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EXTRAORDINARY GENERAL MEETING OF THE SHAREHOLDERS OF EI TOWERS S.P.A.

March 27, 2015 at 11.00 am (single call)

* * *

Explanatory report on the only item on the agenda:

"Proposal to increase the share capital against payment, without pre-emptive rights pursuant to Article 2441, paragraph 4, first sentence of the Italian Civil Code, to be subscribed by a contribution in kind. Consequent amendment of Article 5 of the Company Bylaws. Pertinent and consequent resolutions."

Shareholders,

the Board of Directors of EI Towers S.p.A. ("**EI Towers**" or the "**Offeror**"), at its meeting on February 24, 2015, called an Extraordinary General Meeting to submit for your approval the proposal of a share capital increase to be carried out in one or more tranches, against payment and in divisible form, for an aggregate maximum amount of EUR 373,972,800 (including the relevant share premium), through the issuance of a maximum number of 8,160,000 EI Towers ordinary shares, with regular entitlement and having the same characteristics as the already outstanding ordinary shares on the relevant issuance date, without pre-emptive rights pursuant to Article 2441, paragraph 4, first sentence of the Italian Civil Code, in relation to the voluntary tender and exchange offer promoted by EI Towers on February 24, 2015, on all the ordinary shares of Rai Way S.p.A. ("**Rai Way**" or the "**Issuer**"), and to be subscribed by a contribution in kind of the Rai Way ordinary shares tendered in the context of the Offer (the **"Share Capital Increase"**).

*** * * * ***

1. SHARE CAPITAL INCREASE

1.1 Description of the transaction

On February 24, 2015, the Board of Directors of EI Towers resolved to promote a voluntary tender and exchange offer (the **“Offer”**) on no. 272,000,000 ordinary shares of Rai Way, representing the Issuer's entire subscribed and paid-in share capital.

For each Rai Way ordinary share tendered in the context of the Offer, the Offeror will pay to the relevant shareholders a consideration comprised of *(a)* a cash component, equal to EUR 3.13 (corresponding to approximately 69% of the aggregate valuation of each Rai Way ordinary share), and *(b)* a share component, represented by no. 0.03 newly issued EI Towers ordinary shares (corresponding to approximately 31% of the aggregate valuation of each Rai Way ordinary share) (jointly, the **“Consideration”**).

The Share Capital Increase must be resolved for the purposes of the making the Offer. In this sense, the meeting of the Board of Directors of EI Towers held on February 24, 2015, also resolved to:

(i) convene the Extraordinary General Meeting of EI Towers on March 27, 2015 for the purposes of approving the proposed Share Capital Increase;

(ii) approve this report which explains and justifies, in particular, the parameters used to determine the exchange ratio between the ordinary shares of EI Towers and any ordinary shares of Rai Way tendered in the context of the Offer and to fix the issue price of the newly issued ordinary shares of EI Towers, prepared pursuant to Article 70 of the Regulation introduced by Consob with resolution no. 11971 of May 14, 1999, as subsequently amended and supplemented (the **“CONSOB Issuer's Regulation”**) and in compliance with Annex 3A, Model no. 2, of such Issuer's Regulation;

(iii) request that EI Towers' auditor Deloitte & Touche S.p.A. issue the fairness opinion pursuant to Article 2441, paragraph 6, Italian Civil Code and Article 158 of legislative decree no. 58, February 24, 1998, as amended and supplemented (the **“Consolidated Financial Act”**). This opinion will be provided according to the terms and in the manner established by current legislation.

1.2. Conditions precedent to the Offer

The Offer is subject to the occurrence of each of the following conditions precedent:

(i) the Italian Competition Authority (Autorità Garante della Concorrenza e del Mercato) to have unconditionally approved the acquisition of control over the Issuer by EI Towers within the second trading day preceding the payment date of the Consideration;

(ii) the Extraordinary Shareholders’ Meeting of EI Towers called on March 27, 2015 to have approved the proposed Share Capital Increase;

(iii) the Offeror to have acquired (as a consequence of the Offer or of purchases effected outside the Offer in compliance with applicable law) a shareholding at least equal to 66.67% of Rai Way's share capital;

(iv) the Ministry of Economic Development to have authorized RAI – Radiotelevisione Italiana S.p.A. (**"RAI"**) to continue to carry out its activities concerning the provision of public services through the Issuer also following the acquisition of control over the Issuer by EI Towers, within the fifth trading day preceding the conclusion of the offer period, including any extension thereof. For such purpose, the Offeror undertakes to agree upon adequate contractual instruments aimed at ensuring and granting RAI full entitlement to the resources and the means instrumental to the provision of such public service activities reserved to RAI;

(v) as of the payment date of the Consideration, the non-occurrence of extraordinary circumstances or events or material adverse changes in the financial, economic, currency, legal or market situation on a national or international level, or other events which may materially prejudice the Offer or the asset, financial and economic condition of Rai Way.

The Offeror may waive one or more of the above conditions precedent to the Offer as well as amend them, in whole or in part, as provided by applicable law.

1.3. Treatment of Rai Way shareholders entitled to "Incentives for retail investors" and "Incentives for employees"

Upon the initial public offering of Rai Way, in the context of the retail offer and the offer reserved to the employees of the RAI Group, the assignees of Rai Way ordinary shares that will hold the full ownership of such shares on an ongoing basis for twelve months starting from the relevant payment date (i.e. from November 19, 2014), to the extent such shares are deposited with a placing agent or an intermediary participating in Monte Titoli (the **"Rai Way Shares Cum Bonus Shares"**), have been respectively granted the right to receive on a gratuitous basis from RAI one Rai Way ordinary share for each twenty Rai Way shares assigned in the context of the retail offer and one Rai Way ordinary share for each ten Rai Way shares assigned in the context of the offer reserved to the employees (the **"Bonus Shares"**).

