Interim Report

as at September 30, 2016

Italiaonline provides web marketing and digital advertising services, including advertising campaign management and lead generation through social networks and search engines. It is also the leading operator in the Italian market for printed and online telephone directories. The company serves small and medium-sized enterprises, which are the backbone of the Italian economy, as well as large companies.

Highlights and General Information

Corporate Boards

(information updated on November 9, 2016)

Board of Directors (1)	**Chairman**	**Khaled Galal Guirguis Bishara**
	Deputy Chairman Chief Executive Officer	David Alan Eckert (2) Antonio Converti (2)
		Maria Elena Cappello (i) Antonia Cosenz (i) (3) Cristina Finocchi Mahne (i) Onsi Naguib Sawiris Corrado Sciolla (i) Sophie Sursock
Appointments & Remuneration Committee	Chairman	Antonia Cosenz (3) (4)
		Cristina Finocchi Mahne
		Corrado Sciolla
Audit & Risk Committee (4)	Chairman	Cristina Finocchi Mahne
		Maria Elena Cappello
		Antonia Cosenz (3)
Board of Statutory Auditors (5)	Chairman	Maurizio Michele Eugenio Gili
	Standing Auditor	Ada Alessandra Garzino Demo
	Standing Auditor	Guido Nori
	Alternate Auditor	Roberta Battistin
	Alternate Auditor	Giancarlo Russo Corvace
Common Representative of Saving Shareholders (6)		**Stella d'Atri**
Chief Financial Officer		**Andrea Servo**
Independent Auditors(7)		KPMG S.p.A.

(1) The Board of Directors was appointed by the Shareholders' Meeting of October 8, 2015.

(2) Appointed by Board Resolution of October 8, 2015.

(3) In its ordinary session of n March 8, 2016, the Shareholders' Meeting, in its ordinary session, appointed Antonia Cosenz – previously co-opted by the Board of Directors of November 10, 2015, following the resignation of Ms. Mollis November 6, 2015 from her position on the company's Board of Directors – as a Member of the Board.

(4) The Committees were appointed by the Board of Directors on October 8, 2015 and were confirmed by the Board of Directors of March 8, 2016, following the appointment of Antonia Cosenz as mentioned above.

(5) The Board of Statutory Auditors was appointed by the Shareholders' Meeting of April 23, 2015. It is reported that Alternate Auditor Max Parodi passed away on September 5, 2015. To replace him, the Ordinary Shareholders' Meeting of March 8, 2016 appointed Giancarlo Russo Corvace as an Alternate Auditor.

(6) Appointed by the Special Meeting of Saving Shareholders of May 18, 2016 for the financial years 2016-2017-2018.

(7) Appointed by the Shareholders' Meeting of May 12, 2016.

Directors satisfying the independence criteria set forth in Articles 147-ter(4) and 148(3) of Legislative Decree 58/1998 and the Code of Corporate Governance for Listed Companies.

Financial highlights of the Group

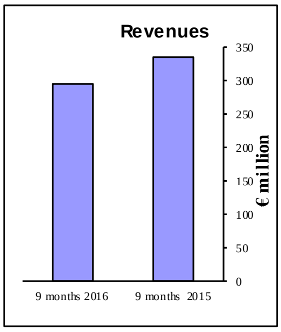
The economic and financial results of the Italiaonline Group for the first nine months of 2016 and the first nine months of 2015, *on a like-for-like basis*, have been prepared in accordance with the International Accounting Standards issued by the International Accounting Standards Board and approved by the European Union (IFRS).

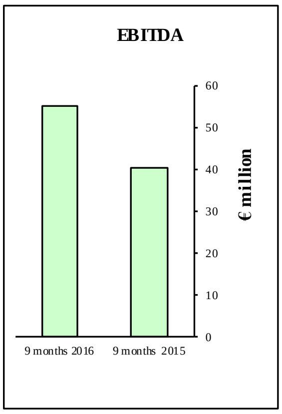
The figures for the first nine months of 2015 are presented on a *like-for-like basis* with respect to those for the first nine months of 2016. This is described more fully in the "Presentation of Comparative Accounting Data" section of the Management Report in this Interim Report as at September 30, 2016

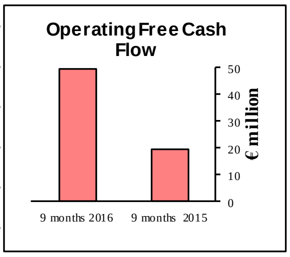
- REVENUE amounting to €295.6 million, down 11.7% compared to the first nine months of 2015 *on a like-for-like basis* (€334.7 million). This decrease is mainly due to the natural decline in traditional business revenues from paper directories and directory assistance which also was affected by the sale of the 12:54 from July 1, 2016. Moreover, the trend of digital revenues not yet incorporates the positive effects arising from the launch of new products (IOL Connect, IOL and IOL Website Audience) and reflects the refocusing of the business Moqu.
- EBITDA amounted to €55.4 million, up 36.5% compared to the first nine months of 2015 *on a like-for-like basis* (€40.6 million), thanks to effective cost-cutting measures.
- UNLEVERED FREE CASH FLOW generated over the first nine months of 2016 amounted to €48.8 million, up significantly by €34.1 million, compared to the first nine months of 2015 *on a like-for-like basis* (€14.7 million).
- NET FINANCIAL POSITION as at September 30, 2016, positive by €111.6 million, up €37.0 million from December 31, 2015 (when it was positive by €74.6 million).

(euro/million)	9 months 2016	9 months 2015 *like-for-like basis* *(***)*
Financial Highlights		
Revenue from sales and services	295.6	334.7
GOP (*)	66.7	57.0
EBITDA (*)	55.4	40.6
EBIT (*)	11.3	(7.7)
Profit (loss) attributable to the owness of the parent	35.2	(6.0)
OFCF (*)	49.6	19.8
Unlevered FCF (*)	48.8	14.7
Capital expenditure	16.5	26.1
Net invested capital (*) (**)	266.7	263.1
of which godwill and marketing related intangible assets (**)	*279.0*	*283.7*
of which net operating working capital (**)	*(32.4)*	*(31.6)*
Equity attributable to the owness of the Parent (**)	378.3	288.2
Net financial position (**)	(111.6)	(74.6)
Profitability ratios		
EBITDA/Revenue	18.7%	12.1%
EBIT/Revenue	3.8%	(2.3%)
OFCF/Revenue	16.8%	5.9%
Workforce		
Workforce at the end of the period (units) (**)	2,125	2,230
Average workforce for the period for continuing operations	1,865	2,061
Revenue/Average workforce	158	162

(*) See "Non IFRS performance indicators" below for details on how the items are calculated.
(**) 2015 data refers to December 31 (includes staff in CIGS "zero-hour w orkers")
(***) The like-for-like basis data related to 9 months 2015 include Italiaonline and Seat Pagine Gialle S.p.A. data.







Alternative Performance Indicators

This section includes several alternative performance indicators as used in the Interim Management Report as at September 30, 2016, in order to provide tools for analyzing the economic and 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 must therefore not be considered an alternative standard by which to assess the results of the Group or its equity and financial position. As these measures are not governed by the IFRS, the calculation methods used by the Group may not be consistent with those implemented by others. Therefore, these indicators may not be comparable. These indicators are as follows:

- **GOP** *(Gross Operating Profit)* refers to EBITDA before other operating income and expenses, net valuation adjustments, and provisions for risks and charges.

- **EBITDA,** *(operating profit before amortization, other net non-recurring and restructuring costs)* is represented by **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 (relating to operating revenue) net of current operating liabilities (relating 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 Debt** is an indicator of the ability to meet financial obligations, comprising current and non-current Financial Liabilities net of Cash and cash equivalents and Current Loan Assets.

- **OFCF** (*Operating Free Cash Flow) is determined by EBITDA,* adjusted to take into account the effect of capital expenditure and the change in operating working capital and non-current operating liabilities on the net financial position.

- **Unlevered FCF** (*Unlevered Free Cash Flow)* corresponds to OFCF adjusted by the effect of taxes paid.

Information for Shareholders

Composition of Share Capital and Major Stock 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 of the FTSE All-Share Capped, FTSE Italy All-Share, FTSE Italy Small Cap, FTSE Italy Consumer Services, and FTSE Italy Media.

The data on the composition of the share capital of Italiaonline S.p.A. and the major stock indicators recorded as at September 30, 2016 are reported below. These data have not been compared with the figures from September 30, 2015, as they are not comparable.

		At 09.30.2016
Share capital	euro	20,004,410
Number of ordinary shares	n.	114,761,225
Number of savings shares	n.	6,803
Market capitalization *(based on market price as at September 30)*		
Ordinary shares	in millions of euros	233
Saving shares	in millions of euros	2
Total	in millions of euros	235
Equity per share	euro	3.2960
Profit per share	euro	0.3065

Source: Nasdaq IR Insight

Italiaonline on the Stock Exchange

Between June 20, 2016, the first day of trading, and September 30, 2016, the reference price of the ordinary shares of Italiaonline S.p.A. decreased from €2.524 to €2.028, representing a decrease in market capitalization from €290 million to €233 million.

After the trading stage, the trend of the ordinary shares in Italiaonline S.p.A., like that of the main shares on the Milan Stock Exchange and overseas stock exchanges, suffered heavily due to the outcome of the June 22-23 referendum approving the United Kingdom's exit from the European Union ("*Brexit*").

On July 25, 2016, Italiaonline ordinary shares reached their maximum value (€2.70) following the Company's removal from the Consob *"Blacklist"*.

In the first half of August, the performance of the ordinary shares in Italiaonline S.p.A. benefited from the positive *news flow* resulting from the approval of the results for H1 2016 (reaching a price of €2.64 on August 10, 2016), then dropping back in September. This trend also had an impact on the uncertainty underpinning the Italian stock market, which has been suffering from the performance of share prices in the banking and financial sector in general. This uncertainty is expected to last until the constitutional referendum in Italy in early December.

Share price	Date	Euro
Reference price	09/30/2016	2.028
Reference price	06/20/2016	2.524
Average price		2.203
Maximum price	07/25/2016	2.700
Minimum price	07/07/2016	1.754

Volumi scambiati	Date	# share
Average volume		53,398
Maximum volume	07/206/2016	357,875
Minimum volume	09/14/2016	7,678

Source: Nasdaq IR Insight

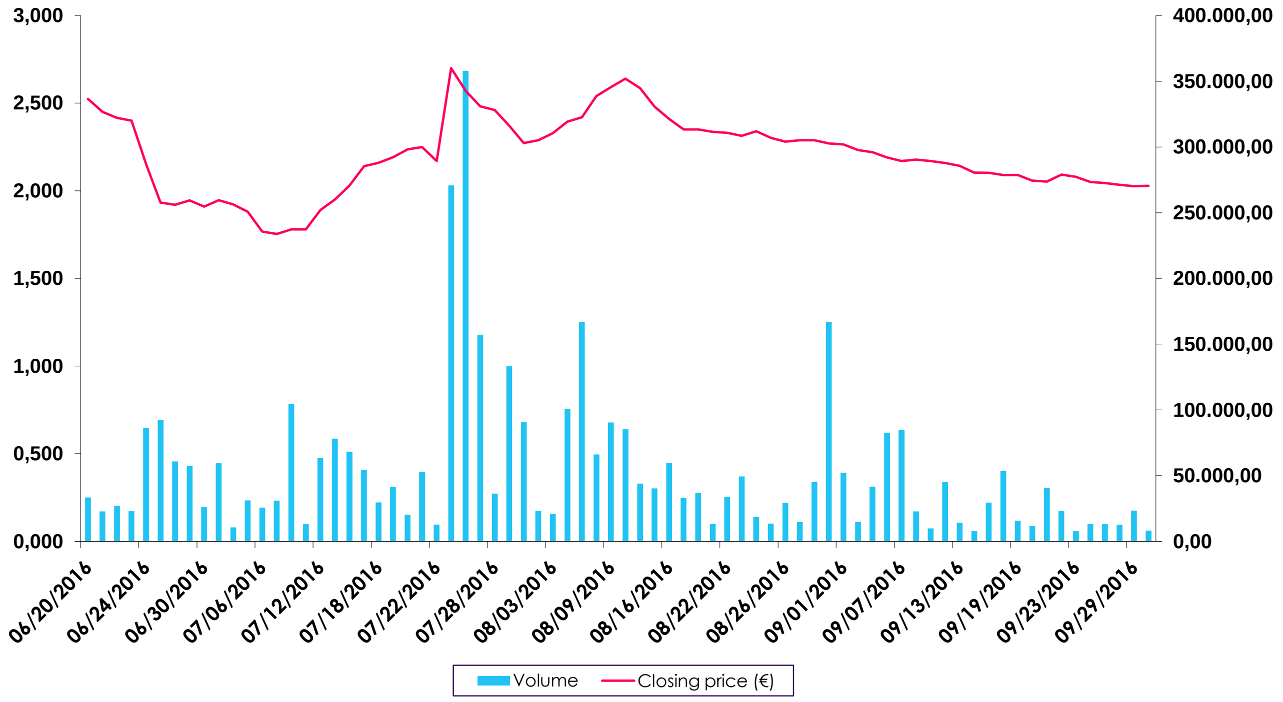
In the same period, approximately 4 million ordinary shares in Italiaonline S.p.A. were traded, with a daily exchange of approximately 53,000 ordinary shares (corresponding to 0.05% of total ordinary shares).

