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COMPANIES' PAYMENT BEHAVIOUR IN EUROPE. SECOND QUARTER 2016

July 2016

CONTENT

EXECUTIVE SUMMARY

The European Average Payment Delay in the second quarter of the year reached 13.72 days, which represents a 0.40 decrease with respect to the previous quarter. The Average Payment Delay improves in 6 of the 9 countries studied this quarter.

If we observe the evolution of the Average Payment Delay for the past year we can see that it decreases 1.12 days due to the significant decreases mainly registered in: Portugal (-3.53 days); Spain (-3.39 days) and the United Kingdom (-2.84 days). Only three countries register increases: Belgium (+0.35 days), Ireland (+0.25 days) and Germany (+0.18 days).

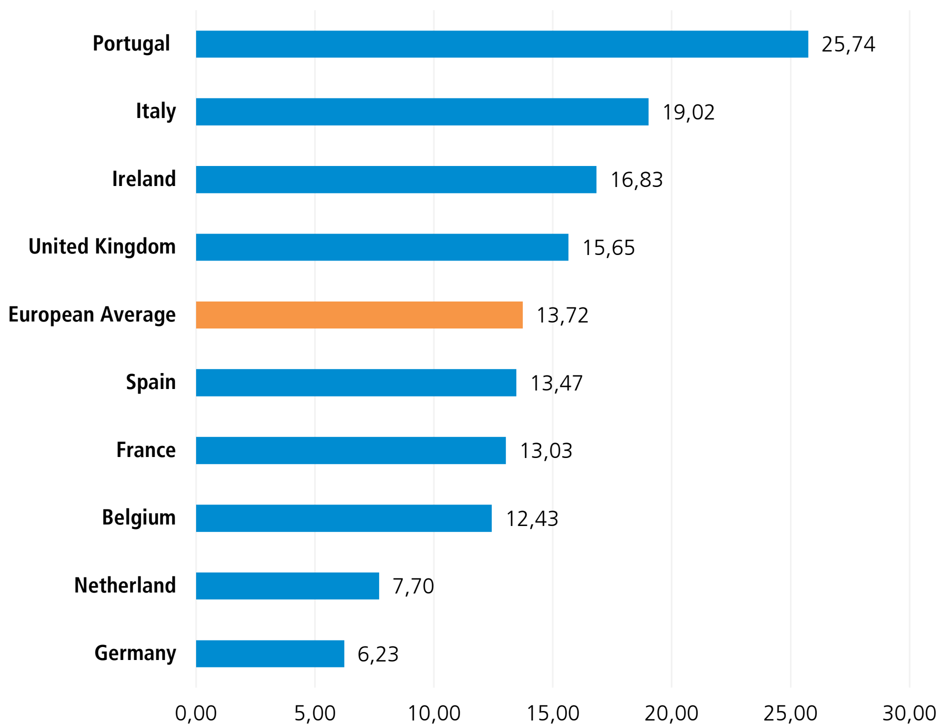
For the second time in a row in this study, Spain is below the European average, with 13.47 delay days in comparison with the 13.72 days of the European average. The greatest gap between the European and Spanish Average Payment Delays (8.60 days) was registered during the fourth quarter 2011. This quarter, Spain's average is 0.25 days below the European one.

AVERAGE PAYMENT DELAY IN EUROPE

During the second quarter, for the second time in a row, Spain is within the countries that pay with a delay below the European average, with 13.47 average payment delay days. The countries that register the most significant payment delays are: Portugal, which leads the list with 25.74 days; Italy with 19.02 days, Ireland with 16.83 days and the United Kingdom with 15.65 days.

Germany registers the lowest average payment delay, with 6.23 days, followed by the Netherlands, with 7.70 days and Belgium, with 12.43 days.

PAYMENT BEHAVIOUR IN EUROPE. SECOND QUARTER 2016



Source: DBI, INFORMA

METHOD

INFORMA, through its DunTrade® program has constituted a unique database formed by more than 1,5 payment experiences in Spain and 39 millions in Europe.

The DunTrade® Program is unique in the world; for 45 years in USA and 25 in Europe, it has been using accounting data from thousands of companies and analyses payment delays in comparison with negotiated conditions.

DunTrade® is a completely free and confidential program that consists in an information interchange between INFORMA's DunTrade® database and the participant company on the clients' payment behaviour of the latter.

These payment experiences are constituted by the identification data of the clients and the transactions carried out each month that include information on pending invoices from the clients: expired and not collected and pending their expiry date.

The payment average delay would be defined as the payment carried out off the agreed terms.

