



Be

Think, Solve, Execute

Interim Management Report *at 31 March 2016*

(TRANSLATION FROM ITALIAN ORIGINAL WHICH REMAINS THE DEFINITIVE VERSION)

Registered office:
Viale dell'Esperanto 71 - Rome
Share capital:
€ 27,109,164.85, fully paid up
Rome Register of Companies
Tax code and VAT number 01483450209

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1. Corporate Bodies

Board of Directors

- Antonio Taverna	<i>Chairman</i>
- Stefano Achermann	<i>Chief Executive Officer</i>
- Carlo Achermann	<i>Director</i>
- Claudio Berretti	<i>Director</i>
- Anna Lambiase	<i>Director</i>
- Bernardo Attolico	<i>Director</i>
- Anna Zattoni	<i>Independent Director</i>
- Cristina Spagna	<i>Independent Director</i>
- Umberto Quilici	<i>Independent Director</i>

The Board of Directors was appointed by the Shareholders' Meeting of 12 June 2014 and will remain in office until the date of approval of the financial statements at 31 December 2016.

Board of Statutory Auditors

- Giuseppe Leoni	<i>Chairman</i>
- Rosita Natta	<i>Standing Auditor</i>
- Stefano De Angelis	<i>Standing Auditor</i>
- Roberta Pirola	<i>Alternate Auditor</i>
- Biones Ferrari	<i>Alternate Auditor</i>

The Board of Statutory Auditors was appointed by the Shareholders' Meeting of 23 April 2015 for 3 years, with term of office expiring on approval of the financial statements at 31 December 2017.

Control and Risk Committee

- Umberto Quilici	<i>Independent Chairman</i>
- Bernardo Attolico	<i>Member</i>
- Anna Zattoni	<i>Independent Member</i>

The Control and Risk Committee was appointed by Board of Directors' resolution on 18 June 2014 for 3 years, expiring on approval of the financial statements at 31 December 2016.

Remuneration and Appointments Committee

- Cristina Spagna	<i>Independent Chairman</i>
- Claudio Berretti	<i>Member</i>
- Umberto Quilici	<i>Independent Member</i>

The Remuneration and Appointments Committee was appointed by Board of Directors' resolution on 18 June 2014 for 3 years, expiring on approval of the financial statements at 31 December 2016.

Independent Auditors

- Deloitte & Touche S.p.A.

The independent auditors received their assignment at the Shareholders' Meeting of 10 May 2012

2. Summary income statement and statement of financial position

(amounts in EUR millions)

Key profitability indicators

	Q1 2016	Q1 2015
Revenue	32,3	25,0
EBITDA	4,2	3,4
EBIT	2,8	2,0
Profit (loss) before tax	2,1	1,6
Group profit (loss) before tax	2,0	1,6

Key equity and financial indicators

	31.03.2016	31.12.2015
Group Shareholders' Equity	50,1	48,4
Net Invested Capital	66,6	56,3
Net Operating Working Capital (NOWC)	18	10,1
Net Financial Position	(15,6)	(7,1)

Revenue by operating segment

	Q1 2016	Q1 2015
Business Consulting	24,3	15,3
ICT Solutions	7,1	8,7
ICT Professional Services	0,9	0,8
Other	0,0	0,2
TOTAL	32,3	25,0

Revenue by customer

	Q1 2016	Q1 2015
Banks	27,0	18,6
Insurance	3,1	3,6
Industry	2,2	2,4
Public Administration	0,0	0,1
Other	0,0	0,2
TOTAL	32,3	25,0

Group Headcount

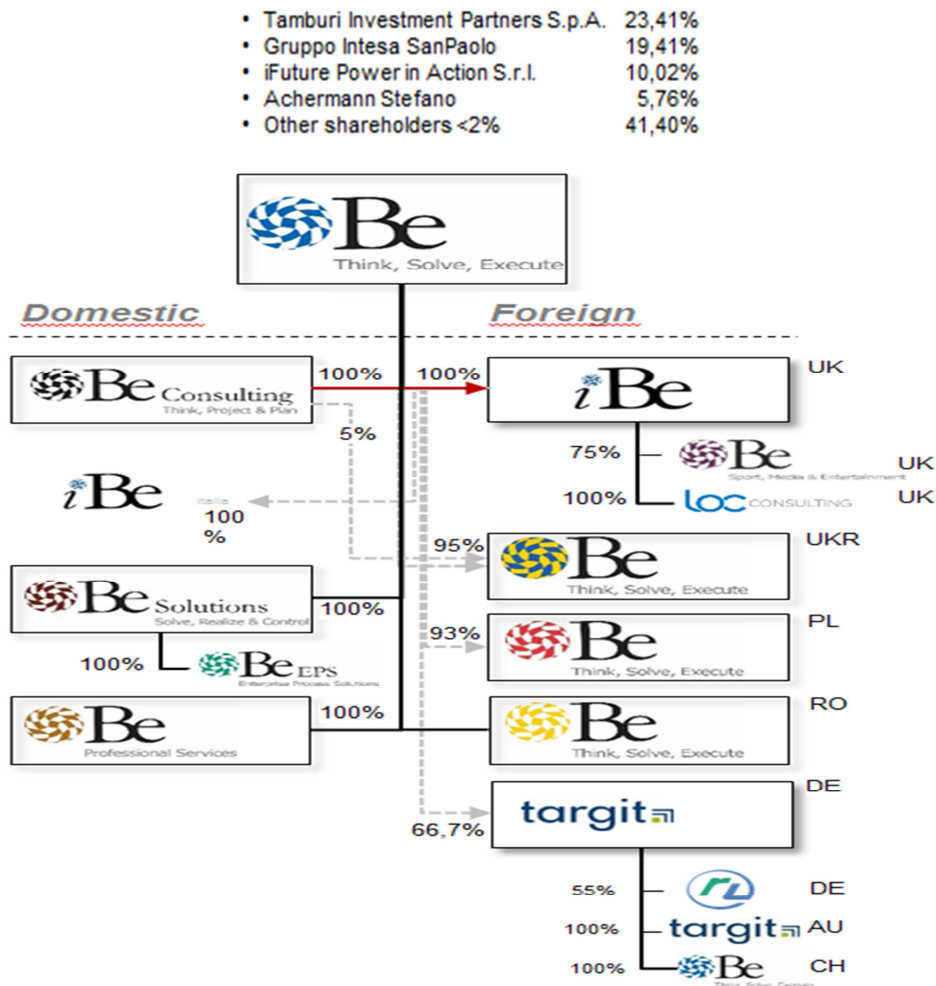
	31.03.2016	31.12.2015
Executives	92	86
Middle Managers	117	112
White collar	899	841
Blue collar	2	2
Apprentices	17	16
TOTAL	1.127	1.057