In the context of the Offer, EI Towers intends to grant all the holders of Rai Way Shares Cum Bonus Shares the right to enter into a forward sale agreement with the Offeror, under which, at a date immediately following November 19, 2015, all the Rai Way ordinary shares held by shareholders having exercised such right, including the Bonus Shares, will be transferred to the Offeror against payment of the Consideration.

1.4 Repercussions on the Company's management programmes

The aim of the Offer is the creation of a single large national operator in the sector of infrastructures designed to host television and radio systems, which is also able to have a significant role in the telecommunications industry.

1.4.1 *Creation of a single operator of broadcasting towers*

The transaction will provide a remedy to the current situation of inefficient infrastructure multiplicity deriving from the existence of two large operators in Italy, therefore putting the country on the same level as the main industrialized European countries (France, United Kingdom, Spain), where infrastructures are generally managed by a single operator at national level.

In line with its role as operator of a key infrastructure for Italy, EI Towers *(a)* will keep granting access to the infrastructures to all the television and radio operators independently, under equal and transparent terms, by offering a full and integrated service and *(b)* will increasingly and prospectively open its infrastructure to telecommunications operators.

Depending on the clients' specific needs, in line with the best practices of the Offeror and the Issuer (both known at European level for their technological excellence and their attention to the quality of service), ancillary services such as designing and building of clients' facilities, technical assistance, ordinary and extraordinary maintenance and signal quality control will remain available up to the potential provision of a full service model, already provided to the main national TV network operators, where the relevant tower company manages headend, transmission and broadcasting services in a full and integrated manner.

1.4.2 *Creation of a more efficient operator*

The Offeror expects to achieve higher efficiency in terms of progressive infrastructure simplification and to gain a more efficient approach to technological aspects. Increased efficiency of the infrastructure may result, in the long run, in an indirect environmental benefit, representing an opportunity for certain peripheral areas where duplicity of infrastructures may be overcome by a unified structure with environmental and landscape benefits.

1.4.3 *Achievement of advantages and opportunities for clients*

National coverage through an infrastructure consisting of approximately 5,000 towers will significantly increase the value of the service provided by the new industrial enterprise to existing and potential clients.

The creation of a single large group at national level, combining the technological and commercial strengths of both companies, represents a potential opportunity for the clients of the various segments involved:

(i) radio operators, also including private operators of any size, will face the transition from analogue to digital technology. The two tower companies would share their respective know-how in order to manage such transition and, most importantly, to encourage the promotion of full service commercial offers tailored to the client's specific needs;

(ii) mobile operators, constantly seeking efficiency, may rely on an attentive and flexible counterparty who is able to manage a broader portfolio of sites.

(iii) television network operators may rely on an increasingly more solid, efficient and advanced infrastructure, at the cutting edge of technology in Europe, aimed at pursuing an improvement in the quality of the service offered. The distribution of all TV content in HD (and its relevant evolutions such as Ultra HD) may be achieved in the medium term and would represent a qualitative achievement of a single, universally accessible platform. Such upgrade implies an orderly transition to more advanced broadcasting standards (such as DVB-T2) and higher performance TV signal compression techniques (such as MPEG4 and HEVC): an organization relying on a solid, rationally and

consistently managed infrastructure would enhance and grant value to the extensive know-how of both the tower companies;

1.4.4 *Stimulation of the commencement of a market consolidation process*

The creation of a single large integrated national operator may stimulate the currently ongoing process in all the European markets, where for reasons of efficiency the mobile network operators are currently assessing the opportunity to focus exclusively on their core processes and to raise funds through the sale or the outsourcing of their physical infrastructures.

The creation of an enterprise on a broader scale will offer better opportunities to employees.

1.4.5 *Financial benefits of the transaction*

Following the completion of the transaction, the revenues of the EI Towers Group will be more diversified, as the weight of the Mediaset Group on such revenues will be reduced from 77% to 41% (estimate based on 2013 data), while the RAI Group would become the second-ranking client with 39% (estimate based on 2013 data).

The Offeror believes that the transaction will give rise to significant synergies in terms of revenues and costs as well as efficiency in capex expenses.

The Group resulting from the transaction will have a more efficient capital structure (pro forma indebtedness of approximately 5xEBITDA or approximately 40% of sources) in line with other international industry leaders.

The transaction is expected to be accretive on earnings per share and Free Cash Flow to equity per share from the first year.

The increase in capitalization, resulting from the issuance of new shares as part of the Consideration, and the consequent increased liquidity of EI Towers shares will render investment in the EI Towers Group more attractive, especially for large institutional investors.

The Offeror believes and expects that the financial market and all shareholders will favourably consider the consolidation of the two Italian tower companies, in light of the significant benefits deriving from the transaction in terms of efficiency, profitability and management simplification.

2. NUMBER, CATEGORY, ISSUE PRICE AND ENTITLEMENT OF THE NEWLY ISSUED SHARES

The Share Capital Increase refers to a maximum number of 8,160,000 EI Towers ordinary shares, of par value EUR 0.10 each, to be subscribed by the contribution in kind of the Rai Way ordinary shares tendered in the context of the Offer.

For each Rai Way ordinary share tendered in the context of the Offer, the Offeror will pay the Consideration comprised of:

(i) a cash component, equal to EUR 3.13 (corresponding to approximately 69% of the aggregate valuation of each Rai Way ordinary share); and

(ii) a share component, represented by no. 0.03 newly issued EI Towers ordinary shares having a par value of EUR 0.10 each, with regular entitlement and having the same characteristics as the already outstanding ordinary shares on the relevant issuance date (corresponding to approximately 31% of the aggregate valuation of each Rai Way ordinary share). The share component of the Consideration is equivalent to EUR 1.37, on the basis of the reference price of the EI Towers ordinary shares as of February 23, 2015.

