

PRESS RELEASE

BOARD OF DIRECTORS APPROVES 2016 CONSOLIDATED AND STATUTORY ANNUAL ACCOUNTS

First operating profit in Retelit's history

Results ahead of Guidance and significantly up on previous year

Strong generation of industrial net cash

Extension of Industrial Plan to 2021: earnings targets raised, also thanks to expected synergies between European backhaul and AAE-1 cable

- REVENUES of Euro 49.6 million, up 17.8% on Euro 42.1 million in 2015
- EBITDA continues to grow at Euro 14.6 million - EBITDA margin 29.4% - up 32.0% on Euro 11.0 million in 2015
- EBIT significantly up - from Euro 0.8 million loss in 2015 to profit of Euro 2.2 million;
- Net Profit of Euro 2.9 million compared to Euro 0.2 million in 2015, recalculated on a like-for-like basis following the adoption of Hedge Accounting for derivative instruments. The 2015 Net Profit was Euro 3.4 million with derivatives measured at fair value.
- Strong results confirmed also for the quarter: revenues +8.2% YoY to over Euro 13.0 million and EBIT of Euro 0.7million
- Net Cash Position of Euro 8.1 million compared to Euro 11.5 million at December 31, 2015

- Industrial Plan extended to 2021 with earnings, capital and financial targets raised:
 - Forecast revenues of Euro 89-93 million
 - EBITDA of Euro 44-46 million
 - Net Cash Position of Euro 96-101 million
- Guidance 2017: revenues of between Euro 60 and Euro 63 million forecast, with EBITDA of between Euro 20 and Euro 23 million, EBIT of between 6 and Euro 9 million, investments in a range of Euro 25 and 28 million and a Net Cash Position of between Euro 20 and Euro 23 million.

Milan, March 15, 2017 – the Board of Directors of **Retelit S.p.A.** (“**Retelit**” or the “**Company**”) today reviewed and approved the Group’s consolidated results and the 2016 statutory financial statements of Retelit.

Retelit’s Chairman Dario Pardi stated: *“We can with great pleasure announce an operating profit following five consecutive quarters of favorable earnings results. We are particularly proud as representing the first in the Group’s history. The strategy launched two years ago and focused on consolidating the wholesale market and development of business and cloud operations has proven to be a winning formula and our cohesive and determined team has delivered improved results which even outstrip plan objectives. The Group’s growth in fact has been ahead of the general market, boosting our market share. The completion of the laying of the AAE-1 cable as far as Singapore and the start of commercial operations with the signing of a contract with a leading global operator confirm the potential of the investment. This all enables us therefore to view the future with greater optimism both in revenue and profitability terms.*

Finally , 2016 saw our admission to the STAR segment of the Italian Stock Exchange - a key step for Retelit which joins Italian enterprises demonstrating excellence and good governance and transparency“.

2016 CONSOLIDATED KEY FINANCIAL HIGHLIGHTS

	2016 (in Euro thousands)	2015	Cge.
Value of production	<u>49,592</u>	<u>42,104</u>	17.78%
Value added (1)	<u>20,930</u>	<u>17,138</u>	22.12%
EBITDA	<u>14,576</u>	<u>11,043</u>	32.00%
EBIT	<u>2,172</u>	<u>(781)</u>	377.97%
Pre-tax profit	<u>2,882</u>	<u>3,418</u>	-15.69%
Net profit	<u>2,865</u>	<u>3,418</u>	-16.20%
Net margin percentage (2)	5.8%	8.1%	
Parent company shareholders net equity	135,357	132,437	2.20%
Average workforce	<u>76.6</u>	<u>76.6</u>	0.00%

INCOME STATEMENT

Retelit Group 2016 **Consolidated revenues** in 2016 totalled Euro 49.6 million, up 17.8% on Euro 42.1 million in 2015. Telecommunication service revenue grew 17% to Euro 39.8 million, from Euro 33.9 million in 2015, with revenue from network usage rights and maintenance increasing 18% to Euro 8.3 million, from Euro 7.0 million in 2015 and mainly benefitting from, among others, the fiber optic connections released to mobile operators in the year.