3. Group Structure and Shareholders

The **Be Group** is one of the leading Italian players in the IT Consulting sector. The Group provides Business Consulting, Information Technology and Professional services. A combination of specialist skills, advanced proprietary technologies and a wealth of experience enable the Group to work with leading financial and insurance institutions and Italian industry to improve their competitive capacity and their potential to create value. With around 1,100 employees and branches in Italy, Germany, United Kingdom, Switzerland, Austria, Poland, the Ukraine and Romania, the Group recorded total revenues of Euro 32.3 million in the first quarter of 2016.

Be S.p.A., listed in the Segment for High Requirement Shares (STAR) of the Electronic Share Market (MTA), performs management and coordination activities for the Group companies pursuant to art. 2497 et seq. of the Italian Civil Code, through control and coordination of operating, strategic and financial decisions of the subsidiaries and through management and control of reporting flows in readiness for preparation of both annual and interim accounting documents.

The following chart shows the Group structure at 31 March 2016:



(*) The above chart does not include the subsidiary A&B S.p.A. in liquidation, 95% owned by the Parent Company Be S.p.A. and the remaining 5% by private shareholders. This company provided services for local public administration and is inactive. It also does not include To See S.r.l. in liquidation, wholly owned by Be Consulting S.p.A. The liquidation procedure for both companies began in the first half of 2015.

At 31 March 2016 the number of shares outstanding totalled 134,897,272, and the shareholding structure - as indicated in disclosures pursuant to art. 120 of the “Consolidated Law on Finance” (TUF) and in relation to notices received in accordance with internal dealing regulations - was as follows:

Shareholders

	Nationality	No. of Shares	% Ordinary capital
Tamburi Investment Partners S.p.A.	Italian	31,582,225	23.41
- <i>Imi Investimenti</i>	<i>Italian</i>	<i>26,157,393</i>	<i>19.39</i>
- <i>Intesa Sanpaolo</i>	<i>Italian</i>	<i>29,918</i>	<i>0.02</i>
- <i>Cassa di Risparmio del Veneto</i>	<i>Italian</i>	<i>2,400</i>	<i>0.00</i>
- <i>Cassa di Risparmio di Forlì e della Romagna</i>	<i>Italian</i>	<i>200</i>	<i>0.00</i>
Intesa Sanpaolo Group	Italian	26,189,911	19.41
iFuture Power in Action S.r.l.	Italian	13,519,265	10.02
Stefano Achermann	Italian	7,771,132	5.76
Float		55,834,739	41.40
Total		134,897,272	100.00

4. Business Model and operating segments

“Be” is a group specialising in the IT Consulting segment of the Financial Services sector. The organisation is divided by design into different specialisations: Business Consulting, ICT Solutions and platforms, and ICT Professional Services.

I. BUSINESS CONSULTING

The business consulting segment focuses on the capacity to support the financial services industry in implementing business strategies and/or creating important plans for change. Its specialist skills are in constant development in the areas of payment systems, planning & control methods, regulatory compliance, information gathering and corporate governance systems for financial processes and asset management.

<i>No. of employees</i>	536 employees at 31 March 2016
<i>Core business</i>	Banking, Insurance
<i>Segment revenue</i>	Euro 24.1 million at 31 March 2016
<i>Operating units</i>	Rome, Milan, London, Kiev, Warsaw, Munich, Vienna, Zurich.

The Group’s Business Consulting segment operates through the following subsidiaries:

- **Be Consulting S.p.A.** Established in 2008, the company operates in the sector of management consulting for Financial Institutions. Its aim is to provide support to the Systemically Important Financial Institutions (SIFIs) in creating value, with a particular focus on changes that affect business, the IT platforms and corporate processes. Be Think, Solve, Execute is the 100% owner of Be Consulting’s share capital;

