EI TOWERS

Morgan Stanley

Barcelona, 20th November 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.

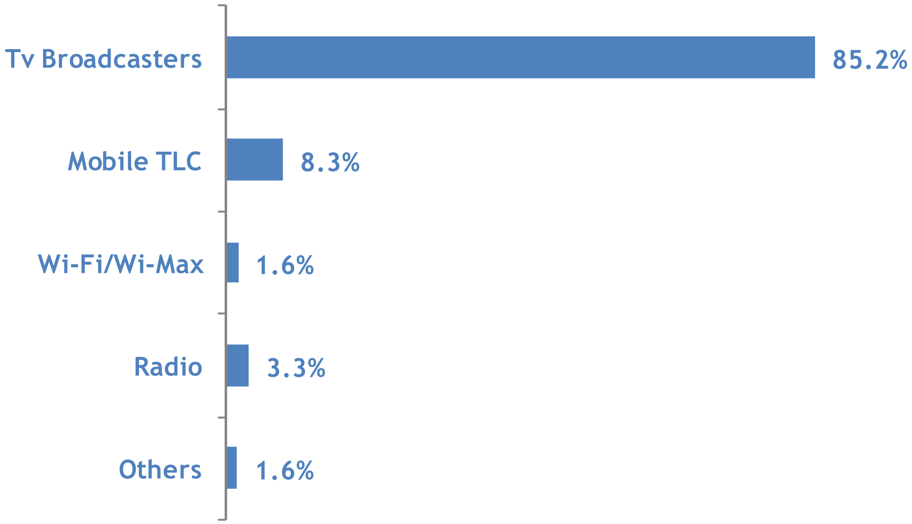
Any reference to past performance of EIT shall not be taken as an indication of future performance.

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

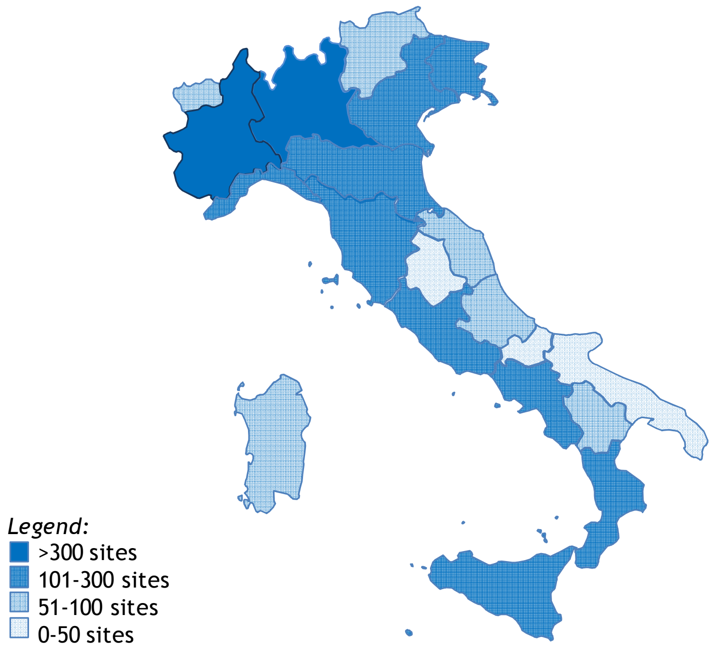
The executive responsible for the preparation of the accounts of EI Towers SpA, Fabio Caccia, declares that, as per art. 2, 154 bis of the Consolidated Finance Law, the 2013 and 2014 accounting information contained in this release corresponds to that contained in the company's formal accounts.

Company Snapshot
Revenues Profile and Geographical Presence

- **Revenues Breakdown**[1]



- **Current Tower Portfolio**
  - ~2,800 Sites under management
    - ~2,300 Broadcasting sites
    - ~500 Mobile Sites



[1] *Core Revenues FY2014*

Update on Tower Sector
Italian Market Landscape

The tower sector in Italy is very sparkling…

- Rai Way, the captive tower operator of Rai Group, is now listed on the Milan Stock Exchange
- No update on Telecom Italia italian tower portfolio disposal/IPO
- Press confirms that partial sale of Wind tower portfolio has started

…paving the way for future scenarios

Update on M&A

Update on Small Transactions

M&A activity on "Mom and Pop" portfolios is ongoing…

- On October 31st, as expected and anticipated in July, EIT closed a deal for the acquisition of 100% of a tower operator (Hightel SpA) providing hosting services in the telecommunication segment, mainly in South Italy
  - Perimeter: 81 sites + 135 MNOs' sites real estate activity management; ~€2m EBITDA
  - Acquisition Multiple: 8.5x EV/EBITDA[1]
  - Enterprise Value: ~€17.5/19m[2]
  - Cash out for EIT: €5m in 3Q2014 + €6.2m at closing[3]
  - The agreement also envisages a development phase that will start after the closing
- 2 portfolios under due diligence (~€1.3m EBITDA future contribution)
- 4 portfolios under analysis

…sustaining the business growth, especially in a low CPI environment

[1] *(Active - Passive) leases*
[2] *Subject to closing adjustments*
[3] *Before closing adjustments and €3.5m of deferred paymennt*

EI Towers
Business Plan

Italian Macroeconomic Environment

- Like many other countries of the Eurozone, Italy has not regained yet the path to recovery

- Actual real GDP figures are around 0% growth QoQ/YoY. Short term forecasts, as well, show only small fractional increases

- Despite solid industrial fundamentals (second manufacturing system in the Eurozone, just after Germany) and private sector's very low level of debt, the main issue remains **public debt.**

  Even in a low interest rate scenario, **nominal GDP growth** remains lower than nominal cost of debt.

  That means need for primary surplus of public budget, reducing room for public stimulus to the economy

Italian Macroeconomic Environment

- Even more than macro indicators (general GDP, private sector consumption, etc.), the key macro indicator with a direct effect on EIT business is **inflation**

- CPI as a result of the economic cycle would be bound to remain very low short to medium term

- On the other hand, there is unanimous agreement at ECB level and across all Eurozone about a target level of inflation close to 2%.

  Recent ECB measures (also driving Euro exchange rates) should help to make such target achievable.

  The only issue is **timing**

Italian Macroeconomic Environment

- EI Towers Revenue contracts are CPI-linked and almost entirely adjusted to Year-End CPI figures

- EI Towers Business Plan "Base Case" conservatively assumes an inflation rate scenario with figures significantly lower than the agreed target of the **"close to 2%"**:

  - YE2014E (FY2015E Revenues): 0.0%
  - YE2015E (FY2016E Revenues): 0.75%
  - YE2016E (FY2017E Revenues): 1.0%
  - YE2017E (FY2018E Revenues): 1.0%

- EI Towers needs to confirm **its ability to look for efficiencies.**

  ECB target CPI figures, should they become actual, could represent ground for **upside**

Analysis of the Reference Markets: Broadcast Segment

EI TOWERS

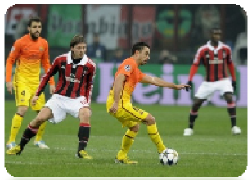
Broadcast Segment

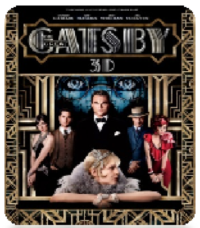
Market Players

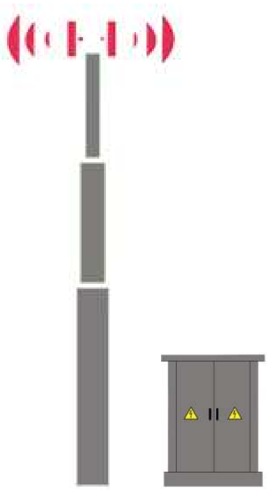
Publishers

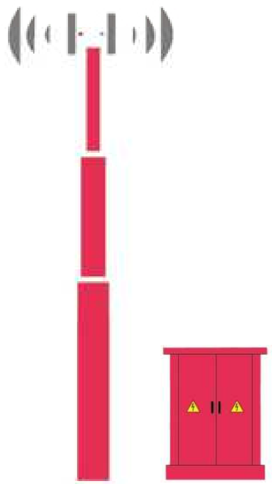
Network Operators

Tower Cos





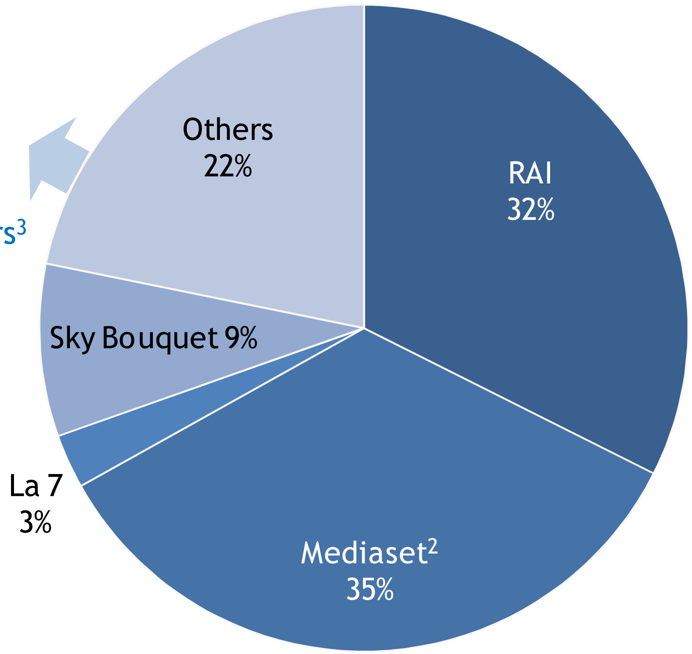




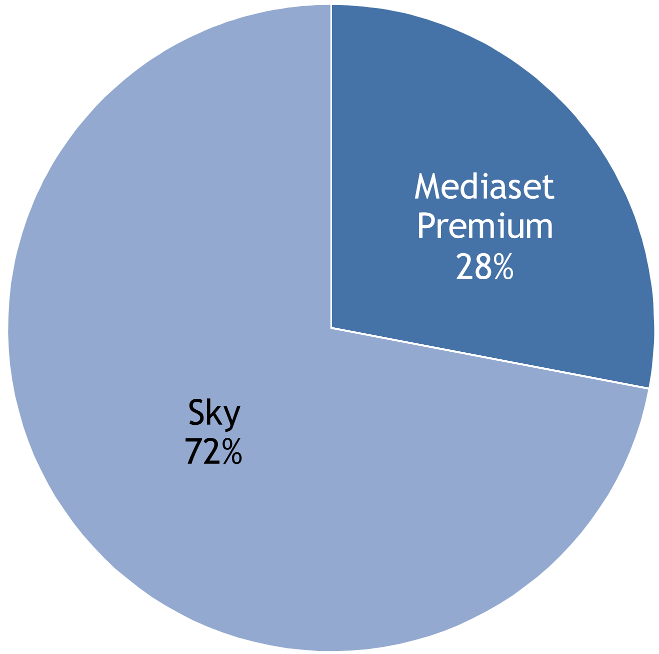
Publishers
Italian TV Market

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

• Discovery
• Fox
• Eurosport
• US Majors:
  - Disney
  - Universal
  - MTV-Viacom
  - Turner
  - Sony (AXN)
• BBC
• Italian Publishers[3]



