



Company Presentation
FY 2015 Financial Results

Forward-looking Statements contained in this document, particularly the ones regarding any EIT (EI Towers) possible or assumed future performance, are or may be forward-looking statements and in this respect they involve some risks and uncertainties.

EIT actual results and developments may differ materially from the ones expressed or implied by the above statements depending on a variety of factors. Any reference to past performance of EIT shall not be taken as an indication of future performance.

This announcement does not constitute an offer to sell or the solicitation of an offer to buy the securities discussed herein.

The executive responsible for the preparation of the accounts of EI Towers SpA, Fabio Caccia, declares that, as per art. 2, 154 bis of the Consolidated Finance Law, the 2014 and 2015 accounting information contained in this release corresponds to that contained in the company's formal accounts.

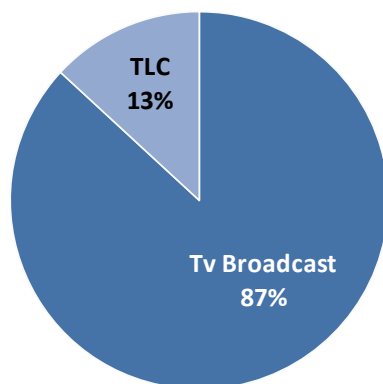
Company Snapshot

Revenues Profile and Geographical Presence

- Breakdown by activity¹

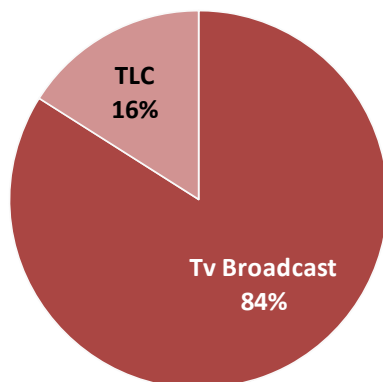
— Revenues by mix

2015: €241.8m



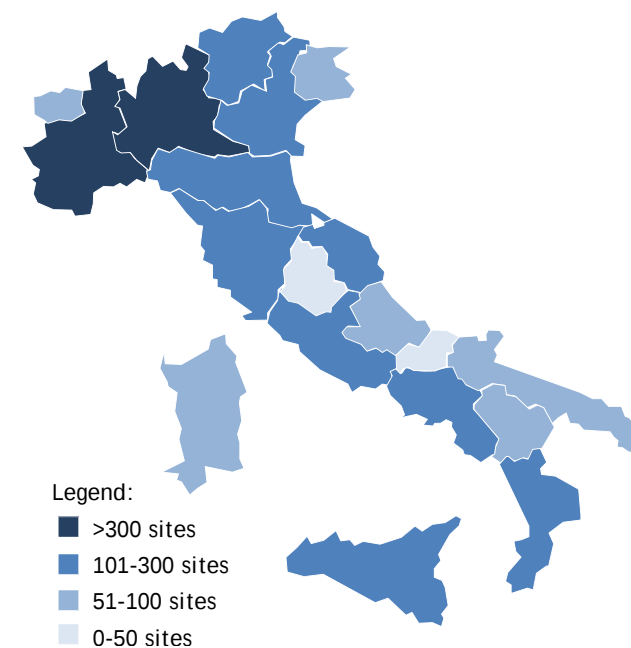
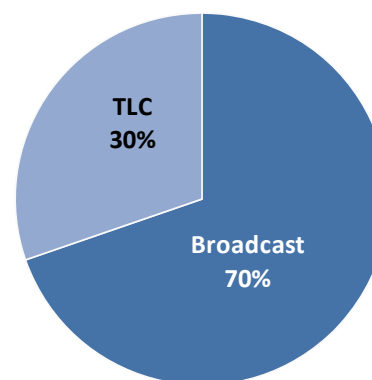
— EBITDA by mix

2015: €113m



- Current Tower Portfolio

>3,300 Sites under management



¹ Core Revenues FY2015

FY2015 Business Plan targets fully achieved

- **Core Revenues at €241.8m (+3.1% yoy)**
 - Nearly zeroing CPI trend
 - Growth driven by volumes (mainly M&A activity)
- **Adjusted EBITDA at €117m including €2.5m related to other revenues (+5.6% yoy)**
 - Result, before lay-offs and M&A fees, exceeding guidance
 - Adj. EBITDA margin at 48.4% (+110 bps vs FY2014)
 - Reported EBITDA at €113m
- **Sound Free Cash Flow generation confirmed**
 - Recurring Levered Free Cash Flow^(*) well above €60m
 - » Current RLFCF yield exceeding 4.5%
 - » Net Debt at €130.2m
 - Net Debt/EBITDA ratio = 1.15x

^(*) See page 5 for definition

Data in €/m ^(*)	FY2014	FY2015	Var. % YoY
Core Revenues	234.5	241.8	3.1%
Other revenues	0.5	2.8	
Total Revenues	235.0	244.7	4.1%
Operating costs	(124.2)	(127.6)	2.8%
- o/w Opex	(81.5)	(85.8)	5.2%
- o/w Labour Cost	(42.6)	(41.8)	-1.9%
Adj. EBITDA	110.8	117.0	5.6%
% on Core Revenues	47.3%	48.4%	
Non recurring items	(2.1)	(4.1)	
EBITDA	108.7	113.0	3.9%
D&A	(43.0)	(39.2)	-8.5%
Provisions	(0.1)	(0.1)	
EBIT	65.7	73.7	12.1%
Net financial charges	(7.7)	(8.6)	11.6%
EBT	58.0	65.0	12.0%
Income taxes	(20.3)	(17.3)	-14.7%
Net income	37.7	47.8	26.7%
EPS (€)	1.33	1.69	27.0%

⇒ Growth rate higher than CPI largely thanks to small M&A

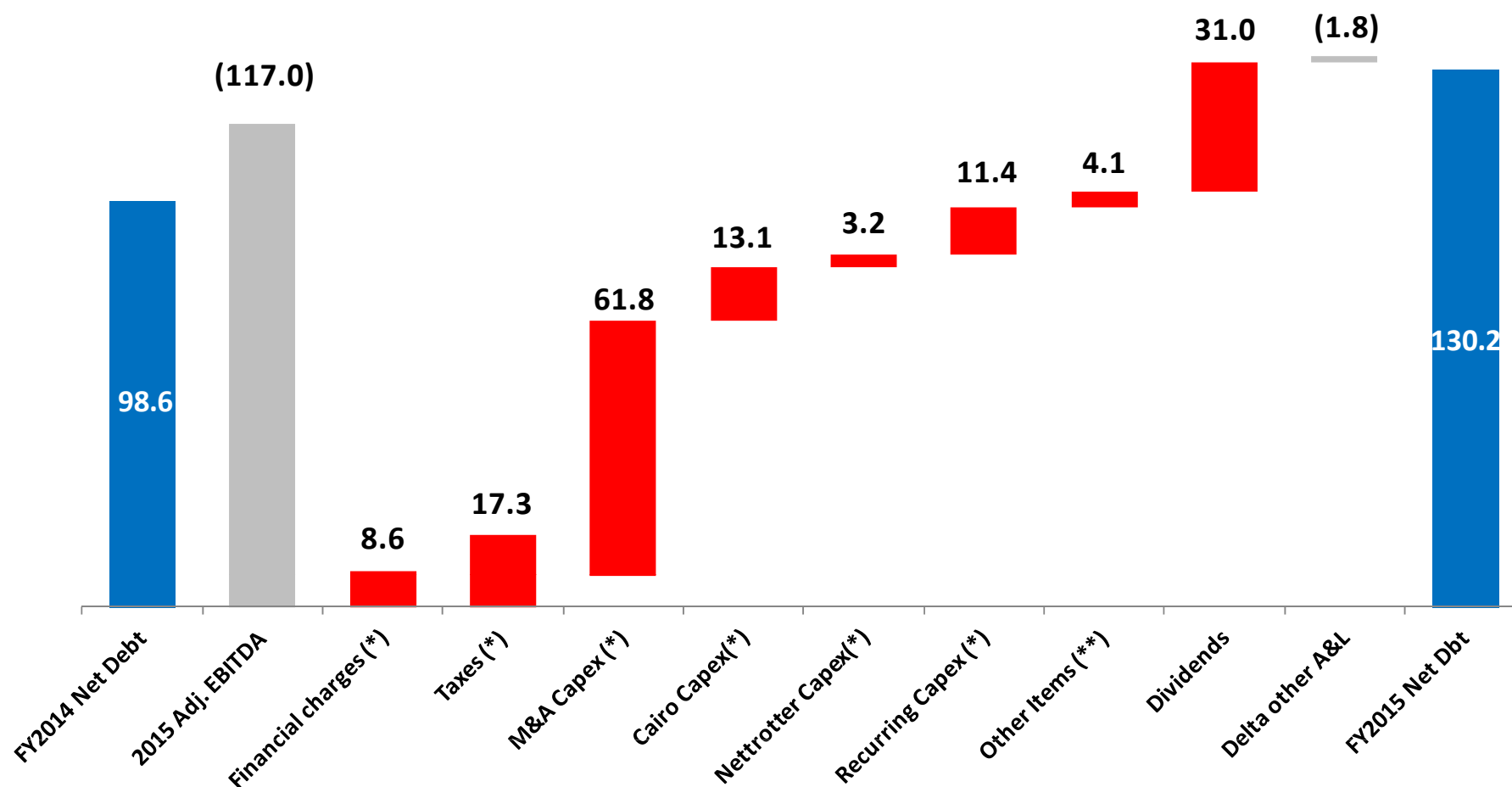
⇒ Increase due to additional ground lease costs derived from M&A and costs associated with “Cairo” project

