FY2013 Results Presentation

19th March 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 2012 and 2013 accounting information contained in this release corresponds to that contained in the company’s formal accounts.

# EIT FY2013
## Highlights

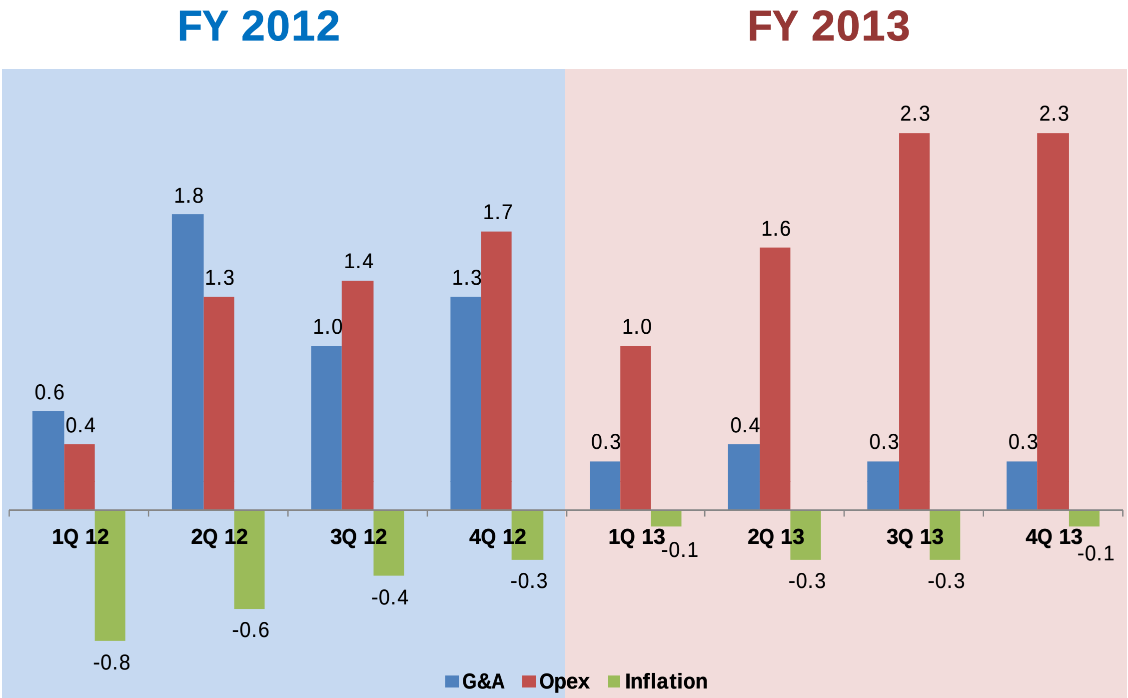
*5 years efficiency plan achieved after 2 years of activity…*

- **€2.5m net cost efficiencies delivered in 4Q2013**
  - €7.4m in FY12 + €7.7m in FY13
- **Full Year Adjusted EBITDA at €106.0m (+11.4% yoy)**
  - Results slightly exceeding FY2013 guidance
  - Adj. EBITDA margin at 45.8%
- **Sound Free Cash flow generation confirmed**
  - €58.0m Free Cash Flow
  - Net Debt/EBITDA ratio = 1.24x
- **Ready to scout growth opportunities with a more efficient cost structure and a flexible balance sheet**