- **Pay TV: Market Share (subscribers)**



[1] Source: Auditel Dec 13 - Jul 14; 15-64 yrs, 24h
[2] Including MS Pay TV
[3] De Agostini/LT Multimedia/L'Espresso Group/Feltrinelli/Class

Network Operators

TV Frequencies Landscape

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

5

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

5

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

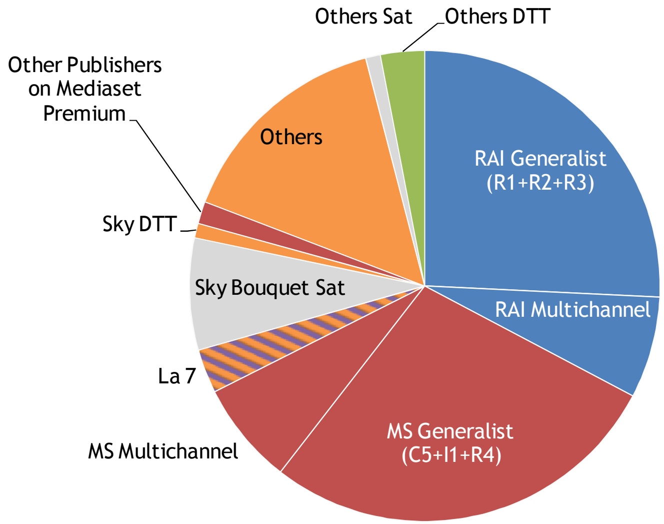
5

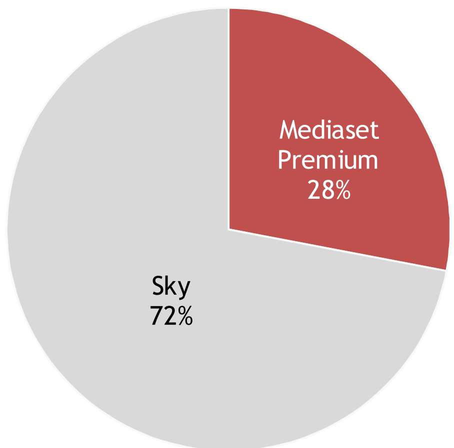
- H3G
- D Free
- Europa 7
- Retecapri
- Cairo Network[1]

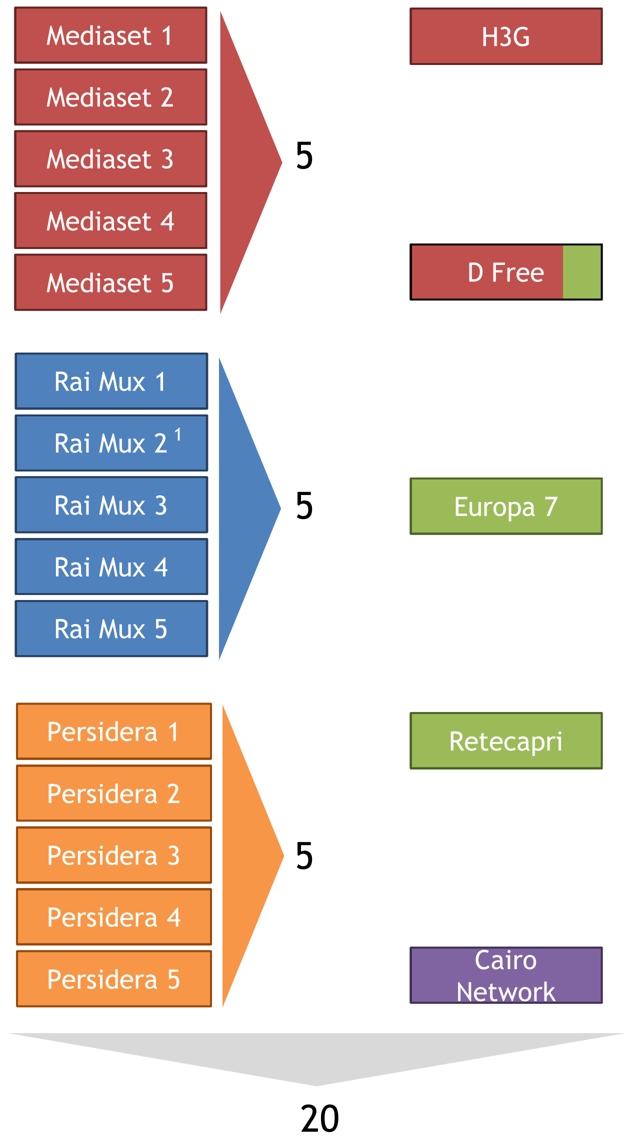
20

[1] *At regime after 2016/2017*

TV Channels Distribution
Allocation within Multiplexes

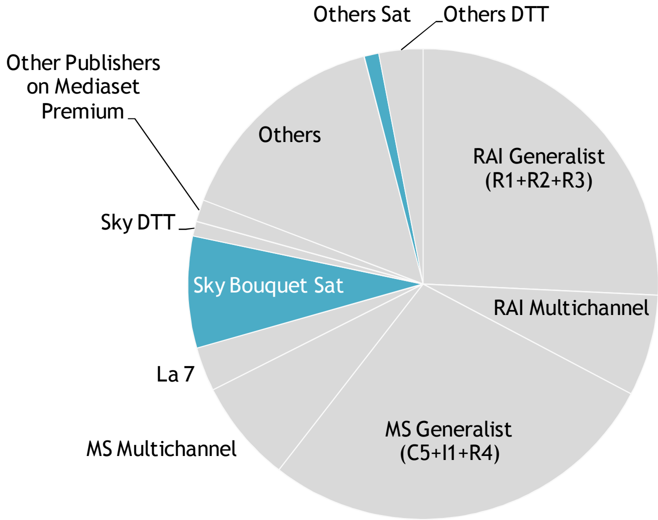


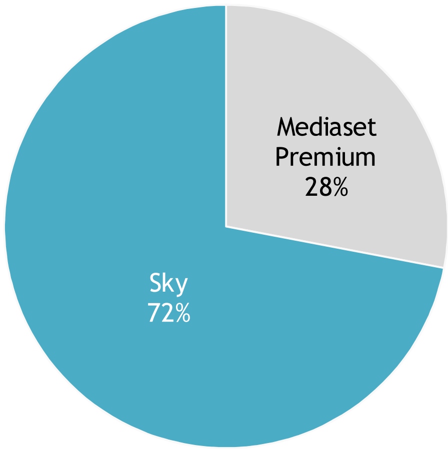




[1] *TV 2000 (Other DTT)*

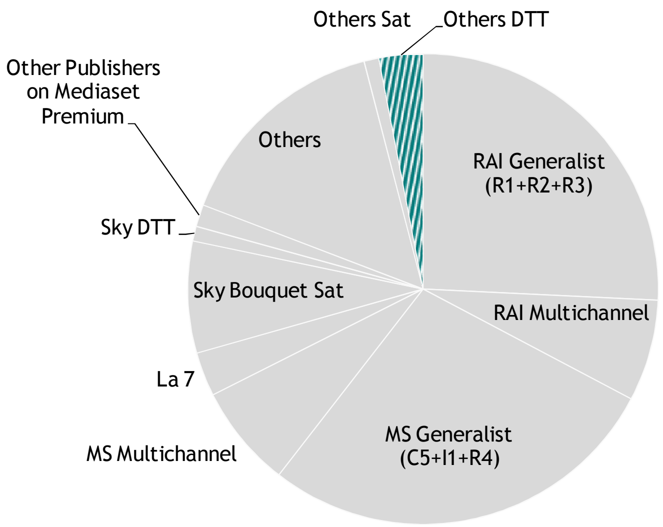
Satellite Offer
Almost Entirely Pay TV-Driven

