

EXPLANATORY REPORT OF THE BOARD OF DIRECTORS OF INFRASTRUTTURE WIRELESS ITALIANE S.P.A. (“INWIT S.P.A.”) RELATING TO THE PLAN FOR MERGER BY INCORPORATION OF THE COMPANIES REVI IMMOBILI S.R.L., GESTIONE IMMOBILI S.R.L. AND GESTIONE DUE S.R.L.

This report has been prepared by the Board of Directors of INWIT S.p.A. pursuant to art. 70, subsection 2, of CONSOB Regulation no. 11971/1999, in order to provide an explanation for the Shareholders' Meeting of the merger by incorporation into INWIT S.p.A. (“**INWIT**” or also “**Incorporating Company**”) of three companies fully and directly controlled by the same (the “**Merger**”) and specifically of: Revi Immobili S.r.l., Gestione Immobili S.r.l. and Gestione Due S.r.l. (jointly, the “**Companies being Incorporated**”).

It is specified that the Merger shall be accomplished by means of the simplified procedure provided for the merger of wholly owned companies pursuant to article 2505 of the Italian Civil Code and that it shall not constitute a merger as a result of acquisition with debt in accordance with art. 2501-bis of the Italian Civil Code.

Preliminarily, it should be pointed out how the merger by incorporation transaction is necessary in order to simplify the share ownership structure of the INWIT Group, moreover allowing savings in relation to the management costs of the companies involved in the Merger.

In this respect, the Merger means the INWIT Group's share ownership structure can be reorganized bringing it into line with its operative dimension, centralizing the operations of the Companies being Incorporated within the parent company with the consequent reduction of administrative, legal, accounting and managerial obligations and corresponding savings in management costs.

1. Explanation of and reasons for the transaction with specific regards to the operational objectives of the companies participating in the Merger and the programmes formulated to achieve them

Description of the Companies being Incorporated

- REVI IMMOBILI S.r.l., with a single shareholder, with registered offices in Via Giorgio Vasari, n. 19 Milan, tax code and registration number in the Milan Business Register 02391000987, share capital 10,000.00 euros subscribed and fully paid in;
- GESTIONE IMMOBILI S.r.l., with a single shareholder, with registered offices in Via Giorgio Vasari, n. 19 Milan, tax code and registration number in the Milan Business Register 02633540980, share capital 10,000.00 euros subscribed and fully paid in;
- GESTIONE DUE S.r.l., with a single shareholder, with registered offices in Via Giorgio Vasari, n. 19 Milan, tax code and registration number in the Milan Business Register 03324360985, share capital 10,000.00 euros subscribed and fully paid in.

Description of the transaction

The proposed transaction consists of the merger by incorporation of Revi Immobili S.r.l., Gestione Immobili S.r.l. and Gestione Due S.r.l. into INWIT S.p.A. pursuant to and for the purposes of articles 2501 and subsequent articles of the Italian Civil Code.

Art. 2501-bis does not apply to this Merger insofar as no recourse has been made to debt in order to acquire control of the companies participating in the Merger.

The Merger shall be carried out according to the financial positions of the companies participating in the merger pursuant to art. 2501-quater of the Italian Civil Code represented:

- for INWIT by the draft financial statements for the financial year ending on 31 December 2015, which shall be subject to approval by the ordinary shareholders' meeting of the same, also convened for an extraordinary session to approve the merger plan, and
- for the Companies being Incorporated by the financial statements for the year ending on 31 December 2015 approved by the respective shareholders' meetings on 29 February 2016.

The possession of shareholdings in the Companies being Incorporated is not recorded in the draft financial statements of INWIT at 31 December 2015 insofar as the same, on 11 January 2016, acquired the entire shareholding of the Companies being Incorporated with a contract for the sale of shares, with the signatures authenticated by Notary Francesca Giusto in Rome, index no. 18950 – folder no. 11938.

INWIT directly holds the entire share capital of the Companies being Incorporated and therefore the Merger is legally considered to be a merger by incorporation of wholly owned companies in accordance with art. 2505 of the Italian Civil Code, resulting in the non-application of the provisions of art. 2501-ter, first subsection, numbers 3), 4) and 5) and of article 2501-sexies of the Italian Civil Code as well as, in relation to the Companies being Incorporated, art. 2501-quinquies of the Italian Civil Code. In this regard, it should be noted that it is not necessary to obtain expert reports on the fairness of the exchange ratio, nor reports by the control bodies of the Companies being Incorporated.

Given that INWIT S.p.A. holds all the shares of the Companies being Incorporated, the prospective Merger shall take place without the exchange of shares, namely without assigning the Shares of INWIT S.p.A. in exchange for the shares of the Companies being Incorporated, which will be cancelled and, for the same reasons, there shall be no cash balance. INWIT S.p.A., moreover, shall not make any increase to its share capital as a result of the Merger.

Reasons for the operation

The decision to proceed with the Merger stems from the need to simplify the share ownership structure of the Group of which INWIT is the parent company, holding 100% of the share capital of Revi Immobili S.r.l., Gestione Immobili S.r.l. and Gestione Due S.r.l..

The purpose of the merger by incorporation is therefore to reorganize and rationalize the organizational dynamics of the INWIT Group in order to adapt the share ownership structure to its operating dimension by amalgamating the activities of the Companies being Incorporated into INWIT and by the latter directly managing all the activities of the Group.

