

Retelit

Reti Telematiche Italiane



**LUGANO SMALL & MID CAP
INVESTOR DAY**

IV Edizione

**Hotel Splendide Royal
20 settembre 2013**



RETELIT COMPANY PROFILE



Retelit is one of the leading Infrastructure Service Provider focused on ultra broadband fibre based data transmission and data center services. **e-via**, a wholly-owned subsidiary of Retelit, is the operating company.



7,600km Fibre Network



8 Metropolitan Networks



18 Data Centers

Extending 7,600km along state, provincial and municipal highways, 8 metropolitan networks (MANs) in the largest Italian cities, and covering over 200 town centers, Retelit's proprietary network is integrated with 18 Data Centers to provide new generation ultrabroadband fibre based services.

1000+ Business Sites already connected and several thousands close to network, including business premises with one or more customers, Carriers' Point of Presence (PoP), Radio Base Station and Data Center.



RETELIT MISSION

“Helping its Customers to increase competitiveness by means of excellent ultra broadband connectivity and value added services”

Retelit Vision Leader in fibre based ultra broadband and value added services

Quality

Retelit can offer top quality internet services and connectivity through its state of the art technology and proprietary infrastructure

Performance

Retelit’s proven experience in engineering, provisioning and H24 assurance guarantees the best performance in the ultra broadband market

Simplicity

Retelit’s offer is clean and simple, as a result of its specific focus on the market

Security

Retelit guarantees resiliency and security with its proprietary network and firewalls managed by its experts

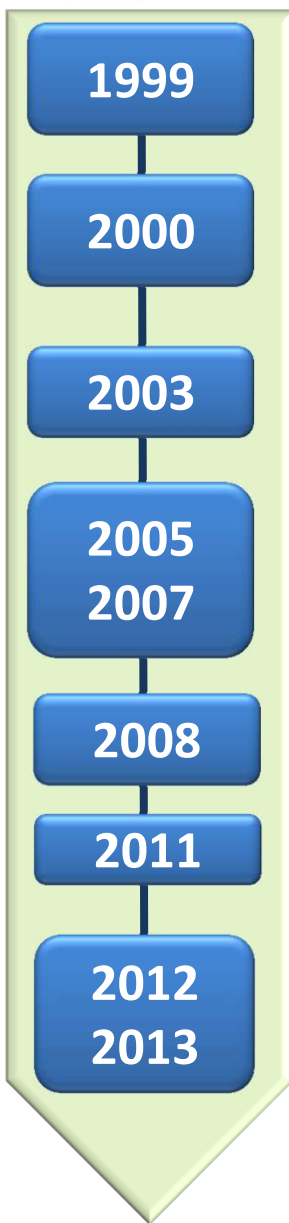
Cost Effectiveness

Retelit can provide quality service at the best price.

Scalability

Bandwidth scalability and flexibility will always match customer requirements

MILESTONES



START-UP: - Rights-of-way agreement with ANAS (State Roads) covering 48,000 km
- National TLC license

BUILD: - Construction of fibre backbone
- 8 MANs in major cities, Data Centers
- IPO, Network Investments

FOCUS: - Repositioning in Market as Carriers' Carrier
- Financial Restructuring

EXECUTE: - Leading Carriers' Carrier in Italy
- Increase Customer base: National and International Carriers, ISPs
- Execution of Major TLC Projects, International Defence
- Strong Financial Performance

WiMAX: - Took part to the tender offer of WiMAX licenses launched by the Italian Ministry of Communications, winning the license for north/centre of Italy

