EI TOWERS GROUP

HALF YEAR REPORT AS AT JUNE 30, 2015

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

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This document is an English translation of an original Italian text. In the event of discrepancies between the original Italian text and this English translation, the original Italian text shall prevail.

CORPORATE BODIES

Board of Directors

Chairman	Alberto Giussani
CEOs	Guido Barbieri Valter Gottardi
Directors	Paola Casali Manlio Cruciatti Piercarlo Invernizzi Rosa Maria Lo Verso Michele Pirotta Francesco Sironi

Board of Statutory Auditors

Chairman	Antonio Aristide Mastrangelo
Standing Auditors	Anna Girello Francesco Vittadini

Independent Auditors	Deloitte & Touche S.p.A.

FINANCIAL HIGHLIGHTS

Main Income Statement Data

Euro in millions	H1 2015	H1 2014
Revenues	119.4	116.6
EBITDA (*) before non-recurring items	55.7	54.5
EBITDA (*)	53.0	54.2
Operating profit (EBIT)	34.8	33.1
Profit before tax	30.7	29.4
Net profit	20.3	19.2

Main Balance Sheet and Financial Data

Euro in millions	June 30, 2015	December 31, 2014
Net invested capital	693.4	691.6
Shareholders' equity	582.8	593.0
Net financial position	(110.6)	(98,6)

Personnel

	June 30, 2015	December 31, 2014
No. of employees	577	585

Main Indicators

	H1 2015	H1 2014
EBITDA (*) before non-recurring items/Revenues	46.6%	46.7%
EBITDA (*)/Revenues	44.4%	46.5%
EBIT/Revenues	29.1%	28.4%
Profit before tax/Revenues	25.7%	25.2%
Net profit/Revenues	17.0%	16.5%
Earning per share (Euro per share)	0.72	0.68
Diluted earning per share (Euro per share)	0.72	0.68

(*) Corresponding to the difference between revenues and operating, costs gross of non-monetary costs related to amortisation, depreciation, and write-downs (net of possible revaluation) of current and non-current assets. EBITDA is a measure used by the Management of the Group to monitor and evaluate the company performance and it is not identified as an accounting measure within the IFRS standards (“Non GAAP Measure”).

INTRODUCTION

This Half-Year Report, prepared according to Art. 154 part three of the Legislative Decree 58/1998 and subsequent amendments, and to the Issuer Regulation issued by Consob, includes the Interim Report on Operations, the Half-Year Condensed Consolidated Financial Statements and the Statement pursuant to art.154-bis of the Legislative Decree 58/98.

The Half-Year 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, applying the same accounting standards used for the preparation of the Consolidated Financial Statements at December 31, 2014, except for, if necessary, what described in the Explanatory Notes.

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.

INTERIM REPORT ON OPERATIONS AS AT JUNE 30, 2015

Summary of Group Results and Operations

The economic and financial results of the first half of 2015 are positive and in line with the business plan.

In particular, the main consolidated figures are the following:

- core revenues amounted to € 119.4m, with an increase of 2.4% compared to the same period of the previous year (€ 116.6m);

- gross operating margin (EBITDA), excluding non-recurring items for € 2.7m (€ 0.3m in the first half of 2014), increased by 2.2% to € 55.7m compared to € 54.5m in the same period of the previous year, with an incidence on revenues stable at around 46.6%;
- EBITDA net of non-recurring items amounted to € 53m (€ 54.2m in the first half of 2014; equal to 44.4% of revenues (46.5% in the first half of 2014);
- operating profit (EBIT) amounted to € 34.8m, with a growth of 5% compared to the first half of last year (€ 33.1m);
- operating profitability grew from 28.4% to 29.1%;
- pre-tax profit was equal to € 30.7m compared to € 29.4m, with an increase of 4.7%;
- net profit amounted to € 20.3m, with a growth of 5.6% compared to the first half of 2014 (€ 19.2m);
- net financial position amounted to € 110.6m compared to € 98.6m at the end of 2014, after the distribution of dividends in the first half in the amount of € 31m;
- net invested capital was equal to 693.4m (€ 691.6m at December 31, 2014).

Outstanding Events and Operations in the First Half-Year

Following the preliminary agreement signed on June 13, 2014, on January 27, 2015 EI Towers S.p.A. signed with Cairo Network S.r.l., a company wholly owned by Cairo Communication S.p.A., two final agreements, respectively related to: (i) design and construction of a new national multiplex in DTT operating on the national frequency with UHF technology, for which Cairo Network S.r.l. was assigned the associated rights of use (the “MUX”) by the Ministry of Economic Development; (ii) subsequent multiannual technical management in full service (hosting, assistance and maintenance, use of the transmission infrastructure, etc.).

The agreements envisage a transitional phase, during which construction, commissioning of the MUX and first years of operation, which will run from the date of signature until December 31, 2017, will take place, and a phase of the MUX management at regime with a length of 17 years (from 2018 to 2034).

