

ATTACHMENTS TO THE PRESS RELEASE

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, 2017 to December 31, 2017.

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-- which are also presented in other financials reports (annual and interim) - 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:

(thousands of euros)	31.12.2017	31.12.2016
Profit (loss) before tax from continuing operations	175,506	143,715
+ Finance expenses	4,010	3,574
- Finance income	301	27
EBIT - Operating profit (loss)	179,215	147,262
+/- Impairment losses (reversals) on non-current assets	0	105
+/- Losses (gains) on disposals of non-current assets	262	2,689
+ Depreciation and amortization	12,501	13,562
EBITDA - Operating profit (loss) before depreciation and amortization, Capital gains (losses) and Impairment reversals (losses) on non-current assets	191,978	163,618

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

The table below shows the ESMA net financial debt of the Company at December 31, 2017, calculated in accordance with paragraph 127 of the recommendations contained in ESMA document no. 319 of 2013, implementing Regulation (EC) 809/2004. The table also shows the reconciliation of net financial indebtedness determined according to the criteria established by ESMA with that used by INWIT to monitor its financial position.

(thousands of euros)	31.12.2017	31.12.2016
A Cash		
B Other cash equivalents	54,360	85,599
C Securities held for trading		
D Liquidity (A+B+C)	54,360	85,599
E Current financial receivables	70	89
F Current financial payables		
G Current portion of financial payables (medium/long-term)	(40,178)	(20,233)
H Other current financial payables		
I Current financial debt (F+G+H)	(40,178)	(20,233)
J Net current financial debt (I+E+D)	14,252	65,455
K Financial payables (medium/long-term)	(59,884)	(99,763)
L Bonds issued		
M Other non-current financial payables		
N Non-current financial debt (K+L+M)	(59,884)	(99,763)
O Net financial debt (J+N)	(45,632)	(34,308)

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, 2017 is shown below:

(thousands of euros)	31.12.2017	31.12.2016
ESMA net financial debt	(45,632)	(34,308)
Other financial receivables and other non-current financial assets (*)	201	216
INWIT net financial debt	(45,431)	(34,092)

(*) This accounting item refers to loans granted to certain employees of the Company at 31.12.2017

The table above shows the reconciliation between the net financial debt determined according to the criteria established by ESMA and that used by INWIT to monitor its financial position.

- **Operating free cash flow**

Operating free cash flow is calculated as follows:

(thousands of euros)

	31.12.2017	31.12.2016
EBITDA	191,978	163,618
Capex	(55,375)	(35,271)
EBITDA - Capex	136,603	128,347
Change in net operating working capital:	7,567	8,295
Change in trade receivables	(15,276)	1,684
Change in trade payables (*)	33,307	16,003
Other changes in operating receivables/payables	(10,464)	(9,392)
Change in employee benefits	1,072	222
Change in operating provisions and Other changes	590	(4,624)
Operating free cash flow	145,832	132,240

(*) 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 at December 31, 2017 (hereinafter the “**2017 Financial Statements**”). To such extent, please note that the audit work by our independent auditors on the 2017 Financial Statements for the year ended December 31, 2017 has not yet been completed.

SEPARATE INCOME STATEMENT

(euro)	1.1 - 31.12. 2017	1.1 - 31.12. 2016
Revenues	356,595,997	333,508,046
Acquisition of goods and services	(152,199,821)	(160,660,018)
Employee benefits expenses - Ordinary expenses	(7,732,055)	(6,635,876)
Employee benefits expenses - Expenses related to restructuring and rationalization	(1,186,130)	
Other operating expenses	(3,499,530)	(2,594,384)
Operating profit before depreciation and amortization, capital gains (losses) and impairment reversals (losses) on non-current assets (EBITDA)	191,978,461	163,617,768
Amortization, gains/losses on disposals and impairment losses on non-current assets	(12,763,399)	(16,355,935)
Operating profit (loss) (EBIT)	179,215,062	147,261,833
Finance income	301,216	27,099
Finance expenses	(4,009,849)	(3,573,626)
Profit (loss) before tax	175,506,429	143,715,306
Income tax	(48,765,655)	(45,790,473)
Profit for the period	126,740,774	97,924,833
Basic and Diluted Earnings Per Share	0.211	0.163

