



*1Q2014 Results Presentation*

*7<sup>th</sup> May 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.

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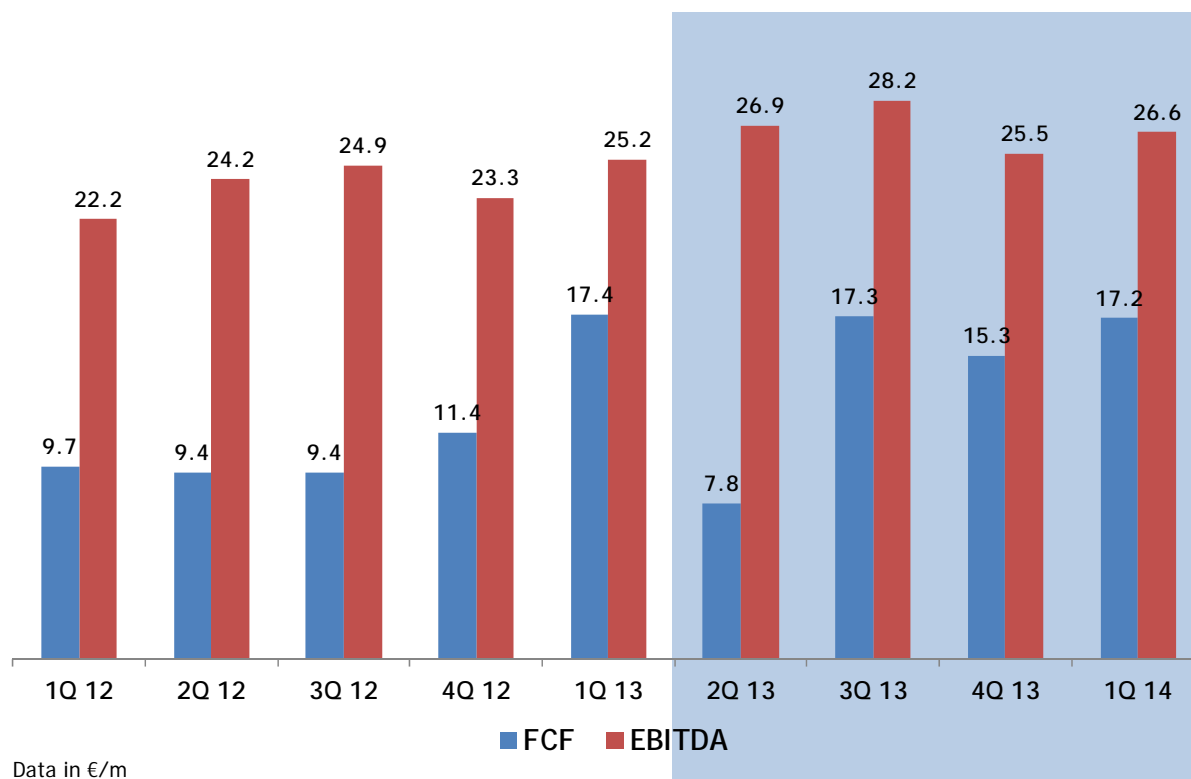
The executive responsible for the preparation of the accounts of EI Towers SpA, Fabio Caccia, declares that, as per art. 2, 154 bis of the Consolidated Finance Law, the 2013 and 2014 accounting information contained in this release corresponds to that contained in the company's formal accounts.

*A good start both in terms of P&L, both in terms of Cash Flow...*

- **€0.9m net cost efficiencies delivered in 1Q2014**
  - On track with Full Year 2014 efficiencies guidance
- **First Quarter Adjusted EBITDA at €26.8m (+5.9% yoy)**
  - Result on track with Full Year 2014 guidance
  - Adj. EBITDA margin at 46.2% (230bps of yoy margin increase)
- **Sound Free Cash flow generation**
  - €13.4m Free Cash Flow (including €-3.8m of M&A Capex and €-2.5 NCA)
  - Net Debt at €117.9 (Net Debt/LTM EBITDA ratio = 1.1x)
- **Waiting for the New Business Plan and potential transactions, in a low-inflation scenario the cash flow profile is structurally enhanced by efficiencies**

*...on track with Full Year targets...*

*...Free Cash Flow generation is the metric...*



- LTM Free Cash Flow\* €57.6m
- 54% EBITDA/FCF Conversion

*...resulting in a Free Cash Flow Yield at 6.5%\*\**

(\*) Before dividend distribution (€11.8m), adjusted by cash taxes (€11.9) and before M&A Capex (€3.8m) in 1Q2014

(\*\*) Calculated on average market capitalization Apr 2, 2013 - Mar 31, 2014 of €880.4m

1Q2014 EBITDA margin increased by 230bps vs 1Q2013...

1Q 2014 Financial Headlines	Data in €/m	1Q 2013	1Q 2014	Var. % YoY		
	Core Revenues	57.5	57.9	0.6%	→	Δ- volumes from local TVs, offset by Δ+ volumes from TLC clients
	Other revenues	0.2	0.0			
	Total Revenues	57.7	57.9	0.3%		
	Operating costs	(32.5)	(31.1)	-4.1%	→	Continuous opex reduction and labour cost optimization
	- o/w Opex	(21.3)	(20.4)	-4.0%		
	- o/w Labour Cost	(11.2)	(10.7)	-4.1%		
	Adj. EBITDA	25.3	26.8	5.9%	→	EBITDA margin benefitting from efficiencies
	% on Core Revenues	43.9%	46.2%			
	Non recurring items (*)	(0.1)	(0.2)			
	EBITDA	25.2	26.6	5.6%		
	D&A (**)	(10.9)	(10.5)	-4.3%		
	EBIT	14.2	16.1	13.2%	→	Year on Year increase due to Bond issue in April 2013
	Net financial charges	(1.2)	(1.8)	52.4%		
	EBT	13.0	14.3	9.5%		
Income taxes	(4.5)	(5.3)	16.8%			
Net income	8.5	9.0	5.6%			
EPS (€)	0.30	0.32	5.6%			

