EI TOWERS

Company Presentation

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.

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
  - EBITDA 2013E ~€105m (9M margin 46.1%)
  - Market Cap around €1.0bn

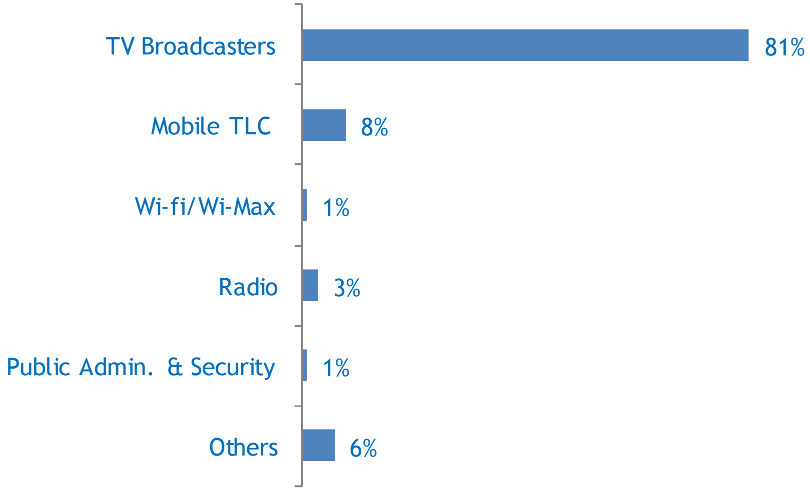
- **Main activities:**
  - Hosting and Maintenance of equipment to TV Broadcasters, Radio, Mobile network operators, Wi-fi/Wi-Max operators
  - Value added services to TV Broadcasters

- **The company was created through a merger effective in January 2012**
  - Business Plan 2011-16 mainly targeting cost efficiencies (€15m target)
  - 85% of target delivered in only 7 quarters

Company Snapshot

Revenues Profile and Geographical Presence

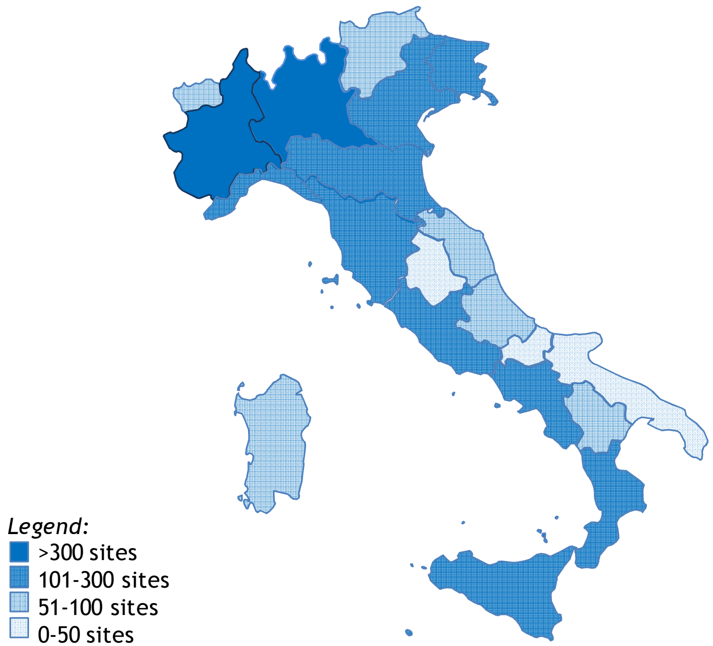
- **Revenues Breakdown**[1]



- **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

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

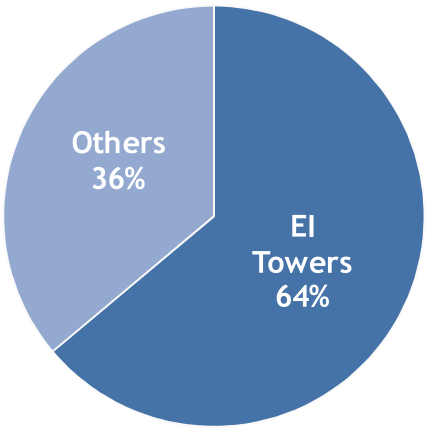


[1] FY2012

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**



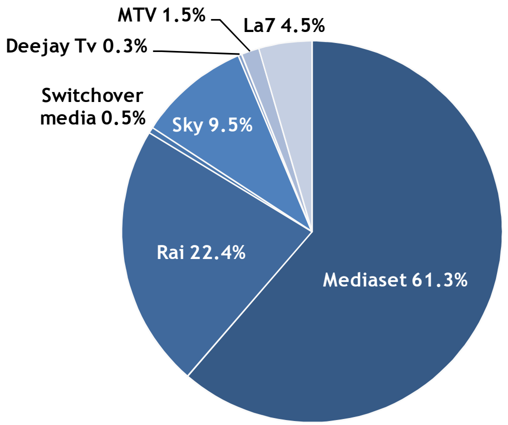
- **Telecom Towers Segment**
  - National Market: ~50,000 Towers (MNOs are vertically integrated)
    - EI Towers ~400
    - Telecom Italia ~12k[1]
    - Wind + Vodafone + H3G >30k[1]
- **EI Towers is the leading independent mobile tower operator**
  - Less than 1% of the Market in terms of mobile sites (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

