EI TOWERS GROUP

QUARTERLY REPORT AS AT MARCH 31, 2013

EI TOWERS S.p.A.

Via Zanella, 21 - 20851 Lissone (MB)

Tax Code and Inscription Number

Monza and Brianza Companies Register: 12916980159

VAT Number: 01055010969

www.eitowers.it

Company subject to management and coordination activities of Mediaset S.p.A.

INDEX

This document contains an unofficial English language translation, which is provided for information only and for ease of reference and should not be relied upon. In the event of any ambiguity about the meaning of certain translated terms or of any discrepancy between the Italian document and the Translation, the Italian document shall prevail.

CORPORATE BODIES

Board of Directors

Chairman	Alberto Giussani
Chief Executive Officers	Guido Barbieri Valter Gottardi
Directors	Manlio Cruciatti Richard Adam Hurowitz Piercarlo Invernizzi Michele Pirotta

Board of Statutory Auditors

Chairman	Francesco Vittadini
Active Auditors	Marco Armarolli Anna Girello

External Auditing Company	Deloitte & Touche S.p.A.

Main Income Statement Data

Euro in millions	Q1 2013	Q1 2012
Revenues	57.5	55.9
EBITDA (*) before non-recurring items	25.3	22.7
EBITDA (*)	25.2	22.2
Operating profit (EBIT)	14.2	11.3
Profit before tax	13.0	9.5
Net profit	8.5	5.9

Main Balance Sheet and Financial Data

Euro in millions	March 31, 2013	December 31, 2012
Net invested capital	716.0	724.9
Shareholders' equity	544.2	535.7
Net financial position	(171.8)	(189.2)

Personnel

	March 31, 2013	*December 31, 2012*
No. of employees	590	591

Main Indicators

	Q1 2013	Q1 2012
EBITDA (*) before non-recurring items/Revenues	43.9%	40.6%
EBITDA (*)/Revenues	43.8%	39.8%
EBIT/Revenues	24.8%	20.3%
Profit before tax/Revenues	22.7%	16.9%
Net profit/Revenues	14.8%	10.6%
Earning per share (Euro per share)	0.30	0.21
Diluted earning per share (Euro per share)	0.30	0.21

(*) Corresponding to the difference between revenues and operating costs gross of non-monetary expenses related to amortisation, depreciation and write-downs (net of possible value reinstatement) of current and non-current assets. EBITDA is a measure utilised by the Management of the Group to control and evaluate the company operating trend and it is not applied as accounting measure in the IFRS (“Non GAAP Measure”).

FOREWORD

This Interim Financial Report at March 31, 2013 (hereinafter also "Quarterly Report"), has been prepared according to art. 154, part three, of the Legislative Decree 58/1998 and subsequent amendments and to Consob Communication No. DEM/8041082 of April 30, 2008 and in conformity with the International Accounting Standards (IAS/IFRS) applicable according to EC Regulation No. 1606/2002 of the European Parliament and Council of July, 19 2002 and, in particular, to IAS 34 – Interim Financial Reporting.

The structure and content of the reclassified consolidated accounting tables contained in the Interim Report on Operations and the mandatory layouts included in this Report are consistent with those used for the preparation of the Annual Report.

The explanatory notes have been prepared in conformity with the minimum contents established by IAS 34 – Interim Financial Reporting. Therefore, the information contained in this Quarterly Report is not the same as that contained in a complete set of Financial Statements prepared according to IAS 1.

This Quarterly Report has not been subject to an external audit.

It should be noted that the economic data related to the first quarter of 2012 have been restated to recognize retrospectively the effects of the Purchase Price Allocation process of acquired assets and liabilities following the business combinations of Mediaset Group and DMT Group's "Tower" business, and the effects of the redetermination of the useful lives of assets related to towers, as described in detail in the Consolidated Financial Statements at December 31, 2012.

These effects determined, in the first quarter of 2012, higher amortisation for Euro 0.4 million and lower taxes for Euro 0.1 million compared to what stated in the Quarterly Report at March 31, 2012.

INTERIM REPORT ON OPERATIONS AT MARCH 31, 2013

Summary of Group Results and Operations

Despite the ongoing difficult macroeconomic situation, the economic and financial results of first quarter of 2013 are positive and in line with the expectations.

