EI TOWERS

PRESS RELEASE
Lissone, April 10, 2015

VOLUNTARY TENDER AND EXCHANGE OFFER PROMOTED BY EI TOWERS S.P.A. ON ALL THE ORDINARY SHARES OF RAI WAY S.P.A.("Offer")

Lissone, April 10, 2015 - In view of the intention expressed by the Italian Ministry of the Economy and Finance, in the press release issued last March 28, to retain a public equity interest of 51% in the share capital of Rai Way S.p.A., acknowledged by RAI with its press release issued last March 31, the Board of Directors of EI Towers, availing itself of the special right originally and expressly provided for in the press release issued last February 24, pursuant to article 102, sub-section 1, Consolidated Finance Act (TUF) (the "February 24 Press Release"), unanimously resolved today to modify the tender threshold of the condition precedent, indicated on page two, point 1.1. (iii) of the February 24 Press Release, from 66.7% to 40% of the share capital of Rai Way.

This without prejudice to all the other conditions for the effectiveness of the Offer indicated in the February 24 Press Release (page two, point 1.1.) or to the right established therein to waive one or more conditions for the effectiveness of the Offer, including the condition set out in point 1.1. (iii) above, or to modify them, entirely or in part, in compliance with article 43, sub-section 1 of the Issuer Regulations.

The Offer is not hostile in nature as it is underpinned by the pursuit of an industrial plan that EI Towers believes to be of interest to both operators. This essential factor is confirmed by the indication of the minimum threshold of 40%, which implies the tendering, also partial, of the shares held by RAI in the framework of the Offer.

PRESS RELEASE ISSUED AT THE REQUEST OF CONSOB PURSUANT TO ARTICLES 103, SUB-SECTION 2, AND 114, SUB-SECTION 5, TUF

You are also informed that today Consob, pursuant to articles 103, sub-section 2, and 114, sub-section 5, TUF, sent the following communication and request to EI Towers:

> *"Reference is made to the note dated last April 1, with which this Company was informed, pursuant to article 10-bis, Law no. 241/1990, of the impediments to the approval of the application to approve the Prospectus filed on March 16, 2015, regarding the Voluntary Tender and Exchange Offer in question. Reference is also made to press reports published on the matter, according to which the Offeror "no*

later than the expiry of the term indicated (Saturday April 11 at the latest) should send [Consob] significant modifications to the Voluntary Tender and Exchange Offer. The most important and decisive concerns the threshold at which the proposal is regarded as being successful. It will no longer be 67% but at least 35% … Even if the final objective is to aim for 49% of the share capital of the company …" (Milano Finanza, April 9, 2015). These rumours in the press refer, therefore, to the stated intention of this Company to make substantial amendments to the voluntary offer, which was the subject of the press release pursuant to article 102, sub-section 1, TUF, on February 24, 2015.

* * *

In consideration of the above and the imminent expiry, on April 11, of the term of ten days granted pursuant to article 10-bis, Law no. 241/1990, for the presentation if appropriate of observations (and/or documents) in response to the aforementioned communication of the impediments to the approval of the application, this Company is hereby asked, pursuant to articles 103, sub-section 2, and article 114, sub-section 5, TUF, to inform the market of the observations presented to Consob or, alternatively, of its failure to present observations on the matter.

The Company is also asked to inform the market of the fact that the communication issued pursuant to article 102, sub-section 1, TUF, must contain all the elements indicated in article 37 of Consob regulation 11971/99 and continues to produce effects only where such elements remain unchanged.

The content of this communication and the information requested shall be reported in full in a press release to be published no later than the start of trading on April 13, 2015, in the manner provided by Part III, Section II, Chapter I of Consob Regulation no. 11971/1999, specifying that the information is published at the request of Consob.

