Interim Report
as at 30 June 2016

CONTENTS

SIGNIFICANT GROUP FIGURES AND RESULT INDICATORS

The table below gives a summary of the main consolidated economic, capital and financial data of the group.

	30.06.2016	30.06.2015	31.12.2015
Total production revenues	67,631,446	73,602,794	144,812,442
net proceeds and variation to work in progress to order	65,667,502	70,435,927	139,360,862
increase to assets for internal work	745,358	732,464	1,358,828
other proceeds and contributions	1,218,586	2,434,403	4,092,752
Difference between costs and production proceeds (EBITDA)	4,048,320	6,896,515	15,311,239
% on production proceeds	6.0%	9.4%	10.6%
Net operating result (EBIT)	1,927,853	3,826,118	9,994,017
% on production proceeds	2.9%	5.2%	6.9%
Net result	559,558	1,081,296	4,597,608
Group net equity	72,487,670	70,968,825	73,402,218
Total assets	189,405,810	190,974,777	178,808,809
Capital stock	25,325,029	25,945,425	25,754,016
Net working capital (1)	29,413,449	24,703,456	32,798,089
Cash flow (2)	2,365,021	2,512,339	7,909,996
Fixed capital (3)	91,761,888	90,638,037	91,065,368
Investment	1,355,001	1,031,583	2,452,257
Cash resources/bonds (*a*)	18,842,463	12,912,092	10,317,640
Short-term financial debts (*b*)	(23,574,173)	(32,677,706)	(37,109,580)
Medium-/long-term financial debts (*c*)	(26,635,598)	(10,212,538)	(9,522,335)
Net financial position (4)	(31,367,308)	(29,978,152)	(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 June 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 July 2015 – 30 June 2016 for figures as at 30 June 2016 and 1 July 2014 – 30 June 2015 for figures as at 30 June 2015.

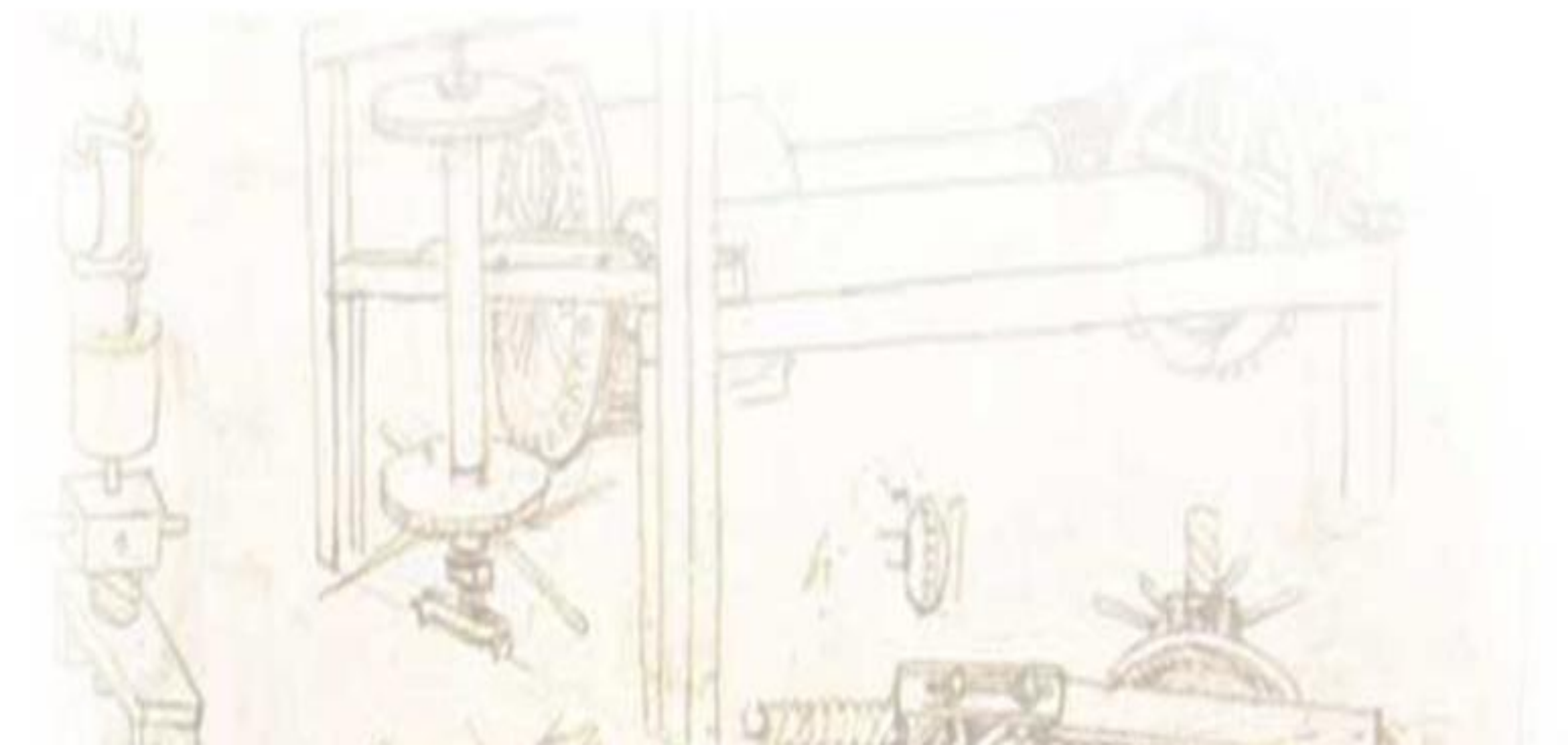
Exprivia Group	30/06/2016	30/06/2015
Index ROE (Net income / Equity Group)	5.29%	5.47%
Index ROI (EBIT / Net Capital Invested) **(5)**	7.38%	10.83%
Index ROS (EBIT / Revenues from sales and services, net of changes in inventories of raw materials and finished products))	2.94%	5.43%
Financial charges **(6)** / Net profit	2.346	1.283

(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)

(6) **Financial expenses** : calcutaded net o nterest cost IAS 19

The table below shows the main capital and financial indicators of the Group as at 30 June 2016, 30 June 2015 and 31 December 2015.

Exprivia Group	30/06/2016	31/12/2015
Net Financial Debt / Equity Capital	0.43	0.49
Debt ratio (Total Liabilities / Equity Capital)	2.61	2.44



SUMMARY OF THE OPERATIONS IN THE FIRST HALF OF 2016

A summary of the main consolidated economic, capital and financial data of the Group is reported below, prepared in accordance with International Financial Reporting Standards, and particularly with standard IAS 34, as emerging from the situation as at 30 June 2016, compared with the same period of the previous year.

Exprivia Group (value in K €)	30.06.2016	30.06.2015	Variations %
Revenues	67,631	73,603	-8.11%
Net revenues	65,668	70,436	-6.77%
EBITDA	4,048	6,897	-41.31%
EBIT	1,928	3,826	-49.61%
Result	560	1,081	-48.20%

The **consolidated revenues** in the first half of 2016 amounted to around Euro 67.6 million, compared to Euro 73.6 million in the first half of 2015.

Consolidated net revenues (including revenues from sales and services and the change in inventories of raw materials and finished products) in the first half of 2016 totalled around Euro 65.7 million, compared to Euro 70.4 million in the first half of 2015.

Consolidated EBITDA in the first half of 2016 amounted to around Euro 4 million (6% of revenues) compared to roughly Euro 6.9 million as at 30 June 2015.

Consolidated EBIT in the first half of 2016 amounted to around Euro 1.9 million (2.9% of revenues) compared to roughly Euro 3.8 million as at 30 June 2015.

Consolidated profit as at 30 June 2016 came to roughly Euro 0.6 million, equal to 0.8% of revenues.

The **Net Financial Position** as at 30 June 2016 was roughly a negative Euro 31.4 million, compared to around a negative figure of Euro 36.3 million as at 31 December 2015.

The **Group shareholders' equity** as at 30 June 2016 totalled Euro 72.5 million, down compared to 31 December 2015 (approximately Euro 73.4 million).

Exprivia Group (value in K €)	30.06.2016	30.06.2015	31.12.2015
Group Net Worth	72,488	70,969	73,402
Net Financial Position	(31,367)	(29,978)	(36,314)

CORPORATE BODIES

Board of Directors

As at 30 June 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 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.

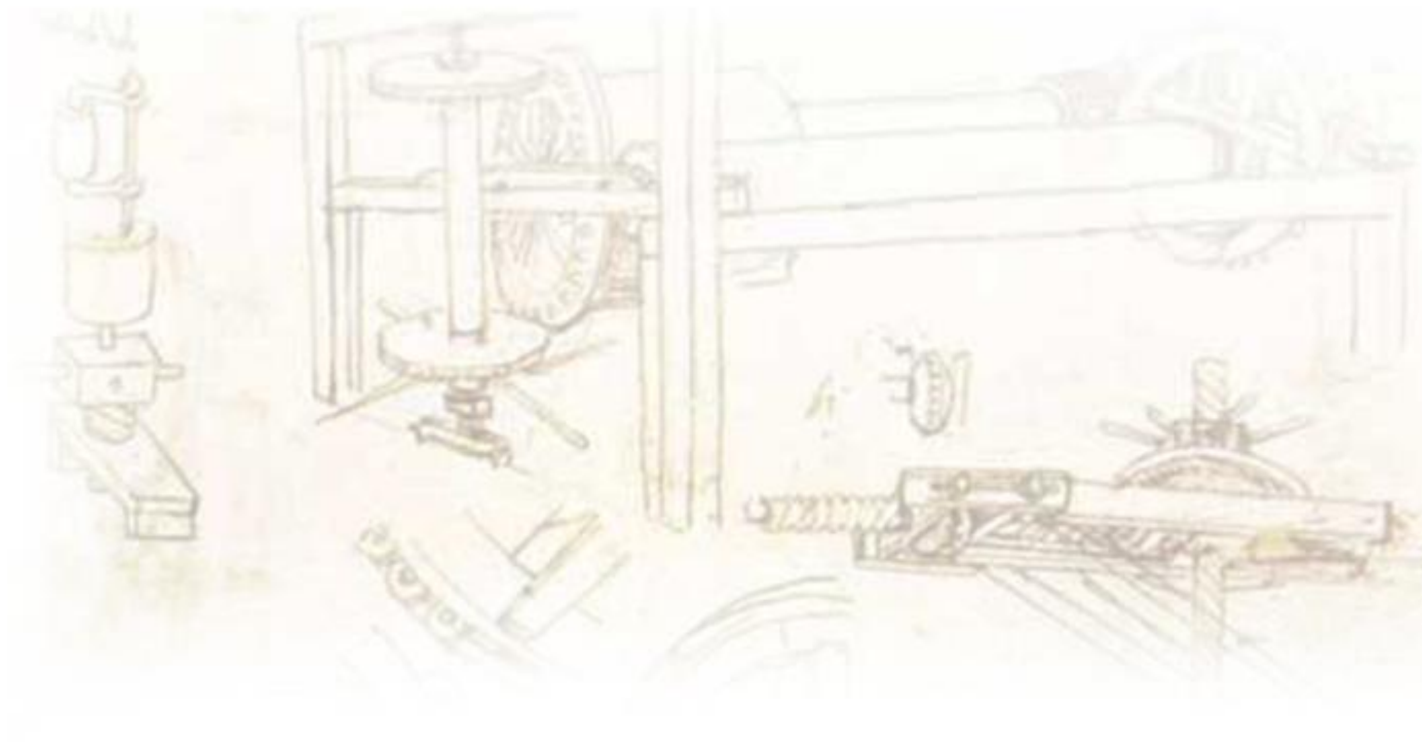
Board of Statutory Auditors

As at 30 June 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 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

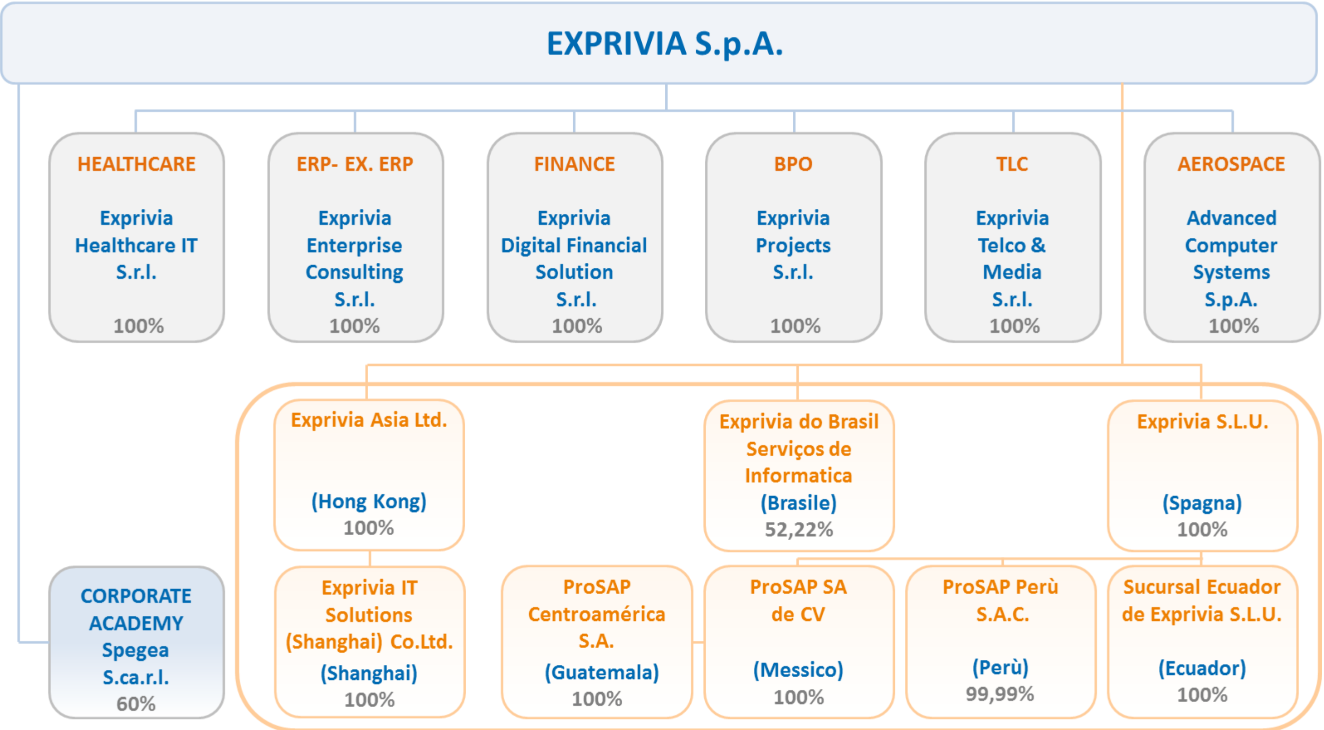
In Italy Exprivia is a leading international company in process consultancy, technological services and Information Technology solutions.

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.

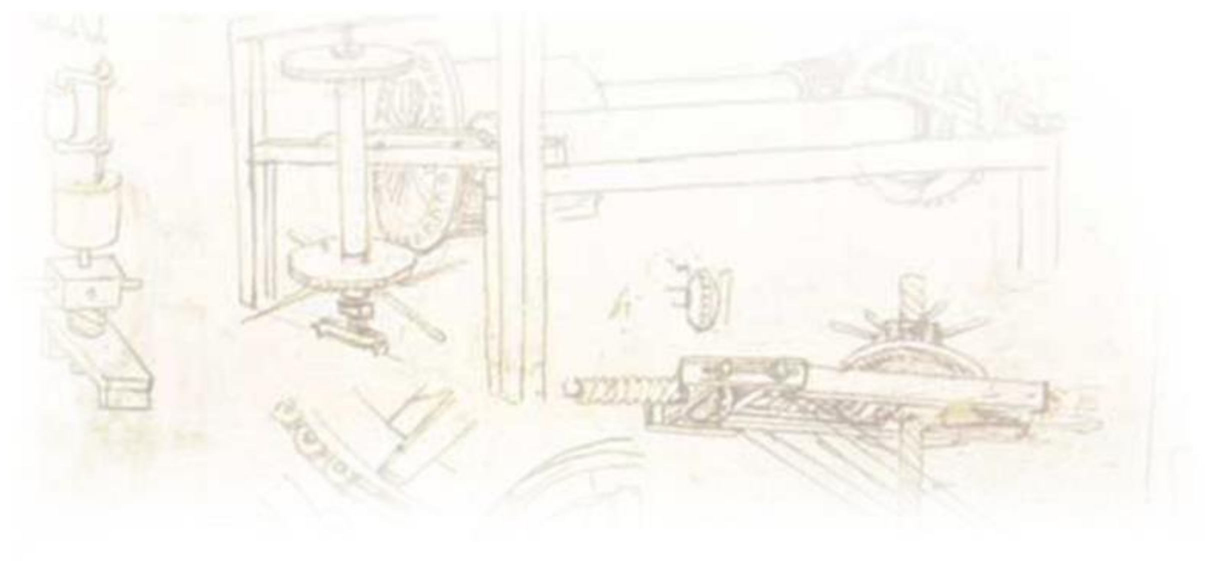
The Company has been listed on the Italian stock exchange since 2000 and in the STAR MTA segment since October 2007. Exprivia currently employs a team of over 1,800 people distributed between its headquarters in Molfetta (BA), branches in Italy (Milan, Rome, Piacenza, Trento, Vicenza, Genoa, Turin and 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



The above table refers to 30 June 2016.



