Q1 2018: environment update

Wind Tre top-line is facing headwinds …

Market
- No substantial easing of competitive aggressiveness by MNOs and MVNOs
- Stiff competition impacting net additions and an ARPU deterioration
- Mobile legacy services (SMS and pay-per-use traffic) decline continues
- Fixed competition focused on Fiber and Fixed mobile convergence

Regulation
- Pro-consumer attitude taken by Regulator (i.e. roll-back on the “calendar month” billing with strong restrictions on re-pricing initiatives/mechanism, new European Roaming rules)
- Wind Tre is fully compliant with regulatory framework

… but continuous focus on strategic imperatives

Value
- Rational and targeted answer to attacks maintaining reasonable entry price points, avoiding customer base cannibalization and market deterioration
- Acquisition strategy focused on high lifetime value customers through “tied” offers
- Focus on Fixed-Mobile-Convergence acquisitions, characterized by better margins and higher loyalty

Trust
- Deployment of initiatives to increase offer simplicity and transparency
- Focus on generosity (e.g. Gigabank on Tre CB, wider data allowance) to drive future growth in value and loyalty
2018: a year of transformation

Integrate

- Consolidate Network, improving capacity and quality, closing the gap with competition on mobile network
- Evolve our systems to a full Digital stack
- Make a step change in fiber coverage maximizing the agreement with Open Fiber and negotiating with several players for further coverage improvement
- Improve operational processes to best practices (e.g. provisioning, assurance)

Differentiate

- Accelerate on fixed-mobile convergence
- Strengthen differentiation on B2B segment
- Accelerate digital transformation with an eco-system of partners (personalized services, best self-care and online experience, differentiated mobile engagement platforms)
- Double-down on ultra-broadband products & services (Wind Tre as Digital Home enabler)
- Secure our high value customers through data analytics (e.g. predictive value of customers, tailored offers)

Optimize

- Improve efficiency eliminating duplication in organization and processes
- Maximize extraction of synergies
- Eliminate underperforming and overlapping sales channels, optimizing acquisition costs and incentivize high value customer retention
- Ensure discipline in allocation of capital and resources
Network & IT

- 6.5k mobile radio access transmission sites already modernized, out of a total target of approx. 21k
- Bologna, Trieste, Alessandria, Agrigento and Milan completed, Rome nearly finalized
- Advertising campaign launched in April in Milan to promote improved new network performances
- Finalized supply agreement with Ericsson for core network evolution project (to be started in 2018)
- Customer experience improved in consolidated cities with double digit in NPS and network speed performance increase
- IT systems integration ongoing: new unique “Campaign system”, for a unified contact strategy, completed

Current status

- Following the issuance of an order denying privileges on exports and re-exports of U.S. products, software and technology to ZTE issued on April 15, 2018 by U.S. Authorities, Wind Tre is assessing the manner and extent of the likely effect on its network modernization and consolidation program currently ongoing, and is exploring all options to minimize these effects
Mobile customer base

**Value**
- Notwithstanding a 5.5% YoY CB erosion, retention efforts show first signs of improvement:
  - ‘Tied’ gross additions up to ~40% of total gross additions
  - ‘Tied’ customer base increasing ~10% YoY representing ~35% of total CB
  - 31.3% churn in Q1 2018 reduced vs. both 33.2% in Q1 2017 and 32.0% in Q4 2017

**Offers**
- Keep “All Inclusive” offers while upselling WIND plus (double giga allowance)
- Keep pushing on geo-local marketing actions and massive caring high value customers
- Reinforce smartphone and IoT proposition
- Reinforce phase in portfolio with unlimited calls (All-in master) and Gigabank
- Launch of “real” unlimited offer on voice and data (All-in Power FMC)
- Reinforce smartphone and IoT proposition
- Boost giga sharing offer portfolio
- Revisiting handset offer to increase ARPU
- Pushing dedicated local offers to leverage new modernized network

