



1H2016 Company Presentation

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

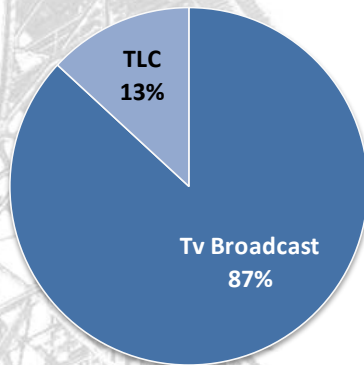
Revenues Profile and Geographical Presence



- Breakdown by activity¹

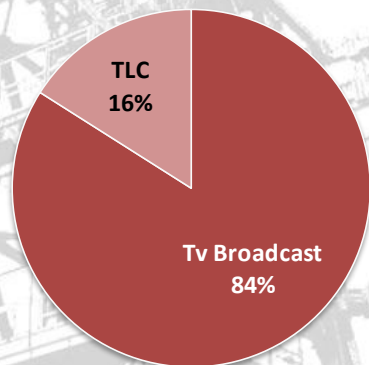
- Revenues by mix

2015: €241.8m



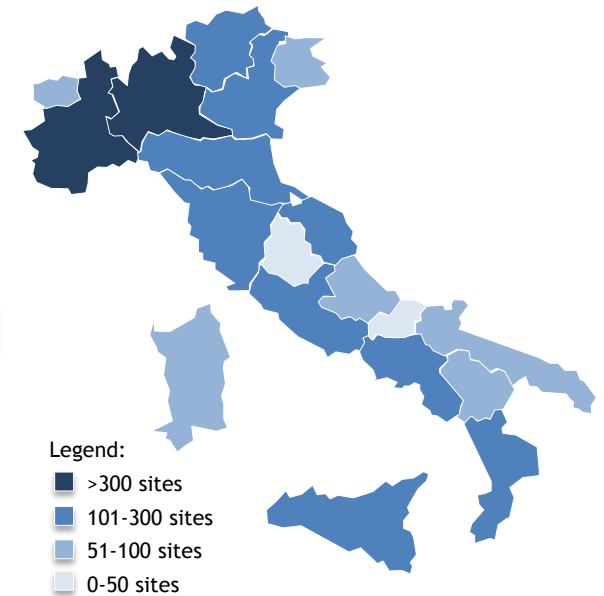
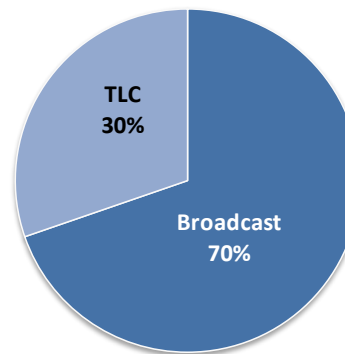
- EBITDA by mix

2015: €113m



- Current Tower Portfolio

>3,300 Sites under management



- **Core Revenues at €123.8m (+3.7% yoy)**
 - Growth driven by volumes (almost exclusively M&A activity)
- **First Half Adjusted EBITDA at €60.6m (+8.9% yoy)**
 - Result, before one-off items, in line with FY2016 guidance
 - Adjusted EBITDA margin at 49% (+240 bps vs 1H2015)
 - Reported EBITDA at €58.2m
- **Free Cash Flow generation**
 - Free cash flow before small M&A/development capex at ca €19.5m
 - ca €5.2m Net Free Cash Flow
 - Net Debt at €125.1m

Income Statement

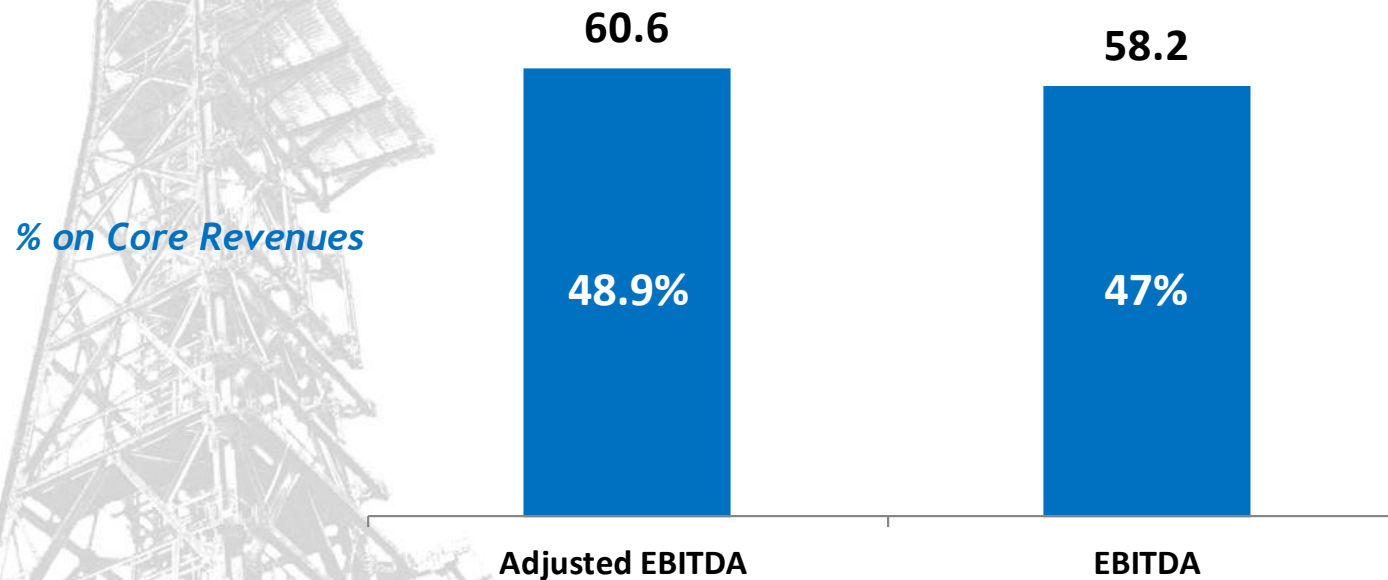
1H 2016 Financial Headlines

Data in €/m ^(*)	1H 2015	1H 2016	Var. % YoY
Core Revenues	119.4	123.8	3.7%
Other revenues	0.1	1.3	
Total Revenues	119.5	125.1	4.7%
Operating costs	(63.8)	(64.5)	1.1%
- o/w Opex	(41.3)	(42.8)	3.6%
- o/w Labour Cost	(22.5)	(21.7)	-3.6%
Adj. EBITDA	55.7	60.6	8.9%
% on Core Revenues	46.7%	49.0%	
One-off items	(2.7)	(2.5)	
EBITDA	53.0	58.2	9.7%
D&A	(18.7)	(18.4)	-1.9%
Provisions	-	(0.9)	
EBIT	34.3	38.9	13.4%
Net financial charges	(4.0)	(4.6)	13.9%
EBT	30.3	34.3	13.4%
Income taxes	(10.3)	(11.5)	11.2%
Net income	19.9	22.9	14.6%
EPS (€)	0.71	0.81	14.6%