The main consolidated figures of the first quarter of the year are the following:

- Revenues amounted to Euro 57.5 million, with a growth of about 3% compared to the same period of the previous year (Euro 55.9 million);
- Gross operating margin (EBITDA), excluding non-recurring items for Euro 0.1 million (Euro 0.5 million in the first quarter of 2012), equal to Euro 25.3 million compared to Euro 22.7 million in the same period of the previous year, with a growth of 11.3% and a ratio on revenues of 43.9% (40.6% in the first quarter of 2012);
- EBITDA net of non-recurring items was equal to Euro 25.2 million (Euro 22.2 million in the first quarter of 2012, with an increase of 13.3%); the incidence on revenues rose from 39.8% to 43.8%;
- Operating profit (EBIT) amounted to Euro 14.2 million, with a growth of 25.8% compared to the restated data of the first quarter of last year (Euro 11.3 million);
- Operating profitability grew from 20.3% to 24.8%;
- Net profit amounted to Euro 8.5 million, with a significant increase (+43.2%) compared to the restated data of the first quarter of 2012 (Euro 5.9 million);
- Significant Free cash flow for the quarter, with a reduction in the Net Financial Position of over 17 million compared to end 2012;
- Net invested capital was equal to 716 million (Euro 724.9 million at December 31, 2012).

Outstanding events and operations in the first quarter

The Board of Directors of the parent company EI Towers S.p.A decided on March 21, 2013 to proceed with the issue of a bond on the Eurobond market destined only to qualified investors for a maximum face value of Euro 250 million and finalized to total refinancing and general operations management of the Group.

For detailed information about the issuance reference should be made to the paragraph related to subsequent events at March 31, 2013.

Analysis of the results

Below there are presented the analyses of the Consolidated Income Statement, Balance Sheet and Financial Situation.

The form and contents of the tables of the Income Statement, Balance Sheet and Financial Situation below are shown in a restated format compared to those contained in the subsequent Financial Statement Tables, for the purpose of highlighting some interim levels of the results and the Balance Sheet and Financial Situation groupings that are believed to be the most significant ones, in order to be able to truly understand the operating performances of the Group. For these balances, even if they are not required by accounting standards, there are also supplied, in conformity with the indications contained in the Consob Communication No. 6064293 of July28, 2006 and in the Recommendation of the CESR (Committee of European Securities Regulators) of November 3, 2005 (CESR/05-178b) regarding alternative performance indicators, i.e. “Non GAAP Measures”, the descriptions of the criteria used in preparing them and the appropriate notes regarding the references for the items contained in the mandatory tables.

Economic results

In the following Consolidated Income Statement table the interim results related to the gross operating margin (EBITDA), gross and net of non-recurring items, and to the Operating result (EBIT) are shown.

The gross operating margin (EBITDA) is the difference between the consolidated revenues and the operating costs, gross of the non-monetary costs related to depreciation, amortisation and write-downs (net of any reinstatement of the values) of both current and non-current assets.

The Operating result (EBIT) is obtained by deducting from the EBITDA the non-monetary costs related to depreciation, amortization and write-downs (net of any reinstatement of the values) of both current and non-current assets.

CONSOLIDATED INCOME STATEMENT

Euro in thousands	Q1 2013		Q1 2012	
Revenues from sales of goods and services	**57,518**	**100.0%**	**55,877**	**100.0%**
Other income and revenues	225		223	
Total revenues	**57,743**		**56,100**	
Operating costs	32,466		33,395	
EBITDA, excluding non-recurring items	**25,277**	**43.9%**	**22,705**	**40.6%**
Non-recurring items	(109)		(487)	
Gross operating margin (EBITDA)	**25,168**	**43.8%**	**22,218**	**39.8%**
Amortisation, depreciation and write-downs	10,926		10,901	
Operating result (EBIT)	**14,242**	**24.8%**	**11,317**	**20.3%**
Financial charges, net	(1,212)		(1,866)	
Pre-tax result (EBT)	**13,030**	**22.7%**	**9,451**	**16.9%**
Income taxes	(4,519)		(3,506)	
Net income	**8,511**	**14.8%**	**5,945**	**10.6%**

Revenues from sales of goods and services in the first three months of the year amounted to Euro 57,518 thousand, and refer for Euro 44,449 thousand to the use of transmission infrastructure and assistance and maintenance services, logistics, head end, design and ancillary services towards the parent company Elettronica Industriale S.p.A., and for the remaining to contracts of use of the infrastructure and supply of services towards other broadcast and wireless telecommunication operators. Revenues increased by Euro 1,641 thousand (+3%) compared to the first quarter of 2012.

Other income and revenues, equal to Euro 255 thousand, refer to extraordinary income and other income.

One off costs for Euro 109 thousand related to lay-off incentives for employees and accounted as non-recurring items (Euro 487 thousand in the first quarter of 2012) have been recorded in the quarter. Excluding these charges, total operating costs amounts to Euro 32,466 thousand, with a decrease compared to Euro 33,395 in the same period of the previous year.

