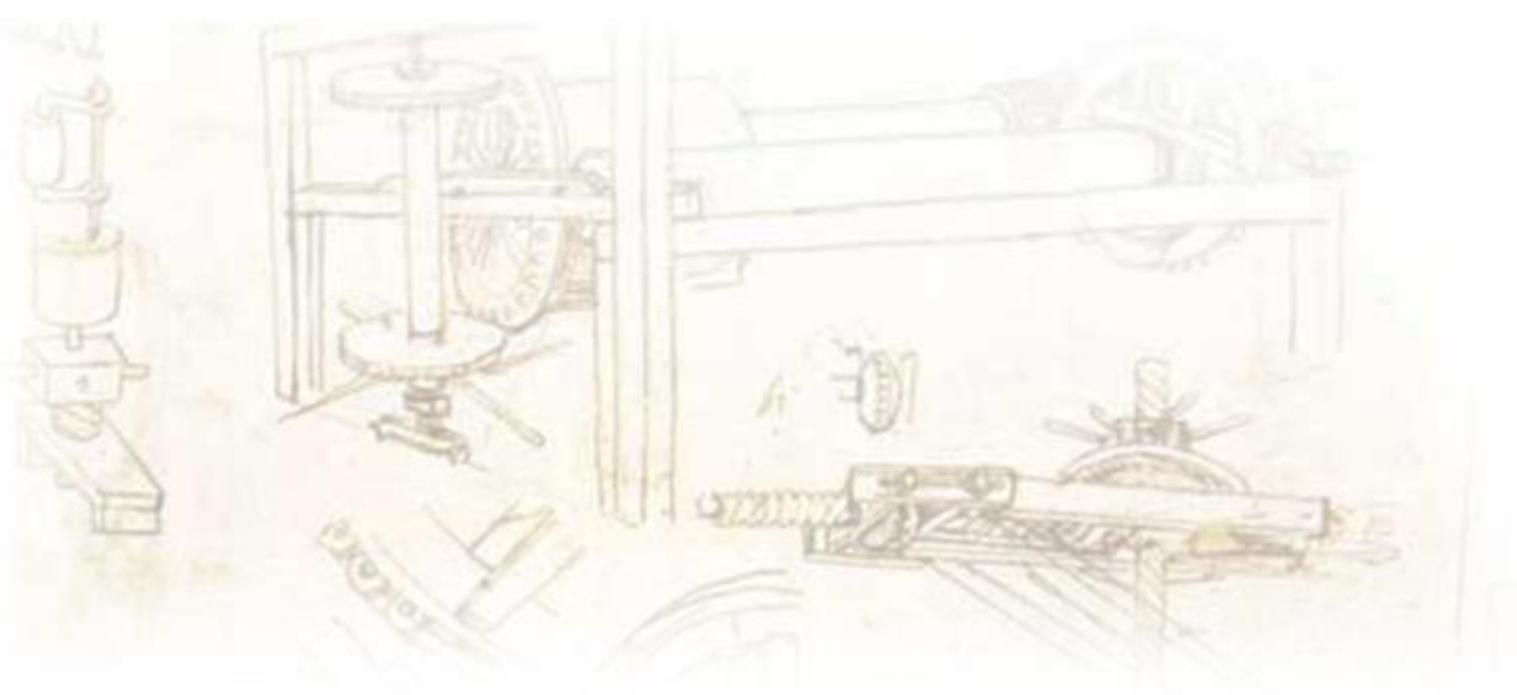
For the calculation of ROE and ROI, it was decided to adopt an annual "rolling" approach using as a reference for net profit and operating income the periods from 1 April 2015 - 31 March 2016 for figures as at 31 March 2016 and 1 April 2014 - 31 March 2015 for figures as at 31 March 2015.

Exprivia Group	31/03/2016	31/03/2015
Index ROE (Net income / Equity Group)	6.30%	4.47%
Index ROI (EBIT / Net Capital Invested) (5)	7.97%	9.10%
Index ROS (EBIT / Revenues from sales and services, net of changes in inventories of raw materials and finished products))	2.10%	2.59%
Financial charges / Net profit	-2.309	-2.514

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

The table below shows the main capital and financial indicators of the Group as at 31 March 2016, 31 March 2015 and 31 December 2015.

Exprivia Group	31/03/2016	31/03/2015	31/12/2015
Net Financial Debt / Equity Capital	0.51	0.40	0.49
Debt ratio (Total Liabilities / Equity Capital)	2.48	2.70	2.44



## SUMMARY OF THE OPERATIONS IN THE FIRST QUARTER OF 2016

A summary of the main consolidated economic, capital and financial data of the Group is reported below, prepared in accordance with International Accounting Standards (IAS/IFRS), and, in particular, with standard IAS 34, as emerging from the situation as at 31 March 2016, compared with the same period of the previous year.

Exprivia Group (value in K €)	31.03.2016	31.03.2015	Variations %
Revenues	32,543	34,915	-6.79%
Net revenues	31,609	33,646	-6.05%
EBITDA	1,725	2,007	-14.05%
EBIT	664	871	-23.77%
Pre-tax result	38	274	-86.13%
Result	-274	-271	1.11%

The Exprivia Group closed the first quarter of 2016 with **consolidated revenues** of Euro 32.5 million, which is a decrease (-7%) compared to the figure reported for the same period in the previous year (Euro 34.9 million). **Consolidated net revenues** amounted to Euro 31.6 million with a 6% decrease compared to the same period in the previous financial year (Euro 33.6 million).

Consolidated **EBITDA** amounted to Euro 1.7 million (Euro 2 million in 2015) equal to 5.3 % of revenues. Consolidated **EBIT** amounted to Euro 0.7 million (Euro 2 million in 2015) equal to 2% of revenues. The **result** was a loss amounting to Euro 0.3 million, which is in line with the result of the same period last year (Euro 0.3 million).

The **Net Financial Position** as at 31 March 2016 was Euro -37.1 million compared to Euro -36.3 as at 31 December 2015. The Group **Shareholders' Equity** as at 31 March 2016 amounted to Euro 73 million compared to Euro 73.4 million as at 31 December 2015.

Exprivia Group (value in K €)	31.03.2016	31.03.2015	31.12.2015
Group Net Worth	72,969	71,008	73,402
Net Financial Position	(37,070)	(28,447)	(36,314)

## CORPORATE BODIES

### Board of Directors

As at 31 March 2016 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 Dalouis	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 March 2016 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 Pellicchia	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.



## EXPRIVIA: ONE STEP AHEAD

### The Company

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

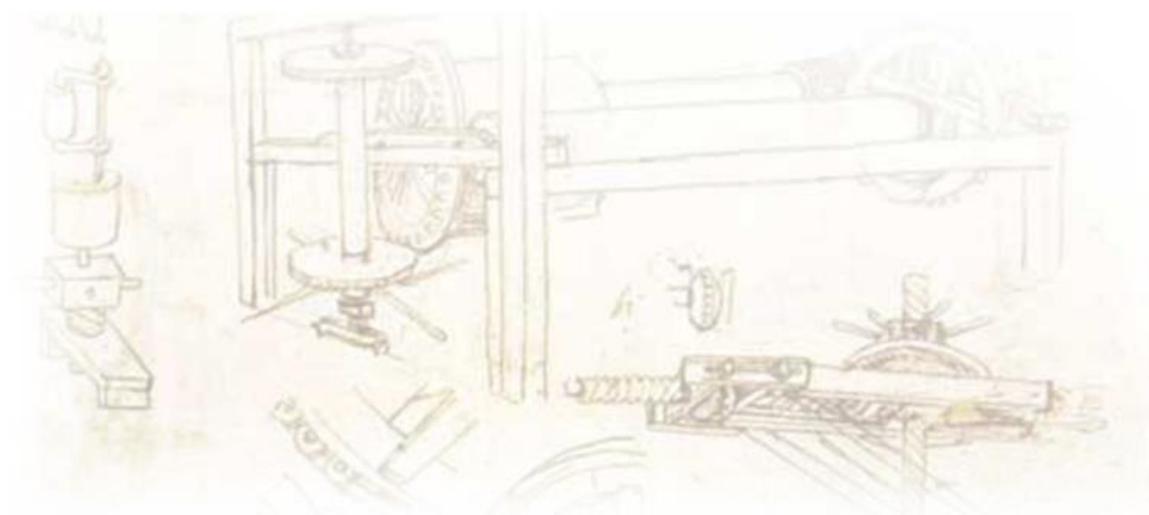
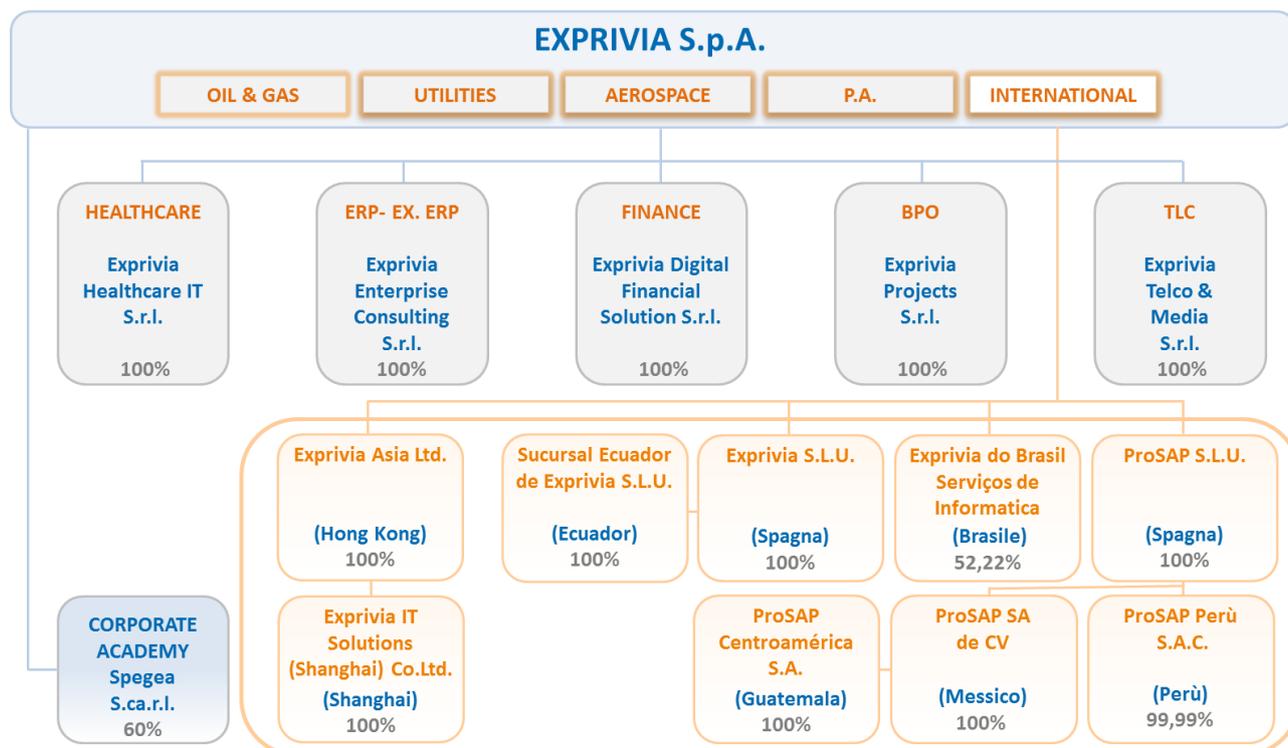
Our constant investments in research and development make us stand out as a benchmark for the creation of innovative solutions to meet the increasingly sophisticated demands of our customers.