WiMAX: - Business Unit rented to Linkem

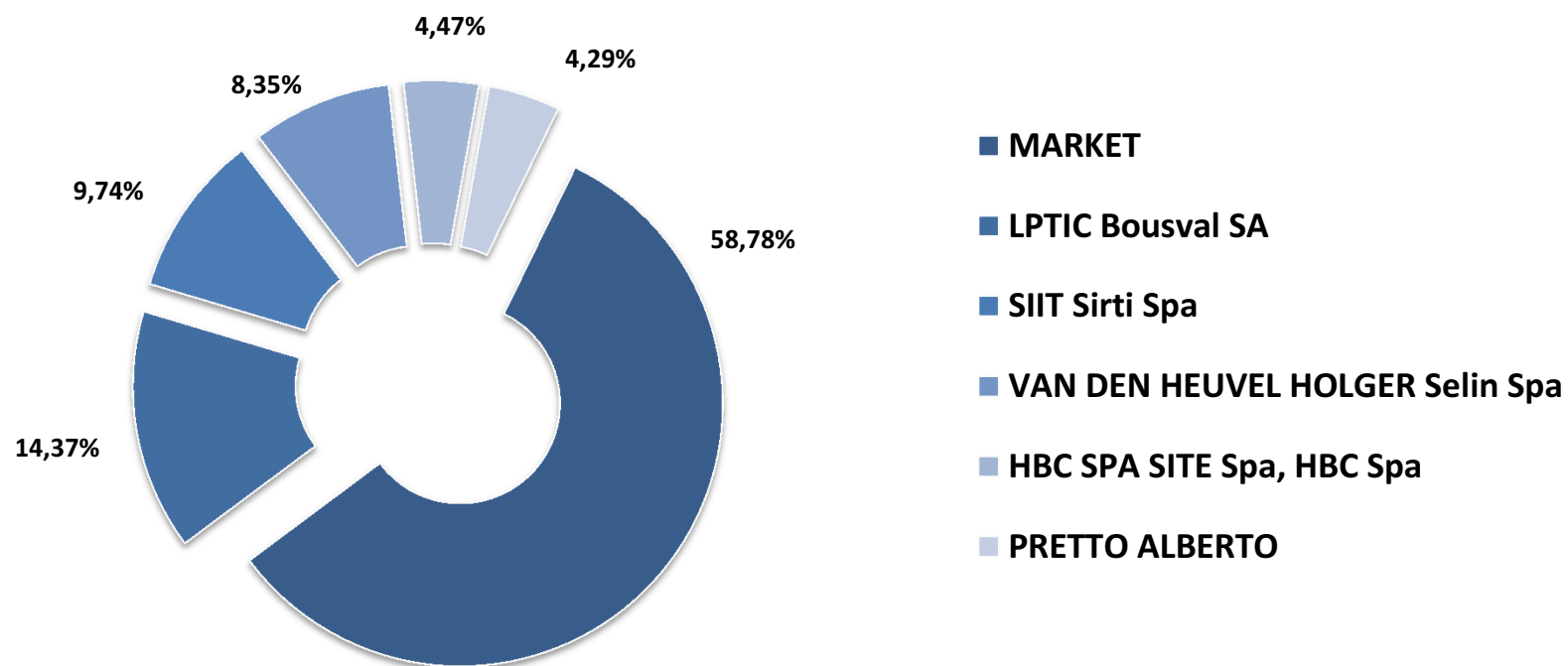
REFOCUS: - Change of governance and new top-management, new business plan
- Re-focus on Broadband and ICT services for the wholesale market

GROW: - Increase international network coverage, add new services
- Extension to selected enterprises market and public sector



Retelit's main shareholder is the Libyan Post, Telecommunication and IT company (LPTIC)

- September 2012: LPTIC drew up an agreement with others 11 shareholders (ex-minorities)
- October 2012: appointed a new Board of Directors to re-launch Retelit



THE BOARD OF DIRECTORS



The Board is composed by 9 Directors: the majority of them has international skills and experience in TLC and fibre optical sectors

Gabriele Pinosa

Board Chairman
Remuneration Committee Chairman
GO-SPA Consulting Founder&Chairman

Majdi Ashibani

Board Vice-chairman
Executive Committee member
LPTIC Chairman

Abdelmola Elghali

LPTIC CFO

Johan Leideman

Executive Committee member
Telecommunication Engineer

Mauro Tosi

Executive Committee Chairman
ERC Highlight CEO
Idealabs Founder&CEO

Alberto Della Porta

Remuneration Committee and
Control and Risk Committee member
Stena Italia CFO

Anna-Lena Philipson

Remuneration Committee member
Head of Commercial Development TeliaSonera

Paola Pillon

Control and Risk Committee Chairwoman
Telecommunication Engineer

Stefano Borghi

Control and Risk Committee member
SITE Chairman

Mr Pinosa is the e-via Chairman and Mr Ashibani is the e-via Vice-chairman too. The other e-via Board Members are Mr Elghali, Mr Leideman and Mr Tosi



Retelit is today positioned as an **Infrastructure Service Provider** focused on data transmission and housing wholesale services and infrastructures offered to international and domestic Telcos, ISP and ICT service providers

- ✓ Revenue and customers mix is strongly **Telco oriented**
- ✓ The increased number of Data Center service contracts achieved during the past two years in the ICT market positions Retelit also as a **Cloud Enabler**: up-selling to existing customers has now stronger growth prospective
- ✓ Aggregated IP bandwidth delivered today (IP transit service – Internet bandwidth 100% guaranteed) positions Retelit as a high quality **Internet Service Provider** in the Italian market.