Gross operating margin (EBITDA), excluding non-recurring items described above, amounted to Euro 25,277 thousand, with an increase of 11.3% compared to the first quarter of 2012, with an incidence on revenues equal to 43.9% compared to the previous 40.6%

EBITDA including non-recurring items amounted to Euro 25,168 thousand (43.8% of revenues) compared to Euro 22,218 thousand in the first three months of 2012 (39.8% of revenues).

After accounting amortisation for Euro 10,926 thousand, in line with the restated data of the first quarter of 2012 (which includes higher amortisation for Euro 374 thousand compared to the data stated in the Quarterly Report at March 31, 2012), the operating result (EBIT) was equal to Euro 14,242 thousand (Euro 11.317 thousand in the first quarter of 2012); operating profitability increased by 24.8% compared to the previous 20.3%.

The significant decrease in net financial charges from Euro 1,866 thousand to Euro 1,212 thousand, determined a pre-tax profit growing to Euro 13,303 thousand compared to the restated data of Euro 9,451 thousand, equal to 22.7% of revenues (16.9% in the first quarter of 2012).

Income taxes for the period, calculated on the basis of the effective tax rate estimated for the year, amounted to Euro 4,519 thousand compared to the restated data of the first quarter of 2012 (which includes lower taxes for Euro 117 thousand compared to the data stated in the Quarterly Report at March 31, 2012).

The first three months of the year ended with a net profit of Euro 8,511 thousand, equal to 14.8% of revenues, with a significant growth (+43.2%) compared to the restated data of the first quarter of 2012 (Euro 5,945 thousand); the incidence on revenues increased from 10.6% to 14.8%.

Balance Sheet and Financial Situation

Below are given the tables of the Condensed Consolidated Balance Sheet shown in a reclassified format for the purpose of highlighting the two macro groupings of Net Invested Capital and the Net Financial Position, where this latter figure consists of the Gross Financial Debt reduced by Cash and Cash Equivalents and by Other Financial Assets.

The details relative to the items in the Financial Statements that form part of the calculation of the Net Financial Position are shown in the following explanatory note No. 4.2.

Therefore, these tables differ from the Balance Sheet layout that is contained in the mandatory tables of the Financial Statements, which have been drafted according to the split between current and non-current assets and liabilities.

The item Net Working Capital includes the current assets (with the exclusion of the cash and cash equivalents and the current financial assets that are included in the Net Financial Position) and current liabilities (with the exclusion of current financial liabilities that are included in the Net Financial Position).

The item Non-recurring liabilities includes the severance fund, deferred tax liabilities and the provisions for risks and charges.

RECLASSIFIED CONSOLIDATED BALANCE SHEET	March 31, 2013		December 31, 2012	
Euro in thousands				
Net working capital	(31,122)	-4.3%	(31,745)	-4.4%
Goodwill	454,130		454,130	
Other non-current assets	351,817		361,940	
Non-current liabilities	(58,812)		(59,414)	
Non-current capital	747,135	104.3%	756,656	104.4%
Net invested capital	**716,013**	**100.0%**	**724,911**	**100.0%**
Net financial position	**171,834**	**24.0%**	**189,247**	**26.1%**
Shareholders' equity	**544,179**	**76.0%**	**535,664**	**73.9%**
Financial position and shareholders' equity of the Group	716,013	100.0%	724,911	100.0%

The Net financial position significantly decreased from Euro 189,247 thousand to Euro 171,834 thousand compared to December 31, 2012 thanks to the free cash flow for the period.

In the following table is shown the Condensed Cash Flow Statement with the indication of cash flows generated or absorbed during the first three months of the year from operating, investing and financing activities.

CASH FLOW STATEMENT	Q1 2013	Q1 2012
Euro in thousands		
Cash flow generated (absorbed) by operating activities	20,209	18,764
Cash flow generated (absorbed) by investing activities	(2,064)	(6,778)
Cash flow generated (absorbed) by financing activities	(21,486)	(2,355)
Net cash flow for the period	(3,341)	9,631

The net flow absorbed by investing activities, equal to Euro 2,064 thousand considerably decreased compared to the data of the first quarter of 2012 which had been affected by significant investments carried out in relation to the digitization process of the television signal.

Cash absorption of Euro 21,486 thousand for financing activities refers to net reimbursement of financial debt for Euro 20,754 thousand and to net interests paid out on the use of the intragroup current account existing with Mediaset S.p.A. and on total bank debt for Euro 732 thousand.

Group Employees

The employee ending headcount of the Group at March 31, 2013 amounted to 590 people (591 people at December 31, 2012).