- **iBe Think Solve Execute Ltd.** Based in London, this company operates on the UK and European market, focusing on financial services consulting, with a customer base with high profiles on the UK and international markets. It specialises in the banking and financial sectors, particularly providing support in the field of innovation and payment services. Since 2012, Be Consulting has been 100% owner of the company's share capital. In 2014, the company changed its name from the previous Bluerock Consulting Ltd.
- **Be Ukraine LLC.** Established in Kiev in December 2012, this company is 95% owned by iBe TSE Limited and 5% by Be Consulting S.p.A. It performs consulting and development activities for core banking systems and in the areas of accounting and bank reporting.
- **Be Poland Think, Solve and Execute, sp zo.o.** Established in Warsaw in January 2013, this company is 93% owned by iBe TSE Limited and 7% by its own management.
- **Targit Group.** This Group specialises in ICT consulting services, primarily on the German and Austrian markets and operating through its Parent Company Munich-based Targit GmbH and the two 100% subsidiaries Targit GmbH Wien with offices in Vienna and Be TSE Switzerland based in Zurich. iBe TSE Limited controls the Group with a 66.67% interest.
- **Be Sport, Media & Entertainment Ltd.** Established in August 2014 and based in London, this company is 75% owned by iBe TSE Limited, and provides data analysis and enhancement services, loyalty programmes, digital distribution of proprietary content and the transformation of sports venues and large museums into cashless operations.
- **LOC Consulting Ltd.** Based in London, is a specialist management consultancy that works on complex transformation programmes in public and financial services sectors.
- **R&L AG.** Based in Munich, specialised in Consulting and IT Solutions in the Payments sector and in particular on SWIFT.

II. ICT SOLUTIONS

The ICT Solutions segment is able to bring together business skills and technology solutions, products and platforms, creating theme-based business lines also as part of highly specialised segment-leading applications;

<i>Number of employees</i>	422 employees at 31 March 2016
<i>Core Businesses</i>	Banking, Insurance, Energy and Public Administration.
<i>Segment revenue</i>	Euro 7.1 million at 31 March 2016
<i>Operating units</i>	Rome, Milan, Turin, Spoleto, Pontinia, Bucharest.

The Be Group operates in the ICT Solutions segment through the following subsidiaries:

- **Be Solutions S.p.A.**, which aims to offer specialised system integration services for proprietary products/platforms or those of third-party market leaders. In recent years special skills have been developed in corporate control and governance systems, in the insurance sector, the management of multi-channel systems and billing systems for the utilities segment. Cooperation agreements and partnerships are currently in place with a number of the major players in the ICT industry (Oracle, Microsoft, IBM). The partnerships regard: retailing of catalogue software products, access to training courses and HR certification, as well as professional training on the main product developments in the sector of the two providers. Be Solutions is 100% owner of Be Enterprise Process Solutions S.p.A.
- **Be Enterprise Process Solutions S.p.A.** a company dedicated to the development of services, solutions and platforms in the BPO/DMO area with the aim of implementing/managing:

- Business Process Outsourcing (BPO) activities through the use of technology solutions and input from specialist resources (e.g. management of incoming and outgoing correspondence or the management of sector-specific processes);
 - Value Added Services, i.e. innovative solutions to solve specific problems through new service models that are mainly outsourced.
- **Be Think Solve Execute RO S.r.l.**, established in July 2014 and based in Bucharest. The company develops the Group's "near shoring" operations involving high complexity projects in the System Integration segment.

III. ICT PROFESSIONAL SERVICES

A pool of resources specialised in languages and technology, able to lend its professionalism to supporting critical systems or wide-scale technology upgrade plans.

<i>Number of employees</i>	126 employees at 31 March 2016
<i>Core Businesses</i>	Banking, Industry and Public Administration.
<i>Segment revenue</i>	Euro 0.9 million at 31 March 2016
<i>Operating units</i>	Rome, Milan, Turin.

Be Professional Services S.p.A. gathers together the Group's expertise in the most common development languages. The aim is to be involved in major developments for the leading financial institutions, providing highly-specialised professional resources.

5. Presentation criteria

The Interim Management Report at 31 March 2016 is not audited and was prepared in accordance with the provisions of art. 154-ter of Italian Legislative Decree no. 58/1998 (Consolidated Law on Finance).

The Interim Management Report has been prepared in accordance with international accounting standards IAS/IFRS, issued by the International Accounting Standards Board (IASB) and endorsed by the European Commission following the entry into force of European Regulation no. 1606/2002 and specifically on the basis of international accounting standard IAS 34 - Interim Financial Reporting, applicable to interim financial reports.

The Interim Management Report includes a concise disclosure on the financial statements, comprised by the income statement and the statement of financial position. The information provided in the statement of financial position refers to 31 March 2016 and 31 December 2015. The information provided in the income statement regards the situation at 31 March 2016 and 2015 and refers to the pre-tax position. The figures are presented on the basis of the Euro and all of the amounts are shown in thousands unless otherwise indicated. The figures are provided on a consolidated basis.

5.1 Notes regarding the scope of consolidation

The scope of consolidation includes the Parent Company Be S.p.A. and the companies under its direct or indirect control.

With respect to 31 December 2015, the scope of consolidation has changed following the acquisition of R&L AG, made by the subsidiary company Targit GmbH, and Loc Consulting Ltd, made by the subsidiary company iBe.

In addition, by deed dated 23 March 2016, the companies Be Consulting S.p.A and Be Sport, Media & Entertainment S.p.A. have been merged by incorporation of the company Be Sport, Media & Entertainment S.p.A. in the company Be Consulting S.p.A.

The fusion is retroactively effective from 1 January 2016 and the incorporating company Be Consulting S.p.A. took over in its own right all the assets and liabilities of the incorporated company and all juridical relationships still in being headed to Be Sport, Media & Entertainment S.p.A.

5.2 Discretionary measurements and significant accounting estimates

The Interim Management Report at 31 March 2016 requires discretionary measurements and accounting estimates that have an effect on the value of statement of financial position assets and liabilities and on disclosures. The final results could differ from such estimates. The estimates are used to measure goodwill, to recognise credit risk provisions, to determine write-downs on investments or assets, amortisation and depreciation and provisions for risks and charges. The estimates and assumptions are periodically reviewed and the effects of any change are immediately reflected in the income statement.

