Interim Financial Report
at June 30, 2019

LIBERO

No.1
Italian portal

LIBERO
Cerca nel web
CERCA
REGISTRATI
MAIL
COMMUNITY
ACCOUNT
MAIL
COMMUNITY
NOTIZIE
TECNOLOGIA
DONNE
FINANZA
VIAGGI
MOTORI
CUPIDO
Sanremo 2017: il clamoroso forfait scatena i social
Top Trend
7 / 20
MAILPEC
Dai valore legale alle tue mail con Libero Mail PEC
SCOPRI
Servizi
per privati e aziende
MAIL
MAIL PLUS
MAIL PEC
BLOG
PAGES
APP
Preventivi Imbianchino
Libero Mail libera tutti
LIBERO
Guido Maria Brera, ecco quello che ignorate sul marito della Balivo
Top Trend
Servizi
Tecnologia
MediaWorld
799'99
Reggio di Calabria
13°
14°
LIBERO
I trucchi per utilizzare WhatsApp come un professionista
Tecnologia
2 / 20

(Translation from the italian original which remains the definitive version)

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Italiaonline is the leading internet company in Italy, with 4.9 million unique users, including 3.1 million from smartphones and has a 61% market reach[1]. Italiaonline offers digital presence, web marketing and digital advertising services, including management of advertising campaigns and the generation of leads through social networks and search engines. The Parent's strategic objective is to consolidate its Italian leadership role in the digital advertising market for large accounts and in local marketing services - with the mission of digitalizing the country's SMEs, to which it offers a complete product portfolio, integrated with the entire value chain of digital services.

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[1] Source: Audiweb 2.0, powered by Nielsen, TDA - Total Digital Audience, May 2019. Audiweb 2.0 data does not include Google, Facebook and Microsoft.

The new Italiaonline

VIRGILIO

The first ever internet portal


V:RGILIO
MAILPEC
Dai valore legale alle tue mail con Libero Mail PEC
SCOPRI
CERCA
NOTIZIE SPORT ECONOMIA DONNE VIAGGI MOTORI IN CITTÀ TOP TREND VIDEO CUCINA OROSCOPO METEO
È qui che l'Italia ha subito la sua più grande sconfitta
Speciali
10 / 10
Roma
Ecco la nuova Yamaha di Rossi. E sul 10° titolo fa un annuncio
Sport

HIGHLIGHTS AND GENERAL INFORMATION

Company Bodies *(information updated at August 1, 2019)*

Board of Directors [1]

Chairperson Onsi Naguib Sawiris [2]
Chief Executive Officer (CEO) Roberto Giacchi [3]
Hassan Abdou - Arabella Caporello [i] - Pierre de Chillaz - Cristina Finocchi Mahne [i] - Vittoria Giustiniani [i] - Frederik Kooij - Tarek Aboualam [4] - Corrado Sciolla [i] - Sophie Sursock
Secretary to the Board of Director Fabrizio Manzi [5]

Appointments & Remuneration Committee [6]

Chairperson Vittoria Giustiniani [i]
Cristina Finocchi Mahne [i] - Corrado Sciolla [i]

Control, Risk and Sustainability Committee [6]

Chairperson Cristina Finocchi Mahne [i]
Arabella Caporello [i] - Vittoria Giustiniani [i]

Strategic Committee [7]

Chairperson Tarek Aboualam
Corrado Sciolla [i] - Onsi Sawiris - Sophie Sursock - Pierre de Chillaz

Board of Statutory Auditors [8]

Chairperson Giancarlo Russo Corvace
Standing Statutory Auditor Mariateresa Salerno
Standing Statutory Auditor Felice De Lillo
Alternate Statutory Auditor Lucia Pagliari
Alternate Statutory Auditor Angelo Conte

Manager in charge of financial reporting (CFO) [9] Francesco Guidotti

Independent Auditors [10] KPMG S.p.A.

Common Representative of Savings Shareholders [11] Stella d'Atri

(1) The Board of Directors was appointed by the Shareholders' Meeting on April 27, 2018, and shall remain in office until the approval of the financial statements as at and for the year ending December 31, 2020.
(2) Appointed Chairperson of the Board of Directors by the Board of Directors' meeting held on May 8, 2019.
(3) Position granted by the Shareholders' Meeting held on April 30, 2019, which appointed him member of the Board of Directors of Italiaonline S.p.A., pursuant to Article 2386 of the Italian Civil Code, he will remain in office until the expiry of the current Board, i.e. until the Shareholders' Meeting called to approve the financial statements as at December 31, 2020.
(4) On May 8, 2019, the Board of Directors acknowledged Tarek Aboualam's resignation from the position of Chairperson of the Board of Directors
(5) On April 27, 2018, the Board of Directors appointed Fabrizio Manzi as Secretary to the Board of Directors.
(6) The Appointments and Remuneration Committee and the Control, Risk and Sustainability Committee (renamed by Board of Directors' resolution of August 2, 2018 and formerly the Audit and Risk Committee) were appointed by the Board of Directors on April 27, 2018.
(7) The Strategic Committee was appointed by the Board of Directors on May 9, 2018. On March 19, 2019, the Board of Directors resolved to dissolve the Strategic Committee.
(8) The Board of Statutory Auditors was appointed at the Shareholders' Meeting of April 27, 2018, and will remain in office until approval of the financial statements at December 31, 2020.
(9) Appointed on June 11, 2019.
(10) Appointed by the Shareholders' Meeting of May 12, 2016.
(11) Appointed by the Special Meeting of the Savings Shareholders on February 21, 2019 for the years 2019-2020-2021 and previously in the position for the years 2016-2018.
(i) Directors who meet the independence criteria set forth in Articles 147-*ter*(4) and 148(3) of Italian Legislative Decree 58/1998 and in the Code of Conduct of Listed Companies.

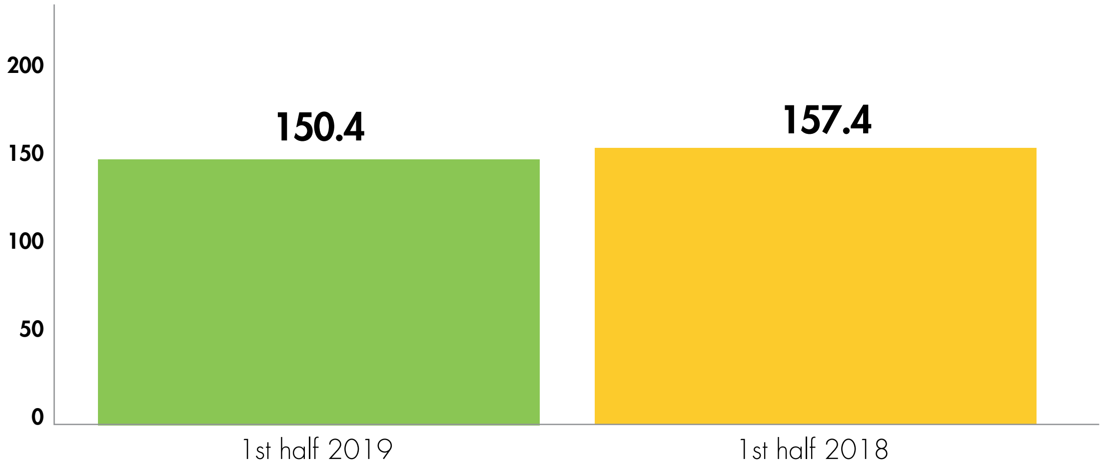
Financial Highlights of the Group

The results of the Italiaonline Group for the first half of 2019 and the first half of 2018 were prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board and endorsed by the European Union.
It should also be noted that Italiaonline S.p.A. and the Italiaonline Group chose to adopt IFRS 16 early, as from January 1, 2018.

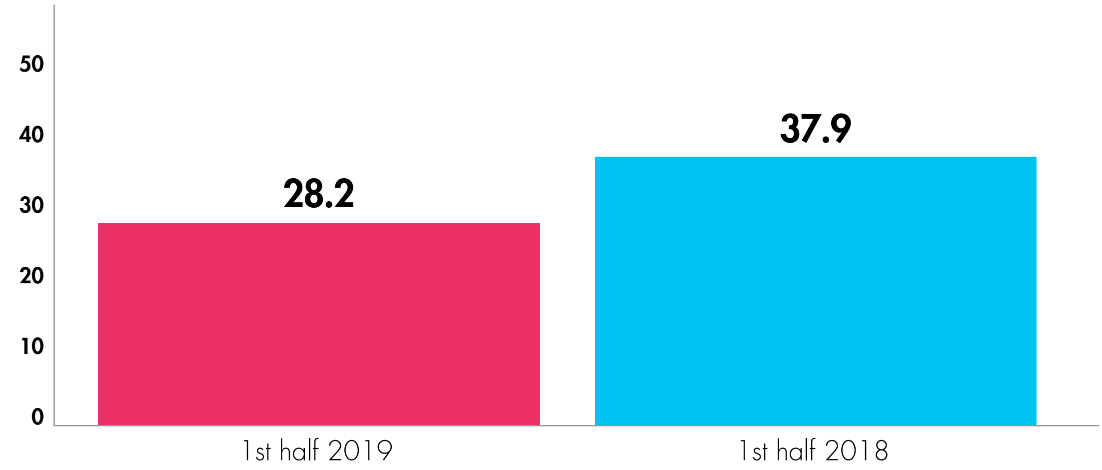
(euro/million)	1ST HALF 2019	1ST HALF 2018
Financial Highlights		
Revenue from sales and services	150.4	157.4
GOP (*)	31.1	41.6
EBITDA (*)	28.2	37.9
EBIT (*)	7.0	(10.4)
Profit (loss) attributable to the owners of the Parent	4.5	(7.4)
OFCF (*)	29.7	24.0
Unlevered FCF (*)	49.0	24.1
Capital expenditure	14.1	9.5
Net invested capital (*)	227.7	245.5
of which goodwill and marketing-related intangible assets	*264.7*	*267.5*
of which net operating working capital	*(51.4)*	*(35.7)*
of which net non-operating working capital	*(0.9)*	*(26.9)*
Equity attributable to the owners of the Parent	316.3	312.5
Net financial indebtness (*)	(88.6)	(67.0)
Profitability ratios		
GOP/Revenue	20.7%	26.4%
EBITDA/Revenue	18.8%	24.1%
EBIT/Revenue	4.7%	(6.6%)
OFCF/Revenue	19.7%	15.2%
Workforce		
Workforce at the end of the year (units) (**)	1,389	1,675
Average workforce for the year	1,276	1,453
Revenue/Average workforce (€/000)	118	108

(*) See "Non-IFRS performance indicators" below for details on how the items are calculated.
(**) The figures are related to December 2018.

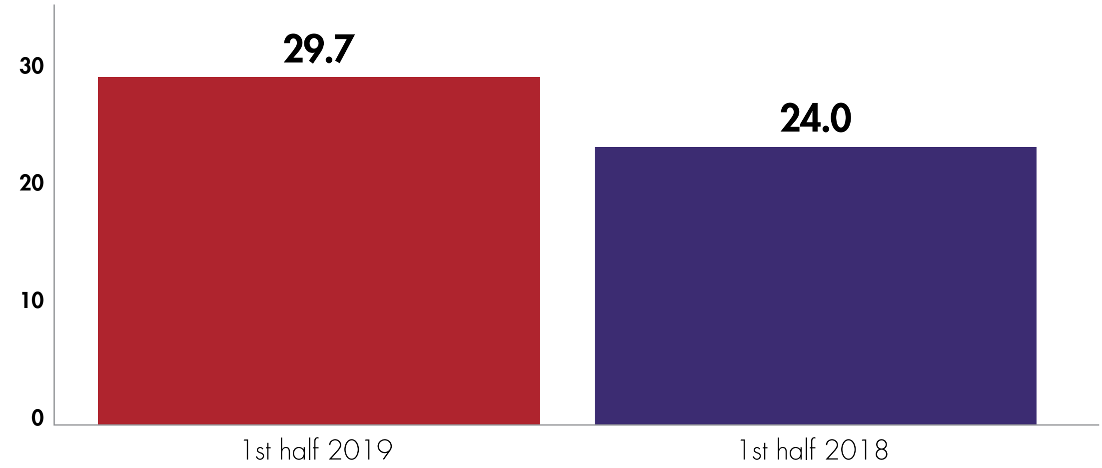
Revenue (€ million)



EBITDA (€ million)



Operating Free Cash Flow (€ million)



Non-IFRS performance indicators

This section reports on several non-IFRS performance indicators used in the condensed interim consolidated financial statements of Italiaonline Group at June 30, 2019 to provide tools for analyzing the financial performance of the Group, in addition to those based on the financial statements.
These indicators are not identified as accounting measures within the IFRS framework and therefore, must not be considered as alternative measures by which to assess the performance of the Group, its financial position or cash flows. Since the calculation of these measures is not regulated by IFRS, the calculation methods used by the Group might not be consistent with those implemented by others, meaning that the indicators may not be comparable. The indicators are:

- **GOP** (*Gross Operating Profit*) refers to EBITDA before other operating income and expense, net loss allowances, and accruals to provisions for risks and charges.
- **EBITDA**, or *operating profit before amortization, depreciation, net non-recurring and restructuring costs,* corresponds *to* **EBIT** (Operating profit) before net non-recurring and restructuring costs and operating and non-operating amortization, depreciation and impairment losses.
- **Operating Working Capital and Non-Operating Working Capital** are calculated, respectively, as current operating assets (related to operating revenue) net of current operating liabilities (related to operating costs), and as current non-operating assets net of current non-operating liabilities: both items exclude current financial assets and liabilities.
- **Net Invested Capital** is calculated as the sum of operating working capital, non-operating working capital, goodwill and other "marketing-related" intangible assets, and other operating and non-operating non-current assets and liabilities.
- **Net Financial Indebtedness**, an indicator of the ability to meet financial obligations, corresponds to current and non-current financial liabilities, net of cash and cash equivalents and current loan assets.
- **OFCF** (Operating Free Cash Flow) is calculated from EBITDA, adjusted to take into account the effects on net financial indebtedness of industrial investments, changes in operating working capital and changes in operating non-current operating liabilities.
- **Unlevered FCF** (*Unlevered Free Cash Flow*) corresponds to OFCF adjusted for the effect of the taxes paid.

Information for Shareholders

Composition of share capital and major share indicators

The ordinary shares (ISIN Code: IT0005187940) and savings shares (ISIN Code: IT0005070641) of Italiaonline S.p.A. are listed on the MTA (Italian Online Stock Market), organized and managed by Borsa Italiana S.p.A.
The ordinary shares of Italiaonline S.p.A. are included in the indices FTSE Italia All-Share, FTSE Italia Small Cap, FTSE Italia Servizi al Consumo, FTSE Italia Media and FTSE All-Share Capped.
Details are provided below on the composition of the share capital of Italiaonline S.p.A. and the main share indicators at June 30, 2019.

Share capital and other indicators		**AT 06.30.2019**	**AT 06.30.2018**
Share capital	euro	20,000,410	20,000,410
Number of ordinary shares	no.	114,761,225	114,761,225
Number of savings shares	no.	6,803	6,803
Weighted average shares outstanding (*)		114,752,650	114,766,183
Market capitalization			
(based on market price) (**)			
Ordinary shares	euro/million	266.2	317.3
Saving shares	euro/million	2.7	2.4
Total	euro/million	268.9	319.7
Equity per share	euro	2.756	2.733
Earnings (losses) per share	euro	0.0391	(0.0643)
Diluted earnings (losses) per share	euro	0.0391	(0.0620)

(*) For the purposes of the calculation, n° 66,130 saving shares purchased by the Parent have been considered
(**) Reference prices at June 28, 2019 and June 28, 2018.
Starting from July 2 (and up to the date of publication of this Interim Financial Report), the share has been aligned with the PTO price and the prices have stabilized around € 2.8
Source: Thomson Reuters EIKON

Treasury shares or ultimate Parent shares

At June 30, 2019, the Parent held 66,130 treasury shares, of which 43,687 were repurchased during the first half of 2019.
As at June 30, 2019, the Parent did not hold shares of ultimate Parents.

Management and coordination activities

Pursuant to Article 2497 of the Italian Civil Code, Italiaonline S.p.A. is managed and coordinated by the ultimate Parent, Libero Acquisition S.à.r.l., which controls it at 58.82%, representing 67,499,999 shares of Italiaonline S.p.A..

Italiaonline on the Stock Exchange

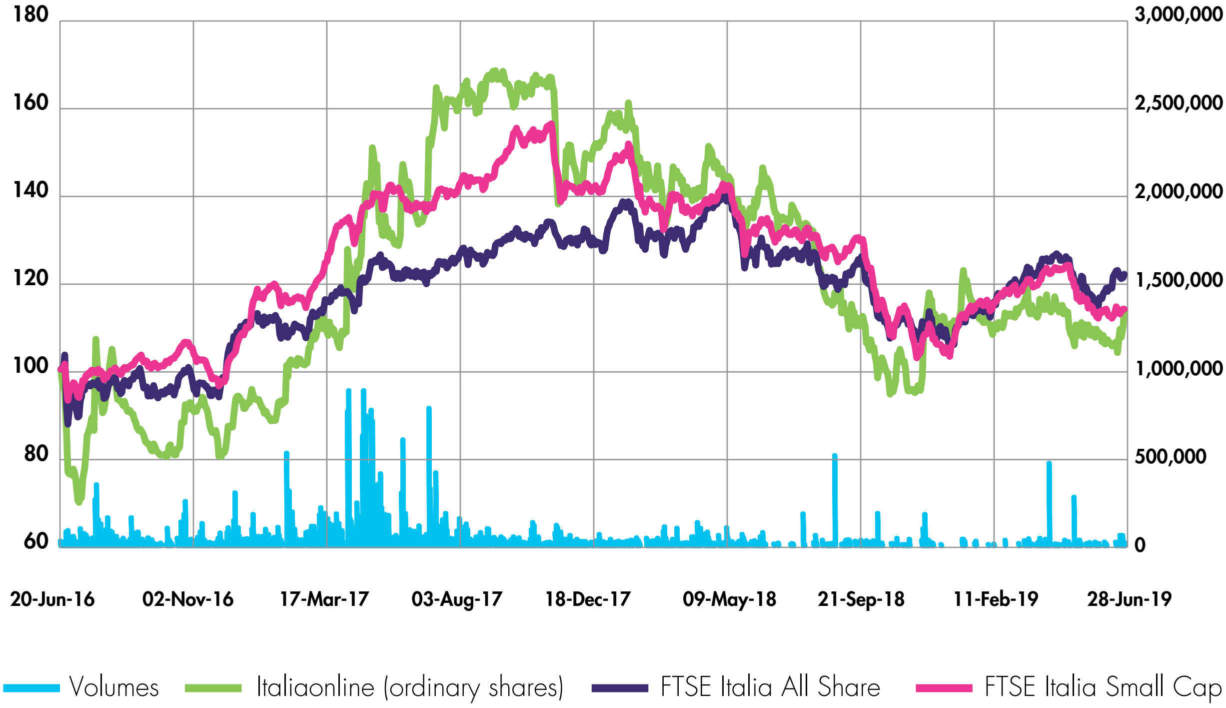
Italiaonline (ISIN: IT0005187940 - MTA: IOL), entered the MTA (Italian Online Stock Market), organized and managed by Borsa Italiana S.p.A. on June 20, 2016, following completion of the merger of Italiaonline S.p.A. into Seat PG and reverse share split (1:1000).
From June 20, 2016 to June 28, 2019, the overall performance of the Italiaonline share (total return), which takes into account the distribution of the extraordinary dividend in May 2017, was +34.3%, substantially in line with that of the FTSE Italia All Share Index (+35%) and higher than that of the FTSE Italia Small Cap Index (+19.8%) in the same reporting period.

Total Return Performance - Performance of IOL shares with respect to the main Borsa Italiana indices

Source: Thomson Reuters EIKON

Performance of IOL shares with respect to the main Borsa Italiana Indices

June 20, 2016 | June 28, 2019
(IOL Adjusted Reference Price, based on June 20, 2016 = 100)

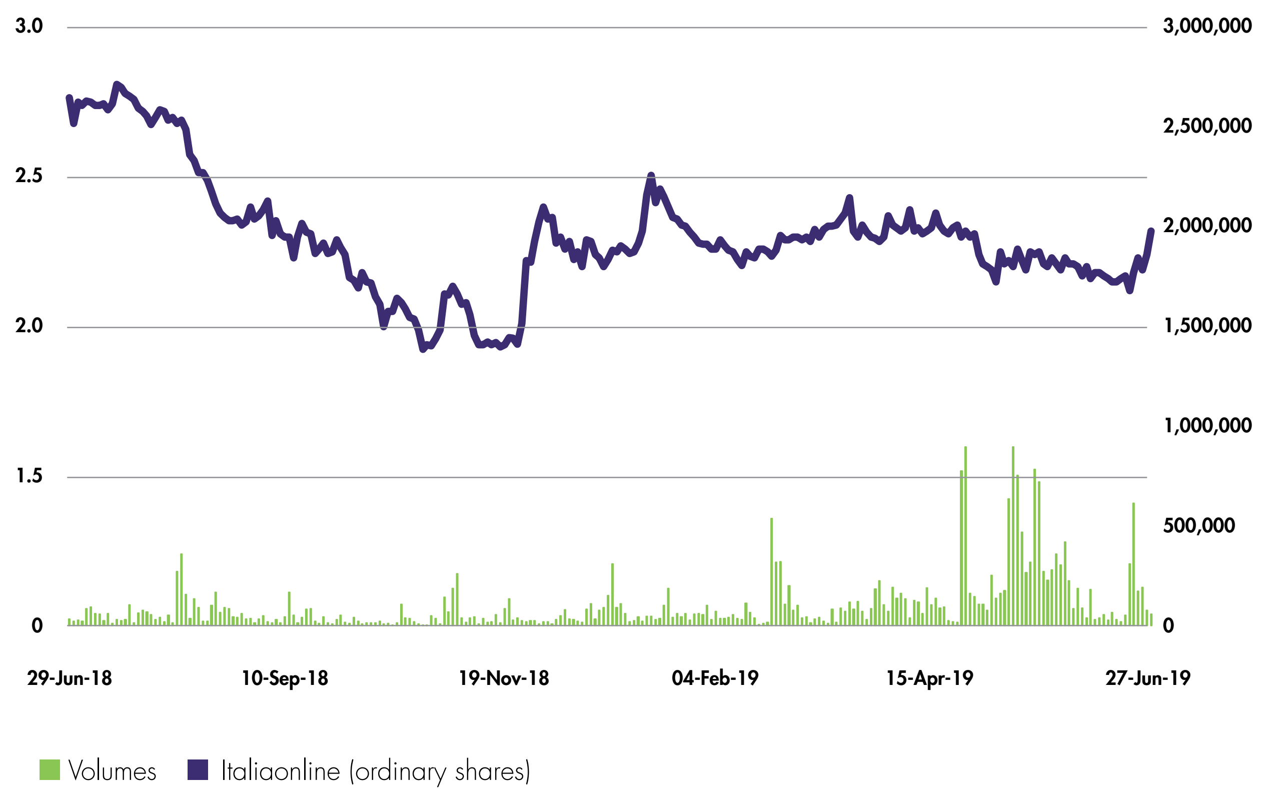


Source: Thomson Reuters EIKON

In the first six months of 2019, the main Italian share indices recovered compared to the end of 2018, reporting a positive performance. In particular, the FTSE Italia Small Cap index recorded growth of +8.4%, while the FTSE Italia All Share index recorded a recovery of +15%, slightly lower than the American (S&P 500 +18%, Dow Jones Industrial Avg +22%) and European (Dax +17%, Cac 40 +18%) share indices.
In this market context, in the first half of 2019, the Italiaonline share grew by +2.9%, increasing from € 2.25 (closing price on January 2, 2019) to € 2.32 (closing price on June 28, 2019). During the first half of the year, approximately 2.5 million Italiaonline shares were traded, with a daily average of 19,566 for an average daily value of approximately € 44,600.
The 12-month performance of the Italiaonline share (June 2018-June 2019) was a negative 16.4%, compared to the negative performance of 12% reported by the FTSE Italia Small Cap index (- 2% FTSE Italia All shares).

Prices and Volumes of the IOL share

Adjusted[1] reference price June 28, 2019 – June 29, 2018



Source: Thomson Reuters EIKON

Share Price	DATE	EURO
Reference Price	06/29/2018	2.765
Reference Price	06/28/2019	2.320
Average Price		2.298
Highest Price	07/16/2018	2.810
Lowest Price	10/24/2018	1.924

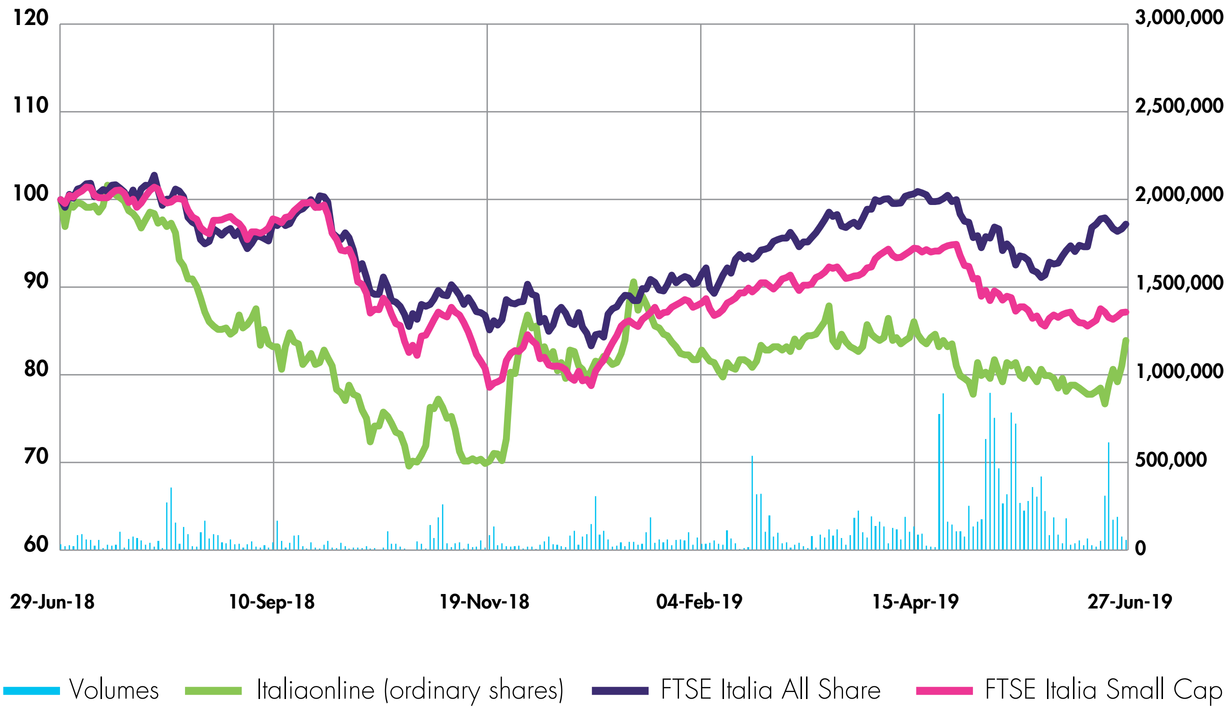
Volumes traded	DATE	NUMBER OF SHARES
Average daily volume		21,163
Highest volume	08/29/2019	524,669
Lowest volume	02/27/2019	217

Source: Thomson Reuters EIKON

[1] Reference prices at June 28, 2019 and June 29, 2018 adjusted to take into account the extraordinary dividend distributed in May 2017 (ex-dividend date May 8, 2017)

Performance of IOL shares with respect to the main Borsa Italiana Indices

Adjusted[1] reference price June 28, 2019 – June 29, 2018
(IOL Reference Price, based on June 29, 2018 = 100)



Source: Thomson Reuters EIKON

Analyst coverage

The Italiaonline share is (as at July 5, 2019) covered by the analysts of Intermonte Sim, Banca IMI and Banca Akros who, up to June 28, 2019 (prior to the Press Release pursuant to Article 104 concerning the intention of Libero S.à.r.l and Sunrise Investment S.P.A), expressed 100% positive recommendations (Outperform, Add and Accumulate respectively). On July 1, 2019, following the aforementioned press release, they adjusted the Rating to Tender Shares (adhere to the offer).

Investor Relations activities

Italiaonline pays particular attention to the development of relationships with buy-side and sell-side analysts, investors and the financial community in general. The financial disclosure to Market Operators aims to provide the most comprehensive, transparent and timely flow of information, using and innovating the channels of interaction of Investor Relations, in compliance with the regulations dictated by CONSOB and the Stock Exchange. During the first half of 2019, the Parent continued to communicate with the financial community through conference calls following the publication of the results for the period and participation in financial conferences.

1 Reference prices at June 28, 2019 and June 29, 2018 adjusted to take into account the extraordinary dividend distributed in May 2017 (ex-dividend date May 8, 2017)

Voluntary Public Takeover Bid promoted by Libero Acquisition S.à.r.l. and Sunrise Investments S.p.A.

On June 28, 2019, Libero Acquisition S.à.r.l. and Sunrise Investments S.p.A., pursuant to Article 102(1) of Italian Legislative Decree No. 58 of February 24, 1998, announced their intention to make a voluntary public takeover bid for i) all Ordinary Shares of Italiaonline S.p.A.; and ii) all Savings Shares of Italiaonline. The offer is aimed at simplifying the ownership structure of the issuer, withdrawing the ordinary shares from the listing on the MTA (Italian Online Stock Market) and optimizing the capital structure of Italiaonline. Sunrise Investments will grant a cash consideration of € 2.82 and € 888.00 to each participant in the Offer for Savings Shares. The Board of Directors of Italiaonline S.p.A. after the approval of the offer document (the "Offer Document") by CONSOB on 18 July 2019, meeting on 25 July 2019:

(i) approved the announcement (the "Issuer Announcement") prepared pursuant to Article 103(3), of Italian Legislative Decree No. 58/1998 and Article 39 of Consob Regulation no. 11971/1999 in relation to the takeover bid on the ordinary shares and saving shares of the Parent (the "Offers") promoted by Sunrise Investments S.p.A. ("Sunrise") pursuant to Articles 102 et seq. of the Consolidated Finance Law; in particular the Board of Directors considered the Offer prices of € 2.82 for each Italiaonline ordinary share and € 880.00 for each saving share, respectively, to be fair.

(ii) Following the request of Libero Acquisition S.à r.l. ("Libero") pursuant to and for the effect of Article 2367 of the Italian Civil Code - it resolved to call on October 2, 2019 both the extraordinary shareholders' meeting (for October 2, 2019) and the special meeting of savings shareholders to resolve on the mandatory conversion of savings shares into ordinary shares (the "Conversion"). The conversion ratio was set at 312 ordinary shares of the Parent for each saving share, without paying any adjustment. This conversion ratio was deemed fair by the Board of Directors of the Company, supported by EQUITA SIM S.p.A., which issued a fairness opinion on the fairness of the conversion ratio, from a financial point of view, in favour of the Board.

On July 26, 2019, the Offer Document, together with the Issuer Announcement and the supporting documentation, was published and on July 29, 2019 the period of acceptance of the Offers began, which will end on September 12, 2019.

Shareholders

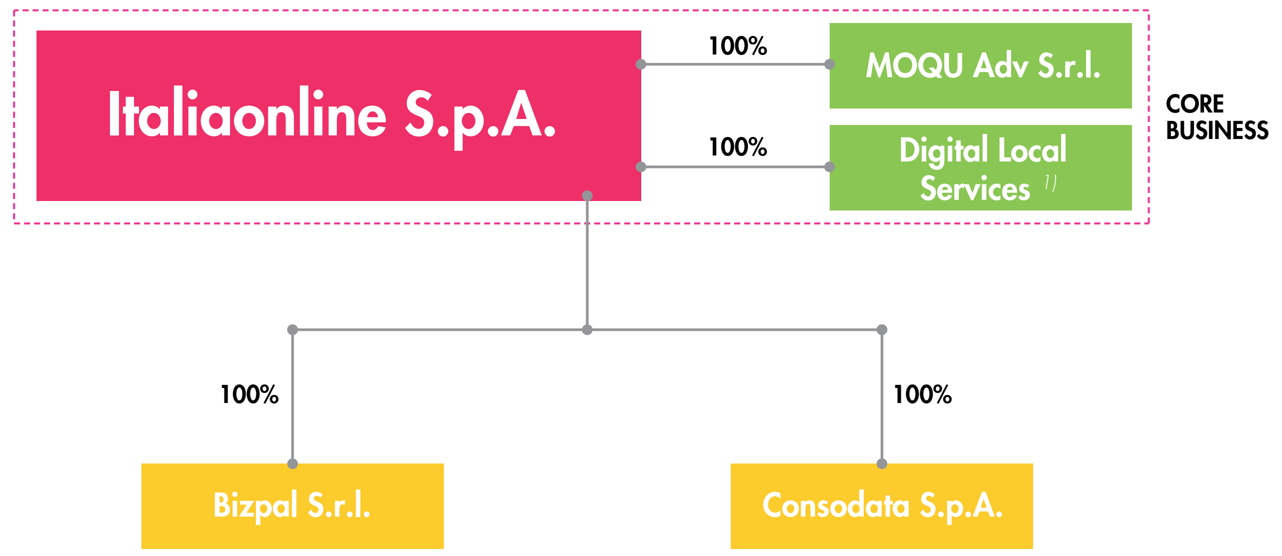
Holders of Italiaonline S.p.A. ordinary shares that hold more than 5% of the Parent's share capital, based on information available as of June 30, 2019, are shown below:

DECLARANT	SHAREHOLDERS	NO. OF SHARES	% OF CAPITAL
Loza Yousriya Nassif	Libero Acquisition S.à.r.l.	67,499,999	58.82
GoldenTree Asset Management LP	Fondi GoldenTree [1]	18,608,144	16.21
Lasry Marc	GL Europe Luxembourg S.à.r.l.	15,930,432	13.88
	Market	12,656,520	11.03
	Treasury Shares	66,130	0.06
	Total	114,761,225	100.00

[1] GoldenTree Asset Management Lux S.à r.l., GT NM L.P. and San Bernardino County Employees Retirement Association.