Related Parties transactions

The transactions carried out with related parties cannot be classed as either atypical or unusual because they fall within the categories of the normal business activities of the Group companies. All these transactions are regulated at arm's length market conditions, taking into account the characteristics of the goods and services supplied.

The detailed information regarding the Income Statement, Balance Sheet and financial impacts of the transactions with related parties, pursuant to IAS 24, are shown in the following explanatory note No. 5.

With reference to the periodic disclosure that has to be made by the Issuers, according to the Consob Resolution no. 17221 of March 12, 2010 (article 5, paragraph 8, of the Regulations containing measures regarding transactions with related parties), please refer to the Consolidated Financial Statements as at December 31, 2012.

Amendment of art. 37 of Consob Regulation 16191/2007 regarding markets.

Effective from January 2, 2012 EI Towers S.p.A. is subject to the management and coordination activity of Mediaset S.p.A.

Also according to art. 2.6.2, paragraph 13, of the Regulaton of the Markets Organized and Managed by Borsa Italiana S.p.A., we acknowledge the full conformance of EI Towers S.p.A. to the expectations of art. 37 of Consob Regulation 16191/2007 since it:

- fulfilled and is regularly fulfilling advertising obligations provided for by art. 2497-bis of the civil code,
- has an autonomous negotiating capacity in relationships with clients and suppliers,
- has no centralized treasury pooling relationship with Mediaset S.p.A.,
- has a Control and Risk Committee which carries out also the functions of the Related Party Committee, and a Remuneration Committee composed exclusively of independent directors according to the criteria of art 148, para. 3, of the Legislative Decree 58/1998, of the Corporate Governance Code of Borsa Italiana S.p.A. and of art. 37 of Consob Regulation 16191/2007. EI Towers S.p.A. has also a Board of Directors composed of a majority of independent directors.

Faculty to waive the obligation to issue an information memorandum in the occasion of significant transactions (opt-out)

According to article 3 of Consob Resolution no. 18079 of January, 20 2012, the Board of Directors on December 14, 2012 resolved to adhere to the opt-out regime envisaged by articles 70, para. 8 and 71 para 1/bis of the Regulations for Issuers Consob no. 11971/99 (and subsequent amendments), using the faculty to waive the obligation to issue an information memorandum in the occasion of significant transactions such as merger, corporate capital splitting, capital increase through non-monetary contribution of assets, acquisitions and disposals.

Subsequent Events at March 31, 2013

On April 10, 2013 Fitch Ratings has assigned EI Towers S.p.A. a Long-term Issuer Default Rating (IDR) of 'BBB' with a stable outlook. The rating agency also assigned a 'BBB(EXP)' senior unsecured rating to EIT's planned bond issuance of up to Euro 250 million decided by the Board of Directors on March 31, 2012.

Fitch Ratings has underlined the quasi-utility nature of EI Towers, with a vital role in the transmission of a significant portion of Italy's free-to-air television signals. The rating reflects the company's highly visible, non-cyclical and inflation linked revenue streams. These are underpinned by long-term contracts to rent space on its towers for radio and TV broadcast and telecoms transmission equipment.

On April 18, 2013 EI Towers successfully completed Euro 230 million five-year bond issuance with an issue price at 99.444 and a coupon of 3.875%. The settlement date for the bond issue was April 26, 2013. Requests from institutional investors of almost 10 times the offer came from ca. 280 investors from 27 countries.

The bonds have been listed on the Irish stock exchange.

Banca IMI, BNP Paribas, Mediobanca and Unicredit acted as Joint Lead Managers while Banca Akros had a role as Co-manager.

On April 24, 2013 Fitch Ratings has assigned the bond issuance a final rating of 'BBB' with a stable outlook.

By using the cash from the bond issuance EI Towers provided for the total reimbursement of current banking facilities and the use of the intra-group current account with the parent company Mediaset S.p.A. and, in addition, gave the subsidiary Towertel S.p.A. the necessary financial means for the total reimbursement of its bank exposure.

Business Outlook

The economic and financial figures of the first quarter of the year are positive and in line with the management's expectations; on the base of the current management performance, the economic-financial targets already disclosed to the market can be confirmed.

The Bond issuance has strengthened the Group's financial profile significantly, giving the company a considerable financial flexibility for the coming years and guaranteeing a particularly limited cost of debt.

This will allow the Group to plan a regular dividend policy for Shareholders and to consider any future investment opportunities for the business growth.