Even with the lower level of floating shares – amounting to just 11.09% of share capital – the average daily trading of Italiaonline S.p.A. ordinary shares was approximately €122,000.

Stock liquidity (trading volume)	From 06.20.2016 to 09.30.2016
# ordinary shares traded (millions)	3.951
% of the share capital intermediated	3.4%
Total value (€ m)	9.055
# Ordinary shares average daily traded (mln)	0.053
% share capital intermediated daily average	0.05%
Average daily turnover (€ mln)	0.122
Daily price (€)	2.203

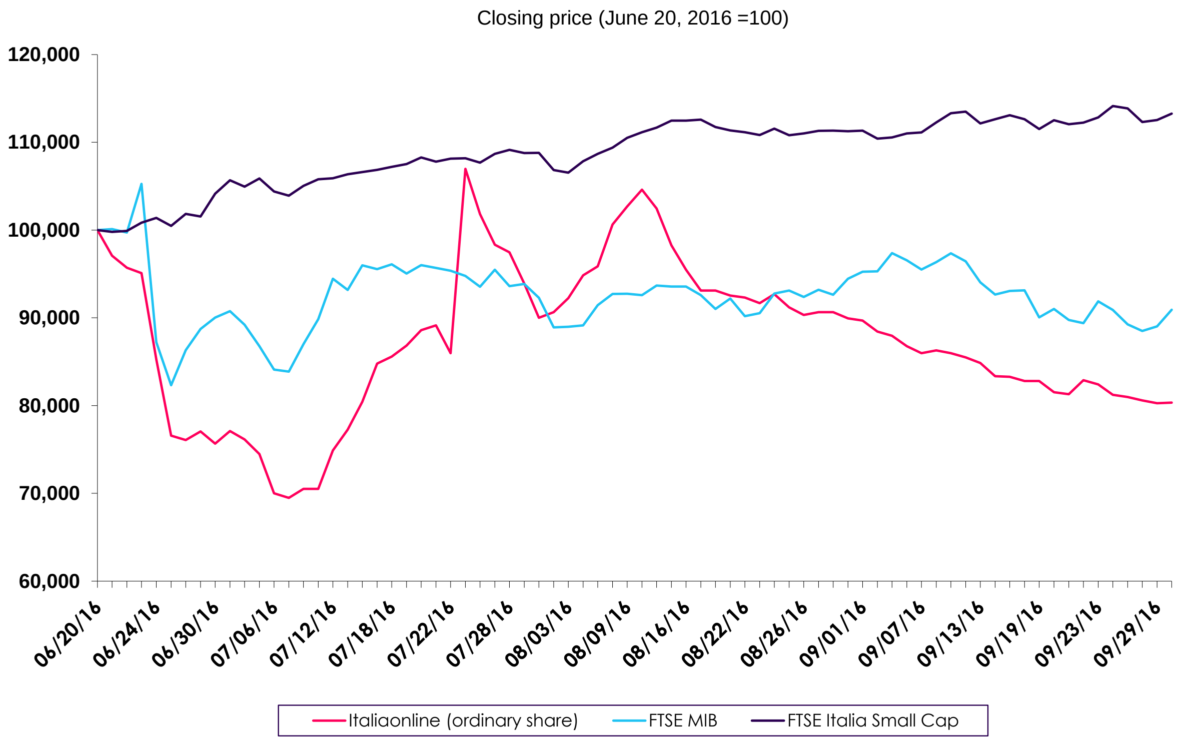
Source: Nasdaq IR Insight

Performance of Italiaonline Shares



Source: Nasdaq IR Insight

Performance of Italiaonline Shares with respect to the main indices



Source: Nasdaq IR Insight

Shareholders

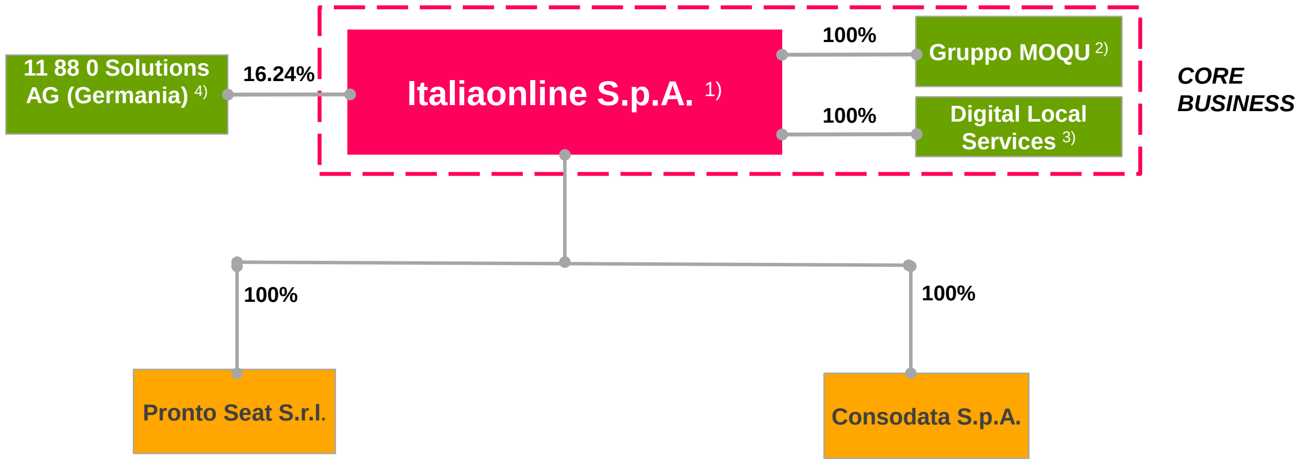
The holders of ordinary shares in Italiaonline S.p.A. with more than 5% of the Company's share capital, based on information available as of September 30, 2016, are shown below

Declarant	Shareholders	no. Of Shares	% of Capital
Marchmont Trust	Libero Acquisition S.à.r.l.	67,500,000.00	58.82
GoldenTree Asset Management	LP Fondi GoldenTree[1]	18,608,144.00	16.21
Lasry Marc	GL Europe Luxembourg S.à.r.l.	15,930,433.00	13.88
	Mercato	12,722,648.00	11.09
	Totale	114,761,225.00	100

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

Group Organizational Structure

(information updated on November 9, 2016)



1) Italiaonline also holds a 20% stake in Gold Five S.r.l. and 100% in Italy Couponing S.r.l. "in liquidation"

2) The Moqu Group includes Moqu Adv S.r.l. and its 100% subsidiary Moqu Ireland Ltd.

3) 74 (of which 6 in liquidation) single shareholder limited liability companies directly owned by Italiaonline S.p.A. 4

4) Formerly Telegate AG

Report on Operation

Contents of Report on Operation

Introduction

On June 20, 2016, the reverse merger of Italiaonline S.p.A. into Seat Pagine Gialle S.p.A. (which simultaneously changed its name to Italiaonline S.p.A.) took legal effect. This was the last operation planned under the Acquisition of the Seat Group by Libero Acquisition, which began with the signing on May 21, 2015 of an investment agreement between Italiaonline, Libero Acquisition as the controlling shareholder of Italiaonline, Avenue and GoldenTree Funds, as the major shareholders of Seat Pagine Gialle S.p.A. (Seat). The aim of the Acquisition was the merger of Italiaonline and Seat, with the objective of creating a leading player in the Italian digital advertising market.
The main steps of the Acquisition operation (for a detailed description, see the press releases available on the website www.italiaonline.it) were as follows:

- On September 9, 2015, the Seat shares owned by Avenue and GoldenTree Funds were transferred to Italiaonline. As a result of the transfer, Libero, Avenue and GoldenTree Funds respectively hold approximately 66.15%, 15.61% and 18.24% of Italiaonline, which in turn holds approximately 54.34% of the ordinary Seat shares;

- On November 6, 2015, the Tender Offer (made after the transfer) closed, following which Italiaonline held 80.23% of the ordinary share capital of Seat;

- On January 20, 2016, the Boards of Directors of the Companies Participating in the Merger approved the terms of the reverse merger of Italiaonline from Seat Pagine Gialle, and called the extraordinary meetings of shareholders to pass resolutions;

- On March 8, 2016, the extraordinary sessions of the Shareholders' Meetings of the Companies Participating in the Merger approved the merger;

- On June 20, 2016, the merger became effective. As part of the merger, Seat issued 50,479,717 ordinary shares with no par value, to be used in exchange for the old Italiaonline S.p.A. shares, with no concomitant increase in its share capital. As a result of the Merger, all ordinary shares representing the entire share capital of the old Italiaonline S.p.A. were canceled. Therefore, as at the effective date of the Merger, the new Italiaonline share capital is divided into 114,752,181 ordinary shares and 6,803 savings shares.

Group Economic and Financial Performance

The economic and financial results of the Italiaonline Group for the first nine months of 2016 and the first nine months of 2015, on a like-for-like basis, have been prepared in accordance with the International Accounting Standards issued by the *International Accounting Standards Board* and approved by the European Union ("IFRS").

The Interim Management Report as at September 30, 2016 was drawn up on a going concern, as there is a reasonable expectation that Italiaonline S.p.A. will continue its operations in the foreseeable future (and in any event for more than twelve months).

The "Management 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 Annual Report should not place excessive confidence in the reliability of these forward-looking statements, as the final results may differ from those contained in these forecasts for a number of reasons, some of which are beyond the Group's control.

Presentation of Comparative Accounting Data

In order to provide information that, on one hand, is consistent with the accounting policies governed by the IFRS and, on the other, allows for a consistent comparison resulting in an adequate analysis of the Group's economic situation, this Interim Management Report was drafted according to the following approach.

In the Group Economic & Financial Performance section, the comparative data were compiled based on a consolidated income statement and consolidated cash flow statement, drawn up on a like-for-like basis, combining the results for the first nine months of 2015 for the Italiaonline group with those of the Seat Group (before the merger). The data for the Seat Group have been adjusted to reflect (i) the non-recurring effect that originated from the change of the criterion of estimated revenue of the PagineBianche® offer, adopted as of January 1, 2015; and (ii) the change in the timing of the publication of the SmartBook®, introduced on January 1, 2016, together resulting in a decrease of €9.0 million in revenue and €8.6 million in EBITDA. Consequently, the operating costs relating to such revenues of €0.4 million and the theoretical tax effect of €2 million were not included. It should also be noted that the above adjustments have no impact on the terms of billing and collection to and from customers. The changes in question therefore have no effect on operating cash flows.

