EI TOWERS

Berenberg European Conference USA 2015

Tarrytown, 19th May 2015

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.

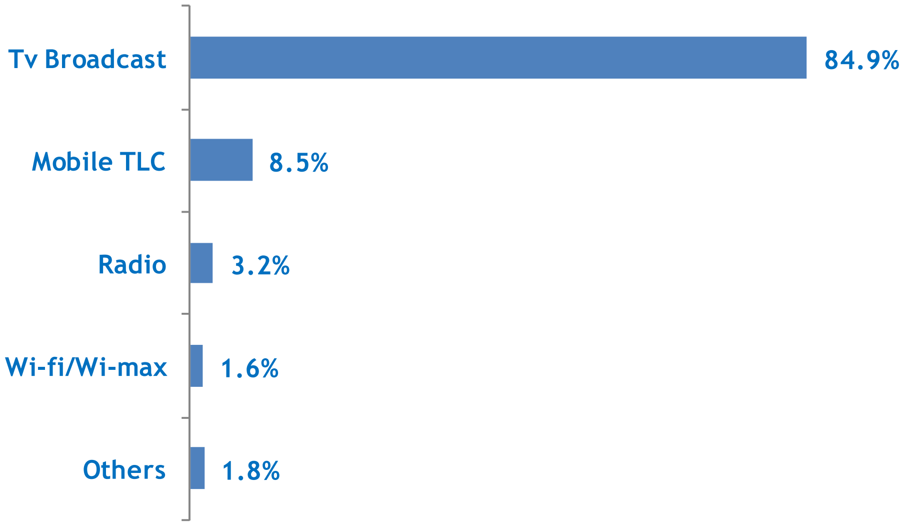
Any reference to past performance of EIT shall not be taken as an indication of future performance.

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

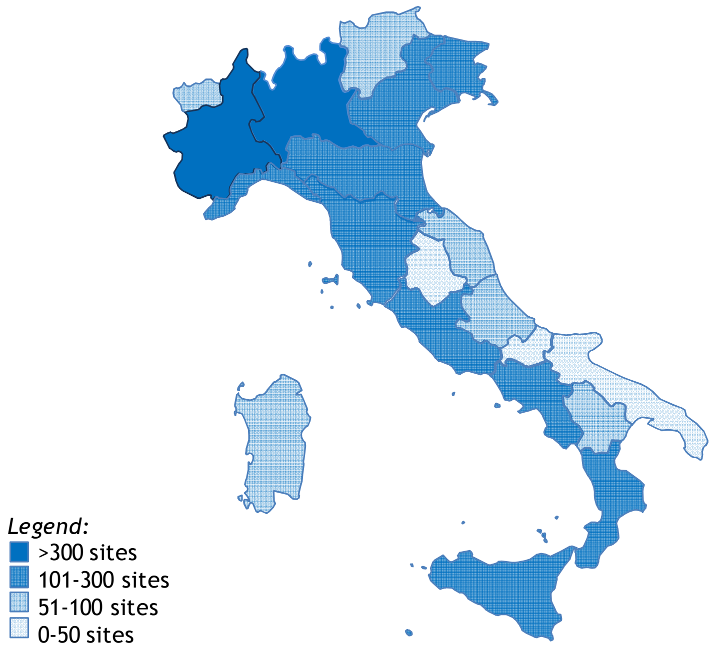
The executive responsible for the preparation of the accounts of EI Towers SpA, Fabio Caccia, declares that, as per art. 2, 154 bis of the Consolidated Finance Law, the 2014 and 2015 accounting information contained in this release corresponds to that contained in the company's formal accounts.

Company Snapshot
Revenues Profile and Geographical Presence

- **Revenues Breakdown[1]**



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



[1] Core Revenues FY2014
[2] Excluding a tower portfolio whose acquisition could be closed within July 2015

1Q2015 Results

EIT 1Q2015
Highlights

1Q2015 results on track with Full Year 2015 guidance

- **Net cost efficiencies in line with FY2015 target (€1.1m)**
  - Total opex increase by €0.1m, mainly due to Δ perimeter (SART and Hightel)
  - Excluding Δ perimeter, total opex decrease by 1% yoy
- **First Quarter Adjusted EBITDA at €28.3m (+5.6% yoy)**
  - Result, before extraordinary items, in line with FY2015 guidance
  - Adj. EBITDA margin at 47.6% (+140 basis points vs 1Q2014)
  - Reported EBITDA at €26.5m
- **Sound Free Cash flow generation confirmed**
  - €13m Net Free Cash Flow
  - Normalized figure, before small M&A/development capex, at €13.6m

EI TOWERS

EIT 1Q2015

P&L

1Q2015 EBITDA growth in line with 2015 guidance and Business Plan target…

1Q 2015 Financial Headlines

Data in €/m	1Q 2014	1Q 2015	Var. % YoY
Core Revenues	**57.9**	**59.4**	**2.6%**
Other revenues	0.0	0.0	
Total Revenues	**57.9**	**59.4**	**2.6%**
Operating costs	**(31.1)**	**(31.2)**	**0.1%**
- o/w Opex	*(20.4)*	*(20.5)*	*0.4%*
- o/w Labour Cost (*)	*(10.7)*	*(10.7)*	*-0.4%*
Adj. EBITDA	**26.8**	**28.3**	**5.6%**
% on Core Revenues	***46.2%***	***47.6%***	
Non recurring items (**)	(0.2)	(1.8)	
EBITDA	**26.6**	**26.5**	**-0.3%**
D&A (***)	(10.5)	(9.0)	*-13.5%*
EBIT	**16.1**	**17.4**	**8.3%**
Net financial charges	(1.8)	(2.0)	*8.6%*
EBT	**14.3**	**15.4**	**8.2%**
Income taxes	(5.3)	(5.4)	*1.9%*
Net income	**9.0**	**10.1**	**11.9%**
EPS (€)	**0.32**	**0.36**	**11.9%**