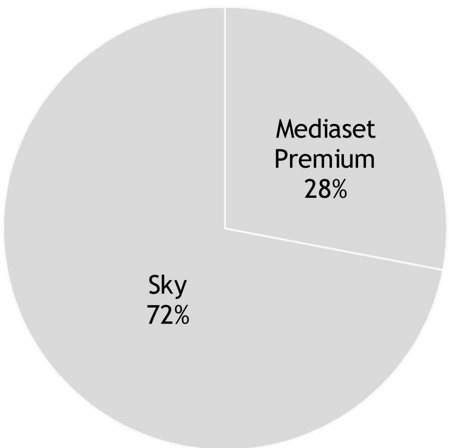


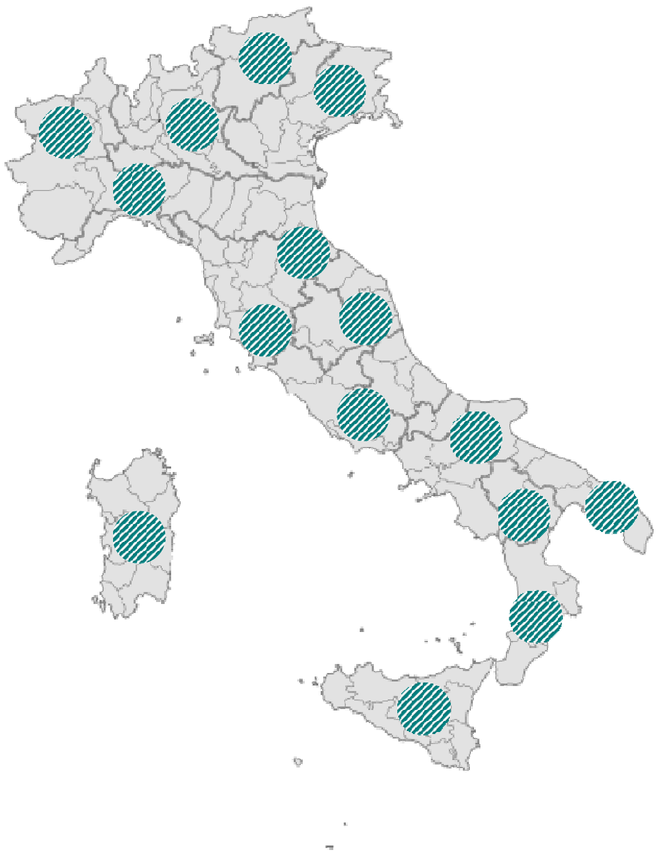


Sky Italia	~4.7m HH
Tivusat	~2.2m HH
	~6.9m HH

Regional Offer
A Patchwork

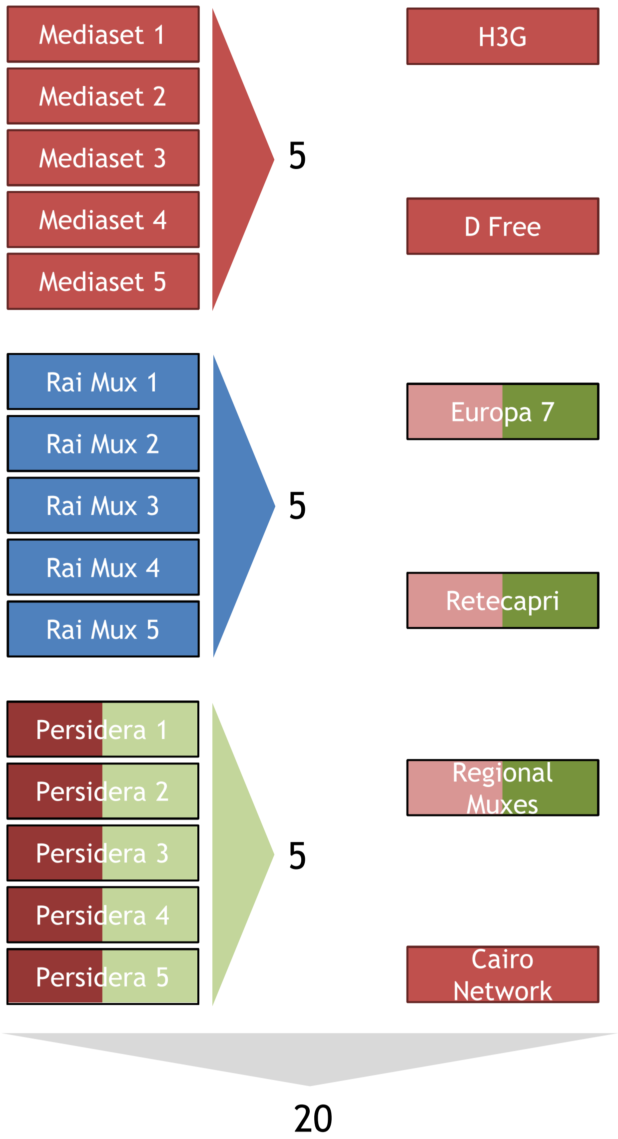


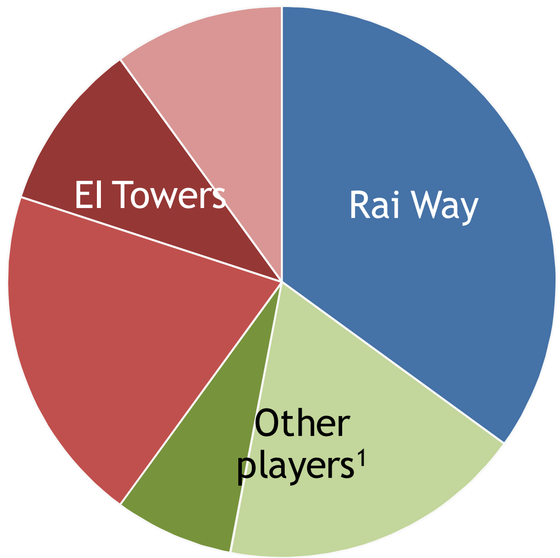




Muxes and Infrastructure

Who’s Where





[1] *Including TIMB/Persidera owned infrastructure*

EI Towers Targets in the Broadcast Segment

1. Efficient management of existing agreements with national TV players

1. Efficient Management of Existing Agreements with National TV Players

- Contracts long term visibility

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

- Supported by:
  - Stability of distribution patterns
  - Long term predictable technological evolution
  - Long term regulatory stability and visibility

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

1. Efficient Management of Existing Agreements with National TV Players

Distribution platforms penetration

- **Stability of distribution patterns**
- Long term predictable technological evolution
- Long term regulatory stability and visibility

Italian TV Households	~24.5
DTT HH[1]	~23.3m
Penetration %	*~95%*
Satellite HH[2]	~6.9m
Penetration %	*28%*
Broadband TV HH	0.7m
Penetration %	*3%*

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

[1] *Data referred to potential penetration; 2014E data sourced by IT Media Consulting*
[2] *Company's estimates; according to IT Media Consulting, DTT "First access" penetration represents around 70% of total population (17.1m HH)*

1. Efficient Management of Existing Agreements with National TV Players

- **Stability of distribution patterns**
- Long term predictable technological evolution
- Long term regulatory stability and visibility

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

LINEAR ⇕ DTT/Satellite

NON LINEAR ⇕ Fixed/Mobile broadband

1. Efficient Management of Existing Agreements with National TV Players

- Stability of distribution patterns
- **Long term predictable technological evolution**
- Long term regulatory stability and visibility

- **Analogue switch off** was completed on July 4th, 2012
- **Current standard for Digital Terrestrial Broadcasting: DVB-T**
  - Adopted standard for Video of SD programs → MPEG-2/HD programs → MPEG-4
  - Perspective standard for Video of HD programs → HEVC
- **Transition to DVB-T2 already on the way**
  - Since 2012 newly installed TV transmitters are "DVB-T2 ready" (they can broadcast with both standards) → Network evolution to DVBT-2 can smoothly follow substitution for obsolescence (~7÷10 years)
- **It is unlikely to see full transition to DVB-T2 before 2022÷2024**

N.B. No Capex for Tower Cos (e.g. EI Towers)…

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

1. Efficient Management of Existing Agreements with National TV Players

- Stability of distribution patterns
- Long term predictable technological evolution
- **Long term regulatory stability and visibility**

- "Lamy Report" to EU Commission[1] gives very important indications, potentially setting milestones ensuring very high visibility to DTT platform in Europe
- The Report does not include mandatory indications, but it will be extremely influential. The main outcome is the principle "2020-25-30"
- 2020: 700 MHz band will not be reallocated from TV to Mobile before 2020 (with +/- 2 years tolerance)
  - It is extremely likely that countries where DTT penetration is high are eligible for such tolerance
- 2025: interim check point to carry out an extensive market test
- 2030: any reallocation of bandwidth below 700 MHz band cannot take place before such date

[1] *Issued on September 1st, 2014*

1. Efficient Management of Existing Agreements with National TV Players

- Stability of distribution patterns
- Long term predictable technological evolution
- **Long term regulatory stability and visibility**

- In Italy DTT licenses issued by the Italian government expire between 2032 and 2034. Any reallocation of the bandwidth, at anytime should it take place, might be completed in parallel with rationalisation of frequencies currently in use:
  - Inside Italian market (regional networks)
  - International coordination

1. Efficient Management of Existing Agreements with National TV Players

GERMANY

- **Before:**

  "Jan. 18th 2013 → RTL group announced its nationwide retreat from DTT by the end of 2014 as there would neither be sufficient prospects for economic success nor long-term security for the frequencies."

- **After:**

  "June 3rd 2014 → RTL group decided to stick with digital terrestrial distribution of its channels and support the transition to the new broadcast standard DVB-T2 which will commence in mid-2016."

UK

- "…as we explain in our discussion document, Future of free to view TV, we believe DTT is likely to retain a central role over the next decade, with a full switch to alternative technologies such as IPTV not appearing feasible until at least 2030."

Sources: www.broadbandTVnews.com; OFCOM, Consultation on future use of the 700 MHz band

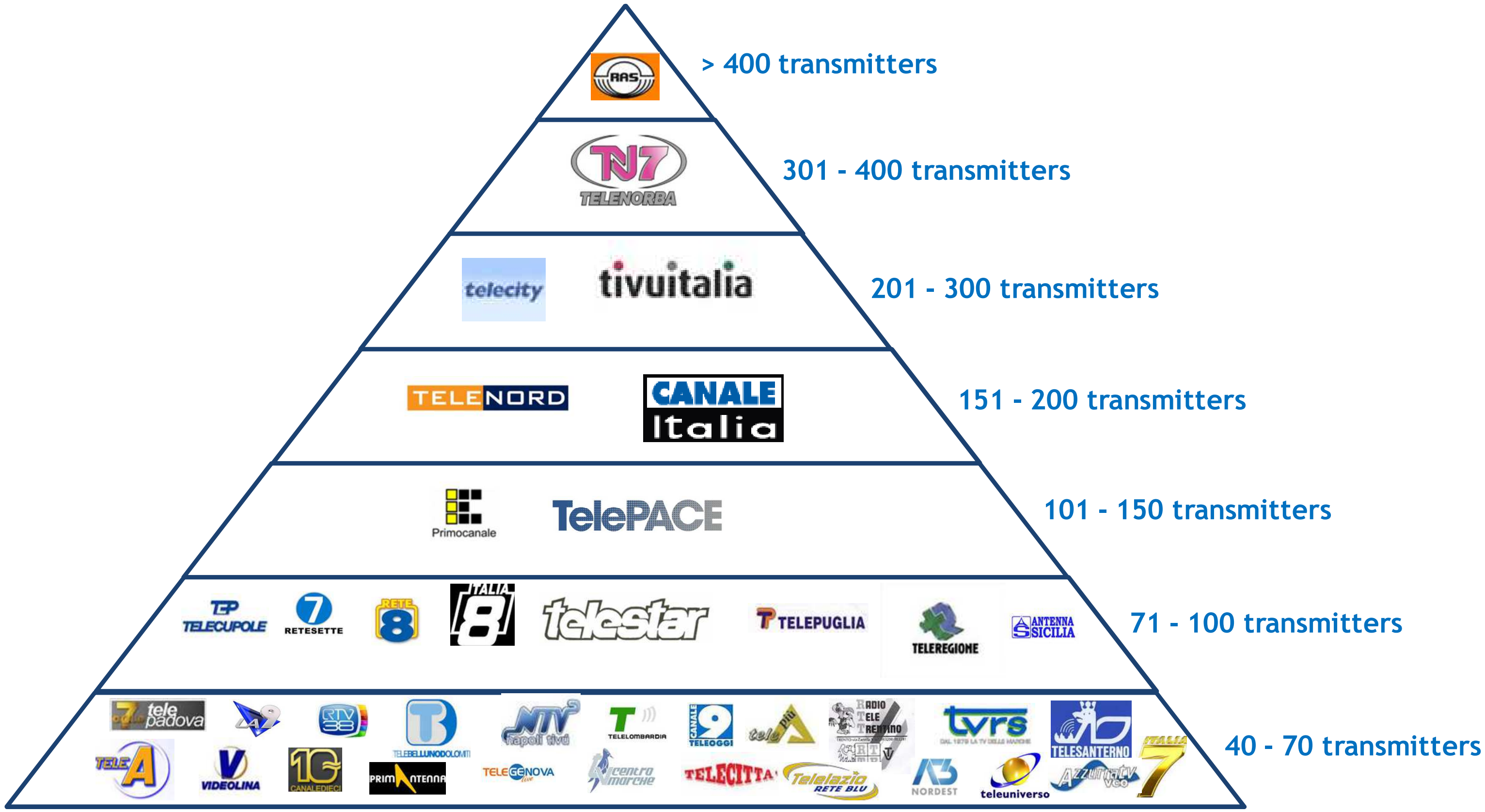
EI Towers Targets in the Broadcast Segment

