EI TOWERS

1Q2016 Results Presentation

Disclaimer

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.

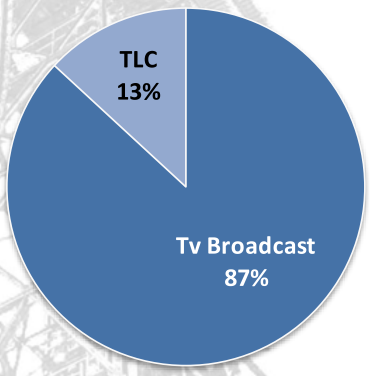
Any reference to past performance of EIT shall not be taken as an indication of future performance.

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

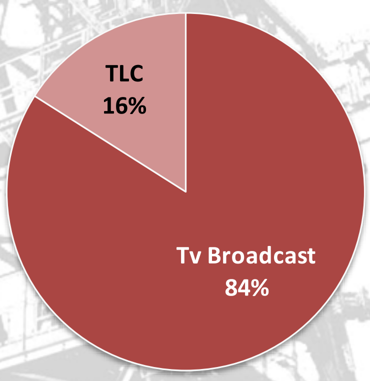
The executive responsible for the preparation of the accounts of EI Towers SpA, Fabio Caccia, declares that, as per art. 2, 154 bis of the Consolidated Finance Law, the 2015 and 2016 accounting information contained in this release corresponds to that contained in the company's formal accounts.

Company Snapshot
Revenues Profile and Geographical Presence

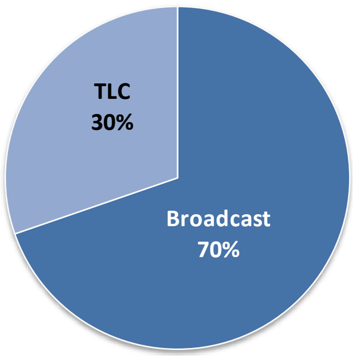
- **Breakdown by activity[1]**
  - **Revenues by mix**
    2015: €241.8m

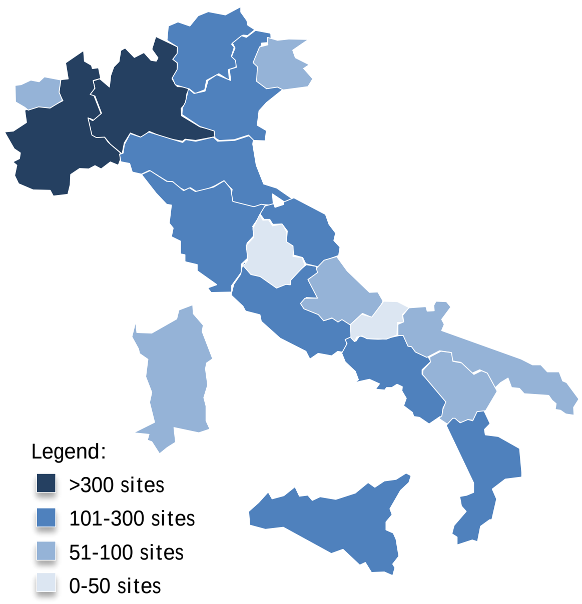


  - **EBITDA by mix**
    2015: €113m



- **Current Tower Portfolio**
  >3,300 Sites under management





[1] *Core Revenues FY2015*

1Q2016 Highlights

- **Core Revenues at €61.5m (+3.5% yoy)**
  — Growth driven by volumes (mainly M&A activity)

- **First Quarter Adjusted EBITDA at €30.8m (+8.9% yoy)**
  — Result, before extraordinary items, in line with FY2016 guidance
  — Adjusted EBITDA margin at 50.1% (+250 bps vs 1Q2015)
  — Reported EBITDA at €30.5m

- **Free Cash Flow generation**
  — Normalized figure, before small M&A/development capex, deferred payments, at ca €13m
  — ca €3.2m Net Free Cash Flow
  — Net Debt at €127.1m

Income Statement

IQ 2016 Financial Headlines

Data in €/m *	1Q2015	1Q2016	Var. % YoY
Core Revenues	**59.4**	**61.5**	**3.5%**
Other revenues	0.0	1.2	
Total Revenues	**59.4**	**62.7**	**5.5%**
Operating costs	**(31.2)**	**(31.9)**	**2.3%**
- o/w Opex	*20.3*	*21.1*	*3.9%*
- o/w Labour Cost	*10.9*	*10.7*	*-1.4%*
Adj. EBITDA	**28.3**	**30.8**	**8.9%**
% on Core Revenues	***47.6%***	***50.1%***	
Non recurring items	(1.8)	(0.3)	
EBITDA	**26.5**	**30.5**	**15.1%**
D&A	(9.3)	(9.0)	*-3.4%*
Provisions	-	-	
EBIT	**17.2**	**21.5**	**25.1%**
Net financial charges	(2.0)	(2.3)	*15.2%*
EBT	**15.2**	**19.2**	**26.4%**
Income taxes	(5.3)	(6.5)	*22.0%*
Net income	**9.9**	**12.7**	**28.9%**
EPS (€)	**0.35**	**0.45**	**28.9%**

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

Increase due to M&A and Cairo project

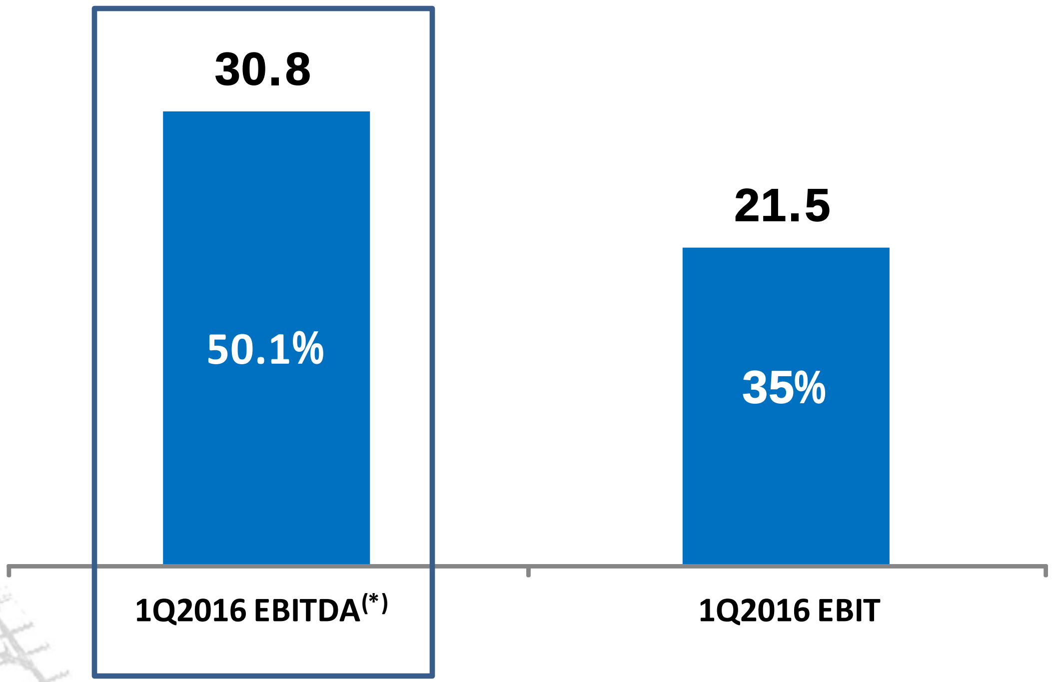
EBITDA growth and margin, net of other revenues, in line with Industrial Plan 2014/18