*…for a total amount of €15.1m net efficiencies*

# EIT FY2013
## Efficiency Plan Summary

*Eight quarters of acceleration in cost cutting…*



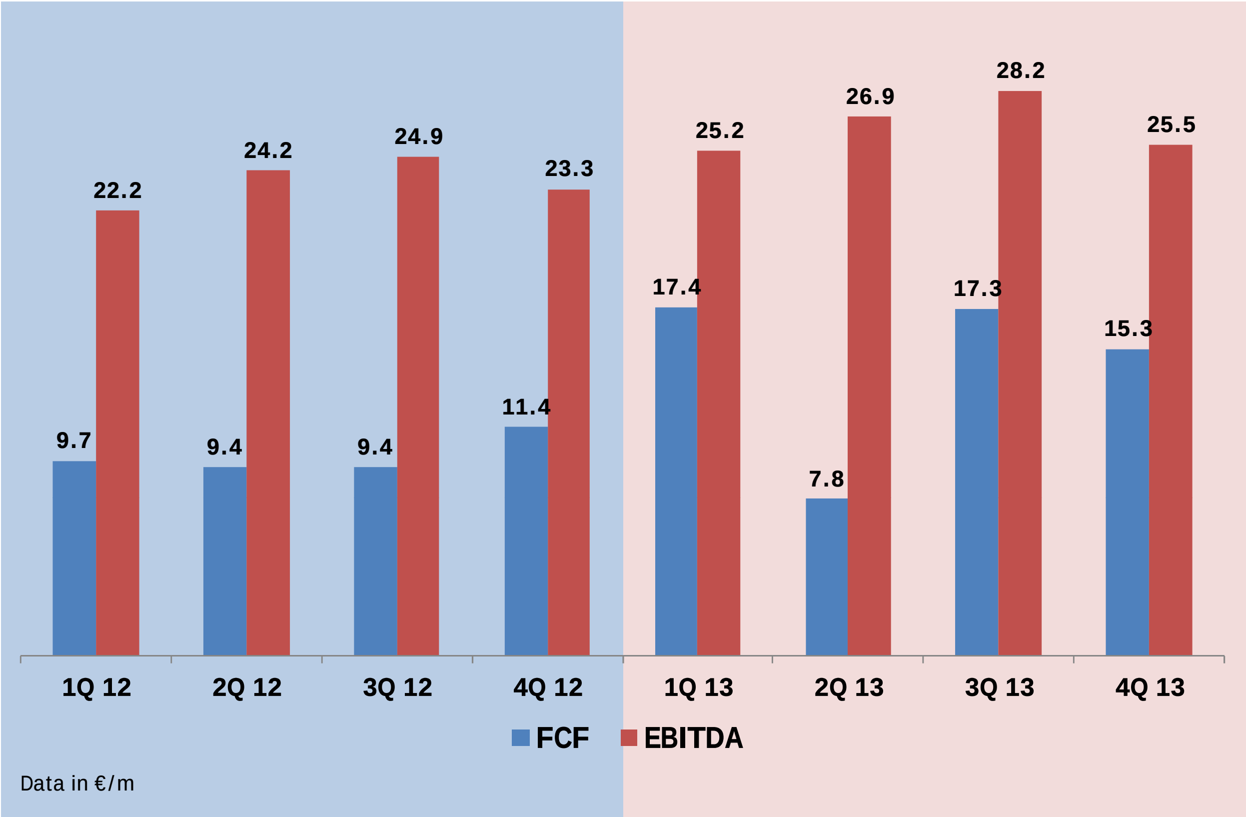

Data in €/m

| 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

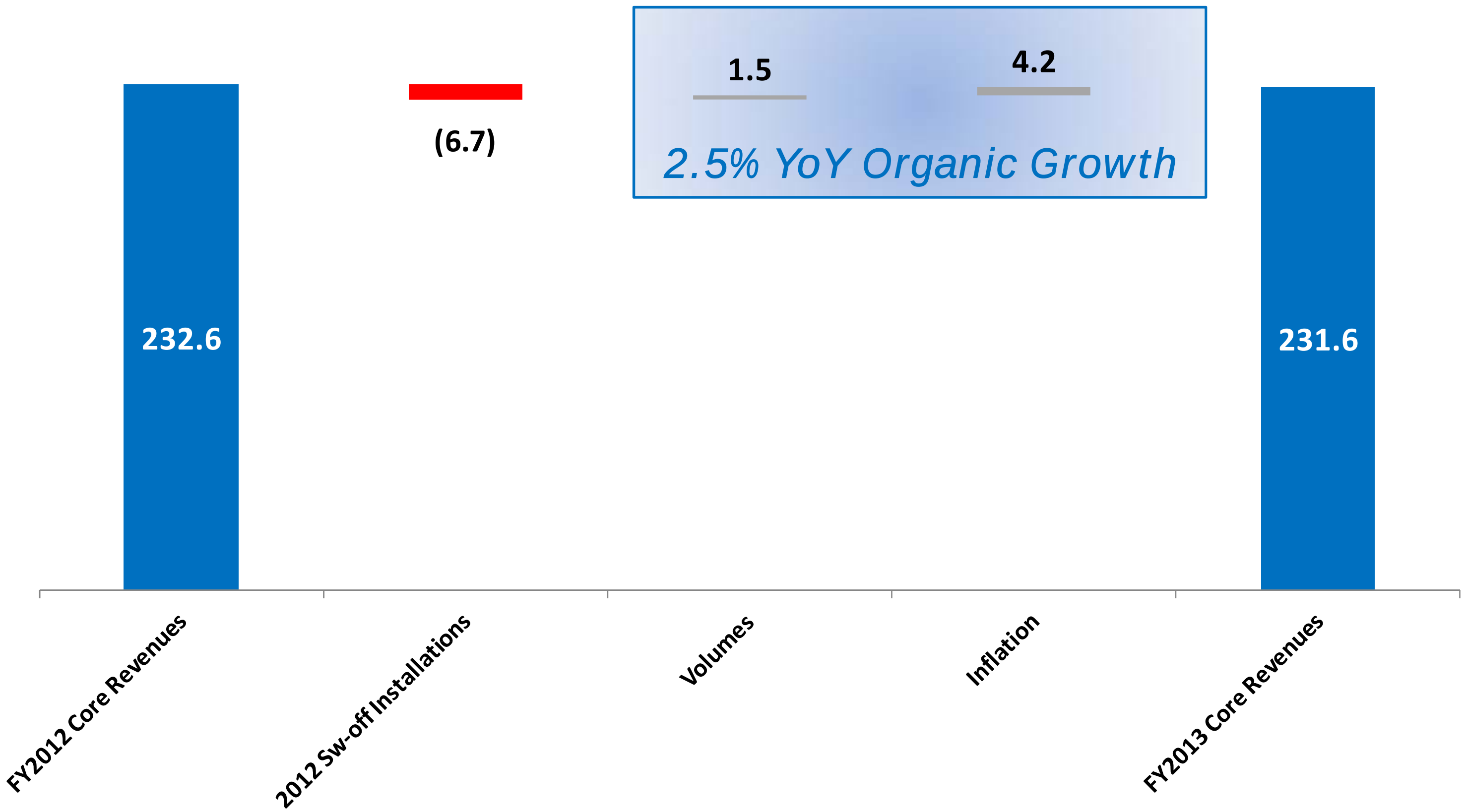
€6.6m related to Bond

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