The balance sheets at December 31, 2015 have been adjusted to reflect, at August 31, 2015, the accounting effects resulting from the Purchase Price Allocation process.

Further to implementation of integration activities of Italiaonline S.p.A. and Seat Pagine Gialle S.p.A., the income statement for the nine months period ended September 30, 2016 reflects a deferral of revenues amounting to approximately 0.7% of the period revenues, and to approximately 0.5% of the forecast revenue on an annual basis. Such adjustments

follow the identification of non-material errors, deriving from weaknesses arisen in the administrative processes, and of consequent necessary optimizations of the revenue recognition processes relating to digital advertising services of the absorbed company Italiaonline.
In this context, the Company initiated a project aimed at overcoming the above findings, also in view of the future adoption of the IFRS 15 accounting principle.

Group results for the first nine months of 2016 show a significant improvement in key financial-economic indicators, with the exception of revenue amounting to €295.6 million, which show a decrease of 11.7% compared to the first nine months of 2015 on a like-for-like basis (€334.7 million). This is mainly due to the decrease in certain traditional business areas, such as advertising in telephone directories and telephone directory assistance services which also was affected by the sale of the 12:54 from July 1, 2016. Moreover, the performance of digital revenue does not yet reflect the positive effects expected of the launch (in Q3) of the new innovative offer of digital products (namely “IOL Connect”, “IOL Audience” and “IOL Website”), with the aim of accelerating the process of digitizing Italian SMEs. For more details on the description of new digital products, see the comment on the “ITALIAONLINE” segment.

EBITDA amounted to €55.4 million, up 36.5% compared to the same period in 2015 on a like-for-like basis (when it was €40.6 million), with an increased operating margin amounting to 18.7% (12.1% in the first nine months of 2015 on a like-for-like basis) thanks to effective cost-cutting measures (down € 48.6 million). In this respect, it should be noted that over 50% of the cost savings achieved in the first nine months of the current year (figures for the “ITALIAONLINE” segment, which includes the results of Italiaonline S.p.A, Moqu and Digital Local Services) are the result of efficiency gains not generated by the decrease in revenue.

Net income for the period amounts to €35.2 million, up €46.9 million compared to the negative €11.7 million for the first nine months of 2015 on a like-for-like basis.

Unlevered free cash flow generated during the first nine months of 2016 was positive by €48.7 million, up €34.1 million compared to the first nine months of 2015 on a like-for-like basis (€14.7 million). This result is mainly thanks to: (i) the €14.8 million rise in EBITDA; (ii) lower capital expenditure of €9.6 million; and (iii) lower tax payments of €4.2 million,iv) as well as the management of working capital for the rest.

The net financial position as at September 30, 2016 was positive by €111.6 million (including the debt of €8.2 million relating to certain financial lease agreements on the building complex housing the branch office of the Parent Company), up €37.0 million, compared to December 31, 2015, when it was €74.6 million.

Cash and cash equivalents as at September 30, 2016 amounted to €119.2 million, compared to €123.6 million as at December 31, 2015 (prior to the reimbursement by Italiaonline of €41.2 million, including interest arising from the loan taken out to make partial payment for the mandatory public tender offer on Seat Pagine Gialle ordinary shares, which ended in November 2015).

Tables – Consolidated Data

Reclassified consolidated financial statements

(euro/thousand)	9 months 2016	9 months 2015 *like-for-like basis*	Change Absolute	Change %	3rd quarter 2016	3rd quarter 2015 *like-for-like basis*	Change Absolute	Change %
Revenue from sales and services	**295,583**	**334,688**	**(39,105)**	**(11.7)**	**95,910**	**115,680**	**(19,770)**	**(17.1)**
Costs of materials and external services (*)	(150,798)	(196,048)	45,250	23.1	(44,356)	(65,375)	21,019	32.2
Personnel expense (*)	(78,132)	(81,609)	3,477	4.3	(22,980)	(23,666)	686	2.9
Gross Operating Profit (GOP)	**66,653**	**57,031**	**9,622**	**16.9**	**28,574**	**26,639**	**1,935**	**7.3**
% on revenue	*22.5%*	*17.0%*			*29.8%*	*23.0%*	*6.8%*	*29.4*
Net valuation adjustments and accruals to provisions for risks and charges	(9,436)	(14,043)	4,607	32.8	(2,422)	(6,777)	4,355	64.3
Other net operating income (expenses)	(1,800)	(2,383)	583	24.5	(207)	(686)	479	69.8
EBITDA	**55,417**	**40,605**	**14,812**	**36.5**	**25,945**	**19,176**	**6,769**	**35.3**
% on revenue	*18.7%*	*12.1%*			*27.1%*	*3.5%*	*8.7%*	*n.s.*
Operating amortization, depreciation and impairment losses	(32,222)	(37,175)	4,953	13.3	(10,381)	(12,352)	1,971	16.0
Non-operating amortization, depreciation and impairment losses	(4,702)	(3,036)	(1,666)	(54.9)	(1,290)	(1,160)	(130)	(11.2)
Net non-recurring and restructuring expense	(7,239)	(8,050)	811	10.1	(2,522)	(1,597)	(925)	(57.9)
EBIT	**11,254**	**(7,656)**	**(31,845)**	**n.s.**	**11,752**	**4,067**	**7,685**	**n.s.**
% on revenue	*3.8%*	*(2.3%)*			*12.3%*	*3.5%*	*8.7%*	*n.s.*
Net financial income (expense)	195	(2,953)	3,148	n.s.	20	(33)	53	n.s.
Impairment losses recognised on financial assets and losses from subsidiaries disposal	18	(6,606)	6,624	n.s.	12	(6,638)	6,650	n.s.
Net income from composition with creditors	-	5,887	(5,887)	(100.0)		12	(12)	(100.0)
Profit (loss) before taxes	**11,467**	**(11,328)**	**22,795**	**n.s.**	**11,784**	**(2,592)**	**14,376**	**n.s.**
Income taxes	23,704	(592)	24,296	n.s.	19,553	1,140	18,413	n.s.
Profit (loss) from continuing operations	**35,171**	**(11,920)**	**47,091**	**n.s.**	**31,337**	**(1,452)**	**32,789**	**n.s.**
Profit (loss) from non-current assets held for sale and discontinued operations	-	222	(222)	(100.0)	-	-	-	n.s.
Profit (loss) for the period	**35,171**	**(11,698)**	**46,869**	**n.s.**	**31,337**	**(1,452)**	**32,789**	**n.s.**
- of which attributable to the owners of the parent	35,171	(6,006)	41,177	n.s.	31,306	2,215	29,091	n.s.
- of which attributable to non-controlling interest	-	(5,692)	5,692	100.0	31	(3,667)	3,698	n.s.

(*) Less costs debited to non-controlling interests and shown in the IFRS financial statements under "Other revenue and income".

Consolidated comprehensive financial statements

(euro/thousand)	9 months 2016	9 months 2015 *like-for-like basis*	3rd quarter 2016	3rd quarter 2015 *like-for-like basis*
Profit (loss) for the period	**35,171**	**(11,698)**	**31,337**	**(1,452)**
Other comprehensive income (expense) that will not be reclassified subsequently to profit or loss:				
Actuarial gains (losses)	(1,747)	326	-	-
Total other comprehensive income (expense) that will not be reclassified subsequently to profit or loss	(1,747)	326	-	-
Other comprehensive income (expense) that will be reclassified subsequently to profit or loss:				
Profit (loss) from fair-value measurement of securities and investments	(528)	-	-	6,376
Gain (loss) from translation of foreign operations	-	(100)	-	(6)
Profit (loss) from warrant valuation	-	4,717	-	3
Total other comprehensive income (expense) that will be reclassified subsequently to profit (loss) for the period	(528)	4,617	-	6,373
Total other comprehensive income (expense), net of tax	**(2,275)**	**4,943**		**6,373**
Total comprehensive income (expense) for the period	**32,896**	**(6,755)**	**31,337**	**4,921**
- of which attributable to the owners of the parent	32,896	(3,368)	31,306	6,021
- of which attributable to non-controlling interests	-	(3,387)	31	(1,100)

Reclassified consolidated balance sheet

(euro/thousand)		At 09.30.2016	At 12.31.2015 *like-for-like basis (**)*	Change
Goodwill and marketing-related intangible assets		279,011	283,713	(4,702)
Other non-current assets (*)		75,982	91,774	(15,792)
Operating non-current liabilities		(41,420)	(38,783)	(2,637)
Non-operating non-current liablities		(10,997)	(44,717)	33,720
Operating working capital		(32,389)	(31,631)	(758)
- Operating current assets		*196,286*	*246,782*	*(50,496)*
- Operating current liabilities		*(228,675)*	*(278,413)*	*49,738*
Non-operating working capital		(4,528)	434	(4,962)
- Non-operating current assets		*29,576*	*26,773*	*2,803*
- Non-operating current liabilities		*(34,104)*	*(26,339)*	*(7,765)*
Net non-current assets held for sale and discontinued operations		1,000	2,320	(1,320)
Net invested capital		**266,659**	**263,110**	**3,549**
Equity attributable to the owners of the parent		378,251	288,214	90,037
Equity attributable to non-controlling interests		-	49,453	(49,453)
Total equity	**(A)**	**378,251**	**337,667**	**40,584**
Current financial assets, cash and cash equivalent		(119,872)	(124,351)	4,479
Current financial liabilities		1,209	41,996	(40,787)
Non-current financial liabilities		7,071	7,798	(727)
Net financial position	**(B)**	**(111,592)**	**(74,557)**	**(37,035)**
Total	**(A+B)**	**266,659**	**263,110**	**3,549**

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

(**) Like for like basis data at December 31, 2015 include the non-recurring financial effect of the change in accounting estimate on the revenue PagineBianche®, adopted as of January 1, 2015 into equity, operating w orking capital and non-operating current liabilities.

Statement of changes in shareholders' equity from December 31, 2015 to September 30, 2016

(euro thousand)	Share capital	Share premium reserve	Legal reserve	Stock option reserve	Actuarial reserve	Other reserves	Profit (loss) for the period	Total	Non-controlling interests	Total
As at 12.31.2015 *(like-for-like basis)*	**7,558**	**207,628**	**884**	**790**	**337**	**83,658**	**(12,641)**	**288,214**	**49,453**	**337,667**
Allocation of eight months results 2015 Group seat	-	-	-	-	-	(9,435)	9,435	-	-	-
Change in revenues estimation criteria	-	-	-	-	-	-	7,258	7,258	-	7,258
Allocation of previous year profit (loss)	-	-	-	-	-	4,052	(4,052)	-	-	-
Share-based payments	-	-	-	405	-	-	-	405	-	405
Total other comprehensive income (expense) for the period	-	-	-	-	(1,747)	(528)	35,171	32,896	-	32,896
Merger	12,442	(90,473)	3,116	-	(1,159)	125,655	-	49,581	(49,581)	-
Change of controlling interest of Europages	-	-	-	-	-	(158)	-	(158)	126	(32)
Capital increase and other changes	-	62	-	-	-	(7)	-	55	2	57
At 09.30.2016	**20,000**	**117,217**	**4,000**	**1,195**	**(2,569)**	**203,237**	**35,171**	**378,251**		**378,251**

Reclassified consolidated income statement for the first nine months of 2016

Revenue from sales and services in the first nine months of 2016 amounted to €295.6 million, down 11.7% compared to the first nine months of 2015 *on a like-for-like basis* (€334.7 million). The decrease in total revenue is mainly attributable (the data refer to the *core business* “ITALIAONLINE”, including the results of Italiaonline S.p.A., Moqu and Digital Local Services) to:

- a €21.8 million fall in digital revenue. Moreover, this does not yet reflect the effects expected of the Q3 launch of the new innovative offer of digital products (namely “IOL Connect”, “IOL Audience” and “IOL Website”), with the aim of accelerating the process of digitizing Italian SMEs. Are also important (i) the loss of one of the Moqu business revenue line related arbitrage activity, namely the practice of margin lending through the purchase of traffic from search engines in the form of clicks and subsequent resale to advertisers. From the month of September has started repositioning Moqu, which was entrusted with the management of IOL Audience and that, through its performance marketing expert team, in partnership with Matchcraft will manage the advertising campaigns of the Italian SMEs on different veicolandole touch points (Google AdWords, Bing, ItaliaOnLine Display Network, Google Display Network), and also felt of the absence in 2016 of the portion of revenue from two major contracts related to advertising investments previously entered into by Italiaonline with Telco operators in conjunction with mergers & acquisitions (M&A) operations;
- to a €8.7 million fall in print revenue;
- a decline of €8.2 million in other income, in particular relating to the directory assistance business (down by €5.9 million), associated with a decrease in volumes of calls to the Pronto PAGINEGIALLE®, 12.40, Pronto PAGINEBIANCHE® and 12.54® services that was sold during the month of July 2016. The decline reflects on the other, concerning the sale of advertising in traditional means of third,
- This decline also reflected the effects of the new commercial strategy, involving the removal of unprofitable and/or low-margin products from the product portfolio.

