ANNUAL FINANCIAL REPORT

YEAR ENDED DECEMBER 31, 2012

Prepared according to IAS/IFRS

(This report has been translated into the English language from the original which was issued in Italian)

INDEX

1. GOVERNING BODIES AND OFFICERS

BOARD OF DIRECTORS

Chairman of the Board	Marco Pescarmona (1) (3) (5) (7)
Chief Executive Officer	Alessandro Fracassi (2) (3) (5)
Directors	Fausto Boni
	Andrea Casalini (4)
	Daniele Ferrero (4)
	Matteo De Brabant (4)
	Alessandro Garrone (4)
	Klaus Gummerer (4)
	Marco Zampetti
	Giuseppe Zocco

STATUTORY AUDITORS

Chairman of the Board	Fausto Provenzano
Active Statutory Auditors	Paolo Burlando
	Francesca Masotti
Substitute Statutory Auditors	Marco Maria Cervellera
	Giuseppe Ragusa

INDEPENDENT AUDITORS PricewaterhouseCoopers S.p.A.

COMMITTEES

Audit Committee

Chairman	Marco Zampetti
	Andrea Casalini
	Daniele Ferrero

Remuneration Committee

Chairman	Andrea Casalini
	Alessandro Garrone
	Matteo De Brabant

Committe for transactions with related parties

Chairman	Andrea Casalini
	Daniele Ferrero
	Matteo De Brabant

(1) The Chairman is the Company's legal representative.
(2) The Chief Executive Officer legally represents the Company, disjointly from the Chairman, within the limits of the delegated powers.
(3) Member of the executive committee.
(4) Independent non-executive Director.
(5) Holds executive offices in some Group companies.
(6) Lead Independent Director.
(7) Executive Director in charge of overseeing the Internal Control System.

DIRECTOR'S REPORT ON OPERATIONS

YEAR ENDED DECEMBER 31, 2012

2. DIRECTORS' REPORT ON OPERATIONS

2.1. Introduction

Gruppo MutuiOnline S.p.A. (the "**Company**" or the "**Issuer**") is the holding company of a group of financial services firms with a leadership position in the Italian market for the distribution of retail credit and insurance products through remote channels and in the Italian market for the provision of credit-related business process outsourcing services for retail lenders (the "**Group**").

In the following sections, we illustrate the main aspects regarding the operations during the past financial year and the current economic and financial structure of the Group.

2.2. Organizational structure

As of December 31, 2012, the Issuer controls the following wholly-owned subsidiaries:

- **MutuiOnline S.p.A.**, **CreditOnline Mediazione Creditizia S.p.A.**, **CercAssicurazioni.it S.r.l.** and **Segugio.it S.r.l.** (formerly called Overlord S.r.l.): operating in the Italian market for the distribution of credit and insurance products to retail consumers; together they represent the **Broking Division** of the Group;

- **Centro Istruttorie S.p.A.**, **Centro Finanziamenti S.p.A.**, **Centro Perizie S.r.l.**, **Effelle Ricerche S.r.l., Quinservizi S.p.A.** and **Finprom S.r.l.**: operating in the Italian market for the provision of credit-related outsourcing services to retail lenders; together they represent the **BPO** (i.e. Business Process Outsourcing) **Division** of the Group;

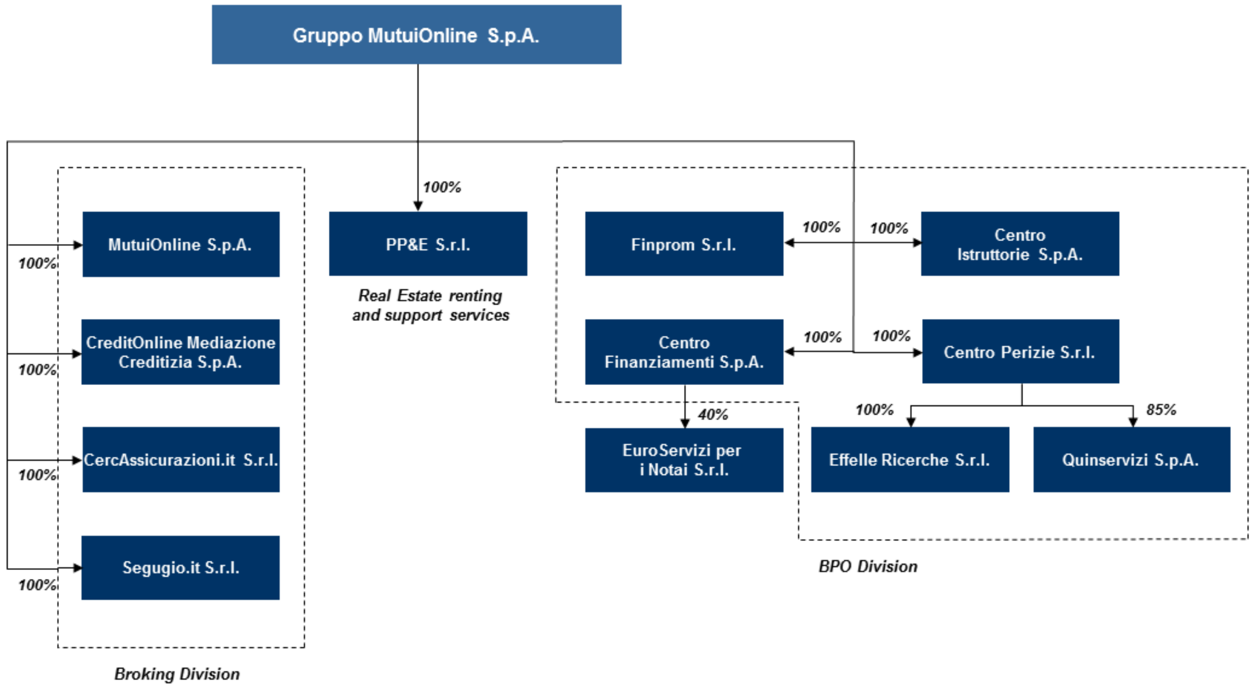
- **PP&E S.r.l.**: offering real estate renting and support services to the other Italian subsidiaries of the Issuer.

We highlight that on December 11, 2012 we completed the merger by incorporation into Quinservizi S.p.A, of Key Service S.r.l., already totally owned by Quinservizi S.p.A..

All the above mentioned companies are therefore fully controlled, directly or indirectly, by the Issuer, with the exception of Quinservizi S.p.A., in which the Group holds, through Centro Perizie S.r.l., an 85% stake (including the 10% acquired from minority shareholders during the financial year ended on December, 31 2012).

Finally, as of December, 31 2012, the Group holds a 40% stake in EuroServizi per i Notai S.r.l. through subsidiary Centro Finanziamenti S.p.A.. The company is active in the provision of services to coordinate and facilitate relationships between public notaries, lenders, other businesses and professionals, consumers as well as in the provision of services to notaries and other professionals in general.

Therefore, the consolidation area as of December 31, 2012 has not changed compared to the financial year ended December 31, 2011.



On January 14, 2013, the Group purchased another 20% of the ordinary share capital of EuroServizi per i Notai S.r.l., acquiring the control of the company. The participation, equal to 60% of the ordinary share capital, is directly owned by Gruppo MutuiOnline S.p.A..

Moreover on February 14, 2013 the Issuer purchased 100% of the ordinary share capital of Money360.it S.p.A., an online credit broker operating through the website www.money360.it.

Our Broking Division operates in the Italian market for loan distribution carrying out activities of credit intermediation and also in the market for insurance distribution as a broker. The activities carried out by our Broking Division are organized into four different business lines, on the basis of the products brokered and the channel through which we broker those products:

(a) **MutuiOnline Business Line:** broking mortgage loans through remote channels (www.mutuionline.it website);

(b) **PrestitiOnline Business Line:** broking consumer loans (prevalently personal loans) through remote channels (www.prestitionline.it website);

(c) **CreditPanel Business Line:** broking loans (prevalently mortgages) through physical channels; and

(d) **CercAssicurazioni Business Line:** broking insurance products, mainly motor third party liability and other motor insurance products through remote channels (www.cercassicurazioni.it website).

Our BPO Division's services for lenders principally consist of commercial sales and packaging services; loan underwriting services and liaising with third parties to collect related documentation and finalize the loan disbursement; and servicing of loan portfolios. Such services are performed with respect to two main retail credit products: residential mortgages; loans guaranteed by a withholding on the borrowers' salary or pension or by a payment mandate on the salary ("**Employee Loans**"). Our BPO services are structured along three separate business lines, on the basis of the type of services offered and the type of underlying loan product:

(a) Front-End Sales (**FEC Business Line**): provides remote loan sales and packaging;

(b) Mortgage Processing Center (**CEI Business Line**): provides mortgage underwriting and closing services; in this Business Line are currently included services for the valution of real estates; and

(c) Employee Loans Processing Center (**CLC Business Line**): provides Employee Loan application processing and portfolio managementent services.

2.3. Information about the profitability of the Group

In the following paragraph we describe the main factors affecting the results of the operations of the Group for the year ended December 31, 2012. The income statement and the cash flow data for the year ended December 31, 2012 are taken from the consolidated annual report prepared according to the international accounting standards approved by the European Union and are compared with the same data for the year ended December 31, 2011.

The following table shows the consolidated income statements of the Group for the years ended December 31, 2012 and 2011, together with the percentage weight of each item on the Group revenues.

(euro thousand)	Years ended on December 31, 2012	(a)	December 31, 2011	(a)	Change %
Revenues	38,462	100.0%	71,835	100.0%	-46.5%
of which					
Broking Division	*17,259*	*44.9%*	*41,914*	*58.3%*	*-58.8%*
BPO Division	*21,203*	*55.1%*	*29,921*	*41.7%*	*-29.1%*
Other income	1,411	3.7%	623	0.9%	126.5%
Capitalization of internal costs	530	1.4%	458	0.6%	15.7%
Services costs	(15,008)	-39.0%	(19,130)	-26.6%	-21.5%
Personnel costs	(18,525)	-48.2%	(19,134)	-26.6%	-3.2%
Other operating costs	(1,770)	-4.6%	(2,150)	-3.0%	-17.7%
Depreciation and amortization	(1,490)	-3.9%	(1,595)	-2.2%	-6.6%
Operating income	**3,610**	**9.4%**	**30,907**	**43.0%**	**-88.3%**
Financial income	440	1.1%	428	0.6%	2.8%
Financial expenses	(1,156)	-3.0%	(302)	-0.4%	282.8%
Income/(losses) from participations	(61)	-0.2%	45	0.1%	-235.6%
Income/(losses) from financial assets/liabilities	1,097	2.9%	-	0.0%	N/A
Net income before income tax expense	**3,930**	**10.2%**	**31,078**	**43.3%**	**-87.4%**
Income tax expense	(344)	-0.9%	(10,218)	-14.2%	-96.6%
Net income	**3,586**	**9.3%**	**20,860**	**29.0%**	**-82.8%**

(a) *% of total revenues*

Revenues for the year ended December 31, 2012, are Euro 38,462 thousand, 46.5% lower than the previous year. Please refer to paragraph 2.3.1 for the evolution of revenues by Division and Business Line.

In the year ended December 31, 2012, services costs decrease by 21.5% compared to the financial year ended December 31, 2011. This item shows a decrease proportionally lower than the drop registered in revenues. Facing a decrease of the commissions paid to the CreditPanel intermediaries and of the costs for notary and valuation services, according with the overall performance of the Group, we registered a less than proportional decrease of marketing costs due to the increase of the advertising costs for the launch of the new website "Segugio.it", as well as to the increase of postage costs due to the development and consolidation of the Employee Loan portfolio servicing business of the BPO Division.

Personnel costs decrease by 3.2% compared to the financial year ended December 31, 2011. Such decrease is mainly due to the combined effects of the actions for the reduction of costs and operational capacity, started at the end of 2011, together with the expansion of the consolidation area after the acquisition of Quinservizi S.p.A. and Key Service S.r.l., which took place in the final quarter of the previous financial year.

The following table provides information about the average headcount for the financial years ended December 31, 2012 and 2011:

	Years ended December 31, 2012	Years ended December 31, 2011
Managers	10	9
Supervisors	15	12
Employees	746	740
Average headcount	**771**	**761**
Headcount in Italy	491	438
Headcount in Romania	280	323

In this respect, with regards to the past audit from the territorial staff of the Ministry of Labor, which affected subsidiaries MutuiOnline S.p.A. and Centro Istruttorie S.p.A., it is worth pointing out that there are no significant changes with respect to the information presented in the annual report for the year ended December 31, 2011.

Other operating costs show a decrease compared to the financial year ended December 31, 2011, mainly due to the decrease of non-deductible VAT costs.

Financial income for the year ended December 31, 2012, shows a negative balance, due to exchange rate loss deriving from the use of liquidity to purchase financial assets denominated in foreign currency and to interest expenses accrued on the bank loans, only partially offset by the interest income deriving from the use of the available liquidity.

Moreover, the income statement includes income deriving from transactions with the minority shareholders of some subsidiaries.

Finally, it is worth pointing out that the effective tax rate on taxable income presents a significant drop compared to the effective tax rate of the previous financial year.

2.3.1. Revenues

The table below provides a breakdown of our revenues by Division and Business Line, for the years ended December 31, 2012 and 2011.

	Years ended on				
(euro thousand)	**December 31, 2012**	**(a)**	**December 31, 2011**	**(a)**	**Change %**
MutuiOnline Business Line	7,682	20.0%	26,855	37.4%	-71.4%
PrestitiOnline Business Line	5,243	13.6%	10,319	14.4%	-49.2%
CreditPanel Business Line	414	1.1%	1,978	2.8%	-79.1%
CercAssicurazioni Business Line	3,789	9.9%	2,762	3.8%	37.2%
Other revenues of Broking Division	131	0.3%	-	0.0%	N/A
Total revenues of the Broking Division	**17,259**	**44.9%**	**41,914**	**58.3%**	**-58.8%**
FEC Business Line	2,968	7.7%	7,534	10.5%	-60.6%
CEI Business Line	7,638	19.9%	18,240	25.4%	-58.1%
CLC Business Line	10,597	27.6%	4,147	5.8%	155.5%
Total revenues of the BPO Division	**21,203**	**55.1%**	**29,921**	**41.7%**	**-29.1%**
Total revenues	**38,462**	**100.0%**	**71,835**	**100.0%**	**-46.5%**

(a) *Percentage of total revenues.*

Broking Division

Revenues of the Broking Division decrease from Euro 41,914 thousand in the financial year ended December 31, 2011 to Euro 17,259 thousand in the financial year ended December 31, 2012 (-58.8%).

With reference to the financial year ended December 31, 2012, the revenues of the Broking Division are attributable for 20.0% to the MutuiOnline Business Line, for 13.6% to the PrestitiOnline Business Line, for 1.1% to the CreditPanel Business Line, for 9.9% to the Cercassicurazioni Business Line and for the remaining 0.3% to other revenues of the Broking Division.

MutuiOnline Business Line

Revenues of the MutuiOnline Business Line decrease from Euro 26,855 thousand in 2011 to Euro 7,682 thousand in 2012 (-71.3%) as a result of a significant decrease of brokered mortgage volumes compared to the previous financial year and lower average fees received, mainly due to the absence of incentives on brokered mortgage volumes.

PrestitiOnline Business Line

Revenues of the PrestitiOnline Business Line decrease from Euro 10,319 thousand in the year ended December 31, 2011 to Euro 5,243 thousand in the year ended December 31, 2012 (-49.2%).

CreditPanel Business Line

Revenues of the CreditPanel Business Line decrease from Euro 1,978 thousand in financial the year ended December 31, 2011 to Euro 414 thousand in the financial year ended December 31, 2012 (-79,1%), in line with the drop of the brokered mortgages volumes.

Cercassicurazioni Business Line

Revenues of the Cercassicurazioni Business Line grow from Euro 2,762 thousand in the financial year ended December 31, 2011 to Euro 3,789 thousand in the financial year ended December 31, 2012, as volumes of brokered contracts record a significant increase.

BPO Division

Revenues of the BPO Division decrease from Euro 29,921 thousand in the financial year ended December 31, 2011 to Euro 21,203 thousand in the financial year ended December 31, 2012 (-29.1%). This sharp drop has been caused by the collapse of new credit flows originated by the clients of the Division, both for mortgages and for salary-guaranteed loans, whose impact has however been mitigated by the acquisition of Quinservizi S.p.A. and Key Service S.r.l.: keeping the same perimeter, the revenues of the Division would have been down 55% year on year.

In the financial year ended December 31, 2012, we highlight that the distribution of the BPO Division revenues among different clients has increased compared to the financial year ended on December 31, 2011. For this purpose, it is also worth highlighting that the incidence of the main client of the BPO Division on total revenues is equal to 21.0% down from 24.9% recorded by the main client of the Division in 2011.

The decrease of revenues is mainly due to the sustained drop of revenues in the CEI and FEC Business Lines, while we highlight a strong increase of the CLC Business Line.

FEC Business Line

Revenues of the FEC Business Line decrease from Euro 7,534 thousand in the financial year ended December 31, 2011 to Euro 2,968 thousand in the financial year ended December 31, 2012 (-60,6%).

CEI Business Line

Revenues of the CEI Business Line decrease from Euro 18,240 thousand in the financial year ended December 31, 2011 to Euro 7.638 thousand in the financial year ended December 31, 2012 (-58.1%).

CLC Business Line

Revenues of the CLC Business Line significantly increase from Euro 4,147 thousand in the financial year ended December 31, 2011 to Euro 10,597 thousand in the financial year ended December 31, 2012 (+155,5%), mainly due to the inclusion of Quinservizi S.pA. in the consolidation area in December 2011.

2.3.2. Operating income (EBIT)

Operating income (EBIT) decreases from Euro 30,907 thousand in the financial year ended December 31, 2011 to Euro 3,610 thousand in the financial year ended December 31, 2012 (-88.3%) as detailed in the following table.

	Years ended on				
(euro thousand)	December 31, 2012	(a)	December 31, 2011	(a)	Change %
Operating income	3,610	9.4%	30,907	43.0%	-88.3%
of which					
Broking Division	*2,904*	*16.8%*	*23,697*	*56.5%*	*-87.7%*
BPO Division	*706*	*3.3%*	*7,210*	*24.1%*	*-90.2%*

(a) *Percentage of total revenues, if appropriate by Division (operating margin).*

The operating income margin for the financial year ended December 31, 2012 is 9.4% of revenues, down compared to the operating income margin for the financial year ended December 31, 2011. This drop of the operating margin is attributable to both the Divisions of the Group.

The ROI (Return on Investments) for the year ended December 31, 2012, defined as the ratio between EBIT of the period and total assets at the end of the period, is equal to 6,9% (49.7% in the year ended December 31, 2011).

2.3.3. EBITDA

EBITDA is calculated as net income before income tax expense, net financial income/(expenses), and depreciation and amortization.

The following table presents a reconciliation between net income and EBITDA for the financial years ended December 31, 2012 and 2011:

	Years ended on			
(euro thousand)	December 31, 2012	December 31, 2011	Change	%
Net income	3,586	20,860	(17,274)	-82.8%
Income tax expense	344	10,218	(9,874)	-96.6%
Income/(losses) from financial assets/liabilities	(1,097)	-	(1,097)	N/A
Income/(losses) from participations	61	(45)	106	-235.6%
Financial expenses	1,156	302	854	282.8%
Financial income	(440)	(428)	(12)	2.8%
Depreciation and amortization	1,490	1,595	(105)	-6.6%
EBITDA	**5,100**	**32,502**	**(27,402)**	**-84.3%**

EBITDA decreases in the financial year ended December 31, 2012, passing from Euro 32,502 thousand in the financial year ended December 31, 2011 to Euro 5,100 thousand in 2012 (-84.3%).

2.3.4. Net income

Net income decreases in the financial year ended December 31, 2012, passing from Euro 20,860 thousand in the financial year ended December 31, 2011 to Euro 3,586 thousand in the financial year ended December 31, 2012 (-82.8%), showing a slightly better trend compared to the operating income.

For the financial year ended December 31, 2012, the ROE (Return on Equity), defined as the ratio between the net income of the period and the net capital at the end of the period, is equal to 11.0% (62.6% in the financial year ended December 31, 2011).

2.4. Information about the financial resources of the Group

The following table presents the net financial position, as defined in the CONSOB communication N. DEM/6064293 dated July 28, 2006, as of December 31, 2012 and 2011.

(euro thousand)	As of December 31, 2012	As of December 31, 2011	Change	%
A. Cash and cash equivalents	13,845	24,871	(11,026)	-44.3%
B. Other cash equivalents	-	-	-	N/A
C. Securities held for trading	9,709	1,980	7,729	390.4%
D. Liquidity (A) + (B) + (C)	**23,554**	**26,851**	**(3,297)**	**-12.3%**
E. Current financial receivables	**-**	**-**	**-**	**N/A**
F. Bank borrowings	-	(2,205)	2,205	-100.0%
G. Current portion of long-term borrowings	(758)	(739)	(19)	2.6%
H. Other short-term borrowings	-	-	-	N/A
I. Current indebtedness (F) + (G) + (H)	**(758)**	**(2,944)**	**2,186**	**-74.3%**
J. Net current financial position (I) + (E) + (D)	**22,796**	**23,907**	**(1,111)**	**-4.6%**
K. Non-current portion of long-term bank borrowings	(5,048)	(5,795)	747	-12.9%
L. Bonds issued	-	-	-	N/A
M. Other non-current borrowings	-	-	-	N/A
N. Non-current indebtedness (K) + (L) + (M)	**(5,048)**	**(5,795)**	**747**	**-12.9%**
O. Net financial position (J) + (N)	**17,748**	**18,112**	**(364)**	**-2.0%**

The net financial position as of December 31, 2012 and 2011 shows a positive (i.e. cash) balance. For a description of the evolution of cash flows please refer to the following paragraph.

The Debt/Equity ratio, defined as the ratio between net financial debt and net equity, as of December 31, 2012 is equal to -0.55 (-0.54 as of December 31, 2011).

2.4.1. Current and non-current indebtedness

Current and non-current indebtedness as of December 31, 2012 and 2011 is summarized in the following table.

(euro thousand)	As of December 31, 2012	December 31, 2011	Change	%
Other current bank borrowings	-	(2,205)	2,205	-100.0%
Bank borrowings:				
Less than 1 year	(758)	(739)	(19)	2.6%
1 - 5 years	(3,981)	(3,655)	(326)	8.9%
More than 5 years	(1,067)	(2,140)	1,073	-50.1%
Total financial indebtedness	**(5,806)**	**(8,739)**	**2,933**	**-33.6%**

The non-current indebtedness as of December 31, 2012 is 86.9% of the total financial indebtedness.

Long and medium-term bank borrowings

Bank borrowings as of December 31, 2012, including accrued interest expenses (amounting to Euro 10 thousand) are summarized in the following table:

(euro thousand)	As of December 31, 2012 Less than 1 year	1 - 5 years	More than 5 years	TOTAL
Loan from Intesa Sanpaolo S.p.A.	(686)	-	-	(686)
Loan from Cariparma S.p.A.	(8)	(3,933)	(1,067)	(5,008)
Loan from Banca di Romagna S.p.A.	(64)	(48)	-	(112)
Bank borrowings	**(758)**	**(3,981)**	**(1,067)**	**(5,806)**

(euro thousand)	As of December 31, 2011 Less than 1 year	1 - 5 years	More than 5 years	TOTAL
Loan from Intesa Sanpaolo S.p.A.	(677)	(685)	-	(1,362)
Loan from Cariparma S.p.A.	(1)	(2,860)	(2,140)	(5,001)
Loan from Banca di Romagna S.p.A.	(61)	(110)	-	(171)
Bank borrowings	**(739)**	**(3,655)**	**(2,140)**	**(6,534)**

Short-term bank borrowings and credit lines

Short-term bank borrowings

As of December 31, 2012, the Group has no credit lines, not used, with the exception of the following:

Credit line granted by Intesa Sanpaolo S.p.A.

In July 2006 Intesa Sanpaolo S.p.A. granted to the Group a standing overdraft facility of Euro 2,000 thousand, for fixed utilization for a term of up to 18 months. The applicable interest rate is equal to Euribor plus 0.60%. The Group used this credit line starting from July 15, 2011 for a term of 12 months with an applicable interest rate equal to Euribor 12M plus 0.60%.

2.4.2. Cash flow analysis

In the present paragraph we present an analysis of the consolidated cash flows of the Group for the financial years ended December 31, 2012 and 2011.

The following table shows a summary of the consolidated statements of cash flows for the financial years ended December 31, 2012 and 2011.

(euro thousand)	Years ended December 31, 2012	Years ended December 31, 2011	Change	%
A. Cash Flow from operating activities before changes in net working capital	4,241	23,728	(19,487)	-82.1%
B. Changes in net working capital	3,382	(2,351)	5,733	243.9%
C. Net cash provided by operating activities (A) + (B)	**7,623**	**21,377**	**(13,754)**	**-64.3%**
D. Net cash used in investing activities	**(10,235)**	**2,857**	**(13,092)**	**-458.2%**
E. Net cash used in financing activities	**(5,650)**	**(12,243)**	**6,593**	**53.9%**
Net increase/(decrease) in cash and cash equivalents (C) + (D) + (E)	**(8,262)**	**11,991**	**(20,253)**	**-168.9%**

In the financial year ended December 31, 2012 the Group absorbed liquidity for an amount equal to Euro 8,262 thousand, versus an amount of liquidity equal to Euro 11,991 thousand generated during the financial year ended December 31, 2011. This variation is attributable to all activities of the Group, as described below.

Cash flow generated by operating activities

Operating activities show a decrease of cash generation, passing from Euro 21,377 thousand in the financial year ended December 31, 2011 to Euro 7,623 thousand in the financial year ended December 31, 2012.

Such decrease is due to the strong decrease of the operating activity of the Group, only partially offset by the liquidity generated by net working capital, for the analysis of which please refer to paragraph 2.4.3.

Cash flows absorbed by investment activities

Investment activities absorbed cash for Euro 10,235 thousand in the financial year ended December 2012 and generated cash for Euro 2,857 thousand in the financial year ended December 31, 2011 Cash absorption during the financial year ended December 31, 2012 is attributable for the most to the net increase in the use of available liquidity in short-term financial assets held to maturity for Euro 7,729 thousand, and from the liquidity absorbed by the acquisition of minority stakes of some subsidiaries.

Cash flows generated by financial activities

Financial activities absorbed liquidity for Euro 5,650 thousand in the financial year ended December 31, 2012 and for Euro 12,243 thousand in the financial year ended December 31, 2011.

The absorption of liquidity in the financial year ended December 31, 2012 is mainly due to the payment of dividends for Euro 4,476 thousand (Euro 13,885 thousand in 2011)

2.4.3. Composition and changes in net working capital

The following table presents the breakdown of the components of net working capital as of December 31, 2012 and 2011.

(euro thousand)	As of December 31, 2012	As of December 31, 2011	Change	%
Trade receivables	14,181	24,198	(10,017)	-41.4%
Contract work in progress	434	326	108	33.1%
Other current assets and tax receivables	4,291	773	3,518	455.1%
Trade and other payables	(4,638)	(4,944)	306	-6.2%
Tax payables	(942)	(3,033)	2,091	-68.9%
Other current liabilities	(4,210)	(4,822)	612	-12.7%
Net working capital	**9,116**	**12,498**	**(3,382)**	**-27.1%**

Net working capital decreased generating liquidity for Euro 3,382 thousand in the financial year ended December 31, 2012. This trend is mainly linked to the decrease of "Trade receivables", only partially offset by the increase of "Tax receivables" and by the decrease of "Tax payables" and "Other current liabilities".

"Trade Receivables" pass from Euro 24,198 thousand as of December 31, 2011 to Euro 14,181 thousand as of December 31, 2012, showing a decrease by 41.4%. This trend is linked to the decrease of trade receivables. It is worth pointing out that the Days of Sales Outstanding (DSO) are equal to 131 days for the financial year ended December 2012 (121 days for the year ended December 31, 2011).

The increase of "tax receivables" is due to the amount of advance taxes paid by the Group's companies during the financial year ended December 31, 2012 compared to the total of current taxes due for the same year. The other components of net working capital do not present any significant variations as of December 31, 2012.

2.5. Table of reconciliation of the consolidated net income and equity with the Issuer's data

(euro thousand)	Net income for the year ended December 31, 2012	Shareholders' equity as of December 31, 2012	Net income for the year ended December 31, 2011	Shareholders' equity as of December 31, 2011
Net income and shareholders' equity of the Issuer	**1,916**	**11,740**	**11,118**	**13,654**
Net income and shareholders' equity of the subsidiaries	5,166	45,742	24,040	42,389
Consolidation adjustements				
Elimination of the value of investment in subsidiaries	-	(20,753)	-	(16,378)
Elimination of the dividends from associated companies	(4,200)		(13,829)	-
Own shares purchased by subsidiaries	-	(6,734)	-	(6,734)
Cost of stock options for the personnel of the subsidiaries	(335)	-	(332)	-
Other consolidation adjustments	1,039	2,771	(137)	973
Consolidated net income and shareholders' equity	**3,586**	**32,766**	**20,860**	**33,904**

Among other consolidation adjustments we also include Euro 1,715 thousand for the effects deriving from the recording of the financial liabilities towards minority shareholders emerging from the put and call options for the residual stake in Quinservizi S.p.A., recorded at the time of acquisition of control and which turned out to be higher than the actual amount paid. The accounting for these effects generates in the financial year net income equal to Euro 1,098 thousand. Among other consolidation adjustments we also include the greater values deriving from the consolidation of participations, mainly in Quinservizi S.p.A. and Effelle Ricerche S.r.l., for Euro 4,386 thousand.

2.6. Research and development

Within the Group, at least twelve employees regularly work with the objective of improving and enhancing the IT systems and the software platforms used by the Group to supply its services to consumers, lenders and insurance companies.

The capitalized costs related to software development in the financial year ended on December 31, 2012 amount to Euro 530 thousand (Euro 458 thousand in 2011).

The proprietary software platforms represent the heart of the operations of the companies of the Group in both Divisions and must be continuously expanded and developed to improve their commercial effectiveness, incorporate legislative changes, manage new kinds of products, simplify processes, increase efficiency, improve consulting ability, increase operators' productivity, adapt to the increasingly sophisticated underwriting criteria of lenders, and ensure data protection and security.

2.7. Own shares

On April 26, 2012, the shareholders' meeting revoked, for the unused portion, the previous authorization for the purchase and sale of own shares dated November 9, 2010 and authorized the purchase of own shares within the limits of retained earnings and distributable reserves from the last approved statutory financial statements of the Issuer and for a period of 18 months, with the following purposes:

(a) for activities in support of market liquidity;

(b) for the possible use of shares as compensation in extraordinary transactions, including exchanges of participations with other subjects, as part of transactions in the Company's interest;

(c) to allot own shares purchased to distribution programs, against payment or free of charge, of stock options or shares to employees, directors and other personnel of the Company or its subsidiaries, as well as for the service of programs for the free allocation of shares to shareholders;

(d) for the execution of the contract signed between the Issuer and "Equita SIM S.p.A.", for its role as specialist on the stock market;

(e) for an efficient investment of the liquidity of the Group.

During the year ended December 31, 2012 the Group has neither purchased nor sold any shares of the Issuer.

Therefore, as of December 31, 2011 the Issuer holds 561,500 own shares, equal to 1.421% of ordinary share capital, for a total cost equal to Euro 2,725 thousand. Subsidiary MutuiOnline S.p.A. holds a total 1,500,000 shares of the Issuer, equal to 3,796% of ordinary share capital, for a total cost equal to Euro 6,159 thousand, and subsidiary Centro Istruttorie S.p.A. holds a total of 151,522 shares of the Issuer, equal to 0.383% of ordinary share capital of the Issuer, for a total cost equal to Euro 575 thousand.

Summing up, as of December 31, 2012, the Issuer and its subsidiaries hold a total of 2,213,022 shares of the Issuer, equal to 5.601% of ordinary share capital, for a total cost equal to Euro 9,659 thousand.

During the first months of 2013, the Issuer has not made any purchase of own shares.

2.8. Report on corporate governance

For the report on corporate governance and on the adhesion to the codes of conduct, please refer to the report approved by the Board of Directors on March 13, 2013 and attached to this document.

2.9. Shareholdings of the members of the governing and controlling bodies, general managers and managers with strategic responsibilities

The following table shows the participations in the ordinary share capital of the Issuer held by the members of the governing and controlling bodies, general managers and managers with strategic responsibilities in the year ended December 31, 2012.

Name	Office	Shares held as of December 31, 2011	Shares purchased	Shares sold	Shares held as of December 31, 2012	Possession title	Way of possession
Marco Pescarmona	Chairman	-	-	-	-		
Alessandro Fracassi	CEO	-	-	-	-		
Fausto Boni	Director	133,952	-	-	133,952	P	D
Andrea Casalini	Director	10,000	-	10,000	-	P	D
Daniele Ferrero	Director	21,592	-	-	21,592	P	I
Matteo De Brabant	Director	-	-	-	-		
Alessandro Garrone	Director	-	-	-	-		
Klaus Gummerer	Director	-	-	-	-		
Marco Zampetti	Director	15,000	-	-	15,000	P	D
Giuseppe Zocco	Director	-	-	-	-		
Fausto Provenzano	Chairman of the board of the statutory auditors	3,500	-	-	3,500	P	D
Paolo Burlando	Statutory auditor	7,000	-	-	7,000	P	D
Francesca Masotti	Statutory auditor	-	4,200	-	4,200		

Legend:
P: Property
D: Direct possession

Besides, it is worth pointing out that Marco Pescarmona holds a 50% indirect shareholding in Alma Ventures S.A. (through Guderian S.r.l.) and Alessandro Fracassi holds a 50% indirect shareholding in Alma Ventures S.A. (through Casper S.r.l.) and that Alma Venture S.A., as of December 31, 2012, holds 12,841,070 shares of the Issuer, equal to 32.5% of the ordinary share capital, none of which was purchased during the year ended December 31, 2012.

Finally, it is worth pointing out that there are no managers with strategic responsibilities.

2.10. Evolution of the Italian residential mortgage market

The Italian residential mortgage market has recorded a continuous deterioration starting from September 2011, which has led in 2012 to a deep contraction of new flows compared to the previous year. Data from Assofin, an industry association which represents the main lenders active in the sector, indicate a year on year reduction of gross new mortgage lending of 54% in 2012 and of 24% in January 2013; within this total, the drop of remortgages is even stronger, equal to 94%. Data from CRIF, a company which manages the main credit bureau in Italy, show a year on year contraction of credit report inquiries for mortgages of 14% in January 2013 and of 10% in February 2013, which is likely to imply a further moderate contraction of new mortgage originations in the first half of the year.

The on-going market contraction is clearly caused by the great weakness of credit demand from consumers, against a background of high political uncertainty and economic recession, together with a stable but still restrictive situation of credit supply. The outcome of the recent elections, unfortunately, is not likely to lead to the formation of a stable government nor to the implementation of serious reforms to support growth. Therefore, we believe that the most likely scenario for 2013 will be a continuation of the current demand and supply dynamics, with the result of a progressive stabilization of the market at historically very low levels.

2.11. Foreseeable evolution

2.11.1. Broking Division

The financial year ended December 31, 2012 has been marked by a deep drop of the revenues and profitability of the Broking Division, mainly attributable to the collapse of the Italian retail credit market. The insurance broking business, which mostly refers to mandatory motor TPL contracts, has however displayed significant revenue growth through the year, accelerating in the final months due to the launch of the new "Segugio" (i.e. "hunting dog") brand with important investments in advertising.

As of now, the conditions of the retail credit market, as well as the volumes of new credit applications, do not allow us to expect recovery of the credit broking business, which seems oriented towards a scenario of stability at historically very low levels. The pre-requisite for the recovery of this business is a substantial improvement of consumer sentiment, accompanied by an increase in lenders' credit appetite: today, given the climate of political uncertainty and economic recession of the Country, we believe it is unlikely that these conditions could take place in 2013.

On the other hand, it is possible to predict a continuous and significant growth of insurance broking revenues, fueled by the advertising for Segugio.it; this growth is likely to imply, until the end of 2013, a negative impact on the profit and loss statement.

MutuiOnline Business Line

The revenues of the MutuiOnline Business Line drop from Euro 26.9 million in 2011 to Euro 7.7 million in 2012 (-71,4%), primarily because of a decrease of the volume of brokered mortgages coherent with the collapse of the reference market and secondarily because of a drop of average commissions mainly due to the inability to reach volume bonus targets. In this context, we confirm the general stability of the market share of the MutuiOnline Business Line, which remains above 4% with respect to the Assofin panel in 2012, just as it was in 2011.

The volumes of incoming applications in the first months of 2013, slightly down year on year, are coherent with the evolution of the reference market and allow us to foresee a stabilization of the business in the first half of the year, albeit to historically very low levels. We highlight that the volumes of brokered mortgages for refinancing purposes have become irrelevant.

PrestitiOnline Business line

The revenues of the PrestitiOnline Business Line drop from Euro 10.3 million in 2011 to Euro 5.2 million in 2012 (-49.2%) due to a drop of the amount of brokered loans, which can be attributed to the combination of a drop in demand and a tightening of the approval criteria of partner lenders.

In the first months of 2013 we can observe a light year on year contraction of the volume of applications and of brokered loans, which allows us to foresee a stabilization of activity in the first half of the year, albeit to historically low levels.

CreditPanel Business Line

The revenues of the CreditPanel Business Line drop from Euro 2.0 million in 2011 to Euro 0.4 million in 2012 (-79.1%), due to the collapse of the reference market and the actions undertaken to adapt the distribution network to the new regulatory environment.

We expect that in 2013, the first year of full effectiveness of a new regulatory framework for credit broking which should favor the development of a well-structured and transparent entity such as CreditPanel, the business will grow despite a severely deteriorated market.

Cercassicurazioni Business Lines

Revenues of the CercAssicurazioni Business Line grow from Euro 2.8 million in 2011 to Euro 3.8 million in 2012 (+38.2%), with a significant acceleration in the last quarter following the launch of Segugio.it.

For 2013 we expect to maintain a level of investments in advertising for the development of the Segugio brand in line with the last months of 2012. This decision should allow us to record an important revenue growth, but at the same time will imply for 2013 a net negative contribution of the CercAssicurazioni Business Line to the profit and loss statement of the Division, for an amount initially comparable to that of the fourth quarter of 2012 and afterwards progressively lower. In this context, at the beginning of March 2013, we launched a new TV commercial with a clearer and direct message (see http://www.youtube.com/watch?v=o9oUEle2oqg).

2.11.2. BPO Division

Overall, 2012 has been a very difficult year for the BPO Division: with a reduction of revenues of 29.1% compared to 2011 and an operating margin dropping to 3.3% (compared to 24.1% in 2011). As already discussed and analyzed in the past, this sharp drop has been caused by the collapse of new credit flows originated by the clients of the Division, both for mortgages and for salary-guaranteed loans, whose impact has however been mitigated by the acquisition of Quinservizi S.p.A. and Key Service S.r.l.: keeping the same perimeter, the revenues of the Division would have been down 55% year on year, with an even deeper impact on profitability.

During 2012, therefore, management attention was concentrated on three fronts: managing the integration and the growth of the acquired companies, reducing staff over-capacity in traditional areas, and looking for new business opportunities with existing clients and new lenders. The results of our efforts have become visible through the year, during which the Division has progressively recovered profitability, passing from an operating loss in the first quarter, to break-even in the second quarter, to an operating margin of 4.1% in the third quarter, finally reaching an operating margin of 13.4% in the fourth quarter of 2012. It helps to underline that starting from the fourth quarter of 2012 even the traditional businesses of the Division have provided a positive contribution to operating income.