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 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.

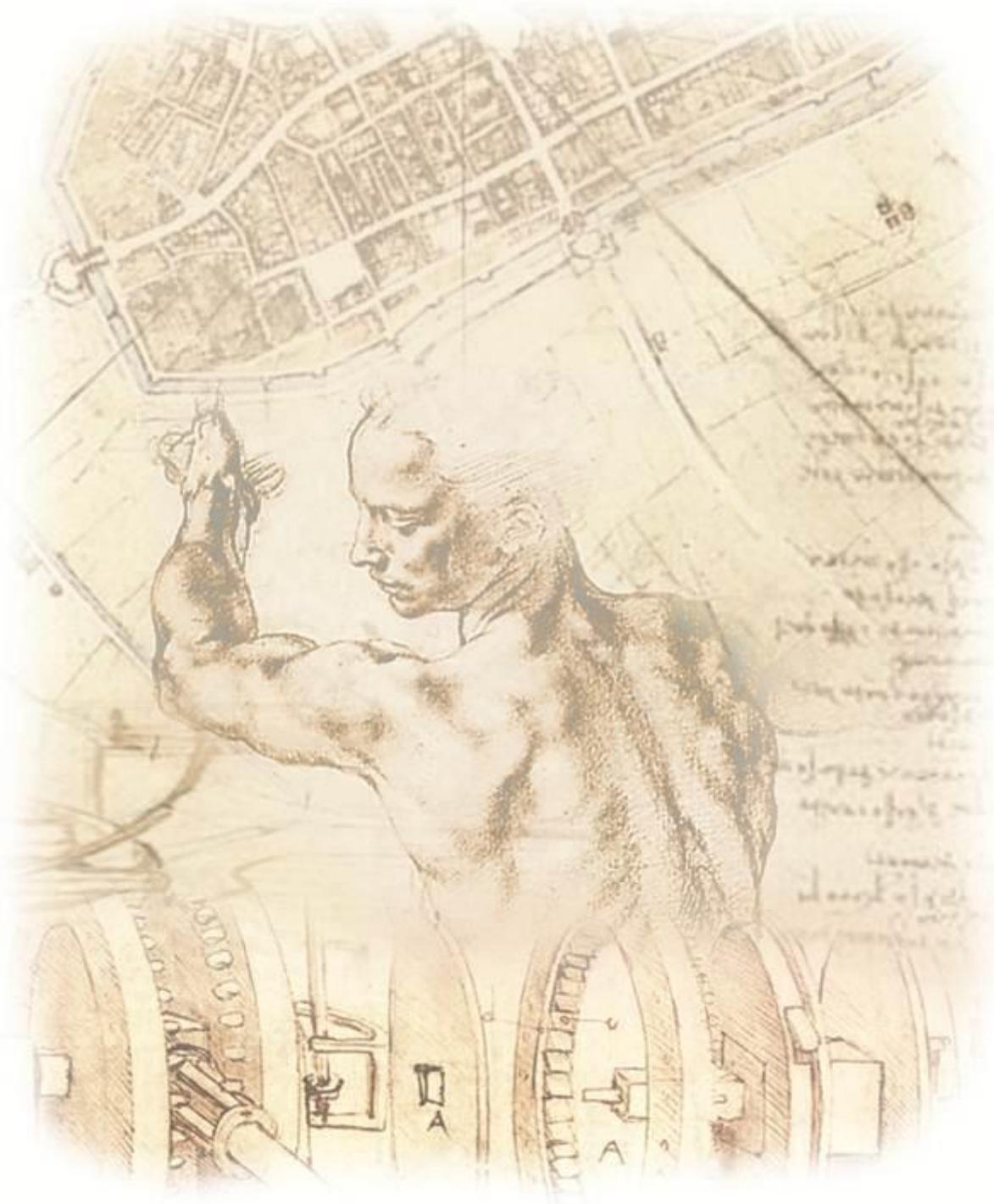
**Distretto H-BIO Puglia**, a consortium company based in Bari, it is known as the “Puglia technological district for human healthcare and biotechnologies”. It will develop its operations in the strategic areas of products for molecular diagnostics and integrated diagnostics, treatment and rehabilitation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

- Oil & Gas
- Utilities
- Banking & Finance
- Telco & Media
- Aerospace & Defence
- Public Sector
- Healthcare
- Retail & Manufacturing



## MARKETS

### Oil & Gas

In the Oil & Gas market the Exprivia experience comes from over 10 years of partnership with leading multinationals in the sector allows us to offer innovative solutions and services that can make competitive businesses through the optimization of industry-specific processes.

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

Extensive knowledge of the processes of companies operating in the oil and natural gas markets, combined with the knowledge of innovative technology platforms, enables the Group to offer itself as a reference partner for both the "core processes projects" (Work & Asset Management, Engineering & Automation) and for those "non-core" (AFC, HR, dematerialization and filing).

### 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.

### Banking & Finance

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.

## 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.

## Aerospace & Defence

Exprivia has operated in the Defence and Aerospace sector for over twenty years, in the development of real-time software for surveillance systems, mission critical command and control systems, focusing on our mission as a technology partner able to meet the most advanced needs.

Targeted at controlling and monitoring industrial equipment, homeland protection and air and naval traffic control, the developments are mainly geared towards highly innovative and high performance solutions such as graphic command and control consoles, management of 2D and 3D map production, surveillance and monitoring, real-time middleware and fault tolerance, big data analytics in support of cyber intelligence and investigation processes.

Exprivia is driven by its desire to play an increasingly more important role as a leading player in the field, making an innovative and key contribution both in Italy and throughout Europe. This will once again be confirmed by the synergies arising from the acquisition of ACS S.p.A. (Exprivia currently holds a 16.21% interest). This innovative company has been in operation for over twenty years developing satellite ground stations, a sector in which the company has gained a leading international position.

## 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.)
- eGovernment 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

## 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).

## Retail & Manufacturing

IT value emerges only if instruments and solutions are fully integrated according to the individual characteristics of each industry: size, supply chain and distribution models. Exprivia supports large and small businesses with flexible and modular technology designed tailored to each business reality and for each of its production and organizational process.

The partnership with SAP established for over ten years, recognizes Exprivia on the market, as one of the reference partner in Italy and internationally, thanks to the 500 professionals certified and specialized in ERP environment and logistics.

The widespread presence in Italy enables Exprivia to be at the side of companies located throughout the national territory thanks to innovative models of service delivery in the "nearshoring".

