

PRESS RELEASE

ITALIAONLINE BOARD OF DIRECTORS APPROVES

THE RESULTS AT 31 DECEMBER 2018 AND THE BUSINESS PLAN UPDATE

- **Digital revenue** at 31 December 2018 of € 244.4 million **+7.2%** YoY, supported by the **digital advertising** segment (**+22.4%** YoY). In **Q4 2018** the growth in digital revenue was **+7.6%** YoY compared to +7% in Q3 2018.
- **Consolidated revenue** at 31 December 2018 was **€ 324.8** million (€ 338.5 FY2017¹), -4.1% YoY. In **Q4 2018** consolidated revenue showed a decrease of **-1.2%** compared to -4.4% in Q3.
- **EBITDA**² of **€ 73.3** million (€ 67.7 million at 31 December 2017), with an EBITDA margin of 22.6% (20.0% in 2017). The figure benefits by € 8.5 million from the adoption of IFRS 16.
- **Normalised EBITDA**³ of **€ 56.1** million (normalised EBITDA margin 17.3%) compared to the 2017 figure of € 67.1 million (normalised EBITDA margin 19.8%).
- **EBIT** negative by € 3.4 million (positive by € 27.8 million in 2017). The figure is affected by € 33.1 million in non-recurring and restructuring expenses⁴ mainly linked to corporate reorganisation.
- **Net Result** negative by € 8.7 million compared to a positive value of € 26.4 million in 2017, mainly resulting from expenses relating to the corporate reorganisation plan.
- **Cash holdings** of **€ 101.0** million up **+35.6%** compared to € 74.5 million at 31 December 2017.
- **Net Financial Position** (NFP) was **positive** at **€ 67.0** million (€ 72.9 million at 31 December 2017), including € 34.1 million in financial liabilities due to the adoption of IFRS 16 from 1 January 2018.
- **Audience** figures⁵: Italiaonline is confirmed as the leading **Italian internet company**, with an average daily web properties audience of 4.8 million unique users, of which 3.2 million from smartphones. In December 2018, iOL Advertising was also the **leading Italian digital advertising sales house**, following its ability to reach a total of 7.4 million unique users per day, thanks to the combination of its own and third-party audiences.
- The Board of Directors approved a technical **update** of the **Business Plan**, approved on 15 March 2018 under the former CEO's direction, extending the term to 2021 and updating the financial objectives for the period 2019-2021.

¹The consolidated revenue reported in the FY2017 is €335.9 m; net of inconsistencies (€2.5 m) linked to a better assessment of NWC of Consodata at 31 December 2017 following its reinstatement within the Group, the consolidated revenue for 2017 would be €338.5 m.

²EBITDA net of allocations to the allowance for doubtful debts and business risks and other operating income and expenses, and before non-recurring expenses.

³Normalised figures are net of: (i) normalized items (Items not considered representative of the standard business operations and not to be considered for the purposes of a like-for-like comparison) deriving mainly from the release of provisions posted in the previous financial years in relation to the reorganisation process (equal to €8.5 m in 2017 and €11.3 m in 2018), and of (ii) the positive outcome of some previous litigation (€6 m in 2018); the 2017 figure includes IFRS 16 effects for €7.9 m. See page 2.

⁴In 2018: restructuring expenses of €26.9 m, other non-recurring expenses of €6.2 m.

⁵Source: Audiweb 2.0, powered by Nielsen, December 2018 | TDA: Total Digital Audience, DAUs: Daily Active Users. The figures at 31 December 2018 are not comparable with the same period in 2017 due to the fact that Audiweb introduced a new calculation methodology from March 2018 (Audiweb 2.0).

- It is planned that, under the new CEO's direction, management will submit to the Board of Directors a **New Business Plan** for the period 2020-2022, by the date of approval of Interim Financial Report at 30 June 2019.

Assago, 19 March 2019 - The **Italiaonline S.p.A.** Board of Directors (hereafter "Italiaonline"), a company listed on MTA of Borsa Italiana and leader in the Italian Internet market, on today's date examined and approved the draft financial statements for the 2018 financial year and a technical updated of the Business Plan.

CONSOLIDATED RESULTS

REVENUE

The consolidated **revenue** at 31 December 2018 was € 324.8 million (€ 338.5 million at 31 December 2017¹), down by -4.1% YoY, and up on the negative performance of -10% reported in 2017. The change in the figure reflects, on the one hand, the continuous development of **digital** revenue, which registered a **growth** of **+7.2%** YoY, supported by the double-digit increase in the **digital advertising** segment (**+22.4%**), and on the other, the continuation of the expected structural decline in traditional products based on telephone directories and telephony (-27.2%).

Digital revenue in the reference period was **€ 244.4** million, up by **+7.2%** YoY, representing **75%** of total revenue, an increase of **+8 pp** compared to the same period in 2017 (67%). In the fourth quarter of the financial year, the growth in digital revenue was **+7.6%** YoY, up compared to the +7% in the third quarter of 2018.