More specifically, sales and service revenues were as follows:

- in the first nine months of 2016, revenue from the “Italiaonline” segment (including the results of Italiaonline S.p.A., Moqu and Digital Local Services) amounted to €284.7 million, down 12.0% compared to the same period in 2015 on a like-for-like basis. For more details on performance in individual product lines, see the comment on the “ITALIAONLINE” segment;
- Revenue from ProntoSeat, made almost entirely within the Group, amounted to €3.7 million in the first nine months of 2016, performing essentially in line with the same period in the previous year. The slight reduction in outbound revenue (-€0.2 million compared to the first nine months of 2015), determined to the reduction of tariffs granted by ItaliaOnLine and cessation of activities related to the product "SmartSite"

of ItaliaOnLine it was offset by the increase in *inbound* revenue (+€0.1 million), due to the management of the 89.24.24 service.

- Revenue from Europages (relating only to the first seven months of the year, as the Company was sold on August 4, 2016) and from Consodata, totaling €13.3 million in the first nine months of 2016, and were down by € 0.7 million compared to the same period last year.

The **costs of materials and external services**, reduced by the amount of costs charged to third parties, including the IFRS financial statements in "other revenue and income", amounted to €150.8 million in the first nine months of 2016, down €45.3 million (23.1%) compared to the first nine months of 2015 *on a like-for-like basis* (€196.0 million).

The strategies formulated in the cost reduction program have involved all types of operating costs, including the following cuts in particular:

- €2.4 million in paper consumption, amounting to €8.6 million;
- €13.6 million in commission and other agent costs, amounting to €36.7 million;
- €4.5 million in advertising expenses, amounting to €0.9 million;
- production costs, amounting to €10.2 million, down by €5.3 million;
- consulting and professional services, amounting to €9.6 million, down by €4.5 million.

Personnel expense, net of respective cost recoveries, included in the IFRS financial statements under the item "Other revenues and income", amounting to €78.1 million in the first nine months of 2016, decreased by €3.5 million compared to the first nine months of 2015 *on a like-for-like basis* (€81.6 million). This reduction is mainly attributable to reorganization measures implemented within the Group.

The Group workforce – including directors, project workers and internees – consisted of 2,125 people as at September 30, 2016 (2,230 people as at December 31, 2015). The active Group workforce, net of "social welfare-subsidized full layoff time" was 1,974 people as at September 30, 2016, and 2,095 people as at December 31, 2015. The average full-time equivalent (FTE) in 2016 was 1,865 employees (2,061 units in the first nine months of 2015 *on a like-for-like basis*).

Gross operating profit (GOP) amounted to €66.7 million in the first nine months of 2016, up €9.6 million compared to the first nine months of 2015 *on a like-for-like basis* (€57.0 million), thanks to the lower operating costs mentioned above.

The **valuation adjustments and provisions for risks and charges** totaled €9.4 million in the first nine months of 2016 (€14.0 million in the first nine months of 2015 *on a like-for-like basis*). Of the net valuation adjustments, €73 million related to the provisions for doubtful trade receivables, down by €4.9 million compared to the same period in the previous year, thanks to a sustained focus on sales quality and management of client receivables. The item includes also the operating provisions of risks and charges for €2.1 million (€1.8 million in first nine months of 2015 *on a like-for-like basis*).

In the first nine months of 2016, **other operating income and expenses** showed a net loss of €1.8 million (- €2.4 million in first nine months of 2015 *on a like-for-like basis*).

Operating **income before depreciation, amortization and non-recurring and restructuring (EBITDA)**, was €55.4 million in the first nine months of 2016, up 36.5% compared to the first nine months of 2015 *on a like-for-like basis* (€40.6 million), with an operating margin of 18.7% (12.1% in the first nine months of 2015 *on a like-for-like basis*).

Operational **depreciation and amortization,** amounting to €32.2 million in the first nine months of 2016, down €5.0 million compared to the first nine months of 2015 *on a like-for-like basis* (€37.2 million), refer to intangible assets with finite useful life for €27.8 million (€32.1 million in the first nine months of 2015 *on a like-for-like basis*) and to property, plant and equipment for €4.5 million (€5.0 million in the first nine months of 2015 *on a like-for-like basis*).

Non-operating amortization and depreciation amounted to €4.7 million (€3.0 million in the first nine months of 2015 *on a like-for-like basis*) and includes the amortization of intangible assets known as Database and Customer Relationship of Italiaonline S.p.A. and Consodata S.p.A. following the Purchase Price Allocation completed in the period according to IFRS3.

Net non-recurring and restructuring charges amounted to €7.2 million (€8.1 million in the first nine months of 2015 *on a like-for-like basis*) and relate mainly to the rebranding costs of the new company for € 1,5 million and strategic consulting costs, of which €2,9 million relates to the proposed merger. In the first nine months of 2015 *on a like-for-like basis*, this item included non-recurring income of €30.0 million, attributable to the amount paid by the former directors of Seat Pagine Gialle S.p.A. in relation to the transaction resulting from the liability action outcome, net restructuring charges for €32.7 million almost entirely attributable to the amount allocated to the provision for – current and non-current – corporate restructuring, resulting from the new staff reorganization plan launched by Seat Pagine Gialle S.p.A. in February 2015, and other non-recurring costs totaling €5.3 million.

The **operating result (EBIT)** in the first nine months of 2016 was positive by €11.3 million (- €7.7 million in the first nine months of 2015 *on a like-for-like basis*). The improvement in operating loss (EBIT) reflects the business trends registered at GOP and EBITDA levels; the decrease in depreciation and amortization and in net charges related to non-recurring transactions and corporate reorganization/restructuring processes underway.

Net financial expenses were positive by €0.2 million in the first nine months of 2016 (- €3.0 million in the first nine months of 2015 *on a like-for-like basis*).

In particular, *financial expenses* amounted to €2.1 million (€4.2 million in the first nine months of 2015 *on a like-for-like basis*) and mainly included:

- €0.6 million in interest and commission on the debt of approximately €41 million, recognized and measured at amortized cost, taken on with Banca IMI S.p.A. pursuant to the loan agreement for the purpose of partial payment of the consideration for Seat ordinary shares tendered in the takeover bid promoted by Italiaonline;
- €0.2 million in interest on payables to Mediocredito Italiano S.p.A. for finance leases;
- €1.2 million in discounting interest.

The item in the same period in the previous year included the adjustment of warrants to fair value, amounting to €3.4 million.
Financial income in the first half of 2016 amounted to €2.3 million (€1.2 million in the first nine months of 2015 *on a like-for-like basis*) and refers to €0.5 million in interest income resulting from short-term liquidity in the banking system at market rates, and €1.3 million relating to the dividend paid by the investee Emittente Titoli as per the shareholders' resolution of April 20, 2016.

Net income from execution of agreements included in the first nine months of 2015 *on a like-for-like basis* refers to the net effect resulting from the termination of 5 of the then 7 open leases, for an amount of €5.9 million, which had resulted in the elimination of the respective debt and amounts listed under non-current assets referred to in the financial lease.

Income taxes for the nine months of 2016 show a positive balance of €23.7 million (-€0.6 million in the first nine months of 2015 *on a like-for-like basis*). In compliance with the provisions of IAS 34, taxes were calculated by applying the average rates to the gross profit before taxes and by considering the estimate of taxable income and tax benefits for the whole of 2016.

With reference to the disputes with the Italian Tax Authorities - Agenzia delle Entrate - Direzione Regionale della Lombardia - (hereinafter the "DRE"), described in the section Administrative, judicial and arbitration procedures of the First Half Year Report at June 30, 2016, taking into account the changes occurred in the framework of law and the clarifications given by the Italian Tax Authorities in Circular letter n. 6/E of March 30, 2016, the DRE, embracing the reasoning of the Company, withdrew the act issued to assess penalties for the omitted payment of income taxes, and recognized that assessment of penalties for omitted application of withholding tax and for unfaithful tax return, for the years 2011 and 2012, were equally ungrounded. Therefore, the tax office has withdrawn its demands on this specific issues.
The hearing has been held on October 31, 2016. Up to now, the company is still waiting for the deposit of the relevant court decision.
Furthermore On August 8, 2016, the Company submitted the written appearance and lodged an incidental appeal, for the year 2009.

Profit (loss) attributable to the owner of the parent in the first nine months of 2016 refers to a net profit of €35.2 million (€11.7 million loss in the first nine months of 2015 *on a like-for-like basis*).

Reclassified consolidated income statement for the third quarter of 2016

The revenues from sales and services in the third quarter of 2016 amounted to € 95.9 million, a decrease of 17.1% compared to the third quarter of 2015 like for like basis (€ 115.7 million).

Sales and service revenues were as follows:

- Revenue from the "Italiaonline" segment (including the results of Italiaonline S.p.A., Moqu and Digital Local Services) amounted in the third quarter 2016 to €92.7 million, down 17.0% compared to the same period in 2015 on a like-for-like basis.

- Revenue from ProntoSeat, made almost entirely within the Group, amounted to €1.1 million in the third quarter of 2016, performing down slightly (€ 0.1 million) compared to the same period of last lyear due to the reduction in outbound revenues.

- Revenue from "Other Activities" amounted to € 3.6 million down 26.5% from the same period of previous year. The decrease is mainly due lower revenues of Europages Group which was sold on August 4, 2016.

EBITDA in the third quarter of 2016 amounted to € 25.9 million, up € 6.8 million from the third quarter of 2015 like for like basis.

Reclassified consolidated statement of financial position as at September 30, 2016

On July 1, the sale of the 12.54 service business unit to Contacta S.p.A., a company belonging to the Covisian Group, came into effect in accordance with the decision of the Italian Antitrust Authority (AGCM), concerning the sale of the 12.54 number as part of the acquisition process of the Seat Group by Italiaonline.

On August 4, 2016, ItaliaOnLine S.p.A.'s entire holding in Europages S.A. was sold to PP Medical Solutions II GmbH, a company controlled by the private equity firm Paragon Partners. In accordance with the IFRS5 provisions, the assets and liabilities relating to Europages were assessed at the lower of the carrying value and respective fair value, which resulted in an adjustment of approximately €0.7 million.