⇒ EBITDA growth and margin, net of other revenues, in line with Industrial Plan 2014/18

Lower P&L taxes due to a change in deferred tax assets and liabilities

Net Debt and Cash Flow Bridge

Data in €/m



(*) Accounting figures

(**) Including lay-offs and M&A expenses

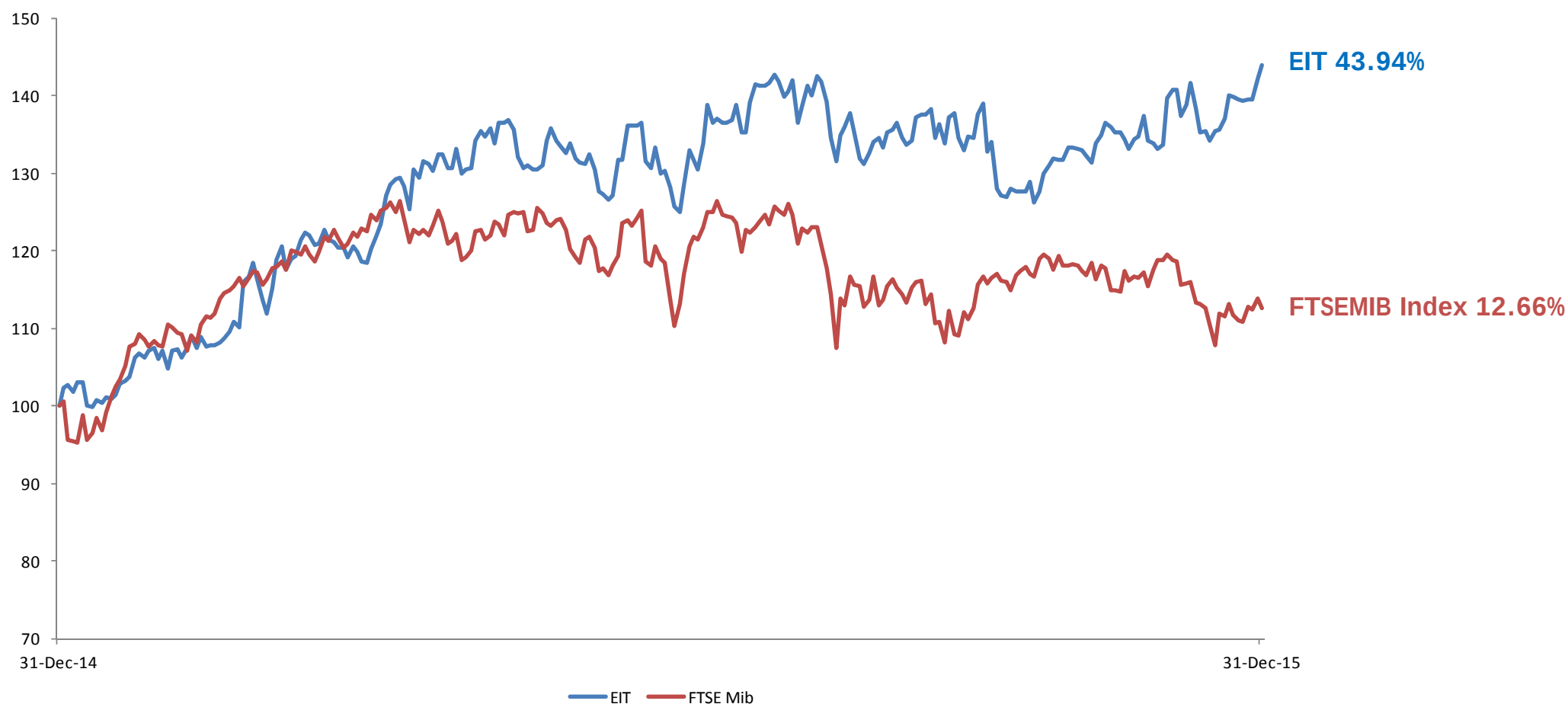
Recurring Levered Free Cash Flow (RLFCF)

Data in €/m	2014	2015
Broadcast	209.9	210.9
Tlc	24.6	31
Other	0.5	2.8
Total Revenues	235	244.7
Other Opex	65.9	67.5
Ground Lease	15.7	18.3
Labour costs	42.6	41.8
Operating costs	124.2	127.6
Non recurring Opex	2.1	4.1
Ebitda	108.7	113
Maintenance Capex	10.9	11.4
Interest paid	7.7	8.6
Tax paid	35.6	24.6
RLFCF	54.5	68.4

2015 RLFCF +25.5% yoy

2015 Share Price Performance

+31.3% outperformance vs FTSEMIB Index



Recent Events

First Important steps into the Internet of Things arena

Nettrotter - *El Towers newly incorporated subsidiary* - recently signed an exclusive agreement with Sigfox for the development in Italy of a new network dedicated to **LPWA IoT**

- **Low Power Wide Area (LPWA) technology developed by Sigfox:**
 - Very low energy consumption (battery life: up to more than 10 years [*suited for objects not connected to power grids*])
 - Very high transmission range (BS radius: up to more than 5 km)
 - Very low level of complexity
 - In order to save power and have long lasting products (up to 10-15 years), focus on objects mainly communicating in uplink mode (downlink mode anyhow available).
- **Under the exclusive agreement with Sigfox (10 years, renewable) Nettrotter will own:**
 - Network
 - Customers

Recent Events

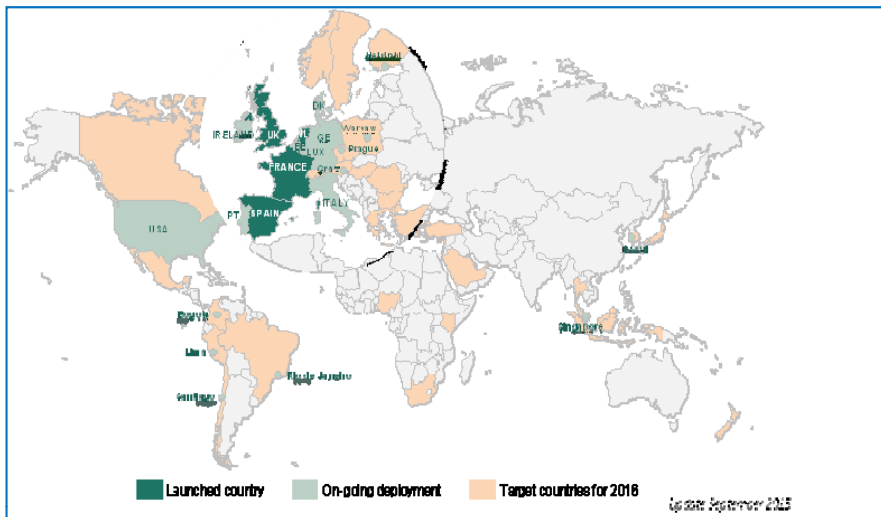
First Important steps into the Internet of Things arena

About Sigfox:

- Sigfox is the first and, so far, the only player who has developed a truly integrated end to end ecosystem to be built around a LPWA network with international coverage
- Technology and network are already operational in several countries



Sigfox International footprint



Sigfox Partners in Europe



- Sigfox equity partners are, among others:



Recent Events

First Important steps into the Internet of Things arena

El Towers role and ambitions in the exclusive partnership with Sigfox:

- Deployment of the first LPWA IoT network in Italy with nationwide coverage:
 - ~ 1,000 BS in 24 ÷ 30 months
 - Initial rollout covering Rome and Milan by 2Q2016
 - Capitalize on time advantage vs other LPWA technologies (not available as of today)
- Thanks to EI Towers footprint, synergies and relationships in the territory, capex related to the deployment of the new network will have a negligible impact on EIT's existing business plan capex profile
- Nettetrotter will get in full the revenues from the Italian market (according to the number of connected objects) and will pay a revenue share to Sigfox.
 - ⇒ Option to capture a potentially extremely significant value creation (*)

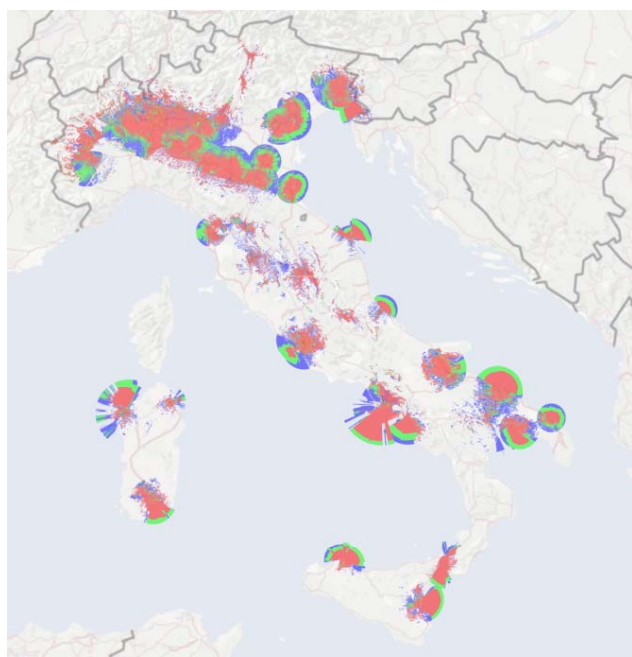
(*) total IoT global market in 2025: 4 to 11 \$ trillion, according to McKinsey.