On March 2, the subsidiary Torre di Nora S.r.l. was merged into its direct parent company Hightel S.p.A. (whose corporate name has been subsequently modified in NewTelTowers S.p.A.) with statutory effects from the date of the last inscription in the Companies Register and accounting and fiscal effects from January 1, 2015.

On February 24, EI Towers S.p.A. promoted a tender and exchange offer on 100% of Rai Way S.p.A. ordinary shares, listed on the Italian Stock Exchange in Milan (MTA).

For further information on the offer, reference is made to the Directors' Report on Operations of the Annual Report 2014 (Subsequent events) and to the communications disclosed to the market during the period.

On April 21, the Shareholders' Meeting of EI Towers S.p.A., as proposed by the majority shareholder Elettronica Industriale S.p.A. and in relation to the developments in the tender and exchange offer promoted on Rai Way S.p.A. ordinary shares, resolved to distribute a dividend of € 1.10 per share through the partial distribution of the net profit achieved in 2014; it should be reminded that the Board of Directors had already proposed to the Shareholders' Meeting to allocate the profit for the year entirely to extraordinary reserve.

Concerning the aforesaid tender and exchange offer, on April 22, the Board of Directors of EI Towers S.p.A., after the analysis of the press release dated April 16, with which RAI stated that it would have not adhered in any way to the offer, acknowledged therefore that, even before the start of the offering period, there are no conditions to prosecute the Offer.

On April 24, Towertel S.p.A. signed a preliminary sale contract of 100% stake in the capital of Tecnorad Italia S.p.A., a company which operates 134 towers mainly hosting mobile telecommunications operators, in the form of an advance of € 5m. Transaction closing has been executed on July 10, as indicated more specifically in the section Subsequent Events.

In June Towertel S.p.A. signed binding offers with respect to the acquisition of 13 companies which manage a total of 171 towers hosting mainly mobile telecommunications operators and a binding commitment to acquire 16 lots of land on which towers stand. These acquisitions are expected to be completed by the end of the current year.

Analyses of the Results

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

The form and contents of the tables of the Income Statement, Balance Sheet and Financial Situation below are shown in a restated format compared to those contained in the subsequent Financial Statement Tables, for the purpose of highlighting some interim levels of the results and the Balance Sheet and Financial Situation groupings that are believed to be the most significant ones, in order to be able to truly understand the operating performances of the Group. For these balances, even if they are not required by accounting standards, there are also supplied, in conformity with the indications contained in the Consob Communication no. 6064293 of 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 half of 2015 and 2014; the Balance Sheet information is given as at June 30, 2015 and December 31, 2014, information referring to the Cash Flow is given for the first half of 2015 and 2014.

Economic Results

The following Consolidated Income Statement shows 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 depreciation, amortisation, provisions and write-downs (net of any reinstatement of value) of both current and non-current assets.

The Operating Result (EBIT) is obtained by deducting from the EBITDA the non-monetary costs relative to depreciation, amortisation and write-downs (net of any reinstatement of value) of both current and non-current assets.

CONSOLIDATED INCOME STATEMENT *Euro in thousands*	H1 2015		H1 2014	
Revenues from sales of goods and services	**119,368**	**100.0%**	**116,557**	**100.0%**
Other income and revenues	127		103	
Total revenues	**119,495**		**116,660**	
Operating costs	63,818		62,176	
EBITDA, excluding non-recurring items	**55,677**	**46.6%**	**54,484**	**46.7%**
Non-recurring items	(2,705)		(274)	
Gross operating margin (EBITDA)	**52,972**	**44.4%**	**54,210**	**46.5%**
Amortisation, depreciation and write-downs	18,221		21,128	
Operating profit (EBIT)	**34,751**	**29.1%**	**33,082**	**28.4%**
Financial charges, net	(4,017)		(3,725)	
Pre-tax profit (EBT)	**30,734**	**25.7%**	**29,357**	**25.2%**
Income taxes	(10,474)		(10,167)	
Net income	**20,260**	**17.0%**	**19,190**	**16.5%**

Revenues from sales of goods and services amounted in the first six months of the year to € 119,368k, and refer for € 89,731k 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 telecommunications operators.

Core revenues increased by € 2,811k (+2.4%) compared to the first half of 2014 essentially due to the acquisitions made last year of the companies Sart S.r.l. (later merged into Towertel S.p.A.), Hightel S.p.A. (now NewTelTowers S.p.A.) and Torre di Nora S.r.l. (later merged into NewTelTowers S.p.A.), and the start of design and construction phases of the national multiplex for the Cairo Communication Group.

Other income and revenues were essentially stable in the two six-month reference periods.

Non-recurring charges amounting to € 2,705k have been recorded during the period concerning in the amount of € 2,372k extraordinary acquisition transactions, including the tender and exchange offer promoted on Rai Way S.p.A. ordinary shares discussed in the previous paragraphs, and as regards the remaining € 333k lay-off incentives for employees and reclassified as non-recurring items (€ 274k in the first half of 2014 which refers only to lay-off incentives for employees).

