

PRESS RELEASE

AUGUST 2, 2017

ITALIAONLINE S.p.A.

BOD APPROVES 1H 2017 RESULTS:

OPERATING PROFITABILITY CONTINUES TO IMPROVE AND REVENUE DECREASES AT A SLOWER PACE, AS THE RENEWAL OF THE DIGITAL PRODUCT PORTFOLIO BEGINS TO PRODUCE POSITIVE EFFECTS

NET PROFIT TO €6.3 MILLION, + 65% YOY (€3.8 MILLION IN 1H 2016)

NET FINANCIAL POSITION POSITIVE AND EQUAL TO €69 MILLION, AFTER EXTRAORDINARY DIVIDEND FOR €80 MILLION, UNLEVERED FCF EQUAL TO €37 MILLION

- **Revenue** was equal to **€166.4 million**, against a pro-forma figure of €189.4 million in 1H 2016¹ (-12.1%). In the second quarter, revenue decreased at a slower pace, approximately 6.9 percentage points lower than in 1Q 2017, as the implementation of the new digital product portfolio has started producing positive effects.
- **EBITDA**² equal to **€36.1 million**, **+24.2%** with respect to 1H 2016 pro-forma data¹ (€29.1 million), **EBITDA margin** to **21.7%**, up by 6.4 percentage points with respect to 1H 2016 pro-forma data¹ (15.4%).
- Strong increase in **EBIT**, to **€16.6 million** vs 1H 2016 (it was negative at €0.5 million).
- **Net profit** was **€6.3 million**, up by **+64.6%** with respect to 1H 2016 (€3.8 million).
- **EBITDA - Capex** was **€19.9 million** (+17.0% with respect to 1H 2016 pro-forma), **equal to 55.0% of EBITDA**.
- **Unlevered Free Cash Flow (FCF)** was **€36.9 million**, + 5.2% with respect to 1H 2016 pro-forma data (€35.1 million).
- **Net financial position (NFP) positive** and equal to **€68.8 million**, after distribution of extraordinary dividend for approximately €80 million (paid on May 10, 2017), against €122.1 million as at December 31, 2016.
- **Audience Data**³ (May 2017): **Italiaonline continues to be the leading Italian digital company:**
 - 4.5 million daily total digital audience (TDA), + 5% with respect to 2016 average
 - 2.4 million daily mobile audience, +13% with respect to 2016 average
 - 11:51 minutes average time daily spent on Italiaonline web properties, +13% with respect to 2016.

¹To make possible the comparison with the results of the first half of 2017, the revenue and EBITDA of the first half of 2016 were also calculated using pro-forma data reflecting the change in perimeter due to the sale and termination of some business lines in 2016. As a result, 1H 2016 revenue was down by approximately €10.3 million, with respect to the figure reported for the period (€199.7 million), while EBITDA was down by approximately €0.4 million. The decrease in revenue was due to i) the divestiture of the 12.54 business unit (July 2016); ii) the divestiture of Europages S.A. (August 2016), and iii) the termination of the arbitrage contract of Moqu on the Google Ad Sense market.

²EBITDA before other operating income and expenses, net valuation adjustments and provisions for risk and charges.

³ Source: Audiweb Database, powered by Nielsen, May 2017 (last available figure) vs Avg FY.2016 | TDA: Total Digital Audience, DAUs.

“We are pleased with the results as at June 30, 2017. In the second quarter of the year, with operating margins still improving, the digital product portfolio renewal strategy and the great work done by the management team started having positive effects. With regard to our web properties, total daily audience in May increased by 5% on the 2016 average (+14% mobile audience), supported by the performances of Virgilio, Libero and the vertical portals. Our advertising agency, IOL Advertising, recorded double-digit growth in the second quarter, against a contraction of approximately 1% in the reference market⁽⁵⁾. In the second quarter, orders from customers of IOL Audience, the Digital Advertising service specifically designed for SMEs, also recorded double-digit on an annual basis. While pursuing the organic growth of the business, for which 2017 was still a transition year, we continue to be on the lookout for opportunities through acquisitions that will enable us to generate faster growth for the Group and create value for all stakeholders.”