STATEMENTS OF COMPREHENSIVE INCOME

(euro)		December 31, 2017	December 31, 2016
Profit for the period	(a)	126,740,774	97,924,833
Other components of the Statement of Comprehensive Income			
Other components that will not subsequently be reclassified in the income statement		-	-
Remeasurements of employee defined benefit plans (IAS19):			
Actuarial gains (losses)		70,209	(178,479)
Net fiscal impact		(16,850)	42,835
Total other components that will not subsequently be reclassified in the income statement	(b)	53,359	(135,644)
Other components that will not subsequently be reclassified in the income statement		-	-
Total other components that will subsequently be reclassified in the Separate Income Statements	(c)	-	-
Total other components of the Statement of Comprehensive Income	(d=b+c)	53,359	(135,644)
Total Comprehensive income for the period	(e=a+d)	126,794,133	97,789,189

STATEMENTS OF FINANCIAL POSITION

Assets

(euro)	31.12.2017	31.12.2016
Assets		
Non-current assets		
Intangible assets		
Goodwill	1,411,770,320	1,411,770,320
Intangible assets with a finite useful life	26,548,916	13,462,499
Tangible assets		
Property, plant and equipment	222,336,325	193,027,646
Other non-current assets		
Non-current financial assets	200,878	216,480
Miscellaneous receivables and other non-current assets	14,493,560	16,685,002
Deferred tax assets	2,798,307	1,230,684
Total Non-current assets	1,683,148,306	1,636,392,631
Current assets		
Trade and miscellaneous receivables and other current assets	73,280,611	51,893,630
Financial receivables and other current financial assets	69,688	88,859
Income tax receivables	-	-
Cash and cash equivalents	54,360,006	85,598,979
Total Current assets	127,710,305	137,581,468
Total Assets	1,810,858,611	1,773,974,099

Equity and Liabilities

(euro)	31.12.2017	31.12.2016
Equity		
Share capital	600,000,000	600,000,000
Share premium reserve	660,000,000	660,000,000
Legal reserve	120,000,000	120,000,000
Other reserves	(37,603)	(90,962)
Retained earnings (losses) including earnings (losses) for the period	142,698,232	104,157,459
Total Equity	1,522,660,629	1,484,066,497
Liabilities		
Non-current liabilities		
Employee benefits	2,387,811	1,835,029
Deferred tax liabilities	-	-
Provisions	97,268,838	95,190,596
Non-current financial liabilities	59,884,084	99,763,450
Miscellaneous payables and other non-current liabilities	2,426,158	1,600,690
Total Non-current liabilities	161,966,891	198,389,765
Current liabilities		
Current financial liabilities	40,178,370	20,232,594
Trade and miscellaneous payables and other current liabilities	84,420,058	69,239,541
Income tax payables	1,632,663	2,045,702
Total current Liabilities	126,231,091	91,517,837
Total Liabilities	288,197,981	289,907,602
Total Equity and Liabilities	1,810,858,611	1,773,974,099

STATEMENTS OF CASH FLOWS

(euro)	Year ended December 31, 2017	Year ended December 31, 2016
Cash flows from operating activities:		
Profit for the period	126,740,774	97,924,833
Adjustments for:		
Depreciation and amortization, losses on disposals and impairment losses on non-current assets	12,763,399	16,355,935
Net change in deferred tax assets and liabilities	(1,584,473)	(76,961)
Change in provisions for employee benefits	1,071,714	222,351
Change in trade receivables	(15,275,961)	1,682,745
Change in trade payables	13,656,313	8,641,454
Net change in miscellaneous receivables/payables and other assets/liabilities	(25,043,000)	(22,727,000)
Other non-monetary changes	2,020,554	2,392,972
Cash flows from operating activities	(a) 114,349,320	104,416,329
Cash flows from investing activities:		
Total purchase of intangible and tangible assets on an accrual basis (*)	(55,375,000)	(35,271,000)
<i>Change in amounts due to fixed asset suppliers</i>	19,649,000	7,362,000
Total purchase of intangible and tangible assets on a cash basis	(35,726,000)	(27,909,000)
Change in financial receivables and other financial assets	34,000	(201,448)
Acquisition of control in subsidiaries or other businesses, net of cash acquired	-	(5,939,000)
Deferred payment for the acquisition of control in subsidiaries or other businesses	(1,763,000)	-
Cash flows used in investing activities	(b) (37,455,000)	(34,049,448)
Cash flows from financing activities:		
Change in current and non-current financial liabilities	(19,933,292)	98,697
Dividends paid	(88,200,000)	(56,700,000)
Cash flows used in financing activities	(c) (108,133,292)	(56,601,303)
Aggregate cash flows	(d=a+b+c) (31,238,972)	13,765,578
Net cash and cash equivalents at beginning of the period	(e) 85,598,979	71,833,401
Net cash and cash equivalents at end of the period	(f=d+e) 54,360,006	85,598,979