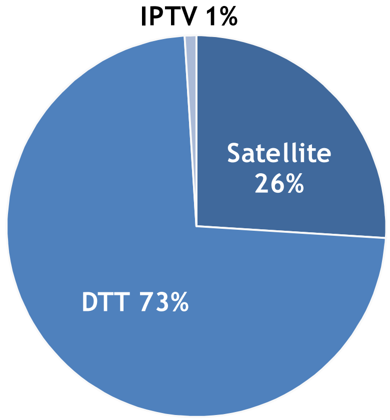
Revenue Concentration is Mirroring the Broadcasting Market

- **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-Sept. 2013*
[2] *2013 IT Media Consulting (2012 Data)*

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**

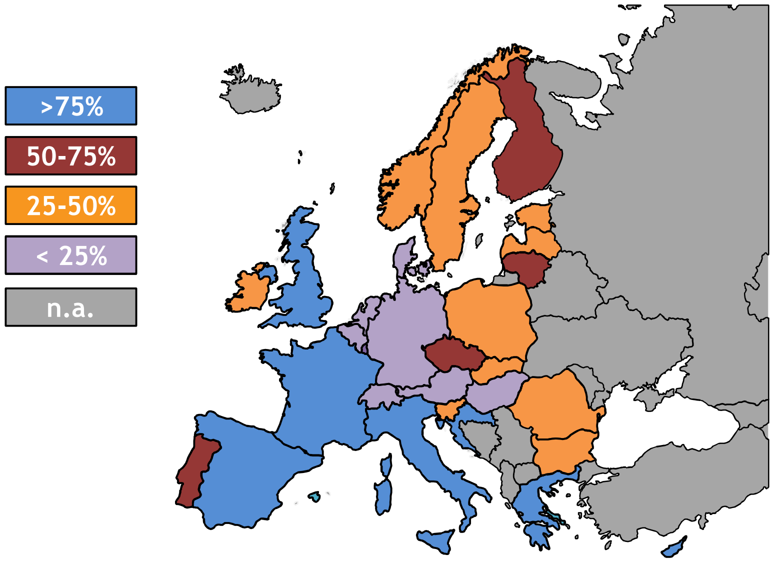
- **DTT technology is developing and is already providing HD**

[1] *Analysis Mason*

Reference Platform

DTT Penetration in Europe and in Italy

- **DTT is the European Reality**



- DTT represents approximately
  - 120m Households
  - 275m people

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

Italian TV Households	24.5m
DTT HH[1]	**>23.0m**
Penetration %	***>95%***
Satellite HH[2]	6.4m
Penetration %	*26%*
Broadband TV HH	0.5m
Penetration %	*2%*

- Satellite penetration is ~3/4 Pay-TV
  - 4.8m Households out of 6.4m

[1] *Data referred to potential penetration; 2012 data 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)
  - October CPI[1] at 0.7%

- **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%[2]

[1] *Istat, FOI CPI*
[2] *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

- **In 2012 the contract with TIMB (the second biggest client in terms of revenues) was renewed for an even longer duration**
  - 12+6 years
  - First term December 2023

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

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 FY2012 P&L we made a provision of €3.5m

- **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**

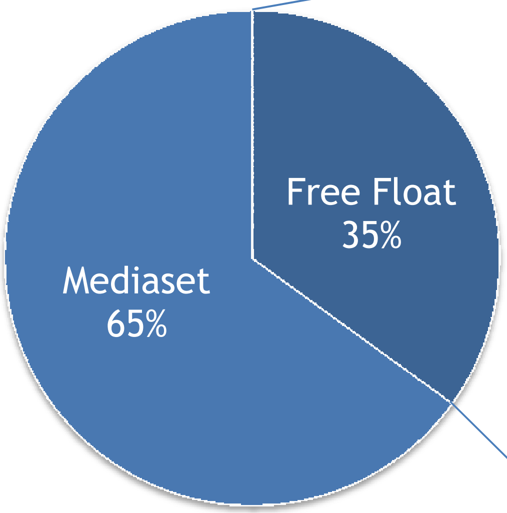
Shareholders
Substantial Liquidity Improvement

- **On October 22, former DMT funder sold a 7.5% stake[1] with an ABB**
- **Shares were placed at top of range with a demand >5x**
  - Free float increased by approximately 40%
  - Average daily traded volumes increased 4x compared to historical average[2]

