EI TOWERS

1H2014 Results Presentation

24th July 2014

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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.

EIT 1H2014
Highlights

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

- **€2.8m net cost efficiencies delivered in 1H2014**
  - On track with Full Year 2014 efficiencies guidance
  - €0.9m in 1Q, €1.9m in 2Q

- **First Half Adjusted EBITDA at €54.5m (+4.3% yoy)**
  - Result on track with Full Year 2014 guidance
  - **Adj. EBITDA margin at 46.7% (160bps of yoy margin increase)**

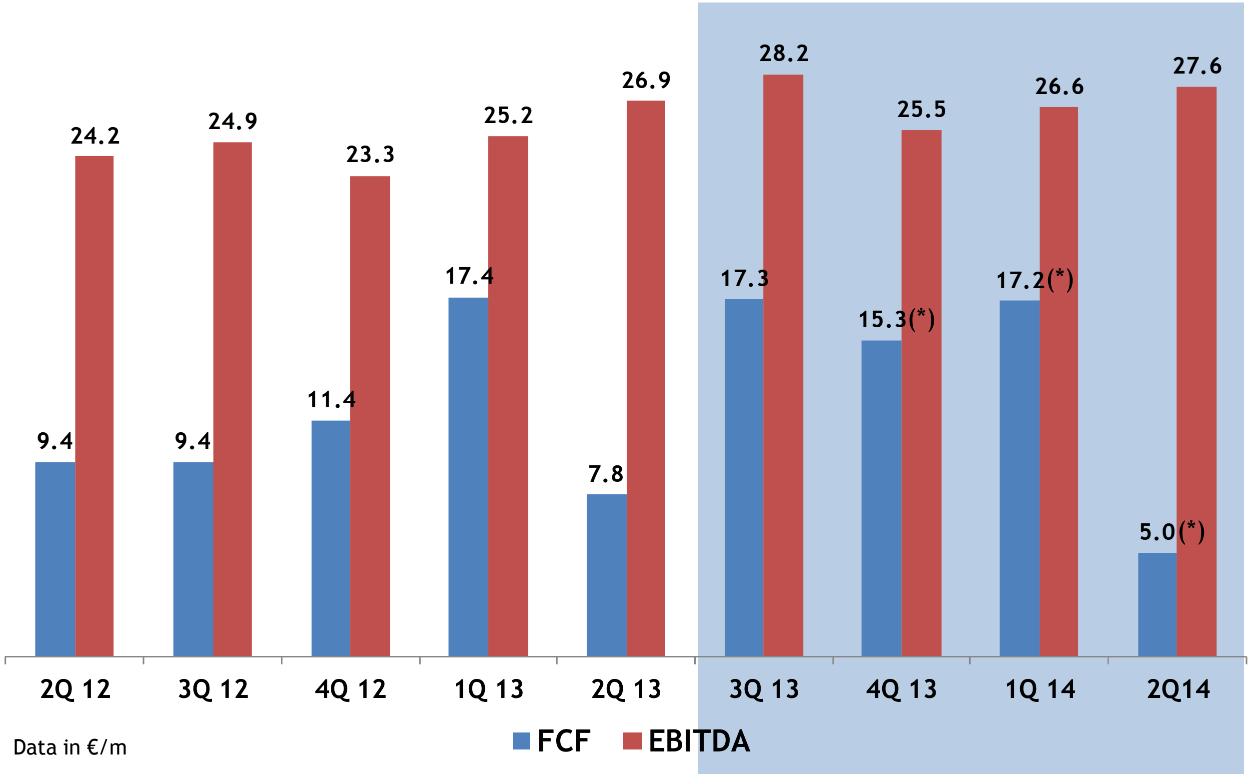
- **Net Debt at €124.8** (Net Debt/LTM EBITDA ratio = 1.2x)

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

…on track with Full Year targets…

EIT 1H2014
Cash Flow Profile

…sound Free Cash Flow generation…



- **LTM Free Cash Flow = €54.8m**
- **LTM EBITDA/FCF = 51%**

…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
(**) Calculated on average market capitalization Jul 1, 2013 - Jun 30, 2014 of €974.3m

