Press Release

TIM: The Board started an analysis of the guidelines for the 2018-2020 Business Plan and approved 2018 preliminary budget, confirming financial guidance for next year previously communicated to the market

Rome, 5 December 2017

TIM’s Board of Directors met today to discuss the guidelines for the 2018-2020 Business Plan and approve the 2018 preliminary budget. In the past, the Company used to approve the budget together with the Business Plan, usually during the first quarter of the year.

The preliminary 2018 budget confirms, as of today, the guidance announced with the approval of the 2017-2019 Business Plan. The 2018 preliminary budget will be completed and included in the 2018-2020 Strategic Plan, which will be discussed by the Board of Directors on 6 March 2018. The Plan will focus on a value driven strategy to maximise convergence and scalable bundles, leveraging its extensive ultra-broadband fixed fibre and LTE networks; it will be based on greater and improved use of data analytics and digitalisation, which will contribute to greater efficiency, allowing a better quality of service to customers and produce higher profitability and cash flow generation. In this context the CEO presented an overview of the regulatory framework, taking into account the views of government officials and industry authorities. The overview included, among other topics, the different fixed network separation models, comparing them with other international cases. Over the coming months, the management will continue to examine various hypothesis to establish whether network separation is needed to address Institutions input and to unlock value.

“By approving a preliminary budget three months ahead of schedule, we provide clear plans and objectives from the very beginning of 2018, thus enabling the Company to start executing on its ambitious strategy to achieve an improved and sustainable business model”, said TIM CEO Amos Genish.

Board authorises by a majority vote to continue negotiations and finalize new agreement with Mediaset Group for the acquisition of content

One key element of TIM’s 2018-2020 Business Plan is to deliver a convergence portfolio to include video content within its mobile and fixed offerings as was recently launched with TIM SHOW, the multimedia premium content offer with music, video games, TV series and news available to TIM mobile users at no extra cost.
In this perspective, the Board authorised, by a majority vote, management to continue negotiations and finalise a new and comprehensive multi-year agreement with Mediaset Group to deliver to TIM’s customers the best Mediaset linear content, movies and TV series and sport news. The agreement would come into force from 2018 with both linear and on-demand channels and will enrich TIMVISION platform. TIM customers will be able to access the content via decoders, Smart TVs, the web or the mobile App. The Company is negotiating further content agreements with other market players.
On the side of the multi-year agreement the Board authorised management to negotiate the acquisition from Mediaset of Premium’s rights on the away matches of the 2017/2018 Series A TIM championship, the 2018 UEFA Champions League and other important international football matches offered by Premium. This agreement will replace the current agreement between TIM and Mediaset.
Clarification on the setting-up a joint venture with Canal+

Finally, the Board of Directors returned to discussing the subject of the Joint Venture with Canal+, and by a majority vote approved it on the basis of an amendment made to the agreements with a view to clarifying the duration of the commitments, thus confirming the definition of the initiative as a related party transaction of minor significance based on the parameters established by Consob (see press release of 20 October 2017), which the Board of Statutory Auditors has challenged. The Board therefore had an opportunity to reiterate by a majority vote the interest, convenience and appropriateness of the conditions of the agreement, summarising the reasons behind it in the context of the strategic plan being defined.

Note that this press release contains forward-looking statements about TIM Group's intentions, beliefs and current expectations with regard to its financial results and other aspects of the Group's operations and strategies. Readers of the present press release should not place undue reliance on such forward-looking statements, as final results may differ significantly from those contained in the above-mentioned forecasts owing to a number of factors, the majority of which are beyond the Group's control.