The trend in digital revenue over the year benefited from the continuing **double-digit growth** in the **digital advertising** segment (+22.4%) and from the improvement in the **Presence** segment trend (down -4.3% compared to negative performance of -8.4% reported in 2017), which showed a marked recovery in the third and fourth quarters of 2018 (-1.8% and -1.9%) compared to the first and second quarters of the year, down by -8% and -5.1%, respectively, mainly benefiting from the updating and improvement of the product offer.

Finally, the decline in the **traditional segment** (traditional & others) continues, with an overall decrease of -27.2% in the 2018 financial year.

OPERATING RESULTS AND NET RESULT

Starting from this financial year, Italiaonline has decided to provide also a **normalised view** of **EBITDA**, **EBIT** and **Net Result** (hereafter "normalised" data) in order to isolate some normalised⁶ accounting effects and give emphasis to the actual profitability of the Business.

In particular, the **normalised EBITDA 2017** and **2018** data are calculated as follows:

- EBITDA 2017 and 2018 net i) of normalised items⁶ deriving mainly from the release of provisions posted in the previous financial years in relation to the reorganisation process following the merger between Italiaonline and Seat PG⁷, and ii) net of positive outcome of some previous litigation⁸;

⁶ Items not considered representative of the standard business operations and not to be considered for the purposes of a like-for-like comparison.

⁷ These effects were equal to €8.5 m and €11.3 m in 2017 and 2018, respectively.

⁸ In 2018 this positive impact was €6 m.

- EBITDA 2017 included the positive effect from the application of IFRS 16, in order to make the figures comparable with those of 2018⁹.

The **normalised EBIT data** are calculated starting from the normalised EBITDA and do not include restructuring expenses related to the corporate reorganisation plan and other non-recurring charges¹⁰ mainly related to it.

The **Net Result** normalised data are calculated starting from the normalised EBIT.

EBITDA at 31 December 2018 was € **73.3** million (**EBITDA margin 22.6%**) up by 8.3% compared to € 67.7 million at 31 December 2017 (EBITDA margin 20.0%); this figure, as already indicated in previous press releases benefits from the positive effects resulting from the adoption of the accounting standard IFRS 16¹¹ from 1 January 2018 (€ 8.5 million). The figure is below the 2018 guidance, mainly as a result of some provisions for new pending litigation.

The **2018 normalised EBITDA** is € **56.1** million (EBITDA margin 17.3%), compared to the **2017 normalised EBITDA** of € **67.1** million (EBITDA margin 19.8%).

The decrease in the 2018 normalised figure compared to 2017 mainly reflects: i) the reduction in revenue, ii) a greater incidence of industrial costs related to the change in the mix of digital revenue which has seen a growth in lower-margin products (for example, iOL Audience), and iii) in commercial costs to support the development of the 2018 order portfolio, partially offset by iv) a decrease in overheads and v) personnel expenses following the initial positive effects of the restructuring process.

The 2018 **EBIT** is negative by € 3.4 million compared to the positive value of € 27.8 for the 2017 financial year. The 2018 figure includes, as well as the write off of tangible and intangible assets of the subsidiary Consodata (€ 3.5 million), restructuring expenses (€ 26.9 million) related to the corporate reorganisation plan and other non-recurring expenses (€ 6.2 million) mainly related to it for a total amount of € 33.1 million.

The **normalised 2018 EBIT** is € **12.5** million (€ 23.3 million in 2017), reflecting the trend of the normalised EBITDA and not including the effects of the non-recurring and restructuring expenses of € 33.1 million in 2018 (€ 4 million in 2017).

The **Net Result** at 31 December 2018 was negative by € 8.7 million compared to a positive value of € 26.4 million at 31 December 2017. It should be noted that the figure includes € 8.5 million in taxes, mainly deferred, which do not produce cash effects.

The **normalised Net Result** is positive by € 7.1 million compared to € 21.9 million in 2017.

⁹ In 2017 positive effect due to IFRS 16 application was €7.9 m.

¹⁰ These expenses were respectively €4.0 m in 2017 and €33.1 m in 2018

¹¹IFRS16: Italiaonline has chosen the early adoption of IFRS 16 (Leases). The adoption of IFRS 16 had the following impacts on the results at 31 December 2018: i) positive effect of € 8.5 million on EBITDA, ii) entry of a lease liability in the statement of financial position, which at 31 December 2018 amounted to € 34.1 million.

FINANCIAL RESULTS

Capital expenditure (**Capex**) in the 2018 financial year amounted to **€ 21.1** million (equal to 6.5% of revenue), down by **-20.0%** compared to € 26.3 million (7.8% of revenue) in the 2017 financial year; the decrease mainly reflects minor one-off investments in IT infrastructures in 2018 as well as larger investments made in 2017 for the upgrading of the Group offices.

The **unlevered Free Cash Flow**¹² generated during the 2018 financial year was positive at € 43.8 million (€ 50.4 million in the 2017 financial year). The year on year trend mainly reflects the slowdown in the fall in revenue, partially offset by lower investments.