Group Organizational Structure

(updated information - August 1, 2019)

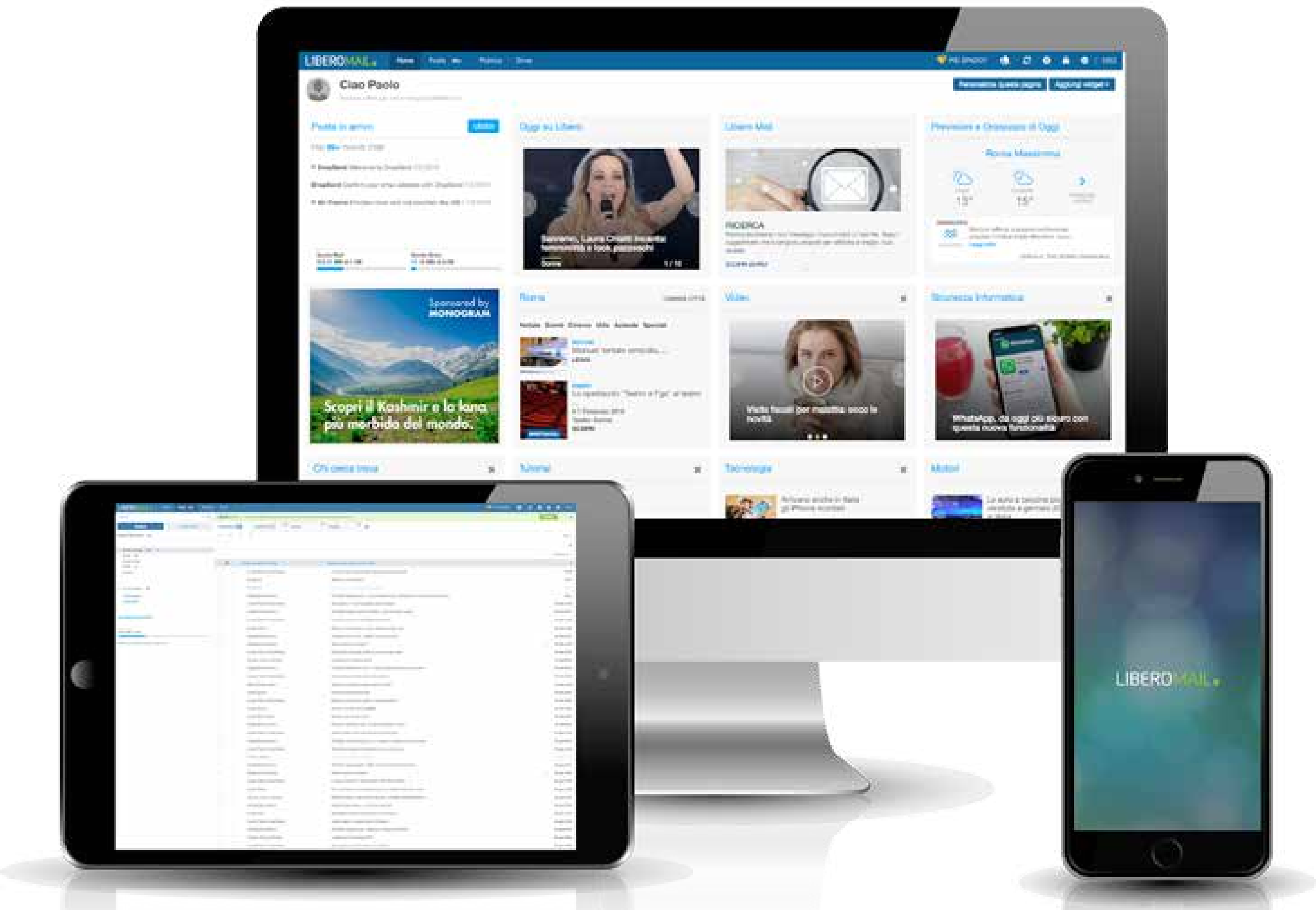


[1)] There are 64 Digital Local Services (of which 17 in liquidation)

Market situation

Operating profit for the first half of 2019 was achieved within a context of moderate economic growth, and substantial stability in the advertising investments market:

- According to ISTAT estimates on May 31, 2019, in the first quarter of 2019, Italy's gross domestic product (GDP) increased by 0.1% compared to the previous quarter and decreased by 0.1% compared to the first quarter of 2018. The change acquired for 2019, i.e. in the absence of growth in the remaining part of the year, is equal to zero.
- According to Nielsen, in the first five months of 2019 the advertising market in Italy recorded a slight decline of -0.2% (-4.0% if the Nielsen forecast for search, social, classified and "Over The Top" is excluded from the web collection). In relation to the individual advertising channels, in the first five months of the year, an increase was recorded by Internet of +8.6% (+2.0% if we exclude search, social, classified and "Over The Top"), cinema (+25.2%), Go TV (+10.1%), radio (+2.2%); by contrast, a decrease was registered by magazines (-15.4%), newspapers (-10.6%), outdoor (-4.7%), TV (-3.7%), transit (-2.2%) and direct mail (-1.2%). According to Nielsen, the month of May continued to be slightly down, with advertising revenue sustained by the performance of digital and radio, which, while not offsetting the performance of other media, favored a total advertising in any case close to zero for the first five months of the year.


LIBEROMAIL
Ciao Paolo
Posta in arrivo
Oggi su Libero
Libero Mail
Sponsored by
MONOGRAM
Scopri il Kashmir e la lana più morbida del mondo.
Roma
Video
Sicurezza Informatica
Tutorial
Tecnologia
Motori
LIBEROMAIL

REPORT ON OPERATIONS

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Performance of the Group

The financial data of Italiaonline Group for the first half of 2019 and corresponding period of 2018, were prepared in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board and endorsed by the European Union.
The interim financial report at June 30, 2019 has been prepared on a going concern basis as there is a reasonable expectation that Italiaonline S.p.A. will continue its operations in the foreseeable future and for more than twelve months.
The "Outlook" section contains forward-looking statements regarding the Group's intentions, beliefs and current expectations in relation to its financial results and other aspects of its business and strategies. Readers of this interim financial report should not rely excessively on these forward-looking statements, since the actual results may differ from those contained in the forecasts for a number of reasons, some of which are beyond the Group's control.

TABLES – CONSOLIDATED DATA [1]

The figures are show as detailed in the paragraph "Financial highlights of the Group".

Reclassified income statement

(euro/thousand)	1ST HALF 2019	1ST HALF 2018	CHANGE	
			ABSOLUTE	%
Revenue from sales and services	**150,404**	**157,403**	**(6,999)**	**(4.4)**
Costs of materials and for external services (*)	(83,102)	(81,694)	(1,408)	(1.7)
Personnel expense (*)	(36,219)	(34,153)	(2,066)	(6.0)
GOP	**31,083**	**41,556**	**(10,473)**	**(25.2)**
% of revenue	*20.7%*	*26.4%*		
Net impairment losses on current assets and net accruals to provisions for risks and charges	(2,044)	(3,043)	999	32.8
Other net operating costs (**)	(792)	(594)	(198)	(33.3)
EBITDA	**28,247**	**37,919**	**(9,672)**	**(25.5)**
% of revenue	*18.8%*	*24.1%*		
Operating amortization, depreciation and impairment losses	(16,351)	(18,090)	1,739	9.6
Non-operating amortization, depreciation and impairment losses	(2,776)	(2,614)	(162)	(6.2)
Net non-recurring and restructuring costs	(2,167)	(27,621)	25,454	92.2
EBIT	**6,953**	**(10,406)**	**17,359**	**n.s.**
% of revenue	*4.6%*	*(6.6%)*		
Net financial income (expense)	(252)	2,143	(2,395)	n.s.
Impairment on financial assets and gains (losses) on the disposal of equity investments	(111)	1,243	(1,354)	n.s.
Pre-tax profit (loss)	**6,590**	**(7,020)**	**13,610**	**n.s.**
Tax benefit (expense)	(2,098)	(365)	(1,733)	n.s.
Profit (Loss) for the period	**4,492**	**(7,385)**	**11,877**	**n.s.**
- of which attributable to the owners of the Parent	4,492	(7,385)	11,877	n.s.
- of which attributable to non-controlling interests	-	-	-	-

(*) Less costs charged to non-controlling interests and shown in the IFRS financial statements under "Other income".
(**) The item includes "Other operating costs" and "Other income" less cost recoveries reclassified in the items "Costs of materials and for external services" and "Personnel expense".

[1] It should be noted that the percentage changes indicated with "n.s." are not to be considered representative.

Statement of comprehensive income

(euro/thousand)	1ST HALF 2019	1ST HALF 2018
Profit (loss) for the period	**4,492**	**(7,385)**
Other comprehensive income (expense) that will not be subsequently reclassified to profit or loss:		
Actuarial gains (losses), net of tax	(587)	72
Net fair value gains (losses) on Telegate AG sold during the year already included in the loss for the period	-	-
Total other comprehensive income (expense) that will not be subsequently reclassified to profit or loss	(587)	72
Other comprehensive income (expense) that will be subsequently reclassified to profit or loss:		
Net fair value gains (losses) on AFS securities and equity investments	-	-
Total other comprehensive income (expense) that will be subsequently reclassified to profit or (loss)	-	-
Total other comprehensive income (expense), net of tax	**(587)**	**72**

Total comprehensive income (expense) for the period	**3,905**	**(7,313)**
- of which attributable to the owners of the Parent	3,905	(7,313)
- of which attributable to non-controlling interests	-	-

Reclassified statement of financial position

(euro/thousand)		AT 06.30.2019	AT 12.31.2018	CHANGE
Goodwill and marketing-related intangible assets		264,744	267,519	(2,775)
Other non-current assets [*]		70,261	92,876	(22,615)
Operating non-current liabilities		(32,746)	(31,586)	(1,160)
Non-operating non-current liabilities		(22,187)	(20,729)	(1,458)
Operating working capital		(51,435)	(35,661)	(15,774)
- Operating current assets		*146,518*	*165,012*	*(18,494)*
- Operating current liabilities		*(197,953)*	*(200,673)*	*2,720*
Non-operating working capital		(949)	(26,896)	25,947
- Non-operating current assets		*9,577*	*15,441*	*(5,864)*
- Non-operating current liabilities		*(10,526)*	*(42,337)*	*31,811*
Net non-current assets held for sale and disposal groups		-	-	-
Net invested capital		**227,688**	**245,523**	**(17,835)**
Equity attributable to the owners of the Parent		316,308	312,512	3,796
Equity attributable to non-controlling interests		-	-	-
Total equity	**(A)**	**316,308**	**312,512**	**3,796**
Cash and cash equivalents		(117,055)	(101,038)	(16,017)
Current financial assets,		(156)	(97)	(59)
Current financial liabilities		7,684	8,647	(963)
Non-current financial liabilities		20,907	25,499	(4,592)
Net financial indebtedness	**(B)**	**(88,620)**	**(66,989)**	**(21,631)**
Total	**B**	**227,688**	**245,523**	**(17,835)**

[*] This item includes non-current financial assets.

RECLASSIFIED INCOME STATEMENT FOR THE FIRST HALF OF 2019

Revenue from sales and services for the first half of 2019 amounted to € 150,404 thousand, down 4.4% compared to the first half of 2018.
They refer for € 148,218 thousand to Italiaonline S.p.A. and are divided into the following business segments.

Digital Revenue, which includes the following segments:
- *Presence:*
  - *iOL Presence* revenue deriving mainly from (i) iOL Connect, the service that offers businesses maximum searchability and online presence on the most important search engines (Google and Bing), social networks (Facebook, Google Plus and Foursquare), directory and mobile apps (Aroundme, Cylex and iGlobalmappe), maps and navigators (Google Maps, TomTom and Wazedirectory) and on the proprietary network (Virgilio Città, Pagine Gialle, Pagine Bianche, Tuttocittà) and (ii) premium services such as management of Facebook pages, virtual tours on Google Street View and publication on the international platform Europages.
  - *iOL Website* revenue arising from the creation of professional business websites.
  - *Custom* revenue related to special projects and customized formats created on behalf of businesses.
- *Digital advertising:*
  - *iOL Audience* revenue mainly relating to the management of advertising campaigns of businesses on Google, Facebook and on the entire display network of Italiaonline (including Libero, Virgilio, Pagine Gialle and Pagine Bianche and the Sky web channels).
  - *iOL Advertising* revenue arising from advertising agency activities for the large account market, through the planning of advertising campaigns across the entire proprietary network (portals, email, vertical), with an all-round range (video, performance advertising, mobile and programmatic) and with ad hoc solutions (digital presence services, special projects).

Traditional revenue, which mainly includes:
- *Print* revenue, deriving from advertising sales on Smartbook® i.e. paper volume including PagineGialle®, PagineBianche® and TuttoCittà® directories and the portion of revenue returned to Italiaonline by telecommunications operators for the paper directories distribution service.
- *Voice* revenue generated by directory assistance 89.24.24 Pronto PagineGialle® and 12.40 Pronto Pagine Bianche® services.
- *Third-party product* revenue deriving from the sale of advertising on third-party traditional media and from *direct marketing* and *merchandising* services.

The turnover trend for the period reflects the growth in digital revenue which grew by 3.1% overall, sustained by growth (+3.7%) in the *Digital Advertising* segment, and on the other hand by the forecast continuation of the structural decline in traditional products based on telephone directories and telephony.

More specifically:

a) *Digital* revenue amounted to € 123,992 thousand in the first half of 2019, an increase of 3.1% compared to the first half of 2018. In this regard, it should be noted that the growth in *Digital* revenue was driven by the *Digital Advertising* segment (+3.7% year-on-year), which saw, in particular, a high single digit growth in revenue from iOL Audience (a Digital Advertising range dedicated to SMEs and the only one in Italy), against a substantially stable trend in revenue on an annual basis for the iOL Advertising agency, in line with the evolution of the Italian market (Nielsen data for May 2019). The Presence segment grew by 2.5% year-on-year in the first half of 2019, with the segment performing well in the first quarter (+2.3%) as well as the second quarter (+2.8%), positively reversing the negative trend that had continued since 2016. This improvement is due to a substantial enrichment and strengthening of the product range as well as the improvement of caring strategies aimed at customers. The total share of Digital Revenue for the period was 83.7% (an improvement on the 78.0% of the first half of 2018).

b) *Traditional* revenue amounted to € 24,225 thousand in the first half of 2019, a decrease of 28.8% compared to the first half of 2018. The total share of Traditional Revenue for the period was 16.1% (a reduction on the 21.6% of the first half of 2018).
c) *Other* revenue from other products amounted to € 2,187 thousand in the first half of 2019 (€ 3,105 thousand in the first half of 2018).

The **costs of materials and for external services**, net of the portion of costs charged to third parties, included in the IFRS financial statements as "other income", amounted to € 83,102 thousand in the first half of 2019, (€ 81,694 thousand in the first half of 2018).
The main changes were as follows:

- commissions paid to web publishers, up € 1,824 thousand due to the effect of the increase in *iOL Audience* revenue (mainly Google AdWords and Facebook) and revenue from advertising agency activities for the large accounts market;
- costs for printing, distribution and stocking costs, down by € 1,426 thousand, mainly due to the decrease in *Print* revenue and circulation figures, which are reflected in a lower number of pages;
- commissions and other agent costs up by € 2,614 thousand mainly due to a different distribution of incentives for competitions related to the sales force during the period;
- advertising expenses down by € 1,000 thousand.
- costs for industrial telematics services decreased by € 840 thousand, mainly due to the effect of the revision of production tariffs during the first half of the year

Personnel expense, reduced by related cost recoveries, included in the IFRS financial statements in "other income", amounted to € 36,219 thousand in the first half of 2019 (€ 34,153 thousand in the first half of 2018). The change is due to the effect of the release of accruals, recognized in the first half of 2018.
The Group's workforce - including directors, project workers and interns - totaled 1,389 at June 30, 2019 (1,675 at December 31, 2018). The average active workforce of the Group for the period was 1,276, down by 177 compared to the first half of 2018 (1,453).

The **gross operating profit (GOP)** amounted to € 31,083 thousand in the first half of 2019, down compared to the first half of 2018 (€ 41,556 thousand) as a result of the effects described above.

The **net impairment losses on current assets and net accruals to provisions for risks and charges** amounted to € 2,044 thousand in the first half of 2019 (€ 3,043 thousand in the first half of 2018). Net impairment losses amounted to € 605 thousand (€ 275 thousand in the first half of 2018), while net accruals to provisions for risks and charges amounted to € 1,439 thousand (€ 2,768 thousand in the first half of 2018).

In the first half of 2019, **other net operating costs** came to € 792 thousand (€ 594 thousand in the first half of 2018).

Operating income before amortization, depreciation, net non-recurring and restructuring costs (EBITDA) was € 28,247 thousand in the first half of 2019, down compared to the first half of 2018 (€ 37,919 thousand), with operating margins also down by 18.8% (24.1% in the first half of 2018).

Operating amortization, depreciation and impairment losses amounted to € 16,351 thousand in the first half of 2019 (€ 18,090 thousand in the first half of 2018) and refer to intangible assets with a finite useful life for € 10,749 thousand (€ 11,687 thousand in the first half of 2018) and to property, plant and equipment for € 5,602 thousand (€ 6,403 in the first half of 2018).

Non-operating amortization, depreciation and impairment losses were equal to € 2,776 thousand in the first half of 2019 (€ 2,614 thousand in the first half of 2018) and include the amortization charge for Database and Customer Relationship intangible assets, as they derive from the Purchase Price Allocation.

Net non-recurring and restructuring costs amount to € 2,167 thousand in the first half of 2019, compared to € 27,621 thousand in the first half of 2018, mainly reflecting the actions resulting from the implementation of the reorganization plan initiated by the Parent. The item includes costs for strategic consultancy for € 814 thousand and expenses incurred as a result of the reorganization of the senior management structure of € 986 thousand.

Operating profit (EBIT) in the first half of 2019 was € 6,953 thousand, an increase of € 17,359 thousand compared to the first half of 2018 when it was a loss of € 10,406 thousand, mainly due to the implementation of the reorganization plan initiated by the Parent in 2018.

Net financial expense was € 252 thousand in the first half of 2019 (net income of € 2,143 thousand in the first half of 2018).
In particular, the *financial income* in the first half of 2019 amounted to € 329 thousand (€ 2,545 thousand in the first half of 2018) and included € 123 thousand (€ 138 thousand in the first half of 2018) as interest income on the investment of short-term liquidity in the banking system at market rates. In the first half of 2018, this item included € 2,165 thousand of the dividend paid by the investee Emittente Titoli, which was wound upon April 5, 2018.
Financial expense amounted to € 581 thousand (€ 402 thousand in the first half of 2018) and refers for € 366 thousand to interest expense from discounting, mainly relating to post-employment benefits; the item includes € 151 thousand in financial expense accrued on financial liabilities recorded following the application of IFRS 16.

Impairment gains on financial assets and gains (losses) on the disposal of equity investments amounted to € 111 thousand in the first half of 2019, relating to measurement made by the Parent of several wound up Digital Local Services. The amount of € 1,243 thousand for the first half of 2018 referred entirely to the capital gain deriving from disposal of the investment in 11880 Solutions AG on February 14, 2018.

Tax expense for the first half of 2019 amounted to € 2,098 thousand (€ 365 thousand in the first half of 2018). In compliance with the provisions of IAS 34, taxes were calculated by applying the best estimate of the weighted average annual tax rates to the pre-tax profit/(loss) forecast for the entire year in the 2019 Budget.

The **profit attributable to the owners of the Parent** in the first half of 2019 amounted to € 4,492 thousand.

Given the non-materiality of the operating segments, separate reporting is not given.

RECLASSIFIED STATEMENT OF FINANCIAL POSITION AT JUNE 30, 2019

Net invested capital

Net invested capital totaled € 227,688 thousand (€ 245,523 thousand at December 31, 2018), down € 17,741 thousand.
The breakdown of net invested capital was as follows:

- **goodwill and marketing related intangible assets** amounted to € 264,744 thousand (€ 267,519 thousand at December 31, 2018) and include:
  - trademarks with an indefinite useful life for € 169,406 thousand, as follows: Virgilio € 53,000 thousand, Libero € 70,262 thousand, Pagine Gialle € 30,859 thousand and Pagine Bianche € 15,285 thousand;
  - goodwill equal to € 81,314 thousand, of which € 71,997 thousand generated from the acquisition of the SEAT Group and € 9,317 thousand related to the acquisition of Matrix;
  - an intangible asset with a finite useful life called Customer relationships amounting to € 13,696 thousand (€ 15,488 thousand at December 31, 2018);
  - an intangible asset with a finite useful life called Database equal to € 328 thousand (€ 1,311 thousand at December 31, 2018).

- **other non-current assets** were € 70,261 thousand at June 30, 2019 (€ 92,876 thousand at December 31, 2018). These assets included:
  - *non-current operating assets*, both intangible assets and property, plant and equipment, for € 64,083 thousand as at June 30, 2019, up by € 3,426 thousand compared to December 31, 2018 (€ 67,509 thousand).
    Capital expenditure amounted to € 14,081 thousand (€ 9,533 thousand in the first half of 2018) and related mainly to the Parent for € 13,347 thousand (€ 8,546 thousand in the first half of 2018) and mainly relates to: i) renewal of the sales processes and systems for SMEs with adoption of the Saleforce platform; ii) supply of Microsoft software licenses to cover IOL workstations and Data Center products; iii) user licenses for the "AdVantage Platform" (Matchcraft) that allows the use of application services for the implementation and management of marketing campaigns; iv) support for developments and micro-developments in the online and publishing sectors.
  - *other non-current assets* of € 5,908 thousand as at June 30, 2019 (€ 25,173 thousand as at December 31, 2018), mainly including *i)* € 4,518 thousand relating to the tax asset for reimbursement of the additional IRES paid up to 2012 as a result of the non-deduction of IRAP on costs for employees and similar personnel recorded in 2013 in accordance with official interpretations available; *ii)* € 443 thousand for loans to employees, provided at market rates for financial transactions of this nature. The change with respect to December 31, 2018 reflects the reimbursement by the tax authorities of € 19,246 thousand relating to the IRES credit, including interest, arising from the national tax consolidation scheme of Italiaonline Group, which was requested for reimbursement by the Parent through the submission of the 2014 CNM form.
  - *net deferred tax assets* were equal to € 270 thousand at June 30, 2019 (€ 194 thousand as at December 31, 2018).

- **operating non-current liabilities** were € 32,746 thousand at June 30, 2019 (€ 31,586 thousand at December 31, 2018). In particular, the item included:
  - *provision for agents' termination indemnities* equal to € 19,130 thousand as at June 30, 2019 (€ 18,467 thousand as at December 31, 2018). Pursuant to current legislation, this provision represents the discounted liabilities accrued at the end of the period for the indemnities due to sales agents in the event of termination of the agency contract. Taking into consideration future cash flows, the provision was discounted using an average market rate for liabilities of a similar duration, estimating its expected future use over time based on the average term of agency contracts;
  - *post-employment benefits* for € 12,279 thousand at June 30, 2019 (€ 11,706 thousand at December 31, 2018).

- **non-operating non-current liabilities**, equal to € 22,187 thousand at June 30, 2019 (€ 20,729 thousand as at December 31, 2018). This item refers to *net deferred tax liabilities*.

- **operating working capital**, negative for € 51,435 thousand at June 30, 2019 (negative for € 35,661 thousand at December 31, 2018).
  The main changes occurred over the year were as follows:
  - *trade receivables*, equal to € 112,393 thousand at June 30, 2019, were down by € 17,252 thousand with respect to December 31, 2018 (€ 129,645 thousand);
  - *other current assets*, amounting to € 30,175 thousand at June 30, 2019, down by € 3,119 thousand compared to December 31, 2018 (€ 33,294 thousand); in particular this item includes € 7,941 thousand in incremental costs referring to the acquisition of new customers which will be carried over to the income statement on the basis of the expected average duration of relationships with new customers, in accordance with the provisions of IFRS 15;
  - *payables for services to be provided and other current liabilities*, amounting to € 91,960 thousand at June 30, 2019, which decreased by € 24 thousand compared to December 31, 2018 (€ 91,984 thousand). This change primarily reflects the timing of purchasing and invoicing for advertising services;
  - *trade payables*, equal to € 84,654 thousand at June 30, 2019, down by € 6,604 thousand with respect to December 31, 2018 (€ 91,258 thousand);

- **non-operating working capital**, negative for € 949 thousand at June 30, 2019 (negative for € 26,896 thousand at December 31, 2018). In particular, this includes:
  - *provisions for risks and current non-operating charges* equal to € 6,961 thousand (€ 9,439 thousand at December 31, 2018), mainly referred to € 2,859 thousand relating to the provision for personnel reorganization charges (€ 3,578 thousand at December 31, 2018), € 2,222 thousand for the sales network restructuring provision (€ 2,362 thousand at December 31, 2018) and € 750 thousand for the provision for risks quantified taking into account the applicable provisions and the reasonable possibility of reaching an agreement with the *tPR* (the Pension Regulator) and the trustee of the TDL Fund with respect to the financial support to be provided in favor of the TDL Fund. At December 31, 2018, this item also included an amount of € 1,299 thousand relating to the facilitated settlement of tax disputes pursuant to Article 6 of the Decree Law No. 119/2018 - converted with amendments into Law No. 136 of December 17, 2019 - to which the Parent decided to adhere for purely reduction reasons relating to the dispute with the Italian Tax Authorities, for failure to pay withholdings; this amount was paid in May 2019;
  - *other current liabilities* of € 2,681 thousand (€ 32,545 thousand at December 31, 2018) decreased in the period mainly due to the payment of amounts relating to termination agreements with employees entered into on December 31, 2018 relating to the implementation of the personnel reorganization agreement initiated by the Parent;
  - *current tax assets* equal to € 9,009 thousand at June 30, 2019 (€ 9,057 thousand at December 31, 2018) mainly relating to the tax assets for current IRES and IRAP of the Parent;
  - *other non-operating current assets*, which totaled € 569 thousand as at December 31, 2018 (€ 6,384 thousand as at December 31, 2018), the change was mainly due to the reimbursement of € 5,971 thousand of the provisional payment made for the pending judgment relating to the dispute with the Italian Tax Authorities for failure to pay withholdings.

Equity

Equity was equal to € 316,308 thousand at June 30, 2019 (€ 312,512 thousand as at December 31, 2018) and was entirely attributable to the owners of the Parent.
The increase of € 3,796 thousand mainly reflects the joint effects of:

- the profit for the period of € 4,492 thousand;
- actuarial losses, which increased by € 587 thousand;
- the repurchase of treasury shares for € 109 thousand (including brokerage costs) in execution of the authorization approved at the Shareholders' Meeting of April 27, 2018 and launched on November 28, 2018.

Net financial indebtedness

At June 30, 2019, the net financial indebtedness was a positive € 88,620 thousand (a positive € 66,989 thousand at December 31, 2018) and is made up as follows:

(euro/thousand)		AT 06.30.2019	AT 12.31.2018	CHANGE
A	Cash and cash equivalents	117,055	101,038	16,017
B	Other cash and cash equivalents	-	-	-
C	Trading securities	-	-	-
D=(A+B+C)	**Liquidity**	**117,055**	**101,038**	**16,017**
E.1	**Current financial receivables due from third parties**	**156**	**97**	**59**
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	7,684	8,647	(963)
H.2	Other current financial debt due to related parties	-	-	-
I=(F+G+H)	**Current financial debt**	**7,684**	**8,647**	**(963)**
J=(I-E-D)	**Net current financial indebtedness**	**(109.527)**	**(92.488)**	**(17.039)**
K	Non-current bank debt	-	-	-
L	Bond issues	-	-	-
M.1	Other non-current loans due to third parties	20,907	25,499	(4,592)
M.2	Other non-current loans due to related parties	-	-	-
N=(K+L+M)	**Non-current financial debt**	**20,907**	**25,499**	**(4,592)**
O=(J+N)	**Net financial indebtedness (ESMA)**	**(88,620)**	**(66,989)**	**(21,631)**

The positive net financial indebtedness at June 30, 2019 includes € 28,531 thousand for the financial liability representing the present value of future lease payments, against the recognition under assets of the "right of use of leased assets", pursuant to IFRS 16.
The change in the period reflects the financial outflows related to the finalization of the personnel reorganization plan, offset by the cash generation for the period.

A description of the items which constitute the net financial indebtedness is provided below:

Non-current financial liabilities
This item totaled € 20,907 thousand at June 30, 2019 (€ 25,499 thousand at December 31, 2018), and refers entirely to the financial liability associated with the adoption of IFRS 16, as described above.

Current financial liabilities
This item totaled € 7,684 thousand at June 30, 2019 (€ 8,647 thousand at December 31, 2018) and refers to *Other current financial liabilities to third parties*. In particular, the amount includes € 7,624 thousand referring to the current portion of the financial liability associated with the adoption of IFRS 16.

Current financial receivables
Current financial assets amounted to € 156 thousand at June 30, 2019 (€ 97 thousand at December 31, 2018) and refer for € 122 thousand to interest income accrued on bank current accounts not yet paid.

Cash and cash equivalents
Cash and cash equivalents amounted to € 117,055 thousand at December 31, 2018 (€ 101,038 thousand at December 31, 2018).

4. Information on financial risks

Risk associated with financial indebtedness
No significant risks related to financial indebtedness are recognized since the net financial position at June 30, 2019.
The table below shows the maturity of the debt:

	DUE			
	BY NEXT YEAR	BETWEEN 2 AND 5 YEARS	OVER 5 YEARS	TOTAL
Lease liabilities	7,624	16,640	4,267	28,531
Other financial debts	60	-	-	60
Total financial debts	**7,684**	**16,640**	**4,267**	**28,591**

Credit risk
The Parent Italiaonline's business is characterized by the presence of a large number of customers in the SME segment that have suffered from the crisis period and for which the recovery was not started or consolidated in all business segments of our target market. This market environment which includes the complexities generated by the large number of transactions, led the Parent to implement a structured credit management process, which uses behavioral scoring for each contract proposal and a timely and progressive credit collection process with the use of internal teams and external partners, first with a series of telephone calls, followed by a quality collection network distributed throughout Italy that knows our customers and our products, and finally with legal action against customers who still have not paid the amount due after one year. All of which making use of updated and customized software.
In this context, the monitoring of collections through advances and guarantees collected in the process of creating a contract and incentives for forms of payment such as SEPA Direct Debit (SDD), currently 80% of sales to SMEs, allow the Parent to better manage the dynamics of receipts at due dates.

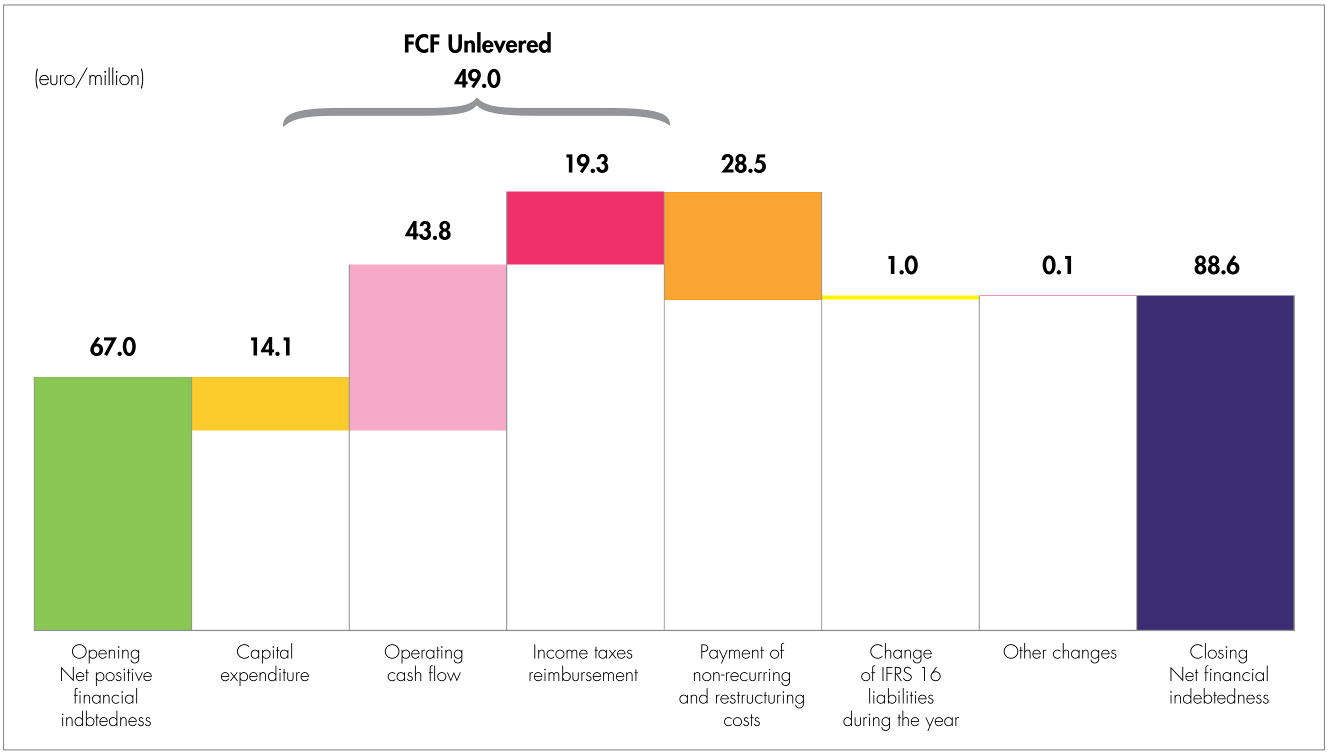
The net trade receivables of Italiaonline Group at June 30, 2019 were € 112,393 thousand (€ 129,645 thousand at December 31, 2018), almost entirely due to the Parent Italiaonline S.p.A. (€ 110,818 thousand), which has approximately 218,000 customers spread all over Italy consisting mainly of small and medium-sized enterprises.
The amount of overdue trade receivables of Italiaonline at June 30, 2019 amounted to approximately € 35 million (€ 42 million at December 31, 2018) with an average coverage percentage of the loss allowance amounting to over 50.0%, deemed adequate. The monitoring at an early stage and the credit collection process described above has led the Parent and the Group to gradually decrease overdue trade receivables compared to total receivables, the main macroscopic indicator of quality.
Exposure to credit risk - represented in the financial statements as the loss allowance - is measured using a statistical model, based on customer segmentation based on territorial criteria, rating and days outstanding, which reflects the Group's historical behavioral experience in the collection of receivables, projecting it onto the balance of receivables at June 30.

