



9M2015 Results Presentation
05th November 2015

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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 2014 and 2015 accounting information contained in this release corresponds to that contained in the company's formal accounts.

9M2015 results confirm resilience, solidity and M&A execution

- **9M Core Revenues at €179.8m (+2.9% yoy)**
 - Growth rate confirmed well above inflation trend
 - M&A activity main growth driver
- **9M Adjusted EBITDA at €84.9m (+2.0% yoy)**
 - Adj. EBITDA margin confirmed above 47%
 - Cost increase impacted by Δ perimeter (due to M&A) and phasing effects related to new developments
 - Reported EBITDA after extraordinary items at €81.8m
 - EBIT at € 53.9 (+ 5.1% yoy)
- **Sound Recurring Free Cash flow generation confirmed with Net Debt at €104.4m**
 - 9M Net Free Cash Flow at €-5.8m
 - Recurring Free Cash Flow (*) at € 42,2m

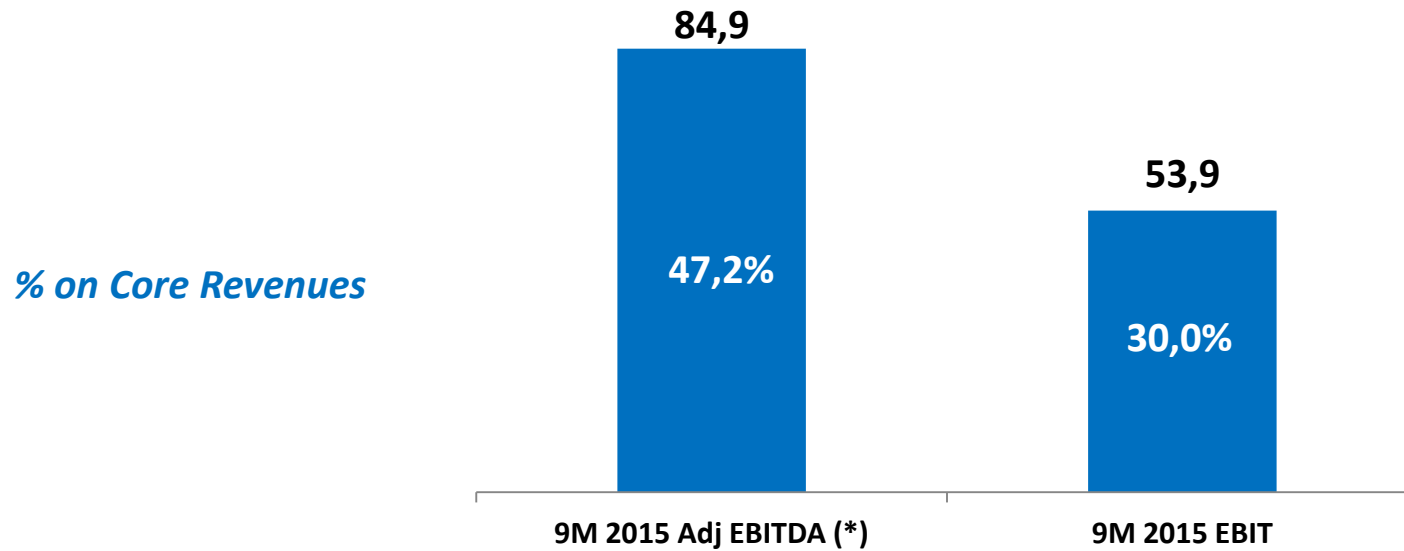
9M2015 key figures in line with Business Plan

