EI TOWERS GROUP

HALF YEAR REPORT
AS AT JUNE 30, 2012

EI TOWERS S.p.A.
Via Zanella, 21 - 20851 Lissone (MB)
Fiscal Code and Company's Register Office
at Monza and Brianza: 12916980159
VAT Number: 01055010969
www.eitowers.it
Company subject to management and coordination activities of Mediaset S.p.A.

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.

INDEX

CORPORATE BODIES

Board of Directors

Chairman	Alberto Giussani
CEOs	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 Auditors	Reconta Ernst & Young S.p.A.

Main Income Statement Data

Euro in millions	H1 2012
Revenues	116.5
EBITDA (*) before non-recurring items	46.9
EBITDA (*)	46.4
Operating profit (EBIT)	24.7
Profit before tax	21.2
Net profit	13.4

Main Balance Sheet and Financial Data

Euro in millions	June 30, 2012	December 31, 2011
Net invested capital	736.0	418.6
Shareholders' equity	526.0	304.7
Net financial position	(210.0)	(113.9)

Personnel

	June 30, 2012	*Dec. 31, 2011*
No. of employees	594	496

Main Indicators

	H1 2012
EBITDA (*) before non-recurring items/Revenues	40.3%
EBITDA (*)/Revenues	39.8%
EBIT/Revenues	21.2%
Profit before tax/Revenues	18.2%
Net profit/Revenues	11.5%
Earning per share (Euro per share)	0.48
Diluted earning per share (Euro per share)	0.48

(*) Corresponding to the difference between revenues and operating costs gross of non-monetary costs related to amortisation and depreciation, and impairments (net of possible value restatement) 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 Half-Year Financial Report, prepared according to art. 154 part three of the Legislative Decree 58/1998, includes the Interim Report on Operations, the Interim Condensed Consolidated Financial Statements and the Statement pursuant to art.154-bis of the Legislative Decree 58/98.

The Interim Condensed Consolidated Financial Statements have been prepared 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*, and to the measures issued in actuation of art. 9 of the Legislative Decree no. 38/2005.

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, also taking into account the measures given by Consob in its Communication no. 6064293 of July 28, 2006. Therefore, the information contained in this Half Year Report is not the same as that contained in a complete set of Financial Statements prepared according to IAS 1.

As already described in the Financial Statements as at December 31, 2011, starting from January 1, 2012 the merger of EI Towers S.p.A., an entity 100% controlled by Elettronica Industriale S.p.A. (which, in turn, is wholly owned indirectly by Mediaset S.p.A.), in the former Digital Multimedia Technologies S.p.A., holding of DMT Group, which, as a consequence of the merger, changed its name to EI Towers S.p.A., becomes effective.

Following the merger, Elettronica Industriale S.p.A. took over EI Towers S.p.A.; according to the International Accounting Standards (IFRS 3) the transaction is a reverse acquisition, where the merging company EI Towers S.p.A., legal acquirer, is identified as acquiree for accounting purposes.

Therefore, in this Half-Year Financial Report it is applied what provided for by paragraphs B19 and B27 of the aforesaid IFRS 3 .

It should be noted that the merged company (the acquirer for accounting purposes) has been set up on May 30, 2011 and on June 30, 2011 the parent company Elettronica Industriale S.p.A. contributed the business unit relating to “Tower” business.

In this Half-Year Financial Report some consolidated income statement data related to the first half of 2011 have been reported, prepared starting from the Interim Report on

Operations of DMT Group at June 30, 2011 and, with reference to the merged company, from "*Carve-Out*" data for the first half of 2011, determined through the attribution to the business unit "Tower" of revenues and costs of the transferor Elettronica Industriale S.p.A. referring to it; proper elisions have been successively applied to the obtained values.

DMT Group and "*Carve-Out"* data for the first half of 2011 of the acquirer for accounting purposes have been prepared according to International Accounting Standards (IAS/IFRS).

INTERIM REPORT ON OPERATIONS AS AT JUNE, 30 2012

Summary of Group Results and Operations

EI Towers carries out its activity in favor of TV and mobile telecom operators in Italy, providing the use of its transmission infrastructure and ancillary services (assistance, maintenance, logistics, engineering) through long-term contracts with sector operators, among which the parent company Elettronica Industriale S.p.A..

The activity is not subject to seasonality.

In the first half-year, our country's macroeconomic trend was still very weak, in an international scenario of economic slowdown, renewed tensions on sovereign debt of some European Countries and uncertainties in financial markets.

In particular, the pressure on Italian government bonds, represented by the spread between the yield of Italian and German 10-year bonds, mitigated in the first months of the year, intensified again starting from April; in addition to investors' concerns about the political situation in Greece and the difficulty of the Spanish banking system, there is the perception of a scarce cohesion between governments in orienting the European governance reform and managing the crisis management mechanism in the euro area.

After the contraction in the national Gross Domestic Product in the first quarter of this year (-0.8% compared to the previous quarter and -1.4% compared to the first quarter of 2011), preliminary estimates show a further contraction in GDP in the second quarter of about half percentage point compared to the previous period, mainly due to the weak domestic demand, negatively affected by a growing unemployment rate and increase tax pressure .