STATEMENT OF CASH FLOWS FOR THE FIRST HALF OF 2019

(euro/thousand)	1ST HALF 2019	1ST HALF 2018	CHANGE
EBITDA	28,247	37,919	(9,672)
Net interest income (expense) from discounting operating activities/liabilities and stock options	(374)	(107)	(267)
Decrease (increase) in operating working capital (*)	15,546	(3,829)	19,375
(Decrease) increase in non-current operating liabilities (**)	349	(490)	839
Capital expenditure	(14,081)	(9,533)	(4,548)
(Gains) losses on disposal of non-current operating assets	-	7	(7)
Operating free cash flow - OFCF	**29,687**	**23,967**	**5,720**
(Payment) Cash-in items relating to income taxes	19,294	133	19,161
Unlevered free cash flow	**48,981**	**24,100**	**24,881**
Collection of interest and financial expense, net	154	90	64
Payment of non-recurring and restructuring costs	(28,539)	(6,172)	(22,367)
Dividend distribution	-	(204)	204
Disposal of investment in Telegate AG	-	3,410	(3,410)
Repurchase of tresury shares	(109)	-	(109)
IFRS 16 effect	1,034	(40,185)	41,219
Other changes	110	1,941	(1,831)
Change in the net financial position	**21,631**	**(17,020)**	**38,651**

(*) The change in 2018 does not include the non - monetary effects mainly arising from IFRS15 adoption
(**) The change does not include the non - monetary effects mainly arising from actuarial profit and losses recognized in equity.

The following graph summarizes the main elements that affected the change in the net financial indebtedness during the first half of 2019.



The **unlevered free cash flow** generated in the first half of 2019, positive for € 48,980 thousand, increased by € 24,880 thousand compared to that generated in the first half of 2018 (€ 24,100 thousand) and included the reimbursement by the tax authorities of € 19,246 thousand relating to the IRES assets.

Disclosure required by CONSOB pursuant to Article 114 of Italian Legislative Decree No. 58/98

In compliance with the request sent by CONSOB on July 22, 2016, file No. 0067885/16, pursuant to Article 114 of Italian Legislative Decree 58/1998, regarding the request to add some information to the annual and interim financial reports and the quarterly interim financial reports starting from the interim financial report at June 30, 2016 as well as the press releases concerning the approval of the above mentioned financial statements, in lieu of the disclosure requirements provided with the request of September 7, 2011, file no. 11076499, additional information related to June 30, 2019 is reported below.
The net financial position of the Group at June 30, 2019 is described and commented on in Note 17 "Net financial indebtedness" of the notes to the condensed interim consolidated financial statements at June 30, 2019.
The breakdown of overdue debt positions 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 at June 30, 2019 were € 15,488 thousand (of which € 14,766 thousand related to Italiaonline S.p.A.), paid in July 2019 for € 12,135 (of which € 11,938 thousand related to Italiaonline S.p.A.);
- there were no overdue financial liabilities or social security charges payables;
- 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 trade relations with the Group's suppliers. There were no significant actions by creditors that could affect the course of ordinary business.
The transactions carried out by the Companies of the Italiaonline group, including intra-group and related party transactions, were all part of ordinary business and settled at market conditions or in accordance with specific regulatory provisions. There were no atypical and/or unusual transactions that may represent a potential conflict of interest.
There were no changes or developments in the related party transactions that had a material effect on the financial position or results of operations of the Group and Italiaonline S.p.A.
The related parties of the Group are listed in section 29 "Related party transactions" of the Notes to the condensed interim consolidated financial statements at June 30, 2019.
The data at June 30, 2019 are essentially in line with the 2019 guidance and the forecasts of the updated 2020-2022 Business Plan, approved by the Board of Directors on July 9, 2019.
In this respect, on July 9, 2019, the Board of Directors of Italiaonline S.p.A., guided by the new CEO Roberto Giacchi, examined and approved the Business Plan for 2020-2022. On March 19, 2019 the Board of Directors of Italiaonline, when approving the result at 31 December 2018, had approved a Technical Update of the previous Business Plan, updating the economic and financial objectives for the 2019-2021 period, while waiting to draw up the 2020-2022 Business Plan, subsequently approved on July 9, 2019.
The 2020-2022 Business Plan essentially confirms the economic-financial objectives already announced to the market on March 19, 2019, when the Technical Update of the previous Plan mentioned above was approved.

Main events of the first half of 2019

Meeting of Savings Shareholders of February 21, 2019

On February 21, 2019, the Special Meeting of Savings Shareholders resolved to (i) grant the Common Representative of the Savings Shareholders the widest possible powers in order to ascertain the rights and any damage suffered by the category represented, with the consequent proposal of any appropriate legal action; (ii) approve the fund statements set up for the expenses required for the protection of the common interests of the category; (iii) appoint Stella d'Atri, the current Common Representative, as Common Representative of the savings shareholders for the three-year period 2019-2021, establishing annual remuneration at € 50,000 including expenses and tax charges. Furthermore, the Special Meeting of Savings Shareholders took note of the information provided to shareholders on the business plan, the business performance and the plans regarding the use/distribution of reserves.

Internal committees

On March 19, 2019, the Board of Directors resolved to dismiss the Strategic Committee, composed of the Directors Tarek Aboualam (Chairperson), Corrado Sciolla (Independent Director), Onsi Sawiris, Sophie Sursock and Pierre de Chillaz.

Consolidated non-financial statement

Finally, on March 19, 2019, the Board of Directors approved, in compliance with the new Legislative Decree 254/2016 on the publication of non-financial information, (i) the non-financial statement and (ii) the Group's Sustainability Policy.

Ordinary Shareholders' Meeting of April 30, 2019

The Parent's Ordinary Shareholders' Meeting was held on April 30, 2019.
The Shareholders resolved:
- to appoint Roberto Giacchi as member of the Board of Directors of Italiaonline S.p.A., pursuant to Article 2386 of the Italian Civil Code, who will remain in office until the expiry of the current Board, i.e. until the Shareholders' Meeting called to approve the financial statements as at December 31, 2020;
- to grant Roberto Giacchi, *pro rata temporis*, the same remuneration as that determined for all members of the Board of Directors by the Shareholders' Meeting of April 27, 2018, without prejudice to the additional remuneration established by the Board of Directors – at the meeting held on May 8, 2019 – pursuant to Article 2389(3) of the Italian Civil Code, for directors holding particular offices;
- to approve the Separate Financial Statements of Italiaonline S.p.A. as at December 31, 2018, which show a loss of € 10.09 million;
- to fully cover the loss through the use, for the same amount, of the Share Premium;
- to approve Section I of the Remuneration Report pursuant to Article 123-*ter* of ItalianLegislative Decree No. 58 of February 24, 1998;
- to revoke the previous authorization for the repurchase of treasury shares granted by resolution of the shareholders' meeting of April 27, 2018, for the part that remained unexecuted;

- to authorize (i) pursuant to and for the purposes of Article 2357 *et seq.* of the Italian Civil Code and Article 132 of Legislative Decree No. 58 of February 24, 1998, the repurchase of the Parent's treasury shares, on one or more occasions, for a period not exceeding 18 months from the date of this resolution and (ii) the Board of Directors, pursuant to Article 2357-*ter* of the Italian Civil Code, to dispose of all and/or part of the treasury shares repurchased, without time limits, even before the repurchases have been made and (iii) to confer on the Board of Directors and, on its behalf, on the Chief Executive Officer, all the powers necessary or appropriate to make purchases of treasury shares, including through repurchase programs, as well as to carry out the acts of transfer, disposal and/or use of all or part of the treasury shares repurchased and, in any case, to implement the resolutions that precede, including through its proxies, also approving any and all executive provisions of the relevant repurchase program and complying with any requests made by the competent authorities.

Three directors took part in the Shareholders' Meeting.

Resignation of the Chairperson of the Board of Directors

On May 8, 2019, Tarek Aboualam, Chairperson and Director of the Board of Directors, resigned with immediate effect from his position as Chairperson of the Italiaonline's Board of Directors due to personal commitments.

Board positions

On May 8, 2019, the Italiaonline's Board of Directors confirmed the appointment of Roberto Giacchi as Chief Executive Officer following the shareholders' resolution of April 30, 2019.

Manager in charge of Financial Reporting

On June 11, 2019, and with Board of Statutory Auditors' approval, the Parent's Board of Directors resolved to appoint Francesco Guidotti, the Parent's Finance Administration and Control Department Manager, as the Manager in charge of Financial Reporting, pursuant to Article 154-*bis* of Italian Legislative Decree No. 58/98. The duration of the term of office will be up to the Shareholders' Meeting called to approve the financial statements at December 31, 2020.

Main corporate events relating to Group companies

- On April 16, 2019, the Ordinary Shareholders' Meeting of Moqu Adv resolved to appoint the new Board of Directors.
- On April 24, 2019, the Extraordinary Shareholders' Meeting of Consodata S.p.A. approved a paid-in share capital increase of up to € 50,000.00.
- On April 29, 2019, the Ordinary Shareholders' Meeting of Bizpal Srl resolved to appoint the new Board of Directors.
- On May 31 2009, the Board of Directors of Bizpal Srl appointed Giuseppe Scarcella as Chief Executive Officer of the Company.
- On May 22, 2019, the Board of Directors of the respective Digital Local Services, Adriatico 2, Sardegna 2, Puglia 1, Sicilia 5, Roma 3, Venezia 1 and Romagna 2, resolved to assess the grounds for winding up of the companies.
- On June 10, 2019 the respective Digital Local Services, Adriatico 2, Sardegna 2, Puglia 1, Sicilia 5, Roma 3, Venezia 1 and Romagna 2 were put into liquidation.

Press release pursuant to Article 102(1) of the Consolidated Finance Law

On June 28, 2019 Libero Acquisition S.à r.l. and Sunrise Investment S.p.A. issued a press release in order to: (a) announce their intention to launch a Voluntary takeover bid for (i) all ordinary shares of Italiaonline S.p.A. ("the Issuer"), ISIN IT0005187940 (the "Ordinary Shares") and for (ii) all of the Issuer's savings shares, ISIN IT0005070641 (the "Savings Shares"), both traded on the MTA (Italian Online Stock Market) organized and managed by Borsa Italiana S.p.A. (the "Offer for Ordinary Shares" and the "Offer for Savings Shares", jointly, the "Offers").

Events after reporting period

2020-2022 Business Plan

On July 9, 2019, the Board of Directors of Italiaonline S.p.A., under the guidance of the new CEO Roberto Giacchi, examined and approved the Business Plan for the period 2020-2022.
It should be noted that on March 19, 2019 the Board of Directors of Italiaonline, when approving the results as at December 31, 2018, approved a technical update of the previous Business Plan, updating the economic and financial objectives for the 2019-2021 period, based mainly on a continuation of the growth of the digital segment that was able, in the period of the Plan, to compensate for the decline in the traditional business, whilst allowing for an improvement in operating profitability.
The guidelines for the 2020-2022 Business Plan focus on a clear strategy that will allow for a complete transition to digital business: this segment, by the end of 2022, will represent around 95% of total revenue, in line with the positioning of Italiaonline as the largest Italian Internet Company.
This strategy aims to transform Italiaonline from a Media Company to a Provider of high value-added digital services, and includes the following development drivers:
- **for the business segment dedicated to SMEs**: i) the expansion of the digital offer dedicated to SMEs via a partnership aimed at supporting them in the development and growth of their business; ii) the renewal of Italiaonline's Digital Directories through the development of vertical marketplaces with transactional functions where SMEs and professionals can interact and deal directly with the end consumers; iii) the enhancement of the multi-channel coverage of the market; iv) the improvement of the Customer Experience by means of a Customer-centric operating model;
- **for the business Consumer segment**: i) an accelerated growth of the audience and traffic for the properties managed by IOL to support the leadership in the digital media area, through the development of new verticals and the improvement of content, also to attract younger generations; ii) leverage on the basis of unique IOL users to grow in terms of transactional services by developing new businesses;
- **for the large account segment**: i) the extension of the Digital Inventory managed, in order to consolidate IOL leadership as a digital agency on the Italian market, through new partnerships and the development of new display network advertising services; ii) the maximisation of the effectiveness of IOL property monetisation through strengthened direct channel coverage.

The aforementioned guidelines will leverage the operating model that will:
- the establishment of an organisation of Customer-centric activities to improve the Customer Experience by merging services into a single centre of expertise;
- the simplification and digitalisation of processes by implementing new CRM, ERP and resource management systems; o continuation of the process of cost regulation and productivity efficiency;
- the ongoing growth of Italiaonline's brand awareness;
- the training of staff and development of digital skills.

With reference to the forecasts of the 2020-2022 Business Plan, it should be noted that the 2020 and 2021 substantially confirmed the economic and financial objectives already communicated to the market on March 19, 2019, when the Technical Update of the previous Plan was approved.

Main corporate events relating to Group companies

- On July 1, 2019, the Ordinary Shareholders' Meeting of all the active Digital Local Services resolved to appoint the new Board of Directors.

Outlook

In the second part of 2019, Italiaonline management will be involved, as already occurred in the first half of the year, in initiatives aimed at supporting the top line, and in particular the growth of revenues in the digital segment, based on the development drivers specified at the time of the approval of the 2020 – 2022 Business Plan.

In particular these drivers imply:
- **for the business segment dedicated to SMEs**: i) the expansion of the digital offer dedicated to SMEs via a partnership aimed at supporting them in the development and growth of their business; ii) the renewal of Italiaonline's Digital Directories through the development of vertical marketplaces with transactional functions where SMEs and professionals can interact and deal directly with the end consumers; iii) the enhancement of the multi-channel coverage of the market; iv) the improvement of the Customer Experience by means of a Customer-centric operating model;
- **for the business Consumer segment**: i) an accelerated growth of the audience and traffic for the properties managed by IOL to support the leadership in the digital media area, through the development of new verticals and the improvement of content, also to attract younger generations; ii) leverage on the basis of unique IOL users to grow in terms of transactional services by developing new businesses;
- **for the large account segment**: i) the extension of the Digital Inventory managed, in order to consolidate IOL leadership as a digital agency on the Italian market, through new partnerships and the development of new display network advertising services; ii) the maximisation of the effectiveness of IOL property monetisation through strengthened direct channel coverage.

Management is also involved in the implementation of the operating model described at the time of the approval of the Business Plan 2020 – 2022, that provides for:
- the establishment of an organisation of Customer-centric activities to improve the Customer Experience by merging services into a single centre of expertise;
- the simplification and digitalisation of processes by implementing new CRM, ERP and resource management systems; o continuation of the process of cost regulation and productivity efficiency;
- the ongoing growth of Italiaonline's brand awareness;
- the training of staff and development of digital skills.

On the basis of the information available to date, for 2019 Italiaonline confirms the guidance already described at the time of the approval of the results at 31 December 2018.

SUPEREVA

When news is trendy


SUPEREVA
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WOW
POP
NEWS
TRENDOMETRO
VIDEO
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COME FARE
ALTRO
ARISTON
ecipare al festival di
Chi è Francesco Monte, futuro marito di Cecilia Rodriguez
Gigi D'Alessio cambia vita e diventa conduttore di "Made in Sud"
Cos'è l'analfabetismo funzionale?
Jalisse: "Da 20 anni il Festival di Sanremo non ci vuole"
Ve la ricordate Rudy Robinson? È diventata mamma
Ora potete mandare messaggi su Whatsapp offline, ecco come
La top model: "Sono intersessuale e mi batto per quelli come me"

Other information

HUMAN RESOURCES

Italiaonline Group

	1ST HALF 2019	AT 12.31.2018	CHANGE
Senior Managers	87	97	(10)
Managers	174	202	(28)
White collars	898	1,143	(245)
Call operators	219	222	(3)
Employees	**1,378**	**1,664**	**(286)**
of which on government-sponsored lay-off scheme		*293*	*(293)*
Directors, coordinated and ongoing consultants, and interns	11	11	
Total workforce at the end of the period	**1,389**	**1,675**	**(286)**

	1ST HALF 2019	1ST HALF 2018	CHANGE
Senior managers	91	103	(12)
Managers	175	189	(14)
White collars	865	1,017	(152)
Call operators	133	134	(1)
Employees	**1,264**	**1,443**	**(179)**
Directors, coordinated and ongoing consultants, and interns	12	10	2
Average workforce for the period	**1,276**	**1,453**	**(177)**

The Italiaonline Group had a workforce of 1,389 people at June 30, 2019, down by 286 with respect to 1,675 at December 31, 2018.
This decrease is largely due to the effects of the reorganization plan of Italiaonline S.p.A. following the trade union agreement signed on July 2, 2018 at the Ministry of Economic Development and Labor.
Again in the first half of the year, Italiaonline had an average active workforce of 1,276, down by 177 from 1,453 in the first half of 2018.

Industrial relations

Trade union relations during the first half of 2019 concerned the implementation of the union reorganization agreement of July 2, 2018. Furthermore, during the first half of the year, a number of agreements were signed concerning management issues.
In Bizpal and Consodata, trade union relations during the first half of 2019 mainly concerned ordinary management issues.

Recruitment

In the first half of 2019, the recruitment process based on managerial profiles led to the hiring of Francesco Guidotti as the new Manager in charge of Financial Reporting and Fabio Peloso as Chief Sales Officer.
With regard to recruitment activities concerning other employees of the Group, the focus was on the search and recruitment of a number of "digital native" profiles, which have led to the hiring of new staff with technical-digital skills, mainly in the Product Development and Innovation department and in the subsidiary Moqu Adv.
With regard to sales, the activity of search and recruitment of sales profiles has continued, leading to the hiring of approximately 88 new exclusive agents and around ten profiles of digital marketing experts within Digital Local Services in 2019.

Corporate training and sales networks

Italiaonline Academy provided training to corporate and sales employees during the first half of 2019, for a total of 31,600 hours of training to a total of 1,500 participants.
In specific, corporate employees received 2,300 hours of training with 460 participants.
The training activities covered several areas:
- a team coaching course in the Marketing and Sales area;
- focus on local strategies and SEO for the Marketing area;
- a new PagineGialle.it range (in e-learning);
- various Webinars on information technology themes;
- conferences, including international ones, for Information Technology and Product Development profiles;
- Diversity, employed horizontally across the various business segments;
- specialized courses on the production of web pages for the Digital Factory;
- courses for Security Managers and supervisors pursuant to Italian Legislative Decree no.81/2008.

The presence of employees from all areas at specialist sector events was also ensured.
As regards training dedicated to sales employees and the Sales Force, the Italiaonline Academy provided online training on the parent's e-learning platform relating to 15 courses for approximately 3,800 hours with 1,000 participants.
The latter was supplemented by classroom courses for a total of 16,800 hours with 525 attendees.
In particular, training focused on the specific contents of the sales offer, on the characteristics of the constantly evolving product and on sales techniques.
During the first half of the year, all new agents' induction courses continued, relating to product knowledge and sales techniques, with a total of 4,200 classroom training hours for 85 agents. A new induction model was adopted in 2018 and continued in the first half of 2019 with 3 steps: classroom training for sales techniques, e-learning for product content and development of new employees through a structured support plan and on-the-job training.
Attention was also focused on telephone sales staff, through 73 classroom courses with 290 attendees for 3,700 hours of training.

Property & Facilities Management

In the first half of 2019, the Property & Facilities Management Department ensured continuous monitoring of relations with all services related to building maintenance and cleaning, mail service, logistics and company cars.
The Prevention and Protection Function guaranteed continuity in the management of issues related to health and safety in the workplace, within its area of competence.
Activities are carried out periodically as required to maintain the BS OHSAS 18011:2007 certification (Occupational Health and Safety Assessment Series).
In the reporting period, the closure of a number of offices was finalized as part of the DLS consolidation process.

Reference regulatory framework

1. EU Directives on telecommunication and e-commerce systems and transposing them into the Italian regulatory framework. The EU General Regulation 2016/679 ("GDPR") and Law 101/2018

The regulatory framework for Italiaonline activities mainly comes from a package of EC Directives on telecommunication and e-commerce systems.
Specifically, these directives are: Directive 2000/31/EC on e-commerce; Directive 2002/19/EC on access to electronic communication networks; Directive 2002/20/EC on permits for networks and electronic communications services; Directive 2002/21/EC establishing a common regulatory framework for networks and electronic communications services; Directive 2002/22/EC on the Universal Service and Directive 2002/58/EC on the processing of personal data and privacy protection in the electronic communications sector.
With the exception of Directive 2002/58/EC, transposed by Italian Legislative Decree No. 196 of June 30, 2003 (so-called Privacy Code) and Directive 2000/31/EC, implemented by Legislative Decree No. 70 of April 9, 2003, in Italy these Directives have been incorporated in Legislative Decree No. 259 of August 1, 2003 (so-called Code of Electronic Communications) and other regulatory measures issued by both AGCOM and the Italian Data Protection Authority.
At the end of 2009, these Directives were subject to reform. The European Commission approved a new regulations package: Directive 2009/140/EC (for "Improved Regulation"); Directive 2009/136/EC (on "Citizens' Rights"); Regulation 2009/1211, which set up the supranational regulation body "BEREC" (Body of European Regulators for Electronic Communications).
These Directives were incorporated into Italian regulations in 2012. In particular: on June 1, 2012, the new Electronic Communications Code came into force through Legislative Decree No. 70 of May 28, 2012 (implementing EU Directive 2009/140/EC), which resulted in the exclusion of telephone directories from the universal-service obligations; on May 28, 2012, Legislative Decree No. 69 was enacted (to implement EU Directives 136/2009 and 140/2009), which introduced several changes to the personal data protection code (Legislative Decree No. 69/2012) including regulations for the processing of cookies.
As part of the Digital Single Market Strategy, adopted by the European Commission in May 2015 with a view to establishing a European digital single market and fostering economic growth, the Commission promoted a series of measures including the revision of Directive 2002/58/EC, the so-called E-Privacy Directive. This revision will probably lead to the proposal for a new Regulation which aims to provide uniform regulations on electronic communications and protection of personal data by repealing the previous regulations adopted by Directive 2002/58/EC.
In the meantime, May 25, 2018 saw the entry into force of General Regulation (EU) 2016/679 (the GDPR) which repealed European Directive 95/46/EC but did not fully replace the Privacy Code.
On August 10, 2018, Decree No. 101 "Provisions for the adaptation of national legislation to the provisions of Regulation (EU) 2016/679 of the European Parliament and of the Council of April 27, 2016 on the protection of individuals with regard to the processing of personal data and on the free movement of such data and repealing Directive 95/46/EC" (OJ General Series No. 205 of September 4, 2018) was published, which came into force on September 9.

This is a coordination measure between the Privacy Code and the European Regulation (GDPR) which i) repealed all the provisions of the Code that are not compatible with or replaced by those of the GDPR; ii) supplemented the framework of sanctions of the GDPR with a series of new criminal violations, confirming those already provided for in the text of the code (Article 167 *et seq.*). On the other hand, contrary to the provisions of Recital 47 of the GDPR, it did not confirm the possibility of carrying out direct marketing activities, without the need for consent, but with the sole application as a legal basis, of the *legitimate interests of the controllers*. This required a revision of the adjustments to the GDPR related to direct marketing, since consent was always required, except for the provisions on telemarketing and postal marketing, which were allowed subject to verification in the Opt-out Register (pursuant to Article 130 of the Code).
In order to continue its compliance with the GDPR, Italiaonline, starting from the last quarter of 2018 and through periodic meetings of the Privacy Committee composed of the Internal Audit Director, the CTO, the Legal & Corporate Affairs Director and the Data Protection Officer: (*i*) completed the drafting of the Group Guidelines on GDPR; (*ii*) mapped and uploaded the data required by the European Regulation (processing, data, applications) to the processing register; (*iii*) regulated relations with third parties (suppliers, partners and customers); (*iv*) published the new policy on data breaches; (*v*) completed the revision of the information and consent forms, for all portals and domains; (*vi*) formally designated the controller's delegates in the parent; (*vii*) carried out the training of top management and the privacy representatives envisaged in the Group organization, implemented in accordance with the principle of adequacy; (*viii*) re-issued information for employees and consultants; (*ix*) initiated the principles of privacy by design and by default, both through the execution of certain Privacy Impact Assessments (on the mail system) and by examining from the outset certain particularly complex and impactful projects, in terms of privacy risk. Furthermore, an in-depth phase of more technical interventions was launched, with the support of a new leading consulting firm specializing in privacy in companies with high digital profiles and Telco.

2. The Privacy regulation: Telemarketing, the "cookies" provision, new Privacy Regulations and Privacy Shield

2.1 Telemarketing

With regard to Telemarketing services, following the publication of Presidential Decree No. 178 of September 7, 2010, the Public Register of subscribers opposed to the use of their telephone number for direct marketing purposes was set up.
The Management of the Register was assigned to the Ugo Bordoni Foundation and was activated on February 1, 2011.
From that date:

- companies operating in the telemarketing sector may no longer contact subscribers with numbers included in the Register. All telesales lists taken from telephone directories (such as Pagine Bianche and Pagine Gialle) must therefore be checked against the opt-out database before being used. The validity of lists containing the names of subscribers who can be contacted has been reduced to 15 days;
- direct marketing companies must declare themselves as such to the Ugo Bordoni Foundation and must sign a contract under which they agree to match their lists with the opt-out database.

The Order of the Italian Data Protection Authority issued on January 19, 2011 ("Regulations on operator-assisted telephone processing of personal data for marketing purposes following the creation of the public opt-out register") stipulates that the new regulatory framework also gives businesses the right to opt out. Therefore, telesales of products of any company aimed at a business audience may be carried out using the aforementioned matching procedure (or by using lists of parties that have given their express consent). Italiaonline has signed up to the opt-out register for matching.
On May 22, 2011, the previous regulation on postal marketing – which established an opt-out system (the possibility of being contacted without express consent), without prejudice to the right of individuals to object to postal marketing by signing up to the public opt-out register – was modified within the "Development Decree" (Legislative Decree No. 70 dated May 22, 2011, Article 6). As a result, regulations on direct marketing provided for equal treatment for telephone and postal marketing.

The Italian Data Protection Authority has not issued the implementing measure, the impact of which for Italiaonline would involve removing the "envelope" symbol printed in the Pagine Bianche directory, to make the consent of subscribers to receiving postal marketing materials (the current opt-in system) more explicit.
Furthermore, by means of the Stability Law for 2017, starting from April 1, 2017, the legislator introduced the obligation for all call centers to be registered in an appropriate section of the Register of Communication Operators (i.e.: ROC), as well as the obligation of prior disclosure of the place from which the operator is contacting the user, with the possibility for the latter to request and obtain the transfer of the call to another call center in the EU.
Finally, Italian Law No. 5 on "New provisions on the registration and operation of the Opt-out Register and the establishment of national prefixes for telephone calls for statistics, promotion or market research purposes" was published in the Official Gazette on January 11, 2018. Amongst other things, the Law introduces: i) the option of registration in the opt-out register of all natural persons, also indicating the reserved landline numbers (ex-directory) and mobile phone numbers; ii) inclusion in the Opt-out Register results in the cancellation of all consent given previously by the user (with certain exceptions); AGCOM identification of two prefixes identifying marketing and statistics-related calls; iii) contracting companies become jointly liable with the call center operators in the event of violations: this makes beneficiaries of the marketing campaign jointly responsible; suspension or even cancellation of business authorization is envisaged in the event of violations.
Finally, on November 8, 2018, Presidential Decree No. 149 was issued, laying down "the Regulation containing amendments to Presidential Decree No. 178 of September 7, 2010, on the public opt-out register with regard to the use of paper mail".
This measure: i) extended, in implementation, among others, of Article 129 of the Privacy Code, to paper mail for marketing purposes and the prohibitions arising from the inclusion of data in the public opt-out register; ii) confirmed, in 15 days, the effectiveness of verification in the Register for the purposes of processing data for sending advertising materials or direct selling or for carrying out market research or commercial communication through the use of the telephone, and in 30 days, for the processing of data for the same purposes through the use of paper mail.

2.2 Cookies measure

With regard to provisions of the Privacy Code, note that, in accordance with Article 122 of the Code, the storage of non-technical cookies is only permitted on condition that the website visitor has been informed and has provided their explicit consent.
In this regard, on May 8, 2014, the Italian data protection authority enacted measure No. 229 (the "Measure") on establishing simplified procedures for the privacy notice and for the acquisition of consent for the use of cookies, which came into force on June 2, 2015.
The measure applies to all sites, including responsive sites, and to browsing them from any terminal/device, where such sites do not use exclusively proprietary analytical and technical cookies. It requires the user to be informed through two levels of information: firstly, a brief notice will be displayed appearing immediately on the page which the user accesses, then, an extended notice that can be accessed through a link in the brief notice as well as through a link at the bottom of every updated page of the website.

2.3 Privacy Shield

Lastly, also in the area of privacy regulations, it should be noted that on February 2, 2016, the European Commission and the Government of the United States of America reached a political agreement on a new scheme for transatlantic exchanges of personal data for commercial purposes: this refers to the EU-US Privacy Shield. The Commission presented the draft text of the decision on February 29, 2016. As a result of the Group's opinion on Article 29 (data protection authorities) of April 13, 2016, and the European Parliament resolution of May 26, 2016, the Commission completed the adoption process on July 12, 2016.
The EU-US Privacy Shield aims to address the requirements laid down by the ruling of October 6, 2015 whereby the European Union Court of Justice invalidated the old "Safe Harbor" scheme.
On October 27, 2016, the Italian Data Protection Authority issued the authorization to transfer data abroad through the agreement called "EU-US Privacy Shield" (published in Official Journal No. 273 of November 22, 2016). The authorization puts an end to the Italian legal affair opened by the ruling of the Court of Justice regarding the Safe Harbor and allows Italian companies to make use of the adequacy decision of the European Commission No. 1250 dated July 12, 2016 for the transfer of personal data to the US.

3. Electronic signature services

Electronic signature services – which are becoming widespread – are also subject to specific regulations, including rules governing the processing of certain biometric data of subscribing customers. In particular, Italiaonline has adopted an advanced electronic signature service, provided in accordance with the provisions of the Digital Administration Code (DAC), the technical rules issued by the Prime Ministerial Decree of February 22, 2013 and with the provision of the Italian data protection authority of November 12, 2014. The advanced electronic signature ("AES"), as defined in the DAC, consists of a set of electronic data associated with an electronic document used to identify the signatory and ensure a unique connection to him/her.

Signing up for the opt-out scheme

On January 28, 2013, the Parent's Board of Directors resolved to sign up for the opt-out scheme established under Article 70(8) and Article 71(1-bis) of the Issuers' Regulation, thereby availing itself of the option to avoid mandatory public disclosure of information about significant mergers, demergers, and capital increases by way of contribution in kind, acquisitions and disposals. On February 1, 2013, the Parent released adequate information to the market.

ADMINISTRATIVE, LEGAL AND ARBITRATION PROCEEDINGS

Administrative, legal and arbitration proceedings involving the Italiaonline Group

1) Dispute with the Italian Tax Authorities for failure to apply withholdings

On December 24, 2014, Italiaonline S.p.A. (the Parent) received a tax assessment notice from the Italian Tax Authorities - Lombardy Regional Office (Agenzia delle Entrate - Direzione Regionale della Lombardia, hereinafter "DRE" or the "Office"), claiming that it had failed to apply withholding taxes in 2009 on the interest paid to the Royal Bank of Scotland (Milan branch) for the "Senior" loan granted. According to DRE, the Parent should have applied withholding tax on a portion of the interest paid to the Royal Bank of Scotland. DRE has calculated the omitted 2009 withholding tax to be approximately € 5.2 million; on top of this, it calculated approximately € 1 million in interest. DRE did not apply penalties, given the objective uncertainty inherent in this issue; hence, the total amount requested was approximately € 6.2 million. Said assessment notice has been partially canceled, as a precaution, with the amount being demanded reduced to € 3.0 million.
The Parent, supported by its tax advisers, has disputed the assessment notice. The appeal, aimed at obtaining complete annulment of the claim, was notified to the Italian Tax Authorities on May 13, 2015 and filed before the competent Provincial Tax Commission on May 25, 2015. As set forth in the provisions on tax collection, on May 21, 2015, before appearing the Court, the Parent arranged a provisional payment, pending ruling, of one third of the required sum, equal to € 1.2 million. The appeal was discussed at the competent Provincial Tax Commission on November 3, 2015.
Following the ruling of the Milan Provincial Tax Commission filed on December 1, 2015 (henceforth, "2009 first instance ruling"), the appeal against the assessment notice for the 2009 was accepted and a first instance annulment was ordered. Following this ruling, the Parent acquired the right to be reimbursed the amount paid while awaiting ruling, equal to € 1.2 million; this amount was fully repaid (plus interest of € 11,863) on July 7, 2016.
On June 7, 2016, the Parent received notification that DRE had prepared its appeal against the ruling of the Milan Provincial Tax Commission, which had ordered the annulment of the tax assessment issued for the purpose of withholding taxes for 2009 tax year. On August 2, 2016, the Parent filed its counterclaims and incidental appeal. The discussions hearing was held on November 9, 2017. By means of the ruling filed on February 6, 2018 (henceforth the "2009 second instance ruling"), the Regional Tax Court overturned the part of the first-instance ruling which had declared the preliminary reason for the appeal to be groundless, regarding violation of the principle of prior cross-examination, consequently invalidating the notice. The judges then issued a ruling on the merit of the dispute formulated by the Italian Tax Authorities confirming it to be groundless, as already detected in the first instance ruling. The Office challenged the Lombardy Regional Tax Commission decision through an appeal filed with the Supreme Court of Cassation, notified to the Parent on May 4, 2018. On June 12, 2018, the Parent notified the Office of its own appeal and counter-appeal.
Pending the proceedings before the Supreme Court, the Parent, for purely tax litigation reduction reasons, decided to settle the claim made by the 2009 Notice using the procedure for the facilitated settlement of tax disputes set forth in Article 6 of Decree Law No. 119/2018 - converted with amendments into Law No. 136 of December 17, 2019 - by paying an amount equal to € 148,649.
On October 2, 2015, the Parent received five tax assessment notices issued by DRE, following the one received on December 24, 2014 referring to the year 2009. These assessments alleged that in the years 2010, 2011 and 2012 the Parent had failed to apply withholding tax on interest paid to the Royal Bank of Scotland as part of the "Senior" loan for an approximate total of € 7.7 million, in addition to approximately € 6.4 million in penalties for untrue withholding agent declarations and failure to apply withholding taxes, and € 1 million in interest. In light of the above, the Parent asked its tax advisers to file an appeal against the charges related to the 2010, 2011 and 2012 tax years. In February 2016, the Parent appealed the tax assessment notices for the 2010, 2011 and 2012 and took steps to carry out a provisional payment, pending ruling, of € 2.9 million for taxes and interest, corresponding to one third of the amount requested.

