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Testo del comunicato

Vedi allegato.

PRESS RELEASE
Lissone, 22 March 2018

BOARD OF DIRECTORS 22 MARCH 2018

APPROVAL OF FULL YEAR 2017 CONSOLIDATED RESULTS

- **Core revenues at €262.9m**
- **Adjusted EBITDA[1] at €133.6m (50.8% of revenues), outperforming FY2017 target of around €130m**
- **EBITDA at €131.1m (49.9% of revenues)**
- **EBIT at €90m (34.2% of revenues)**
- **Net Result at €54.4m (20.7% of revenues)**
- **EPS at €1.99**
- **Net Debt at €317.7m**
- **Leverage (Net Debt/EBITDA) at 2.4x: met one year earlier the leverage ratio target (set at ~2.5x)**
- **Successfully completed the share buyback program: about 4.83% of the share capital is now held by the company in the form of treasury shares, in line with the objective of repurchasing up to 5% of Company share capital**
- **Proposed DPS of €2.05 per share**

Lissone 22 March 2018 – The Board of Directors of EI Towers S.p.A., which met today under the chairmanship of Alberto Giussani, approved the consolidated results of the full year 2017.

CONSOLIDATED RESULTS OF EI TOWERS GROUP

- 2017 results confirm the growing trends of all the main economic and financial indicators, with the economy showing the first signs of recovery and return to a moderate inflation. The growth of core revenues, equal to €262.9m (+ 4.5% yoy), is therefore due largely to the growth of volumes, mainly associated with the M&A activity in radio broadcast and telecommunications sector.

- Adjusted EBITDA came to €133.6m (50.8% on core revenues), growing by 8.5% yoy, with an increase of 180 base points on the margin on revenues.

- EBITDA amounted to €131.1m, growing by 9.6% on the same figure of the previous year (equal to €119.6m).

[1] Adjusted EBITDA corresponds to the difference between consolidated revenues and operating costs, gross of nonmonetary costs related to depreciations, amortizations and write-downs (net of possible revaluation) of current and non-current assets, of non ordinary economic components related to M&A transactions according IFRS3 or layoffs, of any costs related to atypical and/or unusual deals as defined by Consob communication of July 28, 2006 n. DEM 6064293. EBITDA is the difference between consolidated revenues and operating costs, gross of non monetary costs related to depreciations, amortizations and write-down (net of possible revaluations) of current and non current assets. It is a measure used by the Group management to monitor and evaluate the Company performance and it is not applied as an accounting measure within the IFRS standards ("Non GAAP Measure").

- EBIT came to €90.0m, representing 34.2% of core revenues and growing by around 19.3% on the 2016 restated figure (equal to €75.4m).

- Net Result, after €13.4m of net financial charges and €22.2m of p&l taxes, amounted to €54.4m, (20.7% of core revenues), increasing by 22.7% yoy.
- EPS amounted to €1.99.

- The group's net invested Capital was equal to €812.0m (€780.3m as of 31st December 2016), the Shareholders' Equity amounted to €494.2m and the Net Debt came to €317.7m.

RESULTS OF THE PARENT COMPANY

The parent company EI Towers S.p.A. reported 2017 revenues at €221.0m (+2.7% yoy), Adj. EBITDA at €108.2m (+6.5% yoy), EBIT at €76.8m (+20.3% yoy) and Net Result at €47.1m (+25.5% yoy). The Shareholders' Equity as at 31 December 2017 was equal to €443.0m, the Net Debt amounted to €322.5m.

PROPOSAL TO DISTRIBUTE DIVIDEND

The Board of Directors of EI Towers S.p.A., in line with the dividend policy approved on 26 July 2016, resolved to propose to the Shareholders' Meeting, which will be held on April 23, 2018, on a single session, the distribution of a dividend of € 2.05 per share before taxes by distributing the entire profit for the year and a portion of the share premium reserve.

With reference to the shares held by the Company as of March 22nd, 2018 (no. 28,262,377 shares, less no. 1,364,540 treasury shares held in portfolio by the Company and equal to 4.83% of the share capital), the total amount of the proposed dividend would be equal to around €55.1m million, paid through:
- the whole net profit of the parent company for the year of €47.1m;
- a portion of €8.0m from the share premium reserve of EI Towers S.p.A.