**Convergence**
- Enhance convergent offer and push cross selling to lock-in most valuable customers
- 11% of mobile customer base is convergent, increasing ~100bps vs. the end of 2017
**Fixed-line customer base**

**Value**
- Total direct customer base increased 1.4% YoY while low margin indirect customer base decreased 25%
- Fixed-line fiber\(^1\) gross additions doubled from 35% of total gross additions in Q1 2017 to 70% in Q1 2018
- Fixed-line FTTH customer base more than doubled YoY
- Launch of blocked price offer at 24.9€
- **Solid ARPU**, slightly declining YoY mainly due to indirect and legacy revenue reduction

**Push on fiber**
- **Open Fiber**
  - Continue FTTH rollout execution exploiting Open Fiber agreement
  - Grant timely opening for commercialization of FTTH services in cities, as soon as completed

**Enlarge addressable footprint**
- **Increase fiber/broadband coverage**: ongoing negotiation with multiple fiber players
- Move from “defensive stance” (spontaneous migrations) to proactive migration for locking-in customer base

**Convergence**
- **Enhance convergent offer and push cross selling** to lock-in most valuable customers
- 62% of fixed customer base is convergent, increasing ~200bps vs. the end of 2017

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1. FTTH and FTTC
Organizational structure

- **Strengthening the leadership team:**
  - New role, Chief Commercial Officer, that combines the three commercial business units under one responsibility to accelerate time to market and synchronize all commercial levers
  - **New Head of CEO Office** in place to better focus on strategy development and execution

- **Simplifying and streamlining the structure**
1. CAPEX synergies are calculated as difference between Wind Tre CAPEX at the end of the plan and the sum of 2016 CAPEX of Wind and H3G on a stand-alone basis.
Financial highlights Q1 2018

Total Revenue
1,410M€
-8.9% vs Q1 2017

Mobile TLC revenues
961M€
-7.8% vs Q1 2017

Fixed TLC revenues
259M€
-4.2% vs Q1 2017

Op. Cash Flow
(EBITDA\(^1\) – CAPEX)
285M€
+2.8% vs Q1 2017

EBITDA\(^1\)
509M€
-5.3% vs Q1 2017
on a like-for-like basis

EBITDA\(^1\) Margin
36.1%
+130 bps vs Q1 2017
on a like-for-like basis

Net Debt\(^2\)
9.7Bn€
FY 2017: 9.7Bn€

Leverage ratio\(^2\)
4.4x
FY 2017: 4.4x

Note: 2018 financial data are reported following IFRS 15 standard. 2018 figures based on IAS 18 standard are used for "like-for-like comparison purposes" (where needed). Starting from 2Q 2017 results, minor changes in accounting policies were adopted. For a proper comparison some Q1 2017 figures were adjusted accordingly. For further details please refer to Back-up slides.

1. Q1 2018 EBITDA before approx. 25M€ of one-off integration costs. Q1 2017 EBITDA before approx. 59M€ of one-off integration costs
2. Leverage ratio calculated on Q1 2018 LTM EBITDA, under IAS 18, before one-off integration costs of approx. 231M€. FY 2017 EBITDA before one-off integration costs of approx. 266M€.
Total – Revenue & EBITDA

Revenue (M€) (Like-for-like comparison)

<table>
<thead>
<tr>
<th>Q1 2017</th>
<th>Q1 2018 IAS 18</th>
<th>Q1 2018 IFRS 15</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,313</td>
<td>1,410</td>
<td>1,410</td>
</tr>
<tr>
<td>-7.1%</td>
<td>-7.1%</td>
<td>-7.1%</td>
</tr>
<tr>
<td>196</td>
<td>170</td>
<td>170</td>
</tr>
<tr>
<td>-8.9%</td>
<td>-13.3%</td>
<td>-13.3%</td>
</tr>
</tbody>
</table>