In light of the changed regulatory environment and taking into account the clarifications provided by the Italian Tax Authorities in Circular No. 6/E of March 30, 2016, DRE, accepting the arguments put forward by the Parent, ordered the annulment of charges for non-payment and acknowledged the invalidity of the claim in relation to penalties for untrue statements and failure to make withholdings for the 2011 and 2012.
Therefore, in light of the above, the overall claim for the four years under review amounts to approximately € 12 million, plus interest.
The Milan Provincial Tax Commission, by means of a ruling filed on May 29, 2017 (henceforth, "2010-2011-2012 first instance ruling"), with a decision contrary to that made by the Milan Provincial Tax Commission on the 2009 first-instance ruling, confirmed the substantial validity of the 2010, 2011 and 2012 assessment notices. Furthermore, on June 30, 2017 DRE notified the Parent of three payment demands relating to the 2010, 2011 and 2012 notices, by which, in compliance with the provisions regulating provisional payments pending ruling, it was required to arrange payment of a total amount of tax and interest of approximately € 3 million. These amounts were paid on August 4, 2017.
On December 19, 2017, the Parent notified DRE of the appeal against the 2010-2011-2012 first Instance Ruling of the Provincial Tax Commission of Milan and subsequent court filing. On February 19, 2018, the Office filed its own counterclaims.
The hearing to discuss the merits of the dispute was held on July 16, 2018 and on September 3, 2018 the Regional Tax Commission ordered the annulment of the assessment notices for 2010-2011-2012, upholding all the grounds for appeal, both procedural and substantive (hereinafter the "2010-2011-2012 Second instance ruling").
At the date of this Report, the terms for the appeal to the Supreme Court of Cassation by DRE are still pending, as the provisions of Article 6(11) of Decree Law No. 119/2018 (converted with amendment by Law No. 136/2018) for the settlement of pending litigation in which the Italian Tax Authorities are a party, according to which the time limits for appeal expiring between the date of entry into force of the Decree Law (i.e. October 24, 2018) and July 31, 2019 are suspended for nine months are applicable. As a result of the above suspension of the time limits for appeal, the time limit for the Office to lodge an appeal with the Supreme Court of Cassation will expire on September 26, 2019.
For the sake of completeness, it should be noted that the 2010-2011-2012 second instance ruling is immediately enforceable, with the consequence that the Parent has accrued the right to reimbursement for the amounts paid provisionally, pending the ruling, amounting to approximately € 6.0 million, plus interest; in particular, since the ninety-day period, starting from the date on which the ruling was notified to the Office without DRE having paid the reimbursement, had elapsed, DRE initiated the compliance proceedings on February 5, 2019. This sum was repaid in full plus interest on March 14, 2019.
Pending the deadlines for the preparation by the Office for the appeal to the Supreme Court against the ruling, the Parent, for purely tax litigation reduction reasons, decided to settle the claim made by the 2010, 2011, 2012 Notice using the procedure for the facilitated settlement of tax disputes pursuant to Article 6 of the Decree Law 119/2018 - converted with amendments by Law No. 136 of December 17, 2019 - by paying an amount of € 1,150,696.

2) Dispute with the Italian Tax Authorities on the sale of the 1254 business unit

On March 3, 2017, the Italian Tax Authorities served the Parent a payment notice ("Notice") for higher stamp duty (€ 0.56 million), plus penalties equal to the higher tax and interest. With regard to this Notice, referring to the sale of the "1254" business unit, carried out with deed filed on July 5, 2016 and effective July 1, 2016, the Parent is jointly liable for this recovery action, with a right to act against the buyer for any tax assessed for which a final payment is made.
The Parent, supported by its legal advisers, has disputed the validity of said Notice before the Tax Court having jurisdiction, as no settlement was reached both by the Parent and by the buying company; the buying company also followed the same course of action.
On December 13, 2017, the Provincial Tax Commission of Milan upheld the request for the suspension of the notice in question and, simultaneously in said order, scheduled the discussion at a public hearing for April 18, 2018. By decision filed on May 16, 2018, the Provincial Tax Commission of Milan accepted the appeals filed by the Parent and the buying company.

Following this decision, on July 6, 2018, the Italian Tax Authorities notified the filing of their appeal before the Lombardy Regional Tax Commission. In this respect, the Parent filed its counter-arguments on October 4, 2018.
On July 17, 2019 the hearing was held to discuss the dispute for which the Parent is awaiting the ruling.

3) IRES Assessment notice

By means of an assessment notice served on December 17, 2018, the Italian Tax Authorities accused the Parent of having indicated a higher amount as a notional return on equity as an ACE deduction for 2013.
The Office thus recalculated the Parent's taxable profit for 2013 and has established additional IRES of € 8,966.00, plus interest, pursuant to Article 39 and the combined provisions of Articles 40-bis and 41-bis of Presidential Decree No. 600 of September 29, 1973; the Office also imposed a fine of € 8,069.40 on the Parent pursuant to Article 1(2) of Italian Legislative Decree No. 471/1997. Moreover, considering the type of adjustment for ACE purposes made by the Office for 2013, the same may also take effect in subsequent tax years, estimated at approximately € 2.6 million in the event of a dispute being initiated.
On February 1, 2019, the Parent, while deeming the Office's claims to be groundless, filed an application for a tax assessment settlement, in order to be able to explain its reasons for its conduct to the Italian Tax Authorities. The tax assessment settlement procedure had allowed for the suspension of the time limit for appeal for ninety days and reserves the right to bring proceedings before the Provincial Tax Commission.
The Parent proceeded to notify the Italian Tax Authorities of its appeal on May 16, 2019, as no settlement was reached.
The Parent, supported by its advisers, believes that it has valid defense arguments and that the risk of having to call on resources to cover the charges notified by the Office is not probable but possible. Therefore, it has not made any provision for risks and tax charges for this reason.

4) Request for compensation of damage

In a claim form dated July 30, 2014, Mr. Rocco Amabile and 32 other natural persons (the "Plaintiffs") - representing non-controlling interests in the Parent - presented before the Court of Rome a civil action for damages against, among others, Italiaonline S.p.A. (previously Seat Pagine Gialle S.p.A). The Plaintiffs have asked to establish the liability of the Parent, both contractually and non- contractually, for "the financial collapse of the Parent and related degradation of the share and, consequently, to ascertain and declare the right of the Plaintiffs to be paid the amounts shown in the bank documents attached". The facts alleged by the Plaintiffs include a series of deals that involved the Parent before the merger with Italiaonline; namely, the 2003 merger, the 2004 dividend distribution, the debt restructuring in 2012 and the request for the deed of arrangement in 2013.
Such substantive action was preceded by an action for seizure, pursuant to Article 669-bis and 700 of the Italian Code of Civil Procedure, dated December 21, 2012, presented before the Court of Rome by seven natural persons appearing as Plaintiffs in the current substantive action, which was then proposed as instrumental to a subsequent action for damages. By order dated April 12, 2013, the Court of Rome rejected the request for seizure because, among other things, "*the appeal does not identify with sufficient clarity what wrongs are attributable to the 2003-2004 merger and, above all, what are the specific responsibilities to be attributed from which would arise the right to compensation for damage as invoked. Similar considerations apply with regard to the recent debt restructuring, which took place in 2012*".
Italiaonline S.p.A. responded by rejecting all claims of the Plaintiffs based on a series of preliminary defenses (in particular, the Plaintiffs' lack of active legal capacity, lack of capacity to be made a defendant on the part of the Parent, expired statute of limitations) as well as their general lack of merit.
During the first hearing held on February 10, 2015, the Plaintiffs requested a hearing for the personal appearance of the parties and alternatively, terms for preliminary briefs pursuant to Article 183(6) of the Italian Code of Civil Procedure. The Issuer insisted on the acceptance of various preliminary objections formulated as pre-emptive for the definition of the ruling.
After hearing the arguments, the judge granted time for preliminary pleading to the Plaintiffs pursuant to Article 183, paragraph 6, of the Italian Code of Civil Procedure.

The hearing on preliminary motions was held on May 19, 2015, following which the judge declared that the case was ready for the decision phase and scheduled a hearing for closing arguments on April 5, 2016, during which the plaintiffs quantified the loss which they incurred as amounting to € 1.3 million, after which the judge set the legal deadline for filing closing arguments (60 days) and responses (20 days after the deadline for filing closing arguments).
With the ruling published on March 14, 2017, the Court rejected the requests of the Plaintiffs, also ordering them to refund the defendants the costs incurred for the proceedings and to refund general expenses as required by the law.
By means of an appeal filed on July 28, 2017, the Plaintiffs subsequently challenged said ruling, requesting it to be overturned in full, before the Court of Appeal of Rome, solely with respect to Italiaonline S.p.A. and CONSOB, having acknowledged that they had reached an agreement to settle the dispute with the Royal Bank of Scotland.
By means of entry of appearance filed on January 8, 2018, Italiaonline started legal action by pleading the preliminary inadmissibility of the appeal both pursuant to Article 342 of the Italian Code of Civil Procedure, because the requirements of the deed were not respected, and in accordance with Article 348-bis of the Italian Code of Civil Procedure, as the appeal "*has no reasonable likelihood of being upheld*", and challenging the total groundlessness of the reasons for the appeal put forward by the counterparty and, in any case, its claims.
At the first hearing on January 9, 2018, the section Chair pointed out that the dispute, in his opinion, should not have been assigned to his section. By means of decree of February 14, 2018, the Court of Appeal, specialized company section - to which the file was reassigned - set the hearing for December 11, 2018.
At the hearing of December 11, 2018 before the Court of Appeal of Rome, the defense of the plaintiffs recalled the note filed in view of the previous hearing of January 10, 2018, reiterating that the documents in the proceedings would reveal possible criminal offenses and insisting on the supposed need to carry out investigative activities in the context of the appeal proceedings. The Parent's defense opposed the content of the note, arguing that it was inadmissible and pointing out that the references to criminal offenses are completely generic and unfounded, as well as irrelevant in relation to the position of Italiaonline and the subject of the ruling. The CONSOB defense expressed the same view.
The Board, not following the defense of the Plaintiffs in its considerations, invited the parties to specify their own conclusions, reserving the right to make all assessments of the admissibility and relevance of the content of the note (even after that recognized by the parties in the final conclusions). The parties therefore referred to the conclusions already set out in the records.
The law firm assisting the Parent believes, at the current state of play, that the risk of being the losing party is remote, in consideration of the fact that the defensive legal arguments already presented at the first-instance proceedings (and on which the Court did not issue a ruling, having upheld the preliminary plea of limitation) are based on favorable positions adopted in case law and that there are arguments to support the groundlessness of the reasons for the appeal presented by the Plaintiffs as well as taking into account that the decision of the first-instance Judge - who rejected compensation claims as the statute of limitations had expired - was in favor of Italiaonline.

5) Savings Shareholders

Ruling against the Shareholders' resolution of April 23, 2015
At their special meeting of July 16, 2015, the savings shareholders of the Parent resolved to authorize their common representative, Ms. Stella d'Atri, to take the necessary action to challenge - pursuant to Article 2377 *et seq.* of the Italian Civil Code - the resolution passed at the Ordinary Shareholders' Meeting of the Parent on April 23, 2015, in the part concerning the allocation of profit for the year ended December 31, 2014. The Issuer reiterated that the request to allocate part of the profit for 2014 to the distribution of dividends in favor of the savings shareholders is not compatible with the proposed settlement with creditors approved by the Court of Turin and, before that, with the resolution passed at the Extraordinary Shareholders' Meeting of the Parent on March 4, 2014 and at the Meeting of Savings Shareholders of July 2, 2014, and is therefore untenable.

On July 17, 2015, the Issuer received a claim form filed at the Court of Turin by the Common Representative of the savings shareholders. The plaintiff requested the annulment of the resolution of April 23, 2015, claiming that this resolution violated the rights of savings shareholders to receive the preferred dividend provided for in Article 6, Paragraphs 6 and 8, of the Articles of association and therefore requested the complete or partial annulment of the aforementioned resolution. The Issuer filed for an appearance by pleading the invalidity of the opposing questions, also noting that the resolution had been subject to prior approval by the savings shareholders in question.
On May 18, 2016, the savings shareholders resolved, among other things, to delegate the Common Representative, Stella d'Atri, to submit a settlement proposal for the proceedings brought against the Parent, waiving the on-going lawsuit in exchange for a savings shares split, or other transactions with similar purpose.
At the hearing on May 24, 2017, acknowledging that the savings shareholders had not agreed to waive the ongoing lawsuit or to the proposal of mandatory conversion of savings shares into ordinary shares, the court adjourned the hearing to September 20, 2017, setting terms for the briefs to be presented pursuant to Article 183(6), Italian Code of Civil Procedure.
By means of a ruling dated December 22, 2017, the Court of Turin rejected the appeal submitted by the Common Representative of the Savings Shareholders of Italiaonline S.p.A., Stella d'Atri, against the resolution passed at the Ordinary Shareholders' Meeting of April 23, 2015 for the part concerning the allocation of the profit of the year ended December 31, 2014 and ordered the plaintiff to pay the costs of the legal proceedings.
This ruling was appealed at the Court of Appeal of Turin by means of appeal notified on February 6, 2018. The Parent appeared before the court to file its own pleadings on May 30, 2018, claiming the invalidity and lack of grounds of the appeal filed by the Common Representative.
At the hearing on July 11, 2018, the Court reserved the right to decide on the claim of invalidity of the appeal. By order dated July 11, 2018, the Court of Appeal of Turin declared the inadmissibility, pursuant to Article 348-bis of the Italian Code of Civil Procedure, of the appeal brought by the Common Representative of Savings Shareholders against the sentence handed down by the Court of Turin in December 2017; the Common Representative of Savings Shareholders was ordered to pay the costs in the amount of € 6,160. The inadmissibility of the appeal means that there are no further judgments.

Ruling against the resolution of the Shareholders' Meeting of April 27, 2017
On July 25, 2017, a claim form was communicated to the Parent with which the Common Representative of Savings Shareholders of Italiaonline S.p.A., Ms. Stella d'Atri, appealed before the Court of Milan, as per Article 2377 *et seq*. of the Italian Civil Code, the resolution on item 3 on the agenda of the ordinary Shareholders' Meeting of April 27, 2017, concerning the distribution of an extraordinary dividend of € 0.692 for each of the 114,768,028 outstanding shares of the Parent, as it is detrimental to the interests of the category represented. The hearing was adjourned from January 20, 2018 to June 26, 2018.
The Parent appeared before the court to contest the groundlessness of the request, noting in particular that the resolution of April 27, 2017 was taken in compliance with the provisions of the Articles of Association.
At the hearing of June 26, 2018, after a brief discussion, the court decided not to accept the plaintiff's request regarding preliminary briefs and returned proceedings to the bench for pre-hearing issues, therefore adjourning proceedings to the final hearing of June 11, 2019, which was subsequently postponed until May 12, 2020 due to the reassignment to another judge.
The law firm that assists the Parent believes that at present the risk of accepting counterparty applications should not be considered probable but remains possible.

6) Disbursement of the Contribution to the Communications Authority ("AGCOM") for the period 2006-2010

A hearing on the merits of this question was held before the Lazio Regional Administrative Court (TAR) on May 9, 2012, as a result of which - at the request of the Parent – it suspended the proceedings by order of May 22, 2012 until the preliminary question referred to the Court of Justice of the European Union has been resolved in the context of the appeal filed by another telecommunications operator against the decisions taken by AGCOM with regard to the Contribution.

On July 18, 2013, the European Court of Justice ruled on the preliminary question, stating that Member States could only impose on companies providing services under the general authorization system the administrative charges required to cover the overall costs incurred for the management, control and enforcement of the general authorization system itself. Such charges may only cover costs related to these activities in a proportionate, objective and transparent manner and cannot include other expenses.
On September 23, 2015, AGCOM notified an application for preliminary decision on jurisdiction with which it has asked the Supreme Court to declare the decision on the Contribution outside the jurisdiction of the Lazio TAR and within the exclusive jurisdiction of the tax court. On the same date, AGCOM filed an application for stay of proceedings before the Administrative Court until the definition of the preliminary issue of jurisdiction by the Supreme Court.
On October 7, 2015, a new hearing was held at the Lazio Regional Administrative Court, where Italiaonline S.p.A. (previously Seat), besides reiterating the illegitimacy of the Contribution enforcement decisions, in accordance with the approach adopted by the European Court of Justice and subsequent Italian administrative case law, opposed the suspension of the administrative proceedings requested by AGCOM.
However, by order filed on October 20, 2015, the Lazio Regional Administrative Court suspended its ruling pending the appeal for determination of jurisdiction filed before the Supreme Court. As part of that ruling, the Parent filed a defense motion and a brief in accordance with law. At the hearing on July 19, 2016, the date set by the Supreme Court of Cassation for the discussion on the jurisdiction dispute, the case was adjourned for ruling by the Court.
By ruling issued on October 3, 2016, the Supreme Court found that in this case the issue falls within the jurisdiction of the administrative courts, on the basis of the established principle under which disputes concerning provisions of the Communications Authority, related to its operational costs to be financed by the relevant market (in accordance with Article 1(65) of Law No. 266, dated December 23, 2005), are assigned to the exclusive jurisdiction of the administrative court, under Article 133(L) of Legislative Decree No. 209 of 2005.
The hearing (originally set for May 3, 2017) was held before the Lazio TAR (regional administrative court) on January 31, 2018, after which the proceedings were adjourned for decision.
By decision published on February 20, 2018, the Lazio Regional Administrative Court partly accepted the Parent's appeal, stating that, if on the one hand the Parent is abstractly subject to the Contribution as an entity operating in the market under AGCOM's responsibility, on the other hand they cannot form part of the taxable base for the calculation of the *quantum debeatur* ("White Pages Print" revenue) as this revenue is in no way associated with the *ex ante* regulatory activities (and related costs) carried out by AGCOM.
In view of this principle, the Lazio Regional Administrative Court canceled the part of Resolution 96/11/CONS which states that the "White Pages Prints" for the years 2006-2010 contribute to the calculation of the contribution.
By appeal notified to the Parent on June 8, 2018, the State Prosecutor's Office, acting on behalf of AGCOM, challenged the Regional Administrative Court's decision, requesting: (*i*) as a preliminary measure, the suspension of the decision's effects with resubmission of the correct interpretation of the European regulations before the Court of Justice of the European Union; (*ii*) on the merits, rejection of the application originating the proceedings. At the date of this report, AGCOM has not yet requested payment of the revenue-related contribution for the market under AGCOM responsibility, in accordance with the Lazio Regional Administrative Court decision (around € 500,000.00, including interest and revaluation).
On June 18, 2018, the Parent filed the pleadings by which, for the moment, it acknowledged the late notification of the appeal by AGCOM, reserving all defense arguments to subsequent stages of the proceedings.
Subsequently, on September 14, 2018, the Parent filed an application for a hearing to be held on December 18, 2018. Following the outcome of the appeal and, more specifically, with its decision of December 20, 2018, the Council of State declared the filed appeal inadmissible and ordered AGCOM to pay the costs of the proceedings totaling € 1,500.00.
Following the decision of the Council of State and the subsequent Regional Administrative Court judgment becoming final, the Parent, in agreement with the lawyers who assisted it, maintained a provision for risks only for the amount of the contribution it would have had to pay for the year from 2006 to 2010 years as an entity operating in the market under AGCOM's responsibility, without therefore taking into account the "White Pages Print" revenue, the latter in no way associated with the *ex ante* regulatory activities (and related costs) carried out by AGCOM.
At the date of this Report, AGCOM has not made any request for payment of the aforementioned amount.

7) Former Italiaonline disputes

With notification dated October 6, 2014, Uomini & Affari S.r.l. ("Uomini & Affari") summonsed the then Italiaonline company before the Milan Court requesting compensation for damage caused as a result of alleged breaches of contract in the period of the advertising concession contract between Italiaonline and Uomini & Affari, valid from January 1, 2010 to January 31, 2014; the amount involved exceeded € 3 million. The agreement, for which Uomini & Affari alleged a plurality of breaches, concerned the management of the "news" section of the Libero portal by Uomini & Affari and provided for the payment, by Italiaonline, of fees to Uomini & Affari based on the sale of the advertising space on the affaritaliani.it website by Italiaonline.

With the filing of a defense statement, the Parent rejected all the requests made by the opposing party, highlighting the lack of validity of claims. At the first hearing on September 23, 2015, the Judge granted the terms for filing the briefs provided for in Article 183(6) of the Italian Code of Civil Procedure, and deferred the ruling until April 7, 2016. With a subsequent order at the hearing on April 7, 2016, the judge adjourned the proceedings to enable two witnesses (one on each side) to be heard during the hearing of December 2, 2016. The Judge then adjourned proceedings until the hearing of June 9, 2017 (later postponed to September 15, 2017) for the examination of other witnesses. At the hearing and following the examination of the cited witnesses, the Judge reserved issuing the ruling on the other measures of inquiry. Considering the preliminary investigation to be complete, by an out of court order the Court adjourned proceedings for closing arguments to September 27, 2018.

Subsequently, with a ruling of January 15, 2019, the Court of Milan, in partial acceptance of the applications of Uomini & Affari, ordered IOL to pay the following amounts: (i) € 280,000.00 as compensation for non material damages paid; (ii) € 3,200.00 as interest on arrears for late payments, on a continuous basis, in total plus inflation adjustment and interest, and (iii) € 21,400.00 as legal expenses, as well as 15% reimbursement of general expenses, VAT and social security charges. The amount paid by the Court of Milan as compensation is derived, according to the reasoning of the Court, from the assessment of certain aspects of the contractual liability of the Parent; the quantification was made on an equitable basis and is equal to 10% of the total amount collected by the Parent during its relationship with Uomini & Affari.

In a settlement proposal with reciprocal rejection of the appeal against the First instance ruling, the counterparty made a request that was higher than the ruling against the Parent; therefore considering the probable loss, a provision has been allocated to date considered adequate. On July 15, 2019, Uomini & Affari notified Italiaonline of an appeal for the overturning of the first-instance ruling in so far as it did not uphold the claims made at first instance by the appellant.

The first hearing of the proceedings before the Court of Appeal of Milan to date is scheduled for November 25, 2019.

CORPORATE GOVERNANCE

Introduction

Pursuant to Article 123 bis of Legislative Decree No. 58/98, the Parent has drafted and published a report ("Report") on its 2018 corporate governance and shareholder structure. The Report can be found on the Parent's website at the address https://www.italiaonline.it/governance/corporate-governance/sistema-e-relazione-di-governance/
The Parent has adopted the current version of the Code of Conduct of Listed Companies ("Code") and has committed to carrying out all the activities necessary to fully implement its principles and provisions.
An update focusing on the events that took place in the first half of the current year is provided below.

Shareholders' Meetings

1) Ordinary Shareholders' Meeting

The Parent's Ordinary Shareholders' Meeting was held on April 30, 2019.
The Shareholders' Meeting resolved:

- to appoint Roberto Giacchi as member of the Board of Directors of Italiaonline S.p.A., pursuant to Article 2386 of the Italian Civil Code, who will remain in office until the expiry of the current Board, i.e. until the Shareholders' Meeting called to approve the financial statements as at December 31, 2020;
- to grant Roberto Giacchi, *pro rata temporis*, the same remuneration as that determined for all members of the Board of Directors by the Shareholders' Meeting of April 27, 2018, without prejudice to the additional remuneration established by the Board of Directors - at the meeting held on May 8, 2019 - pursuant to Article 2389(3) of the Italian Civil Code, for directors holding particular offices.
- to approve the Financial Statements of Italiaonline S.p.A. as at December 31, 2018, which show a loss of € 10.09 million;
- to fully cover the loss through the use, for the same amount, of the Share Premium;
- to approve Section I of the Remuneration Report pursuant to Article 123-*ter* of Legislative Decree No. 58 of February 24, 1998;
- to revoke the previous authorization for the repurchase of treasury shares granted by resolution of the shareholders' meeting of April 27, 2018, for the part that remained unexecuted;
- to authorize (i) pursuant to and for the purposes of Article 2357 *et seq.* of the Italian Civil Code and Article 132 of Legislative Decree No. 58 of 24 February, 1998, the repurchase of the Parent's treasury shares, on one or more occasions, for a period not exceeding 18 months from the date of this resolution and (ii) the Board of Directors, pursuant to Article 2357-*ter* of the Italian Civil Code, to dispose of all and/or part of the treasury shares purchased, without time limits, even before the purchases have been exhausted and (iii) to confer on the Board of Directors and, on its behalf, on the Chief Executive Officer, all the powers necessary or appropriate to make repurchases of treasury shares, including through repurchase programs, as well as to carry out the acts of transfer, disposal and/or use of all or part of the treasury shares repurchased and, in any case, to implement the resolutions that precede, including through its proxies, also approving any and all executive provisions of the relevant repurchase program and complying with any requests made by the competent authorities.

Three directors took part in the Shareholders' Meeting.

2) Special Meeting of Savings Shareholders

At their special meeting of February 21, 2019, the Savings Shareholders resolved to (i) grant the Common Representative of the Savings Shareholders the widest possible powers in order to ascertain the rights and any damage suffered by the category represented, with the consequent proposal of any appropriate legal action; (ii) approve the fund statements set up for the expenses required for the protection of the common interests of the category; (iii) appoint Stella d'Atri, the current Common Representative, as Common Representative of the savings shareholders for the three-year period 2019-2021, establishing annual remuneration at € 50,000 including expenses and tax charges. Furthermore, the Special Meeting of Savings Shareholders took note of the information provided to shareholders on the business plan, the business performance and the plans regarding the use/distribution of reserves.

Board of Directors

In the first half of the year, the Board of Directors met three times; during July and August the Board of Directors met three times.

Control, Risk and Sustainability Committee

In the period January-June 2019, the Committee - whose role as Independent Directors Committee was confirmed pursuant to the Consob Related Party Regulations - met 3 times and twice in the month following the aforementioned period. Among other things, the following activities were carried out during these meetings:

- review and approval of the action plan drawn up by the Internal Audit and Compliance department for 2019, deeming it in line with the department's targets;
- examination of the progress of the process regarding the introduction of the non-financial statement introduced by Legislative Decree no.254/2016 and monitoring of the process of drawing up the non-financial statement for 2018;
- meeting with the representatives of the Independent Auditors to examine the significant issues that emerged during the audit;
- examination of the methods used to carry out impairment tests;
- examination of the document describing the organizational, administrative and accounting structure prepared by the competent functions for the purpose of assessing the Parent's corporate governance system;
- periodic monitoring of the adequacy of the Internal Audit and Compliance structure, line controls, second-level controls and, more generally, the internal control and risk management system as a whole;
- meeting with the Manager in charge of financial reporting, the highest levels of the Administration, Finance and Control Department, the Board of Statutory Auditors and the Independent auditors for the examination of the main features of the interim financial report at June 30, 2019 and the correct application of the accounting policies adopted;
- review and assessment of the results of the Enterprise Risk Management (ERM) process for defining an integrated approach to identifying, assessing, managing and monitoring business risks.

Appointments and Remuneration Committee

In the period January – June 2019, the Committee met three times, and once in the month following that period. During the meetings, the following activities were carried out, among others:

- the evaluation of the size, composition and operation of the Board of Directors and its committees;
- the examination of actual application of the 2018 remuneration policy and, in line with Article 6.C.5 of the Corporate Governance Code, positive assessment of the adequacy, overall coherence and real application of the remuneration policy for directors and key managers;

- the formulation of a proposal to the Board of Directors on adoption of the Parent's remuneration policy;
- the examination of the status of the long-term incentive ("LTI") plans;
- the acceptance of the guidelines for the Parent's MBO 2019 plan and proposal to the Board of the MBO 2019 objectives for the CEO;
- assessment of the achievement of performance targets used for 2018 MBO purposes;
- examination of the terms of the proposal (for submission to the Board of Directors) on the diversity policy for membership of the administration, management and control bodies of Italiaonline S.p.A. in reference to aspects such as age, gender balance and training and career paths.

The Board of Statutory Auditors

In the first half of 2019, the Board of Statutory Auditors met eight times. During these meetings, the Board of Statutory Auditors verified the correct application of the criteria and control procedures adopted by the Board to assess the independence of its members.

Manager in charge of Financial Reporting

On June 11, 2019, and with Board of Statutory Auditors' approval, the Parent's Board of Directors resolved to appoint Francesco Guidotti, the Parent's Finance Administration and Control Department Manager, as the Manager in charge of Financial Reporting, pursuant to Article 154-*bis* of Italian Legislative Decree No. 58/98. The duration of the term of office will be up to the Shareholders' Meeting called to approve the financial statements at December 31, 2020.

Supervisory Body

The Parent's Supervisory Body is composed of a Chairperson who is also the Chairperson of the Board of Statutory Auditors, an external member, a criminal lawyer with specialist skills in the digital sector and the company's Internal Audit Director who ensures continuity of action and the implementation of the necessary controls.
During the first half of 2019, the Supervisory Board met twice: on February 14 and May 27.
During the meetings, the Body:

- validated the amendments to the Group/Model Guidelines of the Parent, proposed by the management, also following new regulations (Law no. 3/2019);
- took note of the information flow report for the second half of 2018;
- took note of the remediation plan proposed by the Internal Audit Director;
- analysed the profiles of a number of audits handled by the Internal Audit Department and shared the legal initiatives for protecting the Parent and those aimed at strengthening the organizational model;
- was updated about relation to a data breach that has affected a number of e-mail users verifying the correctness of the actions taken and in transactions with the Responsible Authorities;
- provided impetus to the integration of certain protocols/procedures governing a number of sensitive areas.

ENVIRONMENTAL SUSTAINABILITY

Italiaonline places respect and attentiveness for all its stakeholders and for the ecosystem in which it operates not only at the heart of its industrial and commercial approach, responsible from an economic and ethical point of view, generating sustainable value and growth, but also values the implementation of good environmental practices at group level, minimizing impact on all areas in which it operates, supporting a responsible business culture and equal opportunities.

The Group is committed to operating with respect to safeguarding the environment, in accordance with sustainable development principles. As described in its Code of Ethics, each Group company is committed to complying with current environmental regulations and applicable authorization restrictions, operating in a manner that ensures environmental protection and prevents pollution.

In terms of everyday life in the workplace, this approach translates into many different initiatives: the systematic attempts to reduce the number of email, drafts, presentations and internal communications printed out; the collection and recycling of waste, printer toner cartridges and paper; the implementation of good practices with regard to energy resources, which involve not only the conduct of the employees, but also, for example, the choice of equipment and energy contracts, for a responsible safeguarding of health, safety and eco-friendliness at the Group.

At operating level, Italiaonline monitors its energy consumption and related emissions: the aim is to maintain energy consumption standards, constantly verifying levels and performing periodic energy diagnostics. Again in 2019, the Group continued to extend its use of LED lighting to reduce electricity consumption on its premises. The same special attention to careful management and common sense is adopted by Italiaonline to reduce emissions into the atmosphere from its business activities, first and foremost from its energy consumption and employee travel. For example, by suggesting that employees arrange car sharing to optimize business travel.

Paper consumption

Among the Group activities, with reference to Italiaonline S.p.A.'s activities, telephone directory production is that most responsible for the consumption of raw materials, and specifically paper.

The paper and cardboard for printing the directories are not purchased directly by the Parent, but are instead purchased by a printer which later invoices Italiaonline S.p.A. for the value of the paper based on a contractually-defined tariff.

Paper and cardboard needs for the directories are calculated by Italiaonline S.p.A. by processing the circulation figures agreed with the telephone companies, whilst the number of pages is estimated on the basis of forecast advertising trends. This determines the number of prints (the rotary press output unit defined by a 32-page booklet) to be produced. Lastly, using a value of 34 grams per square meter of paper, the total paper requirement for producing the directories is calculated.

The Parent only works with suppliers and printers that observe the strictest qualitative and environmental certification standards and that use 100% recycled paper that is Ecolabel Blue Angel certified, a procedure owned and guaranteed by the German Ministry of the Environment and verified by RAL GmbH. This certification is conferred on the basis of the criteria developed by the Federal Environmental Agency and the Independent Environmental Label Jury and reviewed every three-four years to ensure that the organizations are constantly improving and are always at the forefront of innovation.

Regarding control of the overall raw material requirements, the Italian PagineGialle and PagineBianche have played a leading role in Europe in the use of lightweight paper for directories: since 1995, paper weighing 34 grams per square meter has been used for the publications.

