

PRESS RELEASE

**THE BOARD OF DIRECTORS OF ITALIAONLINE APPROVES THE INTERIM REPORT
AS OF SEPTEMBER 30, 2016**

**RESULTS CONFIRM THE POSITIVE TREND OF H1 2016:
EBITDA +36.5%, FREE CASH FLOW +231.8%
AND PROFIT FOR THE PERIOD AT €35.2 MILLION,
SHARPLY INCREASING BY €46.9 MILLION**

GROUP RESULTS

REVENUES amounted to **€295.6** million

EBITDA was **€55.4** million

EBITDA margin was **18.7%**

FCF amounted to **€48.8** million

NET PROFIT for the period amounted to **€35.2** million

NET FINANCIAL POSITION was positive at **€111.6** million

Assago, November 9, 2016 – The Board of Directors of **Italiaonline S.p.A.** (hereinafter “Italiaonline”) has approved the Interim Report at September 30, 2016.

Antonio Converti, CEO of Italiaonline, commented: *“The results for the first nine months of 2016 confirmed the positive H1 trend, with a clear improvement of the main operating and financial indicators (Ebitda, Free cash flow and Net financial position).*

In line with the Group’s product renewal strategy, in October Italiaonline completed the launch of the new products designed for the digitization of SMEs. From the coordinated digital presence management (IOL Connect), to the website creation solution based on HTML5 (IOL Website) and the integrated management of online marketing campaigns (IOL Audience), thus confirming the role of Italiaonline as the main player in this major transformation process in Italy.

Finally, in the fourth quarter as well Italiaonline will continue to reduce its operating costs with the goal of supporting margins.”

GROUP RESULTS

The 9M 2016 results are compared with a 'comparable' 9M 2015, calculated as if the merger of Italiaonline into the Seat Pagine Gialle Group had been carried out effective January 1, 2015 and normalized with regards to the revenue accrual criteria.¹

In the first nine months of 2016, **Revenues** from sales and services amounted to **€295.6** million, down by 11.7% compared to the first nine months of 2015 (€334.7 million). The change was mainly attributable to the expected decline of certain traditional businesses such as telephone directory advertising sales and directory assistance services (whose performance was partly penalized by the sale of the 1254 service effective July 1, 2016). In addition, the digital revenues trend does not yet reflect the positive effects generated by the launch in Q3 of the new digital product range (IOL Connect, IOL Website and IOL Audience) and the repositioning of the business of the subsidiary Moqu ADV, which started to manage the IOL Audience platform as of September 2016. It should be recalled that August 4, 2016 saw the disposal of 100% of the subsidiary Europages, whose revenues were thus accounted only for seven months of 2016, although the comparison is made with the first nine months of 2015.

9M 2016 EBITDA amounted to **€55.4** million, up **36.5%** compared to the same period of 2015 (€40.6 million); **EBITDA margin** also increased to **18.7%** (9M 2015 EBITDA: 12.1%).

9M 2016 EBIT amounted to **€11.3** million, up compared to the 9M 2015 negative figure of €7.7 million. The improvement reflects, in addition to the EBITDA performance, the decrease in depreciation and amortization and in net charges arising on non-recurring transactions and the reorganization processes currently underway.

Net profit for the period amounted to **€35.2** million, sharply increasing by **€46.9** million compared to the negative €11.7 million 9M 2015 figure.

Unlevered Free Cash Flow generated in the first nine months of 2016 was **positive** at **€48.8** million, improving by €34.1 million compared to the first nine months of 2015 when it amounted to €14.7 million. This result mainly benefited from (i) the €14.8 million increase in EBITDA, (ii) lower capital expenditure of €9.6 million, and (iii) lower tax payments of €4.2 million (it should be recalled that in January 2015 the Seat Group had paid €2.9 million tax payables arising on the composition with creditors).

As of September 30, 2016, **Net Financial Position** (NFP) was positive at **€111.6** million (including €8.2 million for the liability arising from several financial lease contracts relating to the real estate complex where the Company's secondary office is located), marking an improvement of €37.0 million compared to December 31, 2015, when it was positive at €74.6 million.

Cash holdings as of September 30, 2016 amounted to **€119.2** million, compared to €123.6 million at December 31, 2015 (prior to Italiaonline's repayment of €41.2 million, inclusive of interest, resulting from the loan agreement entered into to partially pay the consideration for the mandatory takeover bid for Seat Pagine Gialle's ordinary shares concluded in November 2015).

