Cerved Information Solutions

Annual Report at December 31, 2016

Cerved Information Solutions S.p.A.

Annual Report at December 31, 2016

Company Data

REGISTERED OFFICE

Cerved Information Solutions S.p.A.
Via Dell'Unione Europea 6A, 6B
San Donato Milanese (MI)

STATUTORY COMPANY DATA

Subscribed and paid-in share capital of 50,450,000 euros
Milan Company Register No. 08587760961
Milan R.E.A. No. 2035639
Tax I.D. and VAT No. 08587760961
Corporate website company.cerved.com

This Report on Operations refers to the separate financial statements of the Parent Company Cerved Information Solutions S.p.A. ("Cerved" or the "Parent Company" or the "Company") and the consolidated financial statements of the Cerved Information Solutions S.p.A. Group ("Cerved Group" or the "Group") at December 31, 2016, prepared in accordance with International Accounting Standards and International Financial Reporting Standards (IAS/IFRS) published by the International Accounting Standards Board (IASB) and approved by the European Union. This Report should be read in conjunctions with the financial statement schedules and the accompanying Notes, which constitute the financial statements for the reporting year ended December 31, 2016.

Unless otherwise stated, all amounts listed in this Report are in thousands of euros.

Corporate Governance Bodies of the Parent Company

CURRENTLY IN OFFICE

BOARD OF DIRECTORS[1]

Fabio Cerchiai	*Chairman, Independent Director*
Gianandrea De Bernardis	*Executive Vice President*
Marco Nespolo	*Chief Executive Officer*
Roberto Mancini	*Director*
Andrea Mignanelli	*Director*
Sabrina Delle Curti	*Director*
Aurelio Regina	*Independent Director*
Mara Anna Rita Caverni	*Independent Director*
Giulia Bongiorno	*Independent Director*
Marco Maria Fumagalli	*Independent Director*
Valentina Montanari	*Independent Director*

CONTROL AND RISK COMMITTEE

Mara Anna Rita Caverni	*Chairperson*
Valentina Montanari	
Aurelio Regina	

COMPENSATION COMMITTEE

Aurelio Regina	*Chairman*
Mara Anna Rita Caverni	
Giulia Bongiorno	
Marco Maria Fumagalli	

1. Elected by the Shareholders' Meeting on April 29, 2016 and in office until the approval of the statutory financial statements at December 31, 2018.

RELATED-PARTY COMMITTEE

Fabio Cerchiai	*Chairman*
Marco Maria Fumagalli	
Mara Anna Rita Caverni	

BOARD OF STATUTORY AUDITORS

Paolo Ludovici	*Chairman*
Ezio Simonelli	*Statutory Auditor*
Laura Acquadro	*Statutory Auditor*
Lucia Foti Belligambi	*Alternate*
Renato Colavolpe	*Alternate*

INDEPENDENT AUDITORS

PricewaterhouseCoopers S.p.A.

CORPORATE ACCOUNTING DOCUMENTS OFFICER

Giovanni Sartor

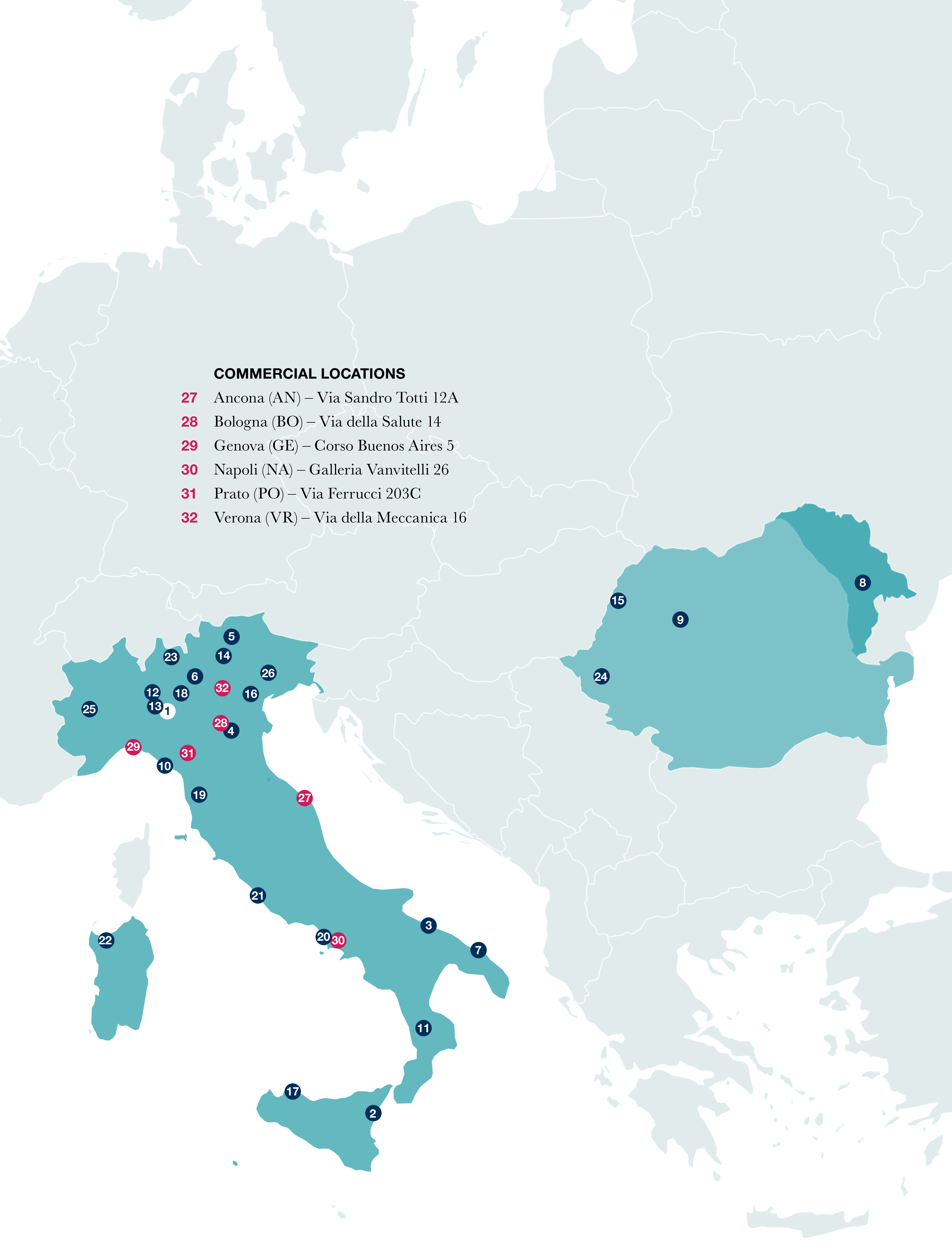
Registered Office and Operational and Commercial Locations

REGISTERED OFFICE, HEADQUARTERS AND OPERATIONAL LOCATIONS

1 San Donato Milanese, Via dell'Unione Europea 6A-6B

OPERATIONAL LOCATIONS

2 Acireale (CT) – Via Sclafani 40B
3 Bari (BA) – Piazza Aldo Moro 37
4 Bologna (BO) – Via Cairoli 9
5 Bolzano (BZ) – Via Macello 53
6 Brescia (BS) – Via Corfù 102
7 Brindisi (BR) – Piazza Cairoli 28
8 Chisinau (Moldavia) – Str. Ioana Radu 21
9 Cluj (Romania) – Str. Henri Barbusse 44-46
10 La Spezia (SP) – Viale Italia S.n.c. Locale 36 c/o Porto di Mirabello
11 Mangone (CS) – Zona Industriale Piano Lago
12 Milano (MI) – Via Copernico 38
13 Milano (MI) – Viale Famagosta 75
14 Mori (TN) – Via Teatro 43
15 Oradea (Romania) – Str. Piata Cetatii 3
16 Padova (PD) – Corso Stati Uniti 14bis
17 Palermo (PA) – Via Agrigento 4
18 Pandino (CR) – Via Milano 110
19 Pontedera, Via Salvo D'Acquisto 40C
20 Pozzuoli (NA) – Via Antiniana 2A
21 Roma (RM) – Via C. Colombo 149-115
22 Sassari (SS) – Via Oriani 2-8
23 Sondrio (SO) – Via Cesura n. 3
24 Timisoara (Romania) – Str. Paris 2°
25 Torino (TO) – Corso Vittorio Emanuele II 93
26 Villorba (TV) – Viale della Repubblica 19B



COMMERCIAL LOCATIONS

27 Ancona (AN) – Via Sandro Totti 12A
28 Bologna (BO) – Via della Salute 14
29 Genova (GE) – Corso Buenos Aires 5
30 Napoli (NA) – Galleria Vanvitelli 26
31 Prato (PO) – Via Ferrucci 203C
32 Verona (VR) – Via della Meccanica 16

Contents

Letter to Stakeholders

Fabio Cerchiai

CHAIRMAN

Marco Nespolo

CHIEF EXECUTIVE OFFICER

Dear Stakeholders

The year 2016 was a very important year for our Company. More specifically, during the year Cerved completed a comprehensive change process that made the Company one of Italy's few public companies, with 100% of its shares included in the share float. In 2016, consistent with its business model, Cerved continued on its growth path, confirming its resiliency and ability to generate cash flow, thanks in part to targeted acquisitions that strengthened the Company's position in the market.

PUBLIC COMPANY

In 2016, the Company completed its transformation into a public company, further to its listing in June 2014 and the gradual and the complete exit of its main shareholder—the CVC Capital Partner private equity fund—from its shareholder base through three accelerated bookbuilding offerings in 2015.
In 2016, Cerved completed a series of corporate transactions, including the election of a new Board of Directors, aimed at optimizing its corporate governance structure and aligning the Group with the standards of Anglo-Saxon and European markets.

The process of replacing the Board of Directors officially started in January 2016 with the resignation of the entire Board of Directors and ended with the election of a new Board of Directors by the Shareholders' Meeting, comprised of an absolute majority of independent Directors and, providing continuity, some of the earlier Directors. Subsequently to the Shareholders' Meeting, Marco Nespolo was named Chief Executive Officer.

On May 10, 2016, consistent with our commitment to total market transparency, we organized our first Investor Day, during which, two years since the listing, we highlighted the key points of the Group's growth strategy and Cerved's medium/long-term objectives—in terms of revenues and EBITDA, both at the consolidated and divisional level—as well as its financial structure and dividend distribution policy.

RESULTS IN 2016

In 2016, as in previous years, Cerved demonstrated its resiliency and its ability to grow, both organically and through acquisitions, confirming the continuation of a positive trend for Revenues (+6.6%), Adjusted EBITDA (+5.4%), Operating cash flow (+5.8%) and Adjusted net profit (+34.2%).

All business segments grew at a satisfactory pace and consistent with the previous year, the leading role was performed by the Credit Management segment, followed by the Corporate Division of the Credit Information segment, which was back on the growth track. Solid growth was also reported by the Financial Institutions Division, initially expected to perform in line with the previous year, and the Marketing Solutions segment, which posted growth of 52.7%, following a decrease in 2015.

On the financial position side, net financial debt totaled 523.4 million euros at December 31, 2016, the debt to Adjusted EBITDA ratio, equal to 2.9x in 2015 excluding non-cash items related to the Forward Start loan agreement, was unchanged despite an outlay of about 35 million euros for the Forward Start loan agreement, the payment of dividends totaling about 45 million euros and investments in acquisitions completed during the year for about 28 million euros.

GROWTH THROUGH ACQUISITIONS

Consistent with Cerved's consensus strategy, growth through acquisition contributed to the Group's growth and strengthened our competitive position.

In 2016, we completed four transactions; specifically, we acquired: the Italian branch of BHW Bausparkasse to develop an industrial partnership in the management of Nonperforming Loans (NPLs); a 70% interest in ClickAdv S.r.l., a company active in the digital advertising sector that offers performance oriented marketing solutions, a 55% stake in Major 1 S.r.l., a company specialized in the development and sales of credit management and monitoring software, and the business information activities of Fox & Parker S.r.l., a company specialized in the development of value-added sectorial payment records, data integration services with proprietary management software and tailored commercial information for corporate customers.

In addition to these completed transactions, on November 14, 2016, further to an offer submitted on November 8, 2016, the Cerved Group entered into an agreement with Banca Monte dei Paschi di Siena S.p.A.

("BMPS") to develop a long-term industrial partnership for the management of NPLs and acquire the bank's loan collection platform. Considering that the government's intervention will be required for the bank's successful recapitalization, the Board of Directors of Cerved Information Solutions S.p.A. deems it unlikely that this condition precedent will be fulfilled by February 28, 2017, resulting in the cancellation of the agreements with BMPS.

STRATEGY AND VALUE CREATION

Cerved intends to pursue its growth strategy by continuing to focus on such key issues as innovation and the differentiation of its products and services, the organic growth of all of its segments, growth through acquisitions and operational excellence initiatives.

In 2016, in order to succeed in achieving our objective and implementing our growth strategy, our organization underwent a significant transformation, hiring some key executives, including a new Chief Operating Officer, a Group HR Manager and Cerved Credit Collection's General Manager, which followed the hiring of a General Counsel and a new Chief Commercial Officer in the second half of 2015.

Lastly, we would like to thank our stakeholders who, being for the most part long-term investors, believed and continue to believe in Cerved's growth potential: we are facing another year rich with challenges and opportunities and we are confident that we will be able to continue creating value for all stakeholders.

San Donato Milanese,
February 24, 2017

Fabio Cerchiai
Chairman

Marco Nespolo
Chief Executive Officer

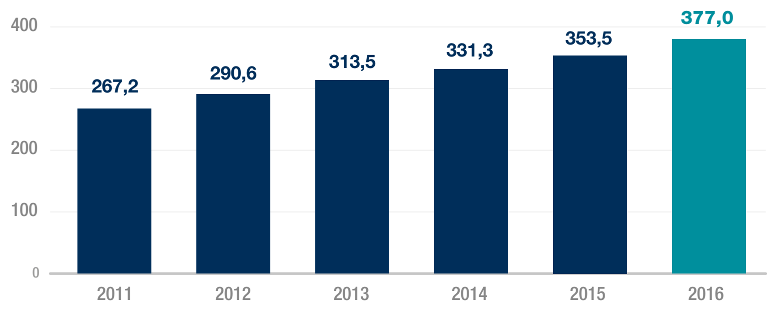
(Signed on the original)

FINANCIAL HIGHLIGHTS OF THE GROUP

CONSOLIDATED REVENUES

CAGR
2011-2016

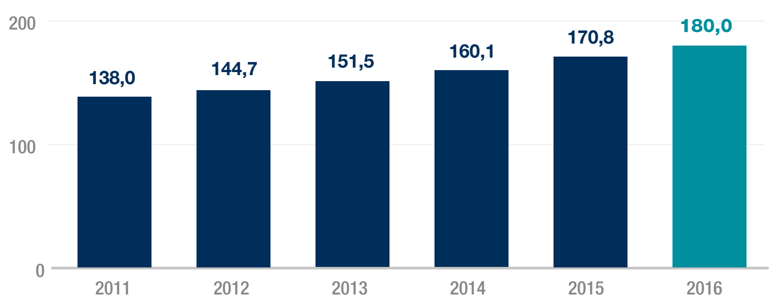
+7,1%



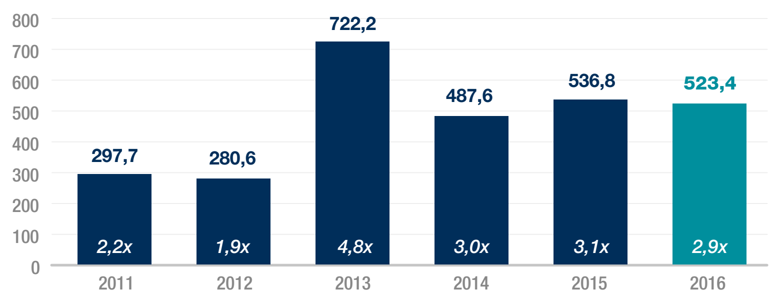
CONSOLIDATED ADJUSTED EBITDA[1]

CAGR
2011-2016

+5,5%



NET FINANCIAL POSITION



1) Adjusted consolidated EBITDA restated: i) in 2011 to reflect a change in the estimated useful lives of acquired databases for 12,689 thousand euros; ii) in 2011-2012 for management fee costs amounting to 2,239 thousand euros in 2011 and 2,209 thousand euros in 2012; iii) in 2016 to exclude the accruals for the Long-Term Incentive Plan (LTIP) amounting to 680 thousand euros.

2) The data for 2014 are the "Aggregated Data" resulting from the aggregation of the consolidated financial data of Cerved Group S.p.A. for the period from January 1, 2014 to March 31, 2014 with the consolidated data of Cerved Information Solutions S.p.A. for the period from March 14 (date of incorporation) to December 31, 2014.

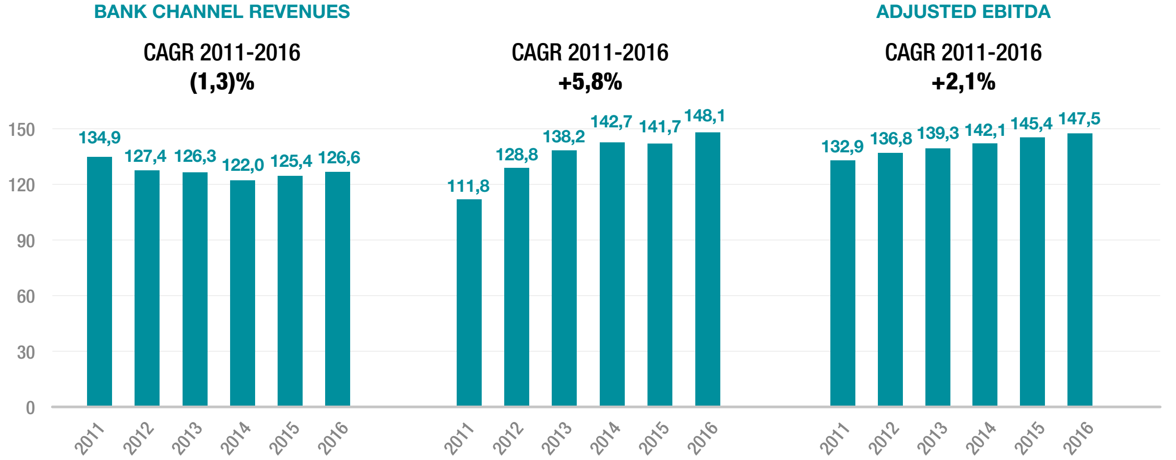
3) The data for 2013 are the "Added Data" obtained by adding the consolidated financial data of Cerved Holding S.p.A. for the period from January 1, 2013 to February 27, 2013 to the consolidated financial data of Cerved Group S.p.A. for the period from January 9, 2013 (date of incorporation) to December 31, 2013, even though, during the abovementioned period, these two companies were controlled, respectively, by the funds Bain Capital Ltd and Clessidra and CVC Capital Partners SICAV-FIS S.A.

4) The data for 2012 were taken from the consolidated financial statements of Cerved Holding S.p.A.

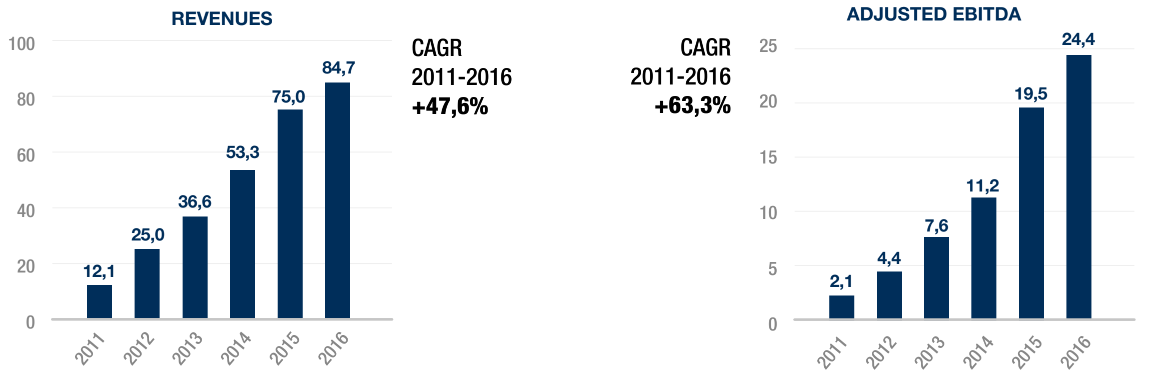
5) The data for 2011 were taken from the consolidated financial statements of Cerved Holding S.p.A.

REVENUES AND EBITDA BY DIVISIONS

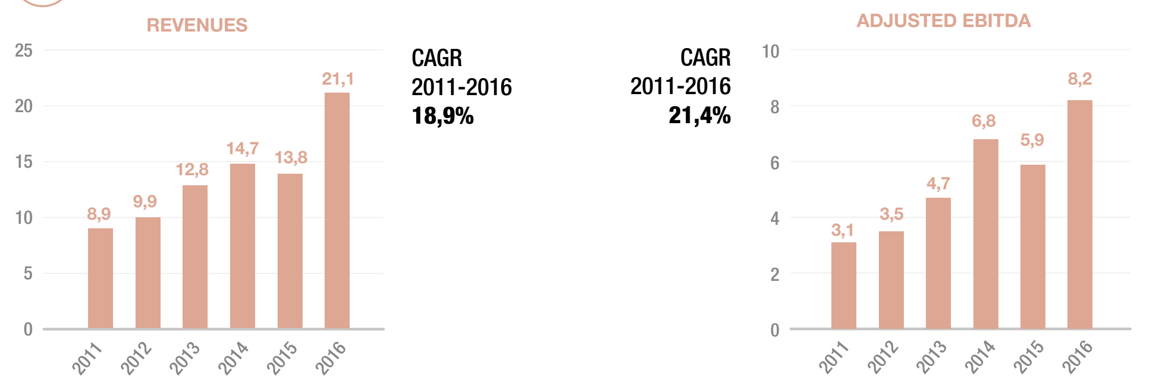
CREDIT INFORMATION



CREDIT MANAGEMENT



MARKETING SOLUTION



1) Adjusted consolidated EBITDA restated: i) in 2011 to reflect a change in the estimated useful lives of acquired databases for 12,689 thousand euros; ii) in 2011-2012 for management fee costs amounting to 2,239 thousand euros in 2011 and 2,209 thousand euros in 2012; iii) in 2016 to exclude the accruals for the Long-Term Incentive Plan (LTIP) amounting to 679 thousand euros.

2) The data for 2014 are the "Aggregated Data" resulting from the aggregation of the consolidated financial data of Cerved Group S.p.A. for the period from January 1, 2014 to March 31, 2014 with the consolidated financial data of Cerved Information Solutions S.p.A. for the period from March 14 (date of incorporation) to December 31, 2014.

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1

Report of the Board of Directors on Operations

1. STRUCTURE OF THE CERVED GROUP

COMPANY PROFILE

The Cerved Group is Italy's principal operator in the delivery of credit assessment and management services for banks, businesses and professionals. Through Cerved Credit Management Group, it is one of the top independent players in the management of nonperforming loans and, through the Cerved Rating Agency, one of Europe's top rating agencies. Lastly, through its Marketing Solutions Division, the Group offers services to help customers analyze their target markets and the competitive environment.
With an extensive presence throughout the financial system and over 30,000 customers counting businesses and professionals, the Cerved Group performs a crucial function within the credit system. It has been estimated that in the past year about 1.500 billion euros in bank loans and commercial credit have been extended thanks to the support of the information and services provided by Cerved.

Over the years, the Cerved Group developed the most extensive repository of existing information concerning Italian companies and persons related to them by integrating information from public sources (Company Registers, Property Registers, National Social Security Administration, etc.) with proprietary information (information about payment histories, interviews of businesses) and information taken from the internet (official information on open data systems, data obtained from websites by means of semantic search systems).
The Group makes basic data and complex assessments available in real time, through technological systems that can be integrated with customer systems, with the most rigorous compliance with the strictest IT security standards. Each year, Cerved invests significant resources in technologies, data, scoring and rating and big data, with the objective of making the market more transparent and offering to its customers innovative, effective and easily adoptable solutions.

The Cerved Group, through its holding management company Cerved Information Solutions S.p.A., has been listed on Borsa Italiana Online Stock Exchange since 2014 and is currently one of Italy's few public companies, with all of its shares held by market investors.

THE CERVED STORY

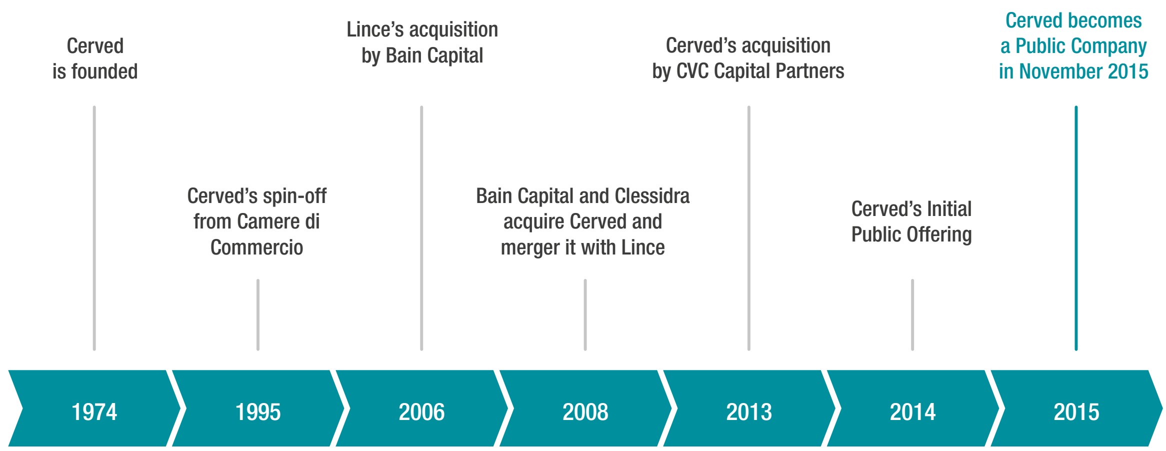
Cerved – Centro Regionale Veneto Elaborazione Dati was created in 1974 as an IT company for the management, processing and distribution of Chamber of Commerce data, with the aim of offering to its customers a more effective access to the data contained in the archives of the Company Register of the Veneto region. Over a short period of time, with the gradual inclusion of other Italian Chambers of Commerce and some important financial institutions, Cerved became one of Italy's top market operators in the Business Information sector, capable of providing access to economic, financial and legal information about legal entities listed in Italy's Company Registers.

In 1995, Cerved was split into two companies: Infocamere, tasked with managing the databases of the Chambers of Commerce, and Cerved itself, responsible for marketing the commercial, economic and financial information deriving from Infocamere's databases and creating value-added services.

In 2008, the investment funds managed by Bain Capital and Clessidra SGR became shareholders of the Cerved Group, which, in the meantime, had grown to include historical industry players, such as Centrale dei Bilanci and Databank. In 2009, the funds decided to merge the companies of the Cerved Group with Lince, a company active in the Business Information sector specialized in services for small and medium-size businesses, creating the market leader that we now know as the Credit Information segment.

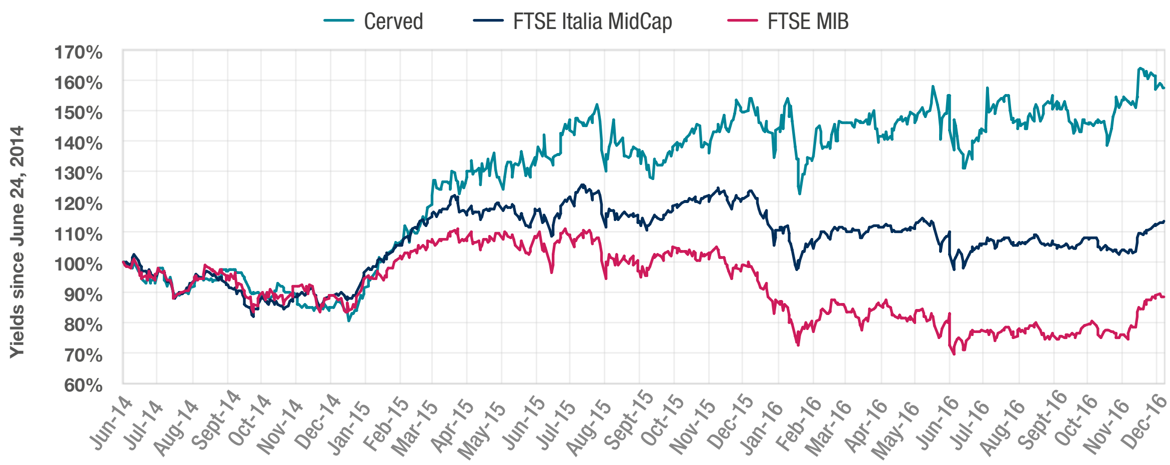
At the beginning of 2013, the investment funds managed by CVC Capital Partners acquired from Bain Capital and Clessidra Cerved's entire share capital through the special purpose vehicle Chopin Holdings, and, In June 2014, Cerved made its debut on Borsa Italiana's Online Stock Exchange resulting in one of the most important IPOs of the year.

In 2015, with its main shareholder Chopin Holdings gradually divesting its equity stake, Cerved finally became a public company, with a 100% share float.



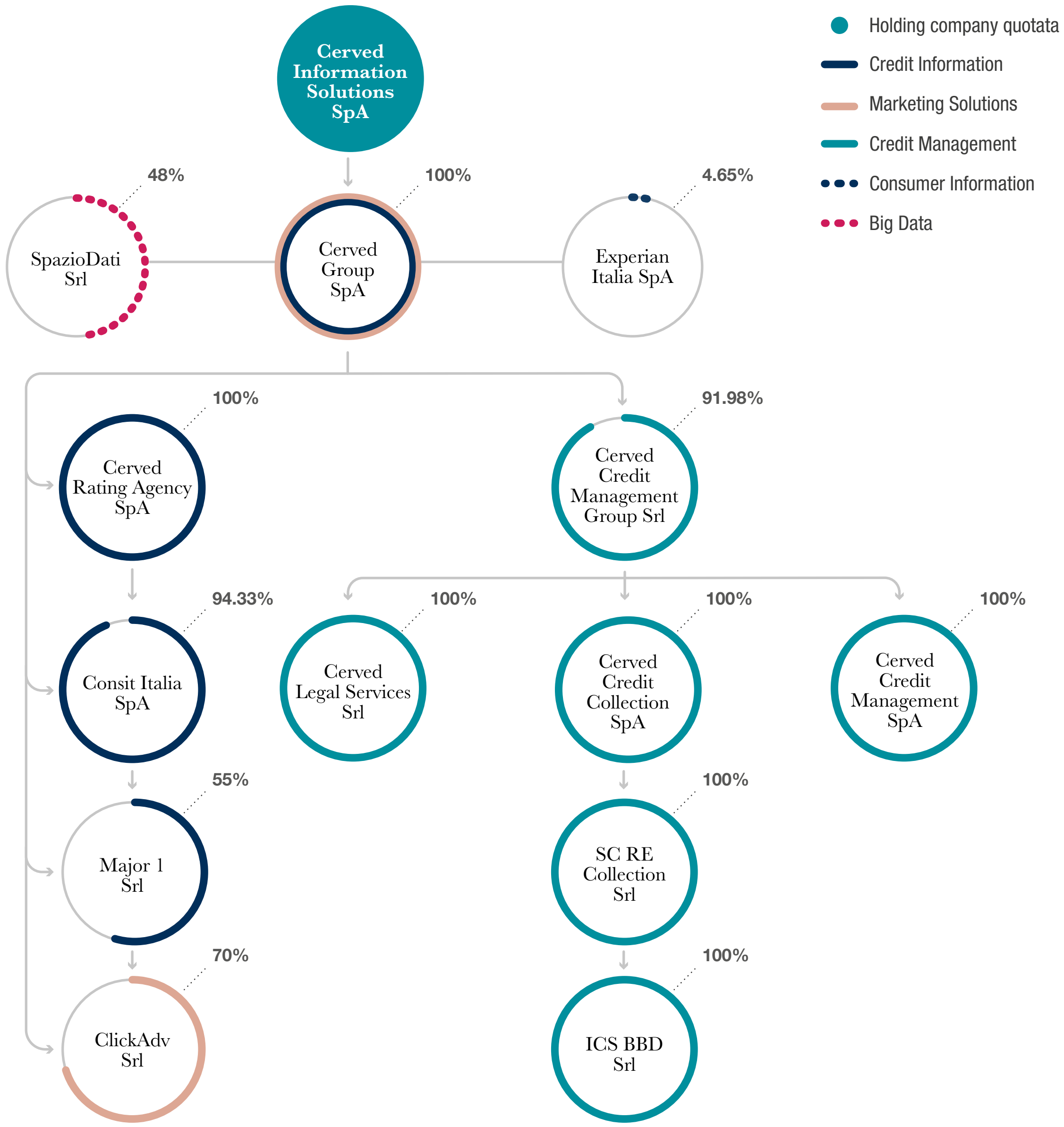
PERFORMANCE OF THE CERVED STOCK

The chart below shows the performance of the shares of the Parent Company, Cerved Information Solutions Sp.A., from the date of listing until December 31, 2016.



STRUCTURE OF THE GROUP

The diagram that follows outlines the structure of the Cerved Group at December 31, 2016.



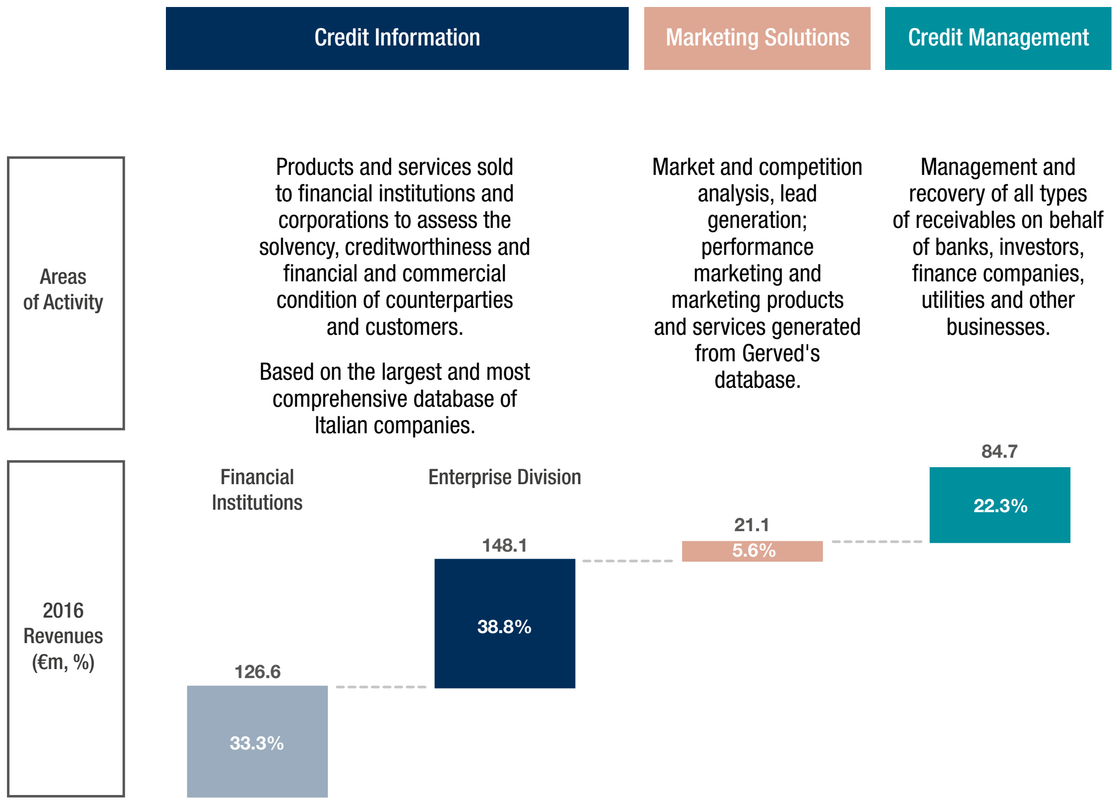
ACTIVITIES OF THE GROUP

In its configuration as an integrated operator, the Cerved Group operates in three separate areas of activity:

a) *Credit Information*

b) *Marketing Solutions*

c) *Credit Management*



a. Credit Information

Cerved is Italy's top operator in the field of Credit Information services, offering commercial, accounting, economic/financial and legal information to businesses and financial institutions. The product offering is based on four business segments (*Business Information*, *Real Estate*, *Ratings & Analytics and Consumer Information*) and enables the Group's customers to assess the reliability and credit worthiness of their customers, commercial counterparties and potential customers. The broad product range is completed by a series of integrated services that support customers during the decision making process in the financial and commercial credit area. In 2016, with the market launch of Cerved Credibility, the Company introduced a platform that enables companies to self-assess their economic and financial credibility and manage those factors that have an impact on their reputation in the market.

BUSINESS INFORMATION

The products and services of the Business Information designed to help businesses and financial institutions to assess the credit worthiness of commercial counterparties and customers. The product line ranges from single products that simply consolidate official data to complex decision-making systems in which all information sources are managed through a single platform capable of supporting customers in their decisions about financial credit worthiness (for financial institutions) or commercial credit worthiness (for businesses).

RATINGS & ANALYTICS

The *Ratings & Analytics* segment offers services to assess the credit worthiness of financial or commercial counterparties with statistical tools (scoring) or qualiquantitative methodologies (rating).
Ratings product lines aimed to allow businesses and financial institutions a deep assessment of the borrowing ability and credit worthiness of their customers or commercial counterparties, with the help of Cerved Rating Agency S.p.A. Cerved offers services known as "public" ratings. The rating is the assessment of the current and prospective credit worthiness of a company ("the rated party") which is then made available to the public. The activities required to develop "public" ratings is carried out by over 100 analysts who study and assess all available, up-to-date information about the rated party and provide their opinion about the counterparty's credit worthiness. Differently from "private" ratings, the issuance of "public" rating is regulated.
Through its Analytics product line, Cerved offers scoring models and financial risk analysis applications used by the main financial institutions. As part of its contract-based services, Cerved supplies Italy's top financial institutions with services functional to the assessment of the credit worthiness of customers of those financial institutions.

REAL ESTATE

The *Real Estate* segment offers to its customers, mainly financial institutions, a broad range of products and services that enables them to access complete information about real estate properties. In particular, Cerved's main products include:

- **Real estate ownership reports,** that can be used to verify potential guarantee consisting of a party's real estate provided as a collateral, also in connection with legal actions pursued to recover a nonperforming loan;
- **Real estate valuations,** i.e., appraisals that estimate the value of residential and commercial real estate, prepared by a network of expert appraisers and integrated into proprietary software to manage the operational flow and, on the one hand, guarantee the appraiser's independence and, on the other hand, rigorously monitor delivery time;
- **Property register information** for the assets listed in the buildings and land archives of the

Territorial Agency, so as to have in a single document a clear and exhaustive picture of the composition and actual values of a counterparty's property, providing the customers with the option of integrating an initial investigative phase with subsequent more in-depth inquiries that include expanded property report services, also for the purpose of obtaining a more objective and transparent assessment of any applications to access types of financing facilities collateralized with real estate or to quickly learn where to focus any recovery actions.

CONSUMER INFORMATION

The *Consumer Information* segment segment provides historical information about the credit worthiness of consumers who are applying for loans. These services make it possible to assess the reliability and solvency of individuals through an analysis of their past payment history. Consumer Information services are provided through the Experian Italia S.p.A. affiliate, established in April 2012.

b. Marketing Solutions

The *Marketing Solutions* Division offers a broad range of customized online products and services that enable Cerved's customers to implement the most effective commercial and marketing strategies. Specifically, Cerved makes available to its customers a variety of information and analyses that enable them to:

- find new customers and business partners by managing direct marketing campaigns, searching for new qualified customers and analyzing the territory's potential;
- know the competitors by analyzing the competitive scenario from an economic, financial and strategic standpoint or requesting sector analyses and ad hoc ratios;
- analyze target sectors by uncovering risk trends, growth projections and sector trends and identifying potentially attractive segments and markets;
- improve performance by measuring customer satisfaction and understanding customer needs through customized analyses and surveys.

Services can be delivered through online platforms, always accessible and capable of providing a simple and immediate answer on any given day, or through customized solutions and projects, with the involvement of Cerved consultants, to find the answer best suited to meet customer needs.

c. Credit Management

Cerved is one of Italy's top independent operators in the area of Credit Management, offering services to assess and manage credit positions on behalf of third parties.

More specifically, Credit Management's services for financial institutions and investors include the following activities:

- assessing nonperforming loans (Due Diligence), i.e., a quick and robust assessment of individual receivables or entire portfolios, with accurate estimates of expected recoveries and collection times; this assessment is accompanied by a complete set of information regarding individual receivables and the debtor's economic condition, for a complete and easily consultable picture;
- managing and recovering receivables through out-of-court settlements or through legal action, with recovery of low amount receivables being handled by telephone and collection campaigns, while larger receivables are entrusted to seasoned professionals; the recovery through court proceedings follows an "industrialized" approach to minimize cost, with actions targeting debtors with proven paying ability; the Credit Management companies of the Cerved Group engage in credit management and recovery activities directly and on behalf of their customers;
- managing and reselling personal property and real estate (Remarketing), offering specialized solutions

that guarantee lower handling costs and faster reselling; a distinctive range of services recognized in the market as unique and a team of experts capable of managing on the customer's behalf the processes to sell, manage or monetize assets, while also offering legal and tax support.

Credit Management services offered to businesses include the following activities:

- Credit Assessment, which can be used to assess performance and implement the appropriate credit management policies, offering sophisticated diagnostic tools that can be customized based on the size of the debtor, the industry or the territory within which it operates, so as to deliver results quickly; in addition, these services allow the segmentation of customers and make it possible to differentiate collection activities, through an analysis of the credit portfolio, and improve company performance by optimizing cash flows and operating costs;
- Outsourcing collection management, allowing to achieve lower operating costs and better performance by providing actual guided paths, selected and integrated for specific needs; from simple management of the collection process to complete outsourcing, including credit collection both in Italy and abroad;
- Recoveries through out-of-court settlements or through court proceedings, in which an out-of-court ("amicable") option of a communicational, administrative or legal nature is often best suited to resolve completely the issue in the fastest and most economic manner, avoiding legal action; however, when the "amicable" solution is not sufficient, Cerved offers a service for recovery through legal actions, which, based on documents attesting the certainty, liquidity and collectability of each credit position, makes it possible to activate the formal procedures available under current Italian laws, until the claim is fully satisfied.

CERVED'S GROWTH STRATEGY

The growth strategy pursued by Cerved is based on clear and sustainable concepts. By leveraging its strong points, Cerved intends to continue developing its business activities focusing on:

- **Innovation and differentiation:** constantly investing in innovation and in broadening its database, scoring models, assessment methods and user experience, so as to strengthen the leadership position and competitive advantage that characterizes Cerved today;
- **Organic growth:** continuing to capitalize on the acquired experience and its position as the chief operator in the Italian market to increase the number of customers, offer new products and services favoring up-selling activities, exploiting cross-selling opportunities among divisions and entering new segments;
- **Growth through acquisitions:** complementing organic growth with acquisitions and commercial partnerships, confirming the Company's impressive historic track record, both in the sectors in which Cerved is already present and in adjacent sectors;
- **"Operational excellence" initiatives:** continuing to focus on operational excellence to ensure that Cerved's operating procedures are not only efficient in terms of costs, but *also streamlined, agile and scalable*, so as to facilitate and support growth.

2. ECONOMIC CONTEXT

MACROECONOMIC CONTEXT

According to OECD estimates, global GDP should grow by 2.9% in 2016. This would be the fifth consecutive year of limited growth—about one point lower than the average rate recorded between 2004 and 2013, when global GDP was expanding at a rate of about 4%—due mainly to the sluggishness of world trade, estimated at +1.9% between 2016 and 2015.