- **Adjusted^(*) EBITDA in line with consensus estimates**
 - Tlc tower segment contribution close to 20%
- **Tax rate 34%**
- **Capex**
 - Cairo Agreement Capex ~€5m
 - Other Capex including Nettrotter ~€12.5m
- **New small M&A target portfolios are being analysed**
 - Up to pro-forma €4-5m EBITDA to be acquired
- **Scouting for international investment opportunities**
 - Mid size portfolios on the radar
- **RLFCF ~€70m**
 - Adjusted EBITDA growth mid single digit
 - Capex to sales ratio c 4-5%
 - Working capital tending to neutral
 - Interest paid according to debt structure
 - Cash taxes as per net income

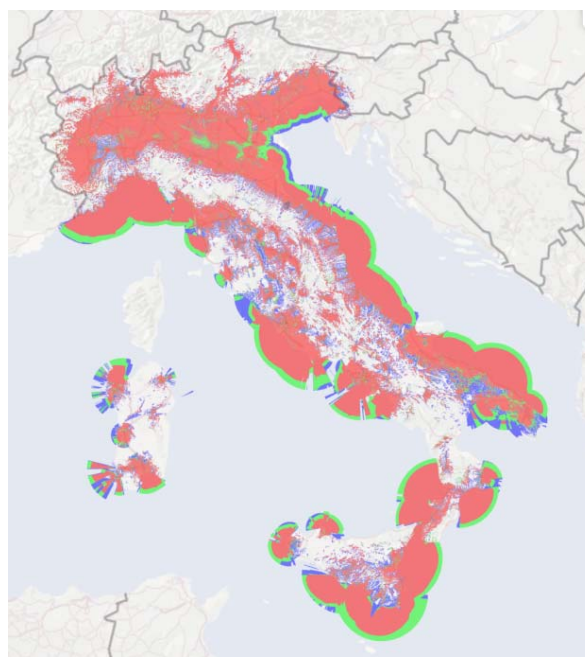
() Before non-recurring items (e.g. M&A expenses)*

- **Nettrotter (Internet of Things)**
 - Acceleration network deployment
 - Full Italian population coverage by 1Q2017
 - First customers already activated
 - Promising customer pipeline

Current coverage



1Q2017 target coverage



Legend:

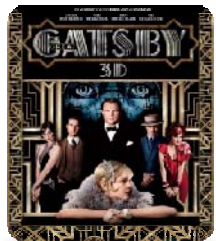
- 1 Base station
- 2 Base stations
- 3 Base stations

Analysis of the Reference Markets: Broadcast Segment

Publishers

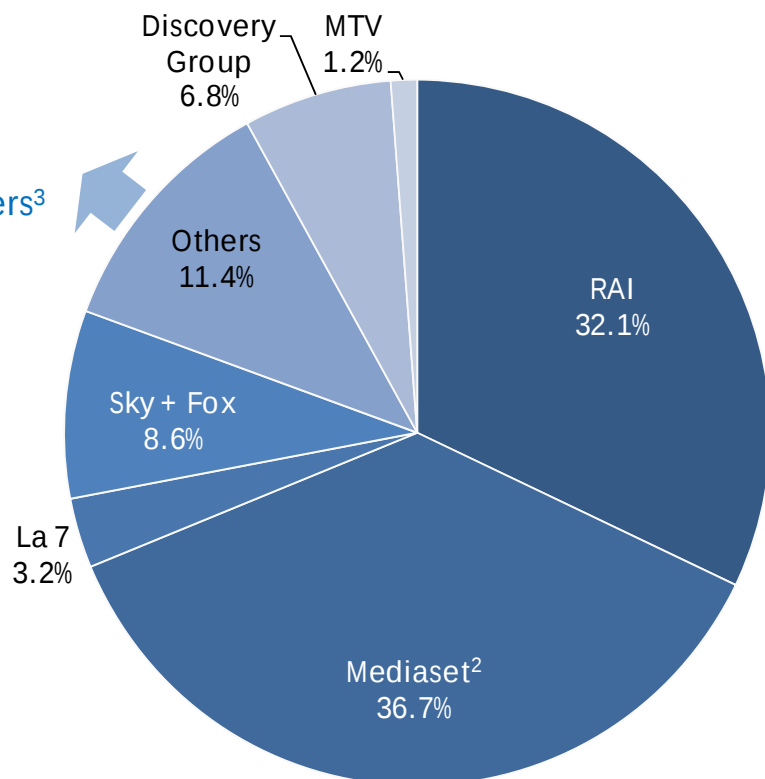
Network
Operators

Tower
Cos

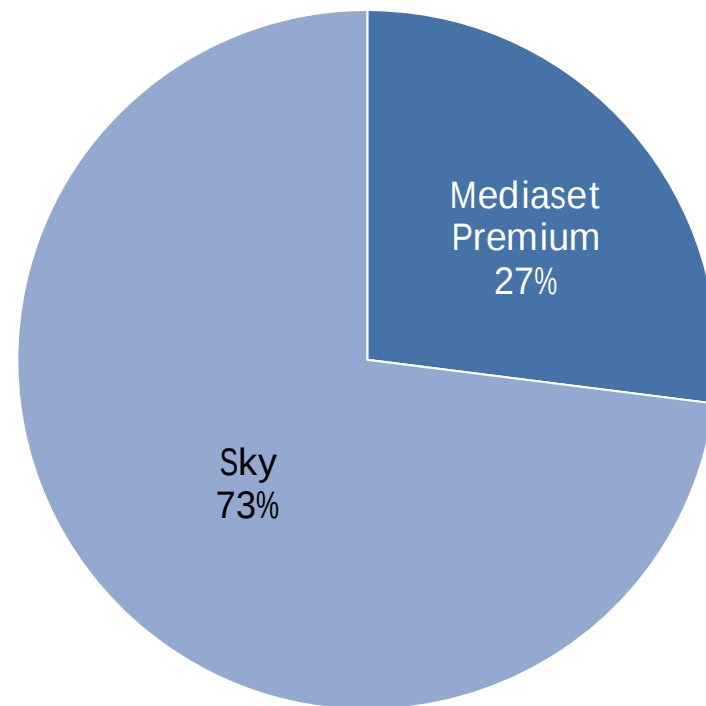


• Audience Share 15-64¹

- Eurosport
- US Majors:
 - Disney
 - Universal
 - Turner
 - Sony (AXN)
- BBC
- Italian Publishers³



• Pay TV: Market Share (subscribers)



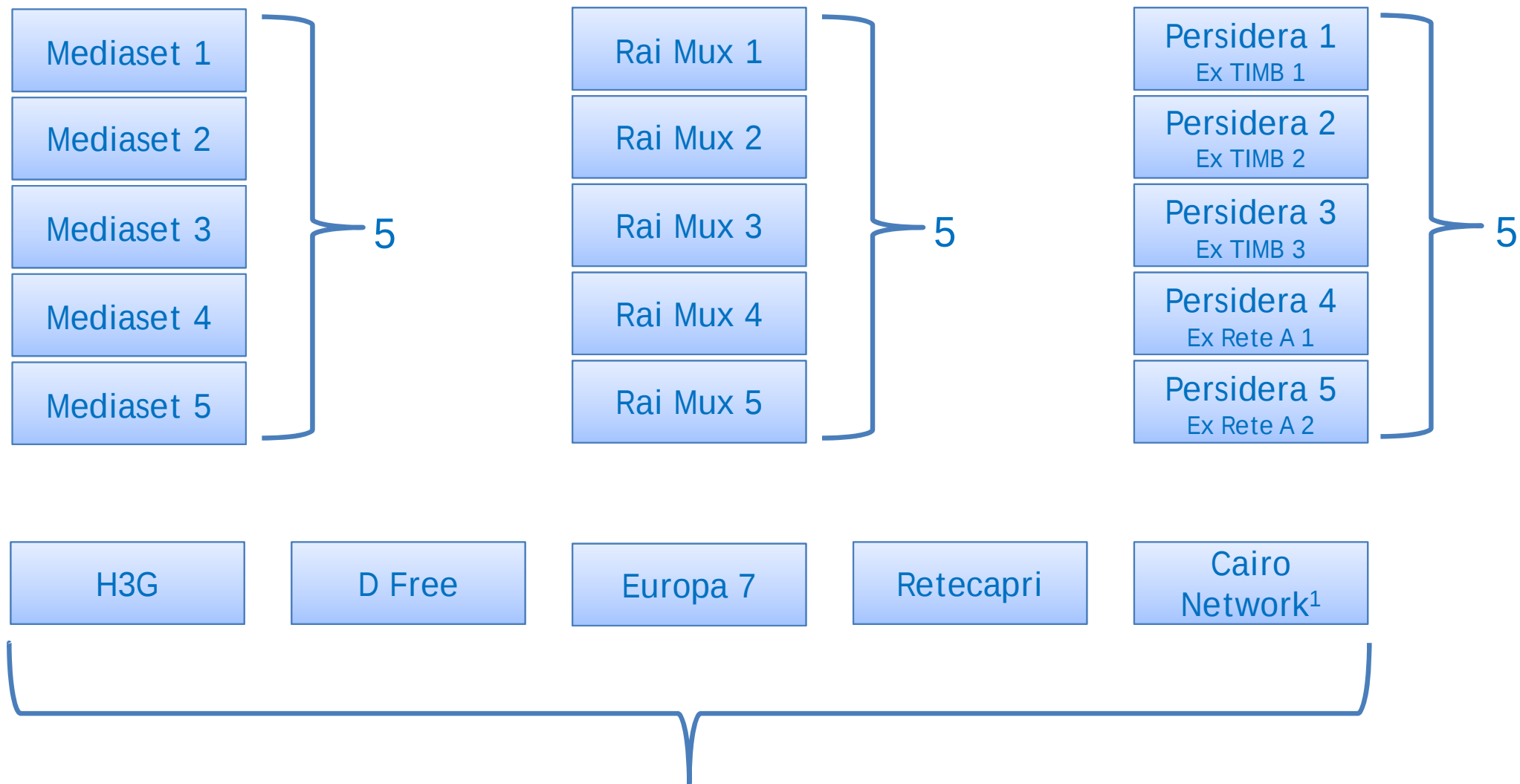
¹ Source: Company elaborations on Auditel data, January-December 2014