9M 2015 Financial Headlines	Data in €/m	9M2014	9M2015	Var. % YoY		
	Core Revenues	174,8	179,8	2,9%	→	- Largely Exceeding CPI Trend
	Other revenues	0,1	0,3			
	Total Revenues	174,9	180,1	3,0%		
	Operating costs	(91,6)	(95,2)	4,0%	→	- Δ perimeter (ground leases) - Cairo project development
	- o/w Opex	(60,1)	(63,9)	6,4%		
	- o/w Labour Cost	(31,5)	(31,3)	-0,6%		
	Adj. EBITDA	83,3	84,9	2,0%		
	% on Core Revenues	47,7%	47,2%			
	Non recurring items (*)	(0,3)	(3,1)			
EBITDA	83,0	81,8	-1,5%			
D&A (**)	(31,7)	(27,8)	-12,1%			
EBIT	51,4	53,9	5,1%			
Net financial charges	(5,8)	(6,3)	8,7%			
EBT	45,6	47,7	4,6%			
Income taxes	(16,2)	(16,0)	-1,7%			
Net income	29,3	31,7	8,1%			
EPS (€)	1,04	1,13	8,1%			

(*) Largely represented by M&A costs

(**) Including, in 9M2014 only, 1,875 m amortization of Non Compete Agreement with the former DMT CEO

