



Interim Management Report *at 30 September 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>
- Bionesi 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

	9M 2016	9M 2015
Revenue	97.9	79.2
EBITDA	11.1	9.4
EBIT	7.1	5.3
Profit (loss) before tax	4.8	3.5

Key equity and financial indicators

	30.09.2016	31.12.2015
Group Shareholders' Equity	50.7	48.4
Net Invested Capital	72.9	56.3
Net Operating Working Capital (NOWC)	23.0	10.1
Net Financial Position	(21.3)	(7.1)

Revenue by operating segment

	9M 2016	9M 2015
Business Consulting	73.1	51.7
ICT Solutions	22.2	24.3
ICT Professional Services	2.6	2.8
Other	0.0	0.4
TOTAL	97.9	79.2

Revenue by customer

	9M 2016	9M 2015
Banks	80.4	61.5
Insurance	9.9	10.4
Industry	6.8	6.8
Public Administration	0.1	0.1
Other	0.7	0.4
TOTAL	97.9	79,2

Group Headcount

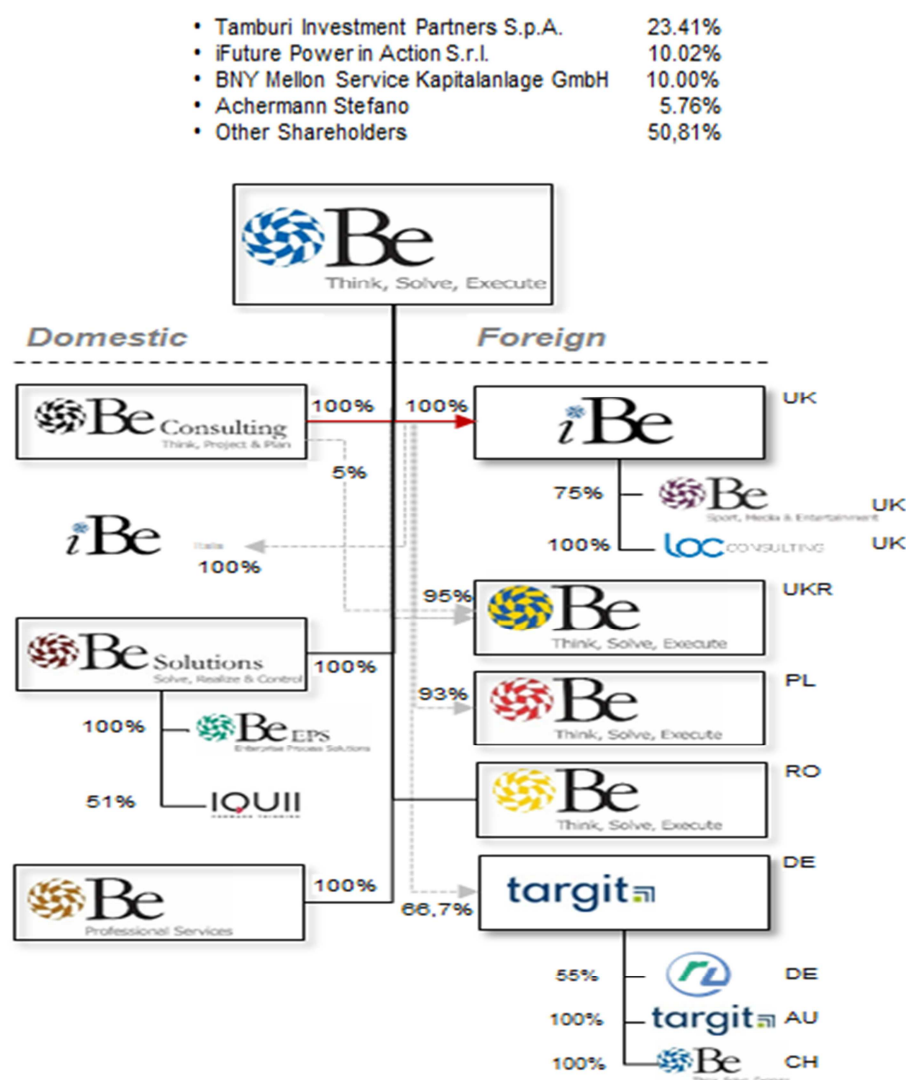
	30.09.2016	31.12.2015
Executives	96	86
Middle Managers	128	112
White collar	871	841
Blue collar	2	2
Apprentices	13	16
TOTAL	1.110	1.057