This transaction, in addition to improving how the activities of the companies affected by the merger are managed, will allow savings on management costs and the simplification of accounting, legal, administrative and managerial activities, also resulting in the intensification of operating synergies.

Specifically, the Merger will allow, inter alia, the following simplifications of obligations and cost reductions: (i) elimination of the preparation of three separate financial statements; (ii) elimination of the preparation of consolidated financial reports by INWIT; (iii) elimination of the duplication of

governing bodies and remuneration for the relative members; (iv) reduction of the accounting, administrative, tax and legal obligations and reduction of the relative costs.

Bylaws of the Incorporating Company

It should be noted, moreover, that following the Merger the Incorporating Company shall not increase its share capital and shall not amend its Bylaws.

2. Date of allocation of the transactions of the Companies participating in the Merger to the financial statements of INWIT, also for tax purposes

The effects of the merger shall come into force, pursuant to art. 2504-bis of the Italian Civil Code, on completion of registration of the merger deed in the business register, or any subsequent date that may be indicated in the merger deed.

Pursuant to art. 2504-bis, subsection 3, of the Italian Civil Code and art. 172, subsection 9, of the TUIR (Consolidated Law on Income Tax), the effects of the merger for accounting and tax purposes will start from the first day of the financial year in which the merger becomes legally effective; so from that date the transactions of the Companies being Incorporated will be posted to the accounts of the Incorporating Company.

3. Tax effects of the Merger on the Companies participating in the Merger

As regards the tax effects, the merger by incorporation is a tax-neutral transaction in terms of corporation tax (IRES), which does not generate significant taxable capital losses or gains.

The assets and liabilities of the Companies being Incorporated shall be entered in the financial statements of INWIT S.p.A. under the fiscal continuity regime (art. 172, subsections 1 and 2 of the Consolidated Law on Income Tax).

For the purposes of indirect taxes, the merger constitutes a transaction excluded from the application of VAT pursuant to art. 2, subsection 3, letter f) of Presidential Decree 633/1972. This transaction shall be subject to a fixed registration charge.

4. Effects of the Merger on the composition of the share ownership and on control of the Incorporating Company

The Merger, as described thus far, does not involve the issuing or assignment of INWIT shares and, therefore, it shall not produce any effect on the composition of the share ownership or on the control structure of the Incorporating Company.

5. Effects of the Merger on significant shareholders' agreements in accordance with Article 122 CLF

As far as the Incorporating Company is aware, there are no shareholders' agreements, pursuant to art. 122 of legislative decree no. 58/1998 ("CLF"), concerning the shares of the Incorporating Company.

6. Assessments on the applicability of the right of withdrawal pursuant to art. 2347-quinquies of the Italian Civil Code.

The implementation of the Merger does not result in the application, for INWIT shareholders, of the right to withdraw pursuant to art. 2347-quinquies of the Italian Civil Code, as the Merger does not exclude the Incorporating Company from being listed.

In view of the above, the Board of Directors submits for your approval the following

Proposed Resolution

"The Shareholders' Meeting of INWIT S.p.A., which met in extraordinary session:

- given the Plan for Merger by Incorporation of the Companies Revi Immobili S.r.l., Gestione Immobili S.r.l. and Gestione Due S.r.l. into INWIT S.p.A.;
- having examined the Explanatory Report by the Directors on the above-specified merger plan, prepared in accordance with Art. 70, subsection 2 of the Issuers' Regulations;
- having acknowledged the financial positions of the companies participating in the merger, represented by the draft financial statements for FY 2015 of INWIT S.p.A. and the respective financial statements at 31 December 2015 approved by the shareholders' meetings of the Companies being Incorporated on 29 February 2016;
- having acknowledged the timely deposit of the documentation, in accordance with current provisions;

resolved

1. to approve the Plan for merger by incorporation into INWIT S.p.A of the wholly owned companies Revi Immobili S.r.l., Gestione Immobili S.r.l. and Gestione Due S.r.l.;
2. to confer upon the Board of Directors and, on behalf thereof, on the pro tempore legal representatives, severally and also by means of special proxies to be appointed to this end, all powers to make any non-substantive amendments, supplements or eliminations to and from the meeting resolutions as may be necessary at the request of any competent administrative authority or when registering it with the Business Register;
3. to confer upon the Board of Directors and, on behalf thereof, on the pro tempore legal representatives, severally and also by means of special proxies to be appointed to this end, full powers, with no exclusions, to implement the merger in accordance with the terms and conditions laid down by the merger plan and this resolution and, therefore, without any limitation to:
 - stipulate and sign the public deed of merger and any deed of recognition, supplement and adjustment as may be necessary or appropriate, defining all relevant conditions, clauses, terms and methods in compliance with and fulfilment of the merger plan;
 - generally to carry out all else as may be required, necessary, useful or even only appropriate to fully implement the above resolutions, enabling the transfers, transcriptions, notes, amendments and adjustments of ownership in public registers and all other competent offices, as well as the presentation to the competent authorities of all applications, requests, communications or petitions for authorisation as may be required or necessary or appropriate for the purpose of the transaction.”

Milan, 11 March 2016