Growth was weak in the advanced economies but more sustained in India and China, albeit at decisively slower paces than in previous years. The economies of Brazil, Russia and other raw material producers remained mired in recession.

Global GDP growth is expected to gradually accelerate in 2017 and 2018, driven by an upturn in commercial flows, the attenuation of the recession in Brazil and Russia and the improvement of the U.S. economy.

The Eurozone will continue to show low growth rates of 1.6% to 1.7% in 2017 and 2018. Thus far, Brexit's repercussions on the Eurozone have been limited, also in terms of the confidence and investment valuations of the financial markets, but some negative effects could be felt in 2017. Over the long term, the trade agreement between the United Kingdom and the EU will be of crucial importance for both economies.

(changes and percentage points)

		NOVEMBER PROJECTIONS	DIFFERENCE WITH SEPTEMBER PROJECTIONS [2]	NOVEMBER PROJECTIONS	DIFFERENCE WITH SEPTEMBER PROJECTIONS [2]	NOVEMBER PROJECTIONS
GDP GROWTH [1]	2015		2016		2017	2018
World	**3.1**	**2.9**	**0.0**	**3.3**	**0.1**	**3.6**
United States	**2.6**	**1.5**	**0.1**	**2.3**	**0.2**	**3.0**
Eurozone [3]	1.5	1.7	0.2	1.6	0.2	1.7
Germany	1.5	1.7	-0.1	1.7	0.2	1.7
France	1.2	1.2	-0.1	1.3	0.0	1.6
Italy	0.6	0.8	0.0	0.9	0.1	1.0
Japan	**0.6**	**0.8**	**0.2**	**1.0**	**0.3**	**0.8**
Canada	**1.1**	**1.2**	**0.0**	**2.1**	**0.0**	**2.3**
United Kingdom	**2.2**	**2.0**	**0.2**	**1.2**	**0.2**	**1.0**
Cina	6.9	6.7	0.2	6.4	0.2	6.1
India [4]	7.6	7.4	0,0	7.6	0.1	7.7
Brazil	-3.9	-3.4	-0.1	0.0	0.3	1.2

Source OECD, OECD Economic Outlook November 2016.
[1] Percentages, GDP at market prices adjusted for number of business days
[2] Differences in rounded percentage points
[3] With the growth in Ireland for 2015 computed using gross value added at constant prices, excluding foreign assets held by multinationals
[4] The data are for the fiscal year beginning in April

The Italian economy is expected to rebound but at a rate significantly below its growth potential and lower than those of the other advanced economies: GDP will expand by 0.8% in 2016, 0.9% in 2017 and 1% in 2018. According to ISTAT (Italy's official statistical agency), the Italian economy will benefit from an acceleration of exports (+2.7% in 2017) and investments (+2.7%). Consumption by households will also improve slightly, driven by an increase in disposable income, while constraints on government spending will continue limiting the stimulus provided to the economy by the public sector.

Employment levels should benefit from the economic recovery, with an increase in job positions estimated at 0.9% at the end of 2016 and the unemployment rate decreasing to 11.5% in 2016. This positive trend should continue in 2017, albeit at a slower pace, with job positions increasing by 0.6% and unemployment falling to 11.3%.

OUTLOOK FOR THE ITALIAN ECONOMY – GDP AND MAIN COMPONENTS

Years 2013-2017, amounts linked by demand components; percent changes over the previous year

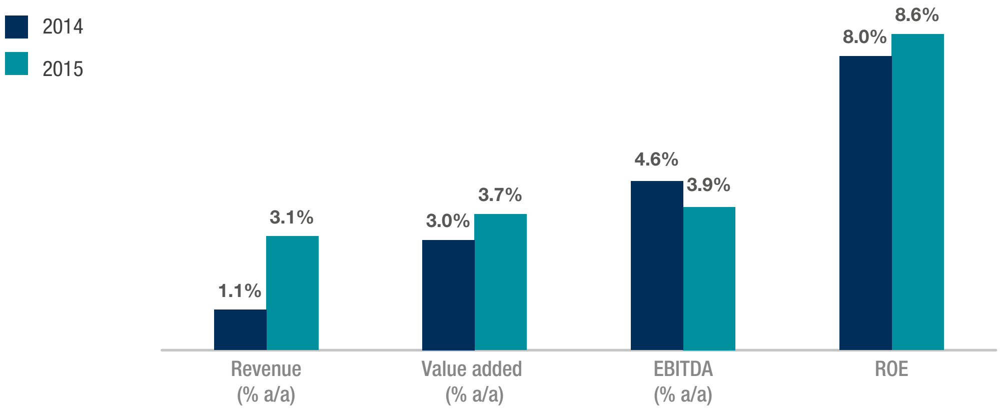
	2013	2014	2015	2016	2017
GROSS DOMESTIC PRODUCT	**-1.7**	**0.1**	**0.7**	**0.8**	**0.9**
Imports of goods and services FOB	-2.4	3.3	6.6	2.4	3.8
Exports of goods and services FOB	0.7	2.9	4.3	1.6	2.7
INTERNAL DEMAND INCLUDING INVENTORIES	**-2.6**	**0.1**	**1.1**	**1**	**1.1**
Spending by resident households & Private Social Institutions	-2.5	0.4	1.5	1.2	1.1
Spending by public administrations	-0.3	-0.9	-0.6	0.6	0.3
Gross fixed investments	-6.6	-3	1.3	2	2.7
CONTRIBUTIONS TO GDP GROWTH (*)					
Internal demand (net of inventory change)	-2.8	-0.4	1	1.2	1.1
Net external demand	0.9	0	-0.4	-0.1	-0.2
Inventory change	0.2	0.6	0.1	-0.2	-0.1
Deflator of spending by resident households	1.2	0.2	0	0	1
GDP deflator	1.2	0.9	0.6	0.9	0.8
Gross compensation per job position	1.4	0.2	0.5	0.6	0.6
Number of job positions	-2.4	0.2	0.8	0.9	0.6
Unemployment rate	12.1	12.7	11.9	11.5	11.3
Trade balance/GDP (%)	2.3	2.9	3.1	3.06	3.4

(*) The sum of the individual contribution could differ from the aggregate total and, consequently, from the change in GDP due to the rounding of numbers
Source: Istat

Insofar as businesses are concerned, our data show that in 2016 growth accelerated for Small and Midsize Enterprises (SMEs) and was extended to the industries most affected by the crisis, such as construction.
As early as 2015, the revenues of SMEs grew three times the rate of the previous year, with positive effects on value added. Gross margins increased by about 4%, with better dynamic for small enterprises compared with midsize ones. Thanks to a historically low cost of debt, the net profitability of SMEs returned to levels similar to those of 2008. The ROE increased from 8% to 8.6%, with even better results for midsize enterprises (9.3%), which closed the gap with large companies. The increase in profitability and the success of the tax incentives spurred a recovery of investments by SMEs, which still remain at historically low levels.

TRENDS IN KEY INCOME STATEMENT ITEMS FOR SMEs

expressed as year-on-year % change, except for ROE



Source: 2016 Cerved SMEs Report

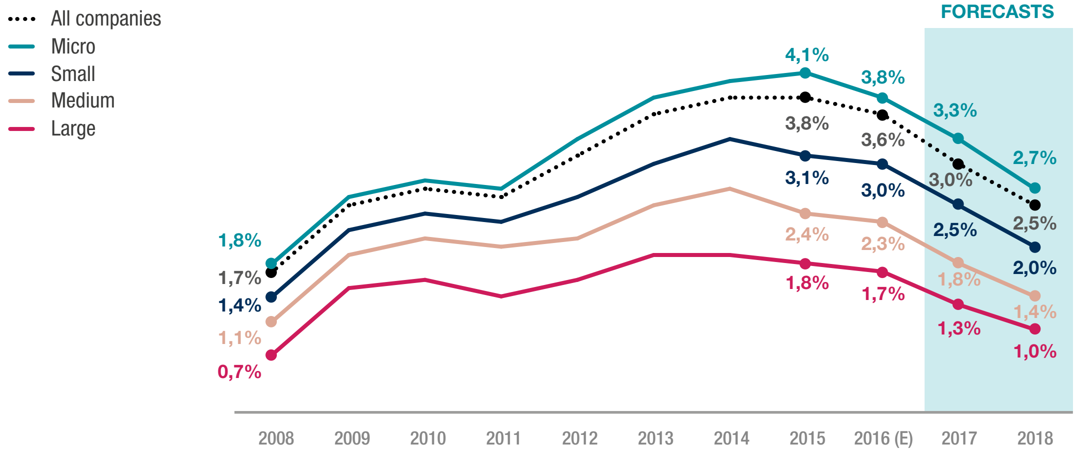
Also with regard to trade payables, the return to growth coincided with a more virtuous conduct by SMEs, who are now paying suppliers more expeditiously, with the lowest delays and collection times since 2012. Until 2015, faster payment times were the result of stricter terms imposed by suppliers; in 2016, arrears began to rise again, sign of renewed confidence among businesses.

In 2015, there was a further deleveraging by businesses, which now present stronger financial fundamentals than those before the crisis. Recent data show that the number of SMEs receiving an upgrade in our risk scoring was greater than that of those receiving a downgrade. Taken as a whole, these data show that the crisis severely tested Italy's SME system, which is emerging downsized in terms of numbers but improved in qualitative terms, thanks to a strengthening of the companies, extended to all business sizes and to all sectors, including construction.

The recovery of the Italian economy and businesses with stronger financial fundamentals will produce a gradual reduction in the rate of entry into nonperforming status, which already began in 2016. Based on forecasts that Cerved develops with ABI, the rate of entry into nonperforming status will decrease from 3.6% in 2016 to 3% in 2017, falling further to 2.5% in 2018, a level better than the one before the crisis.

FORECASTS FOR NEW BAD LOANS, BY COMPANY SIZE

estimated annual influx of bad loans, adjusted and expressed as a percentage
of total loans to non-financial companies, broken down by company size category



Source: ABI-Cerved estimates and forecasts

The reduction in the flow of new nonperforming companies is accompanied by a significant acceleration in the number of nonperforming loans removed from bank balance sheet, driven in part by a market for nonperforming loans that reached record levels in 2016. According to surveys by PWC, sales of impaired loans reached 43 billion euros in 2016, more than double than in the previous year (19 billion).
A quick removal of nonperforming loans from the balance sheets of banks could produce an increased availability of credit and, consequently, investment by businesses.

In 2015 and 2016, the Government implemented an important package of reforms specifically to favor a faster reduction of nonperforming loans on bank balance sheets.
More specifically, the provisions of Law No. 132 of August 6, 2015, which concerns urgent matters regarding composition with creditors proceedings and judicial proceedings, are aimed at shortening bankruptcy proceedings, facilitating the achievement of restructuring and temporary moratorium agreements, speeding up collection enforcement processes and procedures for personal property and real estate, and making losses on the assignment of receivables tax deductible.

In January 2016, the Italian government introduced a mechanism of public guarantees to facilitate the removal of nonperforming loans from bank balance sheets (Nonperforming Loan Securitization Guarantee). This system, through securitization, aims at reducing the gap that currently exists between the price at which banks are willing to sell their nonperforming loans and the price at which the loans are valued by potential buyers. Securitization programs consist of packaging nonperforming loans and selling them to a special purpose vehicle for each bank that will issue senior bonds (preferential collection treatment) and junior bonds (subordinated and therefore more risky). To facilitate the market placement of these bonds, the Italian Ministry of the Treasury will guarantee the senior bonds, making them safer, provided a rating agency can confirm that the risk is low.
Atlante, a private fund sponsored by the government was established in April 2016 with a capital of 5 billion euros. The purpose of this fund is to ensure that the capital increases demanded by the authorities are carried out successfully through purchases of nonperforming loans.
In May 2016, by Decree No. 59/2016, converted into Law No. 119/2016 of June 30, 2016, new mechanisms were introduced to accelerate the recovery of nonperforming loans: pledge of personal assets Marcian pact, new loan agreements and provisions for mandatory seizures. The goal is to legislate new tools to protect creditors.

3. INFORMATION ABOUT THE GROUP'S OPERATIONS

FINANCIAL HIGHLIGHTS

In addition to the organic growth of Revenues (+4.1%) and Adjusted EBITDA (+3.9%), the results also reflect the contribution of the business development strategy thanks to the completion of four acquisitions in 2016 and the continuing effects of the two acquisitions executed in 2015.

The tables and charts that follow show a condensed statement of comprehensive income at December 31, 2016 compared with the 2015 reporting years.

	December 31, 2016	%	December 31, 2015	%	Change	% change
Revenues	376,954	100.0%	353,485	99.9%	23,468	6.6%
Other income	134	0.0%	202	0.1%	(68)	(33.2%)
Total revenues and income	**377,088**	**100.0%**	**353,687**	**100.0%**	**23,401**	**6.6%**
Cost of raw material and other materials	7,412	2.0%	8,263	2.3%	(850)	(10.3%)
Cost of services	84,871	22.5%	78,863	22.3%	6,008	7.6%
Personnel costs	91,713	24.3%	81,548	23.1%	10,165	12.5%
Other operating costs	8,606	2.3%	8,503	2.4%	103	1.2%
Impairment of receivables and other accruals	4,459	1.2%	5,717	1.6%	(1,258)	(22.0%)
Total operating costs	**197,061**	**52.3%**	**182,894**	**51.7%**	**14,167**	**7.7%**
Adjusted EBITDA	**180,027**	**47.7%**	**170,793**	**48.3%**	**9,234**	**5.4%**
Performance Share Plan	680	0.2%		0.0%	680	0.0%
EBITDA	179,347	47.6%	170,793	48.3%	8,554	5.0%
Depreciation and amortization	78,027	20.7%	74,241	21.0%	3,786	5.1%
Operating profit before nonrecurring items	**101.320**	**26.9%**	**96,552**	**27.3%**	**4,769**	**4.9%**
Nonrecurring items	6,541	1.7%	3,774	1.1%	2,767	73.3%
Operating profit	**94,779**	**25.1%**	**92,778**	**26.2%**	**2,001**	**2.2%**
Financial income	751	0.2%	1,119	0.3%	(368)	(32.9%)
Financial charges	(19,539)	(5.2%)	(43,175)	(12.2%)	23,636	(54.7%)
Nonrecurring financial (income)/charges	(489)	(0.1%)	(52,439)	(14.8%)	51,950	(99.1%)
Income tax expense	(22,387)	(5.9%)	(6,146)	(1.7%)	(16,241)	264.3%
Nonrecurring tax expense	(4,450)	(1.2%)	11,487	3.2%	(15,937)	(138.7%)
Net profit	**48,665**	**12.9%**	**3,624**	**1.0%**	**45,042**	**1243.0%**

[1)] EBITDA correspond to the operating profit before depreciation and amortization and nonrecurring charges/(income). EBITDA are not designated as an accounting measurement tool in the IFRS and, consequently, must be treated as an alternative gauge to assess the Group's performance at the operating level. Because the composition of EBITDA is not governed by the reference accounting principles, the computation criterion applied by the Group could be different from those adopted by other parties and, consequently, not comparable.

[2)] Nonrecurring components at December 31, 2016 included service costs of 1,589 thousand euros and personnel costs of 4,952 thousand euros. At December 31, 2015, nonrecurring income and charges included income of 512 thousand euros, service costs of 1,055 thousand euros, personnel costs of 3,453 thousand euros and a reversal from the provision for risks and charges of 222 thousand euros.

The table that follows shows a breakdown of the items included in adjusted net profit, which is used to represent the Group's operating performance, net of nonrecurring and non-core items. This indicator reflects the Group's economic results, net of nonrecurring items and factors that are not closely related its core business activities and performance, thereby allowing an analysis of the Group's performance based on more homogeneous data for the two periods that are being represented.

(In thousands of euros)

			AGGREGATED
	2016	2015	2014
Net profit	**48,665**	**3,623**	**11,996**
Nonrecurring items	6,541	3,774	4,492
Amortization of gains allocated to the Business Combination	47,384	45,786	42,877
Financing fees- amortized cost	*2,157*	*2,856*	*3,370*
Nonrecurring financial charges	489	52,439	11,090
Tax effect	(17,731)	(28,448)	(18,850)
Adjusted net profit	**87,505**	**80,030**	**54,975**
Nonrecurring taxes	4,450	(11,487)	-
Normalized net adjusted result	**91,955**	**68,543**	**54,975**
Adjusted net profit attributable to non-controlling interests	1,867	2,513	1,408
Adjusted net profit attributable to owners of the parent	**90,088**	**66,030**	**53,567**
Adjusted net profit attributable to owners of the parent % / Revenues	**23.9%**	**18.7%**	**16.2%**
Adjusted net profit per share	**0.47**	**0.35**	**0.28**

The adjusted net profit represents the net profit at December 31, 2016, net of:

(i) nonrecurring costs mainly for early retirement incentives, costs for services related to incidental charges for new acquisitions and nonrecurring taxes;

(ii) amortization of intangible assets recognized in connection with business combinations carried out during the reporting periods;

(iii) financial charges incurred in connection with the signing of the new Forward Start loan agreement and recognized in the income statement by the amortized cost method;

(iv) nonrecurring financial charges that include the remaining balance of the up-front fees related to an earlier bond issue redeemed ahead of schedule in January 2016, for a total of 1,448 thousand euros, net of a gain of 959 thousand euros generated by the release from the liability previously recognized in connection with an option contract for the equity of the Cerved Credit Management Group S.r.l. subsidiary executed with the minority shareholders that expired in 2016 without having been exercised;

(v) the tax effect of the items described above;

(vi) nonrecurring taxes related to tax disputes of previous years.

The table that follows shows the Revenues and EBITDA of the business segments:

(In thousands of euros)

	PERIOD FROM JANUARY 1 TO DECEMBER 31, 2016				PERIOD FROM JANUARY 1 TO DECEMBER 31, 2015			
	Credit Information	Marketing Solutions	Credit Management	Totale	Credit Information	Marketing Solutions	Credit Management	Totale
Revenues by segment	274,712	21,123	84,733	380.568	267,112	13,833	74,991	355,936
Inter-segment revenues	(1,841)	(9)	(1,764)	(3,614)	(1,330)	0	(1,121)	(2,451)
Total revenues from outsiders	**272,871**	**21,114**	**82,969**	**376,954**	**265,782**	**13,833**	**73,870**	**353,485**
EBITDA	**146,891**	**8,161**	**24,295**	**179,347**	**145,390**	**5,912**	**19,490**	**170,793**
EBITDA%	*53.8%*	*38.7%*	*29.3%*	*47,6%*	*54.7%*	*42.7%*	*26.4%*	*48.3%*
Nonrecurring components				(6,541)				(3,774)
Depreciation and amortization				(78,027)				(74,241)
Operating profit				**94,779**				**92,778**
Pro rata interest in the result of associates valued by the equity method				(323)				(177)
Financial income				677				1,119
Financial charges				(19.143)				(42,999)
Nonrecurring financial income/(charges)				(489)				(52,439)
Profit before income taxes				**75,502**				**(1,718)**
Income taxes				(26,837)				5,341
Net profit				**48,665**				**3,623**

REVIEW OF OPERATING PERFORMANCE IN THE PERIOD ENDED DECEMBER 31, 2016

Revenues and income grew from 353,687 thousand euros in 2015 to 377,088 thousand euros in 2016, for a gain of 23,401 thousand euros, or 6.6%. Without counting acquisitions, the increase is 4.1%.

This increase reflects the different dynamics that characterized the various business segments during the reporting period, as described below.

Credit Information

The revenues from external customers of the Credit Information segment grew from 265,782 thousand euros in 2015 to 272,871 thousand euros in 2016, for an increase of 7,089 thousand euros in absolute terms (+2.7%).

Within the Credit Information business segment:

- the Enterprise Division ended the year showing an overall growth of 4.5% compared with December 31, 2015 continuing on an evolving path based on growing and consolidating its customer base, while developing new opportunities through the offering of new services, such as "Cerved Credibility";
- a portion of the increase in revenues for 548 thousand eurosis related to the contribution of the business information activities of Fox & Parker S.r.l., acquired at the end of August 2016 with the aim of broadening the range of services offered in the Business Information area, and for 101 thousand euros to the acquisition of Major 1 S.r.l., a company specialized in the development and sales of credit management and monitoring software;

- the Financial Institution Division grew by 1% compared with December 31, 2015, despite the complex dynamics that currently characterize the Italian banking sector, which caused a slight contraction in the Business Information area, the effect of which was more than offset by a positive performance in the Real Estate Appraisals and Rating sectors.

Marketing Solutions

The revenues from external customers of the Marketing Solutions segment rose from 13,833 thousand euros in 2015 to 21,114 thousand euros in 2016, gaining 52.6%.

This result reflects the effect of the reorganization of the sales force and of the synergies generated by cross selling activities carried out jointly with the Enterprise Division of the Credit Information segment.

The segment's revenues were also boosted by a further 6,333 thousand euros, representing the prorated contribution provided by ClickAdv S.r.l., a company acquired in April 2016 with the goal of complementing the value proposition of the range of services in the Marketing Solutions segment.

Credit Management

The revenues from external customers of the Credit Management segment grew from 73,870 thousand euros in 2015 to 82,969 thousand euros in 2016, for an increase of 9,099 thousand euros (+12.3%).

The Credit Management area benefited from organic growth in all of its three segments (out-of-court credit collection, legal activities and remarketing), thanks to the acquisition of new portfolio management contracts, mainly in the Nonperforming Loan (NPLs) Division.

The revenue increase reported by this segment also reflects, for 766 thousand euros, the effects of the acquisition of the "Injunctions and Collections" business operations of the Italian branch of BHW Bausparkassen AG, effective as of April 1, 2016.

The increase in the portfolios under management continued in 2016, rising from 12.5 billion euros to 13.3 billion euros, and this positive trend is expected to continue given the current dynamics of nonperforming bank loans and the actions that banks are launching: divestments of loan portfolio, spinning off business operations as part of the management of legal disputes, outsourcing the management of certain types of credits or parts of the collection process.

On the other hand, the Enterprise Division reported lower revenues compared with the year ended December 31, 2015; however, this Division is beginning to feel the benefit of several projects launched to streamline costs and improve processes by exploiting synergies with the sales network of Cerved Group's Corporate Division.

EBITDA Performance

Adjusted EBITDA improved from 170,793 thousand euros in 2015 to 180,027 thousand euros in 2016, for an increase of 5.4% compared with 2015. On an organic basis, the gain was 3.9%.

Adjusted EBITDA were equal to 47.6% of revenues, compared with 48.3% the previous year, due mainly to the growth of the Credit Management and Marketing Solutions segment, which is less profitable than other segments, due to the fact that its operating activities are characterized by a high incidence of labor costs.

Operating costs grew from 182,894 thousand euros in 2015 to 197,061 thousand euros in 2016, for an increase of 14,167 thousand euros, or 7.7%, as described below:

- The cost of raw materials and other materials decreased by 851 thousand euros, falling from 8,263 thousand euros in 2015 to 7,412 thousand euros in 2016. This increase mainly reflects the trend in the cost of sales for the remarketing activities carried out by the Cerved Credit Management Group S.r.l. subsidiary through its Markagain Division.
- Cost of services increased by 6,008 thousand euros (+7.6%), rising from 78,863 thousand euros in 2015 to 84,871 thousand euros in 2016, despite a further reduction in the cost of IT services, which decreased from 28,133 thousand euros at December 31, 2015 to 27,468 thousand euros at December 31, 2016 thanks to organizational programs implemented to increase efficiency. The increase in cost of services is thus mainly the result of growth in the Credit Management segment.
- Personnel costs grew by 10,165 thousand euros (+12.4%), up from 81,548 thousand euros in 2015 to 91,713 thousand euros in 2016. This increase reflects primarily the impact of higher labor costs resulting from the following factors:
    - the full effect of the consolidation for 12 months of San Giacomo Gestione Crediti S.p.A. (a company acquired on April 1, 2015) and the effects of the acquisitions of ClickAdv S.r.l., Major 1 S.r.l. and the business operations of Fox & Parker S.r.l. effective as of April 1, 2016, August 1, 2016 and August 31, 2016, respectively;
    - the ongoing effect of the additional staff hired the previous year;
    - the impact of additional employees hired in 2016.
- Other operating costs increased by 103 thousand euros, rising from 8,503 thousand euros in 2015 to 8,606 thousand euros in 2016.
- Accruals to the provisions for risks and impairment of receivables decreased by 1,258 thousand euros, contracting from 5,717 thousand euros in 2015 to 4,459 thousand euros in 2016, due to the effects of improved business conditions and assertive actions to enforce compliance with sales terms.
- Depreciation and amortization rose by 3,786 thousand euros, up from 74,241 thousand euros in 2015 to 78,027 thousand euros in 2016. This increase reflects:
    - the amortization of the value of the service contract recognized in April 2015 as part of the Purchase Price Allocation for the San Giacomo Gestione Crediti S.p.A. acquisition, which amounted to 2.904 thousand euros at December 31, 2016 compared with 2,176 thousand euros at December 31, 2015;
    - the effects of the amortization of the intangibles recognized by virtue of the Purchase Price Allocation process for the ClickAdv S.r.l. acquisition, amounting to 873 thousand euros at December 31, 2016;
    - higher amortization of software development costs, up from 10,357 thousand euros at December 31, 2015 to 11,563 thousand euros at December 31, 2016;

  Please note that the amortization of capitalized database costs, totaling 11,622 thousand euros at December 31, 2016 (11,425 thousand euros at December 31, 2015) was basically in line with the capitalization amounts (11,601 thousand euros at December 31, 2016 compared with 11,737 thousand euros at December 31, 2015).

The cost recognized in 2016 for the award of rights under the **2019-2021 Performance Share Plan** (the "Plan") totaled 680 thousand euros (see Section 8 for additional details).

Nonrecurring components increased by 2,767 thousand euros, rising from 3,774 thousand euros in 2015 to 6,541 thousand euros in 2016, mainly due to the following factors:

- 3,170 thousand euros for staff downsizing incentives provided to some employees in connection with the integration of Group companies;
- the indemnity paid to employees of Cerved Credit Collection S.p.A. (formerly Finservice S.p.A.) upon the closing of the long-term unemployment benefits procedure, for a total amount of 782 thousand euros;
- an indemnity of 1,000 thousand euros awarded to the previous CEO Gianandrea De Bernardis under a three-year non-compete agreement, paid in a lump sum in May 2016;
- 1,589 thousand euros for service costs incurred by the Group in connection with recent acquisitions completed during the reporting period and other nonrecurring charges.

Financial income, which decreased by 368 thousand euros, contracting from 1,119 thousand euros in 2015 to 751 thousand euros in 2016, consists mainly of dividends from companies that are neither subsidiaries nor affiliates, amounting to 379 thousand euros.

Recurring Financial charges decreased by 23,636 thousand euros, down from 43,175 thousand euros in 2015 to 19,539 thousand euros in 2016,mainly due to a reduction in the average interest rate paid on debt, which contracted from 7.1% on the bond issue in 2015 to 2.4% on the new "Forward Start" facility received in January 2016, with a benefit of 23,205 thousand euros in lower financial charges for 2016.

Nonrecurring financial charges amounting to 489 thousand euros, include:
- 1,448 thousand euros for to the recognition in the reporting period of the remaining financial charges incurred in connection with the placement of the bond issue and reflected in the income statement by the amortized cost method;
- 959 thousand euros in financial income resulting from the reversal of the remaining value of the option rights granted to minority shareholders of Cerved Credit Management Group S.r.l., due to the fact that the corresponding agreement was cancelled and replaced with a new shareholders' agreement.

Income taxes for the year increased by 16,241 thousand euros, up from 6,146 thousand euros at December 31, 2015 to 22,387 thousand euros at December 31, 2016, due mainly to the effect of a higher income before taxes.

Nonrecurring income taxes for the year, which amounted to 4,450 thousand euros at December 31, 2016, reflect primarily the effects of the closure of a tax dispute concerning the notices of assessments issued based on the findings of a tax audit report dated April 2, 2012, concerning primarily a leveraged buyout transaction executed in 2009.

In its Circular No. 6/E of March 30, 2016, concerning LBO transactions, the Internal Revenue Agency, confirmed the full deductibility of interest paid on the debt incurred for the acquisition but raised some tax issues regarding the abovementioned transactions. In the case at bar, the adoption of these principles gave rise to additional tax charges, for a total amount of 4,289 thousand euros, including taxes, penalties and interest, which was paid in full on November 28, 2016.

The 2009 notices of assessment were voided by Decision No. 6062/41/2016 handed down on July 6, 2016. The Internal Revenue Agency – Lombardy Regional Office – Major Taxpayers Department, challenges this decision limited to a minor assessment regarding dividends, with regard to which a settlement was reached with the concurrent payment of the corresponding taxes, penalties and interest, totaling 275 thousand euros on December 16, 2016.

With regard to the challenges filed against the 2010 notices of assessment, on January 13, 2017, the Internal Revenues Agency – Milan DRE joined the proceedings asking for a ruling of dismissal.

STATEMENT OF FINANCIAL POSITION OF THE CERVED GROUP

The schedule below shows a statement of financial position at December 31, 2016, 2015 and 2014 reclassified by "Sources and Uses."

(In thousands of euros)	December 31, 2016	December 31, 2015	December 31, 2014
Uses			
Net working capital	17,760	13,120	5,722
Non-current assets	1,184,663	1,203,140	1,223,365
Non-current liabilities	(135,066)	(110,622)	(136,361)
Net invested capital	**1,067,357**	**1,105,638**	**1,092,726**
Sources			
Shareholders' equity	543,934	568,798	605,130
Net financial debt	523,423	536,840	487,596
Total financing sources	**1,067,357**	**1,105,638**	**1,092,726**

The table that follows shows a breakdown of net working capital at December 31, 2016, 2015 and 2014.

(In thousands of euros)	At December 31, 2016	At December 31, 2015	At December 31, 2014
Net working capital			
Inventory	1,732	1,974	733
Trade receivables	154,930	139,807	145,274
Trade payables	(38,528)	(29,955)	(32,356)
Liability for deferred income, net of selling costs	(77,260)	(74,043)	(73,259)
Net commercial working capital (A)	**40,875**	**37,784**	**40,392**
Other current receivables	7,740	7.602	7,086
Net current tax payables	295	(1,019)	(18,782)
Other current liabilities net of "Liability for deferred income"	(31,150)	(31,247)	(22,974)
Other net working capital components (B)	**(23,115)**	**(24,664)**	**(34,670)**
Net working capital (A + B)	**17,760**	**13,120**	**5,722**

At December 31, 2016 net working capital totaled 17,760 thousand euros. The changes that occurred in the main components of net working capital are reviewed below, together with a comparison with the statement of position data at December 31, 2015:

- trade receivables grew from 139,807 thousand euros at December 31, 2015 to 154,930 thousand euros at December 31, 2016, for a gain of 15,123 thousand euros; this increase reflects primarily the development of the Credit Management segment and the significant revenues growth recorded in the last quarter of the year;
- trade payables rose from 29,955 thousand euros at December 31, 2015 to 38,528 thousand euros at December 31, 2016; higher operating costs and the amounts payable to suppliers for the investments

for the new headquarters account for the increase of 8,573 thousand euros;
- liabilities for deferred income, net of the corresponding selling costs, which refer to services invoiced but not yet provided to customers, increased by 3,217 thousand euros as a result of the growth trend in the consumption of prepaid services invoiced in the previous year.

The main components of Non-current assets, which totaled 1,184,663 thousand euros at December 31, 2016, include goodwill and other intangible assets.
Intangible assets consist mainly of the value assigned to Customer Relationships and to the Database of economic information. Additions for the year mainly concern projects to develop new products and acquisitions of databases.

For the year ending December 31, 2016, Goodwill refers primarily to the surplus generated upon the acquisition of Cerved Holding S.p.A. by Cerved Technologies S.p.A. in February 2013, with the acquisitions completed in subsequent years accounting for the balance.

In 2016, the Group's net investments in property, plant and equipment and intangibles totaled 38,294 thousand euros, including 12,385 thousand euros for data and 4,800 thousand euros for infrastructures and furnishings for the new headquarters, with activities to develop software and computational algorithms accounting for most of the balance.

Non-current liabilities mainly refer to deferred tax liabilities deriving from temporary differences between the value attributed to an asset or liability in the financial statements and the value attributed to the same asset or liability for tax purposes. On the reporting date, deferred taxes mainly included the tax liabilities recognized on the value of Customer Relationships.

NET FINANCIAL DEBT OF THE CERVED GROUP

The table that follows shows a breakdown of the Group's net financial debt December 31, 2016, 2015 and 2014.

(In thousands of euros)	December 31, 2016	December 31, 2015	December 31, 2014
A. Cash	16	18	24
B. Other liquid assets	48,523	50,715	46,044
C. Securities held for trading	-	-	-
D. Liquidity (A)+(B)+(C)	**48,539**	**50,733**	**46,068**
E. Current loans receivable	-	-	-
F. Current bank debt	(225)	(742)	(1,875)
G. Current portion of non-current borrowings	(11,433)	(569,316)	(14,609)
H. Other current financial debt	(2,581)	(1,515)	(1,270)
I. Current financial debt (F)+(G)+(H)	**(14,239)**	**(571,572)**	**(17,754)**
J. Net current financial debt (D)+(E)+(I)	**34,300**	**(520,840)**	**28,314**
K. Non-current bank debt	(556,779)	(16,000)	(163)
L. Bonds outstanding	-	-	(515,231)
M. Other non-current financial debt	(944)	-	(515)
N. Non-current financial debt (K)+(L)+(M)	**(557,723)**	**(16,000)**	**(515,909)**
O. Net financial debt (J)+(N)	**(523,423)**	**(536,840)**	**(487,596)**

At December 31, 2016, the Group's Net financial debt totaled 523,423 thousand euros, compared with 536,840 thousand euros at December 31, 2015.

The ratio of net financial debt to EBITDA contracted from 3.1x at December 31, 2015 to 2.9x at December 31, 2016, despite an outlay of about 35 million euros related to the Forward Start facility, the payment of about 45 million euros in dividends and investments in acquisitions completed in 2016 for about 28 million euros. For a detailed description of the composition of net financial debt, please see the corresponding Note to the financial statements.

INCOME STATEMENT AND FINANCIAL POSITION DATA OF THE GROUP'S PARENT COMPANY

The tables that follow show the highlight of the statement of financial position and income statement of Cerved Information Solutions S.p.A., the Group's Parent Company.

STATEMENT OF FINANCIAL POSITION CERVED INFORMATION SOLUTIONS S.P.A.

(In thousands of euros)	At December 31, 2016	At December 31, 2015
Net invested capital		
Net working capital	(933)	246
Non-current assets	584,254	584,283
Non-current liabilities	(384)	(353)
Total net invested capital	**582,937**	**584,176**
Funding sources		
Shareholders' equity	584,647	586,356
Net financial debt	(1,710)	(2,180)
Total funding sources	**582,937**	**584,176**

CONDENSED INCOME STATEMENT CERVED INFORMATION SOLUTIONS S.P.A.

(In thousands of euros)	Year ended December 31, 2016	Year ended December 31, 2015
Total revenues and income	**3,092**	**2,804**
Raw materials and other costs	9	4
Cost of services	990	882
Personnel costs	4,963	3,728
Other operating costs	406	516
Depreciation and amortization	82	45
Operating profit	**(3,358)**	**(2,370)**
Financial income/(charges) and other expenses, net	44,982	40,239
Result before taxes	**41,624**	**37,869**
Income taxes	893	451
Result for the period	**42,516**	**38,320**

4. TRANSACTIONS WITH RELATED PARTIES

As required by the provisions of the Regulation governing related-party transactions adopted by the Consob with Resolution No. 17221 of March 12, 2010, as amended, Cerved Information Solutions S.p.A. adopted a procedure that governs related-party transactions (the "Related-party Procedure").

This procedure, the purpose of which is to ensure the transparency and substantive and procedural fairness of the transactions executed with related parties, has been published on the "Governance" page of the Company website: *company.cerved.com*.

Transactions with related parties were executed by the Company in the regular course of business on standard market terms.

The table that follows summarizes the transactions executed with related parties:

RELATED PARTIES – STATEMENT OF FINANCIAL POSITION DATA

(In thousands of euros)

	AFFILIATED COMPANIES							
	Experian Italia S.p.A.	Spazio Dati S.r.l.	Board of Directors and executives with strategic responsibilities	Shareholders of Spazio Dati	Other related parties	Total	Total financial statement item	% of financial statement item
Trade receivables								
At December 31, 2015	250	-	-	-	-	250	139,807	0.2%
At December 31, 2016	165					165	154,930	0.1%
Other non-current financial assets								
At December 31, 2015	-	-	-	-	-	-	3,364	0.0%
At December 31, 2016	-	-	-	-	-	-	3,323	0.0%
Other receivables								
At December 31, 2015	16	-	-	-	-	16	4,472	0.4%
At December 31, 2016	18					18	5,070	0.3%
Trade payables								
At December 31, 2015	(12)	(37)	-	-	-	(48)	(29,955)	0.2%
At December 31, 2016	(83)	(601)				(684)	(38,528)	2.0%
Other payables								
At December 31, 2015	-	-	(7,948)	-	-	(7,948)	(112,389)	7.1%
At December 31, 2016	-	-	(4,291)[1]	-	-	(4,291)	(115,958)	3.7%
Other non-current liabilities								
At December 31, 2015	-	-	-	-	-	-	(959)	0.0%
At December 31, 2016	-	-	(11,627)[2]	-	-	(11,627)	(22,763)	51.1%

[1)] *Includes the short-term portion, amounting to 2.707 thousand euros of the value of the put option held by the Director Andrea Mignanelli.*

[2)] *Includes the long-term portion, amounting to 11.627 thousand euros of the value of the put option held by the Director Andrea Mignanelli.*

Commercial transactions with Experian Italia S.p.A. and Spazio Dati S.r.l. involve purchases and sales of services on standard market terms.

RELATED PARTIES – INCOME STATEMENT DATA

(In thousands of euros)

	AFFILIATED COMPANIES							
	Experian Cerved Information Service S.p.A.	Spazio Dati S.r.l.	Board of Directors and executives with strategic responsibilities	Shareholders of Spazio Dati	Other related parties	Total	Total financial statement item	% of financial statement item
2015 reporting year								
Revenues	346	300	-	-	-	646	353,485	0.2%
Pro rata interest in the result of companies valued by the equity method	71	(248)	-	-	-	(177)	(177)	100.0%
Cost of services	(238)	-	-	-	(78)	(316)	(79,918)	0.4%
Personnel costs	-	-	(4,648)	-	-	(4,648)	(85,005)	5.5%
Financial income	-	-	12	-	-	12	1.119	1.1%
Financial charges	-	-	(5,691)	-	-	(5,691)	(95,438)	6.0%
2016 reporting year								
Revenues	445	300	-	-	-	745	376,954	0.2%
Pro rata interest in the result of companies valued by the equity method	74	(397)	-	-	-	(323)	(323)	100.0%
Cost of services	(428)	(134)	-	-	(172)	(733)	(86,460)	0.8%
Personnel costs	-	-	(5,397)	-	-	(5,397)	(97,345)	5.4%

RELATED PARTIES – CASH FLOW DATA

(In thousands of euros)

	AFFILIATED COMPANIES							
	Experian Italia S.p.A.	Spazio Dati S.r.l.	Board of Directors and executives with strategic responsibilities	Shareholders of Spazio Dati	Other related parties	Total	Total financial statement item	% of financial statement item
2015 reporting year								
Cash flow from operating activities	(1)	337	(4,551)	-	(78)	(4,294)	123,933	(3.5%)
Cash flow from investing activities	71	(1,548)	897	-	-	(580)	(52,636)	1.1%
Cash flow from financing activities	-	-	669	-	-	669	(66,632)	(1.0%)

(In thousands of euros)

	AFFILIATED COMPANIES							
	Experian Italia S.p.A.	Spazio Dati S.r.l.	Board of Directors and executives with strategic responsibilities	Shareholders of Spazio Dati	Other related parties	Total	Total financial statement item	% of financial statement item
2016 reporting year								
Cash flow from operating activities	172	714	(3,870)	-	(172)	(3,155)	146,514	(2.2%)
Cash flow from investing activities	74	(1,230)	(6,588)	-	-	(7,744)	(65,413)	11.8%
Cash flow from financing activities	-	-	-	-	-	-	(83,295)	0.0%

TOP MANAGEMENT

Transactions with Top Management refer to the fees for the Directors of the Parent Company and to the compensation of executives with strategic responsibilities. A breakdown at December 31, 2016 is as follows:

(In thousands of euros)	Wages and salaries and social security contributions	Severance indemnity	Total
Directors' fees	1,641	1,000	2,641
Other executives with strategic responsibilities	2,756	-	2,756
Total	4,397	1,000	5,397

5. SIGNIFICANT EVENTS DURING THE YEAR

On **January 15, 2016**, Cerved Group finalized a transaction to refinance its debt by means of two facilities totaling 560 million euros (in addition to a revolving line of 100 million euros), with a significant benefit for the Group in terms of lower financial charges in the coming years.

On **January 22, 2016,** Cerved Group and Experian Italia finalized all of the activities necessary to broaden their collaborative relationship and strengthen the strategic partnership that began in 2012. Further to this agreement, the interest held by Cerved Group in Experian Italia S.p.A. (formerly Experian Cerved Information Services) decreased to 4.65%.

On **January 26, 2016**, the Group completed the acquisition from minority shareholders of an additional 11% interest in the equity capital of Cerved Credit Management Group S.r.l. further to the exercise of a put option by the minority shareholders on October 16, 2015. As a result, the controlling interest held by Cerved Group in Cerved Credit Management Group S.r.l. increased from 80% to 91%.

On **March 31, 2016**, the Cerved Group subsidiary underwrote an additional capital increase carried out by Spazio Dati S.r.l. for the amount of 833 thousand euros. As a result, the interest held in Spazio Dati S.r.l. increased from 42.65% at December 31, 2015 to 49.99% at June 30, 2016. This transaction is part of a broader revision of the investment agreement executed in March 2014 with the founding Spazio Dati S.r.l. partners, implemented with the aim of broadening the scope of the collaboration between this company and the Cerved Group.

On **March 31, 2016**, but with effect as of April 1, 2016, the Cerved Credit Management S.p.A. subsidiary signed an agreement to develop a long-term industrial partnership for the management of nonperforming loans originated by the Italian branch of BHW Bausparkassen AG (Deutsche Bank AG Group), based in Bolzano, which included the acquisition of the bank's "injunctions and collection enforcement" business operations for 75 thousand euros.

On **April 12, 2016**, the Company finalized the acquisition of the remaining interests held by the minority shareholders of Recus S.p.A. for a total amount of 923 thousand euros. The transaction closed with the payment of a final price adjustment on June 17, 2016.

On **April 13, 2016**, through its Cerved Group subsidiary, the Cerved Group acquired a 70% interest in ClickAdv S.r.l., a company active in the digital advertising sector that offers to its customers performance marketing solutions supported by PayClick-branded proprietary technologies. This transaction was executed with the aim of strengthening and rounding out the range of services offered in the Marketing Solutions segment. The transaction's consideration, which was stipulated at 14.1 million euros, was financed by utilizing the revolving credit line available to Cerved Group.

On **April 15, 2016**, the Group activated the procedure for long-term unemployment benefits pursuant to Articles 4 and 24 of Law No. 223/91 in connection with the layoff of 21 employees of the Finservice S.p.A. subsidiary who were deemed to be structurally redundant based on the company's organizational needs. In this regard, the Company initiated contacts with the labor unions regarding the management of the abovementioned redundancies, which included a meeting held at the Ministry of Labor on June 28, 2016, as a result of which the procedure was officially closed, as the parties reached an agreement calling for:

- reassignment of 6 employees within the Group;

- transformation of 4 contracts into 75% part-time employment;
- termination of 12 employees, who received, in addition to the benefits vested as of the termination date, an incentive as income support.