- Antonio Converti, Italiaonline CEO, commented -

Assago, August 2, 2017 – The Board of Directors of **Italiaonline S.p.A.** (henceforth, “Italiaonline”) reviewed and approved the half-year Financial Report as at June 30, 2017.

CONSOLIDATED RESULTS

We note that, to enable comparison with the results of the first half of 2017, the revenue of the first half of 2016 was calculated using pro-forma data, to take into account the change in perimeter produced by the sale and termination of some business lines in 2016.

The use of pro-forma data has reduced 1H 2016 revenue by approximately €10.3 million with respect to the reported figure (€199.7 million), and EBITDA by €0.4 million. The difference in revenue is mainly due to: i) the divestiture of the “12.54” business unit (July 2016); ii) the divestiture of Europages S.A. (August 2016) and iii) the termination of the arbitrage contract of Moqu on the Google Ad Sense market.

In the rest of this press notice and in the table below, the comments and the comparison with 2016, for revenue, EBITDA and unlevered FCF, will therefore be based on the pro-forma data described above⁴.

€m	Q1 2017	Q2 2017	H1 2017	Q1 2016 pro-forma ⁽¹⁾	Q2 2016 pro-forma ⁽¹⁾	H1 2016 pro-forma ⁽¹⁾	YoY Change		
							Q1	Q2	H1
Revenues	70.3	96.2	166.4	83.6	105.8	189.4	(16.0)%	(9.1)%	(12.1)%
EBITDA	10.4	25.7	36.1	6.4	22.7	29.1	63.5%	13.2%	24.2%
EBITDA Margin	14.8%	26.7%	21.7%	7.6%	21.5%	15.4%	7.2 pp	5.3 pp	6.4 pp
EBITDA-CAPEX	3.4	16.5	19.9	0.3	16.6	17.0	n.m.	(1.1)%	17.0%

Revenue from sales and services as at June 30, 2017 was equal to **€166.4 million**, down by 12.1% with respect to the pro-forma figure reported for the first half of 2016 (€189.4 million). The decrease in revenue is due to the restructuring of the product portfolio, aimed at optimising margins and cash

⁴ We note that the tables at the bottom of the press notice provide a comparison with the 2016 data published in the half-year Financial Reports, which will be made available in the terms provided by the law.

flows to achieve growth both organically and by acquisitions, as well as to the structural contraction of the traditional business, based on phone directories and directory assistance services.

In the second quarter of the year, the **decrease** in total revenue **slowed down by approximately 6.9 percentage points on an annual basis** (-9.1%, against -16% in the first quarter), mainly due to the improved performance of the digital segment, which currently accounts for approximately 68% of Group revenue, and to the first positive effects of the renewal of the product portfolio.

We note in this regard, in the second quarter, the double-digit growth (on an annual basis) in orders from customers received by IOL Audience, the Digital Advertising service for SMEs; moreover, in the same period, we saw double-digit growth (on an annual basis) in the revenue of the advertising distributor IOL Advertising, against a contraction of about 1% in the reference market⁵.

In the first half of 2017, **EBITDA**² was equal to **€36.1 million**, up by **+24.2%** with respect to the pro-forma figure of the first half of 2016, when it was equal to €29.1 million. This result was achieved with the positive contribution of the cost synergies achieved with the merger of Italiaonline into Seat Pagine Gialle, carried out in June 2016, and of the initiatives to increase the efficiency of the operating structure, implemented in 2016 and in the first six months of 2017.

The **EBITDA margin** was equal to **21.7%**, an improvement of 6.4 percentage points with respect to the same period in 2016 (15.4%). The margin benefited of the initiatives aimed at containing costs, already having an impact at GOP level, and, in particular, of the lower incidence of personnel expense, industrial and commercial costs.

In the first half of 2017, **EBIT** was positive for **€16.6 million** vs 1H 2016 (it was negative at €0.5 million). This improvement reflects, besides the performance at the EBITDA level, the decrease in depreciation and amortisation and in net charges for reorganisation and other non-recurring transactions.

