EI TOWERS

JP Morgan Media CEO Conference 2014

London, 24th June 2014

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 2013 and 2014 accounting information contained in this release corresponds to that contained in the company's formal accounts.

Company Snapshot
The Leading Independent Tower Operator

- **EI Towers is the leading independent tower operator in Italy and the only listed in Europe**
  - ~2,700 sites under management
  - Adjusted EBITDA 2013 at €106.0m (margin 45.8%)
  - Market Cap around €1.1bn

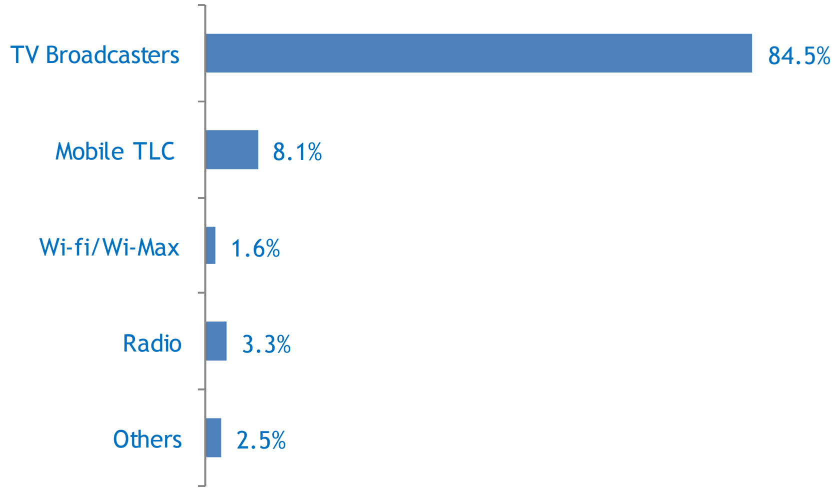
- **Main activities:**
  - Hosting and Maintenance of equipment to TV Broadcasters, Radio, Mobile network operators, Wi-fi/Wi-Max operators
  - Value added services to TV Broadcasters

- **The company was created through a merger effective in January 2012**

- **Business Plan target (€15m cost efficiencies) achieved three years in advance**

Company Snapshot
Revenues Profile and Geographical Presence

- **Revenues Breakdown[1]**

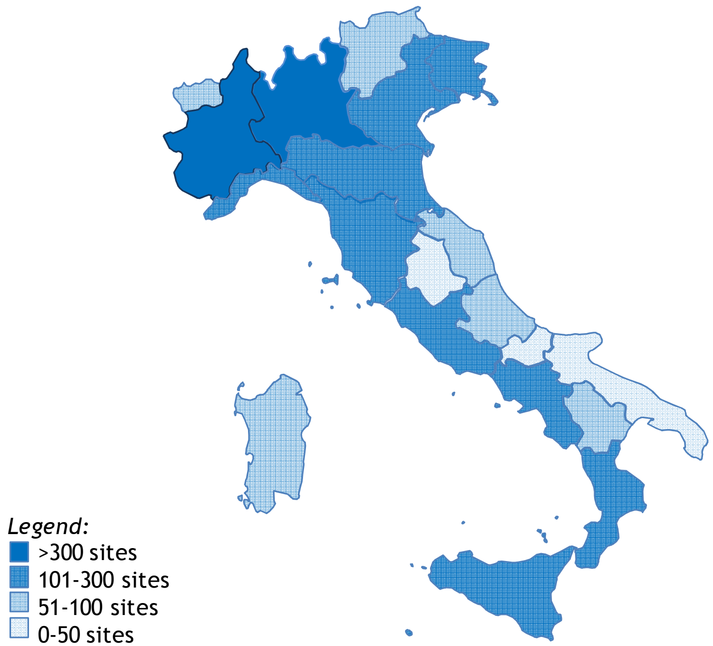


- **Contracts Visibility**

Client Typology	Typical Contract Duration (years)
National TV Broadcaster	6 + 6
Mobile Network Operator	9 + 6
Wi-fi/Wi-max	9 + 6
Local TV Broadcasters	3 + 3
Radio	3 + 3