1 Mr. Falciai sold a 7.5% stake on October 22, 2013
2 Average daily traded volumes: 01-Jan-2012/22-Oct-2013 = 19.5k; 23-Oct-2013/21-Jan-2014 = 74.9k
Source: Bloomberg, January 21, 2013

Shareholders
Current Shareholding Structure

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



OCTAVIAN ADVISORS LP	4.1%
NORGES BANK	2.0%
FALCIAI ALESSANDRO	1.6%
BLACKROCK ADVISORS LLC	0.8%
BANCA FIDEURAM SPA	0.7%
GENERALI INVESTMENTS SICAV	0.4%
FONDI ALLEANZA SGR	0.4%
EVERMORE GLOBAL ADVISORS LLC	0.3%
LEMANIK FUNDS	0.3%
INVESCO LTD	0.2%
SW MITCHELL CAPITAL LTD	0.2%
ARCA SGR SPA	0.2%
VANGUARD GROUP INC	0.2%
LAZARD ASSET MANAGEMENT LIMITED	0.2%
SAASTOPANKKI FUND MANAGEMENT	0.2%
DNCA FINANCE	0.2%
DIMENSIONAL FUND ADVISORS LP	0.2%
STATE STREET CORP	0.1%
DEGROOF GESTION INSTITUTIONNELLE	0.1%
BLACKROCK FUND ADVISORS	0.1%
…	

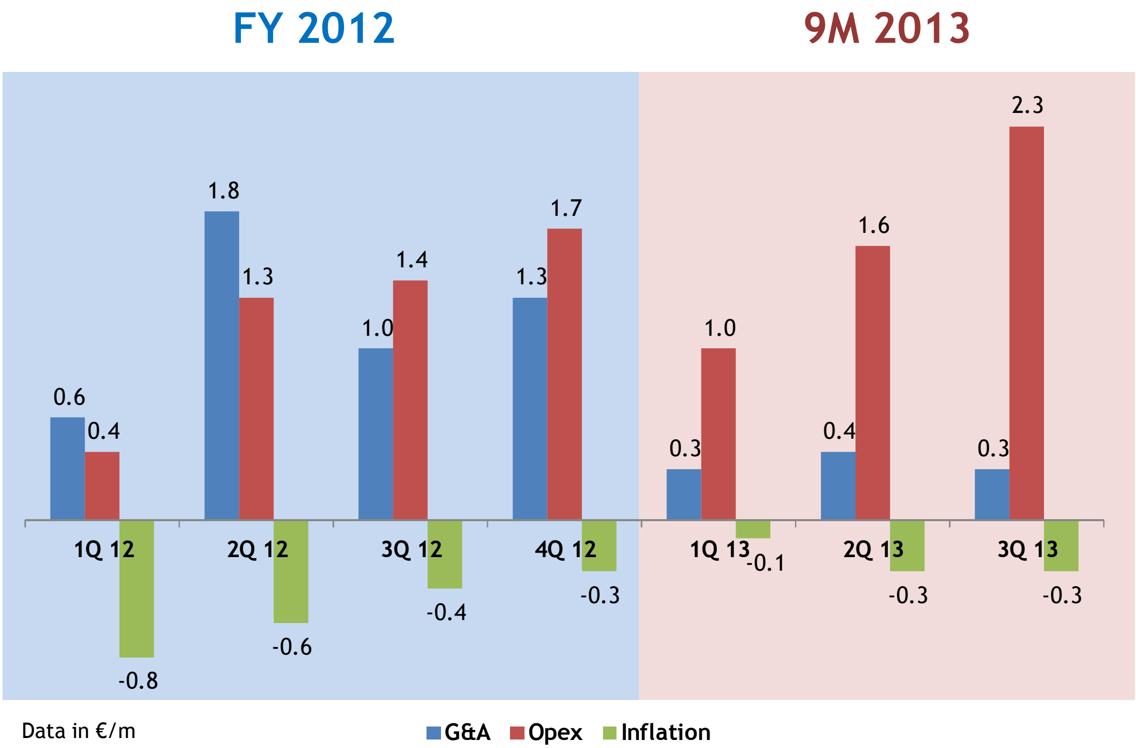
Source: Bloomberg, January 22, 2014

Nine Months 2013 Results
Cost Cutting Target Almost Done

- ***2011-16 cost efficiency plan almost achieved after only 7 quarters…***
  - €2.3m net cost efficiencies delivered in 3Q2013 (€5.2m in 9M)
  - Cumulated G&A and operational efficiencies higher than Plan expectations
    - ~85% of 5Y Plan cost efficiency target already achieved
- **Adjusted EBITDA at €80.6m (+12.3% yoy)**
  - Results bang in line with FY2013 guidance
  - EBITDA margin at 46%
- **Sound Free Cash flow generation has been confirmed**
  - €42.5m FCF before dividend
- ***…for a total amount of €12.6m net efficiencies***