According to **Audiweb data** for August 2016 (which do not take account of Google and Facebook), over the past twelve months Italiaonline was confirmed as Italy's top Internet company with an

¹ As for the results for FY 2015, Q1 2016 and H1 2016, in the interest of a consistent comparison between the 9M 2016 and 9M 2015 results, the latter, with reference to the Seat Pagine Gialle Group, were decreased by the non-recurrent effect of (i) the change in accrual-basis accounting of revenues generated by PagineBianche® adopted as of 1 January 2015 and (ii) the new publication calendar of the SmartBook®, introduced as of January 1, 2016, totaling revenues of €9.0 million and EBITDA of €8.6 million.

average of 4.4 million unique users a day. Italiaonline ranked first also with reference to mobile audience, outperforming other top players, with an average of 2.0 million unique users a day. Finally, and again confirmed by Audiweb data, Italiaonline is the top player in the Italian Internet context in terms of pageviews (71 million) and time spent in an average day (10:29 min).

FORESEEABLE EVOLUTION

The FY 2016 Group guidance provided in August 2016 upon approval of the Half-year Report at June 30, 2016, was the following:

- Revenues in a range of €391 ÷ €401 million.
- EBITDA in a range of €64 ÷ €67 million.
- EBITDA margin in a range of 16.4% ÷ 16.7%.
- Cash holdings available at the end of December 2016 expected to be higher than initial Strategic Plan forecasts (amounting to €80.6 million).

Based on the information currently available, for the year 2016 Italiaonline Group expects revenues in the low end of the range, confirms the EBITDA and EBITDA margin guidance and further specifies its guidance on cash holdings available at the end of the current year expected in a range between € 115 and € 120 million.

Last August, upon the approval of the Half-year Report at June 30, 2016, was announced a Reorganization plan which envisages the placement under the Extraordinary Wage Guarantee Fund (Cassa Integrazione Guadagni Straordinaria) of a maximum of 417 employees. Out of these positions 193 are new positions resulting from the merger of Italiaonline into Seat Pagine Gialle and 224 are positions deriving from the previous Reorganization plan agreed with the Trade Unions on February 2015 by the previous Seat Pagine Gialle management.

In addition, the plan envisages the placement under the Extraordinary Wage Guarantee Fund (Cassa Integrazione Guadagni Straordinaria) of a maximum of 283 employees for 4 days a month.

It should be noted that in recent weeks, there have been several comparative sessions at the MISE (Ministry for the Economic Development) between the Company and the Trade Unions.

Last Friday on November 4, at the end of a long negotiation, even the last proposal made by the MISE did not find the consent of Trade Unions and it was therefore not possible to reach an agreement between the parties.

The implementation of the suspension from work is ongoing as of this month of November.

In addition, over the coming months the hiring of up to 100 "digital natives" is expected, to support the achievement of the objectives set by the Strategic Plan. After the completion of the Reorganization plan, a net saving of €27 million on an annual basis is expected.

Italiaonline also announces an update of the Strategic Plan approved in January 2016 to be presented to the market within Q1 2017.

The text of this press release and the relevant presentation to the financial market can be consulted on and are available from the website of Borsa Italiana S.p.A. at borsaitaliana.it, and on the corporate website at italiaonline.it/investor.

Disclaimer

This press release contains certain forward-looking statements that reflect the Company's management's current views with respect to future events and financial and operational performance of the Company and its subsidiaries. These forward-looking statements are based on Italiaonline S.p.A.'s current expectations and projections about future events. Because these forward-looking statements are subject to risks and uncertainties, actual future results or performance may differ materially from those expressed in or implied by these statements due to any number of different factors, many of which are beyond the ability of Italiaonline S.p.A. to control or estimate precisely, including changes in the regulatory environment, future market developments, fluctuations in the price, and other risks. You are cautioned not to place undue reliance on the forward-looking statements contained herein, which are made only as of the date of this press release. Italiaonline S.p.A. does not undertake any obligation to publicly release any updates or revisions to any forward-looking statements to reflect events or circumstances after the date of this press release. The information contained in this press release does not purport to be comprehensive and has not been independently verified by any independent third party.