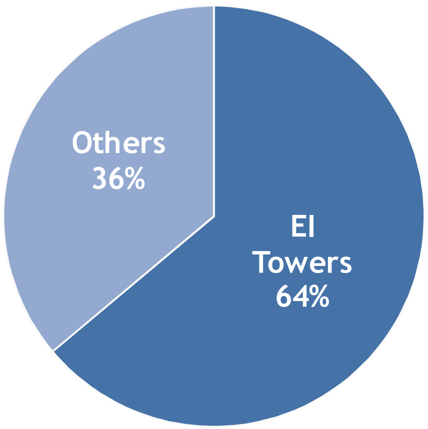
[1] *Core Revenues FY2013*

- **Current Tower Portfolio**
  - ~2,700 Sites under management
    - » ~2,300 Broadcasting sites
    - » ~400 Mobile Sites



Competitive Environment
EIT is the Main Independent Tower Operator in Both Segments

- **Broadcasting Towers Segment**
  - National Market: ~6,000 Towers
    - EI Towers ~2,300
    - Rai Way ~2,400
    - Other ~1,300
- **Excluding Rai Way, captive to RAI Group, EI Towers represents 64% of the Market**

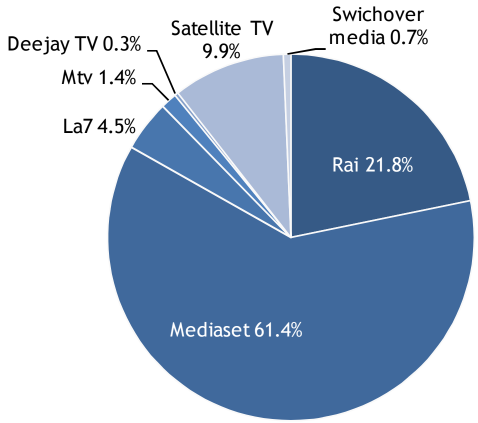


- **Telecom Towers Segment**
  - National Market: ~50,000 Towers (MNOs are vertically integrated)
    - EI Towers ~400
    - Telecom Italia ~12k[1]
    - Wind + Vodafone + H3G >30k[1]
- **EI Towers is the leading independent mobile tower operator**
  - Less than 1% of the Market in terms of mobile sites (excluding MNOs captive networks, significantly higher share)
  - Possibility to host mobile clients on broadcasting towers
    - We currently host mobile clients on around 1/5 of broadcasting towers

[1] *EI Towers estimates*

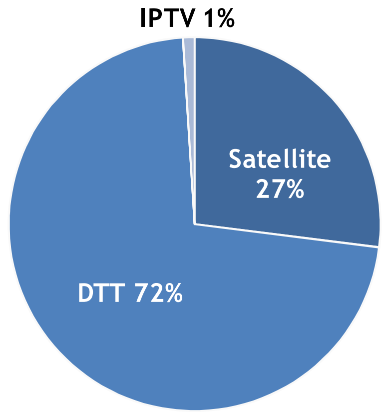
Reference Market
Revenue Concentration is Mirroring the Broadcasting Market

- **TV Advertising Market Share[1]**



  - Mediaset signal is backed by EI Towers infrastructure
  - RAI has its own – and closed - captive network (provided by Rai Way)
  - Sky Italia is mainly present on Satellite

- **Digital TV Households in Italy[2]**



  - DTT is the leading platform and is the most efficient for linear distribution
  - Satellite is almost fully dedicated to Pay TV (Sky Italia)
  - Vast majority of Satellite HH are also covered by DTT; HH only covered by Satellite represent <10%
  - IPTV/Cable has a low single digit penetration

[1] *Nielsen Data, Jan-Dec. 2013*
[2] *December 2013 IT Media Consulting*

Reference Platform
The Importance of DTT in Europe and in Italy

- **Digital Terrestrial Broadcasting is the main digital platform for linear TV in Europe**
  - It substantially provides full coverage (98%[1] of the population)
  - In U.K., France, Spain and Italy, DTT is available to almost 99%[1] of the population
  - The coverage of commercial broadcasters Multiplexes ranges from 80%[1] to 96%[1]
- **Taking both primary and secondary sets into account, FTA remains the most important way to deliver TV services**
- **Other platform, such as satellite and cable, will be used mainly for Pay-TV**
  - Penetration of Satellite is below 30% in Italy and cannot substitute DTT for FTA use
    - High switching costs
    - Very low penetration for FTA use (Pay TV operator self-financed the penetration)
- **Cable infrastructure in Italy has a low single-digit penetration**
- **DTT technology is developing and is already providing HD**