Net profit as at June 30, 2017 was equal to **€6.3 million**, up by **+64.6%** with respect to 1H 2016 (€3.8 million).

In the first half of 2017, **Capex** was equal to **€16.3 million** against €12.1 million in the first half of 2016. It included some extraordinary items for the purchase of a three-year licence for the Open X-Change email system and the rationalisation of Datacenter services, for a total of €5.2 million. Net of these one-off investments, capex in the first half of the year would have been equal to €11 million, down by 8.8% on an annual basis, with an incidence on sales revenue equal to 6.6%.

The difference **EBITDA – Capex** was equal to **€19.9 million** (55.0% of EBITDA), up by **+17.0%** with respect to the pro-forma figure for the first half of 2016 (€17.0 million). The **Cash Conversion**⁶ of the period was equal to €37.2 million (€36 million in the first half of 2016), i.e. 103% of EBITDA.

Unlevered **Free Cash Flow** generated was positive for **€36.9 million** in the first half of 2017, up by +5.2% with respect to the pro-forma figure for the first half of 2016 (€35.1 million). Besides the growth in EBITDA over period (+24.2%), the change in 2017 was the result of the careful management of working capital, which contributed to the generation of cash flows for €18.0 million (-3.6% with respect to the first half of 2016), offsetting the outlays for investments equal to €16.3 million (against €12.1 million in the first half of 2016).

The **Net financial position** as at June 30, 2017 was positive for **€68.8 million** (€122.1 million as at December 31, 2016) thanks to the cash flows generated from operating activities, despite the

⁵ Source: FCP-Assointernet, April-June 2017

⁶ Calculated as (EBITDA-Capex+ ΔNWC) / EBITDA



extraordinary dividend of approximately €80 million paid on May 10, 2017 and the outlays for net restructuring and other non-recurring costs (€10.9 million).

As at June 30, 2017, **Cash and cash equivalents** were equal to €67.9 million, against €121.6 million as at December 31, 2016, with the same dynamics described for the NFP.

Equity was equal to €294.3 million as at June 30, 2017, against €367.3 million as at December 31, 2016. The change was mainly due to the distribution of extraordinary dividend and the net profit for the year.

Audience data. According to Audiweb data for May 2017 (which do not take Google and Facebook into account), Italiaonline continues to be the leading Italian internet company, with 4.5 million of users on average per day (+5% with respect to the figure average recorded in 2016). Mobile audience figures also see Italiaonline in first place, ahead of the other top players, with more than 2.4 million of average users per day (+13% against average 2016 values). Lastly, Audiweb data have confirmed Italiaonline as the leading player in the Italian Internet industry in terms of viewed pages (70 million) and average time spent per day (11:51 minutes).

BUSINESS OUTLOOK

In the first half of 2017, Italiaonline continued its strategy of organic growth of the business, aiming both at improving operating margins by optimising costs, and at supporting the future revenue growth by strengthening the product portfolio and the sales strategies.

In line with the strategy pursued in the first part of the year, benefiting from the activities and the partnerships implemented in the first six months of the year, in the second half of 2017, Italiaonline, besides continuing to make substantial progress in recovering operating margins with additional cost optimisation actions, will focus on a series of initiatives aimed at ensuring a return to growth in digital revenue.

More in detail:

Business Unit Large Accounts:

In the first half of 2017, Italiaonline carried out:

- The relaunch of the new SuperEva, the portal of trendy and feel-good content, designed for a young audience (Millennials).
- The launch of the new Virgilio Video portal, with new contents and video formats, to seize the opportunities of video advertising, one of fastest-growing segments in the digital market.
- The launch of the new WebMail, entirely responsive and therefore with optimised browsing on all fixed and mobile devices and with a new series of widgets and functions, in particular a virtual drive integrated with the mailbox, on which users can save and share their files and attachments.
- The start of advertising in exclusive on important players of the Italian media sector:
 - o Sportube (in February), the first Italian web TV entirely devoted to sport. The agreement provides for the distribution of the video contents of Sportube on the national and local

portals of Italiaonline and the advertising in exclusive by Italiaonline on the contents of Sportube.