Core revenues grew across all markets - to Euro 20.7 million for Domestic Wholesale (up 13% on the previous year), Euro 21.5 million for International Wholesale (+7%) and Euro 6.3 million for Business (+87%). The breakdown of core revenues by market was as follows: Domestic Wholesale 43%, International Wholesale 44%, Business (Corporate and Public Sector) 13% - this latter significantly increasing from 8% in the previous year.

In 2016, new orders of Euro 44.8 million were acquired (measured over full contractual duration), beating the industrial plan objectives and slightly under (-3.0%) the Euro 46.2 million generated in 2015 which benefitted from a number of non-recurring special projects. New orders for 53% concern the Domestic Wholesale market, for 33% the International Wholesale market and for 14% the Business market. In addition, we highlight that the churn rate was lower than plan estimates.

2016 **EBITDA** was Euro 14.6 million, up 32.0% on 2015 (Euro 11.0 million), with an EBITDA margin of 29.4%, increasing on 26.2% in 2015. This growth - ahead of plan objectives - was possible thanks to increased revenues, the improved product mix and optimised infrastructure management.

An **EBIT** profit (Euro 2.2 million) was reported for the first time in the Group's history, significantly improving on 2015 (loss of Euro 0.8 million).

As in the previous year, the verification of the recoverable asset values at December 31, 2016 based on their value in use estimate for the impairment test, did not highlight any loss in value. Specifically, the recoverable value of the network infrastructure and the value of the investment in the AAE-1 submarine cable were separately verified, with the company utilising the support of a leading advisory company for this process.

The **Net Profit** amounted to Euro 2.9 million compared to Euro 0.2 million for 2015 re-calculated on a like-for-like basis following the adoption of Hedge Accounting on derivatives. This was necessary for uniformity of results following the change in the accounting treatment of derivative instruments. From 2016, the hedge accounting standard was adopted which requires the recognition of the fair value changes of a derivative to a specific cash flow hedge reserve (IAS 39). In 2015, the recognition to the income statement of the fair value of the derivatives resulted in financial income of Euro 1.8 million and exchange gains of Euro 1.4 million. The 2015 net profit was Euro 3.4 million with derivatives calculated at fair value.

2016 FOURTH QUARTER PERFORMANCE

€000	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016
TOTAL REVENUES	9,549	10,134	10,442	11,979	12,402	12,165	12,057	12,968
EBITDA	2,296	2,464	2,540	3,742	3,401	3,706	3,523	3,946
EBIT	(458)	(608)	(343)	628	416	626	383	747

In the fourth quarter of 2016, revenues and operating income totalled approx. Euro 13 million, increasing approx. 8.2% on approx. Euro 12 million in Q4 2015. For the fourth quarter, the group's core telecommunication service revenues were up 4% on Q4 2015.

EBITDA increased 5.5% to Euro 3.9 million compared to Q4 2015, thanks to the revenue performance and an improved mix, which more than offset higher personnel costs following the development of the technical and commercial structures for implementation of activities under the Industrial Plan. EBIT was Euro 0.7 million, the best quarterly result to date and continuing a trend which has now seen five consecutive quarterly profits and confirming the operational actions taken during the year.

BALANCE SHEET

The net cash position was Euro 8.1 million, compared to Euro 11.5 million at December 31, 2015. During the year, payment of Euro 5.5 million was received for the sale of the WiMAX business unit. Financial liabilities (current and non-current) relate to loans received. Current financial assets concern the current portion of the receivable related to the fair value measurement of the forward currency instruments at December 31, 2016.

In 2016, the Retelit Group made investments totalling Euro 35.2 million, with the two main components concerning:

- Euro 18.5 million principally for the construction of Client connections and the development of the metropolitan network and the backbone. In particular, in 2016 the Retelit Group extended the coverage of its fiber optic network by 723 KM compared to the end of 2015, reaching 9,826 km - of which 2,451 KM urban infrastructure (equivalent of approx. 218,000 km of fiber optic cable, of which 63,000 km located in MAN); in addition the number of sites reached by fiber increased to approx. 3,000, of which 39 Data Centers and 1,868 client sites

- Euro 15.6 million for the AAE-1 submarine cable system, of which Euro 11.8 million for the AAE-1 consortium investment, Euro 2.4 million for backhaul network completion costs and Euro 1.4 million for the Bari landing station.

