

“Business hit record new highs in Ireland last year with indicators for continued growth looking strong for 2017.”

BUSINESS IN IRELAND

2017
START

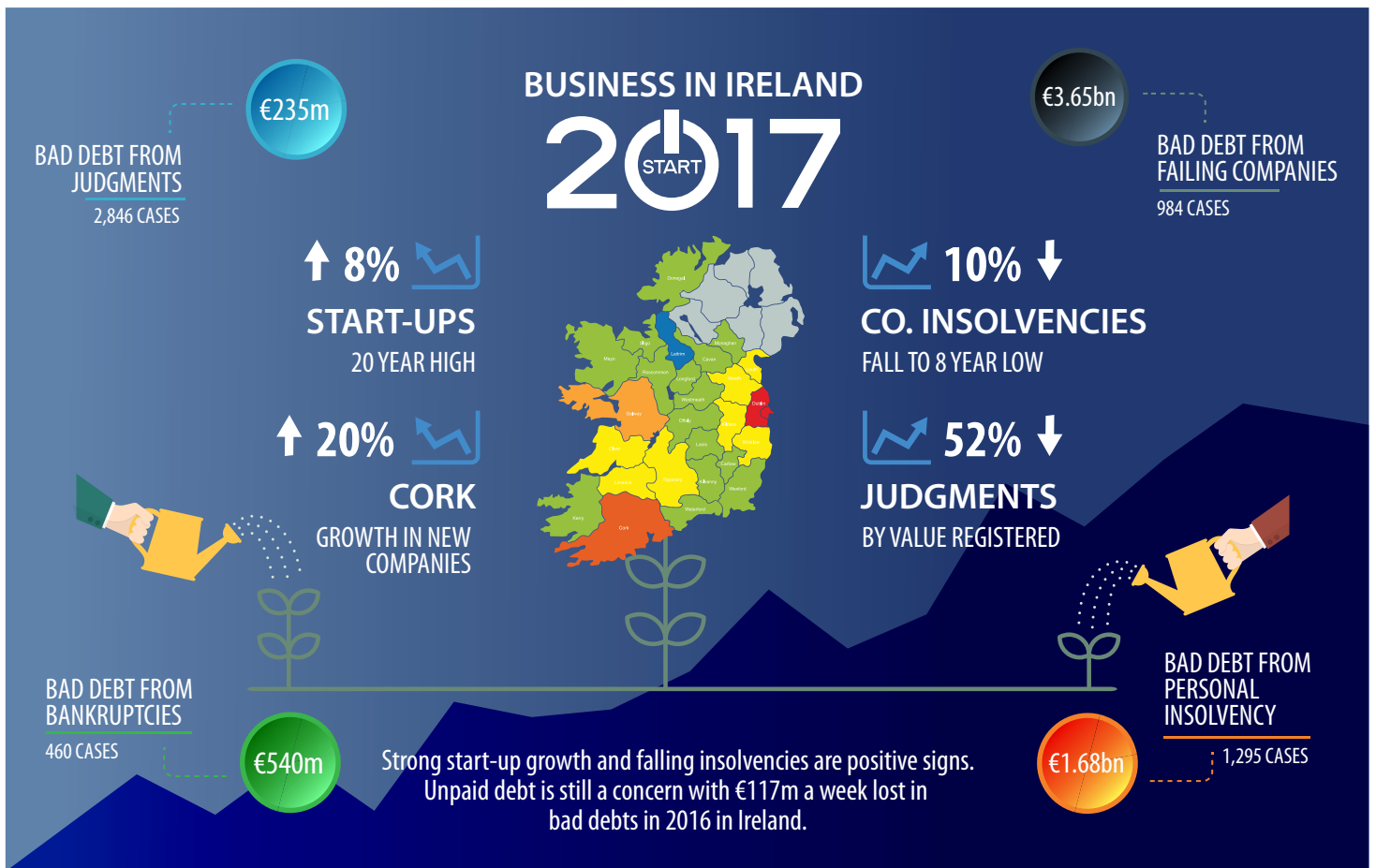


ANNUAL REVIEW - 2017

Business Barometer

Vision-net 
Better Decisions

Executive Summary



Executive Summary

“We are in acceleration mode and Ireland has taken its place as Europe’s fastest growing economy. One aspect of that recovery is demonstrated by our start-up figures.”

Ireland has undergone an extraordinary recovery. We hardly need reminding that 10 years ago we were plunged into the depths of a devastating recession resulting in the collapse of many key industries. Just six years ago 15% of the Irish workforce was unemployed the result of which was severe socially, economically and politically.

Fast forward to today and we are in acceleration mode and Ireland has taken its place as Europe’s fastest growing economy. One aspect of that recovery is demonstrated by our start-up figures. In 2016 we surpassed 20k new companies for the first time since 1998. In fact we closed out at 20,977 new company start-ups which is the second highest number of start-ups recorded in over three decades.

In June and December last year we commissioned our new Quarterly Recovery Index survey to reach beyond macro economics. In June 2016 our Recovery Index findings showed that three out of four Irish consumers planned to make a major financial purchase before the end of 2017. 47% of those questioned planned to use their savings to fund this purchase as opposed to relying on credit. 38% of respondents said they would use a combination of both savings and credit which suggests that we have adopted a more prudent approach to funding major purchases.