- Lettera43 (in May), the online pure-digital daily, entirely free and independent. The partnership includes customised solutions and special projects.
- The experimentation of a new programmatic advertising architecture/stack, which will come onstream in the second part of the year and envisages the adoption of the header bidding, a technique that integrates and creates competition (real-time bidding) between different demand sources for a more efficient inventory management and optimised inventory liquidation.

In July, Italiaonline announced the launch of IOL Advertising, the new national online advertising distributor, a real sales house able to place customers at the centre of the action, starting from three key elements of the evolution of the market (audience, brand safety, technology innovation).

Again in July, Italiaonline announced a strategic partnership with 3bMeteo, which has given Italiaonline an exclusive on the sale of advertising on this website.

In the next few months, Italiaonline is planning:

- The start of other strategic partnerships focused on the realisation of synergies at the level of publishing product and advertising in exclusive by Italiaonline.
- The restyling of all thematic vertical channels (DiLei, SiViaggia, QuiFinanza, VirgilioMotori and Virgilio Sport), accompanied by a new range that includes a suite of new products aimed at promoting premium advertising.
- The strengthening of the video advertising range on all properties of the network Italiaonline, including third party.
- A new mobile advertising range, increasingly geo-profiled and hyperlocal.
- A new native (display and video) range with new, more flexible formats, more integrated in the layout of the pages and more advanced.

Business Unit SME Media Agency:

The first half of 2017 was characterised by a widening of the new product range launched in 2016:

- with regard to the Web Presence segment, the platform IOL Connect was expanded with products devoted to large companies with presence throughout the country and, in the next few months, new tools will be launched to help customers monitor the results obtained and gather user suggestions. Also, a new portal, PGCasa, has been launched in July, devoted to the residential property sector and its professionals, which allows users to request estimates and to find useful information and contacts about the companies of the sector and in their towns.
- with regard to the Website and eCommerce segment, the IOL Website range will be expanded with customised solutions that include advanced and specific functions to meet the requirements of market segments identified within a market segmentation study. Lastly, a new eCommerce range integrated with the platform Digital Marketing IOL Audience is at the design stage.
- With reference to the Digital Marketing segment, the IOL Audience platform was expanded with the management of advertising campaigns on SKY AdSmart (new platform for TV spots, geo-

localised through the SKY decoder). In July, Italiaonline released a new performance range, in display mode, and made available the “call only” feature for the AdWords campaigns, to re-direct users to the phone contact of the customer. In the next few months, Italiaonline will also renew its range for the management of advertising campaigns on Facebook and Google Display Network, providing customers with integrated and detailed reporting to monitor the ROI of their communication investment.

On the basis of the information currently available, the Italiaonline Group expects to close 2017 with an EBITDA margin improved with respect to 2016. Revenue is expected to continue to decrease, mainly because of the physiological contraction of some traditional businesses, despite the gradual improvement in the performance of digital activities.

MAIN EVENTS OF THE FIRST HALF OF 2017

On January 12, 2017, the Company’s Board of Directors resolved to appoint, with the approval of the Board of Statutory Auditors, Ms Gabriella Fabotti, head of the Finance Administration and Control Department of the Company, as new manager in charge of financial reporting, pursuant to Art. 154-bis, CI, Legislative Decree No. 58/98.

On February 14, 2017, Mr Khaled Galal Guirguis Bishara tendered his resignation from the Board of Directors of the Company, of which he was also the Chairman. At the same meeting, the Board of Directors, acknowledging this resignation, co-opted Mr Tarek Aboualam to the Board of Directors, pursuant to Art. 2386, Par. 1, Civil Code, appointing him also Chairman of the Board. At the Shareholders’ Meeting on April 27, 2017, Tarek Aboualam was confirmed in these positions and appointed member and Chairman of the Board of Directors.

On March 15, 2017 the Board of Directors of the Company approved an update of the Pre-Merger Plan, extending the period to 2019 and updating the financial targets for 2017-2019 (“Updated Business Plan”), for further details please see the press release published on March 15th 2017 available on corporate web site into the Investor section.

