EI TOWERS GROUP

QUARTERLY REPORT AS AT SEPTEMBER 30, 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.

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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	September 30, 2013	September 30, 2012
Revenues	174.0	174.6
EBITDA (*) before non-recurring items	80.6	71.8
EBITDA (*)	80.3	71.3
Operating profit (EBIT)	46.8	36.8
Profit before tax	41.0	31.9
Net profit	26.3	20.2

Main Balance Sheet and Financial Data

Euro in millions	September 30, 2013	December 31, 2012
Net invested capital	708.6	724.9
Shareholders' equity	550.1	535.7
Net financial position	(158.5)	(189.2)

Personnel

	September 30, 2013	September 30, 2012
No. of employees	589	592

Main Indicators

	September 30, 2013	September 30, 2012
EBITDA (*) before non-recurring items/Revenues	46.3%	41.1%
EBITDA (*)/Revenues	46.1%	40.8%
EBIT/Revenues	26.9%	21.1%
Profit before tax/Revenues	23.6%	18.3%
Net profit/Revenues	15.1%	11.5%
Earning per share (Euro per share)	0.93	0.72
Diluted earning per share (Euro per share)	0.93	0.72

(*) 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 September 30, 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 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 nine months and the third 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 nine months and the third quarter of 2012, higher amortisation respectively for Euro 1.1 million and Euro 0.3 million and lower taxes respectively for Euro 0.3 million and Euro 0.1 million compared to what previously stated.

INTERIM REPORT ON OPERATIONS AT SEPTEMBER 30, 2013

Summary of Group Results and Operations

The main consolidated figures of the first nine months of the year are the following:

- Revenues amounted to Euro 174 million, basically stable compared to the same period of the previous year;

- Gross operating margin (EBITDA), excluding non-recurring items for Euro 0.3 million (Euro 0.5 million in the first nine months of 2012), equal to Euro 80.6 million compared to Euro 71.8 million in the same period of the previous year, with a growth of 12.3% and a ratio on revenues of 46.3% (41.1% in the first nine months of 2012);
- EBITDA net of non-recurring items was equal to Euro 80.3 million (Euro 71.3 million in the first nine months of 2012, with an increase of 12.6%); the ratio on revenues rose from 40.8% to 46.1%;
- Operating profit (EBIT) amounted to Euro 46.8 million, with a considerable increase (+27.3%) compared to the restated data as of September 30, last year (Euro 36.8 million);
- Operating profitability grew from 21.1% to 26.9%;
- Net profit amounted to Euro 26.3 million, with an increase of 30.4% compared to the restated data of the first nine months of 2012 (Euro 20,2 million);
- Earnings per share (EPS) amounted to Euro 0.93 compared to Euro 0.72 (restated data as of September 30, 2012);
- Significant Free cash flow for the period, with a reduction in the Net Financial Position of Euro 30.8 million compared to end 2012, after having distributed in the period dividends amounting to Euro 11.8 million;
- Net invested capital was equal to 708.6 million (Euro 724.9 million at December 31, 2012).

Outstanding events and operations in the third quarter

On September 12, 2013, in accordance with the law and the Articles of Association, the partial demerger of Towertel S.p.A. in EI Towers S.p.A. has been approved by the respective Boards of Directors. The demerger is finalized to a better operating integration of the Group, concentrating in Towertel S.p.A. the infrastructures devoted to “Telecom” operators and demerging in the favor of EI Towers S.p.A. the infrastructures devoted to “Broadcast” operators, with the corresponding assets and liabilities. The demerger effects are expected to be effective from January 1, 2014.