6. Disclosure on operating performance

6.1 Group economic performance

The Consolidated Income Statement is shown below, restated at 31 March 2016, and is compared with the corresponding period of the previous year.

One of the main indicators adopted to assess the economic and financial performance of the Group is the Gross Operating Margin, or Earnings before Interests, Taxes, Depreciation & Amortisation (EBITDA) - an indicator not envisaged by the IFRS (Communication CERS/05-178b).

In the first quarter of 2016, total Revenue amounted to Euro 32.3 million, compared to Euro 25.0 million at 31 March 2015, up 28.8%.

Operating revenue was Euro 32.1 million, up 29.8% compared to 31 March 2015 (Euro 24.7 million). This significant improvement is attributable to the Business Consulting segment, which recorded operating revenue of Euro 24.1 million (+57.7% against 31 March 2015). The revenue recorded by foreign subsidiaries amounted to Euro 12.5 million, corresponding to around 38.9% of operating revenue.

At 31 March 2016, operating costs increased by around Euro 6.4 million compared to 31 March 2015 (+29.6%); in particular:

- service costs increased by around Euro 4.7 million (+50.6%);
- personnel costs increased by around Euro 1.6 million (+12.7%);
- the capitalisation of costs, mainly personnel-related, incurred on software platform development projects amounted to Euro 0.5 million, same value compared to first quarter of the previous year.

The gross operating margin (EBITDA) was Euro 4.2 million, up 23.9% compared to 31 March 2015 (Euro 3.4 million). The EBITDA margin stood at 13.0%, slightly down compared to 2015's first quarter (13.5%).

Amortisation totalled Euro 1.3 million, down Euro 0.1 million compared compared to the first quarter of the previous year.

Depreciation totalled Euro 0.2 million, compared to a null value related to the first quarter of the previous year.

Operating profit (loss) (EBIT) was Euro 2.8 million, up 35.3% compared to 31 March 2015 (Euro 2.0 million). The EBITDA margin stood at 8.6%, up 8.2% compared to 31 March 2015.

Group profit (loss) before tax was Euro 2.0 million, up 21.0% compared to Euro 1.6 million recorded at 31 March 2015.

At 31 March 2016, discontinued operations had no impact on the income statement, therefore the costs and revenue recognised in the consolidated income statement refer solely to “continuing operations”.

The Consolidated Income Statement is shown below, restated at 31 March 2016, and is compared to the amounts of the previous year.

Restated Consolidated Income Statement

<i>amounts in Euro thousands</i>	Q1 2016	Q1 2015	Δ
Operating Revenues	32,082	24,720	7,362
Other Revenues and Income	173	325	(152)
Total Revenues	32,255	25,045	7,210
Cost of consumables	(58)	(59)	1
Cost of services and use of third-party assets	(13,960)	(9,270)	(4,690)
Personnel costs	(14,176)	(12,578)	(1,598)
Other operating costs	(371)	(230)	(141)
Cost of internal work capitalized	514	485	29
Gross Operating Margin (EBITDA)	4,203	3,393	810
Amortisation/Depreciation	(1,283)	(1,344)	61
Write-downs and provisions	(151)	(3)	(148)
Operating profit (EBIT)	2,769	2,046	723
Net financial income and expense	(653)	(412)	(241)
Write-down of financial assets	0	0	0
Profit/(Loss) before tax from continuing operations	2,116	1,634	482
Net Result from discontinued operations	0	0	0
Profit/(Loss) of the period including minority interests	2,116	1,634	482
Minority interests	154	12	142
Profit/(Loss) before tax for the Group	1,962	1,622	340

6.2 Segment reporting

The disclosure required by IFRS 8 is provided, taking into account the organisational structure of the Group, which includes the following business areas:

- **Business Consulting:**

Business Unit: active in the business consulting sector. This business unit operates through Be Consulting Think, Project & Plan S.p.A., iBe Solve Execute Ltd, Be Ukraine Think, Solve, Execute S.A., Be Poland Think, Solve, Execute Sp.zo.o., Gruppo Targit, Be Sport, Media & Entertainment Ltd, Loc Consulting Ltd, R&L AG.

- **ICT Solutions:**

Business unit: active in the provision of integrated solutions and systems for the financial services, insurance and utilities sectors. This business unit covers the activities performed by Be Solutions Solve Realize & Control S.p.A., Be Enterprise Process Solutions S.p.A. and Be Think Solve Execute RO S.r.l.

- **ICT Professional Services:**

Business Unit: active in the provision of specialised programming language, solutions and ICT architecture expertise. This business unit relates to activities performed by “Be Professional Services S.p.A.”

The structure of the disclosure reflects that of the reports periodically analysed by management and by the Board of Directors to manage the business and is the subject of periodic management reporting and planning.

The Parent Company’s activities and those of residual businesses are indicated separately. The economic positions of the Group as at 31 March 2016 compared with 31 March 2015 are reported below, separating continuing operations from discontinued operations.

The operating segment values illustrated are gross of intercompany transactions with other Group companies from different segments, whilst the value of production by operating segment and by customer type indicated in the Management Report is shown net of all intercompany transactions between Group companies.

At present, the Group does not believe that a segment analysis by geographic area is relevant for its reporting purposes.