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 97.9 million in the first nine months 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 30 September 2016:



(*) The above chart does not include the subsidiary A&B S.p.A. in liquidation, 100% owned by the Parent Company Be S.p.A.. This company provided services for local public administration and is inactive. The liquidation procedure for the company began in the first half of 2015.

At 30 September 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
iFuture Power in Action S.r.l.	Italian	13,519,265	10.02
BNY Mellon Service Kapitalanlage GmbH	German	13,489,700	10.00
Stefano Achermann	Italian	7,771,132	5.76
Float		68,534,950	50.81
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>	548 employees at 30 September 2016
<i>Core business</i>	Banking, Insurance
<i>Segment revenue at 30.09.2016</i>	Euro 73.1 million
<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>	399 employees at 30 September 2016
<i>Core Businesses</i>	Banking, Insurance, Energy and Public Administration.
<i>Segment revenue at 30.09.2016</i>	Euro 22.2 million
<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, in 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:
 - o 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.
- **Iquii S.r.l.**, established in 2011, is specialized in development of web and mobile applications, design of "wearable solutions" and in management of Internet of Things; moreover IQUII also has significant knowledges in Social Media management, Integrated Marketing and Digital PR.

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>	119 employees at 30 September 2016
<i>Core Businesses</i>	Banking, Industry and Public Administration.
<i>Segment revenue at 30.09.2016</i>	Euro 2.6 million
<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 30 September 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 consolidated statement of cash flows and the consolidated statement of changes in shareholders' equity. The information provided in the statement of financial position refers to 30 September 2016 and 31 December 2015. The information provided in the income statement regards the situation at 30 September 2016 and 2015 and refers to the pre-tax position. The figures are provided on a consolidated basis and presented on the basis of the Euro; all of the amounts are shown in thousands unless otherwise indicated and there could be differences in the unit amounts shown in the tables below due to rounding.

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, Loc Consulting Ltd, made by the subsidiary company iBe Ltd, and Iquii S.r.l, made by the subsidiary company Be Solutions S.p.A.

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.

During July the Parent Company Be S.p.A owned the remaining 5% of share capital of the subsidiary company A&B S.p.A. in liquidation from the Minority shareholder; consequently the Parent Company Be S.p.A owns 100% of the share capital.

5.2 Discretionary measurements and significant accounting estimates

The Interim Management Report at 30 September 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

The Consolidated Income Statement is shown below, restated at 30 September 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). It should be noted that the term "Value of Production" used in this report is to be intended as a synonym of the statement "Total Revenues", used in the report "Restated Consolidated Income Statement" at paragraph 9 "Financial statements".

6.1 Group economic performance

Value of Production amounted to Euro 97.9 million, compared to Euro 79.2 million at 30 September 2015, up Euro 18.7 million (+23.7)%. Operating revenue was Euro 97.1 million, up 24.3% compared to 30 September 2015 (Euro 78.1 million). This significant improvement is attributable to the Business Consulting segment, which recorded operating revenue of Euro 72.6 million (+41.1% against 30 September 2015). The revenue recorded by foreign subsidiaries amounted to Euro 38.9 million, corresponding to around 40.1% of the total operating revenue.

At 30 September 2016, operating costs increased by around Euro 17.1 million compared to 30 September 2015 (+24.5%); in particular:

- service costs increased by around Euro 10.8 million (+33.6%);

- personnel costs increased by around Euro 6.7 million (+17.7%); in the personnel costs are included non-recurring expenses due to restructuring plans (concerning ex "Operations" area), in the amount of about Euro 1.0 million;
- other costs decreased by 0.2 million (-16.5%);
- the capitalisation of costs, mainly personnel-related, incurred on software platform development projects amounted to Euro 1.6 million, up 0.2 million (+14.5%).