Analysis of the results

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

The form and contents of the tables of the Income Statement, Balance Sheet and Financial Position 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 Position 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	Progressive as at September 30th			
	2013		2012	
Euro in thousands				
Revenues from sales of goods and services	**174,016**	**100.0%**	**174,596**	**100.0%**
Other income and revenues	769		733	
Total revenues	**174,785**		**175,329**	
Operating costs	94,176		103,558	
EBITDA, excluding non-recurring items	**80,609**	**46.3%**	**71,771**	**41.1%**
Non-recurring items	(329)		(487)	
Gross operating margin (EBITDA)	**80,280**	**46.1%**	**71,284**	**40.8%**
Amortisation, depreciation and write-downs	33,494		34,530	
Operating result (EBIT)	**46,786**	**26.9%**	**36,754**	**21.1%**
Financial charges, net	(5,769)		(4,823)	
Pre-tax result (EBT)	**41,017**	**23.6%**	**31,931**	**18.3%**
Income taxes	(14,722)		(11,766)	
Net profit	**26,295**	**15.1%**	**20,165**	**11.5%**

CONSOLIDATED INCOME STATEMENT	Q3			
	2013		2012	
Euro in thousands				
Revenues from sales of goods and services	**58,210**	**100.0%**	**58,116**	**100.0%**
Other income and revenues	197		211	
Total revenues	**58,407**		**58,327**	
Operating costs	30,059		33,449	
EBITDA, excluding non-recurring items	**28,348**	**48.7%**	**24,878**	**42.8%**
Non-recurring items	(180)		0	
Gross operating margin (EBITDA)	**28,168**	**48.4%**	**24,878**	**42.8%**
Amortisation, depreciation and write-downs	11,217		12,043	
Operating result (EBIT)	**16,951**	**29.1%**	**12,835**	**22.1%**
Financial charges, net	(2,036)		(1,374)	
Pre-tax result (EBT)	**14,915**	**25.6%**	**11,461**	**19.7%**
Income taxes	(5,412)		(4,183)	
Net profit	**9,503**	**16.3%**	**7,278**	**12.5%**

Revenues from sales of goods and services in the first nine months of the year amounted to Euro 174.016 thousand, and refer for Euro 133.789 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 decreased by Euro 580 thousand (-0.3%) compared to the same period of 2012 due to the reduction, already taken into account, in services provided to TV customers concerning the television signal digitization process which, as is known, ended in the third quarter of 2012 through the complete analog signal switch-off. The decrease in revenues has been largely compensated by the increase in contracts expected as a consequence of the implementation of the transmission network for the parent company Elettronica Industriale S.p.A., and by new hosting and service contracts entered into force with other operators.

Other income and revenues, equal to Euro 769 thousand, refer to extraordinary income and to other income and are in line with the data of the same period last year (Euro 733 thousand).

During the period charges for 329 thousand related to lay-off incentives for employees and reclassified as non-recurring items have been recorded (Euro 487 thousand in the nine months as of September 30, 2012). Excluding these charges, total operating costs amount to Euro 94,176 thousand, with a decrease of Euro 9,382 thousand compared to the same period of the previous year.

Gross operating margin (EBITDA), excluding non-recurring charges described above, amounted to Euro 80,609 thousand, with an increase of 12.3% compared to the first nine months of 2012 and an incidence on revenues equal to 46.3% compared to the previous 41.1%.

EBITDA including non-recurring items amounted to 80,280 thousand (46.1% of revenues) compared to Euro 71,284 thousand in the first three months of 2012 (40.8% of revenues).

After charging amortisation and depreciation for Euro 33,494 thousand, with a decrease of Euro 1,036 thousand compared to the data restated at September 30, 2012 (which includes higher amortisation for Euro 1,079 thousand compared to the data stated in the Quarterly Report at September 30, 2012), the operating result (EBIT) was equal to Euro 46,786 thousand, considerably increasing (+27.3) compared to the data of the first nine months of 2012 (Euro 36,754 thousand); operating profitability grew up to 26.9% compared to the previous 21.1%.

Net financial charges of the period amounted to Euro 5,769 thousand (Euro 4,823 thousand in the first nine months of 2012) including Euro 4,137 thousand related to the share for the period of the bond loan issued on April 26th previously described, measured at amortised cost.