Request for integration of the agenda of the Ordinary Shareholders’ Meeting on April 27, 2017

On April 6, 2017, the Company announced that, on the same date, the shareholders Libero Acquisition S.à. r.l., GL Europe Luxembourg S.à r.l., GoldenTree Asset Management Lux S.à r.l., GoldenTree SG Partners L.P., GT NM, L.P and San Bernardino County Employees’ Retirement Association, jointly holders of 88.921% of the share capital of Italiaonline, had presented, pursuant to Art. 126-bis of Legislative Decree No. 58/1998, a request for the integration of the agenda of the Ordinary Shareholders’ Meeting called for April 27, 2017, asking to add the following topic as third item on the agenda: *“distribution of a portion of the distributable reserves resulting from the financial statements of Italiaonline S.p.A. for the year ended December 31, 2016, by payment to the shareholders of total extraordinary dividends of €79,419,475.38, which is, equal to gross €0.692, for each of the 114,761,225 ordinary shares and 6,803 savings shares”*. The shareholders also asked to make said extraordinary dividend available for payment on May 10, 2017, with ex-dividend date set to May 8, 2017 and record date set to May 9, 2017.

On April 10, 2017, the Board of Directors of Italiaonline resolved to approve the integration of the agenda of the Meeting according to the requests of the shareholders and published, together with the report of the shareholders, a report of its own on the request received.

On April 20, 2017, the Company received from CONSOB a request, pursuant to Art. 114, Par. 5, Legislative Decree No. 58/1998, for integration of the information provided to the public in the press releases published on March 15 and April 10, 2017 as well as provided in the Report with which the Board of Directors has expressed its opinion on said request for integration of the agenda.

On April 26, 2017, the Board of Directors and the Board of Statutory Auditors, each within its area of competence, acknowledged the CONSOB requests with a press release issued in the terms and modes requested.

Shareholders Meeting April 27th 2017

On April 27, 2017, the Ordinary Shareholders' Meeting of Italiaonline S.p.A. resolved:

- to approve the 2016 financial statements of Italiaonline S.p.A. (the draft of which had been approved by the Board of Directors on March 15, 2017), showing a profit of €28,210,588.26;
- to allocate the profit to (i) Legal Reserve for €81.93; (ii) distribution of a unit dividend to savings shareholders of €90.00 (as sum of the privileged dividends for 2014, 2015 and 2016) to each outstanding savings share, for a total amount of €612,270.00 and (iii) to carry forward the residual profit of €27,598,236.33.
- to distribute an extraordinary dividend equal to €0.692, gross of withholding taxes, to each of the 114,768,028 outstanding shares of the Company, for a total amount of €79,419,475.38, so that, gross of withholding taxes, ordinary shareholders would receive a unit dividend of €0.692 for each ordinary share while saving shareholders - in consideration of the privileged dividend due to savings shares - would receive a unit dividend of €90.692 for each savings share;
- to approve the appointment of Mr Tarek Aboualam to the Board of Directors and to the office of Chairman of the Board, until the expiration of the current Board of Directors, confirming therefore the appointment made on February 14, 2017;
- to approve Section I of the Remuneration Report, pursuant to Art. 123-ter of Legislative Decree No. 58/1998.

The dividend was made available for payment from May 10, 2017, against presentation of coupon No. 1, both for ordinary shares and for savings shares, with ex-dividend date set to May 8, 2017 and record date, pursuant to Art. 83-terdecies of Legislative Decree No. 58/1998, set to May 9, 2017.

On June 19, 2017, Italiaonline appointed Chiara Locati as Investor Relations and Merger & Acquisition director, in the Finance, Administration and Control Department led by Gabriella Fabotti, Chief Financial Officer of the Group.