[1] *Analysis Mason*

Reference Platform
DTT Penetration in Italy

- **DTT is the Italian "Social" Platform**

Italian TV Households	24.4m
DTT HH[1]	**~23m**
Penetration %	***~95%***
Satellite HH[2]	6.5m
Penetration %	*27%*
Broadband TV HH	0.3m
Penetration %	*1%*

- **Satellite penetration is ~3/4 Pay-TV**
  - 4.8m Households out of 6.5m

[1] *Data referred to potential penetration; 2013data sourced by IT Media Consulting*
[2] *Company estimates; according to IT Media Consulting, DTT "first access" penetration represents 73% of total population (17.8m HH)*

Business Metrics
Operating Leverage

- **Almost 100% of EI Towers revenues are indexed to Italian CPI**
  - Annual or semi-annual indexation
  - Standard payments: quarterly (in arrears)

- **Less than 30% of Opex are subject to inflationary trend**
  - Ground lease
  - Third party maintenance
  - Utilities

- **Costs related to services currently offered are covered by existing contracts**

- **New clients are automatically accretive to EBITDA margin**
  - A new full service national TV client would contribute an EBITDA margin above 60%[1]

[1] *Revenues contribution "at regime"*

Business Metrics
Working on Duration and Services

- **The contract structured with the main client (Mediaset Group) in July 2011 has a duration of 7+7 years, 2 years longer than the average national TV broadcaster contract**
  - Fixed amount subject to 100% CPI annual adjustment
  - Full Service (hosting and maintenance + value added services)
  - First term July 2018, second term July 2025

- **New contracts with TIMB, L’Espresso Group and Cairo[1] were renewed/signed for an even longer duration**
  - 12+6 years for TIMB and L’Espresso
  - 10+7 years for Cairo

- **In order to exploit the exisiting network, we signed a contract with Infront Group to connect football stadiums and contribute the signal to broadcasters**

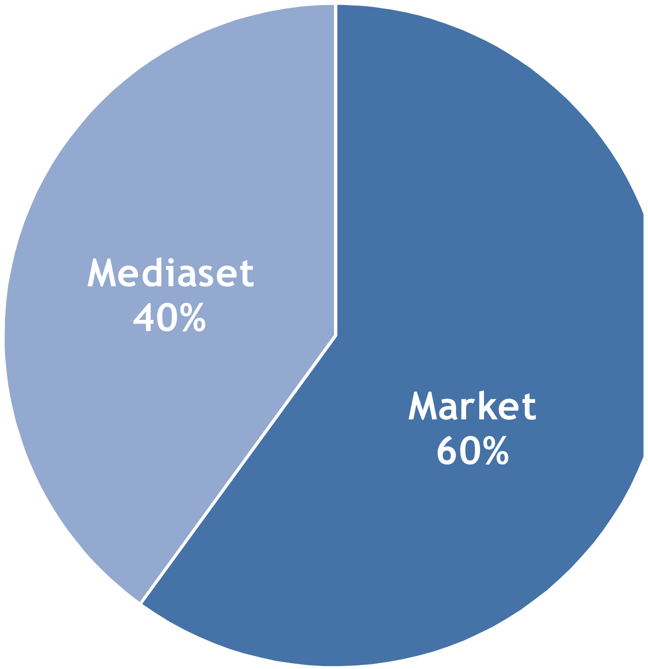
[1] *Agreement subject to the issuance by the Ministry of Economic Development of rights to use TV frequencies*

Small TV Broadcasters
Gradually Exiting The Market

- **Small TV Broadcasters, representing <5% of Revenues, have been strongly hit by the digitalisation**
  - Some of them pushed-back frequencies to Government
  - In FY2013 P&L we made a provision of €1.5m
- **Trying to finance a disciplined exit from the market for troubled local TVs**
- **Among local TVs, multiregional ones seem to be in a better shape**
- **We will try and propose value added/new services to multiregional clients in order to protect their activity and our franchise**