Excluding these charges, total operating costs amounted to € 63,818k, increasing by 2.6% compared to € 62,176k in the same period of the previous year as a result of the incidence of costs related to the companies acquired in the meantime and the costs associated with the increase in activities relating to infrastructures, also in relation to the start of the development project for the Cairo Communication Group.

Gross operating margin (EBITDA), excluding non-recurring items described above, amounted to € 55,677k, with an increase of 2.2% compared to the first half of 2014 and an incidence on revenues basically stable at around 46.6%.

EBITDA including non-recurring items amounted to 52,972k (44.4% of revenues) compared to € 54,210k in the first six months of 2014 (46.5% of revenues), decreasing due to higher incidence of non-recurring items.

After charging amortisation, depreciation and write-downs for € 18,221k (with a decrease of € 2,907k compared to the first half of 2014, including € 1,250k relating to the amortisation of the non-compete agreement signed with the previous CEO, ended in 2014), the operating result (EBIT) was equal to € 34,751k with an increase of 5% compared to € 33,082k in the first half of 2014; operating profitability grew up to 29.1% compared to the previous 28.4%.

Net financial charges of the first half-year amounted to € 4,017k, increasing by € 292k compared to the first half of 2014 due to the lower incidence of financial income relating to the remuneration of liquidity as a consequence of the reduction in market interest rates; the item includes € 4,904k related to the pro-rata for the period of the existing bond loan, measured at amortised cost.

Pre-tax result increased to € 30,734k compared to € 29,357k, equal to 25.7% of revenues (25.2% in the first half of 2014).

Estimated income taxes for the period amounted to € 10,474k (€ 10,167k in the first half of 2014), with a tax rate of 34.1%.

The half-year ended with a net profit of € 20,260k, equal to 17% of revenues, with a growth (+5.6%) compared to the first half of 2014 (€ 19,190k).

Balance Sheet and Financial Situation

Below is shown the Condensed Consolidated Balance Sheet in a reclassified format for the purpose of highlighting the two macro groupings of Net Invested Capital and Net Financial Position, where this latter figure consists of 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. 4.6.

Therefore, these tables differ compared to 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 Cash and Cash Equivalents and Current Financial Assets that are included in Net Financial Position, and current liabilities, with the exclusion of current financial liabilities that are included in 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*	June 30, 2015		December 31, 2014	
Net working capital	(21,124)	-3.0%	(26,149)	-3.8%
Goodwill	476,221		476,221	
Other non-current assets	295,643		300,499	
Non-current liabilities	(57,346)		(58,997)	
Non-current capital	714,518	103.0%	717,723	103.8%
Net invested capital	**693,394**	**100.0%**	**691,574**	**100.0%**
Net financial position	**110,633**	**16.0%**	**98,579**	**14.3%**
Shareholders' equity	**582,761**	**84.0%**	**592,995**	**85.7%**
Financial position and shareholders' equity of the Group	693,394	100.0%	691,574	100.0%

The increase in net working capital compared to December 31, 2014, equal to € 5,025k, is mainly due to the increase in trade receivables (€ 1,786k), in accrued income and prepaid expenses (€ 2,139k), in other receivables of € 1,327k and to the decrease in other payables of € 1,454k against an increase in trade payables of € 1,907k.

The decrease in other non-current assets is a consequence of the depreciation of tangible and intangible assets accounted for the period, which were higher than the investments made.
Shareholders' equity decreased by € 10,234k essentially due to the distribution of the 2014 result in the amount of € 31,020k, partially offset by the profit of the first half of the current year.
The net financial position increased compared to December 31, 2014 by € 12,054k.

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 half of the current and previous year.

CASH FLOW STATEMENT *Euro in thousands*	H1 2015	H1 2014
Cash flow generated (absorbed) by operating activities	38,610	21,808
Cash flow generated (absorbed) by investing activities	(15,385)	(10,578)
Cash flow generated (absorbed) by financing activities	(39,037)	(8,720)
Net cash flow for the period	(15,812)	2,510

Cash flow generated by operating activities, equal to € 38,610k, includes an absorption of working capital amounting to € 3,422k and the payment of income taxes of € 10,940k. The increase in flows compared to the same period of the previous year is due to a lower absorption of working capital in the amount of € 5,185k and lower taxes paid amounting to € 12,855k.
The net flow absorbed by investing activities, equal to € 15,385k, mainly consists of disbursements made for investments in tangible and intangible assets in the amount of € 8,460k, including advance payments for the acquisition of business units of € 400k and disbursements made for business combinations in the amount of € 6,826k, including € 5,000k related to the acquisition of Tecnorad Italia S.p.A. completed after the closing of the half year. The increase compared to the first half of 2014 is basically due to the acquisitions of companies, which recorded a net increase of € 3,561k, and higher disbursements made for technical investments amounting to € 1,187k.
Cash flow related to financing activities is due to the payment of the coupon of the existing bond loan made in the period and the payment of dividends in the amount of € 31,020k; it should be reminded that in 2014 no dividend was distributed.

Group Employees

The employee ending headcount of the Group at June 30, 2015 amounted to 577 people (585 people at December 31, 2014).