Pre-tax result considerably increased to Euro 41,017 thousand compared to the restated data of Euro 31,931 thousand, equal to 23.6% of revenues (18.3% in the first nine months of 2012).

Income taxes for the period, calculated on the basis of the effective tax rate estimated for the year, amounted to Euro 14,722 thousand compared to Euro 11,766 thousand, restated data of the same period of 2012 which includes lower taxes for Euro 339 thousand compared to the data stated in the Quarterly Report at September 30, 2012.

The first nine months of the year ended with a net profit of Euro 26,295 thousand, equal to 15.1% of revenues, with a growth of 30.4% compared to the restated data of the same period of 2012 (Euro 20,165 thousand); the incidence on revenues grew from 11.5% to 15.1%.

Balance Sheet and Financial Position

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				
Euro in thousands	September 30, 2013		December 31, 2012	
Net working capital	(20,600)	-2.9%	(31,745)	-4.4%
Goodwill	454,525		454,130	
Other non-current assets	331,990		361,940	
Non-current liabilities	(57,348)		(59,414)	
Non-current capital	729,167	102.9%	756,656	104.4%
Net invested capital	**708,567**	**100.0%**	**724,911**	**100.0%**
Net financial position	**158,489**	**22.4%**	**189,247**	**26.1%**
Shareholders' equity	**550,078**	**77.6%**	**535,664**	**73.9%**
Financial position and shareholders' equity of the Group	708,567	100.0%	724,911	100.0%

The increase in net working capital compared to December 31, 2012 is mainly due to the increase in trade receivables of Euro 6,455 thousand and to the decrease in supplier payables of Euro 8,158 thousand, balanced in part by the increase in current tax payables (Euro 5,036 thousand).

The increase in goodwill is a consequence of the provisional allocation of a part of the consideration for the acquisition of a business unit consisting of two towers and related hosting and lease agreements. According to IFRS 3, a specific analysis of the consideration paid will be carried out within 12 months of the acquisition date in order to determine the fair value of net assets acquired and liabilities assumed.

If at the end of the evaluation period tangible and intangible assets with finite useful lives are identified, an adjustment of provisional amounts recorded at the acquisition will be carried out with retroactive effect from the acquisition date.

The decrease in other non-current assets is a consequence of the depreciation of tangible and intangible assets accounted for the period. The net financial position improved in the period by Euro 30,758 thousand thanks to operating cash flow and the containment of maintenance capital expenditure.

The following table shows the Condensed Cash Flow Statement with the indication of cash flows generated or absorbed from operating, investing and financing activities in the first nine months of the current and previous year.

CASH FLOW STATEMENT **Progressive as at September 30th** *Euro in thousand*	2013	2012
Cash flow generated (absorbed) by operating activities	50,430	53,285
Cash flow generated (absorbed) by investing activities	(6,453)	(18,472)
Cash flow generated (absorbed) by financing activities	(58,985)	(6,462)
Net cash flow for the period	(15,008)	28,351

Cash flow generated by operating activities, equal to Euro 50,430 thousand, includes Euro 10,986 thousand of current income taxes paid in the period.

The net flow absorbed by investing activities, equal to Euro 6,453 thousand considerably decreased compared to the data of 2012 which had been affected by significant investments carried out in relation to the digitization process of the television signal involving the main broadcast customers of the Group. Recurring investments in tangible and intangible assets accounted in the period are equal to Euro 4,062 thousand. The flow includes a cash expense of Euro 416 thousand for the acquisition of the business unit previously analyzed.

Cash flow absorbed by financing activities, equal to Euro 58,985 thousand, includes a negative flow of Euro 64,247 thousand related to the liquidity deposited in the current account existing with the indirect parent company Mediaset S.p.A. The data include net financial charges paid of Euro 1,375 thousand and dividends paid out to shareholders of Euro 11,844 thousand.

Group Employees

The employee ending headcount of the Group at September 30, 2013 amounted to 589 people (592 people at September 30, 2012).