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 Milan 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

Exprivia SLU, (already Prosap SL), a Spanish company held 100% by Exprivia SpA, in 2016 merged with the Spanish company Exprivia SL 100% owned by Exprivia SpA. The company operates since 2002, also through its subsidiaries **Mexico** (ProSAP SA de CV), **Guatemala** (ProSAP Centroamerica SA), Peru (Peru SAC ProSAP) offering professional services and development projects in the SAP environment, development of web portals, solutions and information systems for the health sector in the Spanish market and countries Latin America. Following the merger, the company also controls the Sucursal de Ecuador Exprivia SLU.

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, held 100% by Exprivia, is a company on the market for over twenty years, developing ground stations for receiving and processing satellite data ("Ground Station"), a sector which has achieved a position of leadership in Europe. The company is headquartered in Rome and Matera. In 2016 it was acquired by Exprivia SpA further stake of 83.8% of the company, of which it already held 16.2%.

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
- Pubblic Sector
- Healthcare
- Industry

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.

Pubblic 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

Healthcare

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

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

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

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

Industry

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.

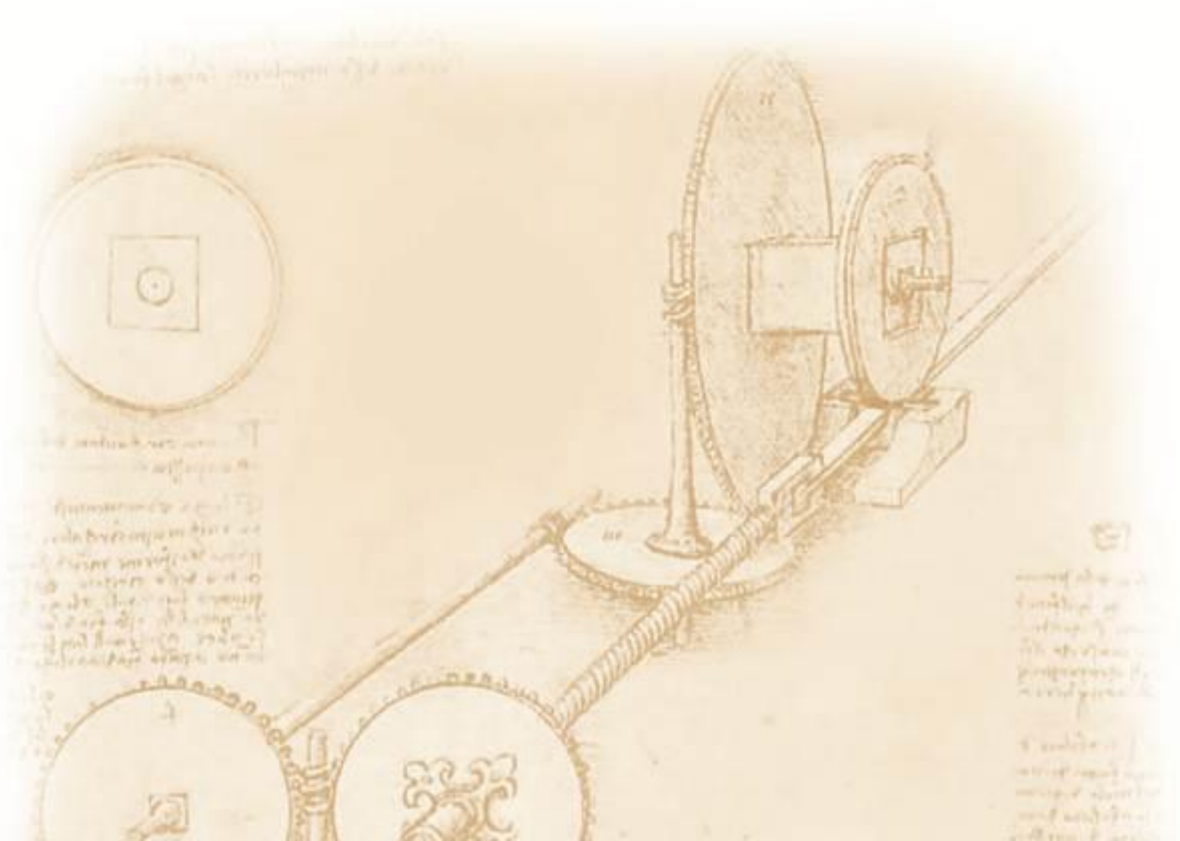
In the application management field, the large number of factories spread out all over Italy and abroad enables Exprivia to propose structured offers while guaranteeing high service levels wherever needed.

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

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

The performance of **revenues per business area** recorded a 6.8% decrease in the first half of 2016 with respect to the same period of 2015.

Some internal organisational changes took place within the Group in the first few months of 2016; consequently, the segment reporting shown below was modified to reflect this organisational change. In particular, the activities relating to the Public Administration market sector were removed from the business segment previously identified as “Defence, Aerospace and Public Administration” and renamed Public Sector. The revenues of the Public Sector business segment as at 30 June 2016 amounted to Euro 3.5 million (Euro 3.9 million as at 30 June 2015).

In addition, for the other business lines, the only change that took place was the translation of the name into English, to make it easier for an international audience to understand which activities are carried out by each BU.

Details of the revenues relating to 30 June 2016 are shown below, compared with the figures for the same period of the previous year, broken down by business segment (€/1000).

Business Areas	30/06/2016	30/06/2015	Variation	Variation%
Banking & Finance	12,453	12,397	56	0.5%
Energia e Utilities	9,916	12,386	(2,470)	-19.9%
Industry	6,382	5,593	789	14.1%
Oil e Gas	6,267	7,784	(1,517)	-19.5%
Telco & Media	10,055	9,142	914	10.0%
Healthcare	11,214	10,933	281	2.6%
Public Sector	3,475	3,926	(451)	-11.5%
Aerospace & Defence	1,499	1,600	(101)	-6.3%
International Business	4,089	5,775	(1,686)	-29.2%
Other	318	900	(582)	-64.7%
Total	**65,668**	**70,436**	**(4,768)**	**-6.8%**

Details of the net revenues relating to 30 June 2016 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 Euro)	30/06/2016	30/06/2015	Variation	Variation%
Projects and Services	56,917	61,340	(4,423)	-7.2%
Maintenance	6,522	6,277	245	3.9%
HW/ SW third parties	1,354	1,019	335	32.9%
Own licences	557	900	(343)	-38.1%
Other	318	900	(582)	-64.7%
Total	**65,668**	**70,436**	**(4,768)**	**-6.8%**

Details of the net revenues relating to 30 June 2016 compared with the figures for 30 June 2015, broken down by type of customer (public or private), are shown below (€/1000).

Exprivia Group (value in k Euro)	30/06/2016	Effect %	30/06/2015	Effect %	Variations %
PRIVATE	51,292	78.1%	55,400	78.7%	-7.4%
PUBLIC	14,376	21.9%	15,036	21.3%	-4.4%
Total	**65,668**		**70,436**		**-6.8%**

Details of the net revenues relating to 30 June 2016 compared with the figures for 30 June 2015, broken down by geographical area, are shown below (in €/1000).

Exprivia Group (value in k Euro)	30/06/2016	Incidenza %	30/06/2015	Incidenza %	Variazioni%
ITALY	60,282	91.8%	63,692	90.4%	-5.4%
FOREIGN	5,386	8.2%	6,744	9.6%	-20.1%
Total	**65,668**		**70,436**		**-6.8%**

Banking & Finance

The **Banking & Finance** Business Unit closed the first half of 2016 with results in line with 2015 (Euro 12.5 million in the first half of 2016 compared to Euro 12.4 million in the first half of 2015).

The extremely difficult situation in this sector both domestically and internationally did not help this result. Indeed, domestically, the legislative requirements for the creation of a strong banking sector, in the wake of a significant process of integration amongst institutions, actually diverted the attention of a considerable part of the sector from the re-launching of investments for business development. There was an even more notable reduction in investments following the structural difficulties of several cooperative banking groups, which in this first half of the year experienced the launch of a painful recapitalisation process with the intervention of public funds. Internationally, the situation has been complicated by the evolution of the process that led to the Brexit referendum, and later by its “unexpected” outcome.

This impacted not only the institutions directly involved, but also the main Italian banking groups, which were forced to review their own development plans.

In this environment, the **Banking & Finance** unit operated in line with its activities launched in 2015, in accordance with the development established in the 2016 budget and in the 2015-2020 business plan, with the following results in the various business areas:

- in the Finance area and in Factoring there was growth of nearly 2%, due to the development of our offer to support regulatory obligations and renewals of important collaborations with major customers, despite the significant increase in competition in the market,

- in Credit Solutions, there was a 10% reduction; although this was partially forecast in the budget, this gap was heavily impacted by the general trends noted above, which delayed the launch of several important collaborations, especially in the Credit Risk Management area
- the Digital Transformation, Big Data Analytics, Customer Experience area recorded comforting growth of nearly 8%, as a result of constant development in the offer (skills and solutions) as well as the market (not only for the corporate segment, but also for retail) in the last 24 months.

In conclusion, this was a half-year of “forced” consolidation, in which sector uncertainties did not make it possible to pursue the growth previously forecast. On the other hand, the development work conducted in these first six months of the year laid solid foundations on which we can continue our work in the second half of the year with cautious optimism.

Utilities

The **Utilities** Business Unit recorded revenues amounting to Euro 10 million in the first half of 2016 compared to Euro 12.4 million in the first half of 2015 (a 19.9% decrease).

The first half of 2016 saw the simultaneous launch of several contracts, the results of which will be visible beginning in the second half of the year.

The Utilities Business Unit is continuously active in pursuing the operational efficiency and digital transformation goals of its customers by participating in innovative projects with an international scope. The activities of managing and developing company management and business intelligence systems have been confirmed as this Business Unit’s main asset; projects have also been rolled out in the area of IoT, customer experience and Grid Management, which are now part of the Business Unit’s main assets.

BPO (Business Process Outsourcing) is specialised in Customer Care, both front office and back office. In the first half of 2016, revenues totalled Euro 2.09 million, compared to Euro 3 million in the same period of the previous year. This change can be attributed to the completion of the contract awarded in 2015 relating to a call centre service contract with a leading Italian multinational in the energy sector, managed by a temporary association of companies (composed of Exprivia Project Srl, Exprivia Healthcare It Srl, Network Contacts srl and Exprivia Spa, agent company), concluded 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. In the first half of the year, one of the two contracts acquired in the Front Office and multichannel area was successfully launched. The GAP of revenues compared to the first half of 2015 was due to the postponed start of the second contract.

Industry

In the first half of 2016, the results of the **Industry** Business Unit showed clear signs of revenue growth compared to the first half of 2015, confirming the positive trend that started around the end of last year, rising from Euro 5.6 million in revenues in the first half of 2015 to Euro 6.4 million in 2016 (+14.1%).

The industry segment is interpreting the signs of an economic recovery with confidence, by moving forward with investments in IT projects and beginning important technological innovation initiatives.

The software vendor offer has also been significantly updated, making it possible to handle application platform renewal projects.

The customer base was also 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.

Oil & Gas

In recent months, the oil industry underwent a severe restructuring meant to revise its cost structure to deal with short-term financial restrictions and also with the goal of transferring growth objectives to the medium-long term. From this perspective, the Italian oil industry has also launched programmes for the drastic reduction of operating costs and to review investment programmes, especially in the upstream area, in order to ensure a flexible asset portfolio. The reference scenario of middle-downstream investments has also changed radically, with the goal of lowering the break-even point on refining costs. In the area of gas & power, commodities acquisition conditions have improved, but the global reduction in consumption, which is fuelling competitive trends amongst the sector's retail and business operators, is continuing.

In this scenario of global contraction in ICT spending in the oil industry, the first half of the year closed for the **Oil & Gas** Business Unit with the acquisition of several important long-term contracts which will generate effects only after the relative work begins (October 2016) and are not yet capable of offsetting the reduction in revenues on existing contracts.

Revenues for the first half of 2016 declined by 19.5% compared to the same period of 2015, from Euro 7.8 million in the first half of 2015 to Euro 6.3 million in the same period of 2016. Margins in the **Oil & Gas** Business Unit also decreased from 14% to 5% as a percentage of revenues.

The drill down of revenues shows different performance in the various business segments. The share of revenues attributable to professional services in the Web Application, Document Management and ECM area, as well as the portion relating to ICT services for the HR and HSE area, has either remained constant or grown. Growth has resumed in the share of revenues in the Enterprise Application Integration area, with outlooks for further growth in subsequent quarters. On the other hand, the share of revenues in the BI area and for ICT services in the Administration, Finance and Control area has reduced. The share of revenues on core business systems is stable.

Telco & Media

In the **Telco & Media** business unit, Exprivia achieved good growth in the first half of 2016 compared to the same period of last year, amounting to a 10% increase in revenues (Euro 10.1 million in the first half of 2016 compared to Euro 9.1 million at 30 June 2015), also by enhancing the company's know-how and as a result boosting the number of specialised employees. This growth was obtained despite the fact that the telecommunications and media market, particularly in Italy, continues to demonstrate significant difficulties which are reflected primarily in a progressive reduction in revenues for each voice/data line, experienced by the majority of operators. However, in this market Exprivia has worked on specialising in the most innovative and relevant aspects for its customers' businesses, primarily by offering services in the areas of "**Network Optimization & Transformation", "Next generation OSS Solutions & Services", "Voice & Media Application" and "Carrier grade solution development"** as well as for the encrypted VoIP products "Extravox" and "Cryptovox".

Healthcare

The **Healthcare** Business Unit recorded revenues amounting to Euro 11 million in the first half of 2016, substantially in line with the results of the same period of the previous year (Euro 10.9 million).

The decline, albeit slight, in the results compared to the same period of the previous year can be attributed to limited delays in the accrual of revenues from supplies on projects in the Marche and Calabria Regions, offset on the other hand by the execution of projects for several contracts acquired at the end of the previous year and the launch of the patient privacy management system for the Puglia Region.

Public Sector

In the **Public Sector** Business Unit, revenues amounted to Euro 3.5 million in the first half of 2016, which is a 11.5% drop compared to the same period of the last year (Euro 3.9 million).

This decline can mainly be attributed to the trend of **Local Public Administration** which is going through a phase of radical change due to the increasingly greater drive towards the centralisation of IT skills as well as continuous Spending Review policies. The expected investments linked to Smart Cities, which could represent an occasion for the re-launch of this market, have not yet been seen.

For the **Central Public Administration**, we are witnessing a continuation in the slowdown in activities for important contracts in the portfolio, trends linked to Spending Review policies and an uncertain interpretation of certain rules included in the 2015 Budget Law.

The overall panorama still features many low points, despite the fact that the recent Assinform Report on the Public Administration finally pointed to a weak trend reversal in Public Administration IT spending, compared to the decline seen over the last 5-6 years. The publication of the new Tender Code has not yet favoured an acceleration in investments; rather, in this initial phase it led to a sharp decline in tenders published.

In the first six months of the year, this BU was committed to working on important tenders for leading market players that will be awarded by the end of 2016.

Aerospace & Defence

The **Aerospace & Defence** Business Unit recorded revenues amounting to Euro 1.5 million in the first half of 2016 compared to Euro 1.6 million in the first half of 2015 (a 6.3% decrease).

This performance was in line with the contraction seen in a market that is still being held back by reorganisations in the main industrial companies and large entities. In the first half of the year, Exprivia launched the first important contracts in relation to new domestic and foreign programmes that will be rolled out in the coming months.

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 was present through two subsidiaries, **Profesionales de Sistemas Aplicaciones y Productos S.L. (ProSap) and Exprivia S.L.**, their merger was completed by combining the commercial and technical structures to strengthen 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 **Prosap Centroamerica**, which works in the ERP and SAP services sector in Guatemala and in various Central American countries, are expanding; the branch **in Ecuador** is participating in a temporary association of companies in several important public and private tenders in the Healthcare segment. Concerning **Prosap Peru**, sales actions are continuing in the healthcare and telecommunications field 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, although the country's economic crisis resulted in GDP falling by 3.8% in 2015 compared to the previous year and a decline in the local currency (BRL) with respect to the euro and the US dollar.