There is no doubt 2016 was a year of political and economic upheaval particularly with Brexit and the US election. Notwithstanding this, there is

a growing confidence among Irish consumers as our economy steadies its path to prosperity. Our Recovery Index findings show that Irish consumers are starting to feel more comfortable about making major financial decisions like investing in cars, holidays, home improvements and houses.

We found little shift in these attitudes on spending plans post referendum / election. Our Q4 2016 Recovery Index findings showed while Irish people were cognisant of the impact of world events such as the UK referendum and the US election, neither had an impact on our financial decisions as yet. So while there is no doubt our recovery continues we are not invulnerable to such events.

Technology is revolutionising industries across the board while creating new opportunities for us. Fintech and Medtech present massive opportunities for our financial services and supporting sectors.

There is a need for us to stay vigilant. Ireland is highly susceptible to our economic ties with the UK as we do €1.2bn worth of trade weekly. While we can't predict what will happen as the UK and EU renegotiate their relationship it is clear that we enter a period of uncertainty. Careful risk management and planning will be essential to business survival and growth even more so for those companies with a heavily British customer base.

Our economy is diversifying and that is key. Ireland’s professional services sector along with finance, construction, tech,

manufacturing and hospitality sectors are becoming more buoyant. We need to support all businesses to thrive. The regional imbalance still persists as geographically Dublin leads the way in economic activity followed by Cork but we need to unlock the full potential of the our major centres and rurality. This is crucial for long-term stable growth in 2017 and beyond.

The outlook for 2017 is positive on the back of a record breaking year in 2016. Our economy is more open to lending and risk taking and businesses are eager to expand and undertake new projects. Business and Credit Intelligence is an essential weapon in every business’s arsenal particularly in today’s increasingly digital fast paced environment.

While we recover our economy we remain exposed and knowing how and when to act is more essential than ever.



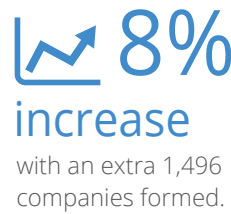
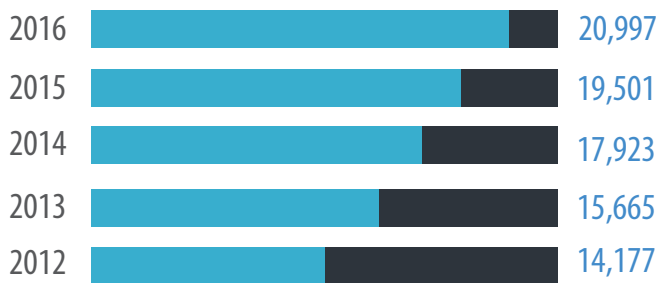
Christine Cullen, MD,
Vision-net.ie

Company Start-Ups

Record Breaking Year For New Company Start-Ups

There were 20,997 new companies registered in 2016, 8 percent more than 2015 (19,501). In addition to this 2016 was the first time more than 20,000 companies have been registered in a single year in almost two decades, it is also the second highest number recorded for company start-ups 36 years.

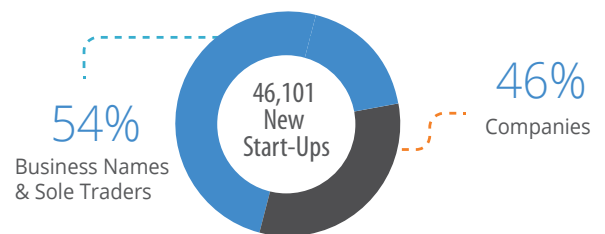
TREND - NEW COMPANY START-UPS



- Professional Services was the most popular industry accounting for 4,079 of all company start-ups - up 5% on the previous year.
- The finance sector performed strongly in 2016. A total of 2,959 new finance companies were set up, up 44 percent on 2015 (2,959 vs 2,061);
- The Construction sector continues to recover and grow. Up 14% on 2015's total (1,876 vs 1,643)
- Last year was another strong period for Wholesale & Retail which was the third most popular sector for new companies formed with 2,204.

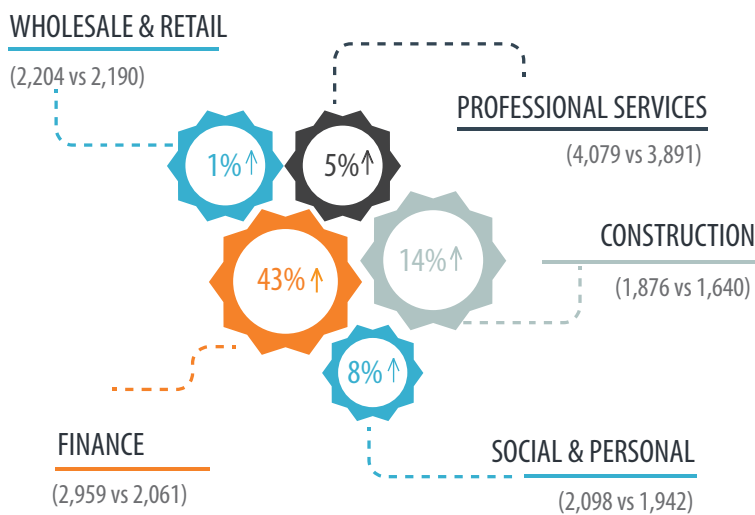
Total Start-Ups

46,101 new company and business start-ups were registered last year.