Shareholders
Current Shareholding Structure

- **EI Towers' 60% Free Float is mainly owned by non-Italian international funds**



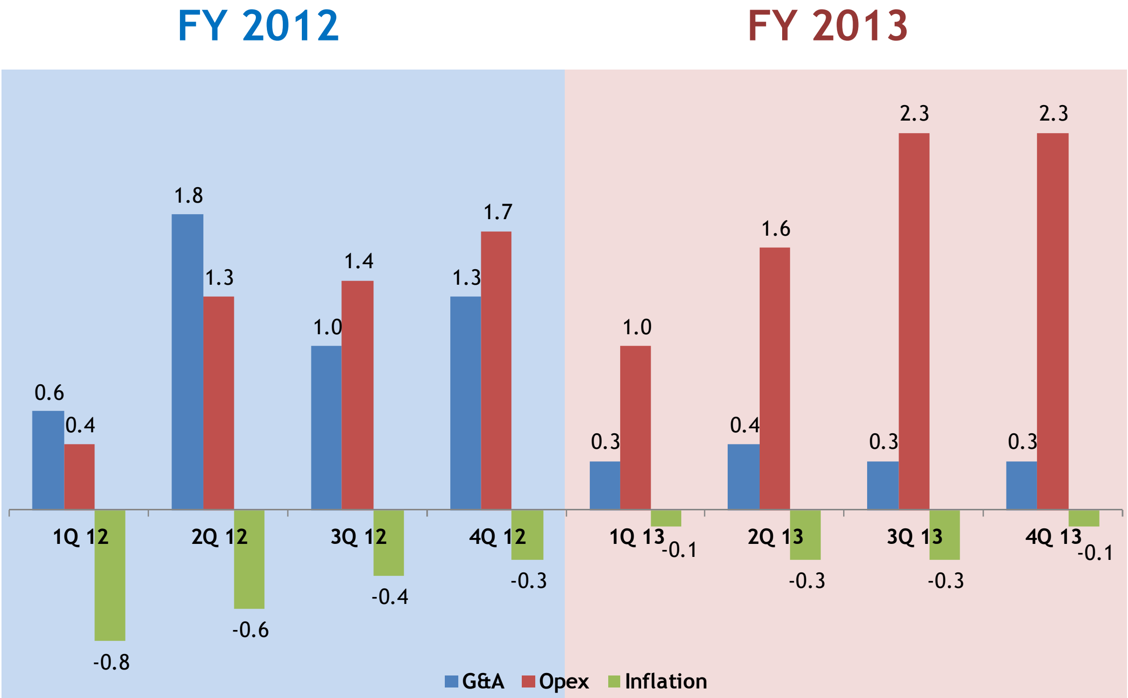
OCTAVIAN ADVISORS LP	4.1%
BLACKROCK ADVISORS LLC	3.9%
NORGES BANK	2.4%
BLACKROCK LUXEMBOURG SA	2.3%
THREADNEEDLE ASSET MANAGEMENT	2.0%
BNP PARIBAS ASSET MGMT INC	1.7%
THORNBURG INVESTMENT MGMT INC	0.6%
BANCA FIDEURAM SPA	0.6%
VANGUARD GROUP INC	0.4%
BNP PARIBAS ASSET MGMT SAS	0.4%
GAM HOLDING LTD	0.4%
FONDI ALLEANZA SGR	0.4%
EVERMORE GLOBAL ADVISORS LLC	0.3%
LEMANIK FUNDS	0.3%
CHARLES SCHWAB INVESTMENT MGMT	0.3%
INVESCO LTD	0.3%
CAAM SGR SPA	0.3%
BLACKROCK INVESTMENT MGMT LLC	0.3%
COHEN & STEERS CAPITAL MANAGEMEN	0.2%
LAZARD ASSET MANAGEMENT LIMITED	0.2%
SW MITCHELL CAPITAL LTD	0.2%
ARCA SGR SPA	0.2%
BLACKROCK INSTITUTIONAL TRUST	0.2%
SANLAM ASSET MANAGEMENT	0.2%
DNCA FINANCE	0.2%
	…