Growth rate higher than CPI thanks to:
- Organic growth
- Small M&A

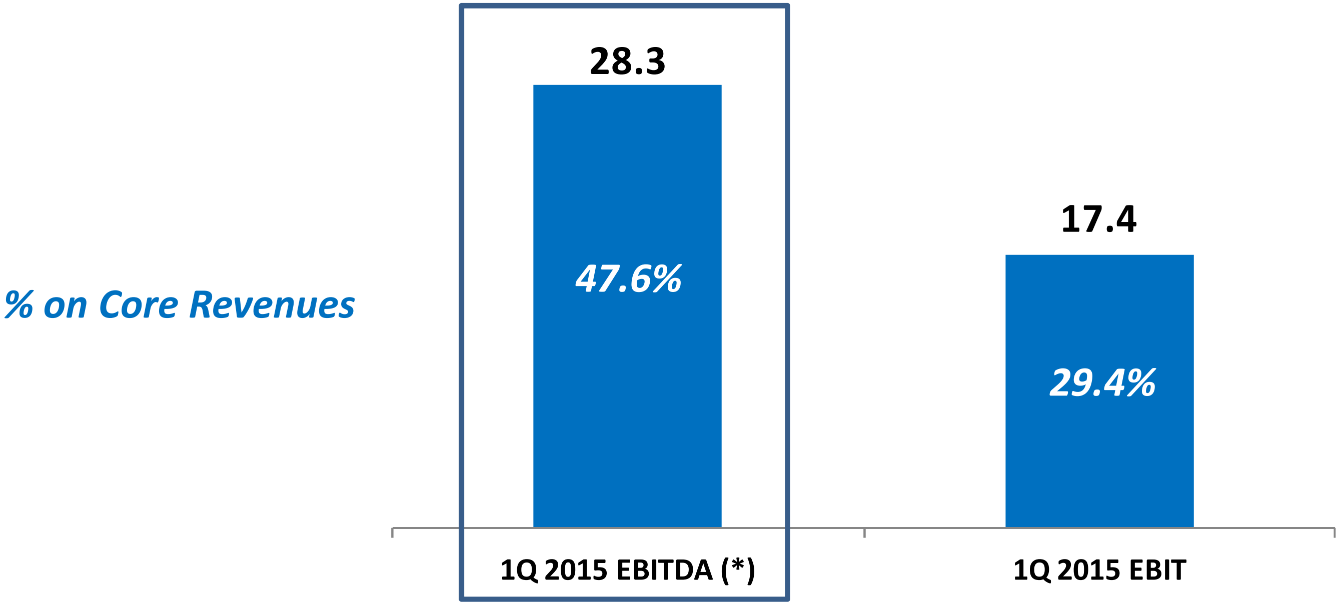
-1% YoY before Δ perimeter

EBITDA growth and margin trajectory in line with Industrial Plan 2014/18 targets

(*) Excluding ancillary costs also associated with personnel for €0.2m in 1Q2014/15
(**) Lay-offs in 1Q2014; lay-offs €0.1m + M&A €1.7 in 1Q2015
(***) Including, in 1Q2014 only, €0.625m amortization of non compete agreement (NCA) with the former DMT CEO

EIT 1Q2015
Margins

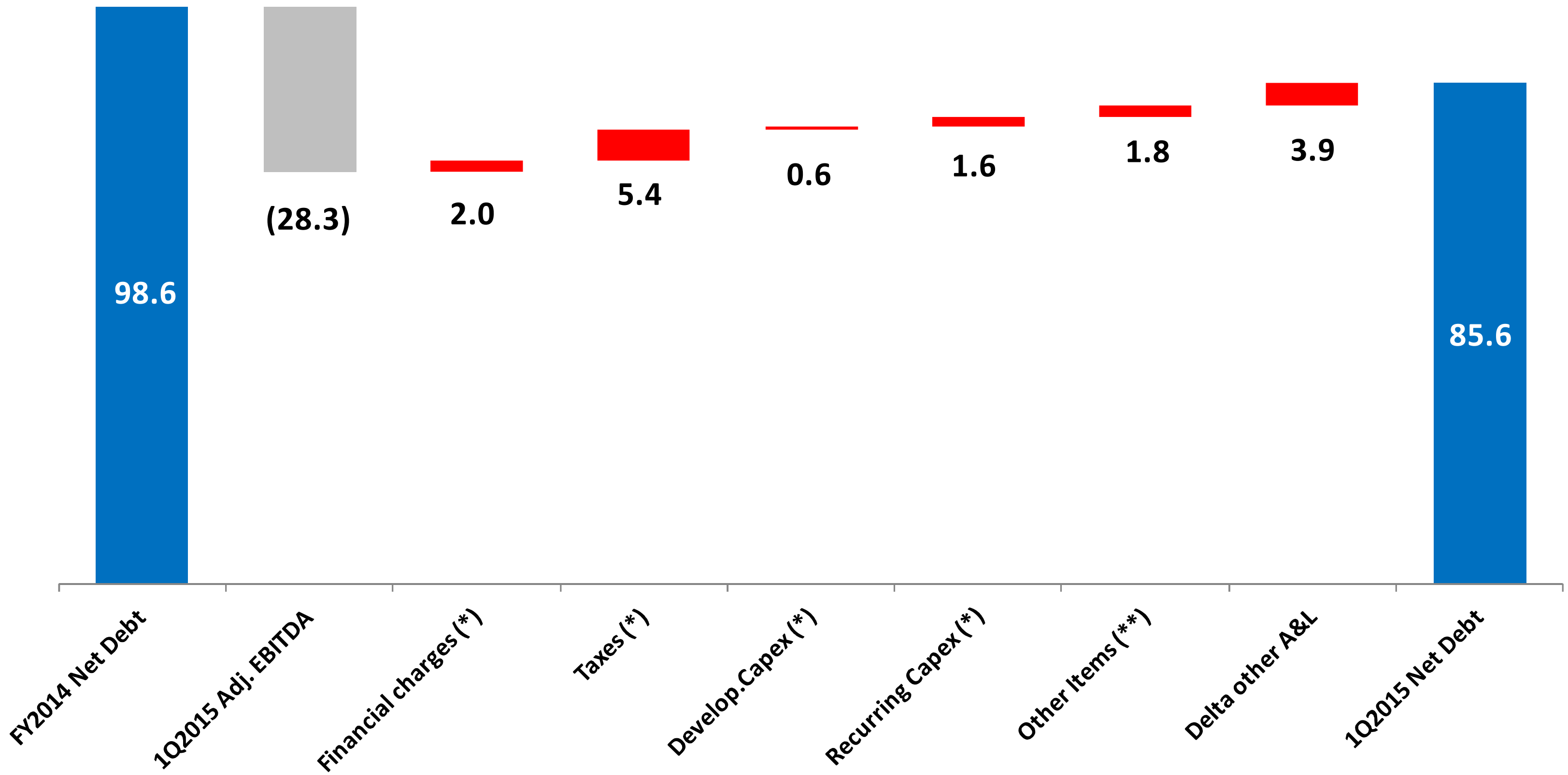
Data in €/m



(*) Adjusted EBITDA, before M&A and lay-offs for a total consideration of -€1.8m

EIT 1Q2015
Net Debt & Cash Flow

Data in €/m



(*) Accounting figures
(**) Including lay-offs and M&A expenses

Recent Events

EIT General Shareholders’ Meeting

- **New Board of Directors with 9 members appointed**
- **Co-CEOs mandate confirmed**
- **A dividend equal to €1.10 per share will be distributed:**
  - Dividend cash out equal to ~€31.1m
  - May 18th, 2015 ex date
  - May 20th, 2015 payment date