Nine Months 2013 Results
Efficiency Plan Summary

- ***Steady delivery along the quarters…***

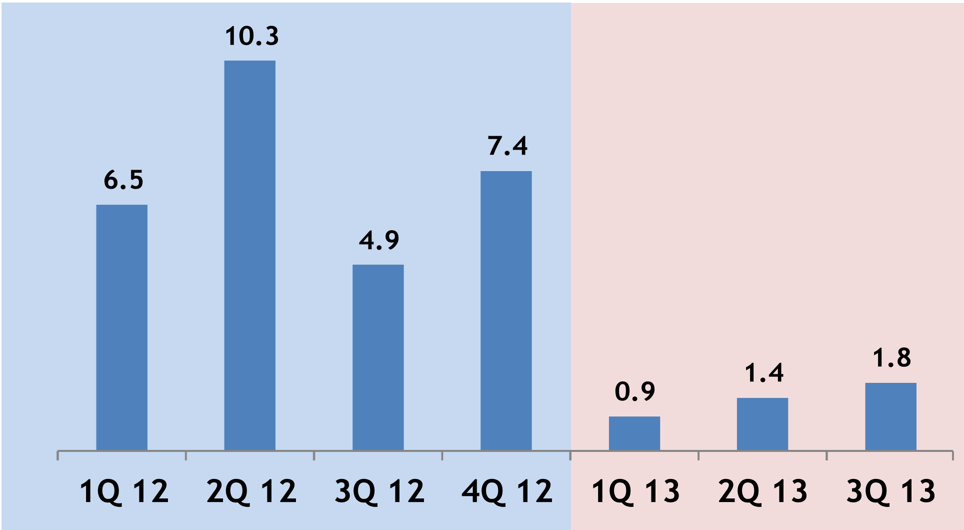


Data in €/m	FY 2012	9M 2013
G&A	**4.7**	**1.0**
Opex	**4.8**	**4.9**
(Inflation)	**-2.1**	**-0.7**
Net Efficiencies	**7.4**	**5.2**
% of 5Y Target	**49%**	**35%**

- ***…confirming EI Towers ability in integration execution***

Nine Months 2013 Results
Capex Management

- ***Analogue switch-off capex season is over…***



Data in €/m

- Ability to manage the capex line, in addition to cost efficiencies
- ~€10m expected capex in FY2013 vs €20m expected in the Plan
- Capex management enhancing the cash flow and offsetting the Mux auction delay
- Business Plan new Mux contribution: €12m EBITDA in 2016 (~€8m FCF)
- Capex reduction from €20m to expected ~€10m increasing FCF by at least €10m in 2013

- ***…keeping the network up and running with discipline…***

Nine Months 2013 Results
Profit & Loss

- ***9M2013 EBITDA confirmed a double digit growth***

9 M 2013 Financial Headlines

Data in €/m	9M2012[1]	9M2013	Var. % YoY
Core Revenues	**174.6**	**174.0**	**-0.3%**
Other revenues	0.7	0.8	
Total Revenues	**175.3**	**174.8**	**-0.3%**
Operating costs	**(103.6)**	**(94.2)**	**-9.1%**
- o/w Opex	*(70.8)*	*(63.5)*	*-10.2%*
- o/w Labour Cost	*(32.8)*	*(30.6)*	*-6.5%*
Adj. EBITDA	**71.8**	**80.6**	**12.3%**
% on Core Revenues	***41.1%***	***46.3%***	
Non recurring items[2]	(0.5)	(0.3)	
EBITDA	**71.3**	**80.3**	**12.6%**
D&A, provisions[3]	(34.5)	(33.5)	*-3.0%*
EBIT	**36.8**	**46.8**	**27.3%**
Net financial charges	(4.8)	(5.8)	*19.6%*
EBT	**31.9**	**41.0**	**28.5%**
Income taxes	(11.8)	(14.7)	*25.1%*
Net income	**20.2**	**26.3**	**30.4%**
EPS (€)	**0.72**	**0.93**	**30.4%**

+2.9% net of 9M2012 switch-off installations revenues (€5.7m in 9M2012)

