



Wind Tre, positive results in the first half of 2017, EBITDA* +7.9% with EBITDA* margin expansion

Milan, 2nd august 2017

- Total revenue stable at €3,083 million, +0.2%
- EBITDA* at €1,040 million, an increase of 7.9% with EBITDA* margin expansion to 33.7%, +240bps
- Revenue from mobile services at €2,085 million, slightly down, -1.4%
- Revenue from fixed services at €539 million, + 1.1%
- Internet segment steadily growing: mobile data revenue +13.5% and customers +1.9%, fixed data revenue +7.8% and broadband customers +2.4%
- Operating cash flow (EBITDA* - CAPEX) of €534 million, increased by 25.8% vs. first half 2016
- Synergies achieved in line with expectations, target confirmed

Wind Tre has posted a positive set of results for the first half of 2017 despite renewed competitive pressure in the mobile market segment, achieving stable total revenue (+0.2%) and an increase of 7.9% in EBITDA* thanks to the good performance in the fixed and business segments and the continuous steps taken to improve cost efficiency and deliver synergies from the ongoing integration.

Total revenue in first half 2017 reached €3,083 million growing by 0.2% year on year; service revenue amounted to €2,624 million, -0.9% year on year.

Mobile service revenue came in at €2,085 million, a slight decrease over the same period of the previous year (-1.4%), as a result of by a pick-up in competitive pressure in the market and the impact of the introduction – in accordance with EU Regulation - of “roaming like at home” in the last two months of the period.

Total mobile customers of Wind Tre amounted at 30.3 million; internet customers rose year on year by 1.9% to 19.3 million. Mobile ARPU was broadly stable year on year at €11.1; the data component increased by 7.0% to €5.7, representing approximately 52% of total ARPU.

As part of its digital strategy, Wind Tre has released VEON 2.0 App in July. VEON 2.0 App is a global, data-driven digital engagement platform developed by VEON Ltd., whereby customers through an App can fulfill their telecommunication needs, manage self-care as well as a rich set of other services and content. Since the launch in Italy in Q4 2016 nearly 2 million people have downloaded VEON App.

Fixed service revenue rose by 1.1% to €539 million with the broadband segment growing by 7.8%. The number of customers in the broadband segment increased by 2.4% to 2.4 million due to growing demand boosted by ultra-broadband services and the wider availability of this technology in Italy; broadband ARPU rose by 5.1% to €21.8.

The number of fixed direct access customers increased by 1.8% to 2.5 million; total customers amounted to over 2.7 million. Total fixed ARPU increased by 2.8% in the first half of 2017 to €27.8 as a result of the effective commercial measures taken in the last quarter of 2016.



Group EBITDA* increased by 7.9% over the same period of last year to €1,040 million due to the constant optimization of the cost structure and the delivery of planned synergies included in the Company's strategic plan. EBITDA* margin rose to 33.7%, up by 240 bps over the first half of 2016. Wind Tre invested of approximately €500 million in the first half of the year to strengthen its fixed and mobile networks with the aim of continuing the development of the most extensive and innovative network in Italy, confirming its leadership in the mobile telecommunications market.

In May, Wind Tre launched its "Wind Tre Business" new brand targeting corporate customers and The Public Administration. "Wind Tre Business" proposes innovative offers providing a wide variety of fixed and mobile integrated solutions, services supported by 4G/LTE and fiber connectivity, by latest generation data centers and by partnerships with market leaders and ICT start-ups.

* EBITDA 1H 2017 before integration costs of approximately €140 million.