Recent Events
Small M&A Transaction

- **Towertel, subsidiary of EI Towers, signed a binding agreement for the acquisition of 100% of Shareholders' Capital of Tecnorad Italia SpA**
  - Tower portfolio located in Central Italy
  - 134 sites, o/w 63 owned
  - Telecommunications clients represent ~80% of Revenues and EBITDA
  - EBITDA ~€2m(*)

- **Enterprise Value ~€16.5m**
  - €5.0m advance payment on 24th April 2015, at signing
  - Final settlement expected before end July 2015

- **New small M&A target portfolios are being analysed**

(*) Active contracts - Ground lease

EIT 2015 Outlook

- **Adjusted EBITDA(*) at €114m confirmed**
- **D&A <€40m**
- **Tax rate confirmed at 35%**
- **Capex:**
  - Cairo Agreement capex ~€15m(**)
  - Ordinary capex ~€12m
  - Visible FY2015 small M&A capex ~€25/30m (including Tecnorad Italia SpA)
- **€105m < Net Debt < €110m**

(*) Before non-recurring items (e.g. M&A expenses)
(**) Of which €7m of EI Towers' network upgrade and €8m related to transmitters; €3m additional capex expected in 2016

Financial Calendar 2015

- 28th July: First Half 2015 Results
- 5th November: First Nine Months 2015 Results

Appendix

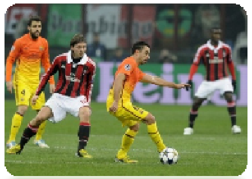
Analysis of the Reference Markets: Broadcast Segment

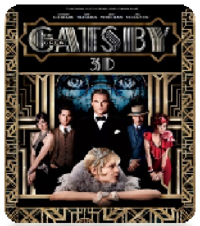
Broadcast Segment
Market Players

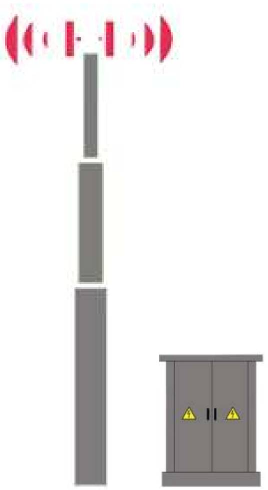
Publishers

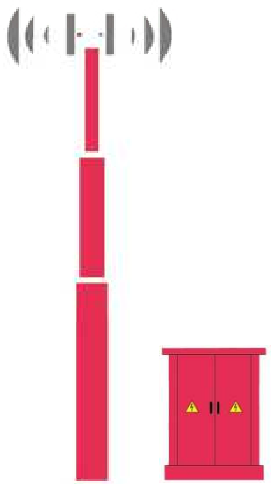
Network Operators

Tower Cos





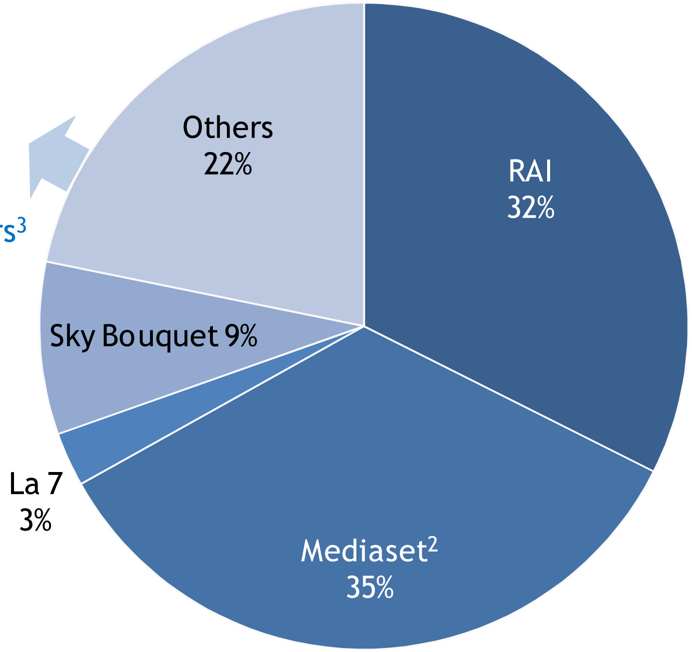




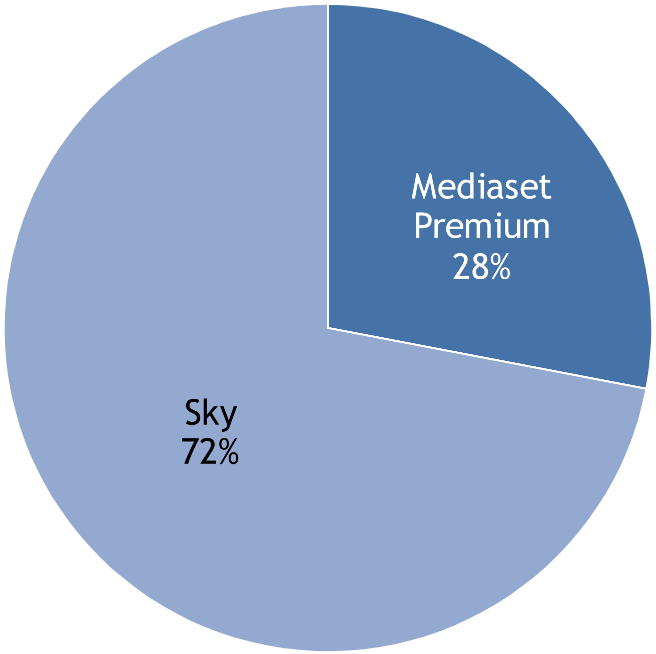
Publishers
Italian TV Market

- **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

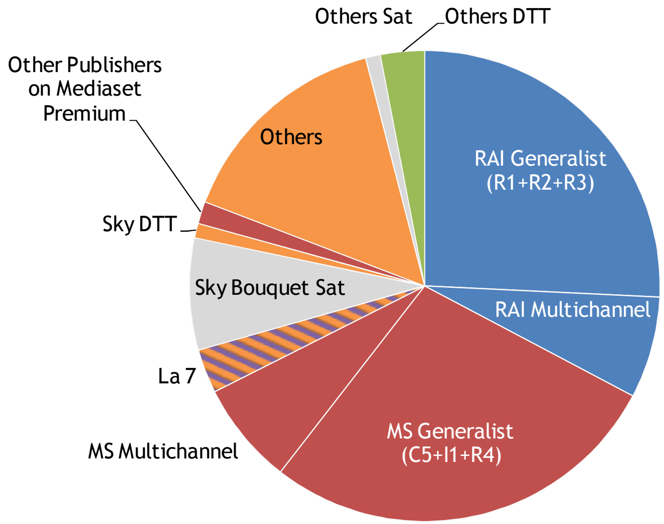
- H3G
- D Free
- Europa 7
- Retecapri
- Cairo Network[1]