The dividend (coupon no. 5) shall be payable starting from May 23, 2018, with detachment of the coupon on May 21, 2018 and record date on May 22, 2018.

EXPECTATIONS FOR THE FULL YEAR

Also for 2018, the Group's strategy will be based on the business development both organically and inorganically, with a particular focus on the acquisition of small tower companies operating in the mobile telecom and radio broadcasting sector, in order to increase the business diversification from TV broadcasting segment.

In the light of the renewal of the Master Service Agreement with the controlling company Elettronica Industriale S.p.A. and the road-map related to the refarming process of television frequencies, whose effects will be fully appreciated during the second half of the year, a multi-year Business Plan might be approved and presented to the market by the end of the year.

Based on the information available today, in 2018 EI Towers expects to reach an Adjusted EBITDA in line with the level set in the Business Plan 2014-2018 and with the current consensus for the year, and to maintain a leverage ratio broadly unchanged in respect to year end 2017, taking into account the M&A operations already in the pipeline and the dividend distribution proposal.

REMUNERATION REPORT

The Board of Directors approved the Remuneration Report, pursuant to Art. 123-*ter* of the of the Legislative Decree no. 58 of 24 February 1998 and subsequent modifications and to the provisions issued by Consob.

In the next Shareholders' Meeting, the Board will propose the approval of the first section of the Report, which outlines the company's policy regarding the remuneration of directors and managers with strategic responsibilities, in compliance with the provisions of Art. 123-*ter* of the Consolidated Law on Finance.

SHARE BUY BACK

The Board of Directors of EI Towers will ask the next Annual General Meeting, to renew the authorisation to effect share buy back in line with the provisions of Article 132 of the Legislative Decree no. 58 of 24 February 1998 and subsequent modifications, and Articles 73, 144-bis and Annex 3A, Model no. 4 of Consob resolution no. 11971 of 14 May 1999 as subsequently amended (hereinafter "Issuer Regulations"), and of the Regulation (EU) no. 596/2014, as subsequently amended (the "MAR") and of the Commission Delegated Regulation (EU) 2016/1052 of 8 March 2016.

As of March 22nd, 2018, the Company's share capital subscribed and paid is equal to Euro 2,826,237.70, subdivided into 28,262,377 ordinary shares, with a nominal value of Euro 0.10 each. The company currently holds as Treasury Stock no. 1,364,540 shares, representing 4.83% of the share capital, of which no. 6,000 shares are on loan to Mediobanca - Banca di credito Finanziario S.p.A. in its role as specialist pursuant to art. 2.2.3, paragraph 4 of the Regulation of Markets Organised and Managed by the Italian Stock Exchange and related instructions contained in the Regulations. As of today the company's subsidiaries do not hold shares.

With the renewal of the authorisation, the Board intends to pursue the objectives set out below, including by operating, should the opportunities arise, in accordance with the accepted market practices, and in any case, in compliance with the applicable laws:

i) to carry out stabilization of the share performance, in the cases provided by applicable laws, and support to liquidity;
ii) to set up a so-called "securities warehouse" so that the Company may hold and make available the shares for possible use as payment for extraordinary transactions, including the exchanging of equity investments, with other persons within the sphere of transactions of interest to the Company;
iii) complying with the obligations arising (where approved) from option plans options on shares or othershares' assignations to employees or member of the administrative and control bodies of EI Towers S.p.A. or of the Company's subsidiaries.

In particular, the proposal includes authorising the Board to purchase shares of the Company, in one or more *tranches*, up to the maximum legal limit, taking account of the treasury shares held directly and any that might be held by subsidiaries.

Purchases may be made under Article 2357, the first paragraph of the Civil Code, within the limits of distributable profits and reserves as reported in the last approved Annual Report, resulting in the creation, pursuant to Article 2357-*ter*, the third paragraph of the Civil Code, of a restricted reserve equal to the amount of shares purchased from time to time, and which must be maintained until shares are transferred.

