

## 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 a better understanding of the trend of operations and financial condition. These measures should not, however, be construed as a substitute for those required by IFRS.

The alternative performance measures used are described below:

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

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

- *ESMA net financial debt and INWIT net financial debt.*

The table below shows the ESMA net financial debt of the Company at December 31, 2015, calculated in accordance with paragraph 127 of the recommendations contained in ESMA document no. 319 of 2013, implementing Regulation (EC) 809/2004:

(thousands of euros)		<i>At December 31, 2015</i>
Cash		
Other cash equivalents		71,833
Securities held for trading		
<i>Liquidity</i>	<i>(a)</i>	<i>71,833</i>
<i>Current financial receivables</i>	<i>(b)</i>	<i>17</i>
Current financial payables		
Current portion of financial payables (medium/long-term)		(231)
Other current financial payables		
<i>Current financial debt</i>	<i>(c)</i>	<i>(231)</i>
<i>Net current financial debt</i>	<i>d=(a+b+c)</i>	<i>71,619</i>
Financial payables (medium/long-term)		(119,666)
Bonds issued		
Other non-current financial payables		

<i>Non-current financial debt</i>	(e)	(119,666)
<i>Net financial debt</i>	(d+e)	(48,047)

To monitor the performance of its financial position, INWIT also uses "INWIT net financial debt" as financial measure, which is defined as ESMA net financial debt less receivables and non-current financial assets, where applicable. The calculation of this item at December 31, 2015 is shown below:

(thousands of euros)		<i>At December 31, 2015</i>
<i>ESMA net financial debt</i>		(48,047)
<b>Other financial receivables and other non-current financial assets (*)</b>		<b>87</b>
<i>INWIT net financial debt</i>		(47,960)

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

- *Operating free cash flow*

**Operating free cash flow is calculated as follows:**

(thousands of euros)		<i>Period from January 14 to December 31, 2015</i>
<b>EBITDA</b>		<b>108,160</b>
<b>Capex</b>		<b>(12,531)</b>
<b>EBITDA - Capex</b>		<b>95,629</b>
<i>Change in trade receivables</i>		(27,557)
<i>Change in trade payables (*)</i>		18,272
<i>Other changes in operating receivables/payables</i>		(12,506)
<b>Change in employee benefits</b>		<b>216</b>
<b>Change in operating provisions and Other changes</b>		<b>(929)</b>
<b>Change in net operating working capital:</b>		<b>(22,504)</b>
<i>Operating free cash flow</i>		<i>73,125</i>

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

The Separate Income Statements, Statements of Comprehensive Income, 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 14, 2015 (date of incorporation) to December 31, 2015 (hereinafter the “**2015 Financial Statements**”).

To such extent, please note that the audit work by our independent auditors on the 2015 Financial Statements for the year ended December 31, 2015 has not yet been completed.

## SEPARATE INCOME STATEMENTS

(euro)	<i>Period from January 14 to December 31, 2015</i>
<i>Revenues</i>	239,216,241
Acquisition of goods and services	(126,266,223)
Employee benefits expenses	(3,832,243)
Other operating expenses	(957,620)
<i>Operating profit before depreciation and amortization, capital gains (losses) and impairment reversals (losses) on non-current assets (EBITDA)</i>	<b>108,160,155</b>
Depreciation and amortization	(12,674,144)
<i>Operating profit (loss) (EBIT)</i>	<b>95,486,011</b>
Finance income	30,571
Finance expenses	(2,752,831)
<i>Profit (loss) before tax</i>	<b>92,763,751</b>
Income tax expense	(29,831,126)
<i>Profit for the period</i>	<b>62,932,625</b>
Basic and Diluted Earnings Per Share	0.134

