



Press Release

INWIT: BOARD OF DIRECTORS EXAMINED AND APPROVED THE INTERIM REPORT ON OPERATIONS AT 31 March 2017

- ▶ REVENUES: 86.4 MILLION EURO (+5.8% COMPARED WITH THE FIRST QUARTER OF 2016)
- ▶ REVENUES FROM OTHER OPERATORS: 21.0 MILLION EURO (+15.4% COMPARED WITH THE SAME PERIOD OF 2016)
- ▶ EBITDA: 44.3 MILLION EURO (+13.9% COMPARED WITH THE FIRST QUARTER OF 2016)
- ▶ EBITDA MARGIN: 51.3%, UP 3.7 PERCENTAGE POINTS ON 1Q'16
- ▶ PROFITS: 28.9 MILLION EURO (+23.0% COMPARED WITH THE SAME PERIOD OF 2016)

Rome, April 28, 2017

The Board of Directors of Infrastrutture Wireless Italiane S.p.A. (INWIT), meeting today under the chairmanship of Francesco Profumo, examined and approved the Interim Report on Operations at March 31, 2017.

Main Results at March 31, 2017

In the first three months of the year, the results confirm the progressive increase in both turnover from the main radio operators and the profitability of the company's infrastructure. These results stem from a further increase in the co-tenancy ratio and the continued containment of passive leasing costs.

Revenues in the first quarter of 2017 amounted to **86.4 million** euro, up 5.8% from the same period of 2016, of which:

- 64.5 million euro from the Telecom Italia Group relating to the service contract, the **Master Service Agreement**, for the sites conferred,
- 0.9 million euro from the impact of new hosting on **new sites**.
- 21.0 million euro from **third-party revenues**.

Infrastrutture Wireless Italiane S.p.A.

Telecom Italia Group - Telecom Italia S.p.A. Direction and coordination

Registered Office: Milan, at Via G. Vasari 19 - 20135 Milan -

Tax Code/VAT Registration Number and Milan Business Register Number 08936640963

Share Capital 600,000,000.00 euros - Certified e-mail (PEC) adminpec@inwit.telecompost.it



EBITDA totalled **44.3 million euro**, with a margin on revenues of 51.3%, reflecting, in particular, the increase in hosting and the reduction in lease costs. The value has increased by 13.9% from the same period of 2016 and is once again in line with the forecast growth reported to the market (“low teens”).

Operating profit (EBIT) was **41.3 million euro**, with an increase of 15.7% from the first quarter of last year.

Net profits for the period recorded a new peak, which totalled **28.9 million euro**, up 23.0% from the first quarter of 2016.

The business investments for the period amount to **6.8 million euro** and include the acquisition of land and building rights and the creation of new sites and micro-cell coverage.

Net financial debt totalled **18.7 million euro** (15.6 million euro less than the debt at 31 December 2016) and equalled 0.1 times annualised EBITDA.

“This first quarter of 2017 confirms the validity of the route we embarked upon and strengthens the credibility of the growth objectives set out in our Strategic Plan” – commented INWIT Chief Executive Officer, Oscar Cicchetti. “We in fact record the growth of our customer base borne out by the co-tenancy ratio that has risen to 1.75 tenants per Site, a continued containment of costs and, in particular, of rental costs and the launch of various development projects relating to new sites, micro-cell coverage and fibre backhauling. INWIT is proving that it is well able to make the most of important opportunities to create value, standing out for its technological excellence, innovation and development capability.”

Outlook for the 2017 financial year

In light of the final results at March 31, 2017, the Company confirms the guidelines, already disclosed to the market.

The infrastructure market for radio networks, and mobile phone ones in particular, is undergoing a major transformation. In such a context, INWIT, as described in its Business Plan, will continue to:

- leverage the value of its infrastructure assets, progressively increasing the co-tenancy ratio, mainly through the increase in the number of operators hosted;
- increase its efficiency by continuing with its site disposal plan and with the plan to renegotiate rental contracts;
- expand upon its sites portfolio, intercepting the demand for new macro sites;
- modernise its assets, developing fibre connections between the operator exchanges and its towers.
- satisfy the demand by operators, deriving from the exponential growth seen in data traffic, developing a micro-cell coverage plan in the places where there is the greatest concentration of users.

Events after March 31, 2017

The INWIT Shareholders’ Meeting on April 20, 2017, to approve the financial statements of the Company for 2016, resolved to distribute a dividend of 14.7 eurocents per ordinary share to the shareholders.

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At the same time, the Shareholders' Meeting appointed Giuseppe Gentili and Saverio Orlando as Directors of the Company, previously co-opted to the board in its meetings on June 10, 2016 and March 16, 2017. The Shareholders' Meeting also approved the change in the number of members of the Board of Directors, from 11 to 15 members, appointing 4 new directors in the persons of Filomena Passeggio, Luca Aurelio Guarna, Agostino Nuzzolo and Giuseppe Recchi, who will remain in office until the end of the term of office of the current Board of Directors, and therefore until the approval of the financial statements at December 31, 2017.

Today, the Board of Directors verified that the Directors Gentili, Guarna and Passeggio met the independence requirements pursuant to the Borsa Italiana Corporate Governance Code and art. 148 of the Consolidated Law on Finance.

Moreover, the Board also confirmed Director Giuseppe Gentili as member of the Nomination and Remunerations Committee and changed the number of members of the above mentioned Committee and of the Control and Risk Committee from 3 to 5 with the appointment of Directors Guarna and Passeggio for both Committees.

The economic and financial results of the INWIT Group at March 31, 2017 will be illustrated to the financial community during a conference call scheduled for today April 28, 2017 at 6.00 pm (CET). Journalists may listen in to the presentation, without asking questions, by calling: +39 06 33168.

The presentation supporting the conference call will be made available in advance in the Investors section of the company website www.inwit.it.

Pursuant to sub-section 2, Article 154-bis of the Consolidated Law on Finance, the Manager responsible for preparing the corporate accounting documents, Rafael Giorgio Perrino, has declared that the accounting disclosures contained in this press release correspond to the documentary evidence and the accounting books and records.

Disclaimer

This press release contains predictions of events and future results of INWIT that are based on the current expectations, estimates and projections regarding the sector in which INWIT operates and on the current opinions of its management. These elements have by their nature a component of risk and uncertainty, because they depend on future events taking place. It should be noted that the actual results may differ significantly from those announced due to a multiplicity of factors, including: global economic conditions, competition impact, and political, economic and regulatory developments in Italy.

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