Furthermore, with regard to the phone directories, for a while, the Parent has been carrying out a parallel process of dematerialization, producing and offering the directories to the public in a digital format on the internet and through a mobile app.

Waste management

Italiaonline has adopted waste management procedures that aim to govern the correct disposal of waste generated by in-house personnel (with a particular focus on separate waste collection), the operational management of waste by suppliers (particularly as regards the disposal of electronic devices), rules for the completion of loading/offloading registers and FIRs (waste identification forms) and the use of SISTRI (the waste tracking and control system).

SOCIAL RESPONSIBILITY

It is said that we are the sum total of our experiences and our capacity for imagining the future.
Italiaonline's DNA includes a wealth of truly extraordinary skills and experience and an innate propensity towards innovation. On a daily basis, the individuals that form Italy's largest internet company bring together and develop the pooled expertise of over ninety years' business activities closely associated with the country's economic, social, ethics and environmental development.
This is an extremely balanced and responsible development, attentive to the needs of all stakeholders who, with their investments in economic and labor resources, add to the strong and healthy growth of our Group and our customers.
This respect for all stakeholders and for the different social and economic fabrics they represent is also confirmed in the adoption of best practices and initiatives to harmonize the impact on all working environments, supporting a conscious business culture that offers equal opportunities, and is a key tool for building long-lasting, sustainable growth.

Focus on millennials

In 2019, Italiaonline's ongoing commitment to the training of the next generation continues, to support teachers and young people in school activities using cutting-edge technology.
On April 16, 2019, Italiaonline launched the computer room for the Istituto Comprensivo Statale G.B. Perasso in Milan, in the presence of the local authorities, the managers of the Institute and a number of young people, who will benefit from a classroom consisting of ten desktop PCs and ten tablets.
The donation is part of Italiaonline's broader collaboration project with the education sector, which in 2019 also provides support for digital training for young people through the implementation of four computer rooms for as many institutions. The donation was also the subject of the Christmas greeting card that Italiaonline employees send to customers, suppliers and partners, which stated, '*So that those who will be great tomorrow may already have the tools for a better future today*'.
On March 14, 2019, for the third consecutive year, PiGreco Day returned, an event promoted by the Ministry of Education to celebrate mathematical constants, with the aim of bringing all young people closer to STEM disciplines and learning mathematics whilst having fun.
The highlight was the morning of March 14 at the Ministry's Communication Room. During the morning a collection of students from a number of primary and secondary schools from the first and second grades challenged each other through mathematical quizzes, with problems and stimuli differentiated according to the school level. The Italiaonline Libero.it and Virgilio.it portals were the media partners for the event, promoted by Redooc, the reference site for all students dealing with mathematical sciences. For the morning of March 14, the portals hosted the streaming for the event. The collaboration with Redooc confirms Italiaonline's commitment to students, with particular attention to STEM disciplines.

Italiaonline at Milan Digital Week

Italiaonline actively participated in the second edition of Milan Digital Week, the largest Italian event dedicated to education, culture and digital innovation in our country, held in Milan from March 14 to 17, 2019.
The Parent has been a key player with 3 workshops for the event promoted by the City of Milan, Department of Digital Transformation and Civic Services. The doors of the Assago headquarters were opened to host two workshops, *Programmatic Advertising. Automation in the world of advertising and How it can be an effective marketing strategy*. Furthermore, a third workshop was held at the Palazzo dei Giureconsulti, which also involved the Digital Enterprise Point of the Milan Chamber of Commerce Monza Brianza and Lodi. The workshop, entitled *Digitization: the benefits for businesses*, was dedicated to SMEs and digital tools to help them grow, expand their business scenarios and methods.
With its participation in the Milan Digital Week, whose theme this year was *Urban Intelligence* - i.e., the multitude of technologies and applications that transform our cities, work and human relations, impacting on welfare and services and the public and private life of citizens - Italiaonline confirms its commitment to supporting institutions, companies and people in a process of digitization essential to build and improve the future.

Digital lessons for companies on behalf of Italiaonline

In June 2019, Italiaonline launched a series of workshops to further explore the best and most recent digital communication strategies: the meetings, which are also attended by Google experts, are dedicated to SME customers of Italiaonline and professionals interested in expanding the services that the group provides to increase their business through digital technology.
The workshops mainly take place in the Italiaonline headquarters in Assago (Milan) and will also follow-up in events along the peninsula, to include various areas of Italy. The first two workshops were held on June 25 and 27.
The meetings are interactive and the participants, in addition to a training session conducted by Italiaonline and Google can avail of Italiaonline sales consultants for a "one to one" meeting aimed at identifying the best digital strategy for their business, with individual advice and proposals for customized solutions.
Last but not least, participants may take a look "behind the scenes" of Italiaonline and its leading brands and meet people who closely deal with the millions of mail accounts of Libero and Virgilio, programmatic advertising, a digital advertising sector that has always seen Italiaonline ahead of the Italian market average, the innovative system of content production at the core of all Italiaonline portals and verticals and the digital development of the PagineGialle brand.

Diversity ambassadors

Italiaonline continues its commitment to the Libellula Project, the first Network of companies seeking to prevent and eliminate violence against women and gender discrimination, promoting a new cultural sensitivity in the everyday life of the workplace.
Among the leading business entities actively involved in the initiative, Italiaonline qualifies not only as a workplace but as a true culture hub where values and messages are communicated: for this reason, its central mission as "communicator" becomes the lever and multiplier for best practices.
In June 2019, Italiaonline initiated internal courses/seminars on diversity issues, with voluntary participation. The first seminar had *Diversity and respect* as its theme and was carried out by the professionals of Zeta Service, the company that created the project, with the participation of about forty colleagues.
Italiaonline's objective is to create a nucleus of "Diversity ambassadors" within the Parent, in order to spread awareness of inclusion and attention to diversity within the Parent.
Also in 2019, Italiaonline took part in, with structured communication activities on the Group's internal channels and social networks, campaign support activities for the International Day Against Homophobia, Biphobia and Transphobia on May 17.

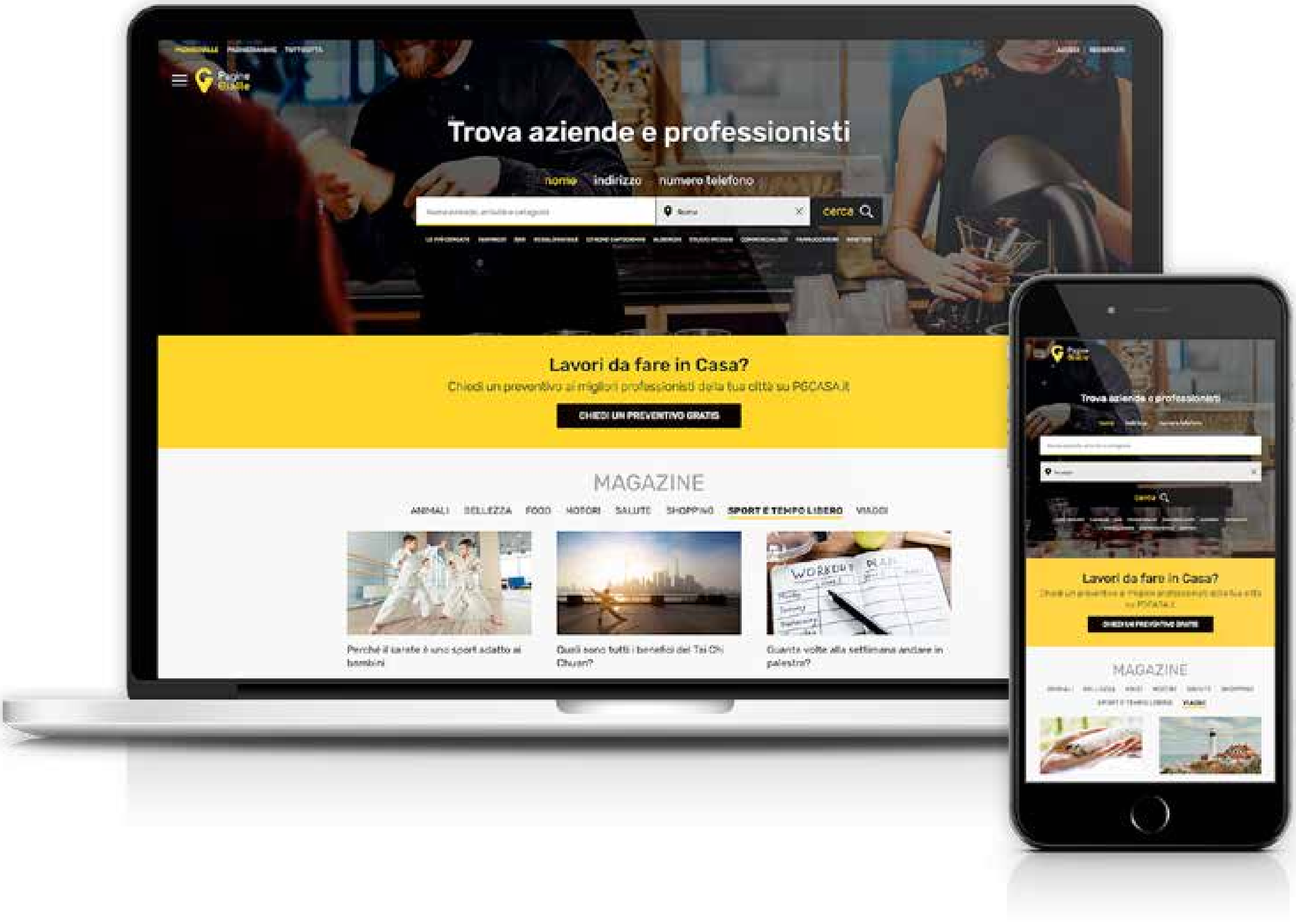
Italiaonline is proud of the focus it pays to tackling diversity issues in a proper, sensitive and non-stereotyped way, including through the editorial line of its websites and portals, from DiLei to QuiFinanza, from SiViaggia to Virgilio Sport, which host numerous in-depth content of a diversity nature (stories of women to be considered as role models, LGBT issues, disabilities, ethnic groups and so on).

Services and agreements for employees

Italiaonline's commitment to entering into various agreements, both at national and local level and online, for its employees, allows them to buy products and services which impact a broad range of aspects of family life, under favorable conditions (e.g. dentist, gym, optician, tickets for shows and concerts, travel, restaurants, clothing, etc.). The group intranet includes a section dedicated to "discounts and agreements", constantly updated with new agreements and the renewal of existing ones.

Pagine Gialle

Everything you need, always


Trova aziende e professionisti
nome
indirizzo
numero telefono
cerca
Lavori da fare in Casa?
Chiedi un preventivo ai migliori professionisti della tua città su PGCASA.it
CHIEDI UN PREVENTIVO GRATIS
MAGAZINE
ANIMALI
BELLEZZA
FOOD
MOTORI
SALUTE
SHOPPING
SPORT E TEMPO LIBERO
VIAGGI
Perché il karate è uno sport adatto ai bambini
Quali sono tutti i benefici del Tai Chi Chuan?
Quante volte alla settimana andare in palestra?
Lavori da fare in Casa?
CHIEDI UN PREVENTIVO GRATIS
MAGAZINE

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF ITALIAONLINE GROUP

The notes to the individual items, included in the explanatory notes, are an integral part of these condensed interim consolidated financial statements.

Statement of financial position at June 30, 2019

Assets

(euro/thousand)		AT 06.30.2019	AT 12.31.2018	NOTE
Non-current assets				
Intangible assets with an indefinite useful life		250,720	250,720	(5)
Intangible assets with a finite useful life		46,390	46,130	(7)
Property, plant and equipment		5,882	7,079	(8)
Right-of-use assets		25,835	31,099	(9)
Other non-current financial assets		558	563	(10)
Deferred tax assets, net		270	194	(27)
Other non-current assets		5,350	24,610	(13)
Total non-current assets	**(A)**	**335,005**	**360,395**	
Current assets				
Inventories		741	817	(11)
Trade receivables		112,393	129,645	(12)
Current tax assets		12,218	10,313	(27)
Other current assets		30,743	39,678	(13)
Current financial assets		156	97	(17)
Cash and cash equivalents		117,055	101,038	(17)
Total current assets	**(B)**	**273,306**	**281,588**	
Non-current assets held for sale and disposal groups	**(C)**	-	-	
Total assets	**(A+B+C)**	**608,311**	**641,983**	

Liabilities

(euro/thousand)		AT 06.30.2019	AT 12.31.2018	NOTE
Equity attributable to the owners of the Parent				
Share capital		20,000	20,000	(14)
Share premium reserve		107,128	117,217	(14)
Legal reserve		4,000	4,000	(14)
Actuarial reserve		(1,418)	(831)	(14)
Other reserves		182,106	180,860	(14)
Profit (loss) for the period		4,492	(8,734)	
Total equity attributable to the owners of the Parent	**(A)**	**316,308**	**312,512**	**(14)**
Non-controlling interests				
Share capital and reserves		-	-	
Profit (loss) for the period		-	-	
Total non-controlling interests	**(B)**	**-**	**-**	**(14)**
Total equity	**(A+B)**	**316,308**	**312,512**	**(14)**
Non-current liabilities				
Non-current financial liabilities		20,907	25,499	(17)
Non-current provisions for employees		13,238	12,719	(19)
Net deferred tax liabilities and non-current tax liabilities		22,187	20,729	(27)
Other non-current liabilities		19,508	18,867	(20)
Total non-current liabilities	**(C)**	**75,840**	**77,814**	
Current liabilities				
Current financial liabilities		7,684	8,647	(17)
Trade payables		84,654	91,258	(22)
Liabilities for services to be provided and other current liabilities		94,641	124,529	(22)
Current provision for risks and charges		21,286	24,169	(21)
Current tax liabilities		884	353	(27)
Other tax liabilities		7,014	2,701	(27)
Total current liabilities	**(D)**	**216,163**	**251,657**	
Liabilities directly associated with non-current assets held for sale and discontinued operations	**(E)**	**-**	-	
Total liabilities	**(C+D+E)**	**292,003**	**329,471**	
Total liabilities and equity	**(A+B+C+D+E)**	**608,311**	**641,983**	

Income statement for the first half of 2019

(euro/thousand)	1ST HALF 2019	1ST HALF 2018	NOTE
Revenue from sales	279	356	(23)
Revenue from services	150,125	157,047	(23)
Revenue from sales and services	**150,404**	**157,403**	**(23)**
Other income	773	1,315	(24)
Total revenue	**151,177**	**158,718**	
Costs of materials	(623)	(332)	(24)
Costs for external services	(82,913)	(82,157)	(24)
Personnel expense	(36,219)	(34,153)	(24)
Impairment losses on trade receivables and other assets	(605)	(275)	(12; 24)
Net accruals to provisions for risks and charges	(1,439)	(2,768)	(20; 21; 24)
Other operating costs	(1,131)	(1,114)	(24)
Operating profit before amortization, depreciation, non-recurring and restructuring costs, net	**28,247**	**37,919**	
Amortization, depreciation and impairment losses	(19,127)	(20,704)	(7, 8)
Net non-recurring charges	(1,626)	(767)	(24)
Net restructuring charges	(541)	(26,854)	(24)
Operating profit (loss)	**6,953**	**(10,406)**	
Financial expense	(581)	(402)	(25)
Financial income	329	2,545	(25)
Impairment losses on financial assets and gains (losses) on the disposal of equity investments	(111)	1,243	(26)
Pre-tax profit (loss)	**6,590**	**(7,020)**	
Tax expense	(2,098)	(365)	(27)
Profit (loss) for the period	**4,492**	**(7,385)**	
- of which attributable to the owners of the Parent	4,492	(7,385)	
- of which attributable to non-controlling interests	-	-	

		AT 06.30.2019	AT 12.31.2018
Number of Italiaonline S.p.A. shares		114,768,028	114,768,028
- ordinary shares	*no.*	*114,761,225*	*114,761,225*
- saving shares	*no.*	*6,803*	*6,803*
Weighted average shares outstanding (*)		*114,752,650*	*114,766,183*
Profit (loss) for the period	€/thousand	4,492	(7,385)
Earnings (loss) per share	€	0.0391	(0.0643)

(*) For the purposes of the calculation the 66,130 saving shares repurchased by the Parent are considered

Statement of comprehensive income for the first half of 2019

(euro/thousand)	1ST HALF 2019	1ST HALF 2018	NOTE
Profit (loss) for the period	**4,492**	**(7,385)**	
Other comprehensive income (expense) that will not be subsequently reclassified to profit or loss:			
Actuarial gains (losses), net of tax	(587)	72	
Net fair value gains (losses) on Telegate AG sold during the year already included in the loss for the period	-	-	
Total other comprehensive income (expense) that will not be subsequently reclassified to profit or loss	(587)	72	(15)
Other comprehensive income (expense) that will be subsequently reclassified to profit or loss:			
Net fair value gains (losses) on AFS securities and equity investments	-	-	
Total other comprehensive income (expense) that will be subsequently reclassified to profit or (loss)	-	-	(15)
Total other comprehensive income (expense), net of tax	**(587)**	**72**	
Total Comprehensive income (expense) for the period	**3,905**	**(7,313)**	
- of which attributable to the owners of the Parent	3,905	(7,313)	
- of which attributable to non-controlling interests	-	-	

Statement of cash flows for the first half of 2019

(euro/thousand)		1ST HALF 2019	1ST HALF 2018	NOTE
Cash flows from operating activities				
Operating profit (loss)		6,953	(10,406)	
Amortization, depreciation and impairment losses		19,127	20,704	(5)-(7)-(8)
Stock option costs		-	-	
(Gains) losses on disposal of non-current assets		-	7	
Change in working capital		(10,825)	17,916	
Income taxes (Payment) Cash-in		19,294	133	
Change in non-current liabilities		(25)	(889)	
Exchange differences and other changes		(1)	(4)	
Cash flows from operating activities	**(A)**	**34,523**	**27,461**	
Cash flows from investing activities				
Purchase of intangible assets with a finite useful life		(13,786)	(9,412)	(7)
Purchase of property, plant and equipment		(295)	(121)	(8)
Other investments		1	(353)	
Proceeds from disposal of non-current assets		16	3,430	
Cash flows used in investing activities	**(B)**	**(14,064)**	**(6,456)**	
Cash flows from financing activities				
Repayment of non-current loans		-	-	
Paid interest and financial expense, net		154	90	
Payment of IFRS 16 financial debts		(4,521)	(3,336)	
Change in other financial asset and liabilities		34	40	
Dividend distribution		-	(204)	
Share buy back		(109)	-	
Cash flows used in financing activities	**(C)**	**(4,442)**	**(3,410)**	
Cash flows from non-current assets held for sale and discontinued operations	**(D)**	**-**	**-**	
Cash flows of the year	**(A+B+C)**	**16,017**	**17,595**	
Opening cash and cash equivalents		**101,038**	**74,476**	**(18)**
Closing cash and cash equivalents		**117,055**	**92,071**	

Statement of changes in equity from 12.31.2018 to 06.30.2019

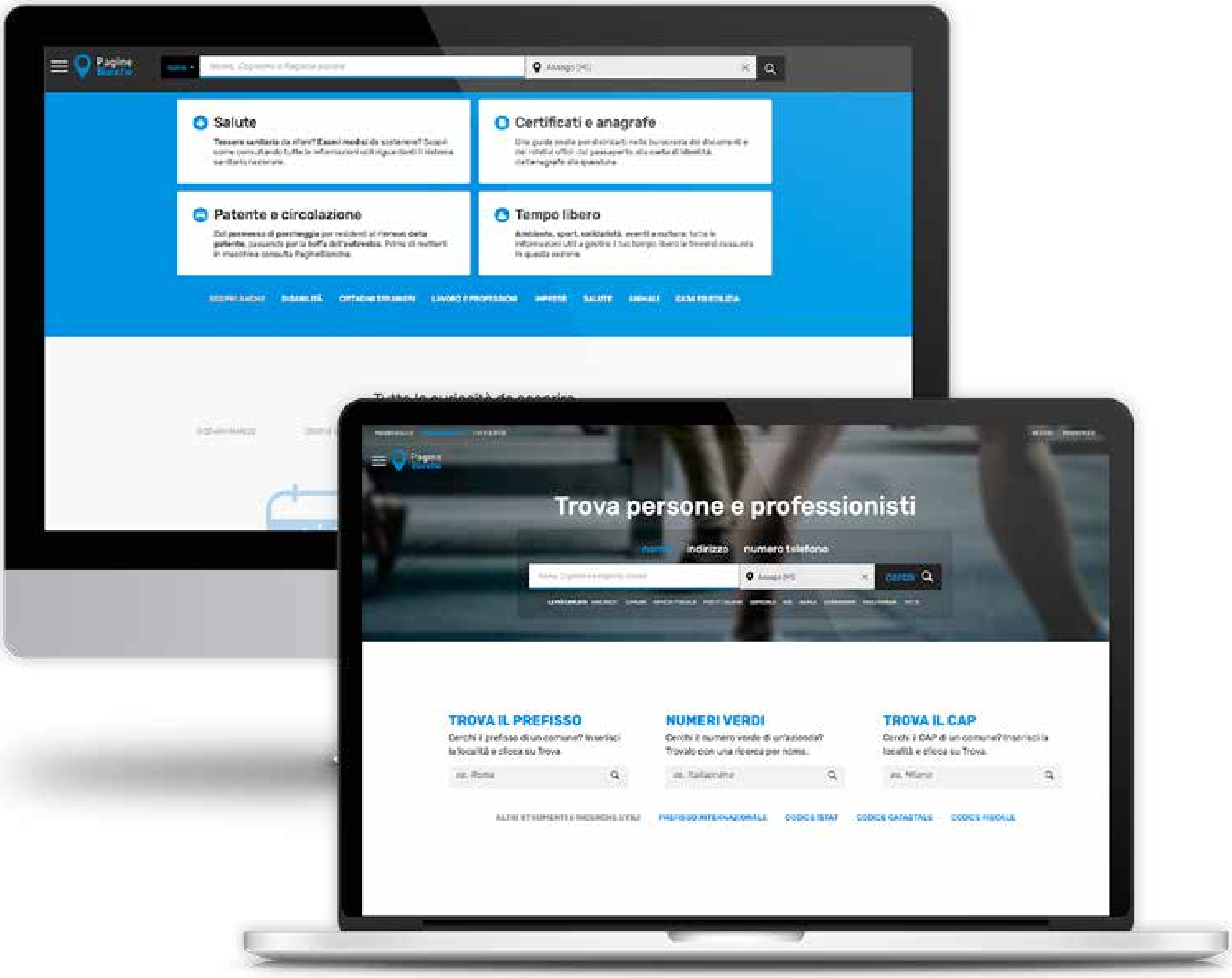
(euro/thousand)	SHARE CAPITAL	SHARE PREMIUM RESERVE	LEGAL RESERVE	STOCK OPTION RESERVE	ACTUARIAL RESERVE	OTHER RESERVES	PROFIT (LOSS) FOR THE YEAR	TOTAL
At 12.31.2018	**20,000**	**117,217**	**4,000**	**2,374**	**(831)**	**178,486**	**(8,734)**	**312,512**
Allocation of previous year profit	-	(10,089)	-	-	-	1,355	8,734	-
Dividend distribution	-	-	-	-	-	-	-	-
Share buy back	-	-	-	-	-	(109)	-	(109)
Comprehensive income (expense) for the period	-	-	-	-	(587)	-	4,492	3,905
Other changes	-	-	-	-	-	-	-	-
At 06.30.2019	**20,000**	**107,128**	**4,000**	**2,374**	**(1,418)**	**179,732**	**4,492**	**316,308**

Statement of changes in equity from 12.31.2017 to 06.30.2018

(euro/thousand)	SHARE CAPITAL	SHARE PREMIUM RESERVE	LEGAL RESERVE	STOCK OPTION RESERVE	ACTUARIAL RESERVE	OTHER RESERVES	PROFIT (LOSS) FOR THE YEAR	TOTAL
At 12.31.2017	**20,000**	**117,217**	**4,000**	**2,374**	**(1,386)**	**146,971**	**26,417**	**315,593**
IFRS 15 Effect						6,106		6,106
At 01.01.2018	**20,000**	**117,217**	**4,000**	**2,374**	**(1,386)**	**153,077**	**26,417**	**321,699**
Allocation of previous year profit	-	-	-	-	-	26,417	(26,417)	-
Dividend distribution	-	-	-	-	-	(204)	-	(204)
Comprehensive income (loss) for the period	-	-	-	-	273	(201)	(7,385)	(7,313)
Other changes	-	-	-	-	-	(552)	-	(552)
At 12.31.2018	**20,000**	**117,217**	**4,000**	**2,374**	**(1,113)**	**178,537**	**(7,385)**	**313,630**

Pagine
Bianche

10 million subscribers



Salute
Certificati e anagrafe
Patente e circolazione
Tempo libero
Trova persone e professionisti
indirizzo
numero telefono
TROVA IL PREFISSO
Cerchi il prefisso di un comune? Inserisci la località e clicca su Trova.
NUMERI VERDI
Cerchi il numero verde di un'azienda? Trovalo con una ricerca per nome.
TROVA IL CAP
Cerchi il CAP di un comune? Inserisci la località e clicca su Trova.

Notes to the consolidated financial statements at June 30, 2019

1. Corporate information

Italiaonline is the leading internet company in Italy, with 4.9 million unique users, including 3.1 million from smartphones and has a 61% market reach[1]. Italiaonline offers digital presence, web marketing and digital advertising services, including management of advertising campaigns and the generation of leads through social networks and search engines. The parent's strategic objective is to consolidate its Italian leadership role in the digital advertising market for large accounts and in local marketing services - with the mission of digitalizing the country's SMEs, to which it offers a complete product portfolio, integrated with the entire value chain of digital services.
The Parent Italiaonline S.p.A. has its registered office in Assago, Via del Bosco Rinnovato 8, and a share capital of € 20,000 thousand; the duration is fixed until December 31, 2100 as required by the Articles of Association.

2. Basis of preparation

The condensed interim consolidated financial statements at June 30, 2019 have been prepared in accordance with the provisions of Legislative Decree no. 38 of February 28, 2005, applying the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board and endorsed by the European Union, including all interpretations of the International Financial Reporting Interpretations Committee (IFRIC), previously known as the Standing Interpretations Committee (SIC), and in compliance with the applicable CONSOB regulations.
Italiaonline Group adopted the IFRS in compliance with Regulation (EC) No. 1606 of July 19, 2002.
The financial statement formats adopted are consistent with those of IAS 1. Specifically:

- the *statement of financial position* was prepared by classifying assets and liabilities as "current/non-current" and showing "non-current assets/liabilities directly associated with non-current assets held for sale and disposal groups" as two separate items, as required by IFRS 5;
- the *income statement* was prepared by classifying operating costs by nature, as this is considered the best way to present the Group's activities and complies with internal reporting methods. As required by CONSOB resolution No. 15519 of July 27, 2006 in the context of the presentation of the income statement by nature, income and expense from non-recurring transactions were specifically identified, highlighting their impact on the operating profit/(loss).
  Non-recurring income and expense include those which, by their nature, are not included in the normal course of operations, such as:
  - company restructuring costs;
  - non-recurring and highly strategic consultancy (relating mainly to identifying and implementing solutions for company and/or financial restructuring);
  - costs linked to directors' and department managers' end-of-office entitlement.
- the *statement of comprehensive income*, in addition to the profit or loss for the period as shown in the income statement, also includes other changes in equity other than those relating to transactions with shareholders;
- the *statement of cash flows* was prepared by recognizing cash flows from operating activities according to the "indirect method," as allowed by IAS 7, showing cash flows from operating, investing and financing activities separately from those from non-current assets held for sale and disposal groups.

[1] Source: Audiweb 2.0, powered by Nielsen, TDA - Total Digital Audience, May 2019. Audiweb 2.0 data does not include Google, Facebook and Microsoft.

Cash and cash equivalents in the condensed interim consolidated financial statements include cash, checks, bank overdrafts and short-term securities which are readily convertible into cash.
Cash flows from operating activities are presented after adjusting the operating profit or loss for the period for the effects of: non-monetary transactions; any deferred or accrual for past or future operating receipts or payments; items of income or expenditure associated with investing or financing cash flows or which relate to non-current assets held for sale and disposal groups;
- the *statement of changes in equity* shows the changes which took place in equity items.

Figures are presented in euro and all amounts are rounded to the nearest thousand unless otherwise indicated; it should be noted that the percentage changes indicated with "n.s." are not to be considered representative.
Publication of the condensed interim consolidated financial statements of Italiaonline Group at June 30, 2019 was authorized by resolution of the Board of Directors of August 1, 2019.

2.1 *Assessment of the Parent's ability to continue as a going concern*

The Interim Financial Report at June 30, 2019 has been prepared on a going concern basis as there is a reasonable expectation that Italiaonline S.p.A. will continue its operations in the foreseeable future and for more than twelve months.

2.2 *Basis of consolidation*

The condensed interim consolidated financial statements include the interim financial statements of Italiaonline S.p.A. and its direct and indirect subsidiaries included in the table under annex 1. Where necessary, these financial statements have been amended to comply with the accounting policies adopted by the Parent.

Subsidiaries:
The Parent Italiaonline S.p.A. has control when it simultaneously has:
- decision-making power over the investee, i.e., the ability to direct the investee's relevant activities, or those activities that significantly affect the investee's returns;
- the right to variable (positive or negative) returns from the investee;
- the ability to affect these returns through its power over the investee.

The Parent reassesses whether it controls the investee any time that events or circumstances indicate that one or more of the three elements of control has changed.
The subsidiaries are consolidated as of the acquisition date, or the date on which the Group acquires control, and cease to be consolidated on the date on which control is transferred outside of the Group or if they are held for sale.
The following consolidation policies were also used:
- full recognition of assets, liabilities, costs and revenue, not considering the amount of the investment held, and attributing to non-controlling interests, in separate items, the share of equity and profit of loss for the period attributable to them;
- elimination of receivables and payables, as well as costs and revenue arising from intra-group transactions;
- elimination of intra-group dividends.

Non-controlling interests represent the portion of the profit or loss and equity of the subsidiaries not held by the Group. These are presented separately from the portions attributable to the owners of the parent in the income statement and statement of financial position.

2.3 *Discretionary assessments and accounting estimates*

The preparation of the interim condensed consolidated financial statements and the related explanatory notes in accordance with the IFRS requires the application by the Directors of accounting policies and methods which, in certain circumstances, are based on complex and subjective valuations and estimates drawn from historical experience and assumptions which are from time to time considered reasonable and realistic in the light of the relative circumstances. The application of these estimates and assumptions has an impact on the amounts reported in the financial statements, such as the statement of financial position, the income statement

and the statement of cash flows, as well as on the information provided. Ending amounts of the financial statement items for which the above estimates and assumptions have been used may differ from those that will actually be realized, due to the uncertainties that characterize the assumptions and the conditions on which the estimates are based. Estimates and assumptions are reviewed periodically and the effects of each change are reflected in the accounts in the period in which the change takes place, if this change affects only the current period, or also in subsequent periods if the change affects current and future periods.
The following is a summary of items in the financial statements that require a higher degree of subjectivity on the part of the Directors, as regards making estimates, and for which a change in the conditions underlying the assumptions used could have a significant impact on the financial statements:

Intangible assets with an indefinite useful life. The impairment test on intangible assets with an indefinite useful life is carried out by comparing, when preparing the annual financial statements, the carrying amount of the cash-generating units with their recoverable amount. The latter is represented by the higher between the fair value, less costs to sell, and value in use, determined by discounting expected cash flows from the use of the cash-generating unit, net of selling costs. The impairment test is characterized by a high level of judgement, as well as by the uncertainties inherent in any forecast, with particular reference to: the estimate of expected cash flows, primarily determined by taking into account general economic performance and the sector to which it belongs, actual past cash flows and forecast growth rates and the estimate of the financial parameters used to determine the discount rate.
These estimates, which are complex and characterized by a high degree of uncertainty, lead to significant valuations by the directors.

Recognition of revenue from sales and services. The model for recognizing revenue from sales and services deriving from contracts with customers, based on when transfer of the control of goods or services to the customer take place and the consideration to which the entity believes it is entitled, varies according to different types of contracts with customers. In particular, a number of services are characterized as follows:
- contractual patterns are articulated and present a reduced level of standardization;
- the recognition of related revenue can alternatively be based on the measurement of the quantity provided by the service, the exposure time, the quantity of activities carried out or other parameters that determine the transfer of control of services to the customer.

Valuation of trade receivables. The Group's operations are characterized by the presence of a large number of customers, to which the complexity generated by the large number of transactions must also be taken into account.
The loss allowance is determined on the basis of a collective analysis per classes of homogeneous credit positions, per nature and maturity, and on the basis of a specific analysis of credit positions subject to legal dispute.
The determination of this allowance is based on the estimate of the credit losses that the Group expects to incur and takes into account many elements that include:
- credit duration;
- creditworthiness of the customer;
- the risk level of the geographical area to which it belongs;
- previous experience.

The determination of this allowance is subject to a significant valuation of the recoverability of credit positions, which contains subjective elements.

Amortization and depreciation. Changes in the economic conditions of markets, in technology and in the competitive scenario could significantly influence the useful life of property, plant and equipment and intangible assets and could lead to a difference in the timing of the amortization depreciation process, as well as in the amount of amortization depreciation expense.

Provisions for risks and charges. The valuation of the provisions for risks and charges connected with outstanding disputes, company reorganization operations or tax operations involves the formulation of estimates by the Directors of current obligations resulting from past events that are likely to result in an outlay. These estimates, which are characterized by high complexity, subjectivity and uncertainty, have led to significant assessments by the Directors.

Current and deferred income taxes. Income taxes are determined on the basis of a prudent interpretation of current tax laws. This sometimes involves complex estimates in determining taxable profit and deductible and taxable temporary differences between carrying amounts and taxable amounts. In particular, deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which they can be recovered. The valuation of the recoverability of deferred tax assets, recognized in relation to both tax losses usable in future years and deductible temporary differences, takes into account the estimate of future taxable profits and is based on prudent tax planning.
These valuations and estimates must be considered together with the accounting policies described in more detail in paragraph 4 of these Notes.