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PRESS RELEASE
Lissone, April 10, 2015

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CONSOB

CORPORATE GOVERNANCE DIVISION
IPO and Ownership Structure Office

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Sent by certified e-mail to the address: *consob@pec.consob.it*

Lissone (MB), April 10, 2015
Dear Sirs,

Subject: **Voluntary tender and exchange offer (the "Offer") promoted pursuant to articles 102 and 106, sub-section 4 of Legislative Decree no. 58/1998 ("TUF") by EI Towers S.p.A. (the "Offeror") for all the ordinary shares of Rai Way S.p.A.**

The observations of EI Towers S.p.A. in relation to Administrative Proceeding no. 28060/15 regarding the Offering - Communication of the impediments to the approval of the application, pursuant to article 10-bis of Law no. 241 dated August 7, 1990 and article 12 of the General Regulations on the Administrative Proceedings of Consob, approved with resolution no. 18388 dated November 28, 2012.

The supplementary information requested by Consob with the communication of March 26, 2015.

We write to you with reference (i) to your communication dated March 26, 2015, pursuant to article 102, sub-section 4, TUF, which asked the Offeror to provide supplementary information and announced the suspension of the terms of the preliminary investigation pursuant to article 102, sub-section 4, TUF, and (ii) to your subsequent communication dated April 1, 2015, pursuant to article 10-bis of Law no. 241/1990, of the interruption of the terms for the conclusion of the procedure, which had *"already been suspended on March 26, 2015, with the request pursuant to article 102, sub-section 4, TUF, which must be regarded, as of today, as no longer current"*.

Specifically, with the communication of March 26, 2015, pursuant to article 102, sub-section 4, TUF, the Offeror was asked to provide the following information:

> "*- the timing with which it intends to enter into discussions with Rai Way and RAI for the purposes of illustrating and verifying the industrial plan addressed to the creation of a "sole Italian operator";*
>
> *- the documentation it intends to send to Rai Way and RAI for the purposes of sharing the industrial plan underpinning the operation;*
>
> *- if it intends to exclude the waiver of the threshold condition precedent in the event that, as a result of the offer, it holds an equity interest that does not allow it to exercise control by right;*
>
> *- if it does not intend to exclude that which is indicated in the previous point:*
>
>> *- the manner in which each of the benefits expected from the creation of a "sole operator" can be achieved in the framework of any agreement reached with RAI and Rai Way;*
>>
>> *- the supplements to the prospectus resulting from any discussion of the industrial plan with Rai and Rai Way;*
>
> *- if the alternative methods addressed to the creation of a sole operator require further agreements between the controlling shareholder of the Offeror and the controlling shareholder of Rai Way.*"

With the subsequent communication of April 1, 2015, pursuant to article 10-bis of Law no. 241/1990 and article 12 of the General Regulations on Consob Administrative

Proceedings, approved with resolution no. 18388 dated November 28, 2012, representations were made to the Offeror, amongst other things, that:

- "on March 28, 2015, the Italian Ministry of the Economy and the Treasury issued an official Press Release (no. 73) which, confirming the previous statements made by the Prime Minister and the Minister of the Economy, reiterated its "intention to maintain a public equity interest of 51% in the share capital of Rai Way", held indirectly through subsidiary company RAI, confirming the continuing validity of the provisions contained in the Prime Ministerial Decree of September 2, 2014" and that "In light of the new pertinent fact recently reported, the position of the Italian Ministry of the Economy and Finance is confirmed with regard to its belief that it is appropriate for it to maintain a controlling equity interest in Rai Way, through subsidiary company RAI, reiterating the decision already made with the Prime Ministerial Decree dated September 2, 2014, which was adopted - pursuant to the provisions of article 21, sub-section 3 of Decree Law no. 66/2014, enacted by Law no. 89/2014 - "at the proposal of the Ministry of the Economy and Finance in agreement with the Ministry of Economic Development". Such confirmation is on the initiative of the Ministry, in its dual role of controlling shareholder of RAI S.p.A. and the subject competent to propose the introduction of the decree provided by the aforementioned Decree Law no. 66/2014. The confirmation is also subsequent to the formalisation of the Offer with the filing with Consob of the relative Prospectus for approval, as well as being subsequent to the clarifications provided by the Offeror with the aforementioned Press Release dated March 25, 2015";