(*) Figures restated due to PPA

1Q2016 Margins

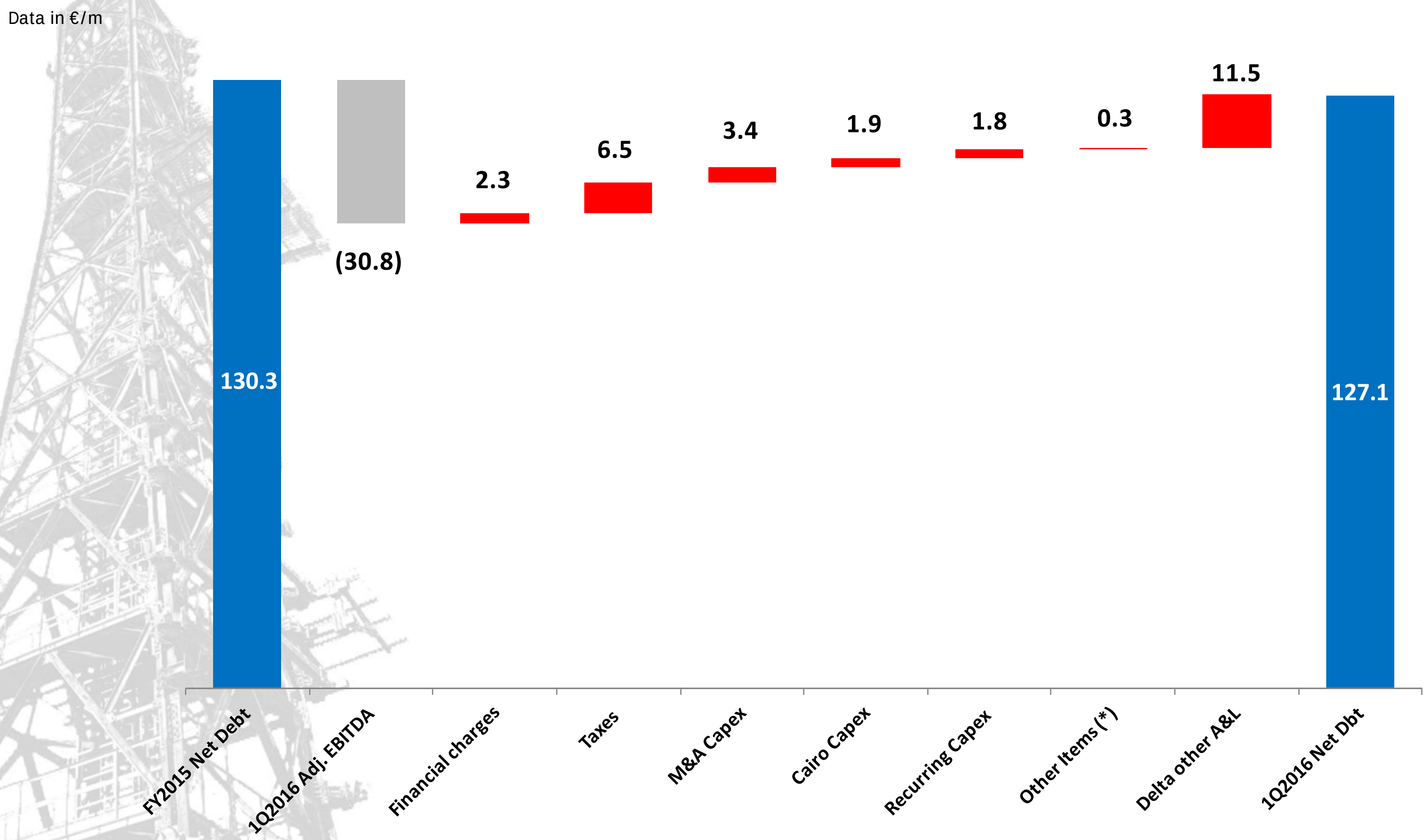
Data in €/m

% on Core Revenues



(*) *Adjusted EBITDA*

Net Debt and Cash Flow Bridge



(*) *Including M&A expenses*

Recent Events

First Important steps into the Internet of Things arena

Nettrotter - *EI 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

NETTROTTER
CONNECTING THINGS

Recent Events

First Important steps into the Internet of Things arena

EI TOWERS

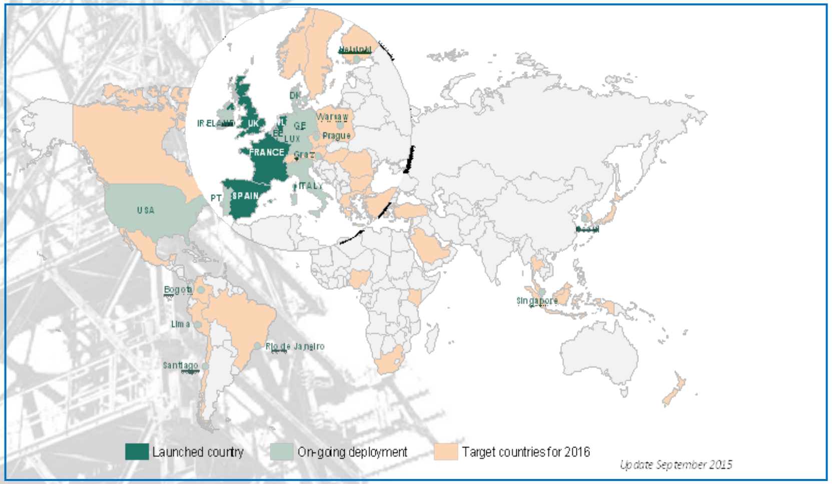
About Sigfox:

