

## Press Release

### INWIT: Board of Directors examined and approved the Interim Report on Operations as of September 30, 2018

- ▶ TURNOVER FOR THE FIRST 9 MONTHS WAS 283.9 MILLION EURO, UP 8.4% ON THE SAME PERIOD OF 2017\*. IN THE THIRD QUARTER OF 2018 ALONE, TURNOVER INCREASED BY 7.9% (95.0 MILLION EURO).
- ▶ EBITDA UP BY 16.9% OVER THE 9 MONTHS COMPARED WITH THE SAME PERIOD OF 2017, REACHING 162.3 MILLION EURO\*. IN THE THIRD QUARTER, THE INCREASE WAS 13.6% (54.8 MILLION EURO)
- ▶ EBIT WAS UP BY 16.7% TO 151.1 MILLION EURO\*
- ▶ NET PROFIT FOR THE FIRST 9 MONTHS WAS 105.7 MILLION EURO, UP BY 15.2% ON THE SAME PERIOD OF THE PREVIOUS YEAR\*.
- ▶ RECURRING FREE CASH FLOW FOR THE PERIOD WAS 129.5 MILLION EURO, UP BY 57.5% ON THE FIRST 9 MONTHS OF 2017\*
- ▶ INVESTMENTS AMOUNTED TO 36.2 MILLION EURO OVER THE 9 MONTHS (+ 22% ON THE SAME PERIOD OF 2017)
- ▶ NET FINANCIAL DEBT (BASED ON ESMA RECOMMENDATIONS) AS OF SEPTEMBER 30 WAS 65.0 MILLION EURO (+ 19.4 MILLION COMPARED TO THE END OF 2017)
- ▶ CONSULTING ACTIVITY IN PORTUGAL: SUCCESS FEE OF 2 MILLION EURO COLLECTED
- ▶ FERIGO: FOURTEENTH CONSECUTIVE QUARTER OF GROWTH. TENANCY RATIO GROWS TO 1.86. 5G CHALLENGE HAS STARTED, WE'LL HAVE A DECISIVE ROLE IN BUILDING THE NETWORKS

\*Data gross of one-off amounts recorded in the first quarter 2018

Rome, November 6, 2018

The Board of Directors of Infrastrutture Wireless Italiane S.p.A. (INWIT), met today, chaired by Stefano Siragusa, and examined and approved the Interim Report on Operations as of September 30, 2018.

#### Principal results at 30 September 2018

*NOTE: As previously stated in the Half-year Report, for purely comparative purposes, and to provide better understanding of the business trend in the current period, the growth in Revenues, EBITDA and EBIT is also reported, excluding organic items in the current or in the period this is compared to that by their nature are non-linear or non-repetitive (one-offs), from the calculation. This information should not be considered as given in lieu of the economic-financial information of which they provide a restatement, is not audited and is produced for explanatory purposes only.*

In the first nine months of 2018, INWIT confirmed the trend of progressive increases in turnover from the main mobile phone operators, and in the profitability of its infrastructure, further increasing the co-tenancy ratio and continuing with the process of cutting the costs of rental contracts.

**REVENUES** amounted to 283.9 million euro in the first nine months of 2018, up by 8.4% compared to the same period of 2017 (261.8 million euro) and include revenues deriving from the service contract with TIM S.p.A. (Master Service Agreement), from third-party customers on the conferred towers and hosting revenues on new sites and new services with the creation of microcells and DAS (Distributed Antenna Systems) and backhauling.

Excluding one-off amounts (3.9 million euro recorded in the first quarter of 2018) from the revenues, the increase is +6.9% compared to the same period of last year.

For the third quarter alone, revenues amounted to 95.0 million euro, up by 7.9% compared to the third quarter of 2017.

**EBITDA** amounted to 162.3 million euro, with a margin of 57.2% on revenues for the period, having increased by 16.9% compared to the first nine months of the previous year. Excluding the aforementioned "one-offs", the margin on revenues was 56.6%, with an increase of + 14.1% compared to the first nine months of 2017. Third-quarter EBITDA amounted to 54.7 million euro, an increase of 13.6% compared to the same period of 2017.

The operating profit (EBIT) amounted to 151.1 million euro, with a margin of 53.2% on revenues and an increase of 16.7% compared to the same period last year. Net of the aforementioned "one-offs", this increase is equal to 13.6%. Third-quarter EBIT was 50.8 million euro, up by 13% compared to the same quarter of 2017.

**NET PROFIT** amounted to 105.7 million euro, with a margin on revenues of 37.3% and an increase of 15.2% compared to the first nine months of 2017.

**CAPITAL EXPENDITURE** made during the first nine months of 2018, which amounted to 36.2 million euro, related mainly to the purchase of land and land use rights, extraordinary maintenance, construction of small cells, backhauling and new infrastructure building. The rest relate to intellectual property, equipment and other activities.