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 Annual Report as at December 31, 2014.

Amendment of 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 Regulation 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 Italian 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, the Corporate Governance Code of Borsa Italiana S.p.A. and 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 Art. 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 Art. 70, para. 8 and 71 para 1/bis of the Issuer Regulation issued by 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, demerger, capital increase by contributions in kind, acquisitions and disposals.

Main Risks and Uncertainties the Group is exposed to

While carrying out its activities, the Group is exposed to external risks and uncertainties, deriving from external factors connected to the general macroeconomic framework or to the specific operating sector in which the activities are carried out, in addition to risks deriving from strategic choices and internal management risks.
Risks and remedy actions have been analyzed in detail in the Interim Report on Operations, in the Financial Statements and Consolidated Financial Statements as at December 31, 2014 to which reference should be made in addition to the section “Business Outlook” of this Report in which possible updates are reported.

Other information

On May 5, on the initiative of the Public Prosecutor's Office of the District Court of Milan, the Guardia di Finanza began to acquire the documentation concerning the tender and exchange offer on Rai Way S.p.A. ordinary shares.
The assumed offence is envisaged by Art. 185 of the Consolidated Finance Act.
As already disclosed to the market, EI Towers S.p.A. reiterates that the company and its directors have always operated fairly, in full compliance with the laws and ensuring transparency and completeness of information disclosed to the market.

Subsequent Events

On July 10, Towertel S.p.A. finalized the acquisition of 100% of the share capital of Tecnorad Italia S.p.A., a company managing 134 towers hosting mainly mobile telecommunications operators, for a provisional price of approximately € 12.6m, deducted the net financial position estimated at approximately € 4m, on the basis of a recurring net operating profitability estimated at approximately € 1.9m.
The final price will be determined during the 60 days following the closing on the basis of the recurring net operating profitability of the target company at the date of acquisition.
On July 24, the shareholders' meetings of Towertel S.p.A. and Tecnorad Italia S.p.A. passed resolutions to merge the latter into its immediate parent company.

On July 24, Towertel S.p.A. acquired 100% of the share capital of DAS Immobiliare S.r.l., a company managing 11 towers hosting mainly mobile telecommunications operators; a provisional price of approximately € 3m was established, including the net financial position estimated to be positive at approximately € 0.1m, on the basis of a recurring net operating profitability estimated at approximately € 0.35m.
The final price will be determined during the 60 days following the closing on the basis of the recurring net operating profitability and net financial position at the date of acquisition.

Business Outlook

Italy's macroeconomic scenario, after a few difficult years, with particular impact on unemployment rate and domestic consumptions, has shown signs of gradual stabilization and in some cases faint signs of recovery.

Concerning Group customers, it should be noted that some local TV operators continue to meet critical issues, also due to the planned reorganization process of some frequencies in the North-East of the country, which should take place by the end of the year. As of today, no significant economic and financial effects are expected in the current year.

During the first half-year the inflation rate in Italy, which acts as an important variable for the Group since almost all revenues are indexed by the consumer price indexes, has remained on average close to zero, although at present a gradual recovery is expected in the coming months.

The economic figures of the first half of the year are overall in line with the management's expectations; therefore, on the base of the current business outlook and acquisitions of towers already made and expected during the year, excluding the effects of the non-recurring charges accounted for in the half-year, the targets already disclosed to the market, in particular EBITDA before these charged equal to € 114m, can be confirmed.

With reference to the investments for these acquisitions, in relation to the information currently available, we believe that the amount for the year could be in a range between € 70m, higher than what was already disclosed to the market (€ 25/30m). Net financial position at the end of the year should be around € 150m.

For the Board of Directors

Guido Barbieri, CEO

EI TOWERS GROUP

Consolidated Accounts and

Explanatory Notes

EI TOWERS GROUP

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Euro thousands)

	Notes	June 30, 2015	Dec.31, 2014
ASSETS			
Non current assets			
Property, plant and equipment	4.1	189,644	196,885
Goodwill	4.1	476,221	476,221
Other intangible assets	4.1	93,573	96,648
Investments in associates/joint control companies		28	28
Other financial assets	4.2	6,263	604
Deferred tax assets	4.3	6,135	6,334
TOTAL NON CURRENT ASSETS		**771,864**	**776,720**
Current assets			
Inventories		2,471	2,553
Trade receivables	4.4	22,741	20,955
Tax receivables		0	119
Other receivables and current assets	4.5	11,038	7,572
Current financial assets		30	280
Cash and cash equivalents	4.6	118,105	133,917
TOTAL CURRENT ASSETS		**154,385**	**165,396**
TOTAL ASSETS		**926,249**	**942,116**

EI TOWERS GROUP

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Euro thousands)