SIGFOX One network A billion dreams

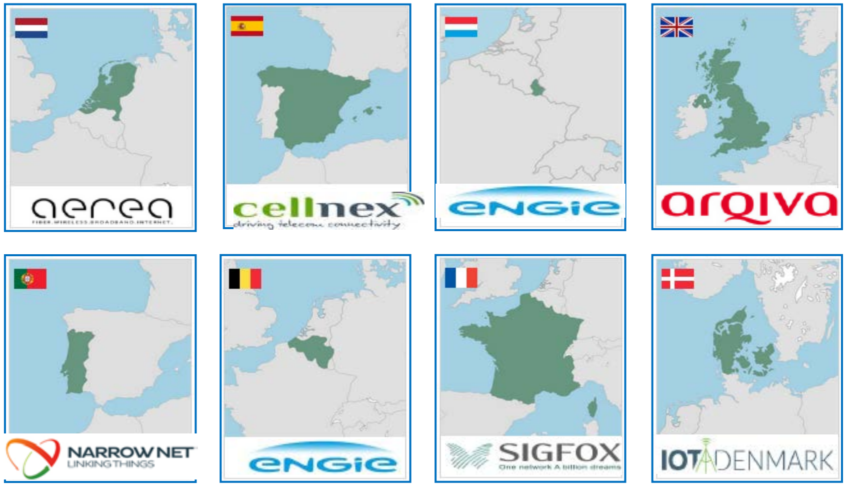
- Sigfox is the first and, so far, the only player who has developed a truly integrated end to end ecosystem to be built around a LPWA network with international coverage

Technology and network are already operational in several countries

Sigfox International footprint



Sigfox Partners in Europe



- **Sigfox equity partners are, among others**:

eutelsat, Telefónica, NTT docomo, SK telecom, SAMSUNG, engie, intel capital, AIR LIQUIDE

Recent Events

First Important steps into the Internet of Things arena

EI TOWERS

EI 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

- Nettrotter 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*

2016 Outlook (1/2)

- **Based on 1Q figures, adjusted(*) FY EBITDA confirmed**

- **New small M&A target portfolios on track**
  - Up to pro-forma €4-5m EBITDA to be acquired

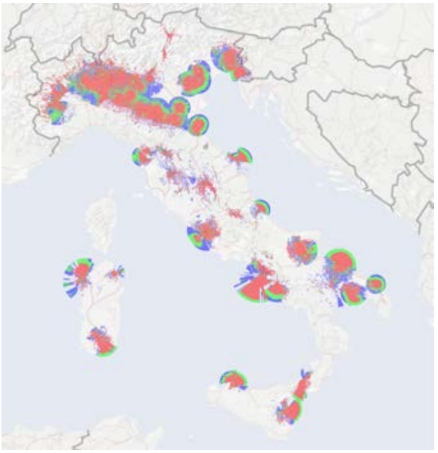
- **International investment opportunities under scrutiny**
  - Mid size portfolios on the radar

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

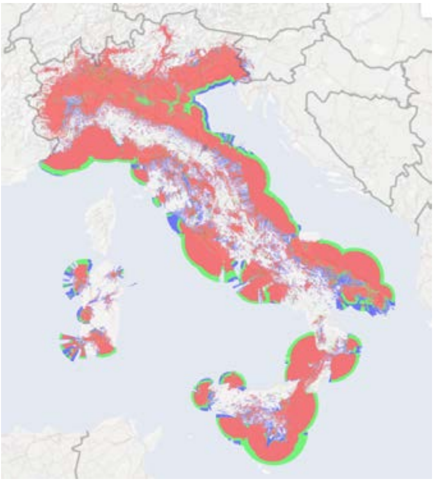
2016 Outlook (2/2)

- **Nettrotter (Internet of Things)**
  - More than 370 base stations already installed
  - Network already available for outdoor and indoor use cases
  - ~60% of the Italian population already covered
  - 85% of the Italian population will be covered by the end of 2016
  - First clients already engaged. Main use cases ready to be activated:
    - » Power monitor
    - » Water Metering
    - » Environmental Monitoring
    - » Physical Asset management

Current coverage



1Q2017 target coverage



Legend:

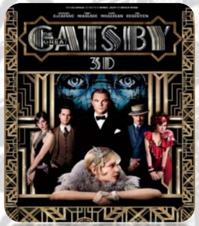
- *1 Base station*
- *2 Base stations*
- *3 Base stations*

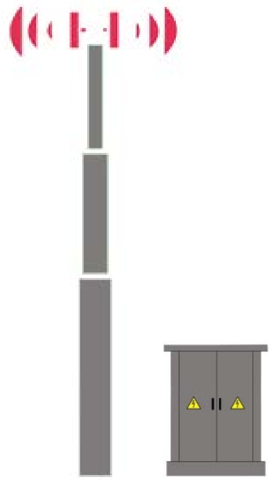
Analysis of the Reference Markets: Broadcast Segment