Net invested capital

Net invested capital amounted to €266.7 million as at September 30, 2016, remaining essentially stable compared to December 31, 2015 *on a like-for-like basis*.

Net invested capital can be broken down as follows:

– **goodwill and "marketing-related" intangible assets** amounted to €279.0 million at September 30, 2016 (€283.7 million at December 31, 2015) and include:

- trademarks with indefinite useful life amounted to €169.4 million as follows: Virgilio brand at €53.0 million, Libero brand at €70.3 million, Pagine Gialle brand at €30.9 million and Pagine Bianche brand at €15.3 million;
- intangible asset referred to as *Customer relationship* amounting to €22.6 million (€25.4 million as at December 31, 2015);
- intangible asset referred to as *Database* amounting to €5.7 million (€7.6 million as at December 31, 2015);
- goodwill of €81.3 million, of which €9.3 million for the acquisition Matrix and €72.0 million generated in the acquisition of the Seat Group by ItaliaOnLine determined – as a result of the process of Purchase Price Allocation (PPA) – as the difference between the fair value of the net assets acquired and the acquisition price. For more details on the PPA process, see paragraph IFRS 3 – Business Combinations;

– **other non-current assets,** amounted to €76.0 million as at September 30, 2016, €91.8 million as at December 31, 2015. These assets include:

- *intangible and tangible fixed operating assets*, amounting to €63.4 million as at September 30, 2016, down €5.3 million compared to December 31, 2015 (€78.7 million).

  Capital expenditure amounted to €16.5 million (€26.1 million in the first nine months of 2015 *on a like-for-like basis*) mainly relating to the following areas:

– in the Italiaonline segment (€14.6 million in the first nine months of 2016; €23.7 million in the first nine months of 2015 *on a like-for-like basis*), relating to:

i) improvements to Web and Mobile delivery systems, in particular for the real-time update of contents and their publication, to improve search algorithms, shorten delivery times and identify new solutions for the Company's web portals in terms of graphics and features; *ii)* improvements to Web products aimed at optimizing and improving the searchability of customers and content, by creating graphic concepts for digital products and developing new site ranges to develop the Custom Key Account offers; *iii)* improvements in commercial and publishing areas to adapt and reinforce systems for new product ranges; *(iv)* purchasing software and licenses

– Consodata S.p.A. (€1.9 million in the first nine months of 2016; €2.4 million in the first nine months of 2015 *on a like-for-like basis*) for investments dedicated to developing software platforms, enriching the database and purchasing databanks.

- *Other investments*, amounting to €3.1 million as at September 30, 2016 (€3.6 million as at December 31, 2015), representing the fair value of 16.24% of the remaining investment held by Italiaonline S.p.A. in Telegate AG, which, pursuant to IAS 39, is a financial asset available for sale.

- *Other non-current assets* amounting to €8.5 million at September 30, 2016 (€9.2 million at December 31, 2015), which include: i) tax receivables of €4.5 million for excess corporation tax (IRES) paid for tax periods prior to 2012, as a result of the failure to deduct regional production tax (IRAP) relating to staff and similar expenses that were recognized in 2013 in accordance with the official interpretations available; ii) €2.8 million for loans to employees granted at market rates for such transactions.

- *deferred tax assets* amounting to €1.0 million as at September 30, 2016 (€0.2 million as at December 31, 2015).

– **operating non-current** liabilities amounted to €41.4 million as at September 30, 2016 (€38.8 million as at December 31, 2015). The item specifically includes:

- *provision for agent severance* amounting to €19.5 million as at September 30, 2016 (€18.8 million as at December 31, 2015). Pursuant to current legislation, this provision represents the accrued debt at the end of the period to sales agents for the indemnities due to them 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 debts of similar duration, estimating its expected future use over time based on the average term of agency contracts;

- provision for *employee severance pay,* amounting to €19.8 million as at September 30, 2016 (€17.0 million as at December 31, 2015);

– operating **non-current liabilities of** €11.0 million as at September 30, 2016 (€44.7 thousand as at December 31, 2015). The item relates entirely to the *provision for deferred taxation as at* December 31, 2015, and also includes €12.9 million for *the provision for company restructuring (non-current portion*) established in Seat Pagine Gialle S.p.A. as a result of the new personnel reorganization plan launched in February 2015, reclassified under current liabilities.

– **operating working capital** amounted to -€32.4 million as at September 30, 2016 (-€31.6 million as at December 31, 2015).

The following describes the major changes that occurred over the course of the period with particular reference to:

- *trade receivables* amounting to €155.4 million as at September 30, 2016, which decreased by €41.7million compared to December 31, 2015 (€197.1 million);

- *payables for services to be provided and other current liabilities* amounting to €96.8 million as at September 30, 2016, which decreased by €24.3 million compared to December 31, 2015 (€121.1 million). This change primarily reflects the timing of purchasing and invoicing related to advertising services;

- *trade payables* amounted to €113.8 million as at September 30, 2016, down €23.9 million compared to December 31, 2015;

– **non-operating working capital** amounted to -€4.5 million as at September 30, 2016 (positive by €0.4 million at December 31, 2015). This specifically includes:

- *provisions for current non-operating risks and charges* amounting to €27.6 million (€19.3 million as at December 31, 2015) relating to the corporate restructuring provision;
- *current tax assets* amounted to €26.3 million as at September 30, 2016 (€25.0 million at December 31, 2015). This amount mainly includes the corporation tax (IRES) asset resulting from the Italiaonline Group's national tax consolidation scheme recorded in previous tax periods, of which €18.0 million was subject to a refund request by the Parent Company submitted in the 2014 Global National Consolidation (CNM) form.

Net equity

The consolidated **equity** amounted to €378.3 million as at September 30, 2016 (€337.7 million as at December 31, 2015), which are wholly attributable to the Parent Company. As at December 31, 2015, €288.2 million was attributable to the Parent Company and €49.5 million to minority interests).

The €90.0 million increase in the Parent Company's share is mainly due to:

- €49.5 million for the acquisition of non-controlling interests in the course of the Seat merger; for accounting purposes, the merger qualifies as a purchase of additional stakes in a company over which it already has control. In these consolidated financial statements, these transactions are shown as "transactions between shareholders" pursuant to IFRS 10, paragraph 23. Therefore, any difference between the purchase cost and the related share of consolidated net equity is directly accounted for in net equity. In this situation, the purchase in question is paid for through the issuance of new shares, and therefore, for accounting purposes, simply results in a reclassification of the share of equity attributable to non-controlling interests, acquired at the net equity attributable to the Group;
- €35.2 million for profit for the period.

Net financial position

As at September 30, 2016 the **net** financial **position** was positive by €111,6 million (€74.6 million as at December 31, 2015).

As at September 30, 2016, the Group's net financial debt was structured as follows:

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

The change in the net financial position compared with December 31, 2015 is mainly due to net operating cash flow; existing cash on hand resulting from the merger has also made it possible on June 20, 2016 to repay the debt arising from the loan agreement entered into for the purpose of making partial payment of €41.2million, plus interest.

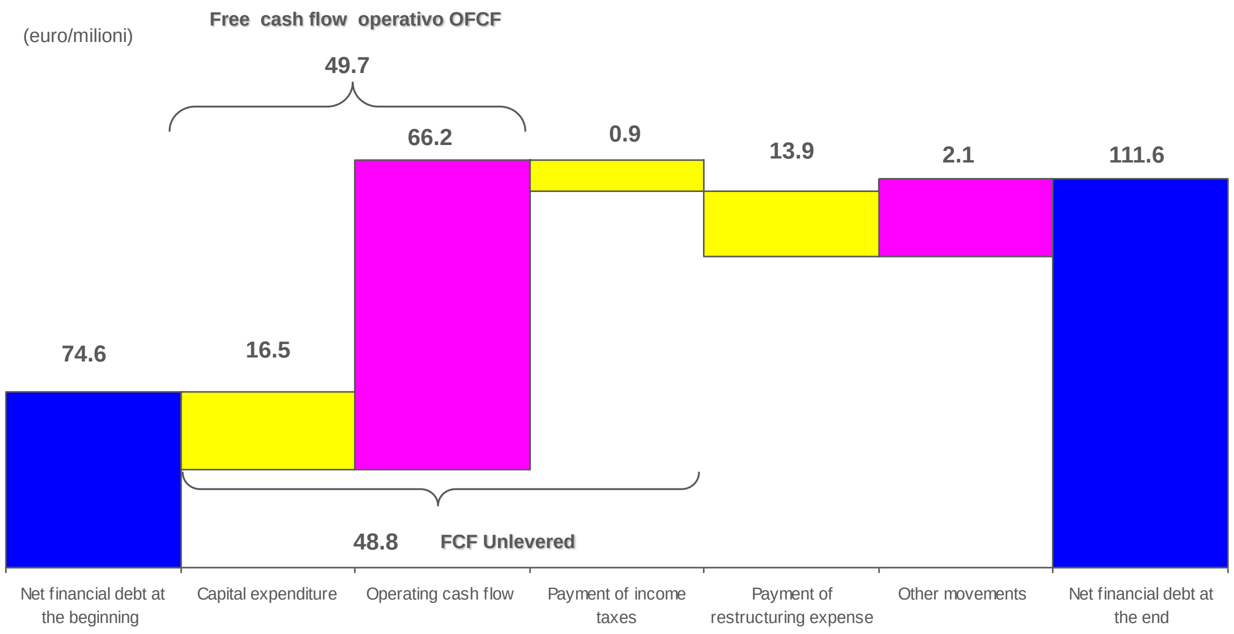
- **non-current financial debt** at September 30, 2016 amounted to €7.1 million (€7.8 million as at December 31, 2015) and consists of the item *"Other non-current financial debts"*, which refers to the two remaining financial leases for the Turin buildings. The above agreements provide for repayment by paying the 29 remaining instalments, all of which are quarterly deferred instalments subject to a floating interest rate pegged to the three-month Euribor plus a spread of approximately 65 basis points per annum. The redemption value is fixed at approximately 1% of the value of the buildings covered by the agreement.
- **current financial debt** amounted to €1.2 million as at September 30, 2016 (€42.0 million as at December 31, 2015), of which €1.2 million refers to the current portion of the two remaining finance leases. As at December 31, 2015, this item included €40.9 million related to the debt undertaken in the loan agreement with Banca Imi S.p.A. described above, repaid on June 20, 2016 in advance of the contractual deadline of August 5, 2016.
- **current financial receivables, cash and cash equivalents** amounted to €119.9 million as at September 30, 2016 (€124.4 million as at December 31, 2015) and include €119.2 million of cash and cash equivalents (€123.6 million as at December 31, 2015).

Consolidated cash flow statement for the first nine months of 2016

(euro/thousand)	9 months 2016	9 months 2015 *like-for-like basis*	Change	3rd quater 2016	3rd quater 2015 *like-for-like basis*	Change
EBITDA	55,417	40,605	14,812	25,945	19,176	6,769
Net interest income (losses) of discounting activities / operating liabilitie:	(583)	658	(1,241)	(7)	182	(189)
Decrease (increase) in operating working capital	11,665	8,812	2,853	(6,991)	(12,463)	5,472
(Decrease) increase in non-current operating liabilities (*)	(302)	(4,148)	3,846	(1,063)	(586)	(477)
Capital expenditure	(16,532)	(26,139)	9,607	(4,437)	(6,935)	2,498
(Gains) losses on disposal of non-current operating assets	(25)	(8)	(17)	2	-	2
Operating free cash flow - OFCF	**49,640**	**19,780**	**29,860**	**13,449**	**(626)**	**14,075**
Income taxes	(888)	(5,086)	4,198	(220)	(639)	419
Unlevered free cash flow	**48,752**	**14,694**	**34,058**	**13,229**	**(1,265)**	**14,494**
Collection of interest and financial expense, net	1,576	282	1,294	201	(118)	319
Payment of non-recurring and restructuring expense	(13,900)	(18,258)	4,358	(4,556)	(5,281)	725
Cash-in under the settlement of the directors' liability proceedings	-	30,000	(30,000)	-	-	-
Capital increase	-	135,017	(135,017)	-	135,017	(135,017)
Effect of the dissolution of lease agreements	-	23,216	(23,216)	-	-	-
Other charges (**)	607	(70,642) (**)	71,249	707	(136,436)	137,143
Change in net financial position	**37,035**	**114,309**	**(77,274)**	**9,581**	**(8,083)**	**17,664**

(*) The change does not include the non - monetary effects arising from actuarial gains and losses recognised in equity.
(**) This item mainly includes in the first half of 2015 the effects of consolidation of the financial position of the Seat Group for € 71 million net of the investment in Moqu Group for € 5 million.

