

**REPORT OF THE BOARD OF AUDITORS TO THE SHAREHOLDERS'  
MEETING OF EXPRIVIA S.P.A. AS PER ART. 153 OF LEGISL. DEC. 58/98**

Molfetta, 30 March 2009

Dear Shareholders,

In this account, the Board of Auditors will report on the supervision made and the other activities required by Legisl. Dec. 58 of 24 February 1998 and Art. 2429 of the Italian Civil Code, also referring to CONSOB communication DEM/1025564 dated 6 April 2001 (the descriptive form of which is followed by this report). The supervisory work concerned both the ordinary management and the extraordinary operations, and was carried out referring to the principles of conduct of the Board of Auditors approved by the National Boards of Accountants and Bookkeepers. The overall content of our operation can be seen in the minutes of the 5 Board meetings held during 2008.

The balance sheet of the company for the period to 31/12/2008 shows a profit of Euro 4,712,567 and the Board of Auditors was advised with the management report in accordance with the law. The Board of Auditors checked respect for the provisions of the law applied in its formation through its own checks and information supplied by the auditing company. In the first place, our operation was characterised by the supervision of the respect for the law and the deed of incorporation, as well as the principles of correct administration.

1. The most important economic, financial and capital operations carried out by Exprivia S.p.A. during the 2008 accounting period were periodically and fully advised to the Board of Auditors by the directors. These operations are summarised below and described more analytically in the Management Report prepared by the directors, of which pages 27, 28 and 29 should be referred to for further details.

In the opinion of the Board, the operations carried out are in conformity with the law and the deed of incorporation, respond to the interests of the company, are not obviously imprudent or risky, nor in contrast with the decisions taken by the shareholders' meeting or the Board of Directors.

2. In addition to the extraordinary operations described in the Management Report, the Board of Auditors, in discussions with the auditing company, did not note atypical and/or unusual operations with third parties, affiliates or infra-group by Exprivia S.p.A.

As far as the operations of an ordinary nature between Exprivia S.p.A. and affiliates are concerned, the relationships of interchange and the collaborations all took place in normal market conditions and correspond to the interests of

the company as aimed at the rationalisation of the group's resources. These interchanges are mentioned in the management report in the paragraphs 'Relationships with group subsidiaries' and 'Relationships with affiliates'. In particular, the following operation with affiliated parties is noted: on 18 December 2008, the acquisition contract for the totality of the affiliated company Network Services S.r.l., a company wholly owned by Abaco Innovazione S.p.A., signed on 31 October 2008 by Exprivia S.p.A., was completed.

3. The Board considers that the information given in the management report prepared by the directors concerning infra-group operations and affiliates is sufficient, and such that it makes the company interest in the conclusion of those operations clear.

With reference to the introduction of the International Accounting Standards (IAS), the attention of the shareholders is drawn to the fact that the company has chosen to apply those criteria for the civil law balance sheets of subsidiaries, the parent company and the group consolidated balance sheet since the 2005 accounting period.

4. On 31 March 2008, at the ordinary shareholders' meeting of the company, the Board of Auditors received a report from shareholder Carlo Fabris as per Art. 2408 of the Italian Civil Code concerning "the lack of indication on the convocation advice of the shareholders' meeting of the stake held for the presentation of the list for the appointment of company positions." At this charge, the president of the Board of Auditors reported and asked for the following to be included in the minutes of the meeting, "The Board of Auditors would like to inform shareholders that the shareholder Carlo Fabris has reported the failure to indicate the stake held for the presentation of the lists, in accordance with Art. 2408 of the Italian Civil Code, in a written note dated 31 March 2008, sent by fax to the headquarters of Exprivia S.p.A. at 9.30 am. With reference to this, the Board examined the contents of the charge and also the current law, even though in a short time, and considers that there are no procedural infringements in the convocation shareholders' meeting called for today 31 March 2008. However, it undertakes to give a formal answer to the shareholder Mr Fabris although not obliged to as per the second sub-paragraph of Art. 2408 of the Italian Civil Code and, moreover, for reasons of correctness and transparency in company relationships."

Further, on 17 April 2008, the president of the Board of Auditors sent a registered letter with return receipt dated 16 April 2008 to the shareholder Carlo Fabris and, on 28 April 2008, he sent a copy of the same letter via e-

mail to Ms Cristina Piazzini of CONSOB S.p.A.