CONFERENCE CALL

As already announced, the Company will present the results achieved as at June 30, 2017 to the financial community, during the conference call scheduled for tomorrow August 3, 2017 at 10:00 (Italian time). The presentation will be made available before the start of the conference call on the authorised storage facility eMarket STORAGE www.emarketstorage.com, managed by Spafid Connect S.p.A., and also on the website of the Company www.italiaonline.it (in the section Investor/Presentations). The conference call will take place in English. The phone numbers to call to take part in the conference call are:

ITALY:	+39 02 805 88 11
UK:	+ 44 121 281 8003
USA (international local number):	+1 718 7058794
PRESS:	+39 02 805 88 27

This press release is available also on the website of the Company, www.italiaonline.it, in the section italiaonline.it/investor/comunicati-stampa-price-sensitive

Disclaimer

This press release contains forward-looking statements, which reflect the current opinion of the management of the Company on future events and on the financial and operating results of the Company and its subsidiaries. These forward-looking statements are based on the current expectations and assessments of Italiaonline S.p.A. on future events. Since these forward-looking statements are subject to risks and uncertainties, actual future results may be significantly different from what is stated in said forward-looking statements. This difference may be the result of multiple factors, for several of which Italiaonline S.p.A. may be unable to provide verification and accurate estimation, which include, but are not limited to, changes in the regulatory environment, future market developments, price fluctuations and other risks. You should not, therefore, rely on these forward-looking statements, which are included only as at the date of this press release. Italiaonline S.p.A. has no obligation to announce the revision or update of these forward-looking statements to take into account events or circumstances occurred after the date of this press release.

The information in this press release is not meant to provide an exhaustive analysis and was not verified by independent third parties.

This press release does not represent a recommendation to buy the securities of the Company. Equally, this press release does not constitute a sale offer or an offer to acquire securities issued by the Company or its subsidiaries.

Pursuant to Art. 154-bis, Par. 2 of the Consolidated Finance Law of February 24, 1998, the manager in charge of financial reporting of Italiaonline S.p.A., Gabriella Fabotti, states that the accounting information provided in this press release is corroborated by documentary evidence, accounting books and records.

Contacts:

Italiaonline Investor Relations
Chiara Locati
chiara.locati@italiaonline.it
Tel. +39.349.8636553

Italiaonline Corporate Affairs
ufficio.societario@italiaonline.it

Italiaonline Media Relations
Image Building Simona Raffaelli, Alfredo Mele
Tel. +39.02.89011300
italiaonline@imagebuilding.it

This press release is a translation. The Italian version will prevail

Italiaonline Group

Reclassified consolidated income statement

(euro/mIn)	1st half year 2017	1st half year 2016	Change	
			Absolute	%
Revenues from sales and services	166.4	199.7	(33.3)	(16.6)
Materials and external services	(84.3)	(106.0)	21.7	
Salaries, wages and employee benefits	(40.1)	(55.6)	15.5	
MOL	42.0	38.1	3.9	10.3
<i>% on revenue</i>	25.2%	19.1%		
Net valuation adjustments and accruals to provisions for risks and charges	(6.1)	(7.0)	0.9	
Other net operating income (expenses)	0.2	(1.6)	1.8	
EBITDA	36.1	29.5	6.6	22.6
<i>% on revenue</i>	21.7%	14.8%		
Operating amortization, depreciation and impairment losses	(16.5)	(21.8)	5.3	
Non-operating amortization, depreciation and impairment losses	(2.6)	(3.4)	0.8	
Net non-recurring and restructuring expense	(0.4)	(4.7)	4.3	
EBIT	16.6	(0.5)	17.1	n.s.
<i>% on revenue</i>	10.0%	(0.3%)		
Interest expense, net	0.7	0.2	0.5	
Impairment losses recognised on financial assets and losses from subsidiaries disposal	-	-	-	
Profit (Loss) before income taxes	17.3	(0.3)	17.6	n.s.
Income taxes	(10.9)	4.2	(15.1)	
Profit (loss) for the period	6.3	3.8	2.5	64.6
- of which attributable to the owners of the parent	6.3	3.8	2.5	
- of which attributable to non-controlling interest	-	(0.0)	0.0	