1. Efficient management of existing agreements with national TV players

2. **Managing the "Darwinian selection" in the local TV market**

2. Managing the "Darwinian selection" in the local TV market

- Current local TV market landscape looks very fragmented



Source: Ministry of Economic Development Communication Department (DB operators)

2. Managing the "Darwinian selection" in the local TV market

Recent events:

- In May 2014, one of the biggest local TV clients discontinued its operations
- This player, which is currently under a "concordato preventivo" procedure, started a process of spin off of its multiregional Mux business, which will be initially leased and should subsequently be sold to another network operator (once the transaction is approved by the Creditors' Meeting)

In case of approval of the above mentioned transaction, EI Towers will be able to recoup part of the Revenues (FY2013: ~€1.0m)

2. Managing the "Darwinian selection" in the local TV market

- EI Towers is actively working to incentivise regional/multiregional players to migrate to Full Service model:
  - **Medium to long term**: increase in volume from larger clients to offset decrease from smaller or troubled players
  - **Short term**: potential reduction coming from players exiting the market

EI Towers Targets in the Broadcast Segment

1. Efficient management of existing agreements with national TV players

2. Managing the “Darwinian selection” in the local TV market

3. **Radio Broadcast: keep an eye on a “charming old lady”**

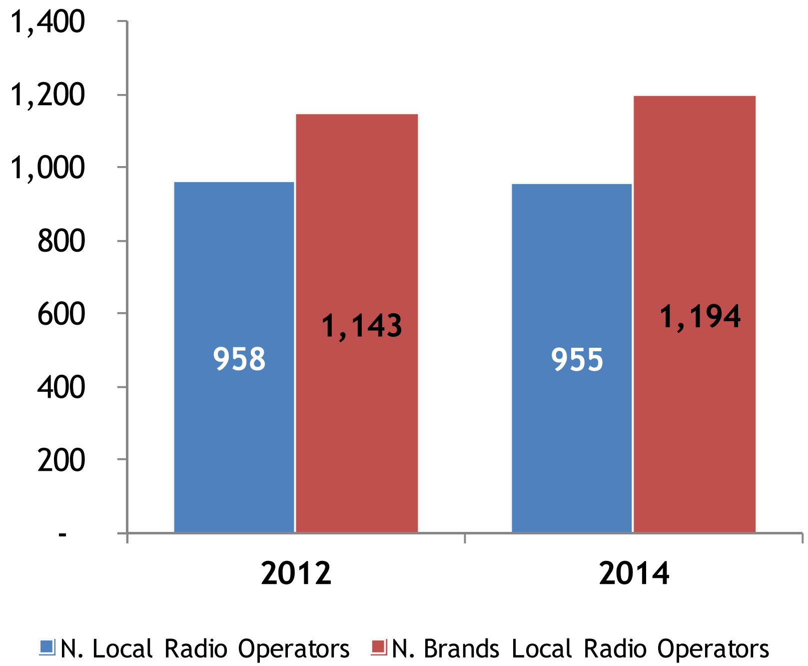
3. Radio Broadcast

NATIONAL RADIO OPERATORS

Operators	Brands
1. RAI	
2. MONRADIO	
3. ASS. RADIO MARIA	
4. FINELCO - RADIO STUDIO 105	
5. FINELCO - VIRGIN RADIO	
6. FINELCO - RMC ITALIA	
7. RTL 102,500 HIT RADIO	
8. RADIO ITALIA	
9. RADIO KISS KISS	
10. ELEMEDIA	
11. CENTRO DI PRODUZIONE	
12. RADIO DIMENSIONE SUONO	
13. IL SOLE 24 ORE	
14. RADIO PADANIA LIBERA	

- **Stable number of operators**

LOCAL RADIO OPERATORS



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

Source: Ministry of Economic Development Communication Department (DB operators)

3. Radio Broadcast

- Radio audience is still, and will likely be for many years to come, terrestrial through herzian waves
- Internet radio is widely available for in-house and fixed reception, but most of the audience is in cars → **current infrastructure is not replaceable**
- Radio transmission is still mainly **analogue**: DAB is being deployed, but no switch over is foreseen

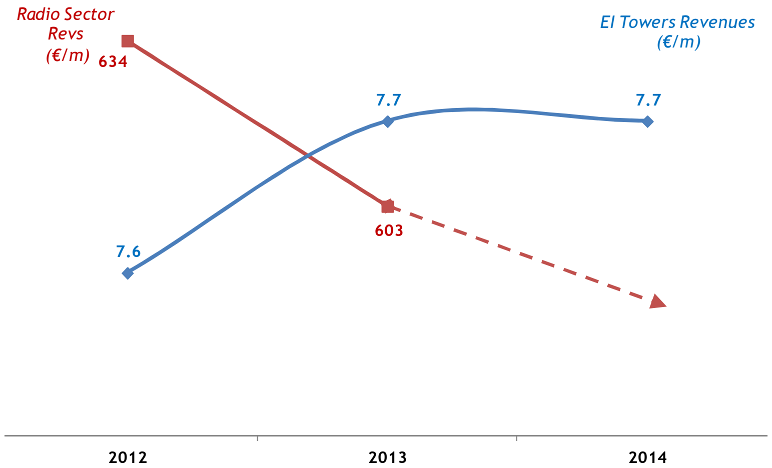
3. Radio Broadcast

EI Towers goals:

1. Efficient management of existing agreements
   – Marginal volume component potentially coming from DAB roll out

2. Analysis of potential “Full Service” options:
   – Model might be of interest to national players
   – “Full Service” could have a narrower scope vs TV broadcast (analogue vs digital technology)

EI Towers Results vs Market



Source: Agcom, Company’s estimates

EI Towers Targets in the Broadcast Segment

1. Efficient management of existing agreements with national TV players

2. Managing the “Darwinian selection” in the local TV market

3. Radio Broadcast: keep an eye on a “charming old lady”

4. **M&A**

EI TOWERS 4. M&A

- EI Towers approach to M&A in the broadcast segment (i.e. portfolio of towers with >50% Revenues from broadcast segment) will be opportunistic:
  - Price
  - Quality of the assets/strategic geographic position

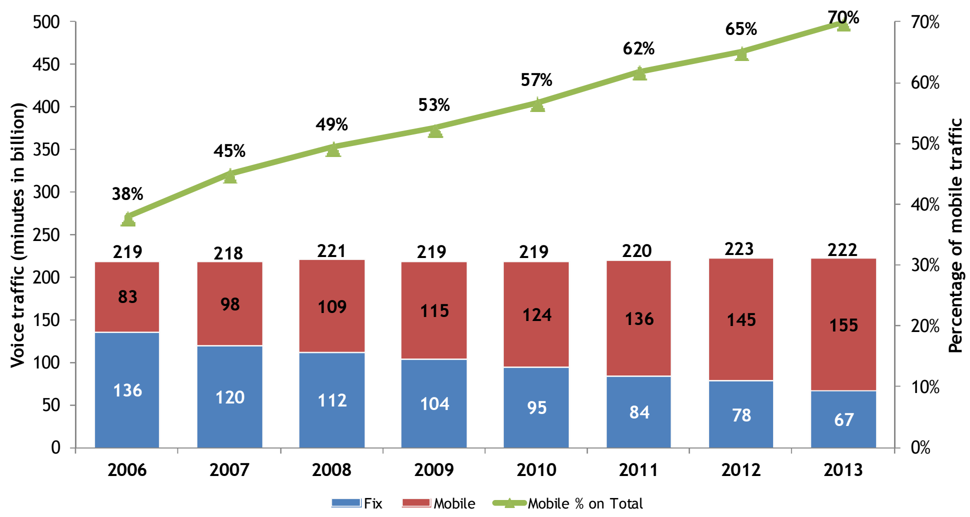
- **Business Plan assumptions**:
  - **Closing in 2015 of one regional portfolio** generating €0.9m EBITDA (annualized figure) (current status: advanced negotiations)
  - A portfolio currently under analysis is **not included**

Analysis of the Reference Markets: Mobile TLC Segment

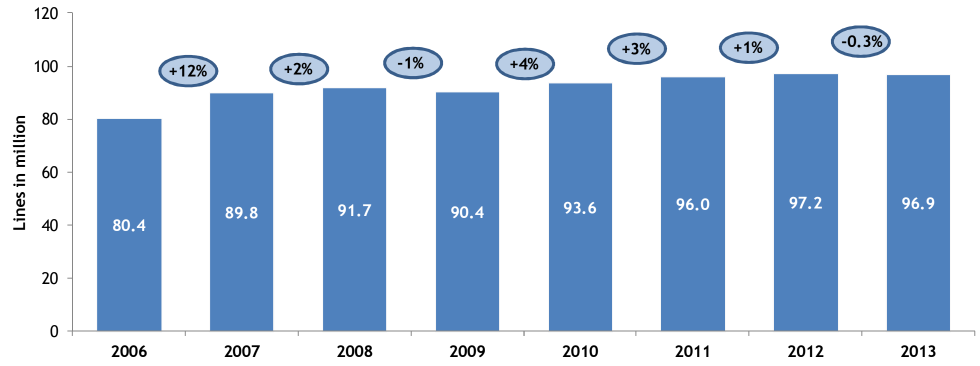
Mobile TLC Segment

Market Overview

- **TLC sector in Italy (fixed and mobile)**
  Voice traffic volume



- **Number of mobile lines**



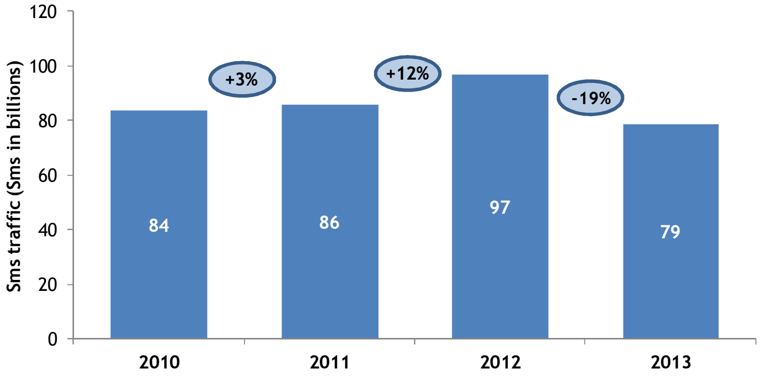
Traffic on fixed lines strongly reduced to the benefit of mobile lines (now >70% of the total)