Source: Bloomberg @ 17th June, 2014

FY2013 Results

EIT FY2013
Efficiency Plan Summary

Eight quarters of acceleration in cost cutting…



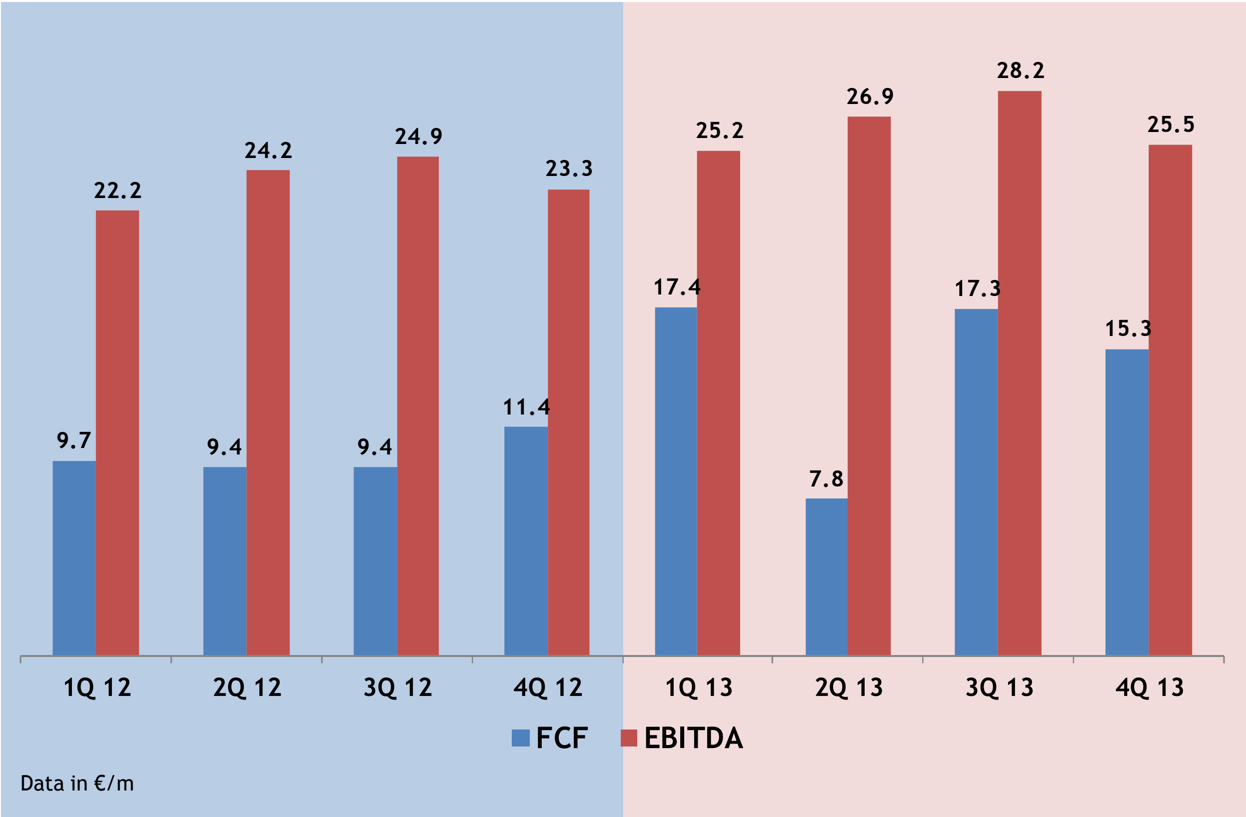
Data in €/m

Data in €/m	FY 2012	FY 2013	TOTAL
G&A	4.7	1.3	6.0
Opex	4.8	7.2	12.0
(Inflation)	-2.1	-0.8	-2.9
Net Efficiencies	7.4	7.7	15.1
% of 5Y Target	49%	51%	101%

…successfully integrating the two entities…

EIT FY2013
Cash Flow Profile

…confirming a sound and growing Free Cash Flow generation…



- FY Free Cash Flow* €57.9m
- 55% EBITDA/FCF Conversion
  - OPEX & CAPEX efficiencies
  - Cash tax benefit from fiscal consolidation