AVERAGE PAYMENT DELAY EVOLUTION

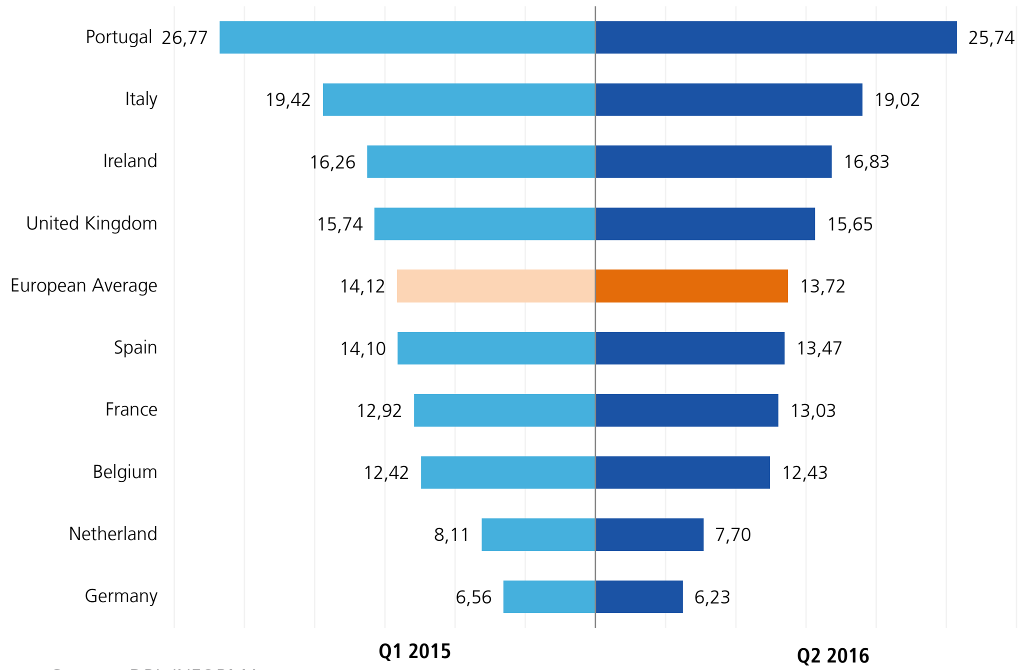
The European Average decreases by 0.40 days with respect to the first quarter due to the reduction of payment periods in six of the nine studied countries.

The countries that increase do so with slight variations, being Ireland the most noticeable, where it increases by 0.57 days, followed by France (+0.10 days) and Belgium (+0.01 days).

terms are reduced in the rest of the countries, the most significant reductions are observed in Portugal (-1.02 days), Spain (-0.62 days) and the Netherlands (-0.41 days).

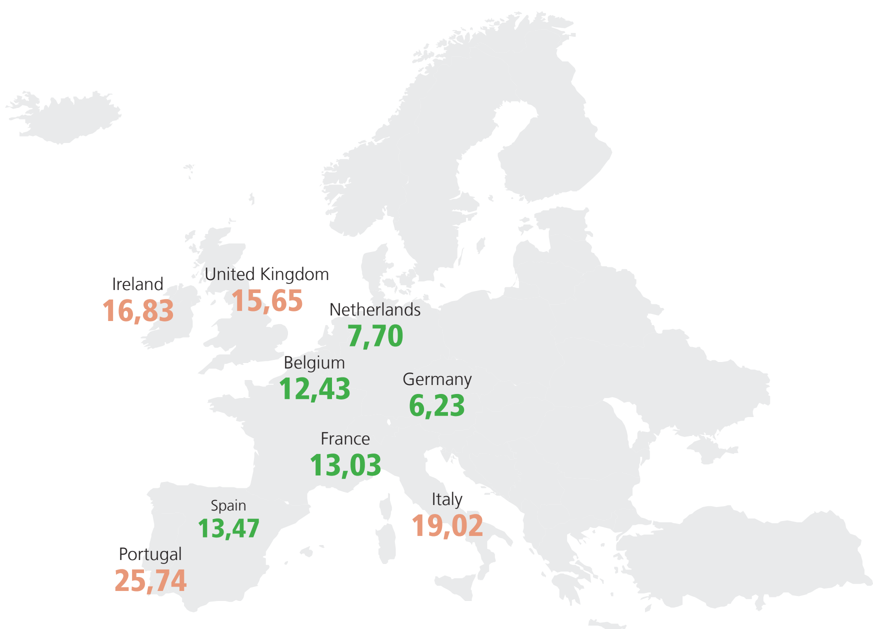
The countries with the highest and lowest payment delays are Portugal and Germany, and the gap between them becomes shorter every time, it is 19.51 days this quarter while it was 20.21 days in the previous quarter.