Given the economic contraction and the stagnation in bank lending to families and businesses, the European Central Bank reduced the official interest rates, taking the rate on main refinancing transactions to 0.75% and the deposit facility rate to zero, guaranteeing a wide offer of liquidity to the banking system in order to stimulate the lending to economic operators.

Despite the adverse situation, the Group recorded in the half-year a positive trend, both from an operational and financial standpoint, due to the scarce correlation of the business with the economic cycle and the first effects in terms of synergies of the integration plan following the business combination finalized at the beginning of the year.

Revenue trend has been positively affected also by inflation dynamics, since almost all contracts with TV and mobile telecom operators are indexed to inflation, which in the first half of the year was about 3.3% on average, and by the process of broadcasting digitization in Italy, with the supply of installation and testing of broadcasting equipment to the parent company Elettronica Industriale S.p.A. and to other TV operators.

This process, which concerned the broadcast digital migration of the last “analogue” regions, that are Abruzzo, Molise, Basilicata, Puglia, Sicily and Calabria, will end in the summer.

With reference to the main income statement data, in the half-year consolidated revenues amounted to Euro 116.5 million, gross operating margin (EBITDA), excluding non-recurring items equal to Euro 0.5 million, amounted to Euro 46.9 million (40.3% of revenues) and EBITDA net of non-recurring items amounted to Euro 46.4 million, or 39.8% of revenues.

Operating result (EBIT) amounted to Euro 24.7 million, with an incidence on revenues of 21.2%; net income, after recording financial expenses for Euro 3.4 million and income taxes for the period for Euro 7.8 million, amounted to Euro 13.4 million, or 11.5% of revenues.

Concerning cash flow, despite the difficulty in debt collection mainly from some local TV operators, an effective management of the financial structure and working capital allowed an important reduction in the Net financial position, over Euro 19 million.

Net invested capital of the Group at June 30, 2012 amounted to Euro 736 million, after accounting investments for Euro 24.3 million and amortization for Euro 21.3 million, shareholders’ equity amounted to Euro 526 million and net financial position amounted to Euro 210 million.

Significant events and operations in the first half-year

In the reverse acquisition described in the Foreword, effective January 1, 2012from accounting purposes, the fair value of the consideration transferred, determined according to IFRS 3, was equal to Euro 208.2 million.
The allocation of the consideration of net acquired assets is shown in the table below.

	Euro in millions
Consideration of net acquired assets	208.2
Book value of net acquired assets, net of goodwill recognised as asset	(40.1)
Higher consideration compared to the book value of net acquired assets	248.3
Goodwill	248.3

Total goodwill at June 30, 2012, equal to Euro 504 million, is therefore represented:

- for Euro 255.7 million by the goodwill of the merged entity;
- for Euro 248.3 million by the determination of the value of the goodwill generated as a consequence of the business combination including the goodwill previously accounted in the consolidated financial statements at December 31, 2011 of the merging entity.

The increase in goodwill determined an equal increase in Shareholders' equity reserves at June 30, 2012.
The difference between fair value of the consideration transferred and book value of net acquired assets has been preliminarily allocated to goodwill; within the end of this year it will be carried out a specific analysis of the consideration paid in order to determine and measure the fair value of net acquired assets.
At the end of the valuation period it is allowed an adjustment of provisional amounts accounted at the business combination date, referring in particular to acquired assets, liabilities and goodwill. If on completion of the allocation process tangible and intangible assets are identified, the income statement of the year will reflect also amortization and depreciation related to these allocations. The possible adjustment is recorded with retroactive effect at the business combination date.

With reference to the provision issued by the Antitrust Authority on December 14, 2011, related to the measures provided for the Group following the business combination, on May 22, 2012 EI Towers S.p.A. deposited at the aforesaid Authority the first Half-Year Report on the program of conformity to the provided measures, describing all the actions adopted in compliance with the provision.

Analyses of the results

The analyses of the Consolidated Income Statement, Balance Sheet and Financial Situation are presented here below.

The form and contents of the tables of the Income Statement, Balance Sheet and Cash Flow 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 provided for, there are also supplied, in conformity with the indications contained in the Consob Communication no. 6064293 of July 28, 2006 and in the Recommendation of the CESR (Committee of European Securities Regulators) of November 3, 2005 (CESR/o5-178b) 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.

The Income Statement information is given for the first six months of 2012 compared to the first six months of 2011 prepared according to what described in the Foreword.

The Balance Sheet information is given as at June 30, 2012 and December 31, 2011; with reference to the latter date, the balance sheet of the acquirer for accounting purposes is shown according to IFRS 3.

Economic results

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

The gross operating margin (EBITDA) is the difference between the consolidated revenues and the operating costs, gross of the non-monetary costs relative to amortization and impairments (net of any restatement of the values) of both current and non-current assets.

The operating result (EBIT) is obtained by deducting from EBITDA the non-monetary costs relative to amortization and impairments (net of any restatement of the values) of both current and non-current assets.