Related Party 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 Half-Year Report as at June 30, 2013.

Adjustment to 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 co-ordination 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 September 30, 2013

No significant events after September 30, 2013 are reported

Business Outlook

The economic and financial results of the first nine months confirm the excellent trend of operations and the important cash flow generation, also thanks to the containment of recurring maintenance capex compared to expectations.

We should be able to achieve an EBITDA of about Euro 105 million in 2013, data slightly higher than the plan target (Euro 104 million), despite the absence during this year of revenues towards customers operating on new TV frequencies, since there was no new frequency assignment.

The economic results and the containment of recurring maintenance capex will allow to reach in 2013 a cash flow generation level higher than Euro 50 million.

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	Sept. 30, 2013	Dec. 31, 2012
ASSETS			
Non current assets			
Property, plant and equipment	4.1	220,339	243,217
Goodwill	4.1	454,525	454,130
Other intangible assets	4.1	104,561	111,784
Investments in associates/joint control companies		28	28
Other financial assets		1,226	1,092
Deferred tax assets		5,836	5,819
TOTAL NON CURRENT ASSETS		**786,515**	**816,070**
Current assets			
Inventories		2,890	3,227
Trade receivables		30,084	23,629
Other receivables and current assets		7,038	6,014
Current financial assets	4.2	64,247	0
Cash and cash equivalents	4.2	6,679	21,687
TOTAL CURRENT ASSETS		**110,938**	**54,557**
TOTAL ASSETS		**897,453**	**870,627**

EI TOWERS GROUP

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Euro in thousands)

	Notes	Sept. 30, 2013	Dec. 31, 2012
SHAREHOLDERS' EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital		2,826	2,826
Share premium reserve		194,220	206,533
Treasury shares		(1,845)	(1,845)
Other reserves		320,723	320,833
Valuation reserve		(955)	(883)
Retained earnings		8,814	(15,444)
Net profit for the period		26,295	23,644
TOTAL SHAREHOLDERS' EQUITY		**550,078**	**535,664**
Non current liabilities			
Post-employment benefit plans		11,148	11,315
Deferred tax liabilities		43,615	45,481
Financial liabilities and payables	4.2	225,208	66,119
Provisions for non current risks and charges		2,585	2,618
TOTAL NON CURRENT LIABILITIES		**282,556**	**125,533**
Current liabilities			
Financial payables	4.2	0	82,987
Trade payables		28,923	37,081
Provisions for risks and charges		0	75
Current tax liabilities		15,148	10,112
Other financial liabilities	4.2	4,207	61,828
Other current liabilities		16,541	17,347
TOTAL CURRENT LIABILITIES		**64,819**	**209,430**
TOTAL LIABILITIES		**347,375**	**334,963**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**897,453**	**870,627**

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

	Notes	9 months 2013	9 months 2012
Sales of goods and services		174,016	174,596
Other revenues and income		769	733
TOTAL REVENUES		**174,785**	**175,329**
Personnel expenses		31,801	33,767
Purchases, services, other costs		62,704	70,278
Amortisation, depreciation and write-downs		33,494	34,530
TOTAL COSTS		**127,999**	**138,575**
EBIT		**46,786**	**36,754**
Financial expenses		(6,593)	(5,179)
Fianancial income		824	356
EBT		**41,017**	**31,931**
Income taxes		14,722	11,766
NET PROFIT FOR THE PERIOD		**26,295**	**20,165**
Earnings per share (Euro):	4.4		
- Basic		0.93	0.72
- Diluted		0.93	0.72

EI TOWERS GROUP

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Euro in thousands)

	9 months 2013	9 months 2012
CONSOLIDATED NET PROFIT/(LOSS)(A):	**26,295**	**20,165**
Statement of comprehensive gains/(losses):		
Effective portion of gains/(losses) on hedging instruments (cash flow hedge)	-	52
Actuarial gains/(losses) on defined benefit plans	(45)	(809)
TOTAL OTHER COMPREHENSIVE INCOME /(LOSS) NET OF TAX EFFECTS (B)	**(45)**	**(757)**
TOTAL COMPREHENSIVE INCOME (A+B)	**26,250**	**19,408**