Business Names Registration in 2016 were down 9% on the previous year (25,104 vs 27,478).

5 KEY INDUSTRIES FOR START-UPS

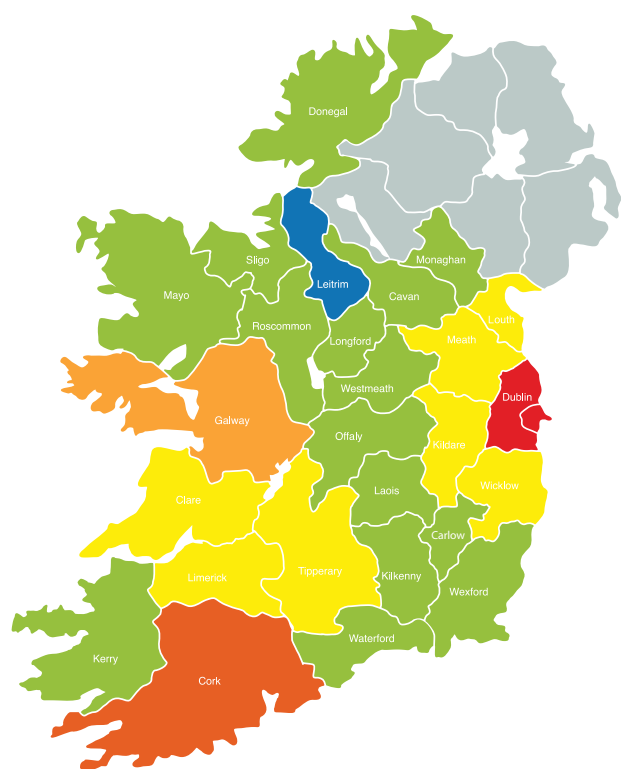


“20 Year High... first time in almost two decades 20,000+ companies were registered.”

Company Start-Ups By County

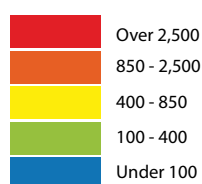
Company Start-Ups - Nationwide Heat Map

For start-up companies in regional areas of the country, fewer investment opportunities and generally poor infrastructure continue to limit growth potential. The gap between urban and rural economies simply refuses to close. As we highlighted throughout the year in our monthly reports, Dublin, Cork and Galway were the focal points for growth in 2016, while more rural counties failed to keep pace. Dublin alone accounted for nearly half of all start-up companies last year.



- Dublin was the most popular location for company start-ups – accounting for almost 45% of all start-ups, up 5% on 2015 figure.
- Cork is in second place on the list – with 2,516 start-ups, this figure is up 20% on 2015 – an increase of 428 companies.
- Galway, Kildare and Limerick account for 2,255 company start-ups – these counties saw increases of 5%, 3% and 4% respectively on their start-up figures from 2015

Company Start-Ups - Jan - Dec 2015



THE 5 MOST POPULAR COUNTIES FOR COMPANY START-UPS IN 2016

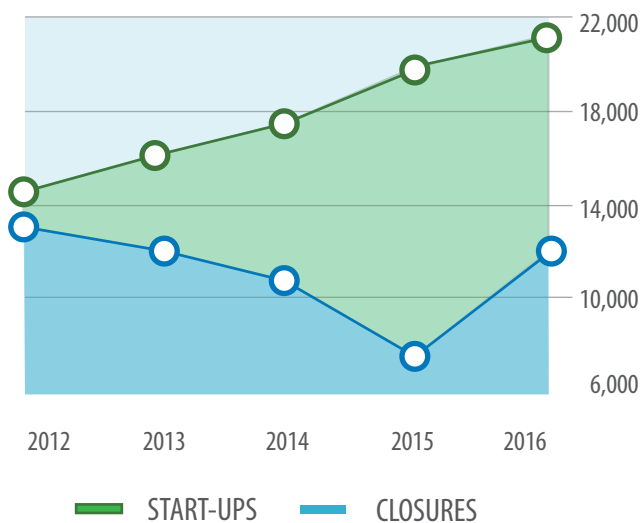
| COUNTY | % OF START-UPS | NO. OF START-UPS | DIFF | % DIFF |
|----------|----------------|------------------|------|--------|
| Dublin | 45.5% | 9,446 | +474 | 5% |
| Cork | 12.1% | 2,516 | +428 | 20% |
| Galway | 4.0% | 838 | +40 | 5% |
| Kildare | 3.5% | 737 | +25 | 3% |
| Limerick | 3.2% | 680 | +26 | 4% |

Company Closures

Company Closures Grew In 2016

12,865 Irish companies were dissolved in 2016 which is up 80% on the record low figure for 2015 of 7,109. This returns company dissolutions to more normal levels as they have fallen each year for the previous five years to a record low in 2015. Even with this increase, there was a net increase of 4% in the number of companies operating in Ireland during 2016 - which can only be viewed as positive news.