In **China**, **"Exprivia IT Solutions (Shanghai) Co. Ltd"**, whose sole shareholder is **"Exprivia Asia Ltda" in Hong Kong,** has 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 OF THE FIRST HALF OF 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 gross dividend of Euro 1,105,128.31, equal to Euro 0.0213 per share (including treasury shares).

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 (www.exprivia.it) in the "Corporate - 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.

On 28 April 2016, the company distributed dividends totalling Euro 1,044,774.63. The difference compared to the profit allocated by the Shareholders' Meeting is due to the dividends accrued by the treasury shares held by the Company.

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.

On **11 April 2016**, the deed of **merger by incorporation of Exprivia SLU into Prosap SLU** was formally registered. The incorporating company **Prosap took the name of the incorporated company Exprivia SLU**. The transaction became effective retroactively for accounting and tax purposes on 1 January 2016.

On **4 May 2016**, the activities required to **close Prosap US Holding Ltd and its subsidiary Prosap Consulting LLC** were completed.

On **22 June 2016**, Exprivia **completed the acquisition of 83.8% of ACS SpA**, an innovative company operating in the field of software applications and systems for the space sector. Exprivia, which already held a stake of 16.2% in ACS, increased its shareholding to **become the sole shareholder**.

EVENTS AFTER 30 JUNE 2016

Corporate Events

There were no significant events worth noting.

Acquisitions/Sales in the Exprivia Group

On **5 July 2016** Exprivia SpA acquired de facto control over ACS SpA following the appointment by the sole shareholder of the administration and control bodies.

In **July 2016**, Exprivia SpA signed an agreement with Italtel SpA which establishes an exclusive period within which a binding purchase offer for Italtel SpA must be prepared. The offer is subject to the completion of due diligence activities and any other necessary analyses. All contractual arrangements should be completed by 31 October 2016. This transaction is part of the Exprivia Group's path of growth outlined in the 2015/2020 Business Plan presented in November 2015.

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 30 June 2016 with a nominal unit value of Euro 0.52.

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

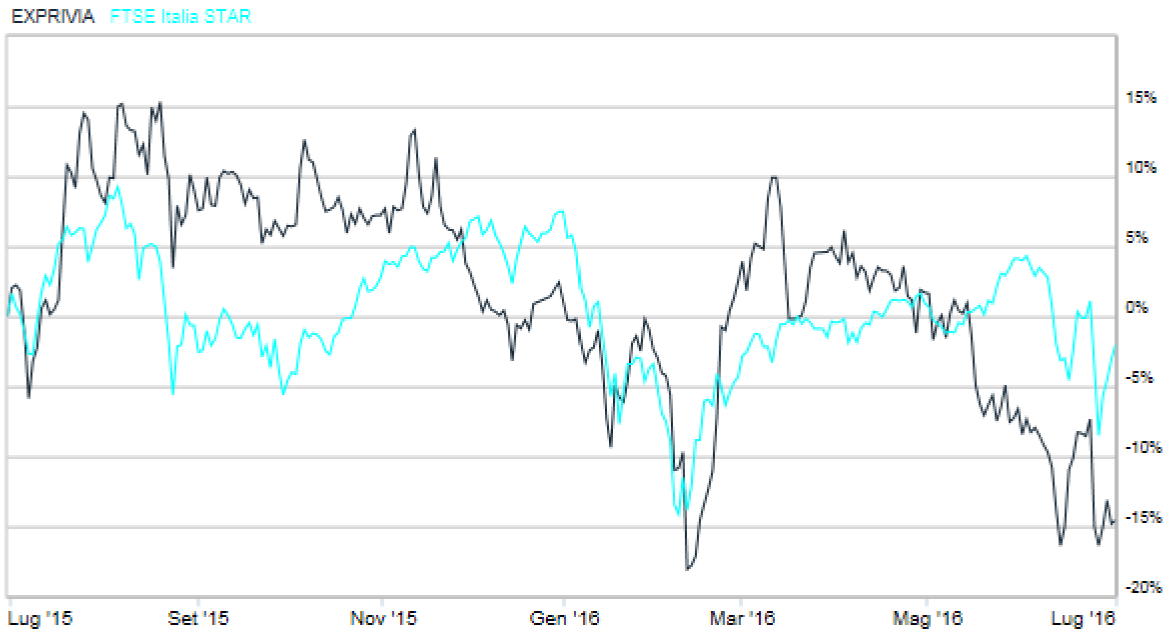
COMPOSITION OF SHAREHOLDERS

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 30 June 2016, the shareholder structure of Exprivia was as follows:

Shareholder	Shares	Amount held
Abaco Innovazione S.p.A.:	24,145,117	46.54%
Merula S.r.l.:	1,223,937	2.36%
Treasury shares held	3,181,980	6.13%
Other shareholders (< 2%):	23,332,924	44.97%
Total shares	**51,883,958**	**100%**

STOCK PERFORMANCE

The following graph compares the performance of the price of Exprivia title with the index FTSE Italy Star in July 2016, and with reference to the previous twelve months of that date, the value set at 100 to 1 July 2015.


EXPRIVIA
FTSE Italia STAR
15%
10%
5%
0%
-5%
-10%
-15%
-20%
Lug '15
Set '15
Nov '15
Gen '16
Mar '16
Mag '16
Lug '16

BUSINESS OUTLOOK

With the awareness that the increasingly pervasive spread of digital technologies, the availability of new applications based on big data and mobility, the convergence between telecommunications and cloud computing set the scene for investments, especially in the segments of media and large companies, which are increasingly required to meet the challenges of digital transformation, the company believes that the economic context, despite its high volatility, makes it possible to forecast growth which will help it to recover from the gap that arose in the first half of the year.

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.

MANAGEMENT TRAINING AND DEVELOPMENT

The Exprivia Group is committed to maximising the value of its resources by focusing on a flexible, dynamic organisational model.

In particular, the role of the Organisational Development department is to provide support to the Staff Business Units by improving tools for:

- Planning professional careers in line with the development and innovation of the business;
- Planning the organisational structures in line with market requirements;
- Optimisation of the Human Resources Requirements.

As part of the definition and communication of adequate salary practices and policies, in keeping with the provisions of the CONSOB Issuer Regulations (pursuant to article 123-ter of the Consolidated Finance Act) adopted with resolution no. 11971 of 14 May 2009 and updated on 8 February 2012, art. 84-quater, the Company made the 'Remuneration Report for Directors and Executives with Strategic Responsibility' available to the market and submitted it to the approval of the shareholders' meeting of 20 April 2016. This report describes the remuneration policy concerning these figures for the 2015-2016 period.

In line with the productivity, development and innovation objectives set forth in the **2015-2020 Business Plan**, in order to support the staff's motivation to meet the challenges set forth in the business plan, the Company has launched a significant **company welfare** programme, '**Exprivia People Care**', which enhances the total reward system by meeting a broad range of worker expectations regarding the individual and social benefits plan. The approach taken to this programme involved an initial study and analysis of the existing plan through a 'personalised' communications approach and an individual survey, which helped to generate an ideal benefits hierarchy based on the point of view of employees. This targeted analysis resulted in the planning of the Exprivia People Care programme, which involves: assigning a Smartphone and SIM card with unlimited voice and data traffic to the entire company population, to then continue with the assignment of an electronic ticket (meal voucher) with a nominal value of Euro 7 and full healthcare insurance covering both individual and family benefits. In April 2016, the welfare plan was supplemented with the assignment of the flexible welfare package, which the employee is able to set up based on individual and family requirements, choosing from amongst:

- education, family support, mortgages and loans, goods and services in kind, associated with the facilitations set forth in art. 51 of the Income Tax Consolidation Act (TUIR);
- arrangements to support work-life balance (family care, easy shopping, time saving, culture) deductible within the limit of 5 per mil of staff costs.

In addition, to promote and develop new forms of social collaboration and relationships by facilitating forms of active participation in company storytelling as regards skills and experience, we launched a trial of the new **Social Collaboration & Communication Platform**. The social collaboration trial becomes an important vehicle for sharing and communicating within the confines of the company, while also enhancing the meaning of the group and access to relevant information for organisational development.

As far as training is concerned, the **2016 Training Master Plan (TMP)**, containing the valid training requirements for the Exprivia Group, made provision for the supply of 27,000 hours of planned training with 1,250 attendances, including the supply of 7,065 hours of classroom training with 465 attendances and additional hours and attendances provided in learning hub mode. The 2016 TMP was planned in line with the 2015-2020 Business Plan based on the following significant drivers: Mobile, Cloud, IoT, Big_Data and Project Management. The 2016 training plan, in particular, makes provision for a significant investment in terms of the development of specialised technical skills, to bring them into line with new and innovative technological trends in the hi-tech market.

The training programmes concerned the development of:

- **Management skills:** measures for developing middle management managerial skills, i.e., focused on improving organisational conduct and project management. With particular regard to courses for attaining project management skills and for the management of the economic/financial risks of the projects.
- **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 certifications. With particular regard for Murex, Tibco, SAP ABAP OO, BI Oracle, Postgres-SQL, SAP SIMPLE FINANCE, ORACLE EBS HCM and ABAP FOR HANA courses.
- **Process skills/law requirements:**
  - Specific procedures of the Services Management System (ISO/IEC 20000), the Information Security Management System (ISO/IEC 27001) and Business Continuity Management (ISO/IEC 22301);
  - Training on the fundamental processes of the Exprivia QMS, targeted at the company personnel, with the goal of integrating the different Group companies with respect to the holding company's practices and procedures;
  - Updating aimed at the personnel responsible for security pursuant to Legislative Decree 81/08.

As regards certifications, in the first half of 2016 hours of training were provided to attain 155 certifications in the following areas: SALESFORCE, SAP, ORACLE, MICROSOFT, ANDROID, SCRUM, CISCO and other significant ones for the high tech market. This important investment is linked to the goal of accrediting the training courses provided at Exprivia, in order to increase the value, also for our customers, of the skills acquired and properly certified.

As regards the **Recruiting and Selection** Area, the company continues to invest in hiring young talent, with the goal of: improving personnel productivity, developing new skills and improving Business Unit organisational efficiency.

Roughly seventy-two new resources were recruited in the first half of 2016, comprising recent graduates and qualified professionals in technical-IT fields and process experts.

The recruiting processes were particularly focussed on those with high potential and experts with specialised skills in the markets covered by each business unit, in order to strengthen Exprivia's competitiveness in each of its reference markets.

Aware of its innovative capabilities, Exprivia invested again in 2016 in the robust bond enjoyed with Schools, Universities, Polytechnics and Research Centres, with the objective of generating valid 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 Group company workforce as at 30 June 2016 compared with those at 30 June 2015 and 31 December 2015 is shown below. Of the total resources reported in the table, relating to the Italian companies with the exception of Spegea Scarl, 15.42% have a part-time contract.

Company	Employees			Temporary workers		
	30/06/2015	31/12/2015	30/06/2016	30/06/2015	31/12/2015	30/06/2016
Exprivia SpA	665	673	678	11	2	2
Exprivia Healthcare IT Srl	327	335	330	-	-	-
Exprivia Enterprise Consulting Srl	166	156	141	1	1	1
Exprivia Digital Financial Solutions Srl	197	194	195	-	-	-
Exprivia Projects Srl	278	219	226	-	-	-
Exprivia Telco&Media Srl	309	358	366	5	1	-
Exprivia IT Solutions Shanghai	15	17	20	1	1	1
Exprivia SLU (Spain)/ProSap SA de CV/ProSap Centroamerica SA/	110	88	93	-	-	4
Exprivia do Brasil Servicos de Informatica Ltda	24	28	25	1	1	7
Spegea S.c.a r.l.	7	8	7	1	1	1
Total	**2098**	**2076**	**2081**	**20**	**7**	**16**
Executives	*46*	*39*	*39*			
Middle Managers	*193*	*187*	*177*			

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.

In 2016, the Company and the parent company Abaco Innovazione SpA, which carries out management and coordination activities for the Company, signed two contracts in execution of a unitary scope and therefore qualifiable as more significant transactions pursuant to the Procedure for Transactions with Related Parties.

For these transactions, the Company prepared a **“Disclosure Document”** pursuant to art. 5, first paragraph, of the CONSOB Regulation which was **published on 8 April 2016 on the company’s website** in the “Corporate - Corporate Governance - Corporate Information” section.

The Procedure for Transactions with Related Parties is also published in the same section on the company website.

INFORMATION ON MANAGEMENT AND COORDINATION

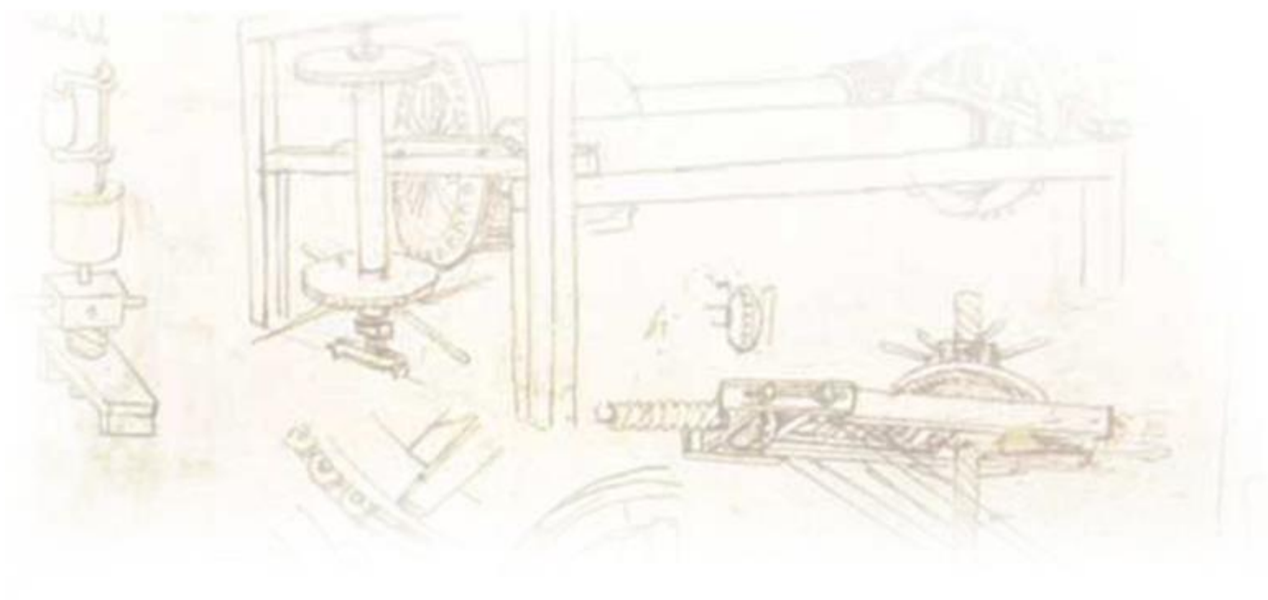
In accordance with Art. 2497 et seq. of the Italian Civil Code, governing transparency in the exercise of company management and coordination, it is recognised that this is exercised by Abaco Innovazione S.p.A., with head offices in Viale Adriano Olivetti 11, Molfetta (Bari, Italy), tax code and VAT 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 THE PARENT COMPANY

The financial and equity relations between the Exprivia Group and the parent company Abaco Innovazione SpA as at 30 June 2016 compared to 31 December 2015 are laid out below.

RECEIVABLES

Description	30/06/2016	31/12/2015	Variation
Exprivia S.p.A.	3,014,793	1,305,338	1,709,455
TOTAL	**3,014,793**	**1,305,338**	**1,709,455**

The balance as at 30 June 2016 includes Euro 2,985,338 relating to the receivable for an unsecured loan with no guarantees taken out in 2016 by the parent company Abaco Innovazione SpA, with Euro 1,680,000 disbursed in cash and Euro 1,305,338 as a reclassification of payables outstanding as at 31 December 2015. It also includes Euro 29,455 for interest receivable accrued on the same loan.

PAYABLES TO PARENT COMPANIES

Payables to parent companies include Euro 465,930 in remuneration recognised by Exprivia SpA to Abaco Innovazione SpA for the guarantee granted by the latter on the loan of Euro 25 million granted by major banks and commented on in note 16. This amount includes the share of costs on the guarantee attributable to future periods (Euro 297,157), pending under other assets.