"The announcement by the current controlling shareholder - "having taken note to all effects and purposes of the statements made by the Minister of the Economy and Finance, most recently with press release no. 73 dated March 28, 2015" - of its intention not to tender its shares and, in any case, of its belief in the need to maintain an equity interest of 51% in the share capital of Rai Way, makes it impossible at the present time to satisfy the "condition" of achieving the minimum threshold of 66.67%, on which the Offeror has established that the Offer to which the application for the approval of the Prospectus refers depends, among other things. This impossibility of satisfaction is also applicable to any condition that aims to achieve a

controlling interest. The impossibility of satisfying the aforementioned "condition" on which the entire industrial plan underpinning this extraordinary operation is based - in view of the failure of the Offeror to express its intention, so far, to eliminate and/or modify it - constitutes an impediment to the application to approve the Prospectus."

1. The decisions of EI Towers with regard to the minimum tender threshold condition

In view of the aforementioned intention expressed by the Italian Ministry of the Economy and Finance - and acknowledged by RAI - to maintain its equity interest of 51% in Rai Way and without prejudice to the fact that the Offer is - and remains - addressed to all the shares and to all the shareholders of Rai Way at the same conditions, EI Towers, availing itself of the special right originally and expressly reserved in the press release pursuant to article 102, sub-section 1, TUF, dated February 24, 2015 (and therefore bringing forward to today - in time for its inclusion in the prospectus - a decision which could have been made at a later date), in such a way as to permit the shareholders to make their decisions in relation to the Offer based on all the facts, declares as of this moment that it modifies the tender threshold which is the subject of the condition on which the effectiveness of the offer depends, reducing it from 66.7% to 40% of the share capital of Rai Way.

This without prejudice to all the other conditions for the effectiveness of the Offer indicated in the February 24 Press Release (page two, point 1.1.) or to the right established therein to waive one or more conditions for the effectiveness of the Offer - including the condition to achieve the minimum threshold of 40% - or to modify them, entirely or in part, in compliance with article 43, sub-section 1 of the Issuer Regulations.

Such modification was concurrently disclosed to the market in the press release issued at the request of Consob pursuant to article 114, sub-section 5, TUF.

The Offer is not hostile in nature as it is underpinned by the pursuit of a industrial plan that EI Towers believes to be of interest to both operators. This essential factor is confirmed by the indication of the minimum threshold of 40%, which implies the tendering, also partial, of the shares held by RAI in the framework of the Offer.

<u>2. Observations on the Press Release dated April 1, 2015, pursuant to article 10-bis of Law 241/1990</u>

With reference to the aforementioned statements of the Italian Ministry of the Economy and Finance and RAI, subsequent to the date on which EI Towers expressed its intention to promote the Offer pursuant to article 102, sub-section 1, TUF (February 24, 2015) and to the date on which EI Towers effectively promoted the Offer by filing the prospectus pursuant to article 102, sub-section 2, TUF (March 16, 2015) with Consob, the Offeror reiterates that there is no law requiring that 51% of the share capital of Rai Way remains under the control of the public sector. Consistently with this, the offer and listing prospectus regarding Rai Way shares did not contain any reference to the existence of restrictions such that RAI retains a controlling interest in Rai Way. Specifically:

- § 4.9 of the Rai Way listing prospectus, *"Indication of the existence of any legal rules regarding mandatory public tender offers and/or tender offers for residual shares"* (Second Section, page 494), states expressly that *"from the moment in which the Shares are listed on the Mercato Telematico Azionario [Online Share Trading Market], the Issuer will be subject to legislation regarding voluntary tender and exchange offers pursuant to articles 101-bis and subsequent, TUF, and the relative implementation rules, including the provisions regarding mandatory public tender offers (articles 105 and subsequent, TUF), mandatory purchases (article 108, TUF) and purchase rights (article 111, TUF)"*;

- § 6.1.5.7, "*Legislation regarding special State powers in relation to strategic activities in the communications sector (so-called golden powers)*" (First Section, page 158), refers exclusively to the so-called golden powers regulations, which are clearly not applicable to the Offer.

