



Press Release

INWIT: BOARD OF DIRECTORS EXAMINED AND APPROVED THE INTERIM REPORT ON OPERATIONS AS OF 31 MARCH 2016

- ▶ PROFITS: 23.5 MILLION EUROS
- ▶ REVENUES: 81.7 MILLION EUROS
- ▶ FURTHER INCREASE IN REVENUES FROM OTHER OPERATORS, REACH 18.2 MILLION EUROS
- ▶ EBITDA: 38.9 MILLION EUROS
- ▶ EBIT: 35.7 MILLION EUROS
- ▶ NET FINANCIAL DEBT: 33.4 MILLION EUROS, 14.6 MILLION EUROS LESS THAN 31 DECEMBER 2015

Rome, 3 May 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 31 March 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 at 31 March 2016

In the first three months of the year, the results confirm the progressive increase in both turnover from the main mobile phone operators and in the profitability of the company's infrastructure, with a further increase in the co-tenancy ratio and the continuation of the process to cut the costs of passive rental.

Revenues totalled **81.7 million euros**, 63.5 million of which from the Telecom Italia Group, reflecting the conditions of the Master Service Agreement, as well as the impact of new hosting on new sites. **Revenues from third parties** totalled 18.2 million euros.

Infrastrutture Wireless Italiane S.p.A.

Telecom Italia Group – Telecom Italia S.p.A. Direction and coordination

Registered Office: Milan, at Via G. Vasari 19 - 20135 Milan -

Tax Code/VAT Registration Number and Milan Business Register Number 08936640963

Share Capital 600,000,000.00 euros - Certified e-mail (PEC) adminpec@inwit.telecompost.it



EBITDA totalled **38.9 million euros**, with a margin on revenues of 47.6%, reflecting, in particular, the increase in hosting and the reduction in lease costs.

EBIT totalled **35.7 million euros**, a 19.2% increase on the corresponding figure for the previous quarter, impacted by capital losses on disposals and write-downs of non-current items for 3,89 million euros.

Net profit for the period amounted to **23.5 million euros**.

Business investments during the period totalled **3.8 million euros** and include the acquisition of lands and long term rights of usage and the deployment of new infrastructures plus a total of 8.3 million euro for the acquisition of 100% stake in Revi Immobiliare S.r.l., Gestione Due S.r.l. and Gestione Immobili S.r.l, partially offset by cash equivalents equal to €0.4 mln, from acquired companies..

Net financial debt totalled **33.4 million euros** (14.6 million euros less than the debt at 31 December 2015), equalling 0.2 times annualised EBITDA.

"The positive results for this quarter confirm the solidity of our business plan for the next three years" - commented Oscar Cicchetti, Chief Executive Officer of INWIT. "Our efforts are focused on increasing our customers - and thus our revenues - and on containing our costs, alongside business investments aimed at capturing the opportunities deriving from market evolution and to assure the Company a growth process in the mid- and long-term. INWIT is and want to be confirmed the leading wireless infrastructure operator per size, capacity to innovate and perspective of growth."

Outlook for the 2016 financial year

In light of the final results at 31 March 2016, the Company confirms the guidance for the next 3 years already provided to the market.

The infrastructure market for radio networks is undergoing a major transformation.

In such a context, INWIT, as described in its 2016-2018 Business Plan, will continue:

- to increase its efficiency by continuing with its site disposal plan and with the plan to renegotiate rental contracts;
- to leverage the value of its infrastructure assets, progressively increasing the co-tenancy ratio, which increased from 1.62 to 1.64 in the quarter of reference;
- to meet the demand for new sites by starting the construction of 44 new sites in the quarter;
- to accelerate the plan for multi-operator microcell coverage in the locations with the highest concentration of users and traffic.

Events after 31 March 2016

The INWIT Shareholders' Meeting on 19 April 2016, to approve the financial statements of the parent company for 2016, resolved to distribute a dividend of 0.0945 euros per ordinary share to the ordinary shareholders.

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In extraordinary session, the Shareholders' Meeting approved 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 Infrastrutture Wireless Italiane S.p.A.. The operation is part of our strategy for the continuous improvement of revenues and the consolidation of our market leadership in Italy..

Resignation of a Director

The Board of Directors also acknowledged the resignation from office of a Member of the Board of Directors of the Company handed in today, for professional reasons, by Attorney Francesca Petralia, non-executive Director, as well as the fact that Elisabetta Colacchia had stepped down as a member of the Nomination and Remuneration Committee for not qualifying as an independent Director.

In thanking Francesca Petralia for her contribution to the Company's business, the Board of Directors, in accordance with the recommendations of the Corporate Governance Code, instructed the Nomination and Remuneration Committee – whose composition has been temporarily supplemented with the appointment of the Lead Independent Director, Paola Schwizer – to carry out an assessment process to identify the candidates to replace the resigning Director with a Director who possesses the independence requirements provided for by the Consolidated Law on Finance and the Corporate Governance Code. It is specified that Francesca Petralia does not hold Company shares.