	Notes	June 30, 2015	Dec.31, 2014
SHAREHOLDERS' EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital		2,826	2,826
Share premium reserve		194,220	194,220
Treasury shares		(1,845)	(1,845)
Other reserves		360,416	352,448
Valuation reserve		(1,992)	(2,518)
Retained earnings		8,876	10,004
Net profit for the period		20,260	37,820
TOTAL SHAREHOLDERS' EQUITY		**582,761**	**592,995**
Non current liabilities			
Post-employment benefit plans	4.7	11,762	12,745
Deferred tax liabilities	4.8	42,098	42,910
Financial liabilities and payables	4.6	226,977	226,193
Provisions for non current risks and charges		3,486	3,342
TOTAL NON CURRENT LIABILITIES		**284,323**	**285,190**
Current liabilities			
Trade payables	4.9	34,467	32,560
Current tax liabilities	4.10	2,612	2,520
Other financial liabilities	4.6	1,791	6,583
Other current liabilities	4.11	20,295	22,268
TOTAL CURRENT LIABILITIES		**59,165**	**63,931**
TOTAL LIABILITIES		**343,488**	**349,121**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**926,249**	**942,116**

EI TOWERS GROUP

INTERIM CONSOLIDATED INCOME STATEMENT

(Euro thousands)

	Notes	H1 2015	H1 2014
Sales of goods and services		119,368	116,557
Other revenues and income		127	103
TOTAL REVENUES		**119,495**	**116,660**
Personnel expenses		22,811	23,010
Purchases, services, other costs		43,712	39,440
Amortisation, depreciation and write-downs		18,221	21,128
TOTAL COSTS		**84,744**	**83,578**
EBIT		**34,751**	**33,082**
Financial expenses		(4,916)	(5,023)
Financial income		899	1,298
EBT		**30,734**	**29,357**
Income taxes		10,474	10,167
NET PROFIT FOR THE PERIOD		**20,260**	**19,190**
Earnings per share (Euro):	4.13		
- Basic		0.72	0.68
- Diluted		0.72	0.68

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

	H1 2015	H1 2014
CONSOLIDATED NET PROFIT(A):	**20,260**	**19,190**
Total comprehensive gains/(losses) recognized in the Income Statement		
Effective portion of gains/(losses) on hedging instruments (cash flow hedge)	-	-
Total comprehensive gains/(losses) not recognized in the Income Statement		
Actuarial gains/(losses) on defined benefit plans	725	(1,111)
Tax effects	(199)	305
TOTAL OTHER COMPREHENSIVE INCOME /(LOSS) NET OF TAX EFFECTS (B)	**526**	**(806)**
TOTAL COMPREHENSIVE INCOME (A+B)	**20,786**	**18,384**

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

	H1 2015	H1 2014
CASH FLOW FROM OPERATING ACTIVITIES:		
Operating profit	34,751	33,082
+ Amortisation, depreciation and write-downs	18,221	21,128
+ Change in trade receivables	(1,786)	(3,147)
+ Change in trade payables	1,907	(4,843)
+ Change in other assets and liabilities	(3,543)	(617)
- income taxes paid	(10,940)	(23,795)
Net cash flow from operating activities [A]	**38,610**	**21,808**
CASH FLOW FROM INVESTING ACTIVITIES:		
Investments in tangible assets	(8,268)	(2,924)
Investments in intangible assets	(37)	(187)
Goodwill	-	(40)
Changes in payables for investing activities	(155)	(4,162)
(Increases)/decreases in other financial assets	(99)	-
Business combinations net of cash acquired	(6,826)	(3,265)
Net cash flow from investing activities [B]	**(15,385)**	**(10,578)**
CASH FLOW FROM FINANCING ACTIVITIES:		
Changes in financial liabilities	-	(460)
Dividend payment	(31,020)	-
Interests (paid)/received	(8,017)	(8,260)
Net cash from financing activities [C]	**(39,037)**	**(8,720)**
CHANGE IN CASH AND CASH EQUIVALENTS [D=A+B+C]	**(15,812)**	**2,510**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD [E]	**133,917**	**101,073**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD [F=D+E]	**118,105**	**103,583**

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

	Share capital	Share premium reserve	Legal reserve and other reserves	Treasury shares	Actuarial reserve	Other valuation reserves	Retained earnings (accumulated losses)	Profit/ (loss) for the period	**TOTAL SHAREHOLDERS' EQUITY**
Balance at January 1, 2014	**2,826**	**194,220**	**320,723**	**(1,845)**	**(1,436)**	**218**	**8,814**	**32,938**	**556,458**
Net profit for 2013	-	-	31,750	-	-	-	1,188	(32,938)	-
Stock option	-	-	15	-	-	(15)	-	-	-
Comprehensive income/(loss)	-	-	-	-	(806)	-	-	19,190	18,384
Balance at June 30, 2014	**2,826**	**194,220**	**352,488**	**(1,845)**	**(2,242)**	**203**	**10,003**	**19,190**	**574,843**
Balance at January 1, 2015	**2,826**	**194,220**	**352,488**	**(1,845)**	**(2,721)**	**203**	**10,004**	**37,820**	**592,995**
Net profit for 2014	-	-	7,928	-	-	-	29,892	(37,820)	-
Dividend allocation	-	-	-	-	-	-	(31,020)	-	(31,020)
Stock option	-	-	-	-	-	-	-	-	-
Comprehensive income/(loss)	-	-	-	-	526	-	-	20,260	20,785
Balance at June 30 ,2015	**2,826**	**194,220**	**360,416**	**(1,845)**	**(2,195)**	**203**	**8,876**	**20,260**	**582,761**

EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED HALF YEAR REPORT AT JUNE 30, 2015

1. Basis of preparation

For these Interim Condensed Consolidated Financial Statements, prepared according to IAS 34 – Interim Financial Reporting – there have been applied the same accounting standards and valuation criteria that were used to draw up the Consolidated Financial Statements at December 31, 2014, 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, 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 to carry out this process completely. Actuarial valuations to determine Employee benefit funds are calculated on a six-monthly basis.

This Half Year Condensed Consolidated Financial Statements do 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, 2014.

This Half Year Condensed Consolidated Financial Statements have been prepared on the going concern basis. Directors have assessed that there are no significant uncertainties (as described in the paragraph 25 of IAS 1) on the going concern.

The preparation of the Half Year Condensed Consolidated Financial Statements 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 Half Year Report. In case these estimates and assumptions, which are based on the better valuation issued by the management at the date of this Half Year 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, 2014.

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.

2. New accounting standards, interpretations and amendments applicable from January 1, 2015.

The Group applied the following accounting standards, interpretations and amendments starting from January 1, 2015.

IFRIC 21 – Levies On May 20, 2013 the interpretation which clarifies when an entity should recognize a liability to pay a levy imposed by governments, other than income taxes, in its financial statements, has been published. The standard addresses both the accounting for liabilities to pay levies that are within the scope of IAS 37 - Provisions, Contingent Liabilities and Contingent Assets, as well as for liabilities whose timing and amount is certain. The application applies retrospectively for annual periods beginning at the latest on or after June 17, 2014.The adoption of this new interpretation did not impact the Group's consolidated financial statements.

On December 12, 2013 the IASB published the document "Annual Improvements to IFRSs: 2011-2013 Cycle" incorporating the amendments to some standards, within the scope of the improvement process. The changes are effective at the latest for annual periods beginning on or after February 1, 2015. The adoption of the new interpretation did not impact the Group's consolidated financial statements.

Standards already issued but not yet having come into force at the date of drafting of the Group's half-year report are outlined below. The list applies to standards and interpretations that the Group expects to be reasonably applicable at a future date. The Group intends to adopt these standards when they come into force.

In particular, on December 12, 2013 the IASB published the document "Annual Improvements to IFRSs: 2010-2012 Cycle" incorporating the amendments to some standards, within the scope of the annual improvement process. The changes are effective at the latest for annual periods beginning on or after February 1, 2015. The Directors do not expect that the adoption of the aforesaid changes will impact the Group's consolidated financial statements.

It should be also noted that up to the time of the present half year report, the competent bodies of the European Union had not yet completed the approval process necessary for the application of the above amendments and standards.

- On May 28, 2014 the IASB published the standard IFRS 15 – Revenue from Contracts with Customers which is intended to replace the standards IAS 18 – Revenue and IAS 11 – Construction Contracts, and the interpretations IFRIC 13 – Customer Loyalty Programmes, IFRIC 15 – Agreements for the Construction of Real Estate, IFRIC 18 – Transfers of Assets from Customers and SIC 31 – Revenues-Barter Transactions Involving Advertising Services. The standard sets out a new framework for revenue recognition, that will apply to all contracts with customers except for those that fall within the scope of other IAS/IFRS standards as leases, insurance contracts and financial instruments. The key steps in accounting revenues according to the new framework are:

- Identify the contract(s) with a customer;
- Identify the performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contract;
- Recognize revenue when (or as) the entity satisfies a performance obligation.

The standard is effective for annual reporting periods beginning on or after January 1, 2017. Earlier application is permitted.

The application of IFRS 15 is expected to impact the amounts entered by way of revenues and the disclosure provided in the consolidated financial statements of the Group, at the moment subject to examination.

- On July 24, 2014 the IASB published the final version of IFRS 9 – Financial Instruments. This document brings together the Classification and Measurement, Impairment and Hedge Accounting phases of the IASB's project to replace IAS 39. The new standard, which replaces the previous versions of IFRS 9, is effective for annual reporting periods beginning on or after January 1, 2018.
  Possible effects of the introduction of these changes on the Group's consolidated financial statements are being evaluated.
- On September 25, 2014 the IASB published the document "Annual Improvements to IFRSs: 2012-2014 Cycle", which partly integrates existing standards. The changes introduced by the document are effective for annual reporting periods beginning on or after January 1, 2016. These changes and integrations will not significantly impact the Group's consolidated financial statements.

The Group has not early adopted any other standards, interpretation or improvements issued or essentially issued but not yet effective.

3. Main corporate operations and changes in the consolidation area

No significant corporate operations and changes in the consolidation area occurred during the first half of the year.