The breakdown of Total revenue by operating segment is provided below:

Breakdown by operating segment 1 January 2016 - 31 March 2016

	Business Consulting	ICT Solutions	ICT Professional Services	Corporate and other	Discontinued	Infra-segment consolidation adjustments	Minority interests	Total
Operating revenue	24,162	7,225	2,202	1,050	0	(2,557)	0	32,082
Other revenue	132	230	65	275	0	(529)	0	173
Total revenue	24,294	7,455	2,267	1,325	0	(3,086)	0	32,255
Operating Profit (Loss) (EBIT)	3,517	(160)	92	(680)	0	1	0	2,770
Net financial expense	(431)	(181)	(28)	77	0	(90)	0	(653)
Profit (loss) for the period	3,086	(342)	64	(603)	0	(90)	(154)	1,963

Breakdown by operating segment 1 January 2015 - 31 March 2015

	Business Consulting	ICT Solutions	ICT Professional Services	Corporate and other	Discontinued	Infra-segment consolidation adjustments	Minority interests	Total
Operating revenue	15,602	8,880	2,162	932	0	(2,856)	0	24,720
Other revenue	165	184	26	291	0	(342)	0	325
Total revenue	15,767	9,064	2,188	1,223	0	(3,197)	0	25,045
Operating Profit (Loss) (EBIT)	2,432	58	59	(442)	0	(60)	0	2,046
Net financial expense	(169)	(312)	(56)	117	0	0	0	(420)
Profit (loss) for the period	2,263	(254)	3	(317)	0	(60)	(12)	1,622

An analysis of the breakdown of revenue by operating segment shows that:

- as regards Consulting business area, the growth of revenues recorded in 2016 benefits from the acquisitions made during the first quarter and the consequent growth in volumes of the totale revenues related to the foreign companies;
- as regards ICT activities, revenues recorded in 2016 are consistent with revenues recorded in the corresponding period of the previous year.

The breakdown of revenue by customer type is shown below.

Revenue by customer

<i>Amounts in EUR millions</i>	Q1 2016	%	Q1 2015	%	Δ (%)
Banks	27.0	83.6%	18.6	74.4%	44.7%
Insurance	3.1	9.6%	3.6	14.4%	(14.2%)
Industry	2.2	6.7%	2.4	9.8%	(12.0%)
Public Administration	0.0	0.1%	0.1	0.5%	(66.2%)
Other	0.0	0.0%	0.2	0.9%	(95.8%)
TOTAL	32.3	100.0%	25.0	100.0%	28.8%

6.3 Personnel

The total number of Be Group employees at 31 March 2016 was 1,127. The following table shows Be Group employees by operating segment:

Group Headcount

	31.03.2016
ICT Solutions	422
Business Consulting	536
ICT Professional Services	126
Corporate	43
TOTAL	1,127

6.4 Analysis of the Group statement of financial position

A summary consolidated statement of financial position at 31 March 2016 is shown below, compared to the same statement at 31 December 2015.

Restated Consolidated Statement of Financial Position

<i>Valori in migliaia di Euro</i>	31.03.2016	31.12.2015	Δ
Total Non-current assets	82,116	77,917	4,199
Total current assets	32,370	25,237	7,133
Total Non - Current liabilities	(22,314)	(19,785)	(2,529)
Total Current liabilities	(25,525)	(27,062)	1,537
Net Invested Capital	66,647	56,307	10,340
Group Shareholders' equity	51,029	49,212	1,817
Net Financial Position	15,618	7,095	8,523

Non-current assets are represented by goodwill (Euro 58.0 million), recognised at the time of business combinations, intangible assets (Euro 16.2 million) mostly relating to software, technical fixed assets (Euro 1.5 million), deferred tax assets (Euro 5.2 million) and receivables and other non-current assets (Euro 1.2 million).

Current assets recorded a rise of Euro 7.1 million compared to 31 December 2015 due mainly to the increase in trade receivables of Euro 6.3.

Non-current liabilities mostly refer to payables for post-employment benefits (TFR) of Euro 6.3 million, deferred tax liabilities of Euro 4.6 million and provisions for risks and charges of Euro 2.0 million, plus other liabilities of Euro 9.4 million, of which Euro 5 million refers to the guarantee deposit received on signing the "Master Agreement" with Unicredit Business Integrated Solution (UBIS), Euro 1.2 million to the remaining share of the discounted price for the future acquisition of minority interests in the Targit Group, Euro 1.7 million to the remaining share of the discounted price for the future acquisition of minority interests in the R&L AG and Euro 0,7 milioni related to the residual amount to be paid to the former Loc Consulting Ltd's shareholders.

Current liabilities - mostly comprised of trade payables of Euro 9.6 million and other liabilities, including advances and payables for indirect taxes totalling Euro 15.9 million - recorded a fall of Euro 1.5 million.

Consolidated shareholders' equity was Euro 51.0 million, compared to Euro 49.2 million as at 31 December 2015. The breakdown of Net working capital is shown below:

<i>Amounts in EUR thousands</i>	31.03.2016	31.12.2015	Δ
Inventories	50	39	11
Trade receivables	27,687	21,354	6,333
Trade payables	(9,557)	(11,263)	1,706
Net Operating Working Capital (NOWC*)	18,180	10,130	8,050
Other short-term receivables	4,633	3,844	789
Other short-term liabilities	(15,968)	(15,799)	(169)
Net working capital (NWC)	6,845	(1,825)	8,670

The net financial position at 31 March 2016 was Euro 15.6 million, and showed an overall deterioration of Euro 8.5 million with respect to 31 December 2015 (Euro 7.1 million).