The total investment in the AAE-1 submarine cable to December 31, 2016 amounted to Euro 41 million out of a total estimated investment of approximately Euro 56.3 million, of which USD 45 million as investment for membership of the consortium, until the completion of the AAE-1 submarine cable system, and the remaining as investment in system infrastructure for the land section of the cable until the Bari landing station, the construction of the landing station itself and the strengthening of the national and international sections of the Group's network. The difference compared to the previous estimate (Euro 61.6 million) is due for Euro 1.6 million to the €/USD currency difference (as noted almost entirely hedged by the derivative instrument undertaken by the company) and for Euro 3.7 million savings on European land backhaul sections.

OPERATING PERFORMANCE

The Group is well positioned on the **National Wholesale** market, principally for the mobile network operators (e.g. infrastructure to support 4G development), fixed networks, ICT (system integrators) and New Media. The National Wholesale market for Retelit represents, with 122 clients between domestic Carriers, Mobile Operators, OLO, xSP and multi-utilities, more than 43% of revenues and approx. 53% of total orders in 2016.

For **International Wholesale**, Retelit strengthened and consolidated its presence in the preferred partner area for the B-end needs of international operators in Italy, with further growth in orders. In line with the AAE-1 project strategy to expand onto new markets and with new players, operations focused on positioning and developing opportunities on the Over the Top market were stepped up, through proposals which seek to attract their content to the Italian Data Centers, and in particular the Retelit fiber network. With 62 clients between International Carriers and OTT's (The Group supports almost all international operators currently operating in Italy), the International Wholesale market represented for Retelit 44% of revenues in 2016 and 33% of total orders in 2016.

In 2016, the **Business market** operations continued with the implementation of a series of targeted initiatives, including a specific plan for the selection of companies located in the vicinity of the network and fully corresponding to the Group target profile, the selection of industrial areas and strategic sites, taking into account also the possible synergies with the Wholesale market and the launching of an indirect business partner channel. The development of new services based on the Cloud platform also continued, in addition to the extension of Data Center services with the "Smart SaaS Partnership Programme" for companies developing innovative business market solutions. With 172 active clients at year end, particularly significant contracts in volume and content terms were acquired in 2016: a major

fashion market player trusted the Group with monitoring services for its Application Performance Management (APM), a leading bicycle manufacturer ordered internet connectivity and Cloud Storage services, while a major credit institution ordered Virtual Data Center services for its IT infrastructure. In 2016, the Business market represented 13% of revenues and 14% of total orders.

Regarding the **AAE-1** (Asia, Africa, Europe 1) submarine cable, negotiations continued with leading international operators interested in reserving some of the capacity and bandwidth that will be available to Retelit when the submarine cable becomes operational. As part of the partnership signed with the global operator Belgacom International Carrier Services (BICS), 60 Gbps of submarine capacity of the AAE-1 cable was acquired from Retelit. The cable is in the testing phase and entry into service is scheduled for the end of Q1 2017; as stated, commercialisation has begun.

KEY FINANCIAL HIGHLIGHTS RETELIT S.P.A.

Revenues of the parent company Retelit S.p.A. grew 3.1% to Euro 2.3 million (Euro 2.2 million in 2015). EBIT improved, although again reporting a loss (Euro 3.5 million), compared to the Euro 3.7 million loss in 2015 (+5.6%). The comprehensive loss in 2016 was Euro 4.1 million compared to a loss of Euro 0.7 million in 2015.

SIGNIFICANT EVENTS IN LAST PERIOD OF YEAR

On September 16, 2016, with provision No. 8252 of September 16, 2016, Borsa Italiana S.p.A. approved listing of the ordinary Retelit share (LIT.MI) on the STAR segment (Segmento Titoli ad Alti Requisiti (Elevated Requirements Securities Segment)), with effect from September 26, 2016, in addition to trading on the segment.