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

	9 months 2013	9 months 2012
CASH FLOW FROM OPERATING ACTIVITIES:		
Operating profit	**46,786**	**36,754**
+ Depreciation and amortisation	33,494	34,530
+ Change in trade receivables	(6,455)	4,982
+ Change in trade payables	(8,158)	(12,969)
+ Change in other assets and liabilities	4,251)	(4,032)
- income tax paid	(10,986)	(5,980)
Net cash flow from operating activities [A]	**50,430**	**53,285**
CASH FLOW FROM FINANCING ACTIVITIES:		
Investments in tangible assets	(3,601)	(21,125)
Investments in intangible assets	169	(8,195)
Goodw ill	(395)	-
Changes in payables for investing activities	(2,492)	8,633
(Increases)/decreases in other financing activities	(134)	(31)
Business combinations net of cash acquired	-	2,246
Net cash flow from investing activities [B]	**(6,453)**	**(18,472)**
CASH FLOW FROM FINANCING ACTIVITIES:		
Changes in financial liabilities	18,481	(2,382)
Payment of dividends	(11,844)	-
Net change in other financial assets/liabilities	(64,247)	-
Interests (paid)/received	(1,375)	(4,080)
Net cash from financing activities [C]	**(58,985)**	**(6,462)**
CHANGE IN CASH AND CASH EQUIVALENTS [D=A+B+C]	**(15,008)**	**28,351**
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]	**6,679**	**28,360**

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	-	-	(3,246)	3,246	-	-	-	-
	Stock options	-	-		-	112	-	-	112
	Comprehensive income/(loss)	-	-	-	-	(757)	-	20,165	19,408
	Balance at September 30, 2012	**2,826**	**206,533**	**320,833**	**(1,845)**	**(628)**	**(15,444)**	**20,165**	**532,441**

	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**
Balance at Jan. 01, 2013	**2,826**	**206,533**	**320,833**	**(1,845)**	**(883)**	**(15,444)**	**23,644**	**535,664**
Coverage of previous losses from Assembly resolution	-	(12,314)	(4,977)			17,292		0
Allocation of 2012 net profit			4,834		-	6,966	(11,800)	-
Dividend distribution							(11,844)	(11,844)
Stock options	-	-	33	-	(27)	-		7
Comprehensive income/(loss)	-	-	-	-	(45)	-	26,295	26,250
Balance at September 30, 2013	**2,826**	**194,220**	**320,723**	**(1,845)**	**(955)**	**8,814**	**26,295**	**550,078**

EXPLANATORY NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS AT SEPTEMBER 30, 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.

This Interim Condensed Consolidated Report has been prepared on the going concern basis. Directors have assessed that, even in a difficult economic and financial framework, there are no significant uncertainties (as described in the paragraph 25 of IAS 1) on the going concern.

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 nine months and the third 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 nine months and the third quarter of 2012, higher amortisation respectively for Euro 1,079 thousand and Euro 329 thousand and lower taxes respectively for Euro 371 thousand and Euro 103 thousand compared to what previously stated.

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.

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 in the third quarter 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	September 30, 2013
Goodwill	454,130	395			454,525
Other intangible assets	111,784	176	(346)	(7,054)	104,561
Tangible assets	243,216	3,907	(306)	(26,479)	220,339

The increase in goodwill is a consequence of the provisional allocation of a part of the consideration for the acquisition of a business unit consisting of two towers and related hosting and lease agreements. According to IFRS 3, a specific analysis of the consideration paid will be carried out within 12 months of the acquisition date in order to determine the fair value of net assets acquired and liabilities assumed.

If at the end of the evaluation period tangible and intangible assets with finite useful lives are identified, an adjustment of provisional amounts recorded at the acquisition will be carried out with retroactive effect from the acquisition date.