^(*) Figures restated due to PPA

1H2016 EBITDA

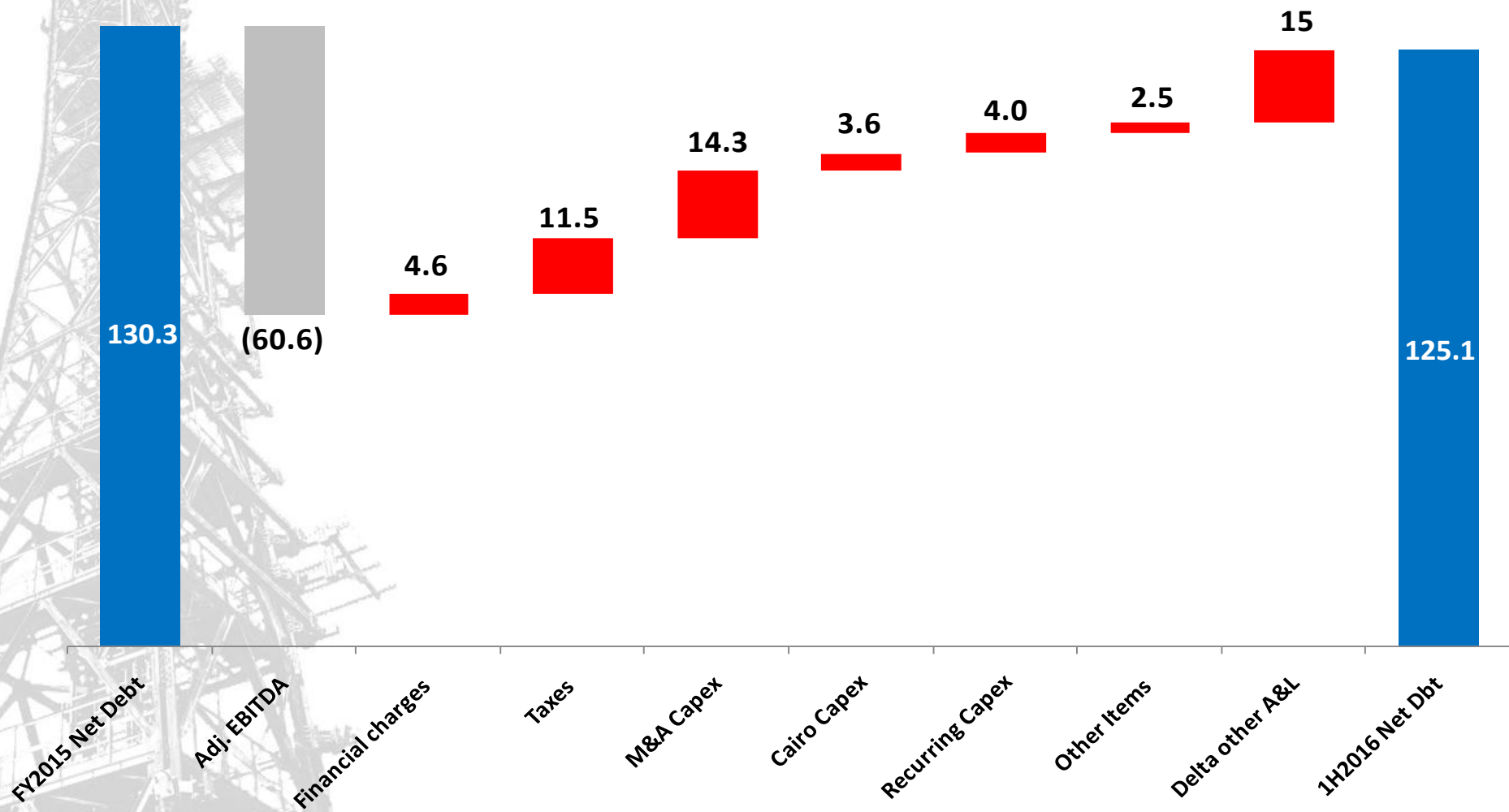
Data in €/m



- Adjustments
 - M&A costs €2.3m
 - Lay offs €0.1m

Net Debt and Cash Flow Bridge

Data in €/m



Small M&A update as of July 2016

- # 94 sites
- # 55 lots of land
- EV ~ €18m
- Pro forma EBITDA ~ €2.2m
- Implied multiple ~ 8.2x
- FY2016 M&A target portfolio on track
 - Up to pro forma €4-5m EBITDA to be acquired

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

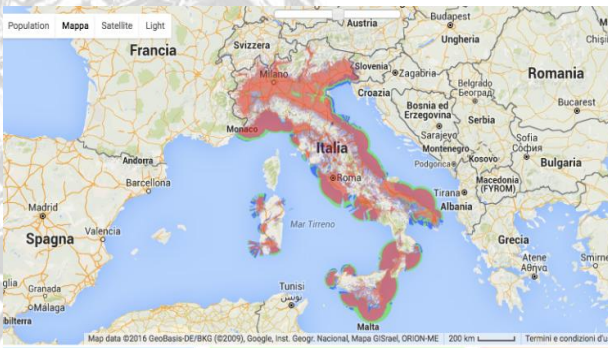
- **Low Power Wide Area (LPWA) technology developed by Sigfox:**
 - Very low energy consumption (battery life: up to more than 10 years [*suited for objects not connected to power grids*])
 - Very high transmission range (BS radius: up to more than 5 km)
 - Very low level of complexity
 - In order to 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

- **Coverage targets:**
 - **As of today:**
 - » ~450 base stations already installed
 - » Population: 68%
 - » Top cities covered at 85%+: 25 (among these: Milan, Turin, Trieste, Verona, Rome, Bologna, Florence, Naples)
 - **End of 2016:**
 - » Population: 85%
 - » Top cities covered at 85%+: all cities with >40k inhab.
- **First agreements signed in the following sectors:**
 - **Power Monitoring**
 - **Water Metering**
 - **Physical Asset Management**

