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This document contains an unofficial English language translation (the "**Translation**") of substantially all of the official information document prepared in the Italian language for the purposes of the merger by incorporation (the "**Merger**") of **EI TOWERS S.P.A.** ("**EI Towers**") in **DIGITAL MULTIMEDIA TECHNOLOGIES S.P.A.** ("**DMT**") which was published on DMT's website www.dmtonline.com on December 30, 2011. The Italian information document (a copy of which accompanies this document) contains information about DMT, EI Towers and the Merger.

This document does not include the translation of the documents listed in the Appendices, which are included in the original Italian version of the Information Document.

The Translation is provided to shareholders for information purposes 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 information document and the Translation, the Italian information document shall prevail.

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INFORMATION DOCUMENT

RELATING TO THE

MERGER BY INCORPORATION

OF

EI TOWERS S.P.A.

IN

DIGITAL MULTIMEDIA TECHNOLOGIES S.P.A.

WHICH SHALL BE DENOMINATED

EI TOWERS S.P.A.

SPONSOR

pursuant to and in accordance with Article 2.3.1, Paragraph 2, of the Rules of the Markets organised and managed by Borsa Italiana S.p.A.

December 30, 2011

drawn up pursuant to Article 70, paragraph 4 and Article 57, paragraph 1, letter d) and paragraph 2, of CONSOB Regulation No. 11971 of May 14, 1999, as amended

The Merger is being undertaken on the basis of the Italian Information Document prepared in accordance with applicable Italian law, an unofficial English translation of which is set out in this document and the original of which accompanies this document.

Presentation of Financial Information

The financial information set forth in this Information Document is derived from the consolidated figures of DMT for the nine month periods ended September 30, 2011 and 2010, for the half-year periods ended June 30, 2011 and 2010 and for the fiscal years ended December 31, 2010, 2009 and 2008 and from the financial situation of EI Towers related to the income statement for the three months period ended September 30, 2011 and to the balance sheet as of September 30, 2011 and from the carve-out figures of EI Towers related to the income statement and to the balance sheet for the half-year ended June 30, 2011 and the fiscal year ended December 31, 2010.

The financial information should be read together with the DMT June 30, 2011 Half-Year Condensed Consolidated Financial Statements and the DMT Consolidated Financial Statements for the fiscal years ended December 31, 2010, 2009 and 2008, prepared in accordance with IFRS as adopted by the European Union.

The carve-out figures of EI Towers as of June 30, 2011 and December 31, 2010 and for the periods then ended were prepared by attributing assets, liabilities, revenues and expenses from the balance sheet and income statement of Elettronica Industriale S.p.A., as of June 30, 2011 and December 31, 2010 and for the periods then ended, to its Towers branch.

Further the Information Document contains pro-forma consolidated financial information as of September 30, 2011, as of June 30, 2011 and as of December 31, 2010, which gives effects of the Merger on the income statement and on the balance sheet of DMT and EI Towers, pursuant to the applicable pro-forma principles and criteria, as if the Merger had taken place during the periods covered by the pro-forma information.

Forward-looking statements

This Information Document contains forecasts, targets and estimates (so-called "forward-looking statements") regarding DMT and EI Towers and their business after the Merger has occurred.

It also includes references to and data deriving from the 2011-2016 Business Plan of the Company Resulting from the Merger, which, in turn, presents guidelines and targets for growth based on general and hypothetical assumptions. These elements are not representative of actual data and are instead based on current forecasts and projections of future events of the Companies Participating to the Merger. Such forecasts are also based on hypothetical scenarios about future events and performance subject to uncertainty that is out of the control of management of the Companies Participating to the Merger.

The actual results could differ significantly from the forecasted results due to a variety of factors, including changes in macroeconomic conditions and economic growth and other changes in business conditions, regulations and the institutional scenario (both in Italy and abroad) and other factors out of the control of management of the Companies Participating to the Merger.

WARNING

As consequence of a negative working capital of the Group, this Paragraph "Warning" contains some information which may be important to understand the frame of reference e the risks of the Transaction.

Shareholders are invited to read the information contained in this Paragraph "Warning" together with the information contained in Section I, Paragraph 4 ("**Risk Factors**") of the Information Document.

Risks related to the negative working capital of the Group

Pursuant to Regulation 809/2004/EC and based on the definition of working capital – as an issuer's ability to access cash and other available liquid resources in order to meet its liabilities as they fall due - contained in the "Recommendations for consistent implementation of the Regulation of the European Commission's Regulation on Prospectuses" of CESR (Committee of European Securities Regulators), the Issuer believes that the working capital available is not sufficient, in theory, to meet the short-term needs of the Group in the 12 months following the data of the Information Document.

For a more detailed analysis of working capital, we report the detail below, with reference to the pro-forma data.

Thousands of Euro	**September 30, 2011 Pro Forma data**	**June 30, 2011 Pro Forma data**	**December 31, 2010 Pro Forma data**
Inventories	5,901	4,609	6,155
Trade receivables	25,868	25,810	25,946
Other receivables and current assets	8,484	11,485	6,839
Tax receivables	8,765	6,336	11,424
Working Capital – Assets	*49,018*	*48,240*	*50,364*
Cash and cash equivalents	11,635	20,208	15,299
Total Current assets	**60,653**	**68,448**	**65,663**
Trade payables	(50,628)	(48,313)	(39,467)
Other payables and current liabilities	(14,457)	(14,222)	(12,041)
Tax payables	(4,300)	(4,589)	(7,032)
Working Capital – Liabilities	*(69,385)*	*(67,124)*	*(58,540)*
Current financial liabilities	(151,111)	(160,454)	(155,484)
Acquisition debts	(39)	(39)	(1,248)
Total Current liabilities	**(220,535)**	**(227,617)**	**(215,272)**
Deficit of working capital	**(159.882)**	**(159.169)**	**(149.609)**

On September 30, 2011, pro-forma Deficit working capital is Euro 159,882,000.

Such amount includes:

i) debts of EI Towers towards Mediaset, the latest controlling company, of Euro 115,943,000 deriving from the intercompany account with the holding company that is the only financing used by the company;
ii) current financial debts of DMT Group amounting to Euro 23,524,000;
i) other current assets and liabilities amounting to a net negative value of Euro 20,415,000.

The intercompany treasury account held with Mediaset referred to in i) above is contractually payable on demand, but on the basis of historical trends, and considering the fact that, as a result of the Merger, Mediaset will acquire control of the Company Resulting from the Merger, the repayment is not expected within 12 months following the date of the Information Document, in view of the fact that a possible request for repayment by Mediaset could create financial stress for the Company Resulting from the Merger with potential adverse effects in the same Mediaset.

The amount showed to iii) above is, in turn, composed by the following:

a) positive net working capital (balance of trade receivables and payables) arising out of the DMT Group for an amount equal to Euro 3,445,000.00;

b) negative net working capital (balance of trade receivables and payables) resulting from EI Towers for an amount of Euro 28,198,000.00;

c) other net assets amounting to Euro 4,338,000.00.

In order to meet the working capital deficiency in the amount of Euro 159,882,000.00 shown above, the Group intends to carry out the following actions:

a) maintenance of the intercompany treasury account held with Mediaset beyond the 12 months following the date of the Information Document;

b) maintaining the existing contract terms to customers and suppliers in terms of, respectively, times of receipts and payments: the dynamics of net working capital is, in fact, highly influenced by the contractual payment scheme with the main client of EI Towers , Elettronica Industriale, for which the collection of invoices is provided with an active period of 30 days, compared to an higher payment term resulting from the other contractual obligations.

In view of the favorable timing of receipts from customers and payments to suppliers, the Company Resulting from the Merger does not require additional financial resources for the current operations and it is believed that this condition can exist even in the 12 months following the date of the Information Document. This assessment is further supported by evidence, on a historical basis, of the pro forma data provided by the December 31, 2010, June 30 and September 30, 2011 (refer to Section One, Chapter 20 of the Information Document).

That said, however, if Mediaset will unilaterally require the partial or total repayment of the current account balance (equal to Euro 115,943,000 at 30 September 2011), and if the current activity of the Company Resulting from the Merger will not produce positive cash flow - although this event is thought to be unlikely given recent historical analysis of the main income of the fact that the economic and financial effects arising from the contract with Elettronica Industriale are predictable and that, with respect to revenues from third party customers, approximately 90% of the existing contracts will expire after 12 months from the date of the Information Document – this could determine negative effects on the economic situation and financial position of the Group.

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On September 29, 2011, Digital Multimedia Technologies S.p.A. (hereinafter "**DMT**" or the "**Acquiring Company**" or the "**Issuer**" or the "**Company,**" depending on the context, and together with other group companies, "**DMT Group**") made available to the public at its registered office, at Borsa Italiana S.p.A., as well as on the website www.dmtonline.com, an information document drawn up pursuant to Article 70 of CONSOB Regulation No. 11971 of May 14, 1999, as subsequently amended (the "**Issuers' Regulations**"), in order to provide shareholders and the market with a wide-ranging and detailed set of information regarding the merger by incorporation (the "**Merger**") of EI Towers S.p.A. ("**EI Towers**" or the "**Target Company**," depending on the context, and jointly with DMT the "**Companies Participating to the Merger**") into DMT. The Merger was approved by the extraordinary shareholders' meeting of DMT and EI Towers on October 14, 2011.

This Information Document (the "**Information Document**") reiterates and incorporates the information contained in the information document published by DMT on September 29, 2011 and has been drawn up pursuant to Article 57, Paragraph 2 of the Issuers' Regulations, since it describes a reverse merger transaction pursuant to Article 117-*bis* of Legislative Decree No. 58 of February 24, 1998, as subsequently amended (the "**Consolidated Law**"), for the purposes of listing on the Mercato Telematico Azionario of Borsa Italiana (hereinafter the "**MTA**") the ordinary DMT shares issued to serve the Merger and for the purpose of making available information that the CONSOB considers equivalent to the information contained in a listing prospectus.

On December 29, 2011, the CONSOB issued its equivalence opinion regarding the Information Document pursuant to Art. 57, Paragraph 1, Letter d) and Paragraph 2 of the Issuers' Regulations and authorized its publication.

The Information Document was filed with CONSOB and made available to the public at the Company registered seat in Lissone (province of Monza Brianza), via Giacomo Zanella No. 21, as well as at Borsa Italiana S.p.A. seat in Milan, Piazza degli Affari No. 6, and is also available on the DMT website, www.dmtonline.com.

Please note that the information required under Article 70 of the Issuers' Regulations, as provided pursuant to and in accordance with Attachment 3B to the Issuers' Regulations, is located as follows:

Information required under Attachment 3B to the Issuers' Regulations, pursuant to and in accordance with Article 70 of the Issuers' Regulations	**Chapter/Paragraph in this Information Document**
Pro-forma figures and per share data concerning the Companies Participating to the Merger	First Section, Summary of Pro-forma Figures and Chapter 20
Risk factors	First Section, Chapter 4
Description of the Companies Participating to the Merger	First Section, Chapters 5, 6 and 7
Description of the Merger (including modalities and terms, attributed values, exchange ratio, effective date of the Merger and tax and fiscal impact; reasons and purposes of the Merger, with emphasis on the Issuer's business goals)	First Section, Chapter 5, Paragraph 5.5 and Second Section, Chapter 5
Forecasts regarding major shareholders as well as controlling interest in the Company Resulting from the Merger	First Section, Chapter 18
Acquiring Company plans, especially with regard to business forecasts and restructuring and/or reorganization, if any	First Section, Chapter 6, Paragraph 6.2
Publicly available documents and places where they can be accessed	First Section, Chapter 24

Significant impact of the Merger	First Section, Chapter 5, Paragraph 5.5.2
Target Company income statement, balance sheet and financial statement figures	First Section, Chapters 3 and 20
Acquiring Company pro-forma income statement and balance sheet figures	First Section, Chapters 3 and 20
Prospects of the Company Resulting from the Merger	First Section, Chapter 6, Paragraph 6.2
Attachments	Appendices

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Disclaimer

The Information Document has been prepared pursuant to Italian rules and regulations and may not be distributed, in whole or in part, directly or indirectly, in other jurisdictions and specifically in Australia, Japan, Canada or the United States of America or in any other country in which issuance of the securities referenced in the Information Document is not permitted without specific authorization from the responsible authorities and/or communicated to investors residing in those countries.

Distributing the Information Document in any jurisdiction other than Italy, including Australia, Japan, Canada or the United States of America, may be subject to certain regulations and restrictions. Any party who enters into possession of the Information Document must verify the existence of those regulations and restrictions in advance and adhere to them. Financial instruments referenced in the Information Document shall be issued in the framework of the Merger and have not been registered pursuant to the United States Securities Act of 1933, nor is such registration expected to take place in the future; therefore, they may not be offered or sold, directly or indirectly, in the United States except by special exemption from registration.

SUMMARY PRO-FORMA FIGURES

Income statement figures

(in thousands of Euro)	Period from January 1 to September 30, 2011 DMT Group Historical figures	Pro-forma adjustments	Period from January 1 to September 30, 2011 DMT Group Pro-forma figures
Revenues from sales and services	43,179	118,991	162,170
Operating income	10,056	14,180	24,236
Net income (loss) from continuing operations	4,974	6,844	11,818
Net income (loss) deriving from discontinued operations	(8,646)	8,646	-
Net income (loss) for the period	**(3,672)**	**15,490**	**11,818**

Balance sheet figures

(in thousands of Euro)	September 30, 2011 DMT Group Historical figures	Pro-forma adjustments	September 30, 2011 DMT Group Pro-forma figures
Non-current assets	215,859	560,758	776,617
Current assets	37,686	22,967	60,653
Discontinued assets	2,318	(2,318)	-
Total assets	**255,863**	**581,407**	**837,270**
Shareholders' equity	**75,163**	**412,178**	**487,341**
Non-current liabilities	118,328	11,066	129,394
Current liabilities	46,927	173,608	220,535
Discontinued liabilities	15,445	(15,445)	-
Total liabilities and shareholders' equity	**255,863**	**581,407**	**837,270**

Per share data

(in Euro)	September 30, 2011 DMT Group Historical figures	Pro-forma adjustments	September 30, 2011 DMT Group Pro-forma figures
Basic and diluted earnings per share	(0.32)	0.74	0.42
Consolidated shareholders' equity per share	6.65	10.59	17.24

Income statement figures

	First half 2011 DMT Group Historical figures	Pro-forma adjustments	First half 2011 DMT Group Pro-forma figures
Revenues from sales and services	28,671	79,369	108,040
Operating income	8,250	9,303	17,553
Net income (loss) from continuing operations	4,371	4,159	8,530

Net income (loss) deriving from discontinued operations	(4,548)	4,548	-
Net income (loss) for the period	**(177)**	**8,707**	**8,530**

Balance sheet figures

(in thousands of Euro)	June 30, 2011 DMT Group Historical figures	Pro-forma adjustments	June 30, 2011 DMT Group Pro-forma figures
Non-current assets	216,084	558,506	774,590
Current assets	37,658	30,790	68,448
Discontinued assets	4,399	(4,399)	-
Total assets	**258,141**	**584,897**	**843,038**
Shareholders' equity	**78,466**	**406,383**	**484,849**
Non-current liabilities	119,758	10,813	130,571
Current liabilities	43,742	183,876	227,618
Discontinued liabilities	16,175	(16,175)	-
Total shareholders' equity and liabilities	**258,141**	**584,897**	**843,038**

Per share data

(in Euro)	June 30, 2011 DMT Group Historical figures	Pro-forma Adjustments	June 30, 2011 DMT Group Pro-forma figures
Basic and diluted earnings per share	(0.02)	0.33	0.31
Consolidated shareholders' equity per share	6.94	10.21	17.15

Income statement figures

	Year 2010 DMT Group Historical figures	Pro-forma adjustments	Year 2010 DMT Group Pro-forma figures
Revenues from sale and services	58,822	155,674	214,496
Operating income	13,530	13,216	26,746
Net income (loss) from continuing operations	4,200	4,772	8,972
Net income (loss) deriving from discontinued operations	(5,902)	5,902	-
Net income (loss) for the period	**(1,702)**	**10,674**	**8,972**

Balance sheet figures

	December 31, 2010 DMT Group Historical figures	*Pro-forma* adjustments	December 31, 2010 DMT Group *Pro-forma* figures
Non-current assets	219,634	550,886	770,520
Current assets	39,593	26,070	65,663
Discontinued assets	10,369	(10,369)	-
Total assets	**269,596**	**566,587**	**836,183**
Shareholders' equity	**78,160**	**402,903**	**481,063**
Non-current liabilities	128,555	11,293	139,848
Current liabilities	40,538	174,734	215,272
Discontinued liabilities	22,343	(22,343)	-
Total shareholders' equity and liabilities	**269,596**	**566,587**	**836,183**

Per share data

(In Euro)	December 31, 2010 DMT Group Historical figures	*Pro-forma* adjustments	December 31, 2010 DMT Group Pro-forma figures
Basic and diluted earnings per share	(0.15)	0.48	0.33
Consolidated shareholders' equity per share	6.91	10.11	17.02

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DEFINITIONS OF TERMS

Certain expressions used in the Information Document are defined and explained in this section, "**Definitions of Terms**."

In this Information Document any word defined in its singular form has the same meaning when used in its plural form and vice versa.

2011-2016 Business Plan	means the Business Plan of the Company Resulting from the Merger for the period 2011-2016, approved by the DMT board of directors and the EI Towers board of directors on July 28, 2011.
Auditing Firm	means E&Y.
Acquiring Company	means DMT.
Antitrust Authority	means the antitrust Authority instituted under Law No. 287 of October 10, 1990.
Antitrust Authorization	means antitrust authorization in relation to the Transaction requested to the Antitrust Authority by means of communication pursuant to Article 16 of Law 287/90, submitted by Elettronica Industriale on August 4, 2011, as subsequently integrated on September 9, 2011.
Authorized Intermediaries	means authorized intermediaries who belong to the centralized Monte Titoli system.
By-laws	means the Issuer's by-laws, adopted by an extraordinary shareholders' meeting of the Issuer on September 16, 2011.
Borsa Italiana	means Borsa Italiana S.p.A., with office at Piazza degli Affari No. 6, Milan.
Code of Conduct	means the Code of Conduct followed by companies listed on the stock exchange; the code is created by the Corporate Governance Committee for listed companies and promoted by Borsa Italiana.
Company	means DMT.
Companies Participating to the Merger	means DMT and EI Towers together.
Company Resulting from the Merger	means the company resulting from the incorporation of EI Towers into DMT, which on the effective Merger date will be named EI Towers S.p.A..
CONSOB	means Commissione Nazionale per le Società e la Borsa and is the Italian securities and exchange commission with office at Via G.B. Martini No. 3, Rome.
Consolidated Law *or* Legislative Decree 58/1998	means Legislative Decree No. 58 of February 24, 1998, as subsequently amended and integrated.
DMT	means Digital Multimedia Technologies S.p.A., with registered office at Via Giacomo Zanella No. 21, Lissone (MB) tax identification number and Monza and Brianza Registry of Companies number 12916980159 and VAT

	number 01055010969.
DMT Group	means the group of companies including the Issuer and the companies directly and/or indirectly controlled by it as defined in Article 93 of the Consolidated Law.
Elettronica Industriale	means Elettronica Industriale S.p.A., with registered office at Via Filippo Turati No. 7, Lissone (MB), tax identification number and Monza and Brianza Registry of Companies number 00809530157 and VAT number 00694940966.
EI Towers	means EI Towers S.p.A., with registered office at Via Filippo Turati No. 7, Lissone (MB), tax identification number and Monza and Brianza Registry of Companies number and VAT number 07468460964.
E&Y	means the auditing firm Reconta Ernst & Young S.p.A., with registered office at Via Po No. 32, Rome.
Group	means the group of companies, resulting from the Merger, including the Company Resulting form the Merger and the companies directly and/or indirectly controlled by it as defined in Article 93 of the Consolidated Law.
IFRS	means all the International Financial Reporting Standards (IFRS) adopted by the European Union, all the International Accounting Standards (IAS) and all interpretations of the International Financial Reporting Interpretations Committee (IFRIC), formerly known as the Standing Interpretations Committee (SIC).
Information Document Date	means the publication date for the Information Document.
Intermediaries' Regulations	means regulations for intermediaries adopted by the CONSOB with resolution No. 16190 of October 29, 2007, as subsequently amended and integrated.
Issuer	means DMT.
Issuers' Regulations	means the regulations adopted by the CONSOB with resolution No. 11971 of May 14, 1999, as subsequently amended and integrated.
Market Regulations	means the regulations for markets organized and managed by Borsa Italiana and in place on the Information Document Date.
Merger Project	means the merger project concerning the merger by incorporation of EI Towers into DMT, drawn up pursuant to Art. 2501-*ter* of the Italian Civil Code.
Merger *or* Transaction	means the merger by incorporation of EI Towers into DMT.
Mediaset	means Mediaset S.p.A., with offices at Via Paleocapa No. 3, Milan, tax identification number, Milan Registry of Companies number and VAT number 09032310154.
Mediaset Group	means the group of companies including Mediaset and the companies directly and/or indirectly controlled by it as defined in Article 93 of the Consolidated Law.

Merger Agreement	means the agreement signed on July 28, 2011 by DMT, with the consent, as far as he is concerned, of Alessandro Falciai, on one side, and EI Towers, on the other side.
Millenium Partecipazioni	means Millenium Partecipazioni S.r.l., with registered office at Via Filippo Turati No. 29, Milan, share capital fully paid-up equal to 100,000 Euro, tax identification number and Milan Registry of Companies number and VAT number 04276460963, company indirectly fully owned by Alessandro Falciai.
Monte Titoli	means Monte Titoli S.p.A., with offices at Piazza degli Affari No. 6, Milan.
MTA	means Mercato Telematico Azionario, organized and managed by Borsa Italiana.
Related Parties	means related parties as defined in Attachment 1 to CONSOB Regulation No. 17221 of March 12, 2010, as subsequently amended.
R.T.I.	means R.T.I. S.p.A. with offices at Largo del Nazareno No. 8, Rome, tax identification number and Rome Registry of Companies number 06921720154 and VAT number 03976881007.
Target Company	means EI Towers.
Sponsor	means UniCredit Bank AG, Milan Branch, with offices at Via Tommaso Grossi No. 10, Milan, Registry of Companies, tax identification number and VAT number 09144100154.
Towertel	means Towertel S.p.A., with offices at Via Giacomo Zanella n. 21, Lissone (province of Monza Brianza), tax identification number and Monza and Brianza Registry of Companies number 13223630156.

GLOSSARY

Air	Space through which electromagnetic waves travel.
Antennas and antenna systems	Devices and combinations of devices used to transmit and receive electromagnetic waves.
Analog signal	Continuous variable unencoded electrical signal that represents information.
Cable transmission	Transmission that reaches users via telecommunications cable.
Carve Out	Split of the assets, liabilities, costs and revenues of the two business units into which Elettronica Industriale was divided (*Network Operator* business unit and *Towers* business unit). In particular, the data contained in the Information Document refer to the Towers business unit, subsequently contributed to EI Towers on June 30, 2011.
Content	Data, text, sounds, images and multimedia combinations provided in numeric format on various optical and magnetic supports.
DAB - Digital Audio Broadcasting	A standard for broadcasting a terrestrial radio signal in digital mode, used in the European Union and in many countries outside of Europe.
Digital (or numeric) signal	Expressed in binary symbols, this represents non-analogic information or analogic information that has been sampled and converted.
DTT – Digital Terrestrial Television	Term used to indicate digital television broadcasting over the airwaves.
DVB-T Digital Video Broadcasting Terrestrial	European standard for digital terrestrial television broadcasting, also used in many countries outside of Europe.
Encoding	Process used to convert audio-visual content into transmittable digital signals.
Frequency	Number of periods (duration in time between two signal peaks) per second.
Frequency spectrum	Airspace subdivided into a certain number of channels with a frequency that meets radio communication standards.
GSM – Global System for Mobile Communication	Standard for digital communication on second-generation cellular networks that in Europe uses the 900 MHz and 1800 MHz bands.
Head End	System for processing television signals in order to distribute them over a broadcast network.
Hertz (Hz)	Frequency unit of measure.
Hosting	Providing site space to radio/television stations, cell phone companies in Italy and telecommunications companies.
LTE (Long Term Evolution)	Group of wireless communication standards for broadband wireless signals and fourth-generation phones.