CONSOLIDATED INCOME STATEMENT *Euro in thousands*	H1 2012		H1 2011 (*)	
Revenues from sales of goods and services	**116,480**	**100.0%**	**101,453**	**100.0%**
Other income and revenues	522		3,617	
Total revenues	**117,002**		**105,070**	
Operating costs	70,109		70,588	
EBITDA, excluding non-recurring items	**46,893**	**40.3%**	**34,482**	**34.0%**
Non-recurring items	(487)		(505)	
Gross operating margin (EBITDA)	**46,406**	**39.8%**	**33,977**	**33.5%**
Amortisation, depreciation write-downs and provisions	21,737		20,658	
Operating result (EBIT)	**24,669**	**21.2%**	**13,319**	**13.1%**
Financial charges, net	(3,449)			
Pre-tax result (EBT)	**21,220**	**18.2%**		
Income taxes	(7,819)			
Net income	**13,401**	**11.5%**		

(*) data related to H1 2011 refer to the consolidated data of the merging company and to “Carve out” data of the merged company, net of consolidation adjustments.

Revenues from sales of goods and services amounted to Euro 116,480 thousand, and refer for Euro 84,663 thousand to the use of transmission infrastructure and assistance and maintenance services, logistics, head-end and engineering towards the parent company Elettronica Industriale S.p.A., for Euro 3,853 thousand to services provided to the parent company related to the TV broadcasting digitization process and for the remaining to contracts of use of the infrastructure and supply of services towards other broadcast and wireless telecom operators.

Other income and revenues, equal to Euro 522 thousand, refer for Euro 286 thousand to extraordinary income and for the remaining Euro 236 thousand to other income.

During the half-year charges for Euro 487 thousand related to lay-off incentives for employees and accounted as non-recurring items have been recorded. Excluding these charges, total operating costs amount to Euro 70,109 thousand, of which Euro 23,263 thousand related to personnel costs.

Gross operating margin (EBITDA), excluding non-recurring charges described above, amounted to Euro 46,893 thousand, with an incidence on revenues equal to 40.3%.

EBITDA including non-recurring items amounted to Euro 46,406 thousand (39.8% of revenues).

After accounting amortization for Euro 21,271 thousand and impairments for Euro 466 thousand, of which Euro 370 thousand related to receivables, operating result (EBIT) was equal to Euro 24,669 thousand; operating profitability was equal to 21.2%.

Pre-tax result, net of financial charges for Euro 3,449 thousand, was equal to Euro 21,220 thousand (18.2% of revenues).

Income taxes for the period, calculated on the basis of the effective tax rate estimated for the year, amounted to Euro 7,819 thousand.

The half-year ended with a net profit of Euro 13,401 thousand, equal to11.1% of revenues.

According to what described in the Foreword, it should be noted that consolidated revenues for the first half-year of 2011 amounted to Euro 101,453 thousand, other revenues to Euro 3,617 thousand, gross operating margin (EBITDA) before non-recurring items to Euro 34,482 thousand, gross operating margin (EBITDA) to Euro 33,977 thousand and operating result (EBIT) to Euro 13,319 thousand.

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. 4.5.

Therefore, these tables differ compared to the Statement of Financial Position 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.

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.

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

RECLASSIFIED CONSOLIDATED BALANCE SHEET *Euro in thousands*	June 30, 2012		December 31, 2011	
Net working capital	(35,107)	-4.6%	(19,843)	-4.5%
Goodwill	504,028		255,671	
Other non-current assets	304,554		193,080	
Non-current liabilities	(37,442)		(10,356)	
Non-current capital	771,140	104.8%	438,396	104.7%
Net invested capital	**736,033**	**100.0%**	**418,553**	**100.0%**
Net financial position	**210,032**	**28.5%**	**113,872**	**27.2%**
Shareholders' equity	**526,001**	**71.5%**	**304,680**	**72.8%**
Financial position and shareholders' equity of the Group	736,033	100.0%	418,553	100.0%

The changes in shareholders' equity are mainly attributable to the business combination already described. For related comments please refer to the explanatory notes.

In the following table is shown the Condensed Cash Flow Statement with the indication of cash flows generated or absorbed from operating, investing and financing activities in the half-year.

CASH FLOW STATEMENT *Euro in thousand*	H1 2012
Cash flow generated (absorbed) by operating activities	36,499
Cash flow generated (absorbed) by investing activities	(12,658)
Cash flow generated (absorbed) by financing activities	(9,258)
Net cash flow for the period	14,583

Cash flow generated by operating activities, equal to Euro 36,499 thousand, includes Euro 4,995 thousand of current income taxes paid in the period.

Cash flow absorbed by investing activities, equal to Euro 12,658 thousand, includes a positive flow of Euro 2,246 thousand related to the business combination, equal to the consolidated cash of the merging entity (the acquiree for accounting purposes).
Cash flow generated by investing activities in tangible, intangible and financial assets amounted in the half-year to Euro 14,904 thousand.
Cash absorption of Euro 9,258 thousand for financing activities refers to net reimbursement of finance debt for Euro 6,728 thousand and to net interests on the use of the intra-group current account with Mediaset S.p.A. and bank facilities of Euro 2,530 thousand.

Group Employees

The employee ending headcount of the Group at June 30, 2012 amounted to 594 people; the increase in personnel compared to December 31, 2011 is due to the business combination (86 people) and to the hiring of personnel from other companies of Mediaset Group (22 people) and to resignation (10 people).