On October 17, 2016, the Group, through its subsidiary e-via S.p.A., as agent presented a tender application within a temporary consortium (RTI), together with Eolo S.p.A. and EDS Infrastrutture S.p.A., for the first call of the Infratel Italia S.p.A. tender for the construction and management of a passive ultra-broadband infrastructure. The white areas involved in the tender are those in the regions Abruzzo and Molise, Emilia-Romagna, Lombardy, Tuscany and Veneto. The offer was presented only for Emilia-

Romagna, a region in which the three consortium members have a long-standing presence and extensive knowledge.

The position with KBC Telco Infrastructure Pty Ltd. was settled in the third quarter.

In December, the procedures for the liquidation and winding up of the non-operative company entirely held by Retelit USA L.L.C. were completed, as established by the Board of Directors on April 20, 2015 and announced to the market on the same date.

SUBSEQUENT EVENTS

On February 17, 2017, Retelit joined the Open Hub Med Società Consortile a Responsabilità Limitata (OHM), acquiring 9.52% of OHM's share capital for an investment of approx. Euro 100,000. The operation is part of the strategy to maximise the industrial and commercial potential of the AAE-1 submarine cable.

On February 20, 2017, e-via as part of a temporary consortium (RTI) presented an offer for Lot 2 (Friuli-Venezia Giulia and the Autonomous Province of Trento) of the Infratel tender relating to High-speed Broadband.

On February 28, 2017, in partnership with BICS a new 100 Gbps connectivity product the "Bari-Europe Backhaul" was launched, an innovative high capacity and low latency network solution connecting Europe - through Bari - to Singapore and Hong Kong using the AAE-1 submarine cable system. A new backhaul product, managed end-to-end, utilising different sections to satisfy high capacity and low latency connectivity demand from Asia, the Middle East and Africa to Europe through Retelit's AAE-1 Italian landing station in Bari. As part of the partnership BICS acquired from Retelit 60 Gbps of submarine capacity of the AAE-1 cable.

On March 9, 2017, Infratel Italia S.p.A. announced the awarding of the first tender for the granting of the concession for the construction, maintenance and management of the ultra-broadband passive network to Enel Open Fiber S.p.A. for all five tender lots.

OUTLOOK FOR THE CURRENT YEAR AND 2017-2021 INDUSTRIAL PLAN

The 2016-2020 Industrial Plan was updated for the purposes of the impairment test and the plan timeframe extended to 2021.

The extension of the Industrial Plan to 2021 is testament to the growth strategy and forecasts better results for the final years of the plan than previously announced thanks to the increased revenues generated from commercialisation of the AAE-1 submarine cable and expected wholesale synergies. In particular, it is expected that the recent agreement with the international operator BICS may contribute to the international growth of the Group. The Industrial Plan does not include any awarding of the license for Friuli-Venezia-Giulia and the Trento province regarding the second Infratel tender as part of the Italian broadband strategy, representing therefore an important upside.

The Plan confirms development based on the following four guidelines:

1. further national wholesale market growth for telecommunication services through network and services development;
2. consolidation of the international wholesale market position for telecommunication services through multinational client (B-end), client access (IP Transit) and international network (Backbones and PoPs) development;
3. boosting the business market position through development of a connectivity services offer integrated with high added value (VAS) data center and cloud services, such as for example disaster recovery, ICT as a service, VPN, internet and security, for medium and large private enterprises, in addition to the public sector;
4. development of AAE-1 submarine cable operations.

The Plan forecasts revenues of between Euro 81-84 million in 2020 (compared to Euro 75 million under the previous plan) and revenues of between Euro 89-93 million in 2021.

EBITDA in 2020 is forecast of between Euro 37-39 million (significantly up on the original forecast of Euro 29 million) and of between Euro 44-46 million in 2021.