- ✓ **Carriers (National and International)**
 - Fixed and/or Mobile
 - Multiutilities
- ✓ **International Defense and Aerospace**
 - DoD – DISA/DITCO
 - NATO
 - Aerospace
- ✓ **Telecommunication Service Providers**
 - Internet Service Providers
 - Resellers
- ✓ **ICT Service Providers**
 - System Integrators
 - Software Houses
 - IT Vendors
 - Value Added Resellers
 - Engineering Companies
- ✓ **Broadcasters**
 - TV / Satellite
 - Teleports
 - Content Providers
 - Over The Top

SOME OF THE MAIN CUSTOMERS

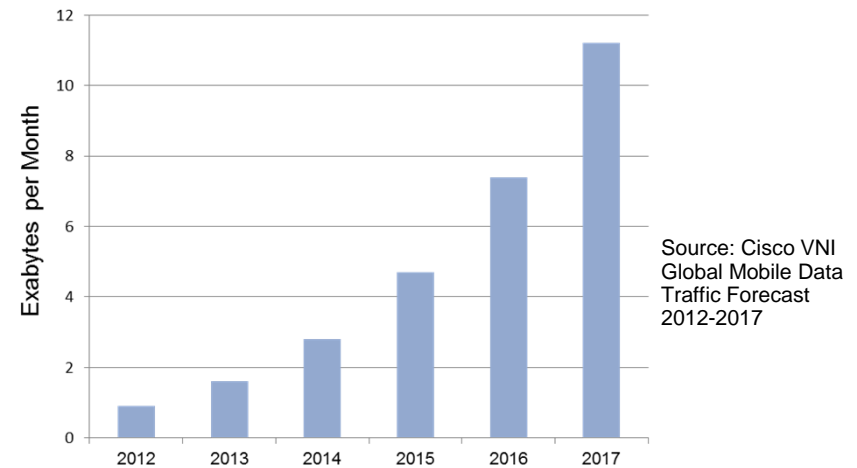
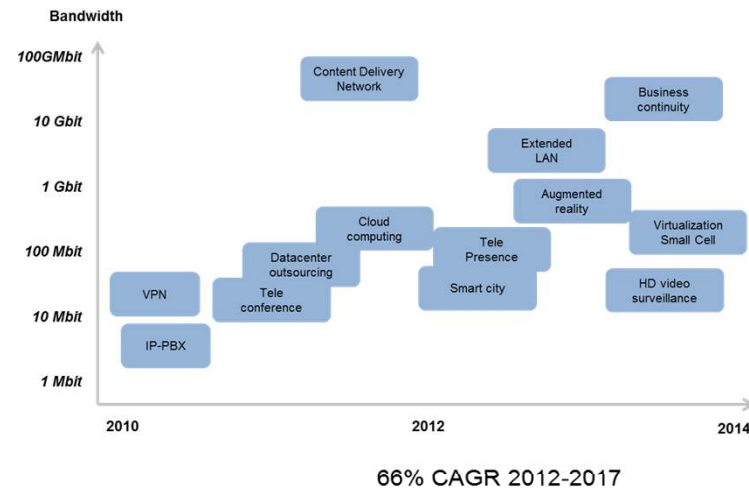


“The majority of revenues comes from International customers”

MARKET GROWTH ELEMENTS



- The demand of **fibre based ultra broadband** services by corporate Customers and Public Sector is going to increase.
- Continued strong growth in the number of **mobile internet connections**. Italian mobile operators, as well as other European players, are forced to upgrade their backhauling network. Only fibre based solutions can guarantee the required capacity and scalability
- **Italian Digital Agenda**. Digital economy has been declared as a strategic asset for economical and social development of the Country



- Digital Identity
- Digital PA
- No Digital Divide
- E-Health
- Open Data
- Digital Education
- Electronic Payments
- Digital Justice

- ✓ **Grow** without changing Company's DNA
- ✓ **Strengthen** positioning in Telcos wholesale market
- ✓ **Consolidate** positioning in ICT and new media market
- ✓ **Address** selected corporations and public administrations

- ✓ **Focus** on high quality broadband services, developing Internet value added services and Virtual Private Networks
- ✓ **Improve** Premium Data Center services portfolio