# EIT FY2013
## Core Revenues Bridge

*…Core Revenues growing faster than inflation…*

Data in €/m

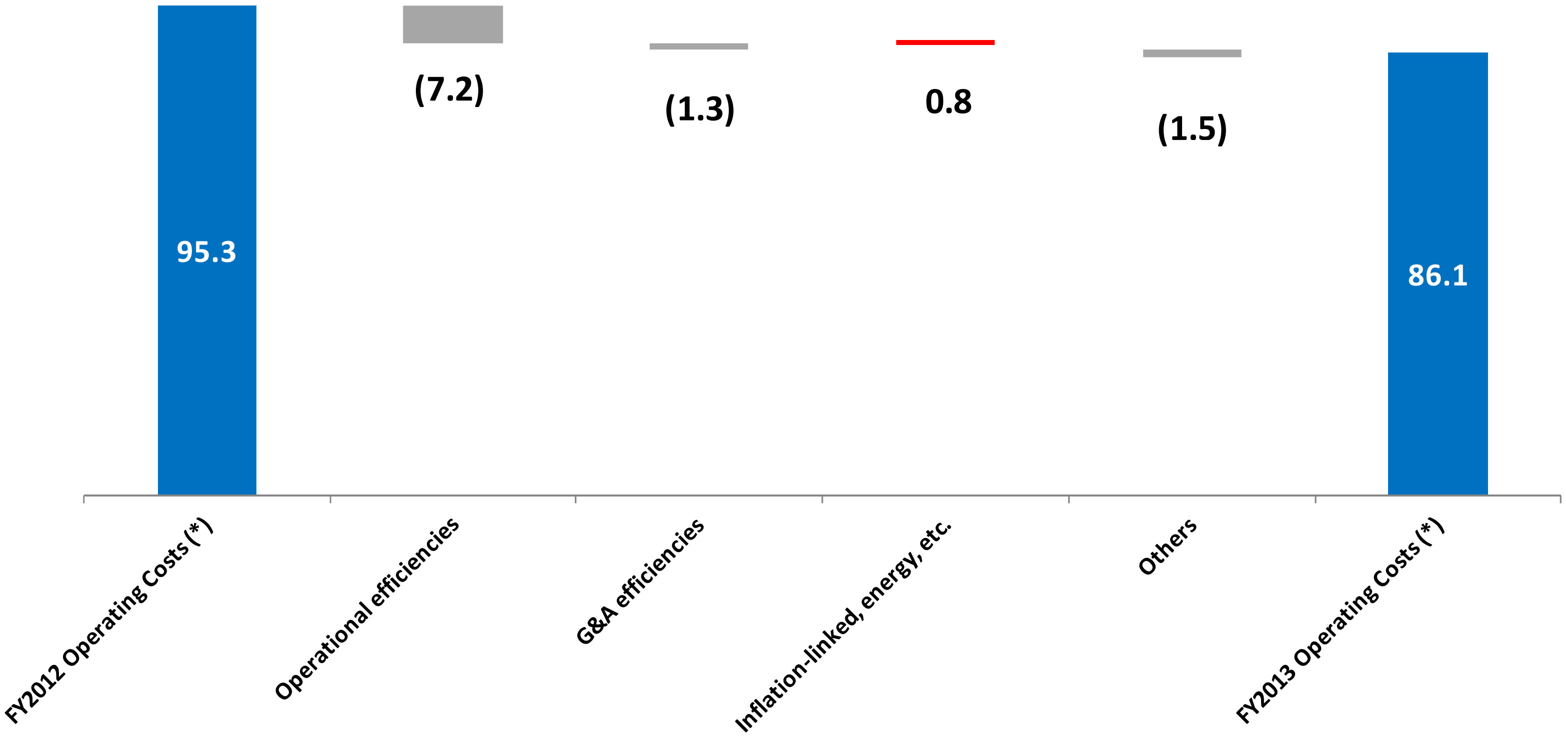



*…thanks to contracts indexation and new volumes…*

# EIT FY2013
## Operating efficiencies

*…additional €7.7m of Net Efficiencies delivered in 2013…*

Data in €/m

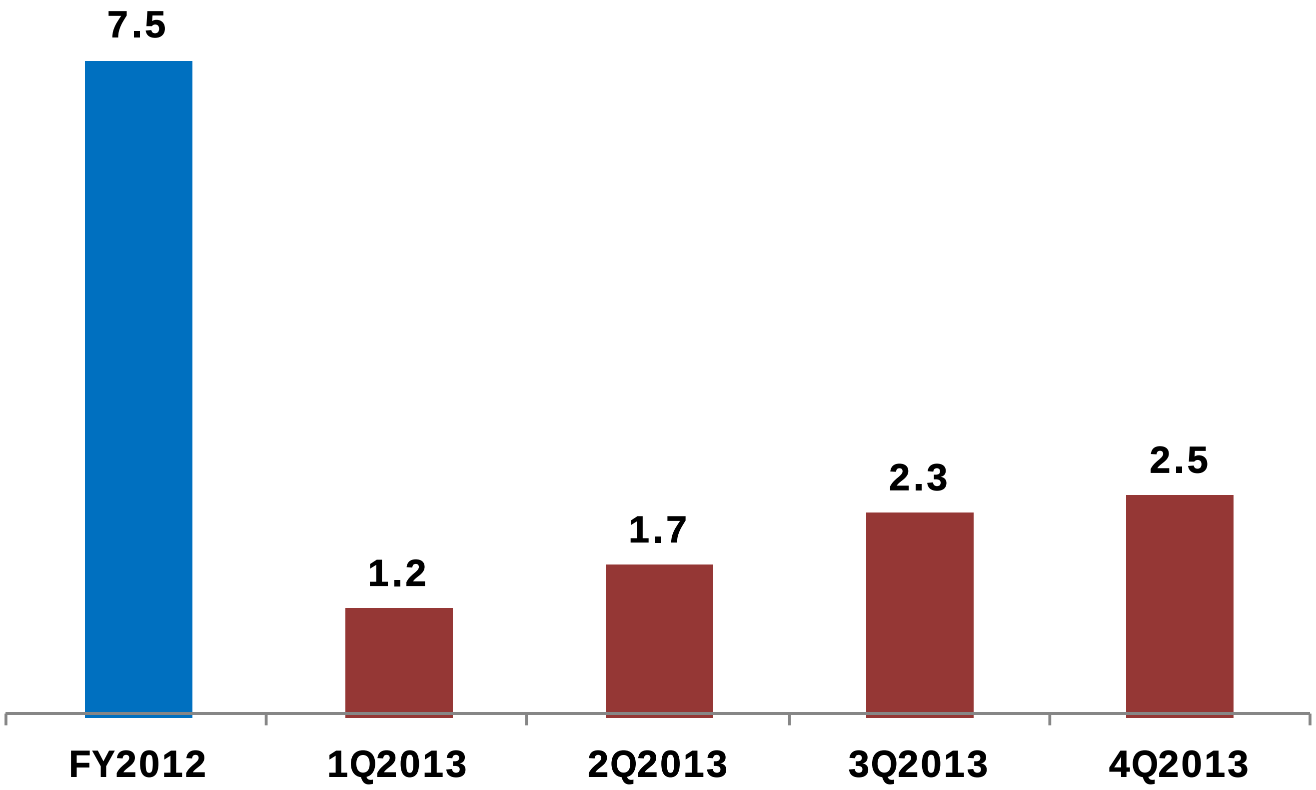



*(*) Excluding Labour Costs*