Total number of lines is relatively stable – increase in usage

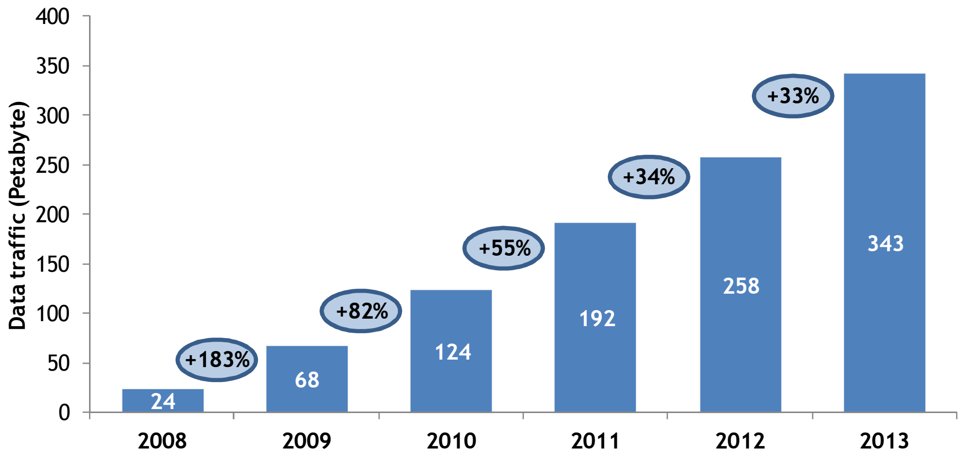
Source: Agcom Annual Reports

Mobile TLC Segment
Market Overview

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



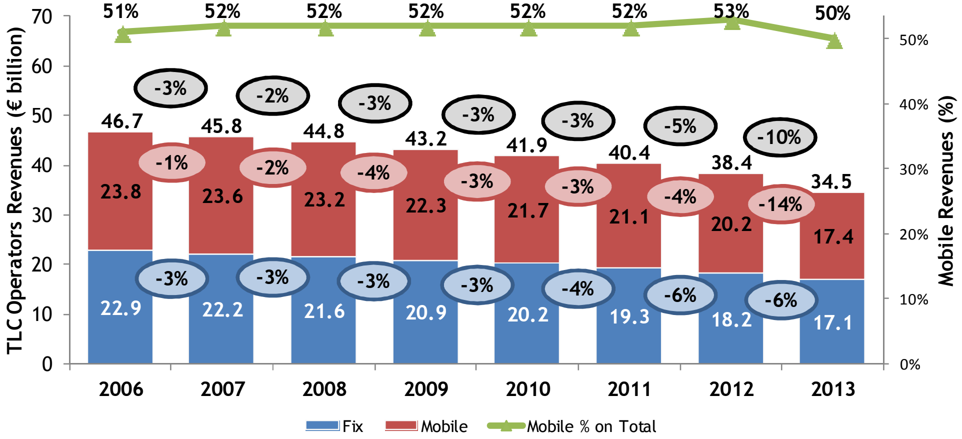
- The overall data traffic shows strong increases

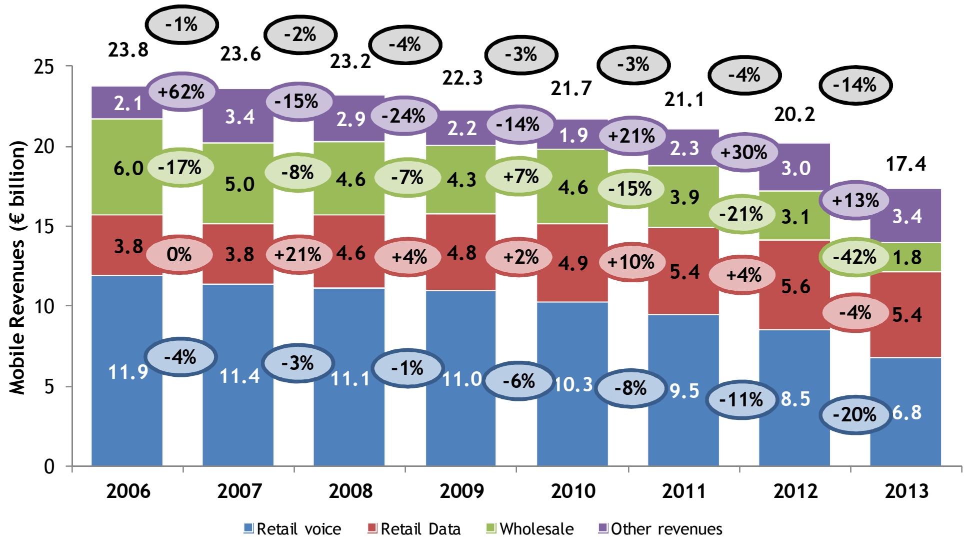


Source: elaboration of Osservatori Digital Innovation Politecnico di Milano on corporate data; Annual Agcom Reports

Mobile TLC Segment
Market Overview

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

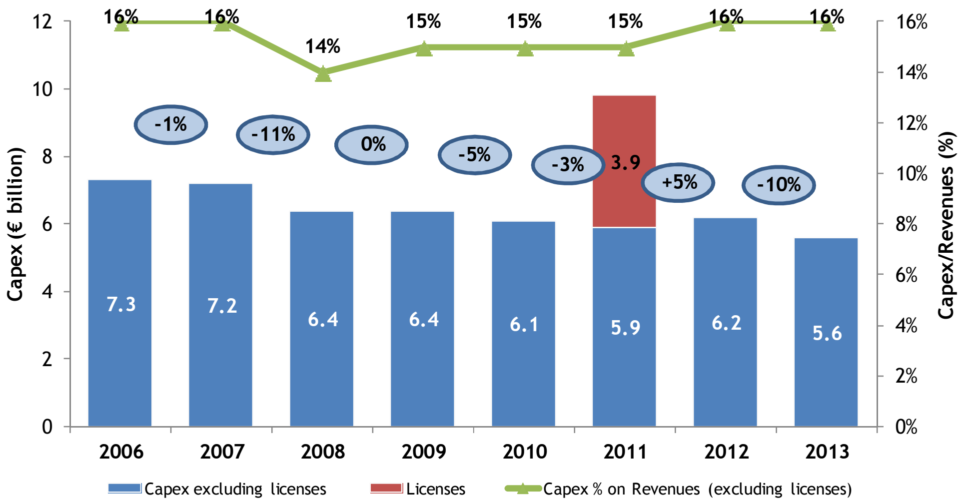


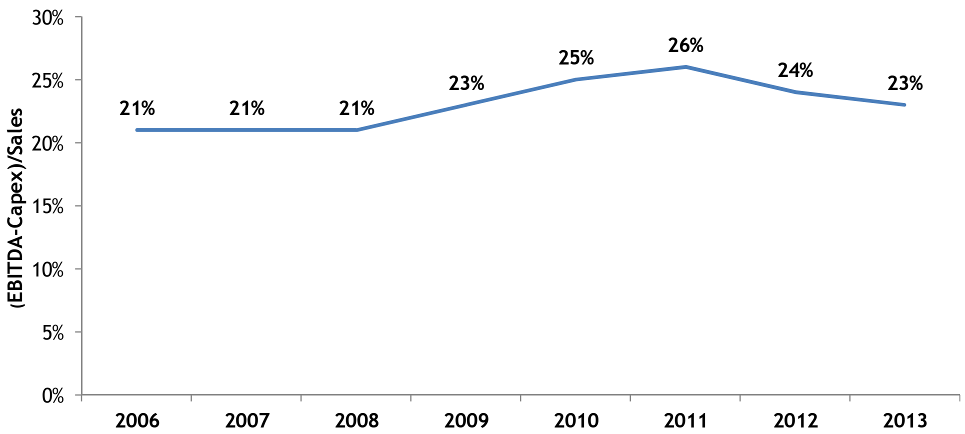


Source: elaboration of Osservatori Digital Innovation Politecnico di Milano on corporate data

Mobile TLC Segment
Market Overview (fix+mobile)

- In order to compensate pressure on Revenues, both fixed line operators and MNOs:
  - Are looking for efficiency on Opex (pressure to renegotiate agreements)
  - Are carefully monitoring Capex



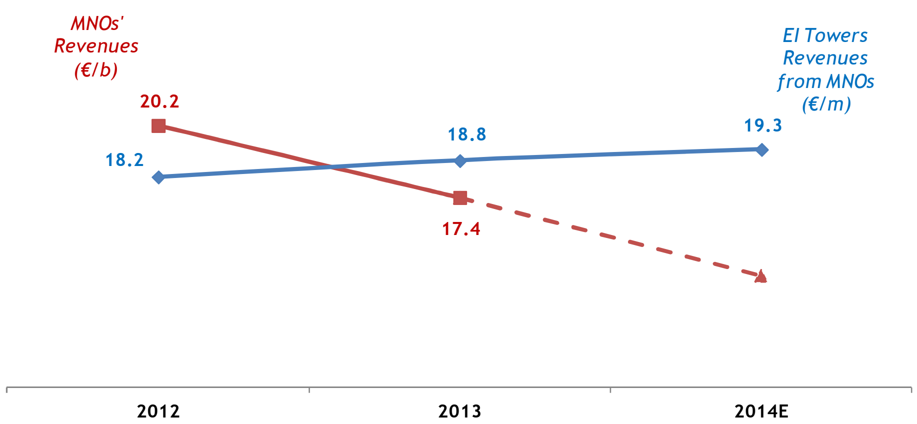


Source: elaboration of Osservatori Digital Innovation Politecnico di Milano on corporate data