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

4.1 Intangible and tangible assets

Euro in thousands	Dec. 31, 2014	Increases	Decreases	Amortisation	June 30,2015
Goodwill	476,221	-	-	-	476,221
Other intangible assets	96,648	37	-	(3,112)	93,573
Tangible assets	196,885	7,899	(31)	(15,109)	189,644

The increase in tangible assets includes the amount of € 4,360k the investments relating to the implementation of a new national multiplex for the Cairo Communication Group; the remaining part mainly refers to the purchases of land, towers, apparatus and equipment aiming at the extension of networks.

It should also be noted that, owing to the Group's performance in line with the forecasts made and the basic parameters used for impairment tests at December 31, 2014 did not experience significant fluctuations, there was no evidence of impairment indicators and therefore the results of the tests carried out previously are still considered valid.

4.2 Other financial assets

This item mainly includes the amounts given as advance payments of the acquisition of 100% of the shares in Tecnorad Italia S.p.A., completed on July 10, 2015 as described above.

4.3 Deferred tax assets

The item Deferred tax assets amounted to € 6,135k and refers to deferred tax assets determined based on temporary differences between the value recorded in the balance sheet and corresponding values recognized for fiscal purposes, mainly attributable to the Provision for Bad Debts and the Provision for other Bad Debts.

4.4 Trade receivables

Trade receivables amounted to € 22,741k (€ 20,955k at December 31, 2014), including € 728k from related parties (€ 759k at December 31, 2014), as described in detail in note 5.

Short-term trade receivables have been recorded net of bad debt provision of € 9,247k, unchanged compared to December 31, 2014.

4.5 Other receivables and current assets

The item Other receivables and current assets mainly includes VAT receivables (€ 2,974k) and tax receivables (€ 506k), advance payments to suppliers (€ 508k) and to employees for business trips (€ 236k), in addition to prepayments and accrued income (€ 5,237k).

4.6 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.

	June 30, 2015	Dec. 31,2014
Cash in hand	41	10
Cash and cash equivalents	118,064	133,907
Securities and other current financial assets	30	280
Total Liquidity	**118,135**	**134,197**
Current financial receivables	**-**	**-**
Current payables due to banks	-	-
Current portion of non-current financial debt	(1,791)	(6,583)
Payables and other current financial liabilities	-	-
Current financial debt	**(1,791)**	**(6,583)**
Current Net Financial Position	**116,344**	**127,614**
Non-current payables due to banks	-	-
Corporate bond	(226,977)	(226,193)
Payables and other non-current financial liabilities	-	-
Non- current financial debt	**(226,977)**	**(226,193)**
Net Financial Position	**(110,633)**	**(98,579)**

The item Cash and cash equivalents consists of the credit balances of the bank current accounts and the short-term time deposit of the Group's companies, including accrued interests.

The Current portion of non-current financial debt includes the interests for the period on the existing bond loan expiring April 2018 measured at amortized cost.

The item Corporate bond includes the measurement at amortized cost of the existing bond loan.

4.7 Post-employment benefit plans

The item decreased by € 983k compared to December 31, 2014, including € 724k as a result of the increase in market rates used for the purposes of the actuarial valuation of the liability.

4.8 Deferred tax liabilities

The item Deferred tax liabilities amounted to € 42,098k (€ 42,910k at December 31, 2014) and corresponds to deferred tax liabilities determined based on temporary differences between the value recorded in the balance sheet and corresponding values recognized for fiscal purposes. In particular, they are referable to the partial allocation of the goodwill, generated following the business combination to Customer relations recorded as intangible assets, and to the allocation to tangible assets of gains generated through the acquisitions carried out by the Group in the previous years. The decrease compared to December 31, 2014 (€ 812k) is due to the effect of the depreciation of the fixed assets described above.

4.9 Trade payables

This item was made up as follows:

- Due to suppliers equal to € 33,689k (€ 31,487k at December 31, 2014) mainly referring to purchases concerning the supply of goods and services for the management of infrastructures;
- Due to related parties equal to € 778k (€ 1,073k at December 31, 2014). Reference should be made to note 5.

4.10 Tax payables

This item, amounting to € 2,612k, represents the debt of the companies of the Group to the tax authorities for IRES (Corporate tax) and Irap (Regional Corporate Tax).

4.11 Other current liabilities

The item, equal to € 20,295k, includes accrued charges and deferred income of € 3,575k, payables to employees of € 3,345k and other payables of € 9,257k, including the amount payable to the assignors the Company Hightel S.p.A. (now NewTelTowers S.p.A.) amounting to € 8,326k for deferred payment of part of the acquisition price.

4.12 Income statement

For a close examination of changes occurred make reference to what described in detail in the Interim Report on Operations.