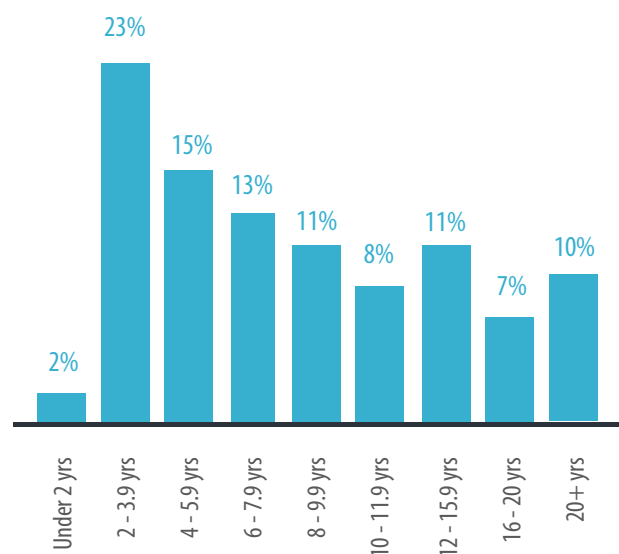
COMPANY START-UPS vs COMPANY CLOSURES



| YEAR | START-UPS | CLOSURES | DIFF |
|------|-----------|----------|----------|
| 2016 | 20,997 | 12,865 | 8,132 ↑ |
| 2015 | 19,501 | 7,109 | 12,392 ↑ |
| 2014 | 17,923 | 11,665 | 6,258 ↑ |
| 2013 | 15,665 | 12,886 | 2,779 ↑ |
| 2012 | 14,177 | 13,224 | 953 ↑ |

- Company start-ups have outnumbered company closures for the past 5 years.
- 2016 saw the gap between start-ups and closures narrow but at 8,132 companies this is still a very positive indicator.
- With 204,750 companies now trading in Ireland this represented a 4% net gain in Irish companies.
- Company closures were up 80% on the record low figure for 2015 of 7,109.
- Percentage breakdown for affected industries is largely in line with 2015 figures.
- 1 in 4 companies closed by year 4 in business. 40% closed by year 6. Once past year 6 the probability of failure fell substantially.

CLOSURES - LENGTH OF TIME IN BUSINESS

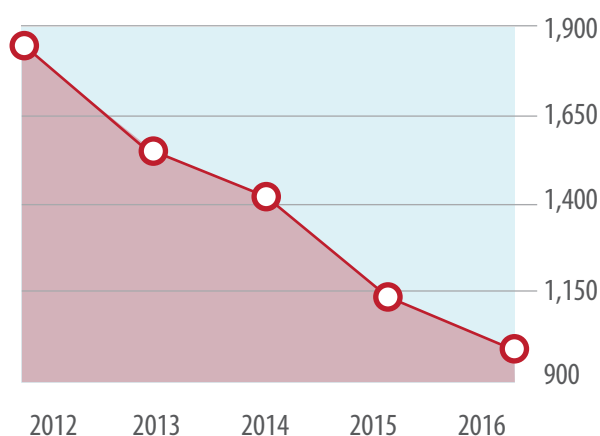


Company Insolvencies

Company Failures Fall By 10%

Further positive news with the percentage of Irish companies that collapsed in 2016 down by 10% on the previous year. A total of 984 insolvencies were recorded in 2016, versus 2015's figure of 1,096. This is the first time fewer than 1,000 insolvencies have been recorded in a single year since 2008. These are companies that ceased in 2016 and had an examiner, receiver or liquidator appointed where no declaration of solvency was filed.

COMPANY FAILURES - TREND



- First time since 2008 that insolvencies dropped below 1,000.
- Insolvencies have fallen by over 50% in the past five years from 2,019 companies in 2011, to less than 1,000 in 2016.
- 984 Irish companies failed in 2016, down 10% on figures for 2015 (1,096).
- There was an average of 82 failures per month in 2016.

BREAKDOWN OF COMPANY INSOLVENCIES 2016

| 643 COMPANIES IN LIQUIDATION 16% ↓ | 14 COMPANIES IN EXAMINERSHIP 44% ↓ | 327 COMPANIES IN RECEIVERSHIP 8% ↑ |
|---|--|--|
| <p>643 liquidations include court ordered wind-ups and companies that appointed a liquidator and filed no Declaration of Solvency.</p> <p>Positive signs of a resurgence as the number of liquidators of insolvent companies continues to fall.</p> | <p>14 Companies sought court protection from their creditors and had an examiner or interim examiner appointed.</p> <p>This is down from 25 companies in the previous year showing continued strong survival prospects for ailing companies.</p> | <p>The number of Receivers appointed to Irish companies in 2015 was up 8% on 2014 figures (327 vs 304).</p> <p>This may be an indicator of banks more forcefully pursuing their debts. Although it should be noted it is down 40% on 2013's figure of 544, just a few years earlier.</p> |

| YEAR | INSOLVENCIES | DIFF |
|------|--------------|-------|
| 2016 | 984 | 112 ↓ |
| 2015 | 1,096 | 409 ↓ |
| 2014 | 1,479 | 107 ↓ |
| 2013 | 1,586 | 263 ↓ |
| 2012 | 1,849 | |