PAYMENT BEHAVIOUR IN EUROPE: FIRST AND SECOND QUARTER 2016



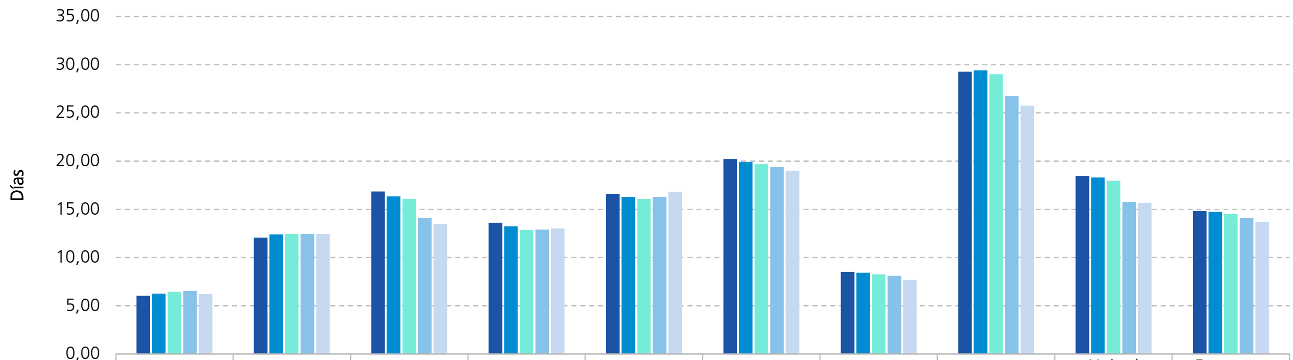
Source: DBI, INFORMA.

DISTRIBUTION THROUGH LATE PAYMENTS



the European Average Payment Delay has decreased in 1.12 days in a year, evolving from 14.84 days during the second quarter of 2015 to 13.72 this quarter. It is also worth highlighting the decrease in the Average Payment Delay in Portugal (-3.53 days), Spain (-3.39 days) and the United Kingdom (-2.84 days). It increases in three countries, Belgium (+0.35 days), Ireland (+0.25 days) and Germany (+0.18 days).

EUROPEAN PAYMENT BEHAVIOUR: LATEST THREE QUARTERS EVOLUTION



	Germany	Belgium	Spain	France	Ireland	Italy	Netherland	Portugal	United Kingdom	European Average
Q2 2015	6,05	12,08	16,86	13,63	16,59	20,20	8,51	29,27	18,50	14,84
Q32015	6,26	12,41	16,35	13,24	16,28	19,89	8,44	29,40	18,30	14,75
Q4 2015	6,46	12,42	16,08	12,88	16,07	19,70	8,26	29,01	17,98	14,53
Q1 2016	6,56	12,42	14,10	12,92	16,26	19,42	8,11	26,77	15,74	14,12
Q2 2016	6,23	12,43	13,47	13,03	16,83	19,02	7,70	25,74	15,65	13,72

Source: DBI, INFORMA

SPANISH LEGISLATION

The Member states had had up to March 16, 2013 to translate the 2011/7/UE Directive by which there are established the measures to combat late payment in commercial transactions. The EU directive 2011/7/EU establishes, as a general norm, a 30 days limit to pay invoices.

The adaptation of the Directive in Spain has been done through the Royal Decree-Law 4/2013 dated 22 February measures to support entrepreneurship and to stimulate growth and job creation. A standard delay of 30 days is established for Administrations and companies; a late payment type is established (8 points above the reference value of the ECB) and the possibility of being charged with a penalty of 40 euros.