# EIT FY2013
## Target achieved

*...5 years Efficiency plan completed in only 2 years...*

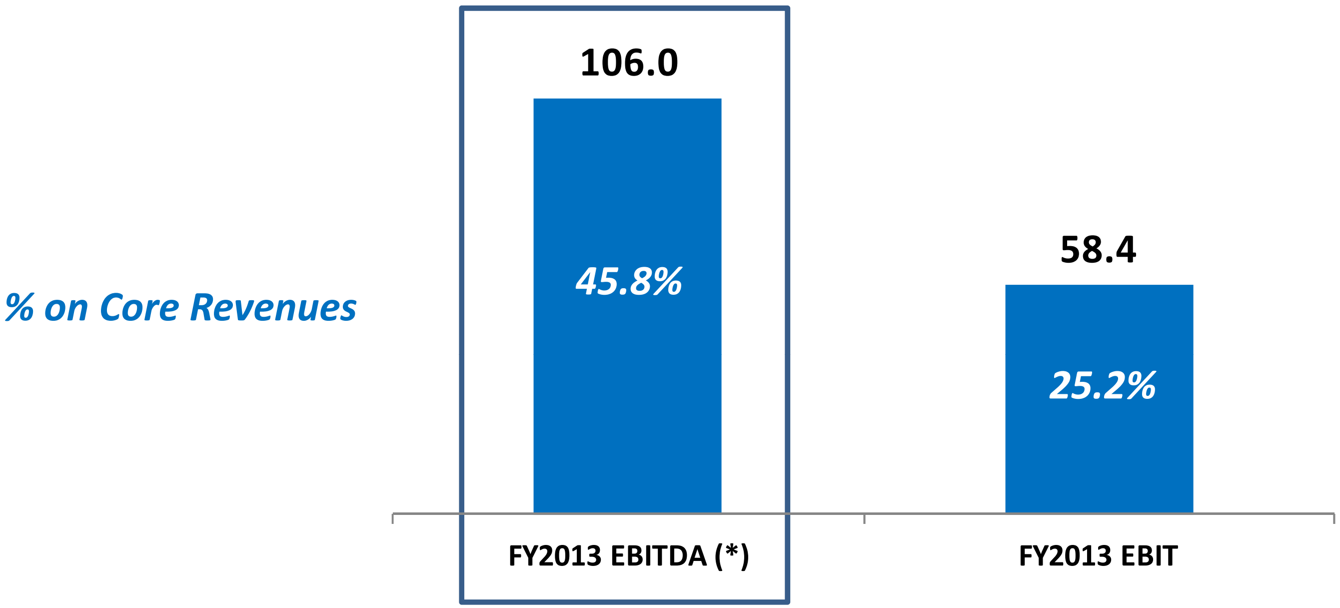
Data in €/m



# EIT FY2013
## Margins

*...delivering an EBITDA margin close to 46%*

Data in €/m

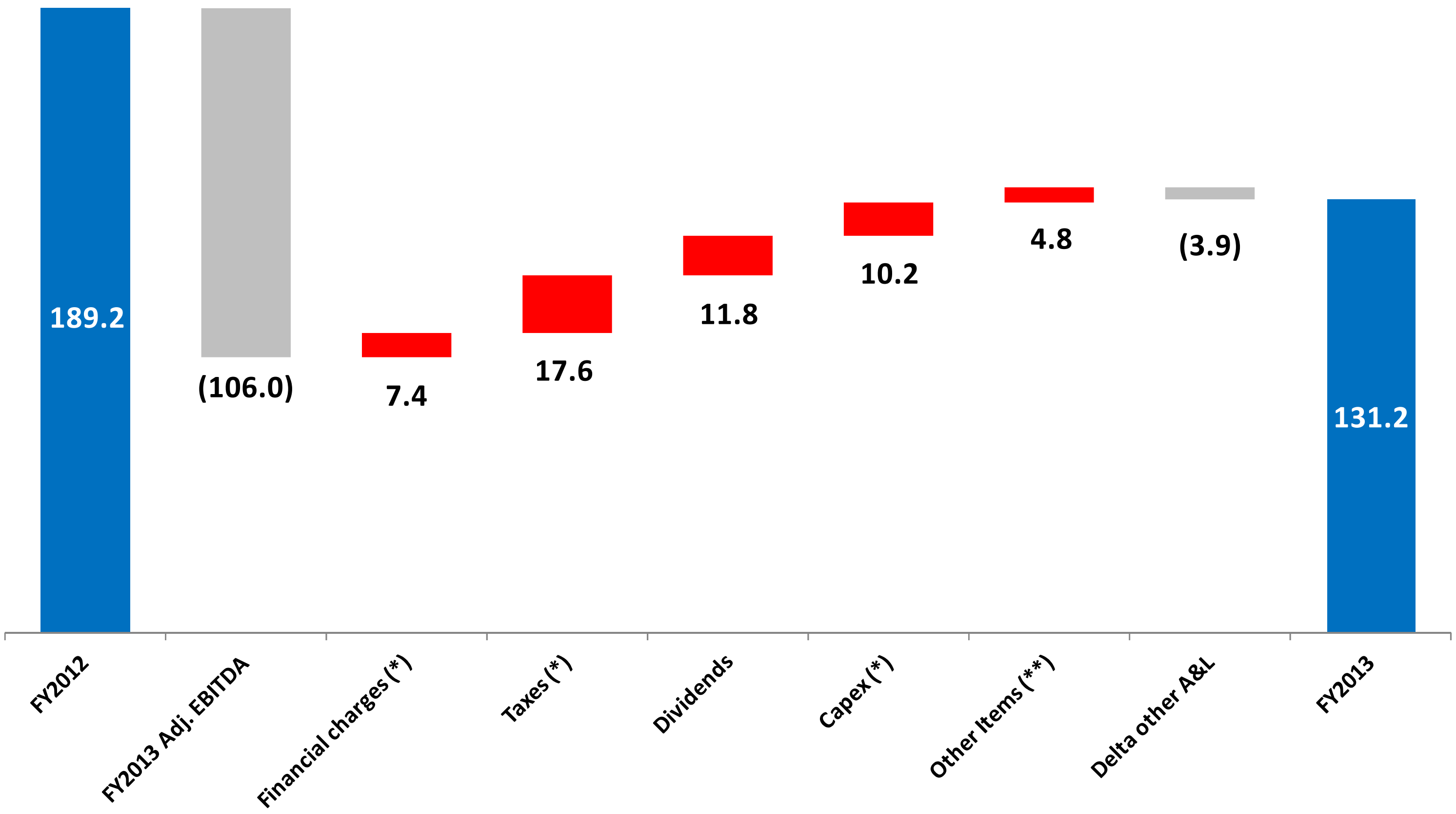



*(*) Adjusted EBITDA*

# EIT FY2013
## Cash Flow

*FY cash flow generation boosted by EBITDA, Taxes & Capex*

Data in €/m




*(*) Accounting figures*
*(**) Including NCA, lay-offs and cash-out related to bond issue*

# “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**

# 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**

# 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**

# EIT 2014 Outlook

- EBITDA yoy growth of €3-4m (low inflation offset by efficiencies)
- Tax rate~37%
- Capex <€15m
- New TV frequencies should be awarded by the Government this year, without economic and financial impacts on EIT for 2014
- New Business Plan (2014-18) should be disclosed before summer this year, in absence of an acceleration of potential transformational transactions

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