Cash Holdings at 31 December 2018 were € 101.0 million, up +35.6% compared to the figure at 31 December 2017 (€ 74.5).

Net Financial Position (NFP) was positive at 31 December 2018 with a value of € 67.0 million (€ 72.9 million at 31 December 2017) and includes € 34.1 million in financial liabilities due to the early adoption of IFRS 16 from 1 January 2018.

Equity at 31 December 2018 was € 312.5 million, compared to € 315.6 million at 31 December 2017.

Audience Figures⁵ confirm Italiaonline as the leading Italian internet company (December 2018 figures), with an average of 4.8 unique users per day on its web properties (of which 3.2 million from smartphones). In December 2018, the Group agency, iOL Advertising, was the leading Italian digital advertising agency, with a total of 7.4 million unique users per day, of which 5.6 million from smartphones.

¹²Unl. FCF: Operating FCF (EBITDA-Capex+ ΔNWC) adjusted for the amount of income taxes paid.

KEY CONSOLIDATED FINANCIALS RESULTS AT 31 DECEMBER 2018

€ millions	FY 2017	FY 2018	Chg. YoY
Revenue	338.5	324.8	(4.1)%
of which Digital revenue	228.0	244.4	7.2%
EBITDA	67.7	73.3	8.3%
<i>EBITDA Margin</i>	20.0%	22.6%	2.6 pp
EBITDA normalised	67.1	56.1	(16.4)%
<i>EBITDA Margin normalised</i>	19.8%	17.3%	(2.5) pp
EBIT	27.8	(3.4)	n.m.
EBIT normalised	23.3	12.5	(46.5)%
<i>EBIT Margin normalised</i>	6.9%	3.8%	(3.1) pp
Net Result	26.4	(8.7)	n.m.
Net Result normalised	21.9	7.1	(67.4)%

SIGNIFICANT EVENTS DURING THE 2018

Business Plan Update

On 15 March 2018 the Board of Directors of Italiaonline SpA approved an update of the Business Plan (resolved on 15 March 2017), extending its duration to 2020 and updating the economic and financial objectives for the 2018-2020 period. The Updated Plan was based essentially on the same value creation levers announced in the previous version of the Business Plan and incorporates the effects of the progress of the development initiatives undertaken during 2017, as well as changes in the market context.

For further details on the Updated Plan, refer to the press release of 15 March, available on the Investors section of the Company's website.

Ordinary and extraordinary shareholder's meeting of 27 April 2018

The Company's Ordinary and Extraordinary Shareholders' Meeting was held on 27 April 2018.

The **Ordinary** Shareholders' Meeting thus resolved:

- to approve the 2017 financial statements of Italiaonline S.p.A. (the draft of which had been approved by the Board of Directors on 15 March 2018) which closed with a net profit of € 23,923,126.16;
- to allocate the net profit of € 23,923,126.16 as follows: (i) to distribute to the savings shares a dividend per share of € 30 for FY 2017 for each of the savings shares outstanding, for a total of € 204,090.00, and (ii) to carry forward the residual profit of € 23,719,036.16. This preferred dividend was made payable on 9 May 2018, with coupon no. 2 payment date on 7 May 2018 and record date, pursuant to Article 83-terdecies of Legislative Decree no. 58 of 24 February 1998, on 8 May 2018;
- to determine the number of members of the Board of Directors to 11, setting their term in office as until the approval of the financial statements for the year ending 31 December 2020 and to set the annual remuneration for each director at € 75,000, as well as to authorise the stipulation, with costs borne by the Company, of a so-called D&O (Directors & Officers) insurance policy to cover the civil liability of directors, any general managers, and the manager in charge of preparing the company's financial reports at an annual premium of up to € 350,000, including the annual proportion of the cost of the potential runoff spread over the set duration of the board's mandate and to resolve, as per common practice, that this D&O may also extend to cover the Board of Statutory Auditors;
- to appoint as Directors, drawing them only from the list submitted to the Shareholders' Meeting by the shareholder Libero Acquisition S.à.r.l. and voted by the majority, Tarek Aboualam, Antonio Converti, Pierre de Chillaz, Vittoria Giustiniani, Cristina Finocchi Mahne, Onsi Naguib Sawiris, Hassan Abdou, Corrado Sciolla, Sophie Sursock and Fred Kooij;
- to appoint Arabella Caporello as further member of the Board of Directors, on the basis of the proposal made by the shareholder Libero Acquisition S.à r.l., pursuant to the penultimate sub paragraph of art. 14 of the current articles of incorporation, to supplement the candidates on the aforementioned list;
- to appoint Tarek Aboualam as Chairman of the Board of Directors;
- appoint as Standing Auditors, until the approval of the financial statements for the year ended 31 December 2020, Giancarlo Russo Corvace, Mariateresa Salerno and Felice De Lillo, and as Alternate Auditors Lucia Pagliari and Angelo Conte, also appointing Giancarlo Russo Corvace as Chairman of the Board of Statutory Auditors, setting the annual remuneration for the Chairman of the Board of Statutory Auditors at € 90,000 and the annual remuneration for each Standing Auditor at € 60,000. The Board of Statutory Auditors was appointed on the basis of the only list submitted for the Shareholders' Meeting, presented by the shareholder Libero Acquisition S.à r.l. and voted by the majority;