Upon the purchase of shares or their sale, swap, grant or writedown, the appropriate accounting entries shall be made in accordance with the provisions of the law and applicable accounting principles. In the event of sale, swap, grant or writedown, the amount in relation thereto may be re-used for other purchases, until the expiration of the term of the shareholder authorization, without prejudice to the quantitative and spending limits and the conditions established by the shareholders' meeting.

The authorization for the purchase is to be requested for a period less than the maximum period allowed by prevailing laws and regulations (which is currently 18 months starting from the date of the resolution of the shareholders' meeting), and precisely until the meeting of the shareholders that will approve the financial statements as of December 31, 2018.

The Board proposes that the price of purchase of the shares be identified from time to time, with reference to the means pre-established for effecting the transaction and in respect of legal and regulatory prescriptions or admitted market practices, within a minimum-maximum range determined in accordance with the following criteria:

- the minimum purchase price shall be no more than 20% below the reference price of the shares as registered during the market trading session on the day preceding any individual transaction or the date on which the price is fixed;
- the maximum purchase price shall be no more than 20% above the reference price of the shares as registered during the market trading session on the day preceding any individual transaction or the date on which the price is fixed.

Notwithstanding the above, in the event in which the transactions for the purchase of treasury shares are realized within the regulated market, the price for the bids to purchase shall be no greater than the higher of the price of the last independent transaction and the price of the highest current independent bid to purchase on the market in which the purchase bids are input, in compliance with art. 3, paragraph 2 of the Commission Delegated Regulation (EU) 2016/1052.

The Board proposes that the authorization allow for effecting the aforementioned transactions, in one or more tranches, by acquiring shares, in accordance with Article 144-bis Paragraph 1, letters a) and b) of the Issuer Regulations:

- by means of a tender offer or exchange offer;
- on markets regulated according to the operational means established in the regulations covering the organization and operation of the markets, which do not allow for the direct matching of purchase bids with pre-determined offers for sale.

The purchases may occur with means other than those indicated above in accordance with Article 132, Paragraph 3 of Legislative Decree no. 58/1998 or other provisions applicable as of the date of the transaction.

Furthermore, the Board of Directors, pursuant to and for the effects of Article 2357-ter of the Italian Civil Code, asks the shareholders' meeting to authorize the sale, in one or more tranches, of the shares purchased pursuant to this resolution or the shares already in the Company's portfolio, including prior to having purchased the maximum quantity of shares that can be purchased, and to repurchase the shares to the extent that the treasury shares held by the Company do not exceed the limit established by the authorization, without prejudice to the relevant resolutions regarding any compensation plans against or without payment, in favour of employees or members of the administrative bodies of EI Towers S.p.A. or subsidiary companies, as well as from plans for the bonus assignment of shares to shareholders and without prejudice to the subsequent provisions provided by the plans.

With the exception of the plans covering the distribution, against or without payment, of options on shares or shares, which will occur at prices determined by the plans, the price for any other sale of treasury shares, which is to be set by the Board of Directors with the authority to delegate the power therefore to one or more directors, may be no more than 10% below the reference price of the shares as registered during the market trading session on the day preceding any individual transaction, it being understood in any case that the limits which may be provided by law, also by European legislation, and accepted market practices for the time being in force.

Should the treasury shares be the subject of an exchange, swap, grant or any other act of assignment without cash payment, the economic terms of the transaction shall be determined on the basis of the nature and characteristics of the transaction, including by taking into account the market performance of the EI Towers S.p.A. shares.

Shares may be used in the way considered most appropriate in the interests of the company, and in any case in full compliance with applicable laws and accepted market practices.
The options on shares or the shares to be assigned as part of distribution plans will be assigned with the means and in the terms indicated by the plan regulations.
The purchase of treasury shares that is the subject of this authorization request is not instrumental to the reduction of the share capital.

REVISED AGREEMENT WITH CAIRO GROUP

On March 16, 2018, EI Towers ("EIT") and Cairo Network Srl ("Cairo"), a wholly owned subsidiary of Cairo Communication SpA, amended the previous long term agreements signed on 27 January 2015, related to the construction and subsequent multiannual technical management in full service (hosting, assistance and maintenance, use of the transmission infrastructure, etc.) of a national multiplex in DTT owned by Cairo.