4.13 Earnings per share

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

	H1 2015	H1 2014
Net profit for the period (Euro in thousands)	20,260	19,160
Weighted average number of ordinary shares (without own shares)	28,199,851	28,199,851
Basic EPS (Euro)	0.72	0.68
Weighted average number of ordinary shares for the diluted EPS computation	28,199,851	28,199,851
Diluted EPS (Euro)	0.72	0.68

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	Operating costs	Financial income/ (charges)	Trade receivables	Trade payables	Other receivables/ (payables)
CONTROLLING ENTITIES						
Mediaset S.p.A.	-	(35)	-	-	(22)	-
R.T.I. S.p.A.	150	(1,145)	-	63	(422)	-
Elettronica Industriale S.p.A.	89,731	(190)	-	131	(202)	-
Total controlling entities	**89,881**	**(1,370)**	**-**	**194**	**(646)**	**-**
AFFILIATED ENTITIES						
Publitalia '80 S.p.A.	24	-	-	-	-	-
Videotime S.p.A.	60	(242)	-	235	(131)	-
MedioBanca S.p.a.	-	(23)	-	-	-	23
Milan Entertainment S.r.l.	-	(5)	-	-	-	-
Monradio S.r.l.	240	-	-	151	(1)	-
Total affiliated entities	**324**	**(270)**	**-**	**386**	**(132)**	**23**
EXECUTIVES WITH STRATEGIC RESPONSIBILITIES	**-**	**(536)**	**-**	**-**	**-**	**(115)**
PENSION FUNDS	**-**	**-**	**-**	**-**	**-**	**(246)**
OTHER RELATED PARTIES	**127**	**(21)**	**-**	**148**	**-**	**34**
TOTAL RELATED PARTIES	**90,332**	**(2,197)**	**-**	**728**	**(778)**	**(304)**

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 design, as well as to revenues concerning broadcast equipment installation services.

Costs and trade payables to parent companies are mainly imputable to EDP services and personnel administrative services, other 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.; costs and trade payables due to associates are mainly attributable to leases (Videotime) 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, 2015, no significant changes are reported compared to December 31, 2014.

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 2015 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

Attestation of the Half Year Condensed Financial Statements pursuant to Article 154, part two, of the Legislative Decree 58/98

Attestation of the Half Year Condensed Financial Statements pursuant to article 154, part two, of the Legislative Decree 58/98

1. The undersigned Guido Barbieri, Chief Executive Officer, and Fabio Caccia, the Assigned Executive for the drafting of the company accounting documents of EI Towers S.p.A., attest, also taking into account what is lead down by article 154, part two, paragraphs 3 and 4 of the Legislative Decree of February 24, 1998 no. 58:

- the adequacy relative to the characteristics of the Group and
- the effective application

of the administrative and accounting procedures for building up the Half Year Condensed Financial Statements, during the first half of 2015.

2. The evaluation of the adequacy of the administrative and accounting procedures for building up the Half Year Condensed Financial Statements as at June 30, 2015 was carried out based on the rules and methodologies defined by EI Towers S.p.A. in line with the model *Internal Control – Integrated Framework* issued by the *Committee of sponsoring Organizations of the Treadway Commission* which represents a body of general reference principles for the system of internal controls that is generally accepted at international level.

3. Furthermore, it is also attested that:

3.1 the Half Year Condensed Consolidated Financial Statements:

- reflect the balances in the books and the accounting postings;
- are drawn up in conformity with the applicable International Accounting Standards recognized within the European Community, pursuant to the regulation (EC) no. 1606/2002 of the European Community and Council of July 19, 2002, and in particular to IAS 34 – Interim Financial Reporting, as well as with the measures issued to actuate article 9 of the Legislative Decree no. 38/2005;
- are suitable and appropriate in order to give a true and fair view of the Balance Sheet, Income Statement and Financial situations of the Issuer;

3.2 The Interim Report on Operations contains references to the significant events occurred during the first six months of the year and to their incidence on the half year condensed financial statements, together with the description of the main risks and uncertainties for the remaining six months of the year, in addition to information on significant transactions with related parties.

Lissone - July 28, 2015

For the Board of Directors
The Chief Executive Officer
Guido Barbieri

The Assigned Executive for the drafting
of the company accounting documents
Fabio Caccia

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REPORT ON REVIEW OF THE HALF-YEAR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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

Introduction

We have reviewed the accompanying half-year condensed consolidated financial statements of EI Towers S.p.A. and subsidiaries (the "EI Towers Group"), which comprise the interim consolidated statement of financial position and the interim consolidated income statement, the interim consolidated statement of comprehensive income, interim consolidated statement of changes in equity and the interim consolidated cash flow statement for the six month period then ended, and a summary of significant accounting policies and other explanatory notes. The Directors are responsible for the preparation of this interim financial information in accordance with the International Accounting Standard applicable to the interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the criteria recommended by the Italian Regulatory Commission for Companies and the Stock Exchange ("Consob") for the review of the half-yearly interim financial statements under Resolution n° 10867 of July 31, 1997. A review of half-year condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

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

DELOITTE & TOUCHE S.p.A.

Signed by
Patrizia Arienti
Partner

Milan, Italy
July 29, 2015

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

Ancona Bari Bergamo Bologna Brescia Cagliari Firenze Genova Milano Napoli Padova
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