Even in a situation of continuing uncertainty, that the outcome of the general elections has only amplified, stable incoming business volumes allow us to foresee a performance in the first part of 2013 in line with the most recent months, and therefore with positive margins and growing income compared to the same period of 2012. The Division continues with its commercial development effort, both within its traditional operating perimeter and in contiguous areas where, as already mentioned, growth could also come by means of targeted acquisitions, as well as organically.

FEC and CEI Business Lines

During 2012, both the FEC and the CEI Business Lines have recorded a steep contraction of revenues, equal respectively to 60.6% and 58.1%, compared to 2011, because of the drop of new mortgage originations of client lenders. As already explained, this reduction is caused not only by a reduction of credit supply but also and above all by the deep contraction of credit demand from consumers.

In the last months of 2012 as well as in the first weeks of 2013, incoming business volumes seem to have stabilized at the same levels of the same period of the previous year or show slight growth. Also the volume targets for 2013 that our clients have communicated to us are broadly stable at the levels of the previous year. To this base, in the second half of the year, we expect to add the additional volumes of a new collaboration regarding personal loans.

For this reason, for both the Business Lines, we foresee for the first half of 2013 a level of revenues and profitability in line with the fourth quarter of 2012, adjusted for seasonality effects.

CLC Business Line

The CLC Business Line has recorded in 2012 an increase of revenues of 155.5%. In fact, behind this growth we should distinguish two different effects: the traditional business linked to the origination of new salary-guaranteed loans has shown a performance similar to that of the other business lines (and therefore its revenues have halved); and the integration within the Business Line of the new portfolio servicing business acquired with Quinservizi S.p.A.

For 2013, both these components are expected to remain stable.

2.12. Other information

2.12.1. Offices

The registered offices of the Issuer and of the Italian subsidiaries are located at Via Felice Casati, 1/A, Milan with the exceptions of CercAssicurazioni.it S.r.l. whose registered office is located at Via Ciro Menotti 11, Milan, of Segugio.it S.r.l., whose registred office is located at Via Rondoni, 1, Milano and of Quinservizi S.p.A. whose registered office is located at Via Romolo Ossani, 14, Faenza.

The registered and operating offices of Finprom S.r.l. are in Str. Cocorilor n. 24/A., Arad, Romania.

The administrative offices of the Group are located at via Pietro Rondoni 1, Milan.

The main operating offices of the Group are located at the continuation of Via Igola, Cagliari; some of the operating activities of the BPO Division are performed in the offices located in Strada C, Zona Industriale, Villacidro (CA).

2.12.2. Relations with related parties

Relations with related parties are mainly relations with the companies of the Group.

The following table shows the intercompany balances as of December 31, 2012 and the intercompany transactions for the financial year ended December 31, 2012.

		EXPENSES					
	(euro thousand)	Gruppo MOL	MutuiOnline	CreditOnline M.C.	CercAssicurazioni.it	Segugio.it	PP&E
INCOME	**Gruppo MOL**	-	27	24	4	-	29
	MutuiOnline	93	-	-	-	-	1
	CreditOnline M.C.	35	-	-	-	-	-
	CercAssicurazioni.it	-	-	-	-	-	-
	Segugio.it	-	51	29	515	-	-
	Centro Istruttorie	14	-	-	-	-	6
	Centro	4	-	-	-	-	2
	Finprom	-	-	-	8	-	-
	Centro Perizie	-	-	-	-	-	-
	Effelle Ricerche	2	-	-	-	-	-
	Quinservizi	90	-	-	-	-	-
	PP&E	168	88	48	-	-	-
	Euros. Notai	-	-	-	-	-	-
	Total	**406**	**166**	**101**	**527**		**38**

		EXPENSES							
	(euro thousand)	Centro Istruttorie	Centro Finanziamenti	Finprom	Centro Perizie	Effelle Ricerche	Quinservizi	Euros. Notai	Total
INCOME	**Gruppo MOL**	3,223	1,024	-	18	20	97	-	**4,466**
	MutuiOnline	-	-	-	-	-	-	-	**94**
	CreditOnline M.C.	-	-	-	-	-	70	-	**105**
	CercAssicurazioni.it	-	-	-	-	-	-	-	**-**
	Segugio.it	-	2	-	-	-	-	-	**597**
	Centro Istruttorie	-	5	-	-	1	579	51	**656**
	Centro	240	-	-	-	-	60	-	**306**
	Finprom	3,166	-	-	-	-	215	-	**3,389**
	Centro Perizie	-	-	-	-	-	-	-	**-**
	Effelle Ricerche	376	-	-	-	-	-	-	**378**
	Quinservizi	182	-	-	-	-	-	-	**272**
	PP&E	634	142	-	-	-	13	-	**1,093**
	Euros. Notai	114	-	-	-	-	-	-	**114**
	Total	**7,935**	**1,173**	**-**	**18**	**21**	**1,034**	**51**	**11,470**

	LIABILITIES						
	(euro thousand)	Gruppo MOL	MutuiOnline	CreditOnline M.C.	CercAssicurazioni.it	Segugio.it	PP&E
	Gruppo MOL	-	7	271	4	-	9
	MutuiOnline	204	-	-	-	-	-
	CreditOnline M.C.	35	-	-	-	-	-
	CercAssicurazioni.it	159	-	-	-	-	-
	Segugio.it	741	33	20	385	-	-
	Centro Istruttorie	279	-	-	-	-	-
ASSETS	**Centro**	369	-	-	-	-	-
	Finprom	-	-	-	1	-	-
	Centro Perizie	3	-	-	-	-	-
	Effelle Ricerche	2	-	-	-	-	-
	Quinservizi	90	-	-	-	-	-
	PP&E	16	-	-	-	-	-
	Euros. Notai	-	-	-	-	-	-
	Total	**1,898**	**40**	**291**	**390**	**-**	**9**

	LIABILITIES								
	(euro thousand)	Centro Istruttorie	Centro Finanziamenti	Finprom	Centro Perizie	Effelle Ricerche	Quinservizi	Euros. Notai	Total
	Gruppo MOL	3	4	-	18	7	716	-	**1,039**
	MutuiOnline	-	-	-	-	-	-	-	**204**
	CreditOnline M.C.	-	-	-	-	-	-	-	**35**
	CercAssicurazioni.it	-	-	-	-	-	-	-	**159**
	Segugio.it	-	2	-	-	-	-	-	**1,181**
	Centro Istruttorie	-	-	-	-	-	513	44	**836**
ASSETS	**Centro**	-	-	-	-	-	-	-	**369**
	Finprom	2,077	-	-	-	-	215	-	**2,293**
	Centro Perizie	-	-	-	-	-	-	-	**3**
	Effelle Ricerche	102	-	-	-	-	-	-	**104**
	Quinservizi	182	-	-	-	-	-	-	**272**
	PP&E	-	-	-	-	-	-	-	**16**
	Euros. Notai	26	-	-	-	-	-	-	**26**
	Total	**2,390**	**6**	**-**	**18**	**7**	**1,444**	**44**	**6,537**

Income and expenses

The income of Gruppo MutuiOnline S.p.A. from companies of the Group consists of revenues for coordination services, for outsourcing services and for accrued interests on bank accounts managed within cash pooling during the financial year ended December 31, 2012. We also remind that Gruppo MutuiOnline S.p.A. has received from Centro Istruttorie S.p.A. and Centro Finanziamenti S.p.A. dividends for a total amount of Euro 4,200 thousand.

The income of MutuiOnline S.p.A., CreditOnline Mediazione Creditizia S.p.A., Centro Istruttorie S.p.A., Centro Finanziamenti S.p.A. and Effelle Ricerche S.r.l. from Gruppo MutuiOnline S.p.A. is related to accrued interests on bank accounts managed within cash pooling during the financial year ended December 31, 2012.

Furthermore, the income of PP&E S.r.l. from other companies of the Group is mainly related to the fees received for the rent of the operating office in Cagliari and for the related office residence services.

The income of Centro Finanziamenti S.p.A. from Centro Istruttorie S.p.A. is related to the remuneration for outsourcing services during the financial year ended December 31, 2012.

The income of Centro Istruttorie S.p.A. from EuroServizi per i Notai S.r.l. is linked to the remuneration for outsourcing services during the financial year ended December 31, 2012.

The income of Finprom S.r.l. from Centro Istruttorie S.p.A., CercAssicurazioni.it and Quinservizi S.p.A. is linked to the remuneration deriving from outsourcing services provided during the financial year ended December 31, 2012. We remind that such services are provided at arm's length.

The income of CreditOnline Mediazione Creditizia S.p.A., Centro Istruttorie S.p.A. and Centro Finanziamenti S.p.A. from Quinservizi S.p.A. is linked to the remuneration of services provided during the financial year ended December 31, 2012.

The income of Quinservizi S.p.A. from Gruppo MutuiOnline S.p.A. and Centro Istruttorie S.p.A. is linked to the remuneration from outsourcing services provided during the financial year ended December 31, 2012.

The income of EuroServizi per i Notai S.r.l. from Centro Istruttorie S.p.A. refers to the remuneration for outsourcing services rendered during the financial year ended December 31, 2012.

Assets and liabilities

The assets of the Issuer versus its subsidiaries are mainly represented by other current assets for receivables derived from the adhesion to the tax consolidation regime, for receivables deriving from dividends resolved by subsidiaries and not yet paid, and for receivables for cash on active bank accounts managed within cash pooling.

The liabilities of the Issuer versus its subsidiaries are mainly represented by other current liabilities for payables derived from the adhesion to the tax consolidation regime and for payables for cash on active bank accounts managed within cash pooling.

The assets of Centro Istruttorie S.p.A. versus EuroServizi per i Notai S.r.l. are related to the remuneration for outsourcing services during the financial year ended December 31, 2012 but not yet paid.

Assets and liabilities of Quinservizi S.p.A. versus the other companies of the Group are related to the remuneration for outsourcing services and for professional services provided during the financial year ended December 31, 2012 but not yet paid.

The assets of EuroServizi per i Notai S.r.l. versus Centro Istruttorie S.p.A. are related to compensation for outsourcing services during the financial year ended December 31, 2012 and not yet paid.

We also highlight that subsidiary Quinservizi S.p.A. is directly participated by Volta S.r.l., a company external to the Group, and maintains different relations with the companies owned by Volta S.r.l.. These relations are taking place at arm's length. Over the financial year ended December 31, 2012, Quinservizi S.p.A. incurred rental costs towards Volta S.r.l. equal to Euro 182 thousand, wheras as of December 31, 2012, there are current liabilities for an amount equal to Euro 19 thousand.

We have not identified any other relations with related parties.

2.12.3. Risk management

Risk management of the Group is based on the principle that operating risk or financial risk is managed by the person in charge of the business process involved.

The main risks are reported and discussed at Group top management level in order to create the conditions for their coverage, assurance and assessment of residual risk.

Exchange and interest rate risk

Currently the financial risk management policies of the companies of the Group do not provide for use of derivative instruments against the interest rate risk since the Group has a variable interest rate borrowing (based on Euribor) of a lower amount than bank deposits (all of which are based on Euribor). The overall economic and financial effect is considered negligible.

The interest rate on the bank loan with Intesa Sanpaolo S.p.A., obtained in 2006, is equal to 6-month Euribor +0.85%; the interest rate on the bank loan with Cariparma S.p.A., obtained in 2011, is equal to 6-month Euribor +3.00%; and the interest rate on the bank loan with Banca di Romagna S.p.A. is equal to 6-month Euribor +1.50%. A possible unfavorable variation of the interest rate, equal to 1%, should produce an additional expense equal to Euro 51 thousand in 2013. It is worth pointing out that such variation of the interest rate would be more than compensated by the favorable impact on available liquidity.

It is also worth pointing out that the Group pursues a policy for the management of available liquidity by investing it in low-risk financial assets with a maturity date of less than twelve months. The investment strategy is to hold to maturity these bonds. However, over the financial year ended December 31, 2012, the Group, as part of its diversification policy, purchased bonds, with similar characteristics in terms of risk and maturity, in foreign currencies. As of December 31, 2012 the financial assets held to maturity amounted to Euro 9,709 thousand. Therefore, as regards to the coverage of exchange rate risk, the Group, over the financial year ended December 31, 2012, has started a new policy of diversification of cash and of financial assets on current accounts and bonds in foreign currencies. This choice is the result of an assessment of the uncertainty of financial market and of the instability of the financial situation in general. In this context, the launch of a policy of diversification on different currencies is the answer to the need to hedge the risk, considered potentially significant, deriving from the weakening of the Euro against other major currencies. As of December 31, 2012 the value of the cash and cash equivalents and of the financial assets held to maturity in foreign currencies was equal to Euro 10,149 thousand.

Please refer to the explanatory notes for the details referred to the cash and cash equivalents and to the financial assets held to maturity in foreign currencies as of December 31, 2012.

Credit risk

The current assets of the Group, with the exception of cash and cash equivalents, are constituted mainly by trade receivables for an amount of Euro 14,198 thousand, of which the overdue portion as of December 31, 2012 is equal to Euro 4,016 thousand, of which Euro 910 thousand is overdue for over 90 days.

Most of the gross overdue receivables were paid by the clients during the first months of 2013. As of the date of approval of this report, receivables not yet collected, overdue as of December 31, 2012, amount to Euro 764 thousand.

It is worth pointing out the decrease of the client portfolio in the BPO Division the credit concentration with the main client has decreased, and as of December 31, 2012, it represents 18.6% of the total amount of trade receivables of the Division.

Furthermore, it is worth mentioning that the concentration of revenues from the main client of the Group has decreased, representing 12.3% of total revenues, compared to 24.2% of the previous financial year.

Liquidity risk

Liquidity risk is evident when a company is not able to procure financial resources to support short-term operations.

The total amount of liquidity as of December 31, 2012 is Euro 13,845 thousand, higher than current liabilities; therefore the management believes that there is no liquidity risk for the Group.

Moreover, the risk arising from the potential default of our bank counterparties is mitigated by the policy of diversifying the available deposits with different institutions.

We point out that as of December 31, 2012, current liabilities excluding tax liabilities are Euro 8,774 thousand, including trade payables with expiration dates less than 90 days for Euro4, 711 thousand.

Operating risk

The technological component is an essential element for the operating activities of the Group; therefore, there is the risk that the possible malfunctioning of the technological infrastructure may cause an interruption of the client service or loss of data. However, the companies of the Group have developed a series of plans, procedures and tools to guarantee business continuity and data security.

2.12.4. Information concerning environment and human resources

With regards to the management of human resources and of environmental matters for the financial year ended December 31, 2012, we are not aware of any events that could entail any responsibility of the Group.

2.13. Net income allocation and dividend distribution proposal

The net income of the Company for the financial year ended on December 31, 2012 was Euro 1,915,729. This income is influenced by the distribution of only part of the distributable reserves of the subsidiaries.

The board of directors resolved to propose to the shareholders' meeting the following allocation of the net income of the year:

- Euro 1,864,942 for distribution of dividends to shareholders in the amount of Euro 0.05 per outstanding share, with ex-dividend date May 6, 2013, record date May 8, 2013 and payable date May 9, 2013;

- Euro 50,787 to retained earnings.

Taking into consideration the available reserves and the financial condition of the Issuer, the board of directors also resolved to propose to the shareholders' meeting a distribution of an extraordinary dividend of Euro 2,610,919 corresponding to Euro 0.07 per outstanding share, with *ex dividend* date May 6, 2013, record date May 8, 2013 and payable date May 9, 2013. Such dividend will be fully paid out from retained earnings, equal to Euro 7,207,151 as of December 31, 2012.

The total amount of the dividend, ordinary and extraordinary, will hence be Euro 4,475,862 corresponding to Euro 0.12 per outstanding share, payable, gross of any applicable withholding tax, from May 9, 2013, with *ex dividend* date of Coupon n. 6 on May 6, 2013 and record date May 8, 2013. This amount is equal to the total amount of the previous dividend paid during 2012.

Milan, March 13, 2013

For the Board of Directors
The Chairman
(Ing. Marco Pescarmona)

CONSOLIDATED ANNUAL REPORT

AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2012

Prepared according to IAS/IFRS

3. CONSOLIDATED ANNUAL REPORT AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2012

3.1. Financial statements

3.1.1. Consolidated statement of financial position

(euro thousand)	Note	As of December 31, 2011	December 31, 2010
ASSETS			
Intangible assets	7	5,122	1,011
Property, plant and equipment	8	4,439	3,420
Associates measured with equity method	9	400	355
Deferred tax assets	11	3	-
Other non-current assets		25	24
Total non-current assets		**9,989**	**4,810**
Cash and cash equivalents	12	24,871	10,620
Financial assets held to maturity	13	1,980	10,879
Trade receivables	14	24,198	17,077
(of which) with related parties		*163*	*244*
Contract work in progress	15	326	689
Tax receivables		-	202
Other current assets	16	773	493
Total current assets		**52,148**	**39,960**
TOTAL ASSETS		**62,137**	**44,770**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Share capital	25	944	955
Other reserves	25	11,377	14,651
Net income	25	21,016	15,510
Total group shareholders' equity	**25**	**33,337**	**31,116**
Minority interests		567	318
Total shareholders' equity		**33,904**	**31,434**
Long-term borrowings	17	5,795	1,712
Provisions for risks and charges	18	259	276
Defined benefit program liabilities	19	2,916	1,783
Deferred tax liabilities		-	125
Other non current liabilities	20	3,520	196
Total non-current liabilities		**12,490**	**4,092**
Short-term borrowings	21	2,944	930
Trade and other payables	22	4,944	5,453
(of which) with related parties		*101*	*114*
Tax payables	23	3,033	-
Other current liabilities	24	4,822	2,861
Total current liabilities		**15,743**	**9,244**
TOTAL LIABILITIES		**28,233**	**13,336**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**62,137**	**44,770**

3.1.2. Consolidated income statement

(euro thousand)	Note	Years ended December 31, 2012	December 31, 2011
Revenues	27	38,462	71,835
(of which) with related parties		*51*	*368*
Other income	28	1,411	623
Capitalization of internal costs		530	458
Services costs	29	(15,008)	(19,130)
(of which) with related parties		*(296)*	*(373)*
Personnel costs	30	(18,525)	(19,134)
Other operating costs	31	(1,770)	(2,150)
Depreciation and amortization	32	(1,490)	(1,595)
Operating income		**3,610**	**30,907**
Financial income	33	440	428
Financial expenses	33	(1,156)	(302)
Income/(losses) from participations	9	(61)	45
Income/(losses) from financial assets/liabilities	20	1,097	-
Net income before income tax expense		**3,930**	**31,078**
Income tax expense	34	(344)	(10,218)
Net income		**3,586**	**20,860**
Attributable to:			
Shareholders of the Issuer		**3,373**	**21,016**
Minority interest		**213**	**(156)**
Earnings per share basic *(Euro)*	38	0.09	0.56
Earnings per share diluited *(Euro)*	38	0.09	0.56

During the financial year ended December 31, 2012 we did not record profit and loss items deriving from events or operations whose occurrence is not recurring or from operations or facts that are not common during the course of activities, with the exception of Income/(Losses) from financial assets/liabilities.

3.1.3. Consolidated comprehensive income statement

(euro thousand)	Note	Years ended December 31, 2012	December 31, 2011
Net income		**3,586**	**20,860**
Currency translation differences		(24)	(3)
Actuarial gain/(losses) on defined benefit program liability	19	(140)	(30)
Tax effect on actuarial gain/(losses)		39	8
Total other comprehensive income		**(125)**	**(25)**
Total comprehensive income for the period		**3,461**	**20,835**
Attributable to:			
Shareholders of the Issuer		3,251	20,991
Minority interest		210	(156)

3.1.4. Consolidated statement of cash flows

(euro thousand)	Note	Years ended December 31, 2012	December 31, 2011
Net income		**3,586**	**20,860**
Amortization and depreciation	7,8	1,490	1,595
Stock option expenses	26	645	642
Capitalization of internal costs	7	(530)	(458)
Interest cashed		440	428
Changes of the value of the participation evaluated with the equity method	9	61	(45)
Economic effects deriving from the purchase of minority interest		(1,009)	-
Income tax paid		(5,007)	(4,738)
Changes in contract work in progress		(108)	363
Changes in trade receivables/payables		9,711	(6,317)
(of which) with related parties		*44*	*68*
Changes in other assets/liabilities		(2,005)	8,480
Payments on defined benefit program		487	596
Payments on provisions for risks and charges		(138)	(29)
Net cash provided by operating activities		**7,623**	**21,377**
Investments:			
- Increase of intangible assets	7	(248)	(32)
- Increase of property, plant and equipment	8	(815)	(1,565)
- Increase of financial assets measured at fair value		(1,520)	-
- Increase of participation		-	(4,453)
- Increase of financial assets held to maturity	13	(9,709)	-
Disposals:			
- Decrease of property, plant and equipment	8	77	8
- Decrease of financial assets held to maturity	13	1,980	8,899
Net cash used in investing activities		**(10,235)**	**2,857**
Increase of financial liabilities		-	5,000
Interest paid		(446)	(192)
Decrease of financial liabilities		(728)	(1,212)
Purchase/sale of own shares	25	-	(2,175)
Other changes of reserves		-	46
Capital contributions of minorities		-	175
Dividends paid	25	(4,476)	(13,885)
(of which) with related parties		*(1,570)*	*(4,826)*
Net cash used in financing activities		**(5,650)**	**(12,243)**
Net increase/(decrease) in cash and cash equivalents		**(8,262)**	**11,991**
Net cash and cash equivalent at the beginning of the period		22,666	10,553
Income/(loss) on exchange rate		(559)	-
Net cash and cash equivalents at the end of the period		**13,845**	**22,544**
Cash and cash equivalents at the beginning of the year	12	24,871	10,620
Current account overdraft at the beginning of the year	12	(2,205)	(67)
Net cash and cash equivalents at the beginning of the year		**22,666**	**10,553**
Cash and cash equivalent of Quinservizi S.p.A. (purchased)		**-**	**122**
Cash and cash equivalents at the end of the year	12	13,845	24,871
Current account overdraft at the end of the year	12	-	(2,205)
Net cash and cash equivalents at the end of the year		**13,845**	**22,666**

3.1.5. Consolidated statement of changes in shareholders' equity

(euro thousand)	Share capital	Legal reserve	Other reserves	Retained earnings inluding net income of the year	Total gruop shareholders' equity	Minority interest	Total
Equity attributable to the shareholders of the Issuer as of December 31, 2010	**955**	**200**	**2,821**	**27,170**	**31,146**	**318**	**31,464**
Distribution of an ordinary dividend	-	-	-	(13,508)	**(13,508)**	-	**(13,508)**
Distribution of an extraordinary dividend	-	-	-	(377)	**(377)**	-	**(377)**
Purchase of own shares	(12)	-	-	(2,309)	**(2,321)**	-	**(2,321)**
Exercise of stock options	1	-	-	145	**146**	-	**146**
Stock option plan	-	-	642	-	**642**	-	**642**
Other movements	-	-	(3,423)	-	**(3,423)**	405	**(3,018)**
Net income of the year	-	-	(25)	21,016	**20,991**	(156)	**20,835**
Equity attributable to the shareholders of the Issuer as of December 31, 2011	**944**	**200**	**15**	**32,137**	**33,296**	**567**	**33,863**
Distribution of an ordinary dividend	-	-	-	(4,476)	**(4,476)**	-	**(4,476)**
Stock option plan	-	-	645	-	**645**	-	**645**
Other movements	-	-	(298)	-	**(298)**	(429)	**(727)**
Net income of the year	-	-	(125)	3,373	**3,248**	213	**3,461**
Equity attributable to the shareholders of the Issuer as of December 31, 2012	**944**	**200**	**237**	**31,034**	**32,415**	**351**	**32,766**
Note	25	25	25, 26				

3.2. Explanatory notes to the consolidated financial statements

1. General information

Gruppo MutuiOnline S.p.A. is the holding company of a group of financial services firms operating in the Italian market for the distribution of retail credit and insurance products and in the Italian market for the provision of credit-related business process outsourcing services for retail lenders.

This consolidated annual report, including the consolidated statement of financial position, consolidated comprehensive income statement, consolidated statement of cash flows and consolidated statement of changes in shareholders' equity as of and for the year ended December 31, 2012 and the relevant notes, has been prepared in accordance with IFRS issued by the International Accounting Standard Board ("IASB") and the related interpretations SIC/IFRIC, adopted by the European Commission. Besides it has been prepared in accordance with CONSOB resolutions No. 15519 and No. 15520 dated July 27, 2006, with CONSOB communication No. DEM/6064293 dated July 28, 2006 and with art. 149-*duodecies* of the Issuer Regulations.

IFRS should be understood as the International Financial Reporting Standards, the International Accounting Standards ("IAS"), the interpretations of the International Financial Reporting Interpretation Committee ("IFRIC"), previously denominated Standing Interpretations Committee ("SIC"), as adopted by the European Commission as of December 31, 2012 and published in the EU regulations as of this date.

In particular the IFRS have been consistently applied to all the periods presented.

The Group has elected the "non-current/current" presentation for the statement of financial position, the presentation of costs by nature for the comprehensive income statements and the indirect method for the preparation of the statement of cash flows.

These consolidated financial statements have been prepared in Euro, the currency of the primary economic environment in which the Group operates.

All the amounts included in the tables of the following notes are in thousands of Euros, except where otherwise stated.

The Board of Directors approved the publication of the present document on March 13, 2013. This document will be presented to the general meeting on April 23, 2013.

2. Basis of preparation of the consolidated financial statements

The following consolidation procedures have been applied in the preparation of the consolidated financial statements as of and for the year ended December 31, 2012.

The consolidated financial statements of the Group include the financial statements of Gruppo MutuiOnline S.p.A. and of subsidiaries, over which the Company exercises direct or indirect control and the equity of associated companies. Subsidiaries are consolidated from the date when control is acquired until the date when it ceases. Control is presumed when the Company directly or indirectly holds the majority of the voting rights or exercises a dominant influence. A dominant influence is deemed to be the power to determine, also indirectly, by virtue of contractual or legal agreements, the financial and operating decisions of the entity, and to obtain the resulting benefits, regardless of shareholding. When assessing whether the Group controls another entity, the existence of potential exercisable voting rights at the balance sheet date is considered. Furthermore, it is worth pointing out that according to the amendments of IAS 27, applicable from the financial year ended December 31, 2011, once control of an entity is obtained, transactions, in which further minority interests are acquired or ceased, without modifying the control exercised on the subsidiary, are considered transactions with the shareholders and therefore should be recorded as equity transactions, without recording any effect in the comprehensive income statement. Subsidiaries are consolidated on a line-by-line basis. The criteria adopted for consolidation on a line-by-line basis are:

- the assets and liabilities, income and expenses of the entirely consolidated entities are taken line by line, attributing to minority interest the portion of the shareholders' equity and net income for the year due to it; this portion is disclosed separately in the consolidated statement of financial position and consolidated comprehensive income statement;

- the purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Assets, liabilities and possible liabilities acquired are booked at the fair value at the date of the acquisition. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recognized as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the income statement, after an audit of the correct measurement of the fair value of the assets and the liabilities acquired and of the cost of acquisition. Business combinations between entities under "common control" are accounted for with the pooling of interest method, thus recognizing assets and liabilities of the acquired entity without fair value adjustments, but adjusted for eventual differences of accounting standards used and IFRS;

- inter-company transactions and balances, as well as the relevant tax effects, are eliminated. Significant unrealized inter-company gains and losses are eliminated; as an exception, unrealized losses are not eliminated when they provide evidence for impairment of the asset transferred;

- gains and losses from the disposal of investments in subsidiaries are recognized in the income statement for an amount equal to the difference between the sale price and the net assets of the investment.

Associated companies are companies, which are neither subsidiaries nor joint-ventures, on which the Issuer exercises a significant influence. Significant influence is presumed when the Issuer owns, directly or indirectly, more than 20% of the ordinary share capital of a company.

Associated companies are evaluated by the equity method.

3. Scope of consolidation

The consolidation area includes all the entities (subsidiaries) on which the Issuer exercises control, directly or indirectly, and the companies on which the Issuer exercises a significant influence. An entity is defined subsidiary when the Issuer owns, directly or indirectly, more than half of the voting power exercisable in the shareholders' meeting.

The controlled and associated entities as of December 31, 2012 are:

Name	Registered office	Share capital (Euro)	Consolidation method	% of ownership
MutuiOnline S.p.A.	Milan (Italy)	1,000,000	Line-by-line	100%
CreditOnline Mediazione Creditizia S.p.A.	Milan (Italy)	200,000	Line-by-line	100%
CercAssicurazioni.it S.r.l.	Milan (Italy)	100,000	Line-by-line	100%
Segugio.it S.r.l.	Milan (Italy)	10,000	Line-by-line	100%
Centro Finanziamenti S.p.A.	Milan (Italy)	600,000	Line-by-line	100%
Centro Istruttorie S.p.A.	Milan (Italy)	500,000	Line-by-line	100%
PP&E S.r.l.	Milan (Italy)	100,000	Line-by-line	100%
Centro Perizie S.r.l.	Milan (Italy)	10,000	Line-by-line	100%
Effelle Ricerche S.r.l.	Milan (Italy)	10,000	Line-by-line	100%
Quinservizi S.p.A.	Faenza (Italy)	150,000	Line-by-line	85%
Finprom S.r.l.	Arad (Romania)	9,618	Line-by-line	100%
EuroServizi per i Notai S.r.l.	Milan (Italy)	10,000	Equity method	40%

The consolidation area as of December 31, 2012 has not changed compared with December 31, 2011.

Over the financial year ended December 31, 2012 company Segugio.it S.r.l., formerly called Overloard S.r.l., has been set up, and company Key Service S.r.l. has been merged by incorporation in Quinservizi S.p.A.. Furthermore, it is worth pointing out that during the financial year ended December 31, 2012 the Group has obtained total ownership of CercAssicurazioni.it S.r.l., through the purchase of the residual 20% from minority shareholders, and also acquired a further 10% stake in Quinservizi S.p.A., reaching a participation of 85% of the ordinary share capital.

All the entities controlled by Gruppo MutuiOnline S.p.A. are consolidated on a line-by-line basis, while the associated company, EuroServizi per i Notai S.r.l., is consolidated with the equity method.

4. Accounting policies

The consolidated financial statements are prepared at cost, with the exception of items specifically described in the following notes, for which the measurement at fair value is adopted. The fair value is the price at which an asset could be exchanged, or a liability discharged, between knowledgeable, willing parties in an arm's length transaction.

Receivables are derecognized if the right to receive the cash flows has been transferred or when the entity no longer controls such financial assets.

Payables are derecognized only when they are settled or the specific obligation is met or canceled or expired.

The principal accounting policies are set out below.

A) Intangible assets

Intangible assets are non-monetary assets that are distinctly identifiable and able to generate future economic benefits. These items are recognized at purchase cost and/or internal production cost, including all costs to bring the assets available for use, net of accumulated amortization and impairment, if any.

Amortization commences when the asset is available for use and is systematically calculated on a straight-line basis over the estimated useful life of the asset.

(a) Research and development costs

Research and development costs are recognized as an expense as incurred. Costs incurred on development projects are recognized as intangible assets when:

- development activity is clearly identified and its costs can be measured reliably;
- technological feasibility is demonstrated;
- the intention of completing the project and selling the intangible goods generated are demonstrated;
- a prospective market exists or, in case of internal use, the benefits of the intangible asset for the production of intangible goods generated by the project is demonstrated;
- the necessary technological and financial resources for the completion of the project are available.

Amortization is calculated on a straight-line basis over 3 years, which represents the estimated useful life of the asset.

(b) Licenses and other rights

Licenses and other rights are amortized on a straight-line basis in order to allocate their acquisition cost over the shorter of useful life and duration of the relevant contracts, starting from the moment of acquisition of the rights and usually lasting for a period of 3 to 5 years.

B) Property, plant and equipment

Property, plant and equipment are stated at historical cost of acquisition or production less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition.

All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be reliably measured. When assets are composed of different identifiable components whose useful life is significantly different, each component is depreciated separately applying the "component approach".

Depreciation is charged to each component on a systematic basis over the estimated useful life from the date of initial recognition.

Property, plant and equipment are depreciated with useful lives as follows:

Description of the main categories of the item "Property, plant and equipment"	Period
Land	not depreciated
Buildings	30 years
Generic equipment	5 years
Specific equipment	2.5-7 years
Leasehold improvements	shorter of contract duration and useful life
Hardware	2.5 years
Office equipment	2.5-5 years
Furniture and fittings	8 years
Auto vehicles	4 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

C) Investments measured with the equity method

An associated entity is a company, which is neither a subsidiary nor a joint venture, on which the Issuer exercises a significant influence. Significant influence is presumed when the Issuer owns, directly or indirectly, more than 20% of the ordinary share capital of a company.

Investments in associated entities are measured for an amount equal to the corresponding fraction of equity in the last financial statements of the same entities, after the transfer of dividends and the application of adjustments in accordance with the disclosures for the preparation of the financial statements.

Gains and losses arising from changes of the adjusted equity of associated companies are recorded in the income statement for the period in which they arise.

D) Assets held under finance lease

Property, plant and equipment acquired through finance lease contracts where the benefits and risks of the assets are substantially transferred to the Group are accounted for at the lower of the asset's fair value and the present value of the minimum lease payments. The corresponding lease liability is included in financial liabilities. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the asset's useful life, in accordance with the periods of depreciation previously described, and the lease term. If the transfer of the property of the asset leased at the end of the contract is not certain, the depreciation period is represented by the lease term.

Leases where the lessor retains substantially all the risks and rewards of ownership are recognized as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

E) Impairment of assets

At each balance sheet date the Group assesses property, plant and equipment and intangible assets in order to identify possible indicators of impairment, deriving from both internal and external sources of the Group. If such indicators are identified, an estimate of the recoverable value is made and any impairment of the relevant book value is recognized in the income statement. The recoverable amount of an asset is the higher amount between its fair value, less sales costs, and its value in use, equal to actualized value of the expected cash flows of such asset. In calculating the value in use, the expected cash flows are discounted using a discount rate reflecting the current market value of the investments and the specific risks associated with the asset.

The value in use of an asset that does not generate independent cash flows is determined in relation to the cash generating unit to which this asset belongs. Impairment is recognized in the income statement whenever the carrying amount of the asset and of the related cash generating unit exceeds its recoverable value. Whenever circumstances causing impairment cease to exist, the book value of the asset, except the goodwill, is restored with the recognition in the income statement, up to the net value that the asset would have had if it were not impaired and regularly depreciated.

Goodwill is not amortized, but is subject annually, or more frequently if specific events or changes in circumstances indicate that the asset might be impaired, to tests in order to identify possible impairments. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

The impairment of goodwill recorded as of the date of the financial report is shown in the income statement under depreciation of intangible assets.

F) Business Combinations

Business combinations are valued with the acquisition method.

The cost of the acquisition is determined by the sum of the considerations transferred in a business combination, measured at the fair value at the acquisition date, the acquired liabilities and the equity instruments issued. The assets, the acquired liabilities and the potential liabilities in a business combination are initially measured at their fair value.

The minority interests in the acquired entity are measured at their fair value and at the *pro-quota* value of the net assets recognized for the acquired company.

The surplus between the considerations transferred, the amount of the minority interests and the fair value of the non-controlling participations held before the acquisition date, compared to the fair value of the controlling stake of the net assets acquired, is recorded as goodwill.

If the value of the net assets acquired at the acquisition date exceeds the sum of the considerations transferred, of the minority interests and of the fair value of any previously held participation in the acquired company, this surplus is recorded as income of the closed transaction in the income statement.

According to provisions of IFRS 3, in step acquisitions (acquisitions achieved in stages) a business combination is achieved only after control has been obtained, and at this moment all the acquired entity's identifiable net assets should be measured at the fair value; minority interests should be measured based on their fair value or based on the proportionate share of the fair value of identifiable net assets of the acquired entity (a method already permitted under the previous version of IFRS 3).

In a step acquisition of an associate, the previously held investment, until then accounted according to IAS 39 ("Financial instruments: recognition and measurement"), or according to IAS 28 ("Investments in Associates") or according to IAS 31 ("Interests in Joint Ventures), shall be treated as if it had been sold and repurchased as of the date on which control is acquired. This participation should be measured at its "sale" date fair value and the resulting profit or loss of this measurement should be recorded in the income statement. In addition, any value previously recorded in the shareholder's equity, which should be charged in the income statement after the sale of the relevant assets, should be reclassified in the income statement. The goodwill or income (in case of badwill) deriving from the deal concluded with the subsequent acquisition should be determined as the sum of the compensation paid to acquire the control, the value of minority interests (measured according to one of the methods permitted by the standard), and the fair value of the previously held minority shareholdings, net of the fair value of the identifiable net assets of the acquired entity.

In addition, according to IFRS 3 the costs related to the acquisition of business combinations are recognized as expenses in the period in which these costs are incurred. Finally, under IFRS 3 contingent consideration is recognized as a part of the transfer price of the acquired net assets and is measured at the acquisition date fair value. Similarly, if the combination agreement includes the right to return some consideration components if specified conditions are met, that right is classified as an asset by the acquirer. Any subsequent changes in the fair value of the net assets acquired should be recognized as adjustments to the original accounting treatment only if they are determined by additional or better information about the fair value and occur within 12 months from the acquisition date; all other changes must be recorded in profit or loss.

G) Impairment

The Group ascertains, at least annually, whether there are indicators of a potential loss in value of intangible and tangible assets. If the Group finds that such indications exist, it estimates the recoverable value of the relevant asset.

In addition, intangible assets with an indefinite useful life, or that are not available for use, and goodwill are subject to an impairment test each year, or more frequently if there is an indication that the asset may have been subject to a loss in value.

The ability to recover the assets is ascertained by comparing the reported value to the related recoverable value, which is represented by the greater of the fair value less disposal costs and the value in use.

In the absence of a binding sale agreement, the fair value is estimated on the basis of recent transaction values in an active market, or based on the best information available to determine the amount that could be obtained from selling the asset.

The value in use is determined by discounting expected cash flows resulting from the use of the asset, and if significant and reasonably determinable, the cash flows resulting from its sale at the end of its useful life.

Cash flows are determined on the basis of reasonable, documentable assumptions representing the best estimate of the future economic conditions that will occur during the remaining useful life of the asset, with greater weight given to outside information.

The discount rate applied takes into account the implicit risk of the business segment.

When it is not possible to determine the recoverable value of an individual asset, the Group estimates the recoverable value of the unit that incorporates the asset and generates cash flows (CGU or Cash Generating Unit).

A loss of value is reported if the recoverable value of an asset is lower than its carrying value.

This loss is posted to the income statement unless the asset was previously written up through a shareholders' equity reserve.

In this case, the reduction in value is first allocated to the revaluation reserve.

If, in a future period, a loss on assets, other than goodwill, does not materialize or is reduced, the carrying value of the asset or CGU is increased up to the new estimate of recoverable value, and may not exceed the value that would have been determined if no loss from a reduction in value had been reported.

The recovery of a loss of value is posted to the income statement, unless the asset was previously reported at its revalued amount. In this case, the recovery in value is first allocated to the revaluation reserve.

H) Cash and cash equivalents

Cash and cash equivalents include cash, bank deposits and highly liquid short-term investments (readily convertible to cash within three months). Overdrafts are included in short-term borrowings and are measured at fair value.

I) Financial assets held to maturity

These financial assets are low-risk bonds purchased by the Group not available for trading, valued initially at fair value and subsequently at amortized cost using the effective interest rate basis.

J) Trade receivables

Trade receivables are valued initially at fair value and subsequently at amortized cost using the effective interest rate basis.