Modulation	Process through which analogic or digital audio-visual information is associated with an assigned radio frequency.
Modulator	Device that performs modulation and is included in a transmission system.
Multimedia	Combination of text, sounds and still or animated images.
Multiplexer	Device that permits simultaneous transmission of two or more signals on the same frequency channel.
Mux or Multiplex	A digital television broadcast network that allows transmission of multiple content (television programs) over the same channel/frequency.
Network Operator	Company authorized to provide a public communications network or related resource.
Programming	Radio/television broadcast schedule.
Radio bridge	System for creating a direct connection between two stations using radio waves.
Repeater	Device that receives a radio signal, amplifies it and retransmits it.
Site - Transmission site	The metal or brick structures and towers that host transmission equipment for television/radio and GSM companies.
Set-top-box	Device that decodes encrypted signals and demodulates and converts digital signals, allowing them to be viewed on an analogic television set.
SFN - Single Frequency Networ*k*	National network that uses the same frequency at all broadcast sites.
Tower Operator	Operator that has a portfolio of sites where it offers hosting services to clients with their own frequencies and transmission permits.
Transmitter	Device that can transmit audio/video signals.
Transmission capacity	Measurement of the amount of digital information that can be transmitted across a given transmission channel during a certain period of time. This is expressed in bits/second.
Transponder	Device on a telecommunications satellite that receives a signal sent from land on a certain band and retransmits it to earth on another frequency band.
UMTS - Universal Mobile Telephone System	Third-generation cellular digital communication standard, available since 2003, that occupies the 1885 MHz to 2220 MHz frequency channels and is also intended to allow Internet access and access to multimedia applications through a different bandwidth usage method.
Uplink	Earth terminal for transmission of telecommunications signals to satellites.
Wi-Max	Technique for transmitting wireless broadband communication signals.

PREAMBLE

The Transaction described in the Information Document consists in the project of industrial integration of the assets respectively owned by Elettronica Industriale and by the DMT Group in the industry of electronic communications network infrastructure by means of a merger by incorporation of EI Towers into DMT. EI Towers is a newly formed company with 100% of its stock held by Elettronica Industriale (which, in turn, is wholly owned indirectly by Mediaset). Effective as of June 30, 2011, Elettronica Industriale contributed to EI Towers a business unit relating to the planning, creating and managing electronic communications networks and providing related services.

The Transaction is designed to create a leader in Italy in the business of electronic communications network infrastructure and related services, as well as to create key synergies between the respective businesses, in the light to increase value for all shareholders.

On July 28, 2011, the EI Towers board of directors and the DMT board of directors, among other things: *(i)* approved the Merger Project; *(ii)* approved the board of directors report illustrating the Merger; *(iii)* approved the respective financial statements as of June 30, 2011, used as the basis for the Merger; *(iv)* having examined the reports from their respective advisors (for DMT, the companies Equita S.I.M. S.p.A. and Numeralia Corporate Finance S.r.l., and for EI Towers, Banca IMI S.p.A., which issued a fairness opinion regarding the exchange ratio), determined an exchange ratio of 34 shares of the Acquiring Company, face value of 0.10 Euro each, for every 401 shares of the Target Company, face value of 1.00 Euro each; *(v)* approved the Merger Agreement; *(vi)* approved the 2011-2016 Business Plan for the Company Resulting from the Merger; and *(vii)* voted to confer powers in order to convene extraordinary shareholders' meetings in October for the companies to approve the Merger.

As standard practice, on July 28, 2011, DMT and EI Towers also executed a protocol that sets a timeframe for the Transaction, as well as the steps in the corporate procedure for approving the Merger ("**Merger Agreement**"). That protocol determined, among other things, that effective on the date of execution of the deed of Merger, Alessandro Falciai will resign from his position as director, chairman of the board and CEO of DMT and that two other DMT directors will also resign from their office in order to allow new directors to be co-opted. The remaining current DMT board members will resign from their office effective on the date of the first DMT shareholders' meeting after the effective date of the Merger, scheduled within February 20, 2012, in order to renew the entire board of directors (for further information about the Merger Agreement, please see First Section, Chapter 22, Paragraph 22.2 of the Information Document).

On August 1, 2011, by means of a measure issued in response to a motion from DMT and EI Towers, the presiding judge of the Court of Monza appointed the Auditing Firm Reconta Ernst & Young S.p.A. as sole expert for the issuance of the report on the adequacy of the share ratio for exchanging the Acquiring Company's shares with the shares of the Target Company. Pursuant to and in accordance with Article 2501-*sexies* of the Italian Civil Code, the firm drew up a report on the adequacy of that ratio. That report was issued on September 13, 2011 and on the same date was made available to the public, together with the Merger Project and relative directors' report, on the Company's website, www.dmtonline.com.

The DMT and EI Towers extraordinary shareholders' meetings approved the Merger on October 14, 2011.

In order to comply with the exchange ratio, the DMT extraordinary shareholders' meeting also approved a capital increase from the current 1,130,477.50 Euro to 2,826,237.70 Euro by issuing 16,957,602 shares with a face value of 0.10 Euro each, to be assigned to the sole shareholder of EI Towers, Elettronica Industriale, against 199,999,953 shares out of a total of 200,000,000 shares of the Target Company. In order to ease the exchange transactions and in light of the small number of remaining shares (47 shares of the Target Company), Elettronica Industriale waived its right with respect to those remaining shares.

In addition, on July 28, 2011, Elettronica Industriale also entered into an agreement with Millenium Partecipazioni, with the consent, as far as he is concerned, of Alessandro Falciai, covering the purchase and sale of 1,602,694 ordinary shares of the Company Resulting from the Merger, equal to 5.671% of said company's capital stock, at a price of 28.08 Euro per share, equal to the implicit value of the Merger exchange ratio, for a total gross amount of 44,999,987.26 Euro. The purchase and sale agreement is subject to the Merger being completed.

With an amendment executed on December 21, 2011, which modifies in part what agreed upon in the sale and purchase agreement, Elettronica Industriale, Millenium Partecipazioni and Alessandro Falciai have agreed that the object of the sale and purchase would be no. 1,413,118 ordinary shares of the Company Resulting From the Merger, equal to 5.0% of its share capital (instead of no. 1,602,694 ordinary shares of the Company Resulting from the Merger, equal to 5.671% of its share capital) (the "**Sale and Purchase Agreement**"). The other terms and conditions of the Sale and Purchase Agreement remaining the same, including the consideration per share equal to Euro 28.08 Euro (corresponding to the merger exchange ratio) Therefore, the total gross consideration due by Elettronica Industriale to Millenium Partecipazioni for the sale and purchase of the above mentioned shares is equal to 39,677,126.13 Euro (instead of 44,999,987.26 Euro).

Therefore, following the Merger and after the acquisition of the shares under the Sale and Purchase Agreement, the shareholdings of Elettronica Industriale and of Alessandro Falciai – directly and indirectly -, in the Company Resulting from the Merger, shall be 65.001% and 9.328%, respectively.

Following the Merger and after the acquisition of the shares under the Sale and Purchase Agreement, the share capital of the Company Resulting from the Merger shall be divided as follows:

Declarer	**Direct Shareholder**	**% of the stock capital**
Silvio Berlusconi(1) *indirectly through*	Elettronica Industriale S.p.A.	**65.001%**
Alessandro Falciai *of which* *directly* *and indirectly through*	 Alessandro Falciai Millenium Partecipazioni	**9.328**% 1.612% 7.716 %
Octavian Advisors LP *directly*	Octavian Advisor LP	**4.004%**
Permian Investment Partners LP *indirectly through*	Permiran Master Fund LP	**2.010%**
Flinn Lawrence Jr. *indirectly through*	Flinn Investments LLC	**0.956%**
Fil Limited *directly*	Fil Limited	**0.860%**
Wyser Pratte Guy *indirectly through*	Wyser Pratte Management Co. Inc.	**0.820%**
Barclays Plc *indirectly through*	Barclays Capital Securities Limited	**0.816%**
	Total	**83.795%**
Treasury stock		**0.610%**
Market		**15.595%**
	Total	**100%**

(1) Mr. Silvio Berlusconi exercises a *de facto* indirect control on Mediaset, through Fininvest S.p.A. (that, according to the available information owns a participation equal to 40.26069% of the share capital of Mediaset) and Holding Italiana Seconda S.p.A. (that, according to the available information owns a participation equal to 0.18371% of the share capital of Mediaset). Mediaset, in turn, directly owns the entire share capital of R.T. I. S.p.A., which directly owns the total share capital of Elettronica Industriale.

On July 28, 2011, DMT and Alessandro Falciai also signed a non-compete agreement for 3 (three) years from the effective date of the Merger, against payment of a total consideration of 7,500,000 Euro, to be paid in more than one installment.

As of the effective date of the Merger, the Acquiring Company's By-laws shall be amended to reflect changes related to the increase in capital stock for the Merger, as described above, and to indicate that the company name has been changed from "Digital Multimedia Technologies S.p.A." to "EI Towers S.p.A."

The newly issued shares of the Acquiring Company will share in the profits effective on the same date that the shares of the Acquiring Company outstanding on the date of the Merger Project. Therefore, all DMT shares will have the same enjoyment. Upon completion of the Merger, the shares of the Company Resulting from the Merger will continue to be listed on the MTA.

The Merger will have its legal effects starting from the latest registration in the Registry of Companies, as provided in Article 2504, Second Section of the Italian Civil Code, or from a later date indicated in the deed of Merger.

The Target Company's transactions shall be reflected on the Acquiring Company's balance sheet beginning on the first day of the fiscal year (i.e., January 1) in which the Merger takes effect. The Merger shall become effective for tax purposes as of the same date.

On the date that the Merger becomes effective, the Acquiring Company will succeed the Target Company in all legal relationships, whether entailing rights or obligations.

Conditions precedent for the Merger

Without prejudice to the provisions of applicable laws, the Merger Agreement states that the Merger may be executed subject to the following conditions precedent being met by December 31, 2011.

(i) Approval of the Merger Project by the DMT extraordinary shareholders' meeting in accordance with the shareholders' meeting majority provided under Article 49, paragraph 1, lett. g) of the Issuers' Regulations for the purposes of exemption from the mandatory tender offer provided by Article 106 of the Consolidated Law.

Article 106 of the Consolidated Law requires that anyone who comes to hold more than 30% of the voting shares of a company listed on an Italian regulated market be required to make a tender offer for all shares of said company, unless one of the exemptions established in Article 106, Section 5 of the Consolidated Law and Article 49 of the Issuers' Regulations applies.

Article 49, paragraph 1, lett. g) of the Issuers' Regulations states that the acquisition of more than 30% of voting shares in a company listed on an Italian regulated market does not make a mandatory public tender offer if it takes place as the result of a merger that is "*approved by a shareholders' meeting of the company whose securities would otherwise be the subject of the offer, and without prejudice to the provisions of Articles 2368, 2369 and 2373 of the Italian Civil Code, without the contrary vote of the majority of shareholders attending the meeting, other than the shareholder acquiring the stake that is above the threshold provided and the shareholder or shareholders who hold, even in concert with one another, the majority shareholding, including relative majority, as long as it is more than 10 percent.*" Article 49, paragraph 2, of the Issuers' Regulations states that "*by-laws may establish that, for the purposes of paragraph 1, Letter g), such a majority of opposing shareholders precludes exemption solely when it represents a certain minimum portion of share capital with voting rights, which cannot be in any event higher than 7.5 percent.*"

On October 14, 2011, the DMT extraordinary shareholders' meeting approved the Merger without the contrary vote of any shareholders in attendance at the meeting, other than the shareholder or shareholders who hold, even in concert with one another, the majority shareholding, including relative majority, as long as it is more than 10 percent. Therefore, Elettronica Industriale, sole shareholder of EI Towers, which, after the Merger, will acquire a DMT stake of 60.001% of share capital of the latter, is exempted from the obligation to launch a tender offer to purchase DMT shares, pursuant to Article 49, paragraph 1, letter g) of the Issuers' Regulations.

(ii) Unconditional clearance to the Merger by the Antitrust Authority, pursuant to regulations in force.

The Antitrust Authority was informed of the Transaction with notification pursuant to Article 16 of Law 287/90 by Elettronica Industriale on August 4, 2011; that notification was supplemented further on September 9, 2011.

On October 5, 2011, the Antitrust Authority ruled to commence an investigation for the Transaction pursuant to Article 16, Paragraph 4 of Law 287/90 toward Elettronica Industriale and DMT.

On December 14, 2011, at the conclusion of the investigation started on October 5, 2011, heard the opinion of the Authority for Safeguards in Communications ('*Autorità per le Garanzie nelle Comunicazioni*'), the Antitrust Authority has resolved to authorize the concentration transaction by means of merger by incorporation of EI Towers in DMT, prescribing to the Company Resulting from the Merger some obligations provided by the same provision.

In this regard, on December 21, 2011, DMT and EI Towers disclosed to the market EI Towers' decision to exercise its right, provided for under the Merger Agreement, to waive the requirement of unconditional

clearance by the Antitrust Authority, in light of *(i)* Antitrust Authority decision of December 14, 2011 authorizing the concentration by means of merger via incorporation of EI Towers into DMT on condition that the company resulting from the concentration comply with certain requirements specified therein and *(ii)* the subsequent resolution of the Authority dated December 15, 2011, containing further clarification of the above requirements.

Preliminary Transactions

In the Merger Agreement, DMT and EI Towers also agreed on completion of the following preliminary transactions ("**Preliminary Transactions**") prior to the shareholders' meeting of the Companies Participating in the Merger convened to resolve on the approval of the Merger Project:

(a) definition of the terms and conditions of a financing aimed to refinance the debt of the Company Resulting from the Merger and of the Group companies existing on the effective date of the Merger; and

(b) transfer by DMT to a third party *(i)* all of the capital stock of Tower Service S.p.A. in liquidation, DMT System S.p.A. in liquidation, which in turn owns 100% of Asteroide S.r.l., and DMT Service S.r.l. in liquidation, as well as *(ii)* all of DMT's stake in the foreign subsidiaries, currently in the process of being dismissed, DMT Limited and DMT USA, Inc. (the "**Participations to be Dismissed**").

With regard to the Preliminary Transaction provided in (a) above, by means of an amendment agreement executed on September 28, 2011, DMT and EI Towers *(i)* have acknowledged that on September 20, 2011 Towertel requested from Banca IMI S.p.A., in its capacity as Agent Bank of the 2005 Loan Agreement and of the 2007 Loan Agreement, a waiver to the right to request Towertel to accelerate its repayment obligations, to resolve before its expiration the 2005 Loan Agreement and/or the 2007 Loan Agreement, as well as to any other remedy or right provided in said agreements as a consequence of the Merger and the subsequent change of control by the ultimate controlling shareholder of DMT (the "**Waiver**") and, therefore, *(ii)* have agreed to modify the agreements reached in the Merger Agreement in connection with the preceding point (a) in order to agree, in place of the obtainment of a new bank financing, the obtainment by Towertel of the Waiver from the financing banks, in accordance with the 2005 Loan Agreement and the 2007 Loan Agreement.

With a letter dated September 29, 2011, Banca IMI S.p.A., also on behalf of the other lending banks parties to the Loan Agreements, has confirmed to Towertel the granting of the Waiver to its rights as described above, subject – *inter alia* – to the completion of the Merger.

With regard to the Preliminary Transaction provided in (b) above, on October 13, 2011 DMT completed the transfer of the Participations to be Dismissed to a third party.

Right of withdrawal

The shareholders of DMT that did not participate in the resolution regarding the Merger are not granted the right of withdrawal, because *(i)* none of the causes for withdrawal provided in Article 2437 of the Italian Civil Code apply and *(ii)* once the Merger has been executed, DMT shares will continue to be listed on the MTA.

FIRST SECTION

1. Persons responsible

1.1 Persons responsible for the Information Document

The Company with registered office at Via Giacomo Zanella No. 21, Lissone (MB), as Issuer, assumes responsibility for the completeness and truthfulness of the figures and information contained in the Information Document.

1.2 Statement of responsibility

The Issuer states that, having exercised all reasonable due diligence in this regard, the information contained in the Information Document is, to the best of its knowledge, representative of the facts and does not contain any omissions that would change its meaning.

2. External auditors

2.1 External auditors

2.1.1 External auditors of the Acquiring Company

The external auditor of the Issuer's financial statements for the accounting periods covered in this Information Document is the auditing firm Reconta Ernst & Young S.p.A., with registered and administrative office at Via Po No. 32, Rome, registered in the special registry of auditing firms provided under Article 161 of the Consolidated Law.

Pursuant to Article 159 of the Consolidated Law and Article 145 of the Issuers' Regulations, the Issuer's ordinary shareholders' meeting on March 22, 2004 appointed the auditing firm E&Y as external auditor for the audit of the separate and consolidated financial statements for the three-year period 2004-2006, as well as external auditor for semi-annual interim review reports for that same three-year period. The April 27, 2007 shareholders' meeting, voting on a reasoned proposal from the board of statutory auditors, approved the extension of the appointment of the auditing firm E&Y for a six-year period from 2007 to 2012.

The Auditing Firm has not raised any exception or refused to issue and audit opinion on any of the Issuer's financial statements that it has audited or any of the interim reports that it has reviewed.

2.1.2 External auditors of the Target Company

The external auditor of the EI Towers financial statements for the accounting periods covered in this Information Document is the auditing firm Reconta Ernst & Young S.p.A., with registered office at Via Po No. 32, Rome, registered in the special registry of auditing firms provided under Article 161 of the Consolidated Law.

The EI Towers shareholders' meeting of June 20, 2011, voting on a reasoned proposal from the board of statutory auditors, appointed the auditing firm E&Y as external auditor for financial statements for the period of six fiscal years from 2011 to 2016.

2.2 Auditing Firm

As of the Information Document Date, the Issuer's appointment of the Auditing Firm has not been revoked, nor has the Auditing Firm stepped down.

During the period covered by the financial information for previous fiscal years, the Auditing Firm neither resigned nor was removed from its position.

3. Selected financial information

3.1 Income statement, balance sheet and cash flow statement for the most recent interim figures and for the last three fiscal years

3.1.1 Income statement, balance sheet and cash flow statement as of September 30, 2011, September 30, 2010, June 30, 2011 and June 30, 2010 and for the three fiscal years ended as of December 31, 2010, 2009 and 2008 of the Acquiring Company

The following sections of this chapter provide selected financial information from the Acquiring Company's consolidated figures for the nine months period ended September 30, 2011, as compared to the same period ended September 30, 2010, for the half-year period ended June 30, 2011, as compared to the same period ended June 30, 2010 and for the fiscal years ended December 31, 2010, 2009 and 2008.

The selected financial information for the nine months period ended September 30, 2011 and the same period ended September 30, 2010 was drawn from the DMT Group September 30, 2011 Interim Financial Statements, the half-year reports for the half-year that ended June 30, 2011 and the half-year that ended June 30, 2010 was drawn from the DMT Group June 30, 2011 Half-Year Condensed Consolidated Financial Statements, while the selected financial information for the fiscal years ending December 31, 2010, 2009 and 2008, was drawn from the DMT Group Consolidated Financial Statements for the fiscal years ending December 31, 2010, 2009 and 2008.

The selected financial information provided below should be read together with the DMT Group September 30, 2011 Interim Financial Statements, the DMT Group June 30, 2011 Half-Year Condensed Consolidated Financial Statements and the DMT Group Consolidated Financial Statements for the fiscal years ending December 31, 2010, 2009 and 2008, as well as Chapter 10 of the First Section of this Information Document.

3.1.1.1 Selected Acquiring Company income statement figures for the nine-months period ended September 30, 2011 and 2010, for the half-years ended June 30, 2011 and 2010 and for the fiscal years ended December 31, 2010, 2009 and 2008

Below are the key income statement figures for DMT Group for the nine-months periods ended September 30, 2011 and 2010 and for the half-years ended June 30, 2011 and 2010 and for the fiscal years ending December 31, 2010, 2009 and 2008.

(in thousands of Euro)	**Period ended September 30, 2011**	**Period ended September 30, 2010**
Revenues from sale and services	43,179	42,212
Operating income	10,056	11,144
Net income (loss) from continuing operations	4,974	3,588
Net income (loss) deriving from discontinued operations	(8,646)	(8,922)
Net income (loss) for the period	**(3,672)**	**(5,334)**
Minority interest (income) loss	-	-
Group net income (loss) for the period	**(3,672)**	**(5,334)**

(in thousands of Euro)	**Half-year ended June 30, 2011**	**Half-year ended June 30, 2010**
Revenues from sale and services	28,671	27,579
Operating income	8,250	7,219
Net income (loss) from continuing operations	4,371	2,465
Net income (loss) deriving from discontinued operations	(4,548)	(8,890)
Net income (loss) for the period	**(177)**	**(6,425)**
Minority interest (income) loss	-	-
Group net income (loss) for the period	**(177)**	**(6,425)**

(in thousands of Euro)	Fiscal year ended December 31, 2010	2009	2008
Revenues from sale and services	58,822	105,823	78,840
Operating income	13,530	(11,194)	(5,195)
Net income (loss) from continuing operations	4,200	(17,854)	(14,458)
Net income (loss) deriving from discontinued operations	(5,902)	-	-
Net income (loss) for the period	**(1,702)**	**(17,854)**	**(14,458)**
Minority interest (income) loss	-	71	(5)
Group net income (loss) for the period	**(1,702)**	**(17,783)**	**(14,463)**

3.1.1.2 Selected Acquiring Company balance sheet figures as of September 30, 2011, June 30, 2011 and as of December 31, 2010, 2009 and 2008

Below are the key balance sheet figures for DMT Group as of September 30, 2011, June 30, 2011 and December 31, 2010, 2009 and 2008.

(in thousands of Euro)	September 30, 2011	June 30, 2011	December 31, 2010	2009	2008
Non-current assets	215,859	216,084	219,634	236,058	238,250
Current assets	37,686	37,658	39,593	84,210	94,185
Discontinued assets	2,318	4,399	10,369	-	-
Total assets	**255,863**	**258,141**	**269,596**	**320,268**	**332,435**
Shareholders' equity	**75,163**	**78,466**	**78,160**	**78,857**	**96,091**
Non-current liabilities	118,328	119,758	128,555	148,012	152,566
Current liabilities	46,927	43,742	40,538	93,399	83,778
Discontinued liabilities	15,445	16,175	22,343	-	-
Total liabilities and shareholders' equity	**255,863**	**258,141**	**269,596**	**320,268**	**332,435**

3.1.1.3 Acquiring Company fixed assets and other non-current assets as of September 30, 2011, June 30, 2011 and as of December 31, 2010, 2009 and 2008

Below are the fixed assets and other non-current asset of DMT Group as of September 30, 2011, June 30, 2011 and as of December 31, 2010, 2009 and 2008.

(in thousands of Euro)	September 30, 2011	June 30, 2011	December 31, 2010	2009	2008
Intangible fixed assets					
- goodwill	108,498	108,484	108,450	108,466	108,290(*)
- intangible assets	30,360	31,123	32,820	34,842	40,909
Tangible fixed assets					
- property, plant and equipment	73,080	72,263	74,591	80,488	82,635(*)
Other non-current assets	1,363	1,338	1,211	1,517	1,433
Deferred tax assets	2,558	2,876	2,562	10,745	4,983
Total non-current assets	**215,859**	**216,084**	**219,634**	**236,058**	**238,250**

(*) The December 31, 2008 figures for goodwill and property, plant and equipment are taken from the December 31, 2009 consolidated financial statements, because the comparative figures for December 31, 2008 were restated in that set of statements to show the final impact of business combinations that had previously been accounted for in a provisional manner.

3.1.1.4 Acquiring Company net financial position as of September 30, 2011, June 30, 2011 and as of December 31, 2010, 2009 and 2008

Below is a breakdown of the net financial position of DMT Group as of September 30, 2011, June 30, 2011 and as of December 31, 2010, 2009 and 2008.