The economic and financial results of the Company at 31 March 2016 will be illustrated to the financial community during a conference call scheduled for today 3 May 2016 at 6 pm (CET). Journalists may listen in to the presentation, without asking questions, by calling: +39 06 33168. The presentation to support 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, 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.

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It should be noted that the Company was incorporated on 14 January 2015, and started its operations from April 1, 2015 and therefore no corresponding information from the previous year (i.e. quarterly report at 31 March 2015) is available for comparison.

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

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

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ATTACHMENTS TO THE PRESS RELEASE

The consolidated Income Statements, consolidated Statements of Financial Position and the Consolidated Statements of Cash Flows as well as the Net Financial Debt of INWIT, herewith presented, are the same as those included in the consolidated financial statements of the Company for the period from January 1, 2016 to March 31, 2016.

To such extent, please note that the audit work (Limited Review) by our independent auditors on the 2016 Consolidated Interim Financial Statements for the period ended March 31, 2016 have not yet been completed.

CONSOLIDATED INCOME STATEMENTS

(Thousands of euro)	<i>Period from 1 January to 31 March 2016</i>
Revenues	81.671
Acquisition of goods and services	(40.601)
Employee benefits expenses	(1.701)
Other operating expenses	(468)
Operating profit before depreciation and amortization, capital gains (losses) and impairment reversals (losses) on non-current assets (EBITDA)	38.901
Depreciation and amortization and impairment and losses on disposal of non-current assets	(3.215)
Operating profit (EBIT)	35.686
Finance income	6
Finance expenses	(901)
Profit (loss) before tax	34.791
Income tax expense	(11.263)
Profit for the period	23.528
Basic and Diluted Earnings Per Share	0,039

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS

(Thousands of euro)	<i>At 31 March 2016</i>
Assets	
Non-current assets	
Intangible assets	
Goodwill	1.411.765
Intangible assets with a finite useful life	4.598
Tangible assets	
Property, plant and equipment	186.696
Other non-current assets	
Non-current financial assets	103
Other non-current assets	11.558
Total non-current assets	1.614.720
Current assets	
Trade and miscellaneous receivables and other current assets	71.328
Financial receivables and other current financial assets	20
Cash and cash equivalents	86.844
Total Current assets	158.192
Total Assets	1.772.912

EQUITY AND LIABILITIES

(Thousands of euro)	At 31 March 2016
Equity	
Share capital	600.000
Additional paid-in capital	660.000
Legal reserve	120.000
Other reserves	29
Accumulated profit	86.461
Total Equity	1.466.490
Liabilities	
Non-current liabilities	
Employee benefits	1.520
Deferred tax liabilities	10.152
Provisions	100.772
Non-current financial liabilities	119.690
Miscellaneous payables and other non-current liabilities	3.574
Total Non-current liabilities	235.708
Current liabilities	
Current financial liabilities	621
Trade and miscellaneous payables and other current liabilities	70.093
Total Current liabilities	70.714
Total Liabilities	306.422
Total Equity and Liabilities	1.772.912

STATEMENT OF CASH FLOWS

(Thousands of euro)	<i>Period from 1 January to 31 March 2016</i>
Cash flows from operating activities:	
Profit for the period	23.528
Adjustments for:	
Depreciation and amortization	3.215
Change in deferred tax liabilities	11.263
Change in employee benefits	62
Change in trade receivables	(18.964)
Change in trade payables	8.162
Net change in miscellaneous receivables/payables and other assets/liabilities	(1.758)
Other non-monetary changes	415
<i>Cash flows from operating activities</i>	<i>25.923</i>
Cash flows from investing activities:	
Total purchase of intangible and tangible assets on an accrual basis	(3.850)
<i>Change in amounts due to fixed asset suppliers</i>	(1.550)
Total purchase of intangible and tangible assets on a cash basis	(5.400)
Change in financial receivables and other financial assets	(19)
Total purchase of shareholdings	(5.939)
Cash proceeds from the sale of fixed assets	55
Change in other non-current assets	(23)
<i>Cash flows used in investing activities</i>	<i>(11.326)</i>
Cash flows from financing activities:	
Change in current and non-current financial liabilities	414
<i>Cash flows used in financing activities</i>	<i>414</i>
<i>Aggregate cash flows</i>	<i>15.011</i>
<i>Net cash and cash equivalents at beginning of the period</i>	<i>71.833</i>
<i>Net cash and cash equivalents at end of the period</i>	<i>86.844</i>

NET FINANCIAL DEBT

(Thousands of euro)	<i>At December 31, 2015</i>
Cash	
Other cash equivalents	86.844
Securities held for trading	
Liquidity	86.844
Current financial receivables	20
Current financial payables	
Current portion of financial payables (medium/long-term)	(621)
Other current financial payables	
Current financial debt	(621)
Net current financial debt	86.243
Financial payables (medium/long-term)	(119.690)
Bonds issued	
Other non-current financial payables	
Non-Current financial debt	(119.690)
Net financial debt as recommended by ESMA	(33.447)
Other financial receivables and other non-current financial assets(*)	103
INWIT Net financial debt	(33.344)

(*) This item relates to loans granted to certain employees of the company in force at 31 March 2016.