Current coverage



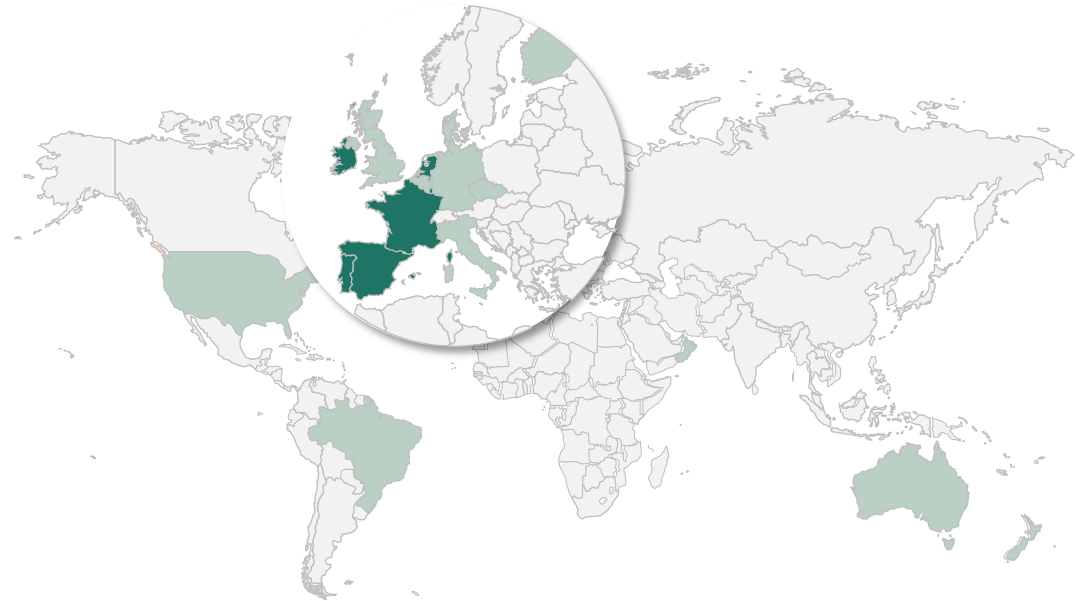
End of 2016



Legend:

■ 1 Base station
 ■ 2 Base stations
 ■ 3 Base stations

SIGFOX NETWORK: Nationwide coverage 19 countries, 311m people



● Launched country

France
 Spain
 Netherlands
 Portugal
 Ireland
 Luxembourg

● On going country deployment

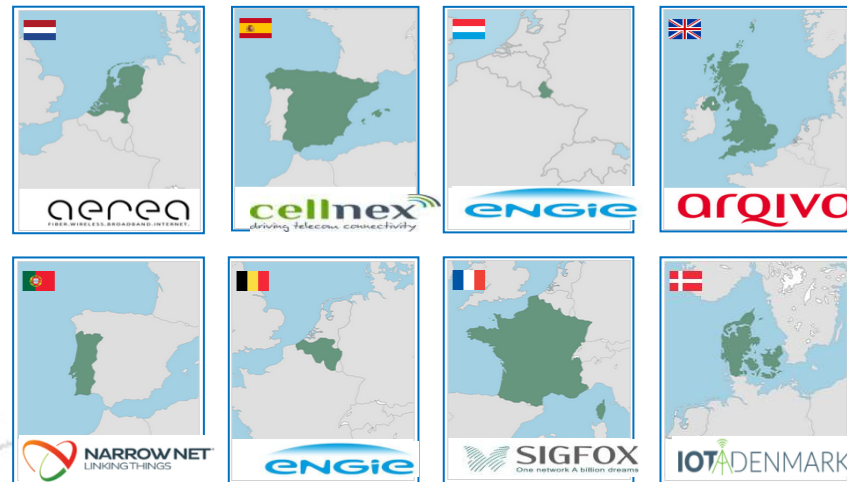
Czech Republic	USA
Denmark	Italy
New Zealand	Germany
Brazil	Belgium
Finland	United Kingdom
Oman	Australia
Mauritius	

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 Partners in Europe



- Sigfox equity partners are, among others:



A more efficient Capital Allocation

- Targeting 2.5x Net Debt/EBITDA by year end 2018
- Establishing a regular Dividend Policy
 - Pay out *at the least* 100% Consolidated Net Income
- Share Buy Back programme
 - Up to 5% of Share Capital
- The proposed capital allocation allows to:
 - Pursue investment opportunities (small M&A)
 - Maintain financial flexibility
- All FY2016 Targets confirmed

A grayscale background image of a tall, lattice-structured radio tower, likely a broadcast tower, extending from the bottom left towards the top center of the slide.

Analysis of the Reference Markets: Broadcast Segment

Broadcast Segment

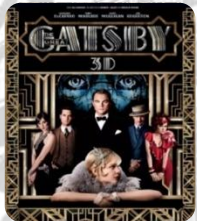
Market Players



Publishers

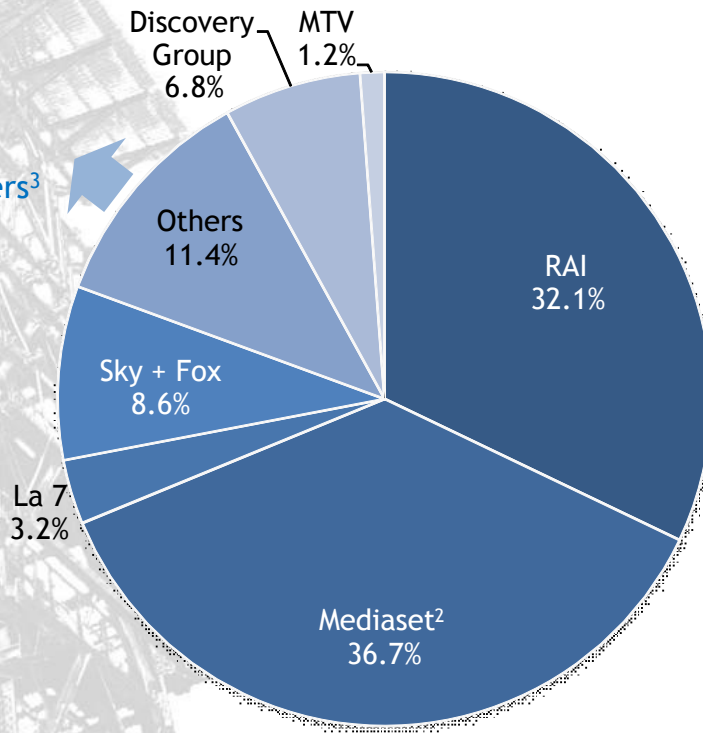
Network
Operators

Tower
Cos

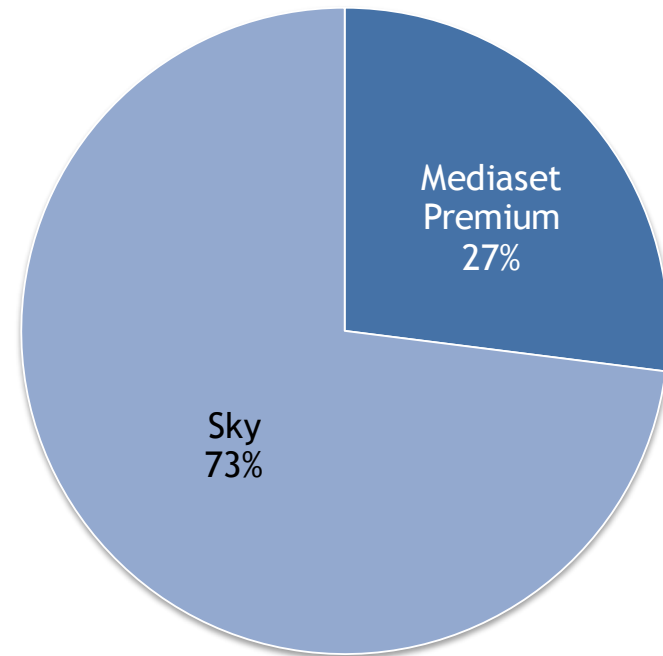


• Audience Share 15-64¹

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



• Pay TV: Market Share (subscribers)