- ✓ **Extend** network reach leveraging fibre backhauling projects for mobile operators
- ✓ **Consider** telecom infrastructure acquisitions to increase network coverage
- ✓ **Expand** backbone cross-border and open new European Points of Presence
- ✓ **Develop** International projects, some in partnership with LPTIC



Broadband Telecommunication Services

Carrier Ethernet Connectivity (from 2 Mbps to 100 Gbps low latency)

SDH Circuits (from 2 Mbps to 40 Gbps)

Internet Transit and Access (from 2 Mbps to 10 Gbps)

Virtual Private Networks MPLS



Value Added Services & Security

Systems and Network Management

Professional Services

Managed Firewall

Antivirus, Log Management

Distributed Denial of Service Mitigation

Data Center Services

Co-Location Services

Housing services

Back Up (Data Retention) and Storage

Disaster Recovery / Business Continuity Solutions



Infrastructures

Dark Fiber

Ducts



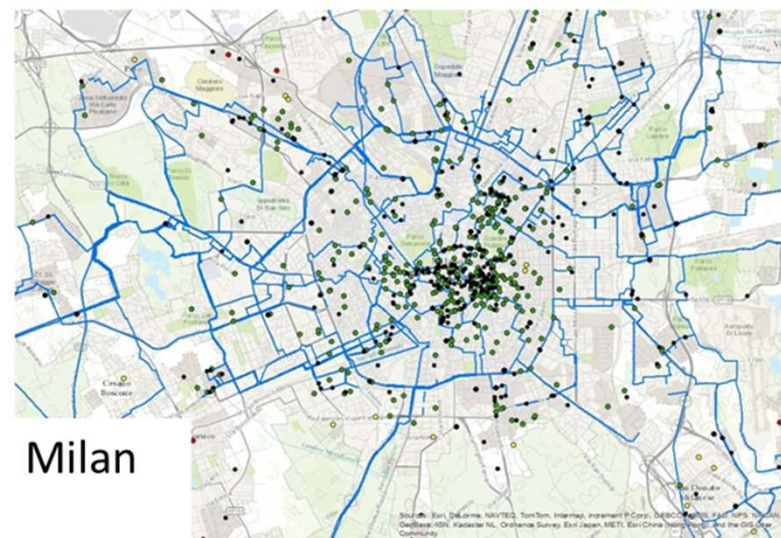
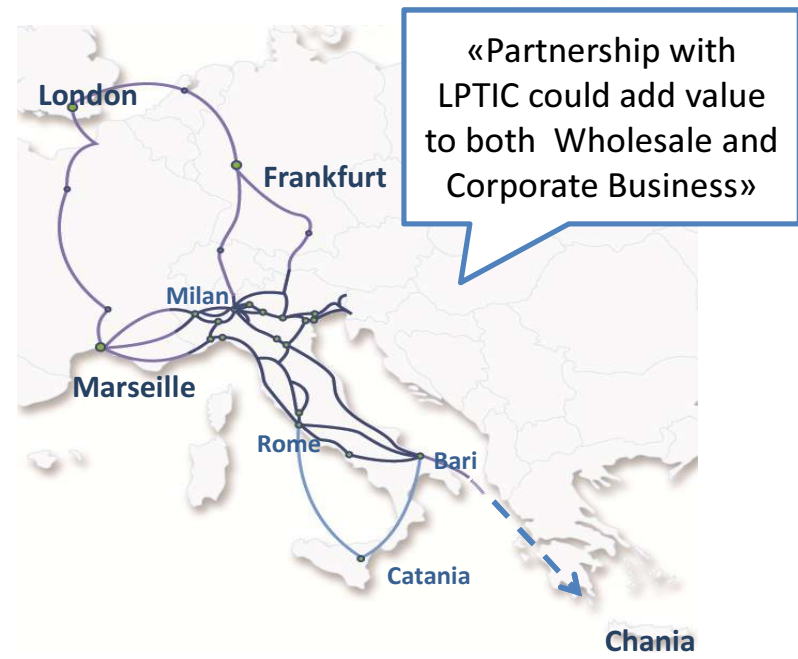
PLANNED MARKET EXTENSION



- ✓ **Wholesale**
 - Increase European points of interconnection to address new international operators
 - Enhance Internet peering
 - Landing stations gateway for Middle and Far East

- ✓ **Corporate and Selected Enterprises**
 - 50-250 Employees
 - Near our fibre route
 - Addressing high end Broadband and Disaster Recovery needs

