

PRESS RELEASE

INWIT: BOARD OF DIRECTORS APPROVES THE ANNUAL FINANCIAL REPORT AT 31 DECEMBER 2015

- ▶ **REVENUES FY2015 9M: 239.2 MILLION EURO (318.9 MILLION EURO ON AN ANNUALISED BASIS, UP ON THE 314 MILLION EURO OF THE PRO-FORMA 2014)**
- ▶ **EBITDA FY2015 9M: 108.2 MILLION EURO (144.3 MILLION EURO ON AN ANNUALISED BASIS, UP ON THE 134.6 MILLION EURO OF THE PRO-FORMA 2014)**
- ▶ **EBIT FY2015 9M: 95.5 MILLION EURO (127.4 MILLION EURO ON AN ANNUALISED BASIS VS. 124.5 MILLION EURO OF THE PRO-FORMA 2014)**
- ▶ **NET PROFIT: 62.9 MILLION EURO (83.9 MILLION EURO ON AN ANNUALISED BASIS VS. 82.2 MILLION EURO OF THE PRO-FORMA 2014)**
- ▶ **NET FINANCIAL DEBT: 48 MILLION EURO, DOWN BY APPROXIMATELY 84 MILLION EURO COMPARED WITH THE 01 APRIL 2015 FIGURE (FIRST DAY OF COMPANY OPERATION)**
- ▶ **PROPOSED DISTRIBUTION OF DIVIDEND OF 9.45 EURO CENTS PER SHARE, FOR A TOTAL AMOUNT OF APPROXIMATELY 57 MILLION EURO**
- ▶ **SHAREHOLDERS' MEETING CALLED FOR 19 APRIL 2016**

CICCHETTI: “2015 RESULTS OUTPERFORM FORECASTS AND CONFIRM THE SOLIDITY OF OUR INDUSTRIAL HISTORY. WE HAVE A HERITAGE OF HIGH QUALITY INFRASTRUCTURE, CLEAR, SIMPLE STRATEGIES AND THE CAPACITY TO TRANSFORM THESE INTO CONCRETE RESULTS. OUR GROWTH, INNOVATION AND VALUE CREATION PATH WILL CONTINUE OVER THE NEXT YEARS. INWIT IS NOT ONLY THE MOST IMPORTANT ITALIAN WIRELESS INFRASTRUCTURES OPERATOR BUT ALSO THE ESSENTIAL CORNERSTONE OF ANY CONSOLIDATION PROJECT”



Milan, 11 March 2016

The Inwit Board of Directors, met today under the chairmanship of Francesco Profumo examined and approved the report on operations as of 31 December 2015.

The results for the period 01 April 2015 - 31 December 2015 show significant growth in revenues and efficiencies, with both aspects outperforming forecasts.

Revenues as at 31 December 2015 amounted to **239.2 million euro**, of which: 190.0 million euro (with an incidence of 79.4% on the total) from Telecom Italia reflecting the terms of the Master Service Agreement (“MSA”) and 49.2 million euro from OLOs (20.6% on the total), regulated by commercial agreements running for several years, up 12.0% on the comparable 2014 figure. On an annualised basis, revenues amounted to 318.9 million euro (vs. 314.0 million euro pro-forma FY2014) with revenues from Telecom Italia equal to 253.3 million euro and revenues from OLOs of 65.6 million euro (vs. 61.0 million euro pro-forma FY2014). During the nine months of operation, INWIT stipulated 800 new contracts, achieving an average number of Tenants per site equal to 1,62x (tenancy ratio) as at 31 December 2015.

EBITDA was **108.2 million euro**, with a 45.2% margin on revenues, with an increase exceeding 200 bps on the pro-forma for the same period 2014 (+7.2% YoY). The result exceeds the target forecast during the IPO (103.3 million euro).

The result reflects not only the growth in revenues but also the efficiency achieved on leasing costs for 113.0 million euro, of which 94.7 million euros from contracts with third parties, down 6.1 mln euro with respect to the comparable data of 2014) deriving from the planned decommissioning and dismantling activities contracted with Telecom Italia and the renegotiation of approximately 2,000 lease contracts.

On an annualized basis, EBITDA for FY2015 amounted to 144.2 million euro (vs. 134.6 million euro pro-forma FY2014).

EBIT was **95.5 million euro**, with a 39.9% margin on revenues, with an increase exceeding 2 million euro on the pro-forma for the same period 2014 (+2.2% YoY).

Depreciation and amortization amounted to 12.7 million euro and include, in addition to ordinary depreciation and amortization for 8.8 mln euros, capital losses from the decommissioning of 65 sites for 0.9 million euro and write-downs relating to sites being decommissioned in 2016 for 3.0 million euros.

Net profits come to **62.9 million euro**, with an EBITDA margin of 26.3%, and are fully distributable.

On an annualized basis, net profits for FY2015 amounted to 83.9 million euro (+2.1% vs. 82.2 million euro pro-forma FY2014).

Period **Investments** come to 12.5 million euro and relate to the extraordinary maintenance of plants, the purchase of software and the start of the land and building rights for solar terraces on which the infrastructures are installed acquisition plan.