With reference to the condition of achieving the minimum threshold of 66.67%, in the press release pursuant to article 102, sub-section 1, TUF, dated February 24, 2015 and in the draft prospectus filed on March 16, 2015, pursuant to article 102, sub-section 2, TUF, the Offeror has unambiguously represented that:

(1) the objective of the Offer is to acquire all the ordinary shares of Rai Way (see point 2.2. of the press release pursuant to article 102, sub-section 1, TUF, and paragraph C.1. of the prospectus);

(2) the effectiveness of the Offer is conditional, amongst other things, on the condition that the Offeror obtains an equity interest of at least 66.67% in the share capital of Rai Way (see point 1.1 *(iii)* of the press release pursuant to article 102, sub-section 1, TUF, and paragraph A.1.1 *(iii)* of the prospectus);

(3) the Offeror reserves the right (also) to waive such condition no later than 7:59 a.m. on the first day of trading after the expiry of the Offer tender period, or to modify same entirely or in part in compliance with the provisions of article 43, sub-section 1, Issuer Regulations (see point 1.1. of the press release pursuant to article 102, sub-section 1, TUF, and paragraph A.1.1 of the prospectus). The right of waiver and amendment expressed by the Offeror is not subject to any limitation and therefore has always implied and continues to imply that it can also be exercised by accepting a tender threshold lower than a controlling equity interest.

In consideration of the above, with reference to the press release of April 1, 2015, EI Towers believes that the determination of this Authority to make way for the adoption of same is not consistent with the state of the procedure to authorise the publication of the Prospectus and, specifically, with the current preliminary investigation phase. The aforementioned communication was in fact sent to the undersigned pending the term assigned to complete the extensive preliminary investigation ordered by Consob with the request dated March 26 for clarifications, which the undersigned was about to provide. Worthy of note in this regard is the section of the press release in which it is stated that the *"impossibility of satisfying the aforementioned condition"* apparently constitutes *"an impediment to the admission of the application to approve the Prospectus"*, *"in view of the failure of the Offeror to express its intention, so far, to eliminate and/or modify it"*. This conclusion, in the judgement of the undersigned, cannot be upheld, because: (i) as described, the press release issued by the Offeror dated February 24, 2015 and the Prospectus filed March 16, 2015 expressly establish the right of waiver of the condition without any limitation and (ii) the preliminary investigation phase in progress at the time the communication was sent, activated by Consob itself, was - and is - addressed to allowing the Offeror to provide clarifications, amongst other things, with regard to its intention to eliminate and/or modify the condition, an intention which the Offeror - in response to the preliminary requests - expresses herein.

In any case, so far as concerns the merits of the considerations presented in the press release of April 1, 2015, EI Towers believes that the arguments used by this Authority to conclude that it is impossible to satisfy the condition established in the Prospectus cannot be agreed with.

Specifically, with reference to the press release issued by the Italian Ministry of the Economy and Finance dated March 28 (which according to this Authority officially confirms the position of the Ministry "*with regard to the belief that it is appropriate to maintain a controlling equity interest in Rai Way, through subsidiary company RAI, reiterating the decision already made with the Prime Ministerial Decree of September 2, 2014*"), we comment that such assessment of appropriateness, where required by legislation, would constitute an administrative determination and therefore should in practice involve the introduction of a regulatory measure.

Substantially similar considerations apply, in the judgement of the undersigned, to the press release issued by the Board of Directors of RAI on March 31, 2015, from which, according to this Authority, the legal effect of the impossibility of satisfying the condition on which the effectiveness of the offer depends. In this regard, the undersigned believes that the determination reached by the Board of Directors of RAI is not in any case suitable to produce the aforementioned legal effect because, for the latter to be considered as realised, such determination should also be made in consideration of the final version of the prospectus, duly formalised and approved by this Authority, also on the basis of the clarifications requested by it and the consequent amendment of the prospectus.