In addition, the expected development of business market operations and the synergies for the commercialisation of the cable's entry into use will result in a differing revenue mix - at a higher margin. In particular, revenues and EBITDA by segment are expected to grow as follows under the plan:

- Wholesale: revenues forecast to grow from Euro 42.2 million in 2016 to between Euro 48 million and Euro 51 million in 2021, with a CAGR of approx. 4% over the plan. An EBITDA margin of between 27% and 32% is forecast over the plan.
- Business: revenues forecast to grow from Euro 6.3 million in 2016 to between Euro 19 million and Euro 22 million in 2021, with a CAGR of approx. 28%. An EBITDA margin of between 30% and 35% is forecast over the plan.
- AAE-1 submarine cable: cumulative revenues from 2017 to 2021 expected in the Euro 63 million to Euro 68 million range. An EBITDA margin of between 55% and 65% is forecast over the plan.

Thanks to these performances, sustained EBIT and net profit growth is forecast.

The expected cash generation under the Plan should enable the reaching of a Group net cash position in 2020 of between Euro 69-72 million, compared to the Euro 75 million previously forecast and of between Euro 96-101 million in 2021. Investment in the five year period 2017-2021 is forecast at between Euro 83-88 milioni.

The beginning of the cable's commercialisation, the major development of the business market and the continual growth of the Wholesale market indicate further improved results for 2017, with revenues forecast in a range between Euro 60 and Euro 63 million, EBITDA of between Euro 20 and Euro 23 million and EBIT of between Euro 6 and Euro 9 million. At balance sheet level investments are expected of between Euro 25 and 28 million and a Net Cash Position of between Euro 20 and Euro 23 million.

SHAREHOLDERS' AGM CALL

The Board of Directors of Retelit S.p.A. will submit the financial statements for the approval of the Shareholders' Meeting to be called, according to the statutorily established terms and means, for April 27, 2017 in single call.

The call notice and the relative documentation required by applicable regulations, including the 2016 Annual Accounts, the Directors' Report, the Directors' Report on matters on the Agenda of the Shareholders' AGM, the Board of Statutory Auditors' Report, the Independent Audit Firm Report, the Corporate Governance and Ownership Structure Report and the Remuneration Report, will be made available to the public, in accordance with the established terms and means, at the registered office of the company at Milan, Viale Francesco Restellii No. 3/7 and on the Company website (www.retelit.it), as well as on the authorised 1Info storage mechanism at www.1Info.it

Mr. Fabio Bortolotti, as Executive Officer for Financial Reporting, declares, in accordance with paragraph 2 of Article 154-bis of the CFA, that the accounting information contained in this press release corresponds to the underlying accounting documents, records and accounting entries.

The 2016 results and the 2017-2021 Industrial Plan will be illustrated on March 15, 2017 at 5PM in a conference call involving the Chairman of the Company, Dario Pardi and the Chief Executive Officer, Federico Protto. Details for participation in the conference call are as follows:

- for Italy: +39 02 805 88 11
- for the United Kingdom: +44 1 212818003
- for the United States (local number): +1 718 7058794
- for the United States (green number): +1 855 2656959

The support documents will be made available on the website at the beginning of the conference call.

This press release contains forward-looking statements concerning plans, opinions or current Group expectations in relation to results and other aspects of the activities and strategies of the Group. Readers of this press release should not place an undue reliance on such forward-looking statements as results may differ significantly from such forecasts due to a number of factors, most of which are outside of the Group's control. The forward looking statements constitute in fact true and proper forecasts or strategic objectives established under company plans.