The gross operating margin (EBITDA) was Euro 11.1 million, up 17.7% compared to 30 September 2015 (Euro 9.4 million). The EBITDA margin stood at 11.3%, slightly down compared to 30 September 2015 (11.9%).

Amortisation totalled Euro 3.9 million, in line with the corresponding period of the previous year. Write-downs and provisions totalled Euro 0.1 million, compared to a 0.2 million at 30 September of the previous year.

Operating profit (loss) (EBIT) was Euro 7.1 million, up 34.0% compared to 30 September 2015 (Euro 5.3 million). The EBIT margin stood at 7.2%, a net improvement on 6.7% at 30 September 2015.

Group profit (loss) before tax was Euro 4.8 million, up 39.4% compared to Euro 3.5 million recorded at 30 September 2015.

The Consolidated Income Statement is shown below, restated for the third quarter 2016 and at 30 September 2016, and is compared to the amounts of the previous year.

RESTATED CONSOLIDATED INCOME STATEMENT

<i>Valori in migliaia di Euro</i>	Quarterly Figures				Progressive Figures			
	Q3 2016	Q3 2015	Δ	Δ (%)	9M 2016	9M 2015	Δ	Δ (%)
Operating revenues	31,580	26,116	5,464	20.9%	97,137	78,130	19,007	24.3%
Other revenues	138	211	(74)	(34.8%)	794	1,058	(264)	(25.0%)
Value of production	31,717	26,327	5,390	20.5%	97,931	79,188	18,743	23.7%
Cost of raw materials and consumables	(68)	(147)	80	(54.1%)	(191)	(442)	251	(56.8%)
Cost of services and use of third parties assets	(13,351)	(11,730)	(1,620)	13.8%	(42,848)	(32,072)	(10,776)	33.6%
Personnel costs	(15,289)	(12,451)	(2,838)	22.8%	(44,555)	(37,850)	(6,705)	17.7%
Other costs	(336)	(261)	(75)	28.5%	(839)	(791)	(48)	6.1%
Cost of internal work capitalised	439	602	(163)	(27.1%)	1,615	1,410	205	14.5%
Gross Operating Margin (EBITDA)	3,112	2,339	774	33.1%	11,113	9,443	1,670	17.7%
Amortisation	(1,343)	(1,328)	(15)	1.1%	(3,945)	(3,994)	49	(1.2%)
Write-downs and provisions	49	(1)	50	n.a.	(103)	(175)	72	(41.1%)
Operating Profit (loss) (EBIT)	1,818	1,009	809	80.1%	7,065	5,273	1,791	34.0%
Net financial income and expense	(532)	(529)	(2)	0.4%	(1,473)	(1,400)	(73)	5.2%
Value adjustments to financial assets	0	0	0	n.a.	0	0	0	n.a.
Profit (loss) from continuing operations	1,286	480	807	n.a.	5,592	3,873	1,719	44.4%
Net profit (loss) from discontinued operations	0	0	0	n.a.	0	0	0	n.a.
Consolidated profit (loss) before taxes	1,286	480	807	n.a.	5,592	3,873	1,719	44.4%
Minority interests before taxes*	436	204	231	n.a.	764	411	353	n.a.
Group profit (loss) before taxes	851	275	575	n.a.	4,828	3,463	1,365	39.4%

* The profit (loss) for the period and that of minority interests relating to the third quarter have been obtained by comparing the figures at 30 September with those of the first half before tax.

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., Iquii S.r.l. 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 30 September 2016 compared with 30 September 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 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.