Italiaonline Group
Consolidated statement of comprehensive income

(euro/mln)		1st half year 2017	1st half year 2016
Profit (loss) for the period	(A)	6.3	3.8
<i>Other comprehensive income (expense) that will not be reclassified subsequently to profit or loss:</i>			
Actuarial gain (loss)		0.5	(1.7)
<i>Total other comprehensive income (expense) that will not be reclassified subsequently to profit or loss</i>	(B1)	0.5	(1.7)
<i>Other comprehensive income (expense) that will be reclassified subsequently to profit or loss:</i>			
Profit (loss) from fair-value measurement of securities and investments AFS		-	(0.5)
<i>Total other comprehensive income (expense) that will be reclassified subsequently to profit (loss) for the period</i>	(B2)	-	(0.5)
<hr/>			
Total other comprehensive income (loss), net of tax effect	(B) = (B1 + B2)	0.5	(2.2)
Total comprehensive income (loss) for the period	(A + B)	6.8	1.6
- of which attributable to the owners of the parent		6.8	1.6
- of which attributable to non-controlling interests		-	(0.0)

Italiaonline Group
Reclassified consolidated statement of financial position

(euro/mln)	At 06.30.2017	At 12.31.2016	Change
Goodwill and marketing related intangibles assets	275.1	277.7	(2.6)
Other non-current assets (*)	77.1	77.6	(0.5)
Non-current liabilities	(59.2)	(59.8)	0.6
Working capital	(67.5)	(48.2)	(19.3)
Non-current assets held for sale and discontinued operations	-	(2.1)	2.1
Net invested capital	225.5	245.2	(19.7)
Equity attributable to the owners of the parent	294.3	367.3	(73.0)
Equity attributable to non-controlling interests	-	-	-
Total equity (A)	294.3	367.3	(73.0)
Net financial position (B)	(68.8)	(122.1)	53.3
Total (A+B)	225.5	245.2	(19.7)

(*) This item includes available for sale financial assets, as well as non-current financial assets.

Italiaonline Group

Consolidated cash statement of cash flows

(euro/mln)	1st half year 2017	1st half year 2016	Change
EBITDA	36.1	29.5	6.6
Net interest income (expense) from discounting of operating assets/liabilities and stock options	0.3	(0.6)	0.9
Decrease (increase) in operating working capital	18.0	18.7	(0.7)
(Decrease) increase in operating non-current liabilities (*)	(0.9)	0.7	(1.6)
Capital expenditure	(16.3)	(12.1)	(4.2)
Operating free cash flow - OCF	37.2	36.2	1.0
Income taxes	(0.3)	(0.7)	0.4
Unlevered free cash flow	36.9	35.5	1.4
Collection of interest and financial expense, net	-	1.4	(1.4)
Payment of non-recurring and restructuring expense	(10.9)	(9.3)	(1.6)
Dividend distribution	(80.0)	-	(80.0)
Other charges	0.7	(0.1)	0.8
Change in net financial position	(53.3)	27.5	(80.8)

(*) The changes don't include the non cash effects arising from profit and losses recognised to equity.

Additions required by Consob on July 22, 2016 pursuant to Article 114 of Legislative Decree No. 58/98

Set out below is the information requested, with reference to June 30, 2017, to comply with Consob's request dated July 22, 2016, protocol No. 0067885/16, pursuant to Article 114 of Italian Legislative Decree 58/1998, regarding the request to supplement the annual, half-year and interim financial reports as of the half-year report at June 30, 2016, as well as the press releases concerning approval of the aforesaid accounting documents, to replace the reporting obligations set out in the request dated September 7, 2011, protocol No. 11076499.

Group net financial position as of June 30, 2017

(euro/thousand)		At 06.30.2017	At 12.31.2016	Change
A	Cash and cash equivalents	67,932	121,566	(53,634)
B	Other cash and cash equivalents	-	-	-
C	Trading securities	-	-	-
D=(A+B+C)	Liquidity	67,932	121,566	(53,634)
E.1	Current financial receivables due from third parties	931	610	321
E.2	Current financial receivables due from related parties	-	-	-
F	Current bank debt	-	-	-
G	Current portion of non-current debt	-	-	-
H.1	Other current financial debt to third parties	59	59	-
H.2	Other current financial debt due to related parties	-	-	-
I=(F+G+H)	Current financial debt	59	59	-
J=(I-E-D)	Net current financial indebtedness	(68,804)	(122,117)	53,313
K	Non-current bank debt	-	-	-
L	Bond issues	-	-	-
M.1	Other non-current loans due to third parties	-	-	-
M.2	Other non-current loans due to related parties	-	-	-
N=(K+L+M)	Non-current financial debt	-	-	-
O=(J+N)	Net financial indebtedness (ESMA)	(68,804)	(122,117)	53,313

Italiaonline Group's net financial position as of June 30, 2017 was positive at € 68,804 thousand.