Retelit Group

Retelit is a major Italian provider of data and infrastructure services to the telecommunications market and has been listed on the Milan Stock Exchange since 2000, joining the STAR segment on September 26, 2016. The company's fiber optic infrastructure at December 31, 2016 covers over 9,800 kilometers (equivalent to approx. 218,000 km of fiber-optic cables, of which 63,000 located in MAN), connecting 9 Urban Networks and 15 Data Centers across Italy. With over 3,000 On-Net sites, of which 1,868 customer sites, 629 telecommunication towers, 447 cabinets and 39 Data Centers, the Retelit network also extends beyond Italy: thanks to the partnership with BICS it has access to the largest European PoP's, including Frankfurt, London, Amsterdam and Paris. Retelit is member of AAE-1 (Africa-Asia-Europe-1), the submarine cable system connecting Europe to Asia through the Middle East, reaching 19 Countries, from Marseille to Hong Kong, owning a landing station in Bari. These valuable assets make Retelit a perfect technological partner for TLC and ICT operators and businesses, providing on demand a complete range of high-quality, reliable and safe solutions. Services range from ultra-broadband fiber optic internet connection to the Cloud and network and VPN services to colocation solutions, with approx. 10,400 square meters of equipped and secure fiber optic connected spaces, for the outsourcing of Data Center services and the satisfaction of disaster recovery and business continuity needs. Retelit's Carrier Ethernet services are in addition Metro Ethernet Forum (MEF) certified.

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The Income Statement, Balance Sheet and Cash Flow Statement of the Retelit Group and Retelit S.p.A at December 31, 2016 are attached.

Consolidated Income Statement

(thousands of Euro)	2016	2015
Revenues	48,133	41,734
Other income	1,458	370
Total revenues and operating income	49,592	42,104
Purchase of raw materials and services	(23,408)	(20,257)
Personnel costs	(6,354)	(6,096)
Other operating costs	(5,253)	(4,709)
EBITDA	14,576	11,043
Amortisation, depreciation and write-downs of tangible and intangible assets	(12,007)	(11,116)
Other provisions and write-downs	(398)	(707)
EBIT	2,172	(781)
Financial income	724	2,491
Financial income from derivative instruments	107	1,798
Financial charges	(120)	(90)
PRE-TAX PROFIT	2,882	3,418
Income taxes	(17)	-
Deferred tax charge	-	-
		of which related parties
Profit/(loss) recognised to Net Equity to be recognised to the Income Statement	121	
Profit/(loss) recognised to Net Equity not to be recognised to the Income Statement	(66)	54
Total net profit	2,920	3,472

The audit by the independent audit firm is in the process of completion.

Consolidated Balance Sheet

(thousands of Euro)	31/12/2016	31/12/2015
Non-current assets:		
Network infrastructure	107,877	100,139
Other fixed assets	1,239	824
Tangible assets in progress	36,992	23,646
Total property, plant and equipment	146,109	124,609
Concessions, licenses, trademarks & similar rights	21,371	20,407
Other intangible assets	500	0
Total intangible assets	21,871	20,407
Non-current financial assets	-	5,999
Deferred tax assets	7,200	7,200
Other non-current assets	457	421
Total other non-current assets	7,657	13,620
TOTAL NON-CURRENT ASSETS	175,637	158,636
Current assets:		
Current financial assets	5,751	6,023
Trade and miscellaneous receivables, and other current assets	21,882	24,010
Tax receivables, VAT receivables and current direct taxes	1,134	145
Cash and cash equivalents	19,459	12,400
TOTAL CURRENT ASSETS	48,226	42,578
TOTAL ASSETS	223,863	201,214
Shareholders' equity:		
Share capital issued	144,330	144,209
Net equity reserves and net result	(8,973)	(11,772)
Net equity and net result	135,357	132,437
TOTAL NET EQUITY	135,357	132,437
Non-current liabilities:		
Non-current financial liabilities	11,037	1,441
Post-employment benefits and employee provisions	1,392	1,203
Provisions for risks and future charges	2,690	3,172
Deferred non-current revenues	33,333	26,887
TOTAL NON-CURRENT LIABILITIES	48,453	32,703
Current liabilities:		
Current financial liabilities	888	559
Trade payables, other payables & other financial liabilities	35,990	32,639
<i>of which related parties</i>	<i>1,049</i>	<i>546</i>
Tax payables, VAT payables and current direct taxes	17	357
Deferred current revenues	3,157	2,520
TOTAL CURRENT LIABILITIES	40,054	36,074
TOTAL LIABILITIES	223,863	201,214

