



## Press Release

### INWIT: BOARD OF DIRECTORS EXAMINES AND APPROVES THE ANNUAL FINANCIAL REPORT AT 31 DECEMBER 2016

- ▶ EBITDA: 163.6 MILLION EURO (+13.4% COMPARED WITH THE 2015 PRO-FORMA FIGURES)
- ▶ EBIT: 147.3 MILLION EURO (+15.6% COMPARED WITH THE 2015 PRO-FORMA FIGURES)
- ▶ NET PROFIT: 97.9 MILLION EUROS (+16.7% COMPARED WITH THE 2015 PRO-FORMA FIGURES)
- ▶ PROPOSAL FOR THE DISTRIBUTION OF DIVIDENDS OF 14.7€ CENTS PER SHARE
- ▶ SHAREHOLDERS' MEETING CALLED FOR 20 APRIL 2017

Oscar Cicchetti: *"In 2016, INWIT achieved better results than were expected at the beginning of the year, continuing to grow, diversify and improve its efficiency. The Low teens EBITDA increase targets set out in the 2017-2019 plan were already achieved in 2016. We will continue to grow and create value by focusing on the quality of our assets, on the strong relationship with our customers and on our abilities to intercept the growing demand for traditional and innovative wireless infrastructure".*

Milan, 16 March 2017

The Board of Directors of Infrastrutture Wireless Italiane S.p.A. (INWIT), which met today under the chairmanship of Francesco Profumo, examined and approved the management report as of 31 December 2016, the main operational results of which were communicated to the market on 31 January 2017.

The results for the financial year 2016 confirm the gradual growth in revenue resulting from a further increase in the co-tenancy ratio (average number of customers per site), which rose to 1.72x, particularly thanks to the signing of over 1300 new contracts over the course of the year.

**Revenues** at 31 December 2016 amounted to **333.5 million** euro (318.9 million euro in 2015 pro-forma), **up 4.6%** on last year's pro-forma figure, including:

- 253 million euro from TIM Master Service Agreement;
- 78.2 million euro from other customers, including Italy's leading mobile and other radio network operators;

#### Infrastrutture Wireless Italiane S.p.A.

TIM Group - Management and coordination TIM S.p.A. - Registered Office: Milan, Via G. Vasari 19 - 20135 Milan - Tax Code/VAT Registration Number and Milan Business Register Number 08936640963 - Share capital € 600,000,000.00 - certified email [adminpec@inwit.telecompost.it](mailto:adminpec@inwit.telecompost.it)

- 2.3 million euro for contracts with TIM and other operators relating to newly created sites.

EBITDA totalled 163.6 million euro (144.3 million euro in 2015 pro-forma), with a margin on revenues of 49.1%, reflecting, in particular, the increase in the number of tenants on sites and the growing profitability resulting mainly from the containment of passive leasing costs of over 9 million euro per year.

2016 EBITDA grew by around 19.3 million euro compared with the 2015 pro-forma figure, a 13.4% increase, and is in line with the forecast growth communicated to the market (“low teens”).

EBIT amounted to 147.3 million euro (127.4 million euro in 2015 pro-forma), up by 15.6% compared with the 2015 pro-forma figure. Depreciation, amortization and write-downs amounted to 16.4 million euro and include, in addition to ordinary depreciation and amortization of 13.6 million euro, capital losses from the decommissioning of sites of 2.8 million euro.

During the year, the Company invested 43.6 million euro (12.5 million euro in 2015), up by over 30 million compared with 2015, with the aim of seizing opportunities to grow and diversify the business, building new sites, acquiring three small tower operators and launching a major plan to build micro-coverage systems in places with a greater concentration of customers and traffic, as well as backhauling solutions to connect its high speed sites.

Net profit amounted to 97.9 million euro (83.9 million euro in 2015 pro-form) up by 16.7% compared with the same 2015 pro-forma figure.

\*\*\*

## EVENTS SUBSEQUENT TO 31 DECEMBER 2016

No significant events occurred after the end of the financial year.

\*\*\*

## OUTLOOK FOR THE 2017 FINANCIAL YEAR

The need for increasing coverage means that the mobile radio infrastructure market is growing and that companies operating in this sector need to adapt to new technological requirements.

This context is conducive to the achievement of the plan's objectives, which are:

- to improve the co-tenancy ratio, which was 1.62x in 2015 and rose to 1.72x in 2016, and is expected to continue growing until the end of the plan;
- to continue implementing the cost efficiency plan by decommissioning sites, renegotiating rental contracts and purchasing land and surface rights.

Also confirmed are the mobile network architecture innovation trends, which are the basis for the acceleration announced in 2016 and confirmed in the 2017-2019 plan, and which involve:

- the construction of more than 500 new conventional macro sites, to a large extent supported by orders already received,
- the creation of over 4000 “small cells” located in areas with a greater density of customers and data traffic,
- fibre connection of sites to adapt the connection speed to 4G networks.