COSTS

Description	30/06/2016	30/06/2015	Variation
Exprivia SpA	84,753		84,753
TOTAL	**84,753**	**0**	**84,753**

REVENUE AND INCOME

Description	30/06/2016	30/06/2015	Variation
Exprivia S.p.A.	29,455	14,636	14,819
TOTAL	**29,455**	**14,636**	**14,819**

THE CONDENSED HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS OF THE EXPRIVIA GROUP AS AT 30 JUNE 2016

CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 JUNE 2016

Consolidated Balance Sheet

Amount in Euro	Note	30.06.2016	31.12.2015
Land and buildings		10,760,782	10,981,543
Other assets		2,378,668	2,815,269
Property, plant and machinery	1	13,139,450	13,796,812
Goodwill		67,047,606	67,118,492
Goodwill and other assets with an indefinite useful life	2	67,047,606	67,118,492
Intangible assets		583,511	820,552
Research and development costs		3,279,738	3,370,013
Work in progress and advances		24,520	
Other Intangible Assets	3	3,887,769	4,190,565
Investments in other companies		1,252,634	896,195
Equity investments	4	1,252,634	896,195
Receivables to parent companies		2,596,910	1,305,338
Other receivables		298,982	201,199
Other financial assets	5	2,895,892	1,506,537
Other receivables		1,708,883	1,716,806
Other financial assets	6	1,708,883	1,716,806
Tax advances/deferred taxes		1,829,655	1,839,961
Deferred tax assets	7	1,829,655	1,839,961
NON-CURRENT ASSETS		**91,761,888**	**91,065,368**

Amount in Euro	Note	30.06.2016	31.12.2015
Trade receivables		54,698,855	58,097,533
Other receivables		9,893,753	7,947,205
Tax receivables		3,027,334	2,655,240
Trade receivables and other	8	67,619,942	68,699,978
Inventories		179,423	269,325
Inventories	9	179,423	269,325
Work in progress contracts		13,339,524	11,228,568
Work in progress contracts	10	13,339,524	11,228,568
Other receivables		600,000	
Receivables from parent		417,883	
Other Financial Assets	11	1,017,883	
Held at bank		14,945,794	7,005,422
Cheques and cash in hand		39,794	38,588
Cash at bank and on hand	12	14,985,588	7,044,010
Cheques and cash in hand		501,561	501,561
Cash at bank and on hand	13	501,561	501,561
CURRENT ASSETS		97,643,921	87,743,442
ASSETS		189,405,809	178,808,809

Amount in Euro	Note	30.06.2016	31.12.2015
Share Capital	14	25,325,029	25,754,016
Share capital	14	25,325,029	25,754,016
Share premium		18,081,738	18,081,738
Share Premium Reserve	14	18,081,738	18,081,738
Revaluation reserve		2,907,138	2,907,138
Revaluation reserve	14	2,907,138	2,907,138
Legal reserve		3,931,382	3,709,496
Revaluation reserve	14	3,931,382	3,709,496
Other reserves		20,377,711	17,201,619
Other reserves	14	20,377,711	17,201,619
Retained earning/loss		2,246,057	1,945,640
Profits/Losses for previous periods	14	2,246,057	1,945,640
Profit/Loss for the period		559,558	4,597,608
SHAREHOLDERS' EQUITY		73,428,612	74,197,255
Minority interest		940,942	795,038
GROUP SHAREHOLDERS' EQUITY		72,487,670	73,402,218

Amount in Euro		30.06.2016	31.12.2015
NON-CURRENT LIABILITIES			
Non-current bond		2,577,304	3,311,748
Non-current bond	15	2,577,304	3,311,748
Non-current bank debt		26,507,319	6,111,015
Non-current bank debt	16	26,507,319	6,111,015
Trade payables after the financial year		106,267	109,273
Derivative financial instruments		41,618	
Other financial liabilities	17	147,885	109,273
Payables for equity investments		359,999	
Other financial liabilities	18	359,999	
Tax liabilities and amounts for social security payable after the financial year		233,661	408,762
Other financial liabilities	19	233,661	408,762
Other provisions		676,018	622,311
Provision for risks and charges	20	676,018	622,311
Employee severance indemnities		9,004,662	9,228,805
Employee provisions	21	9,004,662	9,228,805
Provisions for deferred taxes		1,031,681	1,038,852
Deferred tax liabilities	22	1,031,681	1,038,852
NON CURRENT LIABILITIES		**40,538,529**	**20,830,766**

Amount in Euro	Note	30.06.2016	31.12.2015
Current bond		1,256,330	1,007,399
Current bond	23	1,256,330	1,007,399
Current bank debt		22,193,784	35,879,446
Current bank debt	24	22,193,784	35,879,446
Trade payables		18,117,536	17,087,806
Trade payables	25	18,117,536	17,087,806
Due to parent companies		465,930	
Due to parent companies	26	465,930	
Advances		2,549,164	2,774,376
Advances payment on work in progress contracts	27	2,549,164	2,774,376
Other payables		117,509	384,214
Other financial liabilities	28	117,509	384,214
Tax liabilities		5,748,567	7,583,444
Tax liabilities	29	5,748,567	7,583,444
Amounts payable to pension and social security institutions		4,751,859	5,480,960
Other payables		20,237,989	13,583,144
Other current liabilities	30	24,989,848	19,064,104
CURRENT LIABILITIES		**75,438,668**	**83,780,789**
LIABILITIES		**189,405,809**	**178,808,809**

Consolidated Income Statement

Amount in Euro	Note	30.06.2016	30.06.2015
Revenue from sales and services		65,750,774	70,448,258
Revenues	31	65,750,774	70,448,258
Other revenues and income		305,751	267,279
Grants related to income		912,835	2,167,124
Increase in capitalised expenses for intenal projects		745,358	732,464
Other income	32	1,963,944	3,166,867
Changes in inventories of work in progress		(83,272)	(12,331)
Changes in inventories of finished goods and work in progress	33	(83,272)	(12,331)
PRODUCTION REVENUES		67,631,446	73,602,794
Costs of raw, subsid. & consumable mat. and goods	34	5,364,801	5,273,800
Salaries	35	45,999,161	47,019,552
Costs for services	36	9,713,010	11,649,974
Costs for leased assets	37	2,079,437	1,999,848
Sundry operating expenses	38	301,632	525,639
Provisions	39	125,085	237,466
TOTAL PRODUCTION COSTS		63,583,126	66,706,279
DIFFERENCE BETWEEN PRODUCTION COSTS AND REVENUES		4,048,320	6,896,515

Amount in Euro			
	Note	30.06.2016	30.06.2015
Amortisation, depreciation and write-downs	40	2,120,467	3,070,397
OPERATIVE RESULT		1,927,853	3,826,118
Financial income and charges	41	1,393,934	1,228,810
PRE-TAX RESULT		533,919	2,597,308
Income tax	42	(25,639)	1,516,012
PROFIT OR LOSS FOR THE PERIOD	43	559,558	1,081,296
Attributable to:			
Shareholders of holding company		556,285	1,290,004
Minority interest		3,273	(208,708)
Earnings per share losses	44		
Basic earnings per share		0.0113	0.0257
Basic earnings diluted		0.0113	0.0257

Consolidated Statement of Comprehensive Income

EURO			
Description		**30/06/2016**	**30/06/2015**
Amount in Euro	**Note**		
Description		**30/06/2016**	**30/06/2015**
Profit for the year		**559,558**	**1,081,296**
Other gains (losses) total will not subsequently be reclassified in profit (loss)			
Profit (loss) Actuarial effect of IAS 19			164,203
Tax effect of changes			(45,156)
Total other comprehensive income (loss) will not subsequently be reclassified in profit (loss)	**14**	**0**	**119,047**
Other gains (losses) total that will be subsequently reclassified to profit (loss) for the period we			
Change in translation reserve		263,164	(80,011)
		(41,618)	
Total other comprehensive income (loss) that will subsequently be reclassified in profit (loss)	**14**	**221,546**	**(80,011)**
NET COMPREHENSIVE INCOME FOR THE PERIOD		**781,104**	**1,120,332**
attributable to:			
Group		635,200	1,374,438
Minority interest		145,904	(254,106)

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 01/01/2015	**26,979,658**	**(569,389)**	**18,081,738**	**2,907,138**	**3,561,670**	**16,712,971**	**2,014,991**	**3,037,163**	**72,725,940**	**959,836**	**71,766,104**
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)
Purchase of own shares		(464,844)				(254,124)			(718,968)		(718,968)
Components of comprehensive income											
Profit (loss for the period)								1,081,296	1,081,296	(208,708)	1,290,004
Effects of applying IAS 19						119,047			119,047	4,849	114,198
Translation reserve						(80,011)			(80,011)	(50,248)	(29,763)
Total income (loss) for the year Overall									**1,120,332**	**(254,106)**	**1,374,438**
Balance at 30/06/2015	**26,979,658**	**(1,034,233)**	**18,081,738**	**2,907,138**	**3,709,496**	**17,853,823**	**2,095,639**	**1,081,296**	**71,674,555**	**705,730**	**70,968,825**
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**
Reclassification previous year's profit to previous year's profit					221,886	3,110,712	1,265,010	(4,597,608) -	0.00		(0)
Dividend							(1,049,935)		(1,049,935)		(1,049,935)
Change in consolidation scope							85,342		85,342		85,342
Purchase of own shares		(428,987)				(156,166)			(585,153)		(585,153)
Components of comprehensive income											
Profit (loss for the period)								559,558	559,558	3,273	556,285
Effects of applying IAS 19						(41,618)			(41,618)		(41,618)
Translation reserve						263,164			263,164	142,631	120,533
Total income (loss) for the year Overall									**781,104**	**145,904**	**635,200**
Balance at 30/06/2016	**26,979,658**	**(1,654,629)**	**18,081,738**	**2,907,138**	**3,931,382**	**20,377,711**	**2,246,057**	**559,558**	**73,428,612**	**940,942**	**72,487,670**

Consolidated Cash Flow Statement

Amount in Euro	NOTE	30.06.2016	30.06.2015
Operating activities:		(1)	(1)
Profit (loss)	45	559,558	1,081,296
Amortisation and depreciation		2,029,606	2,141,105
Provision for Severance Pay Fund		1,931,196	1,713,029
Advances/Payments Severance Pay		(2,155,339)	(2,423,091)
Cash flow arising from operating activities		**2,365,021**	**2,512,339**
Increase/Decrease in net working capital:			
Variation in stock and payments on account		(2,246,266)	(1,968,268)
Variation in receivables to customers		3,398,678	3,364,717
Variation in receivables to parent/subsidiary/associated company			73,727
Variation in other accounts receivable		(2,318,642)	(1,970,243)
Variation in payables to suppliers		1,128,407	(2,814,831)
Variation in payables to parent/subsidiary/associated company		465,930	
Variation in tax and social security liabilities		(2,563,978)	(3,814,231)
Variation in other accounts payable		6,388,140	6,754,167
Cash flow arising (used) from current assets and liabilities		**4,252,269**	**(374,962)**
Cash flow arising (used) from current activities		**6,617,290**	**2,137,377**
Investment activities:			
Variation in tangible assets		(309,853)	(441,328)
Variation in intangible assets		(688,709)	(775,192)
Variation in financial assets		(150,446)	104,011
Cash flow arising (used) from investment activities		**(1,149,008)**	**(1,112,509)**
Financial activities:			
Changes in financial assets other than fixed assets			144,393
Changes in financial assets not held as fixed assets		263,351	
Changes in fair value of derivatives		(41,618)	
Capital increase		(585,154)	(718,968)
Dividend paid		(1,044,775)	(1,402,336)
Variation shareholdres' equity		301,723	(11,378)
Cash flow arising (used) from financial activities		**(1,106,473)**	**(1,988,289)**
Increase (decrease) in cash		**4,361,810**	**(963,423)**
Banks and cash profits at start of year		8,565,365	13,909,006
Banks and cash losses at start of year		(46,631,913)	(43,957,966)
Banks and cash profits at end of period		19,101,942	11,877,859
Banks and cash losses at end of period		(52,806,681)	(42,890,242)
Increase (decrease) in liquidity		**4,361,810**	**(963,423)**
(1) including taxes and interest paid in the period		1,115,433	1,759,173

EXPLANATORY NOTES

Premise

This Interim Financial Report at 30 June 2016 has been prepared in compliance with art. 154 - ter of Legislative Decree 58/1998, as amended, and the Issuer Regulations issued by Consob. This report has been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and endorsed by the European Union and has been prepared in accordance with IAS 34 - Interim Financial Reporting.

Accounting standards and policies

General informations

The condensed consolidated interim financial statements at 30 June 2016 have been prepared pursuant to article 154-ter of Legislative Decree 58/98 and the Consob provisions and according to IAS 34-Interim Financial Reporting. In particular to 30 June 2016 have been prepared in a condensed format and does not contain all information and notes required for annual consolidated financial statements and should therefore be read together with the consolidated financial statements at December 31, 2015 available on www.expriva.it site.

The consolidated financial statements include the balance sheet, income statement, statement of comprehensive income, statement of changes in equity, cash flow statement and these explanatory notes, in accordance with IFRS requirements; the same includes the situation at June 30, 2016 Exprivia SpA, the parent company, and that of which Exprivia SpA has control under IFRS 10.

On August 5, 2016, the Board of Directors approved the consolidated financial statements and directed that the same be made available to the public and to Consob, in the manner and within the terms provided by the rules and regulations provisions.

Adjustments to comparative data

In order to make the presentation of data more intelligible, the presentation was changed for certain items in the comparative data of the income statement presented in accordance with IAS 1, with respect to data reported in the condensed half-year consolidated financial statements as at 30 June 2015. This had no effect on the result and net equity at that date. In particular, the balance as at 30 June 2015 presented for comparative purposes of the item “Costs for services” increased compared to the data published in the condensed half-year consolidated financial statements as at 30 June 2015 by Euro 245 thousand (from Euro 11,405,387 to Euro 11,649,974) with reference to bank fees previously recognised under “Sundry Operating Expenses”, the balance of which declined from Euro 770,226 to Euro 525,639.

In order to make the presentation of data more intelligible, the presentation was changed for certain items in the comparative data of the cash flow statement presented in accordance with IAS 7, with respect to data published in the interim report as at 30 June 2015. In particular, the cash flow from the purchase/sale of own shares was reported under cash flow deriving from financial assets and liabilities (Euro 718,968 in the first half of 2015). Therefore, own shares were excluded from the items "banks/cash/securities and other financial assets” at the end of the period (Euro 315,265 at the beginning of 2015, Euro 1,034,233 at 30.06.2015).

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 2015, to which explicit reference should be made, with the exception of the information outlined in the next paragraph.

The valuation and measurement policies are based on the IFRS standards in effect as at 30 June 2016 and approved by the European Union.

The following accounting standards, amendments and interpretations apply as of 1 January 2016:

The list of international accounting standards and interpretations approved by IASB and approved for adoption in Europe and applied for the first time in 2016 is provided below.

Amendments to IAS 1 Disclosure Initiative

The amendments to IAS 1 clarify some existing requirements of IAS 1. In particular: - the materiality requirement in IAS 1; - the possibility of disaggregating specific lines in the statements of profit and loss or other comprehensive income or in the statement of financial position; - the flexibility with which the entity presents the notes to the financial statements - the share of other comprehensive income relating to associates and joint ventures recognised using the equity method must be presented in aggregate on a single line, and classified under those items that will not be subsequently reclassified to the income statement.

Amendments to IAS 27 Equity method in separate financial statements

The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. The entities that already apply IFRS and decide to amend the accounting approach by transitioning to the equity method in their separate financial statements must apply the change retrospectively, while for the first-time adoption of IFRS, the amendment must be applied as of the date of transition to IFRS. The amendments are effective for financial years beginning on or after 1 January 2016 and early application is permitted.

Amendments to IAS 16 and IAS 38 Clarification of acceptable methods of depreciation and amortisation

These amendments clarify the principle set forth in IAS 16 Property, plant and equipment and IAS 38 Intangible assets according to which revenues reflect a model of economic benefits generated by business operations (of which the asset is part) rather than the economic benefits consumed with the use of the asset. As a result, a revenue-based method cannot be used for the depreciation of property, plant and equipment and may be used only in extremely limited circumstances for the amortisation of intangible assets. The amendments must be applied prospectively for financial years beginning on or after 1 January 2016 and early application is permitted. These changes did not have any impact on the Group as it does not use revenue-based methods for the depreciation and amortisation of its non-current assets.

Amendments to IFRS 11 Accounting for acquisitions of interests in joint operations

The amendments to IFRS 11 require a joint operator that accounts for the acquisition of a shareholding in a joint operation to apply the relevant principles of IFRS 3 on the recognition of business combinations. The amendments also clarify that the equity investment previously held in a joint operation is not subject to remeasurement at the time of the acquisition of a further shareholding in the same joint operation. In addition, an exclusion was added from the scope of IFRS 11 to clarify that the amendments do not apply when the parties that share control, including the entity drafting the financial statements, are under the common control of the same ultimate parent company. The amendments must be applied prospectively for financial years beginning on or after 1 January 2016 and early application is permitted. These changes did not have any impact on the Group as there were no acquisitions of interests in joint operations during the period in question.