Total CPE Service revenue

Notes:
- 8.9% total revenue decline (-138M€) mainly due to:
  - 7.1% service revenue decrease (-93M€) driven by mobile segment performance
  - 13.3% CPE revenue decrease (-26M€) due to lower volume of gross additions coupled with increased focus on “value” through a more selective mobile customer scoring introduced in H2 2017

EBITDA¹ and Margin (M€, %) (Like-for-like comparison)

<table>
<thead>
<tr>
<th>Q1 2017</th>
<th>Q1 2018 IAS 18</th>
<th>Q1 2018 IFRS 15</th>
</tr>
</thead>
<tbody>
<tr>
<td>33.4%</td>
<td>34.7%</td>
<td>36.1%</td>
</tr>
<tr>
<td>517</td>
<td>490</td>
<td>509</td>
</tr>
<tr>
<td>+130bps</td>
<td>-5.3%</td>
<td></td>
</tr>
</tbody>
</table>

Notes:
- 5.3% EBITDA¹ decline on a like-for-like basis (-27M€) mainly coming from the mobile segment, as a result of top line decrease partially offset by synergies and costs optimization
- 130bps EBITDA¹ margin increase on a like-for-like basis


Mobile – Revenue & EBITDA

Revenue (M€)

(Like-for-like comparison)

<table>
<thead>
<tr>
<th></th>
<th>Q1 2017</th>
<th>Q1 2018 IAS 18</th>
<th>Q1 2018 IFRS 15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>1,253 M€</td>
<td>1,115 M€</td>
<td>1,115 M€</td>
</tr>
<tr>
<td>Other CPE</td>
<td>191 M€</td>
<td>139 M€</td>
<td>139 M€</td>
</tr>
<tr>
<td>Service revenue</td>
<td>1,043 M€</td>
<td>961 M€</td>
<td>961 M€</td>
</tr>
</tbody>
</table>

EBITDA¹ and Margin (M€, %)

(Like-for-like comparison)

<table>
<thead>
<tr>
<th></th>
<th>Q1 2017</th>
<th>Q1 2018 IAS 18</th>
<th>Q1 2018 IFRS 15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>429 M€</td>
<td>406 M€</td>
<td>425 M€</td>
</tr>
<tr>
<td>EBITDA¹</td>
<td>34.2%</td>
<td>36.4%</td>
<td>38.1%</td>
</tr>
</tbody>
</table>

Highlights

- 11.0% mobile revenue decrease (-138M€), mainly due to:
  - 7.8% service revenue decrease (-82M€) as a result of legacy services decline (e.g. SMS and pay-per-use), regulation impact (e.g. EU roaming rules) and highly competitive market impacting both customer base and ARPU
  - 27% CPE revenue decline (-51M€) driven by lower gross additions coupled with increased focus on “value” through a more selective mobile customer scoring introduced in H2 2017
- 5.2% EBITDA¹ decline on a like-for-like basis (-22M€) due to top line decrease, partially offset by synergies and cost cutting activities
  - 220bps EBITDA¹ margin increase on a like-for-like basis

Note: 2018 financial data are reported following IFRS 15 standard. 2018 figures based on IAS 18 standard are used for “like-for-like comparison purposes” (where needed).

1. EBITDA before integration costs
Mobile performance

Customer base (M)

- **Q1 2017**: 30.9
- **Q1 2018**: 29.2
- **Change**: -5.5%

**Highlights**

- Reduction in mobile customer base due to **highly competitive market** characterized by underground offers and increased pressure from MVNOs

**ARPU (€/month)**

- **Q1 2017**: 11.0
- **Q1 2018**: 10.8
- **Change**: -1.8%

**Highlights**

- Slightly **ARPU decrease at 10.8 €/month** (-1.8%) impacted by:
  - Competitors attack partially balanced by rational and targeted marketing actions aimed to lock in high value customers in a high competitive market
  - Legacy SMS and pay-per-use revenues reduction
  - “Roam Like @ Home” new regulation
Mobile – Focus on internet performance