## STATEMENTS OF COMPREHENSIVE INCOME

(euro)	<i>Period from January 14 to December 31, 2015</i>
<i>Profit for the period</i>	62,932,625
<i>Other components of the statement of comprehensive income</i>	
Other components that will not subsequently be reclassified to the separate income statement	-
<b>Remeasurements of employee defined benefit plans (IAS 19):</b>	
Actuarial gains (losses)	14,640
Net fiscal impact	(4,026)
<b>Total other components that will not subsequently be reclassified to the separate income statement</b>	<b>10,614</b>
Other components that will subsequently be reclassified to the separate income statement	-

<b>Total other components that will subsequently be reclassified to the separate income statement</b>	-
<i>Total other components of the statement of comprehensive</i>	<i>10,614</i>
<i>Total comprehensive income for the period</i>	<i>62,943,239</i>

## STATEMENTS OF FINANCIAL POSITION

### Assets

(euro)	<i>At December 31, 2015</i>
<i>Assets</i>	
<i>Non-current assets</i>	
<b>Intangible assets</b>	
Goodwill	1,404,000,000
Intangible assets with a finite useful life	4,011,246
<b>Tangible assets</b>	
Property, plant and equipment	186,406,824
<b>Other non-current assets</b>	
Non-current financial assets	86,792
Deferred tax assets	1,110,889
<i>Total non-current assets</i>	<i>1,595,615,751</i>
<i>Current assets</i>	
Trade and miscellaneous receivables and other current assets	58,289,004
Financial receivables and other current financial assets	17,099
Cash and cash equivalents	71,833,401
<i>Total Current assets</i>	<i>130,139,504</i>
<i>Total Assets</i>	<i>1,725,755,255</i>

### Equity and Liabilities

(euro)	<i>At December 31, 2015</i>
<b>Equity</b>	
Share capital	600,000,000
Additional paid-in capital	660,000,000
Legal reserve	120,000,000
Other reserves	29,179
Profit for the period	62,932,625

<b>Total Equity</b>	<b>1,442,961,804</b>
<b>Liabilities</b>	
<i>Non-current liabilities</i>	
Employee benefits	1,452,327
Provisions	100,360,655
Non-current financial liabilities	119,666,170
Miscellaneous payables and other non-current liabilities	3,576,708
<i>Total Non-current liabilities</i>	<i>225,055,860</i>
<i>Current liabilities</i>	
Current financial liabilities	231,177
Trade and miscellaneous payables and other current liabilities	57,506,414
<i>Total Current liabilities</i>	<i>57,737,591</i>
<i>Total Liabilities</i>	<i>282,793,451</i>
<i>Total Equity and Liabilities</i>	<i>1,725,755,255</i>

## STATEMENTS OF CASH FLOWS

(euro)	Period from January 14 to December 31, 2015
<b>Cash flows from operating activities:</b>	
Profit for the period	62,932,625
Adjustments for:	
Depreciation and amortization	12,674,144
Change in deferred tax liabilities	(1,073,914)
Change in employee benefits	245,399
Change in trade receivables	(27,556,937)
Change in trade payables	12,175,677
Net change in miscellaneous receivables/payables and other assets/liabilities	18,427,607
Other non-monetary changes	315,118
<i>Cash flows from operating activities</i> (a)	<i>78,139,719</i>
<b>Cash flows from investing activities:</b>	
Total purchase of intangible and tangible assets on an accrual basis	(12,531,218)
<i>Change in amounts due to fixed asset suppliers</i>	6,319,106
Total purchase of intangible and tangible assets on a cash basis	(6,212,112)
Change in financial receivables and other financial assets	(41,298)
<i>Cash flows used in investing activities</i> (b)	<i>(6,253,410)</i>
<b>Cash flows from financing activities:</b>	
Change in current financial liabilities and other	(119,996,737)
Proceeds from non-current financial liabilities (including current portion)	119,893,829
<i>Cash flows used in financing activities</i> (c)	<i>(102,908)</i>
<i>Aggregate cash flows</i> (d=a+b+c)	<i>71,783,401</i>
<i>Net cash and cash equivalents at beginning of the period</i> (e)	<i>50,000</i>
<i>Net cash and cash equivalents at end of the period</i> (f=d+e)	<i>71,833,401</i>