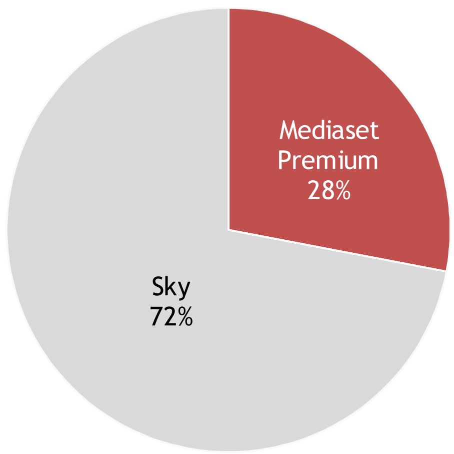
20

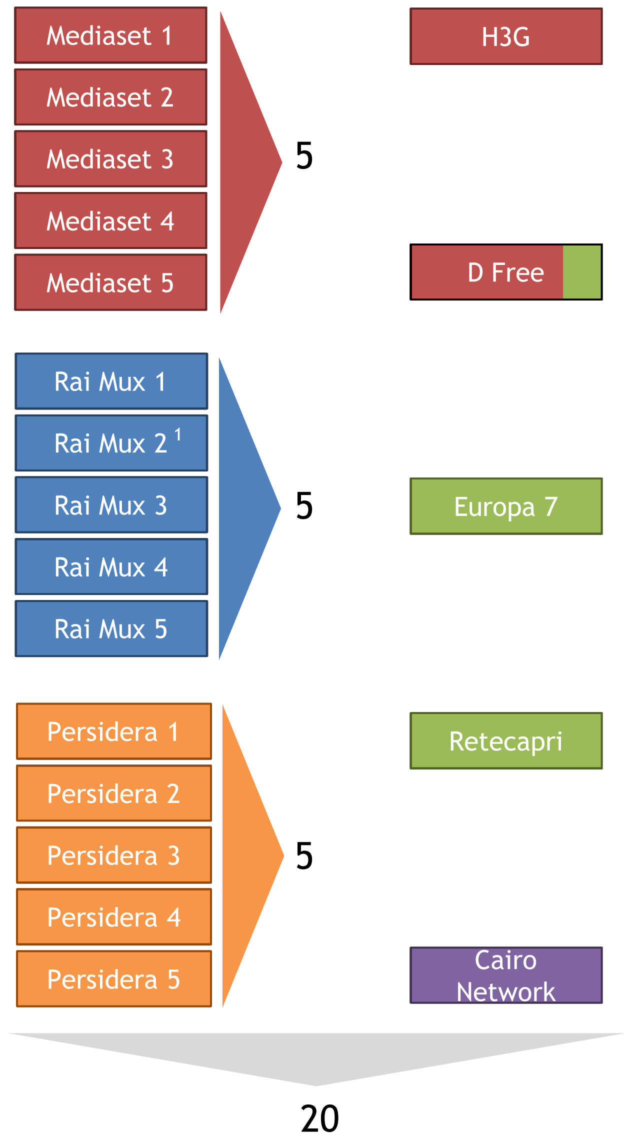
[1] *At regime after 2016/2017*

EI TOWERS

TV Channels Distribution
Allocation within Multiplexes

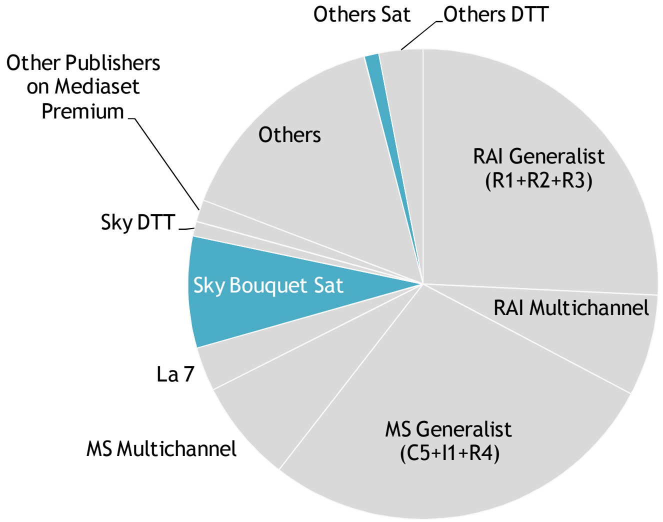


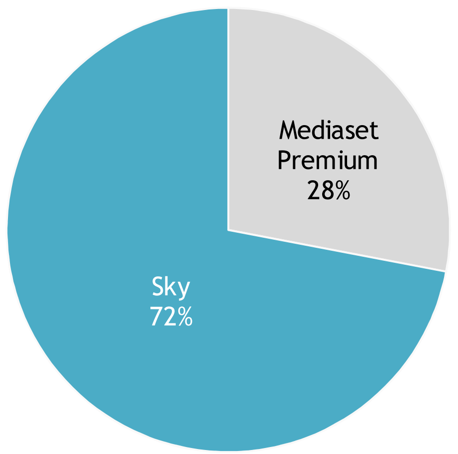




[1] *TV 2000 (Other DTT)*

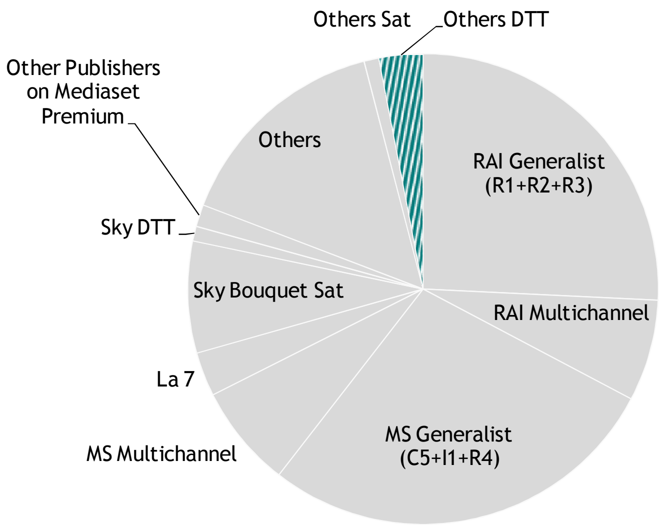
Satellite Offer
Almost Entirely Pay TV-Driven