Any losses arising as a result of impairment reviews are recognized in the income statement. In the presence of impairment indicators, the values of the assets are reduced to the present value of expected future cash flows and the differences are recognized in the income statement, with a provision for bad debts as counterbalance, offsetting trade receivables. If in subsequent periods the reasons for such impairments are no longer valid, the value of the assets are reinstated up to the amortized cost as if the impairment had never occurred.

K) Own shares

Own shares are booked as a reduction of shareholders' equity. Being the shares without nominal value, the purchase cost is deducted from the share capital for an amount implicitly corresponding to the nominal value and from the distributable reserves for an amount equal to the remaining part of the purchase cost.

L) Contract work in progress

Contract work in progress refers to loan case processing services which are not completed as of the balance sheet date, only with reference to cases for which the revenues are not accrued

The provision of processing services comprises several separate stages.

Contract work in progress is measured according to the direct production cost method, which prescribes that individual loan cases are valued according to the costs incurred for achieving the current stage of work in progress. A devaluation, which represents an estimate of the potential decay based on historical experience of unsuccessful cases, is applied for the recognition of work in progress at the balance sheet date.

As these costs consist almost exclusively in personnel costs, the positive and negative changes of contract work in progress will appear in the consolidated income statement under "Personnel Costs".

M) Trade payables and financial liabilities

Financial liabilities, trade payables and other debts are initially recognized at fair value, net of transaction costs incurred, and are subsequently stated at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the income statement over the period of the borrowings using the effective interest method.

Whenever expected future cash flows change, and these could be reliably estimated, the value of the liability is recalculated on the basis of the new cash flows and the initial effective interest rate.

N) Provisions for risks and charges

Provisions are recognized for losses and liabilities whose existence is certain or probable but the timing or amount of the obligation is uncertain as of the relevant date. A provision is recognized only upon the existence of a present legal or constructive obligation as a result of past events that is expected to result in a future outflow of resources. Provisions are recognized based on the best estimate of the expenditure required to settle the present obligation or to transfer it to a third party at the balance sheet date. When the financial effect of the timing of the obligation is significant and the dates of the payments are reliably estimable, the provision is discounted back. Provisions are measured at the present value of the payments expected to be required to settle the obligation using a rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

O) Defined benefit program liability

The termination employee benefit ("*Trattamento Fine Rapporto*", or "TFR"), which is compulsory for Italian companies in accordance with civil code, is considered by IFRS a defined benefit program, based, among other things, on the period of employment and the remuneration of the employee during a predefined period.

The TFR liability is determined by independent actuaries using the Projected Unit Credit Method to account for the time value of money. The Group chose the early adoption of IAS 19 revised, recording in equity, by means of the recognition in the comprehensive income statements, the adjustments deriving from the changes in actuarial assumptions. We adopted this standard using the retrospective method, provided by IAS 8, as if the Group has always adopted this standard.

The implicit interest cost for the adjustment of the present value of the TFR liability over time is recognized in the financial expenses in the income statement.

The legislative changes that become effective in 2007 had no material impact on the evaluation method adopted by the Group because the percentage of employees adhering to the funds at the relevant date was low and besides none of the companies of the Group exceeded the limits, provided by the new law and calculated on the average number of employees in 2006, over which a company is obliged to contribute the accrued fund to the National Institute for Social Security ("INPS") when employees choose to keep their TFR in the company.

P) Share based payments

The Group has a stock option plan for the benefit of directors, employees and other personnel. As per IFRS 2, stock option plans are valued at the fair value of the option at grant date, using methods that take into account the exercise price and vesting period of the option, the current stock price, the expected volatility and dividend payout of the shares, and the risk-free interest rate determined on the day of the option grant.

As of the grant date, the expense related to the stock option plan is recognized on a straight-line basis in personnel costs in the income statement over the vesting period of the option, and in a reserve in shareholders' equity.

Q) Revenue recognition

Revenues and other income are recognized net of discounts, allowances and bonuses and of the provision for possible repayments of commissions upon early repayment or insolvency of brokered loans.

Revenues are recognized in the income statement when it is probable that future economic benefits will flow to the Group.

The methods of revenue recognition for the main activities of the Group are as follows:

(a) Credit intermediation services

Revenues from credit intermediation services are recognized upon the actual disbursement of loans by lenders to retail clients, that being the moment when the Group earns its commission on broking services.

(b) Processing services

Revenues from business process outsourcing are recognized over the loan processing cycle.

R) Government grants

Government grants are recognized when it is reasonably certain that the Group will respect the related conditions and are released in the income statement over the period necessary to match them with the costs they are intended to compensate.

S) Cost recognition

Costs are recognized as the assets and services are consumed during the relevant period, or when it is not possible to determine future economic benefits.

T) Financial income and expenses

Interest income and expenses are recognized in the accrual period on the net value of the relevant financial assets and liabilities using the effective interest rate method.

Financial expenses are recognized on an accrual basis and recorded in the income statement in the accrual period.

U) Taxation

Current income taxes are accounted on the basis of estimated taxable income and the relevant applicable tax rates.

Deferred income taxes are determined based on temporary differences arising between the tax bases of assets and liabilities (excluding goodwill) and their carrying amounts, and differences arising from undistributed reserves registered in the shareholders' equity of the subsidiaries when the timing of reversal of these differences is under the Group's control and they will probably reverse within a reliably foreseeable period. Deferred income tax assets, including those on tax loss carry forwards, and not offset by deferred tax liabilities, are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. Deferred income taxes are calculated using tax rates (and laws) that are expected to apply when the related deferred income tax assets are realized or the deferred income tax liabilities are settled.

Current and deferred income taxes are recognized in the income statement with the exception of the items that are recognized directly in shareholders' equity in which case the tax effect is accounted for in the relevant equity reserve. Current and deferred tax assets and liabilities are netted only when the entity has a legally enforceable right to offset the recognized amounts.

Substitute tax relates to the revaluation of assets according to Italian tax legislation and is recognized in income tax expense in the income statement. Other taxes, not related to income, are recognized in other operating costs in the income statement.

V) Earnings per share

(a) Basic

Basic earnings per share are calculated by dividing the net income attributable to the Group by the weighted average number of ordinary shares outstanding during the year, excluding own shares.

(b) Diluted

Diluted earnings per share are calculated by adjusting the weighted average number of ordinary shares outstanding, excluding own shares, assuming the exercise of all potentially dilutive rights, whilst the Group's net income is adjusted to account for the effect of the conversion, net of taxes. The diluted earnings per share are not calculated in the event of losses, given that any such calculation would result in an improvement in the Group's results.

W) Critical accounting estimates and judgments

The preparation of the financial statements requires the application by the directors of principles and accounting methodologies that sometimes require the use of estimates and judgments based on historical experience and other assumptions that are believed to be reasonable under the circumstances. The application of these estimates and assumptions impacts on the amounts included in the statement of financial position, income statement, statement of cash flows and the notes to the financial statements. The resulting accounting estimates could differ from the related actual results because of the uncertainty influencing the assumptions.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are discussed below.

(a) Deferred taxes

Deferred tax assets/liabilities are recognized on the basis of expectations of future earnings. The estimate of future earnings for purposes of the recognition of deferred taxes depends on factors that could vary over time and significantly affect the amount of deferred tax assets/liabilities.

(b) Stock options

The valuation of stock option plans is based on valuation techniques that take into consideration the expected volatility of share prices and the dividend yield. Should different assumptions be applied, the valuation of the stock option plans and the related expenses could be different.

(c) Impairment test for the evaluation of goodwill and participations

The impairment test provides for the use of methods of evaluation based on estimations and assumptions which could be subject to significant changes with subsequent impacts on the results of the evaluations done.

X) New principles effective starting from the financial year ended December 31, 2012, that did not generated any effect on the Group

It is also worth mentioning that the following accounting principles, amendments and interpretations effective from January 1, 2012 are not relevant to or have not generated any effect on the Group:

- amendments to IFRS 7 "Financial Instruments: transfer of financial activities" effective from July 1, 2011;
- amendments to IAS 12 "Income taxes" regarding deferred tax effective from January 1, 2012.

Y) Accounting principles recently approved by European Commission and not yet effective

Finally, it is worth mentioning that for the following accounting principles, amendments and interpretations, not yet effective or not early adopted by the Group, we are evaluating the impact on the consolidated financial statements of the Issuer:

- IFRS 9 "Financial Instruments" not yet approved, effective from the financial years starting after July 1, 2014;
- IFRS 10 "Proposal of consolidated annual report" effective from January 1, 2014;
- IAS 27 (revised 2011) "Separate financial statements" effective from January 1, 2014;
- IFRS 11 "Joint agreements" effective from January 1, 2014;
- IAS 28 (revised 2011) "Investments in associates and joint ventures" effective from January 1, 2013;
- IFRS 12 "Disclosure of interests in other entities" effective from January 1, 2013;

- IFRS 13 "Fair value measurement" effective from January 1, 2013;
- amendments to IAS 1 "Presentation of financial statements" effective from July 1, 2012;
- IFRS 7 "Financial Instruments": Disclosures-Offsetting Financial Assets and Financial Liabilities effective from January 1, 2013;
- amendments to IFRS 1 "First-time Adoption of International Financial Reporting Standards (IFRS): public funding" not yet approved, effective from January 1, 2013;
- amendments to IAS 32 "Financial Instruments": effective from January 1, 2014;
- IFRIC 20 "Stripping Costs in the Production Phase of a Surface Mine" effective from January 1, 2013;
- amendments to IFRS 10, 11 and 12: transition guidance, not yet approved, effective from January 1, 2013;
- IAS 28 (revised 2011) "Investments in associates and joint ventures" effective from January 1, 2014;
- amendments to IFRS 10, 11 and IAS 27: "Investment Entities", not yet approved effective from January 1, 2014.

Presently, no significant impacts are expected from the adoption of these principles.

5. Financial risk analysis

Risk management of the Group is based on the principle that operating risk or financial risk is managed by the person in charge of the business process involved.

The main risks are reported and discussed at Group top management level in order to create the conditions for their coverage, assurance and assessment of residual risk.

Exchange and interest rate risk

Currently the financial risk management policies of the companies of the Group do not provide for use of derivative instruments against the interest rate risk since the Group has a variable interest rate borrowing (based on Euribor) of a lower amount than bank deposits (all of which are based on Euribor). The overall economic and financial effect is considered negligible.

The interest rate on the bank loan with Intesa Sanpaolo S.p.A., obtained in 2006, is equal to 6-month Euribor +0.85%; the interest rate on the bank loan with Cariparma S.p.A., obtained in 2011, is equal to 6-month Euribor +3.00%; and the interest rate on the bank loan with Banca di Romagna S.p.A., is equal to 6-month Euribor +1.50%. A possible unfavorable variation of the interest rate, equal to 1%, should produce an additional expense equal to Euro 51 thousand in 2013. It is worth pointing out that such variation of the interest rate would be more than compensated by the favorable impact on available liquidity.

It is also worth pointing out that the Group pursues a policy for the management of available liquidity by investing it in low-risk financial assets with a maturity date within twelve months. The investment strategy is to hold these bonds to maturity.

However, over the financial year ended December 31, 2012, the Group, as part of its diversification policy, purchased bonds, with similar characteristics in terms of risk and maturity, in foreign currencies. As of December 31, 2012 the financial assets held to maturity amounted to Euro 9,709 thousand. Therefore, as regards to the coverage of exchange rate risk, the Group, over the financial year ended December 31, 2012, has started a new policy of diversification of cash and of financial assets on current accounts and bonds in foreign currencies. This choice is the result of an assessment of the uncertainty of financial market and of the instability of the financial situation in general. In this context, the launch of a policy of diversification on different currencies is the answer to the need to hedge the risk, considered potentially significant, deriving from the weakening of the Euro against other major currencies. As of December 31, 2012 the value of the cash and cash equivalents and of the financial assets held to maturity in foreign currencies was equal to Euro 10,149 thousand.

Please refer to the explanatory notes for the details referred to the cash and cash equivalents and to the financial assets held to maturity in foreign currencies as of December 31, 2012.

Credit risk

The current assets of the Group, with the exception of cash and cash equivalents, are constituted mainly by trade receivables for an amount of Euro 14,198 thousand, of which the overdue portion as of December 31, 2012 is equal to Euro 4,016 thousand, of which Euro 910 thousand is overdue for over 90 days.

Most of the gross overdue receivables were paid by the clients during the first months of 2013. As of the date of approval of this report, receivables not yet collected, overdue as of December 31, 2012, amount to Euro 764 thousand.

It is worth pointing out the decrease of the client portfolio in the BPO Division the credit concentration with the main client has decreased, and as of December 31, 2012, it represents 18.6% of the total amount of trade receivables of the Division.

Furthermore, it is worth mentioning that the concentration of revenues from the main client of the Group has decreased, representing 12.3% of total revenues, compared to 24.2% of the previous financial year.

Liquidity risk

Liquidity risk is evident when a company is not able to procure financial resources to support short-term operations.

The total amount of liquidity as of December 31, 2011 is Euro 13.845 thousand, higher than current liabilities; therefore the management believes that there is no liquidity risk for the Group.

Moreover, the risk arising from the potential default of our bank counterparties is mitigated by the policy of diversifying the available deposits with different institutions.

We point out that as of December 31, 2012, current liabilities excluding tax liabilities are Euro 8.774 thousand, including trade payables with expiration dates less than 90 days for Euro 711 thousand.

6. Segment reporting

The primary segment reporting is by business segments; the Executive Committee identifies the business segments of the Group in Broking and BPO Division:

- **Broking Division**: the division operates in the Italian market for credit and insurance distribution, operating as a credit intermediary and insurance broker. The credit products that we broker are mainly mortgages and personal loans, provided to retail clients primarily through remote channels and secondarily through the territorial network. The lenders using the credit intermediation services of the Broking Division are primary universal and specialized banks and include some of the main financial institutions operating in the Italian market. The brokered insurance products are mainly auto and motorcycle insurance policies, distributed through remote channels.

- **BPO Division (Business Process Outsourcing Division)**: operates in the Italian market for outsourcing services to financial institutions, which consist principally of performing complex commercial, underwriting and portfolio servicing activities related to mortgages and Employee Loans. The financial institutions using the services of the BPO Division include primary national and international financial institutions.

The detailed information relative to each Division is provided below. For this purpose, it is worth highlighting that the allocation of the costs sustained by the Issuer and by PP&E S.r.l. for the benefit of each Division is based on the relevant headcount in Italy at the end of the period.

Revenues by Division

(euro thousand)	Years ended December 31, 2012	December 31, 2011
Broking Division revenues	17,259	41,914
BPO Division revenues	21,203	29,921
Total revenues	**38,462**	**71,835**

There are no significant inter-segment revenues.

Operating income by Division

(euro thousand)	Years ended December 31, 2012	December 31, 2011
Broking Division operating income	2,904	23,697
BPO Division operating income	706	7,210
Total operating income	**3,610**	**30,907**
Financial income	440	428
Financial expenses	(1,156)	(302)
Income/(losses) from participations	(61)	45
Income/(losses) from financial assets/liabilities	1,097	-
Net income before income tax expense	**3,930**	**31,078**

As follows we provide the breakdown of revenues per client by Division:

(euro thousand)	**Years ended December 31, 2012**	**(a)**	**December 31, 2011**	**(a)**
Client A	1,925	11.2%	1,654	3.9%
Client B	1,894	11.0%	4,599	11.0%
Client C	1,795	10.4%	3,129	7.5%
Client D	1,475	8.5%	9,949	23.7%
Other Clients	10,170	58.9%	22,583	53.9%
Total Broking Division revenues	**17,259**	**100.0%**	**41,914**	**100.0%**
Client E	4,488	21.2%	7,206	24.1%
Client D	3,244	15.3%	7,438	24.9%
Client F	1,999	9.4%	1,833	6.1%
Client G	1,833	8.6%	3,372	11.3%
Other Clients	9,639	45.5%	10,072	33.7%
Total BPO Division revenues	**21,203**	**100.0%**	**29,921**	**100.0%**

(a) Percentage of total Division revenues

NOTES TO THE MAIN ITEMS OF THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

NON-CURRENT ASSETS

7. Intangible assets

The following table presents the situation and the variation of the item as of and for the year ended December 31, 2012 and 2011:

(euro thousand)	Development costs	Licenses and other rights	Goodwill	Intangible assets in progress	Total
Net value as of January 1, 2011	**943**	**68**	**-**	**-**	**1,011**
Increases	465	25	-	-	490
Other movements	-	19	4,357	-	4,376
Amortization expense	(710)	(45)	-	-	(755)
Net value as of December 31, 2011	**698**	**67**	**4,357**	**-**	**5,122**
Increases	601	144	-	33	778
Other movements	-	14	(14)	-	-
Amortization expense	(684)	(108)	-	-	(792)
Net value as of December 31, 2012	**615**	**117**	**4,343**	**33**	**5,108**

Development costs mainly refer to the personnel costs capitalized for the creation and development of the technological infrastructure relative to the web sites and to the creation of the software solutions, such as the software platforms used by Group companies to perform their activities.

There are no research and development costs directly recognized in the income statement.

Following the analysis aimed at determining the fair value of assets, liabilities and potential liabilities, the management defined the allocation of the initial purchase price paid for the acquisition of Quinservizi S.p.A., confirming the allocation on the provisional goodwill determined during the financial year ended December 31, 2011.

Furthermore, the goodwill, equal to Euro 4,343 thousand, has been entirely allocated to Quinservizi S.p.A., considered a Cash Generating Unit (CGU).

As regards the determination of the recoverable value of the CGU, based on the value-in-use method, we turn to estimate the cash flows generated by the asset. Forecasts of operating cash flows derive from the 2013 budget and the 2014-2017 strategic plan prepared by the companies of the Group and approved by the Board of Directors of Gruppo MutuiOnline S.p.A..

The main assumptions regarding the value-in-use of the CGU are the operating cash flows during the five-year forecasted period, the discount rate and the growth rate used to determine the terminal value.

The composition of future cash flows has been determined based on reasonable, prudent and consistent criteria regarding the attribution of future general expenditures, capital investment, financial balance and the main macroeconomic variables. Finally, it is worth pointing out that cash flows forecasts are referring to ordinary activities and, therefore, they are not comprehensive of cash flows deriving from possible extraordinary activities.

The terminal value has been estimated with the discounted cash flow formula for perpetuities.

The in-use value of the CGU has been determined discounting the value of the estimated future cash flows, including the terminal value, which are supposed to be derived from ongoing activities, at a discount rate, net of taxes, adjusted for risk and reflecting the weighted average cost of capital. In particular, the discount rate used is the Weighted Average Cost of Capital (WACC), whose determination refers to indexes and parameters monitored on the CGU's reference market, to the current value of liquidity and to the specific risks relating to the business under evaluation: the discount rate used at the evaluation date is equal to 8,67%.

As of December 31, 2012, the in-use value of the CGU Quinservizi S.p.A., determined as described above, is higher if compared to the carrying amount of the assets allocated to it, goodwill included.

Keeping into consideration the actual situation of volatility of the markets and of uncertainty upon future economic perspectives, we developed a sensitivity analysis on the recoverable value of goodwill.

Particularly, we developed a sensitivity analysis on the recoverable value of the CGU, assuming an increase of the discount rate and a decrease on the perpetual growth rate. The previously described sensitivity analysis confirmed the result of the impairment test.

8. Property, plant and equipment

The following table presents the situation and the variation of the item as of and for the year ended December 31, 2012 and 2011:

(euro thousand)	Land and buildings	Plant and machinery	Other tangible assets	Tangible assets under construction and advances	Total
Cost as of January 1, 2011	**2,932**	**2,623**	**1,419**	**-**	**6,974**
Additions	13	517	169	866	1,565
Reclassifications	(305)	248	57	-	-
Others	-	12	282	-	294
Cost as of December 31, 2011	**2,640**	**3,400**	**1,927**	**866**	**8,833**
Accumulated depreciation as of January 1, 2011	**415**	**1,992**	**1,147**	**-**	**3,554**
Depreciation expense	81	600	159	-	840
Accumulated depreciation as of December 31, 2011	**496**	**2,592**	**1,306**	**-**	**4,394**
Net book value as of December 31, 2011	**2,144**	**808**	**621**	**866**	**4,439**
Cost as of January 1, 2012	**2,640**	**3,400**	**1,927**	**866**	**8,833**
Additions	212	466	137	-	815
Reclassifications	866	-	-	(866)	-
Others	-	(29)	(139)	-	(168)
Cost as of December 31, 2012	**3,718**	**3,837**	**1,925**	**-**	**9,480**
Accumulated depreciation as of January 1, 2012	**496**	**2,592**	**1,306**	**-**	**4,394**
Depreciation expense	109	398	191	-	698
Others	-	(10)	(81)	-	(91)
Accumulated depreciation as of December 31, 2012	**605**	**2,980**	**1,416**	**-**	**5,001**
Net book value as of December 31, 2012	**3,113**	**857**	**509**	**-**	**4,479**

As of December 31, 2012 the net book value of the building located in Cagliari, is Euro 2,948 thousand. The value of the land acquired amounts to Euro 213 thousand. Furthermore, the item "Land and buildings" includes investments to renovate and modernize the office space in Arad, Romania.

The item "Plant and machinery" includes investments in generic electronic office equipment, mainly in the buildings located in Cagliari and in Arad, and for production hardware.

"Other tangible assets" include investments in furniture and fittings, specific equipment and vehicles.

9. Investments measured with the equity method

It consists in the investment in associated company EuroServizi per i Notai S.r.l.: the Issuer holds a 40% stake of the share capital of the company EuroServizi per i Notai S.r.l., which has total share capital of Euro 10 thousand, purchased for an amount equal to Euro 300 thousand. The company is active in the provision of services to coordinate and facilitate relationships between notaries, lenders, other businesses and professionals, consumers, as well as in the provision of services to notaries and other professionals in general.

The excess of the cost of acquisition over the fair value, equal to Euro 296 thousand, is entirely attributable to goodwill as the company has a perspective of going back to profit starting from financial year 2013 and of sustained growth within the next years, with sufficient cash flow generation to enable the recovery of the investment made.

During the year ended December 31, 2012, the expense deriving from the valuation with the equity method of the participation in the associated EuroServizi per i Notai S.r.l. was equal to Euro 61 thousand; this value is recorded as "Income/Expenses from participations" in the income statement.

10. Deferred tax assets

The following tables present the situation and the variation of the item as of and for the financial year ended December 31, 2012 and 2011:

Year ended December 31, 2011

(euro thousand)	As of January 1, 2011	Accrual	Other movements	Utilization	As of December 31, 2011	Expiring within 1 year	Expiring after 1 year
Deferred tax assets							
Costs with different tax deductibility	325	293	27	(228)	417	405	12
Differences between the tax bases of assets and their carrying amounts	76	20	-	(26)	70	17	53
Finance lease	319	-	-	(319)	-	-	-
Tax loss carry forwards	137	-	-	(2)	135	-	135
Total deferred tax assets	**857**	**313**	**27**	**(575)**	**622**	**422**	**200**
Deferred tax liabilities							
Defined benefit program liability	(24)	-	-	2	(22)	-	(22)
Differences between the tax bases of assets and their carrying amounts	(274)	(306)	-	148	(432)	(61)	(371)
Finance lease	(489)	-	-	489	-	-	-
Dividends deliberated not yet paid	(195)	(165)	-	195	(165)	(165)	-
Total deferred tax liabilities	**(982)**	**(471)**	**-**	**834**	**(619)**	**(226)**	**(393)**
Total	**(125)**	**(158)**	**27**	**259**	**3**	**196**	**(193)**

Year ended December 31, 2012

(euro thousand)	As of January 1, 2012	Accrual	Other movements	Utilization	As of December 31, 2012	Expiring within 1 year	Expiring after 1 year
Deferred tax assets							
Costs with different tax deductibility	417	74	-	(347)	144	98	46
Differences between the tax bases of assets and their carrying amounts	70	1,392	-	(20)	1,442	16	1,426
Tax loss carry forwards	135	1	-	(97)	39	-	39
Total deferred tax assets	**622**	**1,467**	**-**	**(464)**	**1,625**	**114**	**1,511**
Deferred tax liabilities							
Defined benefit program liability	(22)	(8)	-	52	22	-	22
Differences between the tax bases of assets and their carrying amounts	(432)	(29)	-	62	(399)	(41)	(358)
Dividends deliberated not yet paid	(165)	-	-	165	-	-	-
Total deferred tax liabilities	**(619)**	**(37)**	**-**	**279**	**(377)**	**(41)**	**(336)**
Total	**3**	**1,430**	**-**	**(185)**	**1,248**	**73**	**1,175**

Among deferred tax assets referring to differences between the tax bases of assets and their carrying amounts, there is also credit equal to Euro 1,359 thousand, deriving from the tax release of the consolidation differences emerged after the purchase of the participation in Key Servizi S.r.l. by Quiservizi S.p.A. and in Quinservizi S.p.A. by Centro Perizie S.r.l.. For such tax release, the Group recorded tax expenses for a total amount of Euro 693 thousand in the financial year ended December 31, 2012, appearing among tax liabilities as of December 31, 2012.

CURRENT ASSETS

11. Cash and cash equivalents

Cash and cash equivalents include cash in hand and bank deposits.

The following table presents net financial position, as defined in the CONSOB communication N. DEM/6064293 dated July 28, 2006, as of December 31, 2012 and 2011:

(euro thousand)	As of December 31, 2012	December 31, 2011	Change	%
A. Cash and cash equivalents	13,845	24,871	(11,026)	-44.3%
B. Other cash equivalents	-	-	-	N/A
C. Securities held for trading	9,709	1,980	7,729	390.4%
D. Liquidity (A) + (B) + (C)	**23,554**	**26,851**	**(3,297)**	**-12.3%**
E. Current financial receivables	**-**	**-**	**-**	**N/A**
F. Bank borrowings	-	(2,205)	2,205	-100.0%
G. Current portion of long-term borrowings	(758)	(739)	(19)	2.6%
H. Other short-term borrowings	-	-	-	N/A
I. Current indebtedness (F) + (G) + (H)	**(758)**	**(2,944)**	**2,186**	**-74.3%**
J. Net current financial position (I) + (E) + (D)	**22,796**	**23,907**	**(1,111)**	**-4.6%**
K. Non-current portion of long-term bank borrowings	(5,048)	(5,795)	747	-12.9%
L. Bonds issued	-	-	-	N/A
M. Other non-current borrowings	-	-	-	N/A
N. Non-current indebtedness (K) + (L) + (M)	**(5,048)**	**(5,795)**	**747**	**-12.9%**
O. Net financial position (J) + (N)	**17,748**	**18,112**	**(364)**	**-2.0%**

12. Financial assets held to maturity

These financial assets are low-risk bonds, with a maturity of less than one year, which the Issuer has purchased for the management of the liquidity of the Group exceeding short-term financial needs. The securities were treasury bonds or senior corporate bonds of leading foreign institutions that pay fixed coupon rates. In line with the policy of diversification of the currency exchange risk, the bonds purchased by the Group are denominated both in Euros and in foreign currencies.

As of December 31, 2012 the book value of the financial assets held to maturity is equal to Euro 9,709 thousand, of which Euro 7,723 thousand in foreign currency. During the financial year ended December 31, 2012 we recorded in the income statement an exchange rate loss on these assets for a total amount of Euro 522 thousand.

The following table presents the detail of these assets, divided by currency, as of December 31, 2012:

Description	Currency	Expiry date	Rating	As of December 31, 2012
Treasury Bond USD 0,5% 31/05/2013	USD	5/31/2013	AA+	3,777
Caisse des depots et des consignation USD 1 3/4%	USD	3/26/2013	AA+	1,387
Realkredit Danmark AS DKK 4%	DKK	1/1/2013	AAA	1,338
Compagnie de financiament foncier 4,5%	Euro	1/9/2013	AAA	1,986
KFW (4 7/8)% 15/01/2013	GBP	1/15/2013	AAA	1,221
Total financial assets held to maturity (Euro thousand)				**9,709**

13. Trade receivables

The following table presents the situation of the item as of December 31, 2012 and 2011:

(euro thousand)	As of December 31, 2012	As of December 31, 2011
Trade receivables	14,561	24,513
(allowance for doubtful receivables)	(380)	(315)
Total trade receivables	**14,181**	**24,198**

Trade receivables refer to ordinary sales to client companies operating in the banking and financial sector.

The following tables present the variation of the allowance for doubtful receivables in the financial years ended December 31, 2012 and 2011:

Year ended December 31, 2011

(euro thousand)	As of December 31, 2010	Accrual	Utilization	Others	As of December 31, 2011
Allowance for doubtful receivables	599	107	(419)	28	315
Total	**599**	**107**	**(419)**	**28**	**315**

Year ended December 31, 2012

(euro thousand)	As of December 31, 2011	Accrual	Utilization	As of December 31, 2012
Allowance for doubtful receivables	315	66	(1)	380
Total	**315**	**66**	**(1)**	**380**

14. Contract work in progress

Contract work in progress amounts to Euro 434 thousand and Euro 326 thousand as of December 31, 2012 and December 31, 2011.

The positive and negative variations of contract work in progress in the period are classified as a decrease or increase of "Personnel costs".

15. Credit Taxes

This item is referring to the credit for current taxes (IRES and IRAP).

16. Other current assets

The following table presents the situation of the item as of December 31, 2012 and 2011:

(euro thousand)	As of December 31, 2012	As of December 31, 2011
Accruals and prepayments	207	158
Advances to suppliers	72	39
Others	43	43
VAT receivables	1,183	533
Total other current assets	**1,505**	**773**

NON-CURRENT LIABILITIES

17. Long-term borrowings

The following table presents the situation of the item as of December 31, 2012 and 2011, where we find only bank borrowings:

(euro thousand)	As of December 31, 2012	As of December 31, 2011
Term between 1 and 5 years	3,981	3,655
Term over 5 years	1,067	2,140
Total long-term borrowings	**5,048**	**5,795**

Bank borrowings refer to the loan from Intesa Sanpaolo S.p.A. obtained in 2006, to the loan from Cariparma S.p.A. obtained in 2011 and to the loan from Banca di Romagna S.p.A..

The repayment schedule is as follows:

(euro thousand)	As of December 31, 2012	As of December 31, 2011
- between one and two years	983	748
- between two and three years	966	958
- between three and four years	999	952
- between four and five years	1,033	997
- more than five	1,067	2,140
Total	**5,048**	**5,795**

The interest rate on the loan obtained from Intesa Sanpaolo S.p.A. is equal to 6-month Euribor increased by 0.85%, and interest is calculated from the date of utilization of the loan and approximates the effective interest rate paid.

The interest rate on the loan obtained from Cariparma S.p.A. is equal to 6-month Euribor increased by 3.00%, and interest is calculated from the date of utilization of the loan and approximates the effective interest rate paid.

The interest rate on the loan obtained from Banca di Romagna S.p.A. is equal to 6-month Euribor increased by 1.50%, and interest is calculated from the date of utilization of the loan and approximates the effective interest rate paid.

The book value of the financial liabilities represents their fair value as of the date of the financial statement.

With regards to the loan with Intesa Sanpaolo S.p.A., the Group is obliged to comply with the following financial covenants with reference to the consolidated financial statements: i) net financial position not higher than EBITDA multiplied by 2 for 2006 and 2007, and by 2.5 for the subsequent years; and ii) shareholders' equity not lower than Euro 4,000 thousand. It should be noted that the calculation method used for determining net financial position as per the agreement with Intesa Sanpaolo S.p.A. is different from that used for the net financial position as presented in note 11. The Group has complied with these covenants since the signing of the contract.

With regards to the loan with Cariparma S.p.A., the Group is obliged to comply with the following financial covenants, with reference to the consolidated financial statements for the financial years ended during the term of the contract: i) consolidated shareholders' equity greater than Euro 10,000 thousand; ii) consolidated net financial position less than the largest of: consolidated EBITDA multiplied by 3 and Euro 10,000 thousand. As defined in the table of Net financial Position in paragraph 11. The Group has complied with these covenants since the signing of the contract.

18. Provisions for risks and charges

The following tables present the situation and the variation of the item as of and for the financial year ended December 31, 2012 and 2011:

Year ended December 31, 2011

(euro thousand)	As of December 31, 2010	Accrual	Utilization	Others	As of December 31, 2011
Provision for early repayment of mortgages	143	-	(17)	-	126
Provision for tax claims	133	-	-	-	133
Total	**276**	**-**	**(17)**	**-**	**259**

Year ended December 31, 2012

(euro thousand)	As of December 31, 2011	Accrual	Utilization	As of December 31, 2012
Provision for early repayment of mortgages	126	-	(5)	121
Provision for tax claims	133	-	(133)	-
Total	**259**	**-**	**(138)**	**121**

The provision for early repayment of mortgages includes the estimation of possible repayment of commissions received for mortgages intermediated in the year ended at the financial statements date, if particular clauses of the agreements with the banks provide for the reduction of the fees in case of loan prepayment or borrower default.

The provision for tax claims was allocated to face a possible liability, related to IRAP tax claims and connected penalties, concerning a previous financial year and affecting two companies of the Group.

After a favourable first-degree court ruling, the provision has been released because that liability is considered no longer probable.

19. Defined benefit program liabilities

The following table presents the situation of the item as of December 31, 2012 and 2011:

(euro thousand)	As of December 31, 2012	As of December 31, 2011
Employee termination benefits	2,872	2,550
Directors' termination benefits	391	366
Total defined benefit program liabilities	**3,263**	**2,916**

The economic and demographic assumptions used for the actuarial determination of the defined benefit program liabilities are provided below for the years ended December 31, 2012 and 2011:

	As of December 31, 2012	As of December 31, 2011
ECONOMIC ASSUMPTIONS		
Inflation rate	2%	2%
Discount rate	3.25%	4.6%
Salary growth rate	3%	3%
TFR growth rate	3%	3%

DEMOGRAPHIC ASSUMPTIONS	
Expected mortality rate	2002 ISTAT data on the Italian population split by gender.
Expected invalidity rate	Data split by sex, driven by the INPS model and projected to 2010. Expectations are constructed using the age and gender of the living pensioners at January 1, 1987 beginning from 1984, 1985, 1986 for the personnel of the credit sector.
Expected termination rate	A rate of 15% p.a. has been applied.
Expected retirements	It is expected that employees will reach the pensionable age provided within local laws
Expected early repayment rate	A rate of 3% p.a. has been applied.

It is worth pointing out that pursuant to the early implementation of IAS 19 revised, actuarial losses, deriving from the liability as of December 31, 2012, have been recorded in equity, with the recognition in the comprehensive income statement. Subsequently the set-up value of the provision has been restated.

The following table presents the variation of the employee termination benefit liability for the year ended December 31, 2012 and 2011:

Value as of December 31, 2010	**1,611**
Actuarial gain/(losses) as of December 31, 2010	26
Value as of December 31, 2010 restated	**1,637**
Current service cost	668
Interest cost	74
Acquisitions	379
Benefits paid	(182)
Actuarial gain/(losses) of the year	30
Value as of December 31, 2011	**2,606**
Current service cost	785
Interest cost	114
Benefits paid	(577)
Actuarial gain/(losses) of the year	140
Value as of December 31, 2012	**3,068**

Expenses related to the defined benefit program liability that are recognized in the income statement are as follows:

	Years ended	
(euro thousand)	**December 31, 2012**	**December 31, 2011**
Current service cost	(785)	(668)
Implicit interest cost	(114)	(74)
Total expenses related to the defined benefit program	**(899)**	**(742)**

Finally, it is worth pointing out that the reference rate used for the valuation as of December 31, 2012 was extracted from the Iboxx Eur Corporate A rather than Iboxx Eur Corporate AA, used last year. This change was necessary following the actual crisis of the financial markets. In fact during the last months there was a downgrade of the rating of many companies of the Euro zone, causing a downsizing of the panel of Iboxx AA compared to the panel of Iboxx A. In case of use of index Iboxx AA we would have recognized in the comprehensive income statement higher actuarial losses for an amount of Euro 86 thousand.

20. Other liabilities

The item represents the liabilities for the forward purchases of minority interest stakes of Quinservizi S.p.A., equal to 15% of the capital of the subsidiary.

Such liability derives from an agreement signed with minority shareholders, entered upon the acquisition of the entity on December 16, 2011, who obtained from the Group a put option on their stake; at the same time the minority shareholders granted to the Group a call option for the same stake. The options are exercisable at the same price within three months from the date of approval of the annual report of Quinservizi S.p.A. for the financial year ended December 31, 2013.

According to the applicable accounting principles (IAS 32), the existence of these options implies the identification of a term purchase contract with a defined price and, therefore, a liability for the Group.

The liabilities regarding such options have originally been recorded at fair value, counter-balanced by a reduction of Group shareholders' equity as, being the exercise prices of the options linked to the economic performance of the entities whose shares or quotas are the object of the option contracts, the risk of the variability of the fair value remains with the minority shareholders, whose share of shareholders' equity remains visible in the consolidated financial statements.

During the financial year ended December 31, 2012, a further 10% of the share capital of Quinservizi S.p.A. was purchased in advance from one of the minority stakeholders with whom we had entered the abovementioned agreement. Such transaction determined a payment equal to Euro 610 thousand, versus a liability recorded for an amount equal to Euro 1,405 thousand, with the subsequent recording in the income statement of an income component equal to Euro 795 thousand, recorded, among others, within "Income/(Expenses) from financial assets/liabilities".

Finally, as of December 31, 2012, the valuation of the ongoing option, through the amortized cost method, versus the remaining minority shareholder of Quinservizi S.p.A. has determined an income equal to Euro 391 thousand recording in the income statement within "Income/(Expenses) from financial assets/liabilities".

CURRENT LIABILITIES

21. Short-term borrowings

Short-term borrowings amounting to Euro 758 thousand as of December 31, 2012, include the current portions of borrowings and the interest payable on the ongoing loans amounting to Euro 734 thousand.

22. Trade and other payables

Trade and other payables include the payables to suppliers for the purchase of goods and services.

23. Tax payables

Tax payables include payables for corporate income tax and regional income tax.

24. Other current liabilities

The following table presents the situation of the item as of December 31, 2012 and 2011:

(euro thousand)	As of December 31, 2012	As of December 31, 2011
Liabilities to personnel	2,234	2,265
Social security liabilities	858	1,111
Social security liabilities on behalf of employees	650	596
Accruals	162	92
VAT liabilities	267	387
Other liabilities	32	371
Total other liabilities	**4,203**	**4,822**

Liabilities to personnel are mainly liabilities for the salary accrued in December, paid at the beginning of 2013, for accrued holidays and for deferred expenses as of December 31, 2012 that are still to be paid and bonus liabilities for the financial year 2012 not yet paid as of December 31, 2012.

25. Shareholders' equity

The following table presents the situation of the item as of December 31, 2012 and 2011:

(euro thousand)	As of December 31, 2012	As of December 31, 2011
Share capital	944	944
Legal reserve	200	200
Other reserves	237	56
Retaind earnings	31,034	32,137
Total Group shareholders' equity	**32,415**	**33,337**
Other reserves of minority interest	549	978
Retained income of minority interest	(198)	(411)
Total shareholders' equity	**32,766**	**33,904**

For the changes in shareholders' equity, refer to the relevant table.

On April 26, 2012 the shareholders' meeting resolved the distribution of a dividend of Euro 4,476 thousand from the distribution of the earnings for the financial year 2011. Such dividends have been paid out with ex-dividend date May 7, 2012 and payable date May 10, 2012.

As of December 31, 2012 the Company's share capital is composed of 39,511,870 shares without nominal value. During the year ended December 31, 2012 there were no changes in the number of issued shares.

