

PRESS RELEASE

MAY 11, 2017

ITALIAONLINE S.p.A.

First quarter 2017 results

SUBSTANTIAL ONGOING IMPROVEMENT OF THE MAIN ECONOMIC AND FINANCIAL INDICATORS, WITH A POSITIVE NET FINANCIAL POSITION AT € 145 MILLION

NEW MANAGEMENT TEAM TO ACCELERATE THE DEVELOPMENT OF THE DIGITAL BUSINESS

- **Revenues at € 70 million** compared to € 84 million of Q1 2016¹ (-16%)
- **EBITDA at € 10 million, +64%** compared to Q1 2016¹ (€ 6 million). **EBITDA margin at 14.8%**, 7.2pp higher than Q1 2016¹
- **Free Cash Flow (FCF) at € 30 million**, a strong improvement of **40%** compared to Q1 2016¹ (€ 21 million).
- **Net profit at € 2 million**, with a strong improvement of **€ 13 million** compared to Q1 2016 (it was negative at € 11 million).
- **Net financial position (NFP) positive at € 145 million**, an improvement of **€ 23 million** compared to December 31, 2016 (it was positive at € 122 million). NFP positive for **€ 65 million** net of the dividend approved by the Shareholders' Meeting of April 27.

“During the first quarter of 2017 we further strengthened our team with the entry of two new leading managers: Andrea Chiapponi is the new CCO for Large Accounts, while Ivan Ranza is the new CCO for the SME market. I am particularly pleased with the new management team, of absolute excellence in the Italian digital sector. It will enable us to continue our strategy of renewing our product portfolio and accelerating the process of digitization of Italian companies”.

- commented Antonio Converti, Chief Executive Officer of Italiaonline S.p.A.

¹ Q1 2016 results normalized (pro-forma data) and consequently reduced for an amount of revenues equal to € 6.0 million and of Ebitda equal to € 0.7 million, to reflect the change in the perimeter due to the sale and termination of certain business lines in the course of 2016 and thus to enable comparison with Q1 2017 results.

Assago, May 11, 2017 – The Board of Directors of Italiaonline S.p.A. (hereinafter “Italiaonline”) has approved the quarterly periodic information as of **March 31, 2017**.

GROUP RESULTS

Q1 2017 **Revenues** at **€ 70 million**, compared to Q1 2016¹ equal to € 84 million (-16%). This result is affected by the restructuring of the product portfolio, in order to optimize marginality and cash generation aimed at both organic growth and external growth. Moreover, they also weigh the structural decline of traditional business based on telephone directories and telephony. Another impact is attributable to the different business perimeter related to some advertising contracts; net of such impact the decrease would have been 13.9%. It should be noted that in the first months of 2017, the Company further strengthened the new management team to accelerate the development of the digital business.

Q1 2017 **EBITDA** at **€ 10 million, +64%** compared to Q1 2016¹ (€ 6 million). The result benefits from the effects of the cost containment measures already made in 2016 and further savings made during Q1 2017. It is also should be noted that more than 50% of these savings are not related to revenue decline.

EBITDA margin at **14.8%**, 7.2pp higher than Q1 2016¹ (EBITDA margin at 7.6%). Q1 2017 margin is 2.4pp lower than FY 2016, due to a seasonal effect.

Q1 2017 **CAPEX** at **€ 7 million**, compared to € 6 million in Q1 2016; they include some extraordinary investment for a new digital product platform.

Free Cash Flow (FCF) generated in the period at **€ 30 million**, a strong improvement of **40%** compared to Q1 2016¹ (€ 21 million). In Q1 2017, the Company already generated 56% of the FCF generated throughout the FY 2016, amounting to € 54 million.

Net profit of the period at **€ 2 million**, with a strong improvement of **€ 13 million** compared to Q1 2016 when the net result was negative at € 11 million.

Net financial position (NFP) as of March 31, 2017 was positive at **€ 145 million**, an improvement of **€ 23 million** compared to December 31, 2016, with an equal amount of cash available for € 144 million. It should be noted that the Shareholders' Meeting of the Company, convened on April 27, 2017, resolved to distribute an extraordinary dividend of € 79.4 million, corresponding to € 0.692 per each outstanding ordinary share, which was paid on May 10, 2017.