**Highlights**

- **1.1% growth in internet revenue** (+5M€) driven by data ARPU increase, more than offsetting the decrease of mobile internet users¹

- Mobile internet users¹ at 19.3 million, -1.4% as a consequence of the total customer base decline, now representing 66% of total customers

- **0.9% data ARPU increase** (reaching 5.7 €/month) driven by growth in average data usage² per customer

- Average data usage² of active internet users at 4.4 GB/month (+51%)

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1. Mobile internet users include customers that have performed at least one mobile internet event in the previous month
2. Mobile average data usage measured on mobile internet users
Fixed-line – Revenue and EBITDA

<table>
<thead>
<tr>
<th></th>
<th>Q1 2017</th>
<th>Q1 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue (M€)</strong></td>
<td>295</td>
<td>294</td>
</tr>
<tr>
<td><strong>CPE</strong></td>
<td>6</td>
<td>31</td>
</tr>
<tr>
<td><strong>Service revenue</strong></td>
<td>270</td>
<td>259</td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td>19</td>
<td>4</td>
</tr>
</tbody>
</table>

-30.1% -0.1% -4.2%

**EBITDA** and Margin (M€, %)

<table>
<thead>
<tr>
<th></th>
<th>Q1 2017</th>
<th>Q1 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EBITDA</strong></td>
<td>89</td>
<td>83</td>
</tr>
<tr>
<td><strong>Margin</strong></td>
<td>30.1%</td>
<td>28.4%</td>
</tr>
</tbody>
</table>

-5.8% -170bps

**Highlights**

- Stable fixed-line revenue (-0.1%; -1M€) mainly driven by higher CPE revenue, thanks to the new selling proposition, offset by lower service revenue and lower other revenue.
- 4.2% decline of fixed-line service revenue (-11M€) due to indirect and single play revenue reduction (low margin business) and ARPU reduction not fully compensated by the direct customer base increase.

- 5.8% EBITDA** decline (-5M€) mainly due to other revenue decrease.
- 170 bps EBITDA** margin decrease at 28.4%.

1. EBITDA before integration costs.
Fixed-line performance

**Customer base (M)**

- **Q1 2017**: Direct 2.50, Indirect 2.72, Total 2.72
- **Q1 2018**: Direct 2.53, Indirect 2.70, Total 2.70

**Highlights**

- Direct fixed-line customer base slightly increasing (+1.4%) to 2.5 million thanks to Fiber acquisitions.
- Strong push on fiber, with fiber customers reaching 20% of direct customer base, almost doubled year over year.

**ARPU (€/month)**

- **Q1 2017**: 28.1
- **Q1 2018**: 27.0

- 3.9% fixed-line ARPU decline (to 27.0 €/month), mainly due to churn of old customers as a consequence of a highly competitive environment partially balanced by value of new gross additions.
Fixed-line – Focus on broadband performance

**Broadband revenue (M€)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 2017</td>
<td>152</td>
<td>-2.9%</td>
</tr>
<tr>
<td>Q1 2018</td>
<td>147</td>
<td></td>
</tr>
</tbody>
</table>

**Highlights**

- **2.9% fixed-line broadband revenue decline** (-5M€) due to indirect broadband revenue decline (low margin business) and ARPU reduction on direct broadband, only partially compensated by the increase in customer base.

**Broadband customer base and ARPU (M, €/month)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 2017</td>
<td>21.8</td>
<td>-5.1%</td>
</tr>
<tr>
<td>Q1 2018</td>
<td>20.6</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 2017</td>
<td>2.35</td>
<td>+1.7%</td>
</tr>
<tr>
<td>Q1 2018</td>
<td>2.39</td>
<td></td>
</tr>
</tbody>
</table>

**Highlights**

- **1.7% fixed-line broadband customer base growth** driven by increased demand for fiber services and acceleration on convergence.
- **5.1% broadband ARPU decrease** (reaching 20.6 €/month) mainly due to churn of old customers as a consequence of a highly competitive environment partially balanced by value of new gross additions.
CAPEX