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), there is highlighted during the period the following transaction of major relevance that was finalized by EI Towers S.p.A. with the exclusion provided for by art. 13, paragraph 3 letter c) of the aforesaid Consob Regulation and of art. 12.1 letter h) of the Procedure for transactions with related parties of the Company for regular transactions carried out under market conditions or standard:
- conterpart: Mediaset S.p.A., indirect parent company of EI Towers S.p.A.;
- subject: Contract of Intra-group current account. The contract regulates in particular:
    a) reporting methods by Mediaset S.p.A.;

b) organization and management by Mediaset S.p.A. of non-bank current account (current account service).

- consideration: the consideration for the Intra-group current account, which at any time shall not exceed the total maximum amount of Euro 140 million, is equal to 1-month Euribor Average, base 365/365, surveyed monthly by Il Sole 24 Ore “Short-term rates – Euribor – European – Average % month of …” the second working day preceding the closing date of each month increased by 200 base points. Credit amounts deposited in Intra-group current account are, in case, paid at 1-month Euribor Average, base 365/365, surveyed monthly by Il Sole 24 Ore “Short-term rates – Euribor – European – Average % month of …” the second working day preceding the closing date of each month increased by 50 base points. In addition, the transaction has been communicated to Consob according to the aforesaid art. 13, paragraph 3 letter c) of Consob Regulation.

Compliance with art. 37 of Consob Regulation 16191/2007 regarding markets

Effective from January 2, 2012 EI Towers S.p.A. is subjected 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. with 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 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.

Significant events after June 30, 2012

On July 19, 2012 EI Towers S.p.A. signed a non-guaranteed bank loan of Euro 50 million to be repaid on October 31, 2013. The amount, drawn up upon signing , has been used to reimburse part of the debt towards Mediaset S.p.A. related to the intra-group current account.

Risks and uncertainties for the rest of the financial year

With reference to the main risks and uncertainties related to the second half of 2012, it should be noted that the most recent analysis do not show significant changes in the trend in the macroeconomic context, at least till the end of the year.

As a matter of fact, in the near future, the domestic demand is expected to remain very weak, with the persistent effect of contraction of consumptions as a consequence of the reduction in available income for the corrective measures of public accounts and negative expectations on employment.

Till today, the estimates of the Italian GDP for the whole 2012 issued by the main institutes (International Monetary Fund, Bank of Italy, Confindustria - Italian Manufacturers' Association) expect a reduction between 1.9% and 2.4% compared to the previous year.

With reference to inflation, in the second part of the year a progressive reduction should occur compared to the average of the first half, due to the persistent phase of economic recession, with an expected annual average rate of about 3%.

In addition, the scenario of uncertainty which characterizes different countries in the Euro zone, among them Italy, could determine a worsening of expectations of economic operators, with a consequent further recessive impact on the remaining months of the year.

Furthermore, many doubts remain on the fact that the expansive measures of the European Central Bank can allow an expansion of bank lending, above all in favor of small and medium companies, also as a consequence of patrimonial requirements for banks.

In the above described scenario , we believe that the economic and financial situation of some customers of the Group, in particular local TV broadcasters, can get furtherly worse in the second part of the year.

Business outlook

Economic and financial results of the first half-year are positive and higher than company business plan expectations, despite the recession of our country’s economy.

In relation to the activity in the second part of the year, the auction process for frequency assignment to national TV operators is expected to start in autumn, in the place of the previous “beauty contest” process, as well as the acknowledgement and settlement of the indemnity provided for in favor of local TV operators who release part of the spectrum in favor of wireless telecom operators for the development of LTE technology, as provided for by the Decree dated January 23, 2012 of the Ministry of Economic Development, events which could have a positive impact on the Group’s accounts from income and financial standpoint .

Even though significant elements of uncertainty remain in the macroeconomic scenario for the next months, on the basis of the expected business trend, we believe we can achieve also for the second half-year results higher than expected in the business plan.

For the Board of Directors

Guido Barbieri, CEO

EI TOWERS GROUP

Half-Year Condensed Consolidated

Financial Statements at June 30, 2012

EI TOWERS GROUP

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Euro in thousands)

	Notes	June 30, 2012	Dec.31, 2011
ASSETS			
Non current assets			
Property, plant and equipment	4.2	251,460	180,503
Goodwill	4.1	504,028	255,671
Other intangible assets	4.2	44,425	10,384
Investments in associates/joint control companies		28	28
Other financial assets		1,313	235
Deferred tax assets		7,328	1,931
TOTAL NON CURRENT ASSETS		**808,582**	**448,752**
Current assets			
Inventories	4.3	4,847	4,183
Trade receivables	4.3	28,421	16,197
Tax receivables	4.3	1,629	15
Current financial assets	4.3	9,151	2,232
Cash and cash equivalents	4.4	14,592	9
TOTAL CURRENT ASSETS		**58,640**	**22,636**
TOTAL ASSETS		**867,222**	**471,388**

EI TOWERS GROUP

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Euro in thousands)