Consolidated cash flow statement

(thousands of Euro)	31/12/2016	31/12/2015
CASH FLOW FROM OPERATING ACTIVITIES:		
Net profit (loss)	2,865	3,418
<i>Adjustments for:</i>		
Amortisation & Depreciation	12,007	11,116
Doubtful debt provision	283	334
Changes in post-employment benefit provisions	123	88
Change in Provisions for risks and charges	(482)	47
Interest and other financial charges	(711)	(4,200)
Interest and other financial charges received/(paid)	659	2,402
Income taxes	17	
(Gain)/loss on divestments	(309)	
CASH FLOW GENERATED (ABSORBED) FROM OPERATING ACTIVITIES	14,453	13,207
(Increase)/Decrease trade receivables and other financial assets	1,846	(8,130)
(Increase)/Decrease tax receivables, VAT receivables and direct taxes	(430)	(83)
(Increase)/Decrease trade payables and deferred revenues	7,750	12,911
(Increase)/Decrease tax payables, VAT payables and current direct taxes	(357)	(60)
NET CHANGES IN CURRENT ASSETS AND LIABILITIES AND OTHER CHANGES	8,809	4,638
CASH FLOW GENERATED (ABSORBED) FROM OPERATING ACTIVITIES	23,262	17,845
CASH FLOW FROM INVESTING ACTIVITIES		
Investments in tangible assets	(29,755)	(26,575)
Divestments in tangible assets	179	34
Gain/(loss) on divestments	309	
Investments in intangible assets	(5,397)	(3,630)
Change due to monetary effects of investments	2,494	2,632
Net investments in other non-current assets	(36)	(58)
CASH FLOW GENERATED (ABSORBED) FROM INVESTING ACTIVITIES	(32,206)	(27,597)
CASH FLOW FROM FINANCING ACTIVITIES		
Net (Increase)/Decrease financial assets	6,248	4,569
New loan issue	10,315	2,000
(Repayment) of loans	(560)	
CASH FLOW GENERATED (ABSORBED) FROM FINANCING ACTIVITIES	16,003	6,569
TOTAL CASH FLOWS	7,059	(3,183)
CASH & CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	12,400	15,583
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	19,459	12,400

Consolidated Net Financial Position

	Balance at 31.12.2016	Balance at 31.12.2015	Changes
A. Cash	19,459	12,400	7,059
D. Liquidity	19,459	12,400	7,059
E. Current financial receivables	562	1,126	(564)
G. Current portion of non-current debt	888	559	330
I. Current debt	888	559	330
J. Net current financial debt I-E-D	(19,133)	(12,968)	(6,165)
K. Non-current bank payables	11,037	1,441	9,596
N. Non-current debt	11,037	1,441	9,596
O. Net debt J+N	(8,095)	(11,526)	3,431

Balance Sheet Retelit S.p.a

	31/12/2016	31/12/2015
Non-current assets:		
Other tangible assets	173,009	209,694
Tangible assets in progress	34,605,254	22,988,183
Total property, plant & equipment	34,778,263	23,197,876
Intangible assets		
Concessions, licenses, trademarks & similar rights	497,514	340,229
Other intangible assets	0	0
Total intangible assets	497,514	340,229
Investments	142,618,209	142,618,209
Non-current financial assets	-	837,904
Other non-current assets	510	1,504
Total other non-current assets	142,618,718	143,457,617
TOTAL NON-CURRENT ASSETS	177,894,495	166,995,723
Current assets:		
Current financial assets	561,370	1,126,135
Trade receivables, other receiv. & other current assets <i>of which related parties</i>	612,856	1,134,645 978,597
Tax receivables, VAT receivables and current direct taxes	800,814	57,934
Cash and cash equivalents	5,634,634	5,623,883
TOTAL CURRENT ASSETS	7,609,673	7,942,597
TOTAL ASSETS	185,504,168	174,938,321
Shareholders' equity:		
Share capital issued	144,329,735	144,208,619
Net equity reserves and net result	(3,751,452)	330,489
Net equity and net result	140,578,283	144,539,108
TOTAL NET EQUITY	140,578,283	144,539,108
Post-employment benefits and employee provisions	342,051	334,466
Provisions for risks and future charges	440,590	570,807
Deferred non-current revenues	500,000	-
Non-current financial liabilities to Group companies	40,401,015	26,014,300
TOTAL NON-CURRENT LIABILITIES	41,683,656	26,919,573
Current liabilities:		
Current financial liabilities to Group companies	-	-
Trade payables, other payables & other fin. liabilities <i>of which related parties</i>	3,242,229 186,917	3,122,857
Tax payables, VAT payables and current direct taxes	-	356,782
TOTAL CURRENT LIABILITIES	3,242,229	3,479,640
TOTAL LIABILITIES	185,504,168	174,938,321