Mobile TLC Segment
Mobile Network Operators

- EI Towers historical performance

EI Towers Results vs Market



- Volume growth to offset price discounts:
  - Agreed targets to achieve:
    - Lower average price (cost) per tower (MNO)
    - Improved visibility on long term agreements: minimise churn (EIT/Towertel)
  - Negotiation of frame agreements:
    - Rationalise price and ancillary conditions of existing portfolio
    - Set clear rules for new developments

Source: elaboration of Osservatori Digital Innovation Politecnico di Milano on corporate data and Company's estimates

Mobile TLC Segment
Market Overview

- Despite adverse macroeconomic conditions and competitive pressure, the mobile tower segment might benefit from long term Country's need to have a strong broadband infrastructure

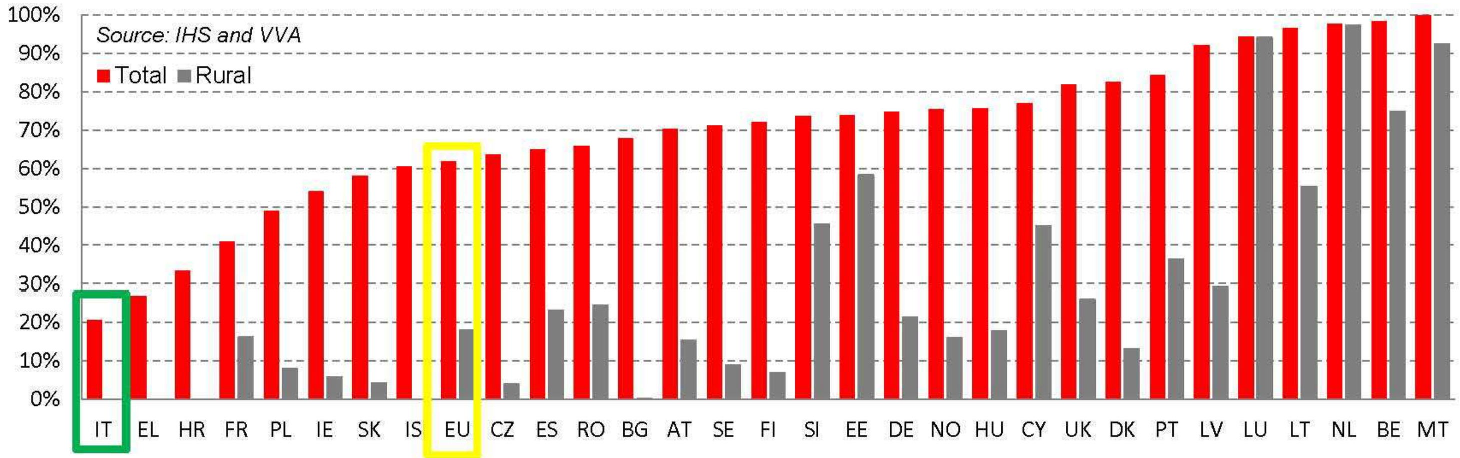
	Basic broadband coverage (on households)	Basic broadband penetration (on population)	Broadband >30 Mbps coverage (on households)	Broadband >30 Mbps penetration (on population)
Italy	99%	23%	21%	<1%
Europe (average)	97%	30%	62%	6%
France	100%	38%	41%	3%
UK	100%	34%	82%	9%
Germany	97%	35%	75%	5%
Spain	97%	26%	65%	4%

- With respect to the EU Digital Agenda targets, Italy:
  - Is broadly in line with respect to basic broadband services
  - Still shows a significant gap (both coverage and penetration) with respect to fast broadband (>30 Mbps)

Source: Digital Agenda Scoreboard 2014, EC

Mobile TLC Segment
Market Overview

Next Generation Access (FTTP, VDSL and Docsis 3.0 cable) coverage, 2013, % of homes

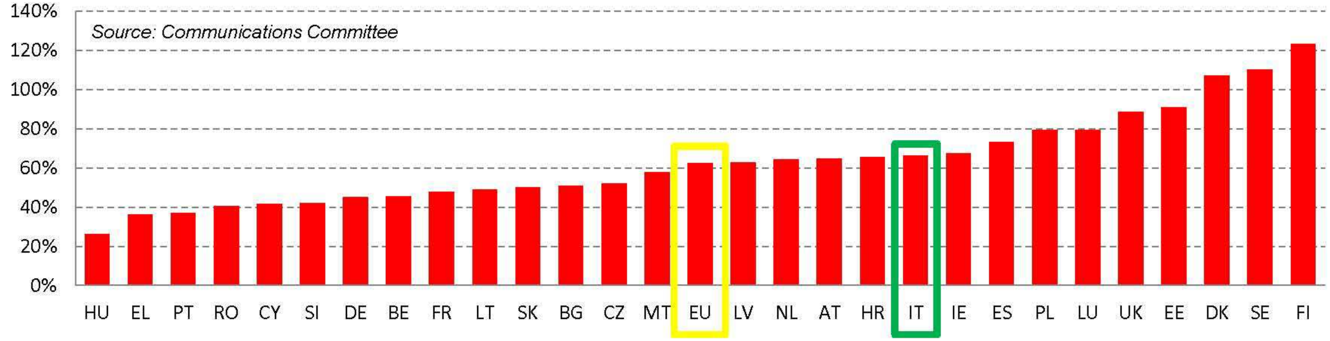


- The gap is significantly wider in rural areas due to exceptionally complex orography and topography:
  - Video services with true national coverage needs will hardly be distributed exclusively via fixed broadband
  - Mobile infrastructure can prove vital to close such gap in the long run

Source: Digital Agenda Scoreboard 2014, EC

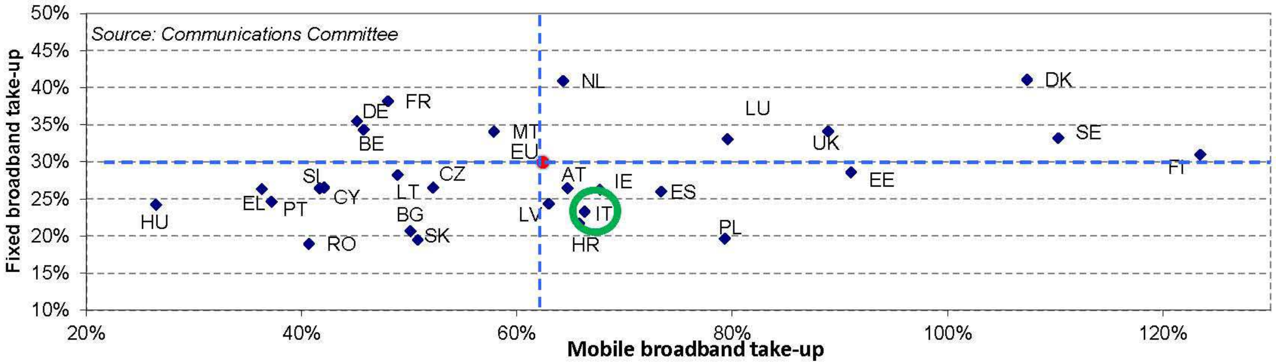
Mobile TLC Segment
Market Overview

Mobile broadband penetration – all active users, January 2014, % of population



Italian market should "simply" leverage on its relative point of strenght: already higher than average mobile penetration

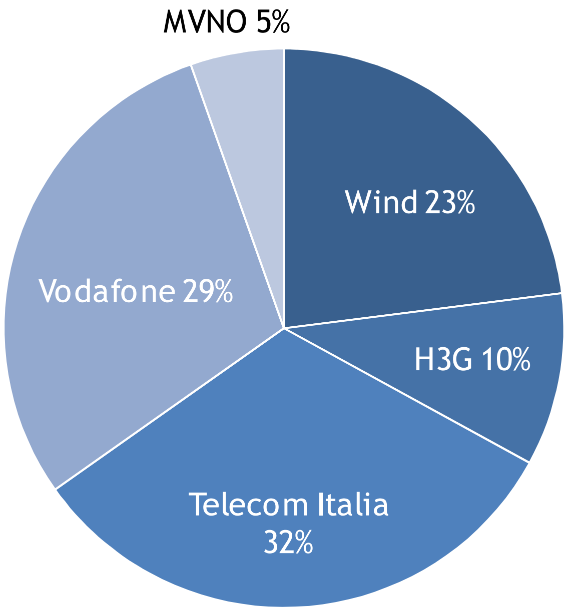
Fixed broadband penetration and mobile broadband take-up, January 2014, % of population



Source: Digital Agenda Scoreboard 2014, EC

Mobile TLC Segment
Mobile Network Operators

- MNO market shares



- Any potential consolidation might have a faster impact on Revenues (e.g. price competition) than on infrastructure.

  In the long term the role of independent tower operators might be reinforced once the pressure on MNOs' margins decreases

Source: Agcom, 2013 data, total number of Sim

Mobile TLC Segment
Wi-Fi and Wi-Max Operators

WI-FI AND WI-MAX OPERATORS

~1,000 operators[1]

3 Relevant EI Towers Clients

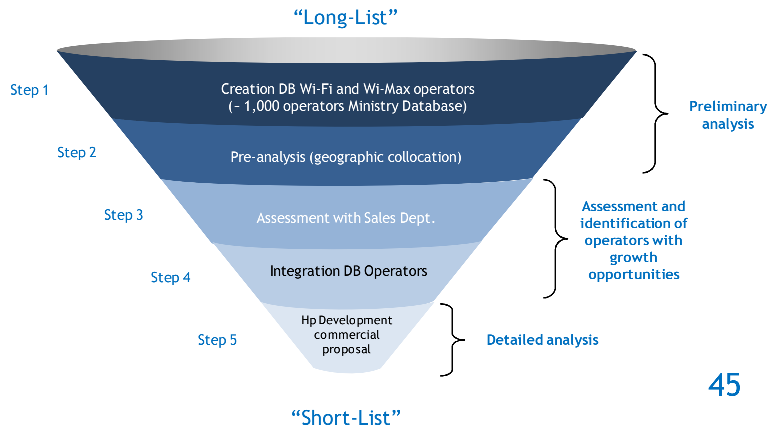
(EIT FY2013 Revenues: €2.1m; FY2014E: €2.2m)

MARKET KEY ELEMENTS

- **Auctions** on regional/provincial basis, for the creation and activation of internet access networks
- Development of **LTE** technology

COMMERCIAL ACTIVITY RATIONALE

- Development of the offer of hosting and fiber integrated services
- Identification of **local operators with growth opportunities**



[1] Ministry of Economic Development, April 2014

EI Towers Targets in Mobile TLC Segment

1. Optimisation of the existing tower portfolio (420 mobile + 450 hybrid):
   - → Search for residual marginal volume growth

2. Integration of portfolios from M&A in progress
   - Sart: 11 towers
   - Hightel: ~80 towers + Real Estate activity
     (**Business Plan assumption**: closing completed by year end)