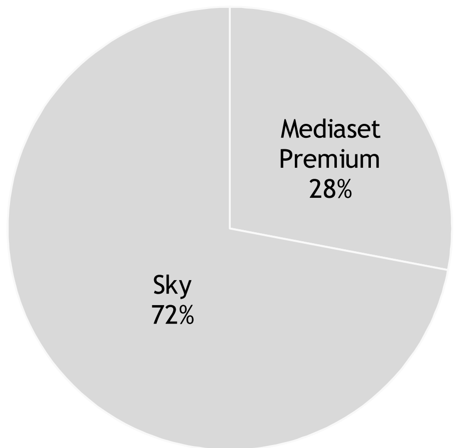


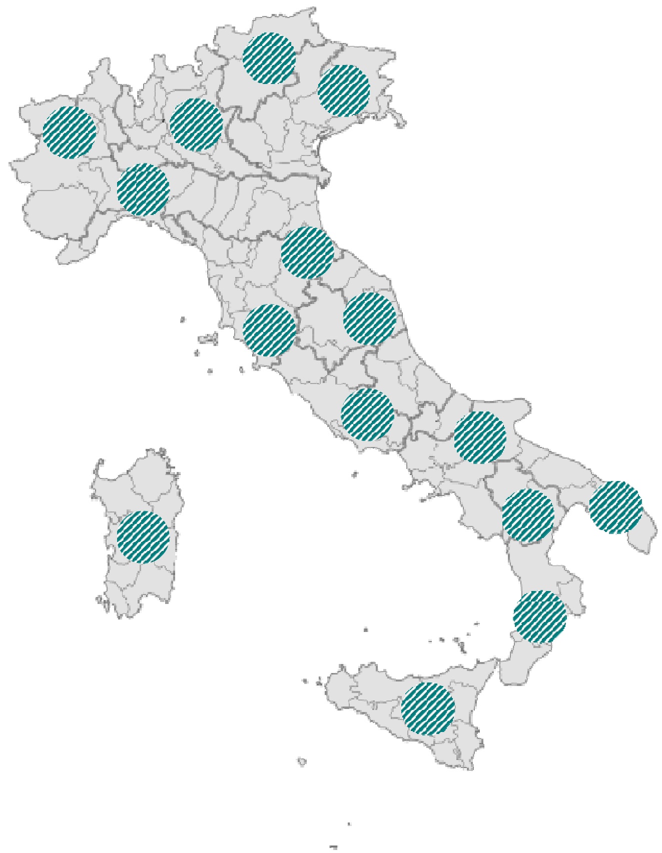


Sky Italia	~4.7m HH
Tivusat	~2.2m HH
	~6.9m HH

Regional Offer
A Patchwork







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*

Efficient Management of Existing Agreements with National TV Players

Distribution platforms penetration

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)*

Efficient Management of Existing Agreements with National TV Players

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

LINEAR

DTT/Satellite

NON LINEAR

Fixed/Mobile broadband

Efficient Management of Existing Agreements with National TV Players

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

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

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

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."

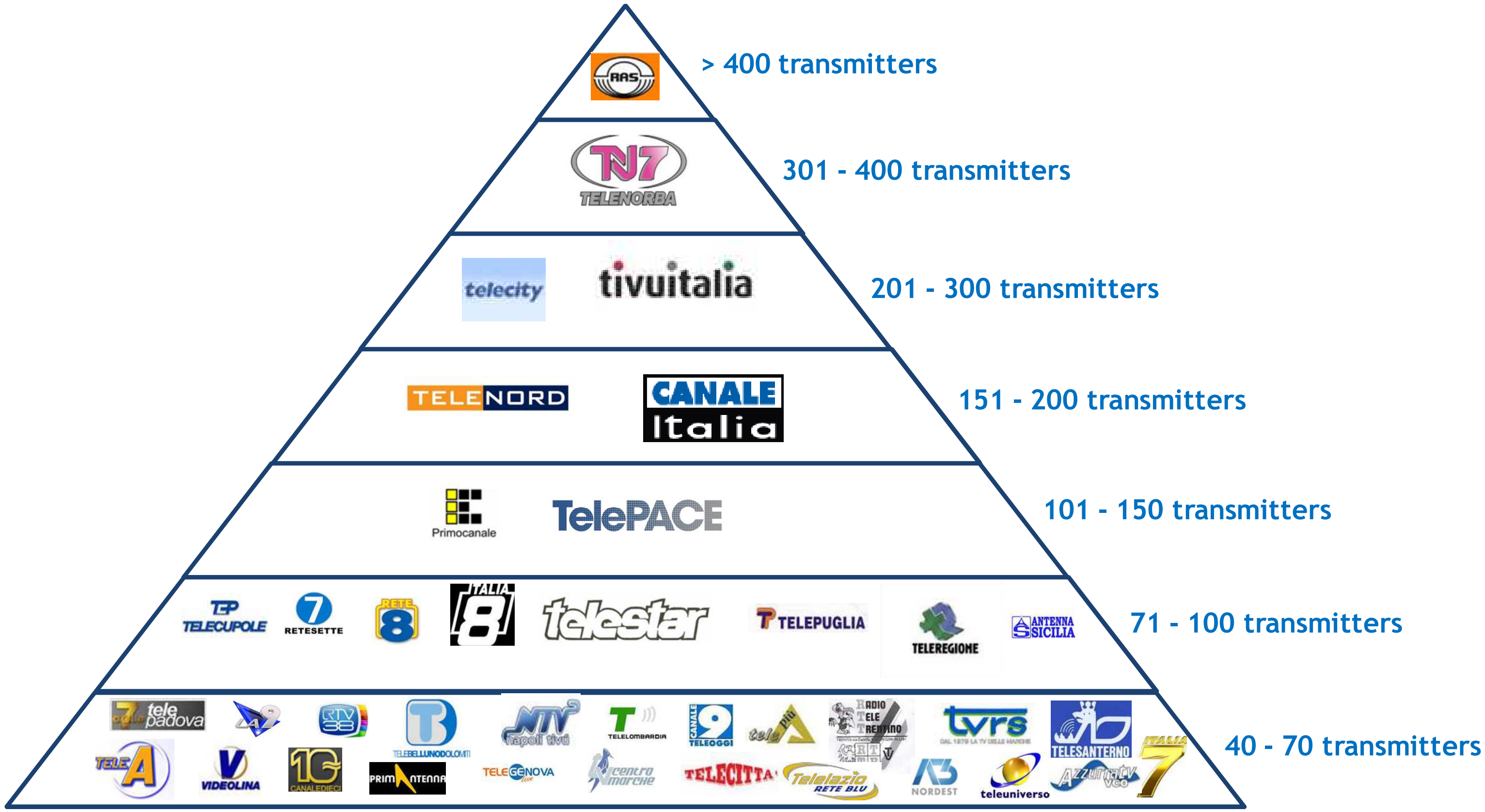
UK

- "…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

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)