The decrease in intangible assets mainly refers to the reclassification to goodwill of the consideration of the aforesaid acquisition.

The increase in tangible assets mainly refers 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.

	Sept. 30, 2013	Dec.31, 2012
Cash in hand and cash equivalents	12	13
Bank and postal deposits	6,667	21,674
Securities and other current financial assets	-	-
Total Liquidity	**6,679**	**21,687**
Current Financial Assets	**64,247**	**-**
Due to banks	-	(65,005)
Current portion of non-current financial debt	(4,137)	(17,982)
Payables and other current financial liabilities	(70)	(61,828)
Current Financial Debt	**(4,207)**	**(144,815)**
Current Net Financial Position	**66,719**	**(123,128)**
Due to banks	-	(66,119)
Corporate bond	(225,208)	-
Payables and other non-current financial liabilities	-	-
Non- current Financial Debt	**(225,208)**	**(66,119)**
Net Financial Position	**(158,489)**	**(189,247)**

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

The item Current financial assets refers to the liquidity deposited in the current account existing with Mediaset S.p.A., including the accrued interest of the third quarter.

At September 30, 2013 there are no due to banks being totally reimbursed through the income from the bond loan collected on April 26.

The Current portion of non-current financial debt includes the share for the period of the interests on the bond loan measured at amortized cost.

The item Corporate bond includes the measurement at amortized cost of the Eurobond issued in the period.

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	Sept. 30, 2013	Dec. 31, 2012
Trade payables	28,293	37,081
Provisions for risks and charges	-	75
Tax liabilities	15,148	10,112
Other current liabilities	16,541	17,347

The increase in the item Tax liabilities at September 30, 2013 relates to the accounting of current tax liabilities of the period.

4.4 Earnings per share

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

	9 months 2013	9 months 2012
Net profit for the period (Euro in thousands)	26,295	20,165
Weighted average number of ordinary shares (without own shares)	28,199,851	28,199,851
Basic EPS (Euro)	0.93	0.72
Weighted average number of ordinary shares for the diluted EPS computation	28,199,851	28,199,851
Diluted EPS (Euro)	0.93	0.72

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	Financial income / (charges)	Trade receivables	Trade payables	Other receivables/ (payables)
CONTROLLING ENTITIES						
Mediaset S.p.A.	-	(50)	(157)	-	(16)	64,247
R.T.I. S.p.A.	225	(2,007)	-	63	(952)	-
Elettronica Industriale S.p.A.	133,789	(2)	-	2,796	(77)	-
Total controlling entities	**134,014**	**(2,059)**	**(157)**	**2,859**	**(1,045)**	**64,247**
AFFILIATED ENTITIES						
Publitalia '80 S.p.A.	49	-	-	6	-	-
Videotime S.p.A.	643	(361)	-	114	(55)	-
MedioBanca S.p.a.	-	(45)	-	-	-	-
Monradio S.r.l.	355	-	-	2	-	-
Promoservice					-	
Total affiliated entities	**1,047**	**(406)**	**-**	**122**	**(55)**	**-**
COMPLEMENTARY SOCIAL SECURITY FUND (Mediafond)	**-**	**-**	**-**	**-**	**-**	**(107)**
Other related parties	**281**	**(158)**	**-**	**673**	**(780)**	**-**
TOTAL RELATED PARTIES	**135,342**	**(2,623)**	**(157)**	**3,654**	**(1,880)**	**64,140**

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 receivables 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 from 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 September 30, 2013 it should be noted that following the complete reimbursement of medium-term bank loans of Towertel S.p.A., during the third quarter the cancellation of related guarantees issued by the granted company and by the parent company EI Towers S.p.A. is being finalized, including the guarantee at first request of EI Towers S.p.A., the pledge on shares of Towertel S.p.A., pledges, mortgages and special privileges on the activities of Towertel S.p.A., as described in detail in the Consolidated financial statements as at December 31, 2012 to which reference should be made.

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 third 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