€m	FY 2016	Q1 2016 ¹	Q1 2017	
			Result	Δ
Revenues	390	84	70	-16%
EBITDA	67 ^(*)	6	10	64%
EBITDA Margin	17.2%	7.6%	14.8%	7.2 pp
CAPEX	23	6.0	7	16%
FCF	54	21	30	40%
NFP	122	N/A	145	+23m
Cash Holdings	122	N/A	144	+23m

(*) FY 2016 Adjusted Ebitda, before the write-down of Consodata S.p.A. trade receivables (€3.2m), as result of the decision to dispose the Company

The text of this press release can be consulted on and is 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., Gabriella Fabotti, declares that the accounting

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

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 March 31, 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 March 31, 2017

(euro/thousand)		At 03.31.2017	At 12.31.2016	Change
A	Cash and cash equivalents	144,139	121,566	22,573
B	Other cash and cash equivalents	-	-	-
C	Trading securities	-	-	-
D=(A+B+C)	Liquidity	144,139	121,566	22,573
E.1	Current financial receivables due from third parties	799	610	189
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	58	59	(1)
H.2	Other current financial debt due to related parties	-	-	-
I=(F+G+H)	Current financial debt	58	59	(1)
J=(I-E-D)	Net current financial indebtedness	(144,880)	(122,117)	(22,763)
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)	(144,880)	(122,117)	(22,763)

Italiaonline Group's net financial position as of March 31, 2017 was positive at €144,880 thousand and is related for € 139,970 thousand to the parent company Italiaonline S.p.A..

The change of € 22,763 thousand compared to December 31, 2016 is mainly attributable to the net operating cash flow.

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

Group overdue debt positions as of March 31, 2017

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

- trade payables expired as of March 31, 2017 amounted to €18,053 thousand (of which €17,006 thousand regarding Italiaonline S.p.A.), paid in April 2017 for €13,514 thousand (of which €13,478 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 quarter 2017

(euro/thousand)	Parent company	Subsidiaries	Associates	Other related parties (*)	Total related parties
Revenue from sales and services	-	-	2	-	2
Other income	-	-	-	154	154
Costs of external services	-	-	-	(1.109)	(1.109)
Personnel expenses	-	-	-	(732)	(732)

(*) Directors, statutory auditors, key management personnel

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

(euro/thousand)	Parent	Subsidiaries	Associates	Other related parties (*)	Total related parties
Assets					
Other non-current financial assets	-	-	168	-	168
Trade receivables	-	-	-	12	12
Other current assets	90	-	-	749	839
Liabilities					
Trade payables	-	-	-	2.152	2.152
Liabilities for services to be provided and other current liabilities	-	-	-	242	242

(*) Directors, statutory auditors, key management personnel

Status of implementation of strategic and financial plans

Based on the most recent data available for the first quarter 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.

2014 – 2018 STOCK OPTION PLAN – PRESS RELEASE PURSUANT TO ART 84-BIS PARAGRAPH 5 OF THE ISSUERS’ REGULATION

Pursuant to Article 84-bis paragraph 5 of the Issuers’ Regulation, this is to announce also that the Board of Directors of the Company, held today, upon proposal of the Appointments and Remuneration Committee, in order to maintain unchanged the substantial contents of the “Stock Option Plan 2014-2018” and consequently confirm the alignment of the management’s interest with those of the shareholders, also resolved to reduce the exercise price of the option rights already assigned under the same Plan, for an amount equal to the extraordinary dividend resolved by the Ordinary Shareholders’ meeting on 27 April 2017 namely Euro 0.692 for each share.

For more information please refer (i) to the Board of Directors’ Report and the Information Document pursuant to art. 84-bis of Consob Regulation no. 11971/1999 submitted to the shareholders’ meeting minutes of 8 March 2016, (ii) as well as to the Remuneration Report drafted pursuant to art. 123-ter of Legislative Decree N. 58/98 and submitted to the Shareholders’ meeting of 27 April last; such documents are available at the registered office and on the website of the Company www.italiaonline.it (respectively under Sections “Governance > Corporate Documentation > Stock option plan” and “Governance > Corporate Documentation > Compensation”).