*…with a Free Cash Flow Yield at 7.6%***

(*) Before dividend distribution (€11.8m), adjusted by cash taxes (€11.9)
(**) Calculated on average market capitalization Jan 2 - Dec 31 of €766.4m

EIT FY2013
P&L

FY2013 EBITDA confirmed a double digit growth…

2013 Financial Headlines

Data in €/m	FY2012	FY2013	Var. % YoY
Core Revenues	232.6	231.6	-0.4%
Other revenues	1.2	1.6	
Total Revenues	233.8	233.2	-0.3%
Operating costs	(138.7)	(127.2)	-8.3%
- o/w Opex	*(95.3)*	*(86.1)*	*-9.6%*
- o/w Labour Cost	*(43.4)*	*(41.1)*	*-5.3%*
Adj. EBITDA	95.2	106.0	11.4%
% on Core Revenues	***40.9%***	***45.8%***	
Non recurring items (*)	(0.6)	(0.4)	
EBITDA	94.6	105.6	11.7%
D&A (**)	(46.6)	(45.8)	*-1.6%*
Provisions	(3.5)	(1.5)	*-57.6%*
EBIT	44.5	58.4	31.1%
Net financial charges	(6.1)	(7.4)	*22.0%*
Loss from equity investements		(0.4)	
EBT	38.4	50.5	31.5%
Income taxes	(14.8)	(17.6)	*19.0%*
Net income	23.6	32.9	39.3%
EPS (€)	0.84	1.17	39.3%

+2.5% net of FY2012 switch-off installations revenues (€6.7m in FY2012)

Opex reduction and labour cost optimization

Double digit EBITDA growth

€6.6m related to Bond

(*) Lay-offs
(**) Including (€2.5ml) amortization of non compete agreement with the former DMT CEO

1Q2014 Results

EIT 1Q2014
Highlights

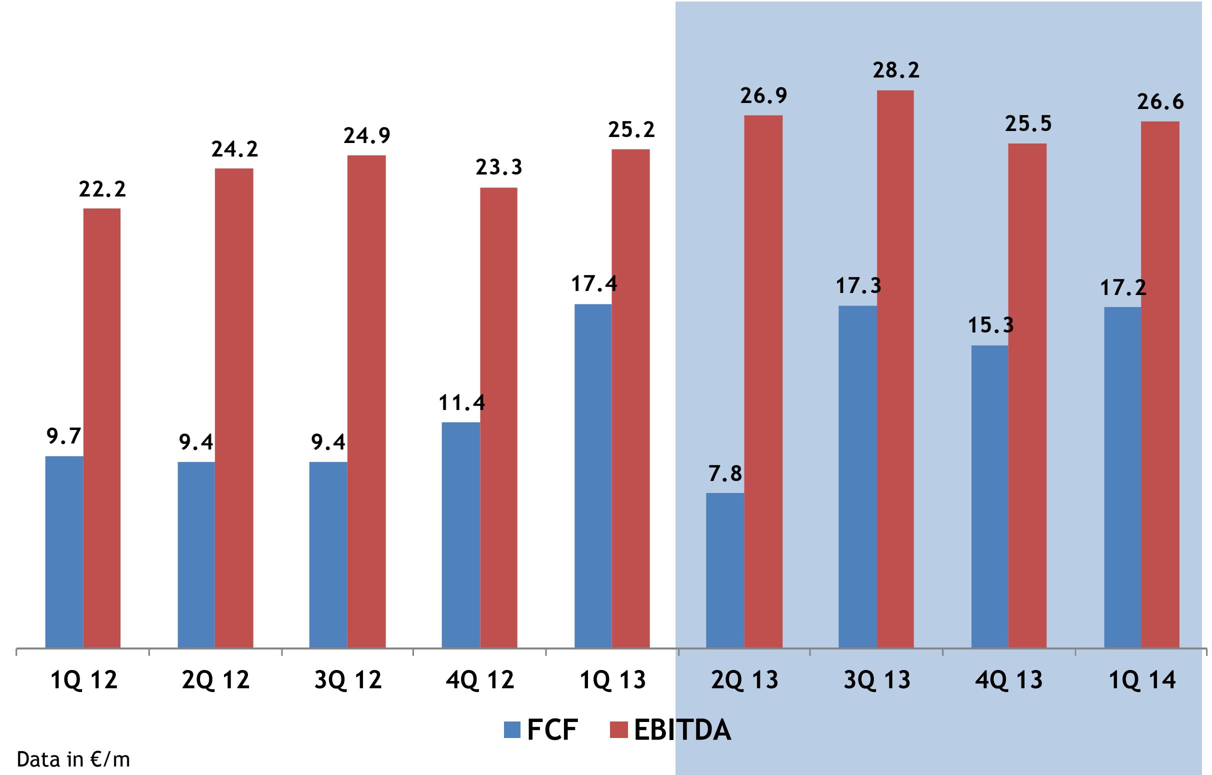
A good start both in terms of P&L, both in terms of Cash Flow…