In view of the outcome of this procedure, Finservice S.p.A. recognized a cost of 753 thousand euros that was paid in July 2016.

On **April 26, 2016**, the framework agreement with the supplier Infocamere was renewed on terms substantially in line with those of previous agreements.

On **April 29, 2016**, the Ordinary Shareholders' Meeting reviewed and approved the statutory financial statements at December 31, 2015 and, on the same occasion, resolved to distribute:

- an "ordinary" dividend of 38,220,000 euros, equal to 0.196 euros per common share;
- an "extraordinary" dividend of 6,630,000 euros, equal to 0.034 euros per common share, drawn from the Additional paid-in capital account;
- for a total dividend of 44,850,000 euros, equal to 0.23 euros per share, which was paid out on May 11, 2016.

On **April 29, 2016**, further to the resignation of the Company's Board of Directors, handed in January 2016 but effective as of the date of the next Shareholders' Meeting, a new Board of Directors was elected. Within the framework of the new governance body, the Board of Directors, meeting on May 3, 2016, elected Fabio Cerchiai Chairman, Gianandrea De Bernardis Executive Deputy Chairman and Marco Nespolo Chief Executive Officer.

On **May 16, 2016** Fitch Ratings assigned to Cerved Credit Management S.p.A. (CCM) the ratings RSS1- and CSS1- as Italian Residential and Commercial Mortgage Special Servicer, respectively. The ratings assigned by Fitch Ratings certify the quality of quality of the business, specifically with regard to the broad range of management strategies, the strength of the technological solution and the conservative risk management approach, which enables CCM to manage receivables totaling about 13.3 billion euros at December 31, 2016. The Level 1 Servicer Ratings reflect the highest servicing standards and the RSS1- and CSS1- ratings obtained by CCM are at the level of the highest ratings assigned by Fitch Ratings in Europe.

On **May 26, 2016**, the Group entered into Interest Rate Swap (IRS) agreements with five top-rated banks, for a notional amount of 400 million euros, to hedge the interest rate risk on the Term Financing Facility B, with a fixed interest rate of 0.4% and floor at zero. These IRS contracts are effective as of January 16, 2017 with a duration of five years.

On **June 8, 2016**, Cerved Credit Management Group S.r.l. (CCMG) received from the securitization vehicle Towers Consumer a mandate to manage a portfolio of current consumer receivables assigned by Accedo S.p.A., a consumer credit company entirely owned by the Intesa Sanpaolo Group. CCMG will handle operational customer management activities over the entire life cycle of the receivables for a total of about 400,000 contracts valued in total at 1 billion euros.

On **June 10, 2016**, the deed of conveyance of the entire interest held by Finservice S.p.A. in Cerved Credit Management Group S.r.l. was finalized through a capital increase reserved for the shareholder Cerved Group, for a par value of 6,098 euros and additional paid-in capital of 31,993,901 euros. Subsequent to this corporate transaction, the interest held by Cerved Group in Cerved Credit Management Group S.r.l. increased from 91% to 91.98%.

On **July 25, 2016**, Cerved Group completed the acquisition of a 55% interest in Major 1 S.r.l., a company engaged in the development and sale of credit monitoring software. This transaction, valued at 1.9 million euros, was financed with the Group's internal liquidity.

On **August 31, 2016**, Cerved Group completed the acquisition of the business information activities of Fox & Parker S.r.l., a company active in the market since 1996 and specialized in the development of value-added sectorial payment records, data integration services and tailored commercial information for corporate customers. This transaction, valued at 2.8 million euros, was financed by the Group with internal liquidity.

On **September 1, 2016**, the merger by absorption of the Recus S.p.A. subsidiary into Finservice S.p.A., concurrently renamed Cerved Credit Collection S.p.A., was recorded in the Company Register. This merger was carried out with the aim of exploiting the synergies that exist between these two companies and centralize at a single legal entity the Credit Management activities and services offered to corporate customers.

On **November 14, 2016**, Cerved Group executed an agreement with Banca Monte dei Paschi di Siena S.p.A. (BMPS) for the purchase, by the Cerved Credit Management S.p.A. subsidiary, of 100% of the capital of a special purpose entity (to be established by BMPS) that will manage one-third of the nonperforming loans through securitization and 80% of those that will be generated over the next 10 years ("Juliet"). Juliet's purchase price includes a fixed component (payable at closing) amounting to 105 million euros (in line with multiples for similar transactions) and a variable component (earnout) of up to 66 million euros, tied to overperformance. The closing of this transaction depends on the fulfillment of certain conditions precedent (e.g., deconsolidation of nonperforming loans, underwriting and payment of the full amount of BMPS' capital increase and various regulatory permits).

On **November 23, 2016**, Cerved Group signed an agreement for an additional line of credit in the amount of 100 million euros provided by a pool of banks (comprised of BNP Paribas S.A – Italy Branch, Intesa Sanpaolo S.p.A., Mediobanca – Banca di Credito Finanziario S.p.A. and Unicredit S.p.A.) that will be made available to Cerved Group S.p.A. to finance the acquisition of a platform for the recovery of nonperforming loans held by Banca Monte dei Paschi di Siena S.p.A. (the "Transaction"). The agreement, conditional on the closing of the Transaction, is for a single bullet credit line of 100 million euros, expiring on July 15, 2022 and will accrue interest indexed to the Euribor, plus a spread of 2.5%.

6. SIGNIFICANT EVENTS OCCURRING AFTER DECEMBER 31, 2016

On **January 13, 2017**, the Board of Directors of Cerved Information Solutions S.p.A. approved a resolution agreeing to relocate the Company's registered office to the new address of Via dell'Unione Europea, buildings number 6A/6B, in the municipality of San Donato Milanese. The transfer of the registered office, which was decided in response to the steady expansion of the Group's staff due both to organic growth and acquisitions and was effective as of February 6, 2017, will help increase the Group's organizational efficiency.

On **February 7, 2017**, Cerved Credit Management Group S.r.l. subsidiary executed with Barclays Bank PLC a letter of intent to entrust on an exclusive basis to the Cerved Group the coordination of management services for a portfolio of loans valued at about 12 billion euros, starting in the third quarter of 2017. This transaction will enable the Cerved Group to strengthen its position also with regard to the management of loans that are current.

With regard to the agreement executed on November 14, 2016 by Cerved Group S.p.A. for the acquisition of a special purpose entity that BMPS was supposed to establish for the purpose of carrying out servicing activities for new flows of NPLs of the BMPS Group and managing a portion of the existing NPLs through securitization, please note that the conditions precedent of the abovementioned agreement have not yet been fulfilled. Considering the information available in the media, it seems highly unlikely that these conditions will be fulfilled by the contractually stipulated deadline (February 28, 2017), which would cause the binding offer previously accepted by BMPS to lapse.

7. BUSINESS OUTLOOK

Insofar as the progress of the Group's business operations is concerned, the Group's scenario for 2017, similarly to 2016, calls for gains in revenues and EBITDA based on the contribution of all Divisions (Credit Information, Credit Management and Marketing Solutions) and on an improvement of the integration, rationalization and efficiency boosting processes, with the aim of improving both the Group's profitability and its generation of operating cash flow.

8. 2019-2021 PERFORMANCE SHARE PLAN

On **March 16, 2016**, the Company's Board of Directors, acting with the prior favorable opinion of the Compensation and Nominating Committee, approved the Regulation for the "2019-2021 Performance Share Plan" (the "Plan"), reserved for some of the Group's key persons, identified among Directors, managers and other members of top managers.

The Plan is structured into three Cycles (2016, 2017 and 2018), each with a duration of three years; subject of the Plan is the award of rights to receive, free of charge, up to 2,925,000 shares, equal to 1.5% of the Company's share capital, attributable over the Plan's three Cycles, barring any amendments approved by the Board of Directors pursuant to the powers assigned to the Board for the Plan's implementation.

The performance objectives identified in the Plan are:

- "PBTA Objective" – Growth, stated as a percentage of "Adjusted Profit Before Taxes" per share during the 2016-2018 period, it being understood that the growth of the "Adjusted Profit Before Taxes": (i) shall be understood to mean the annual compound growth rate, excluding from the computation the accounting effects of the Plan itself; and (ii) excludes the effects of the "Forward Start" refinancing agreement starting in 2015.
- "TSR Objective" – The Company's "Total Shareholder Return" compared with that of companies included, for the each Plan Cycle and the entire duration of the corresponding performance period, in the FTSE Mid Cap Index Italia generated by Borsa Italiana S.p.A.

On **July 13, 2016**, the Company's Board of Directors resolved: (i) to adopt appropriate amendments to the Regulation; and (ii) to identify the Beneficiaries of the Plan and award them the corresponding Rights in accordance with the proposals submitted by the Compensation and Nominating Committee.

A total of 1,108,644 rights were outstanding at December 31, 2016.

9. MAIN RISKS AND UNCERTAINTIES

The company is exposed to the following financial risks: market risk (interest rate risk and price risk), liquidity risk and credit risk.

Liquidity risk is addressed by careful management and control of operating cash flows.
The company is also exposed to the price risk for the services it purchases (cost of raw data), which it manages by executing with its counterparties agreements the terms of which include predefined prices within the framework of an industry agreement.
The credit risk refers exclusively to commercial receivables, but the company does not consider the risks associated with this area as significant, as its sales policies are structured with the aim of dealing only with customers of an appropriate size and credit profile.
Additional information about the main risks and uncertainties to which the company's financial statements are exposed is provided in the "Financial Risk Management" section of the Notes to the Financial Statements.

10. INFORMATION ABOUT TREASURY SHARES

At December 31, 2016, the Company did not hold any treasury shares either directly or through a trustee or a nominee.

11. FINANCIAL INSTRUMENTS

See the information provided in the Notes to the Financial Statements.

12. INFORMATION CONCERNING THE ENVIRONMENT

Environmental issues are not of crucial importance given the fact that the Company operates in the service sector. However, it is worth noting that the Company and the other Group companies operate in a responsible and environmentally-friendly manner in order to reduce the impact of their activities on the environment.

13. INFORMATION ABOUT CORPORATE GOVERNANCE

The Company has made its system of corporate governance compliant with the relevant provisions of Legislative Decree No. 58/1998 ("**TUF**") and the Corporate Governance Code for Listed Companies approved by the Corporate Governance Committee and promoted by Borsa Italiana, ABI, Ania, Assogestioni, Assonime and Confindustria (the "**Corporate Governance Code**").

For additional information about the Company's governance, please see the corresponding page of the Company's website: *company.cerved.com/it/documenti*.

14. HUMAN RESOURCES

The Group has always sought to manage its human resources with strategies based on the development of skills and competencies that are people oriented and foster the creation of a work environment that can offer equal opportunities to everyone based on shared meritocratic criteria free of discrimination.

The objectives of the Group's activities towards its employees include:

- allowing everyone to feel they are an integral part of a system in which the sharing of projects that can be pursued together is encouraged;
- developing and managing talent, planning the selection of employees, growing their competencies and maximizing their qualities;
- attracting talent by offering dynamic and long-range professional alternatives;
- providing internal communication and social relationships suitable for managing a complex organization.

DEVELOPING RESOURCES AND TALENT

Cerved considers intellectual capital and talent as key strategic assets. Accordingly, it devotes significant attention to the hiring process of its employees through a structured recruitment and selection activities, with a careful analysis of staffing needs and job descriptions, targeted screenings, verification of personal and professional backgrounds check with the help of appropriate tools, mentoring and personalized induction paths.

In 2016, the Company laid the foundations for the development of the "Graduate" program, a group-wide hiring plan for the recruitment of smart, young college graduates.

Training is a key asset for Cerved and it is carried out through an important commitment in terms of training days, courses and resources involved, and includes managerial and professional components and support for the Group's system of values.

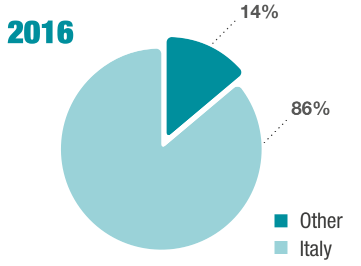
COMPENSATION POLICIES

The Group's compensation policies are designed to attract and retain resources that are deemed strategic.
For office staff and middle managers, the compensation package is comprised of a fixed component and a variable component. The fixed part, in keeping with a meritocratic approach, is assessed each year and, if appropriate, is adjusted in accordance with principles of competitiveness with the external environment, internal fairness and individual performance. The variable portion consists of a performance bonus discussed with the labor unions and a management by objectives (MBO) incentive system.
In addition to fixed component, group executives participate in an MBO plan each year receiving an incentive upon the achievement of specific goals.
This MBO system empowers employees, enabling them to provide their contribution by establishing clear and shared objectives and providing continuous feedback about the assessment of the work done and the results achieved.

This system is structured by level of responsibility and professional roles. The process is supported by an online platform based on the definition of the expected performance, a manager-employee discussion of the assessment and an assessment of expected results.

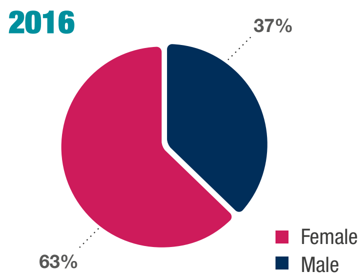
In 2016, the staff of the Cerved Group averaged 1,903 full time equivalent (FTE) employees located 86% in Italy and the remaining 14% abroad in Europe.

Geographic Area	Average HC 2016	%	Average HC 2015	%
Italy	1.645	86%	1.497	85%
Other	258	14%	271	15%
Total	**1.903**	**100%**	**1.768**	**100%**



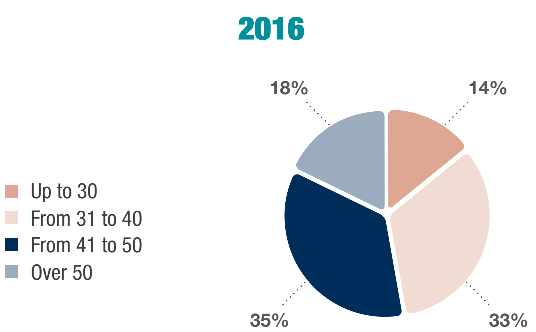
At December 31, 2016, women accounted for about 63% of the Group's staff.

Gender	HC as of December 31, 2016	%	HC as of December 31, 2015	%
Male	721	37%	652	36%
Female	1.221	63%	1.142	64%
Total	**1.942**	**100%**	**1.794**	**100%**



Also at December 31, 2016, a breakdown of employees by age group was as follows:

Breakdown by age group	HC at December 31, 2016	Female			Male		
		Executives	Middle managers	Office staff	Executives	Middle managers	Office staff
Up to 30 years old	281	0	0	193	0	0	88
From 31 to 40 years old	642	1	10	396	9	39	187
From 41 to 50 years old	678	5	56	375	17	80	145
Over 50 years old	341	5	30	152	27	63	64
Total	**1,942**	**11**	**96**	**1,116**	**53**	**182**	**484**



15. RESEARCH AND DEVELOPMENT

The Company carried out research and development activities as part of its core business, involving the development of computational algorithms, rating systems and econometric analyses of trends in sectors of the economy. The costs incurred for these activities are booked entirely at cost, except for development costs that meet the requirements of IAS 38, and are capitalized as intangible assets.

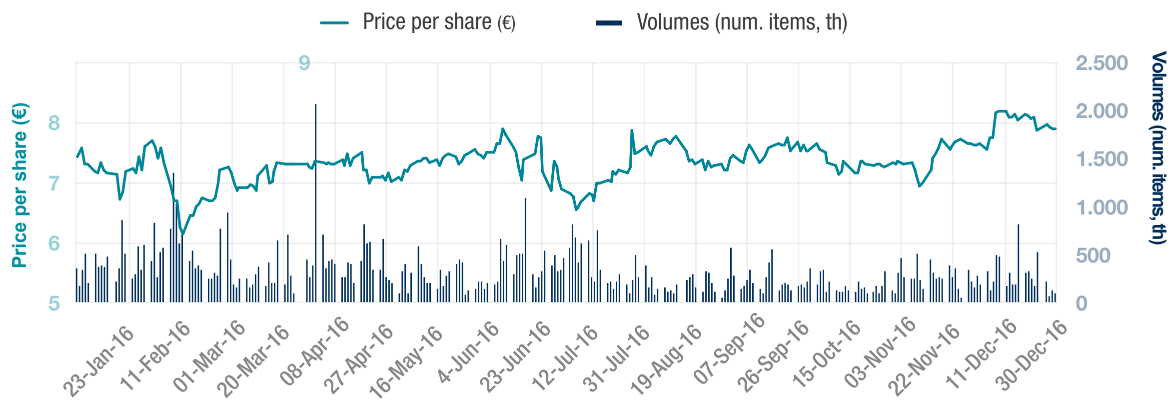
16. CERVED AND THE STOCK MARKET

PERFORMANCE OF THE COMPANY STOCK

Since June 24, 2014, Cerved, through its Cerved Information Solutions S.p.A. subsidiary, has been listed on the Online Stock Exchange (MTA) of Borsa Italiana. Its shares are identified with ISIN Code IT0005010423 and CERV Alphanumeric Code.

The markets will remember 2016 as a year characterized by significant instability and uncertainty, monstly due to a series of unique events, such as the crisis of European banks caused by nonperforming loans, the referendum about the exit of Great Britain from the European Union (Brexit) and U.S. presidential election.

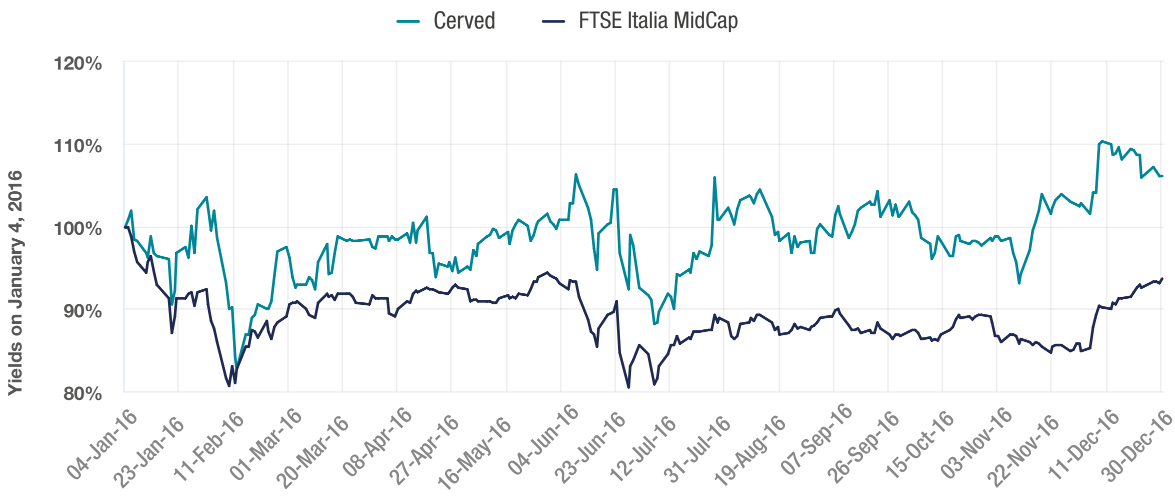
Despite this market uncertainty, the last stock market trading day of the year, the Cerved stock closed 2016 at an official closing price of 7.89 euros, for a market capitalization of about 1.539 billion euros.



The stock performed quite well in 2016, appreciating in value by 6.2% compared with an official initial closing price of 7.43 euros on January 4, 2016. A total of about 85 million Cerved shares were traded during the year, for an average daily value of 2.4 million euros, with monthly trading volumes 24% higher than in 2015, thanks in part to a larger share float than in 2015[1], which provided investors with greater stock liquidity.

1. Average 2015 volumes computed without counting the days when the previous reference shareholder (the Chopin Holding private equity fund) sold part of its stake in Cerved, thereby inflating the stock's average trading volume.

The Cerved stock outperformed the FTSE MidCap Italia index, which is the benchmark index that includes the Cerved stock, and closed the year 6.2% up.



The table below summarized the data for the period from January 4, 2016 to December 30, 2016:

HIGHLIGHTS

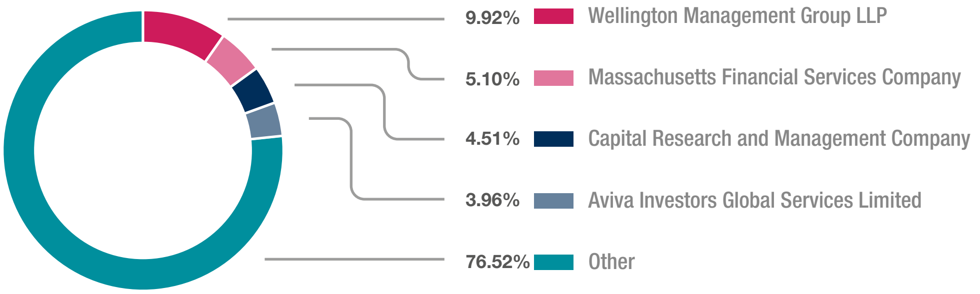
	Euros	Dates
IPO price	5.10	June 24,2014
Low for the year	6.15	February 12, 2016
High for the year	8.20	December 9,2016
Last closing price	7.89	December 30, 2016
Capitalization	1,538,550,000	December 31, 2016
Number of shares outstanding	195,000,000	December 31, 2016
Share float (%)	100%	December 31, 2016

For additional information about the performance of the Cerved stock and Company updates please visit the Investor Relations page of the Company website: *company.cerved.com*.

SHAREHOLDERS

The chart below provides a breakdown of the Company's shareholders at December 31, 2016 showing shareholders with significant equity stakes, based on information received by the Consob pursuant to law:

Cerved Shareholders as of December 31, 2016



RELATIONS WITH THE FINANCIAL COMMUNITY

For Cerved, the activities involving communication and managing relations with the financial community are extremely important and are primarily focused on creating value for the Group's shareholders and its stakeholders in general.

The objective of the Investor Relations activities is to help the financial community understand Cerved's objectives, strategies and growth prospects through communications that are transparent, timely, complete and consistent, with the aim of reducing uncertainty and unequal access to information.

In 2016, the Investor Relations departments:

- planned 18 non-deal roadshows in the main international financial markets;
- attended 10 conference, including three sector specific and seven general conferences;
- organized several conference calls and meetings at the request of investors or analysts who follow the Cerved stock.

The Cerved stock is monitored by 12 analysts who publish regular research reports that support communications between the Company and the financial community. The majority of recommendations fall within the Buy/Overweight/Outperform category, accounting for 10 out of 12 recommendations. The remaining two recommendations are in the Hold category. It is worth mentioning that Cerved has never been subject to a negative recommendation since it was first listed.

The target price, obtained as an average of the target prices of the 12 analysts, was 8.49 euros at December 31, 2016.

17. STATEMENT OF RECONCILIATION OF PARENT NET PROFIT AND SHAREHOLDERS' EQUITY TO CONSOLIDATED NET PROFIT AND SHAREHOLDERS' EQUITY

The table below provides a statement of reconciliation of the Company's shareholders' equity to the Group's shareholders' equity and a statement of reconciliation of the Company's net profit to the Group's net profit:

(In thousands of euros)	Shareholders' equity at December 31, 2016	Net profit for 2016
Parent shareholders' equity and net profit	**584,647**	**42,516**
Consolidated companies	668,443	57,759
Reversal of carrying amount of equity investments	(703,772)	-
Fair value of options exchanged with minority shareholders	(29,866)	471
Equity-method consolidation of associates	(650)	(324)
Recognition of goodwill	25,130	-
Elimination of dividends	-	(51,758)
Consolidated shareholders' equity and net profit	**543,933**	**48,665**

18. OVERSIGHT AND COORDINATION ACTIVITY

Cerved Information Solutions is not subject to oversight and coordination activity by external parties and it exercises oversight and coordination activity over its subsidiaries..

19. INFORMATION ABOUT THE "OPT OUT" ALTERNATIVE

As required by the provisions of Article 70. Section 8, of the Issuers' Regulation, the Company announces that, on April 2, 2014, concurrently with the filing of the application to list its shares on the MTA, it adopted the "opt out" alternative provided pursuant to Article 70, Section 8, and Article 71, Section 1-bis, of the Issuers' Regulation, thereby availing itself of the right to be exempt from the obligation to publish the information memoranda required in connection with material transactions involving mergers, demergers, capital increases through conveyances in kind, acquisitions and divestments.

20. MOTION TO APPROPRIATE THE RESULT FOR THE YEAR

Dear Shareholders:

In asking you to approve the Financial Statements and the Report, as submitted to you, we also urge you to adopt a resolution to appropriate the year's net profit of 42,516,272 euros as follows:

- 42,510,000 euros distributed as a dividend of 0.218 euros on each share;
- 6,272 euros added to retained earnings.

San Donato Milanese,
February 24, 2017

The Board of Directors
by **Fabio Cerchiai**
Chairman

(Signed on the original)

2

Consolidated Financial Statements at December 31, 2016

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(In thousands of euros)	Notes	At December 31, 2016	At December 31, 2015
Revenues	7	376,954	353,485
amount with related parties	44	*745*	*646*
Other income	8	134	714
amount from nonrecurring transactions	15	-	*512*
Total revenues and income		**377,088**	**354,199**
Cost of raw materials and other materials	9	(7,412)	(8,263)
Cost of services	10	(86,460)	(79,918)
amount from nonrecurring transactions	15	*(1,589)*	*(1,055)*
amount with related parties	44	*(733)*	*(317)*
Personnel costs	11	(97,345)	(85,001)
amount from nonrecurring transactions	15	*(4,952)*	*(3,453)*
amount with related parties	44	*(5,397)*	*(4,648)*
Other operating costs	12	(8,606)	(8,503)
Impairment of receivables and other accruals	13	(4,459)	(5,495)
amount from nonrecurring transactions	15	-	*222*
Depreciation and amortization	14	(78,027)	(74,241)
Operating profit		**94,780**	**92,778**
Pro rata interest in the result of companies valued by the equity method	22	(323)	(177)
amount with related parties	44	*(323)*	*(177)*
Financial income	16	1,636	1,119
amount from nonrecurring transactions	15	*959*	-
amount with related parties	44	-	*12*
Financial charges	17	(20,591)	(95,438)
amount from nonrecurring transactions	15	*(1,448)*	*(52,439)*
amount with related parties	44	-	*(5,691)*
Profit before income taxes		**75,502**	**(1,718)**
Income tax expense	18	(26,837)	5.341
amount from nonrecurring transactions	15	*(4,450)*	*11,487*
Net profit		**48,665**	**3,623**
Amount attributable to non-controlling interests		*1,385*	*2,187*
Net profit attributable to owners of the parent		**47,280**	**1,437**
Other components of the statement of comprehensive income:			
Items that will not be later reclassified to the income statement:			
Actuarial gains/(losses) on defined-benefit plans for employees		*(559)*	*518*
Tax effect		*74*	*(142)*
Hedge accounting gains/(losses)		*(2,483)*	-
Tax effect		*596*	-
Items that may be reclassified into profit or loss for the period:			
Gains (Losses) from the translation of the financial statements of foreign companies		*(9)*	*(94)*
Comprehensive net profit:		**46,284**	**3,905**
attributable to owners of the parent		*44,913*	*1,700*
attributable to non-controlling interests		*1,371*	*2,205*
Basic earnings per share (in euros)	31	0.242	0.007
Diluted earnings per share (in euros)	31	0.241	0.007

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(In thousands of euros)	Notes	At December 31, 2016	At December 31, 2015
Non-current assets			
Property, plant and equipment	19	19,773	16,404
Intangible assets	20	423,696	459,662
Goodwill	21	732,452	718,803
Investments in companies valued by the equity method	22	5,419	4,907
Other non-current financial assets	23	3,323	3,364
Total non-current assets		**1,184,663**	**1,203,140**
Current assets			
Inventory	24	1,732	1,974
Trade receivables	25	154,930	139,807
amount with related parties	44	*165*	*250*
Tax receivables	26	5,244	6.120
Other receivables	27	5,070	4,472
amount with related parties	44	*18*	*16*
Other current assets	28	10,129	10,229
Cash and cash equivalents	29	48,539	50,733
Total current assets		**225,644**	**213,336**
TOTAL ASSETS		**1,410,308**	**1,416,476**

(In thousands of euros)	Notes	At December 31, 2016	At December 31, 2015
Share capital		50,450	50,450
Statutory reserve		10,090	10,090
Additional paid-in capital		444,636	489,486
Other reserves		(15,623)	9,825
Net profit attributable to owners of the parent		47,280	1,437
Shareholders' equity attributable to owners of the parent		**536,833**	**561,288**
Shareholders' equity attributable to non-controlling interests		7,101	7,511
TOTAL SHAREHOLDERS' EQUITY	30	**543,934**	**568,798**
Non-current liabilities			
Long-term debt	32	557,722	16,000
Employee benefits	34	13,093	12,516
Provisions for other liabilities and charges	35	7,260	8,464
Other non-current liabilities	36	22,763	959
amount with related parties	44	*11,627*	-
Deferred tax liabilities	37	91,862	88,683
Total non-current liabilities		**692,701**	**126,621**
Current liabilities			
Short-term borrowings	32	14,239	571,573
Trade payables	38	38,528	29,955
amount with related parties	44	*684*	*48*
Current tax payables	39	1,236	199
Other tax payables	40	3,713	6,940
Other liabilities	41	115,958	112,389
amount with related parties	44	*4,291*	*7,948*
Total current liabilities		**173,674**	**721,056**
TOTAL LIABILITIES		**866,375**	**847,677**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**1,410,308**	**1,416,476**

CONSOLIDATED STATEMENT OF CASH FLOWS

(In thousands of euros)	Notes	At December 31, 2016	At December 31, 2015
Profit before taxes		75,502	(1,718)
Depreciation and amortization	14	78,027	74,241
Impairment of receivables and other provisions, net	13	4,459	5,495
Performance Share Plan	43	680	
Net financial charges	16-17	19,277	94,319
Pro rata interest in the result of investee companies valued by the equity method	22	323	177
Cash flow from/(used in) operating activities before changes in working capital		**178,268**	**172,514**
Change in operating working capital		(3,835)	(4,372)
Change in other working capital items		28	347
Change in provisions for risks and charges, deferred taxes and other liabilities		(683)	(4,330)
Cash flow from changes in working capital		**(4,489)**	**(8,355)**
Income taxes paid		(27,264)	(40,226)
Cash flow from/(used in) operating activities		**146,514**	**123,933**
Additions to intangible assets	20	(30,358)	(28,378)
Additions to property, plant and equipment	19	(8,176)	(3,437)
Disposal of property, plant and equipment and intangible assets	19-20	240	214
Financial income	16	677	522
Acquisitions net of acquired cash	5	(16,248)	(21,140)
Investments in associates net of dividends received	22	(833)	(931)
Change in other non-current financial assets	23	69	684
Liabilities for deferred acquisition payments		-	(170)
Acquisition of non-controlling interests		(10,784)	
Cash flow from/(used in) investing activities		**(65,413)**	**(52,636)**
Net change in short-term borrowings	32	(1,354)	(2,784)
Receipt of vendor loan financing facility		-	16,000
Receipt of senior loan financing facility	32	560,000	-
Repayment of senior loan financing facility	32	(2,400)	-
Charges incurred to secure the senior loan financing facility	32	(11,315)	-
Redemption of bond issue	32	(530,000)	-
Charges for early redemption of bond issue		(24,142)	-
Interest paid	17	(29,234)	(39,782)
Dividends paid/non-controlling interests	30	(44,850)	(40,066)
Cash flow from/(used in) financing activities		**(83,295)**	**(66,632)**
Net change in cash and cash equivalents		**(2,194)**	**4,665**
Cash and cash equivalents at the beginning of the period		50,733	46,068
Cash and cash equivalents at the end of the period		48,539	50,733
Difference		**(2,194)**	**4,665**

Note: *The effects of transactions with related parties are presented in Note 44 "Transactions with Related Parties" to these consolidated financial statements.*

STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

(In thousands of euros)	Share capital	Statutory reserve	Additional paid-in capital	Other reserves	Net profit attributable to owners of the parent	Consolidated shareholders' equity attributable to owners of the parent	Sharehold. equity attributable to non-controlling interests	Total share-holders' equity
Balance at March 14, 2014	**120**	**-**	**-**	**-**	**-**	**120**	**-**	**120**
Capital increase through conveyance of Cerved Group S.p.A. shares	49,880		317,688	1,570		369,138	2,239	371,377
Share capital increase	450		221,863			22,313		222,313
Dividend distribution							(91)	(91)
Acquisition of minority interest							2,613	2,613
Total transactions with owners	**50,330**	**-**	**539,551**	**1,570**	**-**	**591,451**	**4,761**	**596,212**
Net profit					9,443	9,443	1,011	10,454
Other changes in statement of comprehensive income				(780)		(780)	(37)	(817)
Net comprehensive result				**(780)**	**9,43**	**8,663**	**974**	**9,637**
Recognition of liability for option held by minority shareholders				(671)		(671)	(168)	(839)
Balance at December 31, 2014	**50,450**	**-**	**539,551**	**119**	**9,443**	**599,563**	**5,567**	**605,130**
Appropriation of the 2014 result				9,443	(9,443)	-	-	-
Establishment of the statutory reserve		10,090	(10,090)			-	-	-
Dividend distribution			(39,975)			(39,975)	(91)	(40,066)
Acquisition of minority interest							(170)	(170)
Total transactions with owners			**(39,975)**			**(39,975)**	**(216)**	**(40,236)**
Net profit					1,437	1,437	2,187	3,623
Other changes in statement of comprehensive income				263		263	18	281
Net comprehensive result				**263**	**1,437**	**1,700**	**2,205**	**3,905**
Balance at December 31, 2015	**50,450**	**10,090**	**489,486**	**9,825**	**1,437**	**561,288**	**7,511**	**568,798**
Appropriation of the 2015 result				1,437	(1,437)			-
Dividend distribution (0.23 per share)			(44,850)			(44,850)		(44,850)
Acquisition of minority interests (ClickAdv and Major 1)						-	2,888	2,888
Acquisitions of minority interests				4,675		4,675	(4,675)	-
Recognition of liability for option held by minority shareholders				(29,866)		(29,866)		(29,866)
Total transactions with owners	**-**	**-**	**(44,850)**	**(25,191)**	**-**	**(70,041)**	**(1,787)**	**(71,828)**
Performance Share Plan				673		673	7	680
Net profit					47,280	47,280	1,385	48,665
Other changes in statement of comprehensive income				(2,367)		(2,367)	(15)	(2,382)
Net comprehensive result				**(2,367)**	**47,280**	**44,913**	**1,370**	**46,283**
Balance at December 31, 2016	**50,450**	**10,090**	**444,636**	**(15,623)**	**47,280**	**536,833**	**7,101**	**543,934**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT DECEMBER 31, 2016

GENERAL INFORMATION

Cerved Information Solutions S.p.A. (hereinafter "**CERVED**" or the "**Company**") is a corporation established on March 14, 2014, domiciled in Italy, with registered office at Via dell'Unione Europea 6/A-6/B, in San Donato Milanese (Milan), and it is organized in accordance with the laws of the Italian Republic.

The **Company**, a management holding company, and its subsidiaries (collectively the "Group" or the "**Cerved Group**") represent the main reference point in Italy for the management, processing and distribution of legal, accounting, commercial and economic/financial information. The products and services offered by the Company enable its customers, mainly businesses and financial institutions, to assess the solvency, credit worthiness and economic/financial structure of their commercial counterparties or customers, so as to optimize their credit risk management policies, accurately define their marketing strategies and assess the position of competitors in their target markets.

This document was prepared by the Company's Board of Directors, meeting on February 24, 2017, for approval by the Shareholders' Meeting scheduled for April 13, 2017. The Board of Directors authorized the Chairman and the Chief Executive Officer to make any changes to the financial statements that may be necessary or appropriate for completing the presentation of this document in the period between February 24, 2017 and the date when it will be approved by the Shareholders' Meeting.

1. OVERVIEW OF THE ACCOUNTING PRINCIPLES

The main criteria and accounting principles applied to prepare the Consolidated Financial Statements are stated below.

1.1. BASIS OF PREPARATION

The Consolidated Financial Statements were prepared in accordance with the going concern assumption, the Directors have verified the absence of any financial, operational or other indicators signaling the existence of issues concerning the Group's ability to meet its obligations in the foreseeable future and over the next 12 months specifically. A description of the methods by which the Group manages financial risks is provided in Note 2 "Financial Risk Management."

The consolidated financial statements were prepared based on the IFRS international accounting principles, including all "International Financial Reporting Standards," all "International Accounting Standards" (IAS) and all interpretations issued by the "International Financial Reporting Interpretations Committee" (IFRIC), previously called "Standing Interpretations Committee" (SIC) that, on the date of these consolidated financial statements, had been adopted by the European Union in accordance with the procedure required by Regulation (EC) No. 1606/2002 of July 19, 2002 of the European Parliament and the European Council. These Consolidated Financial Statements are denominated in euros, which is the currency of the prevailing economic environment in which the Group operates. Unless otherwise stated, the amounts listed in this document are presented in thousands of euros.

The financial statement presentation format and the corresponding classification criteria adopted by the Group among the options provided by IAS 1 "Presentation of Financial Statements" are stated below:

- The statement of financial position was prepared with assets and liabilities classified separately in accordance with the "current/non-current" criterion;
- The statement of comprehensive income is presented with operating expenses classified by nature and includes, in addition to the profit (loss) for the year, the other changes to components of shareholders' equity caused by transaction executed with parties other than the Company's owners;
- the statement of cash flows was prepared showing the cash flow from operating activities in accordance with the "indirect method."

In addition, pursuant to Consob Resolution No. 15519 of July 28, 2006, within the income statement income and expenses from non-recurring transactions are identified separately; similarly, the financial statements show separately any balances related to receivable/payable positions and transactions with related parties, which are further described in the section of these Notes to the financial statements entitled "Transactions with related parties".

The Consolidated Financial Statements were prepared based on the conventional historical cost criterion, except for the measurement of financial assets and liabilities in those cases in which the use of the fair value criterion is mandatory.

1.2. SCOPE OF CONSOLIDATION AND CONSOLIDATION CRITERIA

The consolidated financial statements include the financial statements of the Parent Company and those of companies in which the Parent Company controls directly or indirectly the majority of the votes that can be cast at an Ordinary Shareholders' Meeting.

A list of companies consolidated with line by line integration or by the equity method at December 31, 2016 is provided below:

(In thousands of euros)

		AT DECEMBER 31, 2016		
	Registered office	Equity capital	% interest held (direct and indirect)	Consolidation method
Cerved Information Solutions S.p.A. (Parent Co.)	San Donato Milanese	50,450	-	Line by line
Cerved Group S.p.A.	San Donato Milanese	50,000	100.00%	Line by line
Consit Italia S.p.A.	San Donato Milanese	812	94.33%	Line by line
Cerved Credit Collection S.p.A.	San Donato Milanese	150	100.00%	Line by line
Cerved Credit Management Group S.r.l.	San Donato Milanese	56	91.98%	Line by line
Cerved Credit Management S.p.A.	San Donato Milanese	1,000	91.98%	Line by line
Cerved Legal Services S.r.l.	San Donato Milanese	50	91.98%	Line by line
Cerved Rating Agency S.p.A.	San Donato Milanese	150	100.00%	Line by line
Spazio Dati S.r.l.	Trento	15	48.00%	Equity
S.C. Re Collection S.r.l.	Romania	10	91.98%	Line by line
I.C.S. BDD Collection S.r.l.	Moldavia	0,324	91.98%	Line by line
Experian Italia S.p.A.	Roma	1,842	4,65%	Equity
ClickAdv S.r.l.	Pozzuoli	10	70.00%	Line by line
Major 1 S.r.l.	Novara	11	55.00%	Line by line

All subsidiaries and affiliated companies close their financial statements on the same date as Cerved Information Solutions S.p.A., the Group's Parent Company, except for Experian Italia S.p.A., which closes its financial statements on March 31. The financial statements of subsidiaries prepared in accordance with accounting principles different from the IFRSs adopted by the Group's Parent Company were restated as it was necessary to make them consistent with the Parent Company's accounting principles.

A transaction for the acquisition of an additional 11% stake of the equity of Cerved Credit Management Group S.r.l. from the minority shareholders was completed on January 26, 2016, increasing the controlling interest held by Cerved Group from 80% to 91%. This transaction did not result in the recognition of any consolidation difference.

On June 10, 2016, the conveyance of the entire interest held by Finservice S.p.A. to the Cerved Credit Management Group S.r.l. subsidiary was finalized through a capital increase subscribed entirely by Cerved Group S.p.A.. Subsequent to this transaction, the controlling interest held by Cerved Group in Cerved Credit Management Group S.r.l. increased to 91.98%. The merger of Recus S.p.A. into Finservice S.p.A. was filed on September 1, 2016, effective retroactively as of January 1, 2016 for accounting and tax purposes. The company was renamed Cerved Credit Collection S.p.A. This transaction did not produce any change in the scope of consolidation and was accounted for on a continuity of value basis, as required for transactions between parties under common control.

Additional information about the main changes in the scope of consolidation that occurred during the year is provided in Note 5.

The table below shows the exchange rates applied to translate into euros the financial statements of foreign companies denominated in currencies different from the euro:

	12/31/16		12/31/15	
	Average exchange rate	Exchange rate at 12/31	Average exchange rate	Exchange rate at 12/31
New Romanian LEU	4.4907	4.539	4.4454	4.5240
Moldovan LEU	22.0504	21.0624	20.8737	21.4022

Foreign exchange differences resulting from the translation of shareholders' equity at the exchange rates in effect at the end of the year and the translation of the income statement at the average exchange rates for the year are recognized in the "Other reserves" account of shareholder' equity.

CONSOLIDATION CRITERIA AND BUSINESS COMBINATIONS

The Consolidated Financial Statements include the financial statements of Cerved Information Solutions S.p.A. and those of the companies over which the Company, directly or indirectly, has the right to exercise control, as defined in IFRS 10 "Consolidated Financial Statements." For the purpose of assessing the existence of control all three of the following requirements must be satisfied:

- power over the company;
- exposure to the risks and rights deriving from the variable returns entailed by its involvement;
- ability to influence the company so as to influence the investor's results (positive or negative).

Control can be exercised by virtue of the direct or indirect possession of majority of the shares with voting rights or by virtue of contractual stipulations or statutory provisions, irrespective of share ownership. When assessing these rights, attention must be paid to the ability to exercise them, whether or not they are effectively exercised, and all contingent voting rights must be taken into account.