The following chart summarizes the main elements that contributed to the change in net financial debt over the first nine months of 2016.



Unlevered free cash flow generated over the first nine months of 2016, amounting to €48.8 million, was up from that generated over the first nine months of 2015 on a like-for-like basis (€14.7 million) due to lower payments for taxes.

Operating free cash flow amounted to €49.7 million, a significant rise (+€29.9 million) from the first nine months of 2015 on a like-for-like basis. This decrease mainly reflects the growth in EBITDA, up €18.8 million compared to the first nine months of 2015 on a like-for-like basis, and lower capital expenditure of €9.6 million.

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

Pursuant to the request sent by Consob of July 22, 2016, file no. 0067885/16, pursuant to Article 114 of Legislative Decree No. 58/1998, regarding the request to add some information to the annual and interim reports as from the interim report at June 30, 2016, as well as the press releases concerning the approval of said accounting documents, in lieu of the disclosure requirements provided with the request of September 7, 2011, file no. 11076499, requirements reported below, referring to September 30, 2016.

The Company's net financial position at September 30, 2016 is as follows:

	(euro thousand)	At 09.30.2016	At 12.31.2015	Change
A	Cash and cash equivalents	118,910	113,039	5,871
B	Other cash and cash equivalents	-	-	-
C	Financial assets hold for trading	-	-	-
D=(A+B+C)	**Cash and cash equivalents**	**118,910**	**113,039**	**5,871**
E.1	**Current loan assets due from third parties**	**673**	**717**	**(44)**
E.2	**Current loan assets due from related parties**	**8,311**	**6,095**	**2,216**
F	Current bank loan and borrowings	-	-	-
G	Current portion of non-current debt	1,150	1,118	32
H.1	Other current loans and borrowings due to third parties	6	6	-
H.2	Other current loans and borrowings due to related parties	7,016	15,029	(8,013)
I=(F+G+H)	**Current financial debt**	**8,172**	**16,153**	**(7,981)**
J=(I-E-D)	**Net current financial position**	**(119,722)**	**(103,698)**	**(16,024)**
K	Non-current bank loans and borrowings	-	-	-
L	Bond issues	-	-	-
M.1	Other non-current loans and borrowings due to third parties	7,071	7,798	(727)
M.2	Other non-current loans and borrowings due to related parties	-	-	-
N=(K+L+M)	**Non-current financial debt**	**7,071**	**7,798**	**(727)**
O= (J+N)	**Net financial position (ESMA)**	**(112,651)**	**(95,900)**	**(16,751)**

The Group's net financial position as at September 30, 2016 is set out and commented on in the "net financial position" section of this Interim Management Report.
The net financial position of the Italiaonline Company and Group as at September 30, 2016 is positive, amounting to €112.651 million and €111.592 million respectively.
Cash and cash equivalents existing at the time of the merger also made it possible on June 20, 2016 to repay the debt arising from the loan agreement entered into for the purpose of

making partial payment of €41.195 million, plus interest, for the mandatory public tender offer on Seat ordinary shares.
The debt does not include covenants, negative pledges or other clauses involving limits on the use of financial resources.

The overdue accounts payable of the Parent and the Group, based on their nature (financial, trading, tax, social security and to employees) and relating to any actions by creditors (reminders, injunctions, suspension in supply, etc.) are shown below:

- Trade payables to suppliers expired as at September 30, 2016 amounted to €16.420 million (of which €16.316 million relates to Italiaonline SpA), paid in October in the amount of €10.349 million (of which €10.255 million relates to Italiaonline SpA);
- there are no overdue financial or social security payables;
- overdue tax payables are of small amounts and, as such, do not affect the ordinary course of business.

This situation is deemed natural under the usual commercial relationships with the Group's suppliers, and there are no is action by creditors that may affect the ordinary course of business.

The transactions carried out by Italiaonline Group Companies, including inter-company transactions, with related parties, all take place in the context of the normal course of operations and are regulated by market conditions or through specific provisions and regulations. There were no atypical and/or unusual transactions, potential conflicts of interest, changes or developments in the related party transactions described in the latest approved financial statements that have had a material effect on the financial position or results of the Group or Italiaonline S.p.A.

The tables below outline the relations with parties related to the Italiaonline Group:

ITALIAONLINE GROUP - INCOME STATEMENT 9 months 2016

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

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

ITALIAONLINE GROUP - INCOME STATEMENT 9 months 2015

(euro/thousand)	1st half 2015	Parent	Subsidiaries	Associates	Other r par
Revenue from sales and services	-	-	-	69	
Cost of external services	-	-	-	-	(
Financial income	-	-	-	-	

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

ITALIAONLINE GROUP - STATEMENT OF FINANCIAL POSITION AT September 30, 2015

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

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

ITALIAONLINE GROUP - STATEMENT OF FINANCIAL POSITION AT DECEMBER, 31 2015

(euro/thousand)	As December 31, 2015	Parent	Subsidiaries	Associates	Other related parties (*)	Total related parties
Assets						
Other non-current financial assets	-	-	-	168	-	168
Trade receivables	-	-	-	85	-	85
Other current assets	-	90	-	-	347	437
Liabilities						
Trade payables	-	-	-	-	3,249	3,249
Liabilities for services to be provided and other current liabilities	-	-	-	-	1,000	1,000

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

ITALIAONLINE GROUP - CASH FLOW 9 months 2016

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

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

ITALIAONLINE GROUP - CASH FLOW 1° HALF YEAR 2015

(euro/thousand)	1st half 2015	Parent	Subsidiaries	Associates	Other related parties (*)	Total related parties
Cash flows from operating activities	-	-	-	69	(1,735)	(1,665)
Cash flows for investing activities	-	-	-	-	-	-
Cash flows for financing activities	-	-	-	-	-	-
Cash flows from non-current assets held for sale and discontinued operations	-	-	-	-	-	-
Cash flows of the period	**0**	**0**	**0**	**69**	**(1,735)**	**(1,665)**

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

The tables below outline the relations with parties related to Italiaonline S.p.A.:

ITALIAONLINE S.p.A. - INCOME STATEMENT 9 months 2016

(euro/thousand)	Parent	Subsidiaries	Associates	Other related parties (*)	Total related parties
Revenue from sales and services	-	877	-	-	877
Other income and revenues	-	9,740	-	378	10,118
Personnel expense	-	(31,841)	-	(3,745)	(35,586)
Salaries, wages and employee benefits	-	(143)	-	(2,236)	(2,379)
Financial income	-	5,170	-	-	5,170

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

ITALIAONLINE S.p.A. - STATEMENT OF FINANCIAL POSITION AT September 30, 2016

(euro/thousand)	Parent	Subsidiaries	Associates	Other related parties (*)	Total related parties
Assets					
Intangible assets with a finite useful life	-	7	-	-	7
Other non-current financial assets	-	-	168	-	168
Trade receivables	-	19	44	107	170
Other current assets	90	5,661	-	385	6,136
Current financial assets	-	8,311	-	-	8,311
Liabilities					
Other non-current liabilities	-	744	-	-	744
Current financial liabilities	-	7,016	-	-	7,016
Trade payables	-	11,426	-	2,530	13,956
Liabilities for services to be provided and other current liabilities	-	8	-	242	250

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

ITALIAONLINE S.p.A. - 9 months 2016 (euro/thousand)	Parent	Subsidiaries	Associates	Other related parties (*)	Total related parties
Cash flows from operating activities	7	(13,267)	22	(9,461)	(22,699)
Cash flows from investing activities	-	(7)	-	-	(7)
Cash flows for financing activities	-	4,939	-	-	4,939
Cash flows from non-current assets held for sale and discontinued operations	-	-	-	-	-
Cash flows of the period	**7**	**(8,335)**	**22**	**(9,461)**	**(17,767)**

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

Based on the latest available data, for the first nine months of 2016, and the subject of this Interim Report, we highlight the following changes compared with the corresponding data provided on the same date in the Business Plan approved January 15, 2016:

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

Significant events during third quarter 2016

Sale of the 1254 business unit

On July 1, the sale of the business division relating to the 1254 service to Contacta S.p.A., a company belonging to the Covisian Group, came into effect,

New Guidelines for processing confidential information

At the meeting of July 6, 2016, in accordance with the legal provisions to reform the rules on market abuse, referred to in EU Regulation 596/2014 and Directive 2014/57/EU, the Company's Board of Directors approved a series of changes to the existing company procedures which, in turn, have been replaced with the new “Guidelines for processing confidential information” and the “Internal Dealing Procedure”.

Removal of the Company from the Consob Blacklist

With the notice dated July 22, 2016, CONSOB announced the elimination of the monthly disclosure requirements pursuant to Article 114 of Legislative Decree No. 58/98, in a note dated September 7, 2011 (the “Blacklist”).
Replacing these disclosure requirements, the Company was required to integrate the annual and half-yearly financial reports and interim reports – the latter if published on a voluntary basis – based on the half-yearly financial report as at June 30, 2016 as well as the press releases concerning the approval of said accounting documents, with information on: the net financial position; overdue debt positions divided by their nature and any associated actions by creditors; related party transactions; any failure to comply with covenants, negative pledges and any other clause of the Group's indebtedness; and state of implementation of the Business Plan.

Exercise of Warrants and Changes in Share Capital

On July 27, 2016 the “Financial Year” expired in relation to the Seat PG 2014-2016 warrants issued under the debt-settlement proceedings initiated by Seat Pagine Gialle S.p.A. and by Seat Pagine Gialle Italia S.p.A.

Specifically, in the period from July 1, 2016 to July 27, 2016, 8,407,000 warrants were exercised and, in turn, 8,407 ItaliaOnLine S.p.A. (ISIN IT0005187940) ordinary shares were issued and granted, with regular rights and the same characteristics as those outstanding at the issue date. The total value of the new shares amounted to €37,831.50 (the strike price per Warrant is €0.0045 by the number of Warrants exercised), of which €247.89 refers to the face value and €37,583.61 refers to the share premium.

As a result, at the outcome of the period from July 1, 2016 - July 27, 2016, the Company's share capital amounted to €20,000,409.64, divided into 114,761,225 ordinary shares and 6,803 savings shares, all without par value.

Positive response to the request made to the Tax Office

On August 3, 2016, the Tax Office provided a positive response to the request made in relation to carrying forward the excess interest expenses in the amount of approximately €650 million, in addition to the approximately €160 million carried forward for already existing tax losses. The request was made on February 11, 2016 in order to suspend the application of anti-avoidance rules that limited the carrying forward of the interest expense resulting from the merger of Seat Pagine Gialle SpA and Italiaonline S.p.A.

New member of the Supervisory Board

On August 4, the Board of Directors resolved to appoint Angelo Jannone (Head of Internal Audit) as a new member of the Company's Supervisory Board, to replace Michaela Castelli. As a result, the Supervisory Body pursuant to Legislative Decree No. 231/2001 consists of Alberto Mittone (Chair), Angelo Jannone and Francesco Nigri (Members).