Breakdown by operating segment 1 January 2016 – 30 September 2016

	Business Consulting	ICT Solutions	ICT Professional Services	Corporate and other	Discontinued	Infra-segment consolidation adjustments	Minority interests	Total
Operating revenue	72,754	22,773	6,443	3,381	0	(8,213)	0	97,137
Other revenue	889	1,291	259	429	0	(2,074)	0	794
Value of production	73,643	24,063	6,702	3,809	0	(10,286)	0	97,931
Operating Profit (Loss) (EBIT)	9,443	345	(805)	(1,917)	0	0	0	7,065
Net financial expense	(929)	(575)	(74)	3,737	0	(3,631)	0	(1,473)
Profit (loss) for the period	8,513	(230)	(880)	1,820	0	(3,631)	(764)	4,828

Breakdown by operating segment 1 January 2015 – 30 September 2016

	Business Consulting	ICT Solutions	ICT Professional Services	Corporate and other	Discontinued	Infra-segment consolidation adjustments	Minority interests	Total
Operating revenue	52,484	25,631	6,684	3,097	0	(9,767)	0	78,130
Other revenue	705	773	94	606	0	(1,120)	0	1,058
Value of production	53,189	26,404	6,778	3,703	0	(10,887)	0	79,188
Operating Profit (Loss) (EBIT)	6,971	(219)	191	(1,032)	0	(637)	0	5,274
Net financial expense	(486)	(872)	(182)	3,853	0	(3,714)	0	(1,400)
Profit (loss) for the period	6,485	(1,791)	9	2,821	0	(3,650)	(411)	3,463

The breakdown of value of production by operating segment is provided below:

Value of production by operating segment

<i>Amounts in EUR millions</i>	9M 2016	%	9M 2015	%	Δ (%)
Business Consulting	73,058	74.6%	51,700	65.3%	41.3%
ICT Solutions	22,228	22.7%	24,291	30.7%	(8.5%)
ICT Professional Services	2,596	2.7%	2,794	3.5%	(7.1%)
Other	49	0.1%	403	0.5%	(87.8%)
TOTAL	97,931	100.0%	79,188	100.0%	23.7%

An analysis of the breakdown of Value of production by operating segment shows that:

- as regards Consulting business area, the growth of revenues recorded in 2016 benefits from the acquisitions made and the consequent growth in volumes of the total revenues related to the foreign companies;
- as regards ICT activities, revenues recorded in 2016 are slightly down compared to the corresponding nine months of the previous year.

The breakdown of value of production by customer type is shown below.

Value of production by customer

<i>Amounts in EUR millions</i>	9M 2016	%	9M 2015	%	Δ (%)
Banks	80,380	82.1%	61,441	77.6%	30.8%
Insurance	9,889	10.1%	10,426	13.2%	(5.1%)
Industry	6,841	7.0%	6,806	8.6%	0.5%
Public Administration	78	0.1%	96	0.1%	(19.1%)
Other	743	0.8%	418	0.5%	77.9%
TOTAL	97,931	100.0%	79,187	100.0%	23.7%

6.3 Personnel

The total number of Be Group employees at 30 September 2016 was 1,110. The following table shows Be Group employees by operating segment:

Group Headcount		30.09.2016
Business Consulting		548
ICT Solutions		399
ICT Professional Services		119
Corporate		44
TOTAL		1,110

6.4 Analysis of the Group statement of financial position

A summary consolidated statement of financial position at 30 September 2016 is shown below, compared to the same statement at 31 December 2015.

Restated Consolidated Statement of Financial Position

<i>Amounts in EUR millions</i>	30.09.2016	31.12.2015	Δ
Total Non-current assets	81,778	77,917	3,861
Total current assets	36,170	25,237	10,933
Total Non - Current liabilities	(22,885)	(19,785)	(3,100)
Total Current liabilities	(22,138)	(27,062)	4,924
Net Invested Capital	72,925	56,307	16,618
Group Shareholders' equity	51,612	49,212	2,400
Net Financial Position	21,313	7,095	14,218

Non-current assets are represented by goodwill (Euro 57.6 million), recognised at the time of business combinations, intangible assets (Euro 15.3 million) mostly relating to software, technical fixed assets (Euro 1.9 million), deferred tax assets (Euro 5.4 million) and receivables and other non-current assets (Euro 1.2 million).

Current assets recorded a rise of Euro 10.9 million compared to 31 December 2015 due mainly to the increase in trade receivables of Euro 10.3 and due to the increase in direct tax receivables and Other assets and receivables of total Euro 0.6 million.