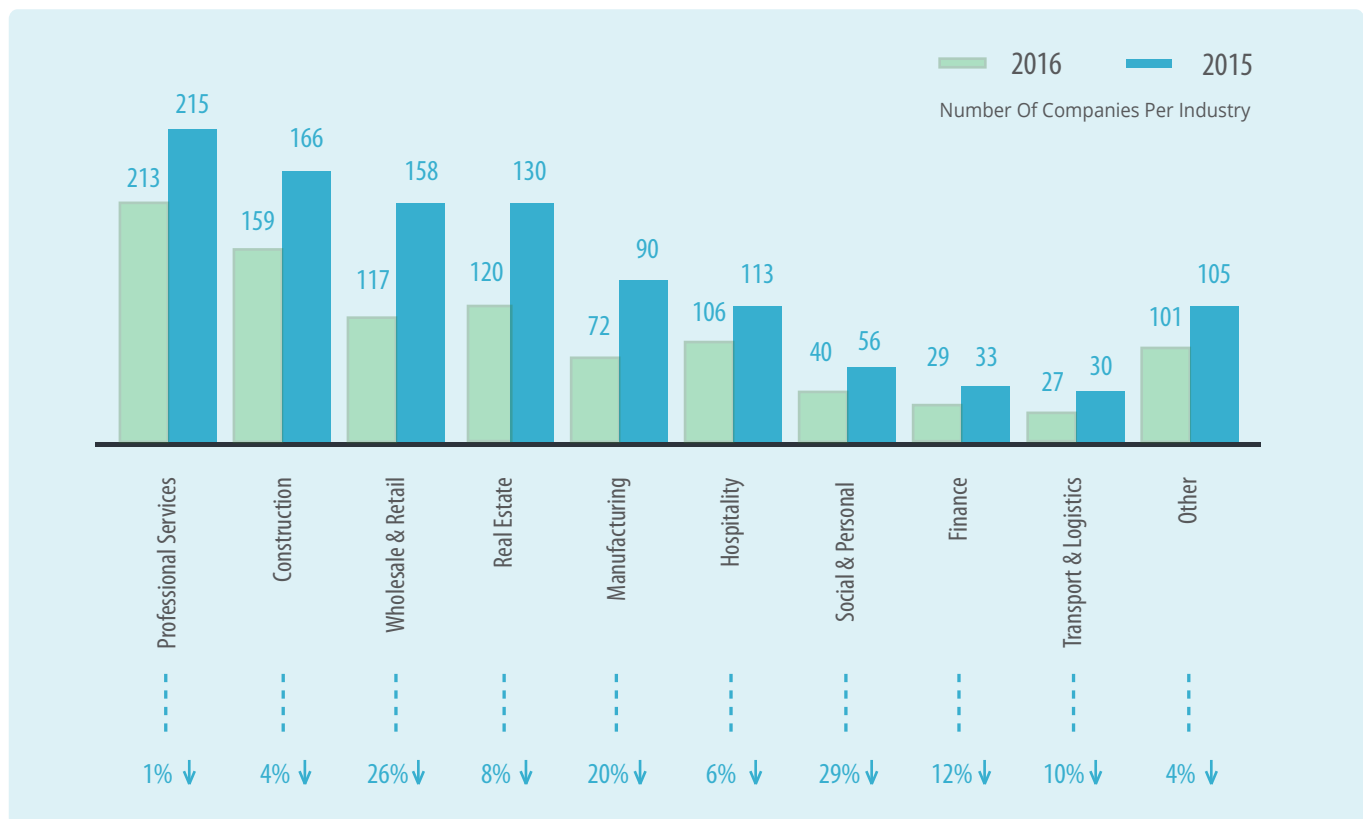
Ask us about the latest credit reports and insolvency news
Tel: 01 664 1111

Corporate Failure Analysis

Sectors Most Affected By Insolvencies in 2016

The overall reduction in the number of company closures as a result of insolvency was evident across all industry sectors, with some sectors showing greater stability than others.

SECTORS MOST AFFECTED BY INSOLVENCIES IN 2015



- Professional Services includes Accounting, Legal, Administration, Marketing, Architecture, General Business, Cleaning, Consultancy, Engineering, HR, Security, Photography, R&D Services and other professional service providers.
- Dublin was the most insolvent county in Ireland, recording 475 insolvencies - although this was down 13 percent on 2015 (414).
- Cork, the second most insolvent county, recorded 24 fewer insolvencies in 2016 (88) compared to 2015 (112), a 21 percent decrease.
- The most insolvent industry was professional services which accounted for 213 insolvencies - however, this was still a small drop on 2015's figure (215).
- Construction was the second most insolvent industry (159), but the number decreased by 4 percent on 2015 (166).

Ask us about enriching your CRM with the latest data
Tel: 01 664 1111

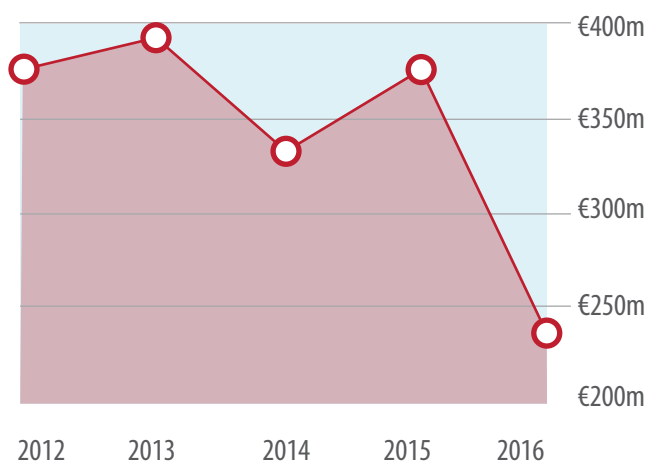
Bad Debt Judgments

Registered Bad Debt Judgments In 2016

2,846 Registered Commercial and Consumer Judgments were awarded in 2016. This represents a drop of 32% on the number of Judgments registered the previous year (2,846 vs 4,203). The value of Judgments awarded during 2016 totalled €235m which represents a 52% drop on 2015's figure of €492m.