² Including MS Pay TV

³ De Agostini/LT Multimedia/L'Espresso Group/Feltrinelli/Class

Network Operators

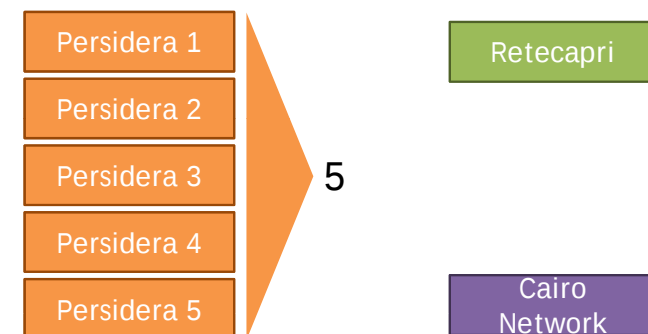
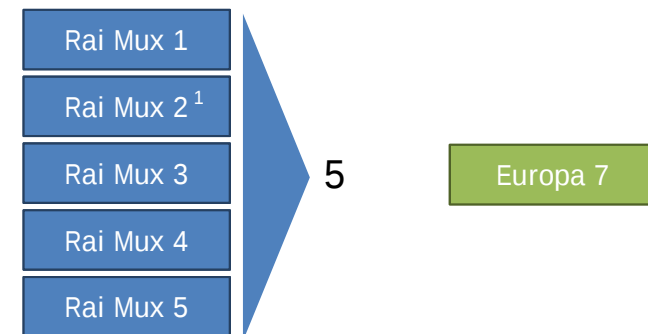
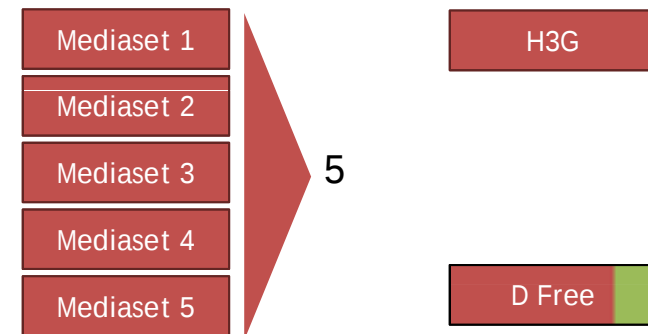
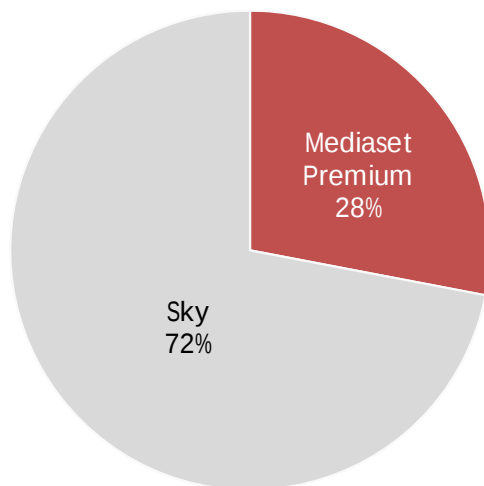
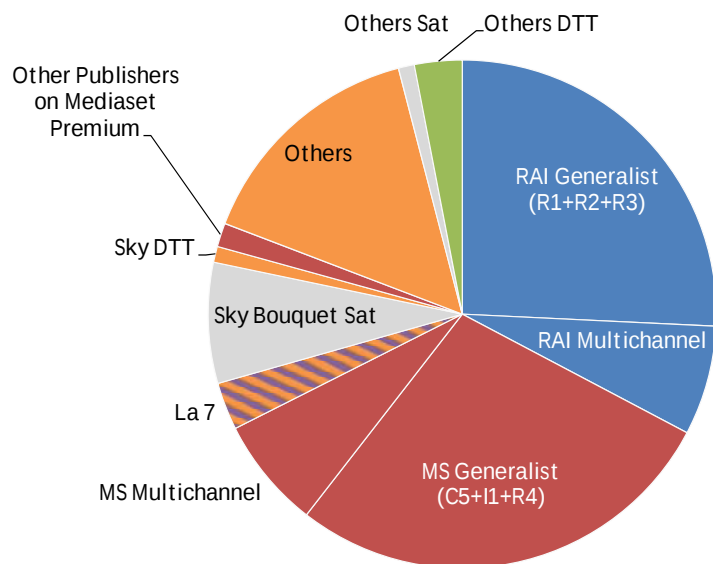
TV Frequencies Landscape



¹ At regime after 2016/2017

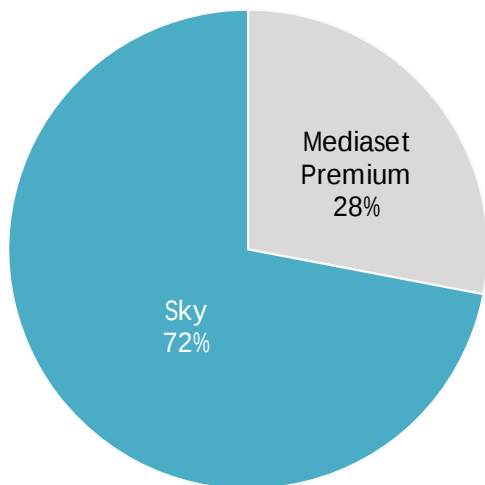
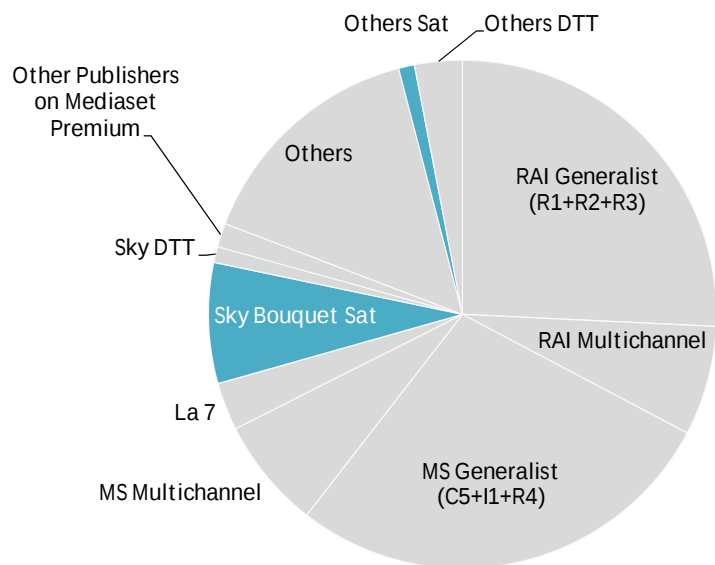
TV Channels Distribution