- to authorise (i) pursuant to and in accordance with article 2357 et seq. of the Italian Civil Code and article 132 of the Legislative Decree 58 of 24 February 1998, the purchase of the Company's treasury shares, in one or more tranches, for a period not exceeding 18 months up to a maximum amount not exceeding a total of one fifth of the Company's share capital, including any shares held by subsidiaries and (ii) the Board of Directors, pursuant to art. 2357-ter of the Italian Civil Code, to dispose in whole and/or in part, without time limits, of the treasury shares purchased even before the purchases have been completed;
- to approve the new "Performance Share Plan 2018-2021" share-based compensation plan reserved for executive directors and managers employed of Italiaonline S.p.A. and/or its subsidiaries (the "Performance Share Plan") vesting the Board of Directors with all the powers necessary or appropriate to implement the Performance Share Plan;
- vote in favour of Section I of the Remuneration Report pursuant to art. 123-ter of Legislative Decree 58 of 24 February 1998.

Lastly, the **extraordinary** shareholders' meeting resolved:

- after revoking the authorisation to increase the share capital until 9 September 2018 as approved by the Extraordinary Shareholders' Meeting of 8 March 2016, to grant a proxy to the Board of Directors, to be exercised by 26 April 2021, to increase the share capital pursuant to Article 2443 of the Italian Civil Code, excluding option rights pursuant to Article 2441(4) of the Italian Civil Code. In particular, the share capital may be increased by a number of ordinary shares not exceeding 10% of the total number of ordinary shares outstanding at the date of any exercise of the proxy and in any case by a maximum of 11,476,122 ordinary shares (i) pursuant to Art. 2441, paragraph 4(1), of the Italian Civil Code, by conferring assets in kind relating to companies, business units or equity investments, as well as by conferring assets that contribute to the corporate purpose of the Company and to that of its subsidiaries and/or (ii) pursuant to Art. 2441, paragraph 4, second sentence, of the Italian Civil Code, if the newly issued shares are offered for underwriting to institutional investors and/or industrial and / or financial partners that the Board of Directors deems strategic for the Company's business, as well as
- after inclusion in the Articles of Incorporation the possibility pursuant to Article 2349 of the Italian Civil Code, to grant the Board of Directors, pursuant to Article 2443 of the Italian Civil Code, for a period of five years, the power to increase the share capital free of charge, even in several tranches, to service the implementation of the Performance Share Plan for a maximum nominal value of € 400,008.19, by issuing a maximum of 2,295,224 new ordinary shares without a face value indication, having the same characteristics as those outstanding.

Manager in charge of preparing the Financial Statements

On 27 April 2018 the Company's Board of Directors resolved to appoint, subject to the favourable opinion of the Board of Statutory Auditors, Gabriella Fabotti, head of the Company's Finance, Administration and Control Department, as the new manager in charge of preparing the Company's financial statements, pursuant to Article 154-bis, CI, of Legislative Decree no. 58/98, with a term of office until the shareholders' meeting called to approve the financial statements as at 31 December 2020.

Corporate positions

On 27 April 2018 the Company's Board of Directors confirmed Antonio Converti as Chief Executive Officer.

On 20 November 2018, the Company reported the termination by mutual consent of existing employment relationships with the Chief Executive Officer, Antonio Converti. The agreement for the termination of the employment relationships with Antonio Converti was approved by the Company Board of Directors following the outcome of an investigation conducted by the Appointments and Remuneration Committee, and the favourable opinion of the Board of Statutory Auditors.

On 6 December 2018, Antonio Converti resigned from the positions held in the Company of Chief Executive Officer and member of the Board of Directors of Italiaonline S.p.A. for personal reasons and with immediate effect.

Also on 6 December 2018, the Company's Board of Directors appointed by co-optation Roberto Giacchi, with whom an agreement was reached and communicated on 23 November, as a member of the Board of Directors and Chief Executive Officer of the Company. As well as the role of Chief Executive Officer, Roberto Giacchi will also perform the duties of general manager.

Internal committees

On 27 April 2018 the Board of Directors, after confirming the existence of the requisites of independence of the directors Arabella Caporello, Vittoria Giustiniani, Cristina Finocchi Mahne and Corrado Sciolla, also appointed for the 2018-2020 period:

- the Appointments and Remuneration Committee composed of the Directors Vittoria Giustiniani (Chairman), Cristina Finocchi Mahne and Corrado Sciolla;
- the Control and Risk Committee composed of the Directors Cristina Finocchi Mahne (Chairman), Arabella Caporello and Vittoria Giustiniani.