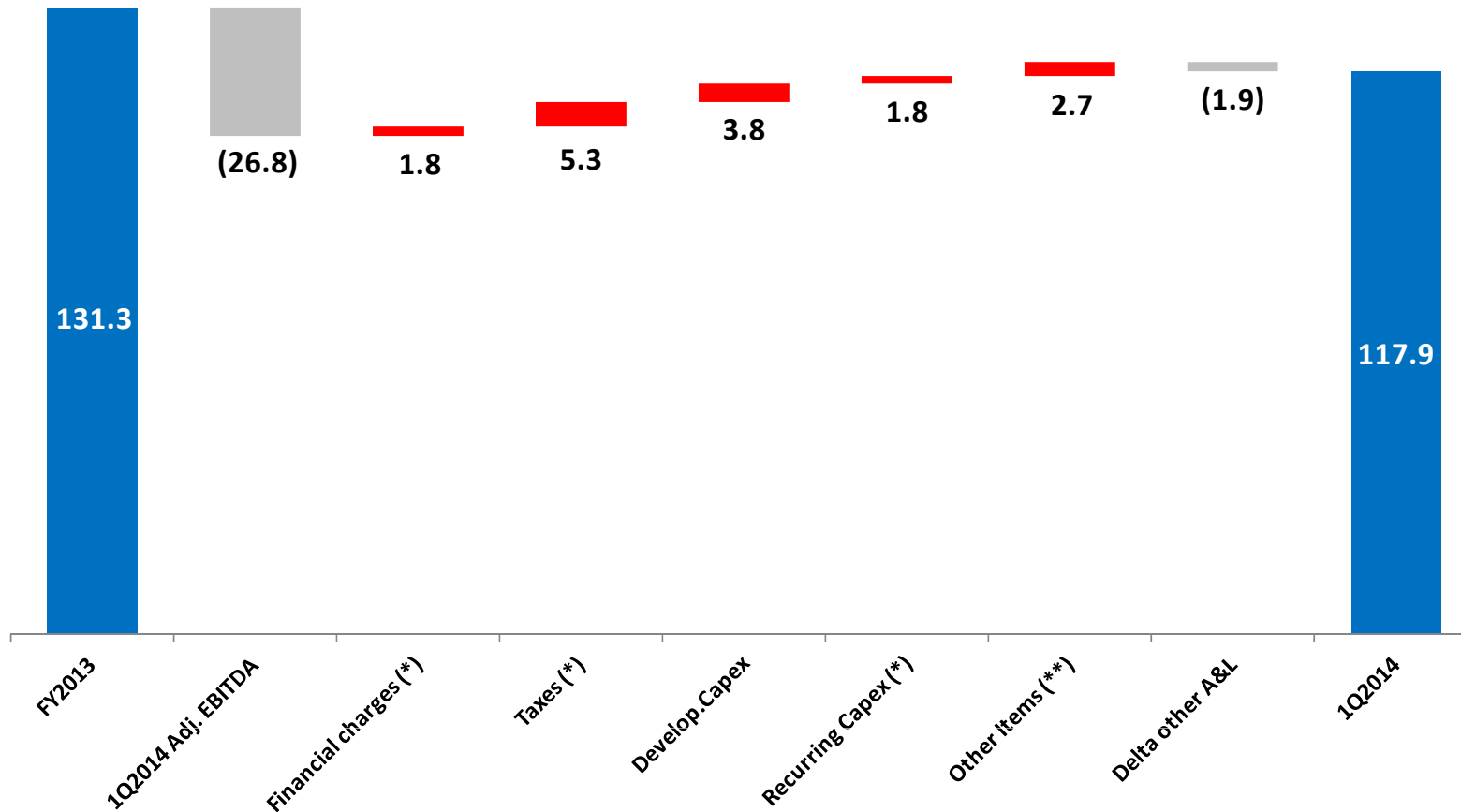
(\*) Including ancillary costs also associated with personnel for €0.2m in 1Q2013/14

(\*\*) Lay-offs

(\*\*\*) Including (€0.625m) amortization of non compete agreement with the former DMT CEO

*1Q 2014 cash flow generation mainly boosted by EBITDA & Capex control*

Data in €/m



(\*) Accounting figures

(\*\*) Including NCA and lay-offs

- The Italian tower sector is very sparkling in terms of potential M&A transactions
- EI Towers is the best candidate to play a pivotal role in the market consolidation, with a focus on large scale transactions:
  - As a priority, in the mobile tower space
  - As a possible evolution, in the rationalisation of the broadcasting segment
- 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



## EIT Industrial Role in the Italian Market

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- EIT Towers is the leading independent tower operator in the Country and the only one listed in Europe
- Proven track record in portfolios combination
- Technical know how in the entire value chain of broadcasting and telecommunications, with a unique widespread presence
  - Radio Planning and Signal Management
  - Daily housing and real estate activity
  - Sophisticated engineering platform able to guarantee continuity of the signal
  - Knowledge of MNOs' Service Level Agreement (SLA) needs
- Funding Capacity



- EBITDA yoy growth of €3-4m confirmed
- Tax rate~37%
- Maintenance Capex ~€12m
- New TV frequencies auction didn't result in high interest from new entrants; potential bidder expected to unveil its commitment in coming weeks
- New Business Plan within September this year confirmed, in absence of an acceleration of potential transformational transactions

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