3. Selection of Wi-Fi/Wi-Max operators combining growth potential and solid financial profile

4. Development of partnership with MNO willing to increase coverage

   Business Plan assumption:
   - Towertel deployment of **100 new mobile sites** (2015-2017)

Mobile TLC Segment
Mobile Network Operators

5. M&A: continued focus on small **accreptive** portfolios

   Business Plan assumptions:

   - **One additional portfolio** in Central Italy generating €0.3m EBITDA
     Current status: Due Diligence
   - **Other 3 portfolios** under analysis **not included**
   - **Hightel Development Agreement not included**

6. Careful scrutiny of **Internet of Things**
   Project team at work
   Business Plan assumption: not included

Towertel is the development HUB for Mobile TLC activity of EIT Group

Business Plan Financials

Business Plan Financials
Key Assumptions & Perimeter

- **Italian CPI Assumptions:**
  - YE2014E (FY2015E Revenues): 0%
  - YE2015E (FY2016E Revenues): 0.75%
  - YE2016E (FY2017E Revenues): 1.0%
  - YE2017E (FY2018E Revenues): 1.0%

- **Business Plan Activity Perimeter:**
  - **Including:**
    - Cairo Mux contract
    - Development of 100 new mobile TLC sites by Towertel
    - 3 “Mom and Pop” tower portfolios acquisitions (Hightel, 1 mobile, 1 broadcast)
  - **Excluding:**
    - 4 “Mom and Pop” tower portfolios in the radar screen (3 mobile, 1 broadcast)
    - Development of new mobile TLC sites under the Hightel frame agreement
    - Transformational M&A in mobile/broadcasting segments

Business Plan Financials
Revenues Segment Projected Growth

- Revenues 2014/18E CAGR[1] by segment:
  - National TV Broadcasters: ~+2%[2]
  - National Radio: flat
  - Mobile Network Operators: ~+7%[3]
  - Other TLC Technologies (Wi-Fi, Wi-Max): ~+5%
  - Local TV & Radio, Others: ~-1%

Total Revenues 2014/18E CAGR ~+3%

[1] *CAGR based on FY2013 actual figures*
[2] *Under the hypothesis that current contract with main TV national client (Mediaset Group) will be renewed at same terms and conditions*
[3] *Hightel acquisition consolidated, excluding the contract for the development of new sites*

Business Plan Financials
Profit & Loss Headlines

- **Steady margin accretion, notwithstanding the low CPI assumptions**

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

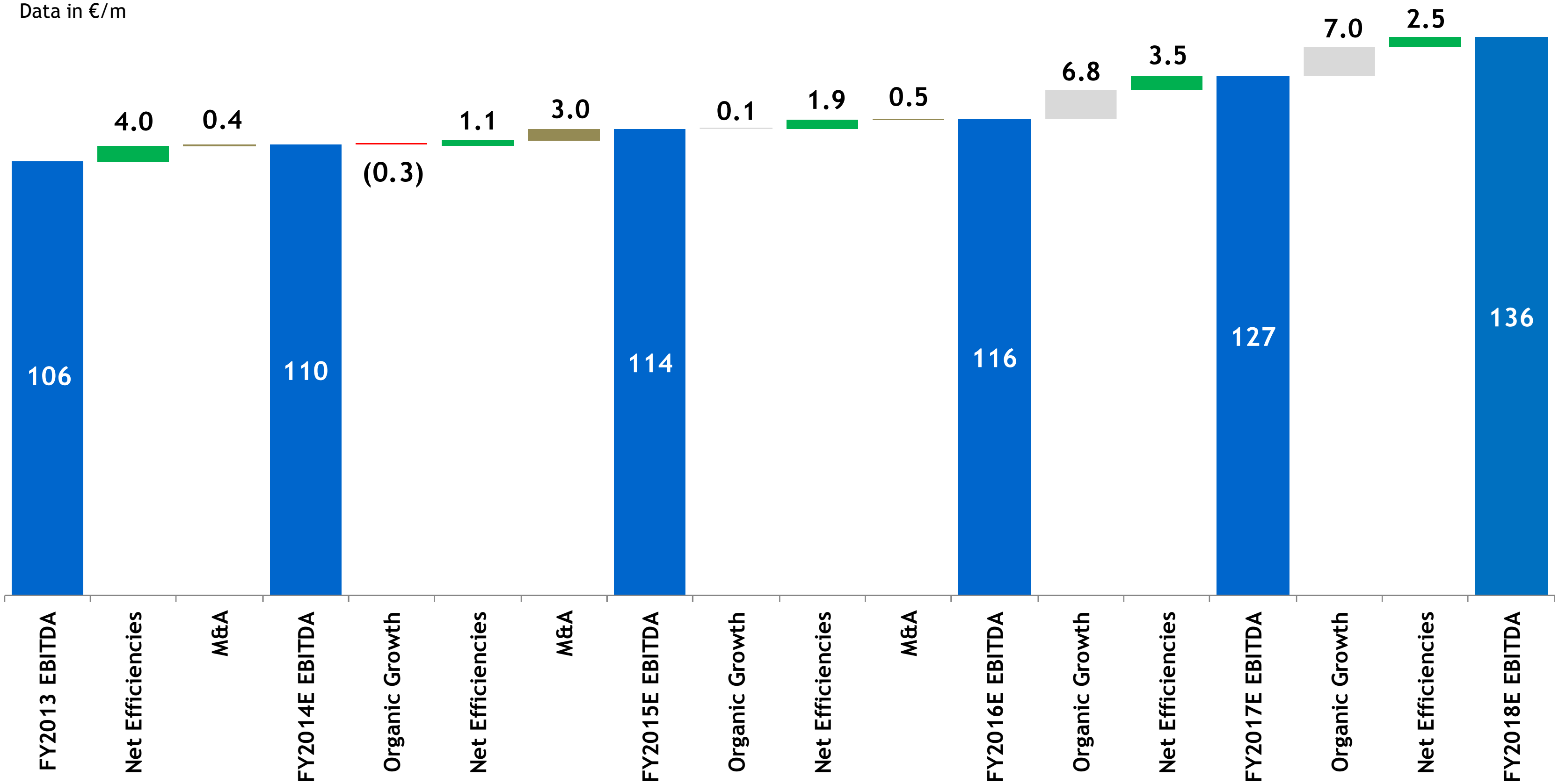
[1] CAGR based on FY2013 actual figures

Business Plan Financials

EBITDA Bridge[1]

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

Data in €/m



[1] *EBITDA absolute values are rounded figures*

Business Plan Financials
EBITDA Growth Breakdown

- EBITDA will grow by ~€30m over the Business Plan period (FY2014-18E), driven by:
  - Organic Growth[1]: ~€13.6m
    - In a very low CPI scenario, EBITDA organic growth will be mainly concentrated in the last two years
  - Visible "Mom and Pop" M&A transactions, contributing almost ~€4m
  - Net Cost Efficiencies: ~€13m
- Search for new efficiencies will be a continuous effort in order to enhance the cash flow profile of the Company

[1] *Including Cairo contract under a base case scenario (penalty of €2m) and the development of 100 new TLC sites by Towertel*

Business Plan Financials
More Colour on Efficiencies

- **In the first two years of activity**, EI Towers was able to deliver 2012-16E old Business Plan efficiency targets three years ahead on schedule:
  - **€15m of P&L Net Efficiencies**
  - **Strong Ordinary Capex Reduction**
    - Old target 2012-16E: €20m per annum
    - FY2013: €10.2m

- FY2014 will show the continuous focus on G&A/Opex/Ordinary Capex
  - EBITDA guidance: ~€110m (benefitting from €4m of additional efficiencies vs FY2013)
  - <u>New Ordinary Capex Guidance: €11m</u>

- **Current and future actions over the new Business Plan time horizon will be more surgical and will keep on addressing Opex/Ordinary Capex**
  - <u>Fine tuning on Opex (supply of Goods and Services) and Ordinary Capex</u>
  - <u>Analysis focused on other cost categories (e.g. technology)</u>

Business Plan Financials
Cash Flow Profile

- **"EBITDA-Ordinary Capex", one of the most important metrics, will grow up to €125m with a 6% CAGR**

Data in €/m	2013	2014E	2015E	2016E	2017E	2018E	CAGR 2014E-18E[1]
EBITDA	**106**	**110**	**114**	**116**	**127**	**136**	**5%**
ORDINARY CAPEX	**(10)**	**(11)**	**(12)**	**(12)**	**(12)**	**(11)**	
DEVELOPMENT CAPEX		-	(7)	(1)	-	-	
M&A CAPEX		(22)	(11)	-	-	-	
TOTAL CAPEX	(10)	(34)	(30)	(13)	(12)	(11)	
EBITDA - CAPEX	95	76	84	103	115	125	
EBITDA - ORDINARY CAPEX	**95**	**99**	**101**	**104**	**115**	**125**	**6%**

+32%

[1] *CAGR based on FY2013 actual figures*

Business Plan Financials

2012-16E old Business Plan vs 2014-18E new Business Plan

- Projecting the old 2012-16E Business Plan financials under the new CPI assumptions, and comparing it with the 2014-18E new Business Plan, results of the analysis show an interesting outcome:
  - EBITDA 2018E of the new Business Plan would be higher by ~€13m, or €9m excluding "Mom and Pop" M&A transactions
  - "EBITDA-Capex" 2018E would be ~€22m or 21% higher
- This analysis shows how the company has been able to tackle costs and is still very focused on squeezing Opex and Capex in order to enhance Shareholders' value, with a solid financial discipline

Business Plan Financials
Sensitivity to CPI

- **"ECB Target"[1] Case and EBITDA accretion**

		2013	2014E	2015E	2016E	2017E	2018E	CAGR 2014-18E[2]
BUSINESS PLAN	Revenues	233	234	241	244	253	264	3%
	EBITDA	106	110	114	116	127	136	5%
	margin%	*45%*	*47%*	*47%*	*48%*	*50%*	*52%*	
	EBIT	58	67	73	76	89	101	12%
	CPI Assumptions			-	*0.75%*	*1.0%*	*1.0%*	
SENSITIVITY	Revenues	233	234	241	244	255	268	3%
	EBITDA	106	110	114	117	128	140	6%
	margin%	*45%*	*47%*	*47%*	*48%*	*50%*	*52%*	
	EBIT	58	67	73	77	90	105	12%
	CPI Assumptions			-	*1.00%*	*1.5%*	*2.0%*	

[1] Company's assumptions on CPI timeframe
[2] CAGR based on FY2013 actual figures