Note also that on 9 May 2018 the Board of Directors established the Strategic Committee, composed of the directors Tarek Aboualam (Chairman), Corrado Sciolla (independent director), Onsi Sawiris, Sophie Sursock and Pierre de Chillaz, with the task of supporting and assisting the Board of Directors' evaluations and decisions on issues of strategic importance with purely consultative functions. The Board of Directors today resolved to remove the Strategy Committee from office.

Shareholders' Agreements

On 9 September 2018, the shareholders' agreement regarding, among other things, corporate governance, signed on 9 September 2015 between the shareholders of Libero Acquisition S.à r.l., GL Europe Luxembourg S.à r.l., GoldenTree Asset Management Lux S.à r.l., GoldenTree SG Partners LP, GT NM LP and San Bernardino County Employees' Retirement Association, ceased all its effects due to expiry of the term.

Trade Unions Agreement

On 2 July 2018, Italiaonline and **Trade Unions** reached an **agreement** at the Ministry of Labour regarding the proposed corporate reorganisation considered in the 2018-2020 Business Plan and

approved in March 2018. This set out voluntary severances packages for 262 workers, and other measures including the creation of a “**Digital Factory**” in Turin.

Management and coordination

On 27 September 2018, the Company’s Board of Directors agreed to implement the necessary conditions for the purpose of the declaration for the subjection of Italiaonline S.p.A. to the management and coordination activities of the direct parent company Libero Acquisition S.à r.l.

Buy Back Plan of Treasury Shares

On 28 November 2018, the Company, in implementing the shareholders’ meeting authorisation of 27 April 2018, initiated the purchase of treasury shares, pursuant to article 2357 et seq. of the Italian Civil Code and article 132 of Italian Legislative Decree no. 58 of 24 February 1998. To this end, the Company appointed the task to a leading intermediary for the Buy Back lasting until the expiry of eighteens month from the date of the aforementioned shareholders’ meeting and, therefore, up to 27 October 2019. For more information, please refer to the related press releases.

OUTLOOK FOR THE CURRENT YEAR

In 2019, Italiaonline management will be involved in initiatives aimed at sustaining and at stabilising the Top Line, through the continued growth of digital revenue, also with a view to offset the downturn in the traditional business. The development of the digital segment involves: i) the enrichment of the offer for SMEs, ii) strengthening of customer care activities aimed at supporting customer retention, also thanks to the creation of a “Digital Factory” division inaugurated on 7 March 2019 in Turin, which will gradually allow the insourcing of some production costs currently outsourced and iii) growth of the IOL Advertising agency in order to strengthen its leadership in the Italian market both through new partnerships and the development of web properties.

For the 2019 financial year, on the basis of currently available information, Italiaonline forecasts a slight downturn in the **top line** (low single-digit) compared to 2018, which reflects a **mid-single digit growth of digital revenue** able to almost completely offset the decline in the traditional business. The 2019 normalised **EBITDA** is expected to be substantially stable compared to the 2018 normalised figure. **Capital expenditure** (Capex) as a percentage of revenue is expected to be between 7% and 8%. Finally, **cash holdings** at the end of the financial year are expected to show single-digit growth compared to the 31 December 2018 figure, despite the expenses relating to the reorganisation plan and in particular the agreement reached with trade unions in July 2018.

TECHNICAL UPDATE OF THE BUSINESS PLAN

On today’s date, the Board of Directors approved a technical update of the Business Plan, approved on 15 March 2018 under the former CEO’s direction, for the approval of 2018 Financial Statements, extending the term to 2021 and updating the financial objectives for the period 2019-2021 (the updated Plan).

The updated Plan, essentially based on the same value creation drivers identified in the previous version of the Business Plan, takes account of the progress made in the initiatives undertaken in

2018 as well as the evolution of the market context. The changes to the financial objectives largely reflect a **continuation of growth in the digital segment**, which is able, within the time frame of the Plan, to offset the decline in the traditional business, also enabling an **improvement in operating profitability**.

The main drivers for the growth in digital revenue include:

- with reference to the **SME** business segment: i) an increase in customer retention, mirrored by a reduction in churn rate (rate of loss of customers); ii) a growth in newly acquired customers, and ii) a strengthening of upselling strategies aimed at increasing the ARPA. Growth and retention of the customer base will also be pursued by continuing to enrich the product portfolio and improve customer care services.
- With reference to the **Digital Advertising** segment, Italiaonline will pursue the growth of the Group's web properties, which to date boast an undisputed leadership position in terms of daily audiences in the Italian market, both through organic development based on product innovation and on the production of original content, and through commercial partnerships with other digital publishers.

PLAN FORECASTS 2019 - 2021

The updated Plan 2019-2021, approved today, with regards to the **digital revenue** provides for a **CAGR 2018 - 2021** equal to [**+4.5% ÷ +5.5%**], able to offset the structural decline of the traditional business during the Plan period.