5. At the ordinary shareholders' meeting of 31 March 2008, company positions were renewed with the appointment of 7 members of the Board of Directors, 2 of whom are independent and 1 non-executive, and the new Board of Auditors, appointing Mr Domenico Favuzzi as the new president of the BoD and confirming Mr Renato Beltrami in the role of president of the Board of Auditors.
6. The Board of Auditors has not been advised of petitions, complaints or grievances.
7. During the accounting period, Exprivia S.p.A. did not grant roles to people linked to the auditors PKF Italia S.p.A. by continuous relationships.
8. During the accounting period, the Board of Auditors did not issue opinions as per the law.
9. The Board of Auditors gave a favourable opinion on the congruity of the remuneration due to the directors with particular positions.
10. During 2008, the Board of Auditors met 5 times. The auditors also took part in 17 meetings of the Board of Directors. As indicated by regulation 8.C.4 of the Self-Discipline Code for quoted companies, the president of the Board also took part in 5 meetings of the Internal Control Committee and 4 meetings of the Salaries Committee. The Executive Committee was not appointed.
11. The Board of Auditors was informed of and supervised the aspects of its competence on respect for the principles of correct administration through direct observations, the collection of information from company managers and meetings with managers of the auditing company for the purposes of the reciprocal exchange of data and relevant information. There were no comments on this aspect.
12. Likewise, the Board of Auditors was advised of and supervised the aspects of its competences concerning the adequacy of the company's organisational structure and the company organigram, not noting aspects to report.
13. The supervisory work of the Board also concerned the adequacy of the internal control system. Work in this area was carried out with the collaboration of the managers in the co-ordination of the administrative procedures of the group, also making use of the exchanges of information occurring with the auditing company for the aspects it was concerned with. It is reported that the company has reconfirmed Ms R. Dalloiso as manager for

internal control, grouping the internal audit functions.

14. The administrative-accounting system is adequate and reliable for the correct representation of management facts. In particular, it should be noted that, during 2008 and the start of 2009, the companies acquired were integrated into the IT system of the parent company, thus bringing the procedures into line with those used by all the other companies in the group, with the exception of the subsidiaries Svimservice S.p.A. and GST S.r.l.
15. Exprivia S.p.A. has given subsidiaries the appropriate provisions necessary for compliance with the communication requirements of the law concerning information for the public (Art. 114, sub-para. 2 Legisl. Dec 58/98).
16. On 31 March 2008, the company adopted its own 'ORGANISATION, MANAGEMENT AND CONTROL MODEL' as per Legisl. Decree 231/2001 and has set up a supervisory body consisting of 3 members, two of whom are external professionals and 1 is an employee of a group company.
17. We have analysed the reports of the auditing company on the balance sheet for the period and the consolidated balance sheet for the company issued on 20 March 2009, as per Art. 156 of Legisl. Dec. 58/98. We have also had significant contacts with them in order to check the content. The reports, which give a positive judgement on the truthful and correct representation of the balance sheet and consolidated balance sheet, contain requests for information shared by the Board of Auditors - please see the respective reports.
18. With reference to Corporate Governance, the company applies a model of company management which refers to the most important aspects of the Self-Discipline Code of quoted companies. In particular:
  - in the Board of Directors of seven members there is 1 non-executive and 2 independent members. The Board has checked the correct application of the criteria and procedures adopted by the Board of Directors in assessing the independence of its members. The criteria adopted conform to the provisions of the Self-Discipline Code in Articles 2 and 3.
  - the Board of Directors has set up a Salaries Committee consisting of 2 independent members and a non-executive director.
  - an Internal Control Committee was set up to verify the operation of the internal control system. The committee consists of 2 independent members of the BOD and a non-executive director.
19. The supervisory work of the Board of Auditors has not highlighted omissions,

reprehensible facts or irregularities worthy of reporting to the shareholders and control bodies.

In conclusion, the Board of Auditors of Exprivia S.p.A. proposes approval of the balance sheet of the company to 31 December 2008 as provided for by the Board of Directors and does not have objections to raise on the proposal for the destination of the economic results for the period.

**The Board of Auditors**

Renato Beltrami \_\_\_\_\_

Gaetano Samarelli \_\_\_\_\_

Ignazio Pellecchia \_\_\_\_\_