## 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.

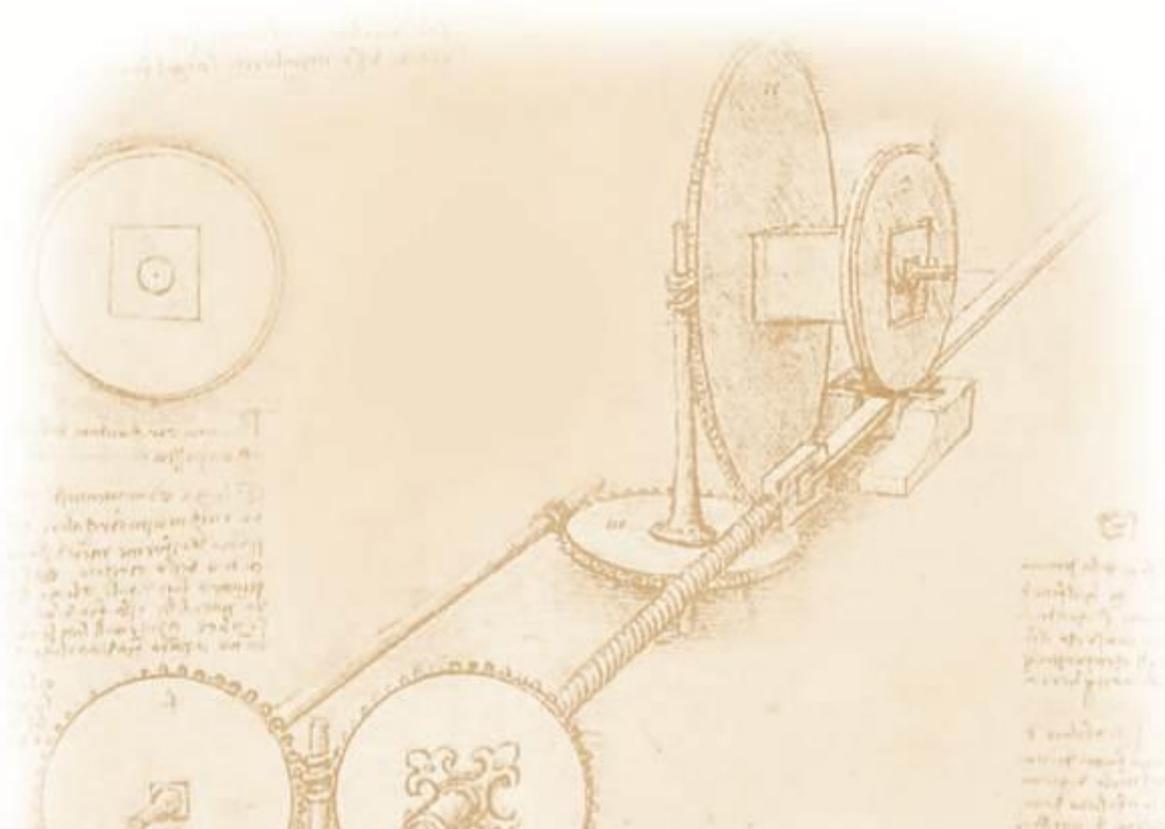
In the application management field, the large number of factories spread out all over Italy and abroad enables Exprivia to propose structured offers while guaranteeing high service levels wherever needed.

## 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



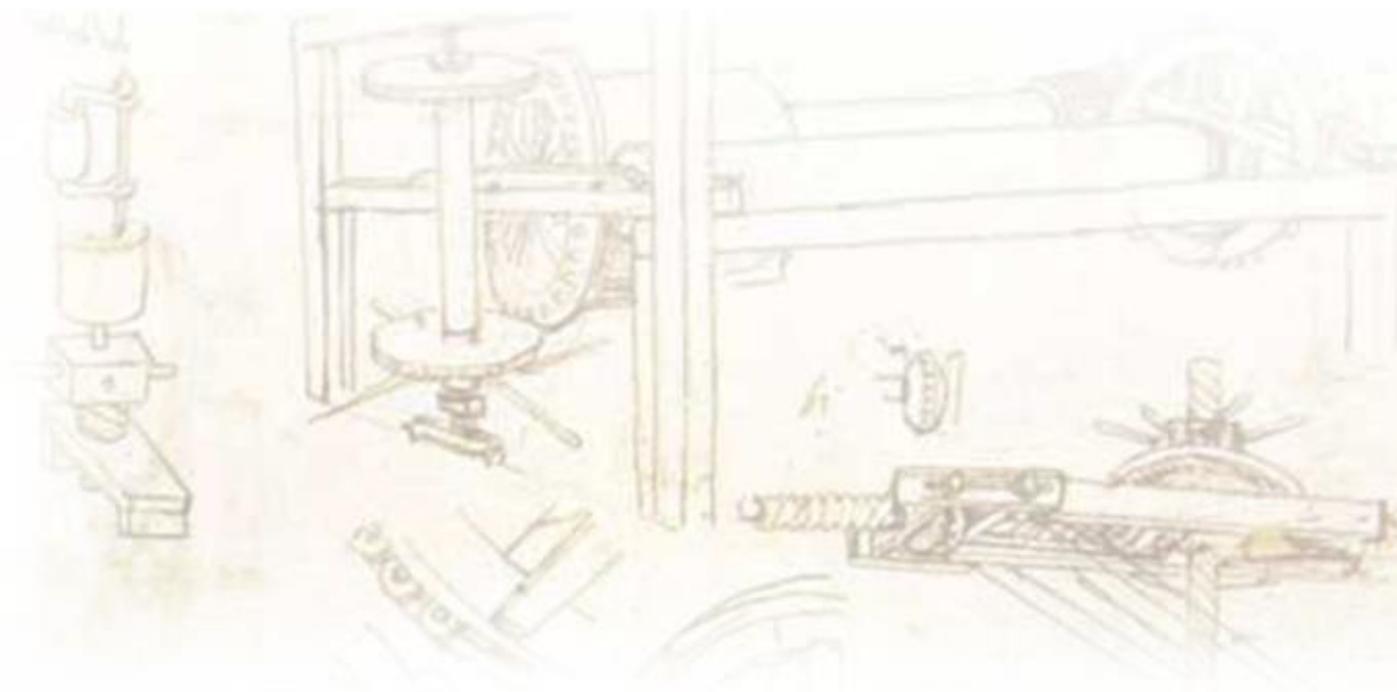
## SKILLS

Expri<sup>via</sup> 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

The result of **revenues by business area** in the first quarter of 2016 amounted to Euro 31.6 million, compared with Euro 33.6 million last year.

Details of revenues relating to 31 March 2016 are shown below, compared with the figures for the same period of the previous year, broken down by business area (in K €).

Exprivia Group (value in K €)	31.03.2016	31.03.2015	Variations	Variations %
Banking & Finance	5,624	5,551	73	1%
Utilities	4,518	6,301	-1,783	-28%
Industry	3,178	2,684	494	18%
Oil & Gas	3,136	3,636	-500	-14%
Telco & Media	5,047	4,344	703	16%
Healthcare	5,508	5,571	-63	-1%
Public Sector	1,628	1,897	-269	-14%
Aerospace & Defence	778	679	99	15%
International Business	1,972	2,540	-568	-22%
Other	220	443	-223	-50%
<b>Total</b>	<b>31,609</b>	<b>33,646</b>	<b>2,037</b>	<b>-6.05%</b>

Details of revenues relating to 31 March 2016 are shown below, compared with the figures for the same period of the previous year, broken down by type of business (in K €).

Exprivia Group (value in K €)	31.03.2016	31.03.2015	Variations	Variations %
Projects and Services	27,389	28,911	-1,522	-5%
Maintenance	3,089	3,326	-237	-7%
HW/ SW third parties	712	847	-135	-16%
Own licences	199	121	78	64%
Altro	220	441	-221	-50%
<b>Total</b>	<b>31,609</b>	<b>33,646</b>	<b>2,037</b>	<b>-6.05%</b>

Details of revenues relating to 31 March 2016 are shown below, compared with the figures as at 31 March 2015, broken down by private and public sector (in K €).

Exprivia Group (value in K €)	31.03.2016	Effect %	31.03.2015	Effect%	Variations%
PRIVATE	24,473	77.4%	26,000	77.3%	-5.9%
PUBLIC	7,136	22.6%	7,646	22.7%	-6.7%
<b>TOTAL</b>	<b>31,609</b>		<b>33,646</b>		<b>-6.05%</b>

Details of revenues relating to 31 March 2016 are shown below, compared with the figures as at 31 March 2015, broken down by geographical area (in K €).

Exprivia Group (value in K €)	31.03.2016	Effect %	31.03.2015	Effect%	Variations%
ITALY	29,083	92.0%	30,742	91.4%	-5.4%
FOREIGN	2,526	8.0%	2,904	8.6%	-13.0%
<b>TOTAL</b>	<b>31,609</b>		<b>33,646</b>		<b>-6.05%</b>

## Banking & Finance

The **Banking & Finance** business unit ended the first quarter of 2016 in line with the results achieved in 2015, despite the lack of confidence in the sector, which led to leading banking groups in the first quarter not making any new major investments and postponing them until after they have consolidated the comprehensive results of 2015.

In this context the contribution guaranteed by the different components in the BU was not homogeneous (though fluctuating between +6% and -4%). Indeed:

- The results in the Finance segment fell by 3%, in line with expectations, due to the early closure of certain projects in June 2015
- The results in the Credit & Risk Management segment fell by 4%, due to delays in starting up certain important partnerships, especially in risk management
- The results in the Factoring segment confirmed the positive trend over the last few quarters with a rise of 6%, in spite of the stiff competition and the efforts needed to start up a new partnership
- The contribution from Digital Transformation, Big Data Analytics, Compliance, Security, GRC and Infrastructure rose by about 2%, after benefitting from innovative activities started up in the fourth quarter of 2015.

In conclusion, despite the lack of confidence in the sector, the quarter confirmed the strength of our position and our offering, not only from the results achieved, but also due to the interest raised as a result of our business development actions, the benefits of which will be seen in future quarters when companies in the sector start investing again.

## Utilities

In the first quarter of 2016 the **Utilities** business unit recorded revenues amounting to Euro 4.5 million compared with Euro 6.3 million in the first quarter of 2015. The decrease from 2015 (-28%) is due to the simultaneous start up of several contracts, the results of which will be seen starting in the second half, and to the conclusion of certain long-term projects.

The Utilities business unit constantly strives to increase the operational efficiency and digital transformation of its customers by taking part in innovative and international projects.

**BPO (Business Process Outsourcing)** is specialised in Customer Care, both front office and back office. In the first quarter of 2016 the unit recorded revenues amounting to Euro 0.8 million compared with Euro 2.4 million in the same period of the previous year. The change is due to the completion of a call center service contract (awarded in 2015) 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). The contract ended in November 2015.

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. Benefits from the new contracts will be seen starting in the second quarter of 2016.

## Industry

The results achieved by the **Industry** business unit in the first quarter of 2016 show a clear rise in revenues compared to the first quarter of 2015, thereby confirming the positive trend that started at the end of last year, rising from Euro 2.7 million in the first quarter of 2015 to Euro 3.2 million in 2016.