Non-current liabilities mostly refer to payables for post-employment benefits (TFR) of Euro 7.0 million, deferred tax liabilities of Euro 4.6 million and provisions for risks and charges of Euro 1.7 million, plus other liabilities of Euro 9.6 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 0.8 million to the remaining share of the discounted price for the future acquisition of minority interests in the R&L AG, Euro 1.1 million related to the discounted residual amount to be paid to the former Loc Consulting Ltd's shareholders, and Euro 0.6 million to the remaining share of the discounted price for the future acquisition of minority interests in Iquii S.r.l.

Current liabilities - mostly comprised of trade payables of Euro 8.7 million and other liabilities, including advances and payables for indirect taxes totalling Euro 13.4 million - recorded a fall of Euro 4.9 million.

Consolidated shareholders' equity was Euro 51.6 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>	30.09.2016	31.12.2015	Δ
Inventories	41	39	2
Trade receivables	31,662	21,354	10,308
Trade payables	(8,666)	(11,263)	2,597
Net Operating Working Capital (NOWC*)	23,037	10,130	12,907
Other short-term receivables	4,467	3,844	623
Other short-term liabilities	(13,472)	(15,799)	2,327
Net working capital (NWC)	14,032	(1,825)	15,857

The net financial position at 30 September 2016 was Euro 21.3 million, and showed an overall deterioration of Euro 14.2 million with respect to 31 December 2015 (Euro 7.1 million).

Consolidated net financial position

<i>Amounts in EUR thousands</i>	30.09.2016	31.12.2015	Δ
Cash and cash equivalents at bank	10,078	19,626	(9,548)
A Cash and cash equivalents	10,078	19,626	(9,548)
B Current financial receivables	288	198	90
Current bank payables	(6,851)	(8,861)	2,010
Current share of medium/long-term indebtedness	(12,883)	(8,767)	(4,116)
Other current financial payables	(18)	(5)	(13)
C Current financial indebtedness	(19,752)	(17,633)	(2,119)
D Net current financial indebtedness (A+B+C)	(9,386)	2,191	(11,577)
Non-current bank payables	(11,887)	(9,286)	(2,601)
Other non-current financial payables	(40)	0	(40)
E Net non-current financial indebtedness	(11,927)	(9,286)	(2,641)
F Net financial position (D+E)	(21,313)	(7,095)	(14,218)

With regard to items in the table on the consolidated net financial position, note that Cash equivalents are 10,1 million and:

- financial receivables amounting to Euro 0.3 million refer to receivables due from factoring companies on assignments made up to 30 September 2016, the disbursement of which took place after that date and to receivables for accrued interest on factoring related to the next quarter, but paid in the first, second, third quarter;

- current payables to banks at 30 September 2016 totalled around Euro 19.8 million and relate mainly to:
 - current bank payables for Euro 6.9 million (Euro 8.9 million at 31 December 2015), of which:
 - a) Euro 3.2 million in short-term credit facilities classed as “advances on invoices”, “current account overdrafts” and “advances to suppliers”;
 - b) Euro 3,7 milioni referred to:
 - the short-term loan granted by Monte dei Paschi di Siena to the Parent Company in the second half of 2015 of Euro 2 million, repayable in nine instalments from 29 February 2016. During the first nine months of 2016, around Euro 1.8 million was repaid and the residual debt at 30 September 2016 was Euro 0.2 million;
 - Euro 2.5 million as the amount of a short-term loan granted to the Parent Company by Monte dei Paschi di Siena repayable in one instalment on 28 February 2017;
 - 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 12.9 million as the current portion of loans received.
- non-current bank payables of Euro 11.9 million refer mainly to payables to banks for unsecured medium/long-term loans due beyond 12 months;
- the statement “Other non-current financial payables” mainly refers to leasing contracts.