Subsidiaries are consolidated with a line-by-line method from the moment control is effectively acquired and ends when control is transferred to a different party. The criteria adopted for line-by-line consolidation are outlined below:

- The assets and liabilities, income and expense of the subsidiaries are included line by line, allocating to non-controlling interests, when applicable, the pro rata share of the period's shareholders' equity and profit attributable to them; these amounts are shown separately in shareholders' equity and the income statement.
- Business combinations by virtue of which control is acquired over an entity are recognized, as required by the provisions of IFRS 3 Business Combinations, in accordance with the acquisition method. The acquisition cost is represented by the fair value on the acquisition date of the assets being sold, the assumed liabilities and any issued equity instruments. The identifiable acquired assets, assumed liabilities and contingent liabilities are recognized at their fair value on the date of acquisition, except for deferred tax assets and liabilities, assets and liabilities for employee benefits and assets held for sale, which are recognized in accordance with the respective reference accounting principles. The difference between the acquisition cost and the fair value of the acquired assets and liabilities, if positive, is recognized among intangible assets as goodwill or, if negative, after checking again the correct measurement of the fair values of the acquired assets and liabilities and the acquisition costs, is recognized directly in profit or loss, as a gain. Incidental transaction costs are recognized in profit or loss when incurred.
- In cases when total control is not achieved, the interest in net equity of non-controlling interests is determined based on the pro rata share of the fair values attributed to assets and liabilities on the date control is achieved, excluding any goodwill allocated to them (called the partial goodwill method). Alternatively, the full amount of the goodwill generated by the acquisition is recognized, including the pro rata share attributable to non-controlling interests (also called the full goodwill method). In the latter case, non-controlling interests are shown at their total fair value, including the goodwill attributable to them. The choice of the method for determining goodwill (partial goodwill method or full goodwill method) is made selectively for each business combination.
- The acquisition cost includes any contingent consideration, recognized at its fair value on the date when control is acquired. Subsequent changes in fair value are recognized in the income statement or the comprehensive income statement if the contingent consideration is a financial asset or liability. Contingent consideration classified as shareholders' equity is not remeasured and its subsequent extinguishment is recognized directly in equity.
- If business combinations through which control is acquired are executed in multiple steps, the Group remeasures the interest that he held previously in the acquiree against the respective fair value on the acquisition date and recognizes any resulting profit or loss in the income statement.
- Acquisitions of non-controlling interests in entities over which the Group already has control or the sale of non-controlling interests that do not entail the loss of control are treated as equity transactions; consequently, any difference between the acquisition/disposal cost and the corresponding pro rata interest in the underlying acquired/sold shareholders' equity is recognized as an adjustment to the shareholders' equity attributable to the owners of the parent.
- Significant gains and losses, including the corresponding tax effect, deriving from transactions executed between companies consolidated line by line and not yet realized with respect to third parties are eliminated, except that losses are not eliminated when the transaction provides evidence that the transfer asset was impaired. All significant positions involving payables and receivables, costs and expenses and financial expense and income are also eliminated.

- Put/call options exchanged by the Parent Company and minority shareholders are recognized considering the risks and benefits transferred with the contract. Specifically, the Group recognizes a financial liability on the date the contract is executed against the Group's equity when the minority shareholders retain the transaction's risks and benefits, or against the minority shareholder's equity when the transaction's risks and benefits are transferred to the majority shareholder. Any subsequent changes in the value of the liability are recognized in profit or loss.

AFFILIATED COMPANIES

Affiliated companies are those over which the Group exercises a significant influence, which is presumed to exist when the equity investment held is equal to between 20% and 50% of the voting rights. Equity investments in affiliated companies are valued by the equity method and are initially recognized at cost. The equity method is described below:

- the carrying amount of these equity investments is aligned with the underlying shareholders' equity, adjusted when necessary to reflect the adoption of the IFRS and includes the recognition of the higher/lower values assigned to the assets and liabilities and any goodwill, as identified at the time of acquisition;
- gains or losses attributable to the Group are recognized as of the date when the significant influence began and until the date when the significant influence ends. If, due to losses, a company valued by the equity method shows a negative shareholders' equity, the carrying amount of the equity investment is written off and any excess attributable to the Group is recognized in a special provisions , if the Group has agreed to fulfill the statutory or constructive obligations of the investee company or otherwise cover its losses; changes in the equity of companies valued by the equity method not attributable to the result in the income statement are recognized directly in the comprehensive income statement;
- unrealized gains and losses generated by transactions executed by the Company/subsidiaries with an investee company valued by the equity method, including distributions of dividends, are eliminated consistent with the value of the equity stake held by the group in the investee company in question, except for losses when these represents and impairment of the underlying asset.

BUSINESS COMBINATIONS OF ENTITIES UNDER COMMON CONTROL

Business combinations in which the participant companies are definitively controlled by the same company or companies both before and after the business combination and the control of which is not temporary are qualified as transactions "under common control." These transactions are not subject to IFRS 3, which governs how business combinations should be accounted for, or to any other IFRS. Despite the absence of a governing accounting principle, the choice of the accounting presentation method must nevertheless ensure compliance with the requirements of IAS 8, i.e., it must provide a reliable and truthful representation of the transaction. Moreover, the accounting principle selected for the presentation of a transaction "under common control" must reflect the economic substance of the transaction, irrespective of its legal form.

The economic substance requirement is thus the key element guiding the method applied to account for such transactions. The economic substance must be based on a creation of added value that manifests itself through material changes in the cash flow of the net transferred assets. In addition, as part of the process of accounting for the transaction, attention must be paid to current interpretations and guidelines; specifically, reference should be made to the recommendations of OPI 1 revised concerning the "accounting treatment of business combinations of entities under common control in the statutory and consolidated financial statements."

Therefore, the net transferred assets must be recognized at the amounts at which they were carried by the acquired company or, if available, at the amounts resulting in the consolidated financial statements of the common controlling company. With this in mind, the Company, in case of transactions such as those discussed above, decided to use the historical values at which the net acquired assets were carried in the financial statements of the acquired companies.

TRANSLATION OF TRANSACTIONS DENOMINATED IN A CURRENCY DIFFERENT FROM THE FUNCTIONAL CURRENCY

Transactions denominated in a currency different from the functional currency of the entity executing the transaction are translated at the exchange rate in effect on the transaction date. Foreign-exchange gains and losses generated by the closing of the transaction or the translation carried out at the end of the year of assets and liabilities denominated in currencies different from the euro are recognized in profit or loss.

1.3. VALUATION CRITERIA

An overview of the most significant accounting principles and valuation criteria used to prepare the Consolidated Financial Statements is provided below.

PROPERTY, PLANT AND EQUIPMENT

Items of property plant and equipment are recognized in accordance with the cost criterion and booked at their acquisition cost or production cost, including any directly attributable incidental costs necessary to make the asset ready for use, any decommissioning and removal costs that will be incurred as a result of contractor commitments to restore an asset to its original condition and any financial expense directly attributable to the asset's acquisition, construction or production.
Costs incurred for ordinary maintenance and ordinary and/or cyclical repairs are recognized directly in profit or loss for the year in which they are incurred. The capitalization of costs incurred for expanding, modernizing or upgrading structural elements owned by the Company or received in use from third parties, is carried out exclusively to the extent that the abovementioned costs meet at the requirements for classification as the separate assets or part of an asset in accordance with the component approach.
Property, plant and equipment, with the exception of land, is depreciated systematically each year on a straight-line basis, in accordance with the remaining useful lives of the assets. If the asset being depreciated is comprised of components identifiable separately with useful lives that are materially different from those of the other components of the asset, each asset component is depreciated separately in accordance with the component approach principle.

Depreciation starts when an asset is ready for use, based on the moment when this condition is effectively met.

The depreciation rates applied to the different components of property, plant and equipment are listed in the table below:

	Estimated useful life
Buildings	33 years
Electronic office equipment	3-5 years
Furniture and fixtures	8 years
Other assets	4-6 years

The depreciation rates of the components of property plant and equipment are reviewed and updated if needed, at least at the end of each reporting year.

If, irrespective of the accumulated depreciation recognized, the value of an item of property, plant and equipment is impaired, the asset is written down. If in subsequent years the reasons for the writedown no longer apply, the original value is reinstated. The residual values and useful lives of assets are reviewed at the end of each reporting period and, if necessary, appropriate adjustments are made.

Gains and losses on asset disposals are determined by comparing the sales consideration with the asset's net carrying amount. The amount thus determined is recognized in profit or loss in the corresponding year.

INTANGIBLE ASSETS

Intangible assets are identifiable non-monetary assets without physical substance, that are controllable and capable of generating future economic benefits. These assets are initially recognized at their purchase and/or production costs, inclusive of directly attributable expenses incurred to make the asset ready for use. Any interest expense accrued during and for the development of intangible assets is deemed to be part of the acquisition cost. Specifically, the following main intangible assets are recognized within the Group:

a. Goodwill

Goodwill is classified as an intangible asset with an indefinite useful life and is initially recognized at cost, as described above, and subsequently assessed, at least once a year, to determine the existence of any impairment ("impairment test"). The value of goodwill cannot be reinstated after it has been written down due to impairment.

b. Other Intangible Assets with a Finite Useful Life

Intangible assets with a finite useful life are recognized at cost, as described above, net of accumulated amortization and any impairment losses.

SOFTWARE DEVELOPMENT COSTS

Costs incurred internally to develop new products and services constitute intangible assets (mainly software costs), but are recognized as such only if all of the following conditions are met: i) the cost attributable to the development activities can be determined reliably; ii) the Company has the intention, the availability of financial resources and the technical capabilities to make the asset ready for use or sale; and iii) it can be demonstrated that the asset is capable of producing future economic benefits. Capitalized development costs shall include only incurred expenses that can be directly attributed to the process of developing new products and services.

DATABASE COSTS

Costs incurred to acquire financial information (databases) are recognized as an intangible asset only to the extent that, for these costs, the Group can measure reliably the future benefits deriving from the acquisition of the information comprising the asset.

OTHER INTANGIBLE ASSETS WITH A FINITE USEFUL LIFE

Other intangible assets with a finite useful life acquired or internally produced are recognized among the Company's assets, in accordance with the provisions of IAS 38 (Intangible Assets), when it is probable that their use will generate future economic benefits and the cost of the asset can be determined reliably. These assets are recognized at their purchase or production cost and amortized on a straight-line basis over their estimated useful lives; the amortization rates are reviewed each year and are changed when the currently estimated useful life differs from the one estimated previously. The effects of such changes are recognized prospectively in the separate consolidated income statement.

Amortization begins when an asset is available for use and is allocated systematically based on the remaining available use of the assets, which corresponds to its remaining useful life. The useful lives estimated by the Group for the different categories of his intangible assets are shown below:

	Estimated useful life
Trademarks	10-20 years
Customer relationships	5-18 years
Software owned and licensed for internal use	3-5 years
Databases	3-4 years

INTANGIBLE ASSETS FROM BUSINESS COMBINATIONS

The main intangible assets recognized in connection with business combinations include:

- Trademarks, the value of which was determined using the relief-from-royalty method;
- Customer Relationships, which represents the complex of multi-year commercial relationships established by the Group with corporate customers and credit institutions through the offer of business information services, the development of risk assessment models and the supply of sundry services (including credit collection services and the digital marketing activities performed by ClickAdv S.r.l.), the value of which was determined by the Multi-period Excess Earnings Method;
- Database, which refers to the value of the complex of information owned by the Cerved Group and used to deliver products and services. The cost was determined using the relief-from-royalty method;
- Software developed by Cerved Credit Collection S.p.A. (ReDesk), comprised of a client/server application developed with a three-layer architecture—i.e., i) user interface, ii) business logic and iii) persistent data management—fully integrated through an optical archiving product and a hardware/software complex for telephone management, to allow the full exploitation of VoIP technology.
- Customer related intangible asset, consisting of contracts signed by Cerved Credit Management S.p.A. with Credito Valtellinese and by ClickAdv S.r.l.; these contracts were identified as a separable intangible asset over which the Group can exercise control; the value of these assets was determined by the present value of the cash flows that will be generated by the contracts.

IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

a. Goodwill

As mentioned earlier in these Notes, goodwill is tested for impairment annually or more often when indicators show that its value may have been impaired.
An impairment test is performed for each "**Cash Generating Unit**" or "**CGU**" to which Goodwill has been allocated and the value is monitored by management. Any impairment of goodwill's value is recognized whenever goodwill's recoverable value is lower than its carrying amount. Recoverable value shall be understood to mean the greater of the fair value of the CGU, net of cost to sell, and its value in use, understood to mean the present value of the estimated future cash flows from the asset in question. In determining value in use, the expected future cash flows are discounted to present value using a pre-tax discount rate that reflects current market valuation of the cost of money, in relation to the investment period and taking into account the asset's specific risks. If the impairment loss resulting from the impairment test is greater than the value of the goodwill allocated to the CGU, the remaining excess is allocated to the assets included in the CGU in proportion to their carrying amount. The bottom limit of this allocation is represented by the larger of the following amounts:

(i) the fair value of the asset, net of cost to sell;
(ii) its value in use, as defined above;
(iii) zero.

The original value of goodwill cannot be reinstated even if the factors that caused its impairment are no longer applicable.

b. Intangible Assets with a Finite Useful Life and Property Plant And Equipment

On each reference date of the financial statements, a check is performed to determine whether there are indicators that items of property plant and equipment and intangible assets may have been impaired. Both internal and external information sources are used for this purpose. With regard to internal sources, the following are taken into account: the obsolescence or physical deterioration of an asset, any material changes in the use of the asset and the asset's economic performance compared with expectations. Insofar as external sources are concerned, the following is taken into consideration: trends in market prices for the assets, any technological, market or regulatory discontinuities and trends in market interest rates or the cost of capital used to value investments.

If the presence of such indicators is detected, an estimate is made of the recoverable value of the abovementioned assets, recognizing any writedowns of their carrying amounts in profit or loss. The recoverable value of an asset is the greater of its fair value, net of cost to sell, and its value in use, understood to mean the present value of the estimated future cash flows from the asset in question. In determining value in use, the expected future cash flows are discounted to present value using a pre-tax discount rate that reflects current market valuation of the cost of money, in relation to the investment period and taking into account the asset's specific risks. For an asset that does not generate largely independent cash flows, the recoverable value is determined in relation to the cash generating unit to which the asset belongs.

An impairment loss is recognized in profit or loss when the carrying amount of the assets or the CGU to which the asset is allocated is greater than its recoverable value. Impairment losses suffered by a CGU are recognized first as a reduction of the carrying amount of any goodwill allocated to the CGU and then as a the deduction from the other assets, in proportion to their carrying amounts and up to the corresponding recoverable values. If the reasons that justify an earlier writedown no longer apply, the carrying amount of the asset is reinstated, with recognition in profit or loss, up to the net carrying amount that the assets in question would have had if it had not been written down and had been regularly depreciated or amortized.

INVESTMENTS IN OTHER COMPANIES, OTHER CURRENT AND NON-CURRENT ASSETS, TRADE RECEIVABLES AND OTHER RECEIVABLES

Upon initial recognition, financial assets are booked at fair value and classified into one of the following categories, depending on their nature and the purpose for which they were purchased:

(a) Loans and receivables;
(b) Available for sale financial asset;
(c) Other equity investments.

a. Loans and receivables

Loans and receivables include financial instruments, other than derivatives and instruments traded in active markets, consisting mainly of receivables owed by customers or subsidiaries, which are expected to generate fixed or determinable payments. Loans and other receivables are classified in the statement of financial position under "Trade receivables" and "Other receivables," shown among current assets, except for those with a contractual maturity of more than 12 months from the end of the reporting period, which are shown among non-current assets.
These assets are valued at amortized cost, using the effective interest rate, reduced for impairment losses.
Any impairment in the value of receivables is recognized in the financial statements whenever there is objective evidence that the Company will not be able to recover a receivables owed by a counter party in accordance with the corresponding contractual terms.
Objective evidence that the value of a financial asset or group of assets has been impaired includes measurable data that come to an entity's attention as a result of the following loss events:

- significant financial difficulties of the debtor;
- the existence of pending legal disputes with the debtor concerning receivables;
- the possibility that the beneficiary may file for bankruptcy or other financial restructuring proceedings.

The amount of the writedown shall be measured as the difference between an asset's carrying amount and the present value of its future cash flows. The amount of the impairment loss is recognized in the income statement under the line item "Impairment of receivables and other provisions."
The value of receivables is shown in the financial statements net of the corresponding provision for impairment losses.

In the case of transactions involving factoring of trade receivables that do not entail transfer to the factor of risks and benefits inherent in the assigned receivables (the Group thus remains exposed to the risk of insolvency and late payment – so-called assignments with recourse), the transaction is treated similarly to the taking out of a loan secured by the assigned receivables. In this instance, the assigned receivable continues to be reflected in the Group's statement of financial position, until it is collected by the factor, and a financial liability is recognized, as an offset for the advanced received from the factor. The financial charge incurred for factoring transaction consists of the interest charged on the advanced amounts, which is recognized on an accrual basis and classified as a financial charge. Fees that accrue on assignments to factors are included among operating expenses.

b. Available for Sale Financial Assets

Available for sale financial assets are financial instruments, other than derivatives, that are explicitly designated as belonging to this category or cannot be classified into none of the preceding categories. They are included among non-current assets, unless management intends to dispose of them within 12 months from the end of the reporting period. Investments in other companies are included in this category.
Subsequent to initial recognition, available for sale financial assets are measured at fair value and any resulting gain or loss is posted to an equity reserve; they are recognized in the statement of comprehensive income, under the line items “Financial income” or “Financial charges” only when the financial asset is actually sold.
The fair value of listed financial instruments is based on the current demand price. If the market for a financial asset is inactive (or the asset consists of unlisted securities), Group companies define the asset’s fair value using valuation techniques. Investments in equity instruments for which a market price quote is not available and whose fair value cannot be measured reliably are valued at cost.

c. Other Equity Investments

Other equity investments (different from those in subsidiaries, affiliated companies and joint ventures) are included among non-current assets or current assets, depending on whether they are expected to remain among the Group’s assets for a period longer or shorter than 12 months, respectively.
Upon acquisition, they are classified into the following categories:

- available for sale financial assets, which can be classified as either non-current or current assets;
- assets measured at fair value through profit or loss, classified as current assets if they are held for trading.

Other equity investments classified as Available for sale financial assets are measured at fair value; changes in the value of these investments are posted to an equity reserve against their recognition among other components of comprehensive income (Reserve for adjustment to fair value of available for sale financial assets), which will be reversed into the consolidated statement of comprehensive income upon the sale of the assets or when the assets become impaired.
Other investments in unlisted companies classified as Available for sale financial assets the fair value of which cannot be determined reliably are valued at cost adjusted for impairment losses recognized in the separate consolidated income statement, as required by IAS 39.

INVENTORY

Inventory is carried at the lower of purchase costs and net realizable value, which corresponds to the amount that the Group expects to obtain from its sale, in the ordinary course of business, net of cost to sell. Cost is determined based on the specific cost of each acquired item.
Financial charges are not included in the valuation of inventory; instead, they are recognized in profit or loss when incurred since the timing requirements for capitalization cannot be met. The inventory of finished goods that are no longer salable is written off.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, available bank deposits and other forms of short-term investments with an original maturity equal to or shorter than three months. Items included in cash and cash equivalents are measured at fair value and any changes are recognized in profit or loss.

TRANSACTIONS IN CURRENCIES DIFFERENT FROM THE FUNCTIONAL CURRENCY

Transactions in currencies different from the functional currency are translated into euros at the exchange rate on the transaction date. Assets and liabilities outstanding at the end of the reporting period are translated into euros at the exchange rate on the reference date of the statement of financial position. Foreign exchange difference arising from the translation at the year-end exchange rate compared with the transaction's exchange rate are recognized in profit or loss.

SHAREHOLDERS' EQUITY

Share Capital

This item represents the par value of the capital contributions provided by shareholders.

Additional Paid-in Capital

This item represents the amounts received by the Company for the shares issued at a price greater than their par value.

Other Reserves

This item includes the most commonly used reserves, which can have a generic or specific destination. As a rule, they do not derive from results of previous years.

Retained Earnings

This item reflects net results of previous years that were not distributed or posted to other reserves or losses that have not been replenished.

BORROWINGS AND OTHER FINANCIAL LIABILITIES

Borrowings and other liabilities are initially recognized at fair value, net of directly attributable incidental costs, and are later valued at amortized cost, by applying the effective interest rate method. If there is a change in the estimate of the expected cash flows, the value of the liability is recomputed to reflect this change, based on the present value of the new expected cash flows and the internal effective rate initially determined. Financial liabilities are classified into current liabilities, except for those with a contractual maturity of more than 12 months from the date of the financial statements and those for which the Company has an unconditional right to defer their payment by at least 12 months past the end of the reporting period.
Financial liabilities are recognized on the date the corresponding transactions are executed and are removed from the financial statements when they are extinguished or after the Group has transferred all of the risks and charges inherent in the financial instruments.

DERIVATIVES

Derivatives, executed mainly to hedge risks related to fluctuations in financial charges, are valued in the same manner as securities held for sale, are measured at fair value through profit or loss and are classified into other current and non-current assets or liabilities. The fair value of financial derivatives is determined based on market prices or, if these are not available, it is estimated with appropriate valuation techniques based on up-to-date financial variables used by market operators and, whenever possible, taking into account recorded prices for recent transactions involving similar financial instruments. When there is objective evidence of impairment, asset-side derivatives are shown net of the amounts set aside in the corresponding provision for impairment.
Derivatives are classified as hedging instruments when the relationship between the derivative and the hedged item is formally documented and the effectiveness of the hedge, tested periodically, is high. Compliance with the requirements defined in IAS 39 to qualify for hedge accounting is verified periodically. Changes in the fair value of derivatives that do qualify for hedge accounting are recognized in profit or loss.
Option contracts concerning the shares of affiliated companies or other companies exchanged with the counterparties are recognized at fair value on the date of recognition, with the offset posted to the income statement. The value of these instruments is adjusted periodically to match their fair value.

EMPLOYEE BENEFITS

Short-term benefits include wages, salaries, the corresponding social security obligations, unused vacation indemnities and incentives awarded in the form of bonuses payable within 12 months from the date of the financial statements. These benefits are accounted for as components of personnel expense in the period during which the employment services are rendered.

Post-employment benefits consist of two types: defined-contribution plans and defined-benefit plans.
In defined-contribution plans, contribution costs are recognized in profit or loss when incurred, based on the respective face value.

In defined-benefit plans, which include the severance benefits owed to employees pursuant to Article 2120 of the Italian Civil Code (the "**TFR**"), the amount of the benefit payable to an employee can be quantified only after the end of the employment relationship and is tied to one or more factors that include age, years of service and compensation level; consequently, the corresponding cost is recognized on an accrual basis in the statement of comprehensive income based on an actuarial computation. The liability recognized in the financial statements for defined-benefit plans corresponds to the present value of the obligation on the date of the financial statements. Obligations under defined-benefit plans are determined each year by an independent actuary using the Projected Unit Credit Method.
The present value of a defined-benefit plan is determined by discounting to present value future cash flows at a rate equal to that of high-quality corporate bonds issued in euros and taking into account the duration of the corresponding pension plan.

Starting from January 1, 2007, the 2007 Budget Law and the corresponding implementation decrees introduced significant changes to the rules governing the TFR, including the employees' option to choose the destination of their vesting TFR. More specifically, new TFR flows can be invested by the employee in pension vehicles of his/her choice or left within the company. In the case of investments in external pension vehicles, the company's obligation is limited to making the defined contribution to the chosen pension fund and, as of that date, newly vested contributions qualify as belonging to defined-contribution plans no longer subject to actuarial valuation.

With regard to the classification of the costs for vested TFR benefits, costs for service are recognized under "Personnel costs," while interest costs are shown under "Financial charges" and actuarial gains/losses are included in other components of consolidated comprehensive income.

SHARE-BASED COMPENSATION PLANS

The "Performance Share Plan" approved by the Parent Company's Board of Directors on March 16, 2016, in which on July 13, 2016 the Board enrolled certain employees of the Parent Company and its subsidiaries, should be treated as involving share-based payments in exchange for the services provided by a beneficiary over the duration of the Plan and is accounted for in accordance with the provisions of IFRS 2 (Share-based Payments).

According to IFRS 2, these plans represent a component of the compensation earned by the Beneficiaries; consequently, the cost of plans that call for payments in equity instruments is the fair value of those instruments on the grant date and is recognized in the consolidated income statement under "Personnel costs" over the period from the grant date to the vesting date, with the offsetting entry posted to a "Reserve for performance shares."

The Plan is deemed to be equity settled.

On the grant date, the Plan's fair value is determined taking into account only the effects of future market conditions (market condition – "TSR Target"). Other conditions require that the beneficiary completes a predetermined length of service (service condition) or the achievement of predetermined earning growth targets (performance condition –"PBTA Target") and are taken into account only for the purpose of allocating the cost over the length of the Plan and for the Plan's final cost.

The cost for each one of these conditions is determined by multiplying the fair value for the number of performance shares that, for each condition, are expected to vest at the end of the vesting period. The estimate depends on the hypotheses regarding the number of beneficiaries that are expected to satisfy the service condition and the probability of satisfaction of the non-market performance condition ("PBTA").

The cost for each one of the Plan's conditions is recognized by the entity that employs the beneficiary proportionately over the vesting period and revised on each reporting date until expiration of the vesting period by the entity that employs the Beneficiary, which, on each reporting date, recognizes the cost by including it in "Personnel costs," with the offsetting entry posted to an equity reserve called "Reserve for Performance Shares."

The estimate of the number of Performance Shares that will be expected to vest at the end of the vesting period is revised on each reporting date until expiration of the vesting period, when the final number of Performance Shares earned by the beneficiaries will be determined (the fair value is never redetermined over the Plan's duration). If the initial estimate of the number of Performance Shares is revised, the change is computed by determining an estimate of the cost accumulated up to that point and recognizing the effects in the income statement, net of any previously recognized accumulated cost. Please note that, by virtue of the adoption of IFRS 2, the failure to fulfill the TSR market condition does not determine the Plan's cost reassessment.

PROVISIONS FOR RISKS AND CHARGES

The provisions for risks and charges are recognized to cover losses and charges of a determined nature, the existence of which is certain or probable, but the amount and/or date of occurrence of which cannot be determined. These provisions are recognized only when there is a current statutory or constructive obligation that will cause a future outflow of economic resources as a result of past events and it is probable that the abovementioned outflow will be required to extinguish the obligation. The amount of the provisions represents the best estimate of the charge required to extinguish the obligation.
Risks for which the occurrence of a liability is only possible are listed in a separate disclosure of contingent liabilities (see Note 35) and no provision is set aside to cover them.

TRADE PAYABLES AND OTHER PAYABLES

Trade payables and other payables are initially recognized at their fair value, net of directly attributable incidental costs, and are later valued at amortized cost, applying the effective interest rate criterion.

SEGMENT INFORMATION

Information about the sectors of activity was prepared in accordance with IFRS 8 "Operating Segments," which requires the information to be presented in a manner consistent with the approach used by management to make operating decisions. Consequently, the identification of the operating segments and the information presented were defined based on the internal reports used by management for the purpose of allocating resources to the different segments and analyzing their performance.

IFRS 8 defines an operating segment as a component of an entity i) that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), ii) whose operating results are reviewed regularly by the entity's chief operating decision makers to make decisions about resources to be allocated to the segment and assess its performance, and iii) for which separate financial information is available.

The operating segments identified by management, which encompass all of the services and products supplied to customers, are:

- Credit Information
- Marketing Solutions
- Credit Management

REVENUES

Revenues and income are recognized net of returns, allowances, bonuses and taxes directly attributable to the provision of the services. Revenues are recognized based on the use of the services by customers and, in any case, when it is probable that benefits will be received in the future and these benefits can be quantified reliably. More specifically:

- revenues from prepaid subscription of contracts are recognized in proportion to consumption, when customers actually use the services. The value of any unused products is recognized as revenues upon the expiration of the contract;
- revenues from subscription contracts with installment payments are recognized prorated over the length of the contract;
- revenues from consumption-based contracts are recognized when the service is rendered or the product is used, based on the specific rates applicable;
- revenues from performance fees are recognized when the service that generates the right to the consideration is provided;
- revenues from the sale of goods are recognized upon transfer of title to the goods.

COSTS

Costs incurred to acquire goods are recognized when all of the risks and benefits inherent in the good being sold are transferred; costs incurred for services received are recognized proportionately to the delivery of the services.

FINANCIAL CHARGES AND INCOME

Financial charges and income are recognized in the comprehensive income statement when accrued, based on the effective interest rate.

INCOME TAXES

Income taxes are recognized in the consolidated separate income statement, except for those related to items directly debited or credited to a shareholders' equity reserve; in these cases the corresponding tax effect is recognized directly in the respective shareholder's equity reserves. The consolidated statement of comprehensive income shows the amount of income taxes for each item included under "other components of the consolidated statement of comprehensive income."

The income taxes shown in the income statement include both current and deferred taxes. Income taxes are recognized in profit or loss. Current taxes are the taxes that the Company expects to pay, computed by applying to taxable income the tax rate in effect at the end of the reporting period.

Deferred taxes are computed by applying the liability method to the temporary differences between the amounts of the assets and liabilities recognized in the financial statements and the corresponding amounts recognized for tax purposes. Deferred taxes are computed based on the method that the Company expects to use to reverse temporary differences, using the tax rate expected to be in effect when the differences will be reversed. Deferred tax assets are recognized only when it is probable that sufficient taxable income will be generated in future years allowing to recover them.

EARNINGS PER SHARE

a. Basic earnings per share

Basic earnings per share are computed by dividing the profit attributable to the owners of the parent by the weighted average number of common shares outstanding during the year, excluding any treasury shares held.

b. Diluted earnings per share

Diluted earnings per share are computed by dividing the profit attributable to the owners of the parent by the weighted average number of common shares outstanding during the year, excluding treasury shares. For the purpose of computing diluted earnings per share, the weighted average number of outstanding shares is adjusted assuming the exercise by all assignees of rights with a potentially diluting effect, while the profit attributable to the owners of the parent is restated to take into account any effects, net of taxes, of the exercising of said rights.

1.4. RECENTLY PUBLISHED ACCOUNTING STANDARDS

ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS APPLICABLE AS OF JANUARY 1, 2016

The accounting standards and interpretations the adoption of which is mandatory as of January 1, 2016 are listed below. Please note that these accounting standards and interpretations did not have any impact on the Consolidated Financial Statements at December 31, 2016.

Description	Endorsed as of the date of this document	Effective date of the standard
Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortization	Yes	Years beginning on or after January 1, 2016
Amendments to IFRS 11: Accounting for Acquisitions of interests in joint operations	Yes	Years beginning on or after January 1, 2016
Amendments to IAS 16 and IAS 41: Agriculture: Bearer Plants	Yes	Years beginning on or after January 1, 2016
Amendments to IAS 27: Equity Method in Separate Financial Statements	Yes	Years beginning on or after January 1, 2016
Annual Improvements to IFRSs 2012-2014 Cycle	Yes	Years beginning on or after January 1, 2016
Amendments to IAS 1: Disclosure Initiative	Yes	Years beginning on or after January 1, 2016
Amendments to IFRS 10, IFRS 12, and IAS 28: Investment Entities: Applying the Consolidation Exception	Yes	Years beginning on or after January 1, 2016
Amendments to IFRS 11: Accounting for Acquisitions of Interests in Joint Operations	Yes	Years beginning on or after January 1, 2016

ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS NOT YET APPLICABLE FOR WHICH THE GROUP DID NOT CHOOSE EARLY ADOPTION

The table below lists the international accounting standards, interpretations and amendments to existing accounting standards and interpretations or specific provisions set forth in principles and interpretations approved by the IASB, showing which ones were endorsed or not endorsed for adoption in Europe as of the date of this document:

Description	Endorsed as of the date of this document	Effective date of the standard
IFRS 9 Financial Instruments	Yes	Years beginning on or after January 1, 2018
IFRS 14 'Regulatory deferral accounts'	No	Suspended
IFRS 15 Revenue from Contracts with customers	Yes	Years beginning on or after January 1, 2018
Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	No	Suspended
IFRS 16 Leases	No	Years beginning on or after January 1, 2019
Amendments to IAS 12: Recognition of deferred tax assets for unrealized losses	No	Years beginning on or after January 1, 2017
Amendments to IAS 7: Disclosure Initiative	No	Years beginning on or after January 1, 2017
Amendments to IFRS 2: Classification and Measurement of Share based Payment Transactions	No	Years beginning on or after January 1, 2018
Amendments to IFRS 4: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts : Classification and Measurement of Share based Payment Transactions	No	Years beginning on or after January 1, 2018
Annual Improvements to IFRSs 2014-2016 Cycle	No	Years beginning on or after January 1, 2017/2018
Amendments to IAS 40: Transfer to Investment Property	No	Years beginning on or after January 1, 2018
IFRIC Interpretation 22 Foreign Currency Transactions and Advance Consideration	No	Years beginning on or after January 1, 2018

The Group did not choose early adoption for accounting standards and/or interpretations the adoption of which will be mandatory for reporting period beginning after January 1, 2016.

The Group is in the process of assessing the effects of the abovementioned standards.

2. FINANCIAL RISK MANAGEMENT

2.1. FINANCIAL RISK FACTORS

The Group's operations are exposed to the following risks: market risk (defined as foreign exchange and interest rate risk), credit risk (regarding both regular sales transactions with customers and financing activities) and liquidity risk (regarding the availability of financial resources and access to the credit market and financial instruments in general).

The Group's objective is to maintain over time a balanced handling of its financial exposure, capable of ensuring that the structure of its liabilities is in harmony with the asset composition in its financial statements and delivering the necessary operating flexibility through the combined use of liquidity generated by current operating activities and bank financing.
The ability to generate liquidity through the operating activities, coupled with its borrowing ability, enables the Group to adequately meet its operating needs, in terms of financing its operating working capital and funding its investments, and meet its financial obligations.

The Groups' financing policy and the management of the related financial risks are guided and monitored at the central level. Specifically, the central Finance Department is responsible for assessing and approving projected financing needs, monitoring developing trends and, when necessary, taking corrective action. In addition, the central Finance Department contributes to the development of the Group's financing and cash management policies, seeking to optimize the management of financial and cash flows and related risks. This activity is carried out in cooperation with the management of the divisions, as all decisions are made specifically taking into consideration the Group's operating needs, as approved and revised by the Board of Directors.

The financing tools most frequently used by the Group include the following:
- medium/long-term borrowings to fund investments in non-current assets;
- short-term borrowing and utilization of bank account overdraft facilities to finance working capital.

The following section provides qualitative and quantitative disclosures on the impact of such risks on the Group.

MARKET RISK

Foreign Exchange Risk

The exposure to the risk of fluctuations in foreign exchange rates derives from activities in currencies different from the euro. The Group operates primarily in Italy and most of the revenues and purchases of services in foreign countries involve countries that are members of the European Union. Consequently, the Group is not exposed to the risk of fluctuations in the exchange rates of foreign currencies versus the euro.

Interest Rate Risk

The Group uses external financial resources such as of borrowings and invests available liquid assets in bank deposits. Changes in market interest rates affect borrowing costs and the yields of different types of investments, with an impact on the level of the Group's financial charges and financial income.

The Group, being exposed to fluctuations in interest rates insofar as they affect the measurement of debt related financial charges, regularly assesses its exposure to the risk of interest rate changes and manages this risk with interest rate financial derivatives, interest rate swaps (IRS) mainly, executed exclusively for hedging purposes.

On May 26, 2016, the Group executed Interest Rate Swaps (IRS), for a notional amount of 400 million euros, to hedge the interest rate risk on the Term Financing Facility B, amount to 400 million euros. Because the interest rate financial derivatives were executed for hedging purposes and met the effectiveness verification requirements, they were accounted for in accordance with the hedge accounting method, with any changes in the fair value of financial instruments recognized in a special equity reserve (Cash flow hedge reserve). Consequently, the fair value measurement of the derivatives at the date of execution, amounting to 1,434 thousand euros, and the change in fair value at the closing date of the financial statements at December 31, 2016, amounting to 1,048 thousand euros, were recognized directly in the statement of other components of comprehensive income.

The Euribor is the interest rate to which the Group is most exposed.

Detailed information about financial instruments outstanding at the reporting date is provided in Note 32 “Current and non-current borrowings.”

All of the Group’s liquid assets consist mainly of variable rate bank deposits and, consequently, their fair value approximates their carrying amount.

Sensitivity Analysis Relating to Interest Rate Risk

The Group’s exposure to the interest rate risk was measured through a sensitivity analysis that took into account current and non-current financial liabilities and bank deposits. A brief description of the methodology followed in carrying out this analysis, and the results obtained, are provided below.

Within the scope of the assumptions made, the effects on the Group’s income statement and shareholders’ equity for 2016 resulting from a hypothetical variation in market rates that reflect an increase or decrease of 100 bps were determined. The computation method applied the hypothetical variation to: the annual average balance of the Group’s bank deposits, the actual balances of gross financial debt and the interest rate paid during the year to compensate variable rate liabilities.

The table below shows the results of the analysis performed:

(In thousands of euros)	Impact on earnings		Impact of shareholders’ equity	
	-100 bps	+100 bps	-100 bps	+100 bps
2016	-	3,738	-	3,738

(1) The plus sign indicates greater profit and an increase in shareholders’ equity; the minus sign indicates lower profit and a reduction in shareholders’ equity.
(2) The results refer to the Group’s indebtedness at December 31, 2016.

CREDIT RISK

Financial Credit Risk

The financial credit risk refers to the inability of a counterparty to fulfill its obligations.

At December 31, 2016, the Group's liquid assets were invested in bank accounts with top-rated credit institutions.

Commercial Credit Risk

The commercial credit risk derives mainly from trade receivables. To minimize the credit risk related to commercial counterparties, the Group established internal procedures that call for a preventive verification of a customer's solvency prior to accepting a contract through a rating analysis based on CERVED data.

Moreover, there is a procedure for the collection and management of trade receivables that calls for sending written reminders in the event of late payments, followed by gradually more incisive actions (mailing of payment reminder letter, telephone payment requests, threats of legal action and legal action).

Lastly, trade receivables carried in the financial statements are individually analyzed and when positions are found to present conditions that make them partially or fully uncollectible, they are written down. The amount of the writedowns reflects an estimate of recoverable cash flows and the corresponding date of collection. For receivables that are not individually written down, provisions that take into account historical experience and statistical data are recognized on an aggregate basis. See Note 25 for additional information about the provision for impairment of receivables.

The following table provides a breakdown of trade receivables and other current receivables at December 31, 2016 grouped by days in arrears, net of the provision for impairment of receivables.

(In thousands of euros)	At December 31, 2016	Current	90 days in arrears	From 90 to 240 days in arrears	More than 240 days in arrears
Trade receivables	165,403	138,552	8,122	6,199	12,530
Provision for impairment of receivables	(10,472)	(674)	(516)	(1,471)	(7,812)
Net amount	**154,930**	**137,878**	**7,606**	**4,728**	**4,719**
Other receivables	5,070	5,070	-	-	-
Total	**160,000**	**142,948**	**7,606**	**4,728**	**4,719**

It is worth mentioning that the Group also offers its products and services to large companies and big banking groups. As a result, a significant portion of trade receivables is concentrated with a limited number of customers; at December 31, 2016, the top 10 customers, the majority of whom are financial institutions, represented approximately 12.13% of all receivables. However, there are no specific concentration risks because the counterparties in question do not present specific solvency risks and, moreover, enjoy a very high credit rating.

As shown in the preceding tables, receivables are presented in the financial statements net of the related impairment provision, computed on the basis of an analysis of the positions that are objectively totally or partially uncollectible.

LIQUIDITY RISK

The liquidity risk refers to the potential inability to secure, on affordable terms, the financial resources needed for the Group's operations. The two main factors that affect the Group's liquidity are:

(i) The financial resources generated or absorbed by the operating and investing activities;
(ii) The maturity characteristics of financial debt.

The Group's liquidity needs are monitored by the central cash management function with the aim of ensuring the effective procurement of financial resources and an adequate investment of/return on liquid assets.

Management believes that the funds and credit lines currently available, combined with those that will be generated by the operating and financing activities, will enable the Company to meet its needs with regard to investing activities, working capital management and the repayment of debt at the contractual maturities.

The table below provides a breakdown of financial liabilities (including trade payables and other payables): specifically, all cash flows listed are undiscounted future nominal cash flows, determined based on the remaining contractual maturities including both principal and accrued interest.

(In thousands of euros)	At December 31, 2016	< 1 year	2 - 5 years	> 5 years	Total
Non-current loans					
Long-term facilities	557,722	11,167	210,863	407,136	629,166
Current loans					
Current portion of long-term facilities	11,433	11,433	-	-	11,433
Other financial debt	2,806	2,806	-	-	2,806
Other non-current liabilities	22,763	-	22,763	-	22,763
Trade payables	38,528	38,528	-	-	38,528
Other current payables	115,958	115,958	-	-	115,958

With regard to the exposure to trade payables, there is no significant supplier concentration.

2.2. CAPITAL MANAGEMENT

The Group's objectives is to create value for its shareholders. Special attention is paid to the debt level relative to shareholders' equity and EBITDA, while pursuing objectives of profitability and operating cash flow generation.

2.3. ESTIMATING FAIR VALUE

The fair value of financial instruments traded in an active market is based on market prices on the date of the financial statements. The fair value of instruments that are not traded in an active market is determined using valuation techniques based on a series of methods and assumptions tied to market conditions on the reporting date.

The classification of the fair value of financial instruments based on hierarchical levels is as follows:

Level 1: Determination of fair value based on quoted prices (unadjusted) for identical financial instruments in active markets;

Level 2: Determination of fair value based on valuation techniques that reference variables observable in active markets;

Level 3: Determination of fair value based on valuation techniques that reference variables not observable in active markets.

With regard to the classification of assets and liabilities measured at fair value, please see the table below:

(In thousands of euros)

	AT DECEMBER 31, 2016			
	Level 1	Level 2	Level 3	Total
1. Financial assets measured at fair value through profit or loss	-	-	-	-
2. Available-for-sale financial assets	-	-	-	-
Total	**-**	**-**	**-**	**-**
1. Financial liabilities measured at fair value through profit or loss	-	-	-	-
2. Derivatives	-	(2,482)	-	(2,482)
Total	**-**	**(2,482)**	**-**	**(2,482)**

3. FINANCIAL ASSETS AND LIABILITIES BY CATEGORY

The table that follows provides a breakdown by category of financial assets and liabilities at December 31, 2016.

(In thousands of euros)

	AT DECEMBER 31, 2016					
	Financial assets and liabilities measured at fair value though profit or loss	Loans and receivables	Available-for-sale financial assets	Financial liabilities at amortized cost	Hedging derivatives	Total
Other non-current financial assets	-	454	2,869	-	-	3,323
Trade receivables	-	154,930	-	-	-	154,930
Tax receivables	-	5,244	-	-	-	5,244
Other receivables	-	5,070	-	-	-	5,070
Other current assets	-	10,129	-	-	-	10,129
Cash and cash equivalents	-	48,539	-	-	-	48,539
Total assets	**-**	**224,366**	**2,869**	**-**	-	**227,235**
Current and non-current borrowings	-	-	-	-	2,482	571,961
Trade payables	-	-	-	38,528	-	38,528
Tax payables	-	-	-	4,949	-	4,949
Other liabilities	-	-	-	-	-	115,959
Other non-current liabilities	-	-	-	22,763	-	22,763
Total liabilities	-	**-**	**-**	**-**	2,482	**754,160**

The fair values of trade receivables, other receivables and other financial assets and of trade payables and other payables and other financial liabilities, listed among the "current" line items in the statement of financial position and valued by the amortized cost method did not differ significantly from the respective carrying amounts at December 31, 2016, as they consist mainly of assets underlying commercial transactions scheduled for settlement over the near term.

Non-current financial liabilities and assets are settled or valued at market rates and, consequently, their fair value is deemed to be substantially in line with their carrying amount.

4. ESTIMATES AND ASSUMPTIONS

In the preparation of financial statements, Directors are required to apply accounting principles and methods that, in some cases, are based on difficult and subjective assessments and estimates, based on historical experience and assumptions that, in each case, are deemed reasonable and realistic in the corresponding circumstances. The adoption of these estimates and assumptions affects the amounts shown in the financial statement schedules, including the statement of financial position, the comprehensive income statements and the statement of cash flows, as well as the disclosures provided. Final results for the line items for which the abovementioned estimates and assumptions were used could differ from those shown in the financial statements due to the uncertainty that characterizes the assumptions and the conditions upon which the estimates are based.
The areas for which Directors are required to use more subjective factors in developing estimates and for which a change in the conditions underlying the assumptions used could have a material impact on the Company's financial statements are listed below.