	Notes	June 30, 2012	Dec.31, 2011
SHAREHOLDERS' EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital		2,826	1,130
Share premium reserve		206,533	89,278
Treasury shares		-1,845	0
Other reserves		320,833	209,070
Valuation reserve		-304	17
Retained earnings		-15,443	0
Net profit for the period		13,401	5,185
TOTAL SHAREHOLDERS' EQUITY	**4.4**	**526,001**	**304,680**
Non current liabilities			
Post-employment benefit plans	4.7	10,441	8,863
Deferred tax liabilities	4.7	24,247	1,337
Financial liabilities and payables	4.5	74,877	0
Provisions for non current risks and charges	4.7	2,754	156
TOTAL NON CURRENT LIABILITIES		**112,319**	**10,356**
Current liabilities			
Financial payables	4.4	31,595	0
Trade payables	4.6	52,454	34,607
Provisions for risks and charges	4.6	75	0
Current tax liabilities	4.6	8,896	1,997
Other financial liabilities	4.4	118,152	113,882
Other current liabilities	4.6	17,730	5,866
TOTAL CURRENT LIABILITIES		**228,902**	**156,352**
TOTAL LIABILITIES		**341,221**	**166,707**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**867,222**	**471,388**

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

	Notes	H1 2012
Sales of goods and services		116,480
Other revenues and income		522
TOTAL REVENUES		**117,002**
Personnel expenses		23,750
Purchases, services, other costs		46,846
Amortisation, depreciation and write-downs		21,737
TOTAL COSTS		**92,333**
EBIT		**24,669**
Financial expenses		(3,645)
Fianancial income		196
EBT		**21,220**
Income taxes	4.8	7,819
NET PROFIT FROM CONTINUING OPERATIONS		**13,401**
Net Gains/(Losses) from discontinued operations		0
NET PROFIT FOR THE PERIOD		**13,401**
Earnings per share (Euro):	4.9	
- Basic		0.48
- Diluted		0.48

EI TOWERS GROUP

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Euro in thousands)

	H1 2012
CONSOLIDATED NET PROFIT/(LOSS)(A):	**13,401**
Statement of comprehensive gains/(losses):	
Effective portion of gains/(losses) on hedging instruments (cash flow hedge)	52
Actuarial gains/(losses) on defined benefit plans	(385)
Other comprehensive gains/(loss)	-
TOTAL OTHER COMPREHENSIVE INCOME /(LOSS) NET OF TAX EFFECTS (B)	**(333)**
TOTAL COMPREHENSIVE INCOME (A+B)	**13,068**

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

	H1 2012
CASH FLOW FROM OPERATING ACTIVITIES:	
Operating profit	24,669
+ Depreciation and amortisation	21,737
+ Change in trade receivables	2,436
+ Change in trade payables	352
+ Change in other assets and liabilities	(7,700)
- income tax paid	(4,995)
Net cash flow from operating activities [A]	**36,499**
CASH FLOW FROM FINANCING ACTIVITIES:	
Investments in tangible assets	(16,574)
Investments in intangible assets	(7,708)
Changes in payables for investing activities	9,417
(Increases)/decreases in other financing activities	(39)
Business combinations net of cash acquired	2,246
Net cash flow from investing activities [B]	**(12,658)**
CASH FLOW FROM FINANCING ACTIVITIES:	
Changes in financial liabilities	(6,728)
Interests (paid)/received	(2,530)
Net cash from financing activities [C]	**(9,258)**
CHANGE IN CASH AND CASH EQUIVALENTS [D=A+B+C]	**14,583**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD [E]	**9**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD [F=D+E]	**14,592**

EI TOWERS GROUP
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)	-
	Dividends paid	-	-	-	-	-	-	-	-
	Stock option plan valuation	-	-	-	-	-	-	-	-
	(Purchase)/sale of treasury shares	-	-	(3,246)	3,246	-	-	-	-
	Profit/(loss) from negotiation of treasury shares	-	-	-	-	-	-	-	-
	Stock option	-	-		-	12	-	-	12
	Comprehensive income/(loss)	-	-	-	-	(333)	-	13,401	13,068
	Balance at June 30, 2012	**2,826**	**206,533**	**320,833**	**(1,845)**	**(304)**	**(15,444)**	**13,401**	**526,001**

EXPLANATORY NOTES TO THE HALF-YEAR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AT JUNE 30, 2012

1. Basis of preparation

In these Half-Year Condensed Consolidated Financial Statements, prepared according to IAS 34 – Interim Financial Reporting – it has been applied what provided for by IFRS 3 in case of reverse acquisition, therefore the Financial Statements are published in the name of the merging company (the acquiree for accounting purposes) but prepared as continuation of the financial statements of the merged company (the acquirer for accounting purposes), with retroactive adjustment of share capital according to the accounting standard.

The acquirer for accounting purposes EI Towers S.p.A. has been set up on May 30, 2011 and on June 30, 2011 the direct parent company Elettronica Industriale S.p.A. contributed the business unit "Towers". In that period the entity has been inactive, receiving only the contribution of Euro 120 thousand as share capital. For this reason, Income statement, Comprehensive Income Statement and Cash Flow Statement at June 30, 2012 do not show comparative data.

These Condensed Consolidated Financial Statements must be read together with the Consolidated Financial Statements as at December 31, 2011 published by the merging company and the Financial Statements as at December 31, 2011 published by the merged company, to which refer.