(in thousands of Euro)	September 30, 2011		
	Continuing assets	**Discontinued assets**	**Total**
Cash and cash equivalent	(11,626)	(140)	(11,766)
Current financial liabilities	22,367	11,306	33,673
Non-current financial liabilities	91,578	-	91,578
Net financial indebtedness	**102,319**	**11,166**	**113,485**

(in thousands of Euro)	June 30, 2011		
	Continuing assets	**Discontinued assets**	**Total**
Cash and cash equivalent	(9,888)	(95)	(9,983)
Current financial liabilities	20,193	13,351	33,544
Non-current financial liabilities	91,857	-	91,857
Net financial indebtedness	**102,162**	**13,256**	**115,418**

(in thousands of Euro)	December 31, 2010	December 31, 2009	December 31, 2008
Cash and cash equivalent	(6,745)	(22,571)	(16,231)
Current financial liabilities	35,270	49,650	51,810
Non-current financial liabilities	99,947	115,662	120,316
Net financial indebtedness	**128,472**	**142,741**	**155,895**

3.1.1.5 Selected Acquiring Company cash flow figures for the nine-months periods ending September 30, 2011 and 2010, the half-years ending June 30, 2011 and 2010 and for the fiscal years ending December 31, 2010, 2009 and 2008

The table below breaks down cash flow for the nine-months periods ending September 30, 2011 and 2010, the half-years ending June 30, 2011 and 2010 and for the fiscal years ending December 31, 2010, 2009 and 2008.

(in thousands of Euro)	**Period ended September 30, 2011**	**Period ended September 30, 2010**
Net cash flow generated from operating assets	11,601	6,825
Net cash flow absorbed from investment assets	(2,503)	(3,921)
Net cash flow absorbed from financing assets	(2,571)	(5,871)
Global cash flow – continuing assets	**6,527**	**(2,967)**
Cash flow – discontinued assets	(1,506)	(4,922)
Global cash flow	**5,021**	**(7,889)**
Cash at the beginning of the year	6,745	22,571
Cash at the end of the year	**11,766**	**14,682**

(in thousands of Euro)	**Half-year ended June 30, 2011**	**Half-year ended June 30, 2010**
Net cash flow generated from operating assets	10,494	3,155
Net cash flow absorbed from investment assets	(1,263)	(2,820)
Net cash flow absorbed from financing assets	(4,442)	(6,845)
Global cash flow	**4,789**	**(6,510)**
Cash at the beginning of the year	5,099	14,000
Cash at the end of the period	**9,888**	**7,490**

(in thousands of Euro)	Fiscal year ended December 31, 2010	2009	2008
Net cash flow generated from operating assets	13,232	27,095	3,607
Net cash flow absorbed from investment assets	(5,895)	(14,561)	(21,363)
Net cash flow absorbed from financing assets	(16,238)	(6,194)	(3,374)
Global cash flow – continuing assets	**(8,901)**	**6,340**	**(21,130)**
Cash flow – discontinued assets	(6,925)	-	-
Global cash flow	**(15,826)**	**6,340**	**(21,130)**
Cash at the beginning of the year	22,571	16,231	37,361
Cash at the end of the year	**6,745**	**22,571**	**16,231**

3.1.1.6 Acquiring Company earnings per share for the nine-months periods ended September 30, 2011 and 2010, the half-years ended June 30, 2011 and 2010 and for the fiscal years ended December 31, 2010, 2009 and 2008

The table below provides information on earnings per share for the nine-months periods ended September 30, 2011 and 2010, for the half-years ended June 30, 2011 and 2010 and for the fiscal years ending December 31, 2010, 2009 and 2008.

	Period ending September 30,	
	2011	**2010**
Basic and diluted earnings (loss) per share *(in Euro)*	**(0.32)**	**(0.47)**

	Half-year ending June 30,	
	2011	**2010**
Basic and diluted earnings (loss) per share *(in Euro)*	**(0.02)**	**(0.57)**

	Fiscal year ending December 31,		
	2010	**2009**	**2008**
Basic and diluted earnings (loss) per share *(in Euro)*	**(0.15)**	**(1.60)**	**(1.27)**

3.1.2 Target Company income statement and balance sheet figures as of September 30, 2011, June 30, 2011 and December 31, 2010

The following sections of this chapter provide key information about the Target Company in relation to the income statement and the balance sheet for the nine-months period ended September 30, 2011, the half-year ended June 30, 2011 and the fiscal year ended December 31, 2010.

The balance sheet figures as of September 30, 2011 derive from the EI Towers figures at that same date, while the income statement figures derive from the combination of EI Towers figures for the period from July 1, 2011 (date when EI Towers began operations after the contribution from Elettronica Industriale of the Towers business unit) to September 30, 2011 and the carve-out figures for the period from January 1, 2011 to June 30, 2011, determined through contribution to the Towers business unit of Elettronica Industriale revenues and expenses related to it. Information related to income statement and balance sheet figures prior to December 31, 2010 are not available.

The figures from the income statements and balance sheets as of September 30, 2011, June 30, 2011 and December 31, 2010 were subject to review procedures by the auditing firm Reconta Ernst & Young S.p.A. solely for the purposes of issuing reports on the Pro Forma Consolidated Statements.

The EI Towers figures derive from the income statement and the balance sheet as of September 30, 2011, June 30, 2011 and December 31, 2010 are reported in the First Section, Chapter 20, Paragraph 20.2 of the Information Document, included in the Pro Forma Consolidated Financial Statements.

3.1.2.1 Target Company income statement figures for the nine-months period ended September 30, 2011, for the half-year ended June 30, 2011 and for the fiscal year ended December 31, 2010

Below are the key income statement figures for the Target Company for the nine-months period ended September 30, 2011, for the half-year ended June 30, 2011 and for the fiscal year ended December 31, 2010.

(in thousands of Euro)	Period ended September 30, 2011	Half-year ended June 30, 2011	Fiscal year ended December 31, 2010
Revenues from sale and services	115,198	76,384	152,745
Operating income	9,335	5,069	12,282
Profit from continuing assets	7,536	1,397	4,417
Net profit	**7,536**	**1,397**	**4,417**

Revenues from sale and services related to *full service contracts* (including the renting of transmission capacity and network management services) have been split between the two business units following specific management criteria, while the network management services, maintenance, rentals and signal transportation revenues were entirely allocated to the *Towers* business unit. Analogical transmitter rental revenues were allocated to the *"Network Operator"* business unit.

The operating income derives from revenues from sales and services net of operating costs. Below there are comments on the main items comprising operating costs.

Personnel cost was allocated on the basis of the number of employees in charge of the two business units; purchases costs, services costs, rentals, leases and similar costs were charged to the *Towers* business unit, with the exception of board of directors' and board of statutory auditors' emoluments and other administrative costs that were attributed on the basis of revenues.

Other costs are related to capital losses and were allocated to the two business units based on the net book value of tangible fixed assets. Other costs were allocated to the *Towers* business unit.

Amortization and depreciation were allocated on the basis of the value of intangible and tangible fixed assets attributed to the business units. Depreciation related to transmitters and radio links and amortization of digital frequency were attributed to the *"Network Operator"* business unit.

3.1.2.2 Selected Target Company balance sheet figures as of September 30, 2011, June 30, 2011 and December 31, 2010

Below are the key balance sheet figures for the Target Company as of September 30, 2011, June 30, 2011 and December 31, 2010.

(in thousands of Euro)	September 30, 2011	June 30, 2011	December 31, 2010
Non-current assets	450,699	448,448	440,827
Current assets	23,060	50,748	45,322
Total assets	**473,759**	**499,196**	**486,149**
Shareholders' equity	**301,832**	**318,428**	**312,880**
Non-current liabilities	11,066	10,813	11,293
Current liabilities	160,861	169,955	161,976
Total liabilities and shareholders' equity	**473,759**	**499,196**	**486,149**

3.1.2.3 Target Company fixed assets and other non-current assets as of September 30, 2011, June 30, 2011 and December 31, 2010

Below are the fixed assets and other non-current assets of the Target Company as of September 30, 2011, June 30, 2011 and December 31, 2010.

(in thousands of Euro)	September 30, 2011	June 30, 2011	December 31, 2010

Intangible fixed assets			
- goodwill	255,671	255,671	255,671
- intangible assets	10,571	10,787	10,889
Tangible fixed assets			
- Property, plant and equipment	182,144	179,714	171,964
Other non-current assets	259	358	284
Deferred tax assets	2,054	1,918	2,019
Total non-current assets	**450,699**	**448,448**	**440,827**

Goodwill was accounted for in fiscal year 2002 after the contribution of the business unit from the parent company R.T.I, and it is related to the management and development of technological towers.

Intangible assets include rights for utilization of the optical fiber network.

Property, plant and equipment that were attributed to the business unit are mainly related to land and buildings, plants and machinery, industrial and commercial equipment and other assets that include plants that composed the broadcast network.

3.1.2.4 Target Company current assets as of September 30, 2011, June 30, 2011 and December 31, 2010

Below is a breakdown of the current assets of the Target Company as of September 30, 2011, June 30, 2011 and December 31, 2010.

(in thousands of Euro)	**September 30, 2011**	**June 30, 2011**	**December 31, 2010**
Inventories	5,521	4,229	5,611
Trade receivables	10,401	40,037	27,943
Other receivables and current assets	4,424	6,024	10,571
Tax receivables	2,705	458	1,196
Cash and cash equivalents	9	0	0
Current assets	**23,060**	**50,748**	**45,321**

Inventories of raw materials, ancillary materials and consumables include accessories and spare parts for television equipment. These are reported net of the obsolescence provision, calculated on the basis of the rotation index of the materials.

Trade receivables are related to network management and are shown net of doubtful accounts. Trade receivables also include a share of fees from band rental attributed based on management criteria. The allowance for doubtful accounts is related to receivables involved in litigations related to the billing of leases/maintenance network services to third party customers.

The item other receivables and current assets includes: i) receivables from employees for advance payments on travel expenses, ii) advances to suppliers for payments made in advance for services not yet performed related to network management, iii) receivables from the parent company for tax benefits related to IRES transferred up to June 30, 2011 through the agreement "Agreement on the option for the National Tax Consolidation", iv) accruals related to accrued interest income for payment extensions granted in respect to normal sales transactions, v) prepayments for rental costs of television stations already invoiced but allocated to future periods.

3.1.2.5 Target Company non-current liabilities figures as of September 30, 2011, June 30, 2011 and December 31, 2010

Below is a breakdown of the non-current liabilities of the Target Company as of September 30, 2011, June 30, 2011 and December 31, 2010.

(in thousands of Euro)	September 30, 2011	June 30, 2011	December 31, 2010
	9,591	9,338	9,588
Employees' severance indemnities			
	1,319	1,319	1,459
Deferred tax liabilities			
	156	156	246
Risk and charges liabilities			
	11,066	**10,813**	**11,293**
Non-current liabilities			

Deferred tax liabilities, calculated on the basis of the current tax rate, corresponding to taxes that will be paid when tax differences will reverse, were accurately attributed to the business units on the basis of such tax differences.

Risks and charges liabilities refer to lawsuits related to trade transactions regarding management of the broadcast network.

3.1.2.6 Target Company current liabilities figures as of September 30, 2011, June 30, 2011 and December 31, 2010

Below is a breakdown of the current liabilities of the Target Company as of September 30, 2011, June 30, 2011 and December 31, 2010.

(in thousands of Euro)	September 30, 2011	June 30, 2011	December 31, 2010
Current financial liabilities	115,943	125,000	125,000
Trade payables	38,606	38,201	29,489
Other payables and current liabilities	5,597	5,992	6,483
Tax payables	715	762	1,004
Current liabilities	**160,861**	**169,955**	**161,976**

Current financial liabilities refer to intercompany financial debt attributed on the basis of the agreements.

Trade payables were accurately attributed on the basis of the nature of the incurred costs.

Other payables and current liabilities refer to employee payables, payables to insurance companies, payables to social security institutions, various other payables, accrued liabilities, deferred income and deferred income long term, and were accurately attributed as they are related to the management of the broadcast network.

Tax payables refer entirely to personnel costs and they were accurately attributed on the basis of the number of employees of the two business units.

3.1.2.7 Target Company net financial indebtedness as of September 30, 2011, June 30, 2011 and December 31, 2010

Below is a breakdown of the net financial indebtedness of the Target Company as of September 30, 2011, June 30, 2011 and December 31, 2010.

(in thousands of Euro)	September 30, 2011	June 30, 2011	December 31, 2010
Cash and cash equivalents	(9)	-	-
Current financial liabilities	115.943	125,000	125,000
Non-current financial liabilities	-	-	-
Net financial indebtedness	***115.934***	**125,000**	**125,000**

3.1.2.8 Selected Target Company cash flow figures for the nine-months period ended September 30, 2011

The table below breaks down cash flow for the nine-months periods ending September 30, 2011.

(in thousands of Euro)	Period ended September 30, 2011
Net cash flow generated from operating assets	32,393
Net cash flow absorbed from investment assets	(31,728)
Net cash flow absorbed from financing assets	8,401
Global cash flow	**9,066**
Cash at the beginning of the year	(125,000)
Cash at the end of the year	**(115,934)**

3.1.3 DMT Group Pro-forma cash flow figures for the nine-months period ended September 30, 2011

The table below breaks down DMT Group Pro-forma cash flow figures for the nine-months periods ending September 30, 2011 derived from the sum of the DMT Group and EI Towers cash flow figures reported in the preceding paragraph 3.1.1.5 and 3.1.2.8.

(in thousands of Euro)	Period ended September 30, 2011
Net cash flow generated from operating assets	43,994
Net cash flow absorbed from investment assets	(34,231)
Net cash flow absorbed from financing assets	5,830
Global cash flow – continuing assets	**15,593**
Cash flow – discontinued assets	(1,506)
Global cash flow	**14,087**
Cash at the beginning of the year	(118,255)
Cash at the end of the year	**(104,168)**

4. Risk factors

In order to evaluate the Transaction properly, readers of this Information Document are invited to evaluate certain risk factors related to the Companies Participating to the Merger, as well as the risk factors related to the industries in which they operate and any risks deriving from the Transaction.

Risk factors described herein must be read together with the contents of the Information Document.

References to Sections, Chapters and Paragraphs refer to sections, chapters and paragraphs of this Information Document.

4.1 Risk factors related to the Companies Participating to the Merger

4.1.1 Risks related to debt exposure

4.1.1.1 Financial Indebtedness

The table below provides figures on gross and net indebtedness and on net equity, as well as the relationship between gross and net indebtedness and DMT Group net equity during the considered period.

	November 30, 20111	**%**	**September 30, 2011**	**%**	**June 30, 2011**	**%**	**December 31, 2010**	**%**	**December 31, 2009**	**%**	**December 31, 2008**	**%**
Gross indebtedness	125.6	n.d	125.3	166%	125.4	160%	135.2	173%	165.3	210%	172.1	179%
Net indebtedness	115.9	n.d	113.5	151%	115.4	147%	128.5	164%	142.7	181%	155.9	162%
Net equity	n.d.	n.d	75.2	100%	78.5	100%	78.2	100%	78.9	100%	96.1	100%

As of the Information Document Date, Towertel, a DMT Group operating company fully owned by DMT, has signed two bank loan agreements having the purposes, among other things, to finance the purchase and construction of transmission towers.

On June 30, 2005, Towertel entered into a first loan agreement (the "**2005 Loan Agreement**") with a pool of banks including UniCredit S.p.A. and Intesa Sanpaolo S.p.A., for the amount of 100,000,000 Euro, having maturity date on June 30, 2014 (the "**2005 Loan**").

On January 29, 2007, Towertel entered into a second loan agreement (the "**2007 Loan Agreement**" and together with the 2005 Loan Agreement the "**Loan Agreements**") with a pool of banks including UniCredit S.p.A., Intesa Sanpaolo S.p.A., Banca di Roma S.p.A., Monte dei Paschi di Siena S.p.A., Banca Popolare di Milano S.c.a.r.l. and Efibanca S.p.A., for the amount of 100,000,000 Euro, having maturity date on June 30, 2014 (the "**2007 Loan**" and together with the 2005 Loan the "**Loans**").

As of September 30, 2011, the outstanding amount to be reimbursed under the Loans is equal to 106,286,000 Euro.

For further information on the Loan Agreements, please refer to First Section, Chapter 22, Paragraph 22.1 of the Information Document.

The table below provides figures on gross and net indebtedness and on net equity, as well as the relationship between gross and net indebtedness and EI Towers net equity during the considered period, except for the years 2009 and 2008 because the financial data of the Target Company are not available.

(in million of Euro)	November 30, 20111	%	September 30, 2011	%	June 30, 2011	%	December 31, 2010	%
Gross indebtedness	107.0	n.d.	115.9	38%	125.0	43%	125.0	40%
Net indebtedness	106.9	n.d.	115.9	38%	125.0	43%	125.0	40%
Net equity	n.d.	n.d.	301.8	100%	289.6	100%	312.9	100%

The Company has not prepared interim financial statements after September 30, 2011. The Company believes that at November 30, 2011 no significant changes occurred with respect to September 30, 2011.

Mediaset and EI Towers signed, in July 2011, in the ordinary course of business, an agreement by which, EI Towers and Mediaset agreed to set up a common financial management and assigned to Mediaset the role of centralized treasury of the Mediaset Group and subsidiaries. Among these relations, Mediaset has an intercompany account with EI Towers with an outstanding balance, as of the date of the Information Document, amounting to Euro 115.9 million (for further information please refer to First Section, Chapter 19, Paragraph 19.4 of the Information Document).

The table below provides figures on gross and net indebtedness and net indebtedness Pro-forma, except for the years 2009 and 2008 because the financial data of the Target Company are not available

(in million of Euro)	September 30, 2011	June 30, 2011	December 31, 2010
Gross indebtedness	241.2	250.4	260.2
Net indebtedness	229.4	240.4	253.5
Pro-forma adjustments	12.8	5.0	5.1
Net indebtedness Pro-forma	242.2	245.4	258.6

The detail of the Pro-forma adjustments is showed in the First Section, Chapter 20.

4.1.1.2 Restrictions on ordinary and extraordinary transactions, warranties and covenants under loan agreements

DMT Group

Both the Loan Agreements contain standard provisions for this type of contract, such as representations and warranties, negative pledges and negative covenants.

(i) Security

The principal security originally granted in relation to both Loan Agreements include: *(i)* first-demand guarantees issued on the part of by DMT for the maximum amount of Euro 150,000,000 each (as security guarantee for each of the Loans); *(ii)* first pledge on 100% of the shares of the borrowing company as security for the 2005 Loan and second pledge on 100% of the shares of the borrowing company as security for the 2007 Loan; *(iii)* letter containing the undertaking to channel into a current bank account opened by the borrowing company with UBI all revenues received from the lessees of the stations owned by the borrowing company for the broadcasting of radio/TV/telecoms signals; *(iv)* first and second pledge (as security for the 2005 Loan and 2007 Loan respectively) on the sum of Euro 7,500,000 deposited into a current bank account opened by the borrowing company with UBI; *(v)* first and second mortgage (as security for the 2005 Loan and 2007 Loan respectively) on all real estate property owned by the borrowing company; *(vi)* first and second special lien, within the meaning of Article 46 of Legislative Decree no. 385/1993, (as security for the 2005 Loan and 2007 Loan respectively) on all stations and appurtenances owned by the borrowing company for the broadcasting of radio/TV/telecoms signals; *(vii)* first and second pledge (as security for the 2005 Loan and 2007 Loan respectively) on the borrowing company's current bank account used to channel the cash flows from the leases referred to above.

In addition to the foregoing, the following additional securities were provided on January 29, 2007, in accordance with the obligations assumed under the Loan Agreements themselves (on assets acquired by the borrowing company after the date of the 2007 Loan), having the same ranking of the collateral securities provided over the same assets and real estate properties offered as security for the 2007 Loan; *(i)* first mortgage on real estate properties; *(ii)* special lien, within the meaning of Article 46 of Legislative Decree no. 385/1993, on pylons and stations (and their appurtenances) for the broadcasting of radio/TV/telecoms signals.

Upon the occurrence of any breach to the security provisions, the banks shall have the right to terminate the Loan Agreements in accordance with the modalities set forth in point (vi) of this Paragraph 4.1.1.2.

(ii) Restrictions on Towertel management

The main restrictions provided under the Loan Agreements until the fully repayment of the Loans are related to the possibility for the borrowing company to: *(i)* change its company form or Group structure or their principal activity; *(ii)* carry out extraordinary transactions or transactions involving Towertel or its subsidiaries capital; *(iii)* provide security over Towertel or its subsidiaries assets for the benefit of third parties or assume obligations for which entries are required in the memorandum accounts; *(iv)* take out other loans and/or leases with third parties or shareholders, which are not subordinated to the Loans, and grant loans to third parties or shareholders, with the exception of granting or receiving intercompany loans to or from subsidiaries (such limitation being applicable also to Towertel's subsidiaries); *(v)* distribute dividends or repay shareholders' loans in favor of DMT (except where the debt cover ratio at consolidated level is less than 3 and up to the maximum limit of 50% of the excess cash flow), with the exception of the repayment of inter-company loans already in place between Towertel and its subsidiaries; *(vi)* buy tangible or intangible fixed assets or financial assets worth more than Euro 10,000,000, both for Towertel and its subsidiaries. Towertel also must provide a mortgage, special lien or pledge (depending on the circumstances) on assets or securities acquired by it after the execution of the Loan Agreements.

Upon the occurrence of any breach to the provisions concerning the restrictions on Towertel management, the banks shall have the right to terminate the Loan Agreements in accordance with the modalities set forth in point (vi) of this Paragraph 4.1.1.2.

(iii) Financial Covenants

On each half-yearly test date, the debt cover ratio (calculated as the ratio between net financial indebtedness and EBITDA) resulting from the Towertel consolidated half-yearly figures or the Towertel consolidated pro-forma financial statements and from the DMT consolidated half-yearly figures or the DMT consolidated pro-forma financial statements, in the relevant period in question (i.e., in the 12 previous months), is not greater than: *(i)* 3.6 as from June 30, 2011; *(ii)* 2.6 as from June 30, 2012 and until the maturity of the Loans. On June 30, 2011, the debt cover ratio was 3.34.

Upon the occurrence of any breach to the financial covenants the banks shall have the right to terminate the Loan Agreements in accordance with the modalities set forth in point (vi) of this Paragraph 4.1.1.2.

(iv) Undertakings concerning DMT control

The Loan Agreements, as modified on September 29, 2011, provide that if *(i)* Mediaset no longer holds control, pursuant to Art. 2359, Paragraph 1, No. 1 and No. 2 of the Italian Civil Code of DMT or *(ii)* a party (other than Mediaset or jointly with Mediaset) or a group of parties working in concert acquires control of DMT pursuant to Art. 2359, Paragraph 1, No. 1 and No. 2 of the Italian Civil Code, without the previous authorization of the lender banks, the lender banks may terminate and/or withdraw from the Loan Agreements.

Upon the occurrence of any breach to the above undertaking the banks shall have the right to terminate the Loan Agreements effective forthwith.

(v) Restrictions on distribution of dividends by certain subsidiaries

Towertel may not distribute dividends if the debt cover ratio is higher than 3. As of June 30, 2011, the debt cover ratio was 3.34; in any case, dividends may be distributed up to the maximum limit of 50% of excess cash flow. Also, the borrowing company has the obligation to apply for early repayment of the Loans: *(i)*

100% of dividends received from subsidiaries; *(ii)* 50% of the excess cash flow; and *(iii)* 100% of any payments received from shareholders in relation to share capital increase.

Upon the occurrence of any breach to the restrictions of distribution of dividends the banks shall have the right to terminate the Loan Agreements in accordance with the modalities set forth in point (vi) of this Paragraph 4.1.1.2.

(vi) Violation of contractual provisions

Upon the occurrence of any breach of the Loan Agreements as described above the lenders have the right to pursue the remedies provided under the contracts, including the acceleration of the Loans, the termination of, and/or the withdrawal from, the contracts.