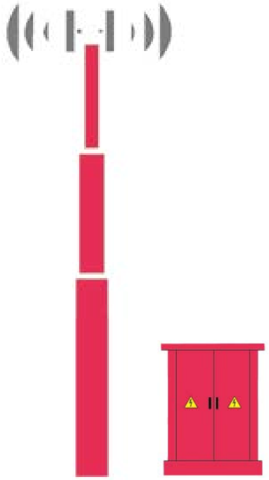
Broadcast Segment

Market Players

Publishers → Network Operators → Tower Cos





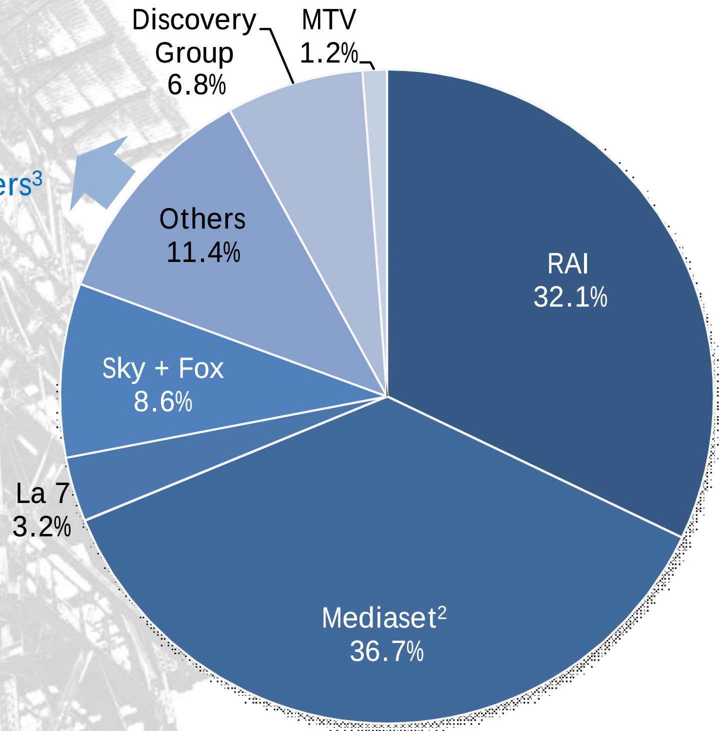


Publishers

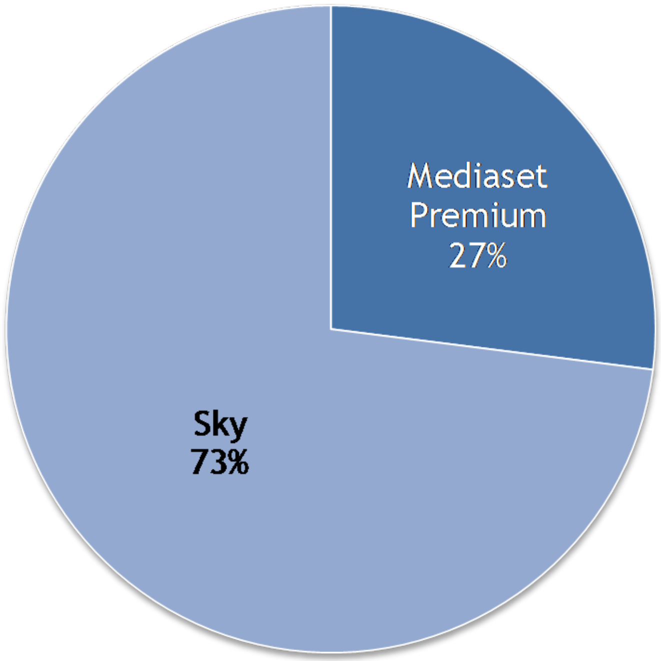
Italian TV Market

- **Audience Share 15-64[1]**

- Eurosport
- US Majors:
  - Disney
  - Universal
  - Turner
  - Sony (AXN)
- BBC
- Italian Publishers[3]



- **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

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- Mediaset 1
- Mediaset 2
- Mediaset 3
- Mediaset 4
- Mediaset 5

5

- Rai Mux 1
- Rai Mux 2
- Rai Mux 3
- Rai Mux 4
- Rai Mux 5

5

- Persidera 1 – Ex TIMB 1
- Persidera 2 – Ex TIMB 2
- Persidera 3 – Ex TIMB 3
- Persidera 4 – Ex Rete A 1
- Persidera 5 – Ex Rete A 2

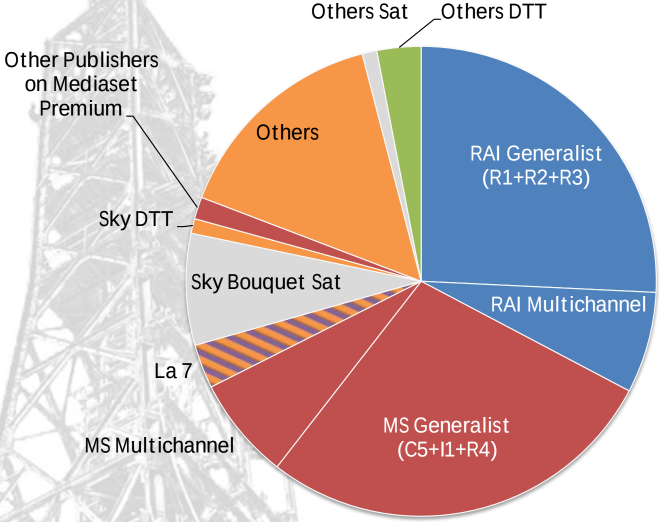
5

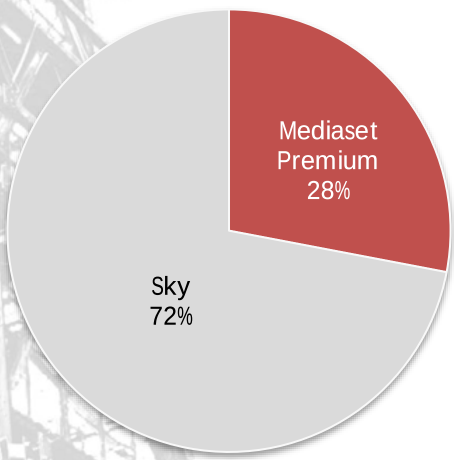
- H3G
- D Free
- Europa 7
- Retecapri
- Cairo Network[1]