For the Board of Directors

Guido Barbieri, CEO

EI TOWERS GROUP

Consolidated Accounting Tables and

Explanatory Notes

EI TOWERS GROUP

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Euro in thousands)

	Notes	March 31, 2013	Dec. 31, 2012
ASSETS			
Non current assets			
Property, plant and equipment	4.1	235,467	243,217
Goodwill		454,130	454,130
Other intangible assets	4.1	109,437	111,784
Investments in associates/joint control companies		28	28
Other financial assets		1,066	1,092
Deferred tax assets		5,819	5,819
TOTAL NON CURRENT ASSETS		**805,947**	**816,070**
Current assets			
Inventories		3,331	3,227
Trade receivables		24,953	23,629
Current financial assets		7,479	6,014
Cash and cash equivalents	4.2	18,346	21,687
TOTAL CURRENT ASSETS		**54,109**	**54,557**
TOTAL ASSETS		**860,056**	**870,627**

EI TOWERS GROUP

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Euro in thousands)

	Notes	March 31, 2013	Dec. 31, 2012
SHAREHOLDERS' EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital		2,826	2,826
Share premium reserve		206,533	206,533
Treasury shares		(1,845)	(1,845)
Other reserves		320,833	320,833
Valuation reserve		(879)	(883)
Retained earnings		8,200	(15,444)
Net profit for the period		8,511	23,644
TOTAL SHAREHOLDERS' EQUITY		**544,179**	**535,664**
Non current liabilities			
Post-employment benefit plans		11,290	11,315
Deferred tax liabilities		44,904	45,481
Financial liabilities and payables	4.2	66,160	66,119
Provisions for non current risks and charges		2,618	2,618
TOTAL NON CURRENT LIABILITIES		**124,972**	**125,533**
Current liabilities			
Financial payables	4.2	82,945	82,987
Trade payables	4.3	32,851	37,081
Provisions for risks and charges	4.3	75	75
Current tax liabilities	4.3	15,196	10,112
Other financial liabilities	4.2	41,075	61,828
Other current liabilities	4.3	18,763	17,347
TOTAL CURRENT LIABILITIES		**190,905**	**209,430**
TOTAL LIABILITIES		**315,877**	**334,963**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**860,056**	**870,627**

EI TOWERS GROUP

INTERIM CONSOLIDATED STATEMENT OF INCOME

(Euro in thousands)

	Notes	Q1 2013	Q1 2012
Sales of goods and services		57,518	55,877
Other revenues and income		225	223
TOTAL REVENUES		**57,743**	**56,100**
Personnel expenses		11,543	11,453
Purchases, services, other costs		21,032	22,429
Amortisation, depreciation and write-downs		10,926	10,901
TOTAL COSTS		**43,501**	**44,783**
EBIT		**14,242**	**11,317**
Financial expenses		(1,309)	(1,898)
Fianancial income		97	32
EBT		**13,030**	**9,451**
Income taxes		4,519	3,506
NET PROFIT FOR THE PERIOD		**8,511**	**5,945**
Earnings per share (Euro):	4.4		
- Basic		0.30	0.21
- Diluted		0.30	0.21

EI TOWERS GROUP
INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(Euro in thousands)

	Q1 2013	Q1 2012
CONSOLIDATED NET PROFIT/(LOSS)(A):	**8,511**	**5,945**
Statement of comprehensive gains/(losses):		
Effective portion of gains/(losses) on hedging instruments (cash flow hedge)	-	26
Actuarial gains/(losses) on defined benefit plans	-	(308)
TOTAL OTHER COMPREHENSIVE INCOME /(LOSS) NET OF TAX EFFECTS (B)	**-**	**(282)**
TOTAL COMPREHENSIVE INCOME (A+B)	**8,511**	**5,663**

EI TOWERS GROUP
INTERIM CONSOLIDATED CASH FLOW STATEMENT
(Euro in thousands)

	Q1 2013	Q1 2012
CASH FLOW FROM OPERATING ACTIVITIES:		
Operating profit	**14,242**	**11,317**
+ Depreciation and amortisation	10,926	10,901
+ Change in trade receivables	(1,324)	5,894
+ Change in trade payables	(4,230)	(6,114)
+ Change in other assets and liabilities	595	(3,234)
Net cash flow from operating activities [A]	**20,209**	**18,764**
CASH FLOW FROM FINANCING ACTIVITIES:		
Investments in tangible assets	(828)	(6,986)
Investments in intangible assets	-	(7,153)
Changes in payables for investing activities	(1,236)	5,115
Business combinations net of cash acquired	-	2,246
Net cash flow from investing activities [B]	**(2,064)**	**(6,778)**
CASH FLOW FROM FINANCING ACTIVITIES:		
Changes in financial liabilities	(20,754)	(2,300)
Interests (paid)/received	(732)	(55)
Net cash from financing activities [C]	**(21,486)**	**(2,355)**
CHANGE IN CASH AND CASH EQUIVALENTS [D=A+B+C]	**(3,341)**	**9,631**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD [E]	**21,687**	**9**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD [F=D+E]	**18,346**	**9,640**