EI TOWERS

EIT 1H2014
P&L

1H2014 EBITDA margin increased by 160bps vs 1H2013…

1H 2014 Financial Headlines

Data in €/m	1H 2013	1H 2014	Var. % YoY
Core Revenues	**115.8**	**116.6**	**0.6%**
Other revenues	0.6	0.1	
Total Revenues	**116.4**	**116.7**	**0.2%**
Operating costs	**(64.1)**	**(62.2)**	**-3.0%**
- o/w Opex	*(42.7)*	*(39.9)*	*-6.5%*
- o/w Labour Cost (*)	*(21.4)*	*(22.3)*	*4.0%*
Adj. EBITDA	**52.3**	**54.5**	**4.3%**
% on Core Revenues	***45.1%***	***46.7%***	
Non recurring items (**)	(0.1)	(0.3)	
EBITDA	**52.1**	**54.2**	**4.0%**
D&A (***)	(22.3)	(21.1)	*-5.3%*
EBIT	**29.8**	**33.1**	**10.9%**
Net financial charges	(3.7)	(3.7)	*-0.2%*
EBT	**26.1**	**29.4**	**12.5%**
Income taxes	(9.3)	(10.2)	*9.2%*
Net income	**16.8**	**19.2**	**14.3%**
EPS (€)	**0.60**	**0.68**	**14.3%**