The repayment plan for medium/long-term loans outstanding at 30 September 2016 (amounts in EUR thousands) is illustrated below:

M/L term loans outstanding at 30 September 2016

Bank	Maturity	Balance at 30.09.2016	<1 year	>1<2 years	>2<3 years	>3<4 years	>4 years
Banca Popolare dell'Emilia Romagna	2018	2,015	1,000	1,015			
Banca Popolare di Milano 1	2020	5,211	1,378	1,410	1,443	980	0
Banca Popolare di Milano 2	2019	2,508	994	1,006	508	0	0
Banca Popolare di Milano 3	2019	492	98	99	100	101	94
Banca Nazionale del Lavoro 1	2017	706	706	0	0	0	0
Banca Nazionale del Lavoro 2	2019	2,500	1,000	1,000	500	0	0
Unicredit 1	2018	2,225	873	896	457	0	0
Unicredit 2	2019	977	383	393	200	0	0
Intesa San Paolo	2019	2,500	833	833	833	0	0
Unicredit Factoring	2016	5,618	5,618	0	0	0	0
TOTAL LOANS		24,752	12,883	6,653	4,041	1,081	94

6.5 Research and Development: investments

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 nine months 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 1,6 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. Business Plan 2017-2019

The Company’s Board of Directors approved on 7 July 2016 the new Business Plan 2017-2019 that confirm the focus of the Group on growth, mainly on foreign markets, where the Group strongly believe to achieve in 2019 more than half of production.

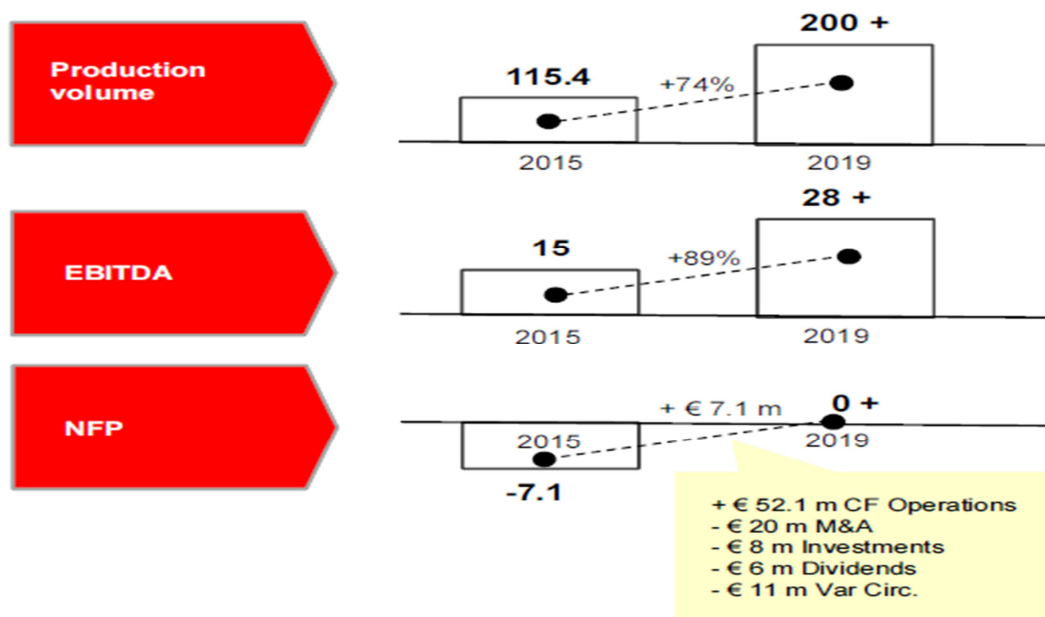
Main strategic guide lines per business segments:

- “Banking” segment: planned significant investments in the further development of competences and know-how, with an increasing focus on international markets, through the integration of existing geographical network (Italy, Germany and UK);
- “Insurance” segment: significant evolutions of the proprietary Life IT platforms, in terms of new functionalities and technological standards; introduction on the Italian market of multichannel solutions developed abroad, and development of Consulting practice”;
- “Entertainment”: focus on high visibility market niches, leveraging on the marketing competences developed during the last three years;
- Other markets: maintaining the positioning on the current segments on Energy and Public Sector markets, strengthening the distinctive competences in specific market segments.