On the basis of the reference price of the EI Towers ordinary shares as of February 23, 2015 (equal to EUR 45.83), the Consideration implies a value of approximately EUR 4.50 for each Rai Way ordinary share

The newly issued shares which are the subject of the Share Capital Increase, of par value EUR 0.10, will be traded on the Mercato Telematico Azionario [Online Stock Market] managed by Borsa Italiana S.p.A., will have regular entitlement and will grant their holders the same rights as the company's outstanding shares on the date of their issue.

Please note that if *(a)* the shareholders' meeting of the Issuer called to approve the 2014 financial statements resolves upon the distribution of the dividend proposed by the Board of Directors of Rai Way (if any) and *(b)* the payment of such dividend occurs prior to the conclusion of the offer period, the Consideration shall be reduced accordingly under the terms and in the manner provided by applicable law.

Furthermore, if *(a)* the shareholders' meeting of the Offeror called to approve the 2014 financial statements resolves upon the distribution of the dividend proposed by the Board of Directors of EI Towers (if any) and *(b)* the payment of such dividend occurs prior to the conclusion of the offer period, the Consideration shall be increased accordingly under the terms and in the manner provided by applicable law.

For further information regarding the determination of the maximum number of newly issued EI Towers ordinary shares and the relative price, see paragraph 3 below.

3. CRITERIA FOR DETERMINING THE MAXIMUM NUMBER OF NEWLY ISSUED EI TOWERS ORDINARY SHARES AND THE RELATIVE PRICE

In performing its analysis, the Board of Directors of EI Towers, with the support of the financial advisor, has made reference to information in the public domain or which can be inferred from same. Specifically it has:

(i) examined the stock market price trends of EI Towers and Rai Way shares;

(ii) examined the Information Prospectus regarding the IPO and the listing of the ordinary shares of Rai Way on the Mercato Telematico Azionario organised and managed by Borsa Italiana S.p.A.;

(iii) examined certain economic and financial information available to the public regarding the sector in which the Issuer operates and several other companies active in comparable sectors;

(iv) examined the target price and the valuation ranges and financial projections ("Consensus") regarding the Issuer published by analysts who study the Issuer;

(v) compared the financial terms of the Offer, as presented, with the financial terms in the public domain of several transactions regarding companies considered relevant, as well as the consideration paid for such companies;

(vi) compared the financial and operating results of the Issuer with information in the public domain regarding certain other companies considered relevant, and examined the current and past trends of the Shares, as well as those regarding other companies.

The valuation process presented the following limitations and difficulties as regards Rai Way:

(a) no due diligence has been performed on data regarding the Issue which is not available to the public;

(b) the forecasts, the economic and financial projections, and the other information used for the purposes of the valuation, which were derived from the Consensus prepared by analysts who study the Issuer, have not been formally approved by the Issuer's management; and

(c) the limited comparability of companies with listed shares similar to the Issuer, which work in different geographical markets and have different turnovers, as well as different growth, profitability and risk profiles.

In performing its analysis, the Board of Directors used the valuation methods it deemed necessary or appropriate (as described in greater detail below). The Board has relied on and assumed the accuracy and comprehensiveness of all the information available to the public or otherwise examined. The Board of Directors has nether performed nor received valuations or reports regarding assets and liabilities, nor has it performed any valuation in relation to the solvency of the Issuer pursuant to any provision of the law as regards bankruptcy, composition of creditors and similar procedures. In relying on financial analysis studies, projections, hypotheses and forecasts prepared by analysts who study the Issuer or deriving from same, the Board of Directors has assumed that same have been prepared using a reasonable approach, based on hypotheses that reflect the best estimates currently available and the judgements of the Issuer's management with regard to the operating results expected and the financial conditions of the companies and sectors to which such analysis reports, projections, hypotheses or estimates refer.

So far as concerns EI Towers, the Board of Directors has no difficulties or limitations to report with regard to the valuation process.

* * * * *

Below is a brief summary of the valuation methods it was decided appropriate to use for both the Offeror and the Issuer. This summary should not be considered as and does not represent a comprehensive description of all the research performed.

<u>Valuation methods used</u>

The paragraphs below describe in brief the main valuation and control methods used and their application.

3.1 Valuation of EI Towers shares

For the purposes of determining the issue price of the Capital Increase (**"Issue Price"**) of EI Towers shares, the main method used by the Board of Directors is the stock market share price. Specifically, the Board analysed the trend of EI Towers shares, taking account of the specific characteristics of the Company and, in particular, the level of volatility of the shares.

The results produced by the main method were then checked by applying alternative financial criteria and market methods to the main method.

The decisions of the Directors when determining the Issue Price were guided not only by technical factors linked to the valuation methods applied, but also by the significant value creation expected from the integration of EI Towers and Rai Way.

3.1.1. Main method: stock market values

According to the stock market quotation method, the value of the company subject to valuation is recognised as being equal to the value attributed to it by the market on which its shares are traded, identifying in the effective prices expressed by the market an indicator of the value of a company's economic capital. This criterion assumes that the market on which the company's shares are traded is efficient, offering the possibility of determining its economic value by means of the value expressed by stock market prices, measured over suitable periods of time.

The price of a share can in fact be regarded as a reliable indicator of the value of the company's economic capital, if such price refers to shares characterised by (i) a significant free float, (ii) a significant level of trading volumes, and (iii) low volatility.