Allocation within Multiplexes

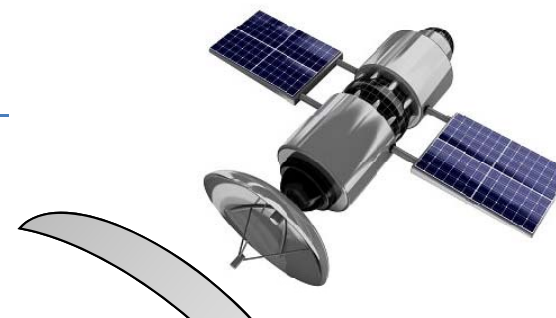


Satellite Offer

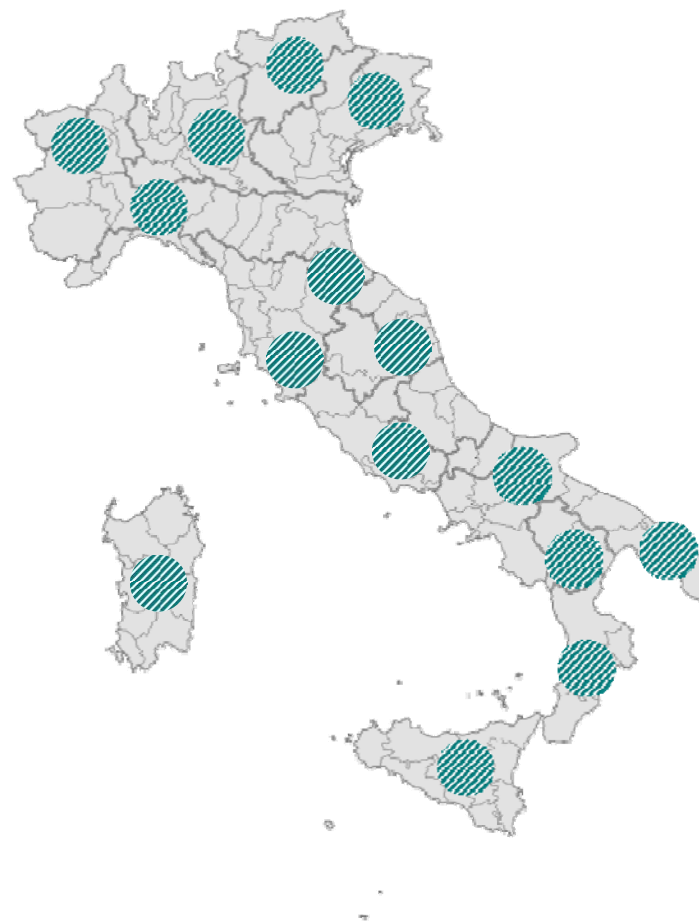
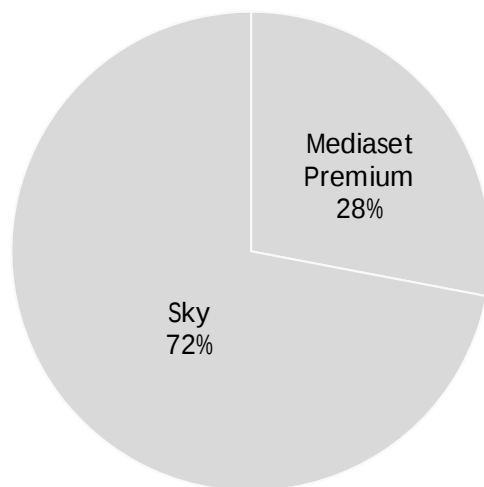
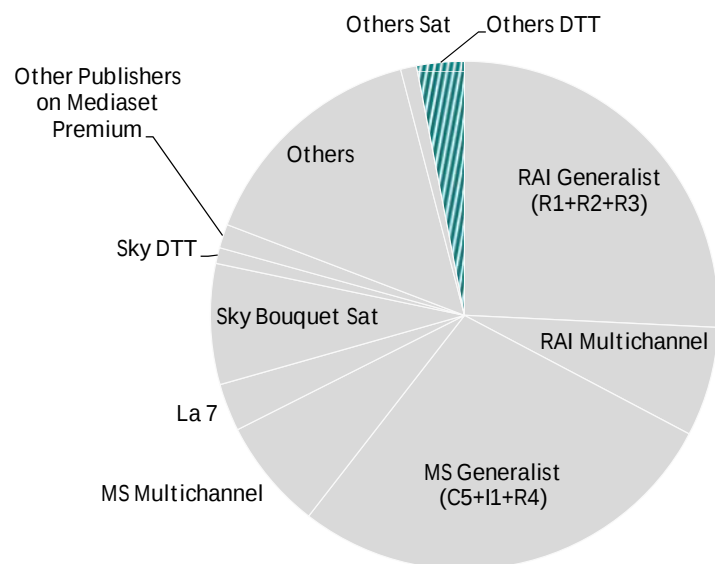
Almost Entirely Pay TV-Driven



Sky Italia ~4.7m HH
 Tivusat ~2.2m HH
~6.9m HH



Regional Offer A Patchwork



Efficient Management of Existing Agreements with National TV Players

- Contracts long term visibility

	<i>Interm. Term</i>	Final Term
- Mediaset 7+7 ¹	2018	2025
- TIMB 12+6	2023	2029
- L'Espresso 12+6	2024	2030
- Cairo 3 ² +7+10	2024	2034

- Supported by:

- Stability of distribution patterns
- Long term predictable technological evolution
- Long term regulatory stability and visibility

¹ Including 5 MS Muxes + 2 Muxes of third parties

² Transitional Phase

Efficient Management of Existing Agreements with National TV Players

Distribution platforms penetration

Italian TV Households **~24.5**

DTT HH¹ **~23.3m**

Penetration % **~95%**

Satellite HH² **~6.9m**

Penetration % **28%**

of which
~4.7m (68%)
is Pay TV

Broadband TV HH **0.7m**

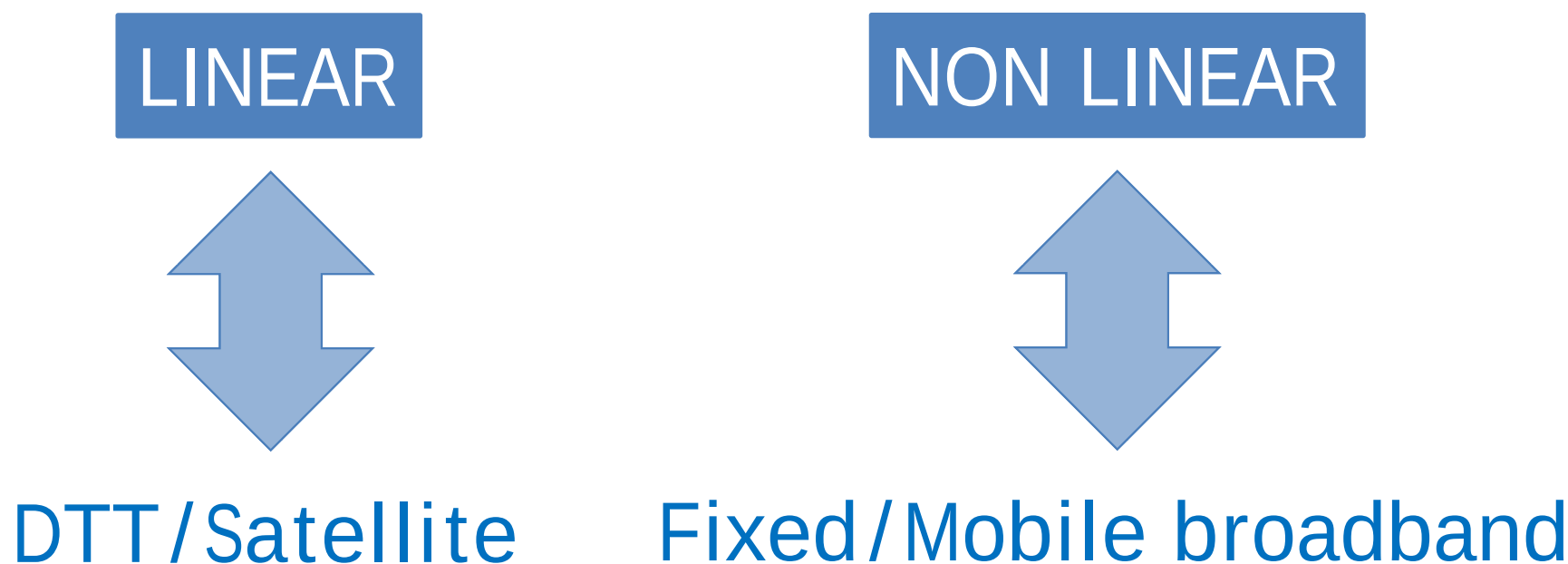
Penetration % **3%**

¹ Data referred to potential penetration; 2014E data sourced by IT Media Consulting

² Company's estimates; according to IT Media Consulting, DTT "First access" penetration represents around 70% of total population (17.1m HH)

Efficient Management of Existing Agreements with National TV Players

- Going forward, it is extremely **unlikely** to have competition between platforms for the same service. There will rather be **specialization** and **complementarity**



Efficient Management of Existing Agreements with National TV Players

- Analogue switch off was completed on July 4th, 2012
- Current standard for Digital Terrestrial Broadcasting: DVB-T
 - Adopted standard for Video of SD programs → MPEG-2/HD programs → MPEG-4
 - Perspective standard for Video of HD programs → HEVC
- Transition to DVB-T2 already on the way
 - Since 2012 newly installed TV transmitters are “DVB-T2 ready” (they can broadcast with both standards) → Network evolution to DVBT-2 can smoothly follow substitution for obsolescence (~7÷10 years)
- It is unlikely to see full transition to DVB-T2 before 2022÷2024

N.B. No Capex for Tower Cos (e.g. EI Towers)...