3. Standards and interpretations issued by the IASB/IFRIC

3.1 Standards, amendments and interpretations issued by the IASB/IFRIC applicable from January 1, 2019

The following new International Financial Reporting Standards (IFRS) were in effect as of January 1, 2019.

Prepayment features with negative compensation (amendments to IFRS 9)
The "Prepayment features with negative compensation (amendments to IFRS 9 - Financial Instruments)" document, applying to reporting periods beginning on or after January 1, 2019, was endorsed with Regulation (EU) No. 2018/498 of March 22, 2018.
With this document, the IASB clarified the following application issues of the standard:
a) SPPI testing in the presence of prepayment clauses that envisage negative compensation;
b) Changes in or exchange of financial liabilities that do not result in derecognition.

The adoption of this amendment had no significant effects on the Group's consolidated financial statements.

IFRIC 23 – Uncertainty over income tax treatments
Regulation (EU) No. 2018/1595 of October 23, 2018 endorsed "IFRIC 23 - Uncertainty over income tax treatments" document, which aims to clarify how to calculate current and deferred taxes in cases where there are uncertainties regarding the tax treatment adopted by the reporting entity that may not be accepted by the tax authorities.
The adoption of this interpretation had no significant effects on the Group's consolidated financial statements.

Long-term interests in associates or joint ventures (amendments to IAS 28)
These amendments aimed to clarify that IFRS 9 applies to long-term loans to an associate or joint venture which essentially form part of the net investment in that associate or joint venture.
The document was issued in October 2017 and applies to reporting periods beginning on or after January 1, 2019.
The adoption of this amendment had no significant effects on the Group's consolidated financial statements.

Annual improvements to IFRSs (2015-2017 Cycle)
The IASB has published the Annual Improvements to IFRSs - 2015-2017 Cycle, which include amendments to IAS 12 - Income taxes, IAS 23 - Borrowing costs, IFRS 3 - Business combinations and IFRS 11 - Joint arrangements. Endorsement took place on March 14, 2019; the amendments apply to reporting periods beginning on or after January 1, 2019.
The adoption of these amendments had no significant effects on the Group's consolidated financial statements.

Plan Amendment, Curtailment or Settlement (amendments to IAS 19)
The IASB has published "Plan Amendment, Curtailment or Settlement (amendments to IAS 19) which clarifies how pension-related costs are calculated when there is a change to a defined benefits plan. The amendments apply to reporting periods beginning on or after January 1, 2019. EU endorsement was provided on March 13, 2019.
The adoption of these amendments had no significant effects on the Group's consolidated financial statements.

3.2 Standards, amendments and interpretations not yet endorsed by the European Union

At the time of preparing this interim financial report, the competent bodies of the European Union had not yet completed the endorsement process necessary for the adoption of the accounting standards and amendments mentioned below. The possible impact that these standards, amendments and interpretations will have on the consolidated financial statements of the Group is being analyzed.

IFRS 17 – Insurance contracts
IFRS 17 – Insurance Contracts supersedes the previous standard IFRS 4 – Insurance Contracts and solves the comparison problems created by the latter. It is now established that accounting of all insurance contracts shall be consistent with the benefit of both investors and insurance companies. Insurance obligations shall be accounted for by using current rates instead of historical rates. Information shall be updated on a regular basis, by supplying information that is more useful to the users of the financial statements.
The standard applies to annual reporting periods beginning on or after January 1, 2021.

Amendments to References to the Conceptual Framework in IFRS Standards
This document was issued in March 2018 and will apply to reporting periods beginning on or after January 1, 2020. Endorsement by the EU is expected in 2019.

Definition of Business (Amendments to IFRS 3)
This document was issued in October 2018 and will apply to reporting periods beginning on or after January 1, 2020. Endorsement by the EU is expected in 2019.

Definition of material (Amendments to IAS 1 and IAS 8)
This document was issued in October 2018 and will apply to reporting periods beginning on or after January 1, 2020. Endorsement by the EU is expected in 2019.

4. Accounting policies

Intangible assets
Intangible assets consist of identifiable and controllable non-monetary assets without physical substance, which are capable of generating future economic benefits for the group. Intangible assets acquired separately as well as internally generated development costs are recognized at cost of acquisition and/or production cost, including expenses directly associated with preparing the asset for operations, net of accumulated amortization and any impairment losses. Any interest expense accrued during the period of production or development of intangible assets acquired is considered part of the purchase cost where they require a substantial period of time before being ready for use. Intangible assets acquired in a business combination transaction are recognized at their fair value at the acquisition date.
Amortization begins when the asset is available for use and is distributed systematically over its remaining useful life, i.e. based on its estimated useful life.
The useful life of intangible assets is recognized as finite or indefinite.

Intangible assets with a finite useful life are amortized over their useful life and are subject to impairment testing whenever there are indications of possible impairment.

Intangible assets with an indefinite useful life refer to goodwill and group trademarks:

(a) Goodwill
Goodwill resulting from an acquisition or merger is initially measured as described in the "Business Combinations" paragraph.
After initial recognition, goodwill is measured at cost, less any accumulated impairment losses. It is tested for impairment annually or more frequently if events or changes in circumstances indicate that an impairment loss may have occurred as required by IAS 36.

(b) Trademarks
This item includes – among other things – the trademarks Libero, Virgilio, Seat Pagine Gialle and Seat Pagine Bianche. Said trademarks are classified as intangible assets with an indefinite useful life and, therefore, are initially recognized at cost and then assessed at least once a year to identify any impairment losses ("impairment testing"), in accordance with IAS 36. Note that following the purchase price allocation (PPA) process completed in the first half of 2016, the Seat Pagine Gialle and Seat Pagine Bianche trademarks were classified as having an indefinite useful life.
Intangible assets produced internally, excluding development costs, are not capitalized and are recognized in the income statement in the period in which they are incurred.
The period and method of amortization applied are reviewed at the end of each financial year or more frequently if necessary.
In particular, the following intangible assets with a finite useful life may be identified within the Group.

(c) Software and industrial patents
Software license costs, including the costs incurred to make the software ready for use, are amortized on a straight-line basis over the useful life (mainly three years), while the costs associated with maintenance of software programs are recognized in the income statement when incurred.

(d) Research and Development costs
The costs related to research activities are recognized in the income statement in the period they are incurred, while development costs are recognized as intangible assets when the following conditions are satisfied:
- the project is clearly identified and the costs associated with it can be identified and measured reliably;
- the technical feasibility of the project has been demonstrated;
- the intention to complete the project has been demonstrated;

- there is a potential market or, in case of internal use, the intangible asset's usefulness is demonstrated for the production of assets generated by the project;
- the technical and financial resources needed to complete the project are available.

The amortization of any development activities included under intangible assets reflects the useful life and starts from the date on which the outcome of the project is marketable or economically usable. If in an identified internal project for the creation of an intangible asset, the research phase cannot be distinguished from the development phase, the cost of this project is entirely expensed.

(e) Marketing-related activities
Customer Relationships and Databases are amortized on a straight-line basis, over a period of between 4 years and 8 years, taking into account the asset's useful life.
Gains or losses arising from disposal of an intangible asset are determined as the difference between the disposal value and the carrying amount of the asset and are recognized in the income statement upon disposal.

Property, plant and equipment

Property, plant and equipment are recognized at acquisition cost, including directly attributable additional costs, and are shown net of depreciation and accumulated impairment losses.
Costs incurred after acquisition are capitalized only if they increase the future economic benefits of the asset to which they refer. All other costs are recognized in the income statement at the time they are incurred.
Costs incurred to maintain the efficiency of an asset are recognized in the income statement of the period in which they are incurred. Costs relating to the extension, modernization or improvement of facilities that are owned or leased, are capitalized provided that they satisfy the requirements for being separately classified as an asset or part of an asset.
Land, including that pertaining to group buildings, is not depreciated.
Depreciation is calculated systematically based on rates considered to represent an appropriate distribution of the carrying amount of property, plant and equipment, according to their residual useful life.
The indicative useful life estimated by the Group for the various categories of property, plant and equipment is as follows:
Property: 33 years
Plant and equipment: 4 – 10 years
Other: 2.5 – 10 years

With regard to assets sold during the period, depreciation is calculated for the portion relating to the availability period of the assets, except for assets purchased during that period.

Right-of-use assets

The contract is, or contains, a lease if, in exchange for cosideration, it confers the right to control the use of an identified asset for a period of time, also understood to be in terms of the amount of use of an identified asset (for example, the number of units of product for which a machine part will be used in production).
The contract is assessed again to verify if it is, or contains, a lease only if the terms and conditions of the contract should change.
For a contract that is, or contains, a lease, every lease component is separated from the non-lease components, unless the entity adopts the practice referred to in paragraph 15 of the standard.
The term of the lease is determined as a period in which the lease cannot be canceled, to which both the following periods are added:
a) periods covered by an option to extend the lease, if there is reasonable certainty that the option will be exercised; and
b) periods covered by the option to terminate the lease, if there is reasonable certainty that the option will not be exercised.

When assessing whether there is reasonable certainty that a lease extension option will be exercised or a termination option will be not exercised, all the relevant facts and circumstances are considered that generate an economic incentive to exercise the lease extension option or not to exercise the termination option.
Reasonable certainty of exercising the extension option or not exercising the termination option is assessed again if a significant event occurs or if there is a significant change in circumstances which:
a) is within the control of the lessee; and
b) has an impact on the lessee's reasonable certainty of exercising an option not previously included in its determination of the lease term or of not exercising an option previously included in determination of the lease term.

The lease term is recalculated in the event of a change in the lease period that cannot be canceled.
The right-of-use asset and the lease liability are recognized from the commencement date.
The right-of-use asset is normally measured at cost.
The cost of the right-of-use asset includes:
a) the amount of the initial measurement of the lease liability;
b) lease payments due on or before the commencement date, less any *lease incentives* received;
c) the *initial direct costs* incurred by the lessee; and
d) the estimation of costs to be incurred for dismantling or removal of the underlying asset and for restoration of the installation site or for restoring the underlying asset to the conditions envisaged in the terms and conditions of the lease, unless such costs are incurred for the production of inventories. The obligation relating to the aforementioned costs arises on the commencement date or as a result of use of the underlying asset during a specified period.

At the commencement date, the lease liability is measured at the present value of lease payments due but not yet paid at that date. These lease payments are discounted at the interest rate implicit in the lease if this can be readily determined. If not, the incremental borrowing rate is used.
At the commencement date, the lease payments included in measurement of the lease liability comprise the following payments for the right to use the underlying asset for the entire term of the lease that were not paid at the commencement date:
a) *fixed payments*, net of any lease incentives to be received;
b) *variable lease payments due that depend on an index or rate, initially measured using an index or rate at the commencement date;*
c) amounts that the lessee is expected to pay as *residual value guarantee*;
d) the exercise price of the purchase option, if there is reasonable certainty that the option will be exercised; and
e) penalties for termination of the lease, if the lease term takes into account the exercise of the lease termination option.

After the commencement date, the right-of-use asset is measured by applying a cost model, unless one of the two measurement models described in paragraphs 34 and 35 of the standard are applied.
After the commencement date, the lease liability is measured by:
a) increasing the carrying amount to take into account interest on the lease liability;
b) reducing the carrying amount to take into account the lease payments made;
c) measuring the carrying amount to take into account any new measurements or changes in the lease or the review of in-substance fixed lease payments due.

In each year of the lease term, the interest on the lease liability is equal to the amount that generates a constant periodic rate of interest on the residual lease liability.
After the commencement date, the following are recognized in profit (loss) for the period, unless such costs are included in the carrying amount of another asset in compliance with other applicable standards:
a) interest on the lease liability
b) variable lease payments due that are not included in the measurement of the lease liability in the year in which the event or condition triggering the payments occurs.

Impairment of assets

At each reporting date, the Group assesses whether there are any asset impairment indicators. If impairment indicators exist, or if an annual impairment test is required, the Group estimates the recoverable amount of the asset in question. If the carrying amount of an asset is greater than its recoverable amount, the asset is impaired and recognized at its recoverable amount. Impairment losses on assets in use are recognized under the cost categories in line with the function of the impaired asset in the income statement.
Similarly, at each reporting date, the Group assesses whether there is any indication that the reason for an impairment loss recognized in previous periods for an asset other than goodwill may no longer exist or may have decreased. If there is any indication of this, the original amount is reinstated net of amortization/depreciation.
The *recoverable amount* is the higher of the fair value of an asset or cash-generating unit, less costs to sell and its value in use and is determined by individual asset, unless it generates cash flows that are largely independent of those from other assets or groups of assets.
In determining the value in use, the Group discounts the estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and the specific risks of the asset.

Other equity investments

Equity instruments (other equity investments) substantially in line with the accounting treatment adopted, were designated as financial assets with changes of fair value recognized in OCI.

Financial assets

A financial asset is classified on the basis of its measurement at the time of initial recognition: amortized cost; Fair Value through Other Comprehensive Income (FVOCI) – debt securities; Fair Value through Other Comprehensive Income (FVOCI) – equity securities; or Fair Value Through Profit and Loss (FVTPL). The standard envisages that the classification is normally based on the entity's business model for managing the financial asset and on the contractual cash flows characteristics of the financial asset's. Any derivatives embedded in contracts in which the host is a financial asset covered by the scope of application of the standard must never be separated. A hybrid instrument is instead examined as a whole for the purposes of its classification.
A financial asset must be measured at amortized cost if both the following conditions are satisfied and it is not designated at FVTPL:

- the financial asset is held within a business model, aimed at holding financial assets for the purpose of collecting the related contractual cash flows; and
- the contractual terms of the financial asset since rise on specified dates to cash flows that is solely payments of principal and interest on the principal amount outstanding.

A financial asset must be measured at FVOCI if both the following conditions are satisfied and it is not designated at FVTPL:

- the financial asset is held within of a business model, the objective of which is achieved through the collection of contractual cash flows and through sale of the financial assets; and
- the contractual terms of the financial asset since rise on specified dates to cash flows that is solely payments of principal and interest on the principal amount outstanding.

At the time of initial recognition of an equity instrument not held for trading, the Group can make the irrevocable decision to present subsequent changes in fair value under other comprehensive income. This decision is made for each investment.
All financial assets not classified as measured at amortized cost or at FVOCI, as indicated above, are designated at FVTPL. These include all derivatives. At the time of initial recognition, the Group can irrevocably designate the financial asset at FVTPL if by doing so it eliminates or significantly reduces an accounting mismatch that would otherwise result from measuring the financial asset at amortized cost or at FVOCI.
Except for trade receivables with no significant financing component, which are originally measured at the transaction price, financial assets are originally measured at fair value plus, for financial assets not designated at FVTPL, the transaction costs directly attributable to acquisition of the financial asset.

The following measurement criteria apply to the subsequent measurement of financial assets.

Financial assets designated at FVTPL
These assets are subsequently measured at fair value. The net gains and losses, including dividends or interest received, are recognized in profit or (loss) for the period.

Financial assets measured at amortized cost
These assets are subsequently measured at amortized cost in compliance with the effective interest method. The amortized cost is reduced by any impairment loss . Any interest income, exchange gains or losses and impairment losses are recognized in profit or loss for the period, as are any gains or losses from derecognition.

Debt securities measured at FVOCI
These assets are subsequently measured at fair value. The interest income calculated in compliance with the effective interest method, exchange gains or losses and impairment losses are recognized in profit or loss for the period. Other net gains and losses are recognized in other comprehensive income. At the time of derecognition, any gains or losses accrued in other comprehensive income are reclassified to profit or loss for the period. As at June 30, 2019, the Group did not hold any debt securities measured at FVOCI.

Equity securities measured at FVOCI
These assets are subsequently measured at fair value. Dividends are recognized in profit or loss for the period unless they clearly represent a recovery of part of the cost of investment. Any other net gains or losses are recognized in other comprehensive income and are never reclassified to profit or loss for the period. At June 30, 2019, the Group did not hold any equity securities measured at FVOCI.

Cash and cash equivalents
Cash and cash equivalents include cash and on-demand and short-term bank deposits with an original maturity of three months or less.

Loans and borrowings
Loans and borrowings are recognized at amortized cost.
Non-current loans and borrowings are recognized net of their additional transaction costs.

Financial instruments
At June 30, 2019, the Group does not hold financial instruments measured at fair value. For instruments not measured at fair value, the carrying amount represents a reasonable approximation of the fair value.

Inventories
Inventories are measured at the lower of the acquisition or production cost and the value inferred from market trends.
Specifically, these include:
- *raw materials, consumables and supplies*, which are measured at purchase cost, including additional costs, calculated using the weighted average cost method;
- *work in progress*, which is measured based on directly attributable costs, taking into account auxiliary production costs and the depreciation and amortization of assets used;
- *contract work in progress*, comprising services not yet completed at the reporting date in relation to contracts for inseparable services that will be completed in the next 12 months, which are measured at production cost;
- *finished products*, comprising telephone directory products, which are measured at production cost and may be adjusted via a corresponding impairment loss in relation to the period of publication;
- *goods*, relating to the merchandising of products purchased for resale, which are measured at purchase cost.

Trade receivables and other assets

Trade receivables arising from the sale of goods or services produced or marketed by the Group, are included in current assets. They are recognized at the original invoice amount net of the loss allowance, accrued based on estimates of the risk of non-recoverable amounts at the reporting date.
Trade receivables are initially recognized at fair value and subsequently measured at amortized cost, which is the amount measured at initial recognition minos the of principal repayments, plus or minus the cumulative amortization, using the effective interest method, of any difference between the initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance) for impairment or evaluation of non-recoverability.
Impairment losses are recognized when there is objective evidence that the Group will not be able to recover the amount owed by the counterparty under the contract terms.
Objective evidence includes events such as:
a) significant financial difficulties of the debtor;
b) legal disputes pending with the debtor relating to collectability of the receivable;
c) the likelihood that the debtor will enter bankruptcy or other financial restructuring procedures.

The amount of the impairment loss is measured as the difference between the carrying amount and the present value of expected future cash flows and recognized in the income statement. The non-recoverable receivables are removed from the statement of financial position through the loss allowance. If in subsequent periods the reasons for the impairment loss no longer exist, the amount of the assets is restored up to the amount that would have resulted from measurement at amortized cost.

Provisions for risks and charges

These provisions are recognized when, pursuant to a legal or constructive obligation to a third party, it is probable that the group will have to use financial resources to fulfil its obligation, and when the amount of the obligation can be reliably estimated.
They can be broken down into:

- *provision for agents' termination indemnities;*
- *provision for commercial risks;*
- *provision for contractual risks and other operating risks;*
- *non-operating provisions.*

Changes in estimates are reflected in the income statement in the period in which they occurred.
In the case of provisions for future risks – after 12 months – the liability, if significant, is discounted using a pre-tax rate, which reflects current market assessments of the time value of money. The increase in provisions due to the passage of time is recognized as an interest expense.

Employee benefits

Pension plans

The Group recognizes post-employment benefits, which are considered a defined benefit and defined contribution plan. Defined benefit plans are based on the expected remaining average working life of the employees involved in the plans and the remuneration they receive throughout a predetermined period of service.
Assets intended to fund defined benefit and defined contribution plans and the related annual cost recognized in the income statement are measured by independent actuaries using the projected unit credit method.
Actuarial gains and losses are immediately recognized in the period in which they occur, in the statement of comprehensive income and in a dedicated "Actuarial reserve" under equity.
Accrued liabilities are recognized net of assets intended to fund their future disbursement.
Defined contribution plan payments are recognized in the income statement as a cost, where applicable.

Post-employment benefits

Post-employment benefits, insofar as they continue to represent an obligation for the group, are considered to be a defined benefit plan and are accounted for as described above.

Share-based payment

The fair value of stock options is determined by an external appraiser using a binomial model, not taking into account any conditions relating to the achievement of objectives (performance), but considering the conditions that influence the price of the Group (market conditions) shares. Changes in fair value after the grant date have no effect on the initial recognition. The cumulative costs recognized at the closing date of each accounting period are commensurate with the best available estimate of the number of equity instruments that will ultimately vest. The cost in the income statement for the period represents the change in cumulative expense recognized at the beginning and end of the period. Any dilutive effect of outstanding options is reflected in the calculation of diluted earnings per share.

Trade payables and other liabilities

Trade payables and other liabilities are stated at fair value and are measured at amortized cost using the effective interest rate.

Financial liabilities are recognized at amortized cost, which is the amount measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method on any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance) for impairment losses or non-recoverability.

Non-current assets held for sale and discontinued operations

Non-current assets held for sale and discontinued operations refer to business lines and assets (or groups of assets) sold or being disposed, whose carrying amount has been or will be recovered mainly through the sale thereof, rather than through continuing use. Non-current assets held for sale are measured at the lower of carrying amount and fair value, less costs to sell.

In accordance with IFRS, the figures relating to significant business lines (discontinued operations) are presented as follows:

- in two specific items of the statement of financial position: "Non-current assets held for sale and disposal groups" and "Liabilities directly associated with non-current assets held for sale and disposal groups";
- in a specific item of the income statement: "Profit/(loss) from discontinued operations";
- in one specific item of the statement of cash flows: "Cash flows from non-current assets held for sale and disposal groups".

The corresponding income statement and statement of cash flows amounts relating to the previous period, where present, are reclassified and presented separately for comparative purposes.

With regard to business lines considered not material (assets held for sale), the statement of financial position figures alone are presented separately in two specific items ("Non-current assets held for sale and discontinued operations" and "Liabilities directly associated with non-current assets held for sale and discontinued operations"); there was no need to restate the relevant comparative amounts.

Business combinations

Pursuant to IFRS 3, goodwill is recognized in the consolidated financial statements at the date control of a business is acquired, and represents the excess of a) over b), where:

a) is the aggregate of:

- the amount paid (measured in accordance with IFRS 3, generally calculated based on fair value at the acquisition date);
- the amount of any non-controlling interest in the acquired entity, measured in proportion to the non-controlling interest in the identifiable net assets of the acquired entity, recognized at fair value;
- in the case of a business combination carried out in stages, the fair value at the date control is acquired of the equity interest already held in the acquired company;

b) the fair value of the identifiable assets acquired, net of the identifiable liabilities assumed, measured when control is acquired.

In accordance with IFRS 3, the following is also called for:
• acquisition-related costs must be recognized in the income statement;
• in the case of a business combination carried out in stages, the acquirer must remeasure the value of the equity interest it previously held in the acquired entity at fair value at the date of acquisition of control, recognizing the difference in the income statement.
Goodwill is classified as an intangible asset with an indefinite useful life and treated as described above.

Segment reporting
Given the non-materiality of the operating segments, separate reporting is not given.

Revenue recognition
Revenue is recognized when the customer obtainscontrol of the goods or services. Determination of the moment in which transfer of control takes place - at a point in time or over time - calls for an assessment by group management.
The following criteria must be met when allocating revenue to the income statement:
- *sale of goods*: revenue is recognized when the entity has transferred control of the asset to the buyer;
- *provision of services*:
  - *print* revenue, which relates to the publication of paper directories, is recognized in full at the time of publication;
  - *online and onvoice* revenue is recognized on a straight-line basis over the term of the contract. The total of advertising services that have already been invoiced and will be implemented after the reporting date is shown in the statement of financial position liabilities under "liabilities for services to be provided";
  - revenue from the sale of "*impressions*" is recognized by multiplying the fee each customer has paid for each thousand *impressions* (CPT or "cost per thousand") by the number of views of the advertisement (in thousands) in the reporting period; *impressions* are one of the ways in which advertisers buy advertising space to develop visibility and brand awareness on a particular site;
  - revenue from the sale of "timed" spaces is recognized on a straight-line basis over the term of the contract; with this type of contract the advertiser requests the exclusive display of its banner (not in rotation) for a specified period of time, regardless of actual traffic;
  - revenue from the sale of "unique browsers with frequency cap" (also called "reaches") is recognized at the time of banner display; with this type of contract, the customer determines the frequency with which the same browser displays the same banner, in a given time slot or day of the week. With this type of contract, for example, it is possible to display advertising in a browser only upon a user's first access to the site;
  - revenue from "performance" campaigns is accounted for according to the campaign's performance during the period in question; in particular the campaign performances are determined ex post, based on visitor clicks made on the advertisement or the actions that are performed by the same as a result of having viewed the advertisement. In the first case, the performance is calculated based on the number of clicks (CPC or "cost per click") made by visitors, as the advertiser's goal is generally to re-route to the webpage sponsored in the advertising. In the second case, however, the performance is based on the achievement of the advertiser's predetermined results, such as filling out a registration form (CPA or "cost per action"), requiring the carrying out of a complex activity by the visitor of the webpage (or action).
- *interest*: this is recognized as financial income following ascertainment of interest income, using the effective interest method;
- *dividends*: these are recognized when shareholders are entitled to receive the payment.

Cost recognition
Costs are recognized when they relate to goods and services purchased or consumed in the period or allocated systematically on an accruals basis.

Financial income and expense
Interest income and interest expense and other income and expenses are recognized and stated in accordance with the principle of accruals.

Tax expense

Current taxes
Current income taxes, which are recognized in the income statement, are accounted for based on the rates in force at the reporting date.
Income taxes relating to items recognized directly in equity are allocated directly to equity and are accounted for using the tax rates in force.
Taxes not relating to income, such as real estate and capital taxes, are included in other operating costs.

Deferred taxes
Deferred taxes are calculated at the end of each period, using the so-called liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts in the financial statements at the end of the previous period.
Deferred tax liabilities are recognized for all taxable temporary differences resulting from the date of the last financial statements between the tax base for assets and liabilities and the amounts recognized in the financial statements.
Deferred tax assets are recognized for all deductible temporary differences and for tax assets and liabilities carried forward to the extent that they are likely to be able to be recovered against future taxable profits. Exceptions are made for deferred taxes arising from the initial recognition of goodwill or of an asset or liability in a non-business-combination transaction that does not have an impact on either the results for the period calculated for the financial statements or the results for the period calculated for tax purposes.
Taxable temporary differences associated with equity investments in subsidiaries and associates for which the relevant deferred tax liabilities are not recognized in the case where the reversal of the difference can be controlled and it is probable that it will not occur in the foreseeable future, are also excluded.
The amount of deferred tax assets recognized at the beginning of the reporting period is reviewed at the end of the reporting period and measured in consideration of the possibility to use such asset in the future. Unrecognized deferred tax assets are reviewed annually and recognized to the extent that it becomes likely that they will be used in the future.
Deferred tax assets and liabilities are calculated using the tax rates expected to be applicable, in the reporting periods in which the temporary differences will be realized or eliminated.
Current and deferred tax assets and liabilities are offset if the entity has a legally enforceable right to offset current tax assets with current tax liabilities and the deferred taxes relate to the same tax entity and the same tax authority.
When preparing the interim financial statements, in accordance with the provisions of IAS 34, taxes were calculated by applying the best estimate of the weighted average annual tax rate expected for the entire year to the pre-tax profit based on the most recently approved budget (tax rate).

Earnings (loss) per share
Earnings (loss) per ordinary share are calculated by dividing the Group's profit or loss for the period by the average number of ordinary shares outstanding during the reporting period.

5. Intangible assets with a indefinite useful life

Intangible assets with an indefinite useful life amounted to € 250,720 thousand at June 30, 2019 (unchanged from December 31, 2018) and comprise: *i*) € 71,997 thousand for goodwill generated in the acquisition of the Seat Group, *ii*) € 9,317 thousand for goodwill for the acquisition of Matrix, *iii*) € 169,406 thousand relating to the Virgilio (€ 53,000 thousand), Libero (€ 70,262 thousand), PagineBianche® (€ 15,285 thousand) and PagineGialle® (€ 30,859 thousand) trademarks.

6. Impairment testing

As required by IAS 36, the Parent, at the reporting date, has evaluated, considering information from external and internal sources, if there is any indication that any assets might have suffered an impairment loss.
In the case of goodwill and other intangible assets with an indefinite useful life, IAS 36 requires that, irrespective of any indications of impairment, there should be an annual check (always at the same time every year) that their recoverable amount is at least equal to the carrying amount. The Parent has chosen to make a comparison between the recoverable amount and the carrying amount of intangible assets with an indefinite useful life and equity investments in subsidiaries and joint ventures (impairment test) at the annual reporting date (December 31).
With reference to intangible assets with a finite life (including the customer relationship and database intangible assets), the IFRS require that impairment testing is carried out only in cases where it is felt necessary, that is, when there is a triggering event (IAS 36 § 9). To this end, the external and internal sources of information referred to in paragraphs 12-14 of IAS 36 are examined in order to assess whether there are indications of any impairment losses.
At Group level, there were some indications of possible impairment losses on assets:

1. The market price (market capitalization) at June 28 (last closing available on the date of the half-yearly report), is less than the carrying amount of consolidted equity.
   This indicator, although significant, must always be evaluated taking into account the market situation as a whole and the limited number of IOL shares treated on the market; in particular, on the basis of a number of additional analyses carried out as part of the 2018 impairment test, it can be concluded that the stock market price is not representative of the actual value of the Parent and the Group. Therefore, any differences between market capitalization and equity must be assessed in light of these considerations.
2. A trend in revenue at Group level that is slightly down on the expectations formulated in the 2019 Budget.

In any case, this indicator is mitigated by the achievement of an EBITDA and cash flow, higher than that assumed in the budget.
On the basis of the above considerations, the Parent considered that it was not necessary to perform impairment tests; however, these trends will be closely monitored in the coming months in order to promptly detect elements that may determine the need to carry out the aforementioned testing.
Note that the results of the impairment testing carried out on the assets with indefinite useful life at December 31, 2018 indicated the recoverability of the investments, and therefore no impairment losses were recognized.

7. Intangible assets with finite useful life

Intangible assets with a finite useful life totaled € 46,390 thousand at June 30, 2019 (€ 46,130 thousand at December 31, 2018) and can be broken down as follows:

	AT 06.30.2019				
(euro/thousand)	CUSTOMER RELATIONSHIPS AND DATABASES	SOFTWARE	PATENTS, CONCESSION, BRANDS AND LICENSES	OTHER INTANGIBLE ASSETS	TOTAL
Opening balance	**16,799**	**25,570**	**879**	**2,882**	**46,130**
- Investments	-	10,615	237	2,934	13,786
- Purchases	-	*7,197*	*237*	*2,247*	*9,681*
- Capitalized costs	-	*3,418*	-	*687*	*4,105*
- Amortization	(2,776)	(9,945)	(146)	(16)	(12,883)
- Impairment losses	-	(533)	-	(109)	(642)
- Other changes	1	1,269		(1,271)	(1)
Closing balance	**14,024**	**26,976**	**970**	**4,420**	**46,390**
of which:					
Cost	*35,785*	*258,224*	*1,754*	*21,024*	*316,787*
Accumulated amortization	*(21,761)*	*(231,248)*	*(784)*	*(16,604)*	*(270,397)*

Intangible assets with a finite useful life consist of:

- Customer Relationships and Databases, for € 14,024 thousand at June 30, 2019, relating to Customer Relationships for € 13,696 thousand and Databases for € 328 thousand. During the first half of 2019, this item decreased due to amortization amounting to € 2,776 thousand.
- Software, for € 26,976 thousand at June 30, 2019, which includes the costs for purchases from third parties and the internal implementation of programs owned and used under license mainly to support commercial offers. During the first half of 2019, investments were made for € 10,615 thousand, of which € 3,418 thousand related to personnel expense. This item decreased as a result of depreciation, by € 9,945 thousand.
- *Patents, concessions, brands and licenses* amounted to € 970 thousand at June 30, 2019 (€ 879 thousand at December 31, 2018);
- *Other intangible assets*, amounting to € 4,420 thousand at June 30, 2019 (€ 2,882 thousand at December 31, 2018), refer primarily to software projects in progress.

Capital expenditure, referring to intangible assets and property, plant and equipment, totaling € 14,081 thousand, mainly related to the Parent: € 13,347 thousand in the first half of 2019 (of which € 4,105 thousand related to Italiaonline S.p.A. personnel expense) for:

i) renewal of the sales processes and systems for SMEs with the adoption of the Saleforce platform;
ii) supply of Microsoft software licenses to cover Italiaonline S.p.A. workstations and Data Center products;
iii) user license for the "AdVantage Platform" (Matchcraft) that allows the use of application services for the implementation and management of marketing campaigns;
iv) support for developments and micro-developments in the online and publishing sectors.

The following table gives an overview of the amortization rates used:

	AT 06.30.2019	AT 06.30.2018
Customer relationships and Databases	13-25%	13-25%
Software	20-100%	20-100%
Patents, concessions, brands and licenses	20-100%	20-100%
Other intangible assets	20%	20%

8. Property, plant and equipment

Property, plant and equipment amounted to € 5,882 thousand at June 30, 2019 (€ 7,079 thousand at December 31, 2018). This item was recorded net of accumulated depreciation totaling € 41,713 thousand at the reporting date, which as a proportion of the gross value was 87.64%.
These are broken down as follows:

	AT 06.30.2019			
(euro/thousand)	PROPERTY	PLANT AND EQUIPMENT	OTHER ASSETS	TOTAL
Opening balance	**1,098**	**1,044**	**4,937**	**7,079**
- Investments	12	7	276	295
- Depreciation	(309)	(243)	(934)	(1,486)
- Impairment losses			(6)	(6)
- Disposals and other changes	(2)	117	(115)	
Closing balance	**799**	**925**	**4,158**	**5,882**
of which:				
Cost	*5,790*	*2,845*	*38,960*	*47,595*
Accumulated depreciation	*(4,991)*	*(1,920)*	*(34,802)*	*(41,713)*

Property, plant and equipment include:

- *property* of € 799 thousand at June 30, 2019 (€ 1,098 thousand at December 31, 2018). During the first half of 2019, the assets were depreciated by € 309 thousand.
- *plant and equipment* of € 925 thousand at June 30, 2019 (€ 1,044 thousand at December 31, 2018). This item decreased during the period, mainly as a result of depreciation, of € 243 thousand;
- *other assets* of € 4,158 thousand at June 30, 2019 (€ 4,937 thousand at December 31, 2018), of which € 3,398 thousand related to IT equipment and systems. This item decreased during the year, mainly as a result of depreciation of € 934 thousand.