In particular, the Loan Agreements provide for the right of the banks to terminate to all purposes the agreements effective forthwith in case of a breach of the undertakings under point (iv) above (Undertakings concerning DMT control), or a time period of 5 business days having elapsed from the date which is a term for any payments under the Loan Agreements or a time period of 15 business days being elapsed from the request by the agent bank to remedy to the breach of any of the undertakings contained in preceding points (i) (Security), (ii) (Restrictions on Towertel management), (iii) (Financial covenants) and (v) (Restrictions on distribution of dividends by certain subsidiaries).

In any such a case, following the receipt of a notice by the agent bank in which, in the name and on behalf of the banks, it communicates either the termination of, the withdrawal from, the Loan Agreements, the lender shall have the obligation to immediately reimburse the loan amount including interests and expenses.

* * *

With the letter dated September 20, 2011, Towertel asked Banca IMI S.p.A., in its capacity as Agent Bank for the 2005 Loan Agreement and 2007 Loan Agreement, to provide a Waiver of its right to call the acceleration of the loans, to terminate or to withdraw from, the 2005 Loan Agreement and/or from the 2007 Loan Agreement, as well as any other right or remedy specified therein as a result of the completion of the Merger.

With a letter dated September 29, 2011, Banca IMI S.p.A., also on behalf of the others lending banks parties to the Loan Agreements, has confirmed to Towertel the Waiver to its rights as referred to above, subject – *inter alia* – to the completion of the Merger.

For further information about the Loan Agreements, please refer to First Section, Chapter 22, Paragraphs 22.1 and 22.2 of the Information Document.

EI Towers

In the ordinary course of business transaction with controlled companies, Mediaset and EI Towers on July 2011 executed an agreement under which the management of financial resources is carried out by the holding company Mediaset within a treasury centralization system concerning all of the companies of the Mediaset Group. Within the framework of the relations with its controlled companies, Mediaset puts in place a intercompany current account relation with EI Towers, whose negative balance amounts, as of the Date of the Information Document, to Euro 115,9 million. The current account provides for an interest rate equal to average one month Euribor flat in connection with positive balances and equal to the average one month Euribor plus 1%in connection with negative balances.
The relevant agreement in force, being a current account relation, does not provide for any term of reimbursement nor any security, restrictions, covenants nor negative pledge.

For further information please refer to First Section, Chapter 19, Paragraph 19.4 of the Information Document.

4.1.2 Risks related to the negative working capital

Pursuant to Regulation 809/2004/EC and based on the definition of working capital – as an issuer's ability to access cash and other available liquid resources in order to meet its liabilities as they fall due - contained in the "Recommendations for consistent implementation of the Regulation of the European Commission's Regulation on Prospectuses" of CESR (Committee of European Securities Regulators), the Issuer believes that the working capital available is not sufficient, in theory, to meet the short-term needs of the Group in the 12 months following the data of the Information Document.

For a more detailed analysis of working capital, we report the detail below, with reference to the pro-forma data.

Thousands of Euro	**September 30, 2011 Pro Forma data**	**June 30, 2011 Pro Forma data**	**December 31, 2010 Pro Forma data**
Inventories	5,901	4,609	6,155
Trade receivables	25,868	25,810	25,946
Other receivables and current assets	8,484	11,485	6,839
Tax receivables	8,765	6,336	11,424
Working Capital – Assets	*49,018*	*48,240*	*50,364*
Cash and cash equivalents	11,635	20,208	15,299
Total Current assets	**60,653**	**68,448**	**65,663**
Trade payables	(50,628)	(48,313)	(39,467)
Other payables and current liabilities	(14,457)	(14,222)	(12,041)
Tax payables	(4,300)	(4,589)	(7,032)
Working Capital – Liabilities	*(69,385)*	*(67,124)*	*(58,540)*
Current financial liabilities	(151,111)	(160,454)	(155,484)
Acquisition debts	(39)	(39)	(1,248)
Total Current liabilities	**(220,535)**	**(227,617)**	**(215,272)**
Deficit of working capital	**(159.882)**	**(159.169)**	**(149.609)**

On September 30, 2011, pro-forma Deficit working capital is Euro 159,882,000.

Such amount includes:

i) debts of EI Towers towards Mediaset, the latest controlling company, of Euro 115,943,000 deriving from the intercompany account with the holding company that is the only financing used by the company;
ii) current financial debts of DMT Group amounting to Euro 23,524,000;
ii) other current assets and liabilities amounting to a net negative value of Euro 20,415,000.

The intercompany treasury account held with Mediaset referred to in i) above is contractually payable on demand, but on the basis of historical trends, and considering the fact that, as a result of the Merger, Mediaset will acquire control of the Company Resulting from the Merger, the repayment is not expected within 12 months following the date of the Information Document, in view of the fact that a possible request for repayment by Mediaset could create financial stress for the Company Resulting from the Merger with potential adverse effects in the same Mediaset.

The amount showed to iii) above is, in turn, composed by the following:

a) positive net working capital (balance of trade receivables and payables) arising out of the DMT Group for an amount equal to Euro 3,445,000.00;

b) negative net working capital (balance of trade receivables and payables) resulting from EI Towers for an amount of Euro 28,198,000.00;

c) other net assets amounting to Euro 4,338,000.00.

In order to meet the working capital deficiency in the amount of Euro 159,882,000.00 shown above, the Group intends to carry out the following actions:

a) maintenance of the intercompany treasury account held with Mediaset beyond the 12 months following the date of the Information Document;

b) maintaining the existing contract terms to customers and suppliers in terms of, respectively, times of receipts and payments: the dynamics of net working capital is, in fact, highly influenced by the contractual payment scheme with the main client of EI Towers , Elettronica Industriale, for which the collection of invoices is provided with an active period of 30 days, compared to an higher payment term resulting from the other contractual obligations.

In view of the favorable timing of receipts from customers and payments to suppliers, the Company Resulting from the Merger does not require additional financial resources for the current operations and it is believed that this condition can exist even in the 12 months following the date of the Information Document. This assessment is further supported by evidence, on a historical basis, of the pro forma data provided by the December 31, 2010, June 30 and September 30, 2011 (refer to Section One, Chapter 20 of the Information Document).

That said, however, if Mediaset will unilaterally require the partial or total repayment of the current account balance (equal to Euro 115,943,000 at 30 September 2011), and if the current activity of the Company Resulting from the Merger will not produce positive cash flow - although this event is thought to be unlikely given recent historical analysis of the main income of the fact that the economic and financial effects arising from the contract with Elettronica Industriale are predictable and that, with respect to revenues from third party customers, approximately 90% of the existing contracts will expire after 12 months from the date of the Information Document – this could determine negative effects on the economic situation and financial position of the Group.

4.1.3 Risks related to financing requirements

Future performance of DMT Group will depend, among other things, on its ability to meet payment obligations and to make the scheduled investments using the operating cash flow, available cash, and renewing or refinancing bank loans and with a possible recourse to capital markets or other sources of financing.

While DMT Group and EI Towers have taken steps to ensure to maintain adequate levels of cash flows and liquidity, a decrease in revenues could have negative impact on the ability of the Group's operations to generate cash flow.

4.1.4 Risks related to the value of the goodwill

Goodwill of DMT Group Pro-forma, amounting to Euro 474 million and representing 56% of "Total assets", refers to:

- Euro 255 million, recognized in 2002 as a consequence of the contribution of the business related to management and development of the towers technology from the parent company R.T.I. to Elettronica Industriale. Such goodwill is reported as an asset in the balance sheet of EI Towers, following the contribution of the "Towers" business by Elettronica Industriale, of June 30, 2011;

- Euro 219 million from the preliminary accounting of goodwill that is generated as a result of the Merger, that includes the goodwill previously reported in the Consolidated financial statements at December 31, 2010 of the DMT Group (amounting to Euro 108 million). As previously described, the value of such goodwill, preliminarily determined in Euro 219 million, which will be generated by the Merger will change at the effective date of the Merger due to the different *fair value* of the equity instruments which will be issued and due to the process of measuring at *fair value* all the net assets acquired. The final goodwill will be subject to a recoverability test as required by IFRS together with the goodwill of Euro 255 million already existing in EI Towers, which will continue to be tested for impairment.

The goodwill recognized in the Consolidated financial statements at December 31, 2010 of DMT Group amounted to Euro 108 million and in the balance sheet of Elettronica Industriale at December 31, 2010 amounted to Euro

255 million were subject at year-end at the impairment test as required by IFRS (IAS 36). These tests confirmed the recoverability of the assets.

Please also note hat the parameters and the information used to verify the recoverability of goodwill, including the interest rates that directly impact on the profitability of entities subject to impairment test, are significantly influenced by the macroeconomic and market framework, which could record in the future, as occurred in recent times, rapid changes not predictable.

The recoverability tests thereof are based on evaluation methodologies of common application which, in turn, involve the use of subjective valuations related to parameters and indicators, both profitability and financial robustness. These parameters and indicators are inferable from the Business Plan 2011-2016 and from the further forecasts carried out in order to support the impairment test for the 2011financial year.

It follows that the failure or incomplete achievement of these indicators and/or parameters might involve the recognition in the income statement of a depreciation of such goodwill with a significant impact on the economic result.

4.1.5 Risks related to the relevant impact of certain clients on Group revenues

It has to be noted that in 2010, the Pro-forma revenues referring to the Group from the top 10 clients accounted for approximately 85% of total revenues, which means a relevant concentration in terms of commercial relationships.

However, such risk is mitigated by the fact that the DMT Group is operating on the basis of multi-year leases and service contracts, and its main clients are television and telephone companies of high standing (Mediaset, Telecom Italia, Vodafone, Wind and so on). Also, historically the *Tower* sector has showed an excellent capacity in renewing the contracts before their termination by increasing the range of services offered to its clients, so a remarkably small percentage of its clients leave it to go to its competitors.

The Issuer believes that if relationships with major clients were to end, there could be negative impact on teh Group's economic, net assets and financial situation.

4.1.6 Risks related to contractual and administrative structure of the sites in the Tower sector

The Group's Tower Operator business relies on a portfolio of sites.

The Group owns some structures and owns some property (or owns rights to property) on which structures are located, and the Group portfolio also includes some sites where the structure and/or land is used pursuant to agreements of various types with various assignors. Agreements covering the use of those sites could fail to be renewed (and the Company resulting from the Merger would then be obligated to return the land that it has used in its original condition) or renewals could take place under conditions different from the current conditions, which could render managing those sites less profitable.

Also, sites that the Group may use and that are now part of the Group's portfolio of sites were constructed during a time when there were significant changes to relative regulations. This means that it will be necessary to undertake certain processes in order to bring the licensing situation for some Group sites in compliance with regulations. In the event such compliance process is not be possible or the competent authorities impose compliance obligations and /or the modification of some sites, this could imply also modifications to the operative conditions and/or require higher investments or managements costs which could potentially have negative consequences for the Group's economic, net assets and financial situation.

For further information, please refer to First Section, Chapter 20, Paragraph 20.8 of the Information Document.

4.1.7 Risks related to issuance and/or withdrawal of administrative authorization

Before permits and authorization to build manufacturing plants are requested from the appropriate bodies, in-depth technical-legal studies are conducted of, among other things, environmental impact and any potential limitations (for example, zoning issues) and restrictions (for example, restrictions related to land use, archaeology, water and geological issues or military issues) on the construction at the targeted site.

Such permits and authorization are generally of a restricted nature or may be based on technical evaluation, so any wholly or partly negative provisions may be contested before administrative judicial authorities in order to determine whether they are legitimate.

Still, there is the risk (customary to all who operate in this field) that an application for authorization may be denied, that authorization may be granted only in part or that it may be granted on a slower schedule that it normally would be under the law.

Failure to obtain authorization and permits, delays in the issuance of authorization and permits and the issuance of authorizations and permits for smaller towers than the towers in the initial request might have negative impact on the Group's economic, net assets and financial situation.

It should also be noted that, in principle, administrative authorization and permits are subject to withdrawal by the same administration (or an administration of greater power). Such administrative provisions may be adopted lawfully only for proven reasons of public interest and after a preliminary investigation that evaluates said interest and compares it to the interest of parties that would suffer damage in the case of withdrawal. Therefore, should cancellation occur, the administration is required to indemnify those parties that might potentially suffer damages.

Should authorization issued to any Group companies be withdrawn lawfully, there would be negative impact on its economic, net assets and financial situation.

For further information, please refer to First Section, Chapter 20, Paragraph 20.8 of the Information Document.

4.1.8 Risks related to legal and administrative procedures

In conducting its usual business, DMT Group takes part in certain civil and administrative legal procedures as both plaintiff and defendant. Specifically, there are cases before the administrative courts regarding some transmission sites used by DMT Group in the Tower sector. On the basis of the information available, the Company does expect that an unfavorable outcome of these cases is not likely and in any case such a risk is not quantifiable and therefore it has not allocated funds to cover potential liabilities that might result from the proceedings now underway.

However, it is not possible to exclude that any unforeseen contingent liabilities may in the future arise from some administrative proceedings which, having a negative impact on the revenues deriving from the management of the sites, would have a significant negative effect on the Group's economic, net assets and financial situation.

For further information, please refer to First Section, Chapter 20, Paragraph 20.8 of the Information Document.

4.1.9 Risks related to limited financial information available about EI Towers and accounting data indicated in the Information Document

On the Information Document Date, EI Towers has been active in the planning, creation and management of electronic communications network infrastructure and providing related services since long before June 30, 2011 - the date that Elettronica Industriale effectively contributed the business unit - and its current management has considerable experience in the electronic communications network infrastructure industry. However, in evaluating the Transaction, investors can rely only on EI Towers historical financial information for the nine months ended September 30, 2011 (for three months of which, from July 1, 2011 to September 30, 2011, EI Towers figures and for the previous six-month period relating to the Carve-Out figures completed by Elettronica Industriale to split the assets and liabilities and costs and profits of its two business units. In particular the figures contained herein refer to the *"Towers"* business unit, subsequently contributed to EI Towers), the half-year ended June 30, 2011 and the fiscal year ended December 31, 2010.

The Information Document contains economic, equity and financial information for EI Towers as of September 30, 2011 and information from the balance sheet and income statement Carve-Out derived from the financial statements of Elettronica Industriale for the half-year ended June 30, 2011 and the fiscal year ended December 31, 2010.

The Carve-Out figures of EI Towers as of June 30, 2011 and December 31, 2010 and for the periods then ended were prepared by attributing assets, liabilities, revenues and expenses from the balance sheet and income statement of Elettronica Industriale as of June 30, 2011 and December 31, 2010 and for the periods then ended to the Towers business unit.

EI Towers figures as of September 30, 2011 and the Carve-Out income statement and balance sheet figures of EI Towers for the half-year ended June 30, 2011 and the fiscal year ended December 31, 2010 were subject to limited auditing review by the auditing firm Reconta Ernst & Young S.p.A. solely for the purposes of the same auditing firm to issue the reports on the Consolidated Pro Forma Financial Statements.

4.1.10 Risks related to relationships with related parties

DMT relationships with related parties exclusively refer to relationships with other companies of the DMT Group. Such relationships fall within the ordinary course of business of the holding company, are carries out on an arm-length basis and do not include atypical and/or unusual transactions.

The transactions of DMT with related parties described in this Information Document (for further information on which please refer to First Section, Chapter 19, Paragraph 19.4 of the Information Document) do not have a material impact on DMT economic, net assets and financial situation.

EI Towers has relationships of a commercial and financial nature with related parties, including Mediaset and Mediaset Group companies. In the nine months ended September 30, 2011, the half-year ended June 30, 2011 and the fiscal year ended December 31, 2010, relationships with related parties generated revenues of approximately 102.2 million Euro, 64.7 million Euro and 135.1 million Euro, respectively, equivalent to 88.7%, 83.2% and 87.3% of the overall total (these figures were determined using the EI Towers balance sheet and income statement as of September 30, 2011 and by attributing to the Towers business unit the related amount of assets, liabilities, revenues and expenses reported in the balance sheet and income statement of Elettronica Industriale as of June 30, 2011 and December 31, 2010 and for the periods then ended). During the periods covered by the financial figures included in the Information Document, the major relationships with related parties were as follows: *(i)* EI Towers provided hosting, assistance, maintenance, use of transmission infrastructure, Head End and planning services for Elettronica Industriale; *(ii)* Mediaset performed group-wide cash pooling for EI Towers; *(iii)* performance of administrative and leasing services with R.T.I. and supply and leasing services with Videotime.

These relationships offer great benefits in the form of mutually provided services and shared skills, group synergy and the application of group-wide financial policies; EI Towers believes they also are conducted under conditions in line with market conditions.

At least in part because similar examples of each type of contract cannot be found in the target market, there is no guarantee that if such arrangements had been made with third parties, those parties would have negotiated and signed the same contracts or performed the operations under the same conditions and using the same methods.

For further information on relationships with related parties, please refer to First Section, Chapter 19, Paragraph 19.4 of the Information Document.

4.2 Risk factors related to the industry in which DMT and EI Towers operate

4.2.1 Risks related to the development of alternative methods of transmitting television and cell phone signals

Terrestrial television signals are the method most widely used to transmit signals in Europe. An eventual unexpected increase in Europe of the use of alternate methods (such as satellite or cable) could cause a slowdown in the growth in the market in which the Group operates, which would reduce their potential for future growth. Such event could cause a significant drop in demand for the products and services offered by the Group, which would be hard to offset by adjusting the services offered by the Group to the characteristics of alternate transmission methods.

Similarly, should alternate technologies for transmitting cell phone signals (such as satellite phones) be developed, there could be a drop in demand for the services offered by Group in the Tower sector.

For further information, please refer to First Section, Chapter 6, Paragraph 6.1 of the Information Document.

4.2.2 Risks related to an increase in competition

The *Tower* sector in the Italian market has national and international competitors. It is possible that, also due to recent development in the sector and to potential growth, some large international operators or domestic operators already present in overlapping fields could enter in the sectors where the Group operates or expand their business (especially in the Tower sector, where some television and cell phone operators have large numbers of sites), causing an increase in competition. Potentially this could have negative effects on the development plans of the Group. For further information, please refer to First Section, Chapter 6, Paragraph 6.6 of the Information Document.

4.2.3 Risks related to Tower sector regulations

The Tower business of the Group is carried out in a sector that is subject to wide-ranging regulations at the national and EC levels. Specifically, radio-television and cell phone broadcasters hosted by DMT Group and EI Towers at its transmission sites must abide to the regulations designed to protect people and the environment from

exposure to electromagnetic fields. Any breaches of these regulations, if any, could lead to sanctions that could potentially include transmission being suspended. Such suspension could have negative impact on Group revenues.

It is also possible that, due to changes in national plans for the assignment of frequencies, changes in the determinations of regions and local entities concerning the locations of sites or restructuring plans that might be adopted by regions and local entities, it will be necessary to move certain Group sites, or some other sites might become unusable.

Additionally, changes to the regulations, if any, or new interpretations of existing regulations (for example, the regulation concerning the authorization procedures for electronic communications infrastructure set forth in the recent code on electronic communications) could have negative impact on the business and the economic, net assets and financial situation of the Group.

4.2.4 Risks related to the invitation to tender for the assignment of six digital national multiplex ('Beauty Contest')

On July, 8, 2011, the Ministry of Economic Development, Department for the Communications, in accordance to the resolution of the Antitrust Authority no. 497/10/Cons. of September 23, 2010, issued the invitation to tender for the assignment of the rights to use television band frequencies for terrestrial digital broadcasting systems.

With specific reference to the invitation to tender currently in place for the assignment, free of charge, of the rights of use of the frequencies relating six digital national multiplex, and to the recent rumors that assume the possible changing of the Italian Government's intention to maintain the characteristic of charge free of the abovementioned assignment, it has to be noticed that, currently, the Government has just taken note and stated the agenda of certain parliamentary groups, consisting in the invitation to reflect on the various sceneries connected to hypothetic alternatives in the modality of the abovementioned frequencies. Therefore, the legal framework relating that transaction does not appear to be changed, and no legal or administrative indication are foreseeable to justify alternative scenarios and consequent significant impacts on business. Even in case of an eventual postponement of the expected timing for the assignment of the frequencies rights of use, the provisions and forecast of profits reported in the Business Plan 2011-2016 are still valid, considering that in such Business Plan the hypothesis prudentially estimated is the beginning of the network realization activities of the eventual contractor from the last quarter of 2012. The Ebitda foreseen for the 2012 of the Business Plan 2011-2016 includes Euro 2 millions relating to the full service management of the multiplex.

The report of the Auditing Firm on the forward-looking statements included in First Section, Chapter 13 of the Information Document is given in Annex.

For further information please refer to First Section, Chapter 13, Section 13.1 of the Information Document.

4.2.5 Risks related to overall economic conditions

The economic, net assets and financial situation is influenced by a variety of factors that are part of the macro-economic situation, including the increase or decrease in gross national product, consumer and business confidence levels, consumer credit interest rate trends and the cost of raw materials.

For example, in 2008 and in the first part of 2009, happened a worldwide recession that had negative impact on the DMT Group's operative results. Due to the weak economic scenario, the demand for DMT Group products dropped considerably. The 2010 overall economic trend in Italy remained a difficult one, with very modest growth of the PIL. However, after the System division had been dismissed, the Tower sector performed positively, largely due to the fact that television operators switched to digital transmission, which led to a significant increase in demand for supply of those services. However, structurally speaking, the Tower sector does not follow economic trends closely, as it works mainly based on multi-year contracts.

Furthermore, some important economies are still under the effects of recession or recently have experienced slow growth or economic stagnation. Such recessions or new circumstances of recession in markets that recently came out of a recession may ultimately influence the growth of many businesses, including those in which the Group operates. There is no guarantee that policies adopted by governments and monetary authorities will succeed in establishing the conditions needed for sustainable economic recovery.

For these reasons, forecasts concerning the global economy remain uncertain, and the economies of certain countries could be entering a time of slow growth or recession.

Additionally, also in the absence of a slow growth or recession, other economic circumstances — such as increasing in the energy prices, fluctuating prices for commodities and raw materials or a reduction in infrastructure spending — could have negative impact on the markets in which the Group operates and could, together with the other factors mentioned above, have significant impact on the business of the Group and their earnings and/or financial situation.

4.3 Risk factors related to the Merger

4.3.1 Risks related to the authorization provision of the Operation issued by the Antitrust Authority

On December 14, 2011, at the conclusion of the investigation commenced on October 5, 2011, heard the opinion of the Authority for Safeguards in Communications ('*Autorità per le Garanzie nelle Comunicazioni*'), the Antitrust Authority has resolved to authorize the operation of concentration by means of merger by incorporation of EI Towers in DMT, prescribing to the Company Resulting from the Merger the following measures that includes, *inter alia*, the obligations to:

- **access to and use of the transmission infrastructure**: in particular, the Company Resulting from the Merger shall:

  (i) also through subsidiaries or affiliates, giving access to their infrastructures – except for the cases of existence of objective physical, technical or legal impedimental – to all national television operators on terrestrial frequencies, in digital technology, who so requested, on a fair, transparent and non-discriminatory conditions. In particular, the Company Resulting from the Merger will allow the co-location or sharing of infrastructure necessary for television broadcasting for the broadcast to users on digital terrestrial frequencies.