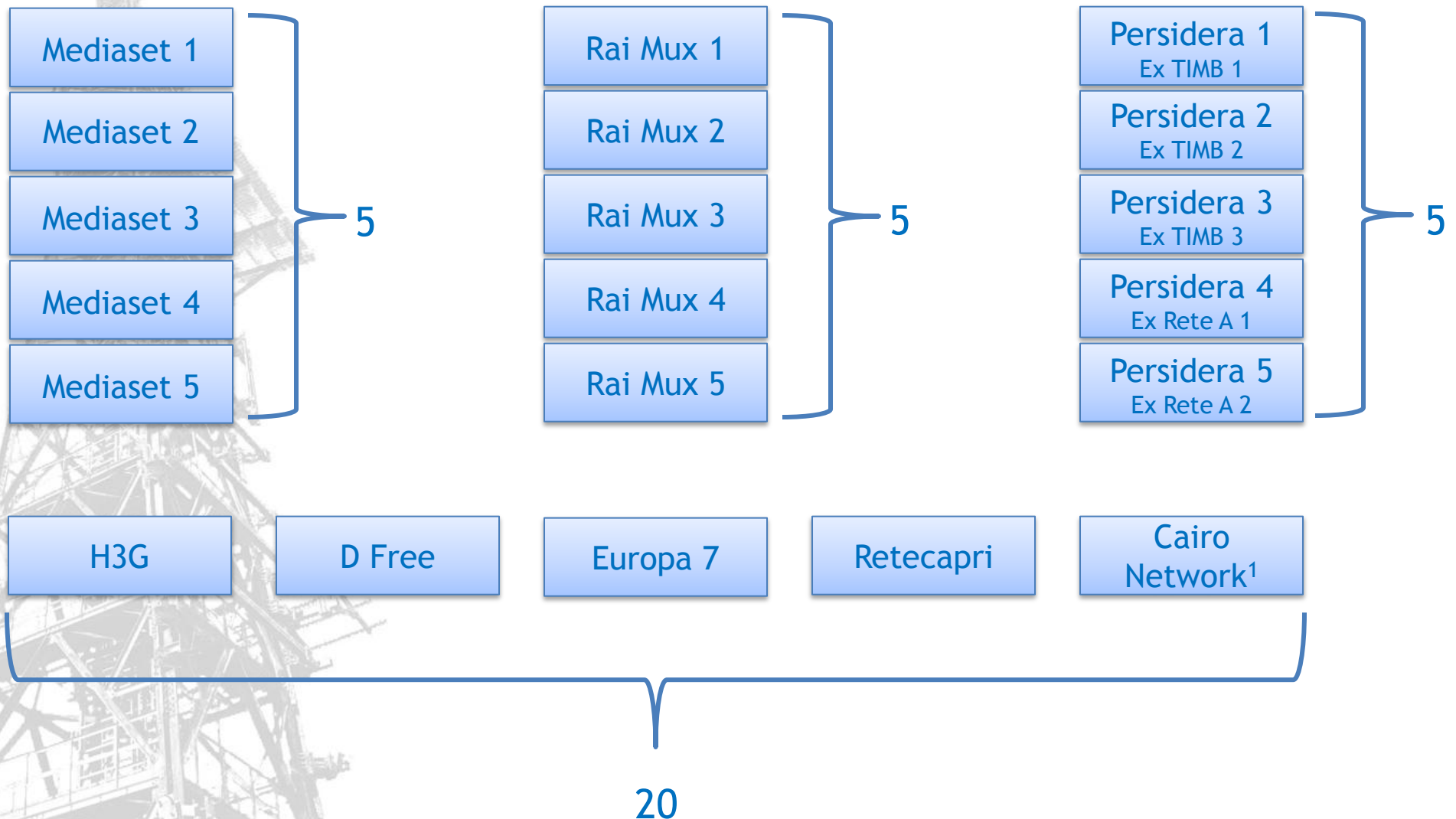
¹ Source: Company elaborations on Auditel data, January-December 2014

² Including MS Pay TV

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

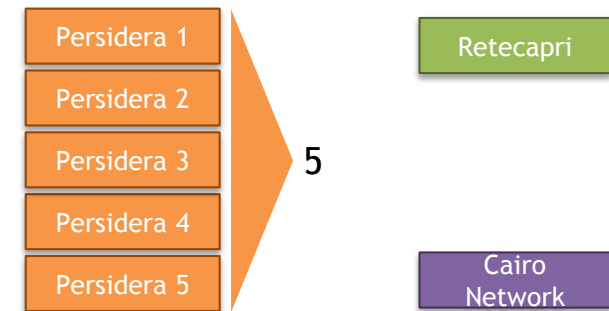
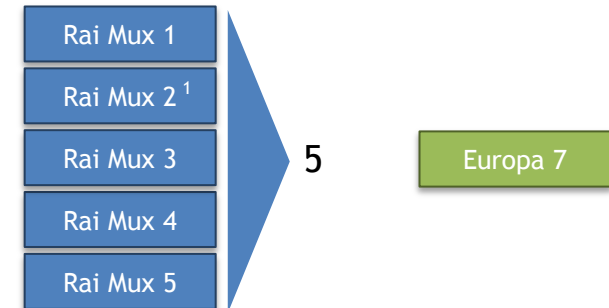
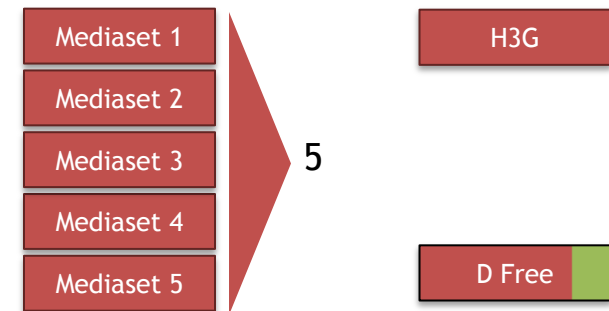
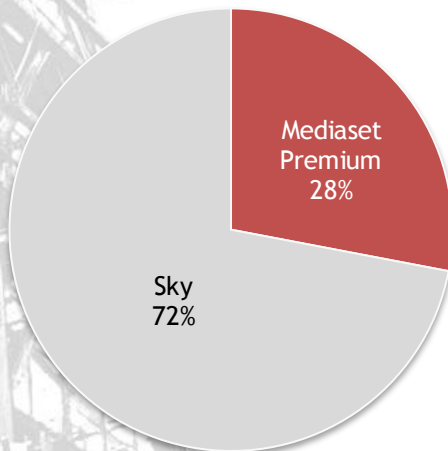
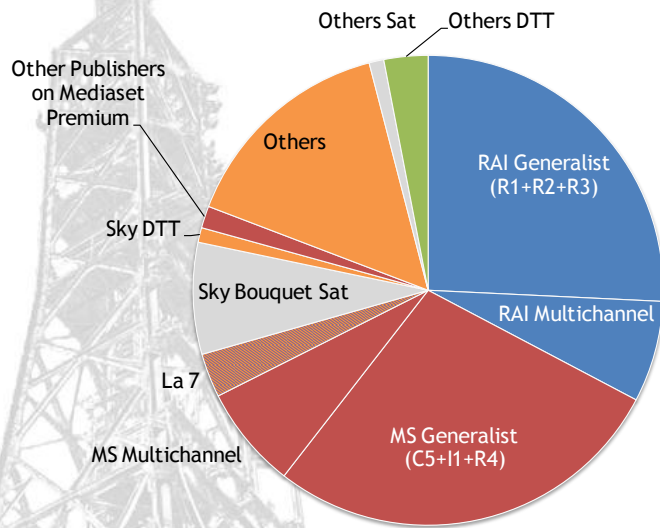
Network Operators