Consolidated net financial position

<i>Amounts in EUR thousands</i>	31.03.2016	31.12.2015	Δ
Cash and cash equivalents at bank	17,016	19,626	(2,610)
A Cash and cash equivalents	17,016	19,626	(2,610)
B Current financial receivables	193	198	(5)
Current bank payables	(9,897)	(8,861)	(1,036)
Current share of medium/long-term indebtedness	(9,951)	(8,767)	(1,184)
Other current financial payables	(4)	(5)	1
C Current financial indebtedness	(19,852)	(17,633)	(2,219)
D Net current financial indebtedness (A+B+C)	(2,643)	2,191	(4,834)
Non-current bank payables	(12,975)	(9,286)	(3,689)
E Net non-current financial indebtedness	(12,975)	(9,286)	(3,689)
F Net financial position (D+E)	(15,618)	(7,095)	(8,523)

With regard to items in the table on the consolidated net financial position, note that Cash equivalents are 17,0 million and:

- financial receivables amounting to Euro 0.2 million refer to receivables due from factoring companies on assignments made up to 31 March 2016, the disbursement of which took place after that date and to receivables for accrued interest on factoring related to the next quarters, but paid in the first;
- current payables to banks at 31 March 2016 totalled around Euro 19.9 million and relate mainly to:
 - current bank payables for Euro 9.9 million (Euro 8.9 million at 31 December 2015), of which:
 - a) Euro 7.3 million in short-term credit facilities classed as “advances on invoices”, “current account overdrafts” and “advances to suppliers”;
 - b) Euro 1.6 million as the amount of a short-term loan granted to the Parent Company in the second half of 2015, partially repaid as stated in the amortization schedule starting from 29 February 2016;
 - c) Euro 1.0 million as the amount of a short-term loan granted to the Parent Company by Unicredit repayable in one instalment on 28 February 2017;
 - around Euro 10.0 million as the current portion of loans received.

Non-current financial payables of Euro 13.0 million refer mainly to payables to banks for unsecured medium/long-term loans due beyond 12 months.

The repayment plan for medium/long-term loans outstanding at 31 March 2016 (amounts in EUR thousands) is illustrated below:

M/L term loans outstanding at 31 March 2016

Bank	Maturity	Balance at 31.12.2015	<1 year	>1<2 years	>2<3 years	>3<4 years	>4 years
Banca Popolare dell'Emilia Romagna	2018	2,509	992	1,007	509	0	0
Banca Popolare di Milano 1	2020	5,889	1,363	1,394	1,426	1,459	246
Banca Popolare di Milano 2	2019	3,000	987	1,000	1,013	0	0
BNL 1	2019	2,500	500	1,000	1,000	0	0
BNL 2	2017	1,000	647	353	0	0	0
Unicredit 1	2018	2,653	861	884	908	0	0
Unicredit 2	2019	1,165	378	388	398	0	0
Unicredit Factoring	2016	4,223	4,223	0	0	0	0
TOTALE FINANZIAMENTI		22,938	9,951	6,026	5,255	1,459	246

6.5 Research and Development: investment

The Group's research and development activities have always aimed to consolidate customer relations, develop new forms of business for them and acquire new customers.

The main research and development projects regard the development of the technological platforms owned by the Group; in particular during the first quarter of 2016 investments were made in the development and upgrade of technological platforms "Universo Sirius" by Be Solutions relating to the management of Life and Non-Life insurance portfolios, "Archivia" by Be Eps for the management of document processes and platforms owned by the Targit Group, specialised in various areas of the banking industry, for a total amount of Euro 0,5 million.

The "Be" Group will continue to invest in research and development, and also plan other project opportunities. These new initiatives will aim to expand the product mix, creating technology platforms for the provision of services to its customers.

7. Other disclosures

7.1 Related Party Transactions

The Company's Board of Directors adopted new "Regulations on Related Parties" on 1 March 2014, replacing those previously approved on 12 March 2010. For further details, this document is published on the Company web site (www.be-tse.it).

With regard to Related party transactions, including therein intercompany transactions, note that the same cannot be quantified as atypical or unusual, as part of the normal course of operations of Group companies. Said transactions are settled at arm's length, on the basis of the goods and services provided.

The Be Group's related parties with which economic and equity transactions were recognised at 31 March 2016 are: T.I.P. Tamburi Investment Partners S.p.A., Intesa Sanpaolo Group and IR Top S.r.l.

With regard to Messrs Stefano Achermann and Carlo Achermann and the companies controlled by them - Carma Consulting S.r.l., iFuture S.r.l. and Innishboffin S.r.l. - the economic transactions that took place in the period refer only to fees paid for the positions of Executive and Company Director of Group companies and, like remuneration for other members of the Board of Directors and Board of Statutory Auditors, are not included in the following tables.

None significant transaction with a related party occurred during the first quarter of 2016.

The figures at 31 March 2016 for related party transactions are shown below.

Receivables and payables with related parties at 31 March 2016

	<u>Receivables</u>			<u>Payables</u>		
	Trade receivables	Other receivables	Financial receivables	Trade and other payables	Other payables	Financial payables
Related Parties						
IR Top				20		
T.I.P.	6			37		
Intesa Sanpaolo Group	1,164	2	1,786	66	196	4,166
Total Related Parties	1,170	2	1,786	123	196	4,166

Revenue and costs with related parties at 31 March 2015

	<u>Revenue</u>			<u>Costs</u>		
	Revenue	Other Revenue	Financial income	Services	Other costs	Financial expense
Related Parties						
IR Top				78		
T.I.P.				55		
Intesa Sanpaolo Group	3,455		1	114	9	38
Total Related Parties	3,455	0	1	144	9	38

7.2 Main risks and uncertainties to which the Be Group is exposed

Detailed below are the main risks and uncertainties that could affect the business activities, financial conditions and prospects of the Company and the Group.