  (ii) grant the access to the infrastructure, even where this involves the realization of investments to adapt and/or expand the workstations; in these circumstances, the Company Resulting from the Merger will realize the necessary investments according to an independent tower company commercial perspective;

  (iii) offer the transmission plants management service – including the installation and the preventive and corrective maintenance of the plants – on a fair, transparent and non-discriminatory conditions, by providing proper levels of service secured by adequate penalties. The plant management service can be done even from the network operator, on his own or through third parties expressly delegated by it. To this end, the Company Resulting from the Merger will allow the access to the infrastructure to the customers and their services suppliers, according to the procedures and modalities that will ensure the continuity of services for the third parties and the security of all equipment and installations present on the same infrastructure;

- **transparency**: in particular, the Company Resulting from the Merger shall:

  (i) make public a list where will be indicated the location of the access points, the base price of the hosting services and the basic additional services as well as the contractual terms, the general conditions and the technical rules for the supply of such services. The list shall be developed on the basis of the power cuts of the equipment to be hosted in the sites and of the air infrastructure transmitting/receiving in case to be hosted on the towers. The list must provide for the hosting services and the basic additional services fair and cost-oriented economic conditions; in any case, the economic conditions provided for shall not be pejorative than those currently carried out by DMT to its clients in equivalent situations;

  (ii) on the basis of the public list, arrange for the benefit of any third party that requires it the provision of the access services and the related services on the transmission infrastructure for the installation and management of a national network of television broadcasting on terrestrial frequencies in digital technology, a disaggregated offer concerned the economic conditions and supply techniques of such services, containing the information provided for in the same provision;

- **non-discrimination**: in the treatment of third parties claims and in the supply of the access services and use of the infrastructure, the Company Resulting from the Merger will apply the same conditions and procedures applied to relations with its affiliated companies or its subsidiaries into equivalent situations. The Company Resulting from the Merger will also supply to third parties the information with the same modalities applicable to relations with its affiliated companies or subsidiaries;

- **control in respect of measures:**

(i) Elettronica Industriale and/or DMT will prepare and maintain throughout all the period of validity of the undertakings a storage system which ensures the traceability of the access requests received by television operator and the outcome thereof, accompanied by the supporting documents, to conserve for 2 years from the date of formalization of the access request;

(ii) if in future the tower company and the network operator activity were not carried out by separate companies, Elettronica Industriale and DMT will prepare and keep a separate accounts relating to the tower company activity, which shall allow the verification of the internal/external equal treatment;

- **governance:**

(i) in the board of directors of the Company Resulting from the Merger shall not be appointed directors that are related to the companies that control the Company Resulting from the Merger or to those subject to common control or to the directors of such companies by self-employment or subordinate relationship, or by other patrimonial or professional relationship, such as to compromise its independence;

(ii) Elettronica Industriale and/or the Company resulting from the Merger will also transmit to the Antitrust Authority, together with its publication, the information required by the Consob Regulation concerning transactions with related parties;

(iii) the Company Resulting from the Merger must be listed on a regulated market;

Elettronica Industriale and/or the Company Resulting from the Merger will provide the Antitrust Authority, within six months from the authorization provision notification, and subsequently every six months, with a detailed report on the economic, commercial and technical undertakings implementation modalities as well as any changes of them.

Any disputes that should arise on the economic conditions of the offer of the Company Resulting from the Merger may be subject to the conciliation service of the Arbitral Chamber of Milano.

These measures shall enter into force within 90 days from notification of the authorization provision of concentration. In case of non-implementation of these measures, will be activated the infringement procedure provided for in the Law 287/1990, which provides for penalties not less than the 1% and not exceeding 10% of turnover.

DMT and Elettronica Industriale, on the basis of the analysis of the measures prescribed by the Antitrust Authority in relation to contractual and economic conditions of the offer aimed at preventing any offer to unfair, non-transparent and discriminatory conditions towards customers (and in particular towards operators other than the companies of the DMT Elettronica Industriale group), believe that the implementation thereof does not determine significant effects on the management – also in terms of any minor or major revenues – nor on the post Merger Business Plan. Indeed, the Business Plan 2011-2016, on the one hand, foresees the development in continuity of economic and contractual conditions applied by DMT and, secondly, the introduction of new product offerings to conditions that are consistent with the implementation of the measures.

For further information please refer to First Section, Chapter 13 of the Information Document.

4.3.2 Risks related to pro-forma information

The Information Document contains pro-forma consolidated financial information, as of September 30, 2011, June 30, 2011 and December 31, 2010, which gives effect to the Merger on the income statement and on the balance sheet of the Acquiring Company's Group and of the Target Company, pursuant to the applicable pro-forma principles and criteria,, as if the Merger had taken place during the periods covered by the pro-forma information.

Since these are illustrations built on hypothetical scenarios, it should be kept in mind that, if the Merger had actually taken place on the dates used for reference in preparing the pro-forma consolidated financial statements rather than on the effective date, the results would not necessarily be the same as those presented in the pro-forma consolidated financial statements.

Furthermore, the pro-forma consolidated financial statements do not reflect forecasts and are not intended to be a forecast of future results of the Company Resulting from the Merger and of the Group, as the pro-forma

consolidated financial statements are intended solely to represent the significant effects of the Merger that can be identified and reasonably measured.

Finally, given the different purposes of the pro-forma financial information and the historical financial information, and the different methods used to calculate the pro forma effects, on the pro-forma balance sheet and on the pro-forma income statement, the two sets of information should be read and interpreted separately, without attempting to identify accounting links between the two sets of figures.

For further information, please refer to First Section, Chapter 20, Paragraph 20.2 of the Information Document.

4.3.3 Risks related to integration of the Target Company

Notwithstanding DMT believes that the Merger may generate synergy and economies of scale, the integration of two groups with different operating structures, each of which operates in wide-ranging domestic territory, presents significant managerial challenges.

In particular, the Group is exposed to risks typical of the process of integrating company groups, such as, for example: *(i)* issues related to managing a significantly larger and more complex organization; *(ii)* difficulty deriving from coordinating and consolidated corporate and administrative departments (including the internal oversight system and accounting systems), as well as streamlining the Group's current management control system; *(iii)* failure to achieve the results and synergy expected from the Merger.

Therefore, the integration and synergy expected from the Merger could be achieved in a timeframe and amount different from those initially expected, with potential negative impact for the economic, equity and financial situation of the Issuer and the Group.

4.3.4 Risks related to forecasts contained in the Information Document

The Information Document contains forecasts, targets and estimates (so-called "forward-looking statements") regarding DMT and EI Towers and their business after the Merger has occurred.

It also includes references to and data deriving from the 2011-2016 Business Plan of the Company Resulting from the Merger, which, in turn, presents guidelines and targets for growth based on general and hypothetical assumptions. These elements are not representative of actual data and are instead based on current forecasts and projections of future events of the Companies Participating to the Merger. As such, they inherently involve some degree of risk and uncertainty. Forecasts and estimates of earnings are based on specific knowledge of the sector involved, available financial information and past experience. Such forecasts are also based on hypothetical scenarios about future events and performance subject to uncertainty that is out of the control of management of the Companies Participating to the Merger (for example, the outcome of the bid for the assignment of 6 new multiplexes announced by the Ministry of Economic Development, Telecommunications Department, included in the First Section, Chapter 13, Paragraph 13.1.2 of the Information Document). Should those future events and that future performance fail to occur, there could be potentially significant deviations from the forecasts and estimates.

These forecasts refer to events and depend on circumstances that may not necessarily occur in the future and, as such, they should not be unduly relied upon.

The actual results could differ significantly from the forecasted results due to a variety of factors, including changes in macroeconomic conditions and economic growth and other changes in business conditions, regulations and the institutional scenario (both in Italy and abroad) and other factors, some of which are referenced in this "Risk Factor" and the majority of which are out of the control of management of the Companies Participating to the Merger.

4.3.5 Risks associated with priority statements

The Information Document contains priority statements about the Group and appraises on their competitive position. Such statements are based on specific knowledge of the sector in which they operate, the information available and past experience and have not been evaluated by independent parties.

There is no guarantee that such statements can be maintained or confirmed. Furthermore, the characteristics of the sector and the results forecast could differ from those resulting from the hypothetical scenarios provided in those statements due to known or unknown events, uncertainty and other items listed in this First Section and elsewhere.

4.3.6 Risks associated with Sponsor conflicts of interest

UniCredit Bank Milano, part of the UniCredit Banking Group (the "**UniCredit Banking Group**") acts as the Sponsor pursuant to Art. 2.3.1, second paragraph, of the Market Regulations in relation to the reverse merger transaction defined in Article 117-*bis* of the Consolidated Law and Article 57, second paragraph, of the Issuers' Regulations and it is in a position of potential conflict of interest as described below.

UniCredit Bank Milano and the other parties to the UniCredit Banking Group have and may continue to have in the future financial and business relationships, including providing consultancy services and providing loans with the Issuer, Mediaset and their group companies.

UniCredit Banking Group has a financial relationship with DMT Group and, more specifically:

- through UniCredit S.p.A., it is one of the lender banks in a pool of banks that on June 30, 2005 made a loan to Towertel, due date June 30, 2014, of a total of 100 million Euro, with UniCredit S.p.A.'s share amounting to 30 million Euro. As of September 30, 2011, the outstanding balance of that loan is approximately 50 million Euro total, with UniCredit S.p.A.'s share amounting to approximately 15 million Euro;

- through UniCredit S.p.A., it is one of the lender banks in a pool of banks that on January 29, 2007 made a loan to Towertel, due date January 31, 2012, of a total of 100 million Euro, with UniCredit S.p.A.'s share amounting to 42 million Euro. As of September 30, 2011, the outstanding balance of that loan is approximately 58 million Euro total, with UniCredit S.p.A.'s share amounting to approximately 24 million Euro;

Through UniCredit S.p.A., on April 27, 2011 it made a loan of 17,800,000 Euro to Millenium Partecipazioni, a company controlled by Alessandro Falciai, which, together with the latter, holds a stake in the Issuer's share capital that on the Information Document Date is equal to 35.82% and that, upon completion of the Merger, will amount to 14.33%. In relation to that loan, due date December 31, 2011, Millenium Partecipazioni pledged to UniCredit S.p.A. 3,012,000 ordinary shares of the Issuer, equivalent to 26.64% of its share capital, while, however, retaining voting rights. Upon completion of he Merger, the portion pledged in this manner will represent 10.66% of DMT share capital.

In total, on September 30, 2011, the UniCredit Banking Group's exposure through lines of credit utilized is approximately 50 million Euro to the DMT Group and 182 million Euro to the Mediaset Group. As of September 30, 2011, the UniCredit Banking Group has no exposure to EI Towers.

Also, as of September 30, 2011, indebtedness to the UniCredit Banking Group represented approximately 40.4% of the total borrowings of the DMT Group, approximately 19.9% of total pro-forma borrowings of the Company Resulting from the Merger and approximately 9.9% of the total borrowings of the Mediaset Group.

Furthermore, under the specialist mandate provided by the Company to UniCredit Bank Milano (formerly UniCredit Banca Mobiliare S.p.A.) on April 8, 2044, the latter, through UniCredit Bank London Branch of the UniCredit Banking Group, acts as a market maker as defined in Article 2.3.5, first paragraph letter a) of the Market Regulations as *"providing and executing on an ongoing basis on the market offers of purchase and sale at prices that do not diverge from a percentage higher than the one established in the Market Regulations Instructions by an amount established in the Instructions."*

UniCredit Bank Milano and the other companies in the UniCredit Banking Group are active in the financial and capital markets and during the normal exercise of business may engage in transactions that involve financial instruments issued by the Issuer.

Finally, UniCredit S.p.A. has acted as a financial advisor to the Company, together with Lazard and Vitale e Associati with regard to the Transaction.

For further information, please refer to Second Section, Chapter 6, Paragraph 6.1 of the Information Document.

5. Information about the Acquiring Company and the Target Company

5.1 Acquiring Company history and growth

5.1.1 Acquiring Company registered and trade names

The Acquiring Company is named Digital Multimedia Technologies S.p.A. and is a joint-stock company.

After the Merger, the Acquiring Company will take the registered name "EI Towers S.p.A."

5.1.2 Acquiring Company registration location and number

The Acquiring Company is listed in the Registry of Companies at the Monza and Brianza Chamber of Commerce at number 12916980159 and in the Economic Administrative Index (REA) at number 1596613.

5.1.3 Acquiring Company date of formation and duration

The Acquiring Company is a joint-stock company formed on September 23, 1999 with a deed drawn up by the notary Dr. Vittorio Quagliata, Index No. 67787, Section 5113. Pursuant to Article 3 of the By-laws, the Acquiring Company shall have a duration until December 31, 2050, unless an extraordinary shareholders' meeting votes to extend it.

5.1.4 Acquiring Company domicile and legal form, governing laws, country of incorporation and registered seat

The Acquiring Company is a joint-stock company governed by Italian law and conducts business pursuant to the Italian law.

The Acquiring Company's registered seat is at Via Giacomo Zanella No. 21, Lissone (province of Monza Brianza) 20851, telephone number +39 039.24328292.

5.1.5 Key events in the Acquiring Company and the DMT Group's business history

Key information about the history and development of the Acquiring Company and the DMT Group, starting from its foundation, is provided below.

5.1.5.1 Acquiring Company history and development

The origin of the DMT Group business history

DMT began conducting business in January 2000, when Elettronica International - Digital Multimedia Technologies S.r.l. (now DMT), as per initiative of Alessandro Falciai, then its sole shareholder, acquired the Elettronica Industriale's business unit related to the business of projecting, constructing, distributing and selling television signal distribution and broadcast equipment and equipping and installing antenna systems.

Such transaction was the starting point for DMT Group to grow in the communications infrastructure industry by offering radio-television broadcasters integrated products and services.

DMT shares were listed on the MTA on May 31, 2004 and effective trading began on June 24, 2004.

The business development described below is divided in the System (formerly Technology) and Tower sectors.

Business development in the System sector

DMT has provided radio-television broadcasters products and services, as well as complete system integration for the analog and digital transmission of terrestrial television signals. DMT Group has worked on numerous experimental projects in Italy and abroad, concerning digital terrestrial television broadcast methods. It has worked with major clients, such as the RAI research center, Mediaset Group, Tele+ and TDF (France).

At the international level, DMT Group worked with the NTL group to create the first commercial terrestrial digital television network in Europe in 2000, and in Australia in 2001, by providing the transmission systems. Starting from the year 2002, the DMT Group integrated two analogic television networks in Cuba. In Italy, in late 2003, DMT Group participated in creating national terrestrial digital television networks for Mediaset Group, the RAI and La 7, aimed to realize the first phase of a plan to provide coverage for all of Italy.

Since 2005, DMT has also made a significant contributions in the creation of mobile TV (DVB-H) in Italy and it has worked on implementing that technology in various places around the world.

DMT Group saw great transformation in 2010, as it made the decision to sell off the System sector in order to focus on managing the Tower sector, making communications infrastructure its only industry of business.

To that end, in March 2010 the business unit of DMT System that comprised System sector business was sold to the company System Engineering Solutions S.r.l..

In April 2010, the company DMT System was wound up pursuant to Article 2447 of the Italian Civil Code and a liquidator was appointed.

In June 2010, it was decided to wind up DMT Service - a company that falls under the umbrella of the System business unit - pursuant to Article 2482-*ter* of the Italian Civil Code and a liquidator was appointed.

On July 28, 2011, the DMT board of directors resolved to transfer to a third party *(i)* all of the capital stock of Tower Service S.p.A. in liquidation, DMT System S.p.A. in liquidation, which in turn owns 100% of Asteroide S.r.l., and DMT Service S.r.l. in liquidation, as well as *(ii)* all of DMT's participations in the foreign subsidiaries, currently in the process of being dismissed DMT Limited and DMT USA, Inc. (the "**Participations to be Dismissed**").

On October 13, 2011 the transfer of the Participations to be Dismissed from DMT to a third party has been executed.

Business development in the Tower sector

The activity in the Tower sector began on the month of January 2001, when DMT acquired all the capital stock of DMT Network S.p.A. — formerly Duat S.r.l. and DMT Network S.r.l. — ("**DMT Network**"). DMT expanded by means of the acquisitions described below.

In such sector, DMT Group offers to radio-television broadcasters, cell phone operators and other telecommunications companies, hosting services for their equipment at sites that transmit radio-television, cell-phone and telecommunications signals, managing and maintaining services in relation to transmission equipment hosted at its sites and complementary services (Tower business area).

In 2001, DMT Group acquired business units of the company RO.VA.MA. and Immobiliare La Valle S.r.l., which included the management of a total of 23 transmission sites, most of them radio-television related. DMT Group then acquired all of the capital stock of the company Elettronica Industriale Giorgio Pinton S.p.A., which managed television signal transmission sites. A total of 46 sites were acquired.

In 2002, DMT Group expanded further by acquiring access to another 30 small sites in the Lombardy and Piedmont regions.

In 2003, DMT Group acquired all the capital stock of S.M.I.T.T. di Tremacchi Alfredo S.r.l. and TIPIESSE S.r.l., which together had 141 sites (most of them towers).

In 2004, Demetra S.r.l., Immobiliare Ichnusa S.r.l. and Secotel S.r.l. were acquired. These companies have radio-television and telephone transmission sites.

In 2005, DMT acquired significant numbers of sites in Liguria (78 towers), Valle d'Aosta (53 towers), Lombardy (42 towers), Tuscany (142 towers), Valtellina and the province of Brescia (40 sites) and Calabria (25 sites), and two other portfolio groups of transmission sites as well: 70 towers in Trentino-Alto Adige and 34 towers that it acquired through the acquisition of Tecnotel S.r.l. in Parma. With these acquisitions, DMT Group created a core independent infrastructure that runs through all of northern Italy.

In 2006, five portfolios of sites were acquired: 18 in Tuscany and Lombardy, 98 in the Triveneto area, 43 in Liguria, 12 in Tuscany and Liguria and, lastly, SIRT S.r.l. was acquired, having 31 transmission towers in the Latium region. As for digital radio-television applications (DVB-H) and their effect on the Tower sector, in 2006, DMT and 3lettronica Industriale S.p.A., a 3 Italia Group subsidiary, signed an agreement covering DMT's use of sites to implement 3 Italia's DVB-H network.

In 2007, all the stakes of the following 8 companies were purchased - GBR Radioprodotti S.r.l., Antenna Nord Telecomunicazioni S.r.l. (now Cisalpina Tower S.r.l.), Towermed S.r.l., Protel S.p.A., Geotech Italia S.r.l., Elitel

S.r.l., Infotel S.r.l. and Salvano & Vaschetto S.r.l. – as well as the business units of FAE di Fiesoli Marcello, an entrepreneur managing telecommunications facilities, and the business unit of Gestione Impianti Tecnologici S.p.A. that handles radio-television and telephone transmission facilities were also acquired.

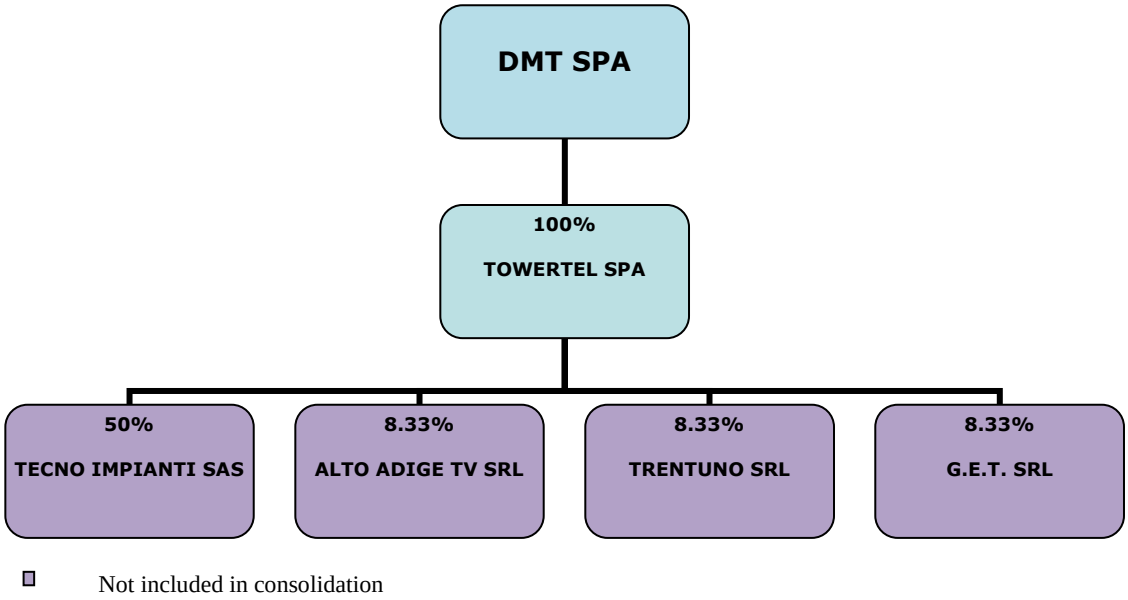
In 2008, DMT Group acquired 100% of the capital stock of Videotelecom S.r.l. and Techno Service S.r.l.

In 2009, Towertel acquired 100% of the capital stock of Stetel Ripetitori S.r.l. and the towers branch of the company I.RA.S S.r.l..

As of the Information Document Date, DMT Group has approximately 1,500 sites, all located in Italy.

5.1.5.2 Description of the DMT Group

The chart below illustrates the structure of DMT Group on the Information Document Date.



* On November 29, 2011, the deeds regarding the mergers of Tower Service S.r.l. into Towertel S.p.A., Estense Tower S.r.l. and Stetel Ripetitori S.r.l. into Towertel S.p.A. were signed, and on December 1, 2011, the deed regarding the merger of Radioattività S.r.l. into Towertel S.p.A. was been signed.

On October 4, 2011, the company Media Service S.r.l. in liquidation has been cancelled from the Trento Registry of Companies.

5.2 Acquiring Company investments

5.2.1 Description of the most important investments made by Acquiring Company

The table below breaks down in details the investments made by DMT Group by type of investment: *(i)* during the nine months ending September 30, 2011; *(ii)* during the half-year ending on June 30, 2011; and *(iii)* during the fiscal years ending on December 31, 2010, 2009 and 2008. Starting from September 30, 2011 and up to the Information Document Date, the Group has made investments in line with its general business performance.

(in millions of Euro)	**September 30, 2011**	**June 30, 2011**	**December 31, 2010**	**December 31, 2009**	**December 31, 2008**
Intangible Fixed Assets	0.1	-	1.3	3.7	5.9
Tangible Fixed Assets	3.9	1.2	5.0	6.7	6.9
Total investments	4.0	1.2	6.3	10.4	12.8

Note: Figures do not include goodwill increases, as those are listed separately in the published financial statements.

No investment were made in financial fixed assets.

All investments listed in the table above were made in Italy.

Intangible Fixed Assets

(in millions of Euro)	**September 30, 2011**	**June 30, 2011**	**December 31, 2010**	**December 31, 2009**	**December 31, 2008**
Patents, rights, licenses	-	-	-	-	0.6
Development costs	-	-	-	-	2.8
Signed contracts and client roster	-	-	0.4	1.5	1.2
Other intangible assets	0.1	-	0.9	1.6	-
Outstanding Payments on account and assets	-	-	-	0.6	1.3
Total intangible fixed assets	0.1	-	1.3	3.7	5.9

Note: Figures do not include goodwill increases, as those are listed separately in the published financial statements.

Tangible Fixed Assets

(in millions of Euro)	**September 30, 2011**	**June 30, 2011**	**December 31, 2010**	**December 31, 2009**	**December 31, 2008**
Land and buildings	2.1	0.6	2.8	4.3	3.5
Plant and machinery	-	-	-	-	0.6
Industrial and commercial equipment	0.1	0.1	0.6	0.4	0.3
Other tangible assets	-	-	-	0.7	1.2
Outstanding on account and assets	1.7	0.5	1.6	1.3	1.3
Total Tangible Fixed Assets	3.9	1.2	5.0	6.7	6.9

5.2.2 Description of the main outstanding investment of the Acquiring Company

The main DMT Group investments that are outstanding, accounting for approximately 1.6 million Euro, are related to extraordinary maintenance and the increase in the transmission site portfolio. These investments were made in Italy and were self-financed.

5.2.3 Commitments for main future investments to be made by the Acquiring Company

As of the Information Document Date, there are no significant future investments that are already object of a definitive commitment.

5.3 Target Company history and growth

5.3.1 Target Company registered and trade names

The Target Company is named EI Towers S.p.A. and is a joint-stock company.

5.3.2 Target Company registration location and number

The Target Company is registered in the Registry of Companies at the Monza and Brianza Chamber of Commerce at number 07468460964 and in the Economic Administrative Index (REA) at number 1878218.

5.3.3 Target Company date of incorporation and duration

The Target Company was formed with a deed drawn up by the notary Arrigo Roveda, Index No. 44935/14698 on May 30, 2011, registered in the Monza and Brianza Registry of Companies on June 3, 2011.

Pursuant to Article 5 of the EI Towers by-laws, the Target Company shall have a duration until December 31, 2050, unless an extraordinary shareholders' meeting votes to extend it.

5.3.4 Target Company domicile and legal form, governing laws, country of incorporation and registered seat

The Target Company is a joint-stock company with a sole shareholder and conducts business pursuant to Italian law.