TV Frequencies Landscape



TV Channels Distribution

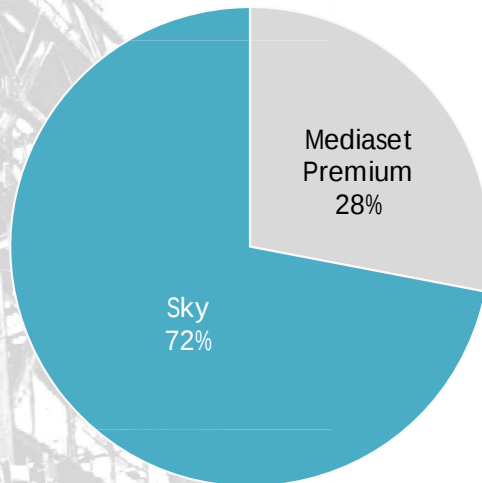
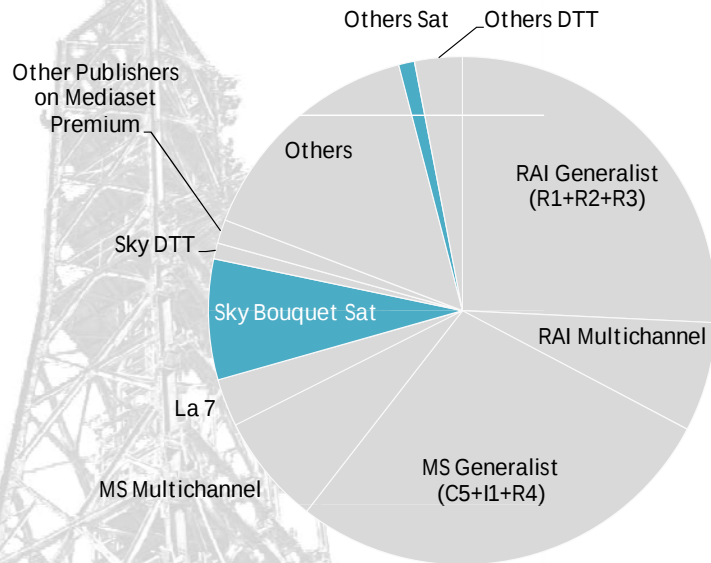
Allocation within Multiplexes



20

Satellite Offer

Almost Entirely Pay TV-Driven



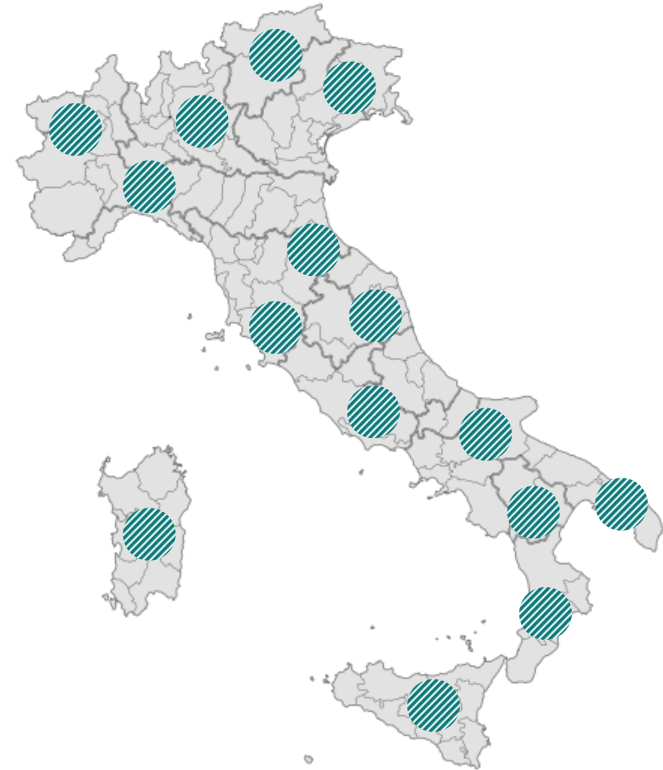
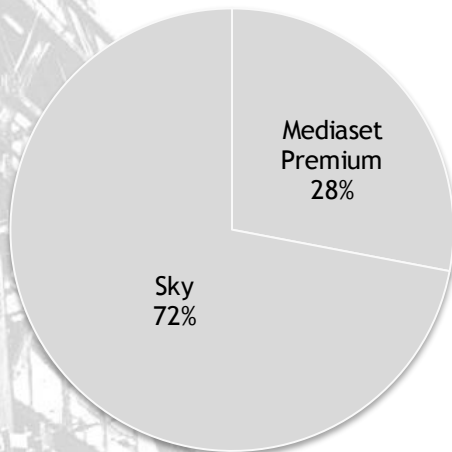
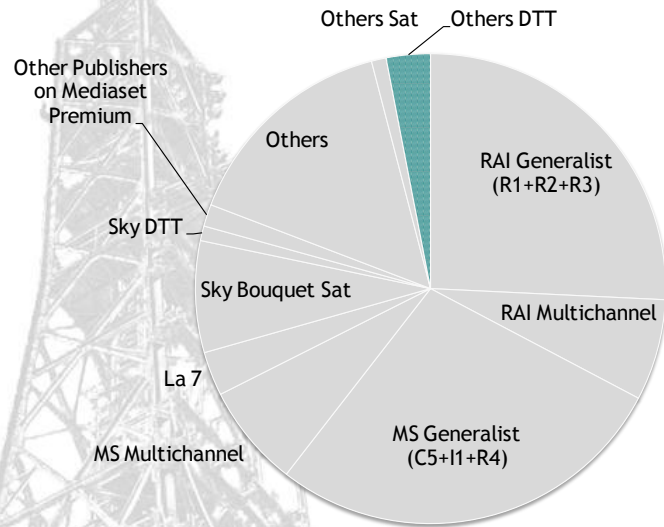
Sky Italia ~4.7m HH
Tivusat ~2.2m HH

~6.9m HH



Regional Offer

A Patchwork



Efficient Management of Existing Agreements with National TV Players

- Contracts long term visibility

	<i>Interm. Term</i>	<i>Final Term</i>
- 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

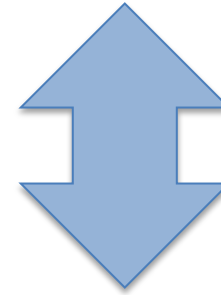
- Going forward, it is extremely **unlikely** to have competition between platforms for the same service. There will rather be **specialization and complementarity**

LINEAR



DTT/Satellite

NON LINEAR



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)...