The industry sector interprets the signs of recovery with confidence, thereby leading them to make investments in IT projects and start up important initiatives in technological innovation.

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

In the first quarter of 2016 the **Oil & Gas** business unit focused on certain major bids in the ICT market for the oil and gas segment. Important contracts were awarded with timeframes up to 31.12.2018, which further consolidated the company's market share. Revenues in the first quarter of 2016 fell by 14% compared with the first quarter of 2015 (Euro 3.1 million in the first quarter of 2016 and Euro 3.6 million in the first quarter of 2015), but they are bound to rise in subsequent quarters as a result of the new contracts acquired.

The business unit offset the drop in revenues by instituting actions to reduce overhead and by upholding profit margins.

Breaking down the revenues shows a further rise in revenues from professional services in web applications, document management and ECM, as well as revenues from ICT services in HR and HSE. Revenues from enterprise application integration services began to rise and will rise further in subsequent quarters. Whereas the revenues decreased from BI and ICT services in administration, finance and control. Revenues from core systems for business remained stable.

## Telco and Media

In the first quarter of 2016 the **Telco & Media** business unit rose by 16% compared with the first quarter of 2015, thereby confirming a positive trend already recorded last year due to the effective implementation of the business plan for Italy and international markets.

In the first quarter of 2016 the unit recorded revenues amounting to Euro 5 million compared with Euro 4.3 million in the first quarter of 2015.

This trend is in contrast with 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, which continues to consolidate its offering both in terms of network engineering solutions and services and of carrier grade software solutions.

## Healthcare

The **Healthcare** business unit recorded revenues amounting to Euro 5.5 million in the quarter, which is substantially in line with the results in the first quarter of 2015.

The result is slightly lower than in the first quarter of 2015 (Euro 5.6 million) due to delays in generating revenues from projects in Regione Marche, Campania and Calabria, although offset by certain contracts acquired at the end of the previous year.

## Public Sector

The **Public Sector** business unit closed the first quarter of 2016 with revenues amounting to Euro 1.6 million, which is 14% lower than the figure recorded in the first quarter of 2015 (Euro 1.9 million).

The decrease is due to a slowdown in certain major projects for customers in **Central Public Administration**, which were impacted by the spending review implemented by public administration and the end of certain projects for **Local Public Administration**.

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.

In the first quarter Exprivia continued to remain active in the market by constantly participating in tenders called by public administration, some of which for major projects.

## Aerospace & Defence

The **Defence & Aerospace** business unit closed the first quarter of 2016 with revenues amounting to Euro 0.8 million, which is 16% higher than the figure recorded in the first quarter of 2015 (Euro 0.7 million).

This trend is in contrast with the decline in the market, which continues to lag due to the reorganisation of major industrial segments and large entities, whereas in the first quarter Exprivia started up its first contracts in new national and international programmes expected to be fully operational in the second half of the year.

## International Business

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

In Spain, where the Exprivia Group is present through two subsidiaries, **Profesionales de Sistemas Aplicaciones y Productos S.L. (ProSap)** and **Exprivia S.L.**, the company is finalising their merger which will integrate the commercial and technical structures, thereby strengthening 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 commercial and development activities of **Prosap Centroamerica** continue to expand. This company operates in the ERP and SAP services segment in Guatemala and throughout Central America. The branch office in **Ecuador** takes part in company partnerships for important public and private tenders in the healthcare sector. Concerning **Prosap Perú**, commercial actions continue to be undertaken in the healthcare and telecommunications sectors to give this company fresh impetus.

In Brazil, business growth continued for **Exprivia do Brasil Serviços de Informatica Ltda** in the IT Security segment and in the development of telecommunications projects, despite the fact that the country's economic crisis led to a 3.8% fall in GDP in 2015 compared to the previous year and the value of the local currency (BRL) declined significantly with respect to the euro and US dollar.

In **China**, where **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.

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## SIGNIFICANT EVENTS IN THE FIRST QUARTER OF 2016

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### Corporate Events

There were no significant events worth noting.

### Acquisitions/Sales in the Exprivia Group

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 will be retroactively effective from 1 January 2016.

In January 2016 the company commenced the liquidation and wind up process for **Prosap US Holding Ltd** and its subsidiary **Prosap Consulting LLC** based in New York.

## EVENTS AFTER 31 MARCH 2016

### Corporate Events

On 20 April 2016, the **ordinary shareholders' meeting of Exprivia SpA** met on first call.

**The Ordinary Shareholders' Meeting** approved the financial statements as at 31/12/2015, resolving on the distribution of a dividend of Euro 1,105,128.31, equal to Euro 0.0213 gross per share.

On 28 April 2016, the company distributed dividends totalling Euro 1,044,774.63, of which (i) Euro 513,864.99 relating to the ISIN of loyalty shares and (ii) Euro 530,909.64 relating to the other shares with regular ISIN. The difference from the amount of profit allocated by the Shareholders' Meeting is due to the dividends accrued by the treasury shares held by the company, which amounted to 2,827,694 as at 25 April 2016.

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.

### Acquisitions/Sales in the Exprivia Group

On 11 April 2016 the **merger by incorporation of Exprivia SLU in Prosap SLU** was finalised and registered. The incorporating company **Prosap took the name of the incorporated company Exprivia SLU**. The operation will be retroactively effective for accounting purposes on 1 January 2016.

On 4 May 2016 procedures were concluded to **wind up the company Prosap US Holding Ltd** and its subsidiary **Prosap Consulting LLC**.

## STAFF AND TURNOVER

The tables below show the company workforces as at 31 March 2016, compared with those as at 31 March 2015. The first table (Table 1) shows the number of staff. Part-time workers accounted for around 15.59% of all employees and work on a part-time basis in various arrangements of contractual hours. The second table shows the number of full-time equivalent workers (on an annual basis) (Table 2):

**Table 1.**

Company	Employees		Temporary workers	
	31/03/2015	31/03/2016	31/03/2015	31/03/2016
Exprivia SpA	675	676	13	2
Exprivia Healthcare IT Srl	327	332	-	-
Exprivia Enterprise Consulting Srl	168	145	1	1
Exprivia Digital Financial Solutions Srl	193	197	-	-
Exprivia Projects Srl	382	226	-	-
Exprivia Telco&Media Srl	291	361	5	-
Exprivia Shangai	14	18	1	1
Exprivia SL (Spain)	15	12	-	-
Prosap (group) SL	97	35	-	3
Exprivia do Brasil Servicos de Informatica Ltda	27	21	1	7
Spegea S.c. a r. l.	8	8	1	1
<b>Total</b>	<b>2197</b>	<b>2031</b>	<b>22</b>	<b>15</b>
<i>Executives</i>	<i>38</i>	<i>39</i>		
<i>Middle Managers</i>	<i>187</i>	<i>184</i>		

Table 2.

Company	Employees		Temporary workers	
	31/03/2015	31/03/2016	31/03/2015	31/03/2016
Exprivia SpA	664	654	13	2
Exprivia Healthcare IT Srl	316	319	-	-
Exprivia Enterprise Consulting Srl	161	139	1	1
Exprivia Digital Financial Solutions Srl	190	192	-	-
Exprivia Projects Srl	227	149	-	-
Exprivia Telco&Media Srl	286	341	5	-
Exprivia Shangai	14	17	1	1
Exprivia SL (Spain)	15	12	-	-
Prosap (group) SL	97	35	-	3
Exprivia do Brasil Servicos de Informatica Ltda	27	21	1	7
Spegea S.c. a r. l.	8	7	1	1
<b>Total</b>	<b>2005</b>	<b>1887</b>	<b>22</b>	<b>15</b>
<i>Executives</i>	<i>38</i>	<i>39</i>		
<i>Middle Managers</i>	<i>186</i>	<i>183</i>		

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## INTER-COMPANY RELATIONS

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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.

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## RELATIONS WITH RELATED PARTIES

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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”.

## GROUP RELATIONS WITH PARENT COMPANIES

The tables below show the economic and financial relations between the Exprivia group and the parent company Abaco Innovazione SpA at 31 March 2016 compared to 31 December 2015 for balance sheet items, and with the same period last year for economic data.

### Receivables

Description	31/03/2016	31/12/2015	Variation
Exprivia S.p.A.	1,312,256	1,305,338	6,918
<b>TOTAL</b>	<b>1,312,256</b>	<b>1,305,338</b>	<b>6,918</b>