The Target Company's office is at Via Filippo Turati No. 7, Lissone (province of Monza Brianza) 20851, telephone number +39 039 73 981.

5.3.5 Key events in the Target Company's business development

EI Towers is a newly formed company to which, effective as of June 30, 2011, Elettronica Industriale contributed a business unit related to the business of projecting, constructing and managing electronic communications network infrastructure and providing related services.

Business history

Though EI Towers was formed in 2011, its roots date back to 1973, when Elettronica Industriale was created; since its formation, it has conducted business in the field of project and construction of electronic equipment as well as constructing and managing television facilities.

Elettronica Industriale initially focused on creating facilities to broadcast and repeat television signals from foreign broadcasters, particularly Swiss television in Italian. It then moved on to creating and managing repeaters for Tele Montecarlo. Elettronica Industriale broadcasted Tele Capodistria in Italy.

In the 1980s, Elettronica Industriale began to work with Fininvest S.p.A. to design and construct and then manage a national commercial television network (Canale 5).

Also in the 1980s, Elettronica Industriale enlarged its scope and began offering technical management (including planning network-related projects, such as creating, maintaining, expanding and improving network service) for the two new national television networks purchased by Fininvest (Italia 1, acquired in 1983 from the Rusconi publishing group, and Retequattro, acquired in 1984 from the Mondadori group).

Business development abroad

In the late 1980s and early 1990s, due to Elettronica Industriale's know-how and solid background, it was hired by companies all over Europe to assist in planning and developing commercial television networks in the following countries:

- in France, Elettronica Industriale worked with Télévision De France and the local authorities to design a plan to expand coverage of the two commercial networks "La Cinq" and "La6" to 80% of the population;

- in Germany, Elettronica Industriale served as a consultant for commercial broadcaster TeleFunf, part of the Kirch Group, as it worked on a detailed plan for obtaining licenses, as well as consulting with Land Baden - Wuttenberg to plan private television networks in the capital, Stuttgart;

- in Spain, Elettronica Industriale handled planning and turnkey construction of three commercial television networks in the north in the Basque Country.

In 1993, with an eye to better publicizing its skills and experience on an international level, Elettronica Industriale created a sales division intended to offer its products and services to a wider market.

In those years, Elettronica Industriale handled the planning and turnkey construction of approximately 400 facilities for two Canal Sur networks in the south of Spain (Andalusia) and provided more than 400 facilities for NTL (National Transcommunication Limited) in England, creating the leading digital network in Europe, with technology completely developed and created by Elettronica Industriale.

Television network management in Italy

In the 1990s, at the same time that it was first listed on the stock exchange, Mediaset indirectly acquired all the capital stock of Elettronica Industriale. More specifically, in December 1994, Mediaset acquired from Fininvest

100% of the capital stock of RTI, a licensee company for three national television networks (Canale 5, Italia 1 and Retequattro), which later acquired all Elettronica Industriale stock.

In that same decade, Elettronica Industriale's portfolio of managed television networks in Italy expanded with the design, construction and management of three national networks - Europa TV, Prima TV and Omega TV - created using some Fininvest channels, which were supplemented with Elettronica Industriale-managed channels acquired from local broadcasters that were used for Telepiù pay television (Telepiù 1, Telepiù 2 and Telepiù 3).

At that time, Elettronica Industriale was running more than 1,700 television stations, which had become available to parent company RTI. Indeed, in 1991 through a merger of 16 regional broadcasters, RTI had incorporated all those broadcasters' available sites (available through ownership or another form of usage, such as leasing the land and/or infrastructure). In 2003, RTI sold to Elettronica Industriale's business unit that included assets and contracts related to those sites. By that time, more than 6,000 broadcast facilities (transmitters) had been constructed and were being managed.

In December 1999, the Elettronica Industriale's business unit, including the broadcast equipment manufacturing and sale business, was sold to Elettronica International – Digital Multimedia Technologies S.r.l., today known as DMT. For further information, please refer to First Section, Chapter 5, Paragraph 5.1.5.1 of the Information Document.

Experience in the digital broadcast sector

Since the 1990s, Elettronica Industriale has been deeply involved with digital television. It created one of the first digital radio bridges for distributing and providing television signals in Italy.

In the following years, Elettronica Industriale gained further experience in digital terrestrial television broadcasting by, among other things, conducting numerous studies on converting analog networks to digital technology and conducting a series of tests, first laboratory tests and later field tests, of digital television broadcasting.

Relying on its considerable experience in digital technology, in 2003, Elettronica Industriale undertook creation of: *(i)* the first nationwide digital broadcast network, RTI's multiplex Mediaset 1, by converting the facilities of various local operators acquired by RTI to digital; *(ii)* the national digital network Prima TV; and *(iii)* RTI's multiplex Mediaset 2, by converting the Home Shopping Europe (HSE) network previously acquired by RTI.

In March 2006, in compliance with the provisions of Law 66/01, which set forth the requirement of corporate separateness of network operators and content providers belonging to the same group, Elettronica Industriale obtained a network operator license from the relevant Authorities and parent company RTI gave Elettronica Industriale the necessary authorization and the facilities of two digital multiplexes, Mediaset 1 and Mediaset 2.

Since then, Elettronica Industriale has expanded the services it offers by leasing transmission capacity of its Digital Multiplexes. Also in 2006, Elettronica Industriale acquired the network Europa TV, which it used to create the leading national digital network using DVBH technology, multiplex Mediaset 3, leasing transmission capacity to cell phone operators Telecom Italia and Vodafone for transmission of television content to cell phones.

Also in this area, as part of converting analog networks to digital (known as a switch off), beginning in 2009, Elettronica Industriale has planned and taken technical steps aimed to minimizing the impact on users of conversion of Mediaset Group networks from analog to digital. On the Information Document Date, digitization has been completed in Latium, Campania, Lombardy, Sardinia, Valle d'Aosta, Piedmont, Emilia Romagna, Veneto and Friuli Venezia Giulia, and it will be completed nationwide by 2012. At the same time, once facilities have been converted to digital, rights of use for the frequencies are assigned by the Ministry of Economic Development to Elettronica Industriale, so that when the switch off is complete, expected to occur in 2012, all digital multiplexes in the Mediaset Group will be assigned to Elettronica Industriale, which will then serve as a network operator that owns all the frequencies and equipment, while EI Towers will continue to manage the networks.

Participation in Italian and international organizations in the sector

Since the 1990s, Elettronica Industriale has actively participated in creating guidelines and in the major work groups of the DVB Europe body, which specifically oversees the creation and agreement of technical specifications and standards to be used for broadcast equipment and user apparatus (televisions, set top boxes). It

oversaw the Technical Module and the Intellectual Property Rights Module. It also sat on the DVB Steering Board as an elected representative of the network operators' group.

In 2000, Elettronica Industriale was actively involved in drawing up a white paper on digital terrestrial television in Italy under the auspices of the Authority for Communications. Elettronica Industriale also participated in the work of national and international bodies as they worked to standardize and regulate digital technology in the television and telecommunications industry.

Elettronica Industriale has also been actively involved with the ITU (International Telecommunication Union), an international body involved with drawing up plans to assign frequencies in various countries and allocating services in specific frequency bandwidths as part of the updating of the Stockholm Program, the plan that governs the use and assignment of television frequencies in various countries.

5.4 Target Company investments

5.4.1 Major Target Company investments

The table below breaks down investments made by EI Towers by type of investment for the periods ending September 30, 2011 and June 30, 2011.

(in millions of Euro)	**September 30, 2011**	**June 30, 2011**
Intangible Fixed Assets	-	-
Tangible Fixed Assets	25.2	15.4
Total investments	**25.2**	**15.4**

No investment were made in financial fixed assets.

All investments listed in the table above were made in Italy. No investments were made in intangible fixed assets.

Tangible Fixed Assets

(in millions of Euro)	**September 30, 2011**	**June 30, 2011**
Land and buildings	1.5	1.5
Plant and machinery	1.7	1.1
Industrial and commercial equipment	7.6	2.4
Outstanding Payments on account and assets	14.4	10.4
Total tangible fixed assets	**25.2**	**15.4**

From September 30, 2011 to the Information Document Date, EI Towers has made investments in line with its general business performance.

5.4.2 Major Target Company investments in progress

EI Towers investments that are in progress are related mainly to updating and expanding television broadcast service sites and connecting radio bridges in order to change to digital technology after the switch off. Those investments, amounting to 14.4 million Euro, were made in the country and were self-financed.

5.4.3 Commitments for major Target Company future investments

As of the Information Document Date, there are future investments related to construction and infrastructure work at the sites that are already subject to contractual commitments in the amount of approximately 3 million Euro. These investments are included in the 2011-2016 Business plan that provides for recurring capex, and the relevant financial flows, for investment activities of the Acquiring Company and of the Target Company, for a total amount of Euro 20 million in the 2011 financial year (for further information please refer to First Section, Chapter 13, Paragraph 13.1.2 of the Information Document).

Such investments are self-financed.

5.5 The Merger

5.5.1 Reasons for the Merger and its terms and purpose

On March 30, 2011, Elettronica Industriale and DMT announced that they had begun to discuss a project concerning an industrial integration aimed to combine the respective assets of Elettronica Industriale and DMT Group in the electronic communication network infrastructure industry, with the intention of creating a leading operator in Italy in the industry of electronic communication network infrastructure and related services and realizing a significant synergy between the respective businesses in the light to increase value for all shareholders.

The Transaction consists in the merger into DMT of EI Towers, a newly formed company with 100% of its stock held by Elettronica Industriale (which, in turn, is wholly owned indirectly by Mediaset), to which effective as of June 30, 2011, Elettronica Industriale contributed a business unit related to the planning, creating and managing electronic communications networks and providing related services.

5.5.1.1 Merger methods, terms and conditions

On July 28, 2011, the EI Towers board of directors and the DMT board of directors, among other things: *(i)* approved the Merger Project; *(ii)* approved the report illustrating the Merger; *(iii)* approved the respective financial statements as of June 30, 2011, on the basis of which shall be adopted the Merger resolution; *(iv)* having examined the reports from their respective advisors (for DMT, the companies Equita S.I.M. S.p.A. and Numeralia Corporate Finance S.r.l., and for EI Towers, Banca IMI S.p.A., which issued a fairness opinion regarding the exchange ratio), determined an exchange ratio of no. 34 shares of the Acquiring Company, having a face value of 0.10 Euro each, for every no. 401 shares of the Target Company, having a face value of 1.00 Euro each; *(v)* approved the Merger Agreement; *(vi)* approved the 2011-2016 Business Plan for the Company Resulting from the Merger; and *(vii)* resolved to confer the powers in order to convene extraordinary shareholders' meetings of the companies so that to approve the Merger within October.

As standard practice, on July 28, 2011, DMT and EI Towers also drew up a protocol that sets a timeframe for the Transaction, as well as the steps in the corporate procedure for approving the Merger (Merger Agreement). That protocol determined, among other things, that effective on the date of execution of the deed of Merger, Alessandro Falciai will resign from his position as director, chairman of the board and CEO of DMT and that two other DMT directors will also resign from their office in order to allow new directors to be co-opted. The remaining current DMT board members will resign from their office effective on the date of the first DMT shareholders' meeting after the effective date of the Merger, scheduled within February 20, 2012, in order to renew the entire DMT board of directors (for further information about the Merger Agreement, please refer to First Section, Chapter 22, Paragraph 22.2 of the Information Document).

On August 1, 2011, by means of a measure issued in response to a motion from DMT and EI Towers, the presiding judge of the Court of Monza appointed the Auditing Firm Reconta Ernst & Young S.p.A. as sole expert for the issuance of the report on the adequacy of the share ratio for exchanging the Acquiring Company's shares with the shares of the Target Company. Pursuant to and in accordance with Article 2501-*sexies* of the Italian Civil Code, the firm drew up a report on the adequacy of that ratio. That report was issued on September 13, 2011 and on the same date was made available to the public, together with the Merger Project and relative directors' report, on the Company's website, www.dmtonline.com.

On October 14, 2011, the DMT and EI Towers extraordinary shareholders' meetings approved the Merger.

In order to comply with the exchange ratio, the DMT extraordinary shareholders' meeting also approved a capital increase from the current 1,130,477.50 Euro to 2,826,237.70 Euro by issuing 16,957,602 shares with a face value of 0.10 Euro each, to be assigned to the sole shareholder of EI Towers, Elettronica Industriale, against 199,999,953 shares out of a total of 200,000,000 shares of the Target Company. In order to ease the exchange transactions and in light of the small number of remaining shares (47 shares of the Target Company), Elettronica Industriale waived its right with respect to those remaining shares.

In addition, on July 28, 2011, Elettronica Industriale entered into an agreement with Millenium Partecipazioni S.r.l., with the consent, as far as he is concerned, of Alessandro Falciai, as amended on December 21, 2011, related to the purchase and sale of 1,413,118 ordinary shares of the Company Resulting from the Merger, equal to 5.0% of said company's capital stock, for a total gross amount due by Elettronica Industriale to Millenium

Partecipazioni equal to 39,677,126.13 Euro, equal to Euro 28.08 per share corresponding to the implicit value resulting from the Merger exchange ratio (the "**Sale and Purchase Agreement**").

Therefore, after the Merger and after said Sale and Purchase Agreement has been completed, the participations of Elettronica Industriale and of Alessandro Falciai, directly and indirectly, in the Company Resulting from the Merger shall be 65.001% and 9.328%, respectively.

In particular, after the Merger ad in consequence of the purchase from Elettronica Industriale of the shares object of the Sale and Purchase Agreement, the capital stock of the Company Resulting from the Merger will be split as follows:

Declarer	**Direct Shareholder**	**% of the stock capital**
Silvio Berlusconi(1) *indirectly through*	Elettronica Industriale S.p.A.	**65.001%**
Alessandro Falciai *of which* *directly* *and indirectly through*	 Alessandro Falciai Millenium Partecipazioni	**9.328**% 1.612% 7.716 %
Octavian Advisors LP *directly*	Octavian Advisor LP	**4.004%**
Permian Investment Partners LP *indirectly through*	Permiran Master Fund LP	**2.010%**
Flinn Lawrence Jr. *indirectly through*	Flinn Investments LLC	**0.956%**
Fil Limited *directly*	Fil Limited	**0.860%**
Wyser Pratte Guy *indirectly through*	Wyser Pratte Management Co. Inc.	**0.820%**
Barclays Plc *indirectly through*	Barclays Capital Securities Limited	**0.816%**
	Total	**83.795%**
Treasury stock		**0.610%**
Market		**15.595%**
	Total	**100%**

(1) Mr. Silvio Berlusconi exercises a *de facto* indirect control on Mediaset, through Fininvest S.p.A. (that, according to the available information owns a participation equal to 40.26069% of the share capital of Mediaset) and Holding Italiana Seconda S.p.A. (that, according to the available information owns a participation equal to 0.18371% of the share capital of Mediaset). Mediaset, in turn, directly owns the entire share capital of R.T. I. S.p.A., which directly owns the total share capital of Elettronica Industriale.

On July 28, 2011, DMT and Alessandro Falciai also signed a non-compete agreement for 3 (three) years from the effective date of the Merger, against payment of a total consideration of 7,500,000 Euro, to be paid in more than one installment.

Effective on the effective date of the Merger, the Acquiring Company's By-laws shall be amended to reflect changes related to the increase in capital stock for the Merger, as described above, and to indicate that the company name has been changed from "Digital Multimedia Technologies S.p.A." to "EI Towers S.p.A."

The newly issued shares of the Acquiring Company will share in the profits effective on the same date that the shares of the Acquiring Company outstanding on the date of the Merger Project. Therefore, all DMT shares will have the same enjoyment. Upon completion of the Merger, the shares of the Company Resulting from the Merger will continue to be listed on the MTA.

The Merger will take legal effect starting from the latest registration in the Registry of Companies, as provided in Article 2504, paragraph 2, of the Italian Civil Code, or from the later date indicated in the deed of Merger.

The Target Company's transactions shall be reflected on the Acquiring Company's balance sheet beginning on the first day of the fiscal year (i.e., January 1) in which the Merger takes effect. The Merger shall become effective for tax purpose as of the same date.

On the date that the Merger becomes effective, the Acquiring Company will succeed the Target Company in all legal relationship, whether entailing rights or obligations.

5.5.1.2 Conditions precedent for the Merger

Without prejudice to the provisions of applicable laws, the Merger Agreement provides that the Merger may be completed subject to the following conditions precedent being met by December 31, 2011.

(i) Approval of the Merger Project by the DMT extraordinary shareholders' meeting in accordance with the shareholders' meeting majority provided under Article 49, paragraph 1, lett. g) of the Issuers' Regulations for the purposes of exemption from the mandatory tender offer provided by Article 106 of the Consolidated Law.

Article 106 of the Consolidated Law requires that anyone who comes to hold more than 30% of the voting shares of a company listed on an Italian regulated market be required to make a tender offer for all shares of said company, unless one of the exemptions established in Article 106, paragraph 5, of the Consolidated Law and Article 49 of the Issuers' Regulations applies.

Article 49, paragraph 1, lett. g) of the Issuers' Regulations states that the acquisition of more than 30% of voting shares in a company listed on an Italian regulated market does not imply a mandatory public tender offer if it takes place as the result of a merger that is "*approved by a shareholders' meeting of the company whose securities would otherwise be the subject to the offer, and without prejudice to the provisions of Articles 2368, 2369 and 2373 of the Italian Civil Code, without the contrary vote of the majority of shareholders attending the meeting, other than the shareholder acquiring the stake that is above the threshold provided and the shareholder or shareholders who hold even in concert with one another, the majority shareholding, including relative majority, as long as it is more than 10 percent.*" Article 49, paragraph 2, of the Issuers' Regulations states that " *by-laws may establish that, for the purposes of paragraph 1, letter g), such a majority of opposing shareholders precludes exemption solely when it represents a certain minimum portion of share capital with voting rights, which, in any case, cannot be higher than 7.5 percent.*"

On October 14, 2011, the DMT extraordinary shareholders' meeting approved the Merger without the contrary vote of any shareholders in attendance at the meeting, other than the shareholder or shareholders who hold, even in concert with one another, the majority shareholding, including relative majority, as long as it is more than 10 percent. Therefore, Elettronica Industriale, sole shareholder of EI Towers, which, after the Merger, will acquire a DMT stake of 60.001% of share capital of the latter, is exempted from the obligation to launch a tender offer to purchase DMT shares, pursuant to Article 49, paragraph 1, letter g) of the Issuers' Regulations.

(ii) Unconditional clearance to the Merger by the Antitrust Authority, pursuant to regulations in force.

The Antitrust Authority was informed of the Transaction with notification pursuant to Article 16 of Law 287/90 by Elettronica Industriale on August 4, 2011; that notification was supplemented further on September 9, 2011.

On October 5, 2011, the Antitrust Authority ruled to commence an investigation for the Transaction pursuant to Article 16, Paragraph 4 of Law 287/90 toward Elettronica Industriale and DMT.

On December 14, 2011, at the conclusion of the investigation started on October 5, 2011, heard the opinion of the Authority for Safeguards in Communications ('*Autorità per le Garanzie nelle Comunicazioni*'), the Antitrust Authority has resolved to authorize the operation of concentration by means of merger by incorporation of EI Towers in DMT, prescribing to the Company Resulting from the Merger the following measures that includes, inter alia, the obligations to:

- **access to and use of the transmission infrastructure**: in particular, the Company Resulting from the Merger shall:

(iv) also through subsidiaries or affiliates, giving access to their infrastructures – except for the cases of existence of objective physical, technical or legal impedimental – to all national television operators on terrestrial frequencies, in digital technology, who so requested, on a fair, transparent and non-discriminatory conditions. In particular, the Company Resulting from the Merger will allow the co-location or sharing of infrastructure necessary for television broadcasting for the broadcast to users on digital terrestrial frequencies.

(v) grant the access to the infrastructure, even where this involves the realization of investments to adapt and/or expand the workstations; in these circumstances, the Company Resulting from the Merger will realize the necessary investments according to an independent tower company commercial perspective;

(vi) offer the transmission plants management service – including the installation and the preventive and corrective maintenance of the plants – on a fair, transparent and non-discriminatory conditions, by providing proper levels of service secured by adequate penalties. The plant management service can be done even from the network operator, on his own or through third parties expressly delegated by it. To this end, the Company Resulting from the Merger will allow the access to the infrastructure to the customers and their services suppliers, according to the procedures and modalities that will ensure the continuity of services for the third parties and the security of all equipment and installations present on the same infrastructure;

- **transparency**: in particular, the Company Resulting from the Merger shall:

(i) make public a list where will be indicated the location of the access points, the base price of the hosting services and the basic additional services as well as the contractual terms, the general conditions and the technical rules for the supply of such services. The list shall be developed on the basis of the power cuts of the equipment to be hosted in the sites and of the air infrastructure transmitting/receiving in case to be hosted on the towers. The list must provide for the hosting services and the basic additional services fair and cost-oriented economic conditions; in any case, the economic conditions provided for shall not be pejorative than those currently carried out by DMT to its clients in equivalent situations;

(ii) on the basis of the public list, arrange for the benefit of any third party that requires it the provision of the access services and the related services on the transmission infrastructure for the installation and management of a national network of television broadcasting on terrestrial frequencies in digital technology, a disaggregated offer concerned the economic conditions and supply techniques of such services, containing the information provided for in the same provision;

- **non-discrimination**: in the treatment of third parties claims and in the supply of the access services and use of the infrastructure, the Company Resulting from the Merger will apply the same conditions and procedures applied to relations with its affiliated companies or its subsidiaries into equivalent situations. The Company Resulting from the Merger will also supply to third parties the information with the same modalities applicable to relations with its affiliated companies or subsidiaries;

- **control in respect of measures:**

(i) Elettronica Industriale and/or DMT will prepare and maintain throughout all the period of validity of the undertakings a storage system which ensures the traceability of the access requests received by television operator and the outcome thereof, accompanied by the supporting documents, to conserve for 2 years from the date of formalization of the access request;

(ii) if in future the tower company and the network operator activity were not carried out by separate companies, Elettronica Industriale and DMT will prepare and keep a separate accounts relating to the tower company activity, which shall allow the verification of the internal/external equal treatment;

- **governance:**

(i) in the board of directors of the Company Resulting from the Merger shall not be appointed directors that are related to the companies that control the Company Resulting from the Merger or to those subject to common control or to the directors of such companies by self-employment or subordinate relationship, or by other patrimonial or professional relationship, such as to compromise its independence;

(ii) Elettronica Industriale and/or the Company resulting from the Merger will also transmit to the Antitrust Authority, together with its publication, the information required by the Consob Regulation concerning transactions with related parties;

(iii) the Company Resulting from the Merger must be listed on a regulated market;

Elettronica Industriale and/or the Company Resulting from the Merger will provide the Antitrust Authority, within six months from the authorization provision notification, and subsequently every six months, with a detailed report on the economic, commercial and technical undertakings implementation modalities as well as any changes of them.

Any disputes that should arise on the economic conditions of the offer of the Company Resulting from the Merger may be subject to the conciliation service of the Arbitral Chamber of Milano.

These measures shall enter into force within 90 days from notification of the authorization provision of concentration. In case of non-implementation of these measures, will be activated the infringement procedure provided for in the Law 287/1990, which provides for penalties not less than the 1% and not exceeding 10% of turnover.

DMT and Elettronica Industriale, on the basis of the analysis of the measures prescribed by the Antitrust Authority in relation to contractual and economic conditions of the offer aimed at preventing any offer to unfair, non-transparent and discriminatory conditions towards customers (and in particular towards operators other than the companies of the DMT Elettronica Industriale group), believe that the implementation thereof does not determine significant effects on the management – also in terms of any minor or major revenues – nor on the post Merger Business Plan. Indeed, the Business Plan 2011-2016, on the one hand, foresees the development in continuity of economic and contractual conditions applied by DMT and, secondly, the introduction of new product offerings to conditions that are consistent with the implementation of the measures.

For further information please refer to First Section, Chapter 13 of the Information Document.