**CAPEX (M€, %)**

(Like-for-like comparison)

- 17.5%
- 20.2%
- 14.6% decline in CAPEX on a like-for-like basis due to different phasing of network consolidation and modernization roll-out activities

Q1 2017: 240
Q1 2018 IAS 18: 205
Q1 2018 IFRS 15: 224

Network’s KPIs

**Mobile**
- 96.4% 4G/LTE population coverage
- Fully deployed HSPA and GSM
- ~6.5k sites modernized. Trieste, Agrigento, Alessandria, Bologna and Milan completed with significant network performance improvement
- Network modernization in Rome almost completed

**Fixed**
- 70% direct coverage (1,958 local loop unbundling sites)
- 36,085 km of solid fiber optic backbone
- Exploiting partnerships with multiple fiber operators providing better coverage

Note: 2018 financial data are reported following IFRS 15 standard. 2018 figures based on IAS 18 standard are used for "like-for-like comparison purposes" (where needed).

1. Q1 CAPEX on revenue (LTM) under IAS 18
# P&L Highlights

* like-for-like comparison based on 2018 and 2017 financial data both following IAS 18 standard

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>2018 vs. 2017 like-for-like*</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>IAS 18</td>
<td>IFRS 15</td>
<td>IFRS 15 Impact</td>
</tr>
<tr>
<td>Revenue (Service rev. &amp; CPE/HS rev.)</td>
<td>1,510</td>
<td>1,390</td>
<td>-</td>
</tr>
<tr>
<td>Other Revenue</td>
<td>38</td>
<td>20</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td>1,548</td>
<td>1,410</td>
<td>-</td>
</tr>
<tr>
<td>EBITDA before integration costs</td>
<td>517</td>
<td>509</td>
<td>(19)</td>
</tr>
<tr>
<td>Integration costs</td>
<td>(59)</td>
<td>(25)</td>
<td>-</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>458</td>
<td>484</td>
<td>(19)</td>
</tr>
<tr>
<td>Depreciation &amp; amortization</td>
<td>(373)</td>
<td>(361)</td>
<td>27</td>
</tr>
<tr>
<td><strong>EBIT before exceptionals</strong></td>
<td>85</td>
<td>123</td>
<td>8</td>
</tr>
<tr>
<td>Impairment/write off and revised useful life on NTW assets to be dismissed</td>
<td>(405)</td>
<td>(192)</td>
<td>-</td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td>(320)</td>
<td>(69)</td>
<td>8</td>
</tr>
<tr>
<td>Finance income</td>
<td>28</td>
<td>25</td>
<td>-</td>
</tr>
<tr>
<td>Finance expenses</td>
<td>(172)</td>
<td>(104)</td>
<td>-</td>
</tr>
<tr>
<td>Net foreign exchange gains/(losses)</td>
<td>(2)</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td><strong>EBT</strong></td>
<td>(466)</td>
<td>(147)</td>
<td>8</td>
</tr>
<tr>
<td>Income Tax</td>
<td>(30)</td>
<td>(6)</td>
<td>(2)</td>
</tr>
<tr>
<td><strong>Net Result</strong></td>
<td>(496)</td>
<td>(153)</td>
<td>6</td>
</tr>
</tbody>
</table>
## Capital structure