The accumulated depreciation (€ 41,713 thousand at June 30, 2019) is considered to be adequate, for each category of property, plant and equipment, to cover the depreciation of the assets in relation to their estimated residual useful life.
The following table gives an overview of the depreciation rates used:

	AT 06.30.2019	AT 06.30.2018
Leasehold Improvements	14-39%	14-39%
Plant and equipment and leasehold improvements	15-57%	15-57%
Other assets	10-50%	10-50%

9. Right-of-use assets

At June 30, 2019, this item includes the present value of future lease payments for the "right-of-use assets" deriving from the application of IFRS 16, with breakdown as follows:

(euro/thousand)	AT 06.30.2019			
	LEASED PROPERTY	LEASED PLANT	OTHER LEASED ASSETS	TOTAL
Opening balance	**20,279**	**7,777**	**3,043**	**31,099**
- Depreciation	(1,758)	(1,503)	(702)	(3,963)
- Impairment losses	-	(3)	(144)	(147)
- Other changes	(1,424)	37	233	(1,154)
- Increase	*1,704*	*56*	*287*	*2,047*
- Decrease	*(3,128)*	*(19)*	*(15)*	*(3,162)*
- Other	-	-	*(39)*	*(39)*
Closing balance	**17,097**	**6,308**	**2,430**	**25,835**
of which:				
Cost	*23,155*	*10,797*	*4,672*	*38,624*
Accrued depreciation	*(6,058)*	*(4,489)*	*(2,242)*	*(12,789)*

The leased assets include:
- *property* for € 17,097 thousand at June 30, 2019 (€ 20,279 thousand at December 31, 2018), referring to the properties used as group company offices. The change includes for € 3,128 thousand for the early termination of some lease contracts:
- *plant* for € 6,308 thousand at June 30, 2019 (€ 7,777 thousand at December 31, 2018), mainly referring to the installation and use of equipment in the Data Centers;
- *other assets* for € 2,430 thousand at June 30, 2019 (€ 3,043 thousand at December 31, 2018), relating to the right of use of cars and of other equipment such as printers.

10. Other non-current financial assets

Other non-current financial assets at June 30, 2019 totaled € 558 thousand (€ 563 thousand at December 31, 2018) and specifically include loans to employees for € 443 thousand.

11. Inventories

Inventories can be broken down as follows:

(euro/thousand)	AT 06.30.2019			
	RAW MATERIALS, SUPPLIES AND CONSUMABLES	WORK IN PROGRESS AND SEMI-FINISHED PRODUCTS	FINISHED GOODS	TOTAL
Opening balance	**74**	**743**	**-**	**817**
Increase (decrease)	-	(77)	-	(77)
Other changes	-	1	-	1
Closing balance	**74**	**667**	**-**	**741**

Inventories at June 30, 2019 amounted to € 741 thousand (€ 817 thousand at December 31, 2018). Work in progress includes the already processed advertising items for future Italiaonline S.p.A Smartbook editions.

12. Trade receivables

(euro/thousand)	AT 06.30.2019		
	TRADE RECEIVABLES	LOSS ALLOWANCE	CARRYING AMOUNT
Opening balance	**154,500**	**(24,855)**	**129,645**
Accruals	-	(67)	(67)
Utilization	-	4,679	4,679
Changes in estimates	-	7	7
Other changes	(21,870)	(1)	(21,871)
Closing balance	**132,630**	**(20,237)**	**112,393**

Trade receivables, net of the loss allowance, amounted to, at June 30, 2019, € 112,393 thousand (€ 129,645 thousand at December 31, 2018).
The *loss allowance* amounted to € 20,237 thousand (€ 24,855 thousand at December 31, 2018), of which € 20,168 thousand relating to Italiaonline S.p.A., and is considered sufficient to cover estimated losses for customer insolvency.
In the first half of 2019, the allowance was used directly as a result of unrecoverable amounts, for € 4,679 thousand (substantially relating to Italiaonline S.p.A.) without affecting profit or loss; the allowance was considered adequate and allows the maintenance of an adequate rate of coverage of past due receivables, by maintaining close attention to the quality of sales and the management of trade receivables.
For a more detailed analysis of the Group's credit risk, see Note 18 herein.

13. Other assets (current and non-current)

Other assets (current and non-current) amounted to € 36,0934 thousand (€ 64,288 thousand at December 31, 2018), detailed as follows:

(euro/thousand)	AT 06.30.2019	AT 12.31.2018	CHANGE
Advances on sales commissions and other amounts due from agents	14,028	14,554	(526)
Prepayments	6,145	6,049	96
Contract assets	7,941	7,820	121
Advances to suppliers	498	1,358	(860)
Other assets	2,131	9,897	(7,766)
Total other current assets	**30,743**	**39,678**	**(8,935)**
Other non-current assets	**5,350**	**24,610**	**(19,260)**
Total other current assets and non-current assets	**36,093**	**64,288**	**(28,195)**

Specifically:

- *advances on sales commissions and other amounts due from agents* amounted to € 14,028 thousand at June 30, 2019 (€ 14,554 thousand at December 31, 2018), and are recognized net of the related loss allowance totaling € 5,556 thousand at June 30, 2019 (€ 5,065 thousand at December 31, 2018);
- *prepayments* amounted to € 6,145 thousand at June 30, 2019 (€ 6,049 thousand at December 30, 2018); the item includes the deferral of direct production costs with the same time periods with which the corresponding revenue is recognized in the income statement;
- *contracts assets* amounting to € 7,941 thousand include the incremental costs relating to the acquisition of new customers which will be recognized in the income statement on the basis of the expected duration of the relationship with the new customers, in accordance with the provisions of IFRS 15;
- *advances to suppliers*, totaling € 498 thousand at June 30, 2019 (€ 1,358 thousand at December 31, 2018);
- *other assets*, amounting to € 2,131 thousand at June 30, 2019 (€ 9,897 thousand at December 31, 2018), mainly reflect the reimbursement by the tax authorities of receivables for € 5,971 thousand, which arose as a result of the provisional payment made for the pending judgment related to the notice of assessment issued by the Italian Tax Authorities which claims the failure to apply, for the years between 2009 and 2012, the withholding tax on interest paid to the Royal Bank of Scotland (Milan branch) on the so-called "Senior" loan granted.
- *other non-current assets*, equal to € 5,350 thousand at June 30, 2019 are related to: i) € 4,518 thousand for tax assets for the reimbursement of the excess corporation tax (IRES) paid for tax years prior to 2012 due to the failure to deduct regional production tax (IRAP) relative to personnel and civil servants recognized in 2013 in accordance with the available official interpretations; ii) € 832 thousand for guarantee deposits. The change with respect to December 31, 2018 reflects the reimbursement by the tax authorities of € 19,246 thousand relating to the IRES assets, including interest, arising from the national tax consolidation scheme of the Italiaonline Group, which was requested for reimbursement by the Parent through the submission of the CNM 2014 form.

14. Equity

Equity is broken down as follows:

(euro/thousand)	AT 06.30.2019	AT 12.31.2018	CHANGE
Share capital	20,000	20,000	-
Share premium	107,128	117,217	(10,089)
Legal reserve	4,000	4,000	-
Actuarial reserve	(1,418)	(831)	(587)
Other reserves	182,106	180,860	1,246
Profit (loss) for the period	4,492	(8,734)	13,226
Total equity attributable to the owners of the Parent	**316,308**	**312,512**	**3,796**
Total equity attributable to non-controlling interests	**-**	**-**	**-**
Total equity	**316,308**	**312,512**	**3,796**

Treasury Shares

It should be noted that on November 28, 2018, Italiaonline announced the initiation of the repurchase of treasury shares, in execution of the authorization approved at the Shareholders' Meeting of April 27, 2018, and already communicated to the market.
The repurchases were made by a broker on the MTA (Italian Online Stock Market), in accordance with Article 144-bis, paragraph 1, of CONSOB Issuers' Regulation no. 11971/1999.
As at June 30, 2019, a total of 43,687 shares had been repurchased for a total value of € 109 thousand, including brokerage costs.

Share capital

Share capital amounted to € 20,000 thousand at June 30, 2019.
At June 30, the share capital consisted of 114,761,225 ordinary shares and 6,803 savings shares.
With reference to share capital, the amount of € 17,728 thousand is subject to taxation upon distribution. Deferred tax liabilities have not been accounted for in this amount, as Italiaonline S.p.A. is not planning to repay this portion of the capital.

Share premium reserve

The reserve stood at € 107,128 thousand at June 30, 2019 (€ 117.217 thousand at December 31, 2018).
The change is entirely attributable to the full coverage of the loss of Italiaonline SpA.
This is to be considered fully taxable on distribution as a result of the realignment made in 2005 between the carrying amount and the tax base of the customer database, pursuant to Law No. 342/2000.
Deferred tax liabilities were not calculated as the Parent is not planning to distribute the share premium reserve.

Legal reserve

The reserve stood at € 4,000 thousand at June 30, 2019.
This reserve is fully subject to taxation in the case of distribution as a result of the realignment in 2005 pursuant to Law No. 342/2000.

Actuarial reserve

The actuarial reserve at June 30, 2019 was a negative € 1,418 thousand (a negative € 831 thousand at December 31, 2018) and included the effect of recording actuarial gains/(losses) on the post-employment benefits – the portion remaining at the company – due to their recognition in the consolidated financial statements pursuant to IAS 19, paragraph 93 as a defined benefit plan.
For more details on how these amounts were determined, see Note 19 herein.

Other reserves

Other reserves show a balance of € 182,106 thousand (of which € 27,503 thousand subject to taxation in the case of distribution) and refer to:

- *Purchase price allocation reserve* amounting to € 17,446 thousand, recorded in 2016 following the allocation to the assets and liabilities of the respective "Purchase Cost" fair value, net of the related tax effect;
- *Stock options reserve* equal to € 2,374 thousand;
- *Other reserves and retained earnings (losses forward)* equal to € 162,286 thousand.

15. Other comprehensive income (expense)

Other comprehensive income (expense) is broken down as follows:

(euro/thousand)	1ST HALF 2019	1ST HALF 2018
Other comprehensive income (expense) that will not be subsequently reclassified to profit or loss for the period		
Actuarial gains (losses)	(773)	111
Tax effect of net actuarial gain (loss)	186	(39)
Net fair value gains (losses) on Telegate AG sold during the year already included in the loss for the period	-	-
Total other comprehensive income (expense) that will not be reclassified subsequently to profit or loss for the period	(587)	72
Other comprehensive income (expense) that will be subsequently reclassified to profit or loss for the period		
Net fair value gains (losses) on AFS securities and equity investments	-	-
Total other comprehensive income (expense) that will be subsequently reclassified to profit or loss	-	-
Total other comprehensive income (expense), net of tax effect	**(587)**	**72**

16. Earnings (loss) per share

Earnings (loss) per share are calculated by dividing profit or loss by the average number of outstanding shares for the period.

		AT 06.30.2019	AT 12.31.2018
Number of Italiaonline S.p.A. shares		114,768,028	114,768,028
- ordinary shares	*no.*	*114,761,225*	*114,761,225*
- saving shares	*no.*	*6,803*	*6,803*
Weighted average shares outstanding (*)		*114,752,650*	*114,766,183*
Profit (loss) for the period	€/thousand	4,492	(7,385)
Earnings (loss) per share	€	0.0391	(0.0643)

(*) For the purposes of the calculation, 66,130 saving shares repurchased by the Parent are considered.

Moreover, earnings (loss) per share are reported below, whilst considering the shares granted under the stock option plan of the Parent, numbering 255,556 at June 30, 2019.

		AT 06.30.2019	AT 12.31.2018
Number of Italiaonline S.p.A. shares	*no.*	115,008,207	119,137,097
Diluted earnings (losses) per share	€	0.0391	(0.0620)

17. Net financial indebtedness

At June 30, 2019, the net financial indebtedness was a positive € 88,620 thousand (a positive € 66,989 thousand at December 31, 2018) and is made up as follows:

(euro/thousand)		AT 06.30.2019	AT 12.31.2018	CHANGE
A	Cash and cash equivalents	117,055	101,038	16,017
B	Other cash and cash equivalents	-	-	-
C	Trading securities	-	-	-
D=(A+B+C)	**Liquidity**	**117,055**	**101,038**	**16,017**
E.1	**Current financial receivables due from third parties**	**156**	**97**	**59**
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	7,684	8,647	(963)
H.2	Other current financial debt due to related parties	-	-	-
I=(F+G+H)	**Current financial debt**	**7,684**	**8,647**	**(963)**
J=(I-E-D)	**Net current financial indebtedness**	**(109,527)**	**(92,488)**	**(17,039)**
K	Non-current bank debt	-	-	-
L	Bond issues	-	-	-
M.1	Other non-current loans due to third parties	20,907	25,499	(4,592)
M.2	Other non-current loans due to related parties	-	-	-
N=(K+L+M)	**Non-current financial debt**	**20,907**	**25,499**	**(4,592)**
O=(J+N)	**Net financial indebtedness (ESMA)**	**(88,620)**	**(66,989)**	**(21,631)**

The positive net financial indebtedness at June 30, 2019 includes € 28,531 thousand for the financial liability representing the present value of future lease payments, against the recognition under assets of the "right-of-use assets", pursuant to IFRS 16.
The change in the period reflects the financial outflows related to the finalization of the personnel reorganization plan, partially offset by the cash generation for the period.
A description of the items which constitute the net financial indebtedness is provided below:

Non-current financial liabilities

This item totaled € 20,907 thousand at June 30, 2019 (€ 25,499 thousand at December 31, 2018), and refers entirely to the financial liability associated with the adoption of IFRS 16, as described above.

Current financial liabilities

This item totaled € 7,684 thousand at June 30, 2019 (€ 8,647 thousand at December 31, 2018) and refers to *Other current financial liabilities with third parties*. In particular, the amount includes € 7,624 thousand referring to the current portion of the financial liability associated with the adoption of IFRS 16.

Current financial assets

Current financial assets amounted to € 156 thousand at June 30, 2019 (€ 97 thousand at December 31, 2018) and refer for € 122 thousand to interest income accrued on bank current accounts not yet paid.

Cash and cash equivalents

Cash and cash equivalents amounted to € 117,055 thousand at June 30, 2019 (€ 101,038 thousand at December 31, 2018) and mainly refer to the Parent Italiaonline S.p.A. (€ 116,685 thousand).

18. Information on financial risks

Risk associated with financial indebtedness

No significant risks related to financial indebtedness are recognized with respect to financial position at June 30, 2019.
The table below shows the maturity of the debt:

	DUE			
	BY NEXT YEAR	BETWEEN 2 AND 5 YEARS	OVER 5 YEARS	TOTAL
Lease liabilities	7,624	16,640	4,267	28,531
Other financial debts	60	-	-	60
Total financial debts	**7,684**	**16,640**	**4,267**	**28,591**

Credit risk

The Parent's business is characterized by the presence of a large number of customers in the SME segment that have suffered from the crisis period and for which the recovery was not started or consolidated in all business segments of our target market. This market environment which includes the complexities generated by the large number of transactions, led the Parent to implement a structured credit management process, which uses behavioral scoring for each contract proposal and a timely and progressive credit collection process with the use of internal teams and external partners, first with a series of telephone calls, followed by a quality collection network distributed throughout Italy that knows our customers and our products, and finally with legal action against customers who still have not paid the amount due after one year. All of which making use of updated and customized software.
In this context, the monitoring of collections through advances and guarantees collected in the process of creating a contract and incentives for forms of payment such as SEPA Direct Debit (SDD), currently 80% of sales to SMEs, allow our Company to better manage the dynamics of receipts at due dates.
The net trade receivables of Italiaonline Group at June 30, 2019 were € 112,393 thousand (€ 129,645 thousand at December 31, 2018), almost entirely due to the Parent Italiaonline S.p.A. (€ 110,818 thousand), which has approximately 218,000 customers spread all over Italy consisting mainly of small and medium-sized enterprises.
The amount of overdue trade receivables of Italiaonline at June 30, 2019 amounted to approximately € 35 million (€ 42 million at December 31, 2018) with an average coverage percentage of the loss allowance amounting to around 56.8%, deemed adequate. The monitoring at an early stage and the credit collection process described above has led the Parent and the Group to gradually decrease overdue trade receivables compared to total receivables, the main macroscopic indicator of quality.
Exposure to credit risk - represented in the financial statements as the loss allowance - is measured using a statistical model, based on customer segmentation based on territorial criteria and days outstanding, which reflects the Parent's historical behavioral experience in the collection of receivables, projecting it onto the balance of receivables at June 30.

19. Non-current employee benefits

Italiaonline group companies provide post-employment benefits to their active and retired former employees, both directly and through contributions to external funds. Employee benefits are usually based on remuneration and length of service.
Group companies provide post-employment benefits through defined contribution and/or defined benefit plans.
Under defined contribution plans, the Group pays contributions to public or private insurers pursuant to statutory or contractual obligations, or on a voluntary basis. The Group fulfils all its obligations by paying these contributions. The cost for the period is accrued based on the employee's service and is recorded in the income statement (€ 1,516 thousand in the first half of 2019).
Defined benefit plans are either unfunded, as in the case of post-employment benefits, or fully funded by the contributions paid by the Group and its employees to a legally separate entity or fund that pays out the employee benefits.
The table below shows the changes in the various types of plans in place in the first half of 2019.

	AT 06.30.2019		
(euro/thousand)	POST-EMPLOYMENT BENEFITS- PORTION REMAINING WITH THE GROUP	DEFINED CONTRIBUTION PLANS	TOTAL
Opening balance	**11,706**	**1,013**	**12,719**
Accruals	253	1,516	1,769
Contributions	-	356	356
Benefits paid/disbursements	(445)	(1,502)	(1,947)
Discount interest	105	-	105
Actuarial losses (gains) recognized in OCI	*773*	-	*773*
Other changes	(113)	(424)	(537)
Closing balance	**12,279**	**959**	**13,238**

The figures for pension plans, liabilities to employees and related costs in the income statement were determined based on valuations carried out by an independent expert using the projected unit credit method, in accordance with the provisions of IAS 19.

Post-employment benefits - portion remaining with the Group

The post-employment benefits portion remaining with the Group, amounting to € 12,279 thousand at June 30, 2019 (€ 11,706 thousand at December 31, 2018), was measured as a defined benefit plan in accordance with indications contained in revised IAS 19.
Following the entry into effect of the supplementary pension reform (Legislative Decree No. 252 of December 5, 2005), the structure of post-employment benefits, as of January 1, 2007, changed from a defined benefit plan to a defined contribution plan. Consequently, the liability recorded in the consolidated financial statements represents the defined benefit plan liability – measured based on IAS 19 criteria – for employees for service up to December 31, 2006.

In addition, in the first half of 2019, actuarial losses recognized in equity amounted to € 773 thousand (€ 587 thousand, net of the tax effect), of which € 695 thousand is attributable to the Parent Italiaonline S.p.A.. Pursuant to IAS 19, paragraph 93A, such losses are recognized, net of the related tax effects, in the statement of comprehensive income.

(euro/thousand)	AT 06.30.2019	AT 12.31.2018
A. Reconciliation of defined benefit obligations		
1. Opening defined benefit obligations	15,947	17,145
2. Current service cost	253	644
3. Financial expense	105	339
4. Benefits paid by plan/group	(4,686)	(1,409)
5. Other changes and change in consolidation scope	(113)	(14)
6. Changes recognised in equity (OIC effect)	773	(466)
a. Effects due to changes in demographic assumptions	(4)	-
b. Effects due to changes in financial assumptions	823	(308)
c. Effects due to changes in actuarial assumptions	-	-
d. Effects due to changes of assumptions from experience	(46)	(158)
7. Curtailment (*)		(292)
Closing defined benefit obligations (**)	12,279	15,947
B. Reconciliation of assets and liabilities recognized in the statement of financial position		
Plans that are fully unfunded/Plans that are wholly or partly funded		
1. Present value of unfunded defined benefit obligations at the end of the period	12,279	15,947
2. Other changes		
Net liability recognised in the statement of financial position	12,279	15,947
Amounts in the statement of financial position		
1. Liabilities	12,279	15,947
2. Assets	-	-
C. Cost component		
Amounts recognized in the income statement		
1. Current service costs	253	644
2. Interest expense	105	339
Total cost recognised in the income statement	358	983
D. Main actuarial ssumptions		
Weighted average assumptions to determine defined benefit obligations		
1. Discount rate	0.77%	1.57%
2. Rate of inflation	1.50%	1.50%
3. Annual rate of the post-employment benefits increase	2.63%	2.63%
E. Past experience of actuarial (gains) and losses		
a. Amount	n.s.	n.s.
b. Percentage of plan liabilities at the reporting date	n.s.	n.s.

(euro/thousand)	AT 06.30.2019	AT 12.31.2018
F. Sensitivity analysis - benefit obligation evaluation based on underlying assumptions		
1. Discount rate		
a. Discount rate -0,25%	11,270.00	15,491.88
a. Discount rate +0,25%	11,823.00	14,783.48
2. Rate of inflation		
a. Rate of inflation -0,25%	11,713.00	14,900.81
b. Rate of inflation +0,25%	11,372.00	15,366.19
3. Turnover rate		
a. Turnover rate -1%	11,431.00	15,212.60
b. Turnover rate +1%	11,666.00	15,058.79
4. Weighted-average duration of benefit obligation (years)	-	-
- ITALIAONLINE S.p.A.	9.60	10.00
- DLS	12.40	19.10
G. Expected cash flow for next year		
1. Contributions for the next year		
2. Contributions forecast to reimbursements		
- ITALIAONLINE S.p.A.		
- DLS	-	430
2. Expected payments of total services	1,638	5,440
Year 1	680	567
Year 2	497	660
Year 3	478	773
Year 4	459	577
Year 5	-	-

(*) Represents the best estimate of the change in liabilities due to changes to the plan or events involving a reduction in personnel following the implementation of the new agreement

(**) At december 31, 2018 this amount includes € 4,241 thousand referred to post employment benefits of personnel included it the reorganization Plan reclassified in the item Other current liabilities.

20. Other non-current liabilities

Other non-current liabilities amounting to € 18,867 thousand at June 30, 2019 (€ 19,505 thousand at December 31, 2018), are detailed as follows:

(euro/thousand)	AT 06.30.2019 PROVISION FOR AGENTS' TERMINATION INDEMNITIES	OTHER NON-CURRENT OPERATING LIABILITIES	TOTAL
Opening balance	**18,467**	**400**	**18,867**
Accruals	646	-	646
Utilizations	(307)	-	(307)
Discounting losses (gains)	280	(23)	257
Other changes	44	1	45
Closing balance	**19,130**	**378**	**19,508**

The balances at June 30, 2019 for non-current provisions were calculated considering expected future cash flows using the pre-tax discount rate which reflects the current market assessment of the time value of money. The change due to the passage of time and due to the different discount rate applied was recognized as interest expense (€ 280 thousand).
Pursuant to current legislation, the *provision for agents' termination indemnities* represents the liabilities accrued at the end of the period for the indemnities due to sales agents in the event of termination of the agency contract. This provision amounted to € 19,130 thousand at June 30, 2019 (€ 18,467 thousand at December 31, 2018).

21. Current provisions for risks and charges (operating and non-operating)

These are broken down as follows:

	AT 06.30.2019			
(euro/thousand)	PROVISION FOR COMMERCIAL RISKS	PROVISIONS FOR CONTRACTUAL AND OTHER OPERATING RISKS	NON-OPERATING PROVISIONS	TOTAL
Opening balance	**4,023**	**10,707**	**9,439**	**24,169**
Accruals	209	1,444	541	2,194
Utilizations	(466)	(1,340)	(2,840)	(4,646)
Reversal	-	(213)	(174)	(387)
Other changes	-	(39)	(5)	(44)
Closing balance	**3,766**	**10,559**	**6,961**	**21,286**

Current provisions for risks and charges at June 30, 2019 amounted to € 21,286 thousand (€ 24,169 thousand at December 31, 2018) and consist of:

- the *provision for commercial risks*, of € 3,766 thousand at June 30, 2019 (€ 4,023 thousand at December 31, 2018), is commensurate with estimated charges for incomplete compliance with contractual obligations;
- the *provision for contractual and other operating risks*, of € 10,559 thousand at June 30, 2019 (€ 10,707 thousand at December 31, 2018), mainly includes € 3,303 thousand for legal disputes (€ 2,856 thousand at December 31, 2018) and € 4,144 thousand for pending litigation with agents and employees (€ 4,595 thousand at December 31, 2018);
- the *non-operating provisions* - current portion - amount to € 6,961 thousand as at June 30, 2019 (€ 9,439 thousand at December 31, 2018). They mainly include (i) € 2,859 thousand for the *provision for restructuring* - current portion mainly relating to the completion in 2019 of the actions resulting from the implementation of the reorganization plan initiated by the Parent with the signing of the agreement on July 2, 2018; (ii) € 2,222 thousand for the *sales network restructuring provision* (€ 2,362 thousand at December 31, 2018); (iii) € 750 thousand for the provision for risks quantified taking into account the applicable provisions and the reasonable possibility of reaching an agreement with the *tPR* (the Pension Regulator) and the trustee of the TDL Fund with respect to the financial support to be provided in favor of the TDL Fund. It should be noted that during the period the Parent completed the facilitated settlement of the litigation connected with the current dispute with the Italian Tax Authorities and the payment of € 1,299 thousand was made.

22. Trade payables and other current liabilities

Trade payables and other current liabilities are detailed as follows:

(euro/thousand)	AT 06.30.2019	AT 12.31.2018	CHANGE
Payables to suppliers	59,254	59,185	69
Payables to agents	11,459	17,235	(5,776)
Payables to employees	9,374	10,498	(1,124)
Social security charges payable	4,174	3,888	286
Payables to others	393	452	(59)
Total trade payables	**84,654**	**91,258**	**(6,604)**
Liabilities for services to be provided	88,021	84,498	3,523
Advances from customers	3,020	2,644	376
Other current liabilities	3,600	37,387	(33,787)
Total liabilities for services to be provided and other current liabilities	**94,641**	**124,529**	**(29,888)**

All trade payables have a maturity of less than 12 months.
Specifically:

- *payables to suppliers*, of € 59,254 thousand at June 30, 2019 (€ 59,185 thousand at December 31, 2018) include € 57,251 thousand relating to Italiaonline S.p.A.;
- *payables to agents*, of € 11,459 thousand at June 30, 2019 (€ 17,235 thousand at December 31, 2018), are considered in conjunction with the item "advances on sales commissions" recognized in "other current assets" amounting to € 14,028 thousand (€ 14,622 thousand at December 31, 2018);
- *liabilities for services to be provided* amounted to € 88,021 thousand (€ 84,498 thousand at December 31, 2018); the item includes the advance invoicing of advertising services for printed directories as well as the deferral of revenue arising from the provision of web and voice services on a straight-line basis over the contractually agreed period for the on-line and on-voice services;
- *other current liabilities* of € 3,600 thousand (€ 37,387 thousand as at December 31, 2018) decreased by € 33,787 thousand as at June 30, 2019 mainly due to amounts relating to termination agreements with employees relating to the personnel reorganization agreement initiated by the Parent on July 2, 2018.

23. Revenue from sales and services

Revenue from sales and services amounted to € 150,404 thousand in the first half of 2019, of which € 148,217 thousand related to Italiaonline S.p.A.; in particular revenue by specific type are as follows:

a) Digital Revenue amounted to € 123,992 thousand in the first half of 2019, an increase of 3.1% compared to the first half of 2018. In this regard, it should be noted that the growth in Digital revenue was driven by the Digital Advertising segment (+3.7% year-on-year), which saw, in particular, a high single digit growth in revenue from iOL Audience (a Digital Advertising range dedicated to SMEs and the only one in Italy), against a substantially stable trend in revenue on an annual basis for the iOL Advertising agency, in line with the evolution of the Italian market (Nielsen data for May 2019). The Presence segment grew by +2.5% year-on-year in the first half of 2019, with the segment performing well in the first quarter (+2.3%) as well as the second quarter (+2.8%), positively reversing the negative trend that had continued since 2016. This improvement is due to a substantial enrichment and strengthening of the product range as well as the improvement of caring strategies aimed at customers. The total share of Digital Revenue for the period was 83.7% (an improvement on the 78.0% of the first half of 2018).

b) Traditional revenue amounted to € 24,225 thousand in the first half of 2019, a decrease of 28.8% compared to the first half of 2018. The total share of Traditional Revenue for the period was 16.1% (a reduction on the 21.6% of the first half of 2018).

c) Other Revenue from other products in the first half of 2019 amounted to € 2,187 thousand in the first half 2019 (€ 3,105 thousand at first half 2018).

No precise information is provided on revenue by geographical segment as revenue is almost exclusively generated in Italy.

24. Other income and operating costs

24.1 Other income

Other income totaled € 773 thousand in the first half of 2019 (€ 1,315 thousand in the first half of 2018). The item includes € 434 thousand relating to the recovery of costs from third parties (mainly administrative, legal and postal costs) and € 338 thousand relating to other income of a different nature.

24.2 Costs of materials

The costs of materials amounted to € 623 thousand in the first half of 2019, down by € 291 thousand compared to the first half of 2018 (€ 332 thousand).

24.3 Costs for external services

The costs for external services totaled € 82,913 thousand in the first half of 2019 (€ 82,157 thousand in the first half of 2018).

The main changes were as follows:

- commissions to *web publishers*, up € 1,824 thousand due to the revenue performance of IOL Audience (mainly Google AdWords and Facebook) and revenue from advertising agency activities for the large accounts market;
- production, distribution and stocking costs, down by € 1,426 thousand due to the decrease in Traditional revenue and circulation figures, reflected in the lower number of pages;
- commissions and other agent costs, up € 2,614 thousand, mainly due to a different distribution of incentives for tenders relating to the sales force during the period;
- costs for telematic industrial services decreased by € 840 thousand, mainly due to the full effect of the revision of production tariffs during the first half of the period;
- advertising costs down € 1,000 thousand.

24.4 Personnel expense

Personnel expense in the first half of 2019 amounted to € 36,219 thousand (€ 34,153 thousand in the first half of 2018). It should be noted that the change is influenced by the effect of the accruals, carried out in the first half of 2018.

The Group's workforce - including directors, project workers and interns - totaled 1,389 at June 30, 2019 (1,675 at December 31, 2018). The average active workforce of the Group for the period was 1,276, down by 177 compared to the first half of 2018 (1,453).

24.5 Net impairment loss on trade receivables and other assets

Loss allowances are broken down as follows:

(euro/thousand)	1ST HALF 2019	1ST HALF 2018	CHANGE	
			ABSOLUTE	%
Loss allowance - trade receivables	67	410	(343)	(83.7)
Reversal of loss allowance - trade receivables	(7)	(18)	11	61.1
Impairment (gains) losses on other operating assets	545	(121)	666	n.s.
Other impairment losses	-	4	(4)	(100.0)
Total impairment losses on trade receivables and other assets	**605**	**275**	**330**	**n.s.**

24.6 Net accruals to provisions for risks and charges

(euro/thousand)	1ST HALF 2019	1ST HALF 2018	CHANGE	
			ABSOLUTE	%
Accruals to provisions for commercial risks	209	352	(143)	(40.6)
Accruals to provisions for risks and operating charges	1,443	2,421	(978)	(40.4)
Release of provision for risks and operating charges	(213)	(5)	(208)	n.s.
Total net accruals to provisions for risks and charges	**1,439**	**2,768**	**(1,329)**	**(48.0)**

For further details, see Note 21 herein.

24.7 Other net operating costs

Other net operating costs amounted to € 1,131 thousand in the first half of 2019 (€ 1,114 thousand in the first half of 2018) and mainly included € 780 thousand for indirect and operating taxes.

24.8 Net non-recurring charges

Net non-recurring charges amounted to € 1,626 thousand in the first half of 2019 (€ 767 thousand in the first half of 2018) and mainly included strategic consultancy costs of € 814 thousand and charges incurred as a result of the termination of job contracts due to the reorganization of the senior management structure of € 986 thousand.

24.9 Net restructuring charges

Net restructuring charges amounted to € 541 thousand in the first half of 2019; in the first half of 2018 they amounted to € 26,854 thousand, mainly reflecting the actions resulting from the implementation of the reorganization plan initiated by the Parent.

25. Financial income and expense

25.1 Financial expense

The financial expense of € 581 thousand in the first half of 2019 (€ 402 thousand in the first half of 2018) is detailed below:

(euro/thousand)	1ST HALF 2019	1ST HALF 2018	CHANGE ABSOLUTE	CHANGE %
Interest expenses on lease liabilities (IFRS16)	151	202	(51)	(25.2)
Exchange losses	28	34	(6)	(17.6)
Other financial expense	402	166	236	n.s.
Total financial expense	**581**	**402**	**179**	**44.5**

Other financial expense included € 374 thousand (€ 155 thousand in the first half of 2018) in interest expense from discounting, mainly relating to post-employment benefits. This item includes € 151 thousand of financial expense accrued on financial liabilities recorded following the application of IFRS 16.

25.2 Financial income

Financial income in the first half of 2019 amounted to € 329 thousand (€ 2,545 thousand in the first half of 2018).

(euro/thousand)	1ST HALF 2019	1ST HALF 2018	CHANGE ABSOLUTE	CHANGE %
Bank interest income	123	138	(15)	(10.9)
Discounting interest income	-	48	(48)	(100.0)
Exchange gains	2	13	(11)	(84.6)
Other financial income	204	2,346	(2,142)	(91.3)
Total financial income	**329**	**2,545**	**(2,216)**	**(87.1)**

This item includes € 123 thousand in interest income (€ 138 thousand in the first half of 2018) resulting from short-term liquidity in the banking system at market rates. In the first half of 2019, this item included € 2,165 thousand of the dividend paid by the investee Emittente Titoli.