Sale of Europages

On August 4, 2016, 100% of the subsidiary Europages S.A. – based in Paris, a company controlled by the private equity firm Paragon Partners based in Munich – was sold.
The business was considered no longer strategic and, therefore, it was planned to be sold over the course of 2016 in the Business Plan approved in January 2016.

Significant events subsequent to September 30, 2016

Gold Five S.r.l. – Voluntary Liquidation

On October 18, 2016, the General Meeting of Gold Five S.r.l. – a company 20% owned by the Parent – approved the voluntary liquidation.

Moqu AdV S.r.l. – Change of registered office

On October 19, 2016, in order to simplify logistics and centralize administration, the General Meeting of Shareholders of Moqu ADV S.r.l. – a company wholly owned by the Parent – approved the transfer of the registered office from Florence to Assago, while opening a local unit at the offices in Florence.

Outlook

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

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

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

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

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

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

Last Friday on November 4, at the end of a long negotiation, even the last proposal made by the MISE did not find the consent of Trade Unions and it was therefore not possible to reach an agreement between the parties.
The implementation of the suspension from work is ongoing as of this month of November.

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

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

Economic and Financial Performance by Business Area

The figures for the first nine months of 2015 are presented on a *like-for-like basis* with respect to those for the first nine months of 2016. This is described more fully in the "Presentation of Comparative Accounting Data" section of the Management Report in this Interim Management Report as at September 30, 2016.

(euro million)		ITALIAN DIGITAL	OTHER DIRECTORIES	AGGREGATE TOTAL	ELIMINATIONS AND OTHER ADJUSTMENTS	CONSOLIDATED TOTAL
Revenue from sales and services	9 months 2016	284.8	13.3	298.1	(2.5)	295.6
	9 months 2015 *like for like basis*	324.0	14.0	338.0	(3.3)	334.7
GOP	9 months 2016	67.5	(1.0)	66.5	0.2	66.7
	9 months 2015 *like for like basis*	58.3	(1.5)	56.8	0.3	57.1
EBITDA	9 months 2016	57.0	(1.6)	55.4	-	55.4
	9 months 2015 *like for like basis*	42.4	(1.8)	40.5	-	40.5
EBIT	9 months 2016	16.7	(5.5)	11.2	0.1	11.3
	9 months 2015 *like for like basis*	(2.6)	(5.1)	(7.7)	0.1	(7.6)
Net invested capital	September 30, 2016	259.3	7.4	266.7		266.7
	December 31, 2015 *like for like basis*	254.0	9.3	263.3	(0.2)	263.1
Capital expenditure	9 months 2016	14.6	1.9	16.5	-	16.5
	9 months 2015 *like for like basis*	23.7	2.4	26.1	-	26.1
Average workforce	9 months 2016	1,707	158	1,865	-	1,865
	9 months 2015 *like for like basis*	1,899	162	2,061	-	2,061
Average number of sale agents	9 months 2016	1,091	29	1,120	-	1,120
	9 months 2015 *like for like basis*	1,472	35	1,507	-	1,507

Digital Italia

Market Situation

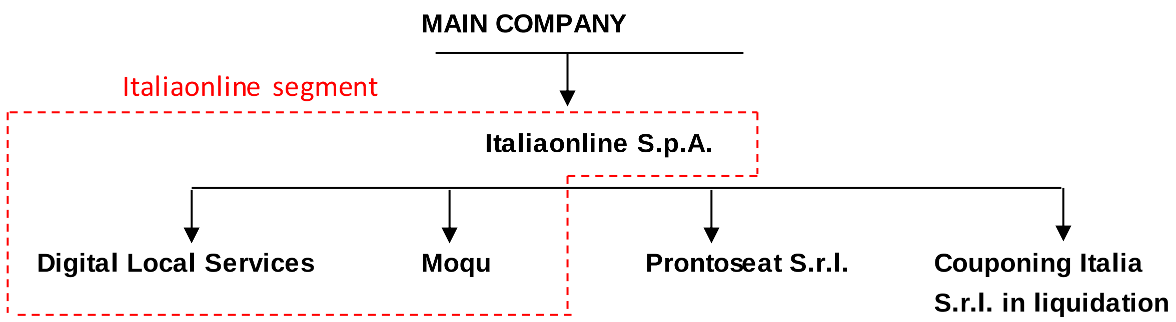
The operating profit for the first nine months of 2016 was achieved in a situation of moderate economic growth and a slowly recovering advertising market:

- In the second quarter of 2016, Italy's gross domestic product (GDP) remained unchanged from the previous quarter and rose 0.7% from Q2 2015. The Italian economic data released in ISTAT's monthly note showed “a scenario of ongoing weakness in the levels of economic activity. In September, consumer confidence saw its second drop in a row, while business confidence improved, reaching last June's levels”. The change for 2016, i.e. with no growth for the remainder of the year, amounts to +0.6%.

- According to Nielsen, in the first eight months of 2016, the advertising market in Italy increased by 3.2% (to €3.940 million) compared to the same period in 2015. With regard to individual media, the Internet showed a 1.6% decline in the cumulative period and a 5.2% decrease in August. With regard to other media, in the first eight months of the year, cinema grew by 11.5%, TV by 7.8%, radio by 1.3%, outdoor by 0.6%, *go TV (formerly out-of-home* TV), fell sharply to -8.0%. Newspapers were also down (-5.4%), as were magazines (-3.6%), direct mail (-4.6%) and transit (-2.7%). According to Nielsen, *“August's figures show a growth trend in line with forecasts, favored by the summer sporting events. As for the expectations for year-end, Nielsen points out that the corresponding period in fall 2015 was up +2.8%; in the coming months, a natural (slightly negative) trend is therefore expected”.*

Structure of the Business Area

The Digital Italian Business Area is organized as follows:



Economic and Financial Data

The table below shows the main results for the first nine months of 2016 compared with those for the same period in the previous financial year.

(euro million)	9 months 2016	9 months 2015 *like for like basis*	Change Absolute	%
Revenue from sales and services	284.8	324.0	(39.2)	(12.1)
GOP	67.5	58.3	9.2	15.8
EBITDA	57.0	42.4	14.6	34.4
EBIT	16.7	(2.6)	19.3	n.s.
Capital expenditure	14.6	23.7	(9.1)	(38.4)
Average workforce	1,707	1,899	(192)	(10.1)
Net invested capital	259.3	254.0 (*)	5.3	2.1

(*) Data refers to December 31, 2015 like for like basis

Below is an analysis of the data divided by the ITALIAONLINE segment, ProntoSeat S.r.l. and Couponing Italia S.r.l. in liquidation (formerly Glamoo S.r.l.).

ITALIAONLINE

The ITALIAONLINE segment includes Italiaonline S.p.A. data, 74 companies known as Digital Local Services set up to ensure better management of the sales network and provide appropriate support to agents and customers, as well as Moqu, a digital media company focused on the performance advertising business, namely the optimization of advertising campaigns in performance, specifically based on search engines (SEM).

The table below shows the main results for the first nine months of 2016 compared with those from the same period in the previous year *on a like-for-like basis*. The latter were reduced due to the non-recurring effect caused by the change in the relevant criterion for the revenues of PagineBianche®, which was adopted as of January 1, 2015, and the change in the timing of the publication of the SmartBook®, introduced on January 1, 2016, which together resulted in a decrease of €9.0 million in revenue and a €8.6 million decrease in EBITDA.

It should be noted that the data for the Moqu Group has been included within the scope of consolidation as of February 28, 2015.

(euro million)	9 months 2016	9 months 2015 *like for like basis*	Change Absolute	%
Revenue from sales and services	284.7	323.4	(38.7)	(12.0)
GOP	67.8	59.0	8.8	14.9
EBITDA	57.4	43.1	14.3	33.2
EBIT	17.1	(1.3)	18.4	n.s.
Capital expenditure	14.6	23.7	(9.1)	(38.4)
Average workforce	1,561	1,743	(182)	(10.4)
Net invested capital	258.8	253.4 (*)	5.4	2.1

(*) Data refers to December 31, 2015 like for like basis

In this Interim Report, in line with the approach followed in the half-year report as at June 30, 2016, the Company shows revenue based on a new classification that is more consistent than in the past, with comprehensive consultancy for all digital development needs of Italian companies, from SMEs to large companies.

More specifically, revenue generated by the ITALIAONLINE segment are divided into the following areas:

Digital revenue includes:

- *Proprietary* revenue, mainly relating to the sale of advertising space on the generalist web portals Libero®, Virgilio® and Supereva®, on vertical (national and local) web portals and – to a lesser extent – on third-party websites as well as free proprietary webmail. Also included in this segment are performance advertising revenue from the subsidiary Moqu, Subscriber revenue generated by users of the e-mail service registered in Italiaonline domains that subscribe to their respective paid services (premium services), and revenue from Direct Marketing (DEM) and SMS campaigns.

- *Directory* revenue, relating to advertising activities carried out on web portals owned by PagineGialle.it, PagineBianche.it e TuttoCittà.it.
- *Website* revenue, relating to: construction and website management services, also optimized for mobile devices; the creation of multimedia content; visibility activities on the web; e-commerce and web marketing services; and managing the presence on social networks.
- *Third-party* revenue, relating to visibility on digital media in partnership with specialized operators, including display advertising services and advertising campaign management on Google, Facebook and Sky platforms.

Print revenue: this item consists of revenue generated from advertising sales on the SmartBook®, i.e. paper volumes including the PagineGialle®, PagineBianche® and TuttoCittà® directories, and the portion of revenue returned to Italiaonline by telecom operators for the paper directory distribution service. *Other* revenue: this item includes revenues generated: (i) by directory enquiry services; (ii) the sale of advertising on third-party traditional media; and (iii) direct marketing and merchandising services.

Revenue from sales and services of the ITALIAONLINE segment amounted to €284.7 million in the first nine months of 2016, down 12.0% compared to the first nine months of 2015 *on a like-for-like basis*. For further details on this trend, please refer to the commentary on the reclassified consolidated income statement for the first nine months of 2016.

More specifically:

a) *Digital* revenue amounted to €186.6 million in the first nine months of 2016, down 10.4% compared to the same period in 2015 on a like-for-like basis. The total share of *digital* revenue in the period amounted to 65.6%.

Over the past twelve months, Italiaonline proved to be the number one Italian operator in terms of audience, with 17.7 million unique monthly visitors (source: Audiweb View, powered by Nielsen, Total Digital Audience – Average data for the 12-month period from September 2015 to August 2016).

Moreover, an average of 4.4 million unique users per day browsed Italiaonline's web properties from PC and mobile. Italiaonline remains the leading internet company according to Audiweb (Audiweb DB, powered by Nielsen, Total Digital Audience – Average data for the 12 months from September 2015 to August 2016 – Google and Facebook are excluded as they are not part of Audiweb's DB). Mobile audience data rank Italiaonline in first place above the other top players with over 2.0 million unique users per day on average. In late September 2016, Italiaonline's main mobile applications (Libero Mail App®, Libero App®, Virgilio App®, Virgilio Mail App®, PagineGialle Mobile App®, PagineBianche Mobile App®

and TuttoCittà Mobile App®) together reached the threshold of 15.1 million downloads. Moreover, Audiweb data confirm Italiaonline to be the top player on the Italian internet in terms of page views (71 million) and time spent on an average day (10:29 minutes).

b) *Print*: revenue from print products amounted to €78.7 million in the first nine months of 2016, down 10.0% compared to the first nine months of 2015 *on a like-for-like basis*. The total share of *print* revenue in the period amounted to 27.6%. Net of the portion of revenue returned to Italiaonline by Telco operators for the paper directory distribution service, the decrease in *print* revenues would have been 20.8%. In the first nine months of 2016, 82 directories were published and 11.8 million SmartBook® volumes were distributed.

c) *Other*: revenues from other products amounted to €19.3 million in the first nine months of 2016, down 29.8% compared to the same period in 2015 on a like-for-like basis. Specifically, revenue from the directory assistance services 89.24.24 Pronto PAGINEGIALLE®, 12.40 Pronto PAGINEBIANCHE® and 12.54® (4.7% of the total revenue) amounted to €13.3 million in the first nine months of 2016, down 30.7% compared to the first nine months of 2015 on a like-for-like basis. The decline in revenues reflects the trend of call volumes amounting to 4.3 million in the first nine months of 2016, down 32% compared to the same period in 2015.