Comprehensive Income Statement Retelit S.p.a.

	31/12/2016	31/12/2015
Revenues	107,656	80,079
Other income	2,170,423	2,129,086
<i>of which related parties</i>	<i>1,883,311</i>	<i>2,086,323</i>
Total revenues and operating income	2,278,079	2,209,164
Purchase of raw materials and services	(3,024,545)	(3,048,708)
Personnel costs	(2,018,491)	(1,949,709)
Other operating costs	(426,795)	(503,062)
EBITDA	(3,191,751)	(3,292,315)
Amortisation, deprec. & write-downs of tangible & intangible assets	(146,958)	(82,462)
Other provisions and write-downs	(114,760)	(283,104)
EBIT	(3,453,469)	(3,657,881)
Financial income	132,236	3,216,623
Financial charges	(737,849)	(275,072)
<i>of which related parties</i>	<i>728,994</i>	
PRE-TAX PROFIT/(LOSS)	(4,059,083)	(716,330)
Income taxes	-	-
Deferred tax income/(charge)	-	-
Net profit/(loss)	(4,059,083)	(716,330)
Profit/(loss) recognised to Net Equity to be recognised to the Income Statement	121,116	
Profit/(loss) recognised to Net Equity not to be recognised to the Income Statement	(22,857)	19,754
Total net profit/(loss)	(3,960,824)	(696,577)

Cash flow statement Retelit S.p.a.

(thousands of Euro)	31/12/2016	31/12/2015
CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit (loss)	(4,059)	(716)
<i>Adjustments for:</i>		
Amortisation & Depreciation	147	82
Changes in post-employment benefit provisions	(15)	(2)
Change in Provisions for risks and charges	(130)	(23)
Interest and charges matured	606	(2,942)
Interest and other financial charges received/(paid)	25	1,157
CASH FLOW ABSORBED FROM OPERATING ACTIVITIES	(3,427)	(2,445)
(Increase)/Decrease trade receivables and other financial assets	522	(120)
(Increase)/Decrease tax receivables, VAT receivables and direct taxes	(184)	(8)
(Increase)/Decrease trade payables and deferred revenues	902	869
(Increase)/Decrease tax payables, VAT payables and current direct taxes	(357)	20
NET CHANGES IN CURRENT ASSETS AND LIABILITIES AND OTHER CHANGES	883	761
NET CASH FLOW ABSORBED FROM OPERATING ACTIVITIES	(2,544)	(1,684)
CASH FLOW FROM INVESTING ACTIVITIES		
(Investments) in tangible assets	(11,617)	(15,437)
(Investments) in intangible assets	(268)	(207)
Change due to monetary effects of investments	(623)	279
Net investments in other non-current assets		
CASH FLOW ABSORBED FROM INVESTING ACTIVITIES	(12,508)	(15,365)
CASH FLOW FROM FINANCING ACTIVITIES		
Net (Increase)/Decrease financial assets	1,404	(14)
Draw-down/(repayment) loans	13,659	11,635
CASH FLOW GENERATED FROM FINANCING ACTIVITIES	15,063	11,621
TOTAL CASH FLOWS	10	(5,427)
CASH & CASH EQUIVALENTS AT BEGINNING OF YEAR	5,624	11,051
CASH AND CASH EQUIVALENTS AT END OF YEAR	5,634	5,624