2 out of every 3 of Judgments awarded were registered against Consumers with the remainder being Commercial Judgments. Both the number of cases taken and value of bad debt Judgments awarded, against both Consumers and Commercial entities fell in 2016.

BAD DEBT JUDGMENTS - TREND BY VALUE



- The value of Judgments registered in 2016 decreased by 52%.

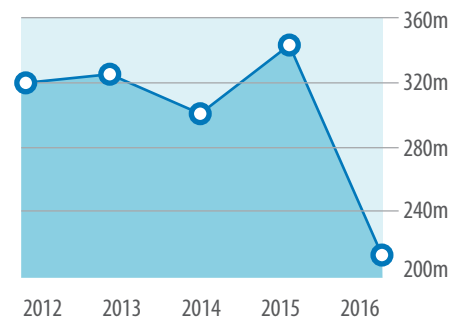
AVERAGE VALUE OF BAD DEBT



TOTAL JUDGMENTS BY VALUE

| YEAR | VALUE | NO |
|------|-------|-------|
| 2016 | €235m | 2,846 |
| 2015 | €384m | 4,203 |
| 2014 | €341m | 4,321 |
| 2013 | €399m | 5,486 |
| 2012 | €383m | 5,884 |

CONSUMER JUDGMENTS BY VALUE



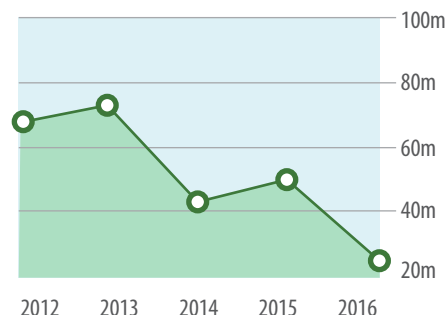
CONSUMER JUDGMENTS

| YEAR | VALUE | NO |
|------|-------|-------|
| 2016 | €210m | 2,032 |
| 2015 | €347m | 3,137 |
| 2014 | €300m | 3,235 |
| 2013 | €327m | 3,732 |

COMMERCIAL JUDGMENTS

| YEAR | VALUE | NO |
|------|-------|-------|
| 2016 | €25m | 814 |
| 2015 | €46m | 1,020 |
| 2014 | €41m | 1,754 |
| 2013 | €72m | 1,979 |

COMMERCIAL JUDGMENTS BY VALUE



Unpaid Debts In 2016

Unpaid Debts in 2016

TOTAL BAD DEBTS IN IRELAND IN 2016



Bad Debts From Failing Companies

Insolvencies were down 10% in 2016, but the value of bad debts lost in 2016 due to insolvencies rose sharply. For 2016 bad debts to unsecured short term creditors were up 43% on the previous year, from €2.5bn to €3.6bn. This means bad debts from failing companies cost Irish businesses nearly €70m per week in 2016.

| | 2015 | 2016 | DIFF | % |
|-------------|---------|---------|--------|-----|
| VALUE | €2.55bn | €3.65bn | €1.1bn | 43% |
| NO. OF CO.s | 1,070 | 984 | 86 | 10% |

- Figures are for companies wound-up by the High Court or that appointed a liquidator, receiver or examiner and didn't file a declaration of solvency.
- Money owed to short term creditors was €3.65bn (increase of 43% on 2015 figure).
- While the number of company insolvencies fell in 2016, the value of the debt left behind by these companies was €1.1bn greater than 2015.
- The figures for Q4 Bankruptcy and Personal Insolvency Debt are estimated based on the previous three quarters.

Today in Ireland, companies and business managers should rigorously risk check those whom they give credit to avoid financial contagion.

Personal Insolvency Overview

Bankruptcy

In 2014 new bankruptcy rules came into effect reducing the term of bankruptcy in Ireland from 12 years to 3 years. On the 29 January 2016, the Irish bankruptcy term was further reduced from 3 years to 1 year.

| YEAR | NO. OF BANKRUPTCIES | DIFF |
|------|---------------------|-------|
| 2016 | 460 | -19 ↓ |
| 2015 | 479 | 31 ↑ |
| 2014 | 448 | 390 ↑ |
| 2013 | 58 | |

QUALIFYING DEBT FROM BANKRUPTCIES IN 2016

460 CASES



- The quantity and value of Q4, 2016 for Bankruptcy Debt is estimated based on the previous three quarters

Personal Insolvency Vehicles

This year saw continued growth in new applications for personal insolvency arrangements, up 45% (2,939 vs 2,028 people). Approved arrangements also showed growth in all categories, up 7% (1,295 vs 1,208). In total 1,295 people availed of a personal insolvency mechanism in 2016.