A. Impairment of assets

In accordance with the accounting principles applied by the Group, property, plant and equipment and intangible assets must be tested to determine if an impairment has occurred, which is recognized by means of a writedown, when there are indicators showing that it may be difficult to recover the net carrying amount of the assets through their use. The determination of the existence of such indicators requires, on the part of the Board of Directors, the development of subjective valuations, based on information available within the Group and in the market and on past experience. Moreover, if it can be determined that a potential impairment may have occurred, the Group must quantify the impairment using appropriate valuation techniques. The correct identification of the elements indicating the existence of a potential impairment of property, plant and equipment, intangible assets and investment property and the estimates required to measure the impairment are based on factors that can vary over time, with an impact on the valuations and estimates made by the Board of Directors.

The "value in use" of the Cash Generating Units (CGUs) to which goodwill had been allocated was computed in order to determine whether the value of goodwill and other non-current asset had been impaired. The value in use was determined by discounting to present value the cash flows from each CGU in its current conditions and excluding any estimate of future cash flows that could derive from future restructuring plans or other structural changes.

B. Depreciation and Amortization

The cost of property, plant and equipment and intangible assets is depreciated and amortized, respectively, on a straight line over the estimated useful lives of the assets. The useful economic lives of these assets are determined by the Board of Directors when the assets are acquired; they are based on past experience for similar assets, market conditions and projections about future events that could have an impact on the useful lives of the assets, such as changes in technology. Consequently, the actual economic life could differ from the estimated useful life.

C. Provision for Impairment of Receivables

The provision for impairment of receivables reflects estimates of projected losses for the Group's portfolio of receivables. The provisions for projected impairment of receivables recognized were estimated based on past experience for receivables posing a similar credit risk, current and past unpaid amounts, and a careful monitoring of the quality of the portfolio of receivables and current and projected conditions in the economy and the reference markets. Estimates and assumptions are revised periodically and the effects of any change are reflected in the income statement of the year to which they are attributable.

D. Employee Benefits

The present value of the retirement benefit obligations recognized in the consolidated financial statements depends on actuarial computations and various assumptions taken into consideration. Any changes in these assumptions or the discount rate applied are promptly reflected in the computation of the present value and could have a significant impact on financial statement data. The assumptions used for actuarial computation purposes are reviewed each year.

The present value is determined by discounting future cash flows at an interest rate equal to that of high quality corporate bonds issued in the currency in which the liability will be settled and taking into account the duration of the corresponding pension plan. For additional information see Note 11 "Personnel Costs" and Note 34 "Employee Benefits."

Estimates and assumptions are reviewed periodically and the effects of any change are reflected immediately in profit or loss.

E. Business Combinations

Accounting for business combinations entails recognizing the assets and liabilities of the acquired business at their fair value on the date when control was acquired as well as recognizing goodwill. These values are determined through a complex estimation process.

5. BUSINESS COMBINATIONS

ACQUISITION OF THE "INJUNCTIONS AND COLLECTION ENFORCEMENT" BUSINESS OPERATIONS OF THE ITALIAN BRANCH OF BHW BAUSPARKASSEN AG

On March 31, 2016, but with effect as of April 1, 2016, the Group, through its Cerved Credit Management S.p.A. subsidiary, entered into an agreement to develop a long-term industrial partnership for the management of non-performing loans originated by the Italian branch of BHW Bausparkassen AG (Deutsche Bank AG Group), based in Bolzano, which included the acquisition of the "Injunctions and Collection Enforcement" business operations of the abovementioned branch for 75 thousand euros.

This transaction boosted the Group's revenues and net profit by 766 thousand euros and 350 thousand euros, respectively, for the period between April 1, 2016 (date of acquisition) and December 31 2016.

The table below provides a breakdown of the fair value of the acquired assets and the assumed liabilities at the date of acquisition:

(In thousands of euros)	Fair Value
Property, plant and equipment	1
Acquired assets	**1**
Employee benefits	(24)
Other liabilities	(21)
Assumed liabilities	**(45)**
Net acquired assets	**(44)**

The difference between the total amount invested, amounting to 75 thousand euros, and the net value of the assets and liabilities on the date of acquisition, amounting to 44 thousand euros, was allocated to Goodwill.

(In thousands of euros)	
Consideration paid	**75**
Net acquired assets	(44)
Goodwill	**119**

The net cash flow resulting from the acquisition of the "Injunctions and Collection Enforcement" business operations of the Italian branch of BHW Bausparkassen AG is illustrated in the table below:

(In thousands of euros)	
Consideration paid	**(75)**
Cash and cash equivalents on the date of acquisition	-

ACQUISITION OF CLICKADV S.R.L.

On April 13, 2016, the Group, through its Cerved Group subsidiary, completed the acquisition of a 70% interest in ClickAdv S.r.l., a company active in the digital advertising sector that offers to its customers performance oriented marketing solutions supported by PayClick-branded proprietary technologies.

This transaction, executed with the aim of strengthening and rounding out the range of services offered in the Marketing Solutions segment, boosted the Group's revenues and net profit by 6,333 thousand euros and 1,922 thousand euros, respectively, for the period between date of acquisition and December 31, 2016. Had the acquisition occurred on January 1, 2016, the impact on the Group's revenues and net profit at December 31, 2016 would have amounted to 8,410 thousand euros and 2,375 thousand euros, respectively.

The price of the transaction, financed by utilizing a revolving credit line available to Cerved Group, amounted to 13,895 thousand euros, already adjusted to take into account the company's net financial position on the date of acquisition and the 2015 EBITDA, compared with the provisional amounts. No earn out or other price adjustment mechanism has been stipulated.

Concurrently with this acquisition, Cerved Group and the minority shareholder entered into a shareholders' agreement that governs the handling of some options for the 30% equity interest held by the minority shareholders; the main options include the following:

- Call/put option on the remaining 30% exercisable over three years, subsequent to the approval of the financial statements for 2016, 2017 and 2018, for 10% of the company's equity each year, at a price based on a multiplier tied to the growth of the company's EBITDA during the period;
- Cerved's call option in the event of firing or termination for cause of the employment relationship with the minority shareholder (bad leaver option), the price of which is based on a multiplier of the company's EBITDA.

See Note 36 for additional details about the valuation of the liability for the options exchanged with the minority shareholder.

The cost incurred for this transaction, amounting to 257 thousand euros, were fully expensed out in 2016.

The table below shows the results of the business combinations:

(In thousands of euros)	
Consideration paid	**14,058**
Price adjustment	(163)
Valuation of consideration	**13,895**
Net acquired assets	6,516
Goodwill	**7,379**

The table below provides a breakdown of the fair values of the acquired assets and assumed liabilities on the date of acquisition:

(In thousands of euros)	Carrying amount	Purchase price allocation	Fair Value
Intangible assets	-	6,789	6,789
Property, plant and equipment	8	-	8
Other non-current assets	9	-	9
Trade receivables	4,413	-	4,413
Tax receivables	21	-	21
Other receivables	14	-	14
Cash and cash equivalents	2,150	-	2,150
Acquired assets	**6,615**	**6,789**	**13,404**
Short-term and long-term borrowings	3	-	3
Employee benefits	67	-	67
Deferred taxes	-	1,894	1,894
Trade payables	1,612	-	1,612
Tax payables	463	-	463
Other liabilities	57	-	57
Assumed liabilities	**2,202**	**1,894**	**4,096**
Net acquired assets	**4,413**	**4,895**	**9,308**

The adjustments made to the carrying amounts upon the measurement at fair value of the acquired assets and liabilities reflect the results of the measuring process of the Purchase Price Allocation (PPA), completed on December 31, 2016, and refer for 2,569 thousand euros to Customer Relationships, for 1,863 thousand euros to software, for 1,537 thousand euros to exclusive customer contracts and for 821 thousand euros to sundry intangible assets.

The net cash flow resulting from the acquisition of ClickAdv S.r.l. is illustrated in the table below:

(In thousands of euros)	
Consideration paid	**(13,895)**
Cash and cash equivalents on the date of acquisition	2,147
Net cash flow resulting from the acquisition	**(11,748)**

ACQUISITION OF MAJOR 1 S.R.L.

On July 25, 2016, Cerved Group completed the acquisition of a 55% interest in Major 1 S.r.l., a company engaged in the development and sales of credit monitoring software.

This transaction, aimed at strengthening the technological knowhow of the Business Information segment and increasing its value added, boosted the Group revenues and EBITDA by 101 thousand euros and 362 thousand euros, respectively. Had the acquisition been completed on January 1, 2016, the impact on the Group's revenues and profit at December 31, 2016 would have amounted to 167 thousand euros 324 thousand euros, respectively.

This transaction, valued at 1.9 million euros, was financed with the Group's internal liquidity.

The sale of the remaining equity interest will be handled by means of put and call options exercisable after the approval of results achieved in future years, including:

- a call/put option for the remaining 45% interest exercisable over three years, subsequent to the approval of the financial statements for 2016, 2017 and2018, at a price based on a multiplier tied to the growth of the company's EBITDA during the period;
- a Cerved's call option for 45% of the company in the event of firing or termination for cause of the employment relationship with the minority shareholder (bad leaver option), the price of which is based on a multiplier of the company's EBITDA.

See Note 36 for additional details about the valuation of the liability for the options exchanged with the minority shareholder.

The costs incurred for this transaction, amounting to 170 thousand euros, were fully expensed out in 2016.

The table below shows the results of the business combinations:

(In thousands of euros)	
Consideration paid	**1,862**
Price adjustment	22
Valuation of consideration	**1,884**
Net acquired assets	118
Goodwill	**1,766**

The table below provides a breakdown of the fair values of the acquired assets and assumed liabilities on the date of acquisition:

(In thousands of euros)	Fair Value
Intangible assets	111
Property, plant and equipment	24
Other non-current assets	19
Trade receivables	547
Other current assets	33
Cash and cash equivalents	415
Acquired assets	**1,148**
Employee benefits	126
Trade payables	52
Tax payables	225
Other liabilities	531
Assumed liabilities	**934**
Net acquired assets	**215**

The net cash flow resulting from the acquisition of Major 1 S.r.l. is illustrated in the table below:

(In thousands of euros)	
Consideration paid	**(1,884)**
Cash and cash equivalents on the date of acquisition	415
Net cash flow resulting from the acquisition	**(1,469)**

ACQUISITION OF FOX & PARKER S.R.L.

On August 31, 2016, Cerved Group completed the acquisition of the business information activities of Fox & Parker S.r.l., a company specialized in the development of value-added sectorial payment records, proprietary data integration software and tailored commercial information for corporate customers.

This transaction, aimed at strengthening the range of value added services offered by the Business Information segment, boosted the Group revenues by 548 thousand euros but lowered EBITDA by 81 thousand euros. Had the acquisition been completed on January 1, 2016, the impact on the Group at December 31, 2016 would have been a revenue increase of 1,674 thousand euros and a loss of 243 thousand euros.

This transaction, valued at 2.8 million euros, was financed by the Group with internal liquidity.

The costs incurred for this transaction, amounting to 218 thousand euros, were fully recognized in the income statement.

The difference between the total investment made, amounting to 2,587 thousand euros, and the net value of the acquired assets and assumed liabilities, equal to 1,799 thousand euros, was allocated to goodwill.

(In thousands of euros)	
Consideration paid	**2,804**
Price adjustment	(217)
Valuation of consideration	**2,587**
Net acquired assets	(1,799)
Goodwill	**4,385**

The table below provides a breakdown of the fair values of the acquired assets and assumed liabilities on the date of acquisition:

(In thousands of euros)	Fair Value
Intangible assets	188
Property, plant and equipment	7
Trade receivables	110
Tax receivables	0
Acquired assets	**306**
Provision for future risks and charges	77
Employee benefits	171
Trade payables	161
Tax payables	9
Other liabilities	1,686
Assumed liabilities	**2,104**
Net acquired assets	**(1,799)**

The net cash flow resulting from the acquisition of these business operations is illustrated in the table below:

(In thousands of euros)	
Consideration paid	**(2,587)**
Cash and cash equivalents on the date of acquisition	0
Net cash flow resulting from the acquisition	**(2,587)**

6. SEGMENT INFORMATION

The operating segments identified by management, which encompass all of the services and products supplied to customers, are:

- Credit Information, which includes providing legal, commercial, accounting, economic and financial information;
- Marketing Solutions, which includes providing market information and analyses; and
- Credit Management, which includes services for the valuation and management of receivables and "problem assets" on behalf of third parties.

The results of the operating segments are measured and reviewed periodically by Management through an analysis of the trend for EBITDA, defined as earnings for the period before depreciation and amortization, asset writedowns, nonrecurring charges, financial income and charges, gains or losses on investments in associates and income taxes.

Moreover, management believes that EBITDA provide a good indication of performance because they are not affected by the tax laws or depreciation and amortization policies.

The table that follows shows the revenues and EBITDA of the operating segments at December 31, 2016 and 2015:

(in thousands of euros)

	PERIOD FROM JANUARY 1 TO DECEMBER 31, 2016				PERIOD FROM JANUARY 1 TO DECEMBER 31, 2015			
	Credit Information	Marketing Solutions	Credit Management	Total	Credit Information	Marketing Solutions	Credit Management	Total
Revenues by segment	274,712	21,123	84,733	380,568	267,112	13,833	74,991	355,936
Inter-segment revenues	(1.841)	(9)	(1.764)	(3.614)	(1.330)	-	(1.121)	(2.451)
Total revenues from outsiders	**272,871**	**21,114**	**82,969**	**376,954**	**265,782**	**13,833**	**73,870**	**353,485**
EBITDA	**146,891**	**8,161**	**24,295**	**179,347**	**145,390**	**5,912**	**19,490**	**170,793**
EBITDA%	*53.8%*	*38.7%*	*29.3%*	*47.6%*	*54.7%*	*42.7%*	*26.4%*	*48.3%*
Nonrecurring components				(6,541)				(3,774)
Depreciation and amortization				(78,027)				(74,241)
Operating profit				**94,779**				**92,778**
Pro rata interest in the result of associates valued by the equity method				(323)				(177)
Financial income				677				1,119
Financial charges				(19,143)				(42,999)
Nonrecurring financial income/(charges)				(489)				(52,439)
Result before taxes				**75,502**				**(1,718)**
Income taxes				(26,837)				5,341
Net profit				**48,665**				**3,623**

Given the type of services and products sold by the Group, there are no instances of significant revenue concentration with individual customers.

7. REVENUES

A breakdown of "Revenues" is provided below:

(In thousands of euros)	At December 31, 2016	At December 31, 2015
Sales in Italy	367,511	342,068
International sales	11,085	12,258
Total sales	**378,596**	**354,327**
Deferred revenues	(1,642)	(842)
Total	**376,954**	**353,485**

Deferred revenues derive from services invoiced at December 31, 2016 but not yet provided to customers and deferred to the following period in accordance with the accrual principle. The Group's revenues are generated mainly in Italy; an analysis by business segment is provided in Note 6 Segment Information.

8. OTHER INCOME

A breakdown is as follows:

(In thousands of euros)	At December 31, 2016	At December 31, 2015
Sundry income	119	100
Insurance settlements	15	102
Other nonrecurring income	-	512
Total	**134**	**714**

See Note 15 for "Nonrecurring income."

9. COST OF RAW MATERIAL AND OTHER MATERIALS

A breakdown of these items is as follows:

(In thousands of euros)	At December 31, 2016	At December 31, 2015
Consumables	275	216
Cost of sales	6,444	7,334
Fuel	693	713
Total	**7,412**	**8,263**

The "Cost of sales" refers to the cost of goods bought and resold as part of the asset management and reselling activity carried out by the Cerved Credit Management Group S.r.l. subsidiary through its "Markagain" Division.

"Consumables" and "Fuel" refer mainly to costs for Company-owned cars used by employees.

10. COST OF SERVICES

A breakdown is provided below:

(In thousands of euros)	At December 31, 2016	At December 31, 2015
Information services	27,468	28,133
Agents and sales agreement costs	18,534	17,254
Tax, administrative and legal consulting services	3,129	2,597
Advertising and marketing expenses	1,762	1,254
Maintenance and technical support costs	4,860	4,833
Utilities	2,370	2,293
Services for asset Re-Marketing activities	3,743	4,225
Costs for credit collection services	13,287	11,936
Travel expenses and per diems	2,688	2,484
Costs for digital marketing services	3,193	-
Other consultancy and services costs	3,838	3,852
Nonrecurring costs	1,589	1,055
Total	**86,460**	**79,918**

"Cost of services" includes nonrecurring costs totaling 1,589 thousand euros. See Note 15 "Nonrecurring Income and Costs" for additional information.

11. PERSONNEL COSTS

A breakdown is as follows:

(In thousands of euros)	At December 31, 2016	At December 31, 2015
Wages and salaries	62,463	53,808
Social security charges	20,639	18,706
Severance benefits	4,916	5,172
Other personnel costs	2,112	1,278
Nonrecurring costs	4,952	3,453
Total staff costs	**95,082**	**82,417**
Associates' fees and social security contributions	170	292
Directors' fees and social security contributions	2,093	2,293
Total fees	**2,263**	**2,585**
Total	**97,345**	**85,001**

"Other personnel costs" includes 680 thousand euros for costs incurred during the year for the "2019-2021 Performance Share Plan" (the "Plan") reserved for some key Company resources selected among Directors, managers and other executives. See Note 43 for a description of the Plan's rules.

"Nonrecurring costs," which are summarized in Note 15, refer to early retirement incentives paid to some employees as part of the company integration and Group reorganization processes.

Detailed information about "Severance benefits" is provided in Note 34.

The table below shows a breakdown by category of the average number of Group employees:

(Average number)

Employees by category	At December 31, 2016	At December 31, 2015
Executives	64	65
Middle managers	265	244
Office staff	1,574	1,459
Total	**1,903**	**1,768**

12. OTHER OPERATING COSTS

A breakdown of "Other operating costs" is provided below:

(In thousands of euros)	At December 31, 2016	At December 31, 2015
Rent	4,706	4,557
Car rentals and expenses for Company cars	1,070	1,436
Other costs	897	767
Janitorial services	544	497
Employee cafeteria and meal vouchers	1,389	1,247
Total	**8,606**	**8,503**

13. IMPAIRMENT OF RECEIVABLES AND OTHER PROVISIONS

A breakdown of "Impairment of receivables and other provisions" is provided below:

(In thousands of euros)	At December 31, 2016	At December 31, 2015
Impairment of receivables	3.979	6,206
Accruals to other provisions for risks, net of reversals	480	(489)
Nonrecurring components	-	(222)
Total	**4,459**	**5,495**

For more detailed information about the changes that occurred in the provision for impairment of receivables and the provision for other liabilities and charges, see the analysis provided in Note 25 "Trade receivables" and Note 35 "Provisions for other liabilities and charges."

14. DEPRECIATION AND AMORTIZATION

A breakdown of "Depreciation and amortization" is as follows:

(In thousands of euros)	At December 31, 2016	At December 31, 2015
Amortization of intangible assets	73,424	70,140
Depreciation of property, plant and equipment	4,602	4,101
Total	**78,027**	**74,241**

For more detailed information about depreciation and amortization, see the analysis provided in Note 19 "Property, plant and equipment" and Note 20 "Intangible assets."

15. NONRECURRING INCOME AND COSTS

As required by the Consob Communication of July 28, 2006, the table below summarizes the Group's nonrecurring income and costs:

(In thousands of euros)	At December 31, 2016	At December 31, 2015
Nonrecurring income	-	(512)
Cost of services	1,589	1,055
Personnel costs	4,952	3,453
Financial charges/(income)	489	52,439
Accruals to the provision for tax risks	160	(222)
Income taxes	4,290	(11,487)
Total	**11,480**	**44,726**

During the reporting period, the Group incurred nonrecurring costs totaling 11,480 thousand euros, which included:

(i) 1,589 thousand euros recognized under costs for services, mainly relating to the charges incurred by the Group for recently completed acquisitions and other expenses of a non-recurring nature;

(ii) 4,952 thousand euros for personnel costs, broken down as follows:
- 3,170 thousand euros for retirement incentives paid to employees as part of the process for the integration of Group companies;
- an indemnity of 1,000 thousand euros awarded to the outgoing CEO Gianandrea De Bernardis under a three-year non-compete agreement, paid in a lump sum within 30 days from the end of his term of office;
- 782 thousand euros in charges for the long-term unemployment benefit program of the Finservice subsidiary, described in the Director's Report on Operations;

(iii) 489 thousand euros for non-recurring financial charges, including:
- 1,448 thousand euros for the recognition in the accounting period of the remaining financial charges incurred in connection with the placement of a bond issue, redeemed ahead of schedule in January 2016, and reflected in the income statements in accordance with the amortized cost method.
- 959 thousand euros for a financial gain generated by the reversal of a liability incurred in connection with an option right granted to the minority shareholders of Cerved Credit Management Group S.r.l., as the contract previously executed with the minority shareholders expired without being exercised.

(iv) 160 thousand euros for an accrual to a provision for tax risks for a tax issue that arose in 2016 with regard to Recus S.p.A. (now merged into Cerved Credit Collection S.p.A.) concerning corporate transaction executed before it was acquired by the Cerved Group;
(v) 4,290 thousand euros in nonrecurring income taxes for the year resulting from the settlement of a tax dispute regarding the 2009 leveraged buyout transaction.

During the previous year, the Group incurred nonrecurring costs totaling 44,726 thousand euros, which included:

(i) 512 thousand euros for the adjustment to the value of the deferred consideration recognized the previous year in connection with the Recus acquisition;
(ii) 1,055 thousand euros recognized under costs for services, relating the charges incurred by the Group for acquisitions carried out during the reporting period and other expenses of a non-recurring nature;
(iii) 3,453 thousand euros recognized under personnel costs for early retirement incentives paid to some employees as part of the company integration and Group reorganization processes;
(iv) 52,439 thousand euros recognized under financial charges and related to:
  - 37,252 thousand euros for the impact of the Group's refinancing transaction;
  - 8,517 thousand euros for the fair value adjustment of the liability for the options for the Cerved Credit Management Group S.r.l. shares exchanged with the minority shareholders;
  - 6,670 thousand euros for the writedown of the financial instruments executed in connection with the ECIS transaction, officially executed with Experian;
(v) 222 thousand euros for the reversal of a provision for risks for lawsuits covered by guarantees provided by the minority shareholders of Recus S.p.A.

16. FINANCIAL INCOME

A breakdown of "Financial income" is provided in the table below:

(In thousands of euros)	At December 31, 2016	At December 31, 2015
Bank interest income	3	96
Fair value of options	123	404
Foreign exchange gains	91	193
Other interest income	81	151
Dividends	379	275
Nonrecurring financial income	959	-
Total	**1,636**	**1,119**

"Dividends" for 379 thousand euros refer to the dividends distributed by SIA-SSB, a company in which the Group hold an equity interest of 0.77%.

"Financial income" includes nonrecurring income of 959 thousand euros. See the information provided in Note 15 "Nonrecurring income and costs" for additional details.

17. FINANCIAL CHARGES

A breakdown of "Financial charges" is provided below:

(In thousands of euros)	December 31, 2016	December 31, 2015
Interest expense on Forward Start facility	12,856	-
Interest expense on bond issue	1,464	37,525
Financial component of employee benefits	233	184
Fees and other interest expense	1,944	2,256
Amortized cost	2,157	2,856
Adjustment of financial liability for Recus option	489	177
Nonrecurring financial charges	1,448	52,439
Total	**20,591**	**95,438**

"Interest expense on Forward Start facility" refers to interest on a facility provided to Cerved Group in January 2016, the terms and conditions of which are outlined in Note 32.

"Interest expense on bond issue" refers mainly to interest on the bond issue floated by Cerved Group in January 2013 (the "**Bond Issue**") and redeemed in January 2016.

The main components of "Fees and other interest expense" include commitment and agency fees related to the revolving loan agreement.

The "Adjustment to the fair value of options and derivatives" refers to the adjustment of the liability for the option granted to the minority shareholders of Recus S.p.A. extinguished in the first half of 2016.

"Financial charges" include nonrecurring charges totaling 1,448 thousand euros. See the information provided in Note 15 "Nonrecurring Income and Costs" for additional details.

18. INCOME TAX EXPENSE

A breakdown of "Income tax expense" is provided below:

(In thousands of euros)	December 31, 2016	December 31, 2015
Regional income taxes (IRAP)	5,872	5,784
Current corporate income taxes (IRES)	16,992	15,743
Prior-period tax (benefits)/charges	(2,432)	224
Prepaid and deferred income taxes	1,995	(27,092)
Nonrecurring taxes	4,450	-
Total	**26,837**	**(5,341)**

Current taxes were determined based on the tax rates currently in effect. See the information provided in Note 37 for details concerning prepaid and deferred income taxes.

The main component of "Prior-period tax benefits" include the following:

- 748 thousand euros for refunds of the substitute tax paid in connection with financing received in 2012 from Cerved Holding S.p.A.;
- 950 thousand euros for a tax credit discovered upon the filing of the 2016 unified tax return by Cerved Group S.p.A. and concerning the incentive provided for research and development cost pursuant to Article 1, Section 35, of Law No. 190 of December 23, 2014.

The table below shows a reconciliation of the statutory tax rate to the actual tax rate:

(In thousands of euros)	2016	
Result before taxes	75,502	
Income tax at the statutory rate	(20,763)	27.50%
Regional tax (IRAP)	(2,945)	3.90%
Contingent tax liabilities	(2,018)	
ACE benefit (Decree Law No. 201/2011)	1,697	
Other permanent differences	(2,808)	
Income taxes actually paid	**(26,837)**	

Current taxes were computed based on the tax rates in effect.

Please note that, on December 18, 2015, Cerved Group, in order to take advantage of the tax relief provided under Article 1, Sections 37 to 45, of Law No. 190 of December 23, 2014 (so-called "Patent Box") for 2015 and the following four years, filed electronically with the revenue Agency the form entitled "Option for the reduced taxation of income originating from the use of intangible assets" approved by a resolution of the Director of the Revenue Agency dated November 10, 2015, File No. 144042.

In addition, on December 29, 2015, Cerved Group filed an application for the preventive definition, through adversarial proceedings, of the methods and criteria for computing the economic contribution to the production of business income deriving from the direct use of the assets referred to in Article 6 of the Decree issued by the Ministry of Economic Development in concert with the Ministry of the Economy and Finances on July 30, 2015, which set forth provisions for the implementation of Article 1, Sections 37 to 45, of Law No. 190 of December 23, 2014.

Lastly, please note that, on May 26, 2016, Cerved Group S.p.A. filed an amended application ("Amending documents" pursuant to Item 6.1 of the Pronouncement of December 1, 2015, File No. 2015/154278).

19. PROPERTY, PLANT AND EQUIPMENT

The tables below show the changes occurred in "Property, plant and equipment" during the reporting year:

AT DECEMBER 31, 2016

(In thousand of euros)	Land and buildings	Electronic equipment	Furniture and fixtures	Other assets	Total
Balance at December 31, 2015	**9,407**	**1,970**	**684**	**4,343**	**16,403**
Change in scope of consolidation	**-**	**14**	**19**	**10**	**43**
Breakdown:					
Historical cost	-	*71*	*31*	*52*	*154*
Accumulated depreciation	-	*(57)*	*(12)*	*(42)*	*(111)*
Additions	-	1,322	986	5,868	8,176
Disposals – historical cost	-	(327)	(2)	(448)	(778)
Disposals – accumulated depreciation	-	306	2	221	529
Disposals – net		(21)	(1)	(227)	(249)
Depreciation	(625)	(1,531)	(211)	(2,235)	(4,601)
Balance at December 31, 2016	**8,782**	**1,754**	**1,477**	**7,759**	**19,773**
Breakdown:					
Historical cost	*16,589*	*21,782*	*4,188*	*21,121*	*64,681*
Accumulated depreciation	*(7,807)*	*(20,028)*	*(2,711)*	*(14,362)*	*(44,908)*

AT DECEMBER 31, 2015

(In thousands of euros)	Land and buildings	Electronic equipment	Furniture and fixtures	Other assets	Total
Balance at December 31, 2014	**10,031**	**2,359**	**745**	**4,148**	**17,283**
Additions	2	1,155	261	2,019	3,437
Disposals – historical cost	-	(31)	(32)	(310)	(373)
Disposals – accumulated depreciation	-	22	33	104	159
Disposals – net	-	(9)	1	(206)	(214)
Depreciation	(626)	(1,535)	(323)	(1,618)	(4,102)
Balance at December 31, 2015	**9,407**	**1,970**	**684**	**4,343**	**16,404**
Breakdown:					
Historical cost	*16,589*	*20,525*	*2,981*	*15,836*	*55,931*
Accumulated depreciation	*(7,182)*	*(18,555)*	*(2,297)*	*(11,493)*	*(39,527)*

The change in the scope of consolidation that occurred in 2016 refers, for 43 thousand euros, to the value attributed to the effects of the acquisitions completed in 2016.

Additions for the period totaled 8,176 thousand euros. The main items included: (i) 1,353 thousand euros to replace the vehicle fleet used by the sales organization; (ii) 1,287 thousand euros to replace hardware with the aim of making the organization more efficient; and (iii) 4,800 thousand euros to purchase infrastructures, furniture and fixtures for the new headquarters.

At December 31, 2016 there were no restrictions on the ownership and possession of property, plant and equipment or purchase commitments, other than those described in Note 32.

20. INTANGIBLE ASSETS

The changes that occurred in the individual components of intangible assets are detailed below:

AT DECEMBER 31, 2016

(In thousands of euros)	Software	Trademarks and other rights	Customer Relationships	Economic information databases	Other intangibles	Total
Balance at December 31, 2015	**18,076**	**28,295**	**343,161**	**38,031**	**32,098**	**459,662**
Change in scope of consolidation	**2,072**	**379**	**2,569**	**441**	**1,640**	**7,101**
Breakdown:						
Historical cost	*2,702*	*380*	*2,569*	*441*	*1,672*	*7,764*
Accumulated amortization	*(631)*	*(1)*	*-*	*-*	*(32)*	*(664)*
Additions	15,094			12,385	2,879	30,358
Disposals – historical cost	248				(248)	-
Disposals – accumulated amortization						-
Disposals – net						-
Amortization						-
Additions	(12,402)	(2,502)	(22,786)	(29,808)	(5,926)	(73,424)
Balance at December 31, 2016	**23,087**	**26,172**	**322,944**	**21,050**	**30,443**	**423,696**
Breakdown:						
Historical cost	*105,478*	*35,691*	*408,926*	*272.620*	*88,693*	*911,408*
Accumulated amortization	*(82,391)*	*(9,519)*	*(85,982)*	*(251,570)*	*(58,250)*	*(487,712)*

AT DECEMBER 31, 2015

(In thousands of euros)	Software	Trade-marks and other rights	Customer Relationships	information databases	Other intangibles	Total
Balance at December 31, 2014	**16,825**	**30,769**	**365,754**	**55,662**	**3,398**	**472,408**
Change in scope of consolidation					**29,015**	**29,015**
Breakdown:						
Historical cost					*29,015*	*29,015*
Accumulated amortization					*-*	*-*
Additions	12,076	-	-	11,869	4,433	28,378
Disposals – historical cost	-	-	-	-	-	-
Disposals – accumulated amortization	-	-	-	-	-	-
Disposals – net	-	-	-	-	-	-
Amortization	(10,825)	(2,474)	(22,593)	(29,500)	(4,748)	(70,140)
Balance at December 31, 2015	**18,076**	**28,295**	**343,161**	**38,031**	**32,098**	**459,662**
Breakdown:						
Historical cost	*87,434*	*35,311*	*406,357*	*259,793*	*84,390*	*873,287*
Accumulated amortization	*(69,358)*	*(7,016)*	*(63,196)*	*(221,762)*	*(52,292)*	*(413,623)*

The change in scope of consolidation in 2016 refers primarily, for 7,101 thousand euros, to the value attributed to effects of the acquisitions completed during the year.

Additions for the period, which totaled 30,358 thousand euros, refer mainly to projects carried out during the period to develop new products and software (15,094 thousand euros) and investments in economic information databases (12,385 thousand euros).

21. GOODWILL

A breakdown of "Goodwill" is as follows:

(In thousands of euros)	At December 31, 2016	At December 31, 2015
Cerved Data Services (CDS) goodwill	820	820
Cerved Group goodwill	707,813	707,813
Recus goodwill	8,450	8,450
RLValue goodwill	1,246	1,246
Lintec goodwill	474	474
Fox goodwill	4,385	-
ClickAdv goodwill	7,379	-
Major 1 goodwill	1,766	-
BHW goodwill	119	-
Total	**732,452**	**718,803**

At December 31, 2016, the Cerved goodwill was allocated as follows to the different operating segments/CGUs:

(In thousands of euros)	At December 31, 2016
Credit Information	616,316
Marketing Solutions	41,872
Credit Management	66,885
Marketing Solutions-ClickAdv	7,379
Total	**732,452**

In line with the requirements of the reference accounting principles, Goodwill was tested for Impairment December 31, 2016. Its value in use was determined for this purpose.

The value in use was determined by discounting the forecast data of each CGU ("**DCF Method**") for the three-year period from 2017 to 2019, as approved by the Company's Board of Directors on February 15, 2017. The forecast data of each CGU were determined taking into consideration the levels of growth of revenues, EBITDA, and cash flows based on both past economic-income performance and future expectations.

The terminal value of each CGU was computed based on the perpetual annuity of the cash flow of each CGU with reference to the latest period of forecast data considered, assuming a growth rate of zero and using an after-tax discounting rate (WACC) of 6.5%.

The discounting rate (WACC) used to discount the cash flows for all of the periods considered as well as the terminal value was 6.5%; it is the result of the weighted average of the cost of capital, equal to 7.19% (86.85%) – including a market risk premium of 5.50% – and an after tax debt cost of 2.11% (13.15%). The structure of the objective capital used for weighted average purposes was determined based on an average for the capital structures of comparable companies and not independent of the financial structure of individual CGUs/companies.

The impairment test failed to show that the existing goodwill had been impaired.

The table below shows the surplus by which the recoverable value of each CGU, computed based on the parameters described above, exceeds its carrying amount:

(In thousands of euros)	At December 31, 2016
Credit Information	519,071
Marketing Solutions	54,855
Credit Management	245,437
Marketing Solutions-ClickAdv	2,041
Total	**821,404**

The table below shows the change in the surplus recoverable value of each CGU based on a change of 5% in the WACC value, all other parameters being equal:

(In thousands of euros)	-5%	+5%
Credit Information	431,595	606,647
Marketing Solutions	49,801	59,909
Credit Management	224,333	266,541
Marketing Solutions-ClickAdv	600	3,482

The table below shows the change in the surplus recoverable value of each CGU based on a change of 0.3% in the value of the cash flows, all other parameters being equal:

(In thousands of euros)	-0.3%	+0.3%
Credit Information	572,364	469,706
Marketing Solutions	58,631	51,359
Credit Management	260,548	231,445
Marketing Solutions-ClickAdv	2,607	1,505

The table below shows the WACC and cash flow reduction values that would make the recoverable value of each CGU equal to its carrying amount:

	WACC	Cash flow
Credit Information	10.70%	-29.70%
Marketing Solutions	15.50%	-54.30%
Credit Management	18.70%	-58.10%
Marketing Solutions-ClickAdv	10.00%	-7.10%

22. INVESTMENTS IN ASSOCIATES VALUED BY THE EQUITY METHOD

December 31, 2016, this item amounted to 5,419 thousand euros. It includes the equity investment in the affiliated company Experian Italia S.p.A., for a total of 3,178 thousand euros, and the equity investment in the affiliated company Spazio Dati S.r.l., for 2,241 thousand euros.

The table that follows shows the changes that occurred in investments in associates valued by the equity method:

(In thousands of euros)	Experian Italia	Spazio Dati	Total
Balance at December 31, 2015	**3,103**	**1,804**	**4,907**
Acquisitions and subscriptions	-	834	834
Gains (Losses) from valuation by the equity method	123	(397)	(274)
Decrease for dividends	(48)	-	(48)
Balance at December 31, 2016	**3,178**	**2,241**	**5,419**

At December 31, 2016, Experian and the Cerved Group owned, respectively, 95.35% and 4.65% of Experian Italia's share capital.

The Company qualified this investment as an investment in an affiliated company by virtue of governance stipulations set forth in the shareholders' agreements that enable the Group to exercise considerable influence, as specified in IAS 28.

(In thousands of euros)	Total assets	Total shareholders' equity	Total revenues	Profit/Loss for the period
Experian Italia S.p.A.	15,969	7,490	13,059	1,062

The main data of the investee company valued by the equity method are listed below. The data refer to the financial statements for the period ended March 31, 2016:

On May 21, 2014, Cerved Group acquired a 16.66% equity interest in Spazio Dati S.r.l., a company active in the fields of big data management and semantic analysis of web-sourced open and proprietary data. Subsequently, Cerved Group underwrote additional capital increases by Spazio Dati S.r.l., thereby increasing its equity stake to 48%.

The main data of the investee company valued by the equity method are listed below. The data refer to the financial statements for the period ended December 31, 2016:

(In thousands of euros)	Total assets	Total shareholders' equity	Total revenues	Profit/Loss for the period
Spazio Dati S.r.l.	1,794	1,228	1,654	(660)

23. OTHER NON-CURRENT FINANCIAL ASSETS

(In thousands of euros)	At December 31, 2016	At December 31, 2015
Other investments	2,868	2,868
Other financial receivables	167	250
Security deposits and sundry items	282	246
Total	**3,323**	**3,364**

At December 31, 2016, "Other non-current financial assets" included: (i) the fair value of the equity investments held by the Group for a total of 2,868 thousand euros; (iii) a loan owed by some Spazio Dati S.r.l. shareholders for 167 thousand euros and (iv) some security deposits for the remaining amount.

UNCONSOLIDATED EQUITY INVESTMENTS HELD BY THE GROUP

(In thousands of euros)					CARRYING AMOUNT	
	Registered office	Share capital	Shareholders' equity at December 31, 2015	% control (indirect)	December 31, 2016	December 31, 2015
SIA-SSB	Milan	22,275	222,774	0.77%	2,823	2,823
Class CNBC S.p.A.	Milan	628	3,502	1.24%	39	39
Consult Wolf S.r.l. in liquidation	Belluno	10	20	34.0%	6	6
Total					**2,868**	**2,868**

The amounts shown refer to the financial statements prepared in accordance with the reference accounting principles of the individual companies. At December 31, 2016, there were no impairment indicators requiring that the investments be written down.

24. INVENTORY

Inventory, which amounted to 1,732 thousand euros, consists exclusively of goods that the Group acquired as part of the management and reselling of assets originating from nonperforming leases carried out by the Cerved Credit Management Group S.r.l. subsidiary that had not been resold at December 31, 2016.

25. TRADE RECEIVABLES

"Trade receivables" totaled 154,930 thousand euros, net of the corresponding provision for impairment of receivables, as detailed below:

(In thousand of euros)	December 31, 2016	December 31, 2015
Trade receivables from external customers	165,238	151,212
Provision for impairment of receivables	(10,472)	(11,655)
Related-party receivables	165	250
Total	**154,930**	**139,807**

The table below shows the changes in the Provision for impairment of receivables:

(In thousands of euros)	Provision for impairment of receivables
At December 31, 2014	**11,043**
Accruals	6,206
Utilizations	(5,594)
At December 31, 2015	**11,655**

(In thousands of euros)	Provision for impairment of receivables
At December 31, 2015	**11,655**
Change in scope of consolidation	7
Accruals	3,979
Utilizations	(5,168)
At December 31, 2016	**10,472**

The accrual to the provision for impairment reflects the estimated realizable value of receivables that were still deemed collectible at December 31, 2016. Utilizations for the period were recognized in the case of receivables for which elements of certainty and accuracy, or the existence of composition with creditors proceedings, required that the position be written off.

There are no significant receivables with a remaining duration of more than five years or receivables denominated in a currency different from the euro. It is also worth mentioning that the carrying amount of trade receivables approximates their fair value.

26. TAX RECEIVABLES

A breakdown of “Tax receivables” is as follows:

(In thousands of euros)	At December 31, 2016	At December 31, 2015
VAT receivable	1,321	1,748
IRAP receivable	287	480
IRES receivable	359	347
Other tax receivables	3,277	3,546
Total	**5,244**	**6,120**

The main components of “Other tax receivables” include the following:

(i) 371 thousand euros the IRES receivable for the deductibility from IRES of the IRAP paid on personnel costs prior to the 2012 reporting year, in accordance with the provision of Article 4 of Decree Law No. 16/2012;

(ii) 2,526 thousand euros for the remaining tax receivable resulting from the provisional payment, made while the proceedings were in progress, in connection with a tax dispute with the Revenues Agency settled in December 2016, as described in Note 35.

27. OTHER RECEIVABLES

A breakdown of "Other receivables" is as follows:

(In thousands of euros)	At December 31, 2016	At December 31, 2015
Advances to agents	599	499
Sundry receivables	4,454	3,956
Other receivables from related parties	18	16
Total	**5,070**	**4,472**

Sundry receivables refers mainly to the following: (i) 1,379 thousand euros for a receivable owed by some former controlling companies for an IRES receivable resulting from the deductibility from IRES of the IRAP paid in the years in which some Group companies filed a consolidated tax return; and; (ii) 1,205 thousand euros for a capitalization policy of the severance benefit fund issued by Consit Italia S.p.A.

28. OTHER CURRENT ASSETS

Other current assets consist mainly of prepaid agents' commissions. The costs incurred in connection with new contracts for the sale of services not yet provided are suspended and recognized in profit or loss based on customer usage progress.

A breakdown of this item is provided below:

(In thousands of euros)	At December 31, 2016	At December 31, 2015
Prepaid commercial costs	7,539	7,099
Other prepaid commercial expenses	2,510	3,130
Sundry receivables	80	-
Total	**10,129**	**10,229**

29. CASH AND CASH EQUIVALENTS

"Cash and cash equivalents" consists mainly of amounts deposited in checking accounts at top credit institutions.

A breakdown of this item is as follows:

(In thousands of euros)	At December 31, 2016	At December 31, 2015
Deposits in bank and postal accounts	48,523	50,716
Cash on hand	16	17
Total	**48,539**	**50,733**

The carrying amount of "Cash and cash equivalents" approximates their fair value; these items are not subject to any utilization restriction, except for the amount of 1,797 thousand euros which is the subject of an attachment in connection with a legal dispute.

Please see the consolidated statement of financial position for a comprehensive analysis of the financial position and of the main uses of cash flows.

30. SHAREHOLDERS' EQUITY

As of the date of these Financial Statements, the fully subscribed and paid-in share capital amounted to 50,450 thousand euros and was comprised of 195,000,000 common shares without par value.

The changes in equity reserves are shown in this Report's financial statement schedules.

In 2016, dividends totaling 44,850 thousand euros were distributed to the shareholders of the Parent Company.

Other reserves include the "Cash flow hedge" reserve, to which changes in the fair value of cash flow hedge derivatives consisting of five IRS contracts are posted, as described in Note 32 "Current and non-current borrowings," and the "Reserve for Performance Shares" for 680 thousand euros.

31. EARNINGS PER SHARE

The table that follows shows the computation of basic and diluted earnings per share.

	At December 31, 2016	At December 31, 2015
Net results attributable to owners of the parent (in thousands of euros)	47,280	1,437
Number of common shares at the end of the period	195,000,000	195,000,000
Average weighted number of shares outstanding for basic earnings per share purposes	195,000,000	195,000,000
Adjustment for Performance Shares	1,108,644	-
Average weighted number of shares outstanding for diluted earnings per share purposes	196,108,644	195,000,000
Basic earnings per share (in euros)	0.242	0.007
Diluted earnings per share (in euros)	0.241	0.007

Diluted earnings per share are affected by the "Performance Share Incentive Plan," which is described in Note 43 and has resulted in grants totaling 1,108,644 options. The dilutive effect was determined based on the maximum number of options that could vest by the end of the three-year measurement period.