### Table: Capital Structure

<table>
<thead>
<tr>
<th></th>
<th>As of Dec. 31, 2017</th>
<th>As of Mar. 31, 2018</th>
<th>Change on Q1 2018</th>
<th>Mar. 31, 2018 LTM EBITDA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Equivalents</td>
<td>(612)</td>
<td>(701)</td>
<td>(89)</td>
<td>(0.3x)</td>
</tr>
<tr>
<td>Bank Loan</td>
<td>2,970</td>
<td>2,987</td>
<td>17</td>
<td>1.4x</td>
</tr>
<tr>
<td>EUR Senior Secured Notes 2023</td>
<td>1,619</td>
<td>1,630</td>
<td>11</td>
<td>0.7x</td>
</tr>
<tr>
<td>EUR Senior Secured Floating Rate Notes 2024</td>
<td>2,242</td>
<td>2,258</td>
<td>16</td>
<td>1.0x</td>
</tr>
<tr>
<td>EUR Senior Secured Notes 2025</td>
<td>1,760</td>
<td>1,774</td>
<td>14</td>
<td>0.8x</td>
</tr>
<tr>
<td>USD Senior Secured Notes 2026</td>
<td>1,665</td>
<td>1,642</td>
<td>(23)</td>
<td>0.8x</td>
</tr>
<tr>
<td>Derivatives and Other</td>
<td>51</td>
<td>120</td>
<td>70</td>
<td>0.1x</td>
</tr>
<tr>
<td><strong>Total External Net Debt (excluding Intercompany Loans)</strong></td>
<td>9,695</td>
<td>9,711</td>
<td>16</td>
<td>4.4x</td>
</tr>
<tr>
<td><strong>LTM EBITDA</strong></td>
<td>2,211</td>
<td>2,184</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total External Net Debt / LTM EBITDA ratio</strong></td>
<td><strong>4.4x</strong></td>
<td><strong>4.4x</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intercompany Loans</td>
<td>624</td>
<td>611</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Net Debt</td>
<td>10,319</td>
<td>10,322</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Net Debt / LTM EBITDA ratio</strong></td>
<td><strong>4.7x</strong></td>
<td><strong>4.7x</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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1. Q1 2018 LTM EBITDA, under IAS 18, before one-off integration costs of approx. 231M€; FY 2017 EBITDA before one-off integration costs of approx. 266M€.
2. Intercompany credit towards former WAHF: approx. 1,140M€ in 2017 and approx. 1,165 in Q1 2018; Intercompany loan towards former 3 Italia SpA and former H3G Italy investments sarl.: approx. 1,764 in 2017 and 1,776 in Q1 2018.
Gross debt breakdown and maturity profile

M€

Average interest rate\(^2\)

\(~2.7\%\)

1. Notional amounts. USD tranche has been converted at Cross Currency Swaps €/USD Exchange Rate
2. Nominal annual interest rate including hedging costs
• Achieved encouraging progress in fixing the basics across our customer touchpoints

• Realized solid improvements in network performance, simplification of our offer portfolio, channel efficiencies and a better understanding of our customer base

• In addition to the market pressures on our top line, this erosion reflects conscious decisions we are taking to exit low margin offers and businesses, improving offer transparency, and tightening our controls

• Fixed Mobile Convergence remains a key priority, we are accelerating our initiatives to close the gap with competition; negotiations with fiber suppliers to improve terms, speed and service quality

• In light of the situation with ZTE, mitigation plans are under active assessment

• Clear and continued focus on cost and cash generation to improve leverage ratio

• Pleased with the progress made in strengthening the management team
Thank you
Q & A
Back-up
Starting from 2Q 2017 results, minor changes in accounting policies were adopted. For a proper comparison the Q1 2017 figures shown in the table above were adjusted accordingly.