Operating Free Cash Flow is positive for **73.1 million euro**.



Net financial debt at 31 December 2015 was **48.0 million euro**, down more than 84 million euro from the figure recorded on the first day of operations (01 April 2015) thanks to strong cash-flow generation; the Net Debt/2015 EBITDA leverage ratio on an annualised basis was therefore 0.3x.

EVENTS SUBSEQUENT TO 31 DECEMBER 2015

On 11 January 2016, INWIT completed purchase of 76 sites for mobile telephony network in Lombardy, mainly located in the province of Brescia.

The operation, which has been achieved through the acquisition of the companies Gestione Due S.r.l., Gestione Immobili S.r.l. and Revi Immobili S.r.l., for a total amount of 7.9 million euro, comes as part of the strategy for the continuous improvement of revenues and the consolidation of the market leadership pursued by INWIT in Italy.

OUTLOOK FOR THE 2016 FINANCIAL YEAR

The radio network infrastructure market is undergoing a major transformation, driven by the growth in broadband connections in mobility and data traffic, as a result of the increasingly widespread use of images and video in communication and in personal and professional applications.

In this context, as announced in the 2016-2018 Plan, the Company will continue its growth path, optimising its infrastructure assets and making the most of all opportunities connected with the evolution of mobile networks.

Firstly, the growth of customers and traditional revenues will continue, thanks to the hosting guaranteed in the contract with Telecom Italia and the commercial development facilitated by the demand for infrastructure by the mobile operators and other radio network users.

INWIT confirms its aim of taking the number of tenants per site (tenancy ratio) from the initial 1.55 of 01 April 2015 to 1.9 at end 2018. At end 2015, the indicator had already risen to 1.62.

The Company also envisages continuing its efficiency plan, maintaining a streamlined organisation and focusing on the progressive reduction of leasing costs through a continuous plan to renegotiate contracts, purchase lands and building rights for solar terraces on which the plants are installed and the decommissioning of sites as envisaged in the contract with Telecom Italia.

Finally, the company intends to make the most of all opportunities connected with the increased density of operators, requiring new traditional sites but above all small cell coverage.

The Company has launched an aggressive plan for multi-operator small cell coverage in the places of greatest user and data traffic density, which should lead to the equipment of more than 80 major locations by end 2018 and generate new revenue flows that in 2020 could constitute 4% of the total revenues.

CORPORATE GOVERNANCE ISSUES

The Board of Directors has examined the documentation that will be made available to Shareholders prior to the Shareholders' meeting, approving, inter alia, the Report on Corporate Governance and Share Ownership and the Report on Remuneration.

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, Elisabetta Colacchia, Cristina Finocchi Mahne, Alessandro Foti 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 convene the Shareholders' Meeting for 19 April 2016 (single call) to the Rozzano auditorium (Milan) at viale Toscana n. 3, to resolve during the ordinary session on the Financial Statements as at 31 December 2015, the allocation of profits, the Report on remuneration and the appointment of a director. In the extraordinary session, on the proposed merger by incorporation into INWIT of three fully owned subsidiaries (Revi Immobili S.r.l., Gestione Immobili S.r.l. and Gestione Due S.r.l.), acquired last 11 January (the call notice will be made available within the legal terms on the Company's website at www.inwit.it/assemblea). Specifically:

Financial Statements

The Shareholders' Meeting will be asked to approve the financial statements of INWIT S.p.A. showing net profits of 62.9 million euros.

Allocation of profits

The proposal will be made to the Shareholders' Meeting to allocate the net profits of FY2015 to be distributed to the Shareholders' Meeting by way of dividend, in the amount of 9.45 eurocents, for each of the 600,000,000 ordinary shares outstanding as at 23 May 2016, the "coupon" date envisaged, for a total amount of **56.7 million euros**, carrying the residual part, equal to 6.2 million euros forward.

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, the general managers and the key managers with strategic responsibilities for FY2016.

Appointment of a director

The proposal will be made to the Shareholders' Meeting to appoint Paola Bruno as Company Director, who, having been co-opted in the board meeting of 21 December 2015, stands down pursuant to the law at the next Shareholders' Meeting.



Merger of subsidiaries

The proposal will be made to the Shareholders' Meeting to approve the proposed Merger by incorporation into INWIT of the three fully owned subsidiaries (Revi Immobili S.r.l., Gestione Immobili S.r.l. and Gestione Due S.r.l.), acquired last 11 January. The operation, which will be carried out by means of the simplified procedure envisaged in the event of mergers of fully owned subsidiaries, will come into effect for statutory purposes at the end of the first half-year, with retroactive application of the accounting and tax effects as at 1 January 2016

Pursuant to sub-section 2, clause 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 data records, accounting books and accounts entries.

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.

It should be noted that the Company was incorporated on 14 January 2015 and operates fully since 1 April 2015 and therefore no corresponding information from the previous year (i.e. Balance Sheet at 31 December 2014) is available for comparison.

Inwit
Press Office
+39 06 3688 2610
pressoffice@inwit.it

Inwit
Investor Relations
+39 06 36883341
ir@inwit.it