Consolidated revenue is forecasted to be stable in 2021 compared to 2018 (**CAGR 2018 - 2021** equal to [**-1% ÷ +1%**]).

With regards to the comparison with the previous version of the Plan, approved in March 2018, it should be noted that the lower growth in revenue is attributable to a greater than expected decrease in the traditional business as well as a decrease of the growth estimates for the digital segment based on the progress of the development initiatives at 31 December 2018, and evolution of the reference market context.

Normalised **EBITDA** is expected to grow in the plan period compared to the 2018 normalised figure, with a normalised **EBITDA margin** in 2021 in the [**17% ÷ 20%**] range. The trend in profit margins compared to the previous Plan mainly reflects the reduction in revenue as well as the higher personnel expenses following the actual outcome of the agreement with Trade Unions compared to what was speculated in March 2018, although partially balanced by the gradual insourcing of certain costs by the Digital Factory.

Capital expenditure (Capex) as a percentage of revenue in the Plan period is expected to be between 6.5% and 8%, the increase compared to the previous Plan is essentially attributable to the reduction in revenue.

With reference to **cash flow generation**, EBITDA cash conversion¹³ is expected to be between [60% and 65%] in the period 2019-2021, slightly up on the previous Plan.

TIMING OF THE APPROVAL OF THE NEW BUSINESS PLAN

Management, together with the new CEO, is committed to preparing a **New Business Plan** (2020 – 2022), which the management is expected to submit to the approval of the Board of Directors by the date of approval of the Interim Financial Report at 30 June 2019 .

CONSOLIDATED NON-FINANCIAL INFORMATION

In addition, in observance of the new Legislative Decree 254/2016 on the publication of non-financial information, the Board of Directors approved the statement on non-financial information of Italiaonline Group for 2018.

CONFERENCE CALL

As already announced, the Company will present the results achieved as at 31 December 2018 to the financial community, during the conference call scheduled for Wednesday 20 March 2019 at 10:30 a.m. (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:	+1 718 7058794
STAMPA:	+39 02 805 88 27

This press release is also available on the Company's website www.italiaonline.it in the section [Italiaonline.it/en/investor/price-sensitive-press-releases/](http://italiaonline.it/en/investor/price-sensitive-press-releases/)

Disclaimer

This press release contains some forward looking statements that reflect the current opinion of Company management on future events and financial and operational results of the Company and of its subsidiaries. These forward looking statements are based on current expectations and assessments of Italiaonline S.p.A. regarding future events. Considering that these forward looking statements are subject to risk and uncertainty, the actual future results may

¹³ EBITDA Cash Conversion: (EBITDA-Capex+ ΔNWC) / EBITDA adjusted for the amount of taxes paid

considerably differ from what is indicated in the above forward looking statements as these differences may arise from several factors, many of which lie beyond Italiaonline S.p.A.'s ability to accurately check and estimate them. Amongst these - including but not limited to - there are potential changes in the regulatory framework, future developments in the market, price fluctuations and other risks. Therefore, the reader is asked to not fully rely on the content of the forecasts provided. They have been included only with reference up to the date of the above-mentioned press release. Italiaonline S.p.A. does not assume any obligation to publicly disclose updates or amendments of the forecasts included regarding events or future circumstances that occur after the date of the above-mentioned press release. The information contained in this press release is not meant to provide a thorough analysis and has not been independently verified by any third party.

This press release does not constitute a recommendation on the Company's financial instruments. Furthermore, this press release does not constitute an offer of sale or an invitation to purchase financial instruments issued by the Company or by its subsidiaries.

Pursuant to Art. 154-bis, paragraph 2 of the Consolidated Law on Finance of 24 February 1998, the Chief Financial Officer of Italiaonline S.p.A., Gabriella Fabotti, states that she certifies to the matching of the accounting results of the accounting information included in this press release.

ITALIAONLINE

Italiaonline - a company listed on the electronic equity market (MTA) of Borsa Italiana - is the leading Italian Internet company with 4.8 million unique users* that navigate its web property every day, of which 3.2 million from mobile devices, and with a 63%** market reach. Italiaonline offers web marketing and digital advertising services, including management of advertising campaigns and the generation of leads through the social networks and search engines. The company's strategic objective is to consolidate its Italian leadership role in the market of digital advertising for large accounts and in local marketing services - with the mission of digitalising the country's SMEs. Italiaonline offers the SMEs - the country's real backbone - a portfolio complete with products integrated with the entire value chain of digital services, including online presence, digital advertising, web design, web marketing and cloud solutions. Part of Italiaonline today are the portals Libero, Virgilio and superEva, the services for companies and citizens Pagine Gialle, Pagine Bianche and Tuttocittà, the online advertising agency iOL Advertising and 55 media agencies scattered throughout the peninsula that with their more than 700 agents form the largest Italian network of services and products consultants for large and small enterprises.