5.5.1.3 Preliminary Transactions

In the Merger Agreement, DMT and EI Towers also agreed on completion of the following preliminary transactions prior to the shareholders' meeting of the Companies Participating in the Merger convened to resolve on the approval of the Merger Project: (the "**Preliminary Transactions**")

(a) definition of the terms and conditions of a financing aimed to refinance the debt of the Company Resulting from the Merger and of the DMT Group companies existing on the effective date of the Merger; and

(b) transfer by DMT to a third party of *(i)* all of the capital stock of Tower Service S.p.A. in liquidation, DMT System S.p.A. in liquidation, which in turn owns 100% of Asteroide S.r.l., and DMT Service S.r.l. in liquidation, as well as *(ii)* all of DMT's stake in the foreign subsidiaries currently in the process to be dismissed, DMT Limited and DMT USA, Inc. (the "**Participations to be Dismissed**").

With regard to the Preliminary Transaction provided in (a) above, by means of an amendment agreement executed on September 28, 2011, DMT and EI Towers *(i)* have acknowledged that on September 20, 2011 Towertel requested to Banca IMI S.p.A., in its capacity of Agent Bank of the 2005 Loan Agreement and of the 2007 Loan Agreement, a waiver to the right to request Towertel to accelerate its re-payment obligations, to resolve before its expiration the 2005 Loan Agreement and/or of the 2007 Loan Agreement, as well as to any other remedy or right provided in said agreements as a consequence of the Merger and of the subsequent change of control by the ultimate controlling shareholder of DMT (the "**Waiver**") and, therefore, *(ii)* have agreed to modify the agreements reached in the Merger Agreement in connection with the preceding point (a) in order to agree, in place of the obtainment of a new bank financing, the obtainment by Towertel of the Waiver by the financing banks, in accordance with the 2005 Loan Agreement and the 2007 Loan Agreement.

With a letter dated September 29, 2011, Banca IMI S.p.A., also on behalf of the others lending banks parties to the Loan Agreements, has confirmed to Towertel the Waiver to its rights as referred to above, subject – *inter alia* – to the completion of the Merger.

With regard to the Preliminary Transaction provided in (b) above, on October 13, 2011 DMT completed the transfer of the Participations to be Dismissed to a third party.

5.5.1.4 Right of withdrawal

The shareholders of DMT that did not participate to the adoption of the resolution regarding the Merger are not granted the right of withdrawal, because *(i)* none of the causes for withdrawal provided in Article 2437 of the Italian Civil Code apply and *(ii)* once the Merger has been executed, DMT shares will continue to be listed on the MTA.

5.5.1.5 Values attributed to the Companies Participating to the Merger, criteria for determining the exchange ratio and exchange methods and valuation methods

A. Valuations made by the board of directors of DMT

For the purposes of examining the integration between DMT and EI Towers, the board of directors of DMT considered that such Transaction should be examined taking into account the aggregation of the civil and technological infrastructures of EI Towers and DMT and the development of the potential synergies deriving from the integration itself.

For the purposes of the valuation analysis made, the board of directors of DMT mainly referred to the methodologies normally adopted in market practice in relation to similar transactions, and also took into account the specific characteristics of EI Towers and DMT and, in general, the whole transaction.

The following valuation criteria were therefore used: (i) Unlevered Discounted Cash Flow – UDCF, generated by the business of the Companies Participating to the Merger, both on a stand-alone basis than taking into account the potential synergies and efficiencies expected from the combination; these potential synergies and efficiencies were reattributed based on the expected economic and financial profiles of each of the Companies Participating to the Merger; (ii) method of multiples expressed by the EBITDA of companies listed on regulated markets, using a sample of companies operating in the reference sector and considered comparable by type of business (trading multiples) applied taking into account the various cash generating profiles of the Companies Participating to the Merger; *(iii)* method of implicit multiples of the EBITDA registered during the course of previous *M&A* transactions in the same sector (transaction multiples).

The board of directors also analyzed the stock-exchange prices of the DMT shares during the periods prior to notification to the market of the prospective Merger transaction. However the results of this analysis have not been adopted, in order to determine the exchange ratio, considering the industrial purpose of the transaction and because this analysis could not be speculatively carried out on EI Towers, as its shares are not quoted on regulated markets. In such an event, in fact, values obtained would not be comparable and methodologically uniform.

The board of directors of DMT also made use of the fairness opinion prepared by the financial advisors Equita S.I.M. S.p.A. and Numeralia Corporate Finance S.r.l. for the analysis of congruity of the exchange ratio from a financial point of view.

The reference date of the valuations is fixed at June 30, 2011.

Limits of the analysis and difficulties of valuation

The valuations made by the board of directors of DMT in order to determine the exchange ratio, whose congruity from a financial point of view has also been supported by the financial advisors Equita S.I.M. S.p.A. and Numeralia Corporate Finance S.r.l., should be considered in the light of several limits and difficulties which, in this case, can be summarized as follows:

- several valuation methodologies were applied using estimated economic and financial data based on the current economic, financial and market conditions;
- the projections relating to the 2011-2016 period, whether stand-alone or regarding the Company Resulting from the Merger, have been estimated on the basis of the guidelines of the 2011-2016 stand-alone economic and financial plan approved by the boards of directors of the Companies Participating to the Merger. Due to their nature, these estimates present profiles of uncertainty and indeterminateness;
- the valuations do not take into account any events after the reference date of the analyses;
- little presence of recent fully comparable transactions.

Valuation methodologies adopted

In the case in question, in the valuation of EI Towers and DMT, the board of directors of DMT took into consideration the Transaction overall, considering the industrial purpose and the specific nature of the integration planned with the possible benefits deriving from the integration of the business plans of EI Towers and DMT.

Furthermore, the board of directors of DMT also considers the Merger between EI Towers and DMT to be a reverse takeover and, therefore, aimed at Elettronica Industriale acquiring control of the Company Resulting from the Merger.

In this context, according to a consolidated principle in valuation practice, it should be preferred the principle of uniformity of the valuation criteria applied as the object of the valuations in similar transactions is not so much to determine the absolute economic values of the companies involved but obtaining values which are comparable with each other.

For that reason, the aforesaid valuations assume significance in their relative profile and cannot be considered as estimates of the absolute value of the companies involved in the transaction, but they must be considered an inseparable part of a single valuation procedure.

In the light of these considerations, the valuation methodologies adopted are indicated and described in detail below.

a) Unlevered Discounted Cash Flow

Based on this methodology, the value of a company's economic capital is equal to the sum of *(i)* the discounted net operating cash flows which the company will presumably be able to generate during a specific period of analytical estimate; *(ii)* the discounted net operating cash flows estimated after the specific period of analytical estimate (the end value, calculated as the current value of a perpetual income for an amount equal to a net operating cash flow considered sustainable in "Perpetuity"); *(iii)* the alleged value of any surplus assets not included in the operating cash flows (therefore including the value of the non-consolidated tied-up interests), net of *(iv)* financial indebtedness and minority interests, as expressed by the following formula:

$$W = \sum_{t=1}^{n} \frac{FC_t}{(1+WACC)^t} + \frac{VT}{(1+WACC)^n} + SA - IFN_{t0} - M$$

where:

W= Value of the company's economic capital

FCt= Annual net operating cash flow expected in period t

VT= Terminal value

SA= Surplus Assets

IFN= Net financial indebtedness at time t=0

M= Minority interests (minorities)

n= Number of periods of projection

WACC = Weighted Average Cost of Capital

The net operating cash flows relate to the characteristic activity of the company that is subject of valuation. These flows can be estimated as follows:

+ Operating income

– figurative tax effect on the operating income

= NOPAT (Net Operating Profits After Taxes)

+ amortization

+ non-monetary allocations

± Δ net working capital

± Δ other liabilities/assets

– net investments

= Net operating cash flow

The Terminal Value, however, represents the current value of the net operating cash flows estimated for the period after the specific reference time span; it is estimated as follows:

$$VT = FCF_{n+1} / (WACC - g)$$

where:

g = nominal perpetual growth rate of the net operating cash flow expected during the period after the specific period;

FCF_{n+1} = (sustainable) normalized operating cash flow as from the first year after the specific period of estimate (n).

WACC = Weighted Average Cost of Capital

The rate used to discount the expected net operating cash flows and the end value is calculated as the weighted average cost of capital and indebtedness by means of the following formula:

$$\text{WACC} = [D/(D+E)] \times K_d \times (1-t) + [E/(E+D)] \times K_e$$

where:

D = net financial indebtedness;

E= current value of net equity ;

Kd= cost of indebtedness;

Ke= cost of equity.

In particular, the cost of the debt capital represents the long-term financing rate applicable to companies or economic activities with a similar risk adjusted by the tax component. The cost of equity reflects the return expected by the investor and is estimated in prevalent practice based on the Capital Asset Pricing Model (CAPM), defined by the following formula:

$$K_e = r_f + \beta \times (r_m - r_f)$$

where:

r_f = rate of return on risk-free activities;

β = correlation factor between the actual return of a share and the overall return of the reference share market;

r_m = overall return of the reference market;

$(r_m - r_f)$ =return premium requested by the reference share market in relation to risk-free investments (Equity Risk Premium).

Based on these assumptions, applying the Unlevered Discounted Cash Flow methodology and taking into account the potential synergies and industrial efficiencies expected by the combination, the board of directors of DMT considers that:

- the valuation range of DMT's economic capital is equal to Euro 297-380 million with an implicit value per DMT share equal to Euro 26.3-33.6. The Weighted Average Cost of Capital used for the discounting of DMT's cash flows falls within a range of 7.4% and 7.6%;

- the valuation range of EI Towers' economic capital is equal to Euro 446-582 million with an implicit value per EI Towers share equal to Euro 2.2-2.9. The Weighted Average Cost of Capital used for the discounting of EI Towers' cash flow falls within a range of 7.1% and 7.4%.

This Weighted Average Cost of Capital of EI Towers is lower than that of DMT due to a different cost of indebtedness (Kd).

b) Stock Exchange multiples

The Stock Exchange multiples methodology consists in determining the value of a business by observing the valuations expressed by the financial markets for businesses with similar characteristics.

The application of this method provides firstly for the calculation of the multiples of companies that are comparable by sector, business model, size and stage of life of the company.

The raw data expressing business performances are then adjusted to eliminate any extraordinary components and, more generally, to correct financial statement policies.

After calculating the multiples of the comparable companies, the multiples representing the reference sample are identified, generally determined in practice as mean or median values.

Finally, the application of the aforesaid multiples to the economic and financial magnitudes of the company forming the subject of valuation allow to determine the value of the economic capital.

The multiples most commonly used, the so-called "asset side" multiplies such as "EV/Sales", "EV/EBITDA" – of particular significance in this context, together with the multiples that refer to the cash-generating capacity of the company forming the subject of valuation - or "EV/EBIT", lead to the determination of an estimate of the company's enterprise value. In order to reach a definition of the value of the economic capital, the value of any surplus assets is added to enterprise value and the amount of financial indebtedness and minority interests is deducted.

This methodology assumes that the market valuations of comparable companies express the value of a minority share excluding any premium associated with the acquisition of a controlling share.

Based on the analyses conducted on recent market transactions relating to the acquisition of controlling shares this controlling premium is included between 20%–30%

Applying a controlling premium of 25% to the results of the reference sample, the board of directors considers that the economic capital of DMT has a valuation range equal to Euro 266-345 million with an implicit value per DMT share equal to Euro 23.5-30.5.

Applying the same valuation methodology without applying any controlling premium, the board of directors considers that the economic capital of EI Towers has a valuation range equal to Euro 408-509 million with an implicit value per share equal to Euro 2.0-2.5.

c) Comparable Transactions multiples

The Comparable Transactions multiples methodology consists in determining the value of a company by applying the implicit multiples expressed in acquisition transactions of businesses with similar characteristics to the company to be valued.

Applying this valuation method, which by nature already incorporates a controlling premium, the board of directors of DMT considers that a valuation *range* of DMT's economic capital is equal to Euro 282-324 million with an implicit value per DMT share equal to Euro 24.9-28.6.

The board of directors of DMT, taking into account the controlling premium implicit in the market transactions, does not consider this valuation methodology to be applicable to EI Towers.

Results of valuations supporting the determination of the exchange ratio

The board of directors of DMT considered that the valuations relating to the respective economic capitals of DMT and EI Towers deriving from the application of the methods described above confirm the congruity of values resulting from the application of the parameters identified in the agreements reached between Elettronica

Industriale and DMT and formalized on March 29, 2011. For the purposes of determining the exchange ratio of the merger, these agreements provided that the multiples used for the valuation of the business of EI Towers and DMT were equal to 11x for EI Towers and 14x for DMT of the respective EBITDAs estimated and normalized for 2011, taking into account the respective net financial positions at June 30, 2011, and certain adjustments.

These valuations express a value of the economic capital of DMT equal to Euro 317.4 million, i.e. equal to a unit value per DMT share of Euro 28.08, and a value of the economic capital of EI Towers equal to Euro 476.1 million, i.e. equal to a value per EI Towers share of Euro 2.38.

The board of directors of DMT, considering: *(i)* the stand-alone plans of each of the Companies Participating to the Merger prepared by the management in accordance with the guidelines approved by the respective boards of directors; *(ii)* the economic values resulting from the application of parameters established in the agreements signed on 29 March 2011 between Elettronica Industriale and DMT; and *(iii)* the valuation analyses made by the application of the usual valuation methodologies indicated above, gave ratios equal to 34 DMT shares, with a nominal value of Euro 0.10 each, for every 401 EI Towers shares, with a nominal value of Euro 1.00 each, to be attributed to the sole shareholder in EI Towers, i.e. Elettronica Industriale.

The table below provides details of the number of newly-issued shares in the Acquiring Company at the service of the Merger that results applying the exchange ratio.

	DMT	**EI TOWERS**
Number of shares issued	11,304,775	200,000,000
Exchange ratio	**34**	**401**
Dedicated increase of capital (number of new DMT shares)	16,957,602	
Number of DMT shares after increase of capital	**28,262,377**	

The number of DMT shares used to calculate the exchange ratio, equal to 11,304,775, represents the totality of the DMT shares issued.

The number of EI Towers shares, equal to 200,000,000, represents all the EI Towers shares issued.

On the basis of such exchange ratio the sole shareholder in EI Towers, i.e. Elettronica Industriale, will receive in exchange 16,957,602 ordinary DMT shares, with a nominal value of Euro 0.1 each, for 199,999,953 EI Towers shares out of a total of 200,000,000 shares that it owns.

To facilitate the exchange transactions and taking into account the small number of remaining shares (equal to 47 EI Towers shares owned by it), Elettronica Industriale waives its rights towards the Acquiring Company to the liquidation of those remaining shares.

No cash adjustments are provided for.

B. Valuations made by the board of directors of EI Towers

For the purposes of analyzing the integration between DMT and EI Towers, the board of directors of EI Towers considered that this Transaction should be examined taking into account the aggregation of the civil and technological infrastructures of EI Towers and DMT and the development of the potential synergies deriving from the integration itself.

For the purposes of the valuation analysis made, the board of directors of EI Towers referred to the methodologies normally adopted in market practice relating to similar transactions, and also took into account the specific characteristics of EI Towers and DMT and, in general, of the Transaction as a whole.

The following valuation criteria were therefore used: *(i)* Unlevered Discounted Cash Flow – UDCF, generated by the business of the Companies Participating to the Merger, both on a stand-alone basis and taking into account the potential synergies and efficiencies expected from their combination; these potential synergies and efficiencies were reattributed based on the expected economic and financial profiles expected of each of the Companies Participating to the Merger; *(ii)* method of multiples expressed by the EBITDA of companies listed on regulated

markets, using a sample of companies operating in the reference sector and considered comparable by type of business (trading multiples) applied taking into account the various cash generating profiles of the Companies Participating to the Merger; *(iii)* method of implicit multiples of the EBITDA recorded in the previous *M&A* transactions in the same sector (transaction multiples).

The board of directors of EI Towers also analyzed the stock-exchange prices of the DMT shares during the periods prior to notification to the market of the prospective Merger transaction. The analysis' results have not been adopted, however, in order to determine the exchange ratio, considering the industrial purpose of the transaction and because this analysis could not be carried out speculatively on EI Towers, as its shares are not quoted on regulated markets. In such an event, in fact, values obtained would not comparable and methodologically uniform.

The board of directors of EI Towers also made use of the fairness opinion prepared by Banca IMI S.p.A. analyzing the congruity of the exchange ratio from a financial point of view and the implicit valuation of the DMT share in the exchange ratio.

The reference date of the valuations is fixed at June 30, 2011.

Limits of the analysis and difficulties of valuation

The valuations made by the board of directors of EI Towers in order to determine the exchange ratio, whose congruity from a financial point of view has also been supported by the fairness opinion prepared by Banca IMI S.p.A., should be considered in the light of several limits and difficulties which, in the case, can be summarized as follows:

- several valuation methodologies were applied using estimated economic and financial data based on the current economic, financial and market conditions;
- the projections relating to the 2011-2016 period, whether stand-alone or regarding the Company Resulting from the Merger, have been estimated on the basis of the guidelines of the 2011-2016 stand-alone economic and financial plan approved by the boards of directors of the Companies Participating to the Merger. Due their nature, these estimates present profiles of uncertainty and indeterminateness;
- the valuations do not take into account any extraordinary events after the reference date of the analyses;
- little presence of recent fully comparable transactions.

Valuation methodologies adopted

From a valuation point of view, the board of directors of EI Towers examines the merger of DMT and EI Towers in its overall framework characterized by industrial purposes and specific operations and with particular reference to the potential benefits in terms of efficiencies and synergies.

In particular, the board of directors of EI Towers considers the Merger realized through the incorporation of EI Towers into DMT as a strategic transaction with many industrial values aimed at: *(i)* setting up a leading national operator in the sector of electronic communication network infrastructures and relative services, by means of the aggregation of the civil and technological infrastructures of EI Towers and DMT; *(ii)* establishing corporately and operationally a new economic person, specializing in the management of electronic communication network infrastructures and services which, although controlled indirectly by Mediaset, is independent from it and listed on the stock exchange; *(iii)* indicates the value, which is not expressed at the moment, of the network infrastructure asset considered to be "captive" up till now in relation to the Mediaset Group; *(iv)* catching the potential opportunities for further development in Italy and abroad.

In this strategic and industrial context, the board of directors of EI Towers considers the Merger transaction between DMT and EI Towers to be a "reverse takeover" aimed at acquiring control of the Company Resulting from the Merger.

In the light of these considerations, the valuation methodologies adopted are indicated and described in detail below.

a) Unlevered Discounted Cash Flow

Based on this methodology, the value of a company's economic capital is equal to the sum of *(i)* the discounted net operating cash flows which the company will presumably be able to generate during a specific period of analytical estimate; *(ii)* the discounted net operating cash flows estimated after the specific period of analytical estimate (the end value, calculated as the current value of a perpetual income for an amount equal to a net operating cash flow considered sustainable in "Perpetuity"); *(iii)* the alleged value of any surplus assets not included in the operating cash flows (therefore including the value of the non-consolidated tied-up interests), net of *(iv)* financial indebtedness and minority interests, as expressed by the following formula:

$$W = \sum_{t=1}^{n} \frac{FC_t}{(1+WACC)^t} + \frac{VT}{(1+WACC)^n} + SA - IFN_{t0} - M$$

where:

W= Value of the company's economic capital

FCt= Annual net operating cash flow expected in period t

VT= Terminal value

SA= Surplus Assets

IFN= Net financial indebtedness at time t=0

M= Minority interests (minorities)

n= Number of periods of projection

WACC = Weighted Average Cost of Capital

The net operating cash flows relate to the characteristic activity of the company that is subject of valuation. These flows can be estimated as follows:

+ Operating income

– figurative tax effect on the operating income

= NOPAT (Net Operating Profits After Taxes)

+ amortization

+ non-monetary allocations

± Δ net working capital

± Δ other liabilities/assets

– net investments

= Net operating cash flow

The Terminal Value, however, represents the current value of the net operating cash flows estimated for the period after the specific reference time span; it is estimated as follows:

$$VT = FCF_{n+1} / (WACC - g)$$

where:

g = nominal perpetual growth rate of the net operating cash flow expected during the period after the specific period;

FCF_{n+1} = (sustainable) normalized operating cash flow as from the first year after the specific period of estimate (n).

WACC = Weighted Average Cost of Capital

The rate used to discount the expected net operating cash flows and the end value is calculated as the weighted average cost of capital and indebtedness by means of the following formula:

$$\text{WACC} = [D/(D+E)] \times K_d \times (1-t) + [E/(E+D)] \times K_e$$

where:

D = net financial indebtedness;

E= current value of net equity ;

Kd= cost of indebtedness;

Ke= cost of equity.

In particular, the cost of the debt capital represents the long-term financing rate applicable to companies or economic activities with a similar risk adjusted by the tax component. The cost of equity reflects the return expected by the investor and is estimated in prevalent practice based on the Capital Asset Pricing Model (CAPM), defined by the following formula:

$$K_e = r_f + \beta \times (r_m - r_f)$$

where:

r_f = rate of return on risk-free activities;

β = correlation factor between the actual return of a share and the overall return of the reference share market;

r_m = overall return of the reference market;

$(r_m - r_f)$ =return premium requested by the reference share market in relation to risk-free investments (Equity Risk Premium).

Based on these assumptions applying the Unlevered Discounted Cash Flow methodology and taking into account the potential synergies and industrial efficiencies expected by the combination, the board of directors of EI Towers considers that:

- the valuation range of DMT's economic capital is equal to Euro 297-380 million with an implicit value per DMT share equal to Euro 26.3-33.6. The Weighted Average Cost of Capital used for the discounting of DMT's cash flows falls within a range of 7.4% and 7.6%;
- the valuation range of EI Towers' economic capital is equal to Euro 446-582 million with an implicit value per EI Towers share equal to Euro 2.2-2.9. The Weighted Average Cost of Capital used for the discounting of EI Towers' cash flow falls within a range of 7.1% and 7.4%. This Weighted Average Cost of Capital of EI Towers is lower than that of DMT owing to a different cost of indebtedness (Kd).

b) Stock Exchange multiples

The Stock Exchange multiples methodology consists in determining the value of a business by observing the valuations expressed by the financial markets for businesses with similar characteristics.

The application of this method provides firstly for the calculation of the multiples of comparable companies by sector, business model, size and stage of life of the company.

The raw data expressing business performances are then adjusted to eliminate any extraordinary components and, more generally, to correct financial statement policies.

After calculating the multiples of the comparable companies, the multiples representing the reference sample are identified, generally determined in practice as mean or median values.

Finally, the application of the aforesaid multiples to the economic and financial magnitudes of the company forming the subject of valuation consists in determining the value of the economic capital.

The multiples most commonly used, the so-called "asset side" multiplies such as "EV/Sales", "EV/EBITDA" – of particular significance in this context, together with the multiples that refer to the cash-generating capacity of the company forming the subject of valuation - or "EV/EBIT", lead to the determination of an estimate of the company's enterprise value to which, in order to reach a definition of the value of the economic capital, the value of any surplus assets is added and the amount of financial indebtedness and minority interests is deducted.

This methodology assumes that the market valuations of comparable companies express the value of a minority share excluding any premium associated with the acquisition of a controlling share.

Based on the analyses conducted on recent market transactions relating to the acquisition of controlling shares this possible controlling premium is included between 20%–40%.

Applying a controlling premium of 30% to the results of the reference sample (between 10.7x and 12.3x EV/EBITDA), the board of directors of EI Towers considers that the economic capital of DMT has a valuation range equal to Euro 300-345 million with an implicit value per DMT share equal to Euro 26.5-30.5.

Applying the same valuation methodology without applying any controlling premium, the board of directors of EI Towers considers that the economic capital of EI Towers has a valuation range equal to Euro 461-548 million with an implicit value per share equal to Euro 2.3-2.7.

c) Comparable transactions multiples

The Comparable Transactions multiples methodology consists in determining the value of a company by applying the implicit multiples expressed in acquisition transactions of businesses with similar characteristics to the company to be valued.

Based on the application of this valuation method, which by nature already incorporates a controlling premium, the board of directors of EI Towers considers that a valuation range of DMT's economic capital is equal to Euro 264-402 million with an implicit value per DMT share equal to Euro 23.3-35.5.