During the year ended December 31, 2007 the Issuer initiated a buy-back program, for up to 2% of share capital, serving the stock option plan for directors, employees and other personnel. During the year ended December 31, 2008 the Company approved a new buy-back program, for up to the 10% of share capital, specifying limits and purposes. During the years ended December 31, 2008 and 2009 also subsidiaries MutuiOnline S.p.A. and Centro Istruttorie S.p.A. began a program for the purchase of shares the Issuer.

As of December 31, 2012 the companies of the Group hold a total of 2,213,022 shares of the Issuer, of which 561,500 purchased directly by the Issuer, 1,500,000 purchased by subsidiary MutuiOnline S.p.A. and 151,522 purchased by subsidiary Centro Istruttorie S.p.A., equal to 5.601% of ordinary share capital, for a total cost of Euro 9,459 thousand. Being the shares without nominal value, the purchase cost is deducted from the share capital for an amount implicitly corresponding to the nominal value, equal to Euro 56 thousand as of December 31, 2012, and from the distributable reserves for an amount equal to the remaining part of the purchase cost.

The following table presents the impact of the purchase and sale of own shares by the companies of the Group on the consolidated share capital and net equity of the shareholders of the Issuer as of December 31, 2012 and 2011:

(euro thousand)	**As of December 31, 2012**	**As of December 31, 2011**
Share capital underwritten and paid	1,000	1,000
Own shares' nominal value	(56)	(56)
Total share capital	**944**	**944**

(euro thousand)	**As of December 31, 2012**	**As of December 31, 2011**
Other reserves gross of own shares	40,915	41,837
Surplus on own shares	(9,444)	(9,444)
Total other reserves	**31,471**	**32,393**

26. Stock option plan

During the financial year ended December 31, 2012 no additional stock options were granted.

The following table summarizes the variation of the stock options during the year:

Stock options as of January 1, 2012	4,411,000
Stock options offered in 2012	-
Stock option canceled due to resignations in 2012	(20,000)
Stock option exercised in 2012	-
Stock options as of December 31, 2012	4,391,000
of which vested as of December 31, 2012	*2,495,000*

The outstanding stock options as of December 31, 2012 are as follows:

Data shareholders' meeting resolution	Date of assignment	Maturity date	Expiry date	# options	Strike price	Value of the option
February 9, 2007	June 6, 2007	June 6, 2010	June 5, 2013	1,560,000	7.500	0.91
February 9, 2007	July 9, 2007	July 9, 2010	July 8, 2013	481,000	7.500	1.13
February 9, 2007	July 9, 2007	July 9, 2010	July 8, 2013	185,500	6.200	1.44
February 9, 2007	February 11, 2008	February 11, 2011	February 10, 2014	65,500	3.800	0.80
February 9, 2007	July 15, 2008	July 15, 2011	July 14, 2014	3,000	4.350	0.91
February 9, 2007	May 7, 2009	January 1, 2010	December 31, 2012	200,000	4.500	0.88
November 9, 2010	November 22, 2010	November 22, 2013	November 21, 2016	800,000	5.196	1.03
November 9, 2010	December 16, 2010	December 16, 2013	December 15, 2016	959,000	5.126	1.02
November 9, 2010	December 28, 2010	December 28, 2013	December 27, 2016	54,000	5.010	0.89
November 9, 2010	February 28, 2011	February 28, 2014	February 27, 2017	50,000	4.857	0.99
November 9, 2010	October 10, 2011	October 10, 2014	October 9, 2017	33,000	4.010	0.45
			Total options	**4,391,000**		

The weighted average price of the shares for the year ended December 31, 2012 was equal to Euro 3,330.

Personnel costs for the year ended December 31, 2012 include Euro 645 thousand related to the Group's stock option plan. In the income statement for the year ended December 31, 2011 there are costs equal to Euro 642 thousand related to the stock option plan.

NOTES TO THE MAIN ITEMS OF THE CONSOLIDATED COMPREHENSIVE INCOME STATEMENT

27. Revenues

The following table presents the details of the item for the financial years ended December 31, 2012 and 2011:

(euro thousand)	Years ended December 31, 2012	December 31, 2011
Broking Division revenues	17,259	41,914
BPO Division revenues	21,203	29,921
Total revenues	**38,462**	**71,835**

For comments on the evolution of revenues, please refer to the management report.

28. Other income

The following table presents the details of the item for the financial years ended December 31, 2012 and 2011:

(euro thousand)	Years ended December 31, 2012	December 31, 2011
Reimbursement of costs	1,003	410
Others	407	155
Grants	1	58
Total other income	**1,411**	**623**

29. Services costs

The following table presents the details of the item for the financial years ended December 31, 2012 and 2011:

(euro thousand)	Years ended December 31, 2012	December 31, 2011
Marketing and commercial expenses	(8,475)	(9,812)
Technical, legal and administrative consultancy	(1,402)	(1,221)
Postage	(1,114)	(569)
Notarial and appraisal services	(931)	(3,625)
Telephone	(779)	(914)
Rental and lease expenses	(568)	(348)
Utilities and cleaning costs	(458)	(381)
Other general expenses	(450)	(455)
Travel expenses	(342)	(346)
Commission payout	(282)	(1,317)
Maintenance expenses	(207)	(142)
Total services costs	**(15,008)**	**(19,130)**

Marketing expenses refer to activities aimed at increasing the awareness and reputation of the Group and of its brands and to acquire new prospective clients. We underline that this item includes the costs for the launch of the new brand "Segugio.it".

Technical, legal and administrative consultancy costs refer to expenses incurred for professional advice for legal and fiscal matters, for audit activities and for administrative support as well as for IT and technology consulting.

Notary and appraisal services mainly refer to services purchased by the BPO Division and the decrease recorded during the financial year ended December 31, 2012 is in line with the contraction recorded by the Division in the period.

Postage and delivery charges refer mainly to expenses incurred for the shipping of banking and financial insitutes documentation provided by outsourced services of BPO Division. The increase of this item is due to the inclusion of companies, which provide outsourcing services, in the consolidation area for the whole financial year ended December 31, 2012.

The rental and lease expenses include prevalently the fees paid by the companies of the Group for the rental of offices owned by third parties. The following table presents a summary of the lease obligations on the basis of existing contracts:

(euro thousand)	**As of December 31, 2012**
Less than 1 year	(274)
1 - 5 years	(420)
More than 5 years	(43)
Total lease obligations	**(737)**

30. Personnel costs

The following table presents the details of the item for the financial years ended December 31, 2012 and 2011:

	Years ended	
(euro thousand)	**December 31, 2012**	**December 31, 2011**
Wages and salaries	(12,735)	(13,282)
Social security contributions	(3,321)	(3,205)
Professional collaborators and project workers costs	(8)	(12)
Directors' compensation	(866)	(799)
Defined benefit program liabilities	(864)	(716)
Other costs	(193)	(115)
Stock option expenses	(645)	(642)
Changes in contract work in progress	107	(363)
Total personnel costs	**(18,525)**	**(19,134)**

The average headcount is as follows:

	Years ended	
	December 31, 2012	**December 31, 2011**
Managers	10	9
Supervisors	15	12
Employees	746	740
Average headcount	**771**	**761**
Headcount in Italy	491	438
Headcount in Romania	280	323

It is worth pointing out that the average 2012 headcount includes 106 employees, all based in Italy, working for subsidiary Quinservizi S.p.A., which were not present in 2011.

31. Other operating costs

Other operating costs include Euro 1,282 thousand and Euro 2,008 thousand relative to non-deductible VAT costs for the financial years ended December 31, 2012 and 2011, respectively.

32. Depreciation and amortization

The following table presents the details of the item for the financial years ended December 31, 2012 and 2011:

(euro thousand)	Years ended December 31, 2012	Years ended December 31, 2011
Amortization of intangible assets	(793)	(755)
Depreciation of property, plant and equipment	(697)	(840)
Total depreciation and amortization	**(1,490)**	**(1,595)**

33. Net financial income

The following table presents the details of the item for the financial years ended December 31, 2012 and 2011:

(euro thousand)	Years ended December 31, 2012	Years ended December 31, 2011
Financial income	440	428
Interest expense – borrowings	(1,043)	(228)
Implicit interest cost on defined benefit program liability	(113)	(74)
Net financial income/(loss)	**(716)**	**126**

Financial income includes mainly the interest income accrued in the period from the use of Group's available liquidity.

Financial expense for the financial year ended December, 2012, includes Euro 559 thousand related to the exchange rate loss deriving from the use of liquidity in financial assets denominated in foreign currency and Euro 229 thousand for the interest expenses on the financial loans and the interest expense accrued on the financial liability deriving from the agreement signed with the minority shareholders of the subsidiary Quinservizi S.p.A., as described in the previous note 20.

34. Income tax expense

The following table presents the details of the item for the financial years ended December 31, 2012 and 2011:

(euro thousand)	Years ended December 31, 2012	December 31, 2011
Current income tax	(1,603)	(10,969)
Deferred taxes	1,259	751
Income tax expense	**(344)**	**(10,218)**

The reconciliation between the theoretical tax rate and the effective tax rate for the years ended December 31, 2012 and 2011 is provided in the following table:

	Years ended December 31, 2012	December 31, 2011
Corporate income tax (IRES)		
Theoretical tax rate	27.5%	27.5%
Differences due to revenues not taxable for IRES	-11.0%	0.0%
Stock option expenses	2.3%	0.3%
Differences of the tax rate on foreign company income	-4.0%	-0.7%
Impact of the tax benefits	-38.5%	-0.2%
Substitute tax	17.7%	0.0%
Others	5.5%	0.9%
Effective IRES tax rate	**-0.5%**	**27.8%**
Regional income tax (IRAP)		
Theoretical tax rate	3.9%	3.9%
Differences due to revenues not taxable for IRAP	17.0%	3.4%
Tax benefits	-13.0%	0.0%
Others	1.4%	-2.3%
Effective IRAP tax rate	**9.3%**	**5.0%**

35. Potential liabilities

In this respect, it is worth pointing out that during the financial year ended December 31, 2007, two companies of the Group, MutuiOnline S.p.A. and Centro Istruttorie S.p.A., were subjected to an audit from the territorial staff of the Ministry of Labor. These controls concerned, among other things, the legal classification of the professional and project-based collaboration contracts used by these companies. As of the date of preparation of the financial statements, the reports of the results of these audits and the claim forms for presumed contribution arrears and related penalties have been notified, the payment of which has been suspended, following the opposition of the company. The management examined these documents with the support of legal advisers and, at the moment, in the light of the notified forms, despite the granting of the suspension, we are unable to predict the financial outcome of the commenced litigation. In the consolidated financial statements no provision was made in such respect because, at present, the emergence of an obligation is considered possible but not probable and there are no objective evidences to make a reliable estimation of the amount of this potential obligation.

We do not recognize any further potential liability.

36. Classes of financial instruments

In the balance sheet as of December 31, 2012 financial assets are classified as follows:

- Cash and cash equivalents for Euro 13,845 thousand (2011: Euro 24,871 thousand);
- Loans and receivables for Euro 14,253 thousand (2011: Euro 24,237 thousand);
- Financial assets held to maturity for Euro 9,709 thousand (2011: Euro 1,980 thousand).

All the financial liabilities recorded in the balance sheet as of December 31, 2012 and 2011 are stated at amortized cost.

37. Related parties

Related party transactions, including intra-group transactions, are part of the ordinary business operations of the Group, and do not include any unusual or atypical transactions.

38. Other information

Compensations paid to the members of the governing and controlling bodies, general managers and managers with strategic responsibilities

The following table shows the compensation paid to the members of the governing and controlling bodies, general managers and managers with strategic responsibilities in the year ended December 31, 2012:

Name	Office	Holding period of the office From	To	Term of the office	Compensation for the office	Non-monetary benefits	Bonus and other incentives	Other
Marco Pescarmona	Chairman	01/01/2012	31/12/2012	Appr. of 2013 fin. stat.	60	2	88	80
Alessandro Fracassi	CEO	01/01/2012	31/12/2012	Appr. of 2013 fin. stat.	60	2	88	80
Fausto Boni	Director	01/01/2012	31/12/2012	Appr. of 2013 fin. stat.	10	-	-	-
Marco Zampetti	Director	01/01/2012	31/12/2012	Appr. of 2013 fin. stat.	29	-	-	-
Paolo Vagnone	Director	01/01/2012	25/07/2012	Appr. of 2013 fin. stat.	12	-	-	-
Klaus Gummerer	Director	13/11/2012	31/12/2012	Appr. of 2012 fin. stat.	2	-	-	-
Alessandro Garrone	Director	01/01/2012	31/12/2012	Appr. of 2013 fin. stat.	15	-	-	-
Andrea Casalini	Director	01/01/2012	31/12/2012	Appr. of 2013 fin. stat.	28	-	-	-
Daniele Ferrero	Director	01/01/2012	31/12/2012	Appr. of 2013 fin. stat.	21	-	-	-
Giuseppe Zocco	Director	01/01/2012	31/12/2012	Appr. of 2013 fin. stat.	10	-	-	-
Matteo De Brabant	Director	01/01/2012	31/12/2012	Appr. of 2013 fin. stat.	13	-	-	-
Fausto Provenzano	Chairman of the board of st. aud.	01/01/2012	31/12/2012	Appr. of 2011 fin. stat.	22	-	-	15
Paolo Burlando	Statutory auditor	01/01/2012	31/12/2012	Appr. of 2011 fin. stat.	15	-	-	10
Francesca Masotti	Statutory auditor	01/01/2012	31/12/2012	Appr. of 2011 fin. stat.	15	-	-	10
Managers with strategic responsibilities					-	-	-	432

The column "other" includes the compensations for office in subsidiaries, wages received as employees, and the provisions for benefits upon termination.

Fees paid to the independent auditors

The following table provides the fees paid to the independent auditors by the Issuer and its subsidiaries during the year ended December 31, 2012, separating the fees paid for audit services from the fees paid for other attestation services:

(euro thousand)	Year ended December 31, 2012 Gruppo MutuiOnline S.p.A.	Subsidiaries
Audit	43	117
Attestation	-	39
Total fees paid to the independent auditor	**43**	**156**

39. Subsequent events

On January 14, 2013, the Group purchased another 20% of the ordinary share capital of EuroServizi per i Notai S.r.l. achieving control of the company. The price for the purchase of this stake is formed by two parts: Euro 33 thousand already paid to the seller and a further amount equal to 50% of the average EBITDA of the company for the financial years 2013, 2014, 2015, to be paid after the approval of the financial report for the year ended December 31, 2015. The total stake, equal to 60% of the ordinary share capital, is now directly owned by Gruppo MutuiOnline S.p.A..

In the following table, we show the main financial data of the subsidiary as of December 31, 2012:

(euro thousand)	Original book values
Non-current assets	61
Current assets	201
Total assets	**262**
Shareholders' equity	121
Non-current liabilities	28
Current liabilities	113
Total liabilities and shareholders' equity	**262**

Furthermore, on February 14, 2013 the Issuer purchased 100% of the ordinary share capital of Money360.it S.p.A, a company which operates as an on-line credit broker through the www.money360.it web site, for compensation equal to Euro 1 in addition to a further contingent amount, to be paid only upon the occurrence of certain events during financial year 2013.

In the following table, we show the main financial data of the subsidiary as of December 31, 2012:

(euro thousand)	Original book values
Non-current assets	1,075
Current assets	144
Total assets	**1,219**
Shareholders' equity	793
Non-current liabilities	65
Current liabilities	361
Total liabilities and shareholders' equity	**1,219**

It is worth pointing out that for both acquisitions the management is still assessing the fair value of the assets, liabilities and potential liabilities purchased, as well as the effect of the first consolidation.

40. Earnings per share

Earnings per share for the year ended December 31, 2011 are calculated by dividing the net income attributable to the shareholders of the Company for the year (Euro 21,016 thousand) by the weighted average number of Issuer's shares outstanding during the year ended December 31, 2011 (37,452,564 shares).

Earnings per share for the year ended December 31, 2012 are calculated by dividing the net income attributable to the shareholders of the Company for the year (Euro 3,373 thousand) by the weighted average number of the shares outstanding during the year ended December 31, 2012 (37,298,848 shares).

For the financial year ended December 31, 2012 we report no difference between the basic earnings per share and the diluted earnings per share: at the moment there are no equity instruments (stock options) that meet the requirements provided by IAS 33 to generate dilutive effects on the earnings per share.

Milan, March 13, 2013

For the Board of Directors
The Chairman
(Ing. Marco Pescarmona)

Gruppo MutuiOnline

ANNUAL REPORT

AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2012

Prepared according to IAS/IFRS

4. ANNUAL REPORT AS OF AND FOR YEAR ENDED DECEMBER 31, 2012

4.1. Financial statements

4.1.1. Statement of financial position

(euro thousand)	Note	As of December 31, 2012	December 31, 2011
ASSETS			
Intangible assets	3	102	16
Plant and equipment	4	41	65
Investments in associated companies	5	14,490	8,113
Deferred tax assets	5	7	-
Total non-current assets		**14,640**	**8,194**
Cash and cash equivalents	7	21,046	25,465
(of which) with related parties	*27*	*8,004*	*1,328*
Financial assets held to maturity	8	9,709	1,980
Financial assets available for sale		-	196
Trade receivables		189	377
(of which) with related parties	*27*	*163*	*377*
Tax receivables	9	2,237	-
Other current assets	10	1,249	24,712
(of which) with related parties	*26*	*875*	*24,230*
Total current assets		**34,430**	**52,730**
TOTAL ASSETS		**49,070**	**60,924**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Share capital	11	986	986
Legal reserve	11	200	200
Other reserves	11	1,430	785
Retaind earnings	11	7,208	565
Net income	11	1,916	11,118
Total shareholders' equity		**11,740**	**13,654**
Long-term borrowings	12	5,000	5,685
Defined benefit program liabilities	13	173	119
Deferred tax liabilities		-	157
Other non current liabilities		-	97
Total non-current liabilities		**5,173**	**6,058**
Short-term borrowings	14	29,389	37,362
(of which) with related parties	*27*	*28,695*	*34,684*
Trade and other payables	15	769	1,028
(of which) with related parties	*27*	*238*	*420*
Tax payables	16	-	2,382
Other current liabilities	17	1,999	440
(of which) with related parties	*27*	*1,660*	*215*
Total current liabilities		**32,157**	**41,212**
TOTAL LIABILITIES		**37,330**	**47,270**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**49,070**	**60,924**

4.1.2. Income statement

(euro thousand)	Note	Years ended December 31, 2012	December 31, 2011
Revenues (from subsidiaries)	19	4,498	13,859
(of which) with related parties	*27*	*4,408*	*13,859*
Other income		101	1
(of which) with related parties	*27*	*30*	-
Services costs	20	(1,266)	(1,797)
(of which) with related parties	*27*	*(258)*	*(48)*
Personnel costs	21	(1,301)	(1,302)
Other operating costs		(50)	(64)
Depreciation and amortization		(77)	(45)
Operating income		**1,905**	**10,652**
Financial income	22	319	338
(of which) with related parties	*27*	*28*	*15*
Financial expenses	22	(1,003)	(519)
(of which) with related parties	*27*	*(148)*	*(420)*
Losses from financial liabilities	22	(89)	-
Net income before income tax expense		**1,132**	**10,471**
Income tax expense	23	784	647
Net income		**1,916**	**11,118**

During the financial year ended December 31, 2012 we did not record profit and loss items deriving from events or operations whose occurrence is not recurring or from operations or facts that are not common during the course of activities,

4.1.3. Comprehensive income statement

(euro thousand)	Note	Years ended December 31, 2012	December 31, 2011
Net income		**1,916**	**11,118**
Total other comprehensive income		-	-
Total comprehensive income for the period		**1,916**	**11,118**

4.1.4. Statement of cash flows

(euro thousand)	Note	Years ended December 31, 2012	December 31, 2011
Net income		**1,916**	**11,118**
Amortization and depreciation	3, 4	77	45
Stock option expenses	18	310	309
Interest cashed		457	320
Income tax paid		(3,323)	(3,563)
Changes in trade receivables/payables		(71)	31
(of which) with related parties		*32*	*(16)*
Changes in other assets/liabilities		24,476	1,131
(of which) with related parties		*17,366*	*(4,928)*
Payments on defined benefit program		54	40
Net cash provided by operating activities		**23,896**	**9,431**
Investments:			
- Increase of intangible assets	3	(131)	(9)
- Increase of plant and machinery	4	(8)	(37)
- Increase of participation	5	(6,377)	(332)
- Increase of financial assets held to maturity	8	(9,709)	-
Disposals:			
- Decrease of financial assets held to maturity	8	1,980	8,899
Net cash used in investing activities		**(14,245)**	**8,521**
Increase of financial liabilities		-	5,000
Decrease of financial liabilities		(668)	(654)
Interest paid		(712)	(484)
Stock options expenses for subsidiaries	5	335	332
Purchase/Sale of own shares		-	(355)
Dividends paid	11	(4,476)	(13,885)
(of which) with related parties		*(1,570)*	*(4,826)*
Net cash used in financing activities		**(5,521)**	**(10,046)**
Net increase in cash and cash equivalents		**4,130**	**7,906**
Net cash and cash equivalent at the beginning of the period		(11,219)	(19,125)
Income/(loss) on exchange rate		(559)	-
Net cash and cash equivalents at the end of the period		**(7,648)**	**(11,219)**
Cash and cash equivalents at the beginning of the year	7	25,465	10,875
(of which) with related parties	27	*1,328*	*1,664*
Current account overdraft at the beginning of the year (with related parties)	27	(36,684)	(30,000)
Net cash and cash equivalents at the beginning of the year		**(11,219)**	**(19,125)**
Net cash and cash equivalents at the end of the year	7	21,046	25,465
(of which) with related parties	*27*	*8,004*	*1,328*
Current account overdraft at the end of the year (with related parties)	27	(28,694)	(36,684)
Cash and cash equivalents at the end of the year		**(7,648)**	**(11,219)**

4.1.5. Statement of changes in shareholders' equity

(euro thousand)	Share capital	Legal reserve	Other reserves	Retained earnings	Net income of the year	Total
Value as of December 31, 2010	**987**	**200**	**498**	**827**	**13,622**	**16,134**
Allocation of previous year net income	-	-	-	114	(13,622)	**(13,508)**
Distribution of extraordinary dividend	-	-	-	(377)	-	**(377)**
Purchase of own shares	(2)	-	(499)	-	-	**(501)**
Exercise of stock options	1	-	145	-	-	**146**
Stock options plan	-	-	641	-	-	**641**
Other movements	-	-	-	1	-	**1**
Net income of the year	-	-	-	-	11,118	**11,118**
Value as of December 31, 2011	**986**	**200**	**785**	**565**	**11,118**	**13,654**
Allocation of previous year net income	-	-	-	6,642	(11,118)	**(4,476)**
Stock options plan	-	-	645	-	-	**645**
Other movements	-	-	-	1	-	**1**
Net income of the year	-	-	-	-	1,916	**1,916**
Value as of December 31, 2012	**986**	**200**	**1,430**	**7,208**	**1,916**	**11,740**
Note	11	11	11, 18	11		

The Issuer applied for early IAS 19 revised The effects on equity as of December 31, 2010 and 2011 are reported in Note 19

4.2. Explanatory notes to the financial statements (separated financial report)

1. Basis of preparation of the consolidated financial statements

This annual report, including the statement of financial position, comprehensive income statement, statement of cash flows and statement of changes in shareholders' equity as of and for the year ended December 31, 2012 and the relevant notes, has been prepared in accordance with IFRS issued by the International Accounting Standard Board ("IASB") and the related interpretations SIC/IFRIC, adopted by the European Commission. Besides it has been prepared in accordance with CONSOB resolutions No. 15519 and No. 15520 dated July 27, 2006, with CONSOB communication No. DEM/6064293 dated July 28, 2006 and with art. 149-*duodecies* of the Issuer Regulations.

The financial statements are prepared at cost, with the exception of the items specifically described in the following notes, for which the measurement at fair value is adopted. The fair value is the price at which an asset could be exchanged, or a liability discharged, between knowledgeable, willing parties in an arm's length transaction.

Receivables are derecognized if the right to receive the cash flows has been transferred or when the entity no longer controls such financial assets.

Payables are derecognized only when they are settled or the specific obligation is met or canceled or expired.

In particular the IFRS have been consistently applied to all the periods presented.

All the amounts included in the tables of the following notes are in thousands of Euro.

Following the effectiveness of EU Regulation N 1606/1002 and the related national provisions of enactment, starting from year 2007, Gruppo MutuiOnline S.p.A. adopts the International Financial Standard issued by the International Accounting Standard Board ("IASB") and the related interpretations, adopted by the European Commission ("IFRS"). IFRS should be understood as the International Financial Reporting Standards, the International Accounting Standards ("IAS"), the interpretations of the International Financial Reporting Interpretation Committee ("IFRIC"), previously denominated Standing Interpretations Committee ("SIC").

The financial statement schemes adopted are in accordance to the ones provided by IAS 1 ("Presentation of financial statements") and in particular:

- for the statement of financial position we adopted the "current/non-current" presentation;
- for the comprehensive income statement we adopted the presentation of costs by nature;
- the statement of changes in shareholders' equity was prepared according with IAS 1;
- the statement of cash flows was prepared using the indirect method.

In addition, in accordance with revised IAS 1 ("Presentation of financial statements"), in the income statement after the net income for the period we also present the comprehensive income components.

The most significant provisions adopted for the preparation of the consolidated financial statements are the following:

A) <u>Intangible assets</u>

Intangible assets are non-monetary assets that are distinctly identifiable and able to generate future economic benefits. These items are recognized at purchase cost and/or internal production cost, including all costs to bring the assets available for use, net of accumulated amortization and impairment, if any.

Amortization commences when the asset is available for use and is systematically calculated on a straight-line basis over the estimated useful life of the asset.

(a) Licenses and other rights

Licenses and other rights are amortized on a straight line basis in order to allocate their acquisition cost over the shorter of useful life and duration of the relevant contracts, starting from the moment of acquisition of the rights and usually lasting for a period of 3 to 5 years.

B) <u>Property, plant and equipment</u>

Property, plant and equipment are stated at historical cost of acquisition or production less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition.

All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be reliably measured. When assets are composed of different identifiable components whose useful life is significantly different, each component is depreciated separately applying the "component approach".

Depreciation is charged to each component on a systematic basis over the estimated useful life from the date of initial recognition.

Property, plant and equipment are depreciated with useful lives as follows:

Description of the main categories of the item "Property, plant and equipment"	**Period**
Leasehold improvements	shorter of contract duration and useful life
Generic equipment	5 years
Hardware	2.5 years
Office equipment	2.5-5 years
Furniture and fittings	8 years
Auto vehicles	4 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

C) <u>Investments in subsidiaries</u>

An entity is defined subsidiary when the Issuer owns, directly or indirectly, more than half of the voting power exercisable in the shareholders' meeting.

Investments in subsidiaries are measured at cost adjusted for any impairment loss recognized in the income statement. When the motives for such losses are no longer valid, the value of investments is increased up to the relevant cost of acquisition. This recovery is recognized in the income statement.

D) Impairment of assets

At each balance sheet date the Issuer assesses property, plant and equipment and intangible assets in order to identify possible indicators of impairment, deriving from both internal and external sources of the Company. If such indicators are identified, an estimate of the recoverable value is made and any impairment of the relevant book value is recognized in the income statement. The recoverable amount of an asset is the higher amount between its fair value, less sales costs, and its value in use, equal to actualized value of the expected cash flows of such asset. In calculating the value in use, the expected cash flows are discounted using a discount rate reflecting the current market value of the investments and the specific risks associated with the asset.

The value in use of an asset that does not generate independent cash flows is determined in relation to the cash generating unit to which this asset belongs. Impairment is recognized in the income statement whenever the carrying amount of the asset and of the related cash generating unit exceeds its recoverable value. Whenever circumstances causing impairment cease to exist, the book value of the asset, except the goodwill, is restored with the recognition in the income statement, up to the net value that the asset would have had if it were not impaired and regularly depreciated.

E) Impairment

The Issuer ascertains, at least yearly, whether there are indicators of a potential loss in value of intangible and tangible assets. If the Issuer finds that such indications exist, it estimates the recoverable value of the relevant asset.

In addition, intangible assets with an indefinite useful life, or that are not available for use, and goodwill are subject to an impairment test each year, or more frequently if there is an indication that the asset may have been subject to a loss in value.

The ability to recover the assets is ascertained by comparing the reported value to the related recoverable value, which is represented by the greater of the fair value less disposal costs and the value in use.

In the absence of a binding sale agreement, the fair value is estimated on the basis of recent transaction values in an active market, or based on the best information available to determine the amount that could be obtained from selling the asset.

The value in use is determined by discounting expected cash flows resulting from the use of the asset, and if significant and reasonably determinable, the cash flows resulting from its sale at the end of its useful life.

Cash flows are determined on the basis of reasonable, documentable assumptions representing the best estimate of the future economic conditions that will occur during the remaining useful life of the asset, with greater weight given to outside information.

The discount rate applied takes into account the implicit risk of the business segment.

When it is not possible to determine the recoverable value of an individual asset, the Group estimates the recoverable value of the unit that incorporates the asset and generates cash flows.

A loss of value is reported if the recoverable value of an asset is lower than its carrying value.

This loss is posted to the income statement unless the asset was previously written up through a shareholders' equity reserve.

In this case, the reduction in value is first allocated to the revaluation reserve.

If, in a future period, a loss on assets, other than goodwill, does not materialize or is reduced, the carrying value of the asset or CGU is increased up to the new estimate of recoverable value, and may not exceed the value that would have been determined if no loss from a reduction in value had been reported.

The recovery of a loss of value is posted to the income statement, unless the asset was previously reported at its revalued amount. In this case, the recovery in value is first allocated to the revaluation reserve.

F) Cash and cash equivalents

Cash and cash equivalents include cash, bank deposits and highly liquid short term investments (readily convertible to cash within 3 months), that are easily convertible to cash and not subject to risk of change in value. Overdrafts are included in short-term borrowings and are measured at the fair value.

G) Financial assets held to maturity

These financial assets are low-risk bonds purchased by the Group not available for trading, valued initially at fair value and subsequently at amortized cost using the effective interest rate basis.

H) Financial assets available for sales

In this category we include the financial assets, not represented by derivatives, designed to be included in this item or not classified in any previous item. These assets are valued at fair value, determined referring to the market prices as of the date of the balance sheet or the interim financial reports, or using financial valuation techniques or models, recognizing the changes of the value counterbalanced by a specific equity reserve ("reserve for financial assets available for sales") by means of recording in the comprehensive income statement. This reserve is released in the income statement only when the financial asset is effectively disposed or, in case of negative changes, when it is evident that the change already recorded in the equity is no more recoverable. The classification as current or not current asset depends on the purposes of the management and on the actual negotiability of the asset itself: the assets, whose sale is expected in 12 months, are recorded as current assets. Equity instruments, which are not traded in a regulated market and whose fair value can't be reliably measured, are measured at cost.

If there should be an objective evidence of indicators of impairment, the value of the assets is reduced for an amount equal to the present value of expected future cash flows: the negative changes previously recorded in the equity reserve are released in the income statement. The previously recognized impairment is recovered if the circumstances which caused the recording cease, applicable only non-equity financial assets.

I) Trade receivables

Trade receivables are valued initially at fair value and subsequently at amortized cost using the effective interest rate basis.

Any losses arising as a result of impairment reviews are recognized in the income statement. In the presence of impairment indicators, the values of the assets are reduced to the present value of expected future cash flows and the differences are recognized in the income statement, with a provision for bad debts as counterbalance, offsetting trade receivables. If in subsequent periods the reasons for such impairments are no longer valid, the values of the assets are reinstated up to the amortized cost as if the impairment had never occurred.

J) Own shares

Own shares are booked as reduction of shareholders' equity. Being the shares without nominal value, the purchase cost is deducted from the share capital for an amount implicitly corresponding to the nominal value and from the distributable reserves for an amount equal to the remaining part of the purchase cost.

K) Trade payables and financial liabilities

Financial liabilities, trade payables and other debts are initially recognized at fair value, net of transaction costs incurred, and are subsequently stated at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the income statement over the period of the borrowings using the effective interest method.

Whenever expected future cash flows change, and these could be reliably estimated, the value of the liability is recalculated on the basis of the new cash flows and the initially determined effective interest rate.

L) Defined benefit program liability

The termination employee benefit ("*Trattamento Fine Rapporto*", or "TFR"), which is compulsory for Italian companies in accordance with civil code, is considered by IFRS a defined benefit program, and is based, among other things, on the period of employment and the remuneration of the employee during a predefined period.

The TFR liability is determined by independent actuaries using the Projected Unit Credit Method to account for the time value of money. The Group chose the early adoption of IAS 19 revised, recording in equity, by means of the recognition in the comprehensive income statements, the adjustments deriving from the changes in actuarial assumptions. We adopted this standard using the retrospective method, provided by IAS 8, as if the Group has always adopted this standard.

The implicit interest cost for the adjustment of the present value of the TFR liability over time is recognized in the financial expenses in the income statement.

The legislative changes that became effective in 2007 had no significant impact on the evaluation method adopted by the Company because the percentage of employees adhering to the funds at the relevant date was low and besides the Company does not exceed the limits, provided by the new law and calculated on the average number of employees in the year in force, over which a company is obliged to contribute the accrued fund to the National Institute for Social Security ("INPS") when employees choose to keep their TFR in the company.

M) Share based payments

The Company has a stock option plan for the benefit of directors, employees and other personnel. As per IFRS 2, stock option plans are valued at the fair value of the option at grant date, using methods that take into account the exercise price and vesting period of the option, the current stock price, the expected volatility and dividend payout of the shares, and the risk-free interest rate determined on the day of the option grant.

As of the grant date the expense related to the stock option plan is recognized on a straight-line basis in personnel costs in the income statement over the vesting period of the option, and in a reserve in shareholders' equity.

With respect to the valuation of the stock options assigned to directors and employees of subsidiaries, for which there is no mechanism to charge back the cost incurred to such subsidiaries, the book value of the participations has been increased by an amount equal to the cost incurred for the options, counter-balanced by the appropriate shareholders' equity reserve. An adjustment has been made to incorporate also the costs accrued in the previous financial years.

N) Revenue and cost recognition

Revenues and costs are recognized on an accrual basis. Services revenues are recognized when the services are performed.

Revenues and other income are recognized net of discounts, allowances and bonuses and the taxes directly related to the services.

Revenues are recognized in the income statement when it is probable that future economic benefits will flow to the Company.

Costs are recognized as the assets and services are consumed during the relevant period, or when it is not possible to determine future economic benefits.

O) Dividends

Dividends received are recognized when the Company obtains the right to receive the payment. This right arises on the date of the resolution of the shareholders' meeting of the subsidiary that distributes the dividends.

In the income statement, received dividends are classified among the revenues.

P) Financial income and expenses

Interest income and expenses are recognized in the accrual period on the net value of the relevant financial assets and liabilities using the effective interest rate method.

Financial income and expenses are recognized on an accrual basis and recorded in the income statement in the accrual period.

Q) Taxation

Current income taxes are accounted on the basis of estimated taxable income and the relevant applicable tax rates.

Deferred income tax is provided in full on temporary differences arising between the tax bases of assets and liabilities (excluding goodwill) and their carrying amounts, and differences arising from undistributed reserves registered in the shareholders' equity of the subsidiaries when the timing of reversal of these differences is under the Group's control and they will probably reverse within a reliably foreseen period. Deferred income tax assets, including those on tax loss carry forwards, and not offset by deferred tax liabilities, are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. Deferred income taxes are calculated using tax rates (and laws) that are expected to apply when the related deferred income tax assets are realized or the deferred income tax liabilities are settled.

Current and deferred income taxes are recognized in the income statement with the exception of the items that are recognized directly in shareholders' equity in which case the tax effect is accounted for in the relevant equity reserve. Current and deferred tax assets and liabilities are netted only when the entity has a legally enforceable right to offset the recognized amounts.

Starting from the financial year ended December 31, 2006 Gruppo MutuiOnline S.p.A. and its subsidiaries MutuiOnline S.p.A., CreditOnline Mediazione Creditizia S.p.A., Centro Istruttorie S.p.A., Centro Finanziamenti S.p.A. and PP&E S.r.l. exercised the option for the tax consolidation regime as provided by Italian law, which allows to calculate the corporate income tax ("IRES") on a taxable income corresponding to the algebraic sum of the taxable incomes or losses of the Companies of the Group. The economic relationships, besides the mutual responsibilities and duties, among the holding and its subsidiaries that exercised the option, are regulated by a contract drawn up in June 2006, subsequently renewed in June 2009. Tax liabilities are counterbalanced by other current assets of the parent company versus its subsidiaries corresponding to the taxable income transferred within the tax consolidation regime.

Other taxes, not related to income, are recognized as operating costs in the income statement.

R) Earnings per share

Since the Company prepares both the consolidated and separate annual reports, the required information is presented only in the consolidated annual report.

S) Critical accounting estimates and judgments

The preparation of the financial statements requires the application by the directors of principles and accounting methodologies that sometimes require the use of estimates and judgments based on historical experience and other assumptions that are believed to be reasonable under the circumstances. The application of these estimates and assumptions impacts on the amounts included in the statement of financial position, income statement, statement of cash flows and the notes to the financial statements. The resulting accounting estimates could differ from the related actual results because of the uncertainty influencing the assumptions.

For the Company, the estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are those regarding the accounting representation of the stock options. The valuation of stock option plans is based on valuation techniques which take into consideration the expected volatility of share prices and the dividend yield. Should different assumptions be applied, the valuation of the stock option plans and the related expenses could be different.

The impairment test provides for the use of methods of evaluation based on estimations and assumptions which could be subject to significant changes with subsequent impacts on the results of the evaluations done.

T) <u>New principles effective starting from the financial year ended December 31, 2012 that did not generated any effect on the Issuer</u>

It is worth mentioning that the following accounting principles, amendments and interpretations effective from January 1, 2012 are not relevant to or have not generated any effect on the Group:

- amendments to IFRS 7 "Financial Instruments: transfer of financial activities" effective from July 1, 2011;
- amendments to IAS 12 "Income taxes" regarding deferred tax effective from January 1, 2012.

U) <u>Accounting principles recently approved by European Commission and not yet effective</u>

Finally, it is worth mentioning that for the following accounting principles, amendments and interpretations, not yet effective or not early adopted by the Group, we are evaluating the impact on the consolidated financial statements of the Issuer:

- IFRS 9 "Financial Instruments" not yet approved, effective from the financial years starting after July 1, 2014;
- IFRS 10 "Proposal of consolidated annual report" effective from January 1, 2014;
- IAS 27 (revised 2011) "Separate financial statements" effective from January 1, 2014;
- IFRS 11 "Joint agreements" effective from January 1, 2014;
- IAS 28 (revised 2011) "Investments in associates and joint ventures" effective from January 1, 2013;
- IFRS 12 "Disclosure of interests in other entities" effective from January 1, 2013;
- IFRS 13 "Fair value measurement" effective from January 1, 2013;
- amendments to IAS 1 "Presentation of financial statements" effective from July 1, 2012;
- IFRS 7 "Financial Instruments": Disclosures-Offsetting Financial Assets and Financial Liabilities effective from January 1, 2013;
- amendments to IFRS 1 "First-time Adoption of International Financial Reporting Standards (IFRS): public funding" not yet approved, effective from January 1, 2013;
- amendments to IAS 32 "Financial Instruments": effective from January 1, 2014;
- IFRIC 20 "Stripping Costs in the Production Phase of a Surface Mine" effective from January 1, 2013;

- amendments to IFRS 10, 11 and 12: transition guidance, not yet approved, effective from January 1, 2013;

- IAS 28 (revised 2011) "Investments in associates and joint ventures" effective from January 1, 2014;

- amendments to IFRS 10, 11 and IAS 27: "Investment Entities", not yet approved effective from January 1, 2014;

Presently, no significant impacts are expected from the adoption of these principles.