Annual improvements cycle 2012-2014

These improvements are effective beginning from 1 January 2016 and include: • IFRS 5 - Non-current assets held for sale and discontinued operations • IFRS 7 - Financial instruments: disclosures • IAS 19 - Employee benefits. The amendments are effective for financial years beginning on or after 1 January 2016 and early application is permitted.

These changes did not have any impact on the Group.

The table below shows the other 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 use in the European Union at the date of preparation these half-year consolidated financial statements:

Descrizione	Data di efficacia prevista dal principio
IFRS 9: financial Instruments (issued on 24 July 2014)	Esercizi che iniziano il o a partire dal 1 gen '18
IFRS 15 revenue from contracts with customers (issued on 28 May 2014) and related Amendment (Issued on 11 September 2015), formalizing the deferral of the Effective Date by one year to 2018	Esercizi che iniziano il o a partire dal 1 gen '18
Clarifications to IFRS 15 Revenue from Contracts with Customers (issued on 12 April 2016)	Esercizi che iniziano il o a partire dal 1 gen '18
IFRS 14 regulatory deferral accounts (issued on 30 January 2014)	Da definire
Amendments to IFRS 10 and IAS 28: sale or contribution of assets between an Investor and its associate or joint venture (issued on 11 September 2014)	Da definire
Amendments to IFRS 10, IFRS 12 and IAS 28: investment entities: applying the consolidation exception (issued on 18 December 2014)	Esercizi che iniziano il o a partire dal 1 gen '16
IFRS 16 Leases (Issued on 13 January 2016)	Esercizi che iniziano il o a partire dal 1 gen '19
Amendments to IAS 12: Recognition of Deferred Tax Assets for unrealized Losses (Issued on 19 January 2016)	Esercizi che iniziano il o a partire dal 1 gen '17
Amendments to IAS 7: Disclosure Initiative (issued on 29 January 2016)	Esercizi che iniziano il o a partire dal 1 gen '17
Amendments to IFRS 2: Classification and Measurement of Share based Payment Transactions (issued on 20 June 2016)	Esercizi che iniziano il o a partire dal 1 gen '18

The Group did not apply the early adoption of any standards, interpretations or amendments which were issued but are still not in force.

The condensed half-year 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 condensed half-year consolidated financial statements are presented in the currency used by the Holding Company Exprivia SpA, and all figures are rounded off to thousands of euros, unless stated otherwise.

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).

It should also be noted that certain valuation processes, in particular the more complex ones such as the determination of any impairment of non-current assets, are generally only fully carried out at the time of drafting of the annual financial statement, when all the necessary information is available, except cases in which there are indicators of impairment which call for an immediate impairment assessment.

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	4,605				4,605
Investments in other companies		1,253			1,253
Total no current assets	**4,605**	**1,253**	**0**	**0**	**5,858**
Current assets					
Trade receivables	67,620				67,620
Other financial assets	1,018			502	1,520
Cash	14,986				14,986
Total Current assets	**83,624**	**0**	**0**	**502**	84,126
TOTAL	**88,229**	**1,253**	**0**	**502**	**89,984**

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	2,577				2,577
Due to banks	26,507				26,507
Other financial liabilities	700				700
Total Non Current liabilities	**29,784**	**0**	**0**	**0**	**29,784**
Current liabilities					
Trade payables and advances	20,666				20,666
	466				466
Other financial liabilities	5,866				5,866
Due to banks	22,194				22,194
			42		42
Bond	1,256				1,256
Total Current liabilities	**50,448**	**0**	**42**	**0**	**50,490**
TOTAL	**80,232**	**0**	**42**	**0**	**80,274**

It should be noted that the financial instruments mentioned above, with reference to loans, credits, debts and investments, are valued at book value as it is believed that the same approximates the fair value.

Derivative financial instruments are measured at fair value of Level 3.

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 30 June 2016 include the equity, economic and financial situations of the Holding Company Exprivia S.p.A. and the subsidiaries, and changed with respect to 31 December 2015 as the companies ProSap Holding Inc and ProSap Consulting LLC, held directly by Profesionales de Sistemas Aplicaciones y Productos Sl, have closed.

In addition, the company Exprivia SLU (formerly Profesionales de Sistemas Aplicaciones y Productos SL) merged by incorporation with the company Exprivia SL, with no impact on the consolidated financial statements.

With regard to the equity investment in ACS SpA, please note that in 2016 Exprivia acquired a stake of 83.8% (it already held a share of 16.2%), becoming the sole shareholder of that company, for consideration to be paid of up to Euro 360 thousand. Control was acquired over ACS SpA on 5 July 2016, following the appointment by the sole shareholder of the administration and control bodies (for additional information, please refer to “events after 30 June 2016” in the Directors' Report) and therefore, it was not consolidated as at 30 June 2016, since at that date there was no de facto control.

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 and Sucursal Ecuador de Exprivia SLU, which are controlled indirectly:

Company	Area
Consorzio Exprivia S.c.ar.l.	Other
Exprivia Asia Ltd	International Business
Exprivia IT Solutions (Shanghai) Co Ltd	International Business
Exprivia Projects Srl	Utilities
Exprivia do Brasil Serviços de Informatica Ltda	International Business
Exprivia SLU	International Business
Exprivia Healthcare IT Srl	Healthcare/Public Sector
Exprivia Telco & Media Srl	Telco & Media
ProSap SA de CV (Messico)	International Business
ProSAP Perù SAC	International Business
ProSAP Centroamerica S.A (Guatemala)	International Business
Sucursal Ecuador de Exprivia SLU	International Business
Exprivia Enterprise Consulting Srl	Oil & Gas/Industry/Utilities
Exprivia Digital Financial Solutions Srl	Banking & Finance
Spegea Scarl	Other

The main data on the aforementioned subsidiaries consolidated using the line-by-line method are provided below (as at 30 June 2016).

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	(2,040)	14,123		16,061	100.00%
Gruppo Exprivia Asia	Hong Kong	56,344	(191,796)	(433,438)	712,675	651,411	100.00%
Exprivia Enterprise Consulting Srl	Milano	1,500,000	(417,901)	1,062,349	3,907,717	7,137,424	100.00%
Exprivia Healthcare IT Srl	Trento	1,982,190	760,993	11,222,810	12,208,059	27,790,776	100.00%
Exprivia Do Brasil Servicos Ltda	Rio de Janeiro (Brasile)	1,640,945	31,458	1,790,675	576,537	1,990,925	52.22%
Exprivia Projects Srl	Roma	242,000	116,472	406,872	2,145,292	1,807,643	100.00%
Exprivia Telco & Media Srl	Milano	1,200,000	38,828	1,238,828	10,475,335	14,812,179	100.00%
Gruppo Exprivia Sl	Madrid (Spagna)/Città del Messico/Città del Guatemala/ Perù/Delaware/New York	197,904	(743,344)	205,200	3,007,971	10,731,986	100.00%
Exprivia Digital Financial Solution Srl	Milano	1,586,919	1,290,514	11,646,684	12,778,705	21,001,190	100.00%
Spegea Sc a rl	Bari	125,000	(29,395)	213,397	373,850	1,001,409	60.00%

The primary exchange rates used for conversion into euro of the financial statements of foreign companies for 30 June 2016 were as follows:

Exchange rate	EUR/GTQ	EURO/MXN	EURO/PEN	EURO/USD	EURO/BRL	EURO/HKD	EURO/CNY
30/06/2016	8.4790	20.6347	3.6541	1.1102	3.5898	8.6135	7.3755
Average half-year 2016	8.5639	20.1599	3.7748	1.1155	4.1349	8.6654	7.2937

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.

SEGMENT REPORTING

In 2016, changes were made in the Group's organisation which have been incorporated into the segment reporting provided below. In particular, the activities relating to the Public Administration market sector were removed from the business segment previously identified as "Defence, Aerospace and Public Administration" and renamed Public Sector.

In addition, for the other business lines, the only change that took place was the translation of the name into English, to make it easier for an international audience to understand which activities are carried out by each BU.

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

- Banking & Finance
- Utilities
- Industry
- Oil & Gas
- Telco & Media

- Healthcare
- Aerospace & Defence
- Public Sector
- International Business

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

The results of the operating segments of the Exprivia Group for the first half of 2016 and first half of 2015 are shown below, in line with the evidence of the Group's management control system:

	EBITDA				EBITDA/RICAVI		
Exprivia Group (value in K €)	**30.06.2016**	**30.06.2015**	**Variations**	**Variations %**	**30.06.2016**	**30.06.2015**	**Variations**
Banking & Finance	2,071	2,312	-241	-10%	16.6%	18.6%	(2.00)
Utilities	480	1,666	-1,186	-71%	4.8%	13.5%	(8.63)
Industry	262	142	120	85%	4.1%	2.6%	1.56
Oil e Gas	317	1,086	-769	-71%	5.1%	13.9%	(8.84)
Telco & Media	241	297	-56	-19%	2.4%	3.2%	(0.85)
Healtchare	1,028	1,153	-126	-11%	9.2%	10.5%	(1.38)
Public Sector	244	110	134	122%	7.0%	2.8%	4.23
Aerospace & Defence	30	45	-15	-33%	2.0%	2.8%	(0.80)
International Business	-575	98	-673	-688%	-14.1%	1.7%	(15.75)
Other	-50	-12	-38	317%	-15.6%	-1.3%	(14.27)
Total	**4,048**	**6,897**	**- 2,848**	**-41.30%**	**6.2%**	**9.8%**	**- 3.63**

With reference to revenues per operating segment, please refer to the comments in note 31, while for information relating to contract work in progress refer to note 10.

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 13,139,450 as at 30 June 2016 compared to Euro 13,796,812 at 31 December 2015.

Categories	Historical cost 01/01/16	Inc.	Dec.	Historical cost at 30/06/16	Reserve prov. at 01/01/16	Provision for period	Dec.	Cum. prov. 30/06/16	Net value at 30/06/16
Land	540,754	-	-	540,754	-	-	-	-	540,754
Buildings	13,454,314		(11,455)	13,442,859	(3,013,525)	(209,306)		(3,222,831)	10,220,028
Others	18,688,577	329,046	(117,018)	18,900,604	(15,873,309)	(757,909)	109,280	(16,521,937)	2,378,667
TOTAL	**32,683,645**	**329,046**	**(128,473)**	**32,884,217**	**(18,886,834)**	**(967,215)**	**109,280**	**(19,744,768)**	**13,139,450**

The increase in the item **"others"**, equal to Euro 329,046, is mainly due to the purchases of electronic office equipment (Euro 193,157), furniture and furnishings (Euro 5,424), mobile telephony devices (Euro 73,102) and leased assets (Euro 46,160).

Please note that there is a first mortgage on the real estate complex located in Molfetta (BA) at Via Olivetti 11 for a maximum amount of Euro 50 million to guarantee the precise fulfilment of obligations arising from the Euro 25 million loan taken out on 1 April 2016 from a pool of banks (for additional details, please see note 16).

The net book value of leased assets came to Euro 565,860 and relates to electronic office equipment (Euro 113,665), furniture and furnishings (Euro 438,219) and vehicles (Euro 13,976). It should also be noted that minimum future payments within one-year amount to Euro 124,345, while those due in one to five years amount to Euro 106,267.

2 - GOODWILL AND OTHER ASSETS WITH AN INDEFINITE USEFUL LIFE

The item "**goodwill and other assets with an indefinite useful life**" amounted to Euro 67,047,606 at 30 June 2016 compared to Euro 67,118,492 at 31 December 2015.

Descriptions	Value at 01/01/2016	Other variations	Value at 30/06/2016
GOODWILL	67,118,492	(70,886)	67,047,606
TOTAL	**67,118,492**	**(70,886)**	**67,047,606**

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

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

	Value at 30/06/2016	Allocation CGU										
		OIL & GAS	UTILITIES	AEROSPACE & DEFENCE	PUBLIC SECTOR	INDUSTRY	BANKING & FINANCE	HEALTHCARE	UTILITIES BPO	SPAGNA	MESSICO E 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	44,165			44,165								
GOODWILL BRANCH COMPANY AIS PS	1,767,656	246,332	517,491	64,397	54,188	339,858	545,389					
GODWILL ABACO INFORMATION SERVICES SRL AND AISOFTWARE SPA	15,058,971	2,098,548	4,408,597	548,609	461,641	2,895,312	4,646,264					
GOODWILL BRANCH OF KSTONES	517,714	72,146	151,564	18,861	15,871	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	695,261			695,261								
GOODWILL EXPRIVIA PROJECTS SRL	1,334,500								1,334,500			
TOTAL	**67,047,606**	**14,092,702**	**5,255,343**	**1,371,293**	**531,701**	**3,794,499**	**11,681,001**	**27,953,570**	**1,334,500**	**410,337**	**283,972**	**338,688**

3 - OTHER INTANGIBLE ASSETS

The item **Other intangible assets** amounted to Euro 3,887,769 at 30 June 2016 (net of amortisation) compared to Euro 4,190,565 at 31 December 2015.

The table below provides a summary of the item.

Categories	Historic cost 01/01/16	Increases at 30/06/16	Dec. al 30/06/16	Total historic cost at 30/06/16	Deprec. fund at 01/01/16	Deprec. quota for period	Decrementi	Cumulated deprec. 30/06/16	Net value at 30/06/16
Cost of plant and extension	5,736,808	80,914	(3,351)	5,814,371	(4,916,256)	(314,641)	37	(5,230,860)	583,511
Development of advertising	9,598,120	642,756	-	10,240,877	(6,228,107)	(733,031)	-	(6,961,138)	3,279,738
Assets under constr. & payment on a/c	-	24,520	-	24,520	-	-	-	-	24,520
TOTAL	**15,334,928**	**748,190**	**(3,351)**	**16,079,767**	**(11,144,363)**	**(1,047,672)**	**37**	**(12,191,998)**	**3,887,769**

The increase in the item **"costs for capitalised internal projects"** is mainly due to the development of software applications in the Banking & Finance and Healthcare segments.

It should be noted that the item "work in progress" relates to "costs for capitalised internal projects" as a result of projects that have not yet entered into production.

4 - EQUITY INVESTMENTS

The item **"equity investments"** at 30 June 2016 amounted to Euro 1,252,634 compared to Euro 896,195 at 31 December 2015.

The composition of equity investments is described below.

Investments in Other Companies

The item **"investments in other companies"** at 30 June 2016 amounted to Euro 1,252,634 compared to Euro 896,195 at 31 December 2015.

The table below provides details on the items:

Description	30/06/2016	31/12/2015	Variation
Ultimo Miglio Sanitario	2,500	2,500	-
Certia	516	516	-
Conai	9	9	-
Consorzio Pugliatech	2,000	2,000	-
Consorzio Conca Barese	-	2,000	(2,000)
Software Engineering Research	12,000	12,000	-
Advanced Computer Systems	1,100,817	740,816	360,001
Consorzio Biogene	3,000	3,000	-
Consorzio DARe	1,000	1,000	-
Consorzio DHITECH	17,000	17,000	-
H.BIO Puglia	12,000	12,000	-
Consorizio Italy Care	10,000	10,000	-
Consorzio DITNE	5,583	5,583	-
Consorzio Daisy-Net Partecipation	13,939	13,939	-
Cattolica Popolare Soc. Cooperativa	23,491	23,491	-
Banca di Credito Cooperativo	-	2,461	(2,461)
Innoval Scarl	2,400		2,400
Partecipazione Consorzio SILAB-Daisy	7,347	7,347	-
ENFAPI CONFIND Partecipation	1,033	1,033	-
Partecipazione Consorzio GLOCAL ENABLER	2,000	2,000	-
Consorzio Heath Innovation HUB	3,000	3,000	-
Cefriel Scarl	33,000	33,000	-
Consorzio Semantic Valley		1,500	(1,500)
TOTAL	**1,252,634**	**896,195**	**356,439**

The main change relates to the acquisition of 83.8% of ACS SpA. As at 31 December 2015, Exprivia SpA held a stake of 16.20% and in 2016 it became sole shareholder of the company. The shares were acquired for a consideration to be paid of up to Euro 360 thousand. De facto control was acquired over ACS SpA on 5 July 2016, following the appointment by the sole shareholder of the administration and control bodies (for additional information, please refer to "events after 30 June 2016" in the Directors' Report).

5 - OTHER FINANCIAL ASSETS

Receivables from Parent Companies

The balance of **"receivables from parent companies"** as at 30 June 2016 amounted to Euro 2,596,910 compared to Euro 1,305,338 as at 31 December 2015 and refers to the amount owed to the Holding Company Exprivia by its parent company Abaco Innovazione SpA, based on the loan agreement entered into by the parties in 2016. The loan for a total of Euro 2,985,338 was disbursed in the form of Euro 1,680,000 in cash and Euro 1,305,338 through the reclassification of payables outstanding as at 31

December 2015. The loan term has been established as 7 equal deferred annual instalments. The first instalment of Euro 388,428 is due on 4 April 2017; the amount was reclassified to “receivables from parent companies” under “other financial assets” (note 11).