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

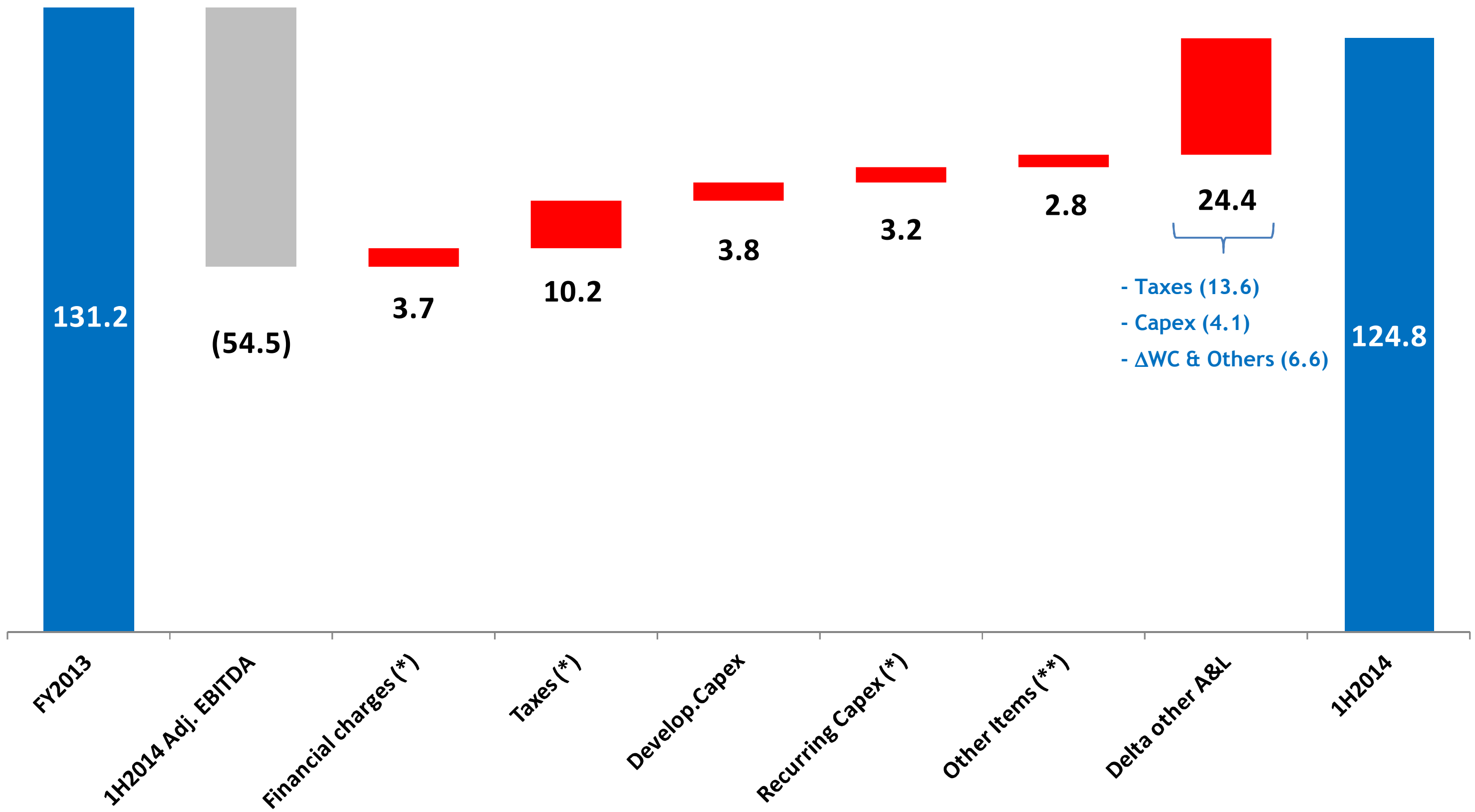
Continuous opex reduction

IRAP (regional tax) rate decrease

(*) Excluding ancillary costs also associated with personnel for €0.6m/€0.5m in 1H2013/14
(**) Lay-offs
(***) Including (€1.25ml) amortization of non compete agreement with the former DMT CEO

EIT 1H2014
Cash Flow

Data in €/m



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

EIT - Mux Auction Completed

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

- **EI Towers succeeded in signing 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[1] million per year consideration from 2018
    - **EBITDA margin accretion up to more than 60% from 2018**
    - Right of free withrawal for Cairo since 1st January, 2025

Contract duration: 20 years

[1] *Figure including the lease of transmitters*

EIT - Cairo Agreement Implications

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

- EI Towers will significantly 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 the *full service* value added services

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

Update on M&A
Options and Approach

- The Italian tower sector is still sparkling in terms of potential deals
- EI Towers is still focused on market consolidation, in particular on large scale transactions
  - As a priority, in the mobile tower space
  - The rationalisation of the broadcasting segment would make sense from an industrial angle
- 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

Update on M&A

Small M&A Transaction

- EI Towers on 23rd July signed an agreement for the acquisition of 100% of a tower operator (Hightel SpA) providing hosting services in the telecommunication segment, mainly located in South Italy
  - Activity:
    - 81 sites
    - Management of Real Estate activity, involving 135 sites owned by MNOs
    - The acquisition will be performed by Towertel Spa
  - Acquisition Multiple: 8.5x EV/EBITDA[1]
  - Acquired EBITDA[1]: ~€2m
  - Enterprise Value: ~€17.5/19m (subject to closing adjustment)

- 35% of Share Capital has been purchased at Preliminary Closing (23rd July)
  - Cash-out €5m

- 65% will be purchased before 31st October 2014 at Closing[2]
  - €3.5m cash payment will be deferred

[1] Active leases - Passive leases

[2] Closing and effectiveness of the whole transaction subject to the completion of preliminary activities by the seller and satisfactory due diligence by EI Towers. An earn out mechanism will be in place for 10 months after closing.

Update on M&A

Small M&A Transaction (follows)

- The agreement also envisages a development phase that will start after the closing
  - Activation of new sites with at least 1 tenant per site
  - Transfer of ownership of lots of new sites by sale of branch of business on which EIT/Towertel will have a right to perform due diligence (over the branch and over each individual site)

- Hightel's footprint and geographical distribution of revenues are complementary to current EIT telecommunication portfolio (mainly concentrated in Northern Italy and, following recent acquisitions, in Central Italy - mainly Umbria)

- With this transaction EI Towers, through the subsidiary Towertel, has further diversified in the telecommunication space

EIT 2014 Outlook

- EBITDA close to €110m
- Tax rate 35/36%
- Maintenance Capex ~€12m
- Small M&A Capex around €22/23m
- New Business Plan 2014-2018 within September confirmed

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