

### INWIT INTERIM FINANCIAL REPORT AT 31 MARCH 2019 EXAMINED AND APPROVED BY THE BOARD OF DIRECTORS

- ▶ REVENUES: 94.9 MILLION EUROS, + 3.6% COMPARED TO THE SAME PERIOD 2018 EXCLUDING THE ONE-OFF CHARGE OF 3.9 MILLION 2018
- ▶ EBITDA: 82.8 MILLION EUROS. WITH THE SAME ACCOUNTING PRINCIPLES AND EXCLUDING THE ONE-OFF CHARGE OF 2018, AMOUNTED TO 53.5 MILLION EUROS, UP 4.2% COMPARED TO THE FIRST QUARTER OF 2018
- ▶ NET PROFIT: 32.4 MILLION EUROS. NET PROFIT WITH THE SAME ACCOUNTING STANDARDS 34.4 MILLION EUROS UP 5.8% COMPARED TO THE FIRST QUARTER OF 2018 EXCLUDING ONE-OFF CHARGE
- ▶ THE TENANCY RATIO (AVERAGE OPERATORS PER SITE) REACHED 1.9X
- ▶ PELUSO APPOINTED AS THE NEW CHAIRMAN, NARDELLO JOINS THE BOARD

Rome, 15 May 2019

The Board of Directors of Infrastructure Wireless Italiane S.p.A. (INWIT), which met today, examined and approved the Interim Report on Operations as at March 31, 2019.

#### Main results at 31 March 2019

The adoption of IFRS16 has modified the composition of the main economic and financial indicators, precluding immediate comparison with previous period results.

More specifically, for the first quarter of 2019, the following should be noted:

- **Revenues** amounted to 94.9 million euros, down 0.6% compared to the same period in 2018 but up 3.6% if one excludes the one-off charge of 3.9 million euros booked in the first quarter of 2018.
- **EBITDA** amounted to 82.8 million euros, up 61.1% compared to the first quarter of 2018 (excluding the aforementioned one-off charge in the same period in 2018). This value is affected, in the amount of 29.2 million euros, by the adoption of accounting standard IFRS 16 in application of which, with reference to the lease contract liabilities that do not constitute the provision of services and which have a residual duration of more than 12 months, the rents are no longer recorded as costs for purchases of goods and services, but must be reported in the statement of financial position as a liability of a financial nature, consisting of the present value of future rents, with the right to use the leased asset, amortised over the probable contractual duration, being reflected in the assets.
- The **comparable EBITDA** for the first quarter of 2019 - prepared using the previous accounting standards - amounted to 53.5 million euros, up 4.2% compared to the first quarter of 2018, excluding the one-off charge.
- The **EBIT** amounts to 51.7 million euros, a decrease of 0.7% compared to the same period in 2018, but up 7.4% excluding the one-off charge 2018.

#### Infrastrutture Wireless italiane S.p.A.

The Telecom Italia Group is managed and coordinated by Telecom Italia S.p.A.

Registered office: Via G. Vasari 19 - 20135 Milan - Tax code, VAT number and registration number with the Milan Register of Companies 08936640963  
Share Capital EUR 600,000,000.00 - CERTIFIED EMAIL [adminpec@inwit.telecompost.it](mailto:adminpec@inwit.telecompost.it)



- The **comparable EBIT** for the first quarter of 2019 amounted to 49.3 million euros, up 2.3% compared to 2018 excluding the one-off charge.
- The **result for the period** is positive at 32.3 million, a decrease of 11.0% compared to the same period in 2018, down 0.2% when excluding the one-off charge.
- **The result of the comparable period** is positive at 34.4 million, down by 5.4% compared to the same period in 2018.
- Industrial **investments** for the period came to 7.6 million euros.
- **Net Financial Debt** totalled 686.407 million euros, including in particular the increase of 668.982 million euros deriving from the application of the new accounting standard IFRS 16 (Leasing). Excluding this impact, Adjusted Net Financial Debt is equal to 17.7 million euros, a significant improvement compared to 31 December 2018 (48.088 million euros).

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In Q1 2019, INWIT continued to develop its business by taking advantage of the opportunities offered by the market. In particular:

- We continued to enhance the value of our infrastructure assets by progressively increasing the tenancy ratio (average operator presence per site). At 31 March 2019, the value was 1.9x, confirming the amount at the end of 2018.
- We continued to increase efficiency with our pursuit of the lease renegotiation and land acquisition plans.
- The demand for new sites is being met, reaching 550 new plants from the date of the award.
- The company continued with its multi-operator microcell coverage plan in places with the highest concentration of users and traffic, reaching 2,600 remote units.
- It has modernised its sites, reaching 630 connections via fibre backhauling.