2. Risk analysis

Gruppo MutuiOnline S.p.A. is a holding company and for this reason it is indirectly subject to the peculiar risks of its subsidiaries. In this respect, please refer to the notes to the consolidated financial statements and to the directors' report on operations of each subsidiary.

Instead the Company is autonomously subject to exchange and interest rate risk and liquidity risk.

Exchange and interest rate risk

As of today, financial risk management is performed at Group level.

The Company presents a financial indebtedness equal to Euro 34,389 thousand, of which, however Euro 28,694 thousand are represented by short-term financial debts with subsidiaries within the Group's cash pooling services. In addition, current assets include cash and cash equivalents equal to Euro 21,046 thousand, of which Euro 8,004 thousand from subsidiaries within the a Group's cash pooling services, and Euro 9,709 thousand from current financial assets held to maturity, and receivables from subsidiaries equal to Euro 274 thousand.

Therefore, within the framework of Group interest rate risk management, the use of derivative instruments to hedge interest rate risk is not contemplated since, currently, the Company has a variable interest rate borrowing (based on Euribor) towards non-related parties of a lower amount than bank deposits (all of which are based on Euribor), so that the economic and financial effect of rate changes is considered negligible.

The interest rate on the loan with Intesa Sanpaolo, granted in 2006, is equal to 6-month Euribor plus 0.85%, whereas the interest rate on the loan with Cariparma S.p.A., granted in 2011, is equal to 6-month Euribor plus 3.00%. A possible unfavorable variation of the interest rate, equal to 1%, should produce an additional expense equal to Euro 51 thousand in 2012. It is worth pointing out that such variation of the interest rate would be more than compensated by the favorable impact on available liquidity.

It is also worth pointing out that the Group pursues a policy for the management of available liquidity by investing it in low-risk financial assets with a maturity date of less than twelve months. The investment strategy is to hold to maturity these bonds. However, over the financial year ended December 31, 2012, the Group, as part of its diversification policy, purchased bonds, with similar characteristics in terms of risk and maturity, in foreign currencies. As of December 31, 2012 the financial assets held to maturity amounted to Euro 9,709 thousand. Therefore, as regards to the coverage of exchange rate risk, the Group, over the financial year ended December 31, 2012, has started a new policy of diversification of cash and of financial assets on current accounts and bonds in foreign currencies. This choice is the result of an assessment of the uncertainty of financial market and of the instability of the financial situation in general. In this context, the launch of a policy of diversification on different currencies is the answer to the need to hedge the risk, considered potentially significant, deriving from the weakening of the Euro against other major currencies. As of December 31, 2012 the value of the cash and cash equivalents and of the financial assets held to maturity in foreign currencies was equal to Euro 10,149 thousand.

Liquidity risk

Liquidity risk is evident when a company is not able to procure financial resources to support short-term operations.

The Company presents cash and cash equivalent as of December 31, 2012 equal to Euro 21,046 thousand against current liabilities equal to Euro 31,523 thousand, of which, however Euro 29,859 thousand consist in current financial debts and other current liabilities with subsidiaries. Furthermore, the current assets include receivables and other current assets from subsidiaries equal to Euro 8,277 thousand, which have considerable liquidity. This provides the Company with easily available financial resources to support short-term operations.

Moreover, the risk arising from the potential default of our bank counterparties is mitigated by the policy of diversifying the available deposits with different banking institutions.

NOTES TO THE MAIN ITEMS OF THE STATEMENT OF FINANCIAL POSITION

NON-CURRENT ASSETS

3. Intangible assets

The following table presents the detail of the property, plant as of December 31, 2012 and 2011:

(euro thousand)	Licenses and other rights	Attività immateriali in corso	Total
Net value as of January 1, 2011	**12**	**-**	**12**
Increases	10	-	10
Amortization expense	9	-	9
Net value as of December 31, 2011	**19**	**-**	**19**
Increases	98	33	131
Amortization expense	42	-	42
Net value as of December 31, 2012	**140**	**33**	**173**

4. Equipment

The following table presents the detail of the equipment as of December 31, 2012 and 2011:

(euro thousand)	Plant and machinery	Other tangible assets	Total
Cost as of January 1, 2011	**13**	**106**	**119**
Additions	22	14	36
Cost as of December 31, 2011	**35**	**120**	**155**
Accumulated depreciation as of January 1, 2011	**6**	**45**	**51**
Depreciation expense	8	28	36
Accumulated depreciation as of December 31, 2011	**14**	**73**	**87**
Net book value as of December 31, 2011	**21**	**47**	**68**
Cost as of January 1, 2012	**35**	**120**	**155**
Additions	3	4	7
Cost as of December 31, 2012	**38**	**124**	**162**
Accumulated depreciation as of January 1, 2012	**14**	**73**	**87**
Depreciation expense	10	25	35
Accumulated depreciation as of December 31, 2012	**24**	**98**	**122**
Net book value as of December 31, 201	**14**	**26**	**40**

5. Investments in subsidiaries

The Company holds 100% of the ordinary share capital of MutuiOnline S.p.A., Centro Istruttorie S.p.A., CreditOnline Mediazione Creditizia S.p.A., CercAssicurazioni.it S.r.l., Segugio.it S.r.l., Centro Finanziamenti S.p.A., PP&E S.r.l., Centro Perizie S.r.l. and Finprom S.r.l..

Over the financial year ended December 31, 2012, the Issuer purchased the 100% of the ordinary share capital of CercAssicuraizoni.it from the subsidiary Centro Finanziamenti S.p.A. and from other minority shareholders S.r.l. for Euro 3,533 thousand.

On May 24, 2012 the Issuer set up the company Overlord S.r.l., now called Segugio.it S.r.l., paying an ordinary share capital equal to Euro 10 thousand. On October 5, 2012, the shareholders' meeting of Segugio.it S.r.l. decided to set a reserve for losses for a total of Euro 2,500 thousand that the company has entirely paid over the financial year ended December 31, 2012.

The following table provides the detail of investments in subsidiaries as of December 31, 2012 and 2011:

(euro thousand)	As of December 31, 2012	As of December 31, 2011
Costs sustained	14,490	8,113
Total investments in subsidiaries	**14,490**	**8,113**

The adjustments, in addition to the abovementioned purchases, are due to the cost of the stock options assigned to employees and other personnel of the subsidiaries, for an amount equal to Euro 335 thousand in the year ended December 31, 2012.

The following tables provide a brief summary of the main data of the subsidiaries.

Corporate name: MUTUIONLINE S.P.A.	
Registered office: Milan, Via F. Casati 1/A	
Share capital	1,000
Shareholders' equity	26,805
Book value	3,459

Corporate name: CREDITONLINE MEDIAZIONE CREDITIZIA S.P.A.	
Registered office: Milan, Via F. Casati 1/A	
Share capital	200
Shareholders' equity	7,484
Book value	741

Corporate name: CENTRO ISTRUTTORIE S.P.A.	
Registered office: Milan, Via F. Casati 1/A	
Share capital	500
Shareholders' equity	1,713
Book value	3,038

Referring to Centro Istruttorie S.p.A, the book value of the participation is higher than the value of its shareholders' equity. We underline that this difference in the shareholding values is not due to an impairment of the participation, but it is due to a distribution of dividends of the subsidiary during the financial year ended December 31, 2012, in addition to the loss registered in the same financial year, after that the two previous periods have been closed with a positive net income. Dividend distribution is an indicator of impairment because, after such distribution, the book value of the participation exceeds the value of the net assets of Centro Istruttorie S.p.A. in the consolidated balance sheet.

So that the Board of Directors decided to assess an impairment test, in order to determine the recoverable value of the participation. This assessment is based on the value-in-use method, we turn to estimate the cash flows generated by the asset. Forecasts of operating cash flows derive by the budget 2013 and by the Strategic Plan 2014-2017 provisioned by the companies of the Group and approved by the Board of Directors of Gruppo MutuiOnline S.p.A..

The main assumptions regarding the value-in-use of the CGU are the operating cash flows during the five-year forecasted period, the discount rate and the growth rate used to find out the terminal value.

The valuation of future cash flows has been determined on reasonable, prudential and consistent basis regarding the charge of future general expenditures, capital investment, financial balance and the main macroeconomic variables. Finally, it is worth pointing out that cash flow forecasts are referring to ordinary activities and, therefore, they are not comprehensive of cash flows deriving from possible extraordinary activities.

The terminal value has been estimated through the discounted cash flow calculator of perpetuity.

The value-in-use of the CGU has been determined discounting the value of the estimated future cash flows, including the terminal value, which are supposed to be derived from ongoing activities, at a discounting rate, net of taxes, adjusted for risk and reflecting the weighted average cost of capital. In particular, the discounting rate used is the Weighted Average Cost of Capital (WACC), whose determination refers to indexes and parameters monitored on the CGU's referral market, to the current value of liquidity and to the specific risks relating to the business under evaluation: the discounting rate used at the evaluation date is equal to 8,67%.

As of December 31, 2012, the value-in-use of the participation in Centro Istruttorie S.p.A., determined as described above, is higher if compared to the book value of the participation itself.

Keeping into consideration the actual situation of volatility of the markets and of uncertainty upon future economic perspectives, we developed a sensitivity analysis on the recoverable value of the participation.

Particularly, we developed a sensitivity analysis on the recoverable value of the participation, assuming an increase on the discounting rate and a decrease on the perpetual growth rate. The sensitivity analysis previously described confirmed the result of the impairment test.

Corporate name: CENTRO FINANZIAMENTI S.P.A.	
Registered office: Milan, Via F. Casati 1/A	
Share capital	600
Shareholders' equity	1,242
Book value	917

Corporate name: PP&E S.R.L.	
Registered office: Milan, Via F. Casati 1/A	
Share capital	100
Shareholders' equity	96
Book value	103

Corporate name: FINPROM S.R.L.	
Registered office: Romania, Arad, Str. Cocorilor n. 24/A	
Share capital	10
Shareholders' equity	2,614
Book value	113

Corporate name: CENTRO PERIZIE S.R.L.	
Registered office: Milan, Via F. Casati 1/A	
Share capital	10
Shareholders' equity	749
Book value	10

Corporate name: CERCASSICURAZIONI.IT S.R.L.	
Registered office: Milan, Via Ciro Menotti, 11	
Share capital	100
Shareholders' equity	940
Book value	3,600

Referring to CercAssicurazioni.it S.r.l., the book value of the participation is higher than the equity value of the participation. To be precise, this difference in the book value of the participation does not represent an indicator of impairment, since the subsidiary is in its growing phase, after having undertaken a high number of investments, especially in communication, and the expectations, which are confirmed by the net income recorded as of the financial year ended December 31, 2012, come from positive cash flows. The value of the company is also confirmed by the compensation paid, equal to 910 thousand, to third minorities to purchase the 20% of the share capital; this transaction took place in the financial year ended December 31, 2012.

Corporate name: SEGUGIO.IT S.R.L.	
Registered office: Milan, Via P. Rondoni, 1	
Share capital	10
Shareholders' equity	556
Book value	2,510

Referring to Segugio.it, the book value of the participation is higher than the equity value of the participation. To be precise, this difference in the book value of the participation does not represent an indicator of impairment, since the subsidiary is a start-up, in its growing phase, featured by a high number of investments, especially in communication, but positive cash flows are expected.

6. Deferred tax assets

As of December 31, 2012 the amount of deferred tax assets is equal to Euro 7 thousand and there are differences between the book and fiscal value of tangible assets.

As of December 31, 2012 and 2011 there were no deferred tax assets.

CURRENT ASSETS

7. Cash and cash equivalent

Cash and cash equivalents include cash in hand and bank deposits.

The following table presents net financial position, as defined in the CONSOB communication No. DEM/6064293 dated July 28, 2006, as of December 31, 2012 and 2011:

(euro thousand)	As of December 31, 2012	As of December 31, 2011	Change	%
A. Cash and cash equivalents	21,046	25,465	(4,419)	-17.4%
B. Other cash equivalents	-	-	-	N/A
C. Securities held for trading	9,709	2,176	7,533	346.2%
D. Liquidity (A) + (B) + (C)	**30,755**	**27,641**	**3,114**	**11.3%**
E. Current financial receivables	**-**	**-**	**-**	**N/A**
F. Bank borrowings	-	(2,000)	2,000	-100.0%
G. Current portion of long-term borrowings	(695)	(678)	(17)	2.5%
H. Other short-term borrowings	(28,694)	(34,684)	5,990	-17.3%
I. Current indebteness (F) + (G) + (H)	**(29,389)**	**(37,362)**	**7,973**	**-21.3%**
J. Net current financial position (I) + (E) + (D)	**1,366**	**(9,721)**	**11,087**	**-114.1%**
K. Non-current portion of long-term bank borrowings	(5,000)	(5,685)	685	-12.0%
L. Bonds issued	-	-	-	N/A
M. Other non-current borrowings	-	-	-	N/A
N. Non-current Indebteness (K) + (L) + (M)	**(5,000)**	**(5,685)**	**685**	**-12.0%**
O. Net financial position (J) + (N)	**(3,634)**	**(15,406)**	**11,772**	**-76.4%**

Gruppo MutuiOnline S.p.A. manages a cash pooling service. All the Italian subsidiaries as of December 31, 2012 have joined this system, except CercAssicurazioni.it S.r.l.. The cash pooling service aims to a more efficient management of available liquidity and investments at a group level. Therefore, the short-term financial liabilities of the Issuer that as of December 31, 2012 has "Other current borrowings" equal to Euro 28,694 thousand, consisting exclusively in borrowings versus subsidiaries within the cash pooling service.

Is also worth highlighting a decrease of "Cash and Cash equivalents" due to the growth of investments in "Securities held to maturity" as of December 31, 2012 and to the decrease of "Current bank borrowings".

For more detail on the cash balance of cash and cash equivalents and of current financial debts from companies of the Group please refer to note 27.

8. Financial assets held to maturity

These financial assets are low-risk bonds, with a maturity of less than one year, which the Issuer has purchased for the management of the liquidity of the Group exceeding short-term financial needs. The securities were treasury bonds or senior corporate bonds of leading foreign institutions which pay fixed coupon rates. In line with the policy of diversification of the currency exchange risk, the bonds purchased by the Group are denominated both in Euro and foreign currencies.

As of December 31, 2012 the book value of this item is equal to Euro 9,709 thousand, of which 7,723 thousand in foreign currency. Over the financial year ended December 31, 2012 we recorded in the income statement an exchange rate loss on these assets for a total amount of Euro 522 thousand.

The following table presents the detail of these assets, divided by currency, as of December 31, 2012:

Description	Currency	Expiry date	Rating	As of December 31, 2012
Treasury Bond USD 0,5% 31/05/2013	USD	5/31/2013	AA+	3,777
Caisse des depots et des consignation USD 1 3/4%	USD	3/26/2013	AA+	1,387
Realkredit Danmark AS DKK 4%	DKK	1/1/2013	AAA	1,338
Compagnie de financiament foncier 4,5%	Euro	1/9/2013	AAA	1,986
KFW (4 7/8)% 15/01/2013	GBP	1/15/2013	AAA	1,221
Total financial assets held to maturity (Euro thousand)				**9,709**

As of December 31, 2011 the value of this item was equal to Euro 1,980 thousand and it consists of one-year Treasury Bills of the Italian Republic.

9. Tax receivables

This item includes the receivables for current tax (IRES). The receivables as of December 31, 2012 equal to Euro 2,237 thousand, represents the receivables accrued by the Group on consolidated basis, participating, in its capacity of holding company, to the Italian tax consolidation regime together with subsidiaries MutuiOnline S.p.A., Centro Istruttorie S.p.A., CreditOnline Mediazione Creditizia S.p.A., Centro Finanziamenti S.p.A., PP&E S.r.l., Effelle Ricerche S.r.l., Centro Perizie S.r.l.., CercAssicurazioni.it S.r.l.., Quinservizi S.p.A. and Segugio S.r.l.. It is worth highlighting that the amount recorded in the income statement is net of withholding taxes incurred by subsidiaries of the Group and of the advances paid over 2012.

As of December 31, 2012 there were no receivables for current taxes.

10. Other current assets

The following table presents the detail of the item as of December 31, 2012 and 2011:

(euro thousand)	As of December 31, 2012	December 31, 2011
Receivables from subsidiaries for national tax consolidation reg	875	7,342
VAT receivables	266	423
Accruals and prepayments	67	56
Advances to suppliers	41	3
Recivables from subsidiaries for dividends	-	11,798
Loan to a subsidiary	-	5,090
Total other current assets	**1,249**	**24,712**

Receivables from subsidiaries are as follows:

(euro thousand)	As of December 31, 2012	December 31, 2011
Receivables for national tax consolidation regime:		
From MutuiOnline S.p.A.	-	4,431
From CreditOnline Mediazione Creditizia S.p.A.	267	963
From Centro Istruttorie S.p.A.	-	1,534
From Centro Finanziamenti S.p.A.	-	358
From PP&E S.r.l.	-	30
From Effelle Ricerche S.r.l.	7	26
From Quinservizi S.p.A.	601	-
Total receivables for tax consolidation regime	**875**	**7,342**
Receivables for dividends:		
From MutuiOnline S.p.A.	-	6,500
From CreditOnline S.p.A.	-	3,000
From Centro Istruttorie S.p.A.	-	1,020.0
From Centro Finanziamenti S.p.A.	-	1,278
Total receivables for dividends	**-**	**11,798**
Loan to a subsidiary:		
Loan to Centro Perizie S.r.l.	-	5,090
Total loan to subsidiary	**-**	**5,090**
Total receivables from subsidiaries	**875**	**24,230**

As of December 31, 2012 the loan to subsidiaries referred to the loan granted to the company Centro Perizie S.r.l., which has been refunded over the financial year ended December 31, 2012.

SHAREHOLDERS' EQUITY

11. Share capital and reserves

For the statement of changes in shareholders' equity please refer to the relevant table.

On April 26, 2012, the shareholders' meeting approved the distribution of a dividend of Euro 4,476 thousand from the distribution of the earnings for financial year 2011. Such dividends have been paid out with ex-dividend date May 7, 2012 and payable date May 10, 2012.

As of December 31, 2012, the Company's share capital is composed of 39,511,870 shares without nominal value. During the year ended December 31, 2012, there were no changes in the number of outstanding shares.

During the year ended December 31, 2007, the Company initiated a buy-back program, for up to the 2% of share capital, serving the stock option plan for directors, employees and other personnel. During the year ended December 31, 2008, the shareholders' meeting has approved a new buy-back program, for up to the 10% of share capital, specifying limits and purposes. During the following financial years, the shareholders' meeting has approved and renewed the new buy-back program, specifying limits and purposes, for up to the 10% of share capital, that is a higher quantity permitted by the applicable pro tempore law.

As of December 31, 2012, the Company held 561,500 own shares, equal to 1.421% of ordinary share capital, at a total cost of Euro 2,725 thousand. Being the shares without nominal value, the purchase cost is deducted from the share capital for an amount implicitly corresponding to the nominal value, equal to Euro 14 thousand as of December 31, 2012, and from the distributable reserves for an amount equal to the remaining part of the purchase cost.

(euro thousand)	As of December 31, 2012	December 31, 2011
Book value of own shares	**2,765**	**2,765**
(of which) offsetting share capital	14	14
(of which) offsetting other reserves	2,751	2,751

It is worth mentioning that the number of shares of the Issuer purchased by all the companies of the Group in total does not exceed 10% of the ordinary share capital of the Issuer.

The following table presents the origin and the availability of the item included in shareholders' equity:

(euro thousand)	As of December 31, 2012	Possible utilization	Available amount	Summary of the utilizations during the past three years: for purchase of own shares	for share capital increase	for dividend distribution and income
Share capital	986			(2)		
Earnings reserves:						
Legal reserve	200	B	-			
Stock option reserve	1,430	A,B,C	1,430	(1,101)		
Retained earnings	7,208	A,B,C	7,208	747	-	(32,026)
Net income	1,916	A,B,C	1,916			
Total shareholders' equity	**11,740**		**10,554**			
Not available for distribution			1,430			
Remaining distributable amount			9,124			

Legend:
A: for share capital increases
B: for the offsetting of losses
C: for distribution to shareholders

NON-CURRENT LIABILITIES

12. Long-term borrowings

The following table presents the details of the item, including only bank borrowings:

(euro thousand)	As of December 31, 2012	December 31, 2011
Terms between 1 and 5 years	3,933	3,545
Terms over 5 years	1,067	2,140
Total long-term borrowings	**5,000**	**5,685**

Non-current bank borrowings refer to the loan contract entered in the financial year 2011 with Cariparma S.p.A..

The book value of the financial liability represents their fair value.

Loan from Cariparma S.p.A.

The loan granted by Cariparma S.p.A. is repayable in 14 semi-annual installments of principal and interest, with the exception of the first four installments which are interest only. The repayment schedule is as follows:

(euro thousand)	As of December 31, 2012	December 31, 2011
- between one and two years	935	-
- between two and three years	966	910
- between three and four years	999	952
- between four and five years	1,033	998
- more than five	1,067	2,140
Total	**5,000**	**5,000**

With regards to the loan with Cariparma S.p.A. the Group is obliged to comply with the following financial covenants, with reference to the consolidated financial statements for the financial years ended during the term of the contract: i) consolidated shareholders' equity higher than Euro 10,000 thousand; ii) consolidated net financial position lower than the most value of consolidated EBITDA multiplied by 3 and Euro 10,000 thousand. The Company has complied with such parameters since the signing of the contract.

13. Defined benefit program liabilities

The following table presents the situation of the item:

(euro thousand)	As of December 31, 2012	December 31, 2011
Employees' termination benefits	126	82
Directors' termination benefits	47	37
Total defined benefit program liabilities	**173**	**119**

The economic and demographic assumptions used for the actuarial determination of the defined benefit program liabilities are provided below for the years ended December 31, 2012 and 2011:

	As of December 31, 2012	As of December 31, 2011
ECONOMIC ASSUMPTIONS		
Inflation rate	2%	2%
Discount rate	3.25%	4.6%
Salary growth rate	3%	3%
TFR growth rate	3%	3%

DEMOGRAPHIC ASSUMPTIONS

Expected mortality rate	2002 ISTAT data on the Italian population split by gender.
Expected invalidity rate	Data split by sex, driven by the INPS model and projected to 2010. Expectations are constructed using the age and gender of the living pensioners at January 1, 1987 beginning from 1984, 1985, 1986 for the personnel of the credit sector.
Expected termination rate	A rate of 15% p.a. has been applied.
Expected retirements	It is expected that employees will reach the pensionable age provided within local laws
Expected early repayment rate	A rate of 3% p.a. has been applied.

It is worth pointing out that the Issuer has adopted early implementation IAS 19 revised, recording actuarial profit/losses in equity, recognizing them in the comprehensive income statement. The adoption of this accounting principle did not provoke any significant effect.

Finally it is worth pointing out that the reference rate used for the valuation as of December 31, 2012 was extracted from the Iboxx Eur Corporate A rather than Iboxx Eur Corporate AA, used last year. This change was necessary following the actual crisis of the financial markets. In fact during the last months there was a downgrade of the rating of many companies of the Euro zone, causing a downsizing of the panel of Iboxx AA compared to the panel of Iboxx A. In case of use of index Iboxx AA we would have recognized in the comprehensive income statement higher actuarial losses for an amount of Euro 4 thousand.

With reference to directors' termination benefits, they were provided only for the executive directors and they are calculated, referring to their annual compensations, according with the provisions of article 2120 of the civil code.

CURRENT LIABILITIES

14. Short-term borrowings

Short-term borrowings include, besides the financial payables with subsidiaries deriving from the Group's cash pooling services managed by the Issuer, for which please refer to the Note 27, the current portion of payables, including interest accruals for ongoing financial loans for an amount equal to Euro 694 thousand.

Finally, it is worth highlighting that the increase of the item as of December 31, 2011, compared to the previous year is due to the increase of financial debts with subsidiaries deriving from the Group's cash pooling services managed by the Issuer, for which please refer to the Note 27.

15. Trade and other payables

The amount of the item is equal to Euro 769 thousand (Euro 1,028 thousand as of December 31, 2011) and consists of payables to suppliers, including trade payable to subsidiaries for euro 90 thousands, as well as payables to subsidiaries for interests accrued within cash pooling for Euro 148 thousand.

16. Current tax liabilities

As of December 31, 2012 there are no liabilities for current tax.

In particular, no regional income taxes ("IRAP") are due as of December 31, 2012, as the Company has closed with a tax loss for IRAP purposes.

17. Other current liabilities

The following table presents the situation of the item:

	As of	
(euro thousand)	**December 31, 2012**	**December 31, 2011**
Liabilities to subsidiaries	1,660	215
Liabilities to personnel	162	88
Social security liabilities	46	56
Social security liabilities on behalf of employees	70	64
Accruals and prepayments	61	17
Total other liabilities	**1,999**	**440**

18. Stock option plan

As of December 31, 2012 there were neither allotments of stock options nor further variations of the amount of exercisable options.

The following table presents the outstanding stock options for the benefit of the executive directors and certain employees of the Issuer as of December 31, 2012:

Data shareholders' meeting resolution	Date of assignment	Maturity date	Expiry date	# options	Strike price
February 9, 2007	June 6, 2007	June 6, 2010	June 5, 2013	1,560,000	7.500
February 9, 2007	July 9, 2007	July 9, 2010	July 8, 2013	52,000	7.500
February 9, 2007	July 9, 2007	July 9, 2010	July 8, 2013	10,000	6.200
February 9, 2007	February 11, 2008	February 11, 2011	February 10, 2014	1,500	3.800
February 9, 2007	May 7, 2009	January 1, 2010	December 31, 2012	200,000	4.500
November 9, 2010	November 22, 2010	November 22, 2013	November 21, 2016	800,000	5.196
November 9, 2010	December 16, 2010	December 16, 2013	December 15, 2016	102,000	5.126
			Totale opzioni	**2,725,500**	

The weighted average price of the shares for the year ended December 31, 2011 was equal to Euro 3,330.

Personnel costs in the year ended December 31, 2012 include Euro 310 thousand related to the Group's stock option plan for the benefit of the executive directors and certain employees of the Issuer.

Personnel costs in the year ended December 31, 2011 include Euro 309 thousand related to the Group's stock option plan for the benefit of the executive directors and certain employees of the Issuer.

NOTES TO THE MAIN ITEMS OF THE INCOME STATEMENT

19. Revenues

The revenues of the year are mainly t accrued from subsidiaries. They include the dividends resolved by the subsidiaries during the year and the fees for direction, coordination and professional services and professional consultancy by the Company in favor of its subsidiaries, for an amount equal to Euro 208 thousand.

The following table presents the dividends resolved by the subsidiaries during the years ended December 31, 2012 and 2011:

	Years ended	
(euro thousand)	**December 31, 2012**	**December 31, 2011**
Dividend from MutuiOnline S.p.A.	-	6,500
Dividend from CreditOnline Mediazione Creditizia S.p.A.	-	3,000
Dividend from Centro Istruttorie S.p.A.	3,200	1,020
Dividend from Centro Finanziamenti S.p.A.	1,000	1,278
Dividend from Finprom S.r.l.	-	1,741
Total dividends deliberated by subsidiaries	**4,200**	**13,539**

20. Services costs

	Years ended	
(euro thousand)	**December 31, 2012**	**December 31, 2011**
Technical, legal and administrative consultancy	(550)	(570)
Communication expenses	(231)	(848)
Rental and lease expenses	(256)	(135)
Other general expenses	(229)	(244)
Total services costs	**(1,266)**	**(1,797)**

21. Personnel costs

The following table presents the details of the item for the financial years ended December 31, 2012 and 2011:

(euro thousand)	Years ended December 31, 2012	December 31, 2011
Wages and salaries	(529)	(541)
Directors' compensation	(259)	(254)
Social security contributions	(144)	(141)
Defined benefit program liabilities	(44)	(41)
Stock option expenses	(310)	(310)
Other costs	(15)	(15)
Total personnel costs	**(1,301)**	**(1,302)**

The average headcount as of December 31, 2012 and 2011 is as follows:

categories	2012 Average number	2011 Average number
Managers	1	1
Supervisors	1	1
Employees	14	12
Total	**16**	**14**

The Company applies the collective labor agreement of the commerce sector.

22. Financial income and expenses

The following table presents the details of the item for the financial years ended December 31, 2012 and 2011:

(euro thousand)	Years ended December 31, 2012	December 31, 2011
Financial income	319	338
Interest expense	(1,003)	(519)
Losses from financial liabilities	(89)	-
Net financial loss	**(773)**	**(181)**

"Financial Expenses" include exchange rate losses of liquidity denominated in foreign currency for a total amount of Euro 559 thousand.

23. Income tax expense

With respect to corporate income tax, in the financial year ended December 31, 2012, the Company registered a taxable loss, due to the not taxability of 95% of the dividends received during the year, which, because of the adhesion to the tax consolidation regime, generates a tax benefit equal to Euro 619 thousand, whose financial counterbalance offsets current taxes.

Because of the deferred tax of some revenues and tax deductibility of some costs compared to their accrual, during the year ended December 31, 2012 the provision for advance tax assets has been increased by Euro 164 thousand.

No regional income taxes (IRAP) are due.

24. Tax consolidation

As mentioned above, the coordination activity is reflected in the participation of the Issuer, in its capacity of holding company, to the Italian tax consolidation regime, as provided by article 117 and following of presidential decree 917/1986. All the Italian subsidiaries as of December 31, 2012 participate, also indirectly, in the tax consolidation regime.

The net consolidated tax payables amount to Euro 2,237 thousand and are recorded in the statement of financial position among "Tax receivables":

(euro thousand)	**Assets**	**Liabilities**
Gruppo MutuiOnline S.p.A.	684	-
MutuiOnline S.p.A.	112	-
CreditOnline Mediazione Creditizia S.p.A.	-	267
Centro Istruttorie S.p.A.	265	-
Centro Finanziamenti S.p.A.	365	-
PP&E S.r.l.	16	-
Effelle Ricerche S.r.l.	-	7
CercAssicurazioni.it S.r.l.	159	-
Centro Perizie S.r.l.	2	-
Quinservizi S.p.A.	-	601
Segugio.it S.r.l.	741	-
Consolidated advances	768	-
Total assets and liabilities	**3,112**	**875**
Total net assets and liabilities	**2,237**	

25. Benefits to the managers with strategic responsibilities and compensation to members of the governing and controlling bodies and auditors

The total cost for the Company of compensations paid to executive directors is equal to Euro 548 thousand, of which Euro 274 thousand for stock option expenses.

The compensation to the statutory auditors amounts to Euro 51 thousand.

The fees paid to the independent auditors by the Company and its subsidiaries for their auditing activities for the financial year ended December 31, 2012 are equal to Euro 50 thousand.

26. Classes of financial instruments

In the balance sheet as of December 31, 2012 financial assets are classified as follows:

- Cash and cash equivalents for Euro 21,046 thousand (2011: Euro 25,465 thousand);

- Loans and receivables for Euro 230 thousand (2011: Euro 380 thousand);
- Financial assets held to maturity for Euro 9,709 thousand (2011: Euro 1,980 thousand).

All the financial liabilities recorded in the balance sheet as of December 31, 2012 and 2011 are stated at the amortized cost.

27. Related parties

Related party transactions, including intra-group transactions, are part of the ordinary business operations of the Group, and do not include any unusual or atypical transactions.

The following tables details the transactions and balances with related parties:

(euro thousand)	Relationship	As of December 31, 2012	December 31, 2011
Trade receivables			
MutuiOnline S.p.A.	Subsidiary	7	24
CreditOnline Mediazione Creditizia S.p.A.	Subsidiary	4	24
Centro Istruttorie S.p.A.	Subsidiary	3	26
Centro Finanziamenti S.p.A.	Subsidiary	4	24
PP&E S.r.l.	Subsidiary	9	87
Centro Perizie S.r.l.	Subsidiary	18	144
CercAssicurazioni.it S.r.l.	Subsidiary	4	-
Effelle Ricerche S.r.l.	Subsidiary	-	48
Quinservizi S.p.A.	Subsidiary	114	-
Total trade receivables from related parties		**163**	**377**
Trade and other payables			
MutuiOnline S.p.A.	Subsidiary	93	250
CreditOnline Mediazione Creditizia S.p.A.	Subsidiary	35	138
Centro Istruttorie S.p.A.	Subsidiary	14	17
Centro Finanziamenti S.p.A.	Subsidiary	4	13
PP&E S.r.l.	Subsidiary	-	-
Effelle Ricerche S.r.l.	Subsidiary	2	2
Quinservizi S.p.A.	Subsidiary	90	-
Total trade and other payables to related parties		**238**	**420**
Other current assets			
MutuiOnline S.p.A.	Subsidiary	-	10,931
CreditOnline Mediazione Creditizia S.p.A.	Subsidiary	267	3,963
Centro Istruttorie S.p.A.	Subsidiary	-	2,554
Centro Finanziamenti S.p.A.	Subsidiary	-	1,636
PP&E S.r.l.	Subsidiary	-	30
Centro Perizie S.r.l.	Subsidiary	-	5,090
Effelle Ricerche S.r.l.	Subsidiary	7	26
Quinservizi S.p.A.	Subsidiary	601	-
Total other current assets from related parties		**875**	**24,230**
Other current liabilities			
MutuiOnline S.p.A.	Subsidiary	112	-
Centro Istruttorie S.p.A.	Subsidiary	265	-
Centro Finanziamenti S.p.A.	Subsidiary	365	-
PP&E S.r.l.	Subsidiary	15	-
Centro Perizie S.r.l.	Subsidiary	3	38
CercAssicurazioni.it S.r.l.	Subsidiary	159	177
Segugio.it S.r.l.	Subsidiary	741	-
Total other current liabilities to related parties		**1,660**	**215**

(euro thousand)	**Relationship**	**December 31, 2012**	**December 31, 2011**
Cash and cash equivalent			
Centro Istruttorie S.p.A.	Subsidiary	399	-
PP&E S.r.l.	Subsidiary	2,097	1,328
Centro Perizie S.r.l.	Subsidiary	5,508	-
Total cash and cash equivalent with related parties		**8,004**	**1,328**
Short-term borrowings			
MutuiOnline S.p.A.	Subsidiary	19,661	21,036
CreditOnline Mediazione Creditizia S.p.A.	Subsidiary	7,489	9,592
Centro Istruttorie S.p.A.	Subsidiary	-	2,829
Centro Finanziamenti S.p.A.	Subsidiary	948	392
Effelle Ricerche S.r.l.	Subsidiary	157	835
Quinservizi S.p.A.	Subsidiary	21	-
Segugio.it S.r.l.	Subsidiary	418	-
Total short-term borrowings with related parties		**28,694**	**34,684**

The other current assets and liabilities as of December 31, 2012, refer to receivables and liabilities versus subsidiaries for the participation to the consolidation regime.

The treasury of the Italian companies of the Group, except CercAsssicurazioni.it S.r.l. is centrally managed by the Issuer. The financial operations displayed refer to debit and credit balances of the cash pooling accounts of the subsidiaries with the Issuer as of December 31, 2012.

(euro thousand)	Relationship	Years ended December 31, 2012	December 31, 2011
Revenues			
MutuiOnline S.p.A.	Subsidiary	20	6,520
CreditOnline Mediazione Creditizia S.p.A.	Subsidiary	20	3,020
Centro Istruttorie S.p.A.	Subsidiary	3,220	1,040
Centro Finanziamenti S.p.A.	Subsidiary	1,020	1,298
PP&E S.r.l.	Subsidiary	20	60
Centro Perizie S.r.l.	Subsidiary	-	140
Effelle Ricerche S.r.l.	Subsidiary	20	40
Quinservizi S.p.A.	Subsidiary	88	-
Finprom S.r.l.	Subsidiary	-	1,741
Total revenues from related parties		**4,408**	**13,859**
Other revenues			
MutuiOnline S.p.A.	Subsidiary	7	-
CreditOnline Mediazione Creditizia S.p.A.	Subsidiary	4	-
Centro Istruttorie S.p.A.	Subsidiary	4	-
Centro Finanziamenti S.p.A.	Subsidiary	4	-
PP&E S.r.l.	Subsidiary	-	-
CercAssicurazioni.it S.r.l.	Subsidiary	4	-
Quinservizi S.p.A.	Subsidiary	7	-
Total other revenues from related parties		**30**	**-**
Services costs			
PP&E S.r.l.	Subsidiary	168	48
Quinservizi S.p.A.	Subsidiary	90	-
Total services costs from related parties		**258**	**48**
Financial income			
Centro Istruttorie S.p.A.	Subsidiary	-	1
PP&E S.r.l.	Subsidiary	9	14
Centro Perizie S.r.l.	Subsidiary	18	-
Quinservizi S.p.A.	Subsidiary	1	-
Total financial income from related parties		**28**	**15**
Financial expenses			
MutuiOnline S.p.A.	Subsidiary	93	250
CreditOnline Mediazione Creditizia S.p.A.	Subsidiary	35	138
Centro Istruttorie S.p.A.	Subsidiary	14	17
Centro Finanziamenti S.p.A.	Subsidiary	4	13
PP&E s.r.l.	Subsidiary	-	2
Effelle Ricerche S.r.l.	Subsidiary	2	-
Total financial expenses from related parties		**148**	**420**

The revenues for the year ended December 31, 2012 mainly refer to dividends declared by the subsidiaries and, for the residual, to fees for direction, coordination and professional services invoiced by the Issuer to its subsidiaries.

Services costs are related to rental office residence services provided by PP&E S.r.l..

Financial incomes and expenses with related parties are related to interests accrued during the financial year ended December 31, 2012 on the cash pooling accounts.

In the financial year ended December 31, 2012 we do not identify any other related parties translations.

28. Subsequent events

On January, 14 2013, the Issuer purchased, from the subsidiary Centro Finanziamenti S.p.A. and from a minority shareholder, the 60% of the ordinary share capital of EuroServizi per i Notai S.r.l. for Euro 333 thousand, plus a further compensation, measured to the economic results in the following financial years, that will be paid to the minority shareholder seller in the financial year 2016.

Furthermore on February 14, 2013 the Issuer purchased 100% of the ordinary share capital of Money360.it S.p.A, a company which operates as an on-line credit broker through the www.money360.it web site for Euro 1, in addition to a further possible amount to be paid only in occurrence of certain events during the financial year 2013.

Milan, March 13, 2013

For the Board of Directors
The Chairman
(Ing. Marco Pescarmona)

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REPORT ON CORPORATE GOVERNANCE AND OWNERSHIP STRUCTURE
pursuant to art. 123-bis of the Consolidated Law on Finance

(traditional model of administration and control)

Issuer: Gruppo MutuiOnline S.p.A.
Website: www.gruppomol.it

Financial year of reference: 2012
Date of approval of the report: March 13, 2013
Date of publication of the report: March 30, 2013

5. REPORT ON CORPORATE GOVERNANCE AND COMPANY STRUCTURE

GLOSSARY

Articles of Association: articles of association and bylaws of the Issuer, published also on the website of the Issuer, in section "Governance", "Articles of association and company bylaws".

Board or **Board of Directors**: the Board of Directors of the Issuer.

Board of Statutory Auditors: statutory auditors of the Issuer.

Code/ Code of Conduct: the Code of Conduct for listed companies approved in December 2011 by the Corporate Governance Committee and promoted by Borsa Italiana S.p.A., ABI, Ania, Assogestioni, Assonime e Confidustria.

CONSOB: National Commission for Companies and Stock Exchange.

CONSOB Issuer Regulations: the regulations adopted by CONSOB with resolution no. 11971 in 1999 (and subsequent amendments) pertaining the discipline of issuers.