32. CURRENT AND NON-CURRENT BORROWINGS

The table below provides a breakdown of "Current borrowings" and "Non-current borrowings" at December 31, 2016 and 2015:

					AT DECEMBER 31, 2016		AT DECEMBER 31, 2015	
(In thousands of euros)	Original amount	When issued	Maturity	Rate charged		Current portion		Current portion
Term Loan Facility A	160,000	2016	2021	Euribor +2.0%	157,600	9,600	-	-
Term Loan Facility B	400,000	2016	2022	Euribor +2.5%	400,000	-	-	-
Senior Fixed Rate Bonds	300,000	2013	2020	6%	-	-	300,000	300,000
Senior Subordinated Bonds	230,000	2013	2021	8%	-	-	230,000	230,000
Financial charges payable					3,909	3,909	17,300	17,300
Vendor Loan	16,000	2015	2022	Euribor + 2.85%	16,000	-	16,000	-
Penalty for early repayment					-	-	23,364	23,364
Revolving financing facility		2016	2021	Euribor +2.0%	-	-	-	-
Fair value IRS					2,482	1,538	-	-
Other current borrowings					1,268	1,268	2,420	2,420
Incidental borrowing costs					(9,297)	(2,076)	(1,511)	(1,511)
Total					**571,962**	**14,239**	**587,573**	**571,573**

BOND ISSUES

On January 15, 2016 Cerved Group S.p.A. repaid in full the remaining bond issue and all incidental charges, as detailed below.

TERM LOAN FACILITIES

On January 15, 2016, the subsidiary Cerved Group S.p.A. executed a transaction to refinance its debt by means of two facilities totaling 560 million euros (in addition to a revolving line of 100 million euros), with a significant benefit for the Group in terms of lower financial charges in the coming years.

The main terms of the loan agreement are summarized below:

- the agreement was finalized with the following banks: Banca IMI, BNP Paribas, Crédit Agricole Corporate and Investment Bank, Mediobanca Banca di Credito Finanziario and Unicredit, with Unicredit as Agent Bank;
- disbursement of a "Term Loan Facility A" for 160 million euros, five year duration, repayable in semiannual installments and accruing interest at the Euribor plus a spread of 2.0%;
- disbursement of a "Term Loan Facility B" for 400 million euros, six year duration, repayable in a lump sum at maturity and accruing interest at the Euribor plus a spread of 2.50%;
- availability of a revolving credit line of 100 million euros for a period of five year accruing interest at the Euribor plus a spread of 2.0%;

- the proceeds from this new financing facility were used to repay two remaining debt security issues ("Senior Secured Notes" and "Senior Subordinated Notes" amounting to 300 million euros and 230 million euros, respectively), in addition to the incidental charges incurred for the early repayment of the abovementioned securities ("breakage costs" and other incidental charges related to the transaction);
- the structure of the collateral was limited to a pledge of the shares of Cerved Group S.p.A. and its major subsidiaries and intercompany receivables, but the trademarks, trade receivables and other assets formerly encumbered with a special lien are no longer used as collateral;
- - the following charges were incurred under the new loan agreement:
  - an "upfront fee" at a rate of 1.5%;
  - a "ticking fee" at a rate of 0.25% and 0.10% per annum, respectively, on the portion of the Term Loans and the Revolving Credit Line unused from the signing of the agreement to the closing date;
  - a "commitment fee" at a rate equal to 35% of the spread applicable to the unused portion of the Revolving Credit Line from the closing date to expiration.

The spreads may be reduced over time based on changes in the net debt/EBITDA ratio (Leverage Ratio), measured on a consolidated basis, as shown below:

	ANNUAL MARGIN %		
Leverage Ratio	Facility A	Facility B	Revolving Facility
> 4	2.75	3.25	2.75
between 3.5 - 4	2.25	2.75	2.25
between 2.85 - 3.5	**2.00**	**2.50**	**2.00**
between 2.25 - 2.85	1.75	2.25	1.75
= o < 2.25	1.50	2.00	1.50

In 2016, the amount of 25 million euros was drawn from the revolving credit line and was used in part to finance the ClickAdv S.r.l. acquisition. The entire borrowed amount had been repaid by December 31, 2016.

At December 31, 2016, the leverage ratio was within the 2.85%-3.5% range and amounts to 2.9%.

VENDOR LOAN

In order to finance the acquisition of San Giacomo Gestione Crediti S.p.A., the seller Credito Valtellinese provided Cerved Credit Management Group S.p.A. with a Vendor Loan for 16 million euros, the main characteristics of which are summarized below:

- execution date: April 2015;
- amortization: four semiannual installments starting on the date falling five years and one semester after the execution date;
- final repayment: April 2022;
- interest rate: three-month Euribor plus a spread of 2.85%;
- guarantees: patronage letter from Cerved Group S.p.A.

OTHER CURRENT FINANCIAL DEBT

The main components of "Other current financial debt," amounting to 1,268 thousand euros, include the following:

- payables for fees on the new facilities for 225 thousand euros;
- payables owed to factors amounting to 751 thousand euros;
- payables owed to principals for collections on their behalf amounting to 211 thousand euros.

DERIVATIVES

On May 26, 2016, the subsidiary Cerved Group S.p.A. executed five IRS derivative contracts, effective as of January 16, 2017 and expiring on January 14, 2022, with top credit institutions to hedge the risk of fluctuations in interest rates for the "Term Financing Facility B," for a notional amount of 400 million euros. Under these contracts, the interest rates swapped from the date of execution will be, respectively, fixed rates ranging between 0.40% and 0.41%.

At December 31, 2016, the fair value of these financial instruments was negative by 2,482 thousand euros. As these derivatives are qualified as hedges for the underlying financing facility, they were accounted for by the hedge accounting method, with changes in fair value recognized in equity.

33. NET FINANCIAL DEBT

The table below presents the Group's net financial debt at December 31, 2016 and 2015, determined in accordance with the provisions of Paragraph 127 of the recommendations provided by ESMA in Document No. 81 of 2011 in implementation of Regulation (EC) 809/2004:

(In thousands of euros)	December 31, 2016	December 31, 2015	December 31, 2014
A. Cash	16	18	24
B. Other liquid assets	48,523	50,715	46,044
C. Securities held for trading	-	-	-
D. Liquidity (A)+(B)+(C)	**48,539**	**50,733**	**46,068**
E. Current loans receivable	-	-	-
F. Current bank debt	(225)	(742)	(1,875)
G. Current portion of non-current borrowings	(11,433)	(569,316)	(14,609)
H. Other current financial debt	(2,581)	(1,515)	(1,270)
I. Current financial debt (F)+(G)+(H)	**(14,239)**	**(571,572)**	**(17,754)**
J. Net current financial debt (D)+(E)+(I)	**34,300**	**(520,840)**	**28,314**
K. Non-current bank debt	(556,779)	(16,000)	(163)
L. Bonds outstanding	-	-	(515,231)
M. Other non-current financial debt	(944)	-	(515)
N. Non-current financial debt (K)+(L)+(M)	**(557,723)**	**(16,000)**	**(515,909)**
O. Net financial debt (J)+(N)	**(523,423)**	**(536,840)**	**(487,596)**

34. EMPLOYEE BENEFITS

At December 31, 2016, "Employee Benefits" included a provision for severance indemnities amounting to 13,093 thousand euros.

A provision for employee benefits related to a long-term incentive program tied to the achievement of certain exit conditions by the former shareholder CVC Capital Partners SICAV-FIS S.A. was paid out in full in 2016.

A breakdown of the changes in "Employee benefits" is provided below:

(In thousands of euros)	Provision for severance indemnities	Provision for employee benefits	Total
At December 31, 2015	**12,348**	**168**	**12,516**
Change in scope of consolidation	388	-	388
Current cost	868	-	868
Financial charges	233	-	233
Actuarial losses/(gains)	556	-	556
Contributions added – Benefits paid	(1,300)	(168)	(1,466)
At December 31, 2016	**13,093**	**-**	**13,093**

The provision for severance indemnities reflects the impact of the discounting process, as required by IAS 19.

The table that follows details the economic and demographic assumptions used for actuarial valuation purposes.

Discount rate	1.35%
Inflation rate	1.5%
Rate of wage growth	2.63%
Expected mortality rate	RG48 from Government Accounting Office
Expected disability rate	INPS Model 2010 projections
Expected resignations/advances (annual)	5.00%/3.00%

Regarding the discount rate, the iBoxx Eurozone Corporates AA 10+ was taken as a reference for the development of said parameter at the valuation date.

The table below provides a sensitivity analysis of the main actuarial assumptions included in the calculation model applied by taking the scenario described above as a baseline and increasing and decreasing the average annual rate of discounting, the average inflation rate and the turnover rate by a half, a quarter and two percentage points, respectively. The results obtained are summarized in the following table:

(In thousands of euros)	Annual discount rate		Annual inflation rate		Annual turnover rate	
	+0.50%	-0.50%	+0.25%	-0.25%	+2.00%	-2.00%
Provision for severance indemnities	12,289	13,461	13,005	12,703	12,667	13,118

There are no defined-benefit plan assets.

35. PROVISIONS FOR OTHER LIABILITIES AND CHARGES

A breakdown of the changes in the “Provisions for other liabilities and charges” is provided below:

(In thousands of euros)	Provision for agents’ indemnity	Provision for risks and charges	Total
At December 31, 2015	**1,382**	**7,082**	**8,464**
Change in scope of consolidation	-	77	77
Accruals net of reversals	233	246	479
Nonrecurring accrual for tax risks	-	160	160
Utilizations	(326)	(1,595)	(1,921)
At December 31, 2016	**1,290**	**5,971**	**7,260**

The “Provisions for other liabilities and charges,” which amounted to 5,971 thousand euros at December 31, 2016, refers mainly to tax disputes and disputes with some employees, agents and suppliers.
At December 31, 2016, the provisions included the following:

(i) a provision for tax disputes, amounting to 160 thousand euros at December 31, 2016, that reflected:
- a utilization in 2016 for the amount of 691 thousand euros to settle some minor issues raised by the 2009 tax audit and concerning the deductibility of some depreciation and amortization expense and the tax treatment of dividends;
- an accrual of 160 thousand euros recognized for a tax issue that arose in 2016 with regard to Recus S.p.A. (now merged into Cerved Credit Collection S.p.A.) concerning corporate transaction executed before it was acquired by the Cerved Group.

The following developments occurred with regard to the main disputes concerning 2009 and 2010:

In December 2014 and December 2015, the Revenue Agency served Cerved Group, in its capacity as the company absorbing Cerved Holding S.p.A. and Cerved Group, with notices of assessment for Corporate income taxes (IRES) and regional taxes (IRAP) regarding the 2009 and 2010 tax years and concerning the leveraged buyout transaction, executed in 2009, through which a company indirectly controlled by two private equity funds (controlled by Bain Capital and Clessidra, respectively) acquired control of the Cerved Group.

Cumulatively, the Revenue Agency claim sets forth in the abovementioned notices of assessment amounted to 7.1 million euros (plus interest and penalties) for 2009 and 6.4 million euros for 2010. The tax amount claimed regarded primarily the failure to rebill some positive income components deriving from (alleged) intercompany services provided to the foreign parent company Bain Capital Investors LLC (for an amount equal to the financial charges incurred on the acquisition borrowings).

Cerved Group promptly challenged the 2009 and 2010 Assessments with separate appeals filed with the Milan Provincial Tax Commission.

While the proceedings were in progress, the Revenue Administration published Circular No. 6/E of March 30, 2016 that provided “Clarifications about the tax treatment of leveraged acquisition transactions,” by which it acknowledged that within the context of a leveraged buyout transaction, in light of the principles affirmed by the OECD guidelines, there can never be configured the existence of an intercompany service provided by the vehicle used for the acquisition for the benefit of a nonresident controlling company and, consequently, urged the various offices to review any findings of the same type as those set forth in the notices of assessment served on the Company for the 2009 and 2010 tax years with the aims of eventually withdrawing them.

The Milan Provincial Tax Commission, Section 41, by decision No. 6062/2016 handed down on July 6, 2016 upholding the challenge filed for the 2009 tax year, voided in full the 2009 assessments.

In 2015, Cerved Group, due to the enforceability of the abovementioned notices of assessment paid a total amount of about 2,721 thousand euros representing one-third of the additional taxes levied by means of the 2009 Assessments plus accrued interest. This amount, which was accounted for as a tax receivable and with regard to which, due to the disputed items being voided, the Company had a right to a refund, was used to offset, in the amount of 188 thousand euros, for the payment of the taxes due for a minor issue regarding dividends that was settled in December 2016.

With regard to the notices of assessment for the 2010 tax year, Cerved Group did not pay any amount on a provisional basis while the proceedings were in progress, having filed a motion for judicial suspension of the enforceability of the assessments.

With regard to the challenges filed against the 2010 notices of assessment, on January 13, 2017, the Internal Revenues Agency – Milan DRE joined the proceedings and declared that the dispute had been resolved.

Despite the substantially positive outcome of the abovementioned assessments, in the course of the proceedings, the Revenue Agency raised additional tax issues relating to the abovementioned 2009 acquisition transactions.

In this regard, the Company's management, comforted by the opinion of its tax counsel, considered the possibility to reach the settlement of this dispute agreeing to these assessments.

This decision resulted in the definition of a negotiated settlement on November 29, 2016, at a cost of 4,289 thousand euros, including the additional taxes, penalties and interest, recognized as a prior-period tax liability, which was paid concurrently with the signing of the settlement agreement.

(ii) 1,466 thousand euros for a provision for "property register document fees" established by Consit Italia S.p.A.

(iii) 1,100 thousand euros of the remaining provision are recognized as part of the Purchase Price Allocation for Tarida S.p.A., a company acquired in 2013.

(iv) 3,245 thousand euros of the remaining provision for risks an charges represent an estimate of the probable risk for pending lawsuits and risks of non-payment for trade receivables settled with promissory notes from the portfolio managed by the Cerved Credit Management S.p.A. subsidiary.

The "Provision for agents' indemnity," which had a balance of 1,289 thousand euros at December 31, 2016, was estimated based on the legislation that governs agency relationships and is deemed to be sufficient to cover any liabilities that may arise in the future.

36. OTHER NON-CURRENT LIABILITIES

"Other non-current liabilities" of 22,763 thousand euros mainly refer to:

- for 17,397 thousand euros to the non-current portion of the liability for the put option granted by Cerved Group to the minority shareholders of Cerved Credit Management Group S.r.l., empowering them to sell, from the first half of 2018 to the first half of 2020, a 6.42% interest in the company, if certain conditions are met (in turn, Cerved Group holds a call option empowering it to buy the same interest in Cerved Credit Management Group S.r.l. from the minority shareholders). The amount of this liability also includes the value assigned on the date of execution to the call options executed by Cerved Group with the minority shareholders of Cerved Credit Management Group S.r.l. and exercisable in the case of "bad leaver" events by the minority shareholders. The aggregate value of this liability was estimated at 21,448 thousand euros (this amount includes a short-term portion of 4,051 thousand euros included in Other liabilities, commented in Note 41), 14,334 thousand euros of which are attributable to the Parent Company's Director Andrea Mignanelli.
  This liability was valued based on the expected future results of the Cerved Credit Management Group and taking into account the acquisition, completed on June 17, 2016, of the remaining interests held by the minority shareholders of Recus S.p.A. and the transaction executed on June 10, 2016 by which the entire interest held in Finservice S.p.A. was conveyed by Cerved Group to Cerved Credit Management Group S.r.l. The value of the liability on the date of execution was recognized with the offsetting entry posted to equity, under "Other reserves."
- or 4,038 thousand euros to the non-current portion of the liability for the put option granted by Cerved Group to the minority shareholders of ClickAdv S.r.l., empowering them to sell, from the first half of 2017 to the first half of 2019, a 20% interest in the company, if certain conditions are met (in turn, Cerved Group holds a call option empowering it to buy the same interest in ClickAdv S.r.l. from the minority shareholders). A complete description of the agreement and of the options exchanged by Cerved Group and the minority shareholder of ClickAdv S.r.l. is provided in Note 6 "Business combinations." The aggregate value of the liability was estimated at 6,521 thousand euros; the short-term portion was included in Other liabilities, commented in Note 41. The value of the liability was recognized with the offsetting entry posted to equity, under "Other reserves."
- for 1,328 thousand euros to the non-current portion of the liability for the put option granted by Cerved Group to the minority shareholders of Major 1 S.r.l., empowering them to sell, from the first half of 2017 to the first half of 2019, a 45% interest in the company, conditional on certain conditions being met (in turn, Cerved Group holds a call option empowering it to buy the same interest in Major 1 S.r.l. from the minority shareholders). A complete description of the agreement and of the options exchanged by Cerved Group and the minority shareholder of Major 1 S.r.l. is provided in Note 6 "Business combinations." The aggregate value of the liability was estimated at 1,897 thousand euros; the short-term portion was included in Other liabilities, commented in Note 41. The value of the liability was recognized with the offsetting entry posted to equity, under "Other reserves."

37. DEFERRED TAX ASSETS AND LIABILITIES

A breakdown of "Deferred tax liabilities" at December 31, 2016 is provided below:

(In thousands of euros)	Balance at December 31, 2015	Change in scope of consolidation	Additions/ Reversals in profit or loss	Additions/Reversals in comprehensive profit or loss	Balance at December 31, 2016
Deferred tax assets					
Tax deductible goodwill	1,633	-	(919)	-	714
IPO costs	1,458	-	(531)	-	927
Provision for impairment of receivables	2,175	-	(251)	-	1,924
Provision for risks and charges	1,455	-	(262)	-	1,193
Provision for employee benefits and agents indemnity	671	-	(31)	74	714
Interest charges	14,422	-	(9,068)	-	5.354
Derivatives	-	-	-	596	596
Write-down of receivables Decree Law No. 83/2015	2,380	-	(135)	-	2,245
Other differences	298	-	(74)	-	224
Total deferred tax assets	**24,492**	**-**	**(11,271)**	**670**	**13,891**
Deferred tax liabilities					
Customer relationships	(96,620)	(717)	7,155	-	(90,182)
Trademarks	(7,955)	(105)	785	-	(7,276)
Buildings	(578)	-	77	-	(501)
Software	(376)	(520)	256	-	(640)
Contracts	(7,590)	(429)	971	-	(7,048)
Databases	-	(123)	34	-	(89)
Write-down of receivables Decree Law No. 83/2015	(54)	-	36	-	(18)
Other differences	(2)	-	2	-	-
Total deferred tax liabilities	**(113,175)**	**(1,894)**	**9,316**	**-**	**(105,753)**
Net deferred tax liabilities	**(88,683)**	**(1,894)**	**(1,955)**	**670**	**(91,862)**

Deferred tax assets refer to several temporary differences, that can be deducted in future years, between statutory reported income and taxable income related to costs for services. Deferred tax liabilities mainly refer to intangible assets that were recognized in connection with business combinations but are not recognized for tax purposes.

There are no deferred tax assets that are not offsettable.

38. TRADE PAYABLES

(In thousands of euros)	At December 31, 2016	At December 31, 2015
Payables to outside suppliers	37,861	29,907
Payables to related parties	667	48
Total	**38,528**	**29,955**

There are no payables denominated in a currency different from the functional currency and there are no trade payables collateralized with Company assets or with a duration of more than five years.

39. CURRENT TAX PAYABLES

A breakdown of "Current tax payables" is provided below:

(In thousands of euros)	At December 31, 2016	At December 31, 2015
Corporate income tax (IRES) payable	1,034	142
Regional tax (IRAP) payable	202	57
Total	**1,236**	**199**

40. OTHER TAX PAYABLES

A breakdown of "Other tax payables" is provided below:

(In thousands of euros)	At December 31, 2016	At December 31, 2015
VAT payable	735	1,609
Tax withholdings payable	2,406	2,670
Substitute tax payable	-	2,658
Sundry payables	571	3
Total	**3,713**	**6,940**

The substitute tax, which refers to the Group's decision amortize for tax purposes certain intangible assets, recognized in connection with the purchase price allocation of the business combinations completed in 2013, through the payment of a substitute tax, as allowed under the "realignment" provisions of Article 172, Section 10-bis, of the Uniform Income Tax Code, was paid in June 2016.

41. OTHER LIABILITIES

(In thousand of euros)	December 31, 2016	December 31, 2015
Social security contributions payable	7,846	6,631
Payables owed to personnel	9,400	10,841
Deferred revenues	84,799	81,142
Other payables	9,469	5,380
Accrued expenses	153	447
Related-party payables	4,291	7,948
Total	**115,959**	**112,389**

"Other liabilities" includes the short-term portion of the liability recognized for the options executed with the minority shareholders of Cerved Credit Management Group S.r.l., ClickAdv S.r.l. and Major 1 S.r.l.
This liability refers:

- for 4,051 thousand euros to the current portion of the liability for the put option granted by Cerved Group to the minority shareholders of Cerved Credit Management Group S.r.l., empowering them to sell, by the end of the first half of 2017, a 1.6% interest in the company, conditional on certain conditions being met (in turn, Cerved Group holds a call option empowering it to buy the same interest in Cerved Credit Management Group S.r.l. from the minority shareholders).
- for 2.483 thousand euros to the current portion of the liability for the put option granted by Cerved Group to the minority shareholders of ClickAdv S.r.l., empowering them to sell, by the end of the first half of 2017, a 10% interest in the company, conditional on certain conditions being met (in turn, Cerved Group holds a call option empowering it to buy the same interest in ClickAdv S.r.l. from the minority shareholders).
- for 569 thousand euros to the current portion of the liability for the put option granted by Cerved Group to the minority shareholders of Major 1 S.r.l., empowering them to sell, by the end of the first half of 2017, a 15% interest in the company, conditional on certain conditions being met (in turn, Cerved Group holds a call option empowering it to buy the same interest in Major 1 S.r.l. from the minority shareholders).

The liability was recognized at fair value with the offsetting entry posted to equity, under "Other reserves."

42. OTHER INFORMATION

CONTINGENT LIABILITIES

Other than those mentioned in Note 35 "Provisions for other liabilities and charges," there are no pending judicial or tax proceedings that involve any company of the Group.

COMMITMENTS

Please note that at December 31, 2016, the Group had undertaken commitments not reflected in the financial statements totaling 6,585 thousand euros, consisting mainly of sureties provided *(i)* by UniCredit for 1,985 thousand euros for the benefit of the lessor of the new San Donato headquarters and for 775 thousand euros for the benefit of the lessor of the Rome office; *(ii)* by UniCredit for 597 thousand euros for the benefit of the customer Banca d'Italia; and *(iii)* by MPS for 1,000 thousand euros for the benefit of the supplier Infocamere.
In addition, the Group is the lessee in leases for automobiles provided to employees and in leases for offices.
A breakdown by maturity of the commitments outstanding at December 31, 2016 for the various leases and rental agreements is provided below:

(In thousands of euros)	At December 31, 2016	At December 31, 2015
Within 1 year	2,974	3,536
Between 2 and 4 years	17,770	3,211
More than 4 years	15,096	398
Total	**35,840**	**7,145**

THIRD PARTY ASSETS HELD IN STORAGE AND ON DEPOSIT

At December 31, 2016, the Group managed assets held on deposit valued at 25,627 thousand euros. These assets consist of personal property derived from finance leases for which Cerved Credit Management Group S.r.l. provides custodial services, operational management, sales and any services related to or instrumental for those activities.

COMPENSATION OF DIRECTORS, STATUTORY AUDITORS AND GENERAL MANAGERS

The table below shows the compensation awarded to Directors, Statutory Auditors and General Managers:

DIRECTORS

(in thousands of euros)

First and last name	Post held	End of term of office	Fees for post held	Fringe benefits	Bonus and other incentives	Other compensation	Total compensation
Fabio Cerchiai	Chairman independent	Approval of the financial statements at 12/31/18	200			20	**220**
Gianandrea De Bernardis	Executive Vice President	Approval of the financial state8ents at 12/31/18	250				**250**
Marco Nespolo	Chief Executive Officer	Approval of the financial statements at 12/31/18	410		240		**650**
Roberto Mancini	Director	Approval of the financial statements at 12/31/18	-				**-**
Andrea Mignanelli	Director	Approval of the financial statements at 12/31/18	-				**-**
Sabrina Delle Curti	Director	Approval of the financial statements at 12/31/18	-				**-**
Aurelio Regina	Independent Director	Approval of the financial statements at 12/31/18	40			20	**60**
Mara Anna Rita Caverni	Amministratore Indipendente	Approval of the financial statements at 12/31/18	40			20	**60**
Giulia Bongiorno	Independent Director	Approval of the financial statements at 12/31/18	40				**40**
Marco Maria Fumagalli	Independent Director	Approval of the financial statements at 12/31/18	40				**40**
Valentina Montanari	Independent Director	Approval of the financial statements at 12/31/18	40				**40**
Total			**1,060**		**240**	**60**	**1,360**

STATUTORY AUDITORS

(in thousands of euros)

First and last name	Post held	End of term of office	Fees for post held	Fringe benefits	Bonus and other incentives	Other compensation	Total compensation
Paolo Ludovici	Chairman	Approval of the financial statements at 12/31/16	60	-	-	-	**60**
Ezio Maria Simonelli	Statutory Auditor	Approval of the financial statements at 12/31/16	40	-	-	-	**40**
Laura Acquadro	Statutory Auditor	Approval of the financial statements at 12/31/16	40	-	-	-	**40**
Lucia Foti Belli-gambi	Alternate	Approval of the financial statements at 12/31/16	-	-	-	-	**-**
Renato Colavolpe	Alternate	Approval of the financial statements at 12/31/16	-	-	-	-	**-**
Total			**140**	**-**	**-**	**-**	**140**

INDEPENDENT AUDITORS

Pursuant to Article 149–*duodecies*, Section Two, of Consob Resolution No. 11971 of May 14, 1999, as amended, the fees for the year owed to the Independent Auditors PricewaterhouseCoopers S.p.A. for services provided to the Parent Company Cerved Information Solutions S.p.A. and its subsidiaries are listed below:

(in thousands of euros)

	PwC S.p.A.	Other entities in the PwC network	Total PwC network
Auditing Services[1]	**545**	**-**	**545**
Certification services	4	-	4
Other services[2]	**20**	**986**	**1,006**
Agreed audit engagements	20	-	20
Other	-	986	986
Total	**565**	**986**	**1,551**

[1] The auditing services refer for 79 thousand euros to the Parent Company CIS and for 466 thousand euros to the subsidiaries and basically include: auditing the annual financial statements and consolidated financial statements of CIS and its subsidiaries, the limited audit of the semiannual financial report and the accounting reviews performed during the reporting year pursuant to Article 155, Section 1, of Legislative Decree No. 58/1998.
[2] Other services refer for 80 thousand euros to the Parent Company CIS and basically include services related to auditing the internal control system to verify compliance with the requirements of Law No. 262/2005; for 110 thousand euros to the subsidiaries , for commercial partnership services; and for 796 thousand euros to support activities in connection with the development of commercial products included in intangible assets.

43. DESCRIPTION OF INCENTIVE PLANS (IFRS 2)

CERVED 2016-2018 PERFORMANCE SHARE PLAN

The 2016-2018 Performance Share Plan was approved by the Shareholders' Meeting of Cerved Information Solution S.p.A. on December 21, 2015, and was launched further to a resolution adopted by the Company's Board of Directors on July 13, 2016.

The Plan's objective is: (i) to enhance the alignment of the interests of the beneficiaries with those of the shareholders, tying management's compensation to specific objectives, determined based on each Plan Cycle, the achievement of which is closely linked with improving the Company's performance and increasing its value; (ii) to strengthen retention capacity for key resources, aligning the Group's compensations policy with best market practices, which, as a rule, include long-term incentive tools.

The Plan's beneficiaries include the Chief Executive Officer, the Group's strategic executives and a group of 71 resources chosen by management, for a total grant of 1,108,644 Performance Shares.

The Performance Targets were defined by the Board of Directors for each Plan Cycle, upon a recommendation by the Compensation and Nominating Committee.

An incentivizing curve has been established for each Performance Target, linking the number of Shares awardable, based on the Performance Target achieved, with different levels of performance:

- a minimum performance threshold, below which no share will be awarded;
- a maximum performance cap upon the achievement of which the beneficiary will be awarded the maximum number of shares.

The Shares subject of the 2016-2018 Performance Share Plan will be awarded upon the verification of the achievement of the performance conditions in the 2016-2018 three-year period.

The performance conditions are explained below:

(i) 70% "PBTA Target"; it indicates the growth of the Adjusted Profit Before Taxes per Share, meaning the profit before taxes excluding nonrecurring income and charges, the financial charges incurred to obtain financing facilities and recognized in the income statement by the amortized cost method and the surpluses generated by the business combination processes and allocated to intangible assets (consistent with the computation of the adjusted net profit in the Offering Prospectus of Cerved Information Solutions S.p.A. filed with the Consob on June 6, 2014, before tax effect). The growth of the Adjusted Profit Before Taxes is the annual compound growth rate, excluding from the computation the accounting effects of the Plan itself; and excluding the effects of the "Forward Start" refinancing agreement. The target reflects different levels of achievement based on the growth rate of the Cerved Group's PBTA:
   - less than 6%: 0%;
   - 6% (threshold): 40%;
   - between 6% and 10%: by linear interpolation;
   - 10% (cap): 100%;
   - more than 10%: 100%.

(ii) 30% "Total Shareholder Return Target" of Cerved Information Solutions S.p.A. compared with that of companies included in the FTSE Mid Cap Index Italia published by Borsa Italiana S.p.A. The TSR is measured for the period between January 1, 2016 and December 31, 2018. The target reflects different levels of achievement based on the ranking of Cerved's TSR that corresponds to a different percentage in the number of awarded shares:
- below the median: zero options awarded;
- equal to the median (threshold): 50% of awarded options;
- between the median and the 75 percentile: by linear interpolation;
- 75° percentile (cap): 100%;
- more than 75° percentile: 100%.

The Performance Share Plan calls for the award, at the end of the vesting period, of a number of shares based on the achievement of the performance targets described above and does not specify an exercise price. The number of exercised stock options will depend on the level of achievement of the assigned targets.

The fair value of the options under the 2016-2018 Share Performance Plan was determined by the "Monte Carlo method" and using the following computation parameters:
- risk free interest rate: -0.63%, based on the interest rate of a zero coupon bond by a Eurozone governmental entity;
- expected dividends: 4%;
- volatility: 27%.

On the grant date of July 13, 2016, the fair value of each option related to the Plan's TSR target ("market" target) was equal to 3,624 euros, while the fair value of each option related to the Plan's PBTA target ("non-market" target, valued at 50%) was equal to 6,082 euros.

	Awarded options	Expired options	Exercised options	Options outstanding a 12/31/16
Performance Shares 2016-2018	1,108,644	-	-	1,108,644
Total	**1,108,644**	**-**	**-**	**1,108,644**

The accrued cost attributable to 2016, amounting to 680 thousand euros, was included in "Personnel costs."

44. RELATED-PARTY TRANSACTIONS

Transactions with related parties were executed by the Company in the normal course of business on standard market terms.

The table below summarizes receivables and payables arising from transactions with related parties.

RELATED PARTIES – STATEMENT OF FINANCIAL POSITION DATA

(In thousands of euros)

	AFFILIATED COMPANIES							
	Experian Italia S.p.A.	Spazio Dati S.r.l.	Board of Directors, general managers, executives with strategic responsibilities	Spazio Dati shareholders	Other related parties	Total	Total financial statement item	% of financial state-ment item
Trade receivables								
At December 31, 2015	250	-	-	-	-	250	139,807	0,2%
At December 31, 2016	165					165	154,930	0,1%
Other non-current financial assets								
At December 31, 2015	-	-	-	-	-	-	3,364	0.0%
At December 31, 2016	-	-	-	-	-	-	3,323	0.0%
Other receivables								
At December 31, 2015	16	-	-	-	-	16	4,472	0.4%
At December 31, 2016	18					18	5,070	0.3%
Trade payables								
At December 31, 2015	(12)	(37)	-	-	-	(48)	(29,955)	0.2%
At December 31, 2016	(83)	(601)				(684)	(38,528)	1.7%
Other liabilities								
At December 31, 2015	-	-	(7,948)	-	-	(7,948)	(112,389)	7.1%
At December 31, 2016	-	-	(4,291)[1]	-	-	(4,291)	(115,958)	3.7%
Other non-current liabilities								
At December 31, 2015	-	-	-	-	-	-	(959)	0.0%
At December 31, 2016	-	-	(11,627)[2]	-	-	(11,627)	(22,763)	51.1%

(1) *Includes the short-term portion, amounting to 2,707 thousand euros of the value of the put option held by the Director Andrea Mignanelli.*

(2) *Includes the long-term portion, amounting to 11,627 thousand euros of the value of the put option held by the Director Andrea Mignanelli.*

Commercial transactions with Experian Italia S.p.A. and Spazio Dati S.r.l. mainly involve purchases and sales of services on standard market terms.

RELATED PARTIES – INCOME STATEMENT DATA

(In thousands of euros)

	AFFILIATED COMPANIES							
	Experian Italia S.p.A.	Spazio Dati S.r.l.	Board of Directors, general managers, executives with strategic responsibilities	Spazio Dati shareholders	Other related parties	Total	Total financial statement item	% of financial statement item
2015 reporting year								
Revenues	346	300	-	-	-	646	353,485	0.2%
Pro rata interest in the result of companies valued by the equity method	71	(248)	-	-	-	(177)	(177)	100.0%
Cost of services	(238)	-	-	-	(78)	(316)	(79,918)	0.4%
Personnel costs	-	-	(4,648)	-	-	(4,648)	(85,005)	5.5%
Financial income	-	-	12	-	-	12	1,119	1.1%
Financial charges	-	-	(5,691)	-	-	(5,691)	(95,438)	6.0%
2016 reporting year								
Revenues	445	300	-	-	-	745	376,954	0.2%
Pro rata interest in the result of companies valued by the equity method	74	(397)	-	-	-	(323)	(323)	100.0%
Cost of services	(428)	(134)	-	-	(172)	(733)	(86,460)	0.8%
Personnel costs	-	-	(5,397)	-	-	(5,397)	(97,345)	5.5%

RELATED PARTIES – CASH FLOW DATA

(In thousands of euros)

	AFFILIATED COMPANIES							
	Experian Italia S.p.A.	Spazio Dati S.r.l.	Senior management	Spazio Dati shareholders	Other related parties	Total	Total financial statement item	% of financial statement item
2015 reporting year								
Cash flow from operating activities	(1)	337	(4,551)	-	(78)	(4,294)	123,933	(3.5%)
Cash flow from investing activities	71	(1,548)	897	-	-	(580)	(52,636)	1.1%
Cash flow from financing activities	-	-	669	-	-	669	(66,632)	(1.0%)

(In thousands of euros)

	AFFILIATED COMPANIES							
	Experian Italia S.p.A.	Spazio Dati S.r.l.	Senior management	Spazio Dati shareholders	Other related parties	Total	Total financial statement item	% of financial statement item
2016 reporting year								
Cash flow from operating activities	172	714	(3,870)	-	(172)	(3,155)	146,516	(2.2%)
Cash flow from investing activities	74	(1,230)	(6,588)	-	-	(7,744)	(65,423)	11.8%
Cash flow from financing activities	-	-	-	-	-	-	(83,295)	0.0%

The transactions listed above were executed on market terms.

45. POSITIONS OR TRANSACTIONS RESULTING FROM ATYPICAL AND/OR UNUSUAL ACTIVITIES

Pursuant to CONSOB Communication No. DEM/6064293 of July 28, 2006, there were no atypical and/or unusual positions or transactions during the reporting year.

46. EVENTS OCCURRING AFTER DECEMBER 31, 2016

See the information provided in the Report on Operations for a comment about significant transactions occurring after the date of these Consolidated Financial Statements.

San Donato Milanese,
February 24, 2017

The Board of Directors
by **Fabio Cerchiai**
Chairman

(Signed on the original)

CERTIFICATION PURSUANT TO ARTICLE 154 BIS OF LEGISLATIVE DECREE NO. 58 OF FEBRUARY 24, 1998 (UNIFORM FINANCIAL CODE) AND ARTICLE 81-TER OF CONSOB REGULATION NO. 11971 OF MAY 14, 1999, AS AMENDED

1. We, the undersigned Marco Nespolo, in my capacity as Chief Executive Officer, and Giovanni Sartor, in my capacity as Corporate Accounting Documents Officer, of Cerved Information Solutions S.p.A., taking into account the provisions of Article 154-bis, Sections 3 and 4, of Legislative Decree No. 58 of February 24, 1998, certify that the administrative and accounting procedures applied for the preparation of the annual Consolidated Financial Statements for the reporting year from January 1 to December 31, 2016:
   - are adequate in light of the characteristics of the business enterprise; and
   - were effectively applied.

2. The implementation the administrative and accounting procedures applied to prepare the annual Consolidated Financial Statements did not uncover any significant findings

3. We further certify that:

   3.1 the Annual Consolidated Financial Statements:
   (i) were prepared in accordance with the applicable international accounting principles recognized in the European Union pursuant to Regulation (EC) No. 1606/2002 of the European Parliament and Council, of July 19, 2002;
   (ii) are consistent with the data in the Group's books of accounts and other accounting records;
   (iii) are suitable to provide a truthful and fair presentation of the financial position, earnings and cash flow of the Company and all of the companies included in the scope of consolidation.

   3.2 The Report on Operations provides a reliable analysis of the Group's performance and result from operations, as well of the financial position of the issuer and all of the companies included in the scope of consolidation, together with a description of the main risks and uncertainties to which they are exposed.

San Donato Milanese,
February 24, 2017

Marco Nespolo	**Giovanni Sartor**
Amministratore Delegato	Corporate Accounting Documents Officer
(Signed on the original)	*(Signed on the original)*

3

Separate Financial Statements at December 31, 2016

STATEMENT OF COMPREHENSIVE INCOME

(In euros)	Notes	Year ended December 31, 2016	Year ended December 31, 2015
Revenues	52	3,092,171	2,804,266
amount with related parties	*80*	*3,092,171*	*2,804,266*
Total revenues and income		**3,092,171**	**2,804,266**
Cost of raw materials and other materials	53	8,723	3,694
Cost of services	54	990,053	882,444
amount from nonrecurring transactions	*56*	*3,714*	*21,271*
Personnel costs	55	4,962,597	3,728,399
amount from nonrecurring transactions	*56*	*200,000*	
amount with related parties	*80*	*1,160,398*	*1,159,192*
Other operating costs	57	406,490	515,701
amount with related parties	*80*	*388,061*	*367,317*
Depreciation and amortization	58	82,204	45,015
Operating profit		**(3,357,896)**	**(2,370,987)**
Financial income	59	45,001,626	40,255,311
amount with related parties	*80*	*-*	*2,137*
Financial charges	60	(20,043)	(15,986)
amount with related parties	*80*	*(13,176)*	*(11,462)*
Financial income (charges), net		44,981,583	40,239,325
Profit before income taxes		**41,623,686**	**37,868,338**
Income tax expense	61	892,585	451,353
amount from nonrecurring transactions			*135,201*
Net profit		**42,516,272**	**38,319,691**
Other components of the statement of comprehensive income:			
Items that will not be later reclassified to the income statement:			
Actuarial gains/(losses) on defined-benefit plans for employees		*(70,403)*	*2,326*
Tax effect		*15,709*	*(640)*
Comprehensive net profit:		**42,461,578**	**38,321,377**

STATEMENT OF FINANCIAL POSITION

(In euros)	Notes	At December 31, 2016	At December 31, 2015
Non-current assets			
Property, plant and equipment	62	218,362	181,262
Intangible assets	63	4,995	-
Investments in associates	64	583,018,268	582,567,500
Deferred tax assets	73	1,012,553	1,534,371
Total non-current assets		**584,254,177**	**584,283,132**
Current assets			
Trade receivables	65	330,500	74,725
amount with related parties	*80*	*330,500*	*74,725*
Tax receivables	66	19,271	658,678
Other receivables	67	1,604,052	2,547,481
amount with related parties	*80*	*1,579,685*	*2,535,224*
Other current assets	68	30,987	2,220
Cash and cash equivalents	69	1,722,993	30,711,330
Total current assets		**3,707,804**	**33,994,433**
TOTAL ASSETS		**587,961,981**	**618,277,566**
Share capital		50,450,000	50,450,000
Statutory reserve		10,090,000	10,090,000
Additional paid-in capital		480,890,910	487,520,910
Other reserves		700,196	(24,687)
Net profit		42,516,272	38,319,691
TOTAL SHAREHOLDERS' EQUITY	**70**	**584,647,378**	**586,355,913**
Non-current liabilities			
Employee benefits	72	383,822	353,388
Total non-current liabilities		**383,822**	**353,388**
Current liabilities			
Short-term borrowings		13,176	28,531,785
amount with related parties	*80*	*13,176*	*28,531,785*
Trade payables	74	456,081	708,214
amount with related parties	*80*	*26,517*	*206,356*
Current tax payables	75	915,824	101,599
Other tax payables	76	116,995	103,881
Other liabilities	77	1,428,705	2,122,786
amount with related parties	*80*	*602,680*	*1,641,942*
Total current liabilities		**2,930,781**	**31,568,264**
TOTAL LIABILITIES		**3,314,603**	**31,921,653**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**587,961,981**	**618,277,566**

STATEMENT OF CASH FLOWS

(In euros)	Notes	December 31, 2016	December 31, 2015
Profit before taxes		41,623,686	37,868,338
Depreciation and amortization	58	82,204	45,015
Cost for Performance Shares Plan	79	229,123	-
Net financial income	59-60	(44,981,583)	(40,239,325)
Cash flow from/(used in) operating activities before changes in working capital		**(3,046,570)**	**(2,325,972)**
Change in operating working capital		(507,899)	(185,031)
Change in other working capital items		3,117,611	2,542,909
Change in provisions		(39,759)	-
Cash flow from changes in working capital		**2,569,953**	**2,357,878**
Income taxes paid		-	-
Cash flow from/(used in) operating activities		**476,617**	**31,906**
Additions to property, plant and equipment	62	(124,695)	(87,329)
Financial income	59	1,626	3,674
Dividends received	59	45,000,000	40,251,637
Cash flow from/(used in) investing activities		**44,876,931**	**40,167,982**
Dividends paid	70	(44,850,000)	(39,975,000)
Change in short-term financial debt	71	(28,538,652)	28,519,948
Interest paid		-	(4,524)
Cash flow from/(used in) financing activities		**(73,388,652)**	**(11,459,576)**
Net change in cash and cash equivalents		**(28,988,337)**	**28,740,312**
Cash and cash equivalents at the beginning of the period		30,711,330	1,971,018
Cash and cash equivalents at the end of the period		1,722,993	30,711,330
Difference		**(28,988,337)**	**28,740,312**

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(In euros)	Share capital	Statutory reserve	Additional paid-in capital	Other reserves	Net profit	Total shareholders' equity
Balance at March 14, 2014	**120,000**	**-**	**-**	**-**	**-**	**120,000**
Capital increase through conveyance of Cerved Group S.p.A. shares	49,880,000	-	317,687,500	-	-	367,567,500
Share capital increase	450,000	-	221,862,709		-	222,312,709
Total transactions with owners	**50,330,000**		**539,550,209**	**-**	**-**	**589,880,209**
Net profit	-	-	-	-	(1,964,300)	(1,964,300)
Actuarial gains (losses) on defined-benefit employee plans, net of tax effect	-	-	-	(26,373)	-	(26,373)
Net comprehensive result	**-**	**-**	**-**	**(26,373)**	**(1,964,300)**	**(1,990,672)**
Balance at December 31, 2014	**50,450,000**	**-**	**539,550,209**	**(26,373)**	**(1,964,300)**	**588,009,536**
Appropriation of result	-	-	(1,964,300)	-	1,964,300	-
Establishment of the statutory reserve	-	10,090,000	(10,090,000)	-	-	-
Dividend distribution	-	-	(39,975,000)	-	-	(39,975,000)
Net profit	-	-	-	-	38,319,691	38,319,691
Actuarial gains (losses) on defined-benefit employee plans, net of tax effect	-	-	-	1,686	-	1,686
Net comprehensive result	**-**	**-**	**-**	**1,686**	**38,319,691**	**38,321,377**
Balance at December 31, 2015	**50,450,000**	**10,090,000**	**487,520,910**	**(24,687)**	**38,319,691**	**586,355,913**
Appropriation of result	-	-	-	38,319,691	(38,319,691)	-
Dividend distribution	-	-	(6,630,000)	(38,220,000)	-	(44,850,000)
Performance Share Plan				679,891	-	679,891
Net profit	-	-	-		42,516,272	42,516,272
Actuarial gains (losses) on defined-benefit employee plans, net of tax effect	-	-	-	(54,698)		(54,698)
Net comprehensive result	-	-	-	724,884	42,516,272	43,241,156
Balance at December 31, 2016	**50,450,000**	**10,090,000**	**480,890,910**	**700,197**	**42,516,272**	**584,647,378**

NOTES TO THE SEPARATE FINANCIAL STATEMENTS AT DECEMBER 31, 2016

47. GENERAL INFORMATION

Cerved Information Solutions S.p.A. (hereinafter "**CERVED**" or the "**Company**") is a corporation established on March 14, 2014, domiciled in Italy, with registered office at 6/A and 6/B Via dell'Unione Europea, in San Donato Milanese, and it is organized in accordance with the laws of the Italian Republic.