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

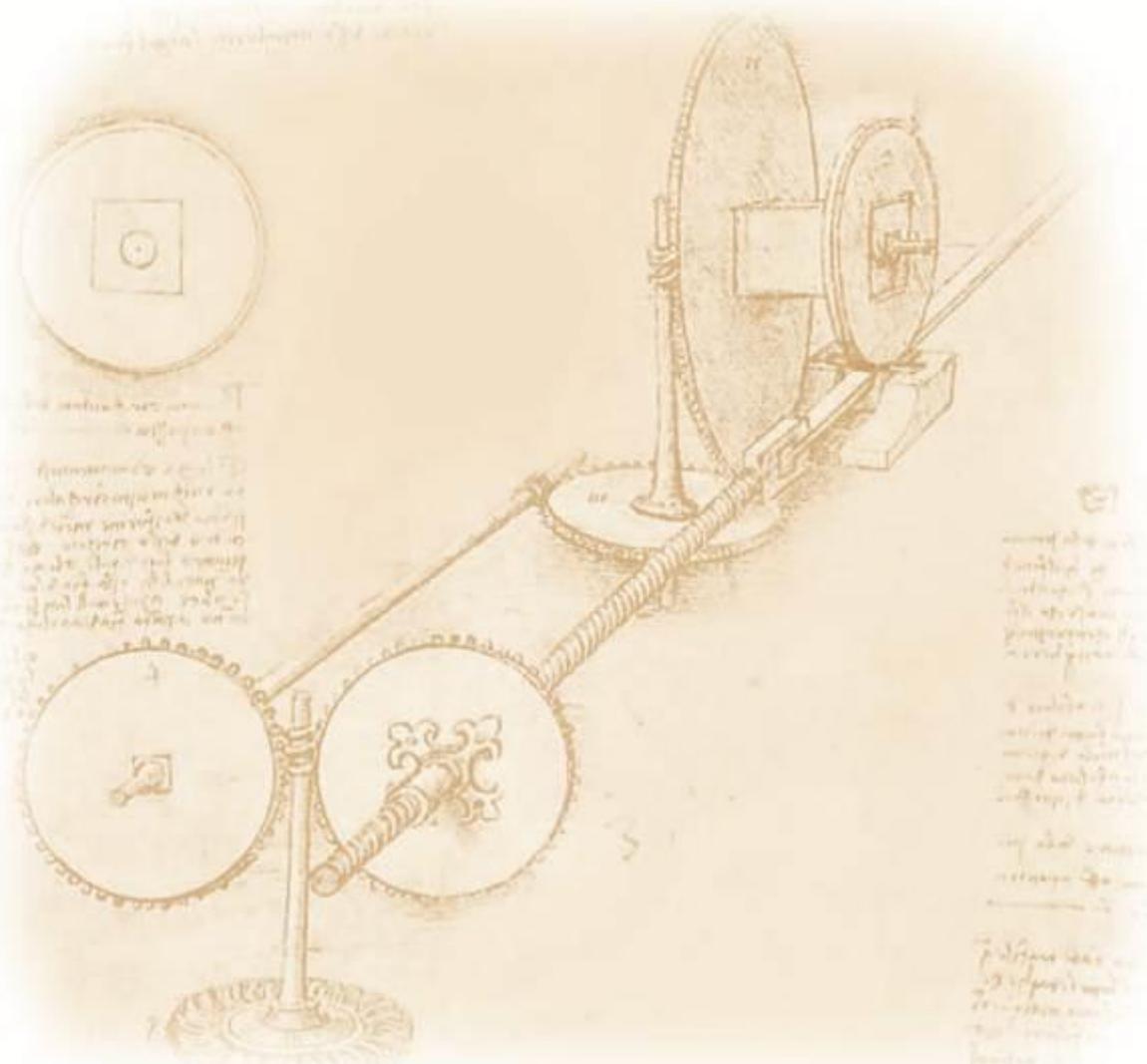
### REVENUE AND INCOME

Description	31/03/2016	31/03/2015	Variation
Exprivia S.p.A.	6,918	7,346	(428)
<b>TOTAL</b>	<b>6,918</b>	<b>7,346</b>	<b>(428)</b>

## BUSINESS OUTLOOK

The Group closed the first quarter of the year with consolidated revenues amounting to 32.5 million. Growth slowed down in certain markets, especially international markets, still heavily impacted by the macro-economic effects in the countries where the company operates. An important contract in the BPO services gradually took off at the end of the quarter.

Growth is expected to return, and the strategies put in place for growth are being implemented according to the 2016-2020 business plan. Senior management is confident that they will be able to take advantage of the recovery of investments and the slight improvement in the economy on the whole. Management is certain that the skills and services offered to customers will facilitate their digital transformation processes.



# Quarterly Consolidated Financial Statements of the Exprivia Group



## Consolidated Balance Sheet as at 31.03.2016

<b>Amount in Euro</b>			
	Note	<b>31.03.2016</b>	<b>31.12.2015</b>
Land and buildings		10,871,874	10,981,543
Other assets		2,632,427	2,815,269
<b>Property, plant and machinery</b>		<b>13,504,301</b>	<b>13,796,812</b>
Goodwill		67,082,247	67,118,492
<b>Goodwill and other assets with an indefinite useful life</b>		<b>67,082,247</b>	<b>67,118,492</b>
Intangible assets		716,993	820,552
Research and development costs		3,328,616	3,370,013
Work in progress and advances			
<b>Other Intangible Assets</b>		<b>4,045,609</b>	<b>4,190,565</b>
Investments in other companies		894,595	896,195
<b>Equity investments</b>		<b>894,595</b>	<b>896,195</b>
Receivables to parent companies		1,312,256	1,305,338
Other receivables		201,243	201,199
<b>Other financial assets</b>		<b>1,513,499</b>	<b>1,506,537</b>
Other receivables		1,801,172	1,716,806
<b>Other financial assets</b>		<b>1,801,172</b>	<b>1,716,806</b>
Tax advances/deferred taxes		1,758,227	1,839,961
<b>Deferred tax assets</b>		<b>1,758,227</b>	<b>1,839,961</b>
<b>NON-CURRENT ASSETS</b>		<b>90,599,650</b>	<b>91,065,368</b>

<b>Amount in Euro</b>			
	Note	<b>31.03.2016</b>	<b>31.12.2015</b>
Trade receivables		59,273,402	58,097,533
Other receivables		9,138,692	7,947,205
Tax receivables		2,641,504	2,655,240
<b>Trade receivables and other</b>		<b>71,053,598</b>	<b>68,699,978</b>
Inventories		216,222	269,325
<b>Inventories</b>		<b>216,222</b>	<b>269,325</b>
Work in progress contracts		12,185,429	11,228,568
<b>Work in progress contracts</b>		<b>12,185,429</b>	<b>11,228,568</b>
Held at bank		6,389,172	7,005,422
Cheques and cash in hand		31,686	38,588
<b>Cash at bank and on hand</b>		<b>6,420,858</b>	<b>7,044,010</b>
Cheques and cash in hand		801,561	501,561
<b>Cash at bank and on hand</b>		<b>801,561</b>	<b>501,561</b>
<b>CURRENT ASSETS</b>		<b>90,677,668</b>	<b>87,743,442</b>
<b>ASSETS</b>		<b>181,277,317</b>	<b>178,808,810</b>

<b>Amount in Euro</b>			
	Note	<b>31.03.2016</b>	<b>31.12.2015</b>
Share Capital		25,553,221	25,754,016
<b>Share capital</b>	<b>1</b>	<b>25,553,221</b>	<b>25,754,016</b>
Share premium		18,081,738	18,081,738
<b>Share Premium Reserve</b>	<b>1</b>	<b>18,081,738</b>	<b>18,081,738</b>
Revaluation reserve		2,907,138	2,907,138
<b>Revaluation reserve</b>	<b>1</b>	<b>2,907,138</b>	<b>2,907,138</b>
Legal reserve		3,709,496	3,709,496
<b>Revaluation reserve</b>	<b>1</b>	<b>3,709,496</b>	<b>3,709,496</b>
Other reserves		17,280,312	17,201,619
<b>Other reserves</b>	<b>1</b>	<b>17,280,312</b>	<b>17,201,619</b>
Retained earning/loss		6,552,636	1,945,640
<b>Profits/Losses for previous periods</b>	<b>1</b>	<b>6,552,636</b>	<b>1,945,640</b>
<b>Profit/Loss for the period</b>		<b>(273,518)</b>	<b>4,597,608</b>
<b>SHAREHOLDERS' EQUITY</b>		<b>73,811,023</b>	<b>74,197,255</b>
Minority interest		842,047	795,038
<b>GROUP SHAREHOLDERS' EQUITY</b>		<b>72,968,976</b>	<b>73,402,217</b>

	31.03.2016	31.12.2015
<b>NON-CURRENT LIABILITIES</b>		
Non-current bond	3,320,311	3,311,748
<b>Non-current bond</b>	<b>3,320,311</b>	<b>3,311,748</b>
Non-current bank debt	5,162,442	6,111,015
<b>Non-current bank debt</b>	<b>5,162,442</b>	<b>6,111,015</b>
Trade payables after the financial year	84,866	109,273
<b>Other financial liabilities</b>	<b>84,866</b>	<b>109,273</b>
Tax liabilities and amounts for social security payable after the financial year	317,173	408,762
<b>Other financial liabilities</b>	<b>317,173</b>	<b>408,762</b>
Other provisions	719,274	622,311
<b>Provision for risks and charges</b>	<b>719,274</b>	<b>622,311</b>
Employee severance indemnities	9,081,720	9,228,805
<b>Employee provisions</b>	<b>9,081,720</b>	<b>9,228,805</b>
Provisions for deferred taxes	1,031,681	1,038,852
<b>Deferred tax liabilities</b>	<b>1,031,681</b>	<b>1,038,852</b>
<b>NON CURRENT LIABILITIES</b>	<b>19,717,467</b>	<b>20,830,766</b>

<b>Amount in Euro</b>			
	Note	<b>31.03.2016</b>	<b>31.12.2015</b>
Current bond		1,065,680	1,007,399
<b>Current bond</b>		<b>1,065,680</b>	<b>1,007,399</b>
Current bank debt		37,545,488	35,879,446
<b>Current bank debt</b>		<b>37,545,488</b>	<b>35,879,446</b>
Trade payables		17,638,978	17,087,806
<b>Trade payables</b>		<b>17,638,978</b>	<b>17,087,806</b>
Advances		2,952,742	2,774,376
<b>Advances payment on work in progress contracts</b>		<b>2,952,742</b>	<b>2,774,376</b>
Payables to associated companies			
Other payables		302,921	384,214
<b>Other financial liabilities</b>		<b>302,921</b>	<b>384,214</b>
Tax liabilities		5,014,068	7,583,444
<b>Tax liabilities</b>		<b>5,014,068</b>	<b>7,583,444</b>
Amounts payable to pension and social security institutions		4,014,323	5,480,960
Other payables		19,214,628	13,583,144
<b>Other current liabilities</b>		<b>23,228,951</b>	<b>19,064,104</b>
<b>CURRENT LIABILITIES</b>		<b>87,748,828</b>	<b>83,780,789</b>
<b>LIABILITIES</b>		<b>181,277,317</b>	<b>178,808,810</b>