The table below highlights the weighted price averages for EI Towers trading volumes in various reference periods:

	EI Towers price
1 day (February 23, 2015)	€45.83
1 week average	€45.17
1 month average	€44.42
3 month average	€42.77
6 month average	€41.39

Source: Factset as of February 23, 2015

In the case in point, the Board of Directors determined that the stock market price of EI Towers ordinary shares on the day prior to this report is representative of the value of the economic capital of EI Towers. Such price is higher than historical averages and is not influenced by the potential market effects of the announcement of the operation, as it pre-dates said announcement. In the opinion of the Directors, this value reflects the fundamental value of EI Towers for the purposes of the Capital Increase.

3.1.2. Control methods

3.1.2.1 Discounted Unlevered Cash Flow

The Discounted Cash Flow method is based on the appreciation of the future unlevered cash flows of the company subject to valuation. Cash flows are defined as the cash generated by operating activities and available to providers of capital (debt and own capital) after reinvestment in the operating activities of the Company subject to valuation.

In applying the Discounted Unlevered Cash Flow method, economic and financial projections based on the Economic and Financial Plan of EI Towers were used, as communicated to the market on September 29, 2014, prudently adjusted in terms of capex values in consideration of the specific circumstances. To assess the cash flows beyond the explicit period, the so-called terminal value was estimated, which takes account of long term growth potential (in a range around 1%) and the WACC (as defined below). With regard to the main guidelines set out in the plan, consult the press release issued on September 29, 2014. As described below, the forecast results are confirmed in light of the pre-closure forecasts.

In determining the Weighted Average Cost of Capital ("**WACC**") used as the discount rate, the risk profile of the sector was taken into consideration. The capital structure considered is consistent with the long term gross indebtedness reported by the Offeror. Based on the Capital Asset Pricing Model, the WACC has therefore been estimated in a range around 6%.

The value of EI Towers shares determined as described above is given below:

Value per EI Towers share (approximated to one decimal place based on the DCF)
€48 – €61

It should be pointed out that the share component of the Offer (involving, as described above, the exchange of no. 0.03 EI Towers ordinary shares for each Rai Way ordinary share) does not entail the transfer of control over EI Towers. In consideration of this, the Directors have applied criteria which express values net of direct control or majority premiums, or in other words without the application of adjustments, such as the stock market quotation method in the case in point. In this sense, the results obtained by applying the Discounted Cash Flow method would in any case require adjustment for the purposes of providing value indications for minority stakes. The size of such adjustments, as it is not supported by unambiguous statistical data, generally introduces a significant degree of subjectiveness into the valuation process. In light of these considerations, the Directors have used the financial method merely as a term of comparison for the purposes of obtaining broad indications regarding the reliability of the results obtained using the main method.

On the other hand, the deviation between the basic values obtained with the control method, as described above, and the main method, based on the stock market value, stands at 5%, which can be regarded as reasonable in these particular circumstances.

3.1.2.2 Multiples of previous transactions

The method involving multiples of previous transactions is based on an analysis of a sample of transactions concluded in a set period of time in the same operating sector as the issuer being valued (**"Transaction Multiples"**). For the purposes of applying the method, for each of the selected transactions, a set of so-called multiples was calculated as the ratio between the value of the transaction in question and several financial indicators regarded as significant. After selecting the multiples regarded as significant based on the sample considered, they were applied to the corresponding economic and financial metrics of the Issuer subject to valuation, in order to estimate the economic capital of the enterprise.

It should be noted that the time factor, specific local considerations and the synergies exploited by each of the previous transactions have a significant impact on the underlying Transaction Multiples. It should also be remembered that different macroeconomic conditions, economic cycles, transitions to digital, Issuer dynamics, management teams and the reference context (among the other factors) can lead to very different valuations which are not relevant for the Offeror or the Transaction in question.

Therefore, the Transaction Multiples selected must be seen as indicative and only for reference purposes, given that it is not clear if the selected transactions represent a real and relevant term of comparison for the Offer.

Based on the considerations and limitations defined, the following previous transactions were analysed: Brookfield/TDF France, NSZ/Antenna Hungaria, Alinda Capital Partners/Emitel, First State Investments/TDF Digita (Finland), DMT/EI Towers, Montagu/Emitel, TDF/TD Media&Broadcast and TDF/Antenna Hungaria.

Previous transactions	Enterprise Value/most recently reported EBITDA	Implicit value per Rai Way Share
Average	10.3x	€3.7
Maximum	11.9x	€4.4
Minimum	8.9x	€3.2

Source: Factset as of February 23, 215, company documents

Note: Benchmark EBITDA of EI Towers estimated for the 12 months prior to February 28, 2015

The control method described above confirms that the main method is reasonable.

3.2 Valuation of Rai Way Shares

3.2.1 Main Method: Discounted Unlevered Cash Flow

Rai Way shares have been valued based on the value implicit in the Offer and in the Issue Price of the newly issued EI Towers shares. This value lies in a reasonable range which is supported by the method described below. The Discounted Unlevered Cash Flow method is based on:

(a) the predictability and visibility of the Issuer's cash flows due to the long term nature of its contracts;

(b) a long term growth rate aligned with the inflation rate, today estimated at about 1%;

(c) the lack of comparable companies or transactions, apart from the Offeror itself, to act as market benchmarks.

As described above, the Discounted Unlevered Cash Flow method makes it possible to assess the current value of estimated future unlevered cash flows. Cash generation is defined as the cash generated by operating activities and available to providers of capital (debt and own capital) after reinvestment in the operating activities of the Issuer, i.e. before interest and dividends, but net of taxes.

In applying the Discounted Unlevered Cash Flow method, economic and financial projections based on the Consensus for the period 2014-2016 were analysed and then extrapolated to cover a total period of ten years (2014-2024). To assess the cash flows beyond this period, the so-called terminal value was estimated, which takes account of long term growth potential (in a range around 1%) and the WACC, in compliance with the Gordon method.