- **€0.9m net cost efficiencies delivered in 1Q2014**
  - On track with Full Year 2014 efficiencies guidance
- **First Quarter Adjusted EBITDA at €26.8m (+5.9% yoy)**
  - Result on track with Full Year 2014 guidance
  - **Adj. EBITDA margin at 46.2% (230bps of yoy margin increase)**
- **Sound Free Cash flow generation**
  - €13.4m Free Cash Flow (including €-3.8m of M&A Capex and €-2.5 NCA)
  - **Net Debt at €117.9** (Net Debt/LTM EBITDA ratio = 1.1x)
- **Waiting for the New Business Plan and potential transactions, in a low-inflation scenario the cash flow profile is structurally enhanced by efficiencies**

…on track with Full Year targets…

EIT 1Q2014
Cash Flow Profile

…Free Cash Flow generation is the metric…



- **LTM Free Cash Flow* €57.6m**
- **54% EBITDA/FCF Conversion**

*…resulting in a Free Cash Flow Yield at 6.5%***

(*) Before dividend distribution (€11.8m), adjusted by cash taxes (€11.9) and before M&A Capex (€3.8m) in 1Q2014
(**) Calculated on average market capitalization Apr 2, 2013 - Mar 31, 2014 of €880.4m

EIT 1Q2014
P&L

1Q2014 EBITDA margin increased by 230bps vs 1Q2013…

1Q 2014 Financial Headlines

Data in €/m	1Q 2013	1Q 2014	Var. % YoY
Core Revenues	**57.5**	**57.9**	**0.6%**
Other revenues	0.2	0.0	
Total Revenues	**57.7**	**57.9**	**0.3%**
Operating costs	**(32.5)**	**(31.1)**	**-4.1%**
- o/w Opex	*(21.3)*	*(20.4)*	*-4.0%*
- o/w Labour Cost	*(11.2)*	*(10.7)*	*-4.1%*
Adj. EBITDA	**25.3**	**26.8**	**5.9%**
% on Core Revenues	***43.9%***	***46.2%***	
Non recurring items (*)	(0.1)	(0.2)	
EBITDA	**25.2**	**26.6**	**5.6%**
D&A (**)	(10.9)	(10.5)	*-4.3%*
EBIT	**14.2**	**16.1**	**13.2%**
Net financial charges	(1.2)	(1.8)	*52.4%*
EBT	**13.0**	**14.3**	**9.5%**
Income taxes	(4.5)	(5.3)	*16.8%*
Net income	**8.5**	**9.0**	**5.6%**
EPS (€)	**0.30**	**0.32**	**5.6%**

- Δ^- volumes from local TVs, offset by Δ^+ volumes from TLC clients
- Continuous opex reduction and labour cost optimization
- EBITDA margin benefitting from efficiencies
- Year on Year increase due to Bond issue in April 2013

(*) Including ancillary costs also associated with personnel for €0.2m in 1Q2013/14
(**) Lay-offs
(***) Including (€0.625ml) amortization of non compete agreement with the former DMT CEO

M&A

"Mom and Pop" TLC Mobile Towers Acquisition

- On 28th February 2014, EI Towers, through Towertel SpA, acquired a tower portfolio in center Italy
  - Location: Umbria Region (center Italy)
  - EBITDA: ~€0.4m
- The acquisition of SART, the company owning the portfolio, allows EI Towers to further diversify its activity in the segment of hosting for mobile telecommunications operators, representing around 60% of the Turnover of the acquired portfolio
- The transaction was closed at a multiple on recurring EBITDA equal to 7.4x
- Valuation around €4.0m
- Full consolidation in 2014