## Consolidated Income Statement as at 31.03.2016

<b>Amount in Euro</b>			
	Note	<b>31.03.2016</b>	<b>31.03.2015</b>
Revenue from sales and services		31,654,400	33,510,750
<b>Revenues</b>	<b>2</b>	<b>31,654,400</b>	<b>33,510,750</b>
Other revenues and income		174,724	99,691
Grants related to income		441,901	849,780
Increase in capitalised expenses for intenal projects		316,844	318,808
<b>Other income</b>	<b>3</b>	<b>933,469</b>	<b>1,268,279</b>
Changes in inventories of work in progress		(45,010)	135,473
Changes in inventories of finished goods and work in progress	<b>4</b>	<b>(45,010)</b>	<b>135,473</b>
<b>PRODUCTION REVENUES</b>		<b>32,542,859</b>	<b>34,914,502</b>
Costs of raw, subsid. & consumable mat. and goods	<b>5</b>	<b>2,500,453</b>	<b>2,268,153</b>
Salaries	<b>6</b>	<b>22,258,138</b>	<b>23,512,566</b>
Other costs for services	<b>7</b>	<b>4,726,199</b>	<b>5,590,227</b>
Costs for leased assets	<b>8</b>	<b>1,061,824</b>	<b>997,917</b>
Sundry operating expenses	<b>9</b>	<b>172,254</b>	<b>187,177</b>
Provisions	<b>10</b>	<b>98,833</b>	<b>351,563</b>
<b>TOTAL PRODUCTION COSTS</b>		<b>30,817,701</b>	<b>32,907,603</b>
<b>DIFFERENCE BETWEEN PRODUCTION COSTS AND REVENUES</b>		<b>1,725,158</b>	<b>2,006,899</b>

<b>Amount in Euro</b>			
	Note	<b>31.03.2016</b>	<b>31.03.2015</b>
Amortisation, depreciation and write-downs	11	1,061,492	1,135,574
<b>OPERATIVE RESULT</b>		<b>663,666</b>	<b>871,325</b>
Financial income and charges	12	625,435	597,770
<b>PRE-TAX RESULT</b>		<b>38,231</b>	<b>273,555</b>
Income tax	13	311,749	544,875
<b>PROFIT OR LOSS FOR THE PERIOD</b>	<b>14</b>	<b>(273,518)</b>	<b>(271,320)</b>
Attributable to:			
Shareholders of holding company		(287,193)	(183,562)
Minority interest		13,675	(87,757)
Earnings per share losses	15		
Basic earnings per share		(0.0058)	(0.0036)
Basic earnings diluted		(0.0058)	(0.0036)

## Consolidated Statement of Comprehensive Income as at 31.03.2016

Amount in Euro	Note		
Description		31/03/2016	31/03/2015
<b>Profit for the year</b>		<b>(273,518)</b>	<b>(271,320)</b>
<i>Other gains (losses) total that will be subsequently reclassified to profit (loss) for the period we</i>			
Change in translation reserve		103,307	(174,765)
<b>Total other comprehensive income (loss) that will subsequently be reclassified in profit (loss)</b>	<b>13</b>	<b>103,307</b>	<b>(174,765)</b>
<b>NET COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>(170,211)</b>	<b>(446,085)</b>
<i>attributable to:</i>			
Group		(199,092)	(358,328)
Minority interest		28,881	(87,757)

## Statement of Changes in Consolidated Shareholders' Equity as at 31.03.2016

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
<b>Balance at 31/12/2014</b>	<b>26,979,658</b>	<b>(569,389)</b>	<b>18,081,738</b>	<b>2,907,138</b>	<b>3,561,670</b>	<b>16,712,971</b>	<b>2,014,991</b>	<b>3,037,163</b>	<b>72,725,941</b>	<b>959,836</b>	<b>71,766,105</b>
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)
<b>Components of comprehensive income</b>											
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)
<b>Total income (loss) for the year Overall</b>									<b>4,080,195</b>	<b>(128,356)</b>	<b>4,208,550</b>
<b>Balance at 31/12/2015</b>	<b>26,979,658</b>	<b>(1,225,642)</b>	<b>18,081,738</b>	<b>2,907,138</b>	<b>3,709,496</b>	<b>17,201,619</b>	<b>1,945,640</b>	<b>4,597,608</b>	<b>74,197,255</b>	<b>795,038</b>	<b>73,402,218</b>
							4,597,608	(4,597,608)	0		0
Purchase of own shares		(200,795)				(79,808)			(280,603)		(280,603)
						55,193	9,388		64,581		64,581
<b>Components of comprehensive income</b>											
Profit (loss for the period)								(273,518)	(273,518)	18,127	(291,645)
Translation reserve						103,307			103,307	28,881	74,426
<b>Total income (loss) for the year Overall</b>									<b>(386,233)</b>	<b>47,008</b>	<b>(433,241)</b>
<b>Balance at 31/12/2015</b>	<b>26,979,658</b>	<b>(1,426,437)</b>	<b>18,081,738</b>	<b>2,907,138</b>	<b>3,709,496</b>	<b>17,280,312</b>	<b>6,552,636</b>	<b>(273,518)</b>	<b>73,811,023</b>	<b>842,047</b>	<b>72,968,976</b>

## Consolidated Cash Flow Statement as at 31.03.2016

Amount in Euro	NOTE	31.03.2016	31.03.2015
<b>Operating activities:</b>			
Profit (loss)	16	(273,518)	(1) (271,320)
Amortisation, depletion and depreciation of assets		1,000,930	1,057,491
Provision for Severance Pay Fund		990,300	993,676
Advances/Payments Severance Pay		(1,137,385)	(1,209,471)
<b>Cash flow arising from operating activities</b>		<b>580,327</b>	<b>570,376</b>
<b>Increase/Decrease in net working capital:</b>			
Variation in stock and payments on account		(725,392)	(3,359,022)
Variation in receivables to customers		(1,175,869)	3,548,487
Variation in receivables to parent/subsidiary/associated company			25,200
Variation in other accounts receivable		(1,177,751)	(1,684,706)
Variation in payables to suppliers		593,576	(1,262,761)
Variation in tax and social security liabilities		(4,036,013)	(1,605,562)
Variation in other accounts payable		5,550,191	5,376,204
<b>Cash flow arising (used) from current assets and liabilities</b>		<b>(971,258)</b>	<b>1,037,839</b>
<b>Cash flow arising (used) from current activities</b>		<b>(390,931)</b>	<b>1,608,215</b>
<b>Investment activities:</b>			
Variation in tangible assets		(187,966)	(187,824)
Variation in intangible assets		(339,252)	(383,968)
Variation in financial assets		(7,994)	66,693
<b>Cash flow arising (used) from investment activities</b>		<b>(535,212)</b>	<b>(505,099)</b>
<b>Financial activities:</b>			
Changes in financial assets not held as fixed assets		(1,797)	365,431
Capital increase		(280,623)	(473,314)
Variation shareholders' equity		167,904	291,541
<b>Cash flow arising (used) from financial activities</b>		<b>(114,516)</b>	<b>183,658</b>
<b>Increase (decrease) in cash</b>		<b>(1,040,659)</b>	<b>1,286,774</b>
Banks and cash profits at start of year		8,565,365	14,224,271
Banks and cash losses at start of year		(46,631,913)	(43,957,966)
Banks and cash profits at end of period		7,222,419	11,796,991
Banks and cash losses at end of period		(46,329,626)	(40,243,912)
<b>Increase (decrease) in liquidity</b>		<b>(1,040,659)</b>	<b>1,286,774</b>

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# EXPLANATORY NOTES TO THE EXPRIVIA GROUP FINANCIAL STATEMENTS

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## DECLARATION OF COMPLIANCE WITH IFRS

The quarterly report as at 31 March 2016 of the Exprivia Group was prepared in accordance with International Financial Reporting Standards approved by the European Commission (hereafter IAS/IFRS individually or IFRS as a whole).

- The form and content of this quarterly report as at 31 March 2016 conform to the information set out by IAS 34 “Interim Financial Statements”, in compliance with art. 154-ter of Italian Legislative Decree 58/1998 of the Consolidated Finance Act (TUF) as amended.
- The financial statements were drawn up in accordance with IAS 1 while the notes were prepared in a condensed form, applying the right set out by IAS 34, and consequently do not include all the information required for an annual report drawn up in accordance with IFRS.

## Scope of Consolidation

The consolidated financial statements as at 31 March 2016 include the equity, economic and financial situations of the Holding Company Exprivia S.p.A. and its subsidiaries. They are subject to changes with respect to 31 December 2015, as a result of the removal of the companies ProSap Holding Inc and ProSap Consulting LLC.

The table below shows the companies under consolidation; the investments shown below are all held directly by the holding company Exprivia apart from the companies ProSap SA de CV, ProSap Centroamerica Sa, ProSap Perù Sac, which are held indirectly:

Company	Area
Consorzio Exprivia	Other
Exprivia Asia Ltd	International Area
Exprivia IT Solutions (Shanghai) Co Ltd	International Area
Exprivia Projects Srl	Utilities
Exprivia Do Brasil	International Area
Exprivia 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 Perú SAC	International Area
ProSAP Centroamerica S.A (Guatemala)	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 the main data on the aforementioned subsidiaries consolidated using the line-by-line method.