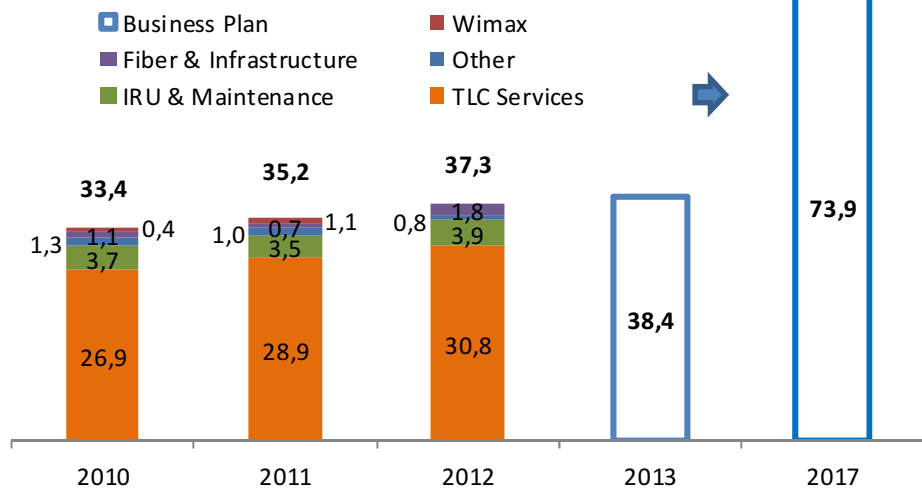
- ✓ **Public Sector**
 - Central and Local
 - Education
 - Health
 - Defense
 - University and Research Institutes



REVENUES AND EBITDA

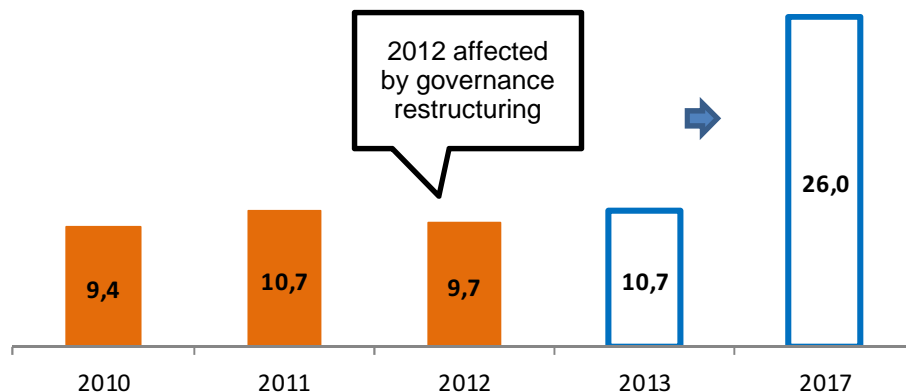


Revenues €M (2013-2017 estimated)

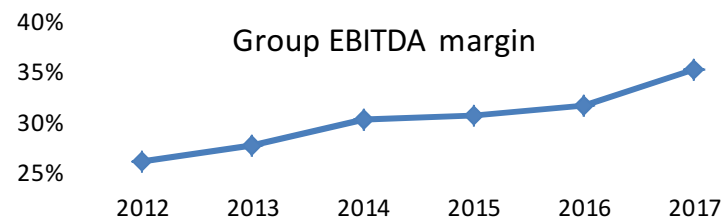


- 2010-2012 constant growth of Telecom services
- 2013-2017 growth according to expected benefit coming from application of strategic guidelines

EBITDA €M (2013-2017 estimated)