26. Impairment losses on financial assets and gains on the disposal of equity investments

Impairment losses on financial assets totaled € 111 thousand in the first half of 2019, relating to evaluations made by the Parent of several liquidated Digital Local Services. In the first half of 2018, these amounted to € 1,243 thousand and refer entirely to the capital gain deriving from disposal of the investment in 11880 Solutions AG on February 14, 2018.

27. Current income taxes, deferred tax liabilities and deferred tax assets

Tax expense for the first half of 2019 came to € 2,098 thousand (€ 365 thousand in the first half of 2018) and is broken down as follows:

(euro/thousand)	1ST HALF 2019	1ST HALF 2018	CHANGE ABSOLUTE
Current income taxes	531	248	283
Accrual (reversal) of deferred tax assets	1,567	117	1,450
Income taxes referred to previous years	-	-	-
Total tax expense for the period	**2,098**	**365**	**1,733**

Income taxes for the first half of 2019, in accordance with the provisions of IAS 34, are calculated by applying best estimate of the weighted average annual tax rates to the pre-tax profit (loss) forecast for the entire year in the current Business Plan.

Net deferred tax assets and liabilities

Net deferred tax assets and liabilities are described in the table below:

	AT 12.31.2018	CHANGES DURING THE PERIOD			AT 06.30.2019
(euro/thousand)		INCOME TAXES RECOGNIZED IN THE INCOME STATEMENT	INCOME TAXES RECOGNIZED IN FOR EQUITY	OTHER CHARGES	
Deferred tax assets	31,454	(1,568)	186	-	30,072
Deferred tax liabilities	(51,989)	-	-	-	(51,989)
Total	**(20,535)**	**(1,568)**	**186**	**-**	**(21,917)**
shown in the statement of financial position [1]					
Net deferred tax assets	*194*				*270*
Net deferred tax liabilities	*(20,729)*				*(22,187)*

[1] In the consolidated financial statements, deferred tax assets and liabilities are recorded at their carrying amount, having being offset against each other, where possible in terms of the tax authority, the taxed entity and the relevant time frames.

Current tax assets

Current tax assets amounted to € 12,218 thousand at June 30, 2019 (€ 10,313 thousand at December 31, 2018) and are detailed as follows:

(euro/thousand)	AT 06.30.2019	AT 12.31.2018	CHANGE
Direct tax assets	9,009	9,057	(48)
Indirect tax assets	3,209	1,256	1,953
Total current tax assets	**12,218**	**10,313**	**1,905**

Direct tax assets of € 9,009 thousand at June 30, 2019 refer to € 8,138 thousand for Italiaonline S.p.A. of which € 3,772 thousand are for IRES and € 4,138 thousand for IRAP.

Current tax liabilities

Current tax liabilities amounted to € 7,898 thousand at June 30, 2019 (€ 3,054 thousand at December 31, 2018) and are detailed as follows:

(euro/thousand)	AT 06.30.2019	AT 12.31.2018	CHANGE
Income tax liabilities	884	353	531
Other tax liabilities	7,014	2,701	4,313
Total current tax liabilities	**7,898**	**3,054**	**4,844**

Other tax liabilities mainly refer to VAT liabilities and withholding taxes on employees and external consultants.

Dispute with the Italian Tax Authorities for failure to apply withholdings

On December 24, 2014, Italiaonline S.p.A. (the Parent) received a tax assessment notice from the Italian Tax Authorities - Lombardy Regional Office (Agenzia delle Entrate - Direzione Regionale della Lombardia, hereinafter "DRE" or the "Office"), claiming that it had failed to apply withholding taxes in 2009 on the interest paid to the Royal Bank of Scotland (Milan branch) for the "Senior" loan granted. According to DRE, the Parent should have applied withholding tax on a portion of the interest paid to the Royal Bank of Scotland. DRE has calculated the omitted 2009 withholding tax to be approximately € 5.2 million; on top of this, it calculated approximately € 1 million in interest. DRE did not apply penalties, given the objective uncertainty inherent in this issue; hence, the total amount requested was approximately € 6.2 million. Said assessment notice has been partially canceled, as a precaution, with the amount being demanded reduced to € 3.0 million.
The Parent, supported by its tax advisers, has disputed the assessment notice. The appeal, aimed at obtaining complete annulment of the claim, was notified to the Italian Tax Authorities on May 13, 2015 and filed before the competent Provincial Tax Commission on May 25, 2015. As set forth in the provisions on tax collection, on May 21, 2015, appearing before the Court, the Parent arranged a provisional payment, pending ruling, of one third of the required sum, equal to € 1.2 million. The appeal was discussed at the competent Provincial Tax Commission on November 3, 2015.
Following the ruling of the Milan Provincial Tax Commission filed on December 1, 2015 (henceforth, "2009 first instance ruling"), the appeal against the assessment notice for the 2009 tax period was accepted and a first instance annulment was ordered. Following this ruling, the Parent acquired the right to be reimbursed the amount paid while awaiting ruling, equal to € 1.2 million; this amount was fully repaid (plus interest of around € 11,863) on July 7, 2016.
On June 7, 2016, the Parent received notification that DRE had prepared its appeal against the ruling of the Milan Provincial Tax Court, which had ordered the annulment of the tax assessment issued for the purpose of withholding taxes for 2009. On August 2, 2016, the Parent filed its counterclaims and incidental appeal. The discussions hearing was held on November 9, 2017. By means of the ruling filed on February 6, 2018 (henceforth the "2009 second instance ruling"), the Regional Tax Commission overturned the part of the first-instance ruling which had declared the preliminary reason for the appeal to be groundless, regarding violation of the principle of prior cross-examination, consequently invalidating the notice. The judges then issued a ruling on the merit of the dispute formulated by the Italian Tax Authorities confirming it to be groundless, as already detected in the first instance ruling. The Office challenged the Lombardy Regional Tax Commission decision through an appeal filed with the Supreme Court of Cassation, notified to the Parent on May 4, 2018. On June 12, 2018, the Parent notified the Office of its own appeal and counter-appeal.
Pending the proceedings before the Supreme Court, the Parent, for purely tax litigation reduction reasons, decided to settle the claim made by the 2009 Notice using the procedure for the facilitated settlement of tax disputes set forth in Article 6 of Decree Law No. 119/2018 - converted with amendments into Law No. 136 of December 17, 2019 - by paying an amount equal to € 149 thousand.

On October 2, 2015, the Parent received five tax assessment notices issued by DRE, following the one received on December 24, 2014 referring to 2009. These assessments alleged that in the years 2010, 2011 and 2012 the Parent had failed to apply withholding tax on interest paid to the Royal Bank of Scotland as part of the "Senior" loan for an approximate total of € 7.7 million, in addition to approximately € 6.4 million in penalties for untrue withholding agent declarations, failure to apply withholding taxes, and € 1 million in interest. In light of the above, the Parent asked its tax advisers to file an appeal against the charges related to 2010, 2011 and 2012. In February 2016, the Parent appealed the tax assessment notices for the 2010, 2011 and 2012 tax years and took steps to carry out a provisional payment, pending ruling, of € 2.9 million for taxes and interest, corresponding to one third of the amount requested.
In light of the changed regulatory environment and taking into account the clarifications provided by the Italian Tax Authorities in Circular No. 6/E of March 30, 2016, DRE, accepting the arguments put forward by the Parent, ordered the annulment of charges for non-payment and acknowledged the invalidity of the claim in relation to penalties for untrue statements and failure to make withholdings for the 2011 and 2012 tax years. Therefore, in light of the above, the overall claim for the four years under review amounts to approximately € 12 million, plus interest.
The Milan Provincial Tax Commission, by means of a ruling filed on May 29, 2017 (henceforth, "2010-2011-2012 first instance ruling"), with a decision contrary to that made by the Milan Provincial Tax Commission with the 2009 first-instance ruling, confirmed the substantial validity of the 2010, 2011 and 2012 assessment notices. Furthermore, on June 30, 2017 DRE notified the Parent of three payment demands relating to the 2010, 2011 and 2012 notices, by which, in compliance with the provisions regulating provisional payments pending ruling, it was required to arrange payment of a total amount of tax and interest of approximately € 3 million. These amounts were paid on August 4, 2017.
On December 19, 2017, the Parent notified DRE of the appeal against the 2010-2011-2012 first Instance Ruling of the Milan Provincial Tax Commission and subsequent court filing. On February 19, 2018, the Office filed its own counter-claims.
The hearing to discuss the merits of the dispute was held on July 16, 2018 and on September 3, 2018 the Regional Tax Commission ordered the annulment of the assessment notices for 2010-2011-2012, upholding all the grounds for appeal, both procedural and substantive (hereinafter the "2010-2011-2012 Second instance ruling").
At the date of this Report, the terms for the appeal to the Supreme Court of Cassation by DRE are still pending, as the provisions of Article 6(11) of Decree Law No. 119/2018 (converted with amendment by Law No. 136/2018) for the settlement of pending litigation in which the Italian Tax Authorities are a party, according to which the time limits for appeal expiring between the date of entry into force of the Decree Law (i.e. October 24, 2018) and July 31, 2019 are suspended for nine months are applicable. As a result of the above suspension of the time limits for appeal, the time limit for the Office to lodge an appeal with the Supreme Court of Cassation will expire on September 26, 2019.
For the sake of completeness, it should be noted that the 2010-2011-2012 second instance ruling is immediately enforceable, with the consequence that the Parent has accrued the right to reimbursement for the amounts paid provisionally, pending the ruling, amounting to approximately € 6.0 million, plus interest; in particular, since the ninety-day period, starting from the date on which the ruling was notified to the Office without DRE having paid the reimbursement, had elapsed, DRE initiated the compliance proceedings on February 5, 2019. This sum was repaid in full plus interest on March 14, 2019.
Pending the deadlines for the preparation by the Office for the appeal to the Supreme Court against the ruling, the Parent, for purely tax litigation reduction reasons, decided to settle the claim made by the 2010, 2011, 2012 Notice using the procedure for the facilitated settlement of tax disputes pursuant to Article 6 of the Decree Law 119/2018 - converted with amendments by Law No. 136 of December 17, 2019 - by paying in an amount of € 1,151 thousand.

28. Long-term incentive schemes with share-based payments

The Stock Option Plan issued by the Parent is structured in two tranches, Tranche A and Tranche B, the performance periods of which correspond to:
- for Tranche A, the period between January 1, 2014 and December 31, 2016;
- for Tranche B, for the period between January 1, 2016 and December 31, 2018.

Each tranche of the Stock Option Plan consists of a vesting period of 36 months and a further period during which the beneficiary may exercise the options ("Exercise Period"), which begins on the first day following the end of the vesting period. Once the exercise period has come to an end, unexercised options will be cancelled.
The options can be exercised individually by the beneficiaries during the Exercise Period except during blackout periods.
This long-term time horizon is defined in line with the strategic planning cycle of the Parent, with the aim of focusing the beneficiaries on creating medium to long-term value and the need to put in place retention tools over the long-term period.
The Stock Option Plan is reserved for managers and Executive Directors identified by the Board of Directors who hold organizational positions of significant importance to the Parent or its subsidiaries, or otherwise deemed worthy of incentivization and/or retention.
The full vesting of the stock option rights for each tranche is subject to the achievement of at least 85% of a performance target, represented by:
- Tranche A: a target of cumulative EBITDA for 2014-2016 consisting of the following elements: Italiaonline EBITDA for the years 2014 and 2015 and EBITDA of the post-merger Company for 2016. The Board of Directors of May 11, 2017 ratified the achievement of the financial objective as regards Tranche A.
- Tranche B: a target of cumulative EBITDA for 2016-2018 consisting of the post-merger Company EBITDA for 2016, 2017 and 2018.

In the event that the minimum level of performance is not achieved, no stock option entitlements will be applicable.
For Tranche B, a lock-up clause applies to the effect that 25% of the shares subscribed and/or purchased through exercise of stock options by key management personnel identified in the annual remuneration report, may not be transferred until the 24th month from the date of subscription and/or purchase. For key management personnel who also qualify as executive directors, this deadline will be considered extended until the end of their term of office, whichever is later.
The stock option allocation plan is set up as an "equity-settled" plan.
For the purpose of calculating the fair value of the stock option plan, a valuation was carried out reflecting the characteristics of "no arbitrage" and "risk-neutral framework" common to the fundamental option pricing models (such as the binomial model, Black and Scholes, etc.).
For the assumptions regarding the parameters used in the calculation of fair value, with regard to volatility, the historical average of a panel of comparable data, considered to be representative of the business and characteristics of the Parent, was used.
On May 8, 2019, the Board of Directors of Italiaonline Spa certified that the performance condition relating to Tranche B of the 2014-2018 Stock Option Plan, approved by the Ordinary Shareholders' Meeting of the former Seat Pagine Gialle S.p.A. on March 8, 2016 (the "Plan") had not been achieved, and that, therefore, the conditions for the vesting of the option rights assigned to the beneficiaries of the Plan had not been met. In particular, the performance condition of Tranche B of the Plan, as established by the Board of Directors of the former Seat Pagine Gialle S.p.A. in the meeting of January 20, 2016, was represented by the achievement of a percentage equal to at least 85% of the financial objective established by Tranche B of the Plan, equal to a cumulative EBITDA of the Parent for the years 2016, 2017 and 2018.
It should be noted that for tranche A the options are vested and the option rights amount to 189,301.

29. Related party transactions

With reference to the provisions contained in IAS 24 and in accordance with CONSOB regulation No. 17221 of March 12, 2010, the impact of related party transactions of the Group on the financial position at June 30, 2019 and the results of operations for the six months then ended are summarized below.
The effects of intra-group transactions between consolidated companies have been eliminated in the condensed interim consolidated financial statements.
The related party transactions carried out by the Group companies, including intra-group transactions, all referred to ordinary business and were settled at market conditions or according to specific regulatory provisions. It should be noted that transactions with Directors, Statutory Auditors and Key Management Personnel relate to remuneration for their office and payment for their services. 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.

Income statement

ITALIAONLINE GROUP - INCOME STATEMENT 6 months 2019

(euro/thousand)	6 MONTHS 2019	PARENT	SUBSIDIARIES	ASSOCIATES	OTHER RELATED PARTIES (*)	TOTAL RELATED PARTIES
Other income	773	-	-	-	36	36
Costs for external services	(82,913)	-	-	-	(519)	(519)
Personnel expense	(36,219)	-	-	-	(2,308)	(2,308)

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

ITALIAONLINE GROUP - INCOME STATEMENT 1st halfyear 2018

(euro/thousand)	1ST HALF-YEAR 2018	PARENT	SUBSIDIARIES	ASSOCIATES	OTHER RELATED PARTIES (*)	TOTAL RELATED PARTIES
Other income	1,315	-	-	-	44	44
Costs for external services	(82,157)	-	-	-	(333)	(333)
Personnel expense	(34,153)	-	-	-	(2,404)	(2,404)

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

Statement of financial position

ITALIAONLINE GROUP - STATEMENT OF FINANCIAL POSITION at June 30, 2019

(euro/thousand)	AT JUNE 30, 2019	PARENT	SUBSIDIARIES	ASSOCIATES	OTHER RELATED PARTIES (*)	TOTAL RELATED PARTIES
Assets						
Right-of-use assets	25,835	-	-	-	6,277	6,277
Other current assets	30,743	90	-	-	56	146
Liabilities						
Non-current financial liabilities	20,907	-	-	-	4,364	4,364
Current financial liabilities	7,684	-	-	-	2,415	2,415
Trade payables	84,654	-	-	-	1,350	1,350
Liabilities for services to be provided and other current liabilities	94,641	-	-	-	242	242

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

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

(euro/thousand)	AT JUNE 30, 2019	PARENT	SUBSIDIARIES	ASSOCIATES	OTHER RELATED PARTIES (*)	TOTAL RELATED PARTIES
Assets						
Right-of-use assets	31,099	-	-	-	7,439	7,439
Other current assets	39,678	90	-	-	48	138
Liabilities						
Non-current financial liabilities	25,499	-	-	-	5,512	5,512
Current financial liabilities	8,647	-	-	-	2,404	2,404
Trade payables	91,258	-	-	-	1,906	1,906
Liabilities for services to be provided and other current liabilities	124,529	-	-	-	4,147	4,147

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

Statement of cash flows

ITALIAONLINE GROUP - CASH FLOW 1st half year 2019

(euro/thousand)	1ST HALF 2019	PARENT	SUBSIDIARIES	ASSOCIATES	OTHER RELATED PARTIES (*)	TOTAL RELATED PARTIES
Cash flows from (used in) operating activities	34,523			-	(7,260)	(7,260)
Cash flows used in investing activities	(14,064)	-		-		
Cash flows from (used in) financing activities	(4,442)		-	-	11	11
Cash flows from non-current assets held for sale and discontinued operations	-	-	-	-	-	-
Cash flows of the period	**16,017**			**-**	**(7,249)**	**(7,249)**

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

ITALIAONLINE GROUP - CASH FLOW 1st half year 2018

(euro/thousand)	1ST HALF-YEAR 2018	PARENT	SUBSIDIARIES	ASSOCIATES	OTHER RELATED PARTIES (*)	TOTAL RELATED PARTIES
Cash flows used in operating activities	27,461	-	-	-	(3,620)	(3,620)
Cash flows used in investing activities	(6,456)	-	-	-	-	-
Cash flows used in financing activities	(3,410)	-	-	-	(800)	(800)
Cash flows from non-current assets held for sale and discontinued operations	-	-	-	-	-	-
Cash flows of the period	**17,595**	**-**	**-**	**-**	**(4,420)**	**(4,420)**

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

30. Information related to CONSOB Communication No. DEM/6064293 of July 28, 2006

Pursuant to CONSOB Communication No. DEM/6064293 of July 28, 2006, information is set out below regarding the impact of non-recurring significant events and transactions on the financial position and results of operations of Italiaonline Group.

(euro/thousand)	EQUITY	PROFIT FOR THE PERIOD	NET FINANCIAL POSITION	CASH FLOWS [*]
Carrying amount	316,308	4,492	(88,620)	16,017
Net non-recurring and restructuring costs	(2,167)	(2,167)	(28,539)	(28,539)
of which:				
- Personnel and agents reorganization	*(541)*	*(541)*	*(27,447)*	*(27,447)*
- Senior management structure reorganization	*(986)*	*(986)*	*(986)*	*(986)*
- Strategic consulting	*(814)*	*(814)*	*(725)*	*(725)*
- Benefits to former CEO	-	-	*(3,905)*	*(3,905)*
- Reimbursement by the Authority of payment made in previous periods pending judgment	-	-	*5,970*	*5,970*
impact%	*-0.7%*	*n.s*	*32.2%*	*n.s*

[*] Cash flows refer to the increase (decrease) in cash and cash equivalents during the period.

List of companies consolidated in the condensed interim consolidated financial statements (CONSOB Communication DEM/6064293 of July 28, 2006)

Table 1

Company (business)	REGISTERED OFFICE	SHARE/QUOTA CAPITAL		ORDINARY SHARES/QUOTAS HELD		% HELD BY ITALIAONLINE
				%	BY	
ITALIAONLINE S.p.A.	Assago (Italy)	Euro	20,000,410			
SUBSIDIARIES						
Moqu Adv S.r.l. (managing advertising campaigns and related services on web)	Assago (Italy)	Euro	10,000	100.00	Italiaonline S.p.A.	100.00
CONSODATA S.p.A. (direct marketing services, database creation, management and distribution)	Assago (Italy)	Euro	1,200,000	100.00	Italiaonline S.p.A.	100.00
BIZPAL S.r.l. (call center services)	Turin (Italy)	Euro	10,500	100.00	Italiaonline S.p.A.	100.00
TELEGATE HOLDING GmbH in liquidation (holding)	Munich (Germany)	Euro	26,100	100.00	Italiaonline S.p.A.	100.00
Digital Local Services ADRIATICO 1 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	Italiaonline S.p.A.	100.00
Digital Local Services ADRIATICO 2 S.r.l. in liquidation (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	Italiaonline S.p.A.	100.00
Digital Local Services ADRIATICO 3 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	Italiaonline S.p.A.	100.00
Digital Local Services BERGAMO 1 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	Italiaonline S.p.A.	100.00
Digital Local Services BERGAMO 2 S.r.l. in liquidation (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	Italiaonline S.p.A.	100.00
Digital Local Services BOLOGNA 1 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	Italiaonline S.p.A.	100.00
Digital Local Services BOLZANO 1 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	Italiaonline S.p.A.	100.00
Digital Local Services BRESCIA 2 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	Italiaonline S.p.A.	100.00
Digital Local Services CALABRIA 1 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	Italiaonline S.p.A.	100.00
Digital Local Services CAMPANIA 1 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	Italiaonline S.p.A.	100.00
Digital Local Services CAMPANIA 3 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	Italiaonline S.p.A.	100.00
Digital Local Services COMO 1 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	Italiaonline S.p.A.	100.00
Digital Local Services CUNEO 1 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	Italiaonline S.p.A.	100.00

Company (business)	REGISTERED OFFICE	SHARE/QUOTA CAPITAL		ORDINARY SHARES/QUOTAS HELD		% HELD BY ITALIAONLINE
				%	BY	
Digital Local Services EMILIA 1 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	Italiaonline S.p.A.	100.00
Digital Local Services EMILIA 2 S.r.l. in liquidation (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	Italiaonline S.p.A.	100.00
Digital Local Services EMILIA 3 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	Italiaonline S.p.A.	100.00
Digital Local Services FIRENZE 1 S.r.l. in liquidation (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	Italiaonline S.p.A.	100.00
Digital Local Services FIRENZE 2 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	Italiaonline S.p.A.	100.00
Digital Local Services FIRENZE 3 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	Italiaonline S.p.A.	100.00
Digital Local Services FRIULI 1 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	Italiaonline S.p.A.	100.00
Digital Local Services GENOVA 1 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	Italiaonline S.p.A.	100.00
Digital Local Services LAZIO 1 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	Italiaonline S.p.A.	100.00
Digital Local Services LAZIO 2 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	Italiaonline S.p.A.	100.00
Digital Local Services LAZIO 3 S.r.l. in liquidation (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	Italiaonline S.p.A.	100.00
Digital Local Services LIGURIA 1 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	Italiaonline S.p.A.	100.00
Digital Local Services LIGURIA 2 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	Italiaonline S.p.A.	100.00
Digital Local Services LOMBARDIA 1 S.r.l. in liquidation (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	Italiaonline S.p.A.	100.00
Digital Local Services LOMBARDIA 2 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	Italiaonline S.p.A.	100.00
Digital Local Services LOMBARDIA 3 S.r.l. in liquidation (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	Italiaonline S.p.A.	100.00
Digital Local Services MILANO 1 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	Italiaonline S.p.A.	100.00
Digital Local Services MILANO 3 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	Italiaonline S.p.A.	100.00
Digital Local Services NAPOLI 1 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	Italiaonline S.p.A.	100.00

Company (business)	REGISTERED OFFICE	SHARE/QUOTA CAPITAL		ORDINARY SHARES/QUOTAS HELD		% HELD BY ITALIAONLINE
				%	BY	
Digital Local Services NAPOLI 2 S.r.l. in liquidation (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	Italiaonline S.p.A.	100.00
Digital Local Services PIEMONTE 1 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	Italiaonline S.p.A.	100.00
Digital Local Services PIEMONTE 2 S.r.l. in liquidation (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	Italiaonline S.p.A.	100.00
Digital Local Services PUGLIA 1 S.r.l. in liquidation (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	Italiaonline S.p.A.	100.00
Digital Local Services PUGLIA 3 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	Italiaonline S.p.A.	100.00
Digital Local Services PUGLIA 4 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	Italiaonline S.p.A.	100.00
Digital Local Services ROMA 1 S.r.l. in liquidation (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	Italiaonline S.p.A.	100.00
Digital Local Services ROMA 2 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	Italiaonline S.p.A.	100.00
Digital Local Services ROMA 3 S.r.l. in liquidation (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	Italiaonline S.p.A.	100.00
Digital Local Services ROMAGNA 1 S.r.l. in liquidation (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	Italiaonline S.p.A.	100.00
Digital Local Services ROMAGNA 2 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	Italiaonline S.p.A.	100.00
Digital Local Services SARDEGNA 1 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	Italiaonline S.p.A.	100.00
Digital Local Services SARDEGNA 2 S.r.l. in liquidation (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	Italiaonline S.p.A.	100.00
Digital Local Services SICILIA 1 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	Italiaonline S.p.A.	100.00
Digital Local Services SICILIA 3 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	Italiaonline S.p.A.	100.00
Digital Local Services SICILIA 4 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	Italiaonline S.p.A.	100.00
Digital Local Services SICILIA 5 S.r.l. in liquidation (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	Italiaonline S.p.A.	100.00
Digital Local Services SICILIA 6 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	Italiaonline S.p.A.	100.00

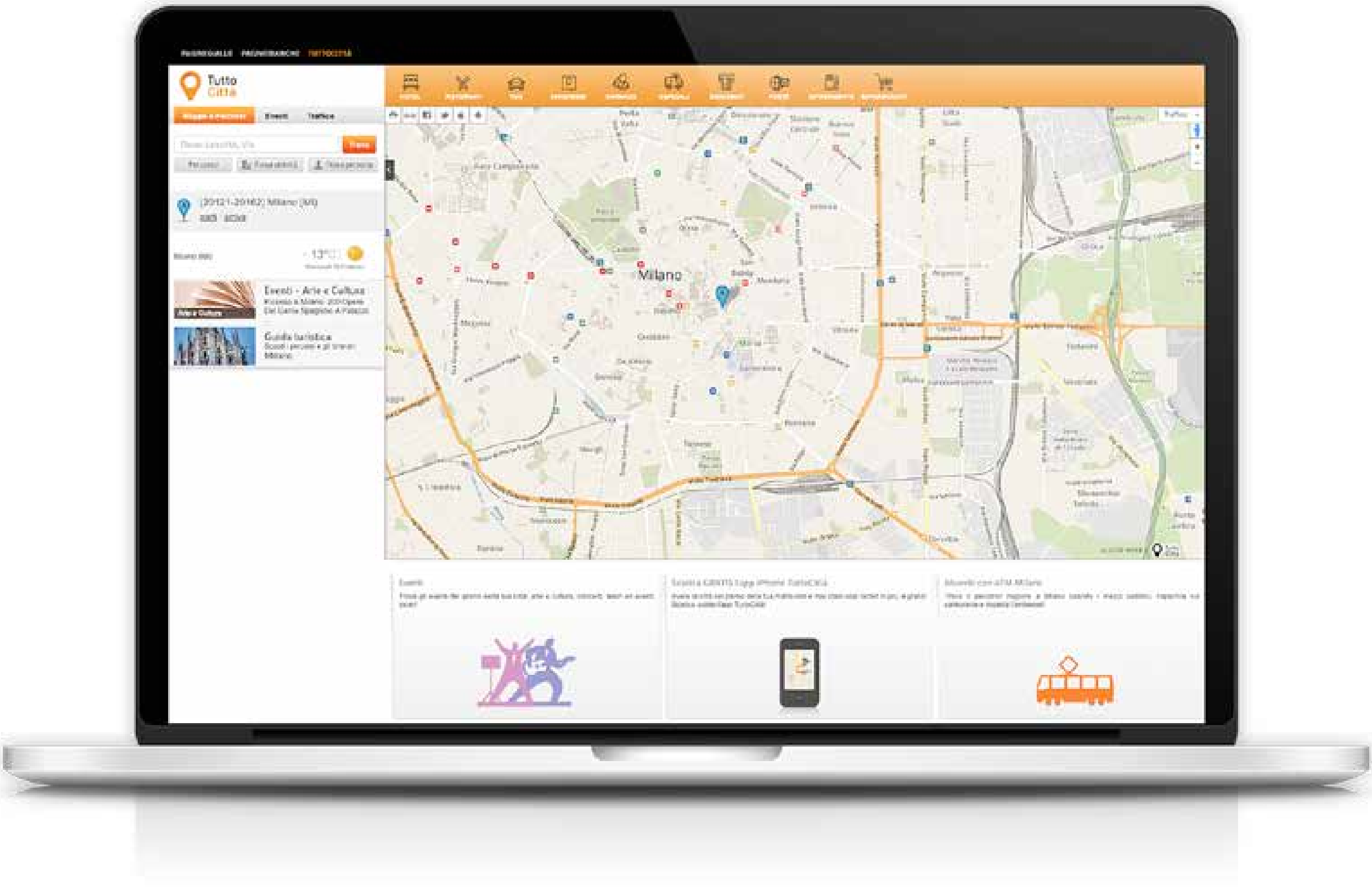
Company (business)	REGISTERED OFFICE	SHARE/QUOTA CAPITAL		ORDINARY SHARES/QUOTAS HELD		% HELD BY ITALIAONLINE
				%	BY	
Digital Local Services SONDRIO LECCO 1 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	Italiaonline S.p.A.	100.00
Digital Local Services TORINO 2 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	Italiaonline S.p.A.	100.00
Digital Local Services TORINO 3 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	Italiaonline S.p.A.	100.00
Digital Local Services TORINO 4 S.r.l. in liquidation (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	Italiaonline S.p.A.	100.00
Digital Local Services TOSCANA 2 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	Italiaonline S.p.A.	100.00
Digital Local Services TRENTO 1 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	Italiaonline S.p.A.	100.00
Digital Local Services UMBRIA 1 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	Italiaonline S.p.A.	100.00
Digital Local Services VARESE 1 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	Italiaonline S.p.A.	100.00
Digital Local Services VENETO 1 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	Italiaonline S.p.A.	100.00
Digital Local Services VENETO 3 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	Italiaonline S.p.A.	100.00
Digital Local Services VENETO 4 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	Italiaonline S.p.A.	100.00
Digital Local Services VENETO 5 S.r.l. in liquidation (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	Italiaonline S.p.A.	100.00
Digital Local Services VENEZIA 1 S.r.l. in liquidation (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	Italiaonline S.p.A.	100.00
Digital Local Services VERONA 1 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	Italiaonline S.p.A.	100.00

Public funds

Italian Law no. 124/2017 requires that information on subsidies, contributions, paid assignments and economic benefits of any kind received from Italian public administrations be disclosed. In this regard, it should be noted that Italiaonline S.p.A. during 2018 it offset from the Extraordinary Wage Guarantee Fund (CIGS) following the authorizations received from the INPS for € 1,682 thousand.

Tutto
Città

All roads lead here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(Translation from the italian original which remains the definitive version)

Certification of the Consolidated financial statements pursuant to Article 81-ter of Consob Regulation No. 11971 of May 14, 1999, as amended

1. The undersigned, Roberto Giacchi, in his capacity as Chief Executive Officer, and Francesco Guidotti, as Manager in charge of financial reporting of Italiaonline S.p.A., hereby certify, taking into account the provisions of Article 154-bis, paragraphs 3 and 4 of Legislative Decree No. 58 of February 24, 1998, that the administrative and accounting procedures for the preparation of the condensed interim consolidated financial statements, deemed to be adequate in relation to the characteristics of the business, were effectively applied during 2019.

2. The administrative and accounting procedures for the preparation of the condensed interim consolidated financial statements as at June 30, 2018 were subjected during the year to a critical review in order to evaluate their suitability and how effectively they had been applied. No irregularities have emerged as a result of this verification.

3. The following is also certified:

   3.1 The condensed interim consolidated financial statements at June 30, 2019:
   - were prepared in compliance with the applicable International Financial Reporting Standards endorsed in the European Union pursuant to Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of July 19, 2002 (International Financial Reporting Standards – IFRS), and with the implementing provisions of Article 9 of Legislative Decree No. 38 of February 28, 2005;
   - are consistent with to the results contained in the accounting books and records;
   - are suitable to provide a true and fair view at June 30, 2019 of the assets, results and cash flows of the Parent and of all the consolidated Companies;

   3.2 The report on operations includes a reliable analysis of performance and operating results, as well as of the position of the Parent and all the consolidated companies, together with a description of the main uncertainties and risks to which they are exposed.

Milan, August 1, 2019

Chief Executive Officer
Roberto Giacchi

Manager in charge of financial reporting
Francesco Guidotti

KPMG S.p.A.
Revisione e organizzazione contabile
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(Translation from the Italian original which remains the definitive version)

Report on review of condensed interim consolidated financial statements

To the shareholders of
Italiaonline S.p.A.

Introduction

We have reviewed the accompanying condensed interim consolidated financial statements of the Italiaonline Group, comprising the statement of financial position as at 30 June 2019, the income statement and the statements comprehensive income, cash flows and changes in equity for the six months then ended and notes thereto. The directors are responsible for the preparation of these condensed interim consolidated financial statements in accordance with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34), endorsed by the European Union. Our responsibility is to express a conclusion on these condensed interim consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with Consob (the Italian Commission for Listed Companies and the Stock Exchange) guidelines set out in Consob resolution no. 10867 dated 31 July 1997. A review of condensed interim consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the condensed interim consolidated financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed interim consolidated financial statements of the Italiaonline Group as at and for the six months ended 30 June 2019 have not been prepared, in all material respects, in accordance with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34), endorsed by the European Union.

Milan, 2 August 2019

KPMG S.p.A.

(signed on the original)

Andrea Carlucci
Director of Audit

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A copy of official documents available on the website

www.italiaonline.it

Official documents may be requested to

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Tailor-made home service


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Lavori da fare in casa?
Chiedi un preventivo senza impegno ai professionisti della tua zona.
Di cosa hai bisogno?
Lavori da fare in casa?
Di cosa hai bisogno?

Supporting businesses

iOL | Advertising

Our online advertising agency is the best partner to get the attention of Italian surfers, with customized solutions and programmatic advertising.

iOL | Connect

An exclusive service that allows to manage the entire digital presence of a company from a single touch point, with correct and up to date infos.

iOL | Website

The largest Italian web agency for professional websites and tailor made, built around the customer ideas.

iOL | Audience

Great visibility, great public and great results. Development and planning of online campaigns on Google, Facebook and our entire network of sites.

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