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	(1,837)	14,326		16,740	100.00%
Exprivia SLU	Madrid (Spagna)/Ecuador	8,250	(188,504)	1,603,315	55,196	4,964,131	100.00%
Gruppo Exprivia Asia	Hong Kong	54,974	(135,951)	(368,765)	307,421	524,077	100.00%
Exprivia Enterprise Consulting Srl	Milano	1,500,000	(271,412)	1,208,838	1,936,071	7,744,616	100.00%
Exprivia Healthcare IT Srl	Trento	1,982,190	67,788	10,529,605	6,065,843	32,162,585	100.00%
Exprivia Do Brasil Servicos Ltda	Rio de Janeiro (Brasile)	1,430,675	18,311	1,548,775	287,914	1,712,505	52.22%
Exprivia Projects Srl	Roma	242,000	50,712	341,112	827,596	2,073,336	100.00%
Exprivia Telco & Media Srl	Milano	1,200,000	153,142	1,353,142	5,217,366	15,120,996	100.00%
Gruppo ProSap	Madrid (Spagna)/Città del Messico/Città del Guatemala/Perù	197,904	(185,384)	(1,050,219)	1,363,102	5,322,323	100.00%
Exprivia Digital Financial Solution Srl	Milano	1,586,919	349,602	10,705,772	5,786,077	22,170,992	100.00%
Spegea Sc a rl	Bari	125,000	12,316	255,107	243,826	1,042,423	60.00%

## Explanatory Notes on the Balance Sheet

Details are provided below on the items in the Balance Sheet, drawn up in accordance with international accounting standards (IAS/IFRS).

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

### 1. SHAREHOLDERS' EQUITY

#### 1. SHARE CAPITAL

**"Share Capital"**, fully paid up, amounted to Euro 25,553,221 and is represented by 51,883,958 ordinary shares at Euro 0.52 nominal value each, including 2,743,148 treasury shares amounting to Euro 1,426,437 held as at 31 March 2016.

#### 1. SHARE PREMIUM RESERVE

As at 31 March 2016 the **"share premium reserve"** amounted to Euro 18,081,738 and is the same as at 31 December 2015.

#### 1. REVALUATION RESERVE

As at 31 March 2016 the **"revaluation reserve"** amounted to Euro 2,907,138 and is the same as at 31 December 2015.

#### 1. LEGAL RESERVE

As at 31 March 2016 the **"legal reserve"** amounted to Euro 3,709,496 and is the same as at 31 December 2015.

#### 1. OTHER RESERVES

As at 31 March 2016 the balance of the item **"other reserves"** amounted to Euro 17,280,312 compared with Euro 17,201,619 as at 31 December 2015 and pertains to:

- Euro 9,348,170 for the **"extraordinary reserve"**, which remained unchanged with respect to 31 December 2015;
- 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 has not changed since 31 December 2015;

- 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 2015;
- Euro -818,758 **“other reserves”** compared to Euro -897,451 in 2015. The movements in 2015 (Euro 78,693) refer to:
  - to the effect of the premium paid to purchase treasury shares amounting to Euro -79,807;
  - to the effect of the dividend distribution reserve on treasury shares amounting to Euro 55,193;
  - to the effect of the currency translation reserve, which changed by Euro 103,307, posted in the comprehensive income statement.

## 1. PROFIT FROM PREVIOUS PERIODS

As at 31 March 2016 **profit from previous periods** amounted to Euro 6,552,536 compared to Euro 1,945,640 as at 31 December 2015. The change is mainly due to the allocation of profit from 2015.

## Explanatory Notes on the Income Statement

Details are provided below on the items in the Income Statement, drawn up in accordance with international accounting standards (IAS/IFRS).

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

## 2. REVENUE

**Revenue from sales and services** in the first quarter of 2016 amounted to Euro 31,654,400 compared to Euro 33,510,750 in the first quarter of 2015.

The table below shows details on revenues, including changes in inventories of raw materials and finished products, broken down by business segment in the first quarter of 2016 and compared with the figures for the same period of the previous year (in thousands of Euro).

Exprivia Group (value in K €)	31.03.2016	31.03.2015	Variations	Variations %
Banking & Finance	5,624	5,551	73	1%
Utilities	4,518	6,301	-1,783	-28%
Industry	3,178	2,684	494	18%
Oil & Gas	3,136	3,636	-500	-14%
Telco & Media	5,047	4,344	703	16%
Healthcare	5,508	5,571	-63	-1%
Public Sector	1,628	1,897	-269	-14%
Aerospace & Defence	778	679	99	15%
International Business	1,972	2,540	-568	-22%
Other	220	443	-223	-50%
<b>Total</b>	<b>31,609</b>	<b>33,646</b>	<b>2,037</b>	<b>-6.05%</b>

Details of revenues relating to 31 March 2016 are shown below, compared with the figures for the same period of the previous year, broken down by type of business (in K €).

Exprivia Group (value in K €)	31.03.2016	31.03.2015	Variations	Variations %
Projects and Services	27,389	28,911	-1,522	-5%
Maintenance	3,089	3,326	-237	-7%
HW/ SW third parties	712	847	-135	-16%
Own licences	199	121	78	64%
Altro	220	441	-221	-50%
<b>Total</b>	<b>31,609</b>	<b>33,646</b>	<b>2,037</b>	<b>-6.05%</b>

Details of revenues relating to 31 March 2016 are shown below, compared with the figures as at 31 March 2015, broken down by private and public sector (in K €).

Exprivia Group (value in K €)	31.03.2016	Effect %	31.03.2015	Effect%	Variations%
PRIVATE	24,473	77.4%	26,000	77.3%	-5.9%
PUBLIC	7,136	22.6%	7,646	22.7%	-6.7%
<b>TOTAL</b>	<b>31,609</b>		<b>33,646</b>		<b>-6.05%</b>

Details of revenues relating to 31 March 2016 are shown below, compared with the figures as at 31 March 2015, broken down by geographical area (in K €).

Exprivia Group (value in K €)	31.03.2016	Effect %	31.03.2015	Effect%	Variations%
ITALY	29,083	92.0%	30,742	91.4%	-5.4%
FOREIGN	2,526	8.0%	2,904	8.6%	-13.0%
<b>TOTAL</b>	<b>31,609</b>		<b>33,646</b>		<b>-6.05%</b>

### 3. OTHER INCOME

In the first quarter of 2016 “**other revenue and income**” amounted to Euro 933,469 compared to Euro 1,268,279 in the first quarter of 2015. The table below provides details on the items.

Description	31/03/2016	31/03/2015	Variation
Other revenues and income	174,724	99,691	75,033
Grants related to income	441,901	849,780	(407,879)
Increase in capitalised expenses for intenal projects	316,844	318,808	(1,964)
<b>TOTAL</b>	<b>933,469</b>	<b>1,268,279</b>	<b>(334,810)</b>

#### Other Revenue and Income

In the first quarter of 2016 “**other revenue and income**” amounted to Euro 174,724 compared with Euro 99,691 in the first quarter of 2015. The table below provides details on the items.

Description	31/03/2016	31/03/2015	Variation
Contingency assets	0	3,326	(3,326)
Penalty on customer/damages	0	366	(366)
Discounts and rebates from suppliers	27,779		27,779
Rental income	1,580	8,423	(6,843)
Travel expenses to be charged to clients	22,803	0	22,803
Other revenue	65,424	21,187	44,237
Pay in lieu of notice	20,345	24,774	(4,429)
Income from assignment of vehicles to staff	36,786	41,515	(4,729)
Capital gains	8	101	(93)
<b>TOTAL</b>	<b>174,724</b>	<b>99,691</b>	<b>75,033</b>

#### Grants for Operating Expenses

In the first quarter of 2016 “**grants for operating expenses**” amounted to Euro 441,901 compared to Euro 849,780 in the first quarter of 2015 and refer to grants and tax breaks pertaining to the period or authorised in the period for funded research and development projects.

## Costs for Capitalised Internal Projects

In the first quarter of 2016 the item **“costs for capitalised internal projects”** amounted to Euro 316,844 compared with Euro 318,808 in the first quarter of 2015 and mainly refers to expenses incurred in the period to develop products for the banking and healthcare segments.

## 4. CHANGE IN INVENTORIES OF RAW MATERIALS AND FINISHED PRODUCTS

In the first quarter of 2016 the balance of the item **“change in inventories of raw materials and finished products”** amounted to Euro -45,010 compared with Euro 135,473 in the same period of the previous year. It refers to changes in finished products in the healthcare segment.

## 5. RAW MATERIALS, CONSUMABLES AND GOODS

In the first quarter of 2016 the item **“raw materials, consumables and goods”** amounted to Euro 2,500,453 compared with Euro 2,268,153 in the first quarter of 2015. The table below provides details on the items.

Description	31/03/2016	31/03/2015	Variation
Purchase of HW-SW products	1,053,505	531,011	522,494
Purchase of HW-SW maintenance	1,346,071	1,647,995	(301,924)
Stationery and consumables	28,769	37,976	(9,206)
Fuel and oil	41,505	36,309	5,196
Other costs	15,125	12,266	2,859
Warranty services on our customers activities	1,270	2,597	(1,327)
<b>TOTAL</b>	<b>2,500,453</b>	<b>2,268,153</b>	<b>218,092</b>

## 6. STAFF COSTS

In the first quarter of 2016 the item **“staff costs”** amounted to Euro 22,258,138 compared with Euro 23,512,566 in the first quarter of 2015. The table below provides details on the item:

Description	31/03/2016	31/03/2015	Variation
Salaries and wages	16,366,516	17,365,900	(999,384)
Social charges	4,311,818	4,668,652	(356,834)
Severance Pay	990,300	993,676	(3,376)
Other staff costs	589,504	484,338	105,166
<b>TOTAL</b>	<b>22,258,138</b>	<b>23,512,566</b>	<b>(1,254,429)</b>

The number of group employees as at 31 March 2016 amounted to 2,046 workers (2,031 employees and 15 temporary workers) compared with 2,083 (2,076 employees and 7 temporary workers) as at 31 December 2015 and compared with 2,219 (2,197 employees and 22 temporary workers) as at 31 March 2015.