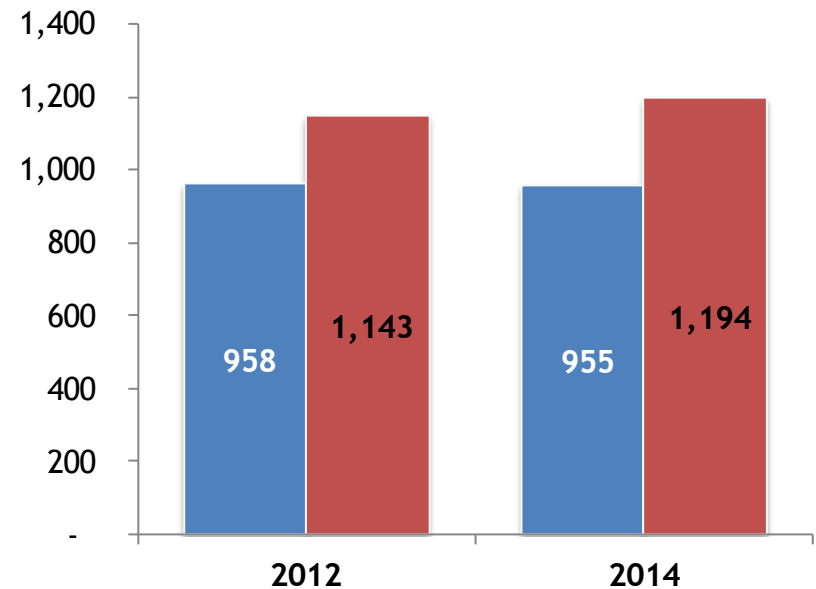
...and not even significant Capex for network operators (Mediaset is upgrading in parallel with substitution/new network operators are already deploying T2 ready networks)

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



■ N. Local Radio Operators ■ N. Brands 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

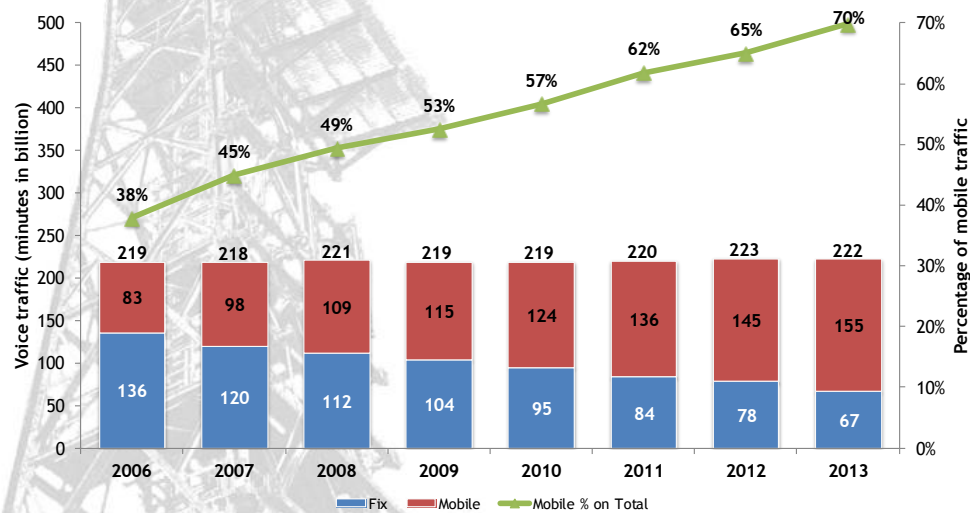
A grayscale, low-angle photograph of a tall, lattice-structured telecommunications tower, showing its intricate framework and various antennas at the top. The tower is positioned on the left side of the slide, extending from the bottom to the top.

Analysis of the Reference Markets: Mobile TLC Segment

Mobile TLC Segment

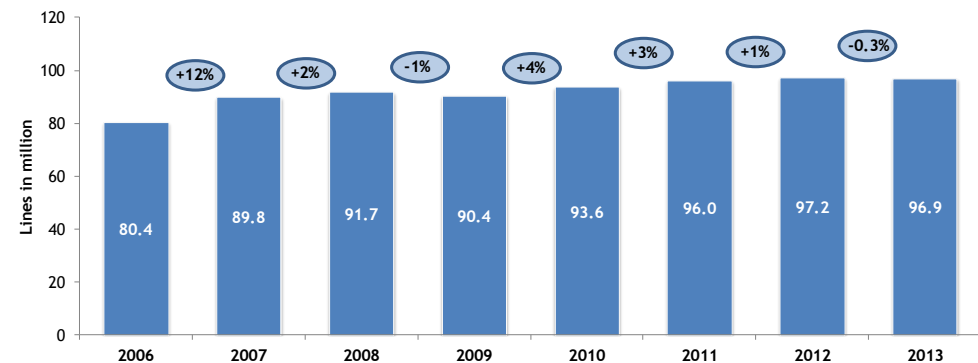
Market Overview

- 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

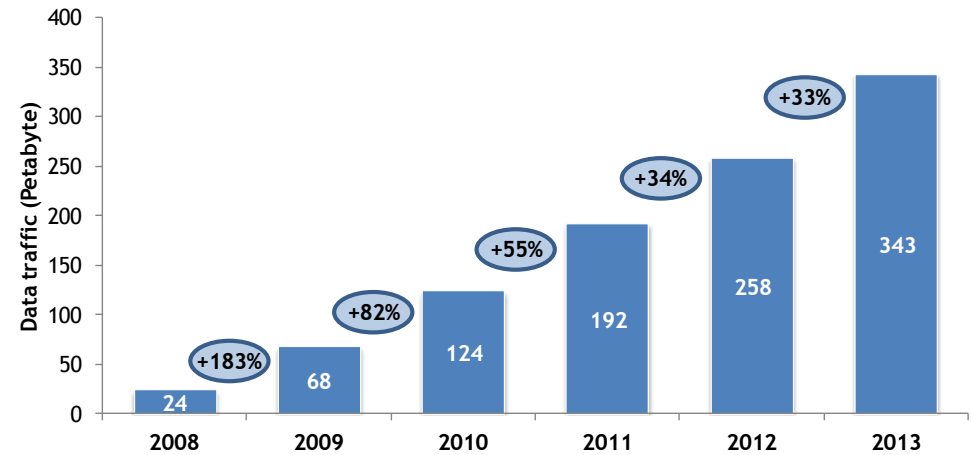
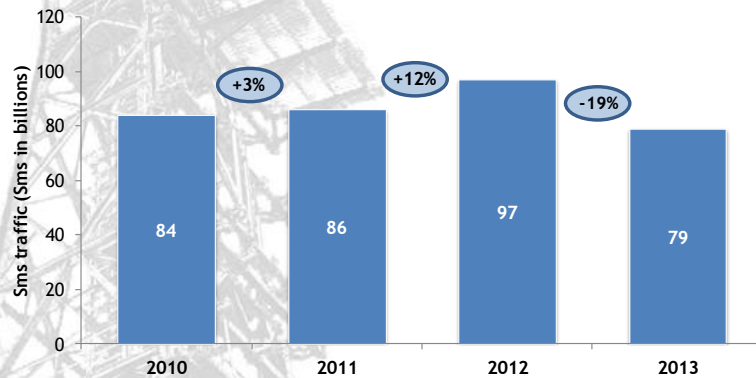