The preparation of the Interim Condensed Consolidated Financial Statements and explanatory notes according to International Accounting Standards (IAS/IFRS) requires the implementation of estimates and assumptions which have effect on the value of assets and liabilities in the balance sheet and on the information related to possible assets and liabilities at the date of the financial statements. Final results could be different from these estimates.

Estimates are used in particular to recognize provisions for receivables, for risks linked to the depreciation of inventory, amortization, impairments of assets, benefits to employees, taxes, other provisions and funds. Estimates and assumptions are reviewed periodically and the effects of each change are reflected in the income statement.

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.

Measurements finalized to assess possible impairment of intangible assets (impairment test), in the absence of indicators, events and phenomena which can change previous measurements, are carried out with the preparation of the Annual Report, when all information necessary to carry out this process are fully available.

In the light of the results achieved at June 30, 2012 and those expected, and all the other information available at the date of the publication of these Interim Condensed

Consolidated Financial Statements, we believe that there are no impairment indicators in relation to the assets accounted in the balance sheet.

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

These Half-Year Condensed Consolidated Financial Statements are subjected to a review by the External Audit Company Reconta Ernst & Young S.p.A..

The publication of these Interim Condensed Consolidated Financial Statements has been authorized by the Board of Directors on July 26, 2012.

2. New accounting standards, interpretations and amendments applicable from January 1, 2012.

During the first half of 2012, no new accounting standards, interpretations and amendments have been issued that impacted the data and information given in the Half-Year Condensed Consolidated Financial Statements.

The Group did not adopt in advance any other standard, interpretation and improvement issued or basically issued but not yet effective.

3. Main corporate operations and changes in the consolidation area

The accounting effects of the business combination, fully described in the Interim Report on Operations to which refer, become effective from January 1, 2012.

The consolidation area includes the company resulting from the merger and the companies it controls, that are Towertel S.p.A. and Tecnoimpianti S.a.s..

Balance sheet as at December 31, 2011 refers to the financial statements of the acquirer for accounting purposes, according to IFRS 3.

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

4.1 Goodwill

Euro in thousands	Dec. 31, 2012	Changes in consolidation area	Increases	Decreases	Amortisation	June 30, 2012
Goodwill	255,671	108,466	139,891			504,028

The increase in goodwill, equal to Euro 139,891 thousand, is determined by the provisional allocation of the consideration of the reverse acquisition, according to IFRS 3, in order to reflect the total goodwill of Euro 248,357 thousand generated as a consequence of the business combination described in the Interim Report on Operations. As provided for by IFRS 3, at the end of the valuation period (*Purchase Price Allocation*), possible adjustments are accounted with retroactive effect at the combination date. This assessment will end within the end of the current year.

4.2 Other intangible and tangible assets

Euro in thousands	Dec. 31, 2012	Changes in consolidation area	Increases	Decreases	Amortisation	June 30, 2012
Other intangible assets	10,384	29,473	7,760	(52)	(3,140)	44,425
Tangible assets	180,502	72,514	16,721	(146)	(18,131)	251,460

The increase in intangible assets is mainly due to the recording of the non-compete agreement signed, within the business combination, with the previous Chairman and CEO of the merging entity, which provides for the obligation not to carry out activities in competition with EI Towers Group for a three-year period. The increase referable to the agreement is equal to Euro 7,500 thousand.

The increase in tangible assets, equal to Euro 16,721 thousand, includes Euro 7,712 thousand related to the purchase of equipment and plants and to the installation of infrastructures for the switch-off related to the migration to digital TV transmission.

4.3 Current assets

The balances of Current assets, excluding Cash and cash equivalents are shown in the following table, highlighting the values included in the financial statements at December 31, 2011 of the acquiree for accounting purposes (changes in consolidation area).

Euro in thousands	Dec. 31, 2011	Changes in consolidation area	June 30, 2012
Inventories	4,183	247	4,847
Trade receivables	16,197	14,660	28,421
Tax receivables	15	4,058	1,629
Other receivables and current assets	2,232	3,609	9,151

Other receivables and current assets at June 30, 2012 include prepayments and accrued income for Euro 5,382 thousand, mainly related to the recognition of hosting rent and services related to telecom infrastructures.

4.4 Shareholders' equity

Changes in shareholders' equity are shown below.

Euro in thousands	Dec. 31, 2011	Changes in consolidation area	Business combinations	Other changes	Allocation of net profit	June 30, 2012
Share capital	1,130		1,696			2,826
Share premium reserves	89,278	62,281	54,974			206,533
Reserve for treasury shares		(5,091)		3,246		(1,845)
Valuation reserve	17			(321)		(304)
Legal reserve and other reserves	209,070	25,478	84,346	(3,246)	5,185	320,833
Profit (loss) for previous years		(15,444)				(15,444)
Profit (loss) for year 2011	5,185				(5,185)	
Profit (loss) for the period				13,401		13,401
Shareholders' Equity	**304,680**	**67,224**	**141,016**	**13,080**	**0**	**526,001**

The changes in consolidation area are those described in the financial statements at December 31, 2011 of the acquiree for accounting purposes.

The increases from business combinations are connected to the effects of the capital increase and of the goodwill emerging from the difference between fair value of the consideration transferred compared to the book value of net acquired assets.