CONSOB Market Regulations: the regulations adopted by CONSOB with resolution no. 16191 in 2007(and subsequent amendments) pertaining the discipline of markets.

CONSOB Regulations on Related Parties: the regulations adopted by CONSOB with resolution no. 17221 on March 12, 2010 (and subsequent amendments) pertaining the discipline of related parties.

Consolidated Law on Finance or **TUF** (*Testo Unico della Finanza*): legislative decree no. 58 of February 24, 1998 (and subsequent amendments).

Financial year: the relevant financial year of the Report.

Group: the companies belonging to the group of the Issuer.

Instructions accompanying Markets Rule: Instructions accompanying the Rules of the Markets organized and managed by the Italian Stock Exchange.

Issuer or **Company**: Gruppo MutuiOnline S.p.A., with registered office at via F. Casati 1/A, Milan.

Italian Stock Exchange: Borsa Italiana S.p.A..

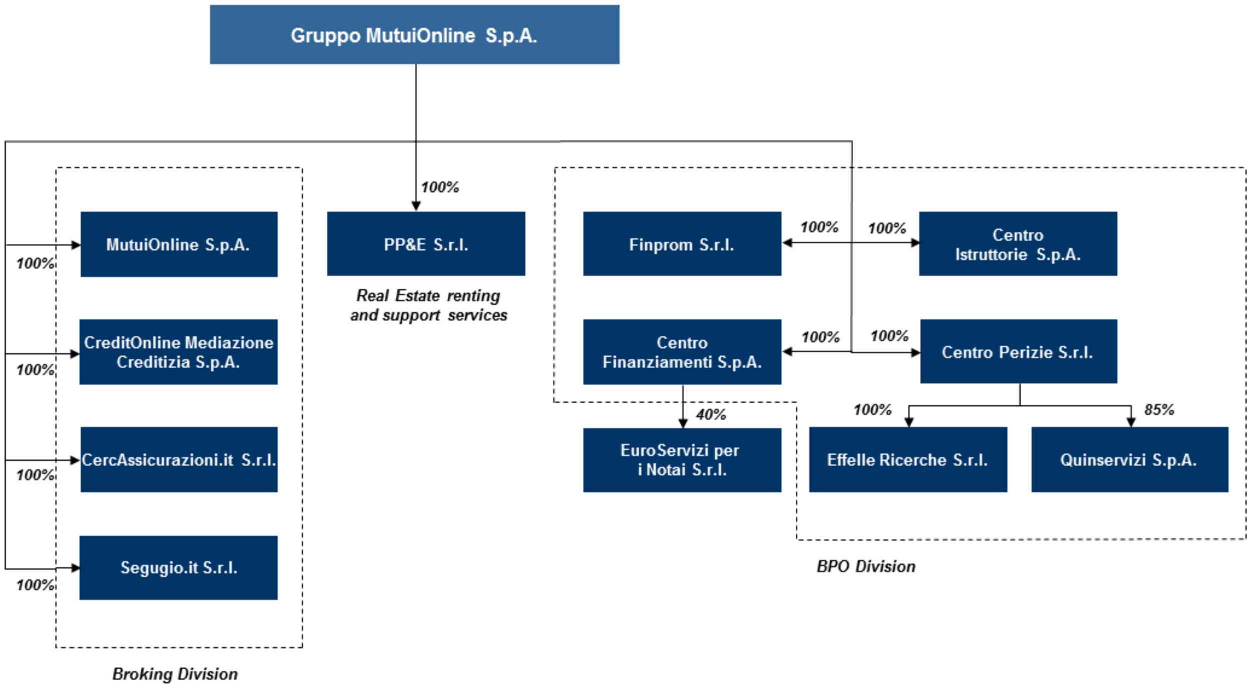
Market Regulations: the regulations of the markets organized and managed by the Italian Stock Exchange.

Report: the report on corporate governance and company structure that companies are required to prepare pursuant to article 123-bis of TUF.

1. PROFILE OF THE ISSUER

The Issuer is the holding company of a group of financial services firms operating in the Italian market for the distribution of retail credit and insurance products and in the Italian market for the provision of credit-related business process outsourcing services for retail lenders (the "**Group**").

This is the organizational structure of the Group as of December 31, 2012:



The companies indicated above are all based in Italy, except Finprom S.r.l. which is a company incorporated under Romanian law.

The Issuer is organized according to the traditional model of administration and control as per articles 2380-*bis* and following of the civil code, which provides for the shareholders' meeting, the Board of Directors and the board of statuary auditors. The Company adheres to the Code of Conduct.

2. INFORMATION ON OWNERSHIP STRUCTURE AS OF DECEMBER 31, 2012

2.1. Structure of share capital

The company has a fully paid up share capital of Euro 1,000,000.00 composed of 39,511,870 ordinary shares without nominal value.

The shares are listed on the STAR Segment of the *Mercato Telematico Azionario* (**MTA**), the Italian screen-based trading system organized and managed by the Italian Stock Exchange. Please refer to Table 1 in the appendix for the structure of share capital.

Except what follows, the Company has not issued other financial instruments that give the right to subscribe for new shares.

On November 9, 2010, the shareholders' meeting approved a stock option plan for the benefit of certain directors, employees and other personnel of the Group, which is added to the stock option plan approved on February 9, 2007. For more information on stock option plans outstanding as of December 31, 2012 please refer to the disclosure documents prepared pursuant to article 84-bis of the Issuer Regulations deposited at the Company's registered office and published on the website of the Company www.gruppomol.it in the section "Governance", "Other documents" "2011". Please refer also the explanatory notes attached to the Financial Statements for the financial year ended December 31, 2012 and to remuneration report prepared pursuant to article 123-*ter* of TUF and article 84-*quater* of the Issuers' Regulations.

2.2. Restrictions to the transfer of shares

There are no restrictions to the transfer of shares.

2.3. Significant shareholders

As of December 31, 2011, according to the communications received pursuant to article 120 of TUF, the list of shareholders who hold directly or indirectly at least two percent of the ordinary share capital, is presented in appendix in Table 1 concerning relevant shareholdings.

It is worth pointing out that there are no controlling shareholders.

Besides, it is worth pointing out that Marco Pescarmona, Chairman of the Board of Directors, holds a 50% indirect shareholding in Alma Ventures S.A. (through Guderian S.r.l.) and Alessandro Fracassi, Chief Executive Officer, holds a 50% indirect shareholding in Alma Ventures S.A. (through Casper S.r.l.).

As of December 31, 2012, the Group's companies held in total 2,213,022 shares of the Issuer, of which 516,500 shares were directly held by the Issuer, 1,500,500 shares were held by subsidiary MutuiOnline S.p.A. and 151,522 shares were held by subsidiary Centro Istruttorie S.p.A., for a total equal to 5.601% of ordinary share capital. These shares, as provided by law, do not give voting rights at the shareholders' meeting.

2.4. Shares that confer special rights

The Company has not issued shares that confer special controlling rights or special powers assigned to the securities.

2.5. Employee shareholding plan: procedure for the exercise of voting rights

There is no procedure for the exercise of voting rights for employees.

2.6. Restrictions to voting rights

There are no restrictions to voting rights.

2.7. Shareholders' agreements

As of the date of approval of the present Report, the issuer is not aware of any shareholders agreements.

2.8. Change of control clauses

The Issuer and its subsidiaries have not stipulated any significant agreements which become effective, are modified or expire in case of change in the control of the contracting company.

The Articles of Association of the Issuer do not contain exceptions to the passivity rule as provided for by article 104, paragraphs 1 and 2, of TUF and do not require the application of the breakthrough rule as per article 104-*bis*, paragraphs 2 and 3, of TUF.

2.9. Delegations of the power to increase share capital and authorizations to buy own shares

During the financial year the board has not been delegated with the power to increase share capital pursuant to article 2443 of the Italian civil code or to issue participatory financial instruments.

On April, 26 2012 the shareholders' meeting revoked, for the unused portion, the previous authorization for the purchase and sale of own shares dated November 9, 2010 and authorized the Board of Directors to purchase and dispose own shares, also by means of subsidiaries of the Issuer, with the following purposes:

i. for activities in support of market liquidity;

ii. for the possible use of shares as compensation in extraordinary transactions, including exchange of participations with other subjects, as part of transactions in the Company's interest;

iii. to allot own shares purchased to distribution programs, against payment or free of charge, of stock options or shares to employees, directors and other personnel of the Company or its subsidiaries, as well as for the service of programs for the free allocation of shares to shareholders;

iv. for the execution of the contract signed between the Issuer and "Equita SIM S.p.A.", for its role as specialist on the stock market;

v. for an efficient investment of the liquidity of the Group.

The authorization for the purchase of own shares approved on April 26 2012 was granted for the maximum limit permitted by the currently applicable law (twenty percent of the ordinary share capital), pursuant to articles 2357 and 2357-*ter* of the civil code, taking into account own shares already held by the Company and the shares of the Issuer held by its subsidiaries.

The authorizations for the purchase of own shares have been granted for a period of 18 (eighteen) months from the date of the shareholder's meeting, whereas the authorization for the disposal has an unlimited duration.

As of December 31, 2012 the companies of the Group held a total of 2,213,022 shares, and as of the date of approval of this Report, the total number of shares held by the companies of the Group is the same, divided as follows:

Shareholder company	Shares held as of December 31, 2012	Shares held as of March 13, 2013	Date of the last authorization of the shareholders' meeting
Gruppo MutuiOnline S.p.A.	561,500	561,500	April 26, 2012
MutuiOnline S.p.A.	1,500,000	1,500,000	May 20, 2011
Centro Istruttorie S.p.A.	151,522	151,522	April 24, 2008
Total	**2,213,022**	**2,213,022**	

2.10. Management and coordination activity

The Company is not subject to management and coordination activities by any other company or entity pursuant to articles 2497 and the following of the civil code.

With reference to the further information pursuant to article 123-bis of the TUF we specify that:

- for information on eventual agreements between the Company and the directors which provide for indemnities in case of resignation or dismissal without just cause or if their charge is terminated due to a takeover bid (article 123-*bis,* paragraph 1, letter i)), please refer to the remuneration report published pursuant to article 123-*ter* of TUF and to article 84-*quater* of the Issuers' Regulations;

- for information on the rules applicable for the appointment and replacement of directors as well as statutory changes (article 123-*bis*, paragraph 1, letter 1)), please refer to the following paragraph 4.1;

3. COMPLIANCE

The Company has adopted the Code of Conduct, publicly available on the website of the Italian Stock Exchange (www.borsaitaliana.it).

Neither the Issuer nor any of its subsidiaries of a certain strategic relevance are subject to non-Italian laws that affect the corporate governance structure of the Issuer.

4. BOARD OF DIRECTORS

4.1. Appointment and replacement of directors and modifications of bylaws

The Company is led by a Board of Directors composed of a minimum of seven members to a maximum of twelve members. The ordinary shareholders' meeting decides, at the moment of appointment, the duration of the office, which cannot exceed three financial years; the mandate of the directors expires on the date of the shareholders' meeting called for the approval of the financial statement of the last financial year of their office. Directors are eligible for re-election.

Acceptance of office as director is subject to the fulfillment of the requirements provided by the law, the Articles of Association and any other applicable provisions.

Article 16, paragraph 14 of the Articles of Association provides that, if not otherwise authorized by the Board, an individual cannot be appointed director of the Company and, if appointed, will lose the office, if he/she:

i. is, when appointed, more than seventy years old;

ii. has not obtained a total of at least three years' experience in the performance of accounting or controlling activities in corporations, professional activities or permanent university teaching in economic, financial, legal or technical/scientific subjects pertinent to the Company's business activities;

iii. exercises a competing activity on his/her own or for others, or is a director, general manager or executive in competitor companies or clients of the Company, or has been such in the previous biennium; or

iv. is director, general manager or executive in companies recorded in the Register of Banks, pursuant to article 13 of Law Decree 385/1993.

It is also worth highlighting that, since the Issuer is admitted to trading on the MTA, STAR Segment, in order to maintain the status it must have in its Board of Directors an adequate number of independent directors and, therefore, comply with the criteria of Article IA.2.10.6 of the Instructions of the Stock Exchange Regulations which provide for: at least 2 independent directors for boards up to 8 members; at least 3 independent directors for boards with between 9 and 14 members; at least 4 independent directors for boards with more than 14 members. In addition, in the Code of Conduct the criterion 3.C.3 recommends that at least one-third of the Board of Directors are independent directors.

In accordance with article 16, paragraph 5 of the Articles of Association, each list must contain and expressly indicate independent director candidates, with reference both to the number of candidates to be elected and to the independence requirements established for the statutory auditors by article 148, paragraph 3 of Law Decree 58/1998, in addition to the independence requirements established by the Code of Conduct. Furthermore, in accordance with the equilibrium among genders, provided by article 147-ter, comma 1-*ter* of TUF implemented by Law n. 120 of 12 July 2011, each list – if the lists does not present a number of candidates less than three – must assure the presence of both genders, so that the candidates of the gender less represented are, for the first mandate following the entering in force of the Law 120/2011, at least a fifth of the total and, in the two subsequent mandates, at least a third of the total; everything with a rounding, in case of fractional number, to the upper unit.

Article 16, paragraphs 2 and 3 of the Articles of Associations also provides a voting system for the appointment of the governing body based on lists submitted by shareholders who, alone or together with others, hold a stake at least equal to that established by CONSOB Issuers' Regulation. It is worth pointing out that on January 30, 2013, CONSOB, with resolution n. 18452, resolved the maximum shareholding thresholds required for the submission of the lists of candidates for the elections of the governing and controlling bodies of the Companies whose financial year ended on December 31, 2012; as the market capitalization is less than Euro 375 million, the free float is not greater than 25% of the ordinary share capital and the majority stake is less than 50% of the share capital, the Issuer has identified a shareholding threshold of 2.5% of the shares with voting rights in the shareholders' meeting.

Any shareholder, as well as the shareholders adhering a shareholders' agreement pursuant to article 122 of TUF, and also the controlling entity, the subsidiary companies and those which are subject to common control pursuant to article 93 of TUF, may not submit or take part in the submission of, even through a third party or trust company, more than one list, nor they can vote for different lists. Adherence to a lists or votes expressed in violation of these prohibitions shall not be assigned to any list.

The lists submitted by the shareholders must be filed at the registered office at least twenty five days before the date set for the shareholders' meeting in first call, together with the documents required by the Articles of Association, among which a resume of the candidates included in the list.

The election of the directors proceeds as follows:

i. from the list that has obtained the highest number of votes at the shareholders' meeting, all candidates except one, among which three independents or, if the directors to be elected are less than nine, two independents; within such numerical limit, the candidates are elected according to their progressive order in the list;

ii. from the list that has obtained the second highest number of votes at the shareholders' meeting and is not connected to the first, the first candidate of such list.

If the composition of the board using the above procedure does not guarantee the equilibrium among genders, taking into account their order in the list, the last elected of the majority list belonging to the most represented gender delay in sufficient number to assure the respect of the requirement and they are substituted by the first candidates not elected in the same list of the less represented gender. In the absence of candidates of the less represented gender inside the majority list in sufficient number for the substitution, the general meeting integrates the board with the legal majority, assuring the satisfaction of the requirements.

If the two first lists obtain the same number of votes, the shareholder's meeting proceeds with a new election, by voting only for the first two lists meeting the requirements set out in article 147-ter, comma 1-*ter* of the TUF.

In the event of submission of a single list, all the candidates in that list will be elected. In the case no list is submitted, the shareholders' meeting will appoint the Board of Directors as provided by the law, in accordance, however, with the criterion of distribution provided by article 147-*ter*, comma 1-*ter* of the TUF.

If during the financial year one or more directors cease to hold the office, for any reason, the Board of Directors will act pursuant to article 2386 of the civil code and pursuant to article 16 of the Articles of Association.

In particular, if the director or the directors that ceased to hold office were taken from a list that contained also non-elected candidates, the Board of Directors will make the replacement appointing from the same list of the directors who ceased to hold office, based on the progressive order, persons who are still eligible and willing to accept the office. The shareholders' meeting deliberates, with the majority required by law, in accordance, however, with the criterion of distribution provided by article 147-*ter*, comma 1-*ter* of the TUF.

If the person who ceases to hold office is an independent director, the replacement will occur, as far as possible, by appointing the first of the non-elected independent directors from the same list in which the director that ceases to hold office was elected. The shareholders' meeting deliberates, with the majority required by law, in accordance with such principles.

If there is a lack of previously non-elected candidates from that list, the Board of Directors shall replace the directors no longer in office, without compliance to such provisions, pursuant to article 2386 of the civil code, and will guarantee, when it is an independent director that ceases to hold office, the minimum number of independent directors required under the applicable law, in accordance, however, with the criterion of distribution provided by article 147-*ter*, comma 1-*ter* of the TUF. The shareholders' meeting decides, with the majority required by law, in accordance with such principles.

Article 16, paragraph 13 of the Articles of Association provides that if the majority of directors cease to hold office, the whole Board of Directors will be considered revoked and a shareholders' meeting should be called immediately for the appointment of new directors.

Presently, the Issuer has not adopted any explicit succession planning in view of the substantial short-term interchangeability of the executive directors Marco Pescarmona and Alessandro Fracassi. In fact, if one of the directors ceases to hold office the remaining executive director would be in able to ensure continuity for the management of both Divisions, relying on a solid first line of management, capable of supervising the ordinary activities during the necessary time for the research and the placement of one or more senior executives capable to contribute at a strategic level to the management of the Group. Of course, in the very unlikely case, in which both executive directors cease to hold office, the Board of Directors has the duty to identify an appropriate solution, without relying on pre-established plans.

4.2. Composition

The current Board of Directors was appointed by the shareholders' meeting of April 21, 2011, in which only one list of candidates was submitted, proposed by shareholder Alma Ventures S.A., and will remain in charge until the approval of the financial statement for the year ended December 31, 2013. The list of candidates belonging to that list received a favorable vote by 99.273% of the shareholders present, representing 76.739% of the share capital.

In the financial year, on July 25, 2012 Mr. Paolo Vagnone resigned from his office of Director and, on November 13, 2012 the Board of Directors appointed Mr. Klaus Gummerer as a new director until the next shareholders' meeting. On November 13, 2013 his resume has been published within the press release, available on the Issuer website, www.gruppomol.it in the section "Investor relations", "Press Release", "2012".

Currently, the Board of Directors consists of 10 members. The members in office as of December 31, 2012 are shown in Table 2, in appendix, concerning the structure of the Board and committees, as well as the attendance rate to the meetings.

As regards the personal and professional characteristics of each director, please refer to their curriculum published on the Issuer's website www.gruppomol.it, in the "Governance" section, "Shareholders' meeting and Company governance" "2011".

There are no directors that have ceased to hold office after December 31, 2012.

Maximum number of offices held in other companies

The Board did not define any general criteria about the maximum number of offices held as director or auditor in other companies, that could be considered compatible with an efficient performance as director of the Issuer, taking into account the duty of each director to assess the compatibility of any office held as director or statutory auditor in other companies listed in regulated markets, in financial, banking, insurance or other large companies, with a diligent performance of their tasks as director of the Issuer.

As regards the offices held, during the financial year, by the directors of the Issuer in other listed companies, in financial, banking and insurance companies or in large companies, please refer to Table 2A in the appendix.

Induction Programme

During all the meetings of the Board of Directors, the Chairman and the CEO duly report about the performance of the economic sector of the Issuer, the operations, the dynamics of the company and the regulatory framework. In addition to formal meetings, all directors are constantly informed about the operations of the Issuer during informal meetings and/or conference calls. Furthermore we point out that some directors participate to professional updating and training courses on regulatory, technical and professional issues related to the business activities of the Group.

4.3. Role of the Board of Directors

During 2012, the current Board of Directors met 4 times for an average of about three hours and for each meeting. All meetings were attended by two members of the Board of Statutory Auditors and Francesco Masciandaro, Chief Financial Officer of the Issuer.

For 2013 there are 4 scheduled meetings for the approval of the periodic financial reports. In 2013, in addition to the first scheduled meeting, during which the Board approved the draft statutory financial statements for the financial year ended on December 31, 2012 together with this Report, a not scheduled meeting has been held for the presentation of a possible project of strategic relevance.

The members of the Board of Directors are provided, in proper and timely manner, with the documentation and information necessary for decision-making. The documentation is usually sent by e-mail some days ahead to act with full knowledge of the facts and take an active part to the Board decisions. Sometimes, remarkable issues are reported in advance by the executive directors during the above mentioned informal meetings.

The Board of Directors meets according to the notice letter also outside Italy, anywhere in the EU, or in Switzerland. The Board may be called into session at any time by the President on his own initiative. The President shall call the Board at any time upon the written request of at least two Directors and/or at least one Statutory Auditor.

The notice should be given at least three days prior to the meeting by registered mail or by hand, fax or e-mail and should be sent to every Director and Statutory Auditor. Except in special circumstances when notice of a meeting shall be given as soon as possible, the members shall be notified at least one day in advance.

In absence of formal call, a meeting of the Board of Directors can be considered valid, whenever every member and Statutory Auditor is attending it.

The majority of Committee members must be present for meetings to be duly convened; it is also allowed to attend the meeting via tele-conferencing or video-conferencing on the condition that all participants can be identified and can simultaneously follow and participate in discussion of the topics on the agenda and view documents in real time. In the presence of these requirements, the Committee shall be considered to have met in the place where the meeting's Chairman is located, where the Secretary must also be located in order to permit writing and signing of the minutes of the meeting.

During the meeting of the board, after ascertaining that all the documents concerning the agenda have already been circulated to every member of the board of directors and of the board of the statutory auditors, the executive directors expose and explain all the points of the agenda, answering exhaustively to the questions and information required. Every issue will be discussed for the amount of time needed to allow constructive analysis and comparisons, which will bring to the Board decisions. Usually, for issues regarding the internal committees, the Chairman of the committee exposes the proposal and the committee activities.

Resolutions shall be passed by majority vote among those attending the meeting; if the vote is split, the Chairman shall cast the deciding vote. Directors are not allowed to vote on behalf of another member.

The Board of Directors plays a central role within the corporate organization and has the task and responsibility of determining strategy and organization, as well as verifying the existence of the controls required for the monitoring of the operations of the Company and the of Group.

Each member of the Board of Directors is required to act with full knowledge of the facts and autonomously, with the purpose of creating value for shareholders, and is committed to devoting to the office covered in the Company the necessary time in order to ensure the diligent performance of his or her functions, regardless of the positions held outside of the Issuer, being aware of the responsibilities of the office held.

Pursuant to article 17 of the Articles of Association, the Board of Directors is invested with all powers for the management of the Company and to this purpose it may act or take any actions that will consider necessary or useful for the implementation of the business purpose, with the exception of the matters exclusively reserved to the shareholders' meeting by the law and by the Articles of Association.

Under the same statutory provisions, the Board is also empowered to take, pursuant to article 2436 of the civil code, decisions regarding:

i. merger and demerger resolutions in the cases pursuant to articles 2505, 2505-*bis* and 2506-*ter*, last paragraph of the civil code;

ii. the constitution or suppression of secondary offices in Italy or abroad;

iii. the reduction of capital upon termination of shareholders;

iv. adaptation of the Articles of Association to regulatory provisions;

v. the transfer of the registered office in the national territory;

vi. the indication of the delegated directors; the appointment of one or more general managers and the assignment of powers;

vii. the other powers reserved to it by the law or by the Articles of Association.

The Board of Directors has the general power of direction and control over the activities of the Company and on the management of the business. In particular it:

i. examines and approves the financial, industrial and strategic plans of the Company and of the Group;

ii. evaluates and approves the annual budget of the Company and of the Group;

iii. examines and approves transactions - including investments and divestments - which, by their nature, strategic importance, size or by the commitments they might imply, have a large impact on the activities of the Group;

iv. verifies the adequacy of the organizational and general management structure of the Company and the Group;

v. drafts and adopts the regulations of the Company's corporate governance and sets out the guidelines of governance of the Group;

vi. constitutes the Supervisory Body pursuant to the legislative decree n. 231 of June 8, 2001;

vii. assigns and revokes the powers of the directors and to the executive committee, if constituted, setting the limits, the exercise and the time interval, normally not exceeding three months, by which the delegated bodies must report to the Board about the activity done during the exercise of the powers delegated to them;

viii. determines the duties and the powers of the general managers, if appointed;

ix. determines, after examining the proposals of the relative committee and consulting the Board of Statutory Auditors, the remuneration of the CEO and of the directors who hold particular offices and, if the shareholders' meeting has not defined it, the breakdown of the total remuneration due to any members of the Board and committees;

x. supervises the general business management, with particular attention to conflicts of interest, taking into account, in particular, the information received from the CEO, from the executive committee, if established, and from the Committee for Internal Control and for Corporate Governance, and comparing periodically the results achieved with those planned;

xi. evaluates and approves the periodic reports as provided by the law;

xii. exercises all the other powers assigned to it by law and by the Articles of Association.

At each Board meeting, the members of the executive committee shall inform the Board in detail on the main management events of strategic importance, on the business performance and on the evolution of the management for all companies of the Group, comparing the results achieved with the budgeted ones.

Furthermore, the executive directors, holding positions of operational nature within the Group, have full visibility of accounting, administrative and organizational issues of the Issuer and its subsidiaries, updating the Board promptly at the first useful meeting about any critical situation emerged or any substantial changes occurred. In this way the Board can adequately assess the organizational, administrative and accounting structure of subsidiaries, which are all deemed relevant from a strategic point of view, considering the variety and complementarity of the services offered.

The Board deemed it suitable not to make an assessment concerning the organizational structure of the Group, considering that the relatively low complexity of the organizational structure of the Group is coherent with the operational efficiency of the Group.

Periodically, the Committee for Internal Control shall inform, as provided by the Code of Conduct, the Board on its activities and on the adequacy of internal control system, providing directors with documents that illustrate the work of the committee.

The Board, taking into account the relatively simple organizational structure, considers it appropriate not to define any general criteria for the identification of significant transactions in terms of strategic, economic, and financial relevance for the Issuer itself. In 2012 there were no operations which needed to be approved by the Board of Directors.

On November 13, 2012 the Board valued the functioning, organization, size and composition of internal committees.

The Compensation and Share Incentive Committee is composed of three independent directors. After evaluation it results to work regularly, to be well-sized in its composition and its members, with appropriate professional experience and background for the Committee's tasks, enabling it to provide effective and valuable support to the Board

With regards to the Control and Risk Committee, it is composed of two independent directors (one of the two is the Chairman) and a non-independent Director. The committee, which formerly operated as Internal Control Committee, works regularly, results to be well-sized in its composition and the professional experience of its members is appropriate to give a valuable and efficient support to the Board. We highlight that at least one of the members has a strong background and significant experience in accounting, finance and in risk management. The committee shall report to the Board of Directors at least once every six months during the meetings for approval of the draft financial statements and half-year Report.

Within the Board is also present the Committee for Related Party Transactions formed by three independent directors. The committee was formed in accordance with the "Regulations concerning related party transactions" approved by Consob with Resolution n. 17221 of 12 March 2010: in fact within the procedures that assure transparency and procedural fairness of the transactions with related parties it requires that related party transactions be approved with the involvement of a committee formed by three independent directors. The committee results well-sized in its composition and the professional experience of its members is appropriate to give a valuable and efficient support to the Board: however we point out that, considering the type of the possible transactions between related parties, in the light of the above mentioned regulation and the adopted procedure, there were no transactions which needed to get approval by the committee itself.

Finally, it is worth pointing out that the shareholders' meeting did not authorize, in a generic and precautionary way, any derogation to the competition ban pursuant to article 2390 of the civil code.

4.4. Delegated bodies

Chief Executive Officer

Pursuant to article 21 of the Articles of Association, the Board of Directors may delegate, pursuant to and within the limits of law and regulations, its own powers to one or more directors of the Board by defining the limit on the powers.

As of the date of approval of this report, the office of Chief Executive Officer is covered by Alessandro Fracassi.

The Board of Directors of the Company, during the meeting held on May 12, 2011 has delegated to director Alessandro Fracassi, to whom such delegation was also granted by the previous Board, with separate signature and for the entire duration of his office, the full power for:

i. the execution of any kind of transactions of ordinary and extraordinary administration up to a maximum of Euro 1,000,000 for each transaction (net of VAT) and

ii. for the recruitment and termination of employees that are not managers.

It is worth pointing out that the CEO is one the main responsible figures of the general management of the company and he is no part of the Board of Directors of any other issuer where a Director of the Issuer is CEO.

Chairman

The shareholders' meeting of April 21, 2011 has appointed director Marco Pescarmona (who already covered the same office in the previous Board) as chairman of the Board of Directors.

According to the Article of Association, the chairman has: the power of presiding the Shareholders' meeting (article 13), the power to call Board meetings (article 18), the power of legal representation for the Company, and the power of signature (article 24).

The chairman is, together with the CEO, one of the main managers of the Issuer and he is no part of the Board of Directors of any other issuer where a Director of the Issuer is CEO, as well.

Executive committee

Pursuant to Article 21 of the Articles of Association, the Board of Directors may establish an executive committee, composed by some of its members, determining the powers and the operating regulations pursuant and within the limits of law and regulations in force.

The Board of Directors of the Company, during the meeting of May 12, 2011, has appointed the executive committee composed by Marco Pescarmona and Alessandro Fracassi (chairman of the committee), already members of the previous executive committee.

The following powers have been assigned to the executive committee:

i. the broadest power for the execution of any kind of transactions of ordinary and extraordinary administration up to a maximum of Euro 5,000,000 for each transaction (net of VAT);

ii. the decisions about the vote that a subject delegated by the committee itself or a legal representative of the Company should express in the ordinary and extraordinary shareholders' meetings of the subsidiaries;

iii. the definition, implementation and the monitoring of the execution of the strategies of the Group; and

iv. the broadest powers for the recruitment and termination of managers and employees.

In addition, the members of the executive committee have been dis-jointly granted all the powers required for the purchase and sale of Issuer own shares, within the scope of applicable regulations and of the authorization granted by the Shareholders' meeting on November 9, 2010.

During the financial year, the executive committee met 3 times, for an average duration of about 40 minutes for each meeting. In particular, during the financial year, the executive committee was called:

- to approve the purchase of the 20% of the ordinary share capital of the company CercAssicurazioi.it S.r.l. and to grant to the executive Director Marco Pescarmona, the power of signature on behalf of the company to sign the respective purchasing:
- to confer delegations for the participation to the shareholders' meetings of subsidiaries and to attribute the delegation to vote in the shareholders' meeting of the subsidiaries held during the period under review, with reference to the issues below:
  - dividend distribution;
  - updating of articles of association;
  - creation of new company;
  - Board of Directors appointment/integration;
  - merger;
  - remuneration of directors according to the indications provided by the Compensation Committee and by the Board of Directors of the Issuer;
  - appointment of the internal auditor.

For the year 2013 no meetings of the executive committee have been planned. As of the date of the approval of this Report, a meeting of the executive committee has taken place regarding the acquisition of the company Money360.it S.p.A., granting the power of signature to the Chairman Marco Pescarmona and giving the proxies to attend the next shareholders' meeting of the company, for the renewal of the officers.

For the composition and rates of attendance at meetings please refer to Table 2, in appendix, concerning the structure of the Board and committees.

Information to the Board

Pursuant to article 21 of the Articles of Association, the delegated bodies are required to report to the Board of Directors and to the Board of Statutory Auditors, at intervals of at least 180 days, on general management performance, on the business outlook, as well as on the most significant transactions, for their size or characteristics, performed by the Company and its subsidiaries, and on transactions with potential conflicts of interest.

The members of the executive committee, as directors, shall attend all the meetings of the Board of Directors and, in these occasions, duly report to the rest of the Board and to the Board of statutory auditors about the management performance and about the main executive decisions taken, always within the limits of the delegated powers, for all the companies of the Group, at the first available meeting and, in any case, at least quarterly.

4.5. Other executive directors

The Board of Directors has not appointed other delegated directors beside Alessandro Fracassi.

The members of the executive committee Marco Pescarmona and Alessandro Fracassi hold the offices in subsidiaries and associated companies described in Table 2B.

With the participation of the executive directors in all Board meetings of the Italian companies and subsidiaries, the Board of the Issuer is constantly updated and informed on the situation and dynamics of the business.

4.6. Independent directors

The independent directors are in number and authority such as to guarantee that their judgment has a significant weight in board decisions of the Company. The independent directors bring their specific experiences in the board discussions, contributing to the taking of decisions consistent with the interest of the company.

The shareholders' meeting of April 21, 2011 appointed as independent directors Alessandro Garrone, Andrea Casalini, Paolo Vagnone, Daniele Ferrero and Matteo de Brabant, who declared to possess all the necessary independence requirements on March 24, 2011, when their candidacy was accepted. Subsequently to the resignation of Paolo Vagnone on July 25, 2012, the board of directors, on November 13, 2012, appointed Mr. Klaus Gummerer as a new director, in possess of the requirement of independence. The appointment, which has been made in accordance with art. 2386 of the civil code and art. 16 of the Articles of Association, will be valid until the next shareholders' meeting.

On May 11, 2012 the Board of Directors has verified, with a positive result, the existence of all the necessary independence requirements provided by article 3 of the Code of Conduct and article 148, paragraph 3, letter b) and c) of TUF, for each independent director. In the above mentioned assessments the Board has applied all the criteria provided by the Code of Conduct.

In the meeting of May 11, 2012, the Board of Statutory Auditors has verified the correct application of the criteria and control procedures adopted by the Board to evaluate the independence of its own members. The result of these verifications has been positive.

The independent directors participate actively and assiduously in the Board meetings, are constantly informed on relevant aspects concerning their assignment and consult each other privately on the agenda before each meeting of the Board. Over the financial year 2012, only independent Directors met once without the other directors to perform a review of the activity of the Board of Directors and to assess the effectiveness, clarity, completeness and timeliness. The results were positive, and they highlighted how the governance of the Issuer is well-functioning and coherent with operating and structural needs.

4.7. Lead independent director

The conditions provided by the Code being met, the Board of Directors, in the meeting of May 12, 2011, designated, among the independent directors, Paolo Vagnone as the Lead Independent Director pursuant to the Code of Conduct, so that he could be the point of reference and coordination for the requests and contributions of the non-executive directors, and in particular of the independent ones. Paolo Vagnone, who held this office also in the previous Board of Directors, resigned on July 25, 2012 because of professional reasons and incompatibility with his office for another Issuer; on August 9, 2012, the Board of Directors appointed the lead independent director Daniele Ferrero, as Lead Independent Director.

The Lead Independent Director may, among other things, call – on his/her own initiative or upon request of other directors – special meetings of only independent directors (i.e. independent directors' executive sessions) to discuss issues from time to time judged of interest related to the functioning of the Board of Directors and to the management of the Company, with also the possibility to invite members of the management for an exchange of information with the organization.

The Lead Independent Director has collaborated with the Chairman of the Board to ensure that the Directors receive complete and timely information flows.

5. TREATMENT OF CORPORATE INFORMATION

Management of confidential information and code of conduct for insider dealing

The Company has adopted an internal regulation, which contains the provisions relating to the management of confidential information and to the management and external disclosure of privileged information as per article 181 TUF, regarding the Company and its subsidiaries. This regulation, besides providing a definition of privileged information, establishes the procedure for the public disclosure of such information which, by law, should occur without delay.

The regulation should be respected by all the components of the governing bodies, employees and other personnel of the company and subsidiaries, who for any reason have access to the privileged or confidential information.

In compliance with the regulation, the management of confidential information is followed by the investor relations office, under the responsibility of Marco Pescarmona.

In compliance with the regulation the Issuer has also created a register of the persons that have access to the privileged information, governed by a special regulation. The responsibility for the correct keeping of this register has been entrusted to the person in charge of investor relations.

The regulations for the management and the disclosure of confidential and privileged information are available on the Website, in the section "Governance", "Other documents".

Furthermore, the Company adopts a code of conduct which regulates the obligations of information disclosure and of behavior related to the financial transactions carried out by persons who, by virtue of the office held in the Company, have access to relevant information (with relevant information we mean the information related to facts able to determine significant changes in the capital, financial and economic perspectives of the Company or of the Group and able, if made public, to influence the price of the listed financial instruments).

The financial manager is, in compliance with this regulation and with the delegation granted by the Board of Directors, the subject responsible for receiving, managing and circulating to CONSOB and to the market the communications sent to the Company by persons that have access to relevant information.

The three communications received by the Company during 2012 have been regularly published and are available on the Website, in the section "Governance", "Internal dealing", "2012".

6. COMMITTEES WITHIN THE BOARD

In compliance with the Code of Conduct, the Board of Directors, under the authority conferred pursuant to article 22 of the Articles of Association, has constituted the following internal committees with consulting, proactive or control tasks, and which are granted the right to access to relevant information.

In particular, the remuneration and share incentive committee, the committee for internal control and the committee for the transactions with related parties were constituted within the Board.

7. NOMINATION COMMITTEE

At present, the Board of Directors has decided not to set up an internal committee for the nomination of candidate directors, as the shareholding structure of the Company does not present such characteristics of diffusion to justify the adoption of such committee; however the Board in its collegiality carries out the related functions.

8. REMUNERATION AND SHARE INCENTIVE COMMITTEE

The Board of Directors, in compliance with article 2.2.3, paragraph 3, letter m) of the Stock Exchange Regulations, applicable to the issuers admitted to trading in the STAR segment and pursuant to the Code of Conduct, in the meeting of May 12, 2011, has designated the independent directors Paolo Vagnone, Alessandro Garrone and Andrea Casalini as members of the remuneration and share incentive committee. Director Paolo Vagnone, who had been appointed chairman of this committee resigned on July 25, 2012 and on August 9, 2012, the Board of Directors appointed the lead independent director Matteo De Brabant, as new member of the committee and Andrea Casalini, as new chairman of the committee.

During 2012, the remuneration and share incentive committee met 4 times for about 55 minutes, with all members in charge. It is worth highlighting that, in these meeting participated at least one Statutory Auditor and the non-executive director, member of the Control and Risk Management Committee Marco Zampetti, invited to serve as secretary. The executive directors, whose compensation was discussed during the meeting, never took part to the meeting of the committee, with the exception of the first part of the meeting of October 31, 2012 during which they were asked to update the committee about the operations during the first ten months of the financial year. It should be noted that these directors, during the Board meeting of November 13, 2013, though assisting to it, did not take part to the discussion concerning their remuneration and incentives and abstained from voting.

For the composition and rates of attendance at meetings please refer to Table 2, in appendix, concerning the structure of the Board and committees.

During the meeting, the Committee members were asked to:

- determine, based on final result, the variable component of the remuneration of executive directors for the year 2011;

- submit proposals to the Board of Directors on the variable component of the remuneration in 2012 for the executive directors;

- determine, based on final result, the variable component of the remuneration of executive directors for the year 2012

As already expressed in paragraph 4.3, the Board of Directors reported its satisfaction with the members of the committee, who, thanks to their appropriate professional experience and background for the Committee's tasks, provide effective and valuable support to the Board.

The meetings of the remuneration committee taking place during the financial year have been properly recorded and the relative minutes were transcribed in the register available at the administrative office of the Company.

There are no meetings of the remuneration and share incentive committee scheduled for 2013. And as of the approval date of this Report, there have been no meetings.

The Board of Directors in the meeting of May 12, 2011, has resolved a total compensation, on annual basis, for the members of the remuneration and share incentive committee equal to Euro 20 thousand in total.

No financial resources have been allocated to the committee, as the committee uses the Issuer's resources and facilities for the performance of its tasks.

For any other information on the remuneration and share incentive committee, please refer to "Report on Remuneration" prepared pursuant to article 123-*ter* of TUF and pursuant to article 84-*quater* of the Issuers' Regulations, deposited at the registered office and available on the Website in the section "Governance", "Other documents", "2013".