On March 28, 2014, the **Company** acquired, through conveyance by Chopin Holdings S. à r.l., then the Company's only shareholder, 100% of Cerved Group (hereinafter collectively with its subsidiaries "**Cerved Group**" or the "**Group**").

In 2015, the majority shareholder Chopin Holdings S. à r.l. ceased to be a Parent Company shareholder, having sold all of the common shares it held through an accelerated book building process aimed at qualified Italian and foreign institutional investors.

The **Company** is a management holding company that heads the Cerved Group, representing the main reference point in Italy for the management, processing and distribution of legal, accounting, commercial and economic/financial information. The products and services offered by the Company enable its customers, mainly businesses and financial institutions, to assess the solvency, credit worthiness and economic/financial structure of their commercial counterparties or customers, so as to optimize their credit risk management policies, accurately define their marketing strategies and assess the position of competitors in their target markets.

This document was prepared by the Company's Board of Directors, meeting on February 24, 2017, for approval by the Shareholders' Meeting scheduled for April 13, 2017. The Board of Directors authorized the Chairman and the Chief Executive Officer to make any changes to the financial statements that may be necessary or appropriate for completing the presentation of this document in the period between February 24, 2017 and the date when it will be approved by the Shareholders' Meeting.

These Separate Financial Statements were audited by PricewaterhouseCoopers S.p.A., the Company's Independent Statutory Auditors.

48. OVERVIEW OF THE ACCOUNTING PRINCIPLES

The main criteria and accounting principles applied to prepare the Separate Financial Statements are stated below.

48.1. BASIS OF PREPARATION

These Financial Statements were prepared in accordance with the going concern assumption, as the Directors have verified the absence of any financial, operational or other indicators signaling the existence of issues concerning the Company's ability to meet its obligations in the foreseeable future and over the next 12 months specifically. A description of the methods by which the Company manages financial risks is provided in Note 49 "Financial Risk Management."

These financial statements were prepared based on the IFRS international accounting principles, including all "International Financial Reporting Standards," all "International Accounting Standards" (IAS) and all interpretations issued by the "International Financial Reporting Interpretations Committee" (IFRIC), previously called "Standing Interpretations Committee" (SIC) that, on the date of these Separate Financial Statements, had been adopted by the European Union in accordance with the procedure required by Regulation (EC) No. 1606/2002 of July 19, 2002 of the European Parliament and the European Council.

These Financial Statements are denominated in euros, the Company's Functional currency. Unless otherwise stated, the amounts listed in this document are presented in euros.

The financial statement presentation format and the corresponding classification criteria adopted by the Company among the options provided by IAS 1 "Presentation of Financial Statements" are reviewed below:
- The statement of financial position was prepared with assets and liabilities classified separately in accordance with the "current/non-current" criterion;
- The statement of comprehensive income is presented with operating expenses classified by nature and includes, in addition to the profit (loss) for the year, the other changes to components of shareholders' equity caused by transaction executed with parties other than the Company's owners;
- the statement of cash flows was prepared showing the cash flow from operating activities in accordance with the "indirect method."

In addition, pursuant to Consob Resolution No. 15519 of July 28, 2006, within the income statement income and expenses from non-recurring transactions are identified separately; similarly, the financial statements show separately any balances related to receivable/payable positions and transactions with related parties, which are further described in the section of the Notes to the financial statements entitled "Transactions with related parties."

The Financial Statements were prepared based on the conventional historical cost criterion, except for the measurement of financial assets and liabilities in those cases in which the use of the fair value criterion is mandatory.

48.2. VALUATION CRITERIA

An overview of the most significant accounting principles and valuation criteria used to prepare these Financial Statements is provided below.

PROPERTY, PLANT AND EQUIPMENT

Items of property plant and equipment are recognized in accordance with the cost criterion and booked at their acquisition cost or production cost, including any directly attributable incidental costs necessary to make the asset ready for use, any decommissioning and removal costs that will be incurred as a result of contractor commitments to restore an asset to its original condition and any financial expense directly attributable to the asset's acquisition, construction or production.

Costs incurred for ordinary maintenance and ordinary and/or cyclical repairs are recognized directly in profit or loss for the year in which they are incurred. The capitalization of costs incurred for expanding, modernizing or upgrading structural elements owned by the Company or received in use from third parties, is carried out exclusively to the extent that the abovementioned costs meet the requirements for classification as the separate assets or part of an asset in accordance with the component approach.

Property, plant and equipment, with the exception of land, is depreciated systematically each year on a straight-line basis, in accordance with the remaining useful lives of the assets, determined based on the remaining possibility of the use of the assets. If the asset being depreciated is comprised of components identifiable separately with useful lives that are materially different from those of the other components of the asset, each asset component is depreciated separately in accordance with the component approach principle.

Depreciation starts when an asset is ready for use, based on the moment when this condition is effectively met.

The estimated useful lives of the different components of property, plant and equipment is as follows:

	Vita utile stimata
Buildings	33 years
Electronic office equipment	3-5 years
Furniture and fixtures	8 years
Other assets	4-6 years

The useful lives of the components of property plant and equipment are reviewed and updated if needed at least at the end of each reporting year.

If, irrespective of the accumulated depreciation recognized, the value of an item of property, plant and equipment is impaired, the asset is written down. If in subsequent years the reasons for the writedown no longer apply, the original value is reinstated. The residual values and useful lives of assets are reviewed at the end of each reporting period and, if necessary, appropriate adjustments are made.

Gains and losses on asset disposals are determined by comparing the sales consideration with the asset's net carrying amount. The amount thus determined is recognized in profit or loss in the corresponding year.

INVESTMENTS IN SUBSIDIARIES, AFFILIATED COMPANIES AND JOINT VENTURES

Subsidiaries are those companies over which the Company, directly or indirectly, has the right to exercise control, as defined in IFRS 10 "Consolidated Financial Statements." For the purpose of assessing the existence of control all three of the following requirements must be satisfied:

- power over the company;
- exposure to the risks or rights deriving from the variable returns entailed by its involvement;
- ability to influence the company so as to influence the investor's results (positive or negative).

Control can be exercised either by virtue of the direct or indirect possession of a majority of the shares with voting rights or by virtue of contractual stipulations or statutory provisions, irrespective of share ownership.

The existence of any potential voting rights exercisable on the date of the financial statements is taken into account to determine control.
As a rule, control is presumed to exist when a company holds, directly or indirectly, more than half of the voting rights.

An affiliated entity is an investee company over which the investor company has a significant influence, i.e., the power to participate in determining the financial and operating policies of the investee, but does not have control or joint control over it. The investor is presumed to have a significant influence (unless it can be proven otherwise), if it holds, directly or indirectly through subsidiaries, at least 20% of the votes that can be cast at an Ordinary Shareholders' Meeting.
A joint venture is a joint arrangement in which the parties that have joint control have rights to the net assets of the agreement and therefore have a stake in the jointly-controlled vehicle company.

The value of investments in subsidiaries, affiliated companies and joint ventures are classified as non-current assets and recognized at cost, written down for any impairment loss. Impairment losses are recognized in the statement of comprehensive income. Any incidental costs incurred in connection with acquisitions of equity investments are charged to the income statement when incurred. If there is objective evidence of impairment, recoverability is tested by comparing the carrying value with the recoverable amount, represented by the greater of the asset's fair value (net of cost to sell) or its value in use.

INVESTMENTS IN OTHER COMPANIES, OTHER CURRENT AND NON-CURRENT ASSETS, TRADE RECEIVABLES AND OTHER RECEIVABLES

Upon initial recognition, financial assets are booked at fair value and classified into one of the following categories, depending on their nature and the purpose for which they were purchased:
(a) Loans and receivables;
(b) Available for sale financial assets.

a. Loans and receivables

Loans and receivables include financial instruments, other than derivatives and instruments traded in active markets, consisting mainly of receivables owed by customers or subsidiaries, which are expected to generate fixed or determinable payments. Loans and other receivables are classified in the statement of financial position under "Trade receivables" and "Other receivables," shown among current assets, except for those with a contractual maturity of more than 12 months from the end of the reporting period, which are shown among non-current assets.
These assets are valued at amortized cost, using the effective interest rate, reduced for impairment losses.
Any impairment in the value of receivables is recognized in the financial statements whenever there is objective evidence that the Company will not be able to recover receivables owed by a counter party in accordance with the corresponding contractual terms.
Objective evidence that the value of a financial asset or group of assets has been impaired includes measurable data that come to an entity's attention as a result of the following loss events:

- significant financial difficulties of the issuer or the debtor;
- the existence of pending legal disputes with the debtor concerning receivables;
- the possibility that the beneficiary may file for bankruptcy or other restructuring procedures.

The amount of the writedown shall be measured as the difference between an asset's carrying amount and the present value of its future cash flows. The amount of the impairment loss is recognized in the income statement under the line item "Impairment of receivables and other provisions."
The value of receivables is shown in the financial statements net of the corresponding provision for impairment losses.

b. Available for Sale Financial Assets

Available for sale financial assets are financial instruments, other than derivatives, that are explicitly designated as belonging to this category or cannot be classified into none of the preceding categories. They are included among non-current assets, unless management intends to dispose of them within 12 months from the end of the reporting period. Investment in other companies are included in this category.
Subsequent to initial recognition, available for sale financial assets are measured at fair value and any resulting gain or loss is posted to an equity reserve; they are recognized in the statement of comprehensive income, under the line items "Financial income" or "Financial charges" only when the financial asset is actually sold.
The fair value of listed financial instruments is based on the current demand price. If the market for a financial asset is inactive (or the asset consists of unlisted securities), the Company defines the asset's fair value using valuation techniques. Investments in equity instruments for which a market price quote is not available and whose fair value cannot be measured reliably are valued at cost.

c. Other Equity Investments

Other equity investments (different from those in subsidiaries, affiliated companies and joint ventures) are included among non-current assets or current assets, depending on whether they are expected to remain among the Company's assets for a period longer or shorter than 12 months, respectively.
Upon acquisition, they are classified into the following categories:

- available for sale financial assets, which can be classified as either non-current or current assets;
- assets measured at fair value through profit or loss, classified as current assets if they are held for trading.

Other equity investments classified as Available for sale financial assets are measured at fair value; changes in the value of these investments are posted to an equity reserve against their recognition among other components of comprehensive income (Reserve for adjustment to fair value of available for sale financial assets), which will be reversed into the separate statement of comprehensive income upon the sale of the assets or when the assets become impaired.
Other investments in unlisted companies classified as Available for sale financial assets the fair value of which cannot be determined reliably are valued at cost adjusted for impairment losses recognized in the separate income statement, as required by IAS 39.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, available bank deposits and other forms of short-term investments with an original maturity equal to or shorter than three months. Items included in cash and cash equivalents are measured at fair value and any changes are recognized in profit or loss.

TRANSACTIONS IN CURRENCIES DIFFERENT FROM THE FUNCTIONAL CURRENCY

Transactions in currencies different from the functional currency are translated into euro at the exchange rate on the transaction date. Assets and liabilities existing at the end of the reporting period are translated into euros at the exchange rate on the reference date of the statement of financial position. Foreign exchange difference arising from the translation at the year-end exchange rate compared with the transaction's exchange rate are recognized in profit or loss.

SHAREHOLDERS' EQUITY

Share Capital

This item represents the par value of the capital contributions provided by shareholders.

Additional Paid-in Capital

This item represents the amounts received by the Company for the shares issued at a price greater than their par value.

Other Reserves

This item includes the most commonly used reserves, which can have a generic or specific destination. As a rule, they do not derive from results of previous years.

Retained Earnings

This item reflects net results of previous years that were not distributed or posted to other reserves or losses that have not been replenished.

BORROWINGS AND OTHER FINANCIAL LIABILITIES

Borrowings and other liabilities are initially recognized at fair value, net of directly attributable incidental costs, and are later valued at amortized cost, by applying the effective interest rate method. If there is a change in the estimate of the expected cash flows, the value of the liability is recomputed to reflect this change, based on the present value of the new expected cash flows and the internal effective rate initially determined. Financial liabilities are classified into current liabilities, except for those with a contractual maturity of more than 12 months form the date of the financial statements and those for which the Company has an unconditional right to defer their payment by at least 12 months past the end of the reporting period.
Financial liabilities are recognized on the date the corresponding transactions are executed and are removed from the financial statements when they are extinguished or after the Group has transferred all of the risks and charges inherent in the financial instruments.

EMPLOYEE BENEFITS

Short-term benefits include wages, salaries, the corresponding social security obligations, unused vacation indemnities and incentives awarded in the form of bonuses payable within 12 months from the date of the financial statements. These benefits are accounted for as components of personnel expense in the period during which the employment services are rendered.
Post-employment benefits consist of two types: defined-contribution plans and defined-benefit plans.
In defined-contribution plans, contribution costs are recognized in profit or loss when incurred, based on the respective face value.
In defined-benefit plans, which includes the severance benefits owed to employees pursuant to Article 2120 of the Italian Civil Code (the "**TFR**"), the amount of the benefit payable to an employee can be quantified only after the end of the employment relationship and is tied to one or more factors that include age, years of service and compensation level; consequently, the corresponding cost is recognized on an accrual basis in the statement of comprehensive income based on an actuarial computation. The liability recognized in the financial statements for defined-benefit plans corresponds to the present value of the obligation on the date of the financial statements. Obligations under defined-benefit plans are determined each year by an independent actuary using the Projected Unit Credit Method.
The present value of a defined-benefit plan is determined by discounting to present value future cash flows at a rate equal to that of high-quality corporate bonds issued in euros and taking into account the duration of the corresponding pension plan.

Starting from January 1, 2007, the 2007 Budget Law and the corresponding implementation decrees introduced significant changes to the rules governing the TFR, including the employee's option to choose the destination of its vesting TFR. More specifically, new TFR flows can be invested by the employee in pension vehicles of his/her choice or left with the company. In the case of investments in external pension vehicles, the company's obligation is limited to making the defined contribution to the chosen pension fund and, as of that date, newly vested contributions qualify as belonging to defined-contribution plans no longer subject to actuarial valuation.

With regard to the classification of the costs for vested TFR benefits, cost for service are recognized under "Personnel costs," while interest costs are shown under "Financial charges" and changes in actuarial gains/losses are included in other components of the comprehensive income statements.

SHARE-BASED COMPENSATION PLANS

The "Performance Share Plan" approved by the Parent Company's Board of Directors on March 16, 2016, in which on July 13, 2016 the Board enrolled certain employees of the Parent Company and its subsidiaries, should be treated as involving share-based payments in exchange for the services provided by a beneficiary over the duration of the Plan and is accounted for in accordance with the provisions of IFRS 2 (Share-based Payments).
According to IFRS 2, these plans represent a component of the compensation earned by the beneficiaries; consequently, the cost of plans that call for payments in equity instruments is the fair value of those instruments on the grant date and is recognized under "Personnel costs," for Company employees, and under "Investments in associates," for employees of the subsidiaries, over the period from the grant date to the vesting date, with the offsetting entry posted to a "Reserve for performance shares."
The Plan is deemed to be equity settled.

On the grant date, the Plan's fair value is determined taking into account only the effects of future market conditions (market condition – "TSR Target"). Other conditions require that the beneficiary completes a predetermined length of service (service condition) or the achievement of predetermined earning growth targets (performance condition –"PBTA Target") and are taken into account only for the purpose of allocating the cost over the length of the Plan and for the Plan's final cost.

The cost for each one of these conditions is determined by multiplying the fair value for the number of performance shares that, for each condition, are expected to vest at the end of the vesting period. The estimate depends on the hypotheses regarding the number of beneficiaries that are expected to satisfy the service condition and the probability of satisfaction of the non-market performance condition ("PBTA"): at the grant date of July 13, 2016 and at December 31, 2016, the possibility that the PBTA growth requirement for the measurement period would be satisfied was estimated at 50%.

The cost for each one of the Plan's conditions is recognized by the entity that employs the beneficiary proportionately over the vesting period and revised on each reporting date until expiration of the vesting period by the entity that employs the beneficiary, which, on each reporting date, recognizes the cost by including it in "Personnel costs," with the offsetting entry posted to an equity reserve called "Reserve for Performance Shares."

The estimate of the number of Performance Shares that will be expected to vest at the end of the vesting period is revised on each reporting date until expiration of the vesting period, when the final number of Performance Shares earned by the beneficiaries will be determined (the fair value is never redetermined over the Plan's duration).

If the initial estimate of the number of Performance Shares is revised, the change is computed by determining an estimate of the cost accumulated up to that point and recognizing the effects in the income statement, net of any previously recognized accumulated cost. Please note that, by virtue of the adoption of IFRS 2, the failure to fulfill the TSR market condition does not determine the Plan's reassessment.

PROVISIONS FOR OTHER LIABILITIES AND CHARGES

The provisions for other liabilities and charges are recognized to cover losses and charges of a determined nature, the existence of which is certain or probable, but the amount and/or date of occurrence of which cannot be determined. These provisions are recognized only when there is a current statutory or constructive obligation that will cause a future outflow of economic resources as a result of past events and it is probable that the abovementioned outflow will be required to fulfill the obligation. The amount of the provisions represents the best estimate of the charge required to extinguish the obligation.

TRADE PAYABLES AND OTHER PAYABLES

Trade payables and other payables are initially recognized at their fair value, net of directly attributable incidental costs, and are later valued at amortized cost, applying the effective interest rate criterion.

REVENUES

Revenues and income are recognized net of returns, allowances, bonuses and taxes directly attributable to the provision of the services. Revenues are recognized based on the use of the services by customers and, in any case, when it is probable that benefits will be received in the future and these benefits can be quantified reliably.

DIVIDENDS

Dividends are recognized in the separate income statement in accordance with the accrual principle, i.e., in the period in which the right to receive them arises, following the approval of a dividend distribution resolution by the Shareholders' Meeting of the investee company.

COSTS

Costs incurred to acquire goods are recognized when all of the risks and benefits inherent in the good being sold are transferred; costs incurred for services received are recognized proportionately to the delivery of the services.

FINANCIAL CHARGES AND INCOME

Financial charges and income are recognized in the comprehensive income statement when accrued, based on the effective interest rate.

INCOME TAXES

The income taxes shown in the income statement include both current and deferred taxes. Income taxes are recognized in profit or loss. Current taxes are the taxes that the Company expects to pay, computed by applying to taxable income the tax rate in effect at the end of the reporting period.

Deferred taxes are computed by applying the liability method to the temporary differences between the amounts of the assets and liabilities recognized in the financial statements and the corresponding amounts recognized for tax purposes. Deferred taxes are computed based on the method that the Company expects to use to reverse temporary differences, using the tax rate expected to be in effect when the differences will be reversed. Deferred tax assets are recognized only when it is probable that sufficient taxable income will be generated in future years to recover them.

48.3. RECENTLY PUBLISHED ACCOUNTING STANDARDS

ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS APPLICABLE AS OF JANUARY 1, 2016

The accounting standards and interpretations the adoption of which is mandatory as of January 1, 2016 are listed below. Please note that these accounting standards and interpretations did not have any impact on the Statutory Financial Statements at December 31, 2016.

Description	Endorsed as of the date of this document	Effective date of the principle
Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation	Yes	Years beginning on or after January 1, 2016
Amendments to IFRS 11: Accounting for Acquisitions of interests in joint operations	Yes	Years beginning on or after January 1, 2016
Amendments to IAS 16 and IAS 41: Agriculture: Bearer Plants	Yes	Years beginning on or after January 1, 2016
Amendments to IAS 27: Equity Method in Separate Financial Statements	Yes	Years beginning on or after January 1, 2016
Annual Improvements to IFRSs 2012-2014 Cycle	Yes	Years beginning on or after January 1, 2016
Amendments to IAS 1: Disclosure Initiative	Yes	Years beginning on or after January 1, 2016
Amendments to IFRS 10, IFRS 12, and IAS 28: Investment Entities: Applying the Consolidation Exception	Yes	Years beginning on or after January 1, 2016
Amendments to IFRS 11: Accounting for Acquisitions of Interests in Joint Operations	Yes	Years beginning on or after January 1, 2016

ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS NOT YET APPLICABLE FOR WHICH THE GROUP DID NOT CHOOSE EARLY ADOPTION

The table below lists the international accounting standards, interpretations and amendments to existing accounting standards and interpretations or specific provisions set forth in principles and interpretations approved by the IASB, showing which ones were endorsed or not endorsed for adoption in Europe as of the date of this document:

Description	Endorsed as of the date of this document	Effective date of the principle
IFRS 9 Financial Instruments	Yes	Years beginning on or after January 1, 2018
IFRS 14 ‘Regulatory deferral accounts’	No	Suspended
IFRS 15 Revenue from Contracts with customers	Yes	Years beginning on or after January 1, 2018
Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	No	Suspended
IFRS 16 Leases	No	Years beginning on or after January 1, 2019
Amendments to IAS 12: Recognition of deferred tax assets for unrealized losses	No	Years beginning on or after January 1, 2017
Amendments to IAS 7: Disclosure Initiative	No	Years beginning on or after January 1, 2017
Amendments to IFRS 2: Classification and Measurement of Share based Payment Transactions	No	Years beginning on or after January 1, 2018
Amendments to IFRS 4: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts : Classification and Measurement of Share based Payment Transactions	No	Years beginning on or after January 1, 2018
Annual Improvements to IFRSs 2014-2016 Cycle	No	Years beginning on or after January 1, 2017/2018
Amendments to IAS 40: Transfer to Investment Property	No	Years beginning on or after January 1, 2018
IFRIC Interpretation 22 Foreign Currency Transactions and Advance Consideration	No	Years beginning on or after January 1, 2018

The Group did not choose early adoption for accounting standards and/or interpretations the adoption of which will be mandatory for reporting period beginning after January 1, 2016.

The Group is in the process of assessing the effects of the abovementioned standards.

49. FINANCIAL RISK MANAGEMENT

49.1. FINANCIAL RISK FACTORS

The Company’s operations are exposed to the following risks: market risk (defined as foreign exchange and interest rate risk), credit risk (regarding both regular sales transactions with customers and financing activities) and liquidity risk (regarding the availability of financial resources and access to the credit market and financial instruments in general).

The Company’s objective is to maintain over time a balanced handling of its financial exposure, capable of ensuring that the structure of its liabilities is in harmony with the asset composition in its financial statements and delivering the necessary operating flexibility through the combined use of liquidity generated by current operating activities and bank financing.

The ability to generate liquidity through the operating activities, coupled with its borrowing ability, enables the Company to adequately meet its operating needs, in terms of financing its operating working capital and funding its investments, and meet its financial obligations.

The Company's financing policy and the management of the related financial risks are guided and monitored at the central level. Specifically, the central Finance Department is responsible for assessing and approving projected financing needs, monitoring developing trends and, when necessary, taking corrective action. In addition, the central Finance Department contributes to the development of the Company's financing and cash management policies, seeking to optimize the management of financial and cash flows and related risks. This activity is carried out in cooperation with the management of the Company and its subsidiaries, as all decisions are made specifically taking into consideration the Company's operating needs, as approved and revised by the Board of Directors.

The following section provides qualitative and quantitative disclosures on the impact of such risks on the Company.

MARKET RISK

Foreign Exchange Risk

The exposure to the risk of fluctuations in foreign exchange rates derives from the transactions in currencies different from the euro. The Company operates primarily in Italy and most of the revenues and purchases of services in foreign countries involve countries that are members of the European Union. Consequently, the Group is not exposed to the risk of fluctuations in the exchange rates of foreign currencies versus the euro.

Interest Rate Risk

The Company uses external financial resources such as borrowings and invests available liquid assets in bank deposits. Changes in market interest rates affect borrowing costs and the yields of different types of investments, with an impact on the level of the Company's financial charges and financial income. The Company, being exposed to fluctuations in interest rates insofar as they affect the measurement of debt related financial charges, regularly assesses its exposure to the risks of changes in interest rates.

All of the Company's liquid assets consist mainly of variable rate bank deposits and, consequently, their fair value approximates their carrying amount.

The Euribor is the interest rate to which the Company is most exposed.

CREDIT RISK

Financial Credit Risk

The financial credit risk refers to the inability of a counterparty to fulfill its obligations.

At December 31, 2016, the Company's liquid assets were invested in bank accounts with top-rated credit institutions.

Commercial Credit Risk

The commercial credit risk derives mainly from trade receivables, which at December 31, 2016 consisted exclusively of receivables owed by a subsidiary for the rebilling of intercompany services.

The following table provides a breakdown of trade receivables and other current receivables at December 31, 2016 grouped by days in arrears, net of the provision for impairment of receivables.

	At December 31, 2016	Current	90 days in arrears	From 90 to 240 days in arrears	More than 240 days in arrears
Trade receivables	330,500	330,500	-	-	-
Provision for impairment of receivables	-	-	-	-	-
Net carrying amount	**330,500**	**330,500**	**-**	**-**	**-**
Other receivables	1,604,052	1,604,052	-	-	-
Total	**1,604,052**	**1,604,052**	**-**	**-**	**-**

LIQUIDITY RISK

The liquidity risk refers to the potential inability to secure, on affordable terms, the financial resources needed for the Company's operations. The two main factors that affect the Company's liquidity are:

(i) The financial resources generated or absorbed by the operating and investing activities;
(ii) The maturity characteristics of financial debt.

The Company's liquidity needs are monitored by the central cash management function with the aim of ensuring the effective procurement of financial resources and an adequate investment of/return on liquid assets.

Management believes that the funds and credit lines that are currently available, combined with those that will be generated by the operating and financing activities, will enable the Company to meet its needs with regard to investing activities, working capital management and the repayment of debt at the contractual maturities.

With regard to the exposure to trade payables, there is no significant supplier concentration.

49.2. CAPITAL MANAGEMENT

The Company's objective is to create value for its shareholders. Special attention is paid to the debt level relative to shareholders' equity and EBITDA, while pursuing objectives of profitability and operating cash flow generation.

49.3. ESTIMATING FAIR VALUE

The fair value of financial instruments traded in an active market is based on market prices on the date of the financial statements. The fair value of instruments that are not traded in an active market is determined using valuation techniques based on a series of methods and assumptions tied to market conditions on the reporting date.

50. FINANCIAL ASSETS AND LIABILITIES BY CATEGORY

The fair values of trade receivables, other receivables and other financial assets and of trade payables and other payables and other financial liabilities, listed among the "current" line items in the statement of financial position and valued by the amortized cost method, consisting mainly of assets underlying commercial transactions scheduled for settlement over the near term, did not differ appreciably from the respective carrying amounts at December 31, 2016.

Non-current financial liabilities and assets are settled or valued at market rates and, consequently, their fair value is deemed to be substantially in line with their carrying amount.

The table that follows provides a breakdown by category of financial assets and liabilities at December 31, 2016.

	AT DECEMBER 31, 2016				
	Financial assets and liabilities measured at fair value though profit or loss	Loans and receivables	Available-for-sale financial assets	Financial liabilities at amortized cost	Total
Trade receivables		330,500			330,500
Tax receivables		19,271			19,271
Other receivables		1,604,052			1,604,052
Other current assets		30,987			30,987
Cash and cash equivalents		1,722,993			1,722,993
Total assets	**-**	**3,707,803**	**-**	**-**	**3,707,803**
Current financial liabilities				13,176	13,176
Trade payables				456,081	456,081
Tax payables				1,032,819	1,032,819
Other liabilities				1,428,705	1,428,705
Total liabilities	**-**	**-**	**-**	**2,930,781**	**2,930,781**

51. ESTIMATES AND ASSUMPTIONS

In the preparation of financial statements, Directors are required to apply accounting principles and methods that, in some cases, are based on difficult and subjective assessments and estimates, based on historical experience and assumptions that, in each case, are deemed reasonable and realistic in the corresponding circumstances. The adoption of these estimates and assumptions affects the amounts shown in the financial statement schedules, including the statement of financial position, the comprehensive income statements and the statement of cash flows, as well as the disclosures provided. Final results for the line items for which the abovementioned estimates and assumptions were used could differ from those shown in the financial statements due to the uncertainty that characterizes the assumptions and the conditions upon which the estimates are based.

The areas for which Directors are required to use more subjective factors in developing estimates and for which a change in the conditions underlying the assumptions used could have a material impact on the Company's financial statements are reviewed below.

a. Impairment of assets

In accordance with the accounting principles applied by the Company, property, plant and equipment and intangible assets must be tested to determine if an impairment has occurred, which is recognized by means of a writedown, when there are indicators showing that it may be difficult to recover the net carrying amount of the assets through their use. The determination of the existence of such indicators requires, on the part of the Board of Directors, the development of subjective valuations, based on information available within the Company and in the market and on past experience. Moreover, if it can be determined that a potential impairment may have occurred, the Company must quantify the impairment using appropriate valuation techniques. The correct identification of the elements indicating the existence of a potential impairment of property, plant and equipment, intangible assets and investment property and the estimates required to measure the impairment are based on factors that can vary over time, with an impact on the valuations and estimates made by the Board of Directors.

b. Depreciation and Amortization

The cost of property, plant and equipment and intangible assets is depreciated and amortized, respectively, on a straight line over the estimated useful lives of the assets. The useful economic lives of these assets are determined by the Board of Directors when the assets are acquired; they are based on past experience for similar assets, market conditions and projections about future events that could have an impact on the useful lives of the assets, such as changes in technology. Consequently, the actual economic life could differ from the estimated useful life.

c. Provision for Impairment of Receivables

The provision for impairment of receivables reflects estimates of projected losses for the Company's portfolio of receivables. Estimates and assumptions are revised periodically and the effects of any change are reflected in the income statement of the year to which they are attributable.

d. Employee Benefits

The present value of the retirement benefit obligations recognized in the financial statements depends on actuarial computations and various assumptions taken into consideration. Any changes in these assumptions or the discount rate applied are promptly reflected in the computation of the present value and could have a significant impact on financial statement data. The assumptions used for actuarial computation purposes are reviewed each year.

The present value is determined by discounting future cash flows at an interest rate equal to that of high

quality corporate bonds issued in the currency in which the liability will be settled and taking into account the duration of the corresponding pension plan. For additional information see Note 55 "Personnel Costs" and Note 72 "Employee Benefits."
Estimates and assumptions are reviewed periodically and the effects of any change are reflected immediately in profit or loss.

52. REVENUES

A breakdown of "Revenues" is provided below:

	December 31, 2016	December 31, 2015
Sales in Italy	3,092,171	2,804,266
Total	**3,092,171**	**2,804,266**

"Revenues" refer to services rebilled to the Cerved Group S.p.A. subsidiary as part of the service contract for management holding company activities performed by the Group's Parent Company for the "Administration, Finance and Control", "Treasury", "Internal Auditing" and "Corporate Development" functions.

53. COST OF RAW MATERIAL AND OTHER MATERIALS

As detailed in the table below, this item refers mainly to the cost of consumables and promotional materials.

	December 31, 2016	December 31, 2015
Consumables	797	3,694
Fuel	7,926	-
Total	**8,723**	**3,694**

54. COST OF SERVICES

A breakdown of "Cost of services" is provided in the table below.

	December 31, 2016	December 31, 2015
Tax, administrative and legal consulting services	768,410	716,241
Advertising and marketing expenses	4,875	22,680
Travel expenses and per diems	84,332	61,542
Civil liability insurance policies	113,340	38,015
Utilities	9,260	4,695
Training and recruitment	5,265	18,000
Sundry expenses	858	-
Nonrecurring costs	3,714	21,271
Total	**990,054**	**882,444**

"Cost of services" includes nonrecurring costs totaling 3 thousand euros.

55. PERSONNEL COSTS

A breakdown is as follows:

	December 31, 2016	December 31, 2015
Wages and salaries	2,365,597	2,019,615
Social security charges	718,096	622,075
Retirement benefits	157,838	142,961
Other personnel costs	263,233	-
Nonrecurring costs	200,000	-
Total staff costs	**3,704,763**	**2,784,651**
Directors' fees and social security contributions	1,257,834	943,748
Total fees	**1.257.834**	**943,748**
Total	**4,962,597**	**3,728,399**

"Other personnel costs" include 229 thousand euros for costs incurred during the year for the "2019-2021 Performance Share Plan" (the "Plan") reserved for some key Company resources selected among Directors, managers and other executives. See Note 79 for a description of the Plan's rules.

Detailed information about "Retirement benefits" is provided in Note 72.

The table below shows a breakdown by category of the average number of Group employees:

Average number of employees	December 31, 2016	December 31, 2015
Executives	5	4
Middle managers	15	11
Office staff	17	17
Total	**37**	**32**

56. NONRECURRING INCOME AND COSTS

During the reporting period, the Group incurred nonrecurring costs that included an indemnity of 1,000 thousand euros awarded to the outgoing Chief Executive Officer Gianandrea De Bernardis under a three-year non-compete agreement, paid in a lump sum in May of 2016, which was the subject of a reversibility contract with the Cerved Group subsidiary for 800 thousand euros.

57. OTHER OPERATING COSTS

A breakdown of this item is provided below:

	December 31, 2016	December 31, 2015
Rent	299,110	299,521
Automobile rentals and incidental costs	67,818	46,543
Bank fees and charges	3,842	30,837
Pro rata VAT	(41,980)	41,980
Sundry services	35,662	56,909
Other costs	9,190	7,935
Employee cafeteria and meal vouchers	32,849	31,975
Total	**406,490**	**515,701**

58. DEPRECIATION AND AMORTIZATION

"Depreciation and amortization" includes:

	December 31, 2016	December 31, 2015
Depreciation of property, plant and equipment	81,398	45,015
Amortization of intangibles	805	-
Total	**82,204**	**45,015**

See Note 62 below for additional information.

59. FINANCIAL INCOME

A breakdown of "Financial income" is provided in the table that follows:

	December 31, 2016	December 31, 2015
Bank interest earned	1,609	1,359
Other financial income	16	2,315
Dividends from subsidiaries	45,000,000	40,251,637
Total	**45,001,626**	**40,255,311**

Dividends from subsidiaries were distributed by the Cerved Group S.p.A. subsidiary pursuant to a resolution adopted by the Shareholders' Meeting on April 28, 2016.

60. FINANCIAL EXPENSE

A breakdown of "Financial expense" is as follows:

	December 31, 2016	December 31, 2015
Bank interest paid	-	205
Bank fees and other interest paid	6,867	4,320
Interest paid under the Group cash	13,176	11,462
Total	**20,043**	**15,986**

The Cash Pooling Agreement was terminated in 2016.

61. INCOME TAX EXPENSE

A breakdown of "Income tax expense" is provided below:

	December 31, 2016	December 31, 2015
Deferred tax assets and liabilities	(537,309)	(676,475)
Benefit from filing a consolidated tax return	1,429,894	1,127,828
Total	**892,585**	**451,353**

The Company ended 2016 with a tax loss and consequently no tax liability was recognized for either corporate income tax (IRES) or regional tax (IRAP).

The benefit from filing a consolidated tax return refers to the Company's 2016 tax loss, mainly accrued due to the deductibility in one-fifth installments of the stock listing costs incurred the previous year and used to offset taxable income transferred by the subsidiaries pursuant to the contract for the consolidated tax return.

62. PROPERTY, PLANT AND EQUIPMENT

The table below shows the changes occurred in "Property, plant and equipment" during the reporting period:

	Other assets	Total
Balance at December 31, 2015	**181,262**	**181,262**
Additions	118,895	118,895
Retirements	(397)	(397)
Depreciation	(81,398)	(81,398)
Balance at December 31, 2016	**218,362**	**218,362**
Breakdown:		
Historical cost	*356,807*	*356,807*
Accumulated depreciation	*(138,445)*	*(138,445)*

Additions to property, plant and equipment refer almost exclusively to purchases of automobiles given in use to some employees and cellular telephones for the balance.

At December 31, 2016, there were no restrictions on the ownership and possession of property, plant and equipment or purchase commitments.

63. INTANGIBLE ASSETS

The table below details the changes that occurred in this account in 2016:

	Other intangible assets	Total
Balance at December 31, 2015	**-**	**-**
Additions	5,800	5,800
Disposals	-	-
Amortization	(805)	(805)
Balance at December 31, 2016	**4,995**	**4,995**
Breakdown:		
Historical cost	*5,800*	*5,800*
Accumulated amortization	*(805)*	*(805)*

"Intangible assets" refers exclusively to the purchase of a software license.

At December 31, 2016, there were no restrictions on the ownership and possession of intangible assets or purchase commitments.

64. INVESTMENTS IN ASSOCIATES

The Company holds the entire share capital of Cerved Group S.p.A. The details of the investee company are listed below:

	Registered office	Share capital	2016 share-holders' equity	2016 net profit	% of control	Carrying amount at 12/31/16	Difference between carrying amount and shareholders' equity
Cerved Group S.p.A.	Milano	50,000,000	528,028,358	41,064,663	100%	583,018,268	54,989,910
Total						**583,018,268**	**54,989,910**

	Balance at December 31, 2016	Balance at December 31, 2015
Investment in Cerved Group S.p.A.	583,018,268	582,567,500
Total	**583,018,268**	**582,567,500**

The difference between the carrying amount of the equity investment and the pro rata interest in shareholders' equity is mainly due to:

- the distribution of dividends from the additional paid-in capital reserve;
- the accounting for the Performance Share Plan.

In 2016, the value of this equity investment increased by 450 thousand euros compared with December 31, 2015 due to the recognition of the share-based incentive plan offered by the Company to employees of its subsidiaries.

Considering that the Parent Company's only direct equity investment is in Cerved Group S.p.A., in order to recognize the capital contribution provided to Group companies owned by Cerved Group S.p.A., the Company chose to reflect in the carrying amount of its direct investee company Cerved Group S.p.A. the entire cost of the Performance Shares awarded to employees of the various subsidiaries, as follows:

- Cerved Group S.p.A. for 331 thousand euros;
- Cerved Credit Management Group S.r.l. for 35 thousand euros;
- Cerved Credit Management S.p.A. for 31 thousand euros;
- Cerved Rating Agency S.p.A. for 32 thousand euros;
- Cerved Credit Collection S.p.A. for 11 thousand euros;
- Consit Italia S.p.A. for 5 thousand euros;
- Cerved Legal Services S.r.l. for 5 thousand euros.

See Note 79 for additional information about the Performance Share Plan.

On the date of the financial statements, management believes that there are strong reasons supporting the recoverability of the carrying amount of the equity investment, based on the positive performance of the business and the projected expansion plans. These conclusions were also supported by the results of an impairment test performed for each one of the cash generating units of the Cerved Group and described in the consolidated financial statements of the Cerved Group.

65. TRADE RECEIVABLES

A breakdown of "Trade receivables" is as follows:

	December 31, 2016	December 31, 2015
Trade receivables	330,500	74,725
Provision for impairment of receivables	-	-
Total	**330,500**	**74,725**

Trade receivables refer to the management holding company activities performed by the Company and rebilled to the Cerved Group subsidiary under a contract for the delivery of centralized function services.
There are no receivables with a remaining duration of more than five years or receivables denominated in a currency different from the euro.

66. TAX RECEIVABLES

A breakdown of "Tax receivables" at December 31, 2016 is provided below:

	December 31, 2016	December 31, 2015
VAT receivable	18,852	658,284
Other tax receivables	419	393
Total	**19,271**	**658,678**

67. OTHER RECEIVABLES

A breakdown of this item is as follows:

	December 31, 2016	December 31, 2015
Other receivables	24,367	12,258
Other receivables from related parties	-	59,841
Other receivables from related parties – consolidated tax return	1,579,685	2,475.383
Total	**1,604,052**	**2,547,481**

Other receivables refer to a receivable from subsidiaries that arose from the new agreement for the Group consolidated income tax return executed in September 2015 and valid for three years, from 2015 to 2017, pursuant to which Cerved Information Solutions S.p.A. is the consolidating entity and all of its subsidiaries are the companies being consolidated.

68. OTHER CURRENT ASSETS

A breakdown of this item is provided below:

	December 31, 2016	December 31, 2015
Other prepaid commercial expenses	30,987	2,220
Total	**30,987**	**2,220**

Prepaid expenses relate to costs for services suspended and recognized in profit or loss on an accrual basis.

69. CASH AND CASH EQUIVALENTS

"Cash and cash equivalents" consists mainly of amounts deposited in checking accounts at top credit institutions. A breakdown is as follows:

	December 31, 2016	December 31, 2015
Deposits in bank and postal accounts	1,722,736	30,710,782
Cash on hand	258	548
Total	**1,722,993**	**30,711,330**

The carrying amount of "Cash and cash equivalents" approximates its fair value; these items are not subject to any utilization restriction.

See Note 71 for additional information about the Company's financial position.

70. SHAREHOLDERS' EQUITY

A breakdown of "Shareholders' equity" at December 31, 2016 is provided below:

	Share capital	Statutory reserve	Additional paid-in capital	Other reserves	Net profit	Total shareholders' equity
Balance at March 14, 2014	**120,000**	**-**	**-**	**-**	**-**	**120,000**
Capital increase through conveyance of Cerved Group S.p.A. shares	49,880,000	-	317,687,500	-	-	367,567,500
Share capital increase	450,000	-	221,862,709		-	222,312,709
Total transactions with owners	**50,330,000**		**539,550,209**	**-**	**-**	**589,880,209**
Net profit	-	-	-	-	(1,964,300)	(1,964,300)
Actuarial gains (losses) on defined-benefit employee plans, net of tax effect	-	-	-	(26,373)	-	(26,373)
Net comprehensive result	**-**	**-**	**-**	**(26,373)**	**(1,964,300)**	**(1,990,672)**
Balance at December 31, 2014	**50,450,000**	**-**	**539,550,209**	**(26,373)**	**(1,964,300)**	**588,009,536**
Appropriation of result	-	-	(1,964,300)	-	1,964,300	-
Establishment of the statutory reserve	-	10,090,000	(10,090,000)	-	-	-
Dividend distribution	-	-	(39,975,000)	-	-	(39,975,000)
Net profit	-	-	-	-	38,319,691	38,319,691
Actuarial gains (losses) on defined-benefit employee plans, net of tax effect	-	-	-	1,686	-	1,686
Net comprehensive result	**-**	**-**	**-**	**1,686**	**38,319,691**	**38,321,377**
Balance at December 31, 2015	**50,450,000**	**10,090,000**	**487,520,910**	**(24,687)**	**38,319,691**	**586,355,913**
Appropriation of result	-	-	-	38,319,691	(38,319,691)	-
Dividend distribution	-	-	(6,630,000)	(38,220,000)	-	(44,850,000)
Performance Share Plan				679,891	-	679,891
Net profit	-	-	-		42,516,272	42,516,272
Actuarial gains (losses) on defined-benefit employee plans, net of tax effect	-	-	-	(54,698)		(54,698)
Net comprehensive result	**-**	**-**		**724,884**	**42.516,272**	**43,241,156**
Balance at December 31, 2016	**50,450,000**	**10,090,000**	**480,890,910**	**700,197**	**42,516,272**	**584,647,378**

As of the date of these Financial Statements, the fully subscribed and paid-in share capital amounted to 50,450 thousand euros and was comprised of 195,000,000 common shares without par value.