In any case, the modification of the minimum tender threshold resolved by the Board of Directors of EI Towers today, availing itself of the special right originally and expressly provided for in the press release issued last February 24 pursuant to article 102, sub-section 1, TUF, has superseded the further consideration expressed by Consob, according to which reserving the right to waive the condition precedent in question - which is a typical feature of all voluntary tender offers - constitutes "*an* *element of uncertainty and risk which depends on the mere intention of the Offeror and is not in compliance with the regulations in force*".

3. The supplementary information requested with the Communication issued March 26, 2015.

In light of the above, having taken note of the statements of the Italian Ministry of the Economy and Finance and RAI, respectively on March 28 and March 31, 2015, we report below the information requested in your communication issued on March 26, 2015 pursuant to article 102, sub-section 4, TUF.

1) the timing with which it is intended to enter into discussions with Rai Way and RAI for the purposes of illustrating and verifying the industrial plan addressed to the creation of a "sole Italian operator";

2) the documentation it intends to send to Rai Way and RAI for the purposes of sharing the industrial plan that underpins the operation;

At the present time, in consideration of the content of the press release issued to the market by RAI on March 31, 2015, following EI Towers' expression of its availability to enter into discussions in the press release issued on March 25, 2015 and confirmed by CEO Guido Barbieri at the general meeting of EI Towers last March 27, the Offeror:

- does not plan to enter into discussions with Rai Way and RAI with a view to illustrating the industrial plan. Discussions are neither in progress nor planned with RAI or Rai Way to negotiate or change the terms and conditions of the Offer.
- does not plan to send any documentation to Rai Way and RAI for the purposes of sharing the industrial plan underpinning the operation.

To the extent it may be of use, EI Towers confirms its availability in this regard should Rai Way and/or RAI intend to change their position.

3) if it intends to exclude the waiver of the threshold condition precedent in the event that as a result of the offer it holds an equity interest that does not allow it to exercise automatic control;

As clarified above, the Board of Directors of EI Towers resolved today and informed the market that it had modified the tender threshold which is the subject of the condition precedent on which the effectiveness of the Offer depends, reducing same from 66.7% to 40% of the share capital of Rai Way, without prejudice to all the other conditions for the effectiveness of the Offer indicated in the February 24 Press Release (page two, point 1.1.) or to the right established therein to waive one or more conditions for the effectiveness of the Offer - including the condition in question - or to modify them, entirely or in part, in compliance with article 43, sub-section 1 of the Issuer Regulations.

4) *if it does not intend to exclude what is indicated in the previous point:*

- the ways in which each of the benefits expected from the creation of a "sole operator" can be achieved in the framework of any agreement reached with RAI and Rai Way;

- the supplements to the prospectus resulting from any discussion of the industrial plan with RAI and Rai Way;

As represented above, discussions are not underway or planned with RAI or Rai Way to negotiate or change the terms and conditions of same.
While there is no doubt that obtaining a controlling interest in Rai Way would make the implementation of the industrial plan addressed to creating a "sole operator" more certain and swift, EI Towers confirms that acquiring a minority stake (within the limits set out above) represents a long term business investment. From this perspective, EI Towers believes that, in industrial terms, the benefits expected from the "sole operator" project can also be delivered in part, in the event of the failure to obtain a controlling stake, with regard to (i) the rationalisation of the peripheral portion of the infrastructure and (ii) integrated service management, if Rai Way shares the objective of improving the efficiency of the two companies' respective networks.
The main benefits would be in the real estate and technology activity, with special reference to broadcasting sites (towers).
Specifically, Offeror believes that it is possible, in industrial terms, to realise the following synergies:

(i) *Rationalisation of the peripheral portion of the infrastructure*.

The core infrastructure of both networks (represented by so-called broadcast towers) is likely to be sufficiently optimised at present: the Rai Way infrastructure serves 5 television multiplexes and the Radio Rai broadcast network, while the EI Towers infrastructure serves 7 national television multiplexes (prospectively 8).