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

Radio Broadcast

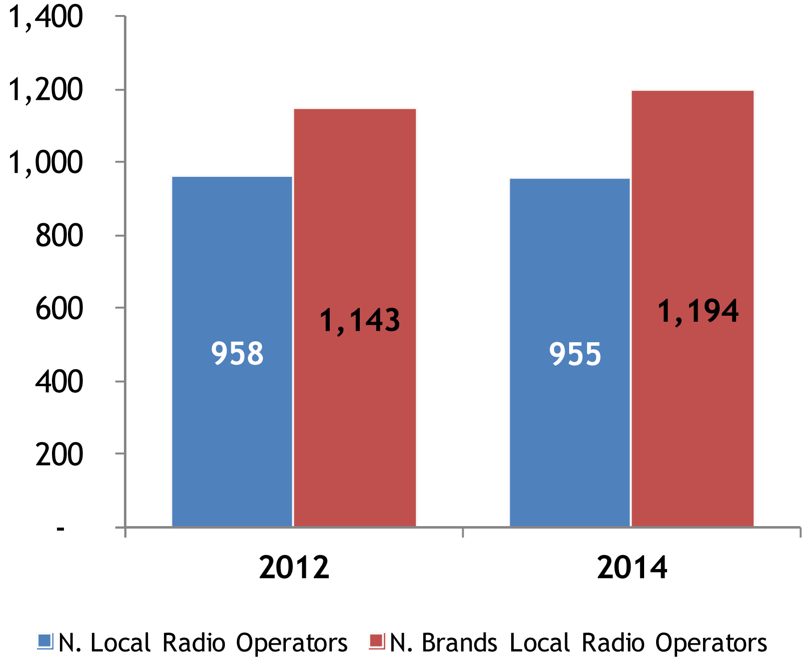
NATIONAL RADIO OPERATORS

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**

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

LOCAL RADIO OPERATORS



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

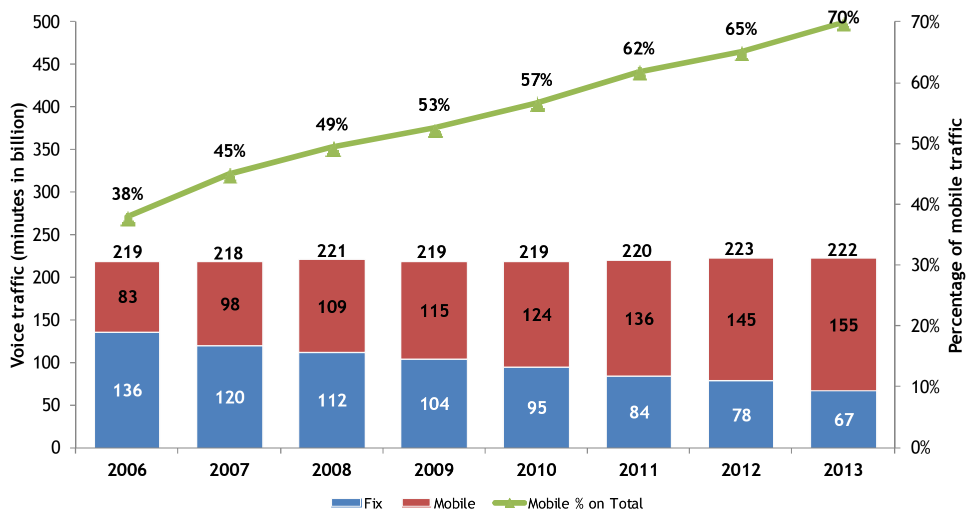
Radio Broadcast

- 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

Analysis of the Reference Markets: Mobile TLC Segment

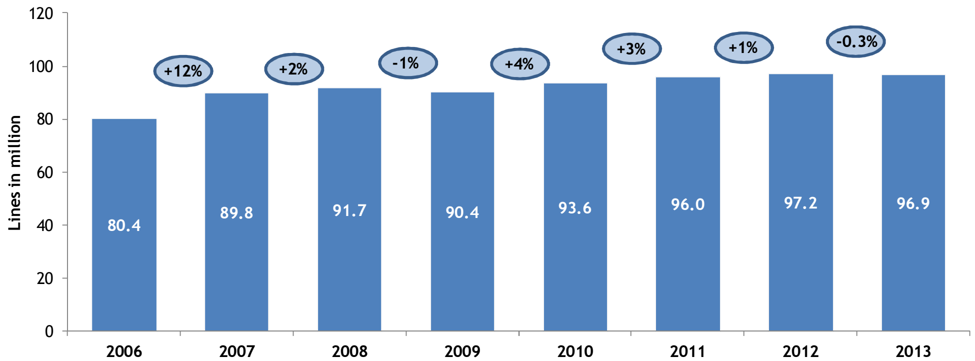
Mobile TLC Segment
Market Overview

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



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

- Number of mobile lines