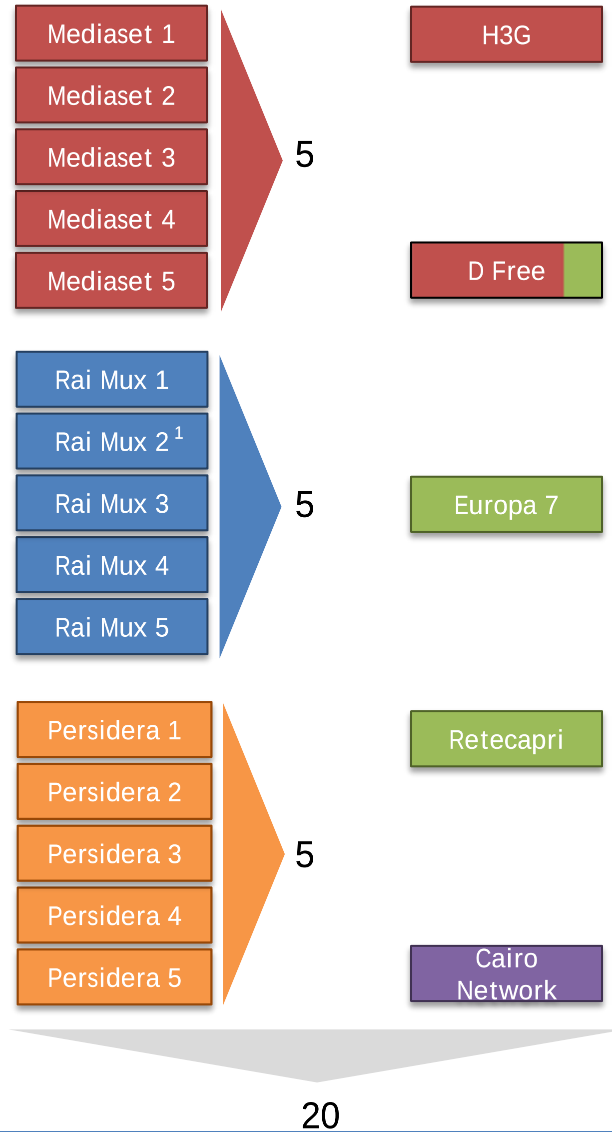
20

[1] *At regime after 2016/2017*

TV Channels Distribution
Allocation within Multiplexes

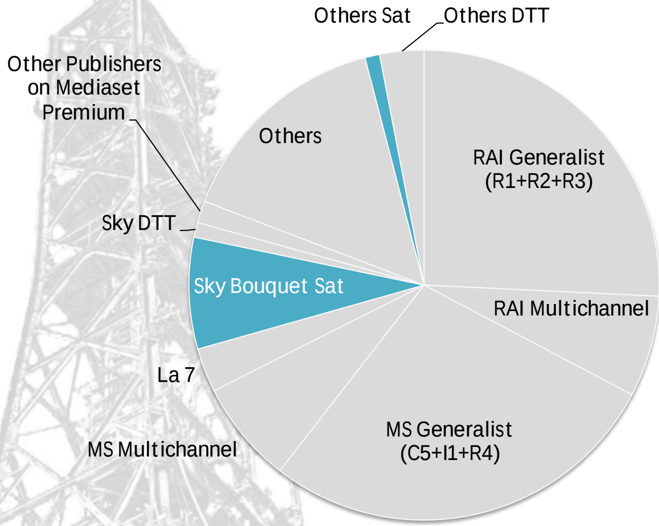


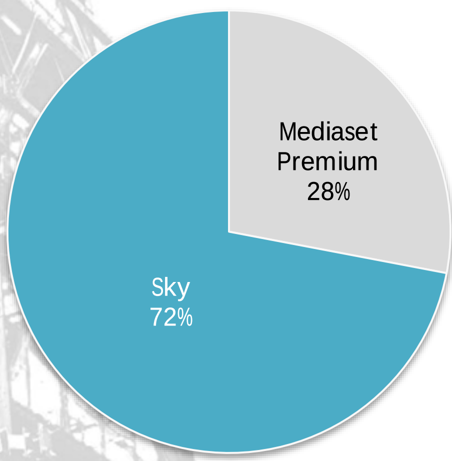




[1] *TV 2000 (Other DTT)*

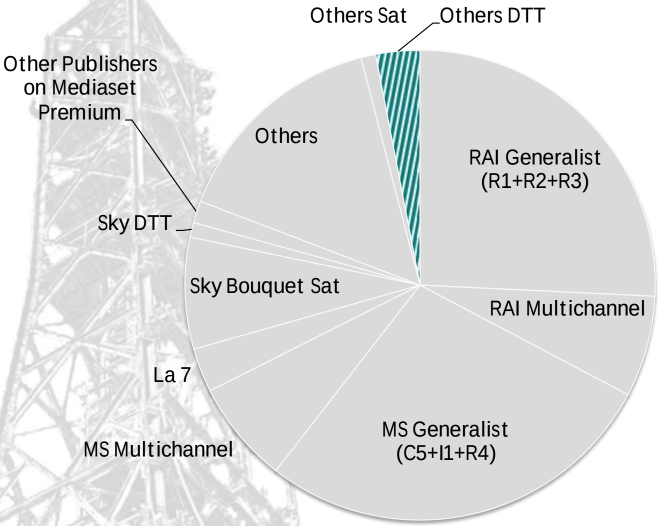
Satellite Offer
Almost Entirely Pay TV-Driven

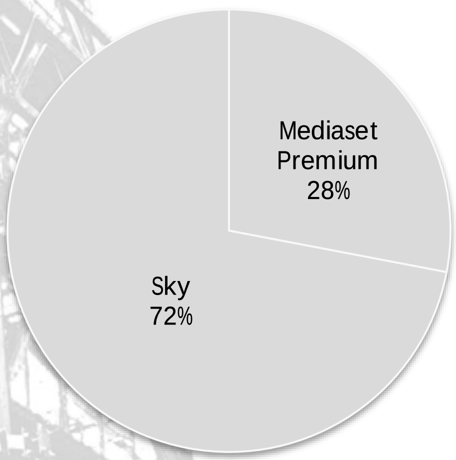


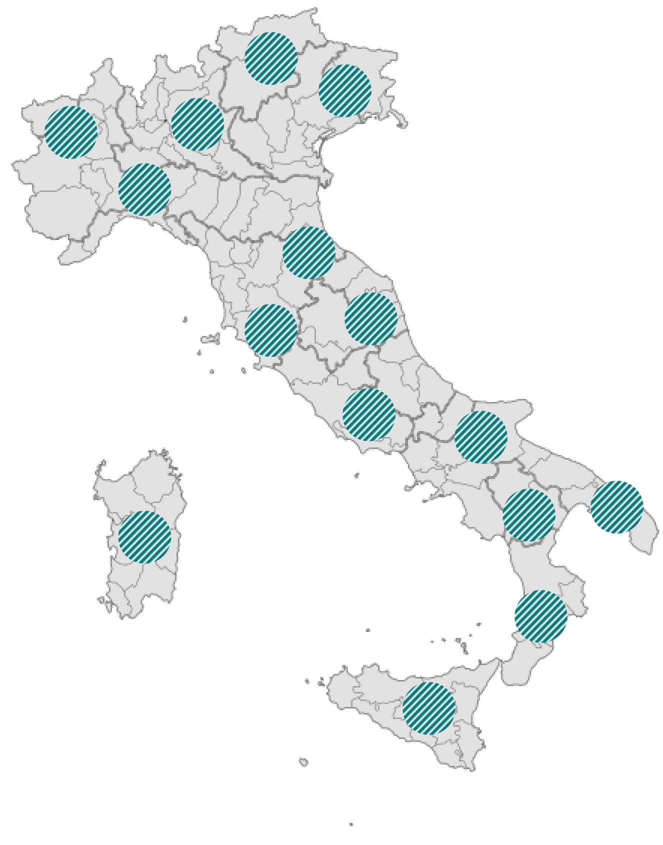


Sky Italia	~4.7m HH
Tivusat	~2.2m HH
	~6.9m HH

Regional Offer
A Patchwork







Efficient Management of Existing Agreements with National TV Players

EI TOWERS

- Contracts long term visibility

	Interm. Term	**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 HH[1]	~23.3m
Penetration %	*~95%*
Satellite HH[2]	~6.9m
Penetration %	*28%*
Broadband TV HH	0.7m
Penetration %	*3%*

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

[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**

LINEAR	NON LINEAR
⇕	⇕
DTT/Satellite	Fixed/Mobile broadband

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)