**RECURRING CASH FLOW** was 129.5 million euro, up by 57.5% compared to the same period of 2017. Net of the aforesaid "one offs", this increase was 50.3%.

**NET FINANCIAL DEBT** (according to ESMA recommendations) as of September 30 was 65.0 million euro, up by 19.4 million euro compared to 45.6 million at the end of 2017 and down by 14.7 million compared to 79.7 million as of June 30.

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*"INWIT has achieved its fourteenth consecutive quarter of growth since it was created in 2015, once again demonstrating the solidity of its business. The results for the first 9 months – says INWIT CEO Giovanni Ferigo – confirm that we are in line to achieve the Revenue and EBITDA growth targets for 2018. The average of 'guests' hosted at each of our sites (tenancy ratio) has grown to 1.86 and we are continuing to benefit from the rationalisation of the networks and the entry of new operators to the market. We are particularly confident about the move to 5G – announces Ferigo – The allocation of frequencies to operators has essentially triggered the start of work to build the new infrastructure. Operators will focus on developing their services, while telecommunication infrastructure companies will have a bigger role to play than in the past to build the network of the future. INWIT is ready to strengthen its leadership role in the sector, both in macro sites (which will need new antennas) and in microcell and DAS (Distributed Antenna System) coverage to guarantee optimum cover, indoors and outdoors, for the new 5G technology and the services that will be developed on it".*



## CONSULTING ACTIVITY IN PORTUGAL: 2 MILLION EURO SUCCESS FEE RECEIVED

INWIT took part, as an industrial partner, in the consortium led by Morgan Stanley Infrastructure and Horizon Equity Partners, which won the tender launched by the Altice Group for the sale of the shares in the new company that will manage the 3000 towers of MEO (formerly Portugal Telecom).

Inwit has worked as an advisor during the tendering stage and was paid **a success fee of 2 million euro** for this activity at the close.

Inwit's activity as an industrial partner of Morgan Stanley Infrastructure and Horizon Equity will continue during the launch and management phase, contributing to the management and providing advice and support through a team of people from the Italian company. For this post-closing activity, Inwit will be paid a fixed fee and a variable three-year bonus linked to the results achieved by the Portuguese company.

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## CORPORATE GOVERNANCE ISSUES

The Board of Directors, having noted the organisational configuration recently adopted by the Company, the main result of which was to abolish the Business Management & Operation department, updated the list of the Company's key managers, who will henceforth be Emilio Maratea, Head of the Marketing & Sales Department, Elisa Patrizi, Head of the Technology & Operations Department and Andrea Balzarini, Head of the Administration, Finance and Control & Business Support Department. The CVs of the three key managers (who do not hold any INWIT shares, with the exception of Elisa Patrizi, who owns 1,250 shares in the company) will be available for consultation on the [www.inwit.it/la-societa/struttura-organizzativa](http://www.inwit.it/la-societa/struttura-organizzativa) website.

Finally, the Board of Directors confirmed Rafael Giorgio Perrino, Head of the Administration, Control & Risk Management Department, as the executive responsible for preparing the corporate accounting documents.

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INWIT economic and financial results at September 30, 2018 will be illustrated to the financial community during a conference call scheduled for tomorrow November 7, 2018 at 2.30 pm CET (1.30 pm UK TIME). Journalists may listen to the conference call, without asking questions, by calling: +39 06 33486868. The presentation to support the conference call will be made available in advance in the Investors section of the website [www.inwit.it](http://www.inwit.it).

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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.

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*INWIT draws up and publishes Interim Reports on Operations for the first and third quarters of each year on a voluntary basis.*

*The Financial Report as of September 30, 2018 also includes the Abbreviated Financial Statements prepared in accordance with IFRS accounting standards issued by IASB and endorsed by the EU and, in particular, with IAS 34 Interim Financial Reporting.*

*The condensed Financial Statements to September 30, 2018 are not audited.*

*The accounting policies adopted are the same as those used in the Financial Statements as of December 31, 2017, except for the adoption of the new accounting standards adopted starting from January 1, 2018, in particular IFRS 9 (Financial Instruments) and IFRS 15 (Revenues from contracts with customers). The adoption of these policies for the former did not have any effect on the abbreviated Financial Statements as of September 30, 2018. For the latter, the effects were not significant.*

*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. The meaning and content of these indicators are explained in the annex.*

*Note that the section "Business Outlook for the 2018 financial year", contains forward-looking statements about the Company's intentions, beliefs and current expectations with regard to its financial results and other aspects of the Company's operations and strategies. Readers of this press release should not place undue reliance on such forward-looking statements, as final results may differ significantly from those contained in these forecasts owing to a number of factors, the majority of which are beyond the Company's control.*

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