Main economical and financial targets of the Business Plan as of 2019 are summarized below:

- Expected Production value: more than Euro 200 million, plus 74% compared to 31 December 2015 (Euro 115.4 million), more than 50% plus from abroad;
- EBITDA: more than Euro 28 million, plus 90% compared to 31 December 2015 (Euro 15 million). 75% of such an expected value is originated from Business Consulting segment;
- Net Financial Debt: substantially balanced and close to zero, with an improvement compared to 31 December 2015 (Euro 7.1 million); it includes expected investments for M&A in the amount of Euro 20 million, other investments for Euro 8 million and dividends for Euro 6 million.

Variation of the main indicators in the period 2015-2019



8. Other disclosures

8.1 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. and IR Top S.r.l.

With regard to the Intesa Sanpaolo Group, note that in the second quarter of 2016 Imi Investimenti sold its Be S.p.A. shares on the market, lowering its percentage interest to below the significant threshold of 5%. Consequently, from the second quarter of this year the Intesa Sanpaolo Group no longer qualifies as a "related party" of Be, pursuant to the regulations on related party transactions adopted by Consob with Resolution no. 17221 of 12 March 2010, as amended, and the related procedure adopted by Be in compliance with the provisions of said Consob Regulation.

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 2016.

The figures at 30 September 2016 for related party transactions are shown below.

Receivables and payables with related parties at 30 September 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				12		
T.I.P.				55		
Total Related Parties	0	0	0	67	0	0

Revenue and costs with related parties at 30 September 2016

	<u>Revenue</u>			<u>Costs</u>		
	Revenue	Other Revenue	Financial income	Services	Other costs	Financial expense
Related Parties						
IR Top				35		
T.I.P.	5			55		
S. Achermann				30	1	
Total Related Parties	5	0	0	120	1	0

8.2 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 2017-2019 Business Plan. This 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 2017-2019 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 30 September 2016 because of the incapacity to generate sufficient cash flows to satisfy those forecast and envisaged in the 2017-2019 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.

8.3 Significant events in the third quarter of 2016

In July 2016 Be acquired 51% of IQUII, Digital Company created in 2011 and specialized in developing web and mobile applications, designing "wearable solutions" and managing Internet of Things. IQUII also has significant knowledges in Social Media management, Integrated Marketing and Digital PR. This acquisition will enable Be to convey on a specialized player all the development activities in the digital environment (web and mobile) requested by the customers. The price for the

acquisition of 51% of the shares was defined as equal to € 400,000. The parties have also established two consequent put/call options to acquire a further 29% by 2021 and to achieve, in 2025, 100% of the capital with the acquisition of the remaining share capital.

8.4 Events after 30 September 2016 and business outlook

In October Be has been awarded, as Parent Company of a Temporary Grouping of Enterprises, a multiyear European competition for the provision of IT services in the period 2016 - 2019 with Cassa Depositi e Prestiti S.p.A. (CDP). The contract, whose total value is Eur 7.4 million - more than Euro 4.8 mln to be delivered by Be over the next 36 months - is about to launch highly innovative projects with a Big Data approach. The contract also includes all the evolutionary activities in the digital innovation context, on CDP platforms.

In light of the positive results recorded by Be in the third quarter of the year, it is reasonable to confirm the growth trend - in revenues and profits - also for the year end and, more in general, the new targets for the period 2017-2019 communicated to the market on 15 September 2016.