- **Risks associated with “Operating Performance”**

In order to further improve operating performance, the Company believes it is important to achieve the strategic objectives of the 2015-2017 Business Plan. This Plan, updated for the three-year period 2016-2018 for the purpose of impairment testing (hereinafter 2016-2018 Plan), was prepared by the Directors on the basis of forecasts and assumptions inherent to future trends in operations and the reference market. The forecasts represent the best estimate of future events expected to arise and of action that management intends to take. These were estimated on the basis of final figures, orders already received or sales to be made to established customers, as such presenting a lower degree of uncertainty and therefore a higher probability of actually occurring. Vice versa, the assumptions relate to future events and action, fully or partly independent from management action. Consequently, the Directors acknowledge that the strategic objectives identified in the 2016-2018 Plan, though reasonable, present profiles of uncertainty due to the chance nature of future events occurring and the characteristics of the reference market, and also as regards the occurrence of events represented in the plan and their extent and timing.

- **Risks associated with the “Financial Position”**

The Be Group is exposed to financial risks associated with its operations, particularly interest rate risk, liquidity risk, credit risk and the risk of cash flow fluctuations. In addition, essential upkeep

of the bank credit facilities held is important to the Group in order to meet its overall current funding needs and to achieve the objectives of the 2016-2018 Plan.

- **Risks associated with “Goodwill Impairment”**

The Be Group could have a negative impact on the value of its shareholders' equity if there should be any impairment to goodwill recognised in the financial statements at 31 March 2016 because of the incapacity to generate sufficient cash flows to satisfy those forecast and envisaged in the 2016-2018 Plan.

- **Risks associated with “Litigation Liabilities”**

The Be Group is involved in proceedings before various judicial authorities, divided into litigation cases as defendant - i.e. where the Company has been summonsed by third parties - and cases as plaintiff where the Company has summonsed third parties.

- **Risks associated with “Restructuring” activities**

In recent years the Be Group began a restructuring of its area of business with action necessary to reduce personnel, also through transfers. There is a risk of appeals against such action and the proceedings have given rise to prudential allocation of provisions in the company financial statements. Uncertainty remains in any event regarding the decisions of the authorities involved.

- **Risks associated with “Competition”**

The ICT consulting market is highly competitive. A number of competitors could be able to expand their product mix to our detriment. In addition, an intensification of the level of competition could affect Group business and the option of consolidating or widening its competitive position in the reference sectors, with subsequent repercussions on business and on the income, equity and financial positions.

- **Risks associated with “Technological Change”**

The Group operates in a market characterised by profound and continuous technological changes that call for a Group capacity to adapt quickly and successfully to such developments and to the changing technology needs of its customers. Any inability of the Group in adapting to new technologies and therefore to changes in the needs of its customers could have a negative impact on operating performance.

- **Risks related to dependence on key personnel**

The Group's success depends largely on certain key personnel that have been a determining factor in its development, in particular the executive directors of the parent company. The Group companies also have an executive team with many years experience in the field, playing a crucial role in managing the Group's activities. The loss of any of these key figures without a suitable replacement, and the inability to attract and retain new, qualified resources, could have a negative impact on the Group's prospects, business activities, operating performance and financial position. Management considers in any event that the Company has an operational and executive structure capable of ensuring management of corporate affairs as a going concern.

- **Risks associated with internationalisation**

As part of its internationalisation strategy the Group could be exposed to risks typical of international operations, including those relating to changes in the political, macroeconomic, tax and/or regulatory frameworks and to fluctuating exchange rates.

7.3 Significant events in the first quarter of 2016

In February 2016, the Be Group extended its range of banking services by acquiring 55% of R&L AG and 100% of LOC Consulting Ltd, continuing with its strategy that seeks to create a European IT Consulting Group to serve the financial services industry.

R&L AG, whose registered office is close to Munich, specialises in Consulting and IT solutions in the Payments sector and specifically as regards SWIFT. The price to acquire 55% of the company was Euro 1.47 million and the agreement envisages the opportunity to exercise an option to purchase the remaining 45% by May 2020. The acquisition is not subject to any condition precedent. The transaction was finalised through the subsidiary Targit GmbH, which already operates in Germany.

LOC Consulting Ltd, whose registered office is in London, specialises in consulting services for the management of complex transformation programmes in the financial and public sectors in the UK and played an important role in “eGov Framework”, a digitalisation programme of the British government, which has high ambitions at European level; the price for the acquisition, which is not subject to any condition precedent, was GBP 3.95 million including net liquidity. The acquisition was finalised through the subsidiary iBe Ltd, which already operates in the UK.

7.4 Events after 30 September 2015 and business outlook

On 26 April 2016 Be Shareholders' Meeting approved the Financial Statements for 2015, resolving to allocate the net profit for the year, amounted to Euro 2,546,304.73, to the distribution of gross dividends of Euro 1,500,000.00, equal to Euro 0.01112 - gross of tax - per share, to the Legal Reserve of Euro 127,315.24 and the remaining part to the Extraordinary Reserve of Euro 918,989.49.

The dividend will be payable on 25 May 2016, with coupon detachment date n. 6 on 23 May 2016 and record date in 24 May 2016.

In view of the positive results recorded by the Group in the first quarter of the year, it is reasonable to confirm the 2016 growth forecast for revenue and profit and, in more general terms, the expectations of the 2015-2017 Business Plan.