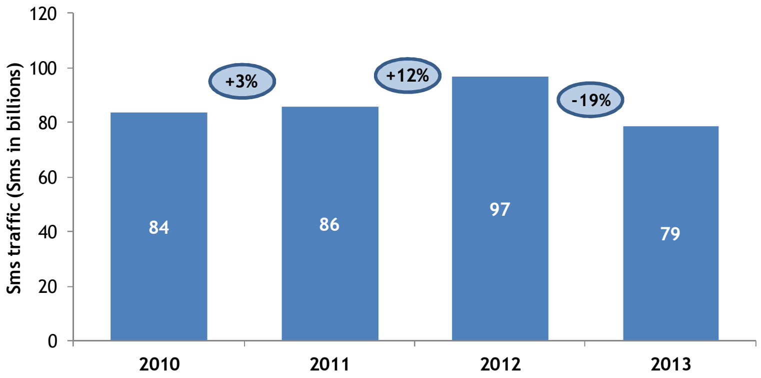


Total number of lines is relatively stable
– increase in usage

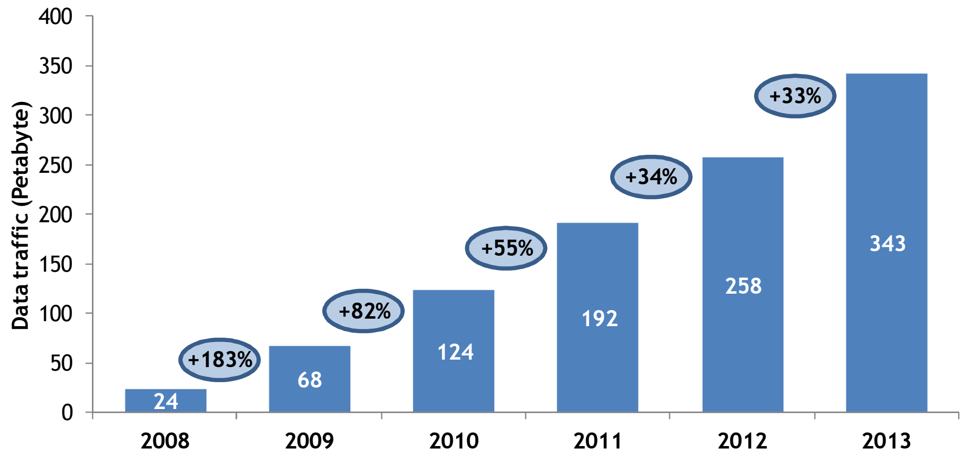
Source: Agcom Annual Reports

Mobile TLC Segment
Market Overview

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



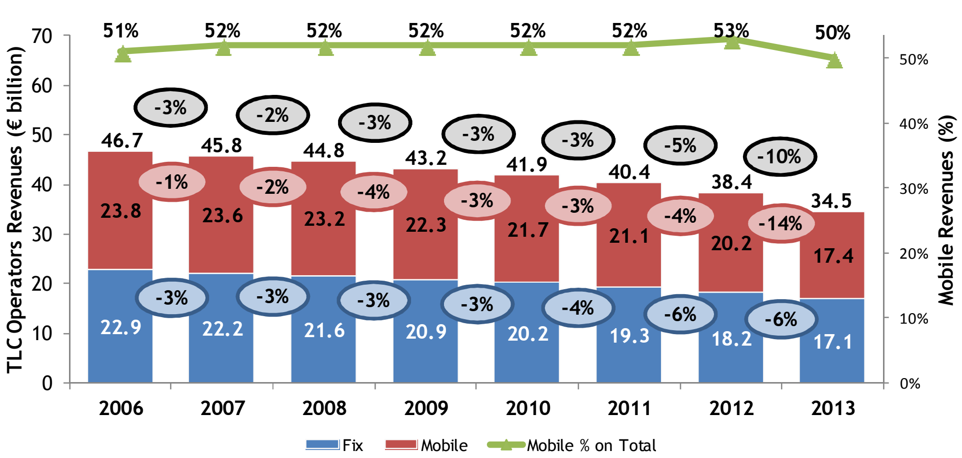
- The overall data traffic shows strong increases

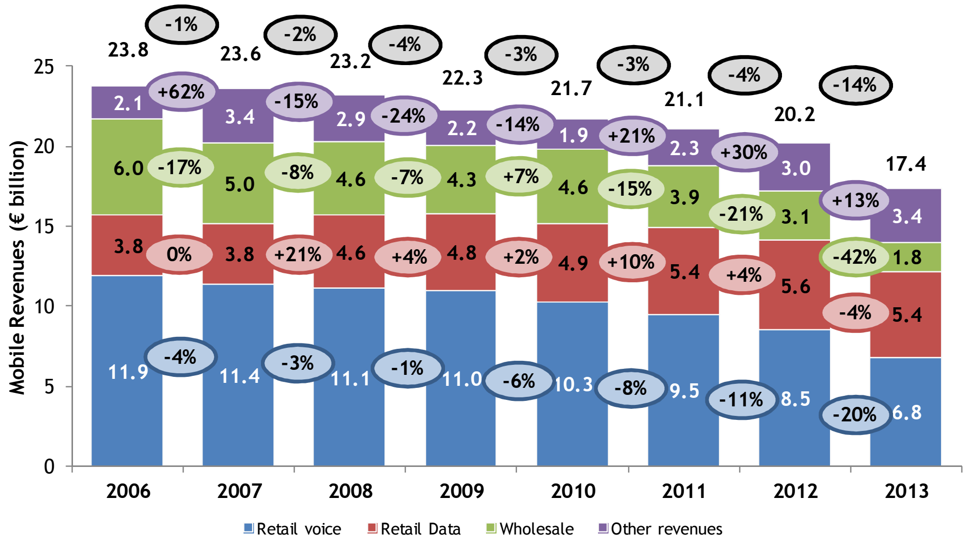


Source: elaboration of Osservatori Digital Innovation Politecnico di Milano on corporate data; Annual Agcom Reports

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

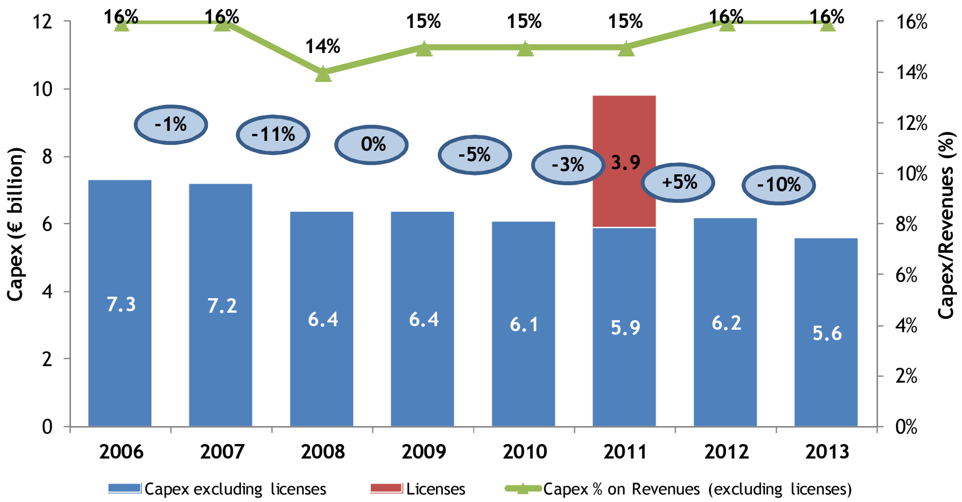


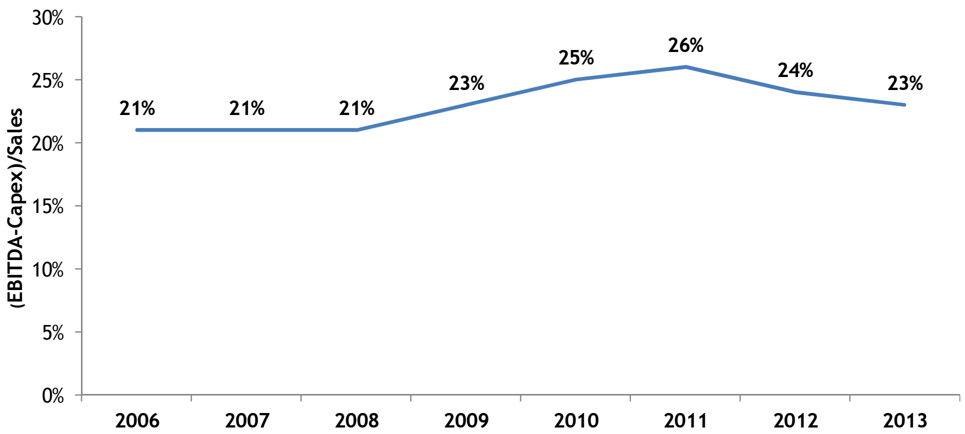


Source: elaboration of Osservatori Digital Innovation Politecnico di Milano on corporate data