Data in €/m

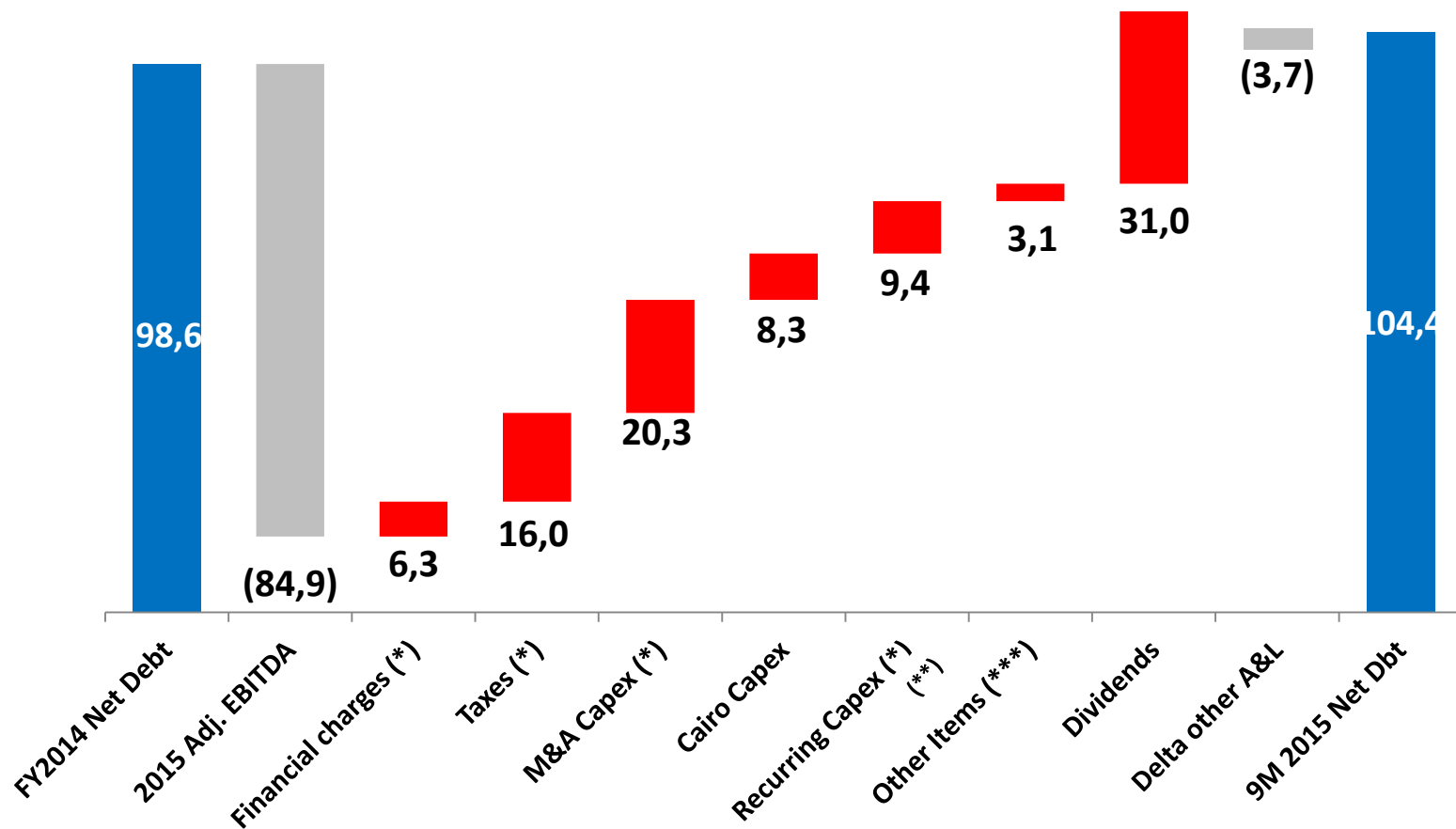


(*) Before non recurring items

EIT 9M2015

Net Debt & Cash Flow

Data in €/m



(*) Accounting figures

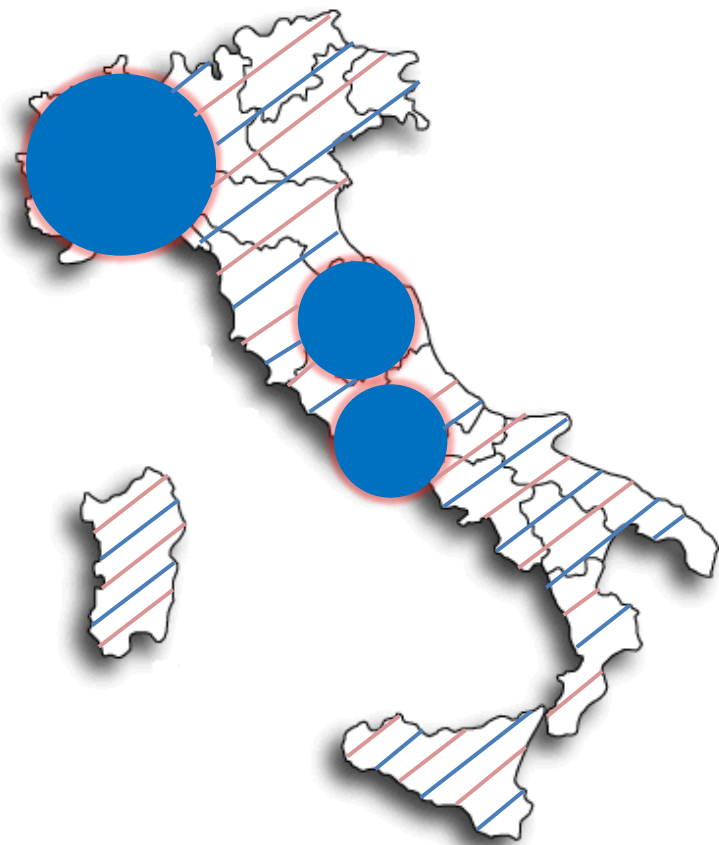
(**) Including 2.0m related to Nettrotter start up phase

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

Recent Events

M&A Update

As of today €6,2m of pro-forma annual EBITDA from small M&A (transactions closed)



Buyer: **TOWER**  **TEL**

Target: **Tecnorad Italia SpA**, based in Central Italy

Sites/Lands: 134 sites, o/w 63 owned

Clients profile: mainly Telecommunications

Status: closed on 10th July 2015



Buyer: **TOWER**  **TEL**

Target: **DAS Srl**, based in Lazio/Umbria regions

Sites/Lands: 11 sites (4 sites with property of the land)

Clients profile: mainly Telecommunications

Status: closed on 24th July 2015



Buyer: **TOWER**  **TEL**

Target: **13 companies** mainly based in Liguria regions

Sites/Lands: 171 sites (>50% of property of the land)

Clients profile: mainly Telecommunications

Status: closed end of October



Negotiations in place.