<table>
<thead>
<tr>
<th></th>
<th>As reported on 09/05/2017</th>
<th>As restated on 02/08/2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total revenue</strong></td>
<td><strong>M€</strong> 1,552</td>
<td><strong>M€</strong> 1,548</td>
</tr>
<tr>
<td>of w. Service revenue</td>
<td><strong>M€</strong> 1,317</td>
<td><strong>M€</strong> 1,313</td>
</tr>
<tr>
<td><strong>Mobile revenue</strong></td>
<td><strong>M€</strong> 1,259</td>
<td><strong>M€</strong> 1,253</td>
</tr>
<tr>
<td>of w. Service revenue</td>
<td><strong>M€</strong> 1,048</td>
<td><strong>M€</strong> 1,043</td>
</tr>
<tr>
<td><strong>Fixed-line revenue</strong></td>
<td><strong>M€</strong> 293</td>
<td><strong>M€</strong> 295</td>
</tr>
<tr>
<td>of w. Service revenue</td>
<td><strong>M€</strong> 269</td>
<td><strong>M€</strong> 270</td>
</tr>
<tr>
<td><strong>EBITDA before integration costs</strong></td>
<td><strong>M€</strong> 517</td>
<td><strong>M€</strong> 517</td>
</tr>
<tr>
<td>of w. Mobile</td>
<td><strong>M€</strong> 427</td>
<td><strong>M€</strong> 429</td>
</tr>
<tr>
<td>of w. Fixed-line</td>
<td><strong>M€</strong> 90</td>
<td><strong>M€</strong> 89</td>
</tr>
<tr>
<td><strong>EBITDA Margin before integration costs</strong></td>
<td><strong>%</strong> 33.3%</td>
<td><strong>%</strong> 33.4%</td>
</tr>
<tr>
<td>of w. Mobile</td>
<td><strong>%</strong> 33.9%</td>
<td><strong>%</strong> 34.2%</td>
</tr>
<tr>
<td>of w. Fixed-line</td>
<td><strong>%</strong> 30.8%</td>
<td><strong>%</strong> 30.1%</td>
</tr>
<tr>
<td><strong>Mobile ARPU</strong></td>
<td><strong>€/month</strong> 11.1</td>
<td><strong>€/month</strong> 11.0</td>
</tr>
</tbody>
</table>
In adopting IFRS 15 Wind Tre opted for the modified retrospective approach which implies:

- 2018 figures: IFRS15 compliant
- 2017 figures: unchanged IAS18 compliant

Proper disclosure of “Beginning of Period” balances and P&L adjustments are provided in relation to figures affected by IFRS 15 adoption.

**Revenue**
- IFRS15 adoption limited to ‘direct sales channel’
- Revenue allocation with Stand-alone Selling Price method in line with current revenue recognition model

**Activation fees**
- Activation fees will be allocated to the separate performance obligations included in the offer
- Revenue recognized consistently with the timing of the separate performance obligations

<table>
<thead>
<tr>
<th>“Beginning of Period” adjustment</th>
<th>Recurrent adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>7M€ Deferred income</td>
<td>Not relevant</td>
</tr>
</tbody>
</table>
1. Q1 2018 EBITDA before approx. 25M€ of one-off integration costs.

## From IAS 18 to IFRS 15 (2/2)

### Customer Acquisition Costs

- **Impact mainly due to commissions on non-lock-in offers** (mobile only) to be treated as an asset
- **Amortisation of these assets will be represented below EBITDA**
- **Amortization period** is on a straight line basis and consistent with the relevant average life of such customer segment

### "Beginning of Period" adjustment

<table>
<thead>
<tr>
<th>Q1 2018 (IFRS 15)</th>
<th>from OPEX to CAPEX</th>
<th>Q1 2018 (IAS 18)</th>
</tr>
</thead>
<tbody>
<tr>
<td>509</td>
<td></td>
<td>490</td>
</tr>
</tbody>
</table>

**95M€ Asset recognition**

### Recurrent adjustment

<table>
<thead>
<tr>
<th>IFRS 15 variance</th>
<th>1Q 2018 (IFRS 15)</th>
<th>1Q 2018 (IAS 18)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(19)</td>
<td>509</td>
<td>490</td>
</tr>
</tbody>
</table>

**EBITDA\(^1\) (M€)**

- 509
- 490

**D&A (M€)**

- (553)
- (526)

None
Disclaimers

Forward-looking statements

This document contains predictions of events and future results of Wind Tre that are based on the current expectations, estimates and projections regarding the sector in which the company 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, the impact of competition, and political, economic and regulatory developments in Italy.

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