In particular, the parties agreed upon:

- The Parties declare that they have concluded the Network Implementation Agreement and have accepted the Network configuration.
- EIT is committed to add 50 equipment units by the end of 2018 to enhance network coverage in some areas.

- The parties agree a € 0.3 million reduction in the annual fee owed to EIT, which decreases from € 16.3 million to € 16.0 million starting from 2018.
- The EIT accepts a potential annual charge as a result of a participation in the entrepreneurial risk higher than the one envisaged in the previous agreement (i.e. 40% for the entire duration of the contract), in the event that the last third of the available bandwidth on the MUX (conventional value of Euro 10.0 million) is not fully exploited by Cairo with its own contents or third parties:

- 2018-2022: 60% (Maximum Risk Participation: Euro 6.0 million)
- 2023-2027: 55% (Maximum Risk Participation: Euro 5.5 million)
- 2028-2034: 50% (Maximum Risk Participation: Euro 5.0 million)

• Some calculation criteria for the conventional consideration of the bandwidth used by Cairo in the last third of the MUX have been redefined.

• The parties defined and shared common criteria to check network coverage requirements.

This agreement further strengthens the partnership and partnership with Cairo, which is one of the major clients in the TV broadcasting segment.

The results of the full year 2016 are being disclosed to the financial community today at 6.00 p.m. (Italian time) via conference call. The reference documents will be made available under the Investor Relations section of the website www.eitowers.it .

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 accounting information on the full year 2017 contained in this release corresponds to that contained in the company's formal accounts.

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EIT GROUP

CONSOLIDATED INCOME STATEMENT *Euro in thousand*	2017		2016 (*)	
Revenues from sale of goods and services	**262,935**	**100.0%**	**251,533**	**100.0%**
Other income and revenues	753		1,204	
Total Revenues	**263,688**		**252,737**	
Operating Costs	130,041		129,600	
Adjusted EBITDA	**133,647**	**50.8%**	**123,137**	**49.0%**
Non-recurring items	(2,560)		(3,510)	
Gross operating margin (EBITDA)	**131,087**	**49.9%**	**119,627**	**47.6%**
Amortisation, depreciation	41,067		44,178	
Operating result (EBIT)	**90,020**	**34.2%**	**75,449**	**30.0%**
Financial charges, net	(13,417)		(9,424)	
Pre-tax result (EBT)	**76,603**	**29.1%**	**66,025**	**26.2%**
Income taxes	(22,160)		(21,668)	
Net income	**54,443**	**20.7%**	**44,357**	**17.6%**
(Profit)/Loss pertaining to minority interests	53		47	
Group's net income	**54,496**	**20.7%**	**44,404**	**17.7%**

CONSOLIDATED RECLASSIFIED BALANCE SHEET *Euro in thousand*	31 dicembre 2017		31 dicembre 2016 (*)	
Net working capital	(10,797)	-1.3%	(24,699)	-3.2%
Goodwill	502,332		488,414	
Other non-current assets	399,905		396,841	
Non-current liabilities	(79,472)		(80,240)	
Fixed assets	822,765	101.3%	805,015	103.2%
Net invested capital	**811,968**	**100.0%**	**780,316**	**100.0%**
Net financial position	**317,739**	**39.1%**	**142,559**	**18.3%**
Shareholders' equity	**494,190**	**60.9%**	**637,715**	**81.7%**
Minority shareholders' equity	**39**	**0.0%**	**42**	**0.0%**
Financial position and shareholders' equity	811,968	100.0%	780,316	100.0%

(*) Figures restated according to PPA

CASH FLOW STATEMENT *Euro in thousand*	2017	2016
Cash flow generated (absorbed) by operating activities	90,033	91,759
Cash flow generated (absorbed) by investing activities	(53,964)	(77,140)
Cash flow generated (absorbed) by financing activities	(121,813)	(24,092)
Net cash flow of the period	(85,744)	(9,473)

Fine Comunicato n.0722-10	Numero di Pagine: 10