Total number of lines is relatively stable
— increase in usage

Mobile TLC Segment

Market Overview

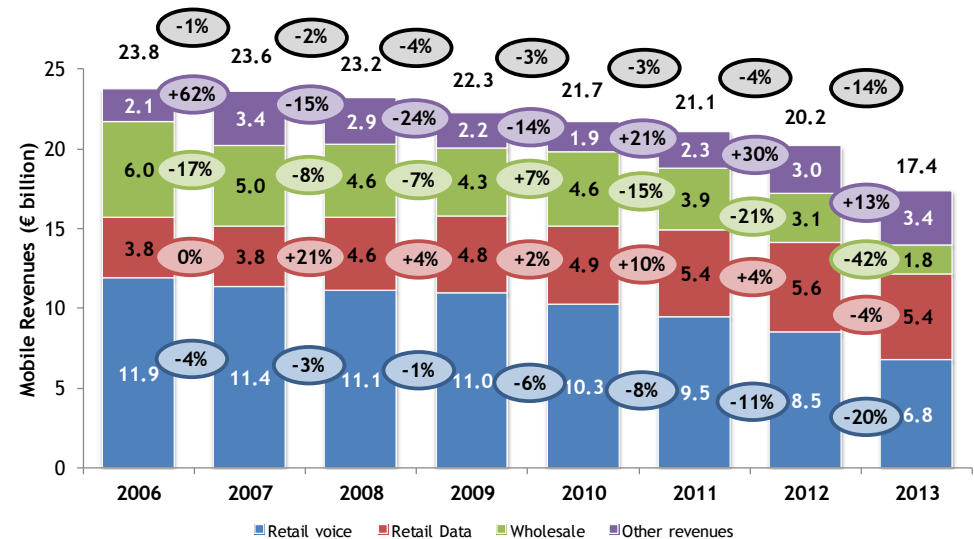
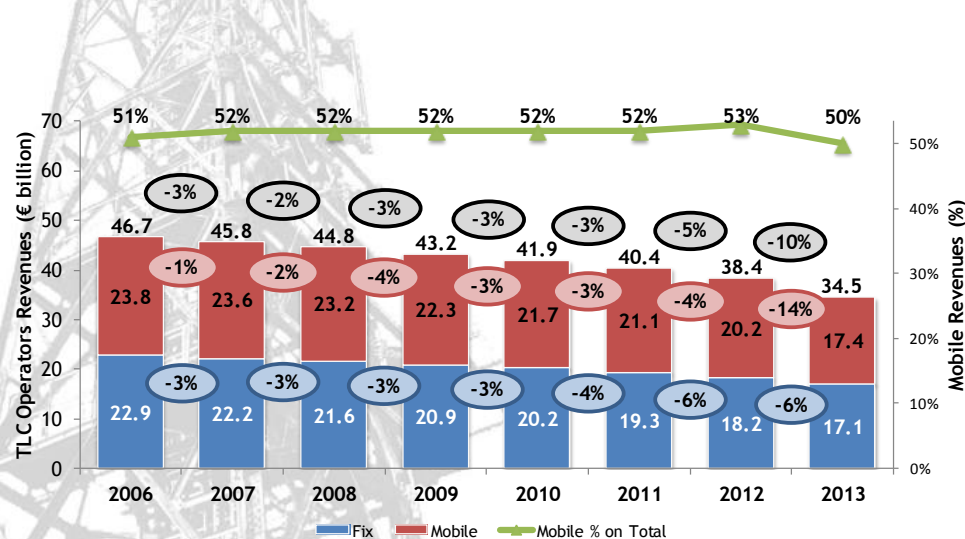
- In the mobile segment, the only service with decreasing volumes is Sms
- The overall data traffic shows strong increases



Mobile TLC Segment

Market Overview

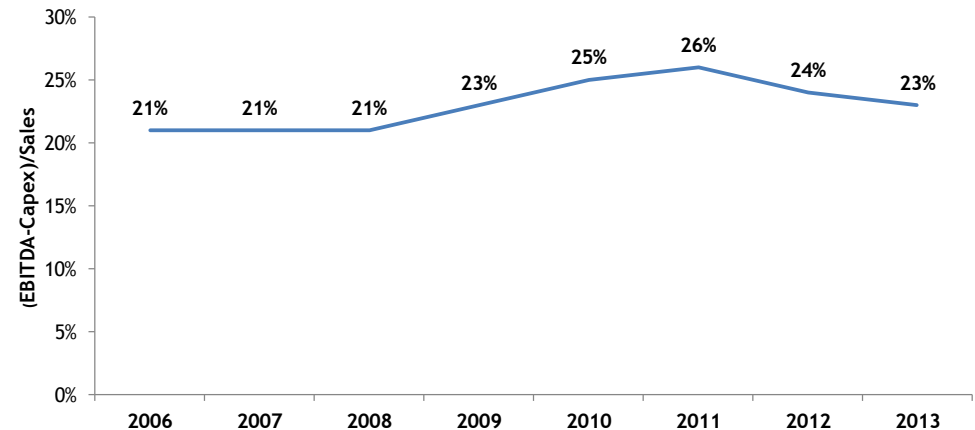
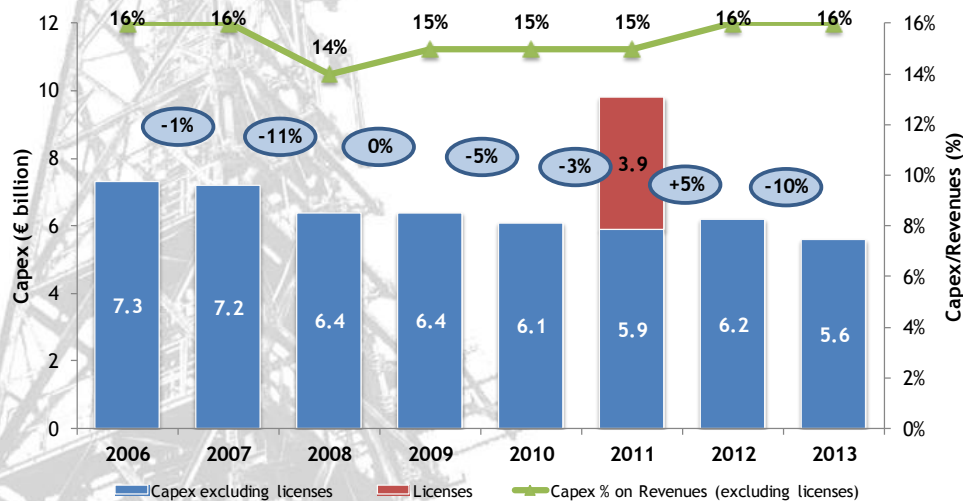
- Despite volume growth, Revenues in both fixed and, to an even greater extent, mobile segments have been decreasing due to:
 - General economic downturn
 - Strong price competition