With reference to the other movements, Reserve for treasury shares increased for Euro 3,246 thousand further to the assignment of treasury shares to the beneficiaries of the stock grant plan of the acquiree for accounting purposes; Other reserves decreased of the same amount.

The movement in Valuation reserve refers to the effect in the period of the existing stock option plan (increase of Euro 12 thousand), of actuarial losses on defined benefit plans (decrease of Euro 385 thousand) and of the accounting of derivative instruments and hedging activities according to the cash flow hedge (increase of Euro 52 thousand).

4.5 Net Financial Position

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

Euro in thousands	June 30, 2012	Dec.31, 2011
Cash in hand and cash equivalents	12	9
Bank and postal deposits	14,580	-
Securities and other current financial assets	-	-
Total Liquidity	**14,592**	**9**
Crediti finanziari correnti	**-**	**-**
Current payables due to banks	(14,524)	-
Current portion of non-current financial debt	(17,071)	-
Payables and other current financial liabilities	(118,152)	(113,882)
Current financial debt	**(149,747)**	**(113,882)**
Current Net Financial Position	**(135,155)**	**(113,873)**
Non-current payables due to banks	(74,877)	-
Corporate bond	-	-
Payables and other non-current financial liabilities	-	-
Non- current financial debt	**(74,877)**	**-**
Net Financial Position	**(210,032)**	**(113,873)**

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 a bank credit line expiring within the year, including accrued interests for the period; the Current portion of non-current financial debt includes the portion of medium-term bank loans expiring within 12 months of Towertel S.p.A.

The item Payables and other current financial liabilities includes the negative balance of the intra-group current account towards Mediaset S.p.A., including accrued interest for the second quarter.

The item Non-current payables due to banks includes the portion falling due over 12 months of medium term bank loans of Towertel S.p.A.

With reference to the business combination, below a summary table is reported showing:

- Net financial position at December 31, 2011, related to the acquirer for accounting purposes;
- the change in the consolidation area, that is the Consolidated net financial position at December 31, 2011 of the acquiree for accounting purposes;
- Net financial position at June 30, 2012.

NET FINANCIAL POSITION Euro in thousands	Dec. 31, 2011	Changes in consolidation area	June 30, 2012
Cash and cash equivalents	9	2,246	14,592
Current financial debt	(113,882)	(33,805)	(149,747)
Current net financial position	(113,873)	(31,559)	(135,155)
Non-current financial debt	-	(83,665)	(74,877)
Non-current net financial position	-	(83,665)	(74,877)
Net Financial Position	(113,873)	(115,224)	(210,032)

As shown in the table, at June 30, 2012 the Net financial position improved by Euro 19,065 thousand compared to December 31, 2011 including the change in the consolidation area, due to the cash flow generated in the half-year.

In particular, cash increased by Euro 12,337 thousand, current financial debt increased by Euro 2,060 thousand, determining an improvement in the Current net financial position of Euro 10,277 thousand; non-current financial debt decreased by Euro 8,788 thousand mainly due to the reimbursement of existing medium-term loans, according to the amortization schedule.

4.6 Current liabilities

The balances of Current liabilities, excluding Financial liabilities included in the Net financial position are shown in the following table, highlighting the values included in the financial statements at December 31, 2011 of the acquiree for accounting purposes (changes in consolidation area).

Euro in thousands	Dec. 31, 2011	Changes in consolidation area	June 30, 2012
Trade payables	34,607	17,495	52,454
Provisions for risks and charges	-	-	75
Tax liabilities	1,997	1,834	8,896
Other current liabilities	5,866	6,746	17,730

Tax liabilities at June 30, 2012 holds current tax liabilities for the period. Other current liabilities include accrued expenses and deferred income for Euro 4,613 thousand and the debt related to the non-compete agreement described in the previous note 4.2.

4.7 Non-current liabilities

The balances of Non-current liabilities, excluding Financial liabilities included in the Net financial position are shown in the following table, highlighting the values included in the financial statements at December 31, 2011 of the acquiree for accounting purposes (changes in consolidation area).

Euro in thousands	Dec.31, 2011	Changes in consolidation area	June 30, 2012
Employee termination indemnity	8,863	953	10,441
Deferred tax liabilities	1,337	23,457	24,247
Provisions for risks and charges	156	3,571	2,754

4.8 Taxes for the period

Income taxes are calculated on the basis of the tax rate estimated for the whole year, applied to the taxable income of the half-year.

The items of taxes for the period are shown in the table below.

Euro in thousands	H1 2012
IRES and IRAP tax	8,402
Deferred tax expense	(583)
Total	7,819

4.9 Earnings per share

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

	June 30, 2012
Net profit for the period (Euro in thousands)	13,401
Weighted average number of ordinary shares (without own shares)	28,196,851
Basic EPS (Euro)	0.48
Weighted average number of ordinary shares for the diluted EPS computation	28,196,851
Diluted EPS (Euro)	0.48

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 and stock grant 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.			(774)	-	(8)	(130,473)
R.T.I. S.p.A.	72	(796)		18	(686)	227
Elettronica Industriale S.p.A.	42,358			919	(4)	(34)
Total controlling entities	**42,430**	**(796)**	**(774)**	**937**	**(698)**	**(130,280)**
AFFILIATED ENTITIES						
Publitalia '80 S.p.A.	3					(1)
Videotime S.p.A.	271	(126)		309	(56)	
Monradio S.r.l.	115			1		
Total affiliated entities	**389**	**(126)**		**310**	**(56)**	**(1)**
Other related parties	**66**	**(6)**	**-**	**161**	**(7)**	**-**
TOTAL RELATED PARTIES	**42,885**	**(928)**	**(774)**	**1,408**	**(761)**	**(130,281)**

Revenues and trade receivables from parent companies are mainly referable to hosting, assistance and maintenance services, logistics, use of transmission infrastructure, head-end and engineering, and revenues concerning broadcast equipment installation services.