ISIN code: IT0005187940 - MTA:IOL

* Source: Audiweb 2.0, powered by Nielsen, TDA DAUs December 2018. ** Source: Audiweb 2.0, powered by Nielsen December 2018

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The figures at December 31, 2018 and the year 2018 include IFRS 15 and IFRS16 effects adopted from 1 January 2018.

Italiaonline Group

Reclassified consolidated income statement

(euro/mln)	Year 2018	Year 2017	Change	
			Absolute	%
Revenues from sales and services	324.8	335.9	(11.1)	(3.3)
Materials and external services	(173.0)	(180.6)	7.6	
Salaries, wages and employee benefits	(70.7)	(77.4)	6.7	
MOL	81.0	77.9	3.1	4.0
<i>% on revenue</i>	24.9%	23.2%		
Impairment losses on current activities and net accruals to provisions for risks and charges	(6.6)	(10.0)	3.4	
Other net operating income (expenses)	(1.1)	(0.2)	(0.9)	
EBITDA	73.3	67.7	5.6	8.3
<i>% on revenue</i>	22.6%	20.1%		
Operating amortization, depreciation and impairment losses	(38.0)	(30.7)	(7.3)	
Non-operating amortization, depreciation and impairment losses	(5.6)	(5.2)	(0.4)	
Net non-recurring and restructuring expense	(33.1)	(4.0)	(29.1)	
EBIT	(3.4)	27.8	(31.2)	n.s.
<i>% on revenue</i>	(1.1%)	8.3%		
Interest expense, net	1.9	0.6	1.3	
Impairment losses recognised on financial assets and income from subsidiaries disposal	1.2	-	1.2	
Profit (Loss) before income taxes	(0.3)	28.4	(28.7)	n.s.
Income taxes	(8.4)	(2.0)	(6.4)	
Profit (loss) for the year	(8.7)	26.4	(35.1)	n.s.
- of which attributable to the owners of the parent	(8.7)	26.4	(35.1)	
- of which attributable to non-controlling interest	-	-	-	

Italiaonline Group

Consolidated statement of comprehensive income

(euro/mIn)	Year 2018	Year 2017
Profit (loss) for the year	(8.7)	26.4
<i>Other comprehensive income (expense) that will not be reclassified subsequently to profit or loss:</i>		
Actuarial gain (loss)	0.3	0.3
Net fair value gains (losses) on Telegate AG sold in the year already included in the loss of the year	(0.5)	-
Total other comprehensive income (expense) that will not be reclassified subsequently to profit or loss	(0.2)	0.3
<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	-	0.6
Total other comprehensive income (loss), net of tax effect	(0.2)	0.9
Total comprehensive income (loss) for the year	(8.9)	27.3
- of which attributable to the owners of the parent	(8.9)	27.3
- of which attributable to non-controlling interests	-	-

Italiaonline Group
Reclassified consolidated statement of financial position

(euro/mln)	At 12.31.2018	At 12.31.2017	Change
Goodwill and marketing related intangibles assets	267.5	272.5	(5.0)
Other non-current assets (*)	92.9	73.4	19.5
Non-current liabilities	(52.3)	(50.5)	(1.8)
Working capital	(62.6)	(52.8)	(9.8)
Net invested capital	245.5	242.6	2.9
Equity attributable to the owners of the parent	312.5	315.5	(3.0)
Equity attributable to non-controlling interests	-	-	-
Total equity (A)	312.5	315.5	(3.0)
Net financial position (B)	(67.0)	(72.9)	5.9
Total (A+B)	245.5	242.6	2.9

(*) This item includes non-current financial assets.

Italiaonline Group

Consolidated cash statement of cash flows

(euro/mIn)	Year 2018	Year 2017	Change
EBITDA	73.3	67.7	5.5
Net interest income (expense) from discounting of operating assets/liabilities and stock options	(0.3)	0.7	(1.0)
Decrease (increase) in operating working capital (*)	(2.3)	11.7	(14.0)
(Decrease) increase in operating non-current liabilities (**)	(5.8)	(2.6)	(3.2)
Capital expenditure	(21.1)	(26.3)	5.2
Operating free cash flow - OFCF	43.8	51.2	(7.4)
Income taxes	(0.0)	(0.8)	0.8
Unlevered free cash flow	43.8	50.4	(6.6)
Collection of interest and financial expense, net	0.3	0.4	(0.1)
Payment of non-recurring and restructuring expense	(13.5)	(20.6)	7.1
Dividend distribution	(0.2)	(80.0)	79.8
Disposal of investments Telegate AG	3.4	-	3.4
Share buy back	(0.1)	-	(0.1)
IFRS 16 effect	(41.7)	-	(41.7)
Other charges	2.0	0.6	1.4
Change in net financial position	(6.0)	(49.2)	43.2

(*) The change mainly don't include the non - monetary effects arising from IFRS15 adoption

(**) The change mainly don't include the non - monetary effects arising from profit and losses recognised to equity.