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)

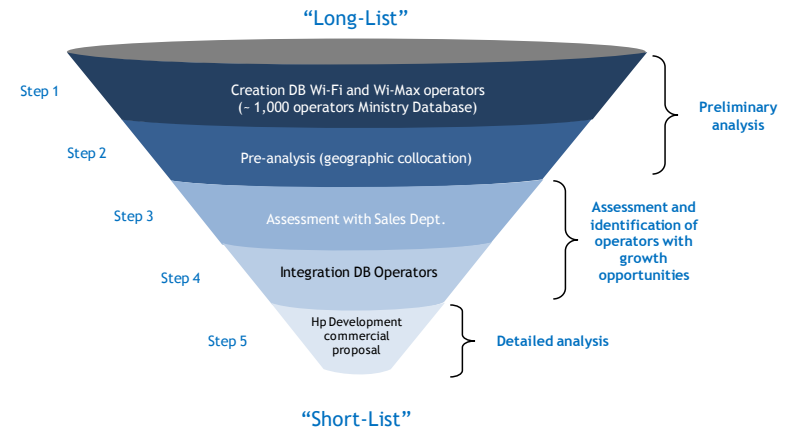


MARKET KEY ELEMENTS

- 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



A grayscale image of a tall, lattice-structured telecommunications tower, viewed from a low angle looking up. The tower has multiple levels with equipment and antennas.

Business Plan Financials

Business Plan Financials

Key Assumptions & Perimeter



- **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 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

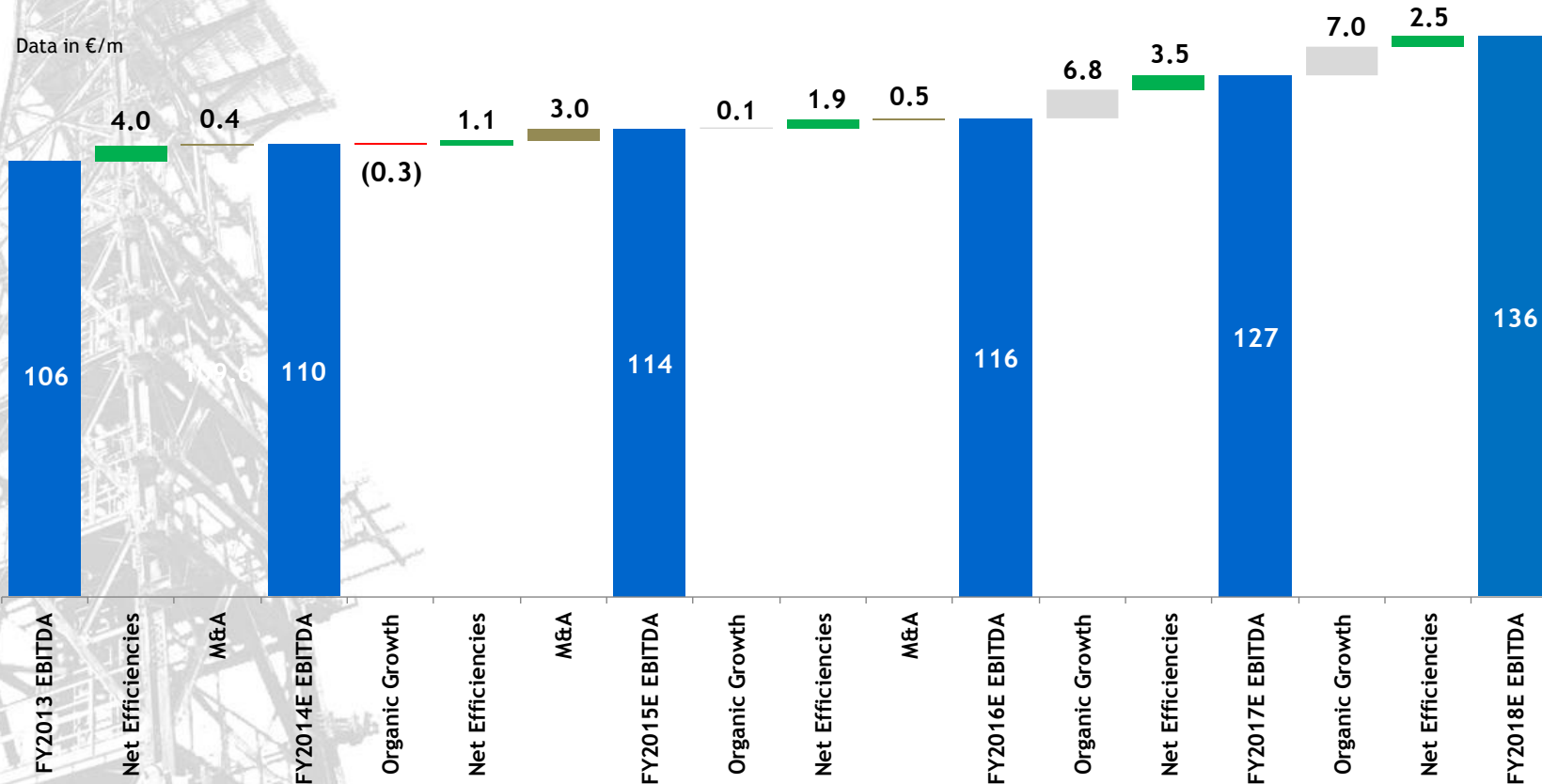
Data in €/m	2013	2014E	2015E	2016E	2017E	2018E	CAGR 2014-18E ¹
Revenues	233	234	241	244	253	264	3%
EBITDA	106	110	114	116	127	136	5%
margin%	45%	47%	47%	48%	50%	52%	
EBIT	58	67	73	76	89	101	12%
CPI Assumptions			-	0.75%	1.0%	1.0%	

¹ CAGR based on FY2013 actual figures

Business Plan Financials

EBITDA Bridge¹

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



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

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

Adjusted EBITDA corresponds to the difference between consolidated revenues and operating costs, gross of non-monetary costs related to depreciations, amortizations and write-downs (net of possible revaluation) of current and non-current assets, of non ordinary economic components related to M&A transactions according IFRS3 or layoffs, of any costs related to atypical and/or unusual deals as defined by Consob communication of July 28 2006 n. DEM 6064293.

EBITDA is the difference between consolidated revenues and operating costs, gross of non monetary costs related to depreciations, amortizations and write-down (net of possible revaluations) of current and non current assets. It is a measure used by the Group management to monitor and evaluate the Company performance and it is not applied as an accounting measure within the IFRS standards (“Non GAAP Measure”).

A grayscale background image of a tall, lattice-structured telecommunications tower, viewed from a low angle looking up.

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