Financial charges and other payables refer to the intercompany financing from Mediaset S.p.A.

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

Revenues and trade receivables from associates are relative to hosting and maintenance services to Monradio S.r.l. and leases of equipped areas at the regional offices towards 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 associations 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 June 30, 2012 there are no significant changes compared to December 31, 2011

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 half of 2012 the Group has not put in place any atypical and/or unusual operations, as these are defined by the aforesaid Communication.

For the Board of Directors

Guido Barbieri, CEO

EI TOWERS GROUP

Statement concerning the
Condensed Half-Year Financial Statements
In compliance with art. 154-bis of
Legislative Decree 58/98

Statement concerning the Condensed Half-Year Financial Statements in compliance with art. 154 bis of Legislative Decree 58/98

1. The undersigned Guido Barbieri, Chief Executive Officer and Fabio Caccia, "Manager in charge of EI Towers S.p.A. legal accounting document preparation" of EI Towers S.p.A declare, in compliance with art. 154-bis, paragraph 3 and 4, of the Legislative Decree dated February 24, 1998, no. 58:

- the adequacy in relation to the Group's characteristics and
- the effective application.

of the administrative and accounting procedures for the drafting of the interim condensed financial statements for the first half of 2012.

2. In addition the underwriters declare that:

2.1 the Condensed Half-Year Financial Statements:

- corresponds to the accounting book evidences and accounting records;
- it has been prepared in compliance with the applicable international accounting standards recognized by the European Community according to Regulation (EC) No. 1606/2002 of the European Parliament and of the Council, dated July 2002, and in particular with IAS 34 – Interim Financial Reporting, as well as the provisions set out for the implementation of art. 9 of the Legislative Decree no. 38/2005;
- it is fit to give a true and fair representation of the patrimonial, economic and financial situation of the company and the businesses included in the consolidation area;

2.2 the interim report on operations includes references to relevant events that have occurred in the first half of the year, their impact on the condensed half year financial statements and a description of the main risks and uncertainties for the remaining six months of the fiscal year under investigation as well as information on the relevant operations with related parties.

Lissone - July 26, 2012

On behalf of the Board of Directors

Guido Barbieri, Chief Executive Officer

Manager in charge of legal accounting document preparation

Fabio Caccia

Reconta Ernst & Young S.p.A.
Via della Chiusa, 2
20123 Milano

Tel. (+39) 02 722121
Fax (+39) 02 72212037
www.ey.com

Auditors' review report on the half-year condensed consolidated financial statements (Translation from the original Italian text)

To the Shareholders of
EI Towers S.p.A.

1. We have reviewed the half-year condensed consolidated financial statements, comprising the consolidated statement of financial position, the consolidated statement of income, the consolidated statement of comprehensive income, the consolidated cash flow statement, the consolidated statement of changes in shareholders' equity and the related explanatory notes, of EI Towers S.p.A. and its subsidiaries (the "EI Towers Group") as of June 30, 2012. Management of EI Towers S.p.A. is responsible for the preparation of the half-year condensed consolidated financial statements in conformity with the International Financial Reporting Standards applicable to interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to issue this review report based on our review.

2. We conducted our review in accordance with review standards recommended by Consob (the Italian Stock Exchange Regulatory Agency) in its Resolution no. 10867 of July 31, 1997. Our review consisted mainly of obtaining information on the accounts included in the half-year condensed consolidated financial statements and the consistency of the accounting principles applied, through discussions with management, and of applying analytical procedures to the financial data presented in these consolidated financial statements. Our review did not include the application of audit procedures such as tests of compliance and substantive procedures on assets and liabilities and was substantially less in scope than an audit conducted in accordance with generally accepted auditing standards. Accordingly, we do not express an audit opinion on the half-year condensed consolidated financial statements as we expressed on the annual consolidated financial statements.

   The half-year condensed consolidated financial statements present for comparative purposes the statement of financial position of the merged entity (the acquirer for accounting purposes) as of December 31, 2011. The financial statements of the merged entity have been audited by us and reference should be made to our report issued on March 20, 2012.

3. Based on our review, nothing has come to our attention that causes us to believe that the half-year condensed consolidated financial statements of EI Towers Group as of June 30, 2012 are not prepared, in all material respects, in conformity with the International Financial Reporting Standards applicable to interim financial reporting (IAS 34) as adopted by the European Union.

Milan, August 1, 2012

Reconta Ernst & Young S.p.A.
Signed by: Alberto Coglia, partner

This report has been translated into the English language solely for the convenience of international readers