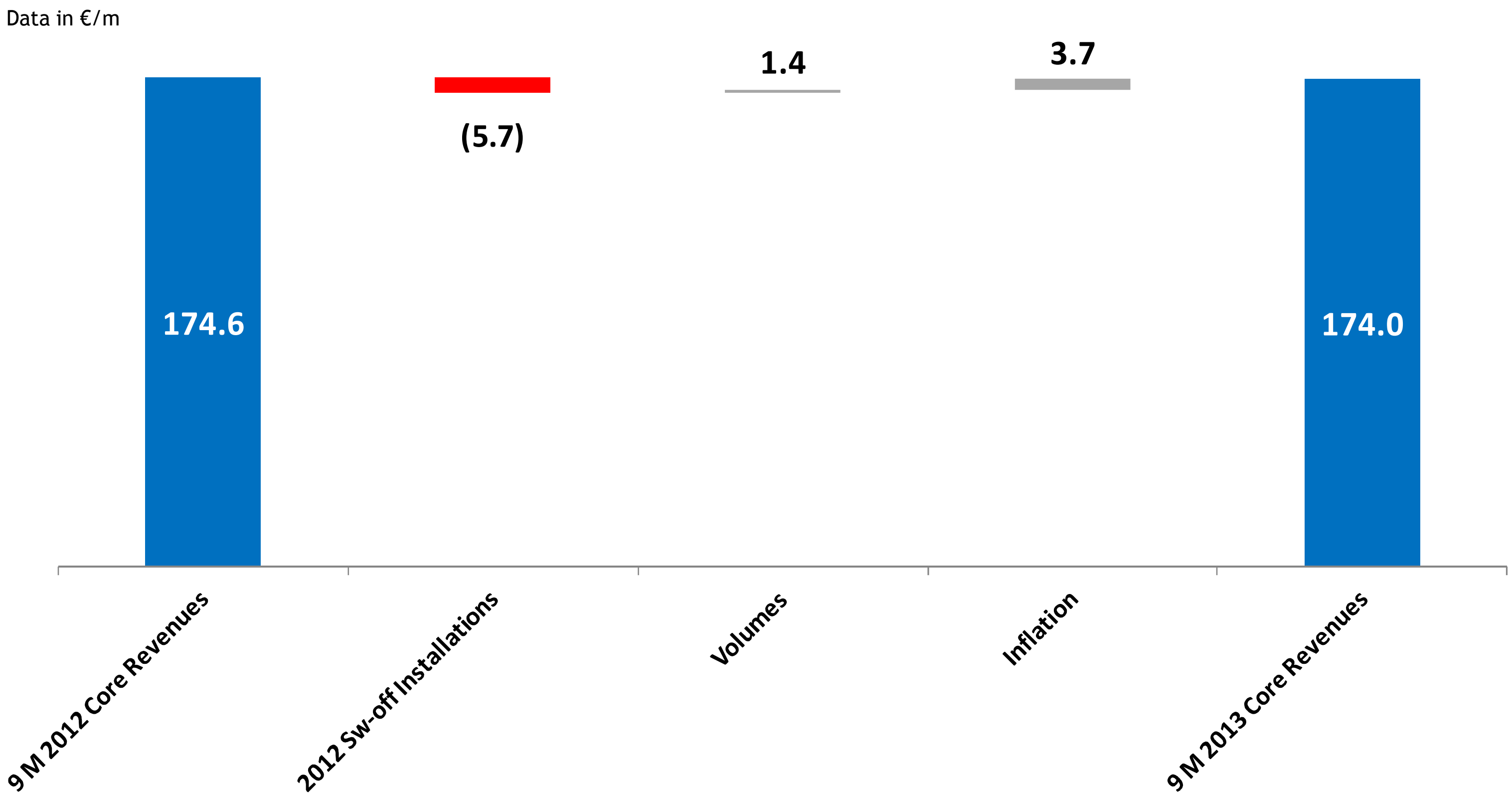
Double digit EBITDA growth drove margin increase to 46.3% (3Q2013 = 48.6%)

€4.1m related to Bond

[1] 9M2012 P&L has been restated with €1.1m of higher D&A (as impact of PPA and change in residual life of tower assets) and lower income taxes for €0.3m
[2] Lay-offs
[3] Including (€1.875ml) amortization of non compete agreement with the former DMT CEO