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

Pursuant to the request sent by Consob of July 22, 2016, file no. 0067885/16, pursuant to Article 114 of Legislative Decree No. 58/1998, regarding the request to add some information to the annual and interim financial reports as from the interim financial report started from the first half report at June 30, 2016 as well as the press releases concerning the approval of the above mentioned financial report, in lieu of the disclosure requirements provided with the request of 7 September 2011, file no. 11076499, the additional information related to December 31, 2018 are reported below.

Net financial indebtedness of Italiaonline Group at December 31, 2018

(euro/thousand)		At 12.31.2018	At 12.31.2017	Change
A	Cash and cash equivalents	101,038	74,476	26,562
B	Other cash and cash equivalents	-	-	-
C	Trading securities	-	-	-
D=(A+B+C)	Liquidity	101,038	74,476	26,562
E.1	Current financial receivables due from third parties	97	666	(569)
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	8,647	2,195	6,452
H.2	Other current financial debt due to related parties	-	-	-
I=(F+G+H)	Current financial debt	8,647	2,195	6,452
J=(I-E-D)	Net current financial indebtedness	(92,488)	(72,947)	(19,541)
K	Non-current bank debt	-	-	-
L	Bond issues	-	-	-
M.1	Other non-current loans due to third parties	25,499	-	25,499
M.2	Other non-current loans due to related parties	-	-	-
N=(K+L+M)	Non-current financial debt	25,499	-	25,499
O=(J+N)	Net financial indebtedness (ESMA)	(66,989)	(72,947)	5,958

The net financial indebtedness of the Italiaonline Group at December 31, 2018 is positive and amounted to € 66,989 thousand (of which € 61,543 thousand is related to Italiaonline S.p.A.) and includes € 34.1 million of financial debt which represent the present value of future rents against the inclusion in the assets of the "right to use the asset leased" as required by accounting standard IFRS 16 adopted early January 1, 2018.

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 December 31, 2018

The breakdown of overdue accounts payable of the Parent and the Group according to their nature (financial, trading, tax, social security and to employees) and the related creditors' response initiatives (reminders, injunctions, suspension to supply, etc.) is provided below:

- overdue trade payables to suppliers as at December 31, 2018 were €11,160 thousand (of which €10,606 thousand related to Italiaonline S.p.A.), paid in January 2019 for € 9,039 thousand (of which €8,750 thousand related to Italiaonline S.p.A.);
- there were no overdue financial liabilities or social security charges payable;
- overdue tax liabilities are of small amounts and, as such, do not affect the ordinary course of business.

This situation is deemed normal under the usual commercial relationships with the Group's suppliers. There were no significant actions by creditors that may affect the course of ordinary business.

Related party transactions

The related party transactions carried out by the companies of the Italiaonline group, including intra-group transactions, were all part of ordinary business and settled at market conditions or according to specific regulatory provisions. There were no atypical and / or unusual transactions, nor potential conflicts of interest. There were no changes or developments in the related party transactions described in the last approved financial statements that had a material effect on the financial position or results, of operations of the Group and Italiaonline S.p.A..

The following tables provide information on the related party transactions of the Italiaonline Group:

ITALIAONLINE GROUP - INCOME STATEMENT 12 months 2018

(euro/thousand)	Parent	Subsidiaries	Associates	Other related parties (*)	Total related parties
Other income	-	-	-	68	68
Costs for external services	-	-	-	(1,148)	(1,148)
Personnel expense	-	-	-	(4,483)	(4,483)
Non-recurring costs	-	-	-	(3,905)	(3,905)

(*) "Other related parties" include Directors, statutory auditors, key management personnel

ITALIAONLINE GROUP - STATEMENT OF FINANCIAL POSITION at December 31, 2018

(euro/thousand)	Parent	Subsidiaries	Associates	Other related parties (*)	Total related parties
Assets					
Right of use of leased assets	-	-	-	7,439	7,439
Other current assets	90	-	-	48	138
Liabilities					
Non-current financial liabilities	-	-	-	5,512	5,512
Current financial liabilities	-	-	-	2,404	2,404
Trade payables	-	-	-	1,906	1,906
Liabilities for services to be provided and other current liabilities	-	-	-	4,147	4,147

(*) "Other related parties" include Directors, statutory auditors, key management personnel

Status of implementation of strategic and financial plans

With reference to the comparison of the results as at 31st December 2018 with the forecasts formulated in the 2018-2020 Business Plan, it should be noted that: i) revenue is slightly lower, as already indicated in occasion of the approval of financial results as of 30th June 2018 and 30th September 2018, ii) EBITDA is down as a result of some provisions for new pending litigation, while iii) cash holdings are slightly higher.

Today the Board of Directors of Italiaonline approved a technical update of the Business Plan, approved on 15 March 2018 under the former CEO's direction, and a New Business Plan is expected to be submitted by the management to the Board of Directors by the date of approval of the Interim Financial Report as of 30 June 2019. For further details, see the section "Technical update of the Business Plan" contained in this press release.