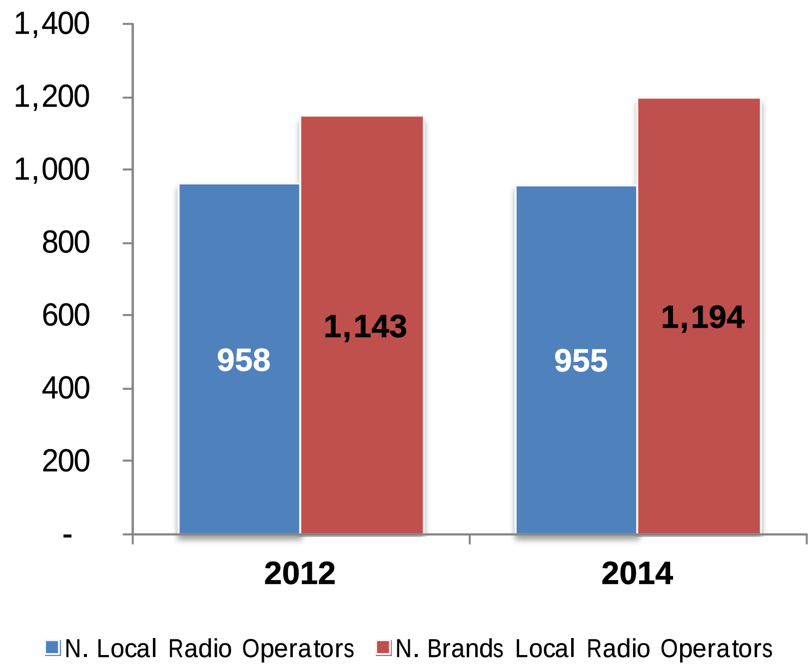
Radio Broadcast

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**

LOCAL RADIO OPERATORS



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

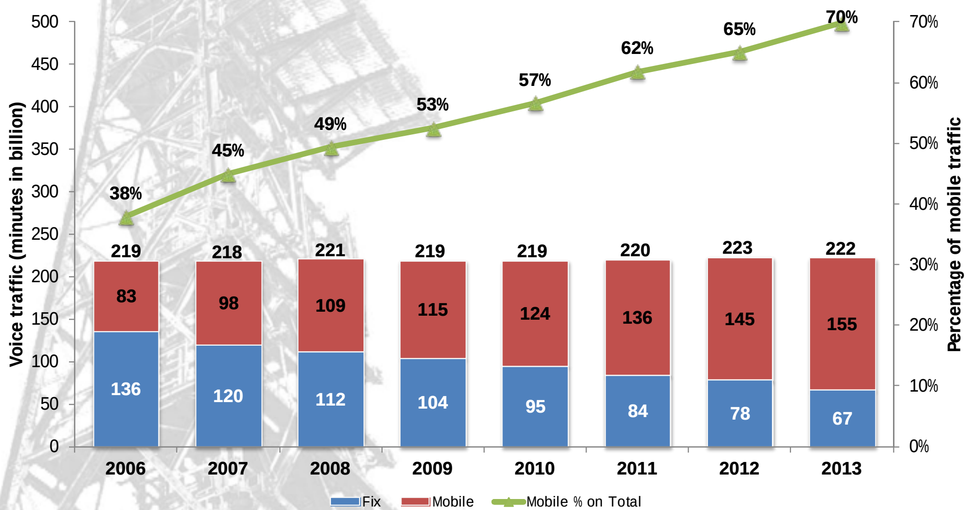
Radio Broadcast

- 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

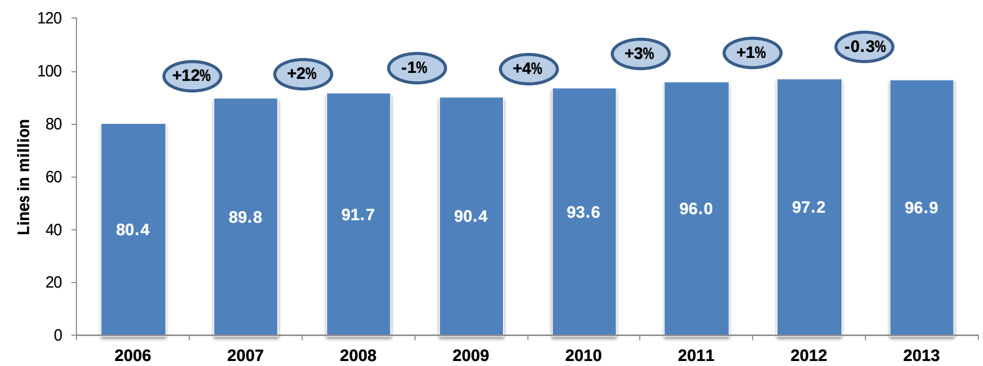
Mobile TLC Segment
Market Overview

- **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)

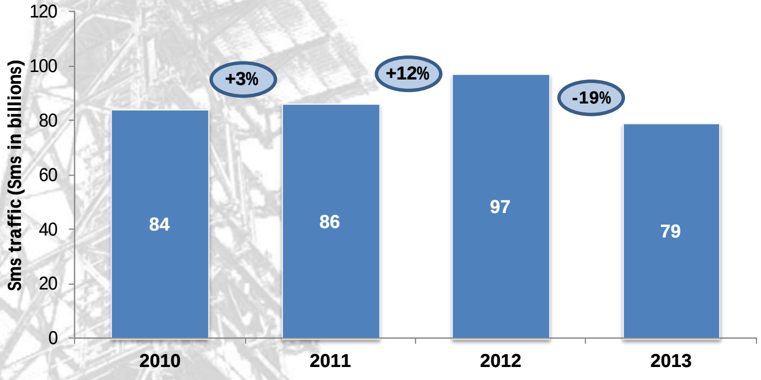
- **Number of mobile lines**



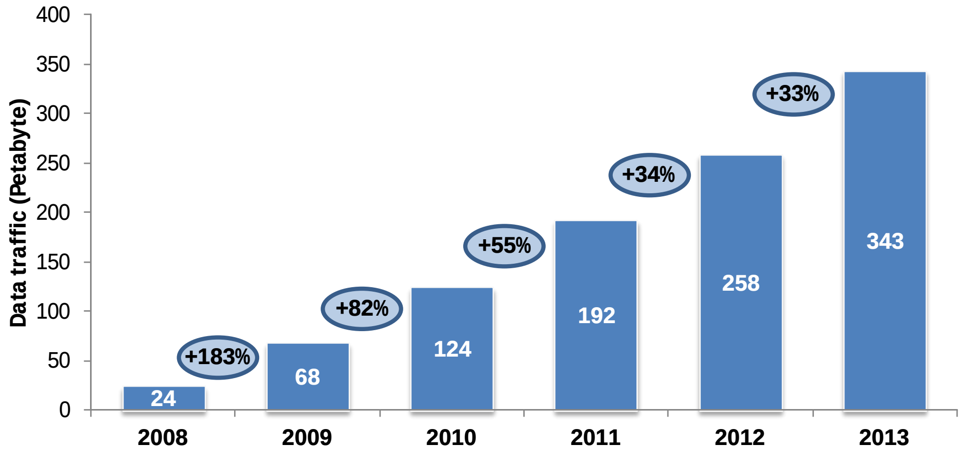
Total number of lines is relatively stable – increase in usage