With regard to the degree of availability of the components of shareholders' equity, the table below shows the status at the closing date of the financial statements:

	Amount	Usage option	Available amount	Distributable amount
Share capital	50,450,000	-	-	-
Statutory reserve	10,090,000	B	10,090,000	-
Additional paid-in capital	480,890,910	A, B, C	480,890,910	480,890,910
Other reserves	700,197	A, B	700,197	99,691
Total	**542,131,107**		**491,681,107**	**480,990,910**

Legend:
A For capital increases
B To replenish losses
C For distribution to shareholders

71. NET FINANCIAL DEBT

The table below presents the Group's net financial debt at December 31, 2016, determined in accordance with the provisions of Paragraph 127 of the recommendations provided by ESMA in Document No. 81 of 2011 in implementation of Regulation (EC) 809/2004:

	December 31, 2016	December 31, 2015
A. Cash	258	548
B. Other liquid assets	1,722,736	30,710,782
C. Securities held for trading	-	-
D. Liquidity (A)+(B)+(C)	**1,722,993**	**30,711,330**
E. Current loans receivable	-	-
F. Current bank debt	-	-
G. Current portion of non-current borrowings	-	-
H. Other current financial debt	(13,176)	(28,531,785)
I. Current financial debt (F)+(G)+(H)	**(13,176)**	**(28,531,785)**
J. Net current financial debt (D) + (E) + (I)	**1,709,817**	**2,179,545**
K. Non-current bank debt	-	-
L. Bonds outstanding	-	-
M. Other non-current financial debt	-	-
N. Non-current financial debt (K)+(L)+(M)	**-**	**-**
O. Net financial debt (J)+(N)	**1,709,817**	**2,179,545**

72. EMPLOYEE BENEFITS

This item includes the provision for severance indemnities (TFR).

At December 31, 2016, the provision for severance indemnities amounted to 384 thousand euros. The table below shows the changes that occurred in this provision:

	Employee benefit
At December 31, 2014	**312,614**
Current cost	41,683
Financial charges	4,300
Actuarial losses/(gains)	(2,326)
Contributions added – Benefits paid	(2,883)
At December 31, 2015	**353,388**
Current cost	21,734
Financial charges	6,157
Actuarial losses/(gains)	70,403
Contributions added – Benefits paid	(67,860)
At December 31, 2016	**383,822**

The provision for severance indemnities (TFR) reflects the impact of the discounting process, as required by IAS 19.

The economic and demographic assumptions used for actuarial valuation purposes are listed below:

Discount rate	1.35%
Inflation rate	1.50%
Rate of wage growth	2.63%
Expected mortality rate	RG48 from Government Accounting Office
Expected disability rate	INPS Model 2010 projections
Expected resignations/advances (annual)	5.00% / 3.00%

Regarding the discount rate, the iBoxx Eurozone Corporates AA 10+ was taken as a reference for the development of said parameter at the valuation date.

The table below provides a sensitivity analysis of the main actuarial assumptions included in the calculation model applied by taking the scenario described above as a baseline and increasing and decreasing the average annual discount rate, the average inflation rate and the turnover rate by a half, a quarter and two percentage points, respectively. The results obtained are summarized in the following table:

	Annual discount rate		Annual inflation rate		Annual turnover rate	
	+0.50%	-0.50%	+0.25%	0.25%	+2.00%	-2.00%
Past Service Liability	341,482	376,022	363,248	353,40	355,258	357,532

There are no defined-benefit plan assets.

73. DEFERRED TAX ASSETS AND LIABILITIES

	December 31, 2016	December 31, 2015
Deferred tax assets	1,012,553	1,534,371
Total	**1,012,553**	**1,534,371**

The deferred tax assets mainly originate from the tax effect of the costs incurred for the stock listing process, which are taxed over five years under current tax laws. These deferred tax assets were recognized because the Company's management believes that they are recoverable in future years in the light of its prepared tax plan.

A breakdown of "Deferred tax assets" at December 31, 2015 and 2016 is as follows:

	Balance at December 31, 2014	Additions/ Reversals in profit or loss	Additions/ Reversals suspended in equity	Additions/ Reversals in comprehensive income	Balance at December 31, 2015
Deferred tax assets					
IPO costs	2,124,572	(666,343)	-	-	1,458,229
Transactions taxed on a cash basis	76.909	(10,132)	-	-	66,777
TFR IAS 19	10,005	-	-	(640)	9,365
Total deferred tax assets	**2,211,486**	**(676,475)**	**-**	**(640)**	**1,534,371**

	Balance at December 31, 2015	Additions/ Reversals in profit or loss	Additions/ Reversals suspended in equity	Additions/ Reversals in comprehensive income	Balance at December 31, 2016
Deferred tax assets					
IPO costs	1,458,229	(531,145)	-	-	927,084
Transactions taxed on a cash basis	66,777	(6,497)	-	-	60,280
Non-deductible interest expense	-	119	-	-	119
TFR IAS 19	9,365	-	-	15,705	25,070
Total deferred tax assets	**1,534,371**	**(537,523)**	**-**	**15,705**	**1,012,553**

74. TRADE PAYABLES

	December 31, 2016	December 31, 2015
Payables to outside suppliers	429.564	501,858
Payables to related parties	26,517	206,356
Total	**456,081**	**708,214**

There are no payables denominated in a currency different from the functional currency and there are no trade payables collateralized with Company assets or with a duration of more than five years.

75. CURRENT TAX PAYABLES

A breakdown of "Current tax payables" is provided below:

	December 31, 2016	December 31, 2015
Corporate income tax (IRES) payables	915,824	101,599
Total	**915,824**	**101,599**

The IRES payable reflects the tax liability that resulted from the consolidated Group income tax return filed under an agreement signed in September 2015, valid for three years from 2015 to 2017, by Cerved Information Solutions S.p.A., in its capacity as the consolidating entity, and all of its subsidiaries, except ClickAdv S.r.l. and Major 1 S.r.l., in their capacity as consolidated entities.

Under the contract, an entity that contributed to the Group tax losses usable in the consolidated income tax return or a company that contributed interest expense deductible from operating income before taxes (Reddito Operativo Lordo – ROL) is entitled to receive a tax benefit.

76. OTHER TAX PAYABLES

A breakdown of "Other tax payables" is provided below:

	December 31, 2016	December 31, 2015
Withholdings payable	116,995	103,881
Total	**116,995**	**103,881**

77. OTHER LIABILITIES

	December 31, 2016	December 31, 2015
Social security contributions payable	296,014	260,423
Payables owed to employees	525,472	219,891
Other payables	5,205	530
Other payables owed to related parties	602,014	1,641,942
Total	**1.428.704**	**2,122,786**

At December 31, 2016, the main components of "Other payables" included:

- "Social security contributions payable" amounting to 296 thousand euros, for contributions attributable to 2016 not yet paid;
- "Payables owed to employees" for 525 thousand euros, consisting mainly of compensation attributable to 2016 not yet paid and accrued unused vacation days and fourteenth month bonus;
- "Payables owed to related parties" amounting to 602 thousand euros represents the liability for the consolidated Group income tax return. For additional information, please see Note 76 on related parties.

78. OTHER INFORMATION

CONTINGENT LIABILITIES

There are no pending judicial or tax proceedings that involve the Company.

COMMITMENTS

The Company is the lessee in leases for offices rented by - Cerved Group subsidiary. The commitments outstanding at December 31, 2016 under those leases are summarized below:

	At December 31, 2016	At December 31, 2015
Within 1 year	236,683	301,217
Between 2 and 4 years	946,732	913,805
More than 4 years	1,183,415	308,029
Total	**2,366,830**	**1,523,050**

COMPENSATION OF DIRECTORS AND STATUTORY AUDITORS

Pursuant to law, the table below shows the compensation awarded to Directors and Statutory Auditors:

DIRECTORS

First and last name	Post held	End of term of office	Fees for post held	Fringe benefits	Bonus and other incentives	Other compensation	Total
Fabio Cerchiai	Chairman independent	Approval of the financial statements at 12/31/18	200,000			20.000	**220,000**
Gianandrea De Bernardis	Executive Vice President	Approval of the financial statements at 12/31/18	250,000				**250,000**
Marco Nespolo	Chief Executive Officer	Approval of the financial statements at 12/31/18	410,000		240,000		**650,000**
Roberto Mancini	Director	Approval of the financial statements at 12/31/18	-				**-**
Andrea Mignanelli	Director	Approval of the financial statements at 12/31/18	-				**-**
Sabrina Delle Curti	Director	Approval of the financial statements at 12/31/18	-				**-**
Aurelio Regina	Independent Director	Approval of the financial statements at 12/31/18	40,000			20,000	**60,000**
Mara Anna Rita Caverni	Independent Director	Approval of the financial statements at 12/31/18	40,000			20,000	**60,000**
Giulia Bongiorno	Independent Director	Approval of the financial statements at 12/31/18	40,000				**40,000**
Marco Maria Fumagalli	Independent Director	Approval of the financial statements at 12/31/18	40,000				**40,000**
Valentina Montanari	Independent Director	Approval of the financial statements at 12/31/18	40,000				**40,000**
Total			**1,060,000**	**-**	**240.000**	**60,000**	**1,360,000**

STATUTORY AUDITORS

First and last name	Post held	End of term of office	Fees for post held	Fringe benefits	and other incentives	Other compensation	Total compensation
Paolo Ludovici	Chairman	Approval of the financial state-ments at 12/31/16	60,000	-	-	-	**60,000**
Ezio Maria Simonelli	Statutory Auditor	Approval of the financial state-ments at 12/31/16	40,000	-	-	-	**40,000**
Laura Acquadro	Statutory Auditor	Approval of the financial state-ments at 12/31/16	40,000	-	-	-	**40,000**
Lucia Foti Belligambi	Alternate	Approval of the fi-nancial statements at 12/31/16	-	-	-	-	**-**
Renato Colavolpe	Alternate	Approval of the financial state-ments at 12/31/16	-	-	-	-	**-**
Total			**140,000**	**-**	**-**	**-**	**140,000**

INDEPENDENT AUDITORS

Pursuant to Article 149–*duodecies*, Section Two, of Consob Resolution No. 11971 of May 14, 1999, as amended, the fees for the year owed to the Independent Auditors PricewaterhouseCoopers S.p.A. for services provided to the Parent Company Cerved Information Solutions S.p.A. at December 31, 2016 are listed below:

	PwC S.p.A.	Other entities of the PwC network	Total PwC network
Auditing Services	79,000	-	79,000
Total	**79,000**	**-**	**79,000**

79. DESCRIPTION OF INCENTIVE PLANS (IFRS2)

CERVED 2016-2018 PERFORMANCE SHARE PLAN

The 2016-2018 Performance Share Plan was approved by the Shareholders' Meeting of Cerved Information Solution S.p.A. on December 21, 2015, and was launched further to a resolution adopted by the Company's Board of Directors on July 13, 2016.

The Plan's objective is: (i) to enhance the alignment of the interests of the beneficiaries with those of the shareholders, tying management's compensation to specific objectives, determined based on each Plan Cycle, the achievement of which is closely linked with improving the Company's performance and increasing its value; (ii) to strengthen retention capacity for key resources, aligning the Group's compensations policy with best market practices, which, as a rule, include long-term incentive tools.

The Plan's beneficiaries include the Chief Executive Officer, the Group's strategic executives and a group of 71 resources chosen by management, for a total grant of 1,108,644 Performance Shares.

The Performance Targets were defined by the Board of Directors for each Plan Cycle, upon a recommendation by the Compensation and Nominating Committee.

An incentivizing curve has been established for each Performance Target, linking the number of Shares awardable, based on the Performance Target achieved, with different levels of performance:
- a minimum performance threshold, below which no share will be awarded;
- a maximum performance cap upon the achievement of which the beneficiary will be awarded the maximum number of shares.

The Shares subject of the 2016-2018 Performance Share Plan will be awarded upon the verification of the achievement of the performance conditions in the 2016-2018 three-year period.

The performance conditions are explained below:

(i) 30% "Total Shareholder Return Target" of Cerved Information Solutions S.p.A. compared with that of companies included in the FTSE Mid Cap Index Italia published by Borsa Italiana S.p.A. The TSR is measured for the period between January 1, 2016 and December 31, 2018. The target reflects different levels of achievement based on the ranking of Cerved's TSR that corresponds to a different percentage in the number of awarded shares:
   - below the median: zero options awarded;
   - equal to the median (threshold): 50% of awarded options;
   - between the median and the 75 percentile: by linear interpolation;
   - 75° percentile (cap): 100%;
   - more than 75° percentile: 100%.

(ii) 70% "PBTA Target" indicates the growth of the Adjusted Profit Before Taxes per Share, which meaning the profit before taxes excluding nonrecurring income and charges, the financial charges incurred to obtain financing facilities and recognized in the income statement by the amortized cost method and the surpluses generated by the business combination processes and allocated to intangible assets (consistent with the computation of the adjusted net profit in the Offering Prospectus of Cerved Information Solutions S.p.A. filed with the Consob on June 6, 2014, before tax effect). The growth of the Adjusted Profit Before Taxes is the annual compound growth rate, excluding from the computation the accounting effects of the Plan itself. The target reflects different levels of achievement based on the growth rate of the Cerved Group's PBTA:

- less than 6%: 0%;
- 6% (threshold): 40%;
- between 6% and 10%: by linear interpolation;
- 10% (cap): 100%;
- more than 10%: 100%.

The Performance Share Plan calls for the award, at the end of the vesting period, of a number of shares based on the achievement of the performance targets described above and does not specify an exercise price. The number of exercised stock options will depend on the level of achievement of the assigned targets.

The fair value of the options under the 2016-2018 Share Performance Plan was determined by the "Monte Carlo method" and using the following computation parameters:

- risk free interest rate: -0.63%, based on the interest rate of a zero coupon bond by a Eurozone governmental entity;
- expected dividends: 4%;
- volatility: 27%.

On the grant date of July 13, 2016, the fair value of each option related to the Plan's TSR target ("market" target) was equal to 3.624 euros, while the fair value of each option related to the Plan's PBTA target ("non-market" target) was equal to 6.082 euros.

	Awarded options	Expired options	Exercised options	Options outstanding a 12/31/16
2016-2018 Performance Shares Plan	1,108,644	-	-	1,108,644
Total	**1,108,644**	**-**	**-**	**1,108,644**

The cost accrued at December 31, 2016 attributable to Company employees, amounting to 229 thousand euros, was included in "Personnel costs," while the amount of 451 thousand euros, attributable to employees of the subsidiaries, was included in "Investments in Associates."

80. RELATED-PARTY TRANSACTIONS

The table below summarizes transactions with related parties.

(In euros) RECEIVABLES AND PAYABLES WITH RELATED PARTIES AT DECEMBER 31, 2015

Company	Trade receivables	Other receivables	Trade payables	Short-term loan payables to banks and other lenders	Other liabilities
Subsidiaries					
Cerved Group S.p.A.	74,725	59,841	(192,940)	(28,531,785)	(1,191,902)
Cerved Rating Agency S.p.A.	-	226,524	-	-	-
Consit Italia S.p.A.	-	260,709	-	-	-
Cerved Credit Management Group S.r.l.	-	292,349	(13,416)	-	-
Cerved Credit Collection S.p.A.	-	29,753	-	-	-
Cerved Credit Management S.p.A.	-	1,666,047	-	-	-
Cerved Legal Services S.r.l.	-	-	-	-	(54,054)
Total subsidiaries	**74,725**	**2,535,224**	**(206,356)**	**(28,531,785)**	**(1,245,956)**
Affiliated companies					
Board of Directors, General Manager and Executives with strategic responsibilities	-	-	-	-	(395,986)
Total other related parties	**-**	**-**	**-**	**-**	**(395,986)**
Total related-party receivables	**74,725**	**2,535,224**	**(206,356)**	**(28,531,785)**	**(1.641.942)**
Total financial statement item	**74,725**	**2,547,481**	**(708,214)**	**(28,531,785)**	**2,122,786**
% of financial statement item	100%	100%	29%	100%	77%

(In euros) RECEIVABLES AND PAYABLES WITH RELATED PARTIES AT DECEMBER 31, 2016

Company	Trade receivables	Other receivables	Trade payables	Short-term loan payables to banks and other lenders	Other liabilities
Subsidiaries					
Cerved Group S.p.A.	330,500	260,801	(7,081)	(13,176)	-
Cerved Rating Agency S.p.A.	-	-	-	-	(146,599)
Consit Italia S.p.A.	-	87,435	-	-	-
Cerved Credit Management Group S.r.l.	-	71,634	(19,436)	-	-
Cerved Credit Collection S.p.A.	-	-	-	-	(215,415)
Cerved Credit Management S.p.A.	-	1,029,541	-	-	-
Cerved Legal Services S.r.l.	-	130,058	-	-	-
Total subsidiaries	**330,500**	**1,579,468**	**(26,517)**	**(13,176)**	**(362,014)**
Board of Directors, General Manager and Executives with strategic responsibilities	-	-	-	-	(436,420)
Total other related parties	**-**	**-**	**-**	**-**	**(436,420)**
Total related-party receivables	**330,500**	**1,579,468**	**(26,517)**	**(13,176)**	**(798,434)**
Total financial statement item	**330,500**	**1,604,052**	**(456,081)**	**(13,176)**	**(1,428,704)**
% of financial statement item	100%	98%	6%	100%	56%

Trade receivables and payables derive from regular commercial transactions executed during the year.

Other receivables and other payables reflect the effects of the adoption of a consolidated Group income tax return under a contract signed in September 2015.

(In euros) REVENUES AND EXPENSES WITH RELATED PARTIES AT DECEMBER 31, 2015

Company	Revenues	Financial income	Other operating costs	Personnel costs	Financial charges
Subsidiaries					
Cerved Group S.p.A.	2,804,266	2,137	(330,423)	-	(11,462)
Cerved Credit Management Group S.r.l.	-	-	(37,194)	-	
Total subsidiaries	**2,804,266**	**2,137**	**(367,617)**	**-**	**(11,462)**
Board of Directors, General Manager and Executives with strategic responsibilities	-	-	-	(1,159,192)	-
Total other related parties	**-**	**-**	**-**	**(1,159,192)**	**-**
Total revenues and expensed with related parties	**2,804,266**	**2,137**	**(367,617)**	**(1,159,192)**	**(11,462)**
Total financial statement item	**2,804,266**	**40,255,311**	**(515,701)**	**(3,728,399)**	**(15,986)**
% of financial statement item	100%	0%	71%	31%	72%

(In euros) REVENUES AND EXPENSES WITH RELATED PARTIES AT DECEMBER 31, 2016

Company	Revenues	Financial income	Other operating costs	Personnel costs	Financial charges
Subsidiaries					
Cerved Group S.p.A.	3,092,171	-	(328,165)	-	(13,176)
Cerved Credit Management Group S.r.l.	-	-	(59,896)	-	-
Total subsidiaries	**3,092,171**	**-**	**(388,061)**	**-**	**(13,176)**
Board of Directors, General Manager and Executives with strategic responsibilities	-	-	-	(1,960,398)	-
Total other related parties	**-**	**-**	**-**	**(1,960,398)**	**-**
Total revenues and expenses with related parties	**3,092,171**	**-**	**(388,061)**	**(1,960,398)**	**(13,176)**
Total financial statement item	**3,092,171**	**45,001,626**	**(406,490)**	**(4,962,597)**	**(20,043)**
% of financial statement item	100%	0%	95%	39%	66%

CASH FLOWS WITH RELATED PARTIES IN 2016

Company	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities
Subsidiaries			
Cerved Group S.p.A.	929,016		28,531,785
Cerved Rating Agency S.p.A.	373,123		
Consit Italia S.p.A.	173,275		
Cerved Credit Management Group S.r.l.	166,839		
Cerved Credit Collection S.p.A.	245,168		
Cerved Credit Management S.p.A.	636,506		
Cerved Legal Services S.r.l.	(184,112)		
Total subsidiaries	**2,339,815**	**-**	**28,531,785**
Affiliated companies			
Board of Directors, General Manager and Executives with strategic responsibilities	(1,919,964)		
Total other related parties	**(1,919,964)**	**-**	**-**
Total	**419,851**	**-**	**28,531,785**
Total financial statement item	**476,617**	**44,876,931**	**(73,388,652)**
% of financial statement item	88%	0%	(39)%

CASH FLOWS WITH RELATED PARTIES IN 2015

Company	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities
Subsidiaries			
Cerved Group S.p.A.	4,633,618		30,961,331
Cerved Rating Agency S.p.A.	(226,524)		
Consit Italia S.p.A.	(260,709)		
Cerved Credit Management Group S.r.l.	(324,680)		
Cerved Credit Collection S.p.A.	(284,248)		
Cerved Credit Management S.p.A.	(1,666,047)		
Cerved Legal Services S.r.l.	54,054		
Total subsidiaries	**1,925,463**	**-**	**30,961,331**
Affiliated companies			
Board of Directors, General Manager and Executives with strategic responsibilities	(1,200,199)		
Total other related parties	**(1,200,199)**	**-**	**-**
Total	**725,264**	**-**	**30,961,331**
Total financial statement item	**31,906**	**40,167,982**	**(11,459,576)**
% of financial statement item	2,273%	0%	270%

Please note that:

- revenues refer to the rebilling of service costs;
- personnel costs refer to the fees of the Board of Directors
- other operating costs refer to the rebilling of rent, automobile expenses and employee cafeteria expenses.

Transactions with related parties were executed by the Company in the regular course of business on standard market terms and in the interest of the Company and the Group.

Transactions with senior management refer to Directors' fees and the compensation of executives with strategic responsibilities, which are analyzed below:

	Wages, salaries and social security contributions	Termination indemnity	Total
Directors' fees	(879,833)	(200,000)	(1,079,833)
Executives with strategic responsibilities	(880,565)	-	(880,565)
Total	**(1,760,398)**	**(200,000)**	**(1,960,398)**

81. POSITIONS OR TRANSACTIONS RESULTING FROM ATYPICAL AND/OR UNUSUAL ACTIVITIES

Pursuant to CONSOB Communication No. DEM/6064293 of July 28, 2006, there were no atypical and/or unusual positions or transactions during the reporting year.

82. EVENTS OCCURRING AFTER DECEMBER 31, 2016

See the information provided in the Report on Operations for a comment about significant transactions occurring after the date of these Consolidated Financial Statements.

San Donato Milanese,
February 24, 2017

The Board of Directors
by **Fabio Cerchiai**
Chairman

(Signed on the original)

CERTIFICATION PURSUANT TO ARTICLE 154 BIS OF LEGISLATIVE DECREE NO. 58 OF FEBRUARY 24, 1998 (UNIFORM FINANCIAL CODE) AND ARTICLE 81-TER OF CONSOB REGULATION NO. 11971 OF MAY 14, 1999, AS AMENDED

1. We, the undersigned Marco Nespolo, in my capacity as Chief Executive Officer, and Giovanni Sartor, in my capacity as Corporate Accounting Documents Officer, of Cerved Information Solutions S.p.A., taking into account the provisions of Article 154-bis, Sections 3 and 4, of Legislative Decree No. 58 of February 24, 1998, certify that the administrative and accounting procedures applied for the preparation of the Separate Financial Statements for the reporting year from January 1, 2016 to December 31, 2016:
   - are adequate in light of the characteristics of the business enterprise; and
   - were effectively applied.

2. The implementation the administrative and accounting procedures applied to prepare the Separate Financial Statements at December 31, 2016 did not uncover any significant findings.

3. We further certify that:
   - the Separate Financial Statements:
     (i) were prepared in accordance with the applicable international accounting principles recognized in the European Union pursuant to Regulation (EC) No. 1606/2002 of the European Parliament and Council, of July 19, 2002;
     (ii) are consistent with the data in the Group's books of accounts and other accounting records;
     (iii) are suitable to provide a truthful and fair presentation of the financial position, earnings and cash flow of the issuer.
   - The Report on Operations provides a reliable analysis of the issuer's performance and result from operations, as well of its financial position, together with a description of the main risks and uncertainties to which it is exposed.

San Donato Milanese,
February 24, 2017

Marco Nespolo	**Giovanni Sartor**
Chief Executive Officer	Corporate Accounting Documents Officer
(Signed on the original)	*(Signed on the original)*

Independent auditors' report

IN ACCORDANCE WITH ARTICLES 14 AND 16 OF LEGISLATIVE DECREE NO. 39 OF 27 JANUARY 2010

CERVED INFORMATION SOLUTIONS SPA
CONSOLIDATED FINANCIAL STATEMENTS AT DECEMBER 31, 2016

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INDEPENDENT AUDITORS' REPORT IN ACCORDANCE WITH ARTICLES 14 AND 16 OF LEGISLATIVE DECREE No. 39 OF 27 JANUARY 2010

To the shareholders of
Cerved Information Solutions SpA

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of the Cerved Information Solutions Group, which comprise the statement of consolidated financial position as of 31 December 2016, the statement of consolidated comprehensive income, the statement of changes in consolidated shareholders' equity and the statement of consolidated cash flows for the year then ended, a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the consolidated financial statements

The directors of Cerved Information Solutions are responsible for the preparation of consolidated financial statements that give a true and fair view in compliance with International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/2005.

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA Italia) drawn up pursuant to article 11 of Legislative Decree No. 39 of 27 January 2010. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

PricewaterhouseCoopers SpA

Sede legale e amministrativa: Milano 20149 Via Monte Rosa 91 Tel. 0277851 Fax 027785240 Cap. Soc. Euro 6.890.000,00 i.v., C.F. e P.IVA e Reg. Imp. Milano 12979880155 Iscritta al n° 119644 del Registro dei Revisori Legali - Altri Uffici: **Ancona** 60131 Via Sandro Totti 1 Tel. 0712132311 - **Bari** 70122 Via Abate Gimma 72 Tel. 0805640211 - **Bologna** 40126 Via Angelo Finelli 8 Tel. 0516186211 - **Brescia** 25123 Via Borgo Pietro Wuhrer 23 Tel. 0303697501 - **Catania** 95129 Corso Italia 302 Tel. 0957532311 - **Firenze** 50121 Viale Gramsci 15 Tel. 0552482811 - **Genova** 16121 Piazza Piccapietra 9 Tel. 01029041 - **Napoli** 80121 Via dei Mille 16 Tel. 08136181 - **Padova** 35138 Via Vicenza 4 Tel. 049873481 - **Palermo** 90141 Via Marchese Ugo 60 Tel. 091349737 - **Parma** 43121 Viale Tanara 20/A Tel. 0521275911 - **Pescara** 65127 Piazza Ettore Troilo 8 Tel. 0854545711 - **Roma** 00154 Largo Fochetti 29 Tel. 06570251 - **Torino** 10122 Corso Palestro 10 Tel. 011556771 - **Trento** 38122 Viale della Costituzione 33 Tel. 0461237004 - **Treviso** 31100 Viale Felissent 90 Tel. 0422696911 - **Trieste** 34125 Via Cesare Battisti 18 Tel. 0403480781 - **Udine** 33100 Via Poscolle 43 Tel. 043225789 - **Varese** 21100 Via Albuzzi 43 Tel. 0332285039 - **Verona** 37135 Via Francia 21/C Tel. 0458263001 - **Vicenza** 36100 Piazza Pontelandolfo 9 Tel. 0444393311

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

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Cerved Information Solutions Group as of 31 December 2016 and of the result of its operations and cash flows for the year then ended in compliance with International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/2005.

Report on compliance with other laws and regulations

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

We have performed the procedures required under auditing standard (SA Italia) No. 720B in order to express an opinion, as required by law, on the consistency of the report on operations and of the information set out in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98, which are the responsibility of the directors of Cerved Information Solutions SpA, with the consolidated financial statements of the Cerved Information Solutions Group as of 31 December 2016. In our opinion, the report on operations and the information in the report on corporate governance and ownership structure mentioned above are consistent with the consolidated financial statements of the Cerved Information Solutions Group as of 31 December 2016.

Milan, 16 March 2017

PricewaterhouseCoopers SpA

Signed by

Andrea Martinelli
(Partner)

This report has been translated into English from the Italian original solely for the convenience of international readers

Independent auditors' report

IN ACCORDANCE WITH ARTICLES 14 AND 16 OF LEGISLATIVE DECREE NO. 39 OF 27 JANUARY 2010

CERVED INFORMATION SOLUTIONS SPA
FINANCIAL STATEMENTS AT DECEMBER 31, 2016

INDEPENDENT AUDITORS' REPORT IN ACCORDANCE WITH ARTICLES 14 AND 16 OF LEGISLATIVE DECREE No. 39 OF 27 JANUARY 2010

To the shareholders of
Cerved Information Solutions SpA

Report on the financial statements

We have audited the accompanying financial statements of Cerved Information Solutions SpA, which comprise the statement of financial position as of 31 December 2016, the statement of comprehensive income, the statement of changes in shareholders' equity and the statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the financial statements

The directors of Cerved Information Solutions SpA are responsible for the preparation of financial statements that give a true and fair view in compliance with International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/2005.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA Italia) drawn up pursuant to article 11 of Legislative Decree No. 39 of 27 January 2010. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

PricewaterhouseCoopers SpA

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Cerved Information Solutions SpA as of 31 December 2016 and of the result of its operations and cash flows for the year then ended in compliance with International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/2005.

Report on compliance with other laws and regulations

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

We have performed the procedures required under auditing standard (SA Italia) No. 720B in order to express an opinion, as required by law, on the consistency of the report on operations and of the information set out in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98, which are the responsibility of the directors of Cerved Information Solutions SpA, with the financial statements of Cerved Information Solutions SpA as of 31 December 2016. In our opinion, the report on operations and the information in the report on corporate governance and ownership structure mentioned above are consistent with the financial statements of Cerved Information Solutions SpA as of 31 December 2016.

Milan, 16 March 2017

PricewaterhouseCoopers SpA

Signed by

Andrea Martinelli
(Partner)

This report has been translated into English from the Italian original solely for the convenience of international readers

Report of the board of statutory auditors

PURSUANT TO ARTICLE 153 OF LEGISLATIVE DECREE NO. 58/1998
AND ARTICLE 2429 OF THE ITALIAN CIVIL CODE

REPORT OF THE BOARD OF STATUTORY AUDITORS

pursuant to Article 153 of Legislative Decree No. 58/1998 and Article 2429 of the Italian Civil Code

Dear Shareholders,
This report refers to the activities conducted by the Board of Statutory Auditors of Cerved Information Solutions S.p.A. (hereinafter the "Company" and jointly with its subsidiaries the "Group") for the financial year ended at 31 December 2016.

The Board of Statutory Auditors in office was appointed, for the three-year period 2014-2016, as follows: the Chairman of the Statutory Auditors, Mr. Paolo Ludovici, and the Statutory Auditor, Mr. Ezio Maria Simonelli, when the company was incorporated on March 14, 2014 and the Statutory Auditor Mrs. Laura Acquadro by the Shareholders' Meeting of May 28, 2014, in compliance with the procedures set out in the Articles of the Company Bylaws and applicable regulations.

1. In carrying out supervisory and control activities, the Board of Statutory Auditors acknowledges that:

   a) it has monitored compliance with the law, Articles of the Company Bylaws and adherence to the principles of correct administration, pursuant to Article 2403 of the Italian Civil Code and Article 149 of Legislative Decree no. 58/1998 (hereinafter the "T.U.F") and in accordance with the requirements of Consob communication no. 1025564 of 6 April 2001 and subsequent amendments, taking into account the standards issued by the Italian association of chartered accountants;

   b) it has taken part in the meetings of the Board of Directors and the Control and Risk Committee and it has periodically received information from the directors about the general business performance and outlook, as well as the most significant economic, financial and capital transactions approved and implemented during the financial year, by the Company and Group companies, also in compliance with Article 150, paragraph 1 of the T.U.F. The Board of Statutory Auditors believes that the transactions approved and implemented comply with the law and with the Articles of Association and are not manifestly imprudent or risky, or in potential conflict of interest, or contrary to the resolutions approved by the Shareholders' Meeting or such that would compromise the integrity of the share capital. The resolutions of the Board of Directors are executed with the utmost compliance by management and by the organization;

   c) it has not found atypical and/or unusual transactions with Group companies, third parties or related parties, nor has it received indications of such from the Board of Directors, the independent auditors or the director of the internal control and risk management system. In the Report on Operations, the Board of Directors provided an appropriate description of the impact of the most significant operational, financial and balance-sheet transactions carried out as part of ordinary operations with subsidiaries under normal market conditions. Based on the results of the activities conducted by the Internal Audit department, the Board of Statutory Auditors also believes that any related-party transactions were adequately managed. The Board of Statutory Auditors wishes to point out that from 28 May 2014 the Company adopted procedures for related-party transactions in compliance with the requirements of Consob Regulation 17221 of 12 March 2010 and Consob Communication no. 10078683 of 24 September 2010, to prevent or manage transactions in which there are situations of conflict of interest or personal interest of the directors. Pursuant to Article 4 of the above-mentioned Regulation, the Board of Statutory Auditors verified that the procedures adopted complied with the principles of this Regulation, and checked that they were being followed;

d) it has reviewed and supervised the adequacy of the organizational structure of the Company with regard to competence, compliance with principles of correct administration, by gathering information from the heads of the competent corporate functions and holding meetings with representatives of the independent auditors, PricewaterhouseCoopers S.p.A., appointed to conduct the statutory audit, including for the purposes of exchanging of important data and information, from which no serious issues arose. In addition, no serious issues arose from the annual reports issued by the Board of Statutory Auditors of the subsidiaries;

e) it has evaluated and supervised, as far as its responsibility pursuant to Article 19 of Legislative Decree 39/2010 is concerned, the financial information process, the adequacy of the internal control, administrative and accounting systems, as well as the reliability of the latter for the purpose of providing a true and fair view of operations by:

i. the periodic exchange of information with the CEOs and, specifically, with the director in charge of preparing corporate accounting documents pursuant to Article 154-*bis* of the T.U.F.;
ii. the examination of the reports prepared by the head of the Internal Audit department including information on the outcome of any corrective measures undertaken following the audit activities;
iii. the acquisition of information from the heads of corporate functions;
iv. meetings and exchanges of information with the control and administrative bodies of the subsidiaries pursuant to paragraphs 1 and 2 of Article 151 of the T.U.F. during which the Board of Statutory Auditors acquired information about administrative and control systems and general business performance of the company.
v. performing detailed analysis of activities performed, and reviewing the results of the work of the external auditor;
vi. participating in the work of the Audit Committee, and when specific issues so required, jointly working with the committee on such issues.

From the work carried out, no irregularities were found that indicated inadequacies in the internal control and risk management system;

f) it has held meetings with the managers of the independent auditors, pursuant to Article 150, paragraph 3 of the T.U.F. and Article 19 of Legislative Decree no. 39/2010, during which no facts or situations emerged which should be highlighted in this report, and that it monitored events pursuant to Article 19 of Legislative Decree No. 39/2010;

g) it has monitored the implementation methods of the Code of Conduct for Listed Companies, promoted by Borsa Italiana S.p.A., adopted by the Company, under the terms illustrated in the Report on Corporate Governance and Ownership Structure approved by the Board of Directors on 24 February 2017. The Board of Statutory Auditors has also verified the correct application of the criteria and assessment procedures adopted by the Board of Directors for ascertaining the independence of its members. The Board of Statutory Auditors has also verified the compliance of the criteria of independence of its members, as required by the above-mentioned Code of Conduct, also acknowledging compliance with the limit on simultaneous offices set out in Article 144-*terdecies* of the Issuer Regulation adopted through Consob resolution 11971 of 14 May 1999;

h) it monitored the implementation of organizational measures related to the development of corporate activities.

The Board of Statutory Auditors noted that the Board of Directors meeting held on 13 March 2015 resolved to adopt The Organizational, Management and Control Model as of Decree 231/2001 and to appoint the related Supervisory Body; the Board of Statutory Auditors acknowledges that the Supervisory Body provided the requested reports and periodical information.

The Board of Statutory Auditors did not release its opinions pursuant to Article 2389 of the Italian Civil Code.

The Board of Statutory Auditors met five times in 2016, also attending the nineteen meetings of the Board of Directors, the six meetings of the Remuneration and Appointments Committee, the eight meetings of the Control and Risk Committee and also the meeting of the Related Parties Committee.

Taking into account the information acquired, the Board of Statutory Auditors believes that the activities have been conducted in compliance with the principles of correct administration and that the organizational structure, system of internal control, and the accounting and administrative system are fully adequate for corporate requirements.

2. Based on information received, among the main economic and financial events, as described in the Report of the Board of Directors, the following in summary could be reported.

   a) On January 15, 2016 Cerved Group proceeded with the debt refinancing operation with two Facilities for a total of Euro 560 million (in addition to a revolving line of Euro 100 million), with a significant benefit for the Group in terms of lower interest payments in future years.

   b) On January 26, 2016, the Group completed the acquisition from minority shareholders of an additional 11% interest in the equity capital of Cerved Credit Management Group S.r.l. further to the exercise of a put option by the minority shareholders on October 16, 2015. As a result, the controlling interest held by Cerved Group in Cerved Credit Management Group S.r.l. increased from 80% to 91%.

c) On March 31, 2016, the Cerved Group subsidiary underwrote an additional capital increase carried out by Spazio Dati S.r.l. for the amount of 833 thousand euros. As a result, the interest held in Spazio Dati S.r.l. increased from 42.65% at December 31, 2015 to 49.99% at June 30, 2016.

d) On April 12, 2016, the Company finalized the acquisition of the remaining interests held by the minority shareholders of Recus S.p.A. for a total amount of 923 thousand euros.

e) On April 13, 2016, through its Cerved Group subsidiary, the Cerved Group acquired a 70% interest in ClickAdv S.r.l. for an amount of 14.1 million euros, financed by utilizing the revolving credit line available to Cerved Group.

f) On May 16, 2016 Fitch Ratings assigned to Cerved Credit Management S.p.A. (CCM) the ratings RSS1- and CSS1- as Italian Residential and Commercial Mortgage Special Servicer, respectively.

g) On May 26, 2016, the Group entered into Interest Rate Swap (IRS) agreements with five top-rated banks, for a notional amount of 400 million euros, to hedge the interest rate risk on the Term Financing Facility B, with a fixed interest rate of 0.4% and floor at zero. These IRS contracts are effective as of January 16, 2017 with a duration of five years.

h) On June 10, 2016, the deed of contribution of the entire interest held by Finservice S.p.A. in Cerved Credit Management Group S.r.l. was finalized through a capital increase reserved for the shareholder Cerved Group, for a par value of 6,098 euros and additional paid-in capital of 31,993,901 euros. Subsequent to this corporate transaction, the interest held by Cerved Group in Cerved Credit Management Group S.r.l. increased from 91% to 91.98%.

i) On July 25, 2016, Cerved Group completed the acquisition of a 55% interest in Major 1 S.r.l. valued at 1.9 million euros and financed with the Group's internal liquidity.

j) On August 31, 2016, Cerved Group completed the acquisition of the business information activities of Fox & Parker S.r.l. valued at 2.8 million euros and financed by the Group with internal liquidity.

k) On September 1, 2016, the merger by incorporation of the Recus S.p.A. subsidiary into Finservice S.p.A., concurrently renamed Cerved Credit Collection S.p.A., was recorded in the Company Register.

l) On November 14, 2016, Cerved Group executed an agreement with Banca Monte dei Paschi di Siena S.p.A. (BMPS) for the purchase, by the Cerved Credit Management S.p.A. subsidiary, of 100% of the capital of a special purpose entity (to be established by BMPS) that will manage one-third of the nonperforming loans through securitization and 80% of those that will be generated over the next 10 years ("Juliet").

m) On November 23, 2016, Cerved Group signed an agreement for an additional line of credit in the amount of 100 million euros provided by a pool of banks that will be made available to Cerved Group S.p.A. to finance the acquisition of a platform for the recovery of nonperforming loans held by Banca Monte dei Paschi di Siena S.p.A.

n) Subsequent to fiscal year end, on February 7, 2017, Cerved Credit Management Group S.r.l. subsidiary executed with Barclays Bank PLC a letter of intent to entrust on an exclusive basis to the Cerved Group the coordination of management services for a portfolio of loans valued at about 12 billion euros.

3. As far as relations with the independent auditors are concerned, the Board of Statutory Auditors reports that:

a) the independent auditors PricewaterhouseCoopers S.p.A. today on March 16, 2017 issued the "annual confirmation of independence", pursuant to Article 17, paragraph 9, a) of Legislative Decree no. 39/2010;

b) the independent auditors PricewaterhouseCoopers S.p.A. today on March 16, 2017 released, pursuant to Articles 14 and 16 of Legislative Decree No. 39/2010, the reports which show:
i. that the separate and consolidated financial statements as at 31 December 2015 have been clearly prepared and are a true and fair view of the Company's and Group's balance sheet, financial situation, operating results, changes in shareholders' equity and cash flows for the Financial Year;
ii. the consistency of the Reports on Operations and the information in paragraph 1, c), d), f), l), m) and paragraph 2, b) of Article 123-*bis* of the T.U.F., in the Report on corporate governance and ownership structure, with the consolidated and separate financial statements;

c) in addition to the tasks required by the regulations for listed companies, as stated in the Notes to the financial statements, the independent auditors PricewaterhouseCoopers S.p.A. and the companies belonging to the PricewaterhouseCoopers S.p.A. network have been appointed to carry out services other than auditing, for a sum of € 986.000, compatible with the provisions of Article 17 of Legislative Decree no. 39/2010.
Also taking into account the above, the Board of Statutory Auditors believes that there are no critical issues with regard to the independence of PricewaterhouseCoopers S.p.A.;

d)during the year, the external auditor did not issue any opinions required by law since the prerequisites for issuing such opinions were not met.

4. The Board of Statutory Auditors acknowledges that the proposal of the Board of Directors to distribute dividend is not in contrast with the law or the Articles of the Company Bylaws, it provides for the use of amounts that are freely distributable by the Shareholders' Meeting and it is compatible with the Company's financial equilibrium.

5. The Board of Statutory Auditors is not aware of any facts or statements that should be reported to the Shareholders' Meeting. During the course of the work carried out, and on the basis of information obtained, no omissions, non-conformities, irregularities or other circumstances were identified that would require notification to the Supervisory Body or mention in this report. The Board of Statutory Auditors did not receive any complaints pursuant to Article 2408 of the Italian Civil Code neither any complaint from third parties.

6. The Board of Directors has handed over the financial statements and the Report on

Operations to the Board of Statutory Auditors. To the extent of its authority, the Board of Statutory Auditors reports that the layouts used (IAS/IFRS- International Accounting Standards and International Reporting Standards) are in compliance with the law, that the accounting principles used, which are described in the notes to the financial statements, are appropriate for the activities and transactions carried out by the Company, that the procedure adopted (impairment test) to identify any impairment losses on goodwill reported in the financial statements is appropriate, and that the financial statements correspond to the facts and information as identified by the Board of Statutory Auditors following its participation in meetings with corporate bodies and the supervisory activities undertaken.

7. Taking into account the results of the specific tasks performed by the external auditors in its audit of the accounting records and of the reliability of the company financial statements, as well as its own supervisory activities, the Board of Statutory Auditors expresses its favorable opinion concerning the approval of the company financial statements at 31 December 2016 and agrees with the proposal of the Board of Directors concerning the allocation of the net profit of the year and the distribution of a dividend.

8. Finally we remember that with the approval of the present balance sheet the Shareholders' Meeting has to resolve on the appointment of the Board of Statutory Auditors.

Milan, 16 March 2017

The Board of Statutory Auditors

Dott. Paolo Ludovici

Dott. Ezio Maria Simonelli

Dott.ssa Laura Acquadro

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