Confirmed target: preliminary binding agreements by year end representing ~ 1.5m € EBITDA (→ < 15 m € EV)
(50% already achieved as of today)

...for an aggregate EV of ~ €58m

Recent Events

First Important steps into the Internet of Things arena

Nettrotter - *El Towers newly incorporated subsidiary* - recently signed an exclusive agreement with Sigfox for the development in Italy of a new network dedicated to **LPWA IoT**

- **Low Power Wide Area (LPWA) technology developed by Sigfox:**
 - Very low energy consumption (battery life: up to more than 10 years [*suited for objects not connected to power grids*])
 - Very high transmission range (BS radius: up to more than 5 km)
 - Very low level of complexity
 - In order to save power and have long lasting products (up to 10-15 years), focus on objects mainly communicating in uplink mode (downlink mode anyhow available).

- **Under the exclusive agreement with Sigfox (10 years, renewable) Nettrotter will own:**
 - Network
 - Customers

Recent Events

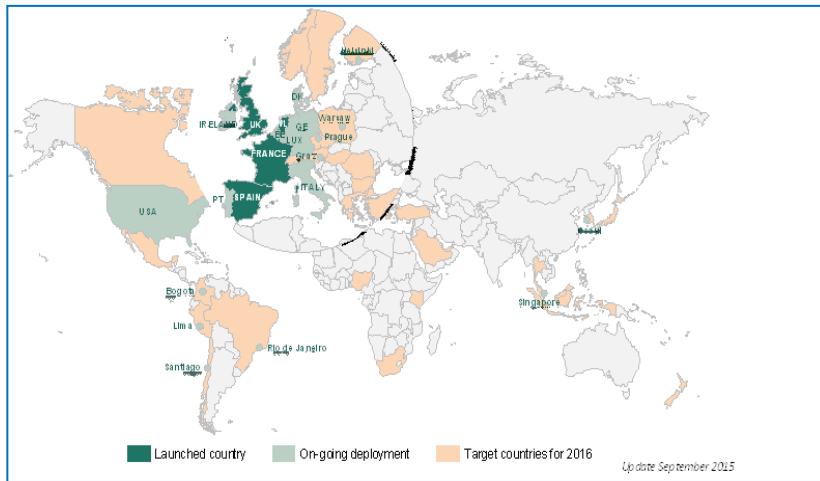
First Important steps into the Internet of Things arena

About Sigfox:

- Sigfox is the first and, so far, the only player who has developed a truly integrated end to end ecosystem to be built around a LPWA network with international coverage
- Technology and network are already operational in several countries



Sigfox International footprint



Sigfox Partners in Europe



- Sigfox equity partners are, among others:



Recent Events

First Important steps into the Internet of Things arena

EI Towers role and ambitions in the exclusive partnership with Sigfox:

- Deployment of the first LPWA IoT network in Italy with nationwide coverage:
 - ~ 1.000 BS in 24 ÷ 30 months
 - Initial rollout covering Rome and Milan by 2Q 2016
 - Capitalize on time advantage vs other LPWA technologies (not available as of today)

- Thanks to EI Towers footprint, synergies and relationships in the territory, capex related to the deployment of the new network will have a negligible impact on EIT's existing business plan capex profile

- Nettrotter will get in full the revenues from the Italian market (according to the number of connected objects) and will pay a revenue share to Sigfox.
 - ⇒ Option to capture a potentially extremely significant value creation (*)

- **Adjusted EBITDA^(*) confirmed at €114m**
- **D&A: ~€38m (excluding PPA on new M&A)**
- **Tax rate at 34% (previous guidance: 35%)**
- **Capex:**
 - Cairo Agreement capex ~€15m^(**)
 - Ordinary capex ~€12m (including Nettrotter - IoT project - start up)
 - New small M&A . Target: preliminary binding agreements by year end representing ~ 1.5 m € EBITDA (→ < 15 m € EV). Closing (→ capex accounting) might be shifted to early months of 2016
- **Net Debt new guidance: ~€140m**

Actual NFP will depend on closing dates of residual small M&A
(before Dec. 31st or immediately following weeks)
- **Capital structure:**

In absence of transformational deals, releverage targets confirmed.
Priority to industrial options (small and medium M&A), if accretive.
Within FY approval date, clearer picture on 2016 potential M&A targets and visibility on other releverage options.

(*) Before non-recurring items (e.g. M&A expenses)

(**) Of which €7m of EIT Towers' network upgrade and €8m related to transmitters; €3m additional capex expected in 2016

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