EUROPEAN LEGISLATION

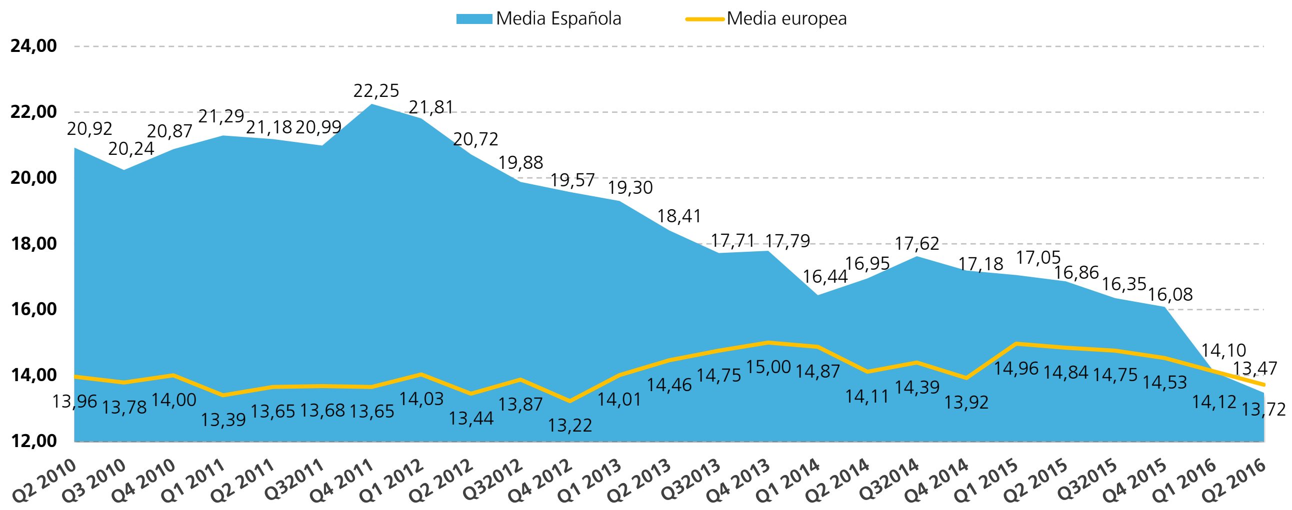
On 16th February 2011 it was adopted the Directive combating late payment. The Member states have an interval up to 16th March 2013 to transfer this directive to their national legislation. The EU directive 2011/7/EU establishes, as a general norm, a 30 days limit to pay invoices. In the case of the public administrations this delay may be enlarged up to 60 days (maximum) when it is justified. The norm foresees non-fulfilment sanctions and the Member states would have two years to fulfil it.

PAYMENTS EVOLUTION SPAIN - EUROPE

Spain is below the European Average

The Average Payment Delay this quarter in Spain is 0.25 days below the European average. Since this study started in 2010, and the average delay in Spain was 6.96 days above the European average delay, this distance has been shortening until it reversed last quarter.

SPAIN / EUROPE AVERAGE PAYMENT DELAY EVOLUTION



Fuente: DBI, INFORMA D&B

This study has been carried out by the Studies Department of INFORMA D&B.
The data come from INFORMA' D&Bs database.

ABOUT INFORMA.D&B

INFORMA is the leader company in Business, Financial and Marketing Information, with a consolidated sales volume of 91,8 millions € in 2015. It was the first financial and business information Spanish database in obtaining the AENOR Quality certificate, having currently this certification according to the ISO 9001 and 14001 regulation.

Since its inception in 1992, the database Informa has been fed from multiple public and private information sources,as the Borme (Official Gazette of the Mercantile Register), Official Filed Accounts, BOE (Official State Gazette), Provincial and autonomous regions Official Gazettes, National and Regional Press, ad hoc Investigations and Several Publications.

INFORMA's national database contains:

- 6.7 million national economic agents.
- 3.5 millions active companies and sole proprietorships with rating.
- More than 13.2 million companies' balance sheets.
- More than 14 million administration positions.
- More than 2.5 million companies with corporate links.
- More than 150,000 data updated on a daily basis

The leadership of INFORMA reinforces in 2004 after absorbing the business in Spain and Portugal of the multinational Dun&Bradstreet. Since that moment it forms part of the greatest business information network of the world: the Worldwide Network, and as such it offers on-line access to the information on 250 million companies all throughout the world.

Currently INFORMA has more than 130,000 clients and 3,000,000 users (between the brands Informa, eInforma and DBK), and with the confidence of more than 95% of the financial entities and 89% of the IBEX35 companies to take their risk decisions.

OTHER STUDIES CARRIED OUT BY INFORMA:

- **Business demography study.** Monthly series available since April 2009
- **Insolvency Proceedings Study.** Monthly series available since April 2009.
- **Spanish and European Companies payment Behaviour.** Quarterly series available since the second quarter of 2010.
- **Women in the administration boards and decision bodies in Spanish companies.** Annual series available since 2009.
- **"Gazelle" companies and High-growth companies.** Annual series available since 2012.

INFORMA D&B, S.A
Avda. de la Industria, 32
28108 Alcobendas (Madrid)
www.informa.es

Servicio de Atención al Cliente
clientes@informa.es
902 176 076

INFORMA D&B
María Álvarez
malvarez@informa.es
Tel.: 91 661 71 19

SC Comunicación
María Asarta
maria@sc-comunicacion.com
Tel.: 91 575 45 05