This press release does not constitute a recommendation regarding the securities of the Company. This press release does not contain an offer to sell or a solicitation of any offer to buy any securities issued by Italiaonline S.p.A. or any of its subsidiaries.

Pursuant to art. 154-bis, paragraph 2, of the Italian Unified Financial Act of February 24, 1998, the executive in charge of preparing the corporate accounting documents at Italiaonline S.p.A., Andrea Servo, declares that the accounting information contained herein correspond to document results, books and accounting records.

Reference is also made to the certification included in the Interim Report as at September 30, 2016, that will be made public on November 14, 2016.

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

Italiaonline Group

Reclassified consolidated income statements

| (euro/mIn) | 9 months 2016 | 9 months 2015 <i>like for like basis</i> | Change Absolute | % | 3 rd quarter 2016 | 3 rd quarter 2015 <i>like for like basis</i> | Change Absolute | % |
|--|---------------|---|--------------------|---------------|------------------------------|--|--------------------|---------------|
| Revenues from sales and services | 295.6 | 334.7 | (39.1) | (11.7) | 95.9 | 115.7 | (19.8) | (17.1) |
| Materials and external services | (150.8) | (196.0) | 45.2 | | (44.4) | (65.3) | 20.9 | |
| Salaries, wages and employee benefits | (78.1) | (81.6) | 3.5 | | (22.9) | (23.7) | 0.8 | |
| Gross operating profit (GOP) | 66.7 | 57.1 | 9.5 | 16.5 | 28.6 | 26.7 | 1.9 | 6.9 |
| % on revenues | 22.6% | 17.1% | | | 29.8% | 23.1% | | |
| Other valuation adjustments and provisions to reserves for risks and charges | (9.5) | (14.1) | 4.6 | | (2.5) | (6.8) | 4.3 | |
| Other income (expenses) | (1.8) | (2.4) | 0.6 | | (0.2) | (0.7) | | |
| Operating income before amortisation, depreciation, non-recurring and restructuring costs, net (EBITDA) | 55.4 | 40.6 | 14.8 | 36.5 | 25.9 | 19.2 | 6.7 | 35.0 |
| % on revenues | 18.7% | 12.1% | | | 26.9% | 16.6% | | |
| Operating amortisation, depreciation and write-down | (32.2) | (37.2) | 5.0 | | (10.4) | (12.4) | 2.0 | |
| Non-operating amortisation and write-down | (4.7) | (3.0) | (1.7) | | (1.2) | (1.1) | (0.1) | |
| Non-recurring and restructuring costs, net | (7.2) | (8.1) | 0.9 | | (2.5) | (1.6) | (0.9) | |
| Operating income (EBIT) | 11.3 | (7.7) | 18.9 | n.s. | 11.8 | 4.1 | 7.7 | n.s. |
| % on revenues | 3.7% | (2.3%) | | | 12.2% | 3.5% | | |
| Interest expense, net | 0.2 | (2.9) | 3.1 | | - | - | - | |
| Value adjustments of financial assets | - | (6.6) | - | | - | (6.7) | 6.7 | |
| Net income from execution of composition with creditors procedure | - | 5.9 | (5.9) | | - | - | - | |
| Profit (Loss) before income taxes | 11.5 | (11.3) | 22.8 | n.s. | 11.8 | (2.6) | 14.4 | n.s. |
| Income taxes | 23.7 | (0.6) | 24.3 | | 19.5 | 1.1 | 18.4 | |
| Profit (Loss) on continuing operations | 35.2 | (11.9) | 47.1 | n.s. | 31.3 | (1.5) | 32.8 | n.s. |
| Profit (Loss) from non-current assets held for sale and discontinued operations | - | 0.2 | (0.2) | | - | - | | |
| Profit (loss) for the period | 35.2 | (11.7) | 46.9 | n.s. | 31.3 | (1.5) | 32.8 | n.s. |
| of which pertaining to the Group | 36.3 | (6.0) | 42.3 | | 32.4 | 2.2 | 30.2 | |
| of which non-controlling interests | - | (5.7) | 5.7 | | 0.0 | (3.7) | 3.7 | |