GOP amounted to €67.8 million in the first nine months of 2016, up €8.8 million compared to the first nine months of 2015 *on a like-for-like basis* thanks to the efficiency of cost-cutting actions, which more than offset the decline in revenues.

Costs for materials and external services, net of costs charged to third parties, amount to €149.3 million in first nine months of 2016, down €45.4 million (23.3%) compared to the first nine months of 2015 *on a like-for-like basis*.

In particular, industrial costs, at €83.0 million in the first nine months of 2016, are down by €18.5 million compared to the first nine months of 2015 *on a like-for-like basis* (€64.4 million). This decrease is linked to both revenue trends and structural efficiency measures. Significant savings, amounting to approximately €6.9 million, are recorded on costs for printing and distributing SmartBook® directories due to the lower number of pages and renegotiation of tariffs, while the fall in call volumes to directory enquiries services, combined with the new contract at better conditions for call center services for 89.24.24 Pronto PAGINEGIALLE® and 12.40 Pronto PAGINEBIANCHE® services, has resulted in a decrease in costs for inbound call center services of approximately €1.9 million. This decrease includes the 12.54 carve out in the third quarter 2016. Industrial performance for digital services fell by approximately €3.1 million, mainly due to the tariff review in the second half of 2015.

The fall in Moqu revenues resulted in a €2.2 million revenue share cost reduction.

Commercial costs, at €44.7 million in first nine months of 2016, were down €15.8 million compared to the first nine months of 2015 *on a like-for-like basis*. This decrease reflects the lower expenses for wages to the sales forces, due partly to the revenue trend and partly to the streamlining of the agent network.

Overheads, at €21.6 million in the first nine months of 2016, were down 24.0% compared to the first nine months of 2015 *on a like-for-like basis* as a result of a careful cost-control policy, in particular for consultancy costs and advertising expenses.

Salaries, wages and employee benefits, net of costs recovered for staff seconded to other Group companies, amounted to €67.6 million in the first nine months of 2016, down €2.1 million (-3.0%) compared to the first nine months of 2015 *on a like-for-like basis*. This change is due to the restructuring progress made with the downsizing of the workforce and solidarity arrangements (government-sponsored lay-off scheme on a rotating basis). The workforce at September 30, 2016 – including directors, contract workers and interns – consisted of 1,723 employees (1,806 employees at December 31, 2015). The average workforce, which identifies the workforce in proportion to the actual time of active service amounted to 1,561 employees in the first nine months of 2016, compared to 1,743 employees in the first nine months of 2015 *on a like-for-like basis*; the decrease of 229 employees is mainly due to the progress of the restructuring plan.

EBITDA amounted to €57.4 million in the first nine months of 2016, up €14.3 million compared to the first nine months of 2015 *on a like-for-like basis* (+33.2%) and accounting for 20.2% of revenue (13.3% in the first nine months of 2015 *on a like-for-like basis*).

EBIT, positive at €17.1 million in the first nine months of 2016, reflects the EBITDA performance and includes operating and non-operating amortization, depreciation and impairment losses of €33.5 million and net non-recurring restructuring costs of €6.7 million, down significantly compared to the same period in the previous year.

In the first nine months of 2016, capital expenditure amounted to €14.6 million, mainly relating to: i) improvements to Web and Mobile delivery systems, in particular for the real-time update of contents and their publication, to improve search algorithms, shorten delivery times and identify new solutions for the Company's web portals in terms of graphics and features; ii) improvements to Web products aimed at optimizing and improving the searchability of customers and content, by creating graphic concepts for digital products and developing new site ranges to develop the Custom Key Account offers; iii) improvements in commercial and publishing areas to adapt and reinforce systems for new product ranges; (iv) purchasing of software and licenses

Prontoseat S.r.l.

Wholly owned by Italiaonline S.p.A.

The table below shows the main results for the first nine months of 2016 compared with those for the same period in the previous financial year.

(euro million)	9 months 2016	9 months 2015	Change Absolute	%
Revenue from sales and services	3.7	3.8	(0.1)	(2.6)
GOP	(0.4)	0.1	(0.5)	n.s.
EBITDA	(0.4)	0.1	(0.5)	n.s.
EBIT	(0.5)	-	(0.5)	n.s.
Average workforce	146	135	11	8.1
Net invested capital	0.6	0.7 (*)	0	(14.3)

(*) Data refers to December 31, 2015

Revenue from sales and services amounted to €3.7 million in the first nine months of 2016, essentially in line with the same period in the previous year. The slight decrease in outbound revenues (-€0.2 million compared to the first nine months of 2015) due to the reduction of price granted by Italiaonline and the sale of the activities related to the *Smartsite* product, was offset by the higher inbound revenues (+€0.1 million) due to the management of the 89.24.24 service.

GOP was negative by -€0.4 million (positive by €0.1 million in the same period in the previous year) due to higher staffing costs incurred in managing inbound and outbound services.

EBITDA and EBIT were down by €0.4 million and €0.5 million respectively, in line with the GOP.

The **average workforce** (135 employees in the first nine months of 2016) increased by 11 employees compared to the same period in the previous year, due to needs relating to the management of services.

Couponing Italia S.r.l. in liquidation

Wholly owned by Italiaonline S.p.A.

In their meeting of December 22, 2015, the Shareholders of Glamoo S.r.l. approved the Company's liquidation without debt, changing its name to Couponing Italia S.r.l. in liquidation. The entry in the Milan Chamber of Commerce Register of Companies was made on January 21, 2016.

On February 9, 2016, the company Glamoo Ltd was removed from *Companies House UK.*

Other activities

Structure of the Business Area

This Business Area comprises all activities not included in the previous area. It is organized as follows:

MAIN COMPANIES

Europages

Consodata S.p.A.

On August 4, 2016, 100% of the subsidiary Europages S.A. – based in Paris, a company controlled by the private equity firm Paragon Partners based in Munich – was sold,

Economic and Financial Data

The table below shows the main results for the first nine months of 2016 compared with those for the same period in the previous financial year.

(euro million)	9 months 2016 (*)	9 months 2015	Change Absolute	%
Revenue from sales and services	13.3	14.0	(0.7)	(5.0)
GOP	(1.0)	(1.5)	0.5	33.3
EBITDA	(1.6)	(1.8)	0.2	11.1
EBIT	(5.5)	(5.1)	(0.4)	(7.8)
Capital expenditure	1.9	2.4	(0.5)	(20.8)
Average workforce	158	162	(4.0)	(2.5)
Net invested capital	7.4	9.3(*)	(1.9)	(20.4)

(**) Economic data include the first seven months of 2016 Europages Group w hich w as sold on August 4, 2016

(**) Data refers to December 31, 2015

The analysis of the figures is broken down below between the various companies that make up the Business Area.

Consodata S.p.A.

Wholly owned by Italiaonline S.p.A.

Consodata S.p.A., the Italian market leader in Data-Driven Marketing and Marketing Intelligence, with a growing presence in the business & credit information market, has been offering wide-ranging and innovative customer acquisition, evaluation and management services to thousands of businesses operating in various product sectors for over 20 years. Consodata S.p.A. focuses its business on the great wealth of statistical data and personal content of its database and on the recognized expertise in dealing with and imparting value to the data.

The table below shows the main results for the first nine months of 2016 compared with those for the same period in the previous financial year.

(euro million)	9 months 2016	9 months 2015	Change Absolute	%
Revenue from sales and services	8.8	8.5	0.3	4
GOP	(0.2)	(0.3)	0.1	33.3
EBITDA	(0.2)	(0.4)	0.2	50.0
EBIT	(3.7)	(3.4)	(0.3)	(8.8)
Capital expenditure	1.9	2.4	(0.5)	(20.8)
Average workforce	94	98	(4.0)	(4.1)
Net invested capital	7.2	8.9 (*)	(1.7)	(19.1)

(*) Data refers to December 31, 2015

Revenue from sales and services amounted to €8.8 million in the first nine months of 2016, up €0.3 million compared to the same period in the previous year. This increase is mainly due to increased Direct Marketing sales through the Large Customers channel, which offset the fall in Business Information product sales in the Italiaonline agent network.

Direct Marketing campaigns, in particular, benefit from the increased sales of *Face to Face lead generation* services and from the growth in revenues of the *Data Content* segment, which offsets the delay in *mailing* campaigns, which is now a mature segment.

The profitability of the products sold by the various sales channels and streamlining of overhead costs have led to a **GOP** – although negative by €0.2 million – which is up slightly (+€0.1 million) compared to the same period in the previous year.

EBITDA, negative by €0.2 million, performed in line with GOP.

EBIT was negative by €3.7 million (negative by €3.4 million in the first half of 2015), showing a decline of €0.3 million compared to the same period in the previous year, due to the higher restructuring expenses compared to 2015.

Capital expenditure amounted to €1.9 million in the first nine months of 2016, down by 0.5 million compared to the first nine months of 2015, and was dedicated to developing software platforms, and the enrichment and purchase of databases.

The **average workforce** was 94 employees in the first nine months of 2016, down by 4 employees compared to the same period in the previous year.

Net invested capital amounts to €7.2 million as at September 30, 2016 (€8.9 million as at December 31, 2015).

Europages

100.00% owned by Italiaonline S.p.A.

Following the sale of the Europages Group, completed on August 4, 2016, the 2016 data in the table below refer to the first seven months of the year

(euro million)	9 months 2016	9 months 2015	Change Absolute	%
Revenue from sales and services	4.5	5.5	(1.0)	(18.2)
GOP	(0.8)	(1.3)	0.5	38.5
EBITDA	(1.4)	(1.4)	-	-
EBIT	(1.8)	(1.7)	(0.1)	(5.9)
Capital expenditure	0.1	-	0.1	n.s.
Average workforce	64	64	-	-
Net invested capital	-	0.3 (*)	(0.3)	(100.0)

(*) Data refers to December 31, 2015

Other information

Statement pursuant to Article 154-bis, paragraph 2 of Legislative Decree No. 58 of February 24, 1998

The undersigned Andrea Servo, as Executive in charge of preparing the corporate accounting documents at Italiaonline S.p.A., given and considered the information included in this Interim Report at September 30, 2016 on pages 18 and 19, which is shown hereafter in full: "Further to implementation of integration activities of Italiaonline S.p.A. and Seat Pagine Gialle S.p.A., the income statement for the nine months period ended September 30, 2016 reflects a deferral of revenues amounting to approximately 0.7% of the period revenues, and to approximately 0.5% of the forecast revenue on an annual basis. Such adjustments follow the identification of non-material errors, deriving from weaknesses arisen in the administrative processes, and of consequent necessary optimizations of the revenue recognition processes relating to digital advertising services of the absorbed company Italiaonline.
In this context, the Company initiated a project aimed at overcoming the above findings, also in view of the future adoption of the IFRS 15 accounting principle.",

declares

pursuant to Article 154-bis, paragraph 2 of Legislative Decree No. 58 of February 24, 1998, on the basis of his knowledge in light of the position held as Executive in charge of preparing the corporate accounting documents, that the accounting information of the Interim Report as at September 30, 2016 accurately reflects the information in the accounting ledgers, records and documents.

Milan, November 9, 2016

Executive in charge of preparing
the corporate accounting documents
Andrea Servo