- 2013-2017 EBITDA margin improvement in line with the sector

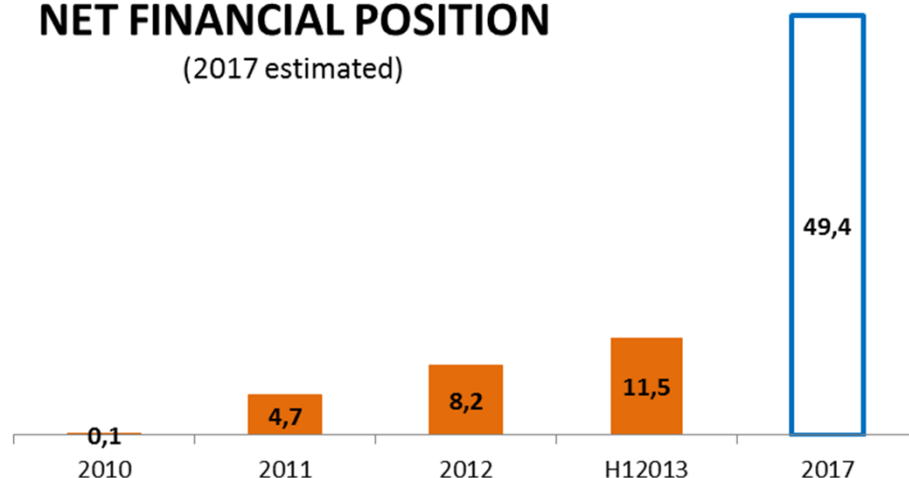


Business Plan foresees net income in 2014



NET FINANCIAL POSITION

(2017 estimated)



- 42M€ expected cash generation, of which 27,5M€ from the disposal of the WiMAX Business Unit
- 75M€ 2013-2017 CAPEX, of which 49,2M€ for building connections
- 76,1M€ tax asset as at December 31st, 2012, of which 39,7M€ due to tax on losses and 36,4M€ related to temporary differences in taxable income

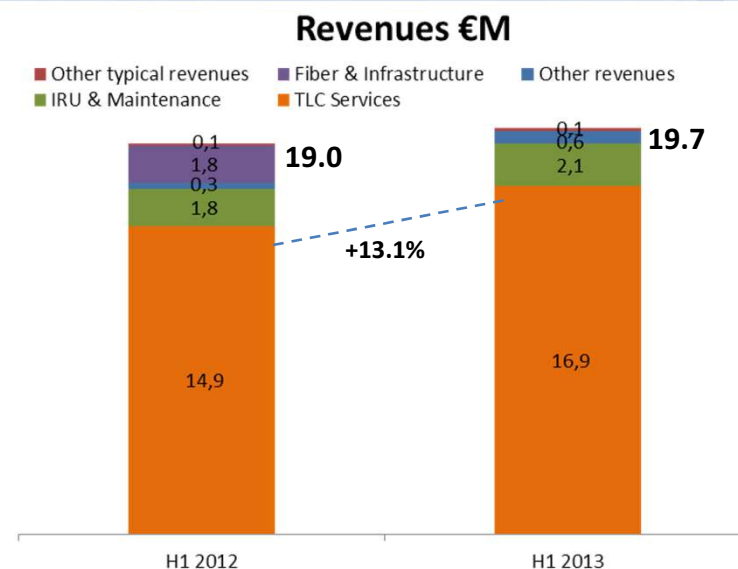
WIMAX PUT OPTION

- Retelit is currently renting the WIMAX Business Unit to Linkem
- Retelit can sell the BU by exercising the PUT option till June 30th, 2014
- The agreed price of the asset for the PUT option is determined in 33M€
- The price must be deducted of the annual charges payments done by Linkem during the duration of contract
- Retelit Business Plan 2013-2017 includes the selling of the BU

2013 FIRST HALF RESULTS



- 2013 first half results in line with budget and improved from 2012
- Revenues 19.7 M€, increased 3.9% from first half 2012, Telecom services increased 13,1%
- EBITDA 5.5M€, increased 18.2% from first half 2012
- EBIT -1.2M€, improved from -1.7M€ in first half 2012
- Net Income -0.4M€, improved from -0.9M€ in first half 2012



YEAR-TO-DATE MAIN EVENTS

- Business Plan strategic actions have been promptly launched upon approval on March 1st, 2013
- New important customers have been gained in both Carriers and ICT market
- Positioning towards Public Sector ongoing by means of commercial presentations, workshops, offering to public tenders
- First European Point Of Presence in Frankfurt live today
- New Carrier Ethernet backbone platform operational in September
- 100Gbps low latency DWDM backbone live in 2013
- Hiring process on-going

- ✓ Leading Italian infrastructure service provider
- ✓ Proprietary ultra broadband fibre infrastructure
- ✓ Growing demand of services based on broadband fibre
- ✓ Newly appointed, highly committed and experienced management team
- ✓ 2013-2017 Business Plan focused on growth and profitability
- ✓ Strong cash generation supports planned capex plan
- ✓ M&A opportunities to accelerate company growth
- ✓ Diversified shareholder base with a free float above 50%



ISO 9001



ALLA/NALLA Telecom Services for
NATO, U.S. DoD, DISA/DITCO



UNI CEI ISO/IEC 27001:2006

Retelit, E-VIA

Milan , Bergamo, Bologna and Rome Data Centers

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