...and not even significant Capex for network operators (Mediaset is upgrading in parallel with substitution/new network operators are already deploying T2 ready networks)

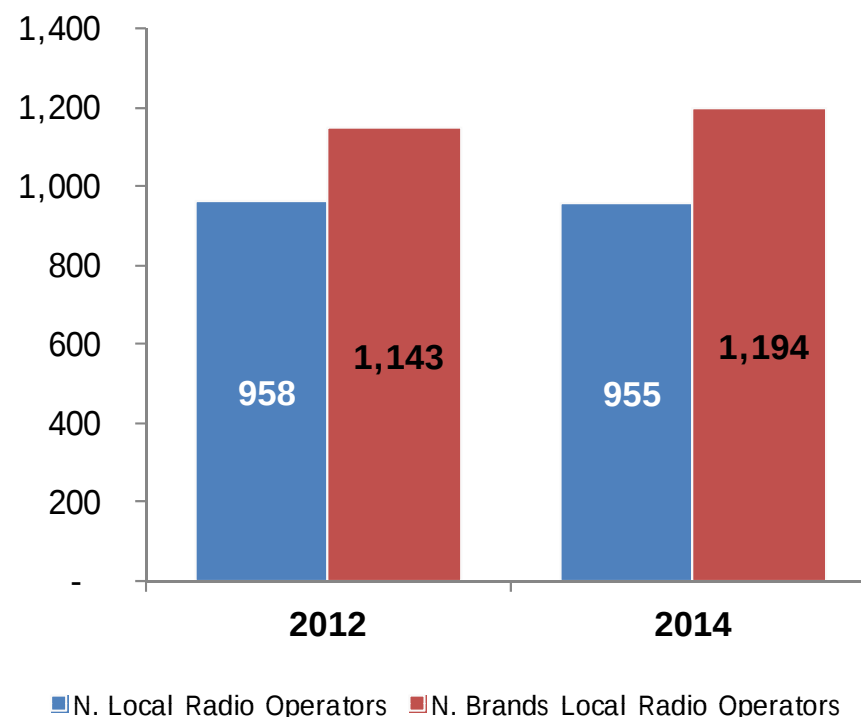
NATIONAL RADIO OPERATORS

Operators	Brands
1. RAI	
2. MONRADIO	
3. ASS. RADIO MARIA	
4. FINELCO - RADIO STUDIO 105	
5. FINELCO - VIRGIN RADIO	
6. FINELCO - RMC ITALIA	
7. RTL 102,500 HIT RADIO	
8. RADIO ITALIA	
9. RADIO KISS KISS	
10. ELEMEDIA	
11. CENTRO DI PRODUZIONE	
12. RADIO DIMENSIONE SUONO	
13. IL SOLE 24 ORE	
14. RADIO PADANIA LIBERA	
	
	

- Stable number of operators

Source: Ministry of Economic Development Communication Department (DB operators)

LOCAL RADIO OPERATORS



- Stable number of operators
- The number of commercial brands is rising: +51 brands equal to +4% (2014 vs. 2012)

- Radio audience is still, and will likely be for many years to come, terrestrial through herzian waves
- Internet radio is widely available for in-house and fixed reception, but most of the audience is in cars → **current infrastructure is not replaceable**
- Radio transmission is still mainly **analogue**: DAB is being deployed, but no switch over is foreseen

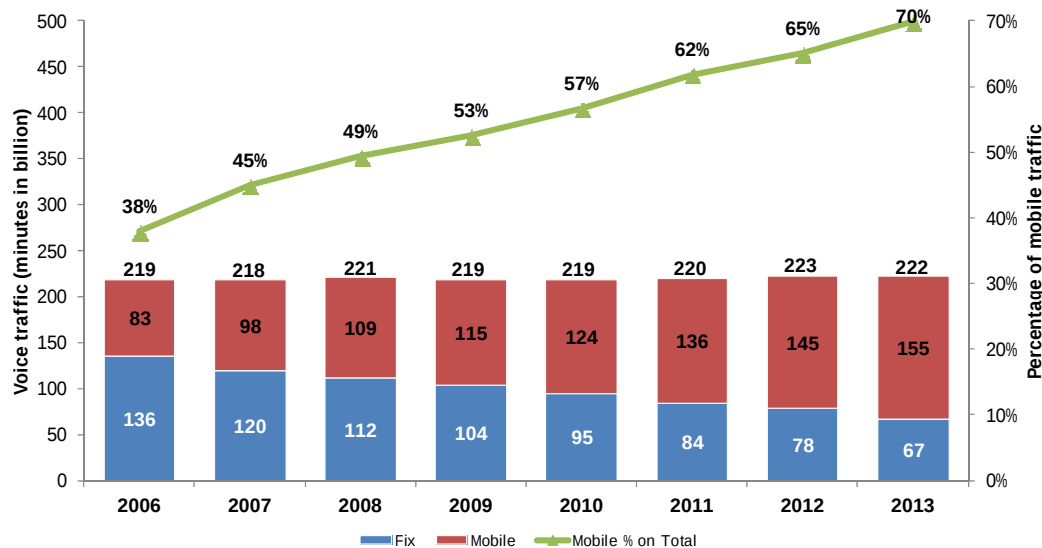
Analysis of the Reference Markets: Mobile TLC Segment

Mobile TLC Segment

Market Overview

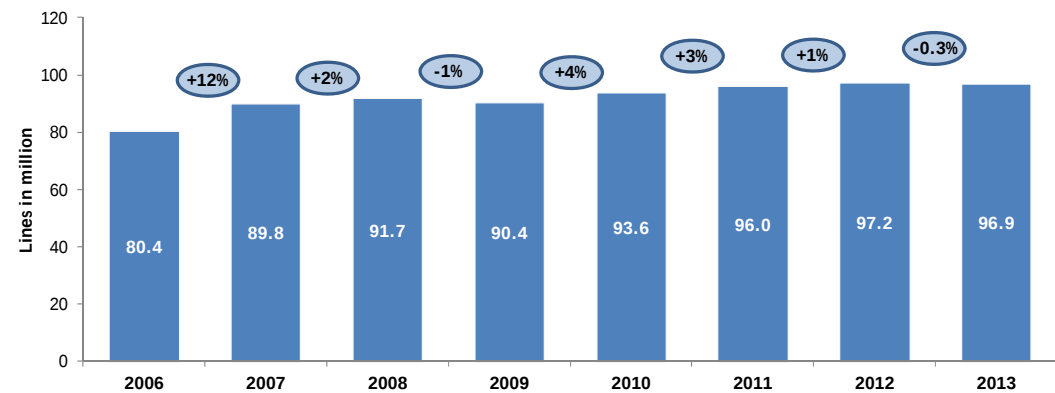
- TLC sector in Italy (fixed and mobile)

Voice traffic volume



Traffic on fixed lines strongly reduced to the benefit of mobile lines (now >70% of the total)

- Number of mobile lines

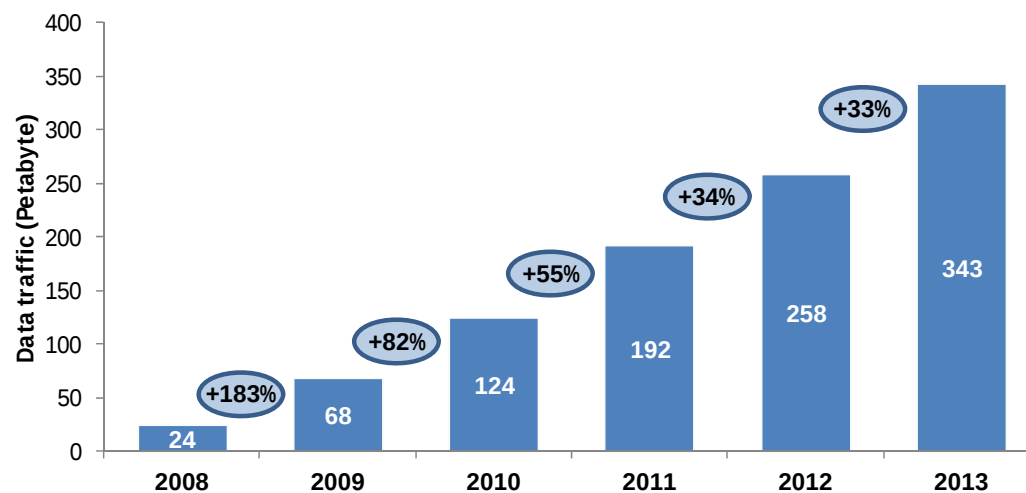
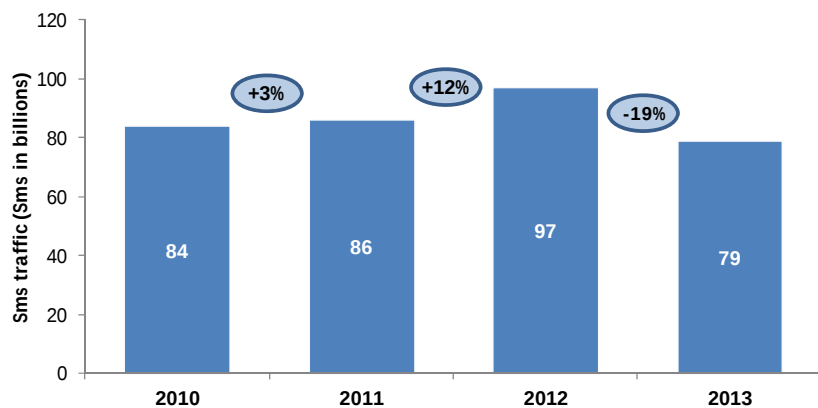