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
Wi-Fi and Wi-Max Operators

WI-FI AND WI-MAX OPERATORS

~1,000 operators[1]

3 Relevant EI Towers Clients

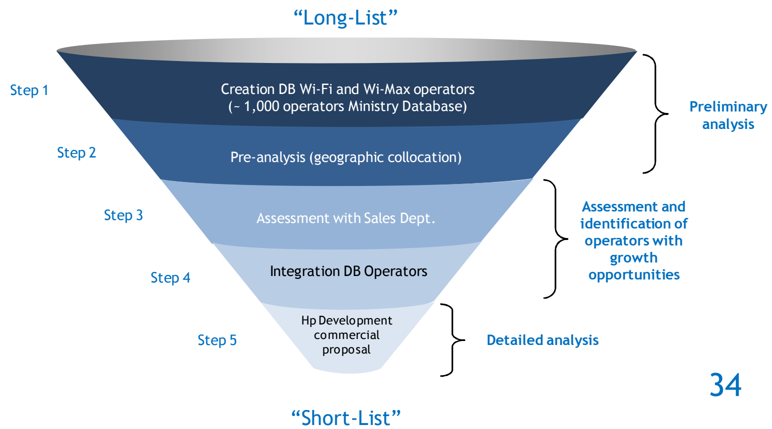
(EIT FY2013 Revenues: €2.1m; FY2014E: €2.2m)

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*

Business Plan Financials

Business Plan Financials
Key Assumptions & Perimeter

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

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

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

Business Plan Financials
Revenues Segment Projected Growth

- Revenues 2014/18E 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

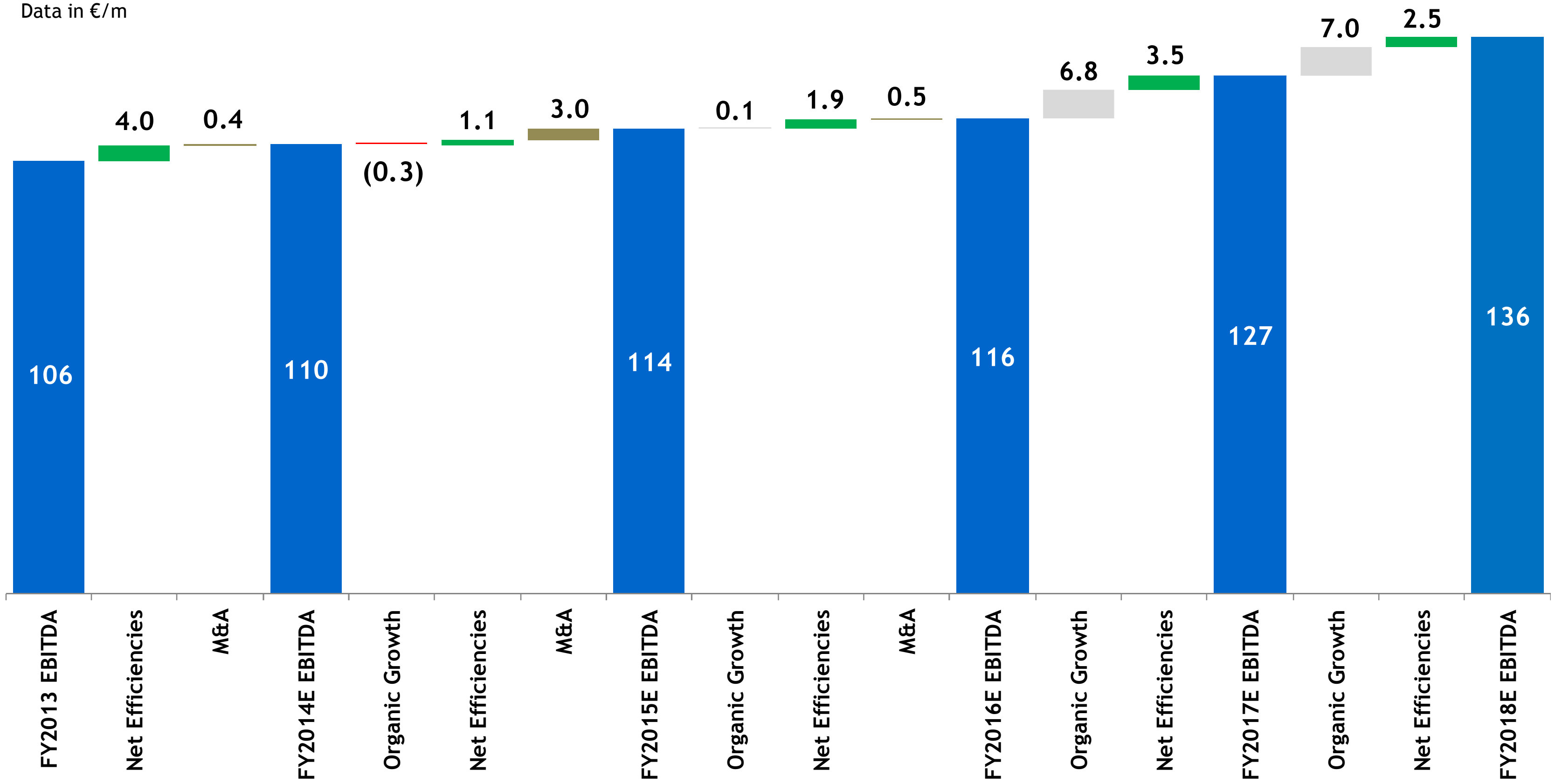
Data in €/m	2013	2014E	2015E	2016E	2017E	2018E	CAGR 2014-18E[1]
Revenues	233	234	241	244	253	264	3%
EBITDA	106	110	114	116	127	136	5%
margin%	*45%*	*47%*	*47%*	*48%*	*50%*	*52%*	
EBIT	58	67	73	76	89	101	12%
CPI Assumptions			-	*0.75%*	*1.0%*	*1.0%*	

[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)
  - New Ordinary Capex Guidance: €11m

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

Business Plan Financials
Cash Flow Profile

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

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

+32%

[1] *CAGR based on FY2013 actual figures*

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