In determining the WACC used as the discount rate, the risk profile of the sector was taken into consideration. The capital structure considered is consistent with the long term gross indebtedness reported by the Offeror. Based on the Capital Asset Pricing Model, the WACC has therefore been estimated in a range around 6%.

Without prejudice to the factors, hypotheses and limitations described in the previous paragraphs, the table below summarises the results obtained by applying the Discounted Unlevered Cash Flow valuation method.

Value per Rai Way Share (approximated to one decimal place based on the DCF)
€3.9 – €4.9

On the basis of the Consideration offered of EUR 3.13 per Rai Way share and 0.03 newly issued EI Towers shares, the implicit Value per Rai Way Share in the EI Towers DCF value is as follows:

Implicit value per Rai Way Share (approximated to one decimal place based on the EI Towers' DCF)
€4.6 – €5.0

The implicit consideration based on the weighted average price for EI Towers volumes in various reference periods is given below:

	EI Towers price	Implicit value per Rai Way Share
1 day (February 23, 2015)	€45.83	€4.50
1 week average	€45.17	€4.49
1 month average	€44.42	€4.46
3 month average	€42.77	€4.41

Source: Factset as of February 23, 2015

3.2.2 Control methods

In order to check the results provided by the main valuation method (Discounted Unlevered Cash Flow), the Consideration was compared with results based on other methods described below, using the price of EI Towers ordinary shares on February 23, 2015 as the benchmark, which as described above is the Issue Price.

3.2.2.1 Market Multiples

The market multiples approach is based on an analysis of the stock market quotations of a sample of companies considered to be comparable to the one being valued (**"Market Multiples"**). In order to apply this method, for each of the transactions selected, a set of so-called multiples was calculated as the ratio between the value of the transaction in question and a series of financial indicators regarded as significant. The multiples considered relevant based on the sample considered were applied to the corresponding financial metrics of the Issuer in order to calculate the intrinsic capital and enterprise value.

The multiples considered most significant were identified based on sector characteristics, on market practices and on the greater comparability of the economic and financial metrics of the companies forming part of the reference sample. The ratios taken into consideration were Enterprise Value/(EBITDA), the Enterprise Value/(EBITDA – Ordinary investments in fixed assets) multiple and price/profit.

The comparison with these multiples as calculated for the Issuer was performed by applying – based on quality considerations regarding the significance of the multiples obtained and the similar growth profile of the Offeror and Issuer, as well as on the lack of due diligence on growth expected in subsequent years – the selected ranges to financial projections for financial 2015. In addition, EI Towers and the Issuer are the only listed European broadcasting tower companies and therefore the company most comparable with the Issuer is the Offeror itself, because they have the same exposure to television broadcasts, the same macroeconomic exposure to Italy, and the same basically single-customer exposure in the framework of similar contractual arrangements. There are also several differences regarding higher investment and the greater exposure of the broadcasting towers to technological risk for the Issuer.

Based on the considerations and limitations defined above, the table below indicates the current Market Multiples of the Offeror and the Issuer in relation to the Consideration (i.e. recalculating the economic value of the capital of Rai Way based on the value attributed to the Consideration):

Expected 2015 multiple	EI Towers	Rai Way (to Consideration)
Enterprise Value/EBITDA	12.2x	12.0x
Enterprise Value/(EBITDA-Capex)	13.7x	15.6x
Price/profit	31.2x	32.3x

Source: Factset as of February 23, 2015, company documents
Note: *Capex* excludes extraordinary items.

Without prejudice to the considerations, hypotheses and limitations described in the previous paragraphs, the table below summarises the implicit valuations of Rai Way based on the same market multiple as EI Towers.

2015 forecast	Implicit value per Rai Way Share
Enterprise Value/EBITDA	€4.6
Enterprise Value/(EBITDA-Capex)	€3.9
Price/profit	€4.3

Other listed broadcasting tower operators were also taken into consideration, including American Tower, SBA Communications, Crown Castle, Sarana Menara Nusantara, Tower Bersama, Solusi Tunas Pratama and Bharti Infratel. It should also be noted that as a result of the influence of the different geographical exposure, tax regime and operating sector (e.g. television broadcast or telephone transmission) in which such enterprises operate, these other companies have different profitability and growth profiles and this is reflected in highly disparate valuation multiples. In addition, the liquidity of the relative shares, the attention of financial analysts (and therefore the availability of relevant shared market estimates) and other contingent factors could impact the significance of the stock market prices or multiples calculated.

The Board of Directors therefore believes that the results of the Market Multiple method applied to international transmission tower operators are not relevant to this analysis.

3.2.2.2 Multiples of previous transactions

The method involving multiples of previous transactions is based on an analysis of a sample of transactions concluded in a set period of time in the same operating sector as the issuer being valued.

In order to apply the method, for each of the selected transactions, a set of so-called multiples was calculated as the ratio between the value of the transaction in question and several financial indicators regarded as significant. After selecting the multiples regarded as significant based on the sample considered, they were applied to the corresponding economic and financial metrics of the Issuer subject to valuation, in order to estimate the economic capital of the enterprise.

It should be noted that the time factor, specific local considerations and the synergies exploited by each of the previous transactions have a significant impact on the underlying Transaction Multiples. It should also be remembered that different macroeconomic conditions, economic cycles, transitions to digital, Issuer dynamics, management teams and the reference context (among the other factors) can lead to very different valuations which are not relevant for the Offeror or the Transaction in question.

Therefore, the Transaction Multiples selected must be seen as indicative and only for reference purposes, given that it is not clear if the selected transactions represent a real and relevant term of comparison for the Offer.

Based on the considerations and limitations defined, the following previous transactions were analysed: Brookfield/TDF France, NSZ/Antenna Hungaria, Alinda Capital Partners/Emitel, First State Investments/TDF Digita (Finland), DMT/EI Towers, Montagu/Emitel, TDF/TD Media&Broadcast and TDF/Antenna Hungaria.