EI TOWERS GROUP
INTERIM CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
(Euro in thousands)

	Share capital	Share premium reserve	Legal reserve and other reserves	Treasury shares	Valuation reserve	Retained earnings (accumulated losses)	Profit/ (loss) for the period	**TOTAL SHAREHOLDERS' EQUITY**
(A) Balance at Dec.31, 2011	**1,130**	**89,278**	**209,070**	**-**	**17**	**-**	**5,185**	**304,680**
(B) Change in consolidation area	-	62,281	25,478	(5,091)	-	(15,444)	-	67,224
(C) Business combinations	1,696	54,974	84,346	-	-	-	-	141,016
Balance (A) + (B) + (C)	**2,826**	**206,533**	**318,894**	**(5,091)**	**17**	**(15,444)**	**5,185**	**512,920**
Allocation of 2011 net profit	-	-	5,185	-	-	-	(5,185)	-
(Purchase)/sale of treasury shares	-	-	(2,272)	2,272	-	-	-	-
Stock options	-	-		-	7	-	-	7
Comprehensive income/(loss)	-	-	-	-	(282)	-	5,945	5,663
Balance at March 31, 2012	**2,826**	**206,533**	**321,807**	**(2,819)**	**(258)**	**(15,444)**	**5,945**	**518,590**
Balance at Jan. 01, 2013	**2,826**	**206,533**	**320,833**	**(1,845)**	**(883)**	**(15,444)**	**23,644**	**535,664**
Stock options	-	-	-	-	4	-	-	4
Allocation of 2012 net profit					-	23,644	(23,644)	-
Change in actuarial reserve	-	-	-	-	-	-	-	-
Comprehensive income/(loss)	-	-	-	-	-	-	8,511	8,511
Balance at March 31, 2013	**2,826**	**206,533**	**320,833**	**(1,845)**	**(879)**	**8,200**	**8,511**	**544,179**

EXPLANATORY NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS AT MARCH 31, 2013

1. Drafting criteria

In these Interim Condensed Consolidated Financial Statements, drawn up according to what is established by IAS 34 – Interim Financial Statements –, there have been applied the same accounting standards and valuation criteria that were used to draw up the Consolidated Financial Statements at December 31, 2012, to which reference should be made, with the exception of the impairment tests that are aimed at ascertaining any losses in value of capitalised assets that, in the absence of indicators, events and phenomena that would be such as to change the valuations that had been done in the past, and that are usually carried out at the time of the drafting of the Annual Report, a time when there is available all the necessary information in order to be able carry out this process completely. Starting from the 2013, actuarial valuations to determine Employee benefit funds are calculated on a six-monthly basis.

This Interim Condensed Consolidated Report does not contain all the information and explanatory notes required for the Annual Report and must therefore be read together with the Consolidated Financial Statements as at December 31, 2012.

The preparation of the Interim Condensed Consolidated Report requires the implementation of estimates and assumptions which have effect on the value of revenues, costs, assets and liabilities in the balance sheet and on the information related to possible assets and liabilities at the date of the Interim Report. In case these estimates and assumptions, which are based on the better valuation issued by the management at the date of this Quarterly report, should in the future differ from the real situation, they are properly reviewed in the period in which the situation has changed. For a more detailed description of the Group's most significant evaluation processes, reference should be made to the chapter - Uses of estimates of the Consolidated Financial Statements at December 31, 2012.

Income taxes for the accounting period were calculated based on the best estimate of the weighted average tax rate expected for the whole financial year.

The values of the items in the Consolidated Financial Statements are shown in thousands of Euro, except where otherwise indicated.

It should be noted that the income statement, the comprehensive income statement and the cash flow statement related to the first quarter of 2012 have been restated to recognize retrospectively the effects of the Purchase Price Allocation process of acquired assets and liabilities following the business combinations of Mediaset Group and DMT Group's "Tower" business, and the effects of the redetermination of the useful lives of assets related to towers, as described in detail in the Consolidated Financial Statements at December 31, 2012.

These effects determined, in the first quarter of 2012, higher amortisation for Euro 374 thousand and lower taxes for Euro 117 thousand compared to what stated in the Quarterly Report at March 31, 2012.

_2._ New accounting standards, interpretations and amendments applicable from January 1, 2013.

The Group applied the following accounting standards, interpretations and amendments starting from January 1, 2013.