PERSONAL INSOLVENCY - 2016

| INSOLVENCY TYPE | 2015 NO OF CASES | 2016 NO OF CASES | MOVEMENT | DIFF |
|----------------------------------|---------------------|---------------------|----------|------|
| Protective Certificates | 1371 | 1,640 | 269 | 20% |
| APPROVED ARRANGEMENTS | | | | |
| Personal Insolvency Arrangements | 641 | 700 | 59 | 9% |
| Debt Settlement Arrangements | 221 | 244 | 23 | 10% |
| Debt Relief Notices | 346 | 351 | 5 | 1% |
| Totals | 1,208 | 1,295 | 87 | 7% |

BAD DEBT FROM PERSONAL INSOLVENCY PIA's, DRN, & DSA



1,295 CASES

- The quantity and value of Q4, 2016 for Personal Insolvency Debt is estimated based on the previous three quarters
- 1,640 people sought a Protective Certificate to protect their assets while they applied for a PIA, up 20% (1,640 vs 1,371).

Directors In Ireland

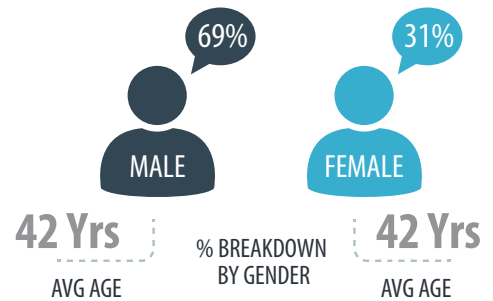
New Directors In 2016

There are currently 324,374 Directors of Irish companies. That's an additional 2,874 Directors in Ireland on the previous year's figure of 321,500. It also means one person in every 14 people in the country is a director of an Irish company.