Nine Months 2013 Results
Core Revenues Bridge

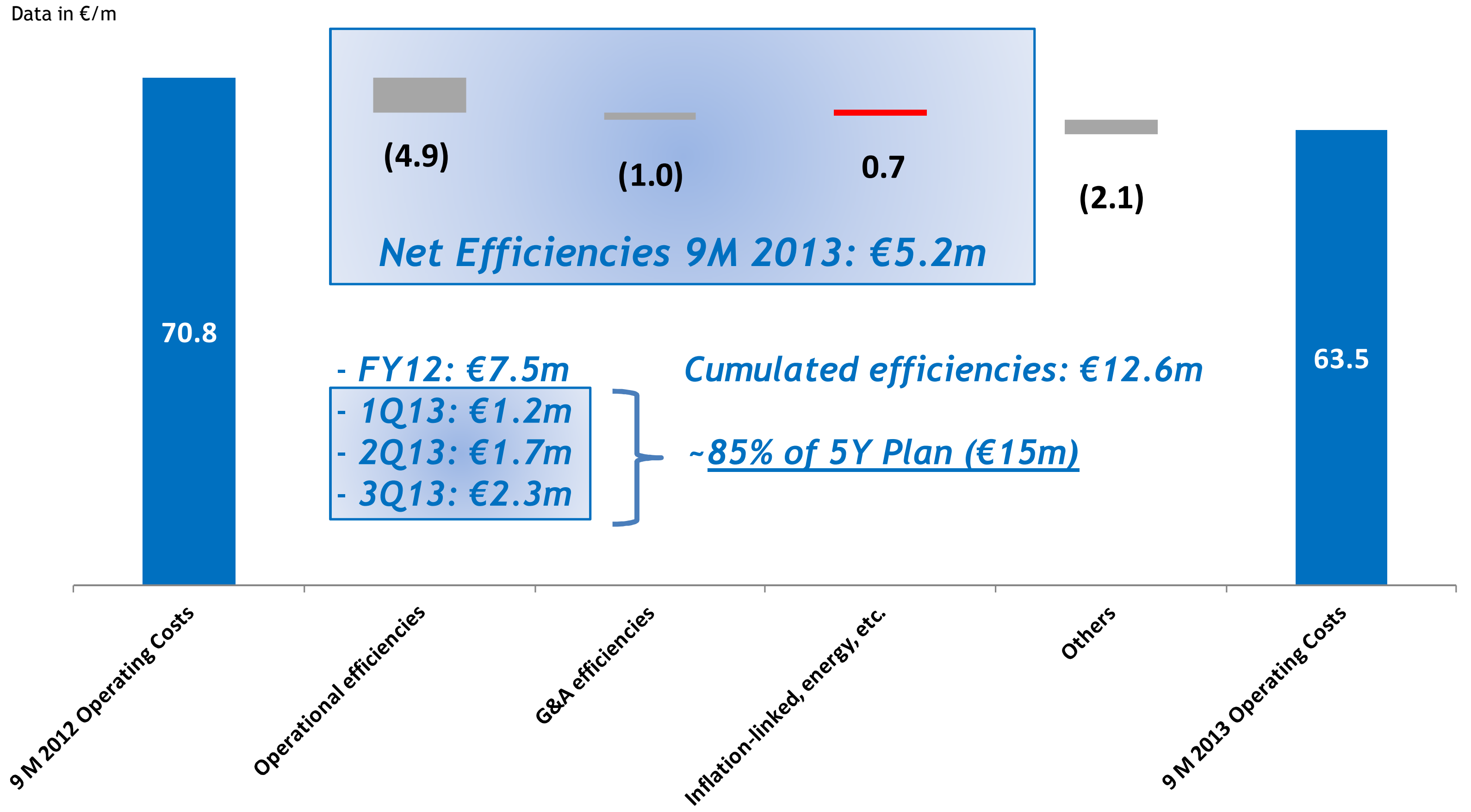
- *Core Revenues growing faster than inflation…*



- *…thanks to contracts indexation and new volumes…*

Nine Months 2013 Results
Cost Efficiencies

- *…cost efficiencies are being delivered faster than expected…*



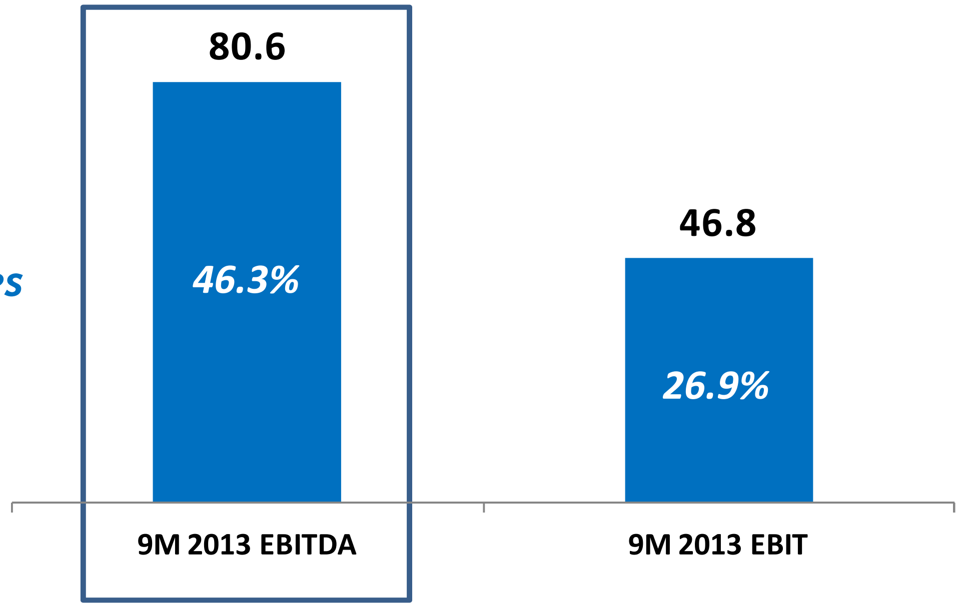
Note: Operating Costs excluding Labour Cost