Other Receivables

At 30 June 2016, the item **“other receivables”** amounted to Euro 298,982 compared to Euro 201,199 at 31 December 2015. The change is shown in the table below.

Description	30/06/2016	31/12/2015	Variation
Long term deposit	291,060	201,199	89,861
Financial recivables	7,922	-	7,922
TOTAL	**298,982**	**201,199**	**97,783**

6 - NON-CURRENT TAX RECEIVABLES

The balance of the item **“tax receivables”** as at 30 June 2016 amounted to Euro 1,708,883 compared to Euro 1,716,806 as at 31 December 2015 and includes amounts requested 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”**.

7 - PREPAID TAXES

The item **“prepaid taxes”** amounted to Euro 1,829,655 as at 30 June 2016 compared to Euro 1,839,961 as at 31 December 2015, 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.

Description	30/06/2016		31/12/2015	
	Amount temporary differ	tax effect	Amount temporary differ	tax effect
	89,106	21,385	89,106	21,385
Goodwill	83,757	10,891	86,960	11,660
Fair value of derivative	0	0	-	-
Allowance for doubtful accounts	2,696,317	640,726	2,709,980	651,175
Fund risks	1,046,742	292,590	972,540	275,606
Wip	58,000	13,920	313,273	101,250
Tax losses	3,252,798	815,512	2,918,360	742,036
Adjustments for IFRS	131,627	34,632	131,627	34,629
several	-	-	9,241	2,219
TOTAL	**7,358,347**	**1,829,655**	**7,231,087**	**1,839,961**

CURRENT ASSETS

8 - TRADE RECEIVABLES AND OTHERS

Trade Receivables

At 30 June 2016, the item **"trade receivables"** amounted to Euro 54,698,855 (net of the bad debts provision) compared to Euro 58,097,533 at 31 December 2015.

The following table provides details on the item as well as a comparison with 31 December 2015.

Description	30/06/2016	31/12/2015	Variation
To Italian customers	41,625,572	44,794,875	(3,169,303)
To foreign customers	9,331,761	8,551,394	780,367
To public bodies	7,214,914	8,401,284	(1,186,370)
S-total receivables to customers	**58,172,247**	**61,747,553**	**(3,575,306)**
Less: provision for bad debts	(3,473,393)	(3,650,020)	176,627
Total receivables to customers	**54,698,855**	**58,097,533**	**(3,398,678)**

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

Details	30/06/2016	31/12/2015	Variation
To third parties	46,514,307	53,920,833	(7,406,526)
Invoices for issue to third parties	11,657,940	7,826,720	3,831,220
TOTAL	**58,172,247**	**61,747,553**	**(3,575,306)**

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.

Other Receivables

At 30 June 2016, the item **"other receivables"** amounted to Euro 9,893,753 compared to Euro 7,947,205 at 31 December 2015.

The table below shows movements that occurred.

Description	30/06/2016	31/12/2015	Variation
Receivables for contrib.	3,920,847	3,109,529	811,318
Receivables to s/holders for holdings/spin-offs	19,109	19,109	-
Advances to suppliers for services	411,445	457,363	(45,918)
Sundry credits	140,902	204,201	(63,298)
Receivables to factoring	1,416,846	870,113	546,732
Receivables to welfare institutes/INAIL	166,792	69,271	97,521
Receivables to employees	88,366	79,963	8,403
Guaranteed securities	22,750	28,250	(5,500)
Costs in future years expertise	3,706,695	3,109,405	597,290
TOTAL	**9,893,753**	**7,947,205**	**1,946,548**

The amounts receivable in relation to **"government grants"** refer to grants accrued and/or accounted for to date in relation to costs incurred. These entries will be brought to zero when the balance of the grants is collected following the final assessments made by the respective Ministries and Local Bodies. The receivables are carried net of the risk provision for any minor grants that might not be received.

The item **"expenses pertaining to future financial years"** for Euro 3,706,695 mainly refers to maintenance costs for future reporting periods.

Tax Receivables

As at 30 June 2016 the item **"tax receivables**" amounted to Euro 3,027,334, compared to Euro 2,655,240 as at 31 December 2015. The table below provides a breakdown.

Description	30/06/2016	31/12/2015	Variation
Receivables to tax a/c - IRES	518,169	457,670	60,499
Receivables to tax a/c - IRAP	604,166	753,206	(149,040)
Tax authority w/holding taxes on interest income	163	1,482	(1,319)
Tax authority deductions on foreign payments	181,093	189,317	(8,224)
Credits to tax authority for VAT	355,016	218,503	136,513
Credits with tax authority	1,368,727	1,035,064	333,664
TOTAL	**3,027,334**	**2,655,240**	**372,094**

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 179,423 at 30 June 2016 compared to Euro 269,325 as at 31 December 2015 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 13,339,524 at 30 June 2016 compared to Euro 11,228,568 as at 31 December 2015 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	30/06/2016	31/12/2015	Variation
Banking & Finance	955,282	83,549	871,733
Industry	1,783,836	1,223,483	560,353
Oil e Gas	439,920	663,951	(224,031)
Healthcare	4,903,043	4,729,934	173,109
Utilities	2,992,167	2,409,798	582,369
Public Sector	1,096,690	1,336,925	(240,235)
Aerospace & Defence	99,441	103,423	(3,982)
International Business	776,955	494,275	282,680
Other	292,190	183,230	108,960
TOTAL	**13,339,524**	**11,228,568**	**2,110,956**

11 - OTHER FINANCIAL ASSETS

Other Receivables

The item **"other receivables"** amounts to Euro 600,000 as at 30 June 2016 and refers to two loans of Euro 300,000 each granted by the Holding Company Exprivia to ACS SpA. Both non-interest bearing loans have a maximum term of six months and require bullet repayment.

Receivables from Parent Companies

As at 30 June 2016, the balance of **"receivables from parent companies"** amounted to Euro 417,883 and related to the current portion of the Holding Company's financial receivable with respect to the parent company Abaco Innovazione SpA (Euro 388,428) and interest accrued on the same financial receivable (Euro 29,455).

12 - CASH AT BANK AND ON HAND

The item **"cash at bank and on hand"** amounted to Euro 14,985,588 at 30 June 2016 compared to Euro 7,044,010 at 31 December 2015 and refers to Euro 14,945,794 held at banks and Euro 39,794 in cheques and cash in hand.

The bank balance includes secured deposits for guarantees (Euro 400 thousand) given to two banks and Euro 200,000 for a bond loan issued by Exprivia Healthcare IT Srl.

13 - OTHER FINANCIAL ASSETS AVAILABLE FOR SALE

The item **"other financial assets"** amounted to Euro 501,561 at 30 June 2016 and did not change compared to 31 December 2015. It relates to financial instruments issued by Banca Popolare di Bari, more specifically:

(i) 33,427 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 299,171.65

(ii) 33,427 bonds "Banca Popolare di Bari 6.50% 2014/2021 subordinate Tier II" for Euro 6.00 each, amounting to Euro 202,389.44.

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

14 - SHAREHOLDERS' EQUITY

14 - SHARE CAPITAL

"Share Capital", fully paid up, amounted to Euro 25,325,029 compared to Euro 25,754,016 at 31 December 2015 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 3,181,980 own shares held at 30 June 2016 for a value of Euro 1,654,630 (Euro 1,225,642 at 31 December 2015).

14 - SHARE PREMIUM RESERVE

At 30 June 2016 the **"share premium reserve"** amounted to Euro 18,081,738 and is the same as at 31 December 2015.

14 - REVALUATION RESERVE

At 30 June 2016 the **"revaluation reserve"** amounted to Euro 2,907,138 and is the same as at 31 December 2015.

14 - LEGAL RESERVE

The **"legal reserve"** amounted to Euro 3,931,382, and rose by Euro 221,886 compared to 31 December 2015 after the allocation of Exprivia SpA profit from the previous year, as resolved by the shareholders' meeting of 20 April 2016.

14 - OTHER RESERVES

The balance of the item **"other reserves"** amounted to Euro 20,377,711 at 30 June 2016 compared to Euro 17,201,619 at 31 December 2015 and pertains to:

- Euro 17,363,657 for the **"extraordinary reserve"** which rose by Euro 8,015,488 compared to 31 December 2015, due to both the allocation of 2015 profit (Euro 3,110,712) as resolved by the shareholders' meeting of Exprivia SpA on 20 April 2016 and the effect of the definitive release of the "Provision for investments in the Regione Puglia Programme Agreement" (Euro 4,904,776);
- 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 -832,070 "**other reserves**" compared to Euro -897,451. The movements in the first half of 2016 related:
    - to the effect of the premium paid to purchase treasury shares amounting to Euro -156,166;
    - to the negative effect on shareholders' equity of the change in fair value of the derivative for Euro 41,618;
    - to the effect of the change in the currency translation reserve, for Euro 263,164.

14 - PROFIT/LOSS FROM PREVIOUS PERIODS

The reserve for **profit/loss related to previous periods** at 30 June 2016 came to Euro 2,246,057 compared to Euro 1,945,640 at 31 December 2015. It changed as follows compared to the previous year:

- Euro 215,076 due to the allocation of profit from the previous year, partly for the distribution of dividends;
- Euro 85,342 for the change in the scope of consolidation following the deconsolidation of ProSap US Holding and its subsidiary ProSap Consulting LLC due to the closure of those companies.

NON-CURRENT LIABILITIES

15 - BOND ISSUES

As at 30 June 2016 the balance amounted to Euro 2,577,304 compared to Euro 3,311,748 at 31 December 2015 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 (www.exprivia.it) in the section "Corporate - Investor Relations".

Description	30/06/2016	31/12/2015	Variation
Bonds	2,577,304	3,311,748	(734,444)
TOTAL	**2,577,304**	**3,311,748**	**(734,444)**

16 - NON-CURRENT PAYABLES TO BANKS

At 30 June 2016, the item "non-current payables to banks" amounted to Euro 26,507,319 compared to Euro 6,111,015 at 31 December 2015, 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 26,507,319) and the current portion (Euro 14,786,733) of the payable.

Company	Financial Institute	Tipology	Contract amount	Amount disbursed to 30/06/16	Date contract	Expiration date	Repayment installment	Rate applied	Residual capital at 06/30/16	To be repaid within 12 months	To be repaid over 12 months
Exprivia SpA	Banca Nazionale del Lavoro	Financing	25,000,000	25,000,000	01/04/16	31/12/22	semi-annual	Euribor + 2,40%	24,468,847	3,723,560	20,745,287
Exprivia SpA	Ministero dello Sviluppo Economico	Financing	2,019,162	2,019,162	27/12/09	27/02/19	annual	0.870%	921,950	229,004	692,946
Exprivia SpA	Monte dei Paschi di Siena	Financing	5,000,000	5,000,000	04/05/10	10/05/17	montly	Euribor + 2,50%	783,795	783,795	0
Exprivia SpA	Monte dei Paschi di Siena	Financing	1,500,000	1,500,000	21/03/16	31/03/17	montly	2.894%	1,490,250	1,490,250	0
Exprivia SpA	IBM Italia Servizi Finanziari	Financing	306,856	306,856	01/05/12	01/02/17	quarterly	9.660%	54,242	54,242	0
Exprivia SpA	ICCREA Banca Impresa	Financing	1,020,000	1,020,000	18/07/13	30/09/18	quarterly	Euribor + 3,80%	484,496	209,918	274,578
Exprivia SpA	ICCREA Banca Impresa	Financing	2,500,000	2,500,000	30/12/15	30/03/17	quarterly	Euribor + 3,90%	1,514,574	1,514,574	0
Exprivia SpA	Simest	Financing	1,955,000	1,198,063	19/04/13	19/04/20	semi-annual	0.500%	959,645	240,807	718,838
Exprivia SpA	Banca del Mezzogiorno	Financing	3,000,000	3,000,000	04/06/14	31/03/24	quarterly	Euribor + 4,80%	2,492,962	271,467	2,221,495
Exprivia SpA	Banca Carime	Financing	2,000,000	2,000,000	16/03/16	16/09/17	montly	Euribor + 3,00%	1,668,189	1,328,578	339,611
Exprivia SpA	Deutsche	Financing	1,500,000	1,500,000	15/02/16	16/08/17	montly	Euribor +0,80%	1,149,659	982,993	166,667
Exprivia SpA	Credito Emiliano	Financing	1,000,000	1,000,000	14/09/15	31/10/16	bimonthly	Euribor + 1,5%	500,000	500,000	0
Exprivia SpA	Credito Emiliano	Financing	1,200,000	1,200,000	13/06/16	31/08/17		Euribor + 1,38%	1,201,377	901,377	300,000
Exprivia SpA	Intesa SanPaolo	Financing	1,000,000	1,000,000	18/12/15	18/12/16	montly	Euribor +1,85%	502,109	502,109	0
Exprivia Telco & Media Srl	Credito Emiliano	Financing	600,000	600,000	14/06/16	31/08/17		Euribor + 1,38%	600,000	450,000	150,000
Exprivia Healthcare IT Srl	Ubi banca	Financing	2,025,228	2,025,228	28/12/04	05/08/16	annual	0.790%	256,832	256,832	0
Exprivia Healthcare IT Srl	Banca Popolare di Bari	Financing	500,000	500,000	04/12/14	31/12/19	quarterly	Euribor + 2,20%	356,401	98,677	257,724
Exprivia Healthcare IT Srl	Credito Emiliano	Financing	300,000	300,000	14/09/15	25/07/16	bimonthly	Euribor	100,000	100,000	
Exprivia Healthcare IT Srl	Credito Emiliano	Financing	600,000	600,000	13/06/16	31/08/17	bimonthly	Euribor + 1,38%	600,000	450,000	150,000
Exprivia SLU	Banco de Santander	Financing	120,000	120,000	08/07/14	20/07/17	montly	3.290%	43,334	40,000	3,334
Exprivia SLU	Banco de Santander	Financing	120,000	120,000	18/04/16	18/07/16	montly	5.000%	40,000	40,000	0
Exprivia SLU	Banco de Santander	Financing	90,000	90,000	13/02/15	31/12/15	one time	Euribor + 2%	89,097	89,097	0 *
Exprivia SLU	Banco de Santander	Financing	200,000	200,000	15/04/15	31/12/15	one time	Euribor + 2%	210,054	210,054	0 *
Exprivia SLU	Banco de Santander	Financing	183,000	183,000	08/07/15	31/12/15	one time	Euribor + 3%	164,295	164,295	0 *
Exprivia SLU	Banco Popular	Financing	100,000	100,000	20/10/14	20/11/17	montly	4.218%	48,797	34,142	14,655
Exprivia SLU	Banco Popular	Financing	100,000	100,000	26/10/15	26/10/18	montly	4.500%	78,927	32,816	46,111
Exprivia SLU	Banco Popular	Financing	100,000	100,000	25/04/12	10/05/19	montly	Euribor + 1,7%	46,193	14,265	31,928
Exprivia SLU	Banco Popular	Financing	300,000	300,000	25/02/15	25/02/20	montly	Euribor + 1,2%	208,964	52,642	156,322
Exprivia SLU	Banco Popular	Financing	60,000	60,000	09/09/14	20/10/17	montly	Euribor + 1,5%	27,758	21,239	6,519
Exprivia SLU	Deutsche Bank	Financing	290,000	290,000	06/10/15	06/10/17	montly	Euribor + 2%	231,304	0	231,304
	Total								41,294,052	14,786,733	26,507,319

* the past due loans were renegotiated on 28 July 2016 at a rate of 5% with a term of 25 months.

Medium-term Loan Agreement

On 1 April 2016 Exprivia stipulated a medium-term loan for a total of Euro 25,000,000 with a pool of banks consisting of BNL and Unicredit, also as lead bank and lead arranger, and Banca Popolare di Bari and Banca Popolare di Milano, consisting of a single amortising credit line to be repaid by 31 December 2022, at an annual rate equal to the 6M Euribor plus a 2.4% spread, to which one-off fees of 1.40% were also added when the agreement was entered into.

The loan is backed by ordinary guarantees typical of transactions of this type, including the guarantee issued by SACE SpA in the amount of Euro 6 million, in addition to guarantees issued by Abaco Innovazione SpA, described in more detail in the Disclosure Document prepared pursuant to art. 5, first paragraph, of the CONSOB Regulation which was published on 8 April 2016 on the company’s website in the “Corporate - Corporate Governance - Corporate Information” section.

The loan has the usual market conditions for loans of an equal amount and term, such as: representations and warranties, covenants (pari passu, negative pledge, etc.), limitations on significant extraordinary transactions (with the exception of intercompany transactions, which are exclusively allowed within the corporate scope existing as at 1 April 2016), the obligation to maintain adequate insurance coverage, compulsory and optional early repayment clauses, cross defaults, etc.