9. REMUNERATION OF DIRECTORS AND MANAGERS

For the general policy for the remuneration adopted by the Issuer, the share remuneration plans, the remuneration of executive directors, directors with strategic responsibilities (if any) and non-executive directors, and for the indemnities of directors in case of resignation, dismissal or termination as a consequence of a takeover bid, please refer to the "Report on Remuneration" prepared pursuant to to article 123-*ter* of TUF and pursuant to article 84-*quater* of the Issuers' Regulations, deposited at the registered office and available on the Website in the section "Governance", "Other documents", "2013".

10. COMMITTEE FOR INTERNAL CONTROL AND CORPORATE GOVERNANCE

The Board, during the meeting of May 12, 2011, established the Committee for Internal Control and Corporate Governance with proposing and consulting functions. The Committee for Internal Control was composed of non-executive director Marco Zampetti and independent directors Daniele Ferrero and Andrea Casalini. Marco Zampetti, who by virtue of his professional activity possesses a considerable experience in accounting, financial, fiscal and compliance matters, was appointed chairman of this committee.

In 2012 the Board of Directors redefined composition and tasks of the Control and Risk Committee, previously Internal Control Committee, considering that it should be composed of independent directors or of non-executive Directors, independent for the most, and that the Chairman of the Committee will be appointed among non-executive directors and that at least one of the members should have a strong background and significant experience in accounting and finance or in risk management, characteristics which will be examined by the Board of Directors at the time of appointment.

Based on the above mentioned considerations, the Board, on November 13, 2012 set up its internal Control and Risk Committee represented by the directors Daniele Ferrero, Andrea Casalini and

Marco Zampetti, and considering that Daniele Ferrero e Andrea Casalini are independent directors and that Marco Zampetti, for his job, has a strong background and significant experience in accounting and finance and in risk management; Daniele Ferrero was appointed Chairman of the committee.

According to the Code of Conduct, the internal Control and Risk Committee:

i. assists the Board in defining the guidelines of the internal control system, so that the main risks relative to the Issuer and its subsidiaries can be correctly identified, as well as appropriately measured, managed and monitored, also determining compatibility criteria of these risks with a sound and correct management of the enterprise;

ii. assists the Board in identifying an executive director (preferably the CEO) charged with supervising the functionality of the internal control system and risk management;

iii. assists the Board in assessing, yearly at least, the adequacy, efficiency and the effective functioning of the internal control system;

iv. assists the Board in describing the essential elements of the internal control system in the corporate governance report, expressing its own assessment of the overall adequacy of this system;

v. assesses, together with the manager in charge of preparing the company's accounting documents and with the Board of Statutory Auditors, the proper and consistent application of accounting principles and their homogeneity in the preparation of the consolidated financial statements;

vi. expresses opinions on specific aspects related to the identification of the main corporate risks as well as to the design, realization and management of the internal control system;

vii. examines the periodic reports about the valuation of the internal control and risk management system e those proposed by the internal auditor;

viii. monitors to the Board the independence, the adequacy, the effectiveness and the efficiency of the internal auditor;

ix. may request to the internal auditor to investigate on specific areas, notifying it at the same time to the Chairman of the Board of Statutory Auditors;

x. reports to the Board on the activity it has performed and on the adequacy of the internal control and risk management system, at least twice a year, on the occasion of the approval of the Report and of the semi-annual reports;

xi. monitors the compliance and the periodic update of the corporate governance rules and the observance of rules of conduct potentially adopted by the Issuer and its subsidiaries;

xii. performs any additional duties that are assigned by the Board;

The committee for control and management risk:

i. has access to all corporate activities and information necessary to perform its duties;

ii. may ask the Board to use external consultancy services to perform its activity;

iii. will normally meet before the Board meetings called to approve the financial statements, the semi-annual and the quarterly reports, or whenever the chairman deems it appropriate or receives a request from a member or an executive director.

The Control and Risk Management Committee, as one of the main interlocutors to the internal auditor, shall be consulted by the Board of Directors about decisions regarding appointment, revocation, remuneration and the provision of resources for the internal auditor analyzing and assessing his work.

For the meeting notices, the same rules apply as provided by the Articles of Association for the meetings of the Board.

The Control and Risk Management Committee has met:

- on March 2, 2012 the representatives of the legally-required auditing firm and the finance and control manager, Francesco Masciandaro, in order to obtain updates on the legally-required auditing activity carried out on financial statements of the companies of the Group for the year ended December 31, 2011 and related to the consolidated financial statement, to discuss about the implementation and the refinement of procedures on companies, which have been recently purchased and about the right sizing and the organization of the administration unit. Marco Zampetti attended the meeting as then-chairman of the Corporate Governance e Internal Committee.

- on July 30, 2012 all members of the Control and Risk Management Committee together with the representatives of the legally-required auditing firm and the finance and control manager, Francesco Masciandaro and the internal auditor Walter Baraggia took part the meeting. In the first part of the meeting the committee has been updated on the legally-required auditing activity related to the consolidated first half financial report; during the second part, only for the members of the committee, they verified the activities performed in the first half of the financial year, in order to give an update to the Board of Directors on the activities performed on August 9, 2012 as well.

Furthermore the member of the Control and Risk Management Committee Marco Zampetti and the Board of Statutory Auditors (through informal meetings and e-mails) keep informed one another in order to be constantly updated on the internal control system of the Issuer.

During the financial year, the Control and Risk Management Committee met 2 other times for an average of about an hour and thirty minutes. Furthermore, during the meetings on March 14, 2012 and August 9, 2012, the Control and Risk Management Committee as provided for in the Code of Conduct, informed the Board of Directors on its activity and on the adequacy of the internal control system.

There are no scheduled meetings of the committee for internal control for 2013. On March 12, 2013 the committee met to examine again the legally-required auditing activity carried out on financial year ended December 31, 2012, in order to give an update on activities performed, during the meeting taking place on March, 13 2013, to the Board of Directors as well and to obtain an update by the executive director in charge of the system control and the risk management Marco Pescarmona about review activity concerning Legislative Decree 231/2001; the CFO, Francesco Masciandaro, in charge of the internal control, took part to the meeting as well.

For the composition and rates of attendance at meetings please refer to Table 2, in appendix, concerning the structure of the Board and committees.

All the meetings held by the chairman, as well as the meetings of the committee have been properly recorded and the relative minutes were transcribed in the register held at the administrative office of the Company.

During the meeting of May 12, 2011, the Board of Directors resolved an annual total compensation for the members of the committee for internal control and corporate governance equal to Euro 40 thousand; on November 13, 2012, during the meeting in which the Control and Risk Management Committee was set up, that amount was decreased down to Euro 20 thousand.

No financial resources have been allocated to the Control and Risk Management Committee, as the committee uses the Issuer's resources and facilities for the performance of its tasks.

11. INTERNAL CONTROL SYSTEM

The Board of Directors defines the guidelines of the internal control system designed as a set of direct processes intended to monitor the efficiency of business and corporate management, the reliability of the financial information, the compliance with laws and regulations, the safeguard of corporate assets, and the prevention of fraud against the Company and financial markets.

The internal control system is structured as a set of rules and procedures in order to enable, through a proper process of identification, measurement, management and monitoring of the main risks, a sound and correct corporate management, in line with the set objectives.

According to the Code of Conduct, the Board of Directors, taking also into account that the Company is part of a group, defines the guidelines of the internal control system and verifies its correct functioning with respect to the management of corporate risks through the activity performed by the internal control committee. The director in charge defines the instruments and procedures for the implementation of the internal control system, following the guidelines established by the Board of Directors, assures the overall adequacy of the system, its practical functionality, its adaption to changes of operating conditions and of legislative or regulatory frameworks.

The internal control system defined by the Board of Directors satisfies following general principles:

i. the operational powers are assigned taking into account the nature, normal size and risks of individual types of transactions; operational areas are closely related to the delegated tasks;

ii. the organizational structures are articulated so as to reduce the overlapping of functions and the concentration on one person, without the proper authorization process, of activities that have a high degree of criticality or risk;

iii. an appropriate system of parameters and a related periodic flow of information to measure the efficiency and effectiveness is provided for each process;

iv. a periodical analyses of the professional knowledge and skills available within the organization in terms of congruence with the objectives assigned;

v. the operating processes are defined in accordance with an appropriate documentary support enabling them to be verified in terms of congruence, consistency and responsibility;

vi. the security mechanisms ensure an adequate safeguard of the corporate assets and access to the information required for the performance of the assigned tasks;

vii. the risks related to achievement of the objectives are identified by observing an adequate periodic monitoring and updating; negative events that may threaten the corporate business continuity are subject to special assessments and adjustment of safeguards;

viii. the control system is subject to continuous supervision for periodic evaluations and constant adjustments.

For the purpose of verifying the correct functioning of the internal control system, the Board of Directors relies on the Control and Risk Management Committee, on a manager in charge of the internal control and on an internal auditor, which have an appropriate level of independence and necessary means for the performance of their tasks; they report to the director in charge of internal control, to the Control and Risk Management Committee and to the Board of Statutory Auditors.

The director in charge of internal control implements the interventions on the internal control system deemed necessary as a result of the above control activities, and may appoint one or more delegates for such purpose.

11.1. Main principles of the existing risk management and internal control systems in relation to the financial reporting process

Introduction

The risk management system should not be considered separately from the internal control system in relation to the financial reporting process; both are, in fact, elements of the same system. It is worth mentioning that this system is aimed at ensuring the trustworthiness, accuracy, reliability and timeliness of financial reporting.

All the companies of the Group adopt detailed procedures to manage the sales process, the purchasing process, the human resources process and the financial reporting process approved by the Board the Directors.

The basic principle for the management of these processes is that, because of the relatively simple structure of the Group, all the significant authorization processes are handled by executive directors, vested with adequate powers.

Description of the principal features of the existing risk management and internal control systems in relation to the financial reporting process

The activities under the responsibility of the administration unit of the Group are defined in the organizational structure of the Group and the above mentioned procedures. Please find below, in an illustrative and not exhaustive way, the main activities carried out by the administration unit:

i. ensure, through the planning process and management control, the unity of functional goals, the compliance of the actions with the plans and the achievement of profit targets;

ii. define and propose, within the policies and strategies agreed with the top management, the Group's financial policy;

iii. ensure the proper administrative management of the Group, and in particular define and propose the policy for the financial statements, ensure the preparation of the annual financial statements of the Company and of the Group and of its relevant annexes pursuant to the existing civil and fiscal laws as well as to the institutional provisions;

iv. ensure the systematic monitoring of the economic performance of the Group in order to afford a proper process of management control;

v. ensure the alignment of the management control system (*Sistema di Controllo di Gestione* or SCG) with the strategies and the business and market context.

The main risks pertaining to the financial reporting process are:

i. the risk of recognition of revenues that are not related, not accrued or not due or the incomplete recognition of revenues;

ii. risks linked to the recognition of expenses that are not related, not accrued or not due;

iii. risks linked to outsourcing of accounting activities;

iv. risks linked to the presence in the consolidation area of a Rumanian company;

v. risks of loss or information or data during the automatic data extraction process from the general ledger.

Corrective actions adopted to reduce the impact of these risks, procedures and controls applied for the continuous monitoring of the identified risks are respectively summarized in the following list:

i. the billing process follows a detailed procedure on receivables which takes into account the different types of revenues of the companies of the Group: the billing from the administrative office takes place only after verifying the accuracy of the billing reports and their compliance to the contractual conditions. These controls are carried out by selecting random samples of sale invoices, verifying phases and documents required by the procedure for the issuance of the invoice itself and the collection of payment, and by checking that contractual rates are applied and respected properly;

ii. the process on liabilities also follows an internal procedure which takes into account the various types of purchases (mainly marketing, technology and general services expenses). The registration of an accounting document takes place only after the verification of the existence of a purchase order authorized by a representative of the company with appropriate credentials and upon verification of the correspondence with the purchase order itself. Also in this case, the verifications are carried out by selecting a random sample of purchase invoices, verifying that they are authorized by an order and that the amounts to be paid match with the ones specified in the order;

iii. periodically or upon request, the administrative office receives a detailed financial statement from the company EuroServizi per i Notai S.r.l., verifying that it has received the financial data at least on quarterly basis. Furthermore, from 2011, also EuroServizi per i Notai S.r.l. is subject to the legal audit of accounts;

iv. definition of guidelines to which the accounting employees of Finprom S.r.l. must comply, in accordance with the local regulations. The Issuer receives a monthly financial management report, and on quarterly basis a detailed financial statement of the company;

v. in order to verify the correct and complete collection of economic-financial consolidated data through an automated process, we perform cross-checks while balancing the general ledger data with the cost accounting at the EBITDA level, analyzing potential deviations and the accuracy of the automatic formulas. The process of data collection and extraction for the preparation of the periodic financial reports is regulated by a specific internal procedure.

It is also worth highlighting that, during 2012, the Group's procedures about the management of the active cycle, passive cycle and personnel cycle have been applied to both the new companies purchased at the end of 2011, Quinservizi S.p.A. and Key Service S.r.l..

The administrative area of the Group is under the direct responsibility of the Chief Financial Officer (CFO), Francesco Masciandaro, and is composed of a total of eleven persons, in the Italian office. Within the administrative area there are two distinct functions:

- Accounting, whose mission is to provide a correct representation of the Company's capital and economic life, ensuring the proper execution of the activities related to the preparation of corporate financial statements and consolidated financial statements, in compliance with the accounting principles and regulations;

- Management Control, whose mission is to ensure through the planning and control process the unity of functional goals, the compliance of the actions with the plans and the achievement of profit targets.

As regards the management of the Accounting function, two persons located in Romania have full responsibility for all activities related to subsidiary Finprom S.r.l., which they manage with full autonomy. As regards the management of the Accounting function for the other subsidiaries, it is entirely carried out by the structure and resources located in Italy, who report to the head of the function, which provides the operating guidelines.

The process of financial reporting for the Group is headed by the CFO, who receives, at least once a month, the summary financial reports by all the companies of the Group and, quarterly, more detailed financial reports at the base of the periodic financial reporting.

This process is conducted annually by the CFO, who in the light of the activity performed, prepares a check list which highlights the identified risks, the corrective actions, the checks that were performed and their results. From January 2010, the CFO is assisted by the responsible for internal audit.

At the end of this activity, the outcome is directly submitted for evaluation to the executive director in charge of the internal control system. The information flow is particularly direct, since there are no intermediate levels between the CFO, internal auditor and the executive director in charge of the internal control system. In addition, the CFO and the internal auditor meet periodically the Committee for Internal Control and the Supervisory Body for an appropriate update on the performance of controls.

The Board of Directors in the meetings of March 14, 2012 and of August 9, 2012 has positively assessed the effectiveness and the effective functioning of the internal control system. During this meeting, the ex-chairman of the Control and Risk Management Committee Marco Zampetti illustrated to the attendees the job performed by the committee and briefed on the adequacy of the internal control system. The committee sends in advance the most significant elements by a brief memorandum circulated to all the directors and members of the Board of Statutory Auditors.

11.2. Executive director in charge of the internal control and risk management committee

The Board of Directors, during the meeting of May 12, 2011, appointed the chairman of the Board of Directors and member of the executive committee, Marco Pescarmona, as the executive director in charge of the Control and Risk Management Committee.

During Financial year, the executive director in charge of supervising the functionality of the internal control system and risk management identified, in collaboration with the Control and Risk Management Committee and the manager in charge of internal control, the main risks related to the Issuer and its subsidiaries, by constantly verifying the adequacy of the internal control system. In addition, in collaboration with the internal auditor a constant monitoring on most relevant compliance issues was carried out, adjusting where necessary the business procedures to the regulations in force. In particular, it is worth highlighting that the subscription to the new Institution for financial agents and credit brokers (OAM) of two subsidiaries of the Group's Broking Division and the activities performed to preserve privacy and personal information.

Finally, during the financial year, in light of the controls performed, he did not detect any business risks not managed within the corporate organization.

11.3. Manager in charge of the internal control system

The Board of Directors during the meeting of May 12, 2011, upon the proposal of the executive director in charge of supervising the functionality of the internal control and risk management system Marco Pescarmona and with the favorable opinion of the committee for internal control, appointed Francesco Masciandaro, CFO of the Group and also manager in charge of preparing the Company's financial reports, as manager in charge of the internal control system. No specific remuneration is provided for this office and, at the moment, there are no dedicated resources on a permanent basis. Nevertheless, for some activities, the manager in charge of the internal control system can request the support of the internal audit function.

The choice to appoint a non-hierarchically independent person was made taking into consideration the relatively low complexity of the organizational structure of the Group.

During the financial year, the manager in charge of the internal control system, having direct access to all the necessary information to perform the functions assigned to him, has interacted continuously with the members of the executive committee, with the internal control and risk management committee and with the members of the Board of Statutory Auditors, reporting on the functionality of the internal control system and on the adequacy of the accounting system.

11.4. Internal Auditor

The Issuer has instituted from January 2010 the internal audit function, with the hiring of a dedicated resource in the organizational structure of the Group. No other resources, external to the Group, are involved in this function.

The person in charge of internal audit was not appointed by the Board of Directors but he was directly appointed by the director responsible for internal control and risk management, with the favorable opinion of the Control and Risk Management Committee and the Board of Statutory Auditors. The person responsible for internal audit is Walter Baraggia.

The person in charge of internal audit function has a proper level of independence and suitable means to operate fairly, having access to all the useful information to his office and reporting about his own activity to the CEO, the Control and Risk Management Committee, to the Board of Statutory Auditors and to the supervisory body. He will have no direct operational responsibility or authority and depends hierarchically from the Board.

The intern audit function may:

- update procedures and carry out spot checks on costs and revenues

- perform compliance reviews concerning the main issues and areas of interest for the Group (the credit broking, anti-money laundering, insurance mediation, safety at work, satisfaction of requirements imposed upon a listed company as an illustrative, yet incomplete example))and updating, if necessary, the company procedures to comply with regulations.

In particular the person responsible for internal audit brings directly to the attention of the director in charge of supervising the functionality of the internal control and risk management system and to the manager in charge of the internal control system all the controls performed and the analysis concerning compliance and regulatory updates. The information flow is particularly direct because there is nobody between the internal auditor and the manager in charge of the internal control system. Furthermore, the internal auditor and the manager in charge of the internal control system meet periodically the Control and Risk Management Committee, the Board of Statutory Auditors and the Audit Committee.

The internal auditor checks monthly the effectiveness of the audit information systems by analyzing the actual data for all the Group's companies, comparing results with budget forecasting, and verifying the correct recording in the management accounts of revenues and costs as well as the proper accrual in time.

No specific budget is provided for this office, as it performs its tasks by using the structure and resources of the Issuer. At least once a year, the Board of Directors, through the Report of the Internal Control and Risk Management Committee, receives updates on the internal auditor's activities compared to the program written by the Committee. Furthermore, every year the Executive Committee sets remuneration, duties and resources for the internal auditor, with the opinion of the Control and Risk Management Committee.

Furthermore the activities of the internal auditor, planned and decided with the consent of the director in charge for internal control and risk management and the Control and Risk Management Committee, aim to the satisfaction of international standards, that the Issuer, which operates in a highly regulated sector and as listed on the Stock Exchange company, must follow.

11.5. Organizational model pursuant to Law Decree 231/2001

On March 20, 2008, the Company adopted the model of organization pursuant to article 6 of Law Decree 231/2001. On May 11, 2012, the Board of Directors has resolved to appoint the Board of Statuary Auditors as Auditor Committee until its natural expiration; according to the Board, such appointment will be effective in the Group. Furthermore, the members of the Board of Statutory Auditors have all the required professional, independence and integrity qualifications.

It was resolved that the duration of this office would continue until the date of approval of the financial statements for the year ended December 31, 2014; no specific remuneration has been provided for this office.

In the last three years the office of monocratic supervisory body was attributed to Gianluca Lazzati.

It is worth pointing out that on January 11, 2012 the monocratic supervisory body met the finance and control manager, Francesco Masciandaro and the internal auditor Walter Baraggia to review the procedures on the billing process and on liabilities and the procedure for the evaluation and the reporting of suspect operations in the field of anti-money-laundering.

During 2012, the new supervisory body has met twice the finance and control manager, Francesco Masciandaro and the internal auditor Walter Baraggia to review the work done. During the meetings, there were analyzed some issues of compliance (privacy and anti-money-laundering) in the light of the Ex. Legislative Decree 231/2001, Issuer compliance, etc). Furthermore, they discussed the opportunity for the supervisory body to set internal regulations and the necessity of an update on the organization model if the Issuer.

The organizational model adopted by the Group and its principles are applied to the corporate bodies of all the companies of the Group (meaning the Board of Directors and the Board of Statutory Auditors of the Company and their relative members), to the employees, other personnel of the Group, to consultants, suppliers and more generally to all those that, for whatever reason, operate with "sensitive" activities on behalf or for the Group. The model intends to prevent the following types of offences:

- crimes against public administration (articles 24 and 25, Law Decree 231/01);
- corporate crimes (articles 25-*ter* Law Decree 231/01);
- market abuse crimes (article 25-*sexies* Law Decree 231/01);
- crimes introduced by article 9 of law 123/2007 (article 25-*septies* Law Decree 231/01), which include manslaughter or serious injury caused by the violation of safety and occupational hygiene regulations at work;
- receiving of stolen goods, money laundering and the utilization of money, goods or assets originating from illicit activities (article 25-octies, Legislative Decree 231/01);
- data processing crimes and illegal treatment of data (article 24-bis, Legislative Decree 231/01);
- protection of trademarks and distinctive signs (article 25-bis, Legislative Decree 231/01);
- crimes against industry and trade (article 25-bis, Legislative Decree 231/01);
- crimes relating to breach of copyright (article 25-novies, Legislative Decree 231/01), which covers certain offenses under Law 633/1941;
- incitement not to testify or bear false testimony in court (article 25-novies, Legislative Decree 231/01).

The organizational model pursuant to the Legislative Decree 231/2001 is available on the Website of the Company in the section "Governance", "Other documents".

11.6. Auditing firm

The auditing firm, also in charge of legally-required auditing of accounting activities, is PricewaterhouseCoopers S.p.A., appointed by the shareholders' meeting of February 9, 2007, effective from June 6, 2007 and with expiration upon the audit of the financial statements for the year ended December 31, 2015.

11.7. Manager responsible for preparing the Company's financial reports

Article 23, paragraph 1 of the Articles of Association provides for the appointment by the Board of Directors, subject to the mandatory opinion of the Board of Statutory Auditors, of a manager responsible for preparing the Company's financial reports in compliance with the provisions of article 154-*bis* of TUF, who must be chosen among individuals with a degree in economics, finance or disciplines related to business management and must have at least three years of experience (i) in the exercise of administrative or managerial functions or (ii) in the exercise of professional activities within an auditing firm or (iii) as a certified accountant, consultant to limited liability companies. Those who are not in possession of the integrity requirements of article 147-*quinquies* of TUF cannot be appointed to the office and, if already appointed, shall expire from the same.

The manager responsible for preparing the Company's financial reports exercises the powers and responsibilities attributed to him in accordance with article 154-*bis* of TUF.

The Board of Directors in the meeting of May 8, 2008, with the approval of the Board of Statutory Auditors, confirmed as manager responsible for preparing the Company's financial reports Francesco Masciandaro, who within the Group holds the role of Chief Financial Officer and Head of Administration and Control.

The manager responsible for preparing the Company's financial reports is provided with adequate powers and means to perform the tasks assigned to him or her. In particular, the manager in charge has developed a set of procedures and information flows aimed at identifying all the processes and business events with an economic and financial relevance; in this way all the economic and financial events of relevance are reflected in the accounting data and periodic financial reports.

Finally, it is worth highlighting that the manager responsible for preparing the Company's financial reports was appointed director with delegated powers on administrative matters, including powers to represent the Company in dealings with the financial administration and powers to sign all the declarations required by applicable tax laws, in all the Italian subsidiaries of the Group, except for Centro Perizie S.r.l..

11.8. Ethical Code

The Ethical Code, approved on March 20, 2008, is an essential element and function of the organizational model that the Group has adopted pursuant to Law Decree n. 231/2001 and expresses the principles of business ethics and rules of conduct designed to prevent, under Italian law, the commission of offences and all those behaviors inconsistent with the values that the Issuer and its subsidiaries pursuant to article 2359 of the civil code seek to promote.

The Group recognizes the importance of business ethics and social responsibility in the management of corporate activities and affairs and is committed to take into account the legitimate interests of its stakeholders and of the community in which it operates. At the same time, the Group expects from all its employees the respect of business rules and principles established in the Ethical Code and to operate with the highest ethical standards and in compliance with all applicable laws.

The Ethical Code is distributed to all employees. In addition, the Group requires from all subsidiaries, associated companies and major suppliers a conduct in line with the general principles of the Ethical Code.

The Ethical Code is available on the web site of the Company in the section "Governance", "Other documents".

11.9. Coordination among the bodies involved in the Internal Control and Risk Management Committee

The coordination and the information flow between people involved in the internal control and risk management system appears to be streamlined and effective.

In particular, the executive director in charge of supervising the functionality of the internal control and risk management system, Marco Pescarmona, Chairman of the Board of Directors as well, and the manager responsible for preparing the Company's financial reports also in charge of the internal control system, Francesco Masciandaro and the Internal Auditor Walter Baraggia, work together to find out and manage risks which endanger and/or could endanger the Group's companies to achieve business objectives.

The executive director in charge of supervising the functionality of the internal control and risk management system, Marco Pescarmona, as Chairman of the Board of Directors, identifies the main risks for the Group, considering the business activities of the Issuer and of its subsidiaries and by verifying its adequacy and effectiveness sets up and manages the internal control and risk management system. With the opinion of the Board, he asks the internal audit or the manager in charge of the internal control system to verify some specific operational areas considering the compliance of regulations and internal procedures in the execution of business operations and to analyze the regulations compared to the business activities. The manager in charge of the internal control system and the Internal Auditor report the results to the executive director in charge of supervising the functionality of the internal control and risk management system or directly to the Board of Directors.

The Board of Statutory Auditors (also as supervisory body) and the Internal Control and Risk Management Committee monitor, value and give opinion on the adequacy and effectiveness of the internal control system by examining the results brought by the manager in charge of the internal control system and the Internal Auditor with the power to ask for further examinations on specific operational business areas.

The above mentioned bodies inform and update one another either through formal meetings (like meetings of the Board of Directors, of the Internal Control and Risk Management Committee, of the Board of Statutory Auditors and of the Audit Committee) or through constant information flows during informal meetings, conference calls and/or e-mails.

12. INTERESTS OF DIRECTORS AND TRANSACTIONS WITH RELATED PARTIES

The Board of Directors of the Company on November 11, 2010, having acknowledged the favorable opinion of the Committee established for this purpose (consisting only of independent directors), approved "The procedure for transactions with related parties" (**"Related Parties Procedure"**) pursuant to the Regulation "Transactions with Related Parties", issued by CONSOB with the resolution no. 17221 of March 12, 2010 (subsequently amended by resolution no. 17389 of June 23, 2010), pursuant to article 2391-*bis* of the civil code and articles 113-*ter*, 114, 115, and 154-*ter* of TUF, and in accordance also with the recommendations of the Code of Conduct.

It is worth pointing out that the new Related Parties Procedure has replaced the previous procedure adopted to comply with the Application Criterion 1.C.1. letter f) of the Code of Conduct. As regards the details of the previous procedure, please refer to the Report of year 2009. The Company applies the Related Parties Procedure taking into account also CONSOB Communication DEM/10078683, published on September 24, 2010, containing "Indications and guidelines of the Regulation on transactions with related parties adopted to comply with the resolution no. 17221 of March 12, 2010, and subsequent amendments".

The Related Parties Procedure regulates the identification, approval and the management of transactions with related parties performed by the Company, also through its subsidiaries pursuant to article 2359 of the civil code or in any case subject to direction and coordination.

After having verified, consulting the list of related parties of the Group that the counterparty to a transaction is a related party, the parties involved in the execution of the transaction must notify the internal audit function and the administrative and control direction, the intention to begin negotiations for performing the transaction. The internal audit function and the administrative and control direction promptly evaluate whether the transaction complies with the Regulation issued by CONSOB with resolution no. 17221 or if it is possible to apply one or more of the exemption cases for which it is not necessary to follow the approval process required by the procedure. If it is not an exemption, the committee for transactions with related parties expresses its non-binding opinion on the execution of the transaction. The approval for the execution of the transaction is given, depending on the case, by the Board of Directors or by the shareholders' meeting.

Pursuant to paragraph 5 of the Related Parties Procedure, the directors that have an interest in a transaction must promptly and exhaustively inform the Board of Directors on the existence of interest and on his/her circumstances considering, on a case by case basis, the opportunity to leave the Board meetings at the voting moment or to abstain from voting. If he/she is the CEO, he/she abstains from carrying out the transaction. In these cases, the resolutions of the Board of Directors motivate adequately the reasons and the benefits for the Company of the transaction.

For more information, please refer to the Related Parties Procedure and its annexes, available on the Company's website under "Governance", "Other documents" "2010".

The Committee for Transactions with Related Parties

The Board of Directors on November 11, 2010 also resolved to set up an internal "Committee for Transactions with Related Parties", composed of independent directors and invested with all the functions provided by the Related Parties Procedure, and to approve the regulation of this committee.

The Board of Directors on May 12, 2011 appointed as members of the Committee for Transactions with Related Parties the independent directors Andrea Casalini (chairman), Daniele Ferrero and Matteo de Brabant, resolving a total remuneration, on yearly bases, equal to Euro 4 thousand.

In 2012, the Committee for Transactions with Related Parties has never met, as there were no operations which needed the implementation of the specific procedure or the opinion of the Committee.

13. APPOINTMENT OF STATUTORY AUDITORS

The provisions of the Articles of Association of the Issuer governing the appointment of the Board of Statutory Auditors are apt to ensure compliance with the Legislative Decree no. 27 of January 27, 2010 on the implementation of the directive 2007/36/CE for the exercise of certain rights of shareholders in listed companies. The changes for the adjustment of the Articles of Associate to this new regulation were approved by the Board of Directors on November 11, 2010.

The appointment of the Board of Statutory Auditors is made on the basis of lists submitted by shareholders.

During the meeting the shareholders appoint two standing Statutory Auditors and one Alternate Auditor shall be elected from the list that received the greatest number of votes (the "majority list"). The minority shareholders shall be entitled to appoint one standing auditor and one alternate auditor. Also note that Law 120 of July 12, 2011 amended the clauses of the Consolidated Finance Law (Legislative Decree 58/1998, or "TUF") governing the composition of management bodies (Art. 147-ter) and supervisory bodies (Art. 148), and consequently established that when it comes into full force, at least one third of the seats in the company bodies be held by the least represented gender and, upon first-time application, at least one fifth of the seats be held by the least represented gender. Moreover, upon first-time application at least one fifth (and not one third) of the Director and Statutory Auditor seats shall be reserved for the least represented gender, rounding up to the higher unit, in the event of a fraction of number.

Each shareholder, or the members of a shareholder agreement pursuant to article 122 of TUF, as well as the controlling entity, the subsidiary companies and those companies subject to common control pursuant to article 93 of TUF, may not submit or take part in the submission of, neither through a third party or a trust company, more than one list, nor can vote for different lists.

Shareholders are entitled to submit lists if, by themselves or together with other shareholders, are holders of the minimum stake established by CONSOB Regulations for the submission of lists for the appointment of the board of directors. The lists submitted by the shareholders must be filed at the registered office at least twenty-five days before the date set for the shareholders' meeting in first call, along with the required documents prescribed by the Articles of Association together with a resume of the candidates included in the list. It is worth highlighting, that as already mentioned in paragraph 4.1, on January 30, 2013, CONSOB with resolution n. 18452, identified a shareholding threshold of 42.5% of the shares with voting rights in the shareholders' meeting.

If upon the deadline for the submission of the lists only one list has been filed, or only lists submitted by members linked together pursuant to applicable provisions, other lists may be submitted within three days of the deadline. In this case, the previous threshold is reduced by half.

The election system required by the Articles of Association provides that:

i. the first two candidates from the list with the highest number of votes and the first candidate from the list that will result second for number of votes, who will be the chairman of the Board of Statutory Auditors, will be elected as active statutory auditors;

ii. the first candidate from the list with the highest number of votes and the first candidate from the list that will result second for number of votes will be elected substitute statutory auditors.

Moreover, if the candidates elected with the manner above described do not comply with the laws currently in force on gender balance, the candidate of the gender more represented elected as the latest in consecutive order from the slate that received the highest number of votes shall be replaced by the first candidate of the gender less represented in consecutive order not elected taken by the same slate. This replacing procedure will be applied until the composition of the Board of Directors complies with the laws currently in force on gender balance. If this replacing procedure does not assure the gender balance, the replacing will be carried out by shareholders' meeting resolving with majority required pursuant to law, upon submission of candidates belonging to the gender less represented.

If the two first lists obtain the same number of votes, the shareholder's meeting proceeds with a new election, by voting only for the first two lists, complying with the Law Decree 120/2011 on the equal right of appointment in managing and supervisory boards of listed companies.

If only a single list has been submitted, the candidates of this list will be elected Statutory Auditors and Substitute Auditor complying with the Law Decree 120/2011 on the equal right of appointment in managing and supervisory boards of listed companies If no list is submitted, the Shareholders' meeting will elect the Board of Statutory Auditors, always complying with the equal right of appointment in managing and supervisory boards.

In case of replacement of an auditor, the substitute auditor belonging to the same list of the ceased one will take over always complying with the abovementioned laws on the equal right of appointment in managing and supervisory boards of listed companies If the Board of Statutory Auditors is not complete with the entry of the substitute auditors, a Shareholders' meeting must be called to provide for the integration of the Board of Auditors pursuant to the law.

14. BOARD OF STATUTORY AUDITORS

The Board of Statutory Auditors of the Company in office as of December 31, 2012 was appointed by the shareholders' meeting of April 26, 2012, during which only one list of candidates was submitted by shareholder Alma Ventures S.A. and will remain in office until the approval of the financial statements for the year ended December 31, 2014. The names of candidates on the list coincide with the current members of the Board of Statutory Auditors. It is worth pointing out that The Board of Statutory Auditors of the Company in office correspond to the Board of Statutory Auditors in charge until the approval of the consolidated financial statement ended December 31, 2011. The list obtained the unanimous consent of those present, representing 27,570,190 shares, corresponding to 69.77% of shares with voting rights. For the composition of the Board of Statutory Auditors and other information please refer to Table 3, in the appendix, concerning the structure of the Board of Statutory Auditors.

As regards the personal and professional characteristics of each member of the Board of Statutory Auditors, please refer to their curricula published on the Issuer's website under "Governance", "Shareholders' meetings and Company governance" "2012".

The statutory auditors, in accepting the office, have declared that they possess the necessary requirements of professionalism, integrity and independence. On May 11, 2012, the Board of Directors then checked the existence of these requirements, by correctly applying the assessment procedures and criteria. The result of this control was positive.

There were no members of the Board of Statutory Auditors who ceased to hold the office of statutory auditor in 2012 or the first months of 2013.

During the financial year ended December 31, 2012, the Board of Statutory Auditors has met 5 times with an average duration of two hours and has also participated in all the meetings of the Board of Directors and has been regularly updated on business performance and the main events of the year. No meetings of the Board of Statutory Auditors have been scheduled for 2013. As of the date of the approval of this report, in 2013 there has been a meeting, woth the participation of CFO and the Internal Auditor.

The Board of Statutory Auditors has assessed, in the report of the Board of Statuary Auditors prepared during the Shareholders' meeting on April 26, 2012, the persistence of the independence requirements pursuant to article 148, paragraph 3 of TUF of its members since the date of their appointment, and in making these assessments the Board of Statutory Auditors has applied all the criteria provided by the Code of Conduct with regard to directors' independence. Furthermore, the Statutory Auditors released a declaration for the satisfaction of the requirements of professionalism and independence of the date of their application. On May 11, 2012 the Board of Directors verified with positive results such requirements and finally on the same date, the Board of Statutory Auditors controlled the right implementation of all criteria provided by the Code of Conduct with regard to the directors' independence.

The Procedure for Transactions with Related Parties approved by the Board of Directors on November 11, 2010 (see paragraph 12) provides that a Statutory Auditor who has, for himself/herself or on behalf of third parties, an interest on a transaction of the Issuer, must promptly inform the other statutory auditors on the nature, terms and extent of his/her interest.

Over the year 2012, the Board of Statutory Auditors has met the independent auditing firm three times in order to obtain an update on the results of accounting and legally-required auditing and on the schedule of the activities for the audit. In these meeting always participated the finance and control manager, Francesco Masciandaro, who informed the Board of Statutory Auditors on the ordinary administrative activities, paying particular attention to certain companies of the Group.

During the financial year, the Board of Statutory Auditors was regularly updated by the Control and Risk Management Committee, by the manager in charge of internal control and either by the internal auditor on their activity during the financial year, through various formal meetings with the relevant parties in question or informal meetings among the single members of the Board and the other bodies involved in the internal control and risk management system.

During the meetings of the Board of Directors and the meetings of the Board of Statutory Auditors as well, the Chairman, the CEO and the CFO duly report the Board of Statutory Auditors about the business performance of the Issuer, the general management performance, the company trends and the regulatory framework. In addition to formal meetings, all directors are constantly informed of the Issuer business performance usually during informal meetings and/or conference calls.

It is to be highlighted that the composition of Board of Statutory Auditors is the same also for the other companies of the Group that have a Board of Statutory Auditors in their structure: MutuiOnline S.p.A., CreditOnline Mediazione Creditizia S.p.A., Centro Istruttorie S.p.A., Centro Finanziamenti S.p.A. and Quinservizi S.p.A.

For information regarding any management or control offices covered by the members of the Board of Statutory Auditors please refer to the data published by CONSOB pursuant to article 144-*quinquiesdecies* of Issuers Regulation, on the website www.sai.consob.it under "Corporate boards", "Disclosure".

Please note that the Legislative Decree no. 39/2010 ("Implementation of Directive 2006/43/EC relating to audits of annual financial statements, which amends directives 78/660/EEC and 83/349/EEC, and which repeals directive 84/253/EEC") has endowed the Board of Statutory Auditors with the committee functions for internal control and auditing (the "Committee for internal control and auditing") and, specifically, the functions of supervising: (i) the financial information process; (ii) the efficiency of the internal control, internal audit, if applicable, and risk management systems; (iii) legally-required auditing of the annual and consolidated financial statements; (iv) independence of the independent auditor or the independent auditing firm, especially with respect to the provision of non-auditing services to the company that is subject to audit.

For more information on the activities carried out by the Board of the Statutory Auditors during the financial year please refer to the "Report of the Board of Statutory Auditors" prepared pursuant to article 153 of TUF and article 2429, paragraph 2 of the civil code, and published together with the annual financial Report.

15. RELATIONS WITH SHAREHOLDERS

The Company considers it coherent with its own specific interest - as well as an obligation towards the market - to establish, from the first day of trading of its shares, a constant dialogue based on mutual understanding of roles, with its shareholders in general and with institutional investors in particular; a relation intended to be conducted anyway in accordance with "Internal regulation for the management and disclosure of confidential and privileged information".

In this respect, it was deemed that the creation of a dedicated structure within the Company, with its own staff and appropriate organizational means, could facilitate the relations with the shareholders in general, as well as with the institutional investors.

In accordance with article 2.2.3, paragraph 3, letter i) of Market Regulations, the Board of Directors of the Company, on February 9, 2007, resolved to institute, effective from June 6, 2007, the Investor Relations functions responsible for the relations with the shareholders in general and with the institutional investors and possibly perform specific tasks as the management of price sensitive information and relations with CONSOB and the Italian Stock Exchange.

