

## Press Release

### **TIM WINS 10 MHz ON THE 700 MHz BAND FREQUENCY AND INVESTS 680 MILLION EUROS FOR THE NETWORKS OF THE FUTURE**

***This is the first outcome of the auction launched by the Ministry of Economic Development for portions of the national 5G frequencies spectrum***

***The 700 MHz frequencies will ensure extensive 5G coverage also outside the metropolitan city areas and in indoor environments***

***TIM consolidates its leadership on the mobile communications market in Italy being one of only two operators owning spectrum on all the sub-1000 MHz frequencies: 700, 800 e 900MHz***

Rome, 13 September 2018

With the first round of the auction for 5G frequencies put up for sale by the Ministry of Economic Development now complete, TIM has won with an investment of 680,200,000 euros (in line with the starting price of 676,472,792 euros) two of the four blocks of 5+5 MHz each on the 700 MHz band (10 MHz in upload and 10 MHz in download) which will be available from 2022 and valid until 2037. The two blocks are the maximum amount that could be acquired by TIM according to current Antitrust regulations.

This important result increases the frequencies available to TIM which are essential for the 5G services; the new spectrum will be added to the 20+20 MHz that TIM has in the low frequency 800 MHz and 900 MHz bands, which already ensure the supply of UBB services to more than 98% of the population.

5G is a key technology for many services that will dramatically change the way we live and do business and that will bring Italy to an increasingly connected and smart reality, supporting Industry 4.0, Internet of Things and Smart Cities. The availability in 2022 of the 700 MHz frequencies will be crucial, as by then the 5G ecosystem will be widespread, connecting billions of smart objects - cars, public transports, domestic meters and the control elements of water and gas networks, bins, street lamps, buildings and all what is related to smart cities. These frequencies will also sustain the growth of data consumption from video services, such as virtual and augmented reality, video surveillance and telemedicine services in the most challenging conditions.

Tens of billions of devices and sensors with mobile connection that will produce an ever-increasing amount of data for the evolution of the Gigabit society over the next 20 years and beyond. The new 700 MHz frequencies will allow TIM to serve the entire Italian territory, bringing UBB services both in rural and digital divide areas and in indoor areas that are particularly challenging for mobile coverage, such as buildings in the historic city centres, optimizing investments on the network.

5G networks will allow a download capacity of approximately 10-50 Gigabit with maximum latency of 1 millisecond for mobile communications, therefore ensuring a strong improvement of the performances of today's 4G and 4.5G.

#### **TIM S.p.A.**

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In relation to the payment of the frequencies, the Government has established in the budget law of 2017 that the proceeds will derive primarily from the frequencies 3.6-3.8 and 26.5-27.5. For the current year the Government has identified, in relation to the 5G auction, to collect a total 1,250 million euros from all operators, 50 million in 2019, 300 million in 2020, 150 million in 2021, and the remaining surplus in 2022. For TIM Group, an exact estimate of the cash outlay, and thus of the impact on the net financial position, can therefore be carried out only at the end of the auction as a whole.

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