Previous transactions	Enterprise Value/most recently reported EBITDA	Implicit value per Rai Way Share
Average	10.3x	€3.7
Maximum	11.9x	€4.4
Minimum	8.9x	€3.2

Source: company documents, press releases, analysts' reports

Note: Benchmark EBITDA of Rai Way estimated for the 12 months prior to February 28, 2015

3.2.2.3 *Premiums of previous IPOs and takeover transactions*

The premium implicit in the Consideration has been compared with the premium identified in a sample of previous transactions in Italy and internationally. The table below contains a brief analysis of all the transactions undertaken in a set period of time in the same sector and geographical area in which the Issuer operates.

Median	Previous day	1 month
Premium for Rai Way	22.0%	26.4%
Italy - all sectors (last 10 years)	15.4%	21.6%
Italy - all sectors (last 2 years)	21.0%	22.3%
EMEA - Telcoms, Media, Technology Sector (3 years)	25.8%	32.8%
EMEA - All sectors (transactions >US$1bn, 3 years)	18.6%	27.9%

Source: company documents, Factset, press releases, newspaper articles

Note: In calculating EMEA premiums, only strategic transactions paid entirely in cash (without share swaps) have been taken into consideration. Italian premiums are calculated considering only takeover bids for listed companies whose value is greater than €100 million.

3.2.2.4 *Analysis of target price*

The Consideration has been compared with the target prices provided by financial analysts. These prices generally express the expected value of Rai Way shares at 12 months and are derived from multiple valuation methods chosen at the discretion of individual analysts.

Analyst	Date	Target price
Broker 1	February 9, 2015	€ 4.20
Broker 2	January 29, 2015	€ 3.70
Broker 3	January 26, 2015	€ 3.88
Broker 4	December 30, 2014	€ 3.75
Broker 5	December 30, 2014	€ 4.50
Broker 6	December 30, 2014	€ 3.50

Source: Analysts

4. VALUATION OF ASSETS SUBJECT TO CONTRIBUTION AS SET OUT IN THE ESTIMATE REPORT PURSUANT TO ARTICLES 2343-TER AND 2440, ITALIAN CIVIL CODE

For the purposes of the Share Capital Increase by contribution in kind of Rai Way ordinary shares, the Board of Directors of EI Towers has decided, pursuant to Article 2440, paragraph 2, Italian Civil Code, to avail itself of the rules set forth in Articles 2343-ter and 2343-quater of the Italian Civil Code with respect to the appraisal of the Rai Way ordinary shares to be conferred within the context of the Share Capital Increase.

These rules, in particular, mean that it is not necessary to commission a sworn appraisal report of the assets contributed from an expert appointed by the Court of the district in which the transferee company has its head office, if the value attributed to the assets contributed in kind, for the purposes of determining the share capital and any premium, is equal to or less than the value resulting from a valuation performed by an expert who is independent of the contributing party, of the company and of the shareholders who severally or jointly exercise control over the contributing party or the company itself, and who is of suitable and proven professional competence (Article 2343-ter, paragraph 2, letter b), Italian Civil Code).

The Board of Directors of EI Towers has therefore commissioned Prof. Mauro Bini, as an independent expert pursuant to Article 2343-ter, paragraph 2, letter b), Italian Civil Code, to prepare his valuation of the ordinary shares in Rai Way on December 31, 2014, in view of the General Meeting convened to resolve on the Share Capital Increase for the purposes of the offer. Such valuation will be provided within the term and in the manner provided by current legislation.

The regulations provided by Articles 2343-ter and 2343-quater, Italian Civil Code, also make provision for the transferee company (in this case EI Towers) to issue – within the term of thirty days from the conclusion of the contribution or, if subsequent, from the date of registration in the Companies Register of the resolution to increase the share capital – a statement containing the information pursuant to Article 2343-quater, paragraph 3, Italian Civil Code, as follows:

a) a description of the assets subject to contribution (in this case Rai Way ordinary shares), for which the report pursuant to Article 2343, paragraph 1, Italian Civil Code, was not prepared;

b) the value attributed to such assets, the source of such valuation and, if appropriate, the valuation method;

c) the declaration that such value is at least equal to the value attributed to them for the purposes of determining the share capital and any premium;

d) the declaration that no exceptional or significant events have arisen such as to affect the valuation indicated in letter *b)* above;

e) the declaration of the professional fitness and independence of the expert pursuant to Article 2343-*ter*, paragraph 2, letter *b*), Italian Civil Code.

The declaration in question must be filed by the directors of the transferee company with the competent companies register, as an attachment to the certification that the share capital increase has been performed pursuant to Article 2444, Italian Civil

Code.

Pursuant to Article 2343-quater, paragraph 4, Italian Civil Code, until the aforementioned declaration has been entered in the Companies Register, the shares are inalienable and may not be assigned to the subscribers of the share capital increase.

5. TAX EFFECTS OF THE TRANSACTION ON THE COMPANY

The contribution of the Rai Way ordinary shares tendered to EI Towers in the context of the Offer has no tax effect on the Company for the purposes of direct taxation.

6. INFORMATION ON THE RESULTS OF THE MOST RECENT FINANCIAL YEAR ENDED AND THE OPERATING TREND FOR THE CURRENT FINANCIAL YEAR

The economic and financial results reported in 2014 are positive and in line with the company's plans, as described in the report on the first nine months of 2014, even though the macroeconomic scenario in Italy continues to be characterised by critical factors.

Even taking account of these factors, as a result of the improvement in core hosting and service activities for Italian television customers and mobile telecommunications operators, and of the first results generated by small acquisitions, the operating performance of EI Towers Group is proceeding according to the company's plans in terms of both operating profitability and cash flow.