Business Plan Financials
Capital Structure

- The tower sector in Italy is still very sparkling
- EI Towers is the natural participant to a consolidation of the Italian tower sector, both in the mobile segment, and in the broadcasting one
  - When (and if) transformational transactions are fully visible in the M&A market
  - Looking for terms and conditions of potential agreements that must allow strategic industrial fit with a financial accretive contribution
- Any transformational transaction, given the current low company's gearing (Net Debt/EBITDA ~1x), will improve the efficiency of the company's capital structure
- In absence of visibility on transformational transactions in the next quarters, EI Towers management view is to proceed with a progressive releverage of the company up to 2.5x Net Debt/EBITDA[1] within the Business Plan time horizon

[1] *Gearing level compatible, according to Company's estimates, with an Investment Grade rating status*

9M2014 Results

EIT 9M2014
Highlights

P&L and Cash Flow results confirm the positive trend…

- **€3.4m net cost efficiencies delivered in 9M2014**
  - On track with FY2014 efficiencies guidance (~€4.0m)

- **Adjusted EBITDA at €83.3m (+3.3% yoy)**
  - Result on track with FY2014 guidance
  - **Adj. EBITDA margin at 47.7%**
  - **140bps of yoy margin expansion**

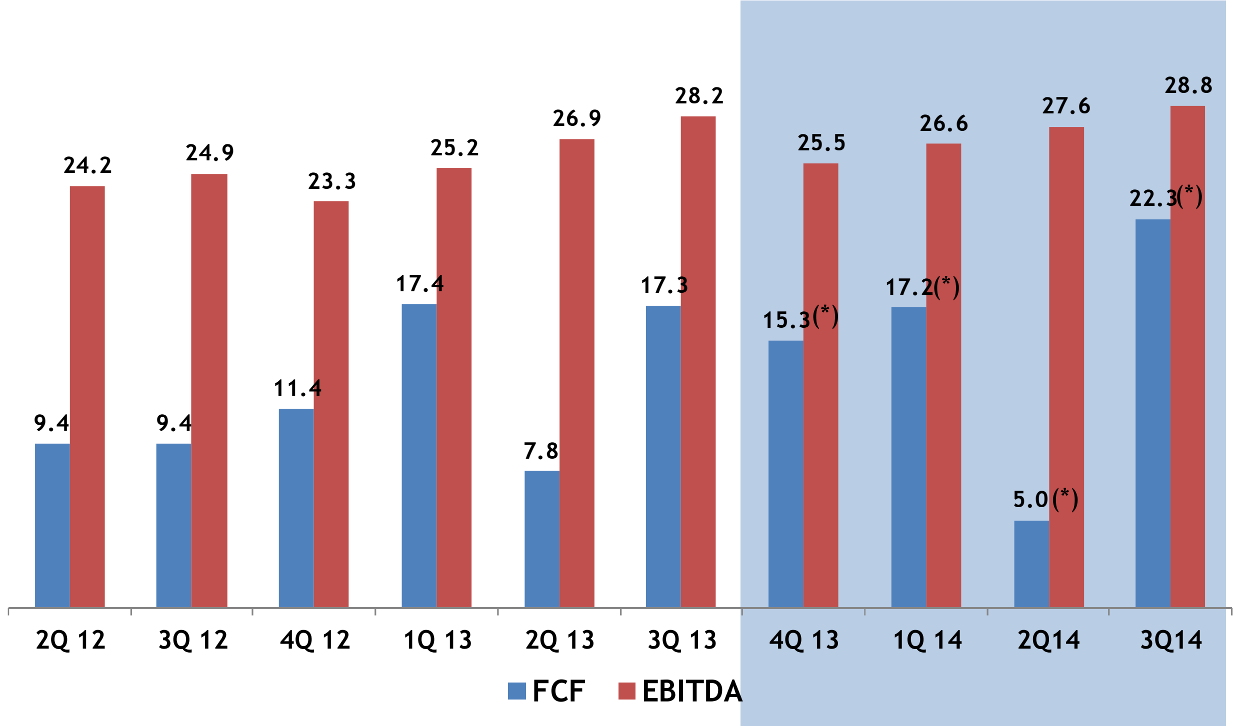
- **Net Debt at €107.5**
  - Net Debt/LTM EBITDA ratio: ~1x

- **In a low-inflation scenario, the sound cash flow conversion is structurally preserved by efficiencies**

…on track with Full Year targets…

EIT 9M2014
Cash Flow Profile

…sound Free Cash Flow generation…



- LTM Free Cash Flow = €59.8m
- LTM FCF/EBITDA = 55%

*…resulting in a Free Cash Flow Yield at 5.6%***

(*) Reallocation of €11.9m cash out for 2013 taxes from 4Q2013 to 2Q2014 and before M&A expenses for €3.8m in 1Q2014 and €5.0m in 3Q2014
(**) Calculated on average market capitalization Oct 1, 2013 - Sept 30, 2014 of €1,061m (Source: calculation on Bloomberg data)

EIT 9M2014
P&L

9M2014 EBITDA margin increased by 140bps vs 9M2013…

9M2014 Financial Headlines

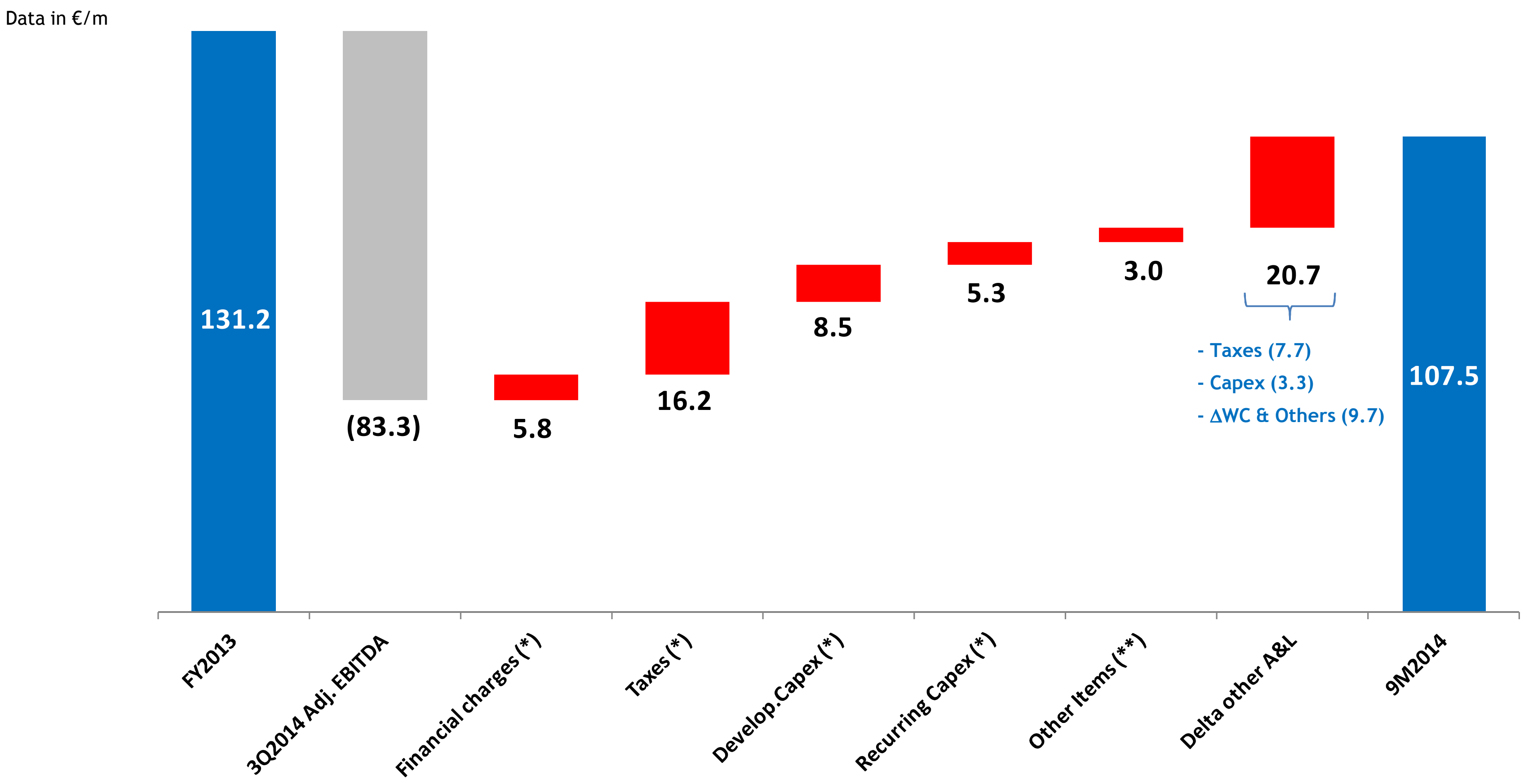
Data in €/m	9M2013	9M2014	Var. % YoY
Core Revenues	**174.0**	**174.8**	**0.4%**
Other revenues	0.8	0.1	
Total Revenues	**174.8**	**174.9**	**0.0%**
Operating costs	**(94.2)**	**(91.6)**	**-2.8%**
- o/w Opex	*(63.5)*	*(60.1)*	*-5.4%*
- o/w Labour Cost (*)	*(30.6)*	*(31.5)*	*2.7%*
Adj. EBITDA	**80.6**	**83.3**	**3.3%**
% on Core Revenues	***46.3%***	***47.7%***	
Non recurring items (**)	(0.3)	(0.3)	
EBITDA	**80.3**	**83.0**	**3.4%**
D&A (***)	(33.5)	(31.7)	*-5.6%*
EBIT	**46.8**	**51.4**	**9.8%**
Net financial charges	(5.8)	(5.8)	*-0.2%*
EBT	**41.0**	**45.6**	**11.2%**
Income taxes	(14.7)	(16.2)	*10.4%*
Net income	**26.3**	**29.3**	**11.6%**
EPS (€)	**0.93**	**1.04**	**11.6%**

Δ^- volumes from local TVs, offset by Δ^+ volumes from TLC clients

Continuous opex reduction, in line with FY 2014 target

(*) Excluding ancillary costs also associated with personnel for €0.8m/€0.7m in 9M2013/14
(**) Lay-offs
(***) Including (€1.875ml) amortization of non compete agreement with the former DMT CEO

EIT 9M2014
Cash Flow



(*) Accounting figures
(**) Including NCA and lay-offs

EIT 2014 Outlook

- EBITDA at ~€110m
- Tax rate 35/36%
- Maintenance Capex ~€11m
- Small M&A Capex ~€22m
- Net Debt ~€100m
- The Company is on track to reach FY2014 targets

For more information please contact:

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