## 7. COSTS FOR SERVICES

In the first quarter of 2016 the consolidated balance of the item “costs for services” amounted to Euro 4,726,199 compared with Euro 5,590,227 in the same period of the previous year. The table below provides details on the items:

Description	31/03/2016	31/03/2015	Variation
Technical and commercial consultancy	2,339,284	3,151,129	(811,845)
Administrative/company/legal consultancy	457,627	287,883	169,743
Data processing service	112,837	93,740	19,097
Auditors' fees	39,754	41,006	(1,251)
Travel and transfer expenses	465,168	559,329	(94,161)
Other staff costs	35,941	23,566	12,375
Utilities	268,923	265,477	3,446
Advertising and agency expenses	100,324	105,637	(5,313)
Bank charges	127,584	117,014	10,570
HW and SW maintenance	87,681	157,631	(69,950)
Insurance	126,941	245,705	(118,765)
Costs of temporary staff	41,490	109,130	(67,640)
Other costs	425,653	328,277	97,376
Mail services	96,991	104,701	(7,710)
<b>TOTAL</b>	<b>4,726,199</b>	<b>5,590,227</b>	<b>(864,028)</b>

The most significant change is due to the reduction in consultancy costs together with a decrease in revenues, especially in Utilities and International.

## 8. COSTS FOR LEASED ASSETS

In the first quarter of 2016 the item “costs for leased assets” amounted to Euro 1,061,824 compared with Euro 997,917 in the same period of the previous year. The table below provides details on the items:

Description	31/03/2016	31/03/2015	Variation
Rental expenses	433,740	354,321	79,419
Car rental/leasing	257,285	253,654	3,632
Rental of other assets	346,550	356,234	(9,684)
Royalties	24,249	33,709	(9,459)
<b>TOTAL</b>	<b>1,061,824</b>	<b>997,917</b>	<b>63,906</b>

The rise in the item “payable rent” is mainly due to costs incurred for the holding company's offices in Rome, which in the previous quarter were not charged as agreed with the owner.

## 9. SUNDRY OPERATING EXPENSES

In the first quarter of 2016 the consolidated balance of the item “sundry operating expenses” amounted to Euro 172,254 compared with Euro 187,177 in the same period of the previous year. The table below provides details on the item:

Description	31/03/2016	31/03/2015	Variation
Annual subscriptions	23,700	28,219	(4,519)
Books and magazines	1,808	4,306	(2,498)
Taxes	48,295	72,963	(24,667)
Stamp duty	17,450	27,855	(10,405)
Penalties and fines	523	4,208	(3,684)
Contingency liabilities	2,318	343	1,974
Write-offs		3,909	(3,909)
Sundry expenses	77,804	45,375	32,428
Capital losses on disposals	356	-	356
<b>TOTAL</b>	<b>172,254</b>	<b>187,177</b>	<b>(14,926)</b>

## 10. PROVISIONS

In the first quarter of 2016 the consolidated balance of the item “provisions” amounted to Euro 98,833 compared with Euro 351,563 in the first quarter of 2015.

The table below shows movements in the first quarter of 2016 compared with those in the first quarter of 2015.

Description	31/03/2016	31/03/2015	Variation
Provision for tax litigation risks		193,110	(193,110)
Provision for legal disputes with employees	98,833	158,453	(59,620)
<b>TOTAL</b>	<b>98,833</b>	<b>351,563</b>	<b>(252,730)</b>

## 11 . AMORTISATION, DEPRECIATION AND WRITE-DOWNS

In the first quarter of 2016 the consolidated balance of the item “amortisation, depreciation and write-downs” amounted to Euro 1,061,492 compared with Euro 1,135,574 in the first quarter of 2015.

### Amortisation and Depreciation

The item “amortisation and depreciation” amounted to Euro 1,000,930 compared with Euro 1,057,491 as at 31 March 2015 and refers to Euro 520,453 for amortisation of intangible assets and Euro 480,477 for depreciation of tangible assets.

### Other Write-downs

The item “other write-downs” amounted to Euro 32,529 compared with Euro 28,083 in the first quarter of 2015 and refers to asset write-downs.

### Doubtful Receivables Included in Current Assets

The balance of “write-downs” amounted to Euro 28,033 as at 31 March 2016 compared with Euro 50,000 in the first quarter of 2015 and refers to doubtful receivables unlikely to be collected.

## 12. FINANCIAL (INCOME) CHARGES AND OTHER INVESTMENTS

In the first quarter of 2016 **“financial (income) charges and other investments”** amounted to Euro 625,435 compared with Euro 597,770 in the first quarter of 2015. The table below provides details on the item.

Description	31/03/2016	31/03/2015	Variation
Proceeds from shareholdings from parents	(6,918)	(7,346)	428
Other income other than the above	(38,519)	(29,694)	(8,825)
Interest and other financial charges	631,626	682,207	(50,581)
Profit and loss on currency exchange	39,246	(47,397)	86,643
<b>TOTAL</b>	<b>625,435</b>	<b>597,770</b>	<b>27,665</b>

### Income from Parent Companies

In the first quarter of 2016 **“income from parent companies”** amounted to Euro 6,918 compared with Euro 7,346 in the first quarter of 2015 and refers to interest accrued by the parent company Abaco Innovazione S.p.A. for a loan granted by Exprivia SpA.

### Other Financial Income

In the first quarter of 2016 the item **“other financial income”** amounted to Euro 38,519 compared with Euro 26,694 in the first quarter of 2015. The table below provides details on the item:

Description	31/03/2016	31/03/2015	Variation
Bank interest receivable	6,505	1,928	4,577
Income from financial products and various	21,977	27,328	(5,351)
Other interest income	9,907	23	9,884
Rounding up of assets	130	415	(285)
<b>TOTAL</b>	<b>38,519</b>	<b>29,694</b>	<b>8,826</b>

### Interest and Other Financial Charges

In the first quarter of 2016 the item **“interest and other financial charges”** amounted to Euro 631,626 compared with Euro 682,207 in the same period of the previous year. The table below provides details on the items:

Description	31/03/2016	31/03/2015	Variation
Bank interest payable	225,896	196,484	29,412
Interest on loans and mortgages	273,289	237,620	35,669
Sundry interest	120,902	170,512	(49,610)
Charges on financial products and sundry items	11,085	77,592	(66,507)
<b>TOTAL</b>	<b>631,626</b>	<b>682,207</b>	<b>(50,582)</b>

### Profit/loss on Currency Exchange

In the first quarter of 2016 the "loss on currency exchange" amounted to Euro 39,246 while the "profit on currency exchange" in the first quarter of 2015 amounted to Euro 47,397 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 of the Exprivia Group.

## 13. TAXES

In the first quarter of 2016 "taxes" amounted to Euro 311,749 compared with Euro 544,875 in the first quarter of 2015. The table below provides details on the changes compared to the previous period:

Description	31/03/2016	31/03/2015	Variation
IRES	190,646	323,899	(133,253)
IRAP	126,595	290,958	(164,363)
Foreing tax		6,801	(6,801)
Taxes from prior years	8,890		8,890
Defered tax	(7,170)	(8,089)	919
Deferred tax assets	(7,212)	(68,694)	61,482
<b>TOTAL</b>	<b>311,749</b>	<b>544,875</b>	<b>(233,126)</b>

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.

## 14. PROFIT (LOSS) FOR THE YEAR

In the first quarter of 2016 the income statement closed with a consolidated loss (after tax) of Euro 273,518, compared with a loss of Euro 271,320 in the first quarter of 2015.

## 15. 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.

As at 31 March 2016 the basic and diluted earnings per share amounted to Euro -0.0058.

<b>Profits (Euro)</b>	<b>31/03/2016</b>
Profits for determining basic earnings per share (Net profit due to shareholders of parent company)	(287,193)
Profit for determining the earnings per basic share	(287,193)
<b>Number of shares</b>	<b>31/03/2016</b>
Number of ordinary shares at 1 January 2016	51,883,958
Purchase of own shares at 31 March 2016	(2,357,005)
Average weighted number ordinary shares for calculation of basic profit	49,384,248
<b>Earnings per share (Euro)</b>	<b>31/03/2016</b>
Profit (loss) per basic share	-0.0058
Diluted earnings (loss) per share	-0.0058

## 16. INFORMATION ON THE CASH FLOW STATEMENT

The **consolidated net financial position** as at 31 March 2016 is Euro -37.1 million compared with Euro -36.3 million as at 31 December 2015, down by Euro 0.8 million due to the regular trends of the first quarter, when payments received generally slow down.

## **STATEMENT PURSUANT TO ART. 154-BIS(2) OF ITALIAN LEGISLATIVE DECREE NO. 58 OF 24 FEBRUARY 1998 ON THE PROVISIONS CONCERNING BROKERAGE AND SUBSEQUENT AMENDMENTS**

The undersigned, Gianni Sebastiano, financial reporting officer responsible for preparing the corporate accounts, in accordance with Art. 154-bis(2) of Italian Legislative Decree no. 58 of 24 February 1998, introduced by Italian Law no. 262 of 28 December 2005, hereby states that the information and data on the economic, capital and financial standing contained in this Interim Report on Operations as at 31 March 2016 referring to the Consolidated Financial Statements correspond to the accounting documents, books and records.

Molfetta, 12 May 2016.

Financial Reporting Officer Responsible for Preparing Corporate Accounting Documents

*Gianni Sebastiano*