DIRECTORS APPOINTED

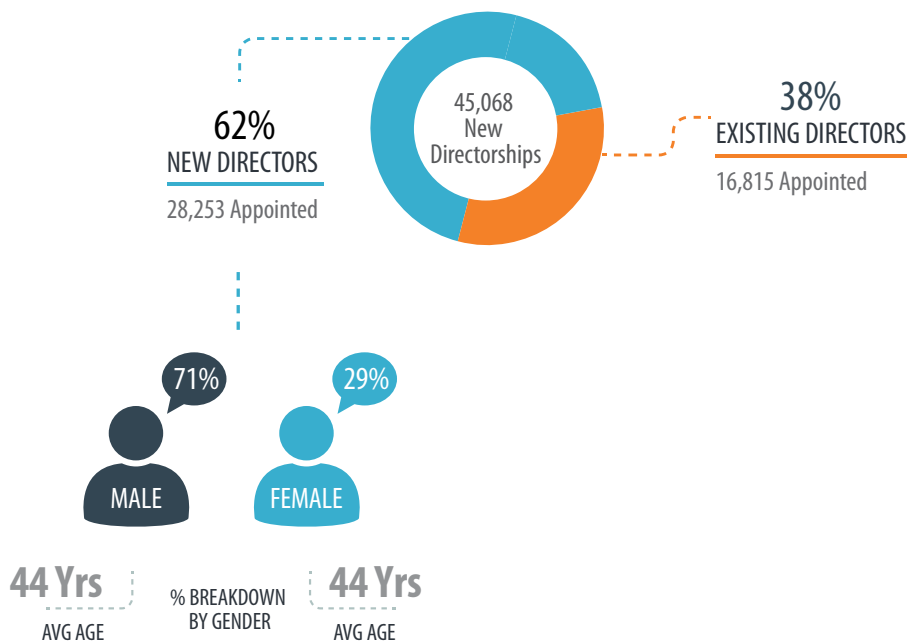


AGE / GENDER - 2016

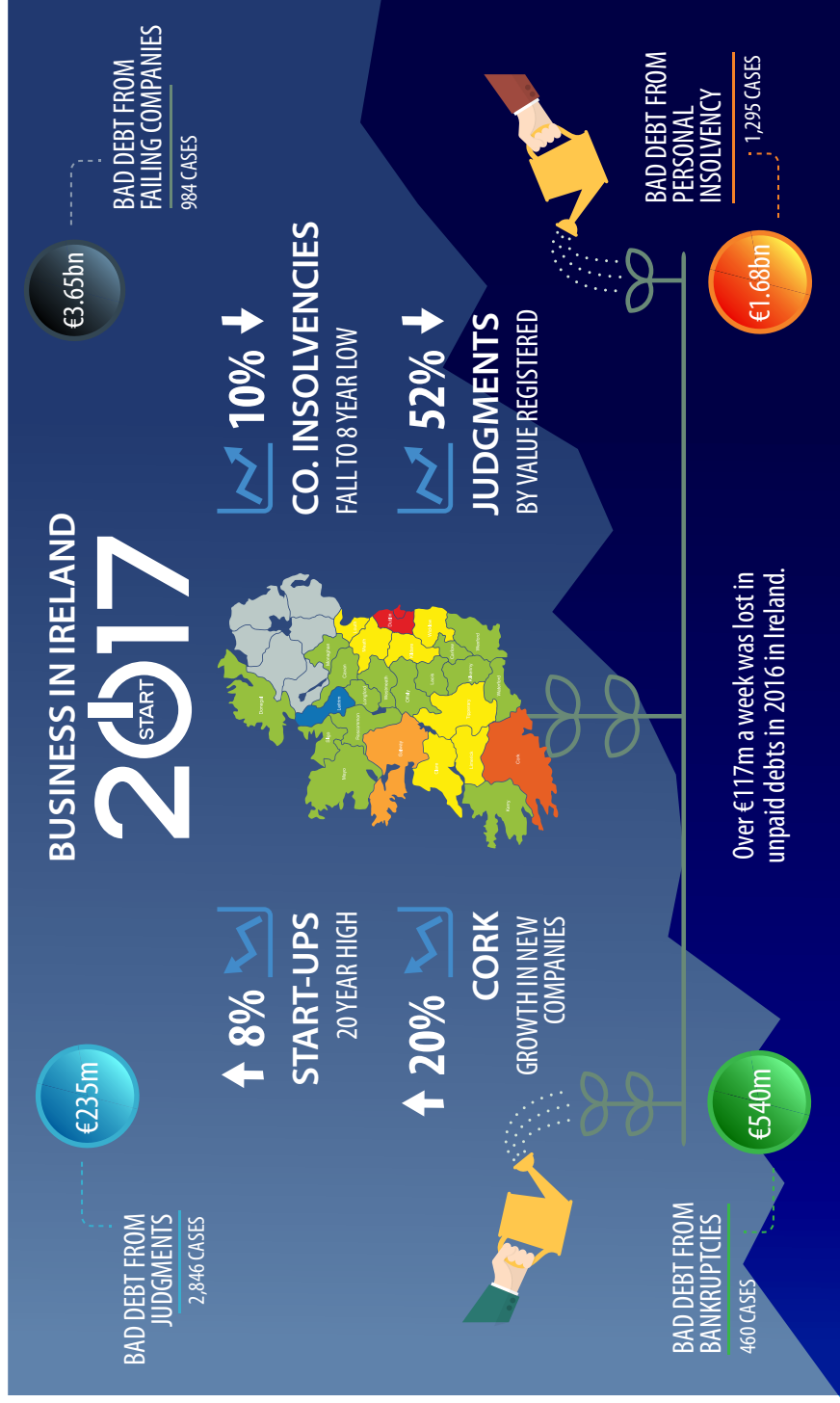


Entrepreneurial Spirit

Similar to the previous year 62% of Directors appointed in 2016 were first time directors. The gender breakdown changes however when focusing on first time directors to 71% Males and 29% Females. This year also saw a shift in the figures to a slightly older person becoming a director for the first time compared to previous years. In 2016 the the average age of a first time director was 44 years vs 42 years of age previously.



Ask us about
Compliance and KYC
Checks on Directors
Tel: 01 664 1111



BUSINESS FAILURES 10% ↓

984 COMPANIES DECLARED INSOLVENT IN 2016



10% DOWN ON 2015
33% DOWN ON 2014



On average 82 companies per month became insolvent in 2016

TREND - INSOLVENT COMPANIES



BREAKDOWN 2016



PERSONAL INSOLVENCY 4% ↑

PERSONAL INSOLVENCY ARRANGEMENTS & BANKRUPTCIES

QUALIFYING DEBT FROM BANKRUPTCIES IN 2016



BAD DEBT FROM PERSONAL INSOLVENCY PIAs, DRN, & DSA

4% DECREASE IN BANKRUPTCY CASES (460 vs 479)
7% INCREASE IN PIAs, DSAs DRNs IN 2015 (1,295 vs 1,208)

JUDGMENTS 32% ↓

2,846 JUDGMENTS WERE REGISTERED IN 2016 WORTH €235M



NO. OF JUDGMENTS DOWN BY 32%
VALUE OF JUDGMENTS DOWN BY 52%

2 OUT OF EVERY 3 JUDGMENTS ARE AGAINST INDIVIDUALS



2,032 Cases
814 Cases

NEW DIRECTORS 8% ↑

28,253 PEOPLE BECAME DIRECTORS FOR THE FIRST TIME



44 Yrs AVG AGE
44 Yrs AVG AGE

45,068 DIRECTORS APPOINTED, 62% FOR FIRST TIME

START-UPS 8% ↑

NEW COMPANY START-UPS ARE UP 8% IN 2016



FIRST TIME 20,000+ COMPANIES REGISTERED IN ALMOST TWO DECADES

BUSINESS START-UPS DECREASED BY 9% TO 25,104

About Vision-net

Great data drives everything!

Success is easier with great data! Vision-net are Ireland's leading provider of official company, director and shareholder information along with the latest credit/risk ratings, bad debt judgments and insolvency notices.

Our system is used daily by thousands of business professionals across a wide range of industry sectors to assist with their Compliance, Due Diligence, and Credit Checking requirements for Irish, UK, European and Worldwide entities.

Information on Vision-net.ie is updated live in real time to ensure our clients are constantly provided with up to the second data.



Credit Insurance Company References:

Vision-net is fully accredited by all of the top credit insurance agencies.



Risk Assessment & New Business Opportunities

Open doors to the following opportunities on Vision-net.

205,000

Companies trading with a Normal status in the Republic of Ireland

324,500

Directors of Irish companies with a Normal Status

524,500

Business names or Trading Names

Rated the #1 business intelligence and credit risk agency with over 100,000 registered users.



Vision-net.ie

For further information
simply call us today on
Tel: 01 664 1111 or email our team
on helpdesk@vision-net.ie or visit
www.vision-net.ie