Lastly, the loan also includes a limitation on the distribution of dividends, which cannot exceed 25% of the net profit, in line with what is set forth in the Business Plan approved by the Company.

The loan also includes several financial covenants - Net borrowing/EBITDA, Net borrowing/Own funds, EBITDA/Net financial charges -, which will be measured on a half-yearly basis, as well as limitations to total investments and the acquisition of treasury shares, as described in more detail in the table below.

Date of Reference	Net Borrowing/EBITDA	Net Borrowing/Own funds	EBITDA / Net financial charges	Investments
30.06.2016	≤ 2.9	≤ 0.8	≥ 5.4	≤ 3.6 ml
31.12.2016	≤ 2.0	≤ 0.8	≥ 5.8	≤ 3.6 ml
30.06.2017	≤ 2.0	≤ 0.8	≥ 5.8	≤ 4.0 ml
31.12.2017	≤ 2.0	≤ 0.8	≥ 6.2	≤ 4.0 ml
30.06.2018	≤ 2.0	≤ 0.8	≥ 6.2	≤ 4.0 ml
31.12.2018	≤ 2.0	≤ 0.8	≥ 6.2	≤ 4.0 ml
From 30/06/2019 to 30/06/2022	≤ 2.0	≤ 0.8	≥ 6.2	≤ 4.2 ml

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

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

As at 30 June 2016, the financial parameters recorded on the basis of accounting data were respected.

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 30/06/2016; 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 30 June 2016, the remaining debt amounted to Euro 921,950, Euro 229,004 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 + a 2.5% spread.

As at 30 June 2016 the remaining debt amounted to Euro 783,795 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 for Euro 1,020,000 stipulated on 18 July 2013 to be repaid in quarterly instalments starting from 30/09/2013 until 30/09/2018. It is targeted at supporting international development in Brazil through the subsidiary Exprivia do Brasil.

The interest rate applied is Euribor + a 3.80% spread.

As at 30 June 2016 the remaining debt amounted to Euro 484,496, Euro 209,918 of which is to be repaid within the next twelve months (and therefore recorded under current liabilities) and the remaining Euro 274,578 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 based on the annual consolidated financial statements to be respected for its entire duration. As at 31 December 2015, the financial parameters recorded on the basis of accounting data were 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 + a 3.90% spread.

As at 30 June 2016 the remaining debt amounted to Euro 1,514,574 to be repaid within the next twelve months (and therefore recorded under current liabilities).

There are no real guarantees for this loan.

Simest Loan

A loan of Euro 1,955,000 resolved, entered into on 19.04.2013, of which Euro 1,198,063 disbursed on 30.06.2016, 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 30 June 2016 the remaining debt amounted to Euro 959,645, Euro 240,807 of which is to be repaid within the next twelve months (and therefore recorded under current liabilities) and the remaining Euro 718,838 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 4 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 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 + a 4.80% spread.

As at 30 June 2016 the remaining debt amounted to Euro 2,492,962, Euro 271,467 of which is to be repaid within the next twelve months (and therefore recorded under current liabilities) and the remaining Euro 2,221,495 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 30 June 2016.

Banca Carime Loan

A loan for Euro 2,000,000 stipulated on 16.03.2016 to be repaid in monthly instalments starting from 16.04.2016 until 16.09.2017.

The interest rate applied is Euribor + a 3.00% spread.

As at 30 June 2016 the remaining debt amounted to Euro 1,668,189, Euro 1,328,578 of which is to be repaid within the next twelve months (and therefore recorded under current liabilities) and the remaining Euro 339,611 to be repaid in 2017 (carried under non-current liabilities).

There are no real guarantees for this loan.

Deutsche Bank Loan

A loan for Euro 1,500,000 stipulated on 15.02.2016 to be repaid in monthly instalments starting from 16.03.2016 until 16.08.2017.

The interest rate applied is Euribor + a 0.80% spread.

As at 30 June 2016 the remaining debt amounted to Euro 1,149,660, Euro 982,993 of which is to be repaid within the next twelve months (and therefore recorded under current liabilities) and the remaining Euro 166,667 to be repaid in 2017 (carried under non-current liabilities).

There are no real guarantees for this loan.

Credito Emiliano Loan

A loan for Euro 1,200,000 stipulated on 13.06.2016 to be repaid in bimonthly instalments starting from 28.02.2017 until 31.08.2017.

The interest rate applied is Euribor + a 1.38% spread.

As at 30 June 2016 the remaining debt amounted to Euro 1,201,377, Euro 901,377 of which is to be repaid within the next twelve months (and therefore recorded under current liabilities) and the remaining Euro 300,000 to be repaid in 2017 (carried under non-current liabilities).

There are no real guarantees for this loan.

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 30 June 2016 (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 30 June 2016, 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 + a 2.20% spread.

As at 30 June 2016 the remaining debt amounted to Euro 356,401, Euro 98,677 of which is to be repaid within the next twelve months (and therefore recorded under current liabilities) and the remaining Euro 257,724 to be repaid in 2017-2019 (carried under non-current liabilities).

There are no real guarantees for this loan.

NET FINANCIAL POSITION

In accordance with the CONSOB notice of 28 July 2006 and CESR recommendation of 10 February 2005 “Recommendations for standard implementation of European Commission regulations on disclosure schedules”, the table below shows the net financial position of the Exprivia Group as at 30 June 2016 and at 31 December 2015.

		al 30.06.2016	al 31.12.2015
A.	Cash	39,793	38,588
B.	Cash equivalents	14,945,795	7,005,423
C 1.	Securities held for trading	501,561	501,561
C 2.	Own shares	2,337,431	1,752,277
D	Liquidity (A)+(B)+(C)	17,824,580	9,297,849
E.	Current financial receivables	1,017,883	
F.	Current bank loans	(14,368,629)	(32,751,198)
G.	Current portion of non-current	(9,081,485)	(4,135,647)
H.	Other current financial liabilities	(124,059)	(222,735)
I.	Current financial debt (F) + (G) + (H)	(23,574,173)	(37,109,580)
J.	Net current financial debt (I) + (E) + (D)	(4,731,710)	(27,811,731)
K.	No current bank loans	(26,507,319)	(6,111,015)
L.	Bonds	(2,577,304)	(3,311,748)
M.	Other non-current financial liabilities and derivative financial instruments	(147,885)	(99,572)
N.	Other non-current financial receivables	2,596,910	1,019,791
O.	Net no current financial debt (K) + (L) + (M) + (N)	(26,635,598)	(8,502,544)
P.	Net financial debt (J) + (O)	(31,367,308)	(36,314,275)

Own shares held by the holding company (Euro 2,337,431) 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.

17 - OTHER NON-CURRENT FINANCIAL LIABILITIES

At 30 June 2016 the item **"other non-current financial liabilities"** amounted to Euro 147,885 compared to Euro 109,273 at 31 December 2015.

Trade payables after the financial year

As at 30 June 2016 **"trade payables after the financial year"** totalled Euro 106,267 compared to Euro 109,273 at 31 December 2015. It refers to medium/long term payments relating to contracts for leased assets.

Derivative financial instruments

The balance of the item **"derivative financial instruments"** at 30 June 2016 amounted to Euro 41,618.

The derivative product was subscribed by the Holding Company Exprivia with Unicredit and the financial instrument is linked to a distinct loan at variable interest rate (Euribor).

Contract	Start Date	Date of transaction	Date Maturity	Currency	Reference amount	Currency MTM	Value MTM
IRS Payer	06/06/2016	30/06/2016	28/03/2024	EUR	2,493,948	EUR	(41,618)
TOTAL					**2,493,948**		**(41,618)**

This is a cash flow hedge valued at fair value level 3 under shareholders' equity.

18 - OTHER NON-CURRENT LIABILITIES

Payables for equity investments

The balance of the item "**payables for equity investments**" as at 30 June 2016 amounted to Euro 359,999 and refers to the payable for the acquisition of the ACS SpA investment.

19 - TAX LIABILITIES AFTER CURRENT YEAR

The item **"tax liabilities after current year"** as at 30 June 2016 amounted to Euro 233,611 compared to Euro 408,762 at 31 December 2015. They mainly refer to the division into medium/long-term instalments of the tax payable for the years 2009-2012 (Euro 215,613), which arose following the tax settlement agreement between the subsidiary Exprivia Healthcare IT Srl and the Inland Revenue Agency.

20 - PROVISION FOR RISKS AND CHARGES

At 30 June 2016, the item **"provision for risks and charges"** amounted to Euro 676,018 compared to Euro 622,311 at 31 December 2015. The breakdown is shown in the table below:

Description	30/06/2016	31/12/2015	Variation
Fund risks disputes	100,000	100,000	
Risk provisions staff	545,744	351,854	193,890
Provision for other risks	30,273	170,457	(140,184)
TOTAL	**676,018**	**622,311**	**53,706**

The **provision for dispute risks** amounted to Euro 100,000 and was allocated during the previous year as a prudent measure to cover any risk of losing pending civil and administrative court cases. In particular, the provision for risks of Euro 100,000 recognised 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.

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 on 21/09/2015 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). On 6 June 2016, the appeal against decision no. 28/02/2016 was filed before the Bologna Regional Tax Commission. By ruling no. 759/2016 of 12/07/2016, the Bologna Regional Tax Commission accepted the suspension application inaudita altera parte and scheduled the council chambers meeting for the discussion of the application for 27 September 2016.

Therefore, taking into account: (i) that 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; (ii) that any tax liabilities deriving from the 2007 assessment report are 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, the decision was made not to recognise any provision for risks.

The **“provision for staff risks”** of Euro 545,744 rose by Euro 193,890 compared to 31 December 2015 due to:

- Euro 127,505 adjustment in relation to the current disputes and settlements with former employees.
- Euro 94,136 reclassification of provisions for risks for staff disputes of Exprivia Healthcare IT Srl, included in the item "provisions for other risks" as at 31 December 2015
- Euro 27,749 use of the fund for the closure of disputes outstanding as at 31 December 2015.

At 30 June 2016, the item **"provision for other risks"** amounted to Euro 30,273, a decrease of Euro 140,185 compared to 31 December 2015. The movements that occurred during the period are as follows:

- Euro 50,974 use of the provision for the payment of a contractual penalty with respect to a customer of Exprivia Healthcare IT Srl;
- Euro 94,136 reclassification already commented on in item "provision for staff risks";
- Euro 4,925 adjustment of the provision in relation to other current risks.

21 - 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 30 June 2016 amounted to Euro 9,004,662 compared with Euro 9,228,805 at 31 December 2015. The fund is net of amounts deposited. An actuarial assessment was performed on the liability in accordance with IAS 19.

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.
For revaluation purposes, employee severance indemnities increased, with the exclusion of the amount accrued at the close of the period, through the application of a rate comprised of a fixed 1.50% and 75% of the inflation rate recorded by ISTAT with respect to December of the previous year; taxes of 11% were due on said revaluation. From 1 January 2015, the tax rate on the revaluation of TFR moved to 17%, determining the recognition of a past service cost.

The legislation also provides the possibility of requesting a partial advance of TFR accrued when the employment relationship is still in progress.

It should be noted that the calculations include the 17% annual tax charged on the revaluation of employee severance indemnity provisions.

22 - DEFERRED TAX LIABILITIES

The item **"provision for deferred taxes"** amounted to Euro 1,031,681 compared to Euro 1,038,852 as at 31 December 2015, and refers to allocations for temporary changes considered recoverable in subsequent financial years.

Description	30/06/2016		31/12/2015	
	Amount temporary differences	Tax effect	Amount temporary differences	Tax effect
TFR	91,239	25,092	91,239	25,092
Goodwill	1,377,674	385,105	1,377,674	385,105
Buildings	2,190,770	620,485	2,190,770	627,656
Provision for bad credit	4,164	999	4,164	999
TOTAL	**3,663,847**	**1,031,681**	**3,663,847**	**1,038,852**

CURRENT LIABILITIES

23 - BOND ISSUES

As at 30 June 2016 the **"bond issue"** amounted to Euro 1,256,330 compared to Euro 1,007,399 at 31 December 2015 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 15).

24 - CURRENT BANK DEBT

As at 30 June 2016, the item "**current bank debt**" amounted to Euro 22,193,784 compared to Euro 35,879,446 as at 31 December 2015. Euro 14,786,733 refers to the current amount of loans (previously described under item "non-current bank debt", note 16) and Euro 7,407,051 refers to current account overdrafts at major credit institutions.

25 - TRADE PAYABLES

The item **"trade payables"** amounted to Euro 18,117,536 compared to Euro 17,087,806 at 31 December 2015; the table below provides details regarding this item:

Description	30/06/2016	31/12/2015	Variation
Invoices received Italy	11,399,400	12,145,207	(745,807)
Suppliers of leased assets	124,345	223,691	(99,346)
Invoices received foreing	2,325,266	648,574	1,676,692
Invoices to consultants	79,855	115,748	(35,893)
Invoices to be received	4,188,669	3,954,586	234,082
TOTAL	**18,117,536**	**17,087,806**	**1,029,729**

26 - PAYABLES TO PARENT COMPANIES

Payables to Parent Companies

The balance of **"payables to parent companies"** as at 30 June 2016 amounted to Euro 465,930 and related to the payable of the Holding Company Exprivia SpA to its parent company Abaco Innovazione SpA for guarantees issued by the latter for a Euro 25 million bank loan granted by a pool of banks, described in note 16.

27 - ADVANCE PAYMENTS ON CONTRACT WORK IN PROGRESS

Advance Payments

As at 30 June 2016 the item **"advance payments"** amounted to Euro 2,549,164 compared with Euro 2,774,376 as at 31 December 2015 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 in financial terms at period-end.

28 - OTHER FINANCIAL LIABILITIES

Amounts Payable to Others

The balance of the item **"amounts payable to others"** amounted to Euro 117,509 at 30 June 2016 compared to Euro 384,214 at 31 December 2015. The table below provides details on the item.

Description	30/06/2016	31/12/2015	Variation
Payables to factoring	117,509	384,214	(266,705)
TOTAL	**117,509**	**384,214**	**(266,705)**

29 - TAX LIABILITIES

The item **"tax liabilities"** amounted to Euro 5,748,567 at 30 June 2016 compared to Euro 7,583,444 as at 31 December 2015. The table below provides details on the item compared to figures from the previous financial year.

Description	30/06/2016	31/12/2015	Variation
Payables to tax authority for VAT	2,822,848	2,743,296	79,552
Payables to tax authority for IRES	88,808	1,088,862	(1,000,055)
Payables to tax authority for IRPEF employees	1,843,721	2,798,872	(955,152)
Payables to tax authority for IRPEF freelance workers	35,850	51,580	(15,731)
Payables to tax authority for IRPEF collaborators	40,533	35,994	4,539
Payables to tax authority	541,342	508,634	32,708
Payables to tax authority for IRPEF severance fund	24,004	46,540	(22,536)
Payables to tax authority for Regional and Municipal add	105,751	8,924	96,827
Payables to tax authority for interest and penalties	245,710	300,742	(55,031)
TOTAL	**5,748,567**	**7,583,444**	**(1,834,877)**

30 - OTHER CURRENT LIABILITIES

Amounts Payable to Pension and Social Security Institutions

The item **"social security liabilities"** amounted to Euro 4,751,859 at 30 June 2016 compared to Euro 5,480,960 as at 31 December 2015. The table below provides details on the item compared to figures from the previous financial year.

Description	30/06/2016	31/12/2015	Variation
INPS with contributions	1,863,982	3,411,873	(1,547,890)
Payables to pension funds	213,090	262,600	(49,510)
PREVINDAI-FASI-ALDAI-INPDAI-FASDAPI-PREVINDAPI	47,994	88,132	(40,137)
Contributions on accrued holiday pay and year-end bonus	2,658,457	1,726,637	931,820
INAIL with contributions	(31,665)	(8,281)	(23,384)
TOTAL	**4,751,859**	**5,480,960**	**(729,101)**

Other Payables

The item **"other payables"** amounted to Euro 20,237,989 compared to Euro 13,583,144 at 31 December 2015.

The table below shows the changes that occurred during the period with a comparison with the figures at 31 December 2015:

Description	30/06/2016	31/12/2015	Variation
Directors' pay for settlement	70,236	62,451	7,785
Employees/Collaborators for fees accrued	5,422,718	3,751,320	1,671,398
Accrued holidays, festivities, summer & yr-end bonuses	8,316,676	5,540,023	2,776,653
Payables to associations	122,265		122,265
Sundry payables	610,686	677,629	(66,943)
Interest and other costs of excercise	11,552	387,975	(376,423)
Maintenance/services/contributions competence in future years	5,683,857	3,163,746	2,520,110
TOTAL	**20,237,989**	**13,583,144**	**6,654,845**

Explanatory notes to the consolidated income statement

31 - REVENUE

Revenue from sales and services in the first half of 2016 amounted to Euro 65,750,774 compared to Euro 70,448,258 in the same period of 2015.