Milan, 5 May 2016

/signed/ Stefano Achermann
For the Board of Directors
Chief Executive Officer

8. Financial statements

- Consolidated Statement of Financial Position
- Restated Consolidated Income Statement
- Condensed Consolidated Statement of Cash Flows
- Statement of Changes in Consolidated Shareholders' Equity

Consolidated Statement of Financial Position

<i>Amounts in EUR thousands</i>	31.03.2016	31.12.2015
<i>NON-CURRENT ASSETS</i>		
Property, plant and equipment	1,549	1,277
Goodwill	57,978	53,353
Intangible assets	16,153	16,795
Loans and other non-current assets	1,229	1,260
Deferred tax assets	5,207	5,232
Total Non-current assets	82,116	77,917
<i>CURRENT ASSETS</i>		
Inventories	50	39
Trade receivables	27,687	21,354
Other assets and receivables	3,570	2,944
Direct tax receivables	1,063	900
Financial receivables and other current financial assets	193	198
Cash and cash equivalents	17,016	19,626
Total Current assets	49,579	45,061
Total discontinued operations	0	0
TOTAL ASSETS	131,695	122,978
<i>SHAREHOLDERS' EQUITY</i>		
Share capital	27,109	27,109
Reserves	21,012	17,864
Net profit (loss)	1,962	3,455
Group Shareholders' equity	50,083	48,428
Minority interests:		
Capital and reserves	792	437
Net profit (loss)	154	347
Minority interests	946	784
TOTAL SHAREHOLDERS' EQUITY	51,029	49,212
<i>NON-CURRENT LIABILITIES</i>		
Financial payables and other non-current financial liabilities	12,975	9,286
Provisions for risks	2,001	2,106
Post-employment benefits (IFR)	6,257	6,146
Deferred tax liabilities	4,648	4,655
Other non-current liabilities	9,408	6,878
Total Non-current liabilities	35,289	29,071
<i>CURRENT LIABILITIES</i>		
Financial payables and other current financial liabilities	19,852	17,633
Trade payables	9,557	11,263
Provision for current risks	30	29
Tax payables	449	432
Other liabilities and payables	15,489	15,338
Total Current liabilities	45,377	44,695
Total Discontinued operations	0	0
TOTAL LIABILITIES	80,666	73,766
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	131,695	122,978

Restated Consolidated Income Statement

<i>amounts in Euro thousands</i>	Q1 2016	Q1 2015	Δ
Operating Revenues	32,082	24,720	7,362
Other Revenues and Income	173	325	(152)
Total Revenues	32,254	25,045	7,209
Cost of consumables	(58)	(59)	1
Cost of services and use of third-party assets	(13,960)	(9,270)	(4,690)
Personnel costs	(14,176)	(12,578)	(1,598)
Other operating costs	(371)	(230)	(141)
Cost of internal work capitalized	514	485	29
Gross Operating Margin (EBITDA)	4,203	3,393	810
Amortisation/Depreciation	(1,283)	(1,344)	61
Write-downs and provisions	(151)	(3)	(148)
Operating profit (EBIT)	2,769	2,046	723
Net financial income and expense	(653)	(412)	(241)
Write-down of financial assets	0	0	0
Profit/(Loss) before tax from continuing operations	2,116	1,634	482
Net Result from discontinued operations	0	0	0
Profit/(Loss) of the period including minority interests	2,116	1,634	482
Minority interests	154	12	142
Profit/(Loss) before tax for the Group	1,962	1,622	340

Condensed Consolidated Statement of Cash Flows

<i>Amounts in EUR thousands</i>	31.03.2016	31.03.2015
Operating activities:		
Group net profit (loss)	2,116	1,634
Adjustments of items that do not affect liquidity	2,056	881
<i>a) Cash flow from operating activities</i>	4,172	2,515
<i>b) Change in net working capital</i>	(9,912)	(6,245)
Gross operating cash flow (a+b)	(5,740)	(3,730)
<i>c) Cash flow generated (absorbed) by investing activities</i>	(2,130)	(297)
Gross operating cash flow (a+b+c)	(7,870)	(4,027)
<i>d) Cash flow generated (absorbed) by financing activities</i>	5,260	(807)
<i>e) Cash flow generated (absorbed) by discontinued operations</i>	0	0
Gross operating cash flow (a+b+c+d+e)	(2,610)	(4,834)
Net cash and cash equivalents - opening balance	19,626	8,521
Net cash and cash equivalents - closing balance	17,016	3,687
Change in net cash and cash equivalents	(2,610)	(4,834)

Statement of Changes in Consolidated Shareholders' Equity

<i>Amounts in EUR thousands</i>	Share capital	Retained earnings	Profit (loss) for the period	Group Shareholders' equity	Minority interests	Total
SHAREHOLDERS' EQUITY AT 31.12.2014	27,109	17,546	1,042	45,697	488	46,185
Net profit (loss)			3,455	3,455	347	3,802
Other items of comprehensive income		26		26	(5)	21
Net comprehensive profit (loss)		26	3,455	3,481	342	3,823
Allocation of prior year profit (loss)		1,042	(1,042)	0		0
Dividend distribution		(750)		(750)	(150)	(900)
Capital contributions				0	109	109
(Purchases)/Disposals of Minority Interests				0	(5)	(5)
SHAREHOLDERS' EQUITY AT 31.12.2015	27,109	17,864	3,455	48,428	784	49,212
Profit (loss) for the period			1,962	1,962	154	2,116
Other items of comprehensive income		(307)		(307)	8	(299)
Net comprehensive profit (loss)		(307)	1,962	1,655	162	1,817
Allocation of prior year profit (loss)		3,455	(3,455)	0		0
SHAREHOLDERS' EQUITY AT 31.03.2016	27,109	21,012	1,962	50,083	946	51,029