



Press Release

INWIT: PRELIMINARY RESULTS AT 31 DECEMBER 2016 AND 2017 - 2019 BUSINESS PLAN APPROVED

MAIN RESULTS IN 2016:

- ▶ **REVENUES: 333.5 MILLION EURO (+4.6% COMPARED WITH THE 2015 PRO-FORMA FIGURES)**
- ▶ **REVENUES FROM OTHER OPERATORS: 78.2 MILLION EURO (+19.2% COMPARED WITH THE 2015 PRO-FORMA FIGURES)**
- ▶ **EBITDA: 163.6 MILLION EURO (+13.4% COMPARED WITH THE 2015 PRO-FORMA FIGURES)**
- ▶ **EBITDA MARGIN: 49.1%, WITH AN INCREASE IN EXCESS OF 3.8 PERCENTAGE POINTS COMPARED WITH THE 2015 PRO-FORMA**
- ▶ **CAPEX: 43.6 MILLION EURO (+31.1 MILLION EURO COMPARED WITH 31 DECEMBER 2015)**

2017 - 2019 BUSINESS PLAN APPROVED:

- ▶ **STRONG BOOST IN INVESTMENTS CONFIRMED (APPROXIMATELY 300 MILLION EURO IN TOTAL) MAINLY IN SUPPORT OF NEW BUSINESSES**
- ▶ **DEVELOPMENT CONTINUES IN 2019 TOO, WITH EBITDA CONFIRMED SHOWING GROWTH IN THE “LOW TEENS”**

Rome, 31 January 2017

The Board of Directors of Infrastrutture Wireless Italiane S.p.A. (INWIT), met today under the chairmanship of Francesco Profumo, and examined and approved the preliminary year-end results at 31 December 2016.

The Board also examined and approved the 2017 - 2019 Business Plan.

Infrastrutture Wireless Italiane S.p.A.

TIM Group - Direction 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



INWIT Board of Directors will examine the draft financial statements at 31 December 2016 on 16 March 2017.

Principal Results at 31 December 2016

During the year, INWIT confirmed the trend of progressive increases in turnover, further increasing the co-tenancy ratio (average number of customers per site), and of growing profitability, thanks to the cuts in passive rental costs.

More in detail, for 2016.

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:

- 253.0 million euro from TIM Master Service Agreement;
- 78.2 million euro from other customers, including Italy's leading mobile and other radio network operators;
- 2.3 million euro from hosting activities on new sites.

EBITDA totalled **163.6 million euro** (144.3 million euro 2015 pro-forma), with a margin on revenues of 49.1%, reflecting, in particular, the increase in the number of tenants on sites and a reduction in space leasing costs. 2016 EBITDA **grew** by around 19.3 million euros 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").

Business investments at 31 December 2016 amounted to **35.3 million euro**, 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 euro, which were thereafter incorporated into INWIT during the year.

Net financial debt at the end of the year was 34.3 million euro, down by 13.7 million euro compared to 31 December 2015.

"INWIT has achieved all the targets the company had set itself for 2016" - Chief Executive Officer Oscar Cicchetti stressed - "in particular, the growth in the EBITDA. Growth that we can confirm in the 2017-2019 three-year plan, also thanks to an investment plan of around 300 million euros, which, together with the increased profitability of our sites, will enable the company to pursue the route of development and innovation".

2017 - 2019 Business Plan

As already announced in July, the Business Plan forecasts an EBITDA annual growth in the "low teens", confirming the target tenancy ratio of approximately 1.9x by 2018.

All the targets already envisaged for 2018 are confirmed:

- ▶ the construction of more than 500 new sites, to a large extent supported by requests already received,
- ▶ the development of more than 4 thousand micro-cells in areas with a high density of users and traffic, in view of the powerful growth expected for said market,
- ▶ more than a thousand fibre connections created in view of the expected demand for high-speed backhauling sparked by the expansion of 4G.

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The growth is expected to continue, driven by new tenants and investments for a total of 300 million euro that will enable “low teens” EBITDA growth to be maintained in 2019 too.

The economic and financial results of INWIT at 31 December 2016 will be illustrated to the financial community during a conference call scheduled for today 31 January 2017 at 5.30 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 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, 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.

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 2015.

The preliminary results of the 2016 financial year have not been audited by the Independent Auditors.

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.

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