IAS 1 Presentation of Financial Statements – Presentation of items of other comprehensive income

The amendment to IAS 1 changes the grouping of items of other comprehensive income. Items which may be reclassified (or "recycled") in the income statement in future (i.e., net profit on net investment hedges, difference resulting from translating foreign financial statements, net profit on cash flow hedge and net profit/loss from financial assets held for sale) should be presented separately with respect to items which will not (i.e., actuarial gains and losses on defined benefit plans and revaluation of land and buildings). The change concerns only the way of presentation and has no impact on the financial position of the Group and on its results.

IAS 19 Employee Benefits (amendment)

IASB issued several amendments to IAS 19, from radical changes such as the elimination of the corridor approach and of the concept of expected return on plan assets, to simple clarification and terminology. The most significant change concerning the cancellation of the corridor method has no impacts on the Group since at the First Time Adoption the option provided for by para. 93 A-D of IAS 19 with profit and loss recognized directly in Equity, has been chosen.

IAS 28 Investments in Associates (amended in 2011)

Following new IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities, IAS 28 has been renamed "Investments in associates and jointly controlled entities", and describes the use of the equity method for investments in jointly controlled entities, in addition to associates. The adoption of this standard has no impact on the Group since the use of the equity method has been chosen for the evaluation of the interest in jointly controlled companies as alternative to the proportional consolidation method.

IFRS 12 Disclosure of Interests in other Entities

IFRS12 includes all requirements about disclosure of information previously included in IAS 27 related to consolidated financial statements, and all requirements about disclosure of information of IAS 31 and IAS 28. This disclosure relates to the interests an entity has in subsidiaries, jointly controlled entities, associates and structured entities. In addition, new disclosure case records are expected. This new standard will have no impact on the financial position o results of the Group, but only on disclosure.

IFRS 13 – Fair Value Measurement

IFRS 13 sets out in a single IFRS a framework for measuring fair value. IFRS 13 does not change the cases in which another IFRS requires fair value measurement, but provides the guidance on the measurement of fair value within IFRS, when the application of fair value is required or permitted. This standard is applicable by the Group to annual periods beginning on or after January 1, 2013.

The Group has not adopted in advance any other standard, interpretation or improvement issued or basically issued but not yet in force.

3. Main corporate operations and changes in the consolidation area

No corporate operations and changes in the consolidation area shall be reported compared to December 31, 2012.

4. Comments on the main changes in the assets and liabilities

4.1 Other intangible and tangible assets

Euro in thousands	December 31, 2012	Increases	Decreases	Amortisation	March 31, 2013
Other intangible assets	111,784	-	-	(2,348)	109,437
Tangible assets	243,216	851	(23)	(8,578)	235,467

The increase in tangible assets mainly refer to ongoing investments on towers.

4.2 Net Financial Position

The breakdown of the Consolidated Net Financial Position is given below as required by the Consob communication no. 6064293 of July 28, 2006 showing the current and non-current net financial debt of the Group.

	March 31, 2013	Dec.31, 2012
Cash in hand and cash equivalents	12	13
Bank and postal deposits	18,334	21,674
Securities and other current financial assets	-	-
Total Liquidity	**18,346**	**21,687**
Current Financial Assets	**-**	**-**
Due to banks	(64,995)	(65,005)
Current portion of non-current financial debt	(17,950)	(17,982)
Payables and other current financial liabilities	(41,075)	(61,828)
Current Financial Debt	**(124,020)**	**(144,815)**
	-	-
Current Net Financial Position	**(105,674)**	**(123,128)**
Due to banks	(66,160)	(66,119)
Corporate bond	-	-
Payables and other non-current financial liabilities	-	-
Non- current Financial Debt	**(66,160)**	**(66,119)**
Net Financial Position	**(171,834)**	**(189,247)**

The item Bank and postal deposits is related to credit balances of the bank current accounts of the companies of the Group.

Current payables due to banks include bank credit lines and loans expiring within the year; the Current portion of non-current financial debt includes the portion of medium-term bank loans due within 12 months.

Payables and other current financial liabilities include the negative balance of the inter-company current account towards Mediaset S.p.A., including accrued interest for the first quarter.

The Item Non-current payables due to banks includes the portion due over 12 months of existing medium term bank loans.

Bank loans recognised in the balance sheet are recorded using the amortised cost method. As already pointed out in the Consolidated Financial Statements at December 31, 2012, medium-term loans are subject to financial covenants which till now have been met.

Current financial debt decreased in the quarter by Euro 20,795 thousand mainly by virtue of a lower use of the current account existing with Mediaset S.p.A.; total Net financial position improved by Euro 17,413 thousand compared to December 31, 2012 thanks to the cash flow generated in the quarter.