Total number of lines is relatively stable — increase in usage

Mobile TLC Segment

Market Overview

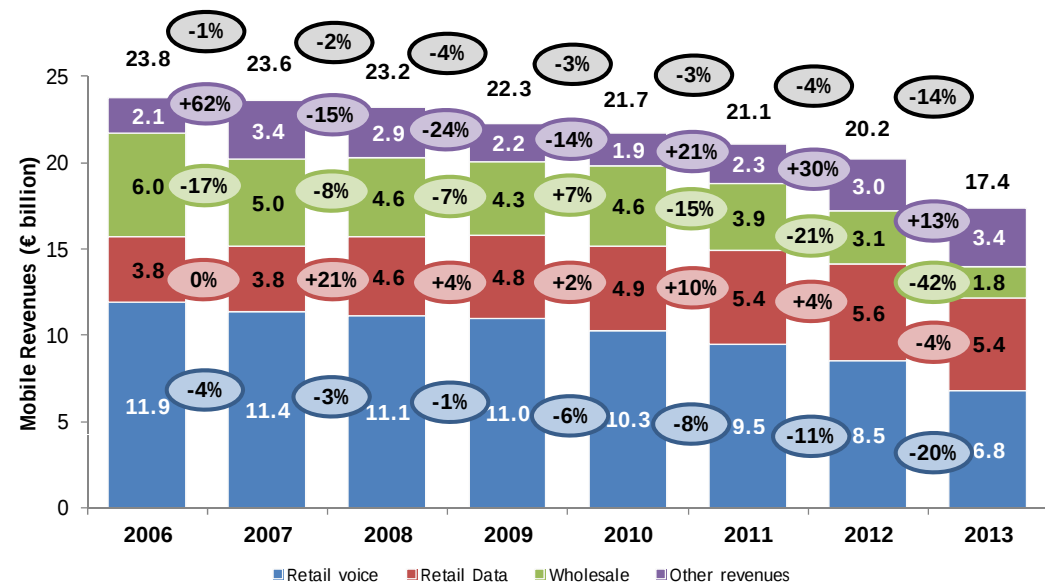
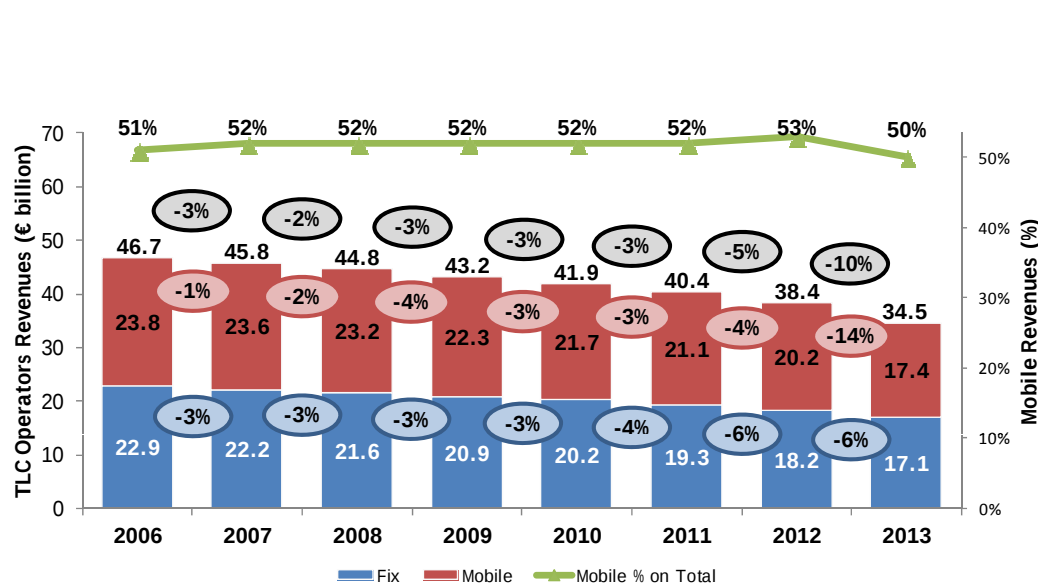
- In the mobile segment, the only service with decreasing volumes is Sms
- The overall data traffic shows strong increases



Mobile TLC Segment

Market Overview

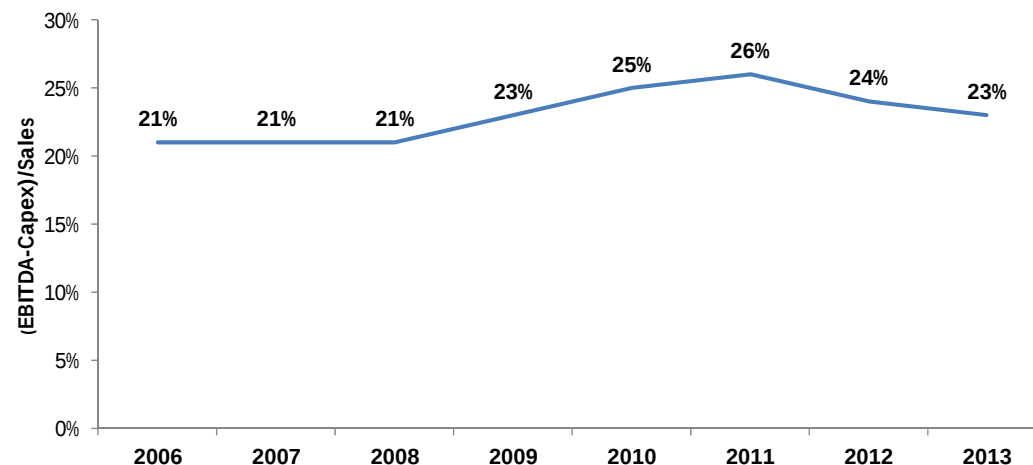
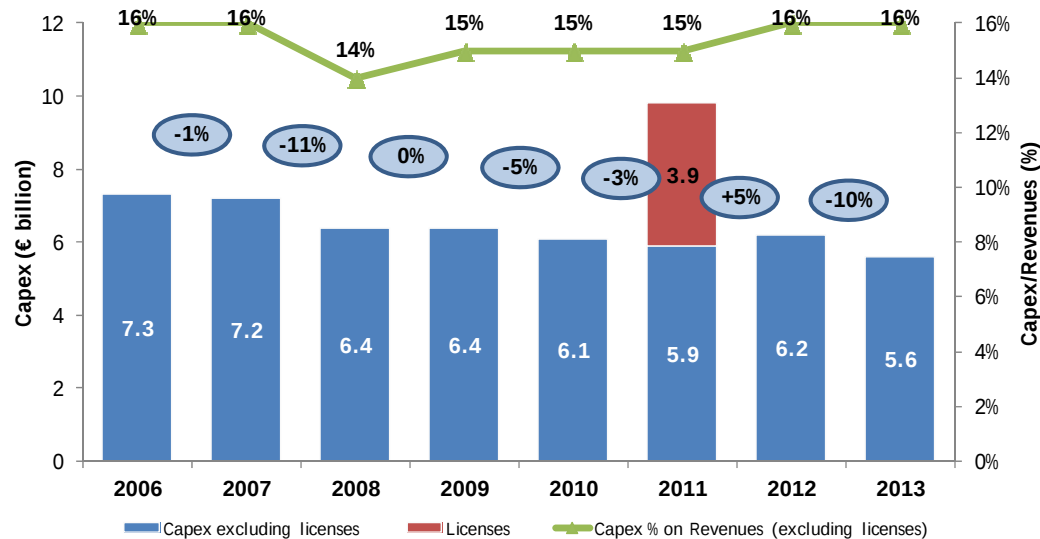
- Despite volume growth, Revenues in both fixed and, to an even greater extent, mobile segments have been decreasing due to:
 - General economic downturn
 - Strong price competition



Mobile TLC Segment

Market Overview (fix+mobile)

- In order to compensate pressure on Revenues, both fixed line operators and MNOs:
 - Are looking for efficiency on Opex (pressure to renegotiate agreements)
 - Are carefully monitoring Capex



WI-FI AND WI-MAX OPERATORS

~1,000 operators¹



3 Relevant EIT Towers Clients

(EIT FY2013 Revenues: €2.1m; FY2014E: €2.2m)

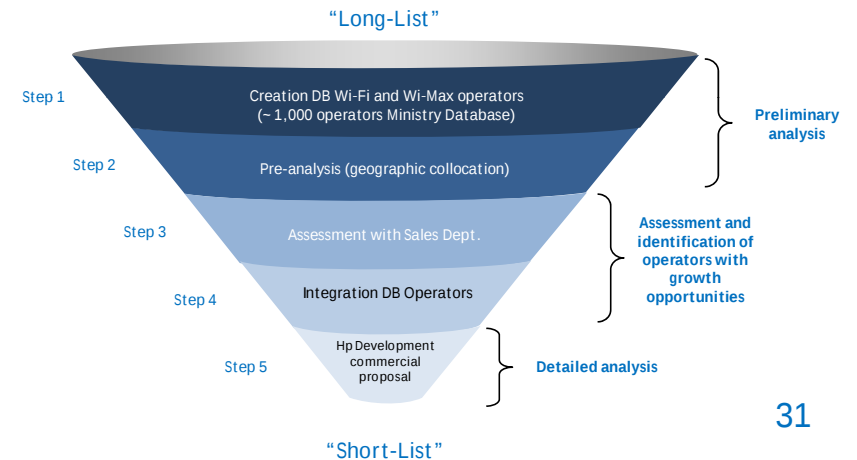


MARKET KEY ELEMENTS

- **Auctions** on regional/provincial basis, for the creation and activation of internet access networks
- Development of **LTE** technology