Nine Months 2013 Results
P&L Margins

- *…delivering an EBITDA margin above 46%*

Data in €/m

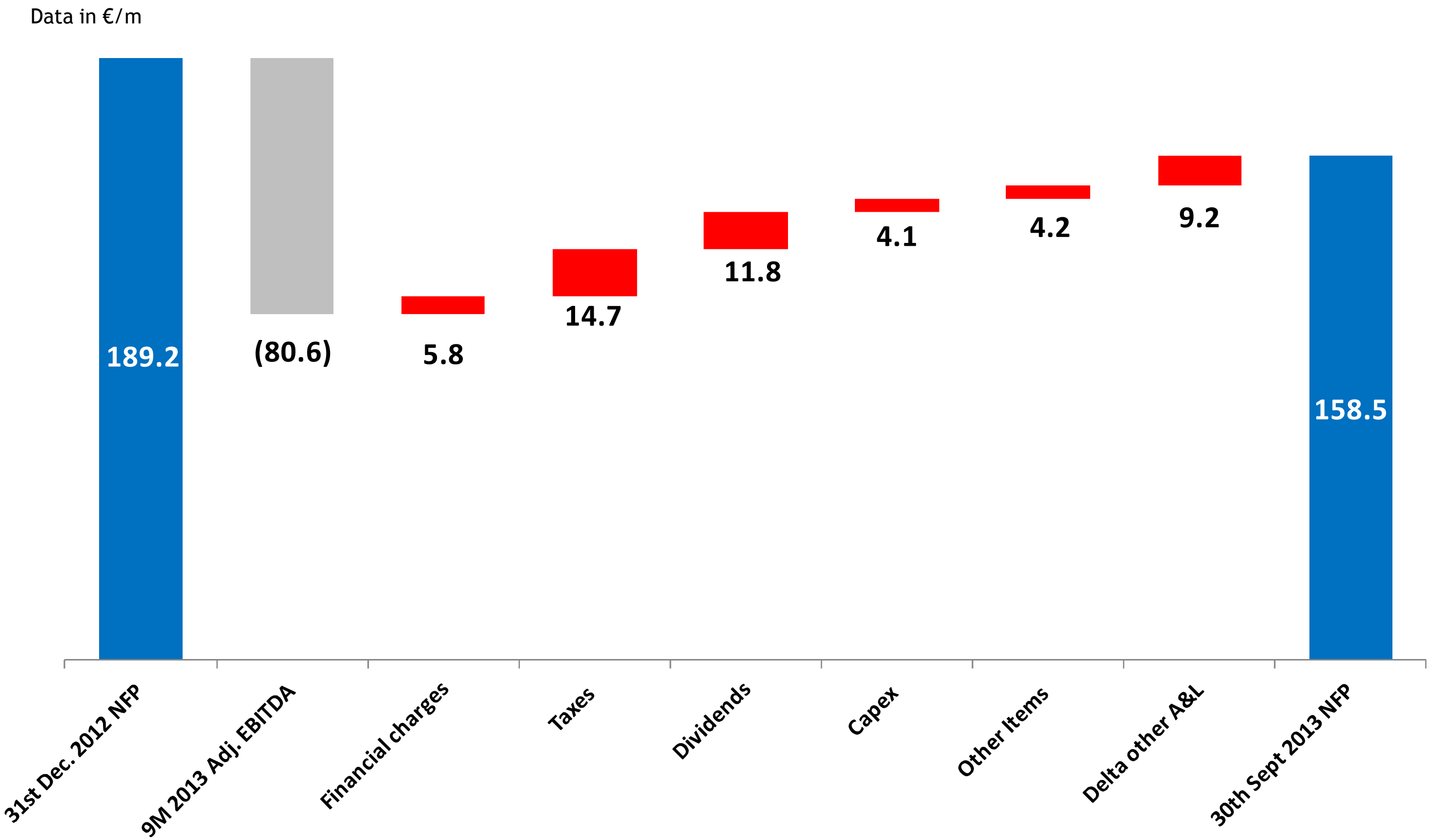
% on Core Revenues



Note: Adjusted EBITDA

Nine Months 2013 Results
Cash Flow Evolution

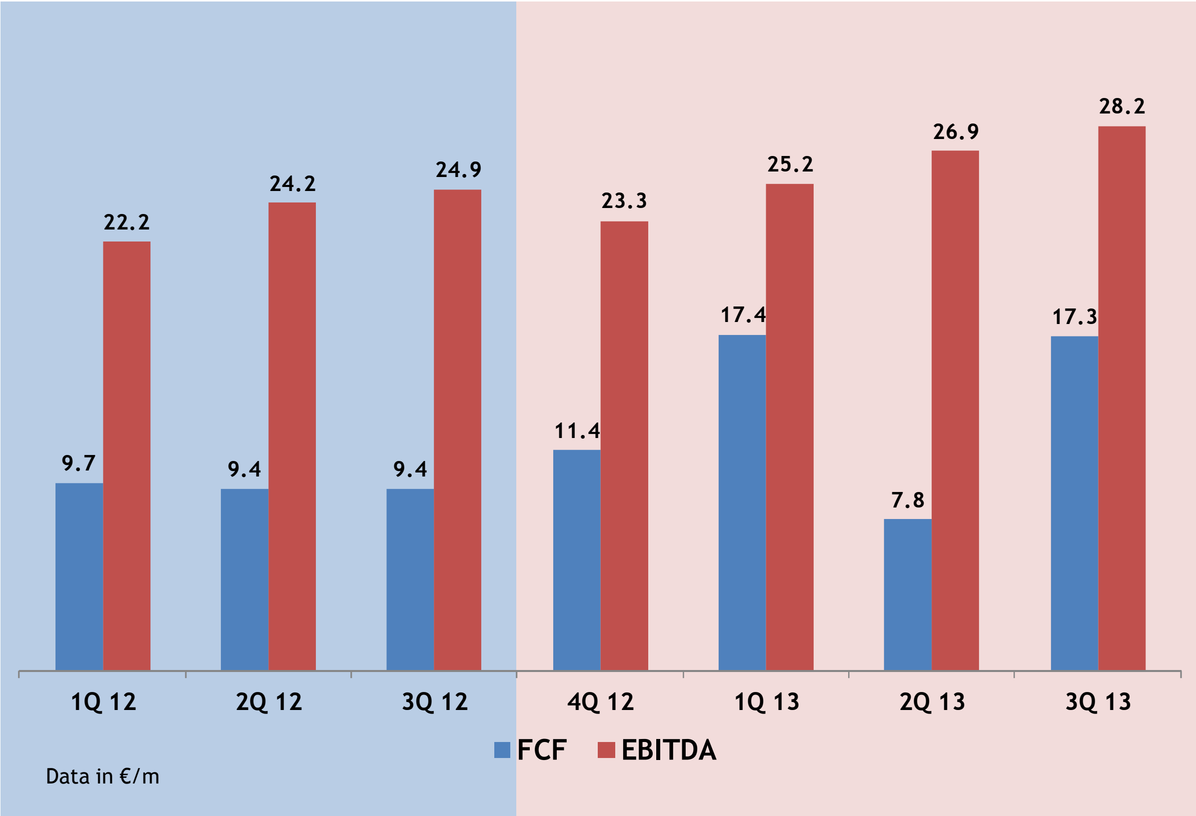
- ***9M strong cash flow generation boosted by EBITDA & low Capex***



Note: Financial Charges, Taxes and Capex are accounting figures; Other Items including NCA, lay-offs and cash-out related to bond issue

Nine Months 2013 Results
Cash Flow Profile

- ***Sound and growing Free Cash Flow generation…***



- LTM Free Cash Flow[1] ~ €54m
- LTM (FCF/EBITDA) = 52%
  - Cost efficiencies
  - Capex reduction

- ***…LTM Free Cash Flow Yield at 7.8%[2]***

[1] *FCF before dividend distribution (€11.8m)*
[2] *Calculated on average market capitalization Oct 12 - Sep 13 of €687.3m*

Full year 2013 Outlook

Guidance Increased with Benefit on Cash Flow

- EBITDA around €105m
- New maintenance capex guidance ~€10m
- P&L tax rate 37%/38%
- Free Cash Flow in excess of €50m
- Towertel SpA broadcasting activities demerger is in progress and is expected to be effective from 1st Jan 2014

Broadcasting Towers
Resiliency is the Value

- **Non-replicable infrastructure**
  - Towers installed on top of hills and mountains
  - Exponential coverage function
  - Limitations by emissions regulations
  - Millions of antennas pointing few sites
- **Long Term contracts with CPI Indexation**
- **High switching costs reduce significatively any incentive to switch platform**
- **Competing platforms like Satellite cannot provide the same coverage**
  - Lack of penetration
  - Focus on Pay-TV (Sat) or Non Linear offers (Broadband)
- **Value added services reinforce the client retention**
  - Churn virtually zero

EI TOWERS

Mobile Towers
Growth is the Future

- **LTE roll out volume option**
  - Mobile data demand is growing globally
  - MNOs will deploy 800Mhz LTE/4G in rural areas
- **Long Term contracts with CPI Indexation**
  - Typical contract duration even longer than Broadcasting
- **Italian TLC incumbents might study spin-offs or disposals of mobile towers portfolios**
- **EI Towers is the natural player in the Italian tower sector consolidation**
  - Proven track-record in networks engineering & integration
  - Financial flexibility
  - Local footprint

What's Next
Growth vs Return

- Accretive M&A is the main growth option, given the tower market structure in Italy
- In absence of M&A in the mid term, dividend policy would be revised
- New Business Plan (2013-18) expected before summer 2014

For more information please contact:

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