

ATTACHMENTS TO THE PRESS RELEASE

ALTERNATIVE PERFORMANCE MEASURES

In this Press Release, in addition to the conventional financial performance measures established by IFRS, certain alternative performance measures are presented for purposes of a better understanding of the Company's trend of operations and financial condition. Such measures, which are also presented in other periodical financial reports (annual and interim) should, however, not be construed as a substitute for those required by IFRS.

The alternative performance measures used are described below:

- **EBITDA:** this financial indicator is used by the Company as a financial target in internal presentations (business plans) and in external presentations (to analysts and investors). It represents a useful unit of measurement to assess the Company's operating performance in addition to **EBIT**. These measures are calculated as follows:

Profit (loss) before tax from continuing operations
+ Financial expenses
- Financial income
EBIT - Operating profit (loss)
+ Impairment losses (reversals) on non-current assets
/-
+ Losses (gains) on disposals of non-current assets
/-
+ Depreciation and Amortization
EBITDA - Operating profit (loss) before depreciation and amortization, Capital gains (losses) and Impairment reversals (losses) on non-current assets

- **Net Financial Debt ESMA and Net Financial Debt INWIT:** the Net Financial Debt ESMA of the Company is calculated in accordance with the provisions of paragraph 127 of the recommendations contained in ESMA document No. 319 of 2013, implementing Regulation (EC) 809/2004, as shown below:

A. Cash
B. Other cash equivalents
C. Securities held for trading
D Liquidity (A + B + C)
E. Current financial receivables
F Current financial payables
G Current portion of financial payables (medium/long-term)
H. Other current financial payables
I Current financial debt (F+G+H)
J Net current financial debt (I+D+E)
K Medium/long term financial payables
L Bonds issued
M Other non-current financial payables
N Non-Current financial debt (K+L+M)
O Net financial debt (J+N)

To monitor the performance of its financial position, INWIT also uses "INWIT net financial debt" as a financial indicator; it is defined as the ESMA net financial debt less receivables and non-current financial assets, where applicable.

ESMA net financial debt

Other financial receivables and non-current financial assets (*)

INWIT Net financial debt

(*) This accounting item refers to loans granted to certain employees of the company.

- **Operating Free Cash Flow: calculated as follows:**

EBITDA

Capital expenditure

EBITDA - Capex

Change in trade receivables

Change in trade payables ()*

Other changes in operating receivables/payables

Change in provisions for employee benefits

Change in operating provisions and Other changes

Change in net operating working capital:

Operating free cash flow

(*) Includes the change in trade payables for amounts due to fixed asset suppliers.

- **Recurring Free Cash Flow: is determined as EBITDA – Recurring Capex – Change in Net Working Capital– Cash Taxes – Financial expense (income).**

Please note that Recurring Capex refers to ordinary investments made to maintain the existing structure; it does not, therefore, include investments in development.

The Separate Income Statements, Statements of Financial Position and the Statements of Cash Flows as well as the Net Financial Debt of INWIT, herewith presented, are the same as those included in the financial statements of the Company for the period from January 1, 2018 to March 31, 2018.

SEPARATE INCOME STATEMENT

(thousands of euro)	1st Quarter 2018	1st Quarter 2017
Revenues	95,521	86,427
Acquisition of goods and services	(37,375)	(38,156)
Employee benefits expenses	(2,095)	(1,999)
Other operating expenses	(712)	(1,957)
Operating profit before depreciation and amortization, capital gains (losses) and impairment reversals (losses) on non-current assets (EBITDA)	55,339	44,315
Amortization, gains/losses on disposals and impairment losses on non-current assets	(3,215)	(2,984)
Operating profit (loss) (EBIT)	52,124	41,331
Finance income	-	1
Finance expenses	(1,042)	(969)
Profit (loss) before tax	51,093	40,363
Income tax	(14,693)	(11,472)
Profit for the period	36,400	28,891
Basic and Diluted Earnings Per Share	0.061	0.048