COMMERCIAL ACTIVITY RATIONALE

- Development of the offer of hosting and fiber integrated services
- Identification of **local operators with growth opportunities**



¹ Ministry of Economic Development, April 2014

Business Plan Financials

Business Plan Financials

Key Assumptions & Perimeter

- **El Towers Revenue contracts are CPI-linked and almost entirely adjusted to Year-End CPI**
- **Italian CPI Assumptions:**
 - YE2014E (FY2015E Revenues): 0%
 - YE2015E (FY2016E Revenues): 0.75%
 - YE2016E (FY2017E Revenues): 1.0%
 - YE2017E (FY2018E Revenues): 1.0%
- **Business Plan Activity Perimeter:**
 - **Including:**
 - » Cairo Mux contract
 - » Development of 100 new mobile TLC sites by Towertel
 - » 3 “Mom and Pop” tower portfolios acquisitions (Hightel, 1 mobile, 1 broadcast)
 - **Excluding:**
 - » 4 “Mom and Pop” tower portfolios in the radar screen (3 mobile, 1 broadcast)
 - » Development of new mobile TLC sites under the Hightel frame agreement
 - » Transformational M&A in mobile/broadcasting segments

Business Plan Financials

Revenues Segment Projected Growth

- Revenues 2014/18E CAGR¹ by segment:

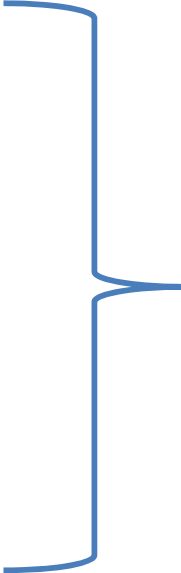
- National TV Broadcasters: ~+2%²

- National Radio: flat

- Mobile Network Operators: ~+7%³

- Other TLC Technologies (Wi-Fi, Wi-Max): ~+5%

- Local TV & Radio, Others: ~-1%



**Total Revenues
2014/18E CAGR
~+3%**

¹ CAGR based on FY2013 actual figures

² Under the hypothesis that current contract with main TV national client (Mediaset Group) will be renewed at same terms and conditions

³ Hightel acquisition consolidated, excluding the contract for the development of new sites

Business Plan Financials

Profit & Loss Headlines

- Steady margin accretion, notwithstanding the low CPI assumptions

Data in €/m	2013	2014E	2015E	2016E	2017E	2018E	CAGR 2014-18E ¹
Revenues	233	234	241	244	253	264	3%
EBITDA	106	110	114	116	127	136	5%
<i>margin%</i>	45%	47%	47%	48%	50%	52%	
EBIT	58	67	73	76	89	101	12%
<i>CPI Assumptions</i>			-	0.75%	1.0%	1.0%	

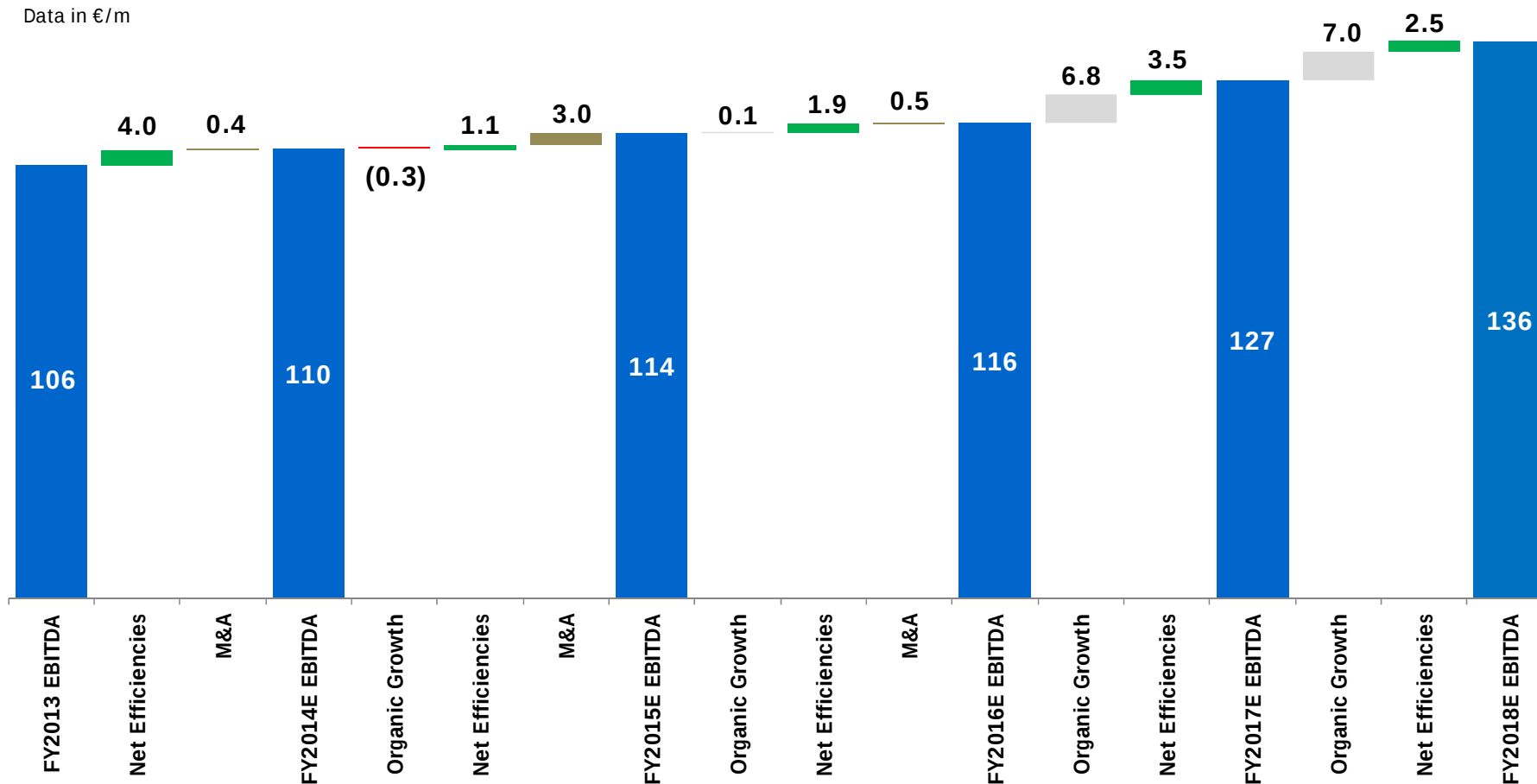
¹ CAGR based on FY2013 actual figures

Business Plan Financials

EBITDA Bridge¹

- Total Net Efficiencies: ~€13, of which:
 - €4m in 2014E (31% of Total)
 - €9m cumulated in 2015E-18E (69% of Total)

Data in €/m



¹ EBITDA absolute values are rounded figures

Business Plan Financials

EBITDA Growth Breakdown

- EBITDA will grow by ~€30m over the Business Plan period (FY2014-18E), driven by:
 - Organic Growth¹: ~€13.6m
 - » In a very low CPI scenario, EBITDA organic growth will be mainly concentrated in the last two years
 - Visible “Mom and Pop” M&A transactions, contributing almost ~€4m
 - Net Cost Efficiencies: ~€13m
- Search for new efficiencies will be a continuous effort in order to enhance the cash flow profile of the Company

¹ Including Cairo contract under a base case scenario (penalty of €2m) and the development of 100 new TLC sites by Towertel

- **In the first two years of activity**, EI Towers was able to deliver 2012-16E old Business Plan efficiency targets three years ahead on schedule:
 - **€15m of P&L Net Efficiencies**
 - **Strong Ordinary Capex Reduction**
 - » Old target 2012-16E: €20m per annum
 - » FY2013: €10.2m
- FY2014 will show the continuous focus on G&A/Opex/Ordinary Capex
 - EBITDA guidance: ~€110m (benefitting from €4m of additional efficiencies vs FY2013)
 - **New Ordinary Capex Guidance: €11m**
- **Current and future actions over the new Business Plan time horizon will be more surgical and will keep on addressing Opex/Ordinary Capex**
 - **Fine tuning on Opex (supply of Goods and Services) and Ordinary Capex**
 - **Analysis focused on other cost categories (e.g. technology)**

Business Plan Financials

Cash Flow Profile

- “EBITDA-Ordinary Capex”, one of the most important metrics, will grow up to €125m with a 6% CAGR

Data in €/m	2013	2014E	2015E	2016E	2017E	2018E	CAGR 2014E-18E ¹
EBITDA	106	110	114	116	127	136	5%
ORDINARY CAPEX	(10)	(11)	(12)	(12)	(12)	(11)	
DEVELOPMENT CAPEX		-	(7)	(1)	-	-	
M&A CAPEX		(22)	(11)	-	-	-	
TOTAL CAPEX	(10)	(34)	(30)	(13)	(12)	(11)	
EBITDA - CAPEX	95	76	84	103	115	125	
EBITDA - ORDINARY CAPEX	95	99	101	104	115	125	6%



+32%

¹ CAGR based on FY2013 actual figures

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