The change in the net financial indebtedness with respect to December 31, 2016 reflects the payment made, on May 10, 2017, of an ordinary and extraordinary dividend for a total amount of €80,032 thousand.

In addition, on February 23, 2017 Italiaonline S.p.A. signed the deeds for the sale of the two remaining finance leases, related to the buildings of the Turin branch, in place with Mediocredito Italiano S.p.A. to the company Engineering Ingegneria Informatica S.p.A. For this reason the

remaining financial liability, which as at December 31, 2016 had been reclassified under non-current liabilities held for sale, was therefore written off.

Group overdue debt positions as of June 30, 2017

A breakdown by type (financial, commercial, tax, social security, and to employees) of overdue debt positions of the Italiaonline Group, and any related initiatives in response from the creditors (requests, orders, suspensions of funding, etc.) is reported below:

- trade payables expired as of June 30, 2017 amounted to €18,179 thousand (of which €17,480 thousand regarding Italiaonline S.p.A.), paid in July 2017 for €14,088 thousand (of which €14,045 thousand regarding Italiaonline S.p.A.);
- there are no outstanding financial and social security payables;
- the amount of expired tax payables is not material and does not prejudice ordinary business operations.

This situation should be seen as a structural part of normal commercial relations with the Group's suppliers and there are no reports of reactions by creditors that could prejudice ordinary operations.

Related party transactions

All the transactions entered into by companies of the Italiaonline Group with related parties, including intra-group transactions, are ordinary operations regulated at market conditions or on the basis of specific laws and regulations. There were no atypical and/or unusual transactions, or transactions characterized by potential conflict of interest and there were no changes or developments of the related party transactions described in the latest approved financial report that had a significant effect on the capital or results of the Group and Italiaonline S.p.A.

The tables below provide a breakdown of the Group's related party transactions:

ITALIAONLINE GROUP - INCOME STATEMENT 1st half-year 2017

(euro/thousand)	Parent company	Subsidiaries	Associates	Other related parties (*)	Total related parties
Revenue from sales and services	-	-	2	-	2
Other income	-	-	-	196	196
Costs of external services	-	-	-	(2,353)	(2,353)
Personnel expenses	-	-	-	(1,523)	(1,523)

(*) Directors, statutory auditors, key management personnel

ITALIAONLINE GROUP - STATEMENT OF FINANCIAL POSITION at June 31, 2017

(euro/thousand)	Parent	Subsidiaries	Associates	Other related parties (*)	Total related parties
Assets					
Intangible assets with finite useful life	-	-	-	3	3
Property, plant and equipment and Leased assets	-	-	-	62	62
Other non-current financial assets	-	-	168	-	168
Trade receivables	-	-	-	-	-
Other current assets	90	-	-	222	312
Liabilities					
Trade payables	-	-	-	1,993	1,993
Liabilities for services to be provided and other current liabilities	-	-	-	242	242

(*) Directors, statutory auditors, key management personnel

ITALIAONLINE GROUP - CASH FLOW 1° half-year 2017

(euro/thousand)	Parent	Subsidiaries	Associates	Other related parties (*)	Total related parties
Cash flows from operating activities	-	-	36	2,057	2,093
Cash flows from investing activities	-	-	-	65	65
Cash flows from financing activities	-	-	-	-	-
Cash flows from non-current assets held for sale and discontinued operations	-	-	-	-	-
Cash flows of the year	0	0	36	2,122	2,158

(*) Directors, statutory auditors, key management personnel

Status of implementation of strategic and financial plans

Based on the most recent data available for the first half of 2017, the Group's main economic and financial indicators are in line with the forecasts included in the Updated Business Plan 2017- 2019 approved on March 15, 2017.