The remaining part of the infrastructural facilities, consisting of over 1,000 broadcast towers for each company, with the exclusion of the active part of transmission equipment, may, in the judgement of EI Towers, be the subject of rationalisation for the purposes of achieving significant efficiency improvements. The effective possibility of realising such efficiency measures is conditional on the preparation of detail network projects, on the completion of detailed examinations of the legal titles on which basis the broadcast sites are operated, and the resolution of several operating complexities.

In detail, the rationalisation of the peripheral portion of the infrastructure can be achieved by means of the preparation of a so-called site sharing and if necessary decommissioning plan covering both EI Towers and Rai Way sites. In addition to cost benefits for both companies, significant benefits can also be achieved for both customers and for the population of the areas in which the sites are located in terms of better signal stability, improved service quality and reduced impact on the environment and the landscape.

This model is already widespread among mobile telephony operators: the most extensive site sharing agreement covers over 10,000 sites shared by mobile network operators. Specifically, we estimate that the transmission equipment owned by the two main operators is hosted significantly by competitors' sites, particularly in the peripheral portion of the network.

The rationalisation of the radio and television broadcast infrastructure could be characterised by greater simplicity in consideration of the less dynamic nature of the coverage requirements of television services (a unidirectional signal broadcast to a fixed number of inhabitants) compared with mobile telephone services (bidirectional traffic that varies both as a function of the population present from time to time in the area served by the site and of the intensity of individual usage).

We believe that this approach does not give rise to any critical antitrust issue, because it is based on maintaining the level of service expected by customers and generates efficiency improvements in terms of costs and benefits for customers and the resident population.

(ii) *<u>Integrated service management at the sites indicated in point (i)</u>*.

At the present time, the EI Towers and Rai Way infrastructure networks are served by two completely parallel systems in terms of:

- maintenance services;
- signal transport networks;
- points of territorial presence.

The pooling of these services in relation to the sites subject to the rationalisation described in point (i) can generate efficiency improvements, but they are still difficult to estimate at the present time.

This sharing of services is also already widespread among mobile telephony operators at shared sites. In these cases it is customary for the hosted operator to pay a contribution for the maintenance of the equipment support and shelter structures (so-called facility management services), a service which is often provided by third parties.

In the television broadcast infrastructure sector too, most of the services mentioned are provided by third parties rather than by EI Towers and Rai Way. Specifically, efficiency improvements are possible as regards maintenance services on both tower company infrastructure systems (electrical, air conditioning and uninterruptible power supply systems) and network operator equipment. In this case too, the objective of sharing the service does not affect the competitive context in which the operators involved work.

A similar approach can be adopted with regard to signal transport services and points of territorial presence.

5) *if the alternative methods addressed to the creation of a sole operator require further agreements between the controlling shareholder of the Offeror and the controlling shareholder of Rai Way.*

EI Towers does not believe that any alternative methods of achieving part of the expected benefits in the event of the creation of a sole operator require the signing of agreements between its controlling shareholder and RAI because, as stated, such methods regard operating issues which are the sole competence of EI Towers and Rai Way.

* * * * *

In light of the above comments in response to the communication pursuant to article 10-bis, Law no. 241/1990 dated April 1, 2015 and the clarifications concurrently provided in response to the preliminary requests presented in the previous communication of March 26, 2015, we believe that the impediments represented to the approval of the application to publish the prospectus prepared by EI Towers do not exist - or must in any case be regarded as superseded - and therefore insist that the aforementioned application be approved.

We are therefore attaching the full version of the prospectus which incorporates the aforementioned clarifications, as well as further updates to the data contained therein (together with the reports of the auditors on the forecast data and pro forma data contained in the prospectus). We are at your disposal for any further requests that the Commission deems necessary or useful for the purposes of the preliminary investigation.

Best regards,

EI Towers S.p.A.

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The CEO