The 2017-2019 plan will ensure that EBITDA will continue to grow in the low teens throughout the period.

### Infrastrutture Wireless Italiane S.p.A.

TIM Group - Management and coordination TIM S.p.A. - Registered Office: Milan, Via G. Vasari 19 - 20135 Milan - Tax Code/VAT Registration Number and Milan Business Register Number 08936640963 - Share capital € 600,000,000.00 - certified email [adminpec@inwit.telecompost.it](mailto:adminpec@inwit.telecompost.it)



## CORPORATE GOVERNANCE ISSUES

The Board of Directors appointed Saverio Orlando as Company Director to replace Venanzio Iacozzilli, who resigned on 8 March this year.

Director Orlando does not own any shares issued by the Company and will remain in office until the next Shareholders' Meeting. His CV is available on the Company's website at [www.inwit.it](http://www.inwit.it).

The Board of Directors has also ascertained that the board as a whole continues to meet the composition requirements, and that six of the eleven new Directors (Paola Bruno, Primo Ceppellini, Cristina Finocchi Mahne, Alessandro Foti, Giuseppe Gentili and Paola Schwizer) meet the independence requirements set forth in the Borsa Italiana Corporate Governance Code and art. 148 of the Consolidated Law on Finance. The Chairman, Francesco Profumo, is only classified as independent pursuant to the Consolidated Law on Finance.

## CALL OF THE SHAREHOLDERS' MEETING

The Board of Directors has resolved to call the Shareholders' Meeting for 20 April 2017 (single call) at the Rozzano auditorium (Milan) viale Toscana n. 3, to resolve during the ordinary session on the Financial Statements at 31 December 2016, on the allocation of profits, the Report on remuneration and the appointment of two directors.

### Financial Statements

The Shareholders' Meeting will be asked to approve the financial statements of INWIT S.p.A., which show a net profit of 97.9 million euro.

### Allocation of profits

A proposal will be made to the Shareholders' Meeting to allocate the net profits for 2016 to the distribution to Shareholders by way of a dividend in the amount of 14.70 eurocents for each of the 600,000,000 ordinary shares in circulation for a total amount of 88.2 million euros, carrying the residual part, equal to 9.7 million euros, forward. The amounts for dividends will be payable in favour of entitled parties as from 24 May 2017 (payment date), on the basis of the evidence of the share deposit accounts at the end of the accounting date of 23 May 2017 (record date), while the coupon date will be 22 May 2017.

### Report on Remuneration

The report on remuneration will be presented to shareholders in accordance with Article 123-ter of Legislative Decree no. 58 of 24 February 1998. The Shareholders' Meeting will be asked to express a non-binding opinion on the first section of the report on the Company's policy on the remuneration of the members of the Board of Directors and the key managers with strategic responsibilities for FY2017.

### Appointment of two Directors

A proposal will be submitted to the Shareholders' Meeting for the appointment as Company Directors of Giuseppe Gentili and Saverio Orlando, who were coopted by the Board of Directors on 10 June 2016 and today respectively, and whose mandate will end, by law, on the date of the next Shareholders' Meeting.

\*\*\*

## Infrastrutture Wireless Italiane S.p.A.

TIM Group - Management and coordination TIM S.p.A. - Registered Office: Milan, Via G. Vasari 19 - 20135 Milan - Tax Code/VAT Registration Number and Milan Business Register Number 08936640963 - Share capital € 600,000,000.00 - certified email [adminpec@inwit.telecompost.it](mailto:adminpec@inwit.telecompost.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.*

*The preliminary economic and financial results of INWIT S.p.A. for the 2016 financial year as well as the previous year results with which they are compared have been prepared according to the International Accounting Standards issued by the International Accounting Standards Board and homologated by the European Union (defined as "IFRS").*

*In addition to the conventional financial performance indicators contemplated under IFRS, INWIT uses certain alternative performance indicators in order to provide a clearer picture of the trend of operations and the company's financial position. More specifically, alternative performance indicators refer to EBITDA and ESMA net financial debt. The meaning is explained in the Report on operations as of 31 December 2016.*

*Note that the Company was incorporated on 14 January 2015 and became operational on 1 April 2015 and the data relating to the corresponding period of the previous year (report on operations as of 31 December 2015) only include 9 months operations, meaning that they are not useful for comparative purposes.*

**INWIT**  
**Press Office**  
+39 06 3688 2610  
[pressoffice@inwit.it](mailto:pressoffice@inwit.it)

**INWIT**  
**Investor Relations**  
+39 06 44084320  
[ir@inwit.it](mailto:ir@inwit.it)

**Infrastrutture Wireless Italiane S.p.A.**

TIM Group - Management and coordination TIM S.p.A. - Registered Office: Milan, Via G. Vasari 19 - 20135 Milan - Tax Code/VAT Registration Number and Milan Business Register Number 08936640963 - Share capital € 600,000,000.00 - certified email [adminpec@inwit.telecompost.it](mailto:adminpec@inwit.telecompost.it)