STATEMENTS OF FINANCIAL POSITION

Assets

(thousands of euro)	3.31.2018	12.31.2017
Assets		
Non-current assets		
Intangible assets		
Goodwill	1,411,770	1,411,770
Intangible assets with a finite useful life	30,209	26,549
Tangible assets		
Property, plant and equipment	225,869	222,336
Other non-current assets		
Non-current financial assets	251	201
Miscellaneous receivables and other non-current assets	20,200	19,494
Deferred tax assets	-	2,798
Total Non-current assets	1,688,299	1,683,148
Current assets		
Trade and miscellaneous receivables and other current assets	87,827	73,280
Financial receivables and other current financial assets	96	70
Financial receivables and other current financial assets	5,099	-
Income tax receivables	1	-
Cash and cash equivalents	86,290	54,360
Total Current assets	179,313	127,710
Total Assets	1,867,612	1,810,858

Equity and Liabilities

(thousands of euro)	3.31.2018	12.31.2017
Equity		
Share capital	600,000	600,000
Share premium reserve	660,000	660,000
Legal reserve	120,000	120,000
Other reserves	148	(38)
Retained earnings (losses) including earnings (losses) for the period	179,098	142,698
Total Equity	1,559,246	1,522,660
Liabilities		
Non-current liabilities		
Employee benefits	2,363	2,388
Deferred tax liabilities	11,895	-
Provisions	97,766	97,269
Non-current financial liabilities	59,905	59,884
Miscellaneous payables and other non-current liabilities	3,438	2,426
Total Non-current liabilities	175,367	161,967
Current liabilities		
Current financial liabilities	40,489	40,178
Trade and miscellaneous payables and other current liabilities	90,877	84,420
Income tax payables	1,633	1,633
Total current Liabilities	132,999	126,231
Total Liabilities	308,366	288,198
Total Equity and Liabilities	1,867,612	1,810,858

CASH FLOW STATEMENT

(thousands of euro)	1st Quarter 2018	1st Quarter 2017
Cash flows from operating activities:		
Profit for the period	36,400	28,891
Adjustments for:		
Depreciation and amortization, losses on disposals and impairment losses on non-current assets	3,215	2,984
Net change in deferred tax assets and liabilities	14,693	11,472
Change in provisions for employee benefits	(30)	119
Change in trade receivables	(16,957)	(22,077)
Change in trade payables	4,747	2,608
Net change in miscellaneous receivables/payables and other assets/liabilities	5,034	1,031
Other non-monetary changes	735	630
Cash flows from operating activities	(a) 47,837	25,658
Cash flows from investing activities:		
Total purchase of intangible and tangible assets on an accrual basis (*)	(10,783)	(6,846)
<i>Change in amounts due to fixed asset suppliers</i>	(134)	(1,222)
Total purchase of intangible and tangible assets on a cash basis	(10,917)	(8,068)
Change in financial receivables and other financial assets	(5,175)	(9,927)
Deffered payment for the acquisition of control in subsidiaries or other businesses	(180)	(1,643)
Other non-current assets changes	365	1
Cash flows used in investing activities	(b) (15,907)	(19,637)
Cash flows from financing activities:		
Change in current and non-current financial liabilities	-	-
Cash flows used in financing activities	(c) -	-
Aggregate cash flows	(d=a+b+c) 31,930	6,021
Net cash and cash equivalents at beginning of the period	(e) 54,360	85,599
Net cash and cash equivalents at end of the period	(f=d+e) 86,290	91,620

NET FINANCIAL DEBT

(thousands of euro)	3.31.2018	12.31.2017
A. Cash		
B. Other cash equivalents	86,290	54,360
C Securities held for trading	5,099	-
D Liquidity (A + B + C)	91,389	54,360
E. Current financial receivables	96	70
F Current financial payables	-	-
G Current portion of financial payables (medium/long-term)	(40,489)	(40,178)
H. Other current financial payables		
I Current financial debt (F+G+H)	(40,393)	(40,178)
J Net current financial debt (I+D+E)	50,996	14,252
K Medium/long term financial payables	(59,905)	(59,884)
L Bonds issued	-	-
M Other non-current financial payables	-	-
N Non-Current financial debt (K+L+M)	(59,905)	(59,884)
O Net financial debt as recommended by ESMA (J+N)	(8,909)	(45,632)
Other financial receivables and other non-current financial assets (*)	251	201
INWIT Net financial debt	(8,658)	(45,431)

(*)This item refers to loans granted to certain employees of the company at March 31, 2018.