As already highlighted in the Interim Report on Operations, the current banking facilities of the Group have been reimbursed after the end of the quarter by using the cash from the bond issuance.

4.3 Current liabilities

The balances of Current liabilities, excluding Financial liabilities included in the Net financial position are shown in the following table.

Euro in thousands	March 31, 2013	December 31, 2012
Trade payables	32,851	37,081
Provisions for risks and charges	75	75
Tax liabilities	15,196	10,112
Other current liabilities	18,763	17,347

The increase in the item Tax liabilities at March 31, 2013 relates to the accounting of current tax liabilities of the first quarter of 2013.

4.4 Earnings per share

The calculation of basic and diluted earnings per share (*Earnings per share* - EPS) is based on the following data:

	Q1 2013	Q1 2012
Net profit for the periodo (Euro in thousands)	8,511	5,945
Weighted average number of ordinary shares (without own shares)	28,196,851	28,163,851
Basic EPS (Euro)	0.30	0.21
Weighted average number of ordinary shares for the diluted EPS computation	28,196,851	28,196,851
Diluted EPS (Euro)	0.30	0.21

Earnings per share are calculated by dividing the Group's net profit by the weighted average number of shares in circulation during the period, net of treasury shares.

Diluted earnings per share are calculated by taking into account in the calculation the number of shares in circulation and the potential diluting impact of the assignment of treasury shares to the beneficiaries of stock option plans already due.

5. Related-party transactions

In the following summary table the details related to each company that is the counterpart of these transactions are given for the main Income Statement/Balance Sheet groupings, which are identified pursuant to IAS 24 and grouped by the main transaction types.

	Revenues	Costs	Fiancial income / (charges)	Trade receivables	Trade payables	Other receivables/ (payables)
CONTROLLING ENTITIES						
Mediaset S.p.A.	-	-	(297)	-	(4)	(40,998)
R.T.I. S.p.A.	75	(621)	-	130	(781)	-
Elettronica Industriale S.p.A.	44,449	(2)	-	378	(33)	-
Total controlling entities	**44,524**	**(623)**	**(297)**	**508**	**(818)**	**(40,998)**
AFFILIATED ENTITIES						
Publitalia '80 S.p.A.	16	-	-	-	-	-
Videotime S.p.A.	272	(108)	-	310	(39)	-
MedioBanca S.p.a.	-	(56)	-	-	-	-
Monradio S.r.l.	123	(2)	-	148	-	-
Total affiliated entities	**411**	**(166)**	**-**	**458**	**(39)**	**-**
COMPLEMENTARY SOCIAL SECURITY FUND (Mediafond)	**-**	**-**	**-**	**-**	**-**	**(107)**
Other related parties	**24**	**(2)**	**-**	**397**	**(504)**	**-**
TOTAL RELATED PARTIES	**44,959**	**(791)**	**(297)**	**1,363**	**1,361**	**41,105**

Revenues and trade receivables from controlling companies are mainly referable to hosting, assistance and maintenance services, logistics, use of transmission infrastructure, head end and engineering. Financial charges and other payables refer to the current account relationship existing with Mediaset S.p.A.

Costs and trade payables to parent companies are mainly imputable to EDP services and personnel administrative services and leases invoiced to RTI S.p.A., a company controlling Elettronica Industriale S.p.A.

Revenues and trade receivables from associates relate to hosting and maintenance services to Monradio S.r.l. and leases of equipped areas at the regional offices to Videotime S.p.A.; costs and trade payables due to associates are mainly attributable to leases (Videotime S.p.A.) and to specialist services on the Italian market (MTA – Mercato Telematico Azionario) provided by Mediobanca S.p.A.

Data related to other related parties include relationships with some companies and joint ventures mainly carrying out activities connected to the operating management of TV signal transmission.

6. Personal guarantees given and commitments

With reference to personal guarantees given and existing commitments at March 31, 2013 there are no significant changes compared to December 31, 2012.

7. Transactions arising from atypical and/or unusual operations

Pursuant to Consob Communication of July 28, 2006 No.DEM 6064296, it is underlined that during the first quarter of 2013 the Group has not put in place any atypical and/or unusual operations, as these are defined by the aforesaid Communication.

The Company Executive responsible for the preparation of the company accounting documents of EI Towers S.p.A., Fabio Caccia, herewith declares, pursuant to paragraph 2, article 154, second part, of the Consolidated Finance Act that the accounting information contained in this document corresponds to the contents of accounting documents, books and postings of the company.

For the Board of Directors

Guido Barbieri, CEO