The table below shows details on revenues, including changes in inventories of raw materials and finished products (Euro -83,272), broken down by business segment relating to the first half of 2016 and compared with the figures for the same period of the previous year (figures in thousands of Euro).

Business Areas	30/06/2016	30/06/2015	Variation	Variation%
Banking & Finance	12,453	12,397	56	0.5%
Energia e Utilities	9,916	12,386	(2,470)	-19.9%
Industry	6,382	5,593	789	14.1%
Oil e Gas	6,267	7,784	(1,517)	-19.5%
Telco & Media	10,055	9,142	914	10.0%
Healthcare	11,214	10,933	281	2.6%
Public Sector	3,475	3,926	(451)	-11.5%
Aerospace & Defence	1,499	1,600	(101)	-6.3%
International Business	4,089	5,775	(1,686)	-29.2%
Other	318	900	(582)	-64.7%
Total	**65,668**	**70,436**	**(4,768)**	**-6.8%**

Details of the revenues relating to 30 June 2016 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 Euro)	30/06/2016	30/06/2015	Variation	Variation%
Projects and Services	56,917	61,340	(4,423)	-7.2%
Maintenance	6,522	6,277	245	3.9%
HW/ SW third parties	1,354	1,019	335	32.9%
Own licences	557	900	(343)	-38.1%
Other	318	900	(582)	-64.7%
Total	**65,668**	**70,436**	**(4,768)**	**-6.8%**

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

32 - OTHER INCOME

Other Revenue and Income

In the first half of 2016 **"other revenue and income"** amounted to Euro 305,751 compared to Euro 267,279 in the same period of the previous year. The table below provides details on the items.

Description	30/06/2016	30/06/2015	Variation
Contingency assets	52,115	88,737	(36,622)
Discounts and rebates from suppliers	79,154		79,154
Rental income	3,414	10,838	(7,424)
Other revenue	24,996	48,549	(23,553)
Pay in lieu of notice	71,531	37,846	33,685
Income from assignment of vehicles to staff	74,526	80,909	(6,382)
Capital gains	15	401	(385)
TOTAL	**305,751**	**267,279**	**38,472**

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

Grants for Operating Expenses

In the first half of 2016 **"grants for operating expenses"** amounted to Euro 912,835 compared to Euro 2,167,124 in the same period of 2015 and refer to grants and tax breaks pertaining to the period or authorised in the period relating to the research and development projects financed. The grants are carried net of the amount allocated to the risk provision for any minor grants that might not be received. The significant decline compared to the same period of the previous year was caused by the lower costs accounted for due to the conclusion of several projects at the end of 2015.

Costs for Capitalised Internal Projects

In the first half of 2016 the item **"costs for capitalised internal projects"** amounted to Euro 745,358 compared to Euro 732,464 in the same period of 2015 and mainly refers to expenses incurred in the period to develop products for the Banking & Finance and Healthcare segments.

33 – CHANGE IN INVENTORIES OF RAW MATERIALS AND FINISHED PRODUCTS

In the first half of 2016 the balance of the item **"change in inventories of raw materials and finished products"** amounted to Euro -83,272 compared to Euro -12,331 in the same period of the previous year. It refers to changes in finished products in the healthcare and medical segment.

34 - RAW MATERIALS, CONSUMABLES AND GOODS

In the first half of 2016 the item **"raw materials, consumables and goods"** amounted to Euro 5,364,801 compared to Euro 5,273,800 in the same period of the previous year. The table below provides details on the items.

Description	30/06/2016	30/06/2015	Variation
Purchase of HW-SW products	1,962,716	1,768,347	194,369
Purchase of HW-SW maintenance	3,186,942	3,322,272	(135,330)
Stationery and consumables	64,190	63,149	1,041
Fuel and oil	73,408	89,923	(16,515)
Other costs	54,132	25,097	29,035
Warranty services on our customers activities	23,414	5,014	18,401
TOTAL	**5,364,801**	**5,273,800**	**91,001**

35 - STAFF COSTS

In the first half of 2016 the item **"staff costs"** amounted to Euro 45,999,161 compared to Euro 47,019,552 in the same period of 2015. The table below provides details on the item:

Description	30/06/2016	30/06/2015	Variation
Salaries and wages	34,067,924	35,004,023	(936,099)
Social charges	8,746,632	9,302,398	(555,766)
Severance Pay	1,931,196	1,713,028	218,168
Other staff costs	1,253,409	1,000,104	253,305
TOTAL	**45,999,161**	**47,019,552**	**(1,020,391)**

The number of employees at 30 June 2016 came to 2,097 (of which 2,081 employees and 16 temporary workers) while the Group employed 2,118 staff at 30 June 2015, of which 2,098 employees and 20 temporary workers.

36 - COSTS FOR SERVICES

In the first half of 2016 the item **"costs for services"** amounted to Euro 9,713,010 compared to Euro 11,649,974 in the first half of 2015. The table below provides details on the items:

Description	30/06/2016	30/06/2015	Variation
Technical and commercial consultancy	4,872,525	6,450,956	(1,578,431)
Administrative/company/legal consultancy	901,328	833,732	67,595
Data processing service	214,555	168,997	45,558
Auditors' fees	76,527	72,999	3,528
Travel and transfer expenses	1,119,091	1,203,965	(84,874)
Other staff costs	87,849	115,206	(27,357)
Utilities	635,872	610,286	25,586
Advertising and agency expenses	234,790	148,471	86,319
Bank charges	216,976	244,586	(27,610)
HW and SW maintenance	171,436	244,766	(73,329)
Insurance	316,086	398,556	(82,470)
Costs of temporary staff	63,445	243,852	(180,407)
Other costs	615,619	710,985	(95,366)
Mail services	186,909	202,615	(15,706)
TOTAL	**9,713,010**	**11,649,973**	**(1,936,963)**

The most significant change was caused by the decrease in costs for technical and commercial consulting, which is closely correlated with the decline in revenues.

37 - COSTS FOR LEASED ASSETS

In the first half of 2016 the item **"costs for leased assets"** amounted to Euro 2,079,437 compared to Euro 1,999,848 in the same period of the previous year. The table below provides details on the items:

Description	30/06/2016	30/06/2015	Variation
Rental expenses	866,627	713,832	152,795
Car rental/leasing	496,137	529,215	(33,077)
Rental of other assets	665,684	704,592	(38,907)
Royalties	50,988	52,209	(1,221)
TOTAL	**2,079,437**	**1,999,848**	**79,589**

The change was mainly the result of costs incurred by Exprivia SpA for the Rome office, which benefitted from a reduction in the first half of 2015.

38 - SUNDRY OPERATING EXPENSES

In the first half of 2016 the item **"sundry operating expenses"** amounted to Euro 301,632 compared to Euro 525,639 in the first half of 2015. The table below provides details on the items.

Description	30/06/2016	30/06/2015	Variation
Annual subscriptions	47,261	54,002	(6,741)
Books and magazines	2,294	5,025	(2,732)
Taxes	97,352	143,994	(46,643)
Stamp duty	30,737	42,468	(11,730)
Penalties and fines	2,039	130,944	(128,905)
Charitable donations	4,135	9,220	(5,086)
Contingency liabilities	2,438	57,265	(54,826)
Write-offs	-	1,656	(1,656)
Sundry expenses	114,995	81,021	33,974
Capital losses on disposals	381	43	338
TOTAL	**301,632**	**525,639**	**(224,007)**

39 - PROVISIONS

The consolidated balance of the item **"provisions"** in the first half of 2016 amounted to Euro 125,085 compared to Euro 237,466 in the first half of 2015.

The table below shows 2016 movements compared with those in 2015.

Description	30/06/2016	30/06/2015	Variation
Provision for risks of litigation		131,016	(131,016)
Provision for legal disputes with employees	123,000	97,187	25,813
Other provisions	2,085	9,263	(7,178)
TOTAL	**125,085**	**237,466**	**(112,381)**

40 - AMORTISATION, DEPRECIATION AND WRITE-DOWNS

In the first half of 2016 **"amortisation and depreciation"** amounted to Euro 2,029,606 compared to Euro 2,141,105 in the first half of 2015 and refers primarily to Euro 1,047,672 for the amortisation of intangible assets and Euro 967,215 for the depreciation of tangible assets. Details of the aforementioned items are provided in notes 1 and 3.

Write-downs

In the first half of 2016 the item **"write-downs"** amounted to Euro 90,861 compared to Euro 929,292 of the first half of 2015, Euro 28,033 of which refers to the write-down on current receivables and Euro 62,028 of which refers to write-downs on assets.

41 - FINANCIAL (INCOME) CHARGES AND OTHER INVESTMENTS

The balance of the item **"financial (income) charges and other investments"** amounted to a negative Euro 1,395,934 compared with Euro 1,228,810 in the same period of 2015. The table below provides details on the items.

Description	30/06/2016	30/06/2015	Variation
Proceeds from shareholdings from parents	(29,455)	(14,636)	(14,819)
Income from other investments	(6,567)	(6,586)	19
Other income other than the above	(81,528)	(60,234)	(21,294)
Interest and other financial charges	1,404,384	1,387,687	16,697
From parent charges	84,753		84,753
Profit and loss on currency exchange	22,347	(77,421)	99,768
TOTAL	**1,393,934**	**1,228,810**	**165,124**

Income from Parent Companies

The balance of the item **"income from parent companies"** amounted to Euro 29,455 in the first half of 2016 compared to Euro 14,636 in the same period of 2015 and refers to interest accrued from 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 6,567 in the first half of 2016 compared to Euro 6,586 in the first half of 2015 and refers to dividends received for minority interests.

Other Financial Income

In the first half of 2016 the item **"other financial income"** amounted to Euro 81,528 compared to Euro 60,234 in the same period of 2015. The table below provides details on the item:

Description	30/06/2016	30/06/2015	Variation
Bank interest receivable	2,457	4,132	(1,675)
Other interest income	78,983	55,632	23,351
Rounding up of assets	88	469	(382)
TOTAL	**81,528**	**60,234**	**21,294**

Interest and Other Financial Charges

In the first half of 2016 the item **"interest and other financial charges"** amounted to Euro 1,404,384 compared to Euro 1,387,687 in the same period of the previous year. The table below provides details on the items.

Description	30/06/2016	30/06/2015	Variation
Bank interest payable	474,225	464,278	9,947
Interest on loans and mortgages	494,113	376,225	117,889
Sundry interest	331,524	295,963	35,562
Charges on financial products and sundry items	12,856	169,424	(156,569)
Rounding up/down	58	724	(666)
Interest cost IAS 19	91,608	81,074	10,534
TOTAL	**1,404,384**	**1,387,687**	**16,697**

Charges from Parent Companies

The balance of the item **"charges from parent companies"** amounted to Euro 84,753 in the first half of 2016 and refers to the portion applicable to the period of charges recognised by Exprivia SpA to the parent company Abaco Innovazione SpA for guarantees issued by the latter with respect to its subsidiary.

Gains and Losses on Currency Exchange

In the first half of 2016 **"losses on currency exchange"** amounted to Euro 22,347 compared to Euro 77,421 in the first half of 2015 and mainly refers to the fluctuations in exchange rates due to the commercial transactions made in different currencies to the national currency of the foreign companies in the Exprivia Group.

42 - TAXES

In the first half of 2016 **"taxes"** amounted to Euro -25,639 compared to Euro 1,516,012 in the first half of 2015; the table below provides details on the changes compared to the previous period:

Description	30/06/2016	30/06/2015	Variation
IRES	157,264	746,975	(589,711)
IRAP	190,960	351,640	(160,680)
Foreing tax	78,292	125,519	(47,227)
Taxes from prior years	(475,709)	313,650	(789,359)
Defered tax	(7,170)	(16,178)	9,008
Deferred tax assets	30,724	(5,594)	36,318
TOTAL	**(25,639)**	**1,516,012**	**(1,541,651)**

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.

Please note that the Group has benefitted from the income tax break deriving from the use of intellectual property, introduced by art. 1, paragraphs 37-45, of Law no. 190/2014 "2015 stability law" (the "patent box").

The benefit in terms of lower taxes totals Euro 756,015, of which Euro 426,820 relating to the 2015 tax period and Euro 329,195 relating to the 2016 tax period.

43 - PROFIT (LOSS) FOR THE YEAR

The income statement closed the first half of 2016 with a consolidated profit (after tax) of Euro 559,558, compared with Euro 1,081,296 in the same period in 2015.

44 - 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 30 June 2016 the basic and diluted earnings per share amounted to Euro 0.0113.

Profits (Euro)	30/06/2016
Profits for determining basic earnings per share (Net profit due to shareholders of parent company)	556,285
Profit for determining the earnings per basic share	556,285
Number of shares	**30/06/2016**
Number of ordinary shares at 1 January 2014	51,883,958
Purchase of own shares at 31 december 2014	(3,181,980)
Average weighted number ordinary shares for calculation of basic profit	49,148,659
Earnings per share (Euro)	**30/06/2016**
Profit (loss) per basic share	0.0113
Diluted earnings (loss) per share	0.0113

45 - INFORMATION ON THE CASH FLOW STATEMENT

The **consolidated Net Financial Position** as at 30 June 2016 was Euro -31.4 million, an improvement compared to 31 December 2015 when it was Euro -36.3 million. Despite retaining a remarkable level of investment, equal to Euro 1.1 million, and distributing the 2015 dividend of Euro 1 million in the first half of 2016, the Group improved its borrowings thanks to positive cash flows from operating activities amounting to Euro 2.4 million and the management of net working capital amounting to Euro 4.2 million.

RELATED PARTIES

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

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	30/06/2016	31/12/2015	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	30/06/2016	31/12/2015	Variation
Kappa Emme Sas	15,250	22,814	(7,564)
TOTAL	**15,250**	**22,814**	**(7,564)**

Costs

Description	30/06/2016	30/06/2015	Variation
Kappa Emme Sas	75,000	56,400	18,600
Innovision International Ltd	25,647		25,647
TOTAL	**100,647**	**56,400**	**44,247**

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

	30/06/2016				31/12/2015			
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	325,346	40,000	623,132	58,132	502,935	40,000	512,103	6,923
Statutory Auditors	70,710				72,999			
Strategic managers			41,538	14,038	-		41,539	18,461
TOTAL	**396,057**	**40,000**	**664,671**	**72,171**	**575,934**	**40,000**	**553,642**	**25,384**

With reference to the figures at 30 June 2015, please note that to improve the presentation, fees paid to strategic executives are included in the table above under “salaries and wages” of directors and strategic executives, while in the figures published at 30 June 2015 they were included under “fixed remuneration as a member of the Board of Directors” (Euro 106 thousand).

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 S.p.A., certify the following, taking into account the provisions of Art. 154-bis (3, 4) of Legislative Decree no. 58 of 24 February 1998:

- Adequacy, in relation to the characteristics of the group and
- actual application of administrative and accounting procedures to draft the half-year consolidated financial statements for the first half-year as at 30 June 2016.

Furthermore, it is certified that the consolidated interim financial report:

a) Was prepared in accordance with International Financial Reporting Standards, which were adopted by the European Commission with regulation 1725/2003 as amended, and is suitable for giving an accurate and correct representation of the equity-financial and economic situation of the company.

b) The Interim Directors' Report of the Group includes a reliable analysis that is consistent with the financial statements, operating trends and results, and also the situation of the company and group of subsidiaries included in consolidation, together with the description of the main risks and uncertainties.

Molfetta, 5 August 2016

Domenico Favuzzi

Chairman and Chief Executive Officer

Gianni Sebastiano

CFO and Executive manager responsible for preparing the corporate accounts

REVIEW REPORT ON CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

To the Shareholders of
Exprivia SpA

Foreword

We have reviewed the accompanying consolidated condensed interim financial statements of Exprivia SpA and its subsidiaries (Exprivia Group) as of 30 June 2016, comprising the statement of financial position, income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows and related explanatory notes. The Directors of Exprivia SpA are responsible for the preparation of the consolidated condensed interim financial statements in accordance with the international accounting standard applicable to interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on these consolidated condensed interim financial statements based on our review.

Scope of review

We conducted our work in accordance with the criteria for a review recommended by Consob in Resolution No. 10867 of 31 July 1997. A review of consolidated condensed interim financial statements consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than a full-scope audit conducted in accordance with International Standards on Auditing (ISA Italia) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the consolidated condensed interim financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated condensed interim financial statements of the Exprivia Group as of 30 June 2016 are not prepared, in all material respects, in accordance with the international accounting standard applicable to interim financial reporting (IAS 34) as adopted by the European Union.

Bari, 5 August 2016

PricewaterhouseCoopers SpA

Signed by

Corrado Aprico
(Partner)

This report has been translated into the English language from the original, which was issued in Italian, solely for the convenience of international readers.
We have not examined the translation of the consolidated condensed interim financial statements referred to in this report.