In the first nine months of 2014, typical consolidated revenues stood at EUR 174.8 million, a slight increase (+0.4%) on the same period the previous year. Revenue growth, tied by contract to the consumer price index, also includes the change in the consolidation area due to the acquisition of Sart, which is consolidated as of February 28 this year.

The gross operating margin (EBITDA), excluding non-recurring items totalling EUR -0.3 million, stands at EUR 83.3 million (47.7% of typical revenues and up 3.3% on the previous year) and EBITDA before non-recurring items stands at EUR 83.0 million (EUR 80.3 million in the first nine months of 2013).

Ongoing efforts to improve the efficiency of the cost structure (down EUR 3.4 million on the same period in 2013) have made it possible to increase the margin by 1.4% on the same period the previous year.

The operating result (EBIT), up 9.8% on the same period in 2013, totals EUR 51.4 million, representing 29.4% of typical revenue.

Net financial charges of EUR 5.8 million are basically aligned with the figure for the first nine months of 2013 and include charges relating to the portion attributable to the year of the bond calculated according to the amortized cost method.

Net profit, after taxation for the year of EUR 16.2 million, stands at EUR 29.3 million, equal to 16.8% of typical revenue, and represents an increase on the figure for the first nine months of 2013 (EUR 26.3 million).

Based on the information available today, we confirm the targets for fiscal 2014 as a whole, which have already been communicated to the market, and in particular the achievement of EBITDA before non-recurring charges of about EUR 110 million.

Financially speaking, fiscal 2014 is expected to close with a net financial position under EUR 100 million; the consolidated leverage ratio (Net Financial Position/EBITDA before non-recurring charges) should therefore stand at about 0.9.

Turning to fiscal 2015, based on the information available today, the trend is aligned with the company's plans, the objectives of which have already been communicated to the market.

7. GUARANTEE AND/OR PLACEMENT CONSORTIA AND ANY OTHER FORMS OF PLACEMENT

The Share Capital Increase is in relation to a takeover bid and therefore no placement and/or guarantee consortia are involved.

8. SHAREHOLDING STRUCTURE AFTER THE SHARE CAPITAL INCREASE AND THE EFFECTS ON ANY SHAREHOLDER AGREEMENTS

The shareholding structure of EI Towers and the percentage dilution of the current shareholders as a result of the Share Capital Increase depend on the number of shares tendered in the Offer process.

In the event that all Rai Way shareholders tender their shares in the Offer process, EI Towers will issue a total of no. 8,160,000 ordinary shares and the percentage dilution of the current shareholders will be equal to 22.4% of the share capital of the Offeror after the Offer (net of treasury shares).

Based on the information available today, there are no shareholder agreements pursuant to Article 122, Consolidated Financial Act, regarding the ordinary shares of EI Towers.

9. PLANNED PERIOD FOR THE COMPLETION OF THE SHARE CAPITAL INCREASE

In consideration of the procedures provided by legislation applicable to takeover bids, the Company intends to complete the Share Capital Increase, conditionally on the necessary authorisations being issued by the competent Authorities, no later than December 31, 2015.

In consideration of the fact that this is a divisible increase which may be carried out in multiple tranches, pursuant to Article 2439, paragraph 2, Italian Civil Code, *(i)* the share capital will be increased from time to time according to the total number of shares tendered and *(ii)* the share capital increase, if not fully subscribed by December 31, 2015, will be limited to the amount resulting from the total number of shares tendered within such term.

The timing of the Share Capital Increase is in any case subject to change also in relation to the results of the Offer and any need to comply with the provisions of Article 108, paragraphs 1 and 2, Consolidated Financial Act.

11. AMENDMENTS TO THE BYLAWS

If the proposed Share Capital Increase described in this report is approved, it will be necessary to amend Article 5 of the corporate bylaws as indicated below.

Current version	Proposed version
Article 5 (Share Capital - Shareholder Financing)	**Article 5 (Share Capital – Shareholder Financing)**
A) The share capital is set at 2,826,237.70 (two million eight hundred twenty-six thousand two hundred thirty-seven and seventy one-hundredths) subdivided into 28,262,377 (twenty-eight million two hundred sixty-two thousand three hundred seventy-seven) common shares with face value of Euro 0.10 (ten cents) each.	Unchanged.
	B) The extraordinary general meeting of March 27, 2015 resolved to approve a share capital increase to be carried out in one or more tranches, against payment and in divisible form, for an aggregate maximum amount of EUR 373,972,800 (including the relevant share premium), through the issuance of a maximum number of 8,160,000 EI Towers ordinary shares, of par value 10 (ten) eurocents each, with regular entitlement and having the same characteristics as the already outstanding ordinary shares on the relevant issuance date, without pre-emptive rights pursuant to Article 2441, paragraph 4, first sentence of the Italian Civil Code, to be subscribed by a contribution in kind of the Rai Way ordinary shares tendered in the context of the voluntary tender and exchange offer promoted by EI Towers on February 24, 2015, on all the ordinary shares of Rai Way S.p.A. for a consideration equal to (i) EUR 3.13 and (ii) no. 0.03 newly issued ordinary shares in EI Towers S.p.A.
B) In the event of a paid share capital increase, the option right may be excluded with shareholder resolution or, in the event in which in it has been delegated to the board of directors, by the board of directors, within the limits and with the means provided by Article 2441, Paragraph 4, second period of the Italian Civil Code.	~~B~~**C**) In the event of a paid share capital increase, the option right may be excluded with shareholder resolution or, in the event in which in it has been delegated to the board of directors, by the board of directors, within the limits and with the means provided by Article 2441, Paragraph 4, second period of the Italian Civil Code.
C) The shares are registered and indivisible, and each share gives the right to one vote.	~~C~~**D**) The shares are registered and indivisible, and each share gives the right to one vote.
D) The Company will have the option of issuing shares of different categories (including, without	~~D~~**E**) The Company will have the option of issuing shares of different categories (including, without