Italiaonline Group

Reclassified consolidated statements of financial position

| (euro/mIn) | At 09.30.2016 | At 12.31.2015 <i>like for like basis</i> | Change |
|--|----------------|---|---------------|
| Goodwill and marketing related intangibles assets | 279.0 | 283.7 | (4.7) |
| Other non-current assets (*) | 76.0 | 91.8 | (15.8) |
| Non-current liabilities | (52.4) | (83.5) | 31.1 |
| Working capital | (36.9) | (31.2) | (5.7) |
| Non-current assets held for sale and discontinued operations | 1.0 | 2.3 | (1.3) |
| Net invested capital | 266.7 | 263.1 | 3.6 |
| Equity of the Group | 378.3 | 288.2 | 90.1 |
| Non-controlling interests | | 49.5 | (49.5) |
| Total equity (A) | 378.3 | 337.7 | 40.6 |
| Net financial debt (B) | (111.6) | (74.6) | (37.0) |
| Total (A+B) | 266.7 | 263.1 | 3.6 |

(*) Includes financial assets available for sale and non current financial assets.

Italiaonline Group

Consolidated cash statement of cash flows

| (euro/min) | 9 months 2016 | 9 months 2015 <i>like for like basis</i> | Change | 3 rd quarter 2015 | 3 rd quarter 2015 <i>like for like basis</i> | Change |
|---|---------------|---|---------------|------------------------------|--|-------------|
| Operating income before amortisation, depreciation, non-recurring and restructuring costs, net (EBITDA) | 55.4 | 40.6 | 14.8 | 25.9 | 19.2 | 6.7 |
| Gains (losses) from discounting operating assets and liabilities | (0.6) | 0.7 | (1.3) | - | 0.2 | (0.2) |
| Decrease (increase) in operating working capital | 11.7 | 8.8 | 2.9 | (7.0) | (12.5) | 5.5 |
| (Decrease) increase in operating non-current liabilities (*) | (0.3) | (4.2) | 3.9 | (1.0) | (0.6) | (0.4) |
| Capital expenditure | (16.5) | (26.1) | 9.6 | (4.4) | (6.9) | 2.5 |
| Operating free cash flow | 49.7 | 19.8 | 29.9 | 13.5 | (0.6) | 14.1 |
| Payment of income taxes | (0.9) | (5.1) | 4.2 | (0.2) | (0.7) | 0.5 |
| Unlevered free cash flow | 48.8 | 14.7 | 34.1 | 13.3 | (1.3) | 14.6 |
| Cash-in of interest expense, net | 1.6 | 0.3 | 1.3 | 0.2 | (0.1) | 0.3 |
| Payment of non-recurring and restructuring expense | (13.9) | (18.3) | 4.4 | (4.6) | (5.3) | 0.7 |
| Cash-in under the settlement for the action or responsibility | - | 30.0 | (30.0) | - | - | - |
| Capital increase | - | 135.0 | (135.0) | - | 135.0 | (135.0) |
| Effect from the dissolution of leases agreements | - | 23.2 | (23.2) | - | - | - |
| Other movements | 0.6 | (70.6) | 71.2 | 0.7 | (136.4) | 137.1 |
| Change in net financial debt | 37.1 | 114.3 | (77.2) | 9.6 | (8.1) | 17.7 |

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

Italiaonline S.p.A.

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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, 2016, 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 at September 30, 2016

| (euro/thousand) | | As at 09.30.2016 | As at 12.31.2015 | Change |
|------------------|---|------------------|------------------|-----------------|
| A | Cash and cash equivalents | 119,199 | 123,566 | (4,367) |
| B | Other cash and cash equivalents | - | - | - |
| C | Financial assets held for trading | - | - | - |
| D=(A+B+C) | Cash and cash equivalents | 119,199 | 123,566 | (4,367) |
| E.1 | Current loan assets due from third parties | 673 | 785 | (112) |
| E.2 | Current loan assets due from related parties | - | - | - |
| F | Current bank loan and borrowings | - | - | - |
| G | Current portion of non-current debt | 1,150 | 1,118 | 32 |
| H.1 | Other current loans and borrowings due to third parties | 59 | 40,878 | (40,819) |
| H.2 | Other current loans and borrowings due to related parties | - | - | - |
| I=(F+G+H) | Current financial debt | 1,209 | 41,996 | (40,787) |
| J=(I-E-D) | Net current financial position | (118,663) | (82,355) | (36,308) |
| K | Non-current bank loans and borrowings | - | - | - |
| L | Bond issues | - | - | - |
| M.1 | Other non-current loans and borrowings due to third parties | 7,071 | 7,798 | (727) |
| M.2 | Other non-current loans and borrowings due to related parties | - | - | - |
| N=(K+L+M) | Non-current financial debt | 7,071 | 7,798 | (727) |
| O=(J+N) | Net financial position (ESMA) | (111,592) | (74,557) | (37,035) |

Italiaonline Group's net financial position at September 30, 2016 was positive at €111,592 thousand.

