



Press Release

INWIT: BOARD OF DIRECTORS HAS EXAMINED AND APPROVED THE INTERIM REPORT ON OPERATIONS AS OF 30 SEPTEMBER 2016

MAIN RESULTS IN THE THIRD QUARTER OF 2016:

- ▶ NET PROFIT: 25.1 MILLION EUROS (+15.7% COMPARED WITH THE SAME PERIOD OF 2015)
- ▶ REVENUES: 83.9 MILLION EUROS (+5.1% COMPARED WITH THE THIRD QUARTER OF LAST YEAR)
- ▶ EBITDA: 41.7 MILLION EUROS (+15.2% COMPARED WITH Q3 2015) LOW TEENS RATE GROWTH TREND FORECAST FOR 2015-2018
- ▶ NET FINANCIAL DEBT: 60.9 MILLION EUROS (-21.4 MILLION EUROS COMPARED WITH 30 JUNE 2016)

MAIN RESULTS IN THE FIRST NINE MONTHS OF THE YEAR:

- ▶ NET PROFIT: 73.7 MILLION EUROS
- ▶ REVENUES: 248.8 MILLION EUROS
- ▶ EBITDA: 121.4 MILLION EUROS

Rome, 2 November 2016

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 30 September 2016 to ensure, on a voluntary basis and whilst awaiting legislative clarification, the continuity and regular supply of information to the market; it reserves the right to duly assess the financial communication policy to be adopted once the reference framework has been consolidated.

Main Consolidated Results as of 30 September 2016

In the first nine months of the year, INWIT confirmed the trend of gradual increases in turnover from the main mobile phone operators other than TIM and in the profitability of its infrastructure, with a further increase in the co-tenancy ratio and an ongoing process of reduction in passive leasing costs.

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The comparison with the previous year is limited to the third quarter data, as the company has only been operating since 1 April 2015.

In detail, for Q3 2016:

Revenue in the third quarter amounted to 83.9 million euros (79.8 million euros in Q3'15), up 5.1% on the same quarter of 2015, including:

- 63.3 million euros from the TIM Master Service Agreement;
- 19.9 million euros from other customers, including Italy's leading mobile operators and other radio network operators;
- 0.7 million euros from hosting on new sites.

EBITDA totalled 41.7 **million euros** (36.2 million euros in Q3'15), with a margin on revenues of 49.7%, reflecting, in particular, the increase in the number of tenants on sites and the reduction in leasing costs. EBITDA in Q3'16 grew by around 6 million euros compared with Q3'15, a 15.2% increase, and is higher than the forecast communicated to the market.

Net profit for the quarter amounted to 25.1 **million euros** (21.7 million euros in Q3'15, up by 15.7% compared with the same quarter of 2015).

Business investments as of 30 September 2016 amounted to 21.6 **million euros**, in addition to the purchase of 100% stakes in Revi Immobiliare S.r.l., Gestione Due S.r.l. and Gestione Immobili S.r.l., for a total of 8.3 million euros.

Net financial debt at the end of the quarter was 60.9 **million euros**, down by 21.4 million euros compared to 30 June 2016.

“The results for the quarter are positive and confirm the solidity of our growth plan. We had indicated an EBITDA growth target in the low teens, which we promptly achieved and exceeded for the second consecutive quarter. Revenues and the number of customers hosted on our towers are constantly growing, confirming the market’s strong interest in our high-quality infrastructures.” - comments INWIT CEO Oscar Cicchetti. “The process of speeding up the implementation of the plan we presented last quarter, is proceeding well both in traditional services and in the innovative areas of micro-cell coverage and fibre backhauling. Based on the current situation, we’ll keep on fully exploiting our assets and seize the opportunities arising from the development of next generation wireless networks”.

Outlook for the 2016 financial year

The mobile radio infrastructure market is going through a transformation process which is leading mobile operators to demand an increasing number of cells and microcells to cope with the growth in mobile broadband connections and data traffic and the expansion of 4G coverage.

Through sharing strategies adopted by operators, INWIT will continue to increase its conventional business and confirms the acceleration plan presented last quarter.

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The two main drivers for an appropriate execution of the plan are:

- an increase in the co-tenancy ratio, which in this quarter rose to 1.70x from the previous 1.67x, and which is expected to keep growing in the 4th quarter of 2016.
- the continuation of the cost efficiency plan with the decommissioning of sites, renegotiation of rental contracts and the purchase of lands and long-term right of usage.

The acceleration of investments in the 2016/2018 period, announced in the previous quarter, is also confirmed. The plan to build over 500 new sites, mostly supported by requests already received, is progressing well, The plan to deploy microcells for mobile connections is also continuing and the creation of the first fibre connections is underway.

The results achieved and the investment plan adopted mean that the forecast of a low teens **growth in EBITDA** over the 2015-2018 plan period can be confirmed.

Events after 30 September 2016

The merger by incorporation of the three fully owned companies Revi Immobili S.r.l., Gestione Due S.r.l. and Gestione Immobili S.r.l. into INWIT took effect on 1 October 2016. For accounting and tax purposes, the incorporation will be reported in INWIT financial statement as of January 1, 2016.

As of October 1, 2016, INWIT changed its organisational chart by setting up a Business Support Function reporting to the CEO under the supervision of Mrs. Silvia Ponzoni. This New Function is entrusted with managing administration, finance and control, purchasing processes and business development.

Silvia Ponzoni is a former TIM manager with a background in auditing, finance & administration and staff functions coordination in national and international companies.

The Board of Directors resolved today to identify the Head of the Business Support Function, Silvia Ponzoni, as a Key Manager of the Company.

Corporate governance issues

The Board of Directors appointed Director Giuseppe Gentili, who fulfils the independence requirements under the Consolidated Law on Finance and the Corporate Governance Code, as a member of the Company's Nomination and Remuneration Committee.

The Board has also approved several changes to the Company's Corporate Governance Principles, aimed at:

- updating the references made to the Borsa Italiana Code, referring to the version in force at the time,
- abolishing the obligation for Directors, Statutory Auditors, key managers and individuals closely connected to them to refrain from carrying out transactions involving the Company's shares prior to the publication of periodic results (so-called black-out period), as this matter is now expressly governed by Regulation (EU) No. 596/2014, which is directly applicable to Italian listed companies,

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- simplifying provisions regarding the Control and Risk Committee and the Nomination and Remuneration Committee, by referring to their specific regulations, and making minor formal amendments.

The updated versions of the Corporate Governance Principles will be made available on the Company's website at www.inwit.it, in the Governance/Governance System section.

The consolidated economic and financial results of the Inwit Group as of 30 September 2016 will be illustrated to the financial community during a conference call scheduled for today 2 November 2016 at 6.30 pm (CET). Journalists may listen to the presentation by calling: +39 06 33168. There will be no opportunity to ask questions.

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 current expectations, estimates and projections regarding the sector in which INWIT operates and on the current opinions of its management. By their nature, these predictions involve an element of risk and uncertainty, because they depend on future events taking place. It should be noted that the actual results may differ, in some cases significantly, from those announced due to a multiplicity of factors, including: global economic conditions, the impact of competition, and political, economic and regulatory developments in Italy.

Note that the financial information relating to INWIT's Q316 contained in this document is drawn from the INWIT Interim Report on Operations as of 30 September 2016, drawn up in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board and approved by the European Union (defined as "IFRS"). This Interim Report is not subject to audit.

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 (Interim Report on Operations as of 30 September 2015) only include 6 months of operation, meaning that they are not useful for comparative purposes.

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