limitation, correlated shares, preferred shares, savings shares, etc.) as well as bonds, including convertible or cum warrant bonds, warrants in accordance with the law and legal means.	limitation, correlated shares, preferred shares, savings shares, etc.) as well as bonds, including convertible or cum warrant bonds, warrants in accordance with the law and legal means.
E) The payments related to the freeing of the shares shall be requested by the administrative body in accordance with the terms and means that the body may deem appropriate, in compliance with prevailing laws and regulations.	~~E~~**F**) The payments related to the freeing of the shares shall be requested by the administrative body in accordance with the terms and means that the body may deem appropriate, in compliance with prevailing laws and regulations.
F) The extraordinary shareholders' meeting may resolve the assignment of earnings to employees of the Company or of subsidiary companies, through the issuance of special categories of shares within the limits and with the means provided by Article 2349 of the Italian Civil Code.	~~F~~**G**) The extraordinary shareholders' meeting may resolve the assignment of earnings to employees of the Company or of subsidiary companies, through the issuance of special categories of shares within the limits and with the means provided by Article 2349 of the Italian Civil Code.

The amendments to the company bylaws described above do not produce any right of withdrawal for the shareholders who do not vote for the resolutions which are the subject of this report.

* * *

In light of the above, the Board of Directors intends to submit for your approval the following proposed resolution.

Proposal

"The Extraordinary General Meeting of the shareholders of EI Towers S.p.A.

- *having examined the Board of Directors' Report and the proposal it contains;*

- *having taken note: (i) of the fairness opinion on the issue price of the newly issued EI Towers S.p.A. shares expressed, pursuant to Article 2441, paragraph 6, Italian Civil Code and Article 158, legislative decree no. 58, 1998, by audit firm Deloitte & Touche S.p.A.; (ii) of the report prepared by the independent expert Prof. Mauro Bini pursuant to Articles 2440, paragraph 2, and 2343-ter, Italian Civil Code; and (iii) the certification of the Board of Statutory Auditors that the share capital of EUR 2,826,237.70 is fully subscribed, paid-in and existing;*

resolves

1) *to approve the proposed share capital increase to be carried out in one or more tranches, against payment and in divisible form, for an aggregate maximum amount of EUR 373,972,800.00 (including the relevant share premium), through the issuance of no. 8,160,000 ordinary shares of par value EUR 0.10, with regular entitlement and having the same characteristics as the already outstanding ordinary shares on the issue date, without pre-emptive rights pursuant to Article 2441, paragraph 4, first sentence of the Italian Civil Code, to be subscribed by a contribution in kind of Rai Way ordinary shares tendered in the context of the Offer, equal to (i) EUR 3.13 and (ii) no. 0.03 newly issued ordinary shares in EI Towers;*

2) *to set the date of December 31, 2015 as the final term to perform the share capital increase and to establish that, pursuant to Article 2439, paragraph 2, Italian Civil Code, (i) the share capital shall be considered as increased from time to time by the amount of subscriptions collected and (ii) the share capital increase, if not fully subscribed by December 31, 2015, will be considered as limited to the amount resulting from all the subscriptions performed within such term;*

3) *to amend Article 5 of the company bylaws by means of the inclusion of a new letter B), with the consequent renumbering in letters of the subsequent paragraphs, as follows:* "B) The extraordinary general meeting of March 27, 2015 resolved to approve a share capital increase to be carried out in one or more tranches, against payment and in divisible form, for an aggregate maximum amount of EUR 373,972,800 (including the relevant share premium), through the issuance of a maximum number of 8,160,000 EI Towers ordinary shares, of par value 10 (ten) eurocents each, with regular entitlement and having the same characteristics as the already outstanding ordinary shares on the relevant issuance date, without pre-emptive rights pursuant to Article 2441, paragraph 4, first sentence of the Italian Civil Code, to be subscribed by a contribution in kind of the Rai Way ordinary shares tendered in the context of the voluntary tender and exchange offer promoted by EI Towers on February 24, 2015, on all the ordinary shares of Rai Way S.p.A. for a consideration equal to (i) EUR 3.13 and (ii) no. 0.03 newly issued ordinary shares in EI Towers S.p.A.";

4) *to grant the Board of Directors, and on its behalf the Managing Directors, also severally and with the power of sub-delegation, every broadest possible power to implement the resolutions described above in order to ensure the successful outcome of the transaction, including, by way of mere example and without limitation, the power to:*

   (i) *prepare and present every document required for the purposes of the performance of the increase resolved, also pursuant to Article 2444, Italian Civil Code, as well as to perform the formalities needed to list the newly issued shares on the Mercato Telematico Azionario organised and managed by Borsa Italiana S.p.A., including the power to make provision for the preparation and presentation to the competent authorities of every application, petition, document or table needed or appropriate for this purpose;*

   (ii) *fulfil the obligations provided by Article 2343-*quater*, Italian Civil Code;*

   (iii) *ask the independent expert Prof. Mauro Bini, so far as concerns any contributions performed after June 30, 2015, for an update of the valuation performed pursuant to Article 2343-ter, Italian Civil Code, the aim of which is to confirm that the value of the Rai Way S.p.A. shares subject to contribution is at least equal to the figure based on the previous valuation;*

   (iv) *to amend and/or supplement the resolutions as required and/or appropriate, also at the request of every competent authority or at the time of registration, and in general, to do all that is necessary for the full performance of the resolutions, with every and any power*

needed and appropriate to this end, without exclusion or exception, including the assignment to file the amended company bylaws indicating the new share capital with the Companies Register.

* * *

February 24, 2015

For the Board of Directors

The Chairman