Cash and cash equivalents at the time of the merger enabled repayment on June 20, 2016 of the debt arising from the loan agreement, entered into in order to partly repay the €41,195 thousand consideration for the mandatory takeover bid for Seat Pagine Gialle's ordinary shares.

The borrowing does not include covenants, negative pledges or other clauses involving limits on the use of financial resources.

Group overdue debt positions at September 30, 2016

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 at September 30, 2016 amounted to €16,420 thousand (of which €16,316 thousand regarding Italiaonline S.p.A.), paid in October for €10,349 thousand (of which €10,255 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 9 months 2016

| (euro/thousand) | 1st half 2016 | Parent company | Subsidiaries | Associates | Other related parties (*) | Total related parties |
|---------------------------------------|---------------|----------------|--------------|------------|---------------------------|-----------------------|
| Revenue from sales and services | - | - | - | - | - | - |
| Other income | - | - | - | - | 378 | 378 |
| Personnel expenses | - | - | - | - | (4,045) | (4,045) |
| Salaries, wages and employee benefits | - | - | - | - | (2,236) | (2,236) |

(*) Directors, statutory auditors, managers with strategic responsibilities

ITALIAONLINE GROUP - STATEMENT OF FINANCIAL POSITION AT September 30, 2016

| (euro/thousand) | As June, 30 2016 | Parent | Subsidiaries | Associates | Other related parties (*) | Total related parties |
|---|------------------|--------|--------------|------------|---------------------------|-----------------------|
| Assets | | | | | | |
| Other non-current financial assets | - | - | - | 168 | - | 168 |
| Trade receivables | - | - | - | 44 | 107 | 151 |
| Other current assets | - | 90 | - | - | 385 | 475 |
| Liabilities | | | | | | |
| Trade payables | - | - | - | - | 2,610 | 2,610 |
| Liabilities for services to be provided and other current liabilities | - | - | - | - | 242 | 242 |

(*) Directors, statutory auditors, managers with strategic responsibilities

ITALIAONLINE GROUP - CASH FLOW 9 months 2016

| (euro/thousand) | 1st half 2016 | Parent | Subsidiaries | Associates | Other related parties (*) | Total related parties |
|--|---------------|----------|--------------|------------|---------------------------|-----------------------|
| Cash flows from operating activities | - | 0 | - | 41 | (7,445) | (7,404) |
| Cash flows for investing activities | - | - | - | - | - | - |
| Cash flows for financing activities | - | - | - | - | - | - |
| Cash flows from non-current assets held for sale and discontinued operations | - | - | - | - | - | - |
| Cash flows of the period | 0 | 0 | 0 | 41 | (7,445) | (7,404) |

(*) Directors, statutory auditors, managers with strategic responsibilities

Status of implementation of strategic and financial plans

Based on the most recent data available relating to the 9M 2016 period and reported in this interim report, the following are the deviations from the forecasts on the same items at the same date provided in the Strategic Plan approved on January 15, 2016:

| (Euro million) | 9 months 2016 | 9 months 2016 Budget | Change | |
|-----------------------------|---------------|-------------------------|-----------|---------|
| | | | abs. | % |
| Revenues | 295.6 | 314.7 | (19.1) | (6.1)% |
| EBITDA | 55.4 | 38.7 | 16.7 | 43.2% |
| EBITDA margin | 18.7% | 12.3% | 6.4 ppt | |
| Capex | 16.5 | 28.6 | (12.1) | (42.3)% |
| Capex margin | 5.6% | 9.1% | (3.5) ppt | |
| FREE CASH FLOW Unlevered | 48.8 | 30.2 | 18.6 | 61.6% |
| NFP | 111.6 | 84.5 | 27.1 | 32.1% |