Update on M&A
Options and Approach

- The Italian tower sector is very sparkling in terms of potential M&A transactions
- EI Towers is the best candidate to play a pivotal role in the market consolidation, with a focus on large scale transactions:
  - As a priority, in the mobile tower space
  - As a possible evolution, in the rationalisation of the broadcasting segment
- Financial flexibility and ongoing organic cash flow generation will allow different options:
  - Single network or combination of networks
- Management approach to M&A is very rationale:
  - Value accretion is the condition precedent, coupled with the possibility to properly manage acquired assets
  - Any deal must be compatible with EI Towers future strategic positioning

EIT Industrial Role in the Italian Market

- EI Towers is the leading independent tower operator in the Country and the only one listed in Europe

- Proven track record in portfolios combination

- Technical know how in the entire value chain of broadcasting and telecommunications, with a unique widespread presence
  - Radio Planning and Signal Management
  - Daily housing and real estate activity
  - Sophisticated engineering platform able to guarantee continuity of the signal
  - Knowledge of MNOs' Service Level Agreement (SLA) needs

- Funding Capacity

EI TOWERS Mobile Telecommunications Tower Company

- EI Towers is ready to act as the natural consolidator of the sector in Italy
- Towertel is a company 100% owned by EIT and, since January 2014, fully committed to TLC clients and infrastructures, after the demerger of its broadcasting activities in favour of the holding company EI Towers

EI TOWERS

#Sites: ~2,300
Main clients: TV and Radio Broadcasters

100%

TowerTel S.p.A.

#Sites: ~400
Main clients: Mobile Operators, Wi-fi/Wi-max

M&A vs Dividend Policy

- **Accretive M&A is the main growth option for EIT, given the tower market structure in Italy and the active role of EIT on the territory**

- **Diversification in mobile telecommunication and radio segments**
  - Few small portfolios still of interest in the Italian territory
  - International expansion is a “second best” at this stage: no targets under analysis

- **Willingness to play a pivotal role in the market consolidation in Italy**
  - EI Towers is the leading tower operator in the Country and the only listed in Europe
  - Financial flexibility
  - Proven track record in portfolios combination

- **Given the dinamic tower M&A market in Italy, the Board of Directors has proposed to the AGM not to distribute the 2013 dividend, in order to keep financial flexibility**

Management of a New TV Mux
for Cairo Communications

EIT - 20 years Agreement with Cairo

- **The bidder was actually Cairo Communications Group, which placed a binding offer for a National Multiplexer (in UHF) on the 13th June, 2014**

- **EI Towers was able to sign a term sheet for the construction and subsequent management ("full service") of a new national TV Network**
  - **3 years of transitional phase** (2015-2017) with investments required
    - Construction
    - Commissioning
    - Go live
  - 2018-2034: **17 years of network management** at regime
    - >94% of Italian Population Covered
    - €18.3 million per year of top line from 2018
    - EBITDA margin accretion up to more than 60% from 2018
    - Right of free withrawal for Cairo since 1 January, 2025

- **Agreement subject to the issuance by the Ministry of Economic Development of rights to use TV frequencies**

EIT - Cairo Agreement Implications

- EI Towers, with the recent agreement, was able to secure the most important marginal opportunity in its TV broadcasting segment of activity

- EI Towers will significanly increase the average maturity of its contracts portfolio in the broadcasting segment

	Intermediate term	Final Term
– Mediaset 7+7[1]	*2018*	2025
– TIMB 12+6	*2023*	2029
– L'Espresso 12+6	*2024*	2030
– Cairo *3*[2]+7+10	*2024*	2034

- Profitability and cash flow enhancement, exploiting the operating leverage typical of tower operators and providing with the *full service* value added services

[1] *Including 5 MS MUXs + 2 MUXs of third parties*
[2] *Transitional Phase*

FY2014 Outlook

EIT 2014 Outlook

- EBITDA yoy growth of €3-4m confirmed
- Tax rate~37%
- Maintenance Capex ~€12m
- New Business Plan within September this year confirmed, in absence of an acceleration of potential transformational transactions

For more information please contact:

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