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*"The first quarter of 2019 also closed positively, with a slight increase. The company is strongly committed to concluding the agreement with Tim and Vodafone. We firmly believe in this agreement, the negotiation of which is continuing according to plan," stressed the Chief Executive Officer, Giovanni Ferigo, "that will give new impetus to the growth of INWIT thanks to the long-term collaboration with two leading operators. The new structure will allow us to continue with and accelerate further our site development and modernisation plan and the development of new business".*

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## Outlook for 2019

The wireless infrastructure market is continuing its profound transformation and demand for services from mobile operators and other radio network operators is growing.

Mobile Operators must increase their Service Access Points to expand 4G coverage and prepare for the transition from 4G to 5G.

Wireless Fixed Access providers are also expanding their networks to increase coverage and improve the quality of service offered to customers.

Other radio network operators such as IoT and "Public Safety" providers are already on the market and new entrants are expected to specialise in specific product/market relationships through the innovative use models enabled by 5G. These market dynamics, combined with the growing willingness of operators to share network infrastructure elements, lead INWIT to expect further growth in traditional business and a strong acceleration in new businesses.

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## Corporate governance issues

In place of Stefano Siragusa and Mario Di Mauro, the Board of Directors has appointed Piergiorgio Peluso and Carlo Nardello, non-executive Directors, who will remain in office until the next Shareholders' Meeting.

Piergiorgio Peluso was appointed Chairman of the Board of Directors, without executive powers.

The Board also supplemented the composition of the Strategic Committee with the appointment of Peluso and Nardello. The curricula vitae of the Directors Peluso and Nardello - who do not hold shares issued by the Company - will be available on the Company's website at [www.inwit.it](http://www.inwit.it).

Finally, for logistical reasons, the company's board of directors has resolved to transfer the registered office in Milan from Via Giorgio Vasari 19 to Via Gaetano Negri 1.

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*INWIT's economic and financial results at 31 March 2019 will be presented to the financial community during a conference call to be held today 15 May 2019 at 18:00 (Italian time). Journalists can follow the presentation by telephone, but shall be unable to ask questions, by connecting through: +39 06 33444. The presentation in support of the conference call will be provided in advance on the company's website [www.inwit.it](http://www.inwit.it), in the Investors section.*

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*Rafael Giorgio Perrino, the manager responsible for preparing the company's financial reports, hereby declares, pursuant to paragraph 2, article 154-bis of the Consolidated Law on Finance, that the accounting information contained in this press release corresponds to the company's results, books and accounting records.*

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## Disclaimer

*INWIT voluntarily prepares and publishes the Interim Financial Reports for the first and third quarters of each financial year. The Interim Financial Report as at 31 March 2019 is unaudited.*

*The accounting criteria adopted for the preparation of the interim financial statements as at 31 March 2019 are the same as those used in the financial statements as at 31 December 2018 to which reference should be made, except for the adoption of the new accounting standard IFRS 16 (Leasing), adopted starting from 1 January 2019 with the simplified retrospective method (i.e. without the restatement of comparative data from previous years), the effects of which are illustrated in the chapter "Adoption of the new IFRS 16 (Leasing)" reported in the Interim Management Report to 31 March 2019 and to which reference should be made for further details.*

*To render the economic and financial results of the first three months of 2019 comparable with those of the corresponding period of the previous year, this press release also includes the economic data and the main balance sheet balances for the first three months of 2019 prepared in "comparable" terms, using the previous accounting standard IAS 17 (Leases) and the relative Interpretations (IFRIC 4, SIC 15 and SIC 27), for the purposes of distinguishing between operating leases and financial leases and the accounting for lease liabilities.*

*In addition to the conventional financial indicators as provided by the IFRS, INWIT uses some alternative performance indicators, for a better evaluation of the financial results and of the financial position. The meaning and content of these indicators are set out in the Annex.*

*It is hereby noted that the section of this Report titled "Outlook for 2019" contains forward-looking statements concerning INWIT's intentions, beliefs and current expectations with regard to financial results and other aspects of INWIT's activities and strategies. Readers of this press release are cautioned not to place undue reliance on these forward-looking statements as the actual results may differ materially from those contained in those forward-looking statements as a result of a number of factors, most of which are not within the company's control.*

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*INWIT (Italian Wireless Infrastructure) operates in the electronic communications infrastructure sector. INWIT's experience that has its roots in the Telecom Italia Group, the forerunner of mobile telephony in Italy, over 40 years ago. INWIT is currently the leading Italian Tower Operator based on the approximately 11,000 towers located throughout the country, hosting the transmission equipment of all major national operators INWIT contributes significantly to coverage of wireless telephony services in Italy and will continue to do so in the coming years, increasing its sites including in relation to the development of new technologies, starting with 5G. The objective is to ensure optimal reception of wireless services at all times, ensuring that the customers of all operators (to whom INWIT provides its infrastructure) can always be connected to their devices.*

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