Mobile TLC Segment
Market Overview

- In the mobile segment, the only service with decreasing volumes is **Sms**



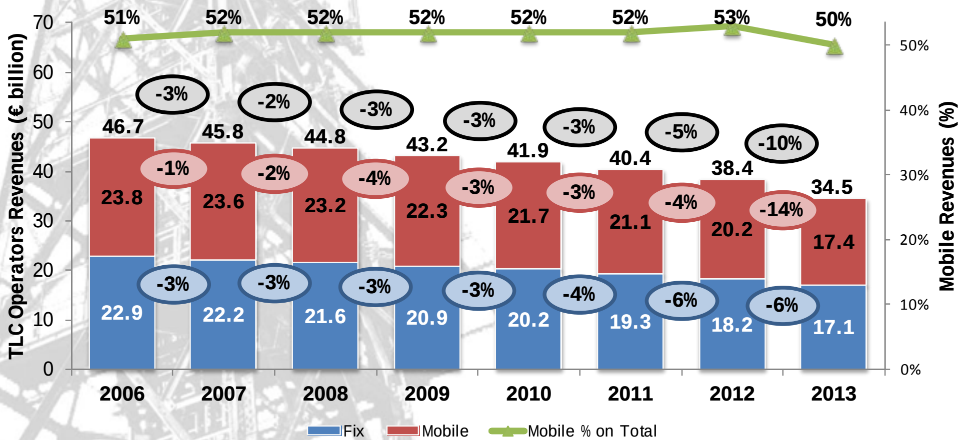
- The overall data traffic shows strong increases

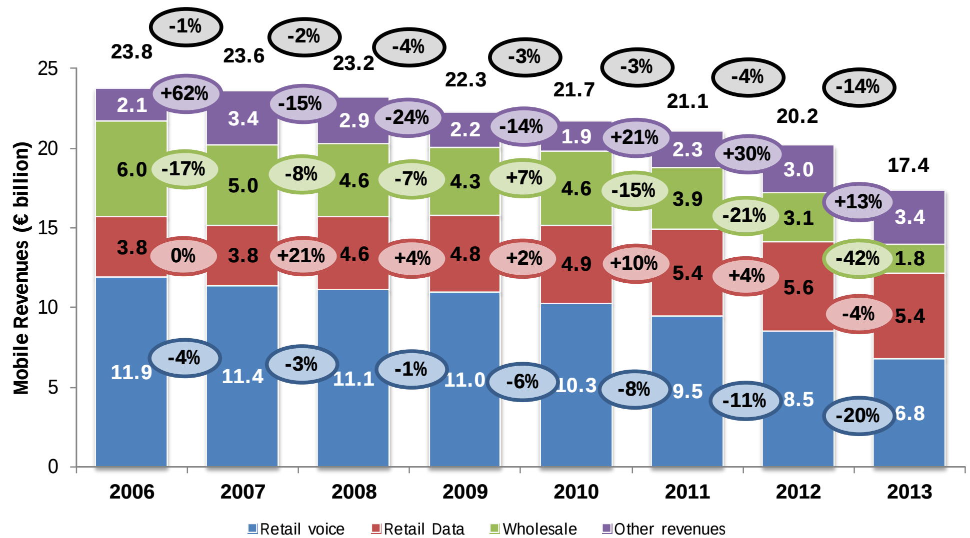


Source: elaboration of Osservatori Digital Innovation Politecnico di Milano on corporate data; Annual Agcom Reports

Mobile TLC Segment
Market Overview

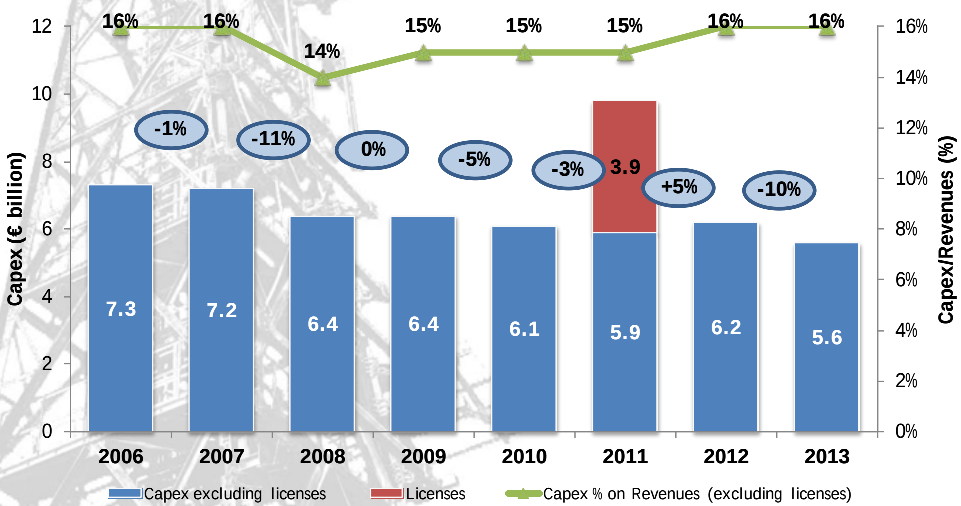
- Despite volume growth, Revenues in both fixed and, to an even greater extent, mobile segments have been decreasing due to:
  - General economic downturn
  - Strong price competition

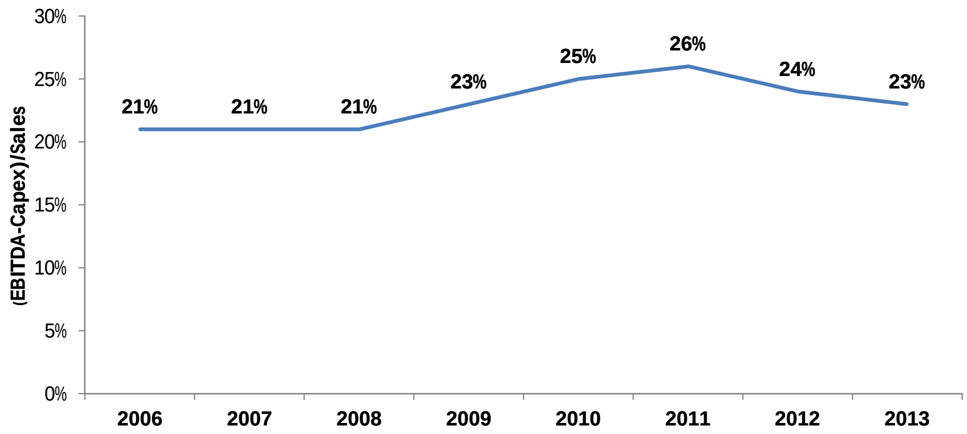




Mobile TLC Segment
Market Overview (fix+mobile)