The Board of Directors has appointed ad interim the executive director Marco Pescarmona, to the function of Investor Relator of the Issuer.

The Company provides adequate information for investor relations also by publishing in a timely and continuous manner the most relevant corporate documents on its website (www.gruppomol.it), in two special sections: "Governance" and "Investor Relations".

16. SHAREHOLDERS' MEETINGS

The Board of Directors, in the meeting held on November 11, 2010 has adapted the Articles of Association to the provisions of the Legislative Decree no. 27 of January 2010, concerning the implementation of Directive 2007/36/EC on the exercise of certain rights of shareholders of listed companies. On November 13, 2012 the Articles of Association have been changed again complying with the Law 120/2011, on gender equality on Boards of Directors and Boards of Statutory Auditors of listed companies (regarding Italian and European Union Stock Exchange markets) and with the implementation of Legislative Decree no. 91 of June 18, 2012 modifying regulations about the Shareholders' meetings of listed companies.

Pursuant to article 9 of the Articles of Association, the shareholders' meeting, regularly constituted, represents the whole body of shareholders and its resolutions are binding for all the shareholders, with or without the right to vote, as well as for those that do not participate or dissent. The shareholders' meeting, both ordinary and extraordinary, is validly constituted and resolves with the majorities prescribed by law.

Pursuant to article 10 of the Article of Association, shareholders' meetings are called with the publication of a notice as prescribed by the law on the website of the Company and also according to the mandatory procedure prescribed by the law and regulations including the publication on one of the following newspapers: *Il Sole 24 Ore*, *Corriere della Sera*, *La Repubblica, La Stampa, Il Messaggero, MF/Milano Finanza, Finanza e Mercati* or *Italia Oggi*. The shareholders' meeting should be called by the Board of Directors for the approval of annual financial statements at least once a year within 120 days after the end of the financial year, or within 180 days, since the Company is required to prepare the consolidated financial statements. There are no other limits of constitution or resolution quorum than those provided by law.

The main powers of the shareholders' meeting shall be those provided by the legislative provisions and alternative applicable regulations; in particular, the Articles of Association do not require the authorization of the shareholders' meeting for specific acts of the directors.

Pursuant to article 11 of the Articles of Association, the right to participate in the shareholders' meeting and the exercise of voting rights is certified by a statement to the Company made by the intermediary in charge of holding the accounting pursuant to the law, based on the evidence at the end of the seventh accounting and trading day before the date fixed for the shareholders' meeting on first call, and received by the Company in accordance with the law. With regards to ordinary and extraordinary meetings, the right to participate in the shareholders' meeting and the exercise of voting rights will be certified after January 1, 2013, by a statement, to the Company made by the intermediary in charge of holding the accounting pursuant to the law, based on the evidence at the end of the seventh accounting and trading day before the date fixed for the shareholders' meeting on first call, and received by the Company in accordance with the law. There are no limitations to the availability of the shares prior to the meeting.

The shareholders' meeting is ordinary or extraordinary according to the law and takes place at the registered office or in other places indicated in the notice, within the national territory, or any other country of the European Community or Switzerland. To facilitate the participation of the shareholders at the meeting, article 11.2 of the Articles of Association provides also that the shareholders' meeting could take place with participants located in several places, near or far, in video conference or conference call, provided that they comply with the collegial method, good faith principles and equal treatment of members. The vote may also be expressed by mail, as expressly provided in the notice, in compliance with applicable regulatory requirements.

Pursuant to article 12 of the Articles of the Association, shareholders who have the right to vote may be represented by law, by written proxy, or by e-mail, in accordance with the provisions of article 2372 of the civil code and other applicable regulatory requirements. The electronic notification of the proxy may be done, following the procedures indicated in the notice, through a message to the certified e-mail address given in the same notice or through the use of the special section on the Company's Website. The Company may designate, for each shareholders' meeting, an intermediary to which the shareholders may confer, according to modalities provided by law and regulations, within the end of the second trading day prior to the date scheduled for the shareholders' meeting on single or first call, a delegation with voting instructions on all or only on some of the proposals on the agenda. The delegation has no effect with regards to proposals for which no voting instructions have been given.

With exception of the provisions of the Articles of the Association, all the other operating rules, regulations and discipline of the shareholders' meetings have been determined, upon the proposal of the Board of Directors, by the shareholders' meeting of December 18, 2007 with the approval of a Shareholders' Meeting Regulation, available on the Company's Website in the section "Governance", "Shareholders' meeting and Company Governance", "2007".

As indicated in the Shareholders' Meeting Regulation, the shareholders and the other holders of voting rights pursuant to the law and the Articles of Association can intervene in the Shareholders' Meeting. They are entitled to discuss on the items on the agenda, making observations and asking for information and may also set forth voting proposals and statements. The order of the interventions is decided by the chairman. The maximum length of each intervention should not usually exceed five minutes and each shareholder may intervene only once on each item on the agenda.

For the meeting held in 2012, the directors released a specific proposal for all the point at issue, except for the appointment of the Board of Statutory Auditors, for which the majority shareholder Alma Ventures S.p.A. presented a list of candidates with suitable advance.

The Board of Directors, represented by the Chairman, Marco Pescarmona, the CEO Alessandro Fracassi and the non-executive Director, Marco Zampetti, reported in the shareholders' meeting held on April 26, 2012 on its past and future activities and has done its best to provide the shareholders with adequate information on necessary elements, by publishing on the web site the necessary documentation within the time limits provided by law, so that they could take their decisions during the shareholders' meeting with full knowledge.

We also highlight that the Chairman (or other member) of the Remuneration Committee has not directly reported to the shareholders regarding the exercise of the committee duties; otherwise, on April 26, 2012, the report on the remuneration under the Legislative Decree 123-ter of the TUF has been discussed. Such report describes the remuneration policy implemented by Gruppo MutuiOnline S.p.A., exposing, among other things, duties, activities and procedures for the implementation of such policy by the remuneration committee. All shareholders present at the meeting, representing the 69.77% of the ordinary share capital, expressed their opinion in favor of the approval of that report.

With regards to the rights of the Shareholders not illustrated in this Report please refer to the applicable laws and regulations.

In financial year 2012 there were no significant changes in the market capitalization of the Company such as to imply a change in the percentages set for the exercise of the actions and the prerogatives intended to safeguard minority rights.

17. OTHER PROCEDURES OF CORPORATE GOVERNANCE

The Issuer does not adopt corporate governance procedures other than those already mentioned in the preceding paragraphs.

18. CHANGES SINCE THE END OF THE REFERENCE YEAR

As of the end of the financial year, there have been no changes in the corporate governance structure other than those reported in the relevant sections.

For the Board of Directors
The Chairman
Ing. Marco Pescarmona

APPENDIX

TABLE 1 -INFORMATION ON OWNERSHIP STRUCTURE AS OF DECEMBER 31, 2012

SHARE CAPITAL STRUCTURE

	N. of shares	% of the share capital	Listed (specify the market) / not listed	Rights and duties
Ordinary shares without the indication of the nominal value pursuant to art. 2346 of the civil code	39,511,870	100%	STAR	Each share gives the right to exercise one vote. The rights and the duties of the sharesholders are those provided by art. 2346 and followings of the civil code

SIGNIFICANT SHAREHOLDINGS AS OF DECEMBER 31, 2012

Declarant	Direct shareholder	% of the ordinary share capital	% of the voting share capital
Alma Ventures SA	Alma Ventures SA	32.50%	34.43%
Investmentaktiengesellschaft für Langfristige Investoren TGV	Investmentaktiengesellschaft für Langfristige Investoren TGV	20.20%	21.40%
Index Venture Growth Associates I (Jersey) LP	Paramol Sarl	8.76%	9.28%
BNY Mellon Service Kapitalanlage - Gesellschaft mbH	Frankfurter Aktienfonds für Stiftungen	5.03%	5.32%
Stefano Rossini	Stefano Rossini	4.11%	4.36%
360 Capital One	360 Capital One	2.60%	2.76%
Own shares (included the shares purchased by the subsidiaries)		5.60%	N/A

TABLE 2 - STRUCTURE OF THE BOARD OF DIRECTORS AND COMMITTEES

BOARD OF DIRECTORS											*EXECUTIVE COMMITTEE*		*REMUNERATION COMMITTEE*		*CONTROL AND RISK COMMITTEE*		*COMMITTEE FOR TRANSACTIONS WITH RELATED PARTIES*[7]	
Office	**Name**	**In charge since**	**In charge until**	**List**	**Exec.**	**Non-exec.**	**Indip. TUF**	**% BoD**	**Date of first appointment**	**Numbers of other offices**	**Belonging to the committee**	**% E.C.**	**Belonging to the committee**	**% R.C.**	**Belonging to the committee**	**% C.R.C.**	**Belonging to the committee**	**% C.T.R.P.**
Chairman	Marco Pescarmona	April 2011	Appr. of annual report 2013	Only	X			100%	5-Dec-05	3	M	100%						
CEO	Alessandro Fracassi	April 2011	Appr. of annual report 2013	Only	X			100%	5-Dec-05	5	C	100%						
Director	Marco Zampetti[1]	April 2011	Appr. of annual report 2013	Only		X		100%	6-Jun-07	4					C/M	100%		
Director	Fausto Boni	April 2011	Appr. of annual report 2013	Only		X		100%	25-May-06	2								
Director	Andrea Casalini[2]	April 2011	Appr. of annual report 2013	Only		X	X	100%	30-Apr-08	4			M/C	100%	M	100%	C	n.a.
Director	Matteo De Brabant[3]	April 2011	Appr. of annual report 2013	Only		X	X	100%	21-Apr-11	7			M	100%			M	n.a.
Director	Daniele Ferrero[4]	April 2011	Appr. of annual report 2013	Only		X	X	50%	7-Aug-08	1					M/C	100%	M	n.a.
Director	Alessandro Garrone	April 2011	Appr. of annual report 2013	Only		X	X	100%	25-May-06	4			M	100%				
Director	Giuseppe Zocco	April 2011	Appr. of annual report 2013	Only		X		50%	12-Feb-10	3								
Director	Klaus Gummerer[5]	November 2012	Appr. of annual report 2012	N/A		X	X	100%	13-Nov-12	2								
DIRECTORS CEASED DURING THE RELEVANT YEAR																		
Director	Paolo Vagnone[6]	apr-11	25-Jul-12	Unica		X	X	100%	25-May-06	n.d.			C	100%				
Required shareholding for the submission of the list on the occasion of the last appointment: 2.5%																		
Number of meetings held during the relevant year:					**BoD**		4				**E.C.**	3	**R.C.**	4	**C.R.C.**	2	**C.T.R.P.**	0

*[1] *Marco Zampetti has been chairman of the internal control and corporate governance committeee until November 13, 2012, date on which it became Internal Control and Risk Management Committee and he ceased to hold the officeof chairman, still remaining a member of it.*
[2] *Andrea Casalini assumed on August 9, 2012 the office of Chairman of the Incentive shares and Remuneration Committee of which he was already member.*
[3] *Matteo De Brabant was appointed as member of the the Incentive shares and remuneration committee on August 9, 2011 and therefore the percentage of participation to the committee is calculated on the meetings held after this date. For the other direstors we considered all the meetings held in 2011 because everyone held the office during the previuos mandate.*
[4] *Daniele Ferrero was appointed as member of the Committee for Internal Control and Risk Management on November, 13 2012; formerly he was already member of the internal control and corporate governance committeee.*
[5] *Klaus Gummerer was appointerd director on November 13, 2012. The percentage of participation to the committee is calculated on the meetings held after this date.*
[6] *Paolo Vagnone ceased to hold the office of Lead Indipendent Director and of Chairman of the Committee for Incentive Shares and Remuneration on July 25, 2012; the percentage of partecipation to the committee is therefore calculated until that date.*
[7] *The Committee for Transactions with Related Parties never met in 2012, because there were no transactions for which the implementation of the procedure and the opinion of f the committee were necessary.*

<u>Legend:</u>

% BoD: presence, in terms of percentage, of the directors in the board meetings (for the directors appointed for the first time during the year we take account of the meetings held from the date of appoinment)

Other offices: list of the other office held in other companies listed in regulated markets (also abroad),and in financial, banking, insurance or relevant companies.

c: chairman

M: member

E.C.: executive committee

% E.C.: presence, in terms of percentage, of the director in the executive committee meetings

R.C.: remuneration committee

% R.C.: presence, in terms of percentage, of the director in the remuneration committee meetings

C.R.C.: committee for risk control

% C.RC.: presence, in terms of percentage, of the director in the meetings of the risk control committee

C.T.R.P.: committee for transactions with related parties
% C.T.R.P.: presence, in terms of percentage, of the director in the meetings of the committee for transactions with related parties

TABLE 2A – OTHER OFFICES

Director	Companies in which the office is held	Office held
Marco Pescarmona*	Alma Ventures S.A.	Director
	Guderian S.r.l.	Director
	Konut Kredisi Com Tr Danışmanlık A.Ş.	Director
Alessandro Fracassi*	Alma Ventures S.A.	Director
	Casper S.r.l.	Director
	Konut Kredisi Com Tr Danışmanlık A.Ş.	Director
Fausto Boni	Newlisi S.p.A.	Director
	SoJeans SA	Director
Andrea Casalini	Buongiorno S.p.A.	CEO
	Spitfire Holding NV	Director
	Glamoo Limited	Director
	Giglio Group S.p.A.	Director
Matteo De Brabant	Jakala Group S.p.A.	CEO
	Jakala Events S.p.A.	Vice President
	Jakala Marketing Solutions S.p.A.	Vice President
Daniele Ferrero	Venchi S.p.A.	Chairman
Alessandro Garrone	ERG S.p.A.	Executive Vice President
	ERG Renew S.p.A.	Chairman
	Banca Passadore & C.	Director
Marco Zampetti	MutuiOnline S.p.A.**	Director
	CreditOnline Mediazione Creditizia S.p.A.**	Director
	Centro Finanziamenti S.p.A.**	Director
	CercAssicurazioni.it S.r.l.**	Director
Giuseppe Zocco	Privalia Venta Directa S.L.	Director
	Adconion Plc	Director
	RPX Corporation	Director
Klaus Gummerer	Singleton Ventures S.r.l.	Director
	L'Interform S.r.l.	Director

** For the other offices of the Executive directors inside the companies hald by Gruppo MutuiOnline S.p.A. please refer to Table 2B*
*** Companies held by Gruppo MutuiOnline S.p.A.*

TABLE 2B – OFFICES OF THE EXECUTIVE DIRECTORS IN THE OTHER COMPANIES OF THE GROUP

Company	Alessandro Fracassi	Marco Pescarmona
Centro Finanziamenti S.p.A.	Chairman	CEO
Centro Istruttorie S.p.A.	Chairman	CEO
Centro Perizie S.r.l.	Director	Chairman
CercAssicurazioni.it S.r.l.	Director	Chairman
CreditOnline Mediazione Creditizia S.p.A.	CEO	Chairman
Effelle Ricerche S.r.l.	Chairman	CEO
EuroServizi per i Notai S.r.l.*	Director	Director
Finprom S.r.l.	-	-
MutuiOnline S.p.A.	CEO	Chairman
PP&E S.r.l.	CEO	Chairman
Quinservizi S.p.A.	Chairman	CEO
Segugio.it S.r.l.	CEO	Chairman

** Associated company; on January 14, 2013, the Group purchased further 20% of the ordinary share capital of EuroServizi per i Notai S.r.l., acquiring control of the company, with a stake of 60% directly held by the Issuer.*

TABLE 3 - STRUCTURE OF THE BOARD OF STATUTORY AUDITORS

BOARD OF STATUTORY AUDITORS							
Office	**Name**	**In charge since**	**In charge until**	**List**	**Indip. TUF**	**% B.S.A.**	**Other offices**
Chairman	Fausto Provenzano	May 25, 2006	Approval annual report 2014	Only	X	100%	27
Active member	Paolo Burlando	May 25, 2006	Approval annual report 2014	Only	X	100%	28
Active member	Francesca Masotti	August 28, 2008	Approval annual report 2014	Only	X	100%	9
Substitute member	Giuseppe Ragusa	April 23, 2009	Approval annual report 2014	Only	N/A		
Substitute member	Enrico Bardini	April 26, 2012	Approval annual report 2014	Only	N/A		

STATUTORY AUDITORS CEASED DURING THE RELEVANT YEAR

No statutory auditors ceased to hold the office during the year

Required shareholding for the submission of the list on the occasion of the last appointment: 4.5%

Number of meetings held during the relevant year: 5

Legenda:

% B.S.A..: the presence, in terms of percentage, of the statutory auditor in the board of statury auditors meetings

Other offices: offices in other companies as per Book V, Title V, Clauses V, VI and VII of the civil code

6. REPORT OF THE BOARD OF STATUTORY AUDITORS

Gruppo MutuiOnline S.p.A.

Registered office: Via F. Casati 1/A – 20124 Milan

Share capital: Euro 1,000,000.00 fully paid-up

Company registry – Milan office, N. 05072190969

* * *

REPORT OF THE BOARD OF STATUTORY AUDITORS

TO THE ANNUAL SHAREHOLDERS' MEETING

(Art. 153 of Law Decree 24/2/1998 n. 58 and Art. 2429, par. 2, civil code)

Kind shareholders,

this report refers to the execution of the functions and activities attributed to this board of statutory auditors in compliance with art. 149 and following of Law Decree 24/02/1998 n. 58; it follows the base scheme suggested by CONSOB with communication n. 1025564 of April 6, 2001, and subsequent amendments.

The supervision required by law has been regularly performed, observing both the principles of conduct of the board of statutory auditors in listed companies issued by the National Council of Accounting Experts, and the recommendations and communications of CONSOB.

* * *

1.0. Reflections on the most significant economic and financial operations and facts carried out by the Company and their compliance with the law and the articles of association

Gruppo MutuiOnline S.p.A. is the holding company of a group of financial services firms, active in the Italian market for the distribution of retail credit and insurance products and in the Italian market for the provision of outsourcing services for the origination of loans by banks and financial intermediaries.

The Company, during the financial year ended December 31, 2012, has correctly carried out its activity of direction and coordination of the operating subsidiaries.

In the initial part of the Yearly Financial Report for the Consolidated Financial Statements for 2012, the directors provide detailed and complete information on the type of activities carried out by the controlled companies, organized by business specialization, and on the corporate structure of the group (par. 2.2 Group Organization).

The board of statutory auditors, with the sole purpose of recapitulating and making its Report self-standing, reminds that the business of the group is structured in two divisions, (a) the Broking Division, which operates in the distribution of mortgages and consumer credit and insurance products and (b) the BPO (Business Process Outsourcing) Division that operates as an outsourcer of commercial and processing activities for mortgages and employee loans for retail lenders.

During the financial year under examination, no other operations of relevance have been performed that should be mentioned or commented in this context, as well as no other operations, clearly imprudent or bold, in potential conflict of interest, in contrast with the resolutions of the shareholders' meeting or able to compromise the integrity of the company's assets, were performed. Just as a reminder, as already mentioned by the Directors in the relevant paragraphs of their report, we summarize that:

- financial year 2012 was characterized by a strong collapse of the volumes of transactions and, subsequently, of revenues; the effort of the company was mainly the adaptation of the operating structure (particularly in the BPO Division) to the changed operating conditions, with the aim to avoid inefficiency and diseconomy;

- although in the light of drop of the revenues by 46% compared to the previous financial year, the company close the year 2012 with both positive operating result and net result;

- the consolidation area as of December 31, 2012 has not changed compared to the financial year ended December 31, 2011;

- during the financial year ended December 31, 2012 the Group acquired the full control of CercAssicurazioni.it S.r.l., purchasing the remaining 20% by minority shareholders, and also purchased a further 10% stake of the share capital of Quinservizi S.p.A., carrying its own stake up to 85%;

- on January 14, 2013 the Group purchased a further 20% stake of the share capital of EuroServizi per i Notai S.r.l., acquiring the control of the company;

- the company Segugio.it S.r.l. was founded, with the purpose to launch the new brand "Segugio".

With respect to all the points mentioned and, more generally, to the overall operations, the board of statutory auditors recognizes that during the financial year it has always received in a timely manner the information needed to be aware of and understand the development of the above mentioned and of the other operations which are illustrated in the Reports prepared by the board of directors.

2.0. Unusual or atypical operations

Not occurred.

2.1. Unusual or atypical operations with related parties

Not occurred (please refer to note 37).

2.2. Unusual or atypical operations with third parties or with group companies

Not occurred.

2.3. Ordinary intra-group or related party operations

The company, in accordance with the "Code of Conduct of Borsa Italiana S.p.A.", approved the adoption fo the principles of conduct concerning the transactions with related parties. The board of directors, on November 11, 2010, adopted a "Related Parties Procedure", to comply with the Consob resolution no. 17221 of March 12, 2010, and subsequent amendments

In the financial report, in the separated and consolidated financial reports the Directors have provided adequate disclosure regarding ordinary intra-group or related party operations. These operations particularly refer to commercial transactions related to intra-group purchases and sales for direction services and interests accrued in the scope of the cash pooling activity supplied by the holding and outsourcing services supplied by some of the companies of the Group.

The board of statutory auditors has periodically verified during the financial year that intra-group transactions or related party transactions are executed in compliance with the above mentioned procedure, and, in any case, based on regular contracts prepared according to normal market standards and at arm's length conditions. The intra-group operations examined by the board of statutory auditors have been found satisfactory, in the best interest of the Company and the group controlled by the Company, as well as correctly justified and documented.

3.0. Evaluation of the adequacy of the information provided by the Directors on atypical or unusual operations

As no atypical or unusual operations have occurred, we do not perform any evaluation.

4.0. Remarks on Auditors' qualifications

The independent auditor released on March 28, 2013 its own report on the separated and consolidated financial reports; the auditor's report does not contain any remark or call of information.

5.0. Denunciations pursuant to article 2408 of the civil code

Not occurred.

6.0. Complaints presented

Not occurred.

7.0. Further assignments to the Auditors

Please refer to the relevant table in note 37 of the consolidated annual report.

8.0. Assignments granted to other parties related to the Auditors

Please refer to the relevant table in note 37 of the consolidated annual report.

9.0. Opinions issued in compliance with law requirements

During the financial year 2012 the board of statutory auditors released a clean opinion pursuant to article 2386, comma 3, of the civil code:

- concerning the total annual compensation, equal to Euro 20,000 (Euro 10,000 for the chairman and Euro 5,000 for any other member) for the members of the committee for control and risk management (Board of Directors held on November 13, 2013);

- concerning the variable compensation of the executive directors (Board of Directors held on November 13, 2013).

10.0. Frequency of the meetings of the board of directors and of the board of statutory auditors

The statutory auditors, during 2012, held 5 board meetings and, in addition, participated to 4 meetings of the board of directors, to 4 meetings of the remuneration committee and 1 shareholders' meeting, occurring in ordinary form.

11.0. Remarks on compliance with the principles of fair administration

The board of statutory auditors has informed itself and supervised on the respect of the principles of fair administration. This has occurred through the participation to the meetings of the board of directors and to the meetings, also informal, of the committee for control and risk management, one-on-one meetings with the Directors, direct observation and inquiries, collection of information from the managers in charge of business functions, meetings with the Auditor Company also aimed at reciprocal exchange of data and information relevant according to article 150, paragraph 2, of the Consolidated Law on Finance.

The activity of the board of statutory auditors has been aimed at controlling the legitimacy of the management choices of the Directors and their compliance, in the formation process, with criteria of economic and financial logic, according to the best practice advices. Furthermore this activity was performed without any control on the appropriateness and profitability of the same choices.

The board of statutory auditors has verified that typical and usual operations, as well as the most significant ones, were not extraneous to the company's objectives, in contrast with the Articles of Association or in conflict of interest, even if only potential, and also that they could not compromise the integrity of the Company's capital or, anyway, patently imprudent or risky. The board of statutory auditors has also verified that they were not executed in contrast with the resolutions of the governing bodies or harmful to the rights of individual shareholders or minorities.

We have also made sure that the decisions of the board of directors on the most significant operations were assisted by the usual inquiries, in-depth analysis, control, possible acquisition of opinion and valuation of independent advisors, suggested by the best practice regarding the economic and financial correctness and their coherence with the interest of the Company.

There were no remarks regarding the respect of the principles of fair administration.

12.0. Remarks on the adequacy of the organizational structure

The board of statutory auditors has acquired information and supervised on the adequacy of the organizational structure of the Company through direct observations, interviews, collection of information from the business functions of the company, and meetings with the subjects in charge of internal and external auditing.

During the financial year, the board of statutory auditors has supervised, together with the independent auditor and the committee for control and risk management, on the possibility of organizational/managerial problems that could derive from defects of organization; no instances worth mentioning in this report have arisen.

The organizational structure is periodically updated for the requirements from time to time expressed; the statutory auditors are periodically informed about the changes in the most important positions.

The assessment of the organizational structure has confirmed, overall, its reliability.

The system of powers in force is based on a split by nature of the different kinds of acts and operations as well as by means of maximum amounts for the implementation of the various types of acts of management.

13.0. Remarks on the adequacy of the internal control system

The board of statutory auditors has supervised on the adequacy of the internal control system, directly by means of meetings with the Group's CFO, also manager in charge of the internal control system, and with the Responsible of Internal Audit, of the participation to the meetings, also informal, of the committee for control and risk management and of periodic meetings with the independent auditor, concluding that the system has not displayed any significant problems or other facts worth highlighting in this report.

Regular meetings of the board of statutory auditors with the chief financial officer and with the Committee for control and risk management have allowed the Board to effectively follow the evolution of this business function and the results of the activities performed. These meetings also allowed the statutory auditors to coordinate, with the committee for control and risk management itself, the execution of their own functions of "Committee for Internal Control and Audit" assumed following the enforcing of article 19 of the legislative decree n. 39/2010 and, specifically, supervise (i) on the financial information process and (ii) on the efficacy of the internal control, internal audit and risk management systems.

From the analyses and the controls performed, relative to the areas and the business functions interested by the activity, we derive a judgment of overall fairness and reliability of the internal control system.

In practice, we have not identified any relevant weaknesses of the system, therefore, even in its process of continuous evolution and improvement, the system has proven to be reliable.

During the financial year, the statutory auditors were also appointed Supervisory Body pursuant to legislative decree 231/01; this resolution was adopted by the board of directors of the holding held on May 11, 2012. During the following nmonths the same resolution was adopted also by the subsidiaries.

A specific paragraph of the report on operations shows the main risks factors that affect the company; in addition, the report on corporate governance gives fully disclosure on the activities done for the risk management related to the financial reports, particularly referring to the provisions of the Law 262/05.

14.0. Remarks on the adequacy of the accounting management system

The holding, during the financial year 2012, performs for the other Italian companies of the group, with the exception of EuroServizi per Notai S.r.l., all accounting and administrative services. The assessment of the system is positive; specifically, we believe that the accounting system is able to correctly represent business activity.

The accounting management system, as a whole, has proved reliable: in particular we consider the accounting management system capable to represent correctly the operations.

The board of statutory auditors is regularly kept up do date on the functioning of the existing system by the person in charge of the accounting department.

15.0. Remarks on the adequacy of instructions to controlled companies (art. 114 TUF)

The board of statutory auditors has been informed of the instructions given to controlled companies pursuant to article 114, paragraph 2, Unified Code of Finance and has found them satisfactory for the purpose of fulfillment of legal obligations.

The deliberate continuity in the names of the components of the boards of directors and of the boards of statutory auditors of the group companies facilitates, in fact, those control functions by providing timely information and coordination of the instructions given by the controlling company.

16.0. Relevant facts emerged during the meetings with the auditors (art. 150 TUF)

During the financial year under review, we have had regular interactions with the independent auditors, with whom we have established a beneficial relationship regarding the exchange of data and information, also, and above all, considering the function assumed by the statutory auditors, directly following the enforcing of article 19 of the legislative decree n. 39/2010, as "Committee for Internal Control and Audit"

In practice, the relationship with the external auditors has taken place both through formal meetings also with the participation of the Company and with informal contacts between individual Statutory Auditors and representatives of the Auditor Company, during which we dwelled particularly upon (i) the legal audit activities an the annual and consolidated accounts and (ii) the aspects related to the independence of the auditing firm, referring particularly to the services supplied different from the audit.

Also with respect to the preparations for the separate annual report and the consolidated financial statements, no facts have been found worth mentioning in this report; in particular, the auditors have not informed the board of statutory auditors of any criticalities or weaknesses relevant enough to affect the reliability of the process leading to the preparation of the financial statements.

Finally the statutory auditors acknowledge that the Independent Auditor on March 28, 2013 presented to the board of the statutory auditors the opinion pursuant to article 19 co. 3 of the legislative decree 39/2010, highlighting that during the audit activities no fundamental issues or significant deficiencies of the internal control system related to the financial information process emerged.

17.0. Adhesion to the Code of Conduct

The Company has adhered to the principles established by Code of Conduct sponsored by Borsa Italiana S.p.A. and the meeting of the board of directors on March 13, 2013 has approved the annual report on corporate governance and on the ownership.

Just as a reminder, we point out that (i) within the board of directors operate, with advisory responsibilities, the Committee for Control and Management Risk, the Remuneration and Share Incentive Committee and the Committee for Transactions with Related Parties; regarding role, tasks and functioning we refer to the specific paragraph of the Report of the board of directors on Corporate Governance; (ii) within the board of directors works also the executive committee with specific operative powers; the executive committee is now composed by two executive directors, Marco Pescarmona and Alessandro Fracassi; (iii) the board of directors has identified in the Chairman of the Board the director in charge of overseeing the functionality of the internal control system; (iv) the board of directors identified Daniele Ferrero (successor of resigned Paolo Vagnone) as lead independent director; (v) the company has set up specific procedures relating to:

- operations with related parties;
- the functioning of Ordinary, Extraordinary and Special Shareholders' meeting; Rules for the Shareholders' Meetings;
- adoption of the "Handbook on market and privileged information abuse" containing, among other things, the procedure for outside communication of confidential price sensitive information, updated based on the regulations on the subject of "market abuse";
- the information duties concerning financial transactions performed by "relevant subjects" (new procedure on internal dealing) also keeping into account the regulations on the subject of "market abuse".

The board of statutory auditors has verified the exact application of the criteria adopted by the board of directors to assess the independence of its non-executive members as well as the exact application of the relevant verification procedures. The board of statutory auditors also evaluated, positively, the independence of its own members. Following such checks, therefore, there are no remarks from the board of statutory auditors.

18.0. Final remarks on supervisory activity

The board of statutory auditors has confirmed the existence, in general, of an appropriate an adequate organizational structure of the Company, such as to ensure the respect of regulations and the exact and timely execution of any related duties.

Such overall control – as reported above – has also been coordinated and integrated with:

- specific contributions and activities aimed at verifying the respect of the law and of the articles of association;
- the participation to the meetings of the governing bodies of the Company;
- the acquisition of information relating the controls and the supervision performed by the Auditor Company and the Supervisory Body pursuant legislative decree 231/01;
- the collection of further information in meetings – also occasional – with the Directors, the General Management, the administrative, finance and control function, responsible of the internal audit function, the Committee for Control and Management Risk and the Managers in charge of the various business functions;
- the analysis, performed together with the Company, of any new regulations or communications issued by CONSOB of interest to the Company.

In this way, we have been able to verify the presence of the organizational and technical pre-requisites for the respect, in practice, of the articles of association, laws and regulations that control the functioning of the bodies and business activities of the Company.

19.0. Possible proposals to be presented to the Shareholders' meeting (art. 153 TUF)

The board of statutory auditors confirms that it has overseen the application of the laws and regulations regarding the preparation of the 2011 annual report of the holding as well as of the 2012 consolidated annual report and regarding their filing and on the respect of the duties of the Directors and the Auditor Company on this subject.

The annual report submitted to Your examination and the consolidated financial report reflect the operations of the Company in 2012 and contain an exhaustive analysis of the situation and of the operating result, as well as a description of the main risks and uncertainties to which the Company and the Group are exposed, with a sole illustration of the financial and economic situation, shown in detail by the board of directors in the "Report on Operations" and in the "Illustrative Notes"; the "Report on Operations" is consistent with the consolidated annual report.

* * *

Based on the controls directly performed and the information exchanged with the Auditor Company, also taking into account its Report pursuant to article 156 of Law Decree 58/1998, which provides an unqualified opinion, taking into account that the Directors have not taken advantage of the exemption from article 2423, paragraph 4, of the civil code, we have neither remarks nor proposal concerning the Financial Statements, the Report on Operations and the proposed allocation of the income of the year which, as a consequence and for what concerns us, are subject to your approval.

Milan, March 28, 2013

FOR THE BOARD OF STATUTORY AUDITORS

Fausto Provenzano	Chairman of the board of statutory auditors
Paolo Burlando	Active statutory auditor
Francesca Masotti	Active statutory auditor

AUDITORS' REPORT IN ACCORDANCE WITH ARTICLES 14 AND 16 OF LEGISLATIVE DECREE N° 39 OF 27 JANUARY 2010

To the shareholders of
Gruppo MutuiOnline SpA

1 We have audited the consolidated financial statements of Gruppo MutuiOnline SpA and its subsidiaries ("MutuiOnline Group") as of 31 December 2012 which comprise the statement of financial position, separate income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows and related notes. The directors of Gruppo MutuiOnline SpA are responsible for the preparation of these financial statements in compliance with the International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree n° 38/2005. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

2 We conducted our audit in accordance with the auditing standards and criteria recommended by Consob, the Italian Commission for listed Companies and the Stock Exchange. Those standards and criteria require that we plan and perform the audit to obtain the necessary assurance about whether the consolidated financial statements are free of material misstatement and, taken as a whole, are presented fairly. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors. We believe that our audit provides a reasonable basis for our opinion.

For the opinion on the consolidated financial statements of the prior period, which are presented for comparative purposes, reference is made to our report dated 30 March 2012.

3 In our opinion, the consolidated financial statements of the MutuiOnline Group as of 31 December 2012 comply with the International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree n° 38/2005; accordingly, they have been prepared clearly and give a true and fair view of the financial position, result of operations and cash flows of the MutuiOnline Group for the period then ended.

PricewaterhouseCoopers SpA

Sede legale e amministrativa: Milano 20149 Via Monte Rosa 91 Tel. 0277851 Fax 027785240 Cap. Soc. Euro 6.812.000,00 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** 70124 Via Don Luigi Guanella 17 Tel. 0805640211 - **Bologna** Zola Predosa 40069 Via Tevere 18 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 Dante 7 Tel. 01029041 - **Napoli** 80121 Piazza dei Martiri 58 Tel. 08136181 - **Padova** 35138 Via Vicenza 4 Tel. 049873481 - **Palermo** 90141 Via Marchese Ugo 60 Tel. 091349737 - **Parma** 43100 Viale Tanara 20/A Tel. 0521242848 - **Roma** 00154 Largo Fochetti 29 Tel. 06570251 - **Torino** 10122 Corso Palestro 10 Tel. 011556771 - **Trento** 38122 Via Grazioli 73 Tel. 0461237004 - **Treviso** 31100 Viale Felissent 90 Tel. 0422696911 - **Trieste** 34125 Via Cesare Battisti 18 Tel. 0403480781 - **Udine** 33100 Via Poscolle 43 Tel. 043225789 - **Verona** 37135 Via Francia 21/C Tel.0458263001

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4 The directors of Gruppo MutuiOnline SpA are responsible for the preparation of a report on operations and a report on corporate governance and ownership structure in compliance with the applicable laws and regulations. Our responsibility is to express an opinion on the consistency of the report on operations and of the information referred to in paragraph 1, letters c), d), f), l), m), and paragraph 2, letter b), of article 123-bis of Legislative Decree n° 58/98 presented in the report on corporate governance and ownership structure, with the financial statements, as required by law. For this purpose, we have performed the procedures required under Italian Auditing Standard n° 001 issued by the Italian Accounting Profession (Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili) and recommended by Consob. In our opinion, the report on operations and the information referred to in paragraph 1, letters c), d), f), l), m) and paragraph 2, letter b), of article 123-bis of Legislative Decree n° 58/98 presented in the report on corporate governance and ownership structure are consistent with the consolidated financial statements of Gruppo MutuiOnline SpA as of 31 December 2012

Milan, 28 March 2013

PricewaterhouseCoopers SpA

Signed by

Francesco Ferrara
(Partner)

This report has been translated into the English language from the original, which was issued in Italian, solely for the convenience of international readers.

AUDITORS' REPORT IN ACCORDANCE WITH ARTICLES 14 AND 16 OF LEGISLATIVE DECREE N° 39 OF 27 JANUARY 2010

To the shareholders of
Gruppo MutuiOnline SpA

1 We have audited the separate financial statements of Gruppo MutuiOnline SpA as of 31 December 2012 which comprise the statement of financial position, separate income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows and related notes. The directors of Gruppo MutuiOnline SpA are responsible for the preparation of these financial statements in compliance with the International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree n° 38/2005. Our responsibility is to express an opinion on these separate financial statements based on our audit.

2 We conducted our audit in accordance with the auditing standards and criteria recommended by Consob, the Italian Commission for listed Companies and the Stock Exchange. Those standards and criteria require that we plan and perform the audit to obtain the necessary assurance about whether the separate financial statements are free of material misstatement and, taken as a whole, are presented fairly. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors. We believe that our audit provides a reasonable basis for our opinion.

For the opinion on the separate financial statements of the prior period, which are presented for comparative purposes, reference is made to our report dated 30 March 2012.

3 In our opinion, the separate financial statements of Gruppo MutuiOnline SpA as of 31 December 2012 comply with the International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree n° 38/2005; accordingly, they have been prepared clearly and give a true and fair view of the financial position, result of operations and cash flows of Gruppo MutuiOnline SpA for the period then ended.

PricewaterhouseCoopers SpA

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Milan, 28 March 2013

PricewaterhouseCoopers SpA

Signed by

Francesco Ferara
(Partner)

This report has been translated into the English language from the original, which was issued in Italian, solely for the convenience of international readers.

8. DECLARATION PURSUANT TO ART. 154-BIS PAR. 5 OF LAW DECREE 58/1998

The undersigned Marco Pescarmona and Francesco Masciandaro, respectively chairman of the Board of Directors and manager in charge of preparing the accounting documents of Gruppo MutuiOnline S.p.A., hereby certify, taking into account the provision of art. 154-bis, paragraph 3 and 4, of Law Decree n. 58 dated February 24, 1998:

- the adequacy in relation to the features of the company; and
- the actual application of the administrative and accounting procedures for the preparation of the annual report and the consolidated annual report as of and for the year ended December 31, 2012.

In this respect no relevant issues have arisen, such as anomalies or problems that could alter the information presented in this document or such modify the judgment of its readers.

Besides, we certify that:

1. the annual report and the consolidated annual report:

    1.1 correspond to the results of the accounting books and book entries;

    1.2 they are prepared in accordance with IFRS, understood as the International Financial Reporting Standards, the International Accounting Standards ("IAS"), the interpretations of the International Financial Reporting Interpretation Committee ("IFRIC"), previously denominated Standing Interpretations Committee ("SIC"), as adopted by the European Commission as of December 31, 2012 and published in the EU regulations as of this date;

    1.3 they are appropriate to give a true and fair representation of the financial and economic situation of the Issuer and of all the companies included in the scope of consolidation.

2. The directors' report on operations contains a reliable analysis about the state and the results of the operations, as well as a situation of the Issuer and of the group of companies included in the scope of consolidation, together with a descriptions of the main risks and uncertainties to which they are exposed.

Milan, March 13, 2013

For the Board of Directors
The Chairman
(Ing. Marco Pescarmona)

The Manager in charge of preparing the accounting statements
(Dr. Francesco Masciandaro)