Milan, 10 November 2016

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

9. 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>	30.09.2016	31.12.2015
NON-CURRENT ASSETS		
Property, plant and equipment	1,933	1,277
Goodwill	57,632	53,353
Intangible assets	15,323	16,795
Equity investments in other companies	300	0
Loans and other non-current assets	1,213	1,260
Deferred tax assets	5,377	5,232
Total Non-current assets	81,778	77,917
CURRENT ASSETS		
Inventories	41	39
Trade receivables	31,662	21,354
Other assets and receivables	3,266	2,944
Direct tax receivables	1,201	900
Financial receivables and other current financial assets	288	198
Cash and cash equivalents	10,078	19,626
Total Current assets	46,536	45,061
Total discontinued operations	0	0
TOTAL ASSETS	128,314	122,978
SHAREHOLDERS' EQUITY		
Share capital	27,109	27,109
Reserves	18,744	17,864
Net profit (loss)	4,828	3,455
Group Shareholders' equity	50,681	48,428
Minority interests:		
Capital and reserves	167	437
Net profit (loss)	764	347
Minority interests	931	784
TOTAL SHAREHOLDERS' EQUITY	51,612	49,212
NON-CURRENT LIABILITIES		
Financial payables and other non-current financial liabilities	11,927	9,286
Provisions for risks	1,665	2,106
Post-employment benefits (TFR)	6,981	6,146
Deferred tax liabilities	4,616	4,655
Other non-current liabilities	9,623	6,878
Total Non-current liabilities	34,812	29,071
CURRENT LIABILITIES		
Financial payables and other current financial liabilities	19,752	17,633
Trade payables	8,666	11,263
Provision for current risks	30	29
Tax payables	275	432
Other liabilities and payables	13,167	15,338
Total Current liabilities	41,890	44,695
Total Discontinued operations	0	0
TOTAL LIABILITIES	76,702	73,766
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	128,314	122,978

Restated Consolidated Income Statement

<i>amounts in Euro thousands</i>	9M 2016	9M 2015	Δ	Δ(%)
Operating Revenues	97,137	78,130	19,007	24.3%
Other Revenues and Income	794	1,058	(264)	(25.0%)
Total Revenues	97,931	79,188	18,743	23.7%
Cost of consumables	(191)	(442)	251	(56.8%)
Cost of services and use of third-party assets	(42,848)	(32,072)	(10,776)	33.6%
Personnel costs	(44,555)	(37,850)	(6,705)	17.7%
Other operating costs	(839)	(791)	(48)	6.1%
Cost of internal work capitalized	1,615	1,410	205	14.5%
Gross Operating Margin (EBITDA)	11,113	9,443	1,670	17.7%
Amortisation/Depreciation	(3,945)	(3,994)	49	(1.2%)
Write-downs and provisions	(103)	(175)	72	(41.1%)
Operating profit (EBIT)	7,065	5,273	1,791	34.0%
Net financial income and expense	(1,473)	(1,400)	(73)	5.2%
Write-down of financial assets	0	0	0	n.a.
Profit/(Loss) before tax from continuing operations	5,592	3,873	1,719	44.4%
Net Result from discontinued operations	0	0	0	n.a.
Profit/(Loss) of the period including minority interests	5,592	3,873	1,719	44.4%
Minority interests	764	411	353	n.a.
Profit/(Loss) before tax for the Group	4,828	3,463	1,365	39.4%

Condensed Consolidated Statement of Cash Flows

<i>Amounts in EUR thousands</i>	30.09.2016	30.09.2015
Operating activities:		
Group net profit (loss)	5,592	3,874
Adjustments of items that do not affect liquidity	5,688	3,113
<i>a) Cash flow from operating activities</i>	<i>11,280</i>	<i>6,987</i>
<i>b) Change in net working capital</i>	<i>(18,081)</i>	<i>(10,221)</i>
Gross operating cash flow (a+b)	(6,802)	(3,233)
<i>c) Cash flow generated (absorbed) by investing activities</i>	<i>(3,814)</i>	<i>(654)</i>
<i>d) Cash flow generated (absorbed) by financing activities</i>	<i>1,068</i>	<i>4,453</i>
<i>e) Cash flow generated (absorbed) by discontinued operations</i>	<i>0</i>	<i>0</i>
Total Cash flow (a+b+c+d+e)	(9,548)	565
Net cash and cash equivalents - opening balance	19,626	8,521
Net cash and cash equivalents - closing balance	10,078	9,086
Change in net cash and cash equivalents	(9,548)	565

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			4,828	4,828	764	5,592
Other items of comprehensive income		(1,124)		(1,124)	12	(1,112)
Net comprehensive profit (loss)		(1,124)	4,828	3,704	776	4,480
Allocation of prior year profit (loss)		3,455	(3,455)	0		0
Dividend distribution		(1,500)		(1,500)	(362)	(1,862)
(Purchases)/Disposals of Minority Interests		49		49	(268)	(219)
SHAREHOLDERS' EQUITY AT 30.09.2016	27,109	18,744	4,828	50,681	931	51,612