- 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





Source: elaboration of Osservatori Digital Innovation Politecnico di Milano on corporate data

EI TOWERS

WI-FI AND WI-MAX OPERATORS

~1,000 operators[1]

CLOUDITALIA, ASDASD, Trentino Network, e-volution-air, Freemax, brennercom, estracom, alternatyva, wimax, UNIDATA, intercom, mandarin, VIATEK, CLIOCOM, TELNET, FASTNET

3 Relevant EI Towers Clients

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

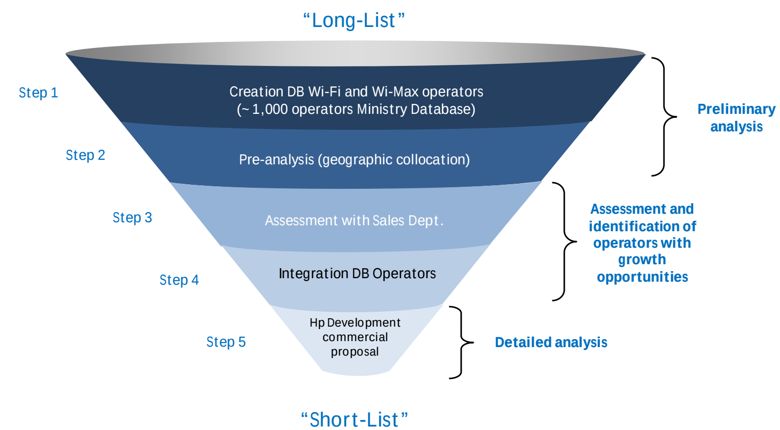
NGI, aria, linkem

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

EI TOWERS

- **EI 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 CAGR[1] 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

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

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

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%
margin%	*45%*	*47%*	*47%*	*48%*	*50%*	*52%*	
EBIT	58	67	73	76	89	101	12%
CPI Assumptions			-	*0.75%*	*1.0%*	*1.0%*	

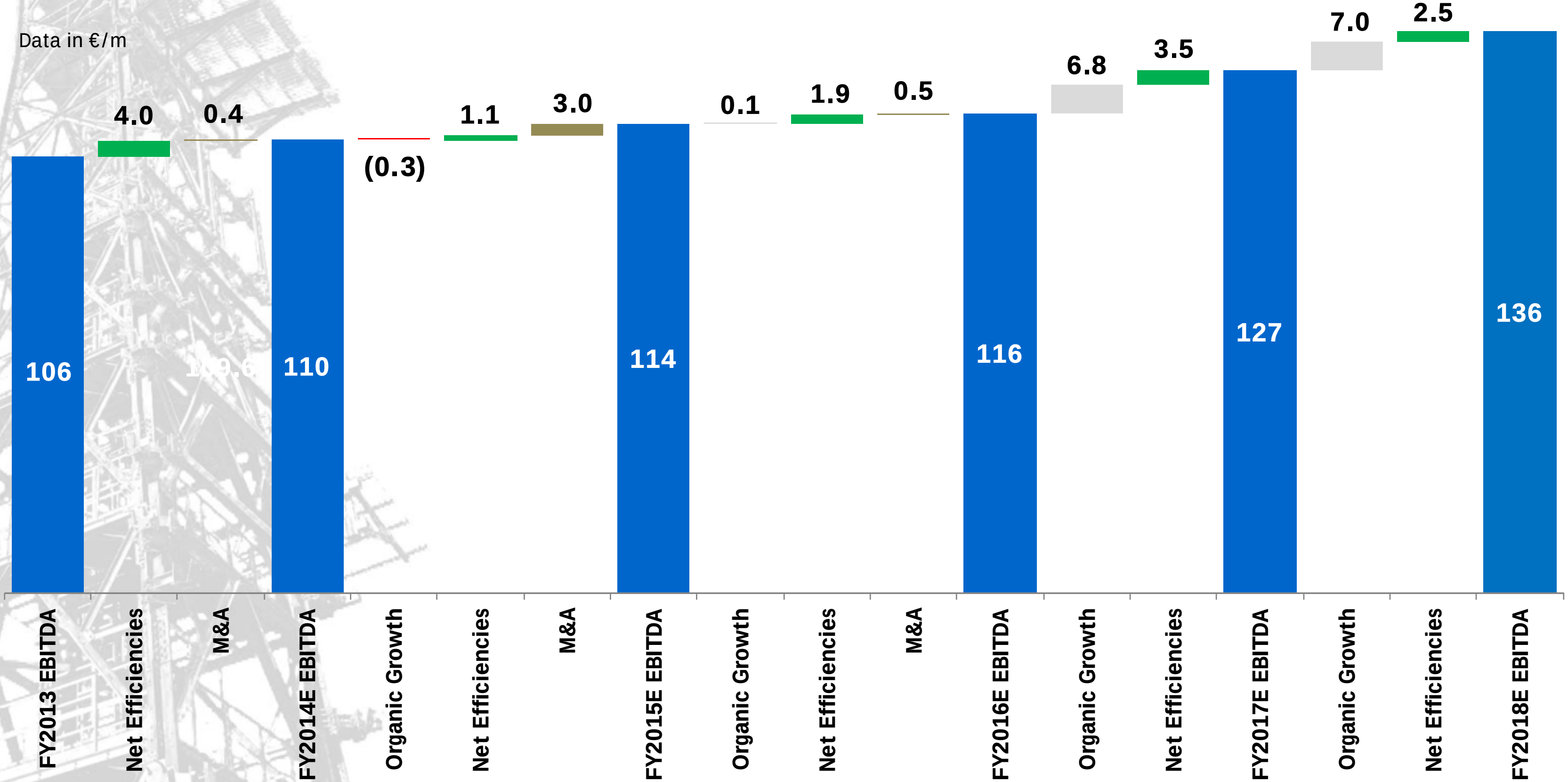
[1] *CAGR based on FY2013 actual figures*

Business Plan Financials

EBITDA Bridge[1]

- **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 Growth[1]: ~€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*

Business Plan Financials
More Colour on Efficiencies

- **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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