The board of directors of EI Towers, taking into account the controlling premium that is implicit in the market transactions, does not consider this valuation methodology to be applicable to EI Towers.

Results of valuations supporting the determination of the exchange ratio

The board of directors of EI Towers considered that the valuations relating to the respective economic capitals of DMT and EI Towers deriving from the application of the methods described above confirm the congruity of values resulting from the application of the parameters identified in the agreements reached between Elettronica Industriale and DMT, formalized on March 29, 2011. For the purposes of determining the exchange ratio of the merger, these agreements provided that the multiples used for the valuation of the business of EI Towers and DMT were equal to 11x for EI Towers and 14x for DMT of the respective EBITDAs estimated and normalized for 2011, taking into account the respective net financial positions at June 30, 2011, and certain adjustments.

These valuations express a value of the economic capital of DMT equal to Euro 317.4 million, i.e. equal to a unit value per DMT share of Euro 28.08, and a value of the economic capital of EI Towers equal to Euro 476.1 million, i.e. equal to a value per EI Towers share of Euro 2.38.

The board of directors of EI Towers, based on: *(i)* the stand-alone plans of each of the Companies Participating to the Merger prepared by the management following the guidelines approved by the respective boards of directors; *(ii)* the economic values resulting from the application of the individual parameters to the agreements arranged between Elettronica Industriale and DMT, formalized on 29 March 2011; and *(iii)* the valuation analyses made by the application of the usual valuation methodologies indicated above, gave ratios equal to 34 DMT shares, with a nominal value of Euro 0.10 each, for every 401 EI Towers shares, with a nominal value of Euro 1.00 each, to be attributed to the sole shareholder in EI Towers, i.e. Elettronica Industriale.

The table below provides details of the number of newly-issued shares in the Acquiring Company at the service of the Merger applying the exchange ratio.

	DMT	EI TOWERS
Number of shares issued	11,304,775	200,000,000
Exchange ratio	**34**	**401**
Dedicated increase of capital (number of new DMT shares)	16,957,602	
Number of DMT shares after increase of capital	**28,262,377**	

The number of DMT shares used to calculate the exchange ratio, equal to 11,304,775, represents all the DMT shares issued.

The number of EI Towers shares, equal to 200,000,000, represents all the EI Towers shares issued.

The sole shareholder in the Target Company, Elettronica Industriale, based on that exchange ratio, will receive in exchange 16,957,602 ordinary shares in the Acquiring Company with a nominal value of Euro 0.10 each, for 199,999,953 shares out of a total of 200,000,000 shares in the Target Company owned by it. To facilitate the exchange transactions and taking into account the small number of remaining shares (equal to 47 shares in the Target Company owned by it), Elettronica Industriale waives it rights towards the Acquiring Company to the liquidation of those remaining shares.

No cash adjustments are provided for.

Impact of the merger on corporate agreements, as defined in Article 122 of the Consolidated Law, involving stocks of the Companies Participating to the Merger, where such impact is reported by participants in those agreements

As of the Information Document Date, according to publicly available information, there are no major corporate agreements as defined in Article 122 of the Consolidated Law involving DMT stock.

For further information, please refer to First Section, Chapter 18, Paragraph 18.4 of the Information Document.

5.5.2 Significant effects on the Issuer's assets due to Merger

The Transaction consisting in the industrial integration of the respective assets of EI Towers and DMT in the electronic communication network infrastructure sector is intended to create a leading operator in Italy in the sector of electronic communication network infrastructure and related services and to realize significant synergy between the respective businesses with a view to create value for all shareholders.

DMT will contribute with its know-how and experiences that to have an efficient and effective infrastructure management and, more specifically, in the process of acquiring a new portfolio of towers and in the process of increasing the portfolio of clients through a specific and tailor made action.

EI Towers will contribute its experience in the management, maintenance, engineering and planning of terrestrial television networks.

The Company Resulting from the Merger will carry on the activities, through a portfolio of approximately 3,200 managed sites, about 2,300 of which shall be the property of or available to the company, using a full service business model and adding to all the traditional services offered by a tower company (hosting and maintenance), other value-added services.

The combination of these two portfolio of towers will consent to reach a national coverage and more significant coverage than would be possible with the two separate infrastructures. As a result of combining the two portfolios of sites, the Company Resulting from the Merger will be able to offer hosting services throughout most of the Italian country.

The contribution by EI Towers of EI Towers portfolio will consent a significant increase in the coverage offered by the DMT's current site portfolio.

The common infrastructure will allow the management of the Company Resulting from the Merger to offer to the market efficient solutions for both hosting services (as already being implemented for cell phone and wireless operators) and the supply of integrated services for the broadcasting and transmission of radio-television signals.

In relation to the potential growth in revenues for the Company Resulting from the Merger, DMT and EI Towers could directly benefit from new and interesting business opportunities related to full service management of additional multiplexes acquired from third parties. The Company Resulting from the Merger will aim to expand its business so that to include also hosting services of new mobile telecommunications technologies (such as LTE) and radio technologies (such as DAB).

With regard to structural costs, through the Merger, DMT and EI Towers aim to improve the costs efficiency, especially with regard to management costs, by improving the operating leverage, making better use of their own internal resources and negotiating more advantageous contracts with their main suppliers.

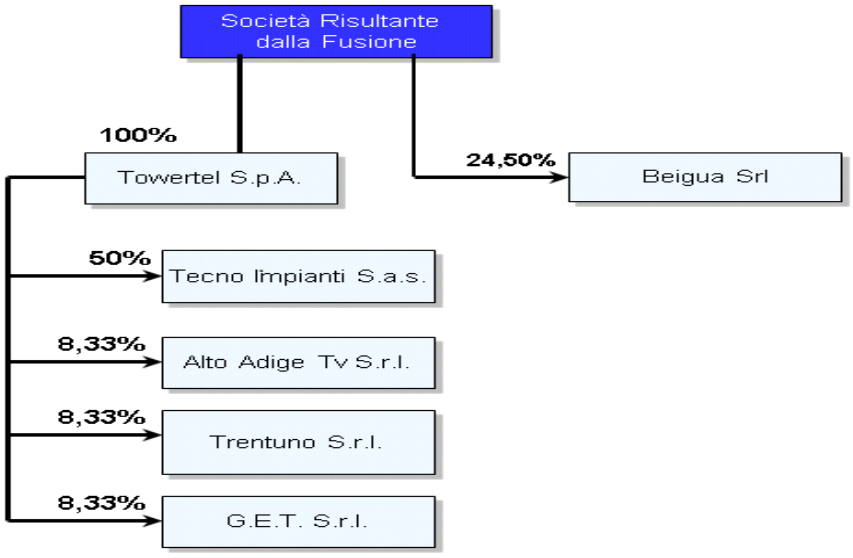
Still more benefits could be derived from mapping activity so that to identify sites located near each other, in order to evaluate the opportunity to optimize their number or renegotiate the leasing contracts covering the areas where the sites are located so that to obtain better terms and conditions.

On July 28, 2011, the DMT board of directors resolved to transfer to a third party *(i)* all of the capital stock of Tower Service S.p.A. in liquidation, DMT System S.p.A. in liquidation, which in turn owns 100% of Asteroide S.r.l., and DMT Service S.r.l. in liquidation, as well as *(ii)* all of DMT's participation in the foreign subsidiaries, currently in the process of being dismissed, DMT Limited and DMT USA, Inc. (the "**Participations to be Dismissed**"). On October 13, 2011 transfer of the Participations to be Dismissed from DMT to a third party has been executed.

Furthermore, on November 29, 2011, the deeds regarding the mergers of Tower Service S.r.l. into Towertel S.p.A., Estense Tower S.r.l. and Stetel Ripetitori S.r.l. into Towertel S.p.A. were signed and on December 1, 2011, the deed regarding the merger of Radioattività S.r.l. into Towertel S.p.A. was signed.

Also, on October 4, 2011, the company Media Service S.r.l. in liquidation was cancelled from the Trento Registry of Companies.

The flow chart below illustrates the organization of the Company Resulting from the Merger after the above transactions and the Merger have been completed.



For further information, please refer to First Section, Chapters 6 and 13 of the Information Document.

6. Acquiring Company and Target Company business overview

Preamble

As described in subsequent paragraphs of this Chapter, DMT and EI Towers operate on the same market, the so-called 'Tower Business', concerning the provision of hosting service on towers, masts and poles, as well as ancillary services, to operators in the telecommunications field active in various areas (television and radio broadcasting, mobile).

The two companies, although working on the same market, have some operational differences summarized below:

- EI Towers imposed itself as a tower operator in an earlier period than the one that has seen the emergence of DMT. In particular, EI Towers has developed as integrated division within the Mediaset Group, whose core business is represented by the so-called 'Free Television' (the model of which is based on selling of advertising space to customers, on the basis of a schedule free offered to viewers). The Mediaset Group has subsequently diversified through the entrance in the pay-TV field, whose final customer is represented directly by the consumer (families).

  In both cases, EI Towers (and, earlier, since the 1970s, Elettronica Industriale) has mainly played the role of service structure to support the core business of Mediaset Group and its evolutions. EI Towers, therefore, acted according to logic mainly captive.

  Contrariwise, DMT has imposed itself through a series of acquisitions carried out during a very recent period (starting in 2001 and in particular in the middle years of the last decade) and it is immediately characterized as independent operator, non-integrated within groups whose core business was different than the sector tower.

- DMT is mainly focused in the offered of hosting and maintenance services and additional services with a greater emphasis on real estate component: DMT's customers are represented by television and radio broadcasters and mobile operators who, in most cases, manage directly on the phase concerning the network design. Such individuals, generally, refer to DMT downstream of the network architecture definition and with specific requests of hosting in sites already well identified. Similarly, in many cases, some additional services that DMT is potentially able to offer (e.g., maintenance) are managed directly by the customer, which only requires hosting services and "basis" ancillary benefits.

  Contrariwise, EI Towers, leveraging on the role of full service structure integrated in a broadcasting group, also in relations with third parties, tends to favour an approach aimed to an offer of a wider services package. Consequently, the hosting offered to the customer on certain sites is the result of the network design on a "turnkey basis" carried out on behalf of the customer. Similarly, the offered additional services are potentially wider than those that characterise the DMT proposal: it is, even in this case, the declination of the full service approach.

- The combination of the two aspects described above determines a relative concentration by EI Towers in the services offered to companies operating in television broadcasting (the parent company RTI in particular). Contrariwise, DMT is characterized by managing a customer portfolio much more diversified which, as indicated, also includes radio and telephone operators and Wi-fi and Wimax service providers.

- EI Towers, unlike DMT, oversees the production process relating to the so-called "contribution", or rather the management and transport of the incoming signal, within the larger manufacturing process of the television productions realization. This follows the integration within a television broadcasting group.

  The most significant EI Towers customer in this context is RTI, the main company of Mediaset Group active in the broadcasting field; marginally, such services are also offered by other operators of communication.

  DMT, conversely, does not work in this area of activity.

6.1 Principal DMT Group activities

6.1.1 Nature of DMT operations and its principal activities

DMT is the DMT Group holding company that conducts business in Italy — through its fully owned subsidiary, Towertel — in the industry of technological site and tower management, maintenance, design, construction and installation, of the related goods and infrastructure for broadcast networks and facilities for radio-television, telephone and telecommunications operators. It also provides related services.

More specifically, DMT Group acts as a Tower Operator, offering integrated services to operators that use radio transmission, such as television and radio broadcasters and voice and data telecommunications operators. The services it offers relate to hosting at transmission sites, which may include poles, towers or areas on top of buildings that have been appropriately equipped. It also performs related activities, such as installation and ordinary and extraordinary maintenance of transmission equipment and related logistics services. Through its subsidiary Towertel, DMT has access to approximately 1,500 infrastructures, most of them poles or towers, that host hundreds of radio and television broadcasters and Italy's leading telecommunications, cell phone and Wi-Max operators. DMT Group also hosts public utility networks — both those for public interest and those for public safety — at its sites.

The table below provides information on consolidated revenues by business sector for the nine-month periods ending on September 30, 2011 and on September 30, 2010, respectively.

(in millions of Euro)	**Period ending on September 30, 2011**	**Period ending on September 30, 2010**
Tower Sector	43.2	42.2
Technologies Sector (*)	-	-
Consolidated revenues	**43.2**	**42.2**

(*) Technologies Sector revenues were not included in consolidated revenues because that sector was classified in accordance with IFRS.

The table below provides information on consolidated revenues by business sector for the last three fiscal years.

(in millions of Euro)	**Fiscal year ending on December 31, 2010**	**Fiscal year ending on December 31, 2009**	**Fiscal year ending on December 31, 2008**
Tower Sector	58.8	55.5	53.7
Technologies Sector (*)	-	50.3	25.1
Consolidated revenues	**58.8**	**105.8**	**78.8**

Figures for the fiscal years 2009 and 2008 are shown net of any consolidation adjustments between the two sectors.
(*)Technologies Sector revenues for the fiscal year 2010 were not included in consolidated revenues because that activity sector was classified in accordance with IFRS 5.

The table below provides information on consolidated revenues by geographic location for the nine-month periods ending on September 30, 2011 and on September 30, 2010.

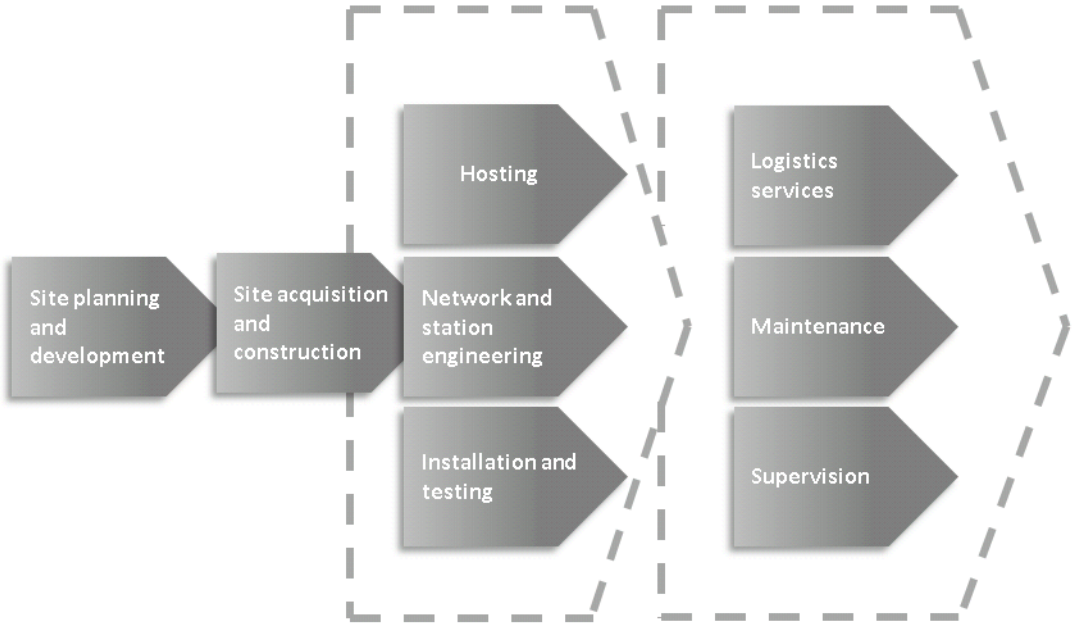
(in millions of Euro)	**Period ending on September 30, 2011**	**Period ending on September 30, 2010**
Domestic revenues	43.2	42.2
Foreign revenues	-	-
Consolidated revenues	**43.2**	**42.2**

The table below provides information on consolidated revenues by geographic location for the last three fiscal years.

(in millions of Euro)	Fiscal year ending on December 31, 2010	Fiscal year ending on December 31, 2009	Fiscal year ending on December 31, 2008
Domestic revenues	58.8	98.3	75.2
Foreign revenues	-	7.5	3.6
Consolidated revenues	**58.8**	**105.8**	**78.8**

Through its subsidiary Towertel, DMT also provides management, maintenance, consulting, engineering and logistics services to many of its hosting clients, which belong to the major Italian television and radio broadcasting groups and cell phone and broadband wireless telecommunications groups. DMT is also working with many local and national television operators as they migrate their television networks from analog to terrestrial digital SFN (Single Frequency Network) mode.

The chart below breaks down DMT Group Tower activities.



The DMT Group's customers in the Tower sector include national Italian television broadcasters (including Mediaset, Rete Ae TIMB), local Italian television broadcasters (including Canale Italia, TeleLombardia, TelePadova, TeleCity, Rete Veneta and Radio Televisione Campione), radio broadcasters (including Radio DeeJay, RDS, RMC, Radio 105, Radio 101 and Radio Gamma), cell phone companies that do business in Italy (TIM, Vodafone, Wind, H3G), broadband wireless-Wi-Max telecommunications providers (including Aria, Linkem and Retelit) and other bodies that use telecommunications services (including the Armed Forces and Civil Defense).

Site planning and development

The DMT Group identifies sites (or site portfolios) for which it would like to acquire access or which it would like to create. In doing so, it considers potential profitability based on, among other things, the positioning of the site itself, potential coverage, absence of other Tower Operator sites covering the same area, the possibility of hosting equipment for more than one client and additional services that might be offered.

Acquiring access and creating sites

Generally speaking, DMT Group acquires access to sites — whether individual sites or sites that are part of a portfolio — that are already equipped and operational, also through company or branch acquisitions. The DMT Group may also create sites itself by acquiring land and then doing the necessary construction work.

Hosting

DMT Group offers radio-television, cell phone and telecommunications companies hosting services that consist of housing client equipment in appropriate areas located close to towers (when such areas are not available, installation may involve external equipment) and of installing new antennas on the structures (alternately, where possible, it may arrange for antenna systems that have already been installed to be shared). DMT deems that its Tower Operator business activities allow it to achieve significant efficiency, especially with regard to hosting activities. In light of the space still available at sites, the fact that the equipment involved is growing smaller and that several transmitters may share the same antenna system, hosting can grow by allowing new clients to install their equipment at existing sites.

Network and station engineering

Network engineering consists of identifying site locations, connections between sites and coverage characteristics of the land involved based on client goals. Station engineering consists of determining arrangement of equipment at sites (in the DMT portfolio), positioning antennas and services for starting up facilities.

Installation and testing

After engineering is complete, the start-up phase — when facilities are handed over to the clients — begins. Installation consists of connecting facilities within the site and then making those facilities operational.

Logistics services

DMT Group hosting services also include logistics services, such as services needed for the supply of energy through an uninterrupted power supply or transporting clients to sites in inaccessible locations by special means.

Maintenance

The services DMT Group offers include ordinary and extraordinary maintenance of client equipment. Ordinary maintenance consists of checking periodically that all parts of the equipment are working properly and replacing components on a regular basis, while extraordinary maintenance consists of solving contingent problems (related to breakdowns, for example). The maintenance services that the DMT Group offers clients hosted at its sites includes replacing parts needed for the equipment at the sites to function properly. DMT Group manages and oversees maintenance activities, relying also on qualified local companies to perform on-site activities.

6.1.2 Key drivers

Management believes that DMT's key drivers in its industry of business can be summarized as follows.

- *Business model to market approach*

Through its subsidiary Towertel, DMT employs a market approach geared to full service hosting, with the goal of handling the entire hosting supply chain, relying on its business plan. That includes both leasing equipment and all services related to the performance and maintenance of that equipment once it is on-site, by enhancing synergies derived from having a concentrated number of clients at the same site and having the same client at different sites overseen by DMT.

- *Current projects mix*

As of the Information Document Date, DMT Group has several initiatives underway for building client loyalty. It is also actively looking at the cost structure of site leasing in order to reduce its impact through ad hoc negotiations.

- *Domestic renewable energy development network*

With an eye to developing and managing its business, DMT has created on the territory a network of partners — generally companies with which DMT has entered into consultation or contract work agreements — in order to act locally to: *(i)* identify business opportunities in terms of suitable sites for eventual acquisitions or independent

development; *(ii)* study competing hosting initiatives; and *(iii)* manage authorization processes for both reorganizing sites and developing them from the ground up.

• *Management experience*

DMT management, including management of subsidiary Towertel, is capable of meeting the wide range of needs that a group holding company or a company operating in the Tower Operator industry as part of business development may face.

Management can be evaluated on the following:

(i) quality and experience;

(ii) technical ability to develop and manage business initiatives; and

(iii) connections to the community of clients and competitors at the national level.

• *Market attractiveness*

DMT believes that the Tower Operator sector offers both on-going stability in revenues and profit margins and reasonable growth opportunities.

Incentive policies that Italy is using for wireless digital technology, with both television and telecommunications operators recently assigned new spectrums, may lead to significant future growth in the demand for hosting new equipment at the sites.

6.2 Future plans and post-Merger strategy

The Company Resulting from the Merger will have access to a portfolio of approximately 3,200 managed sites, about 2,300 of which are owned and/or are available to it, using a full service business model and offering all the services traditionally offered by a tower company (hosting and maintenance), as well as other value-added services.

The combination of these two portfolios of towers will result in national coverage and more extensive coverage than would be possible with the two separate infrastructures. As a result of combining the two groups of sites, the Company Resulting from the Merger will be able to offer hosting services throughout most of the country.

Streamlining infrastructure will allow the management of the Company Resulting from the Merger to offer efficient solutions for both hosting alone (already in existence for cell phone and wireless operators) and for supply of integrated services that are key to broadcasting and transmitting radio-television signals.

In relation to potential growth in revenues for the Company Resulting from the Merger, during the Italian television system digitization process that is already underway, DMT and EI Towers could benefit from new business opportunities related to full service management of additional multiplexes acquired from third parties. The Company Resulting from the Merger aims to expand its business to include hosting new mobile telecommunications technologies (such as LTE) and radio technologies (such as DAB).

With regard to structural costs, through the Merger, DMT and EI Towers aim to streamline the cost side, especially with regard to management costs, by improving operating leverage, both by making better use of their own internal resources and by negotiating more advantageous contracts with their main suppliers.

Still more benefits could be derived from carefully mapping sites located near each other, in order to evaluate the opportunity to streamline their number or renegotiate more advantageous terms for the leasing contracts covering the areas where the sites are located.

Employees of the Company Resulting from the Merger will see their roles organized with the goal of helping it maintain its independence and self-sufficiency. Once the Merger is implemented, organizational projects will be undertaken in the following areas: *(i)* merging information systems; *(ii)* structuring company policy, oversight and management appropriately in both qualitative and quantitative terms.

As a consequence of the Merger between DMT and EI Tower is foreseeable that:

- no difficult managing overlapping areas will be determined. In fact:

- from the infrastructural point of view, EI Towers and DMT are both present, each one with their distinct respective station, in a lot of sites. In a great part of such overlapping cases, the station have an elevate saturation degree. In the case of EI Towers, the stations are "saturated" by implants principally dedicated to the diffusion of the signal of Mediaset networks; in the case of DMT by implants of third parties.

  The situation of co-presence in locations in which the level of saturation of each station (DMT and EI Towers) is poorly optimized are not frequent.

  In general, differently from other merchandise sectors and other infrastructural activity areas, it seems that the co-presence of more implants in the same location, instead of a potential inefficiency area, could represent a real commercial opportunity. Such opportunity could be seized by the possible rationalization of the placement of the clients' implants, pointing thus to a higher overall saturation degree.

- Even for the ancillary services, with particular reference to the maintenance, the operative structures of DMT and EI Towers are characterized by complementarity rather then by problematical overlapping.

  EI Towers manages the maintenance services through dedicated structures, with significant employment of workers. Contrary, DMT, except for some specific geographic areas, recourses to external structures to which is connected by medium-long terms agreements.

- The main opportunities and potential synergies that the Company Resulting from the Merger foresees to pick up are related to the abovementioned complementarities.

  With reference to the infrastructural aspect, the co-presence of more implants on the same location can consent to achieve a more elevate level of saturation and profitability on each station.

  Similarly, with reference to the maintenance services, the complementarity of the work organization:

  - in the initial phase, does not involve any criticality;
  - in a more advanced integration phase, can allow to optimize the utilization rate of the structures composed by employers.

For all the abovementioned reasons, as of the Information Document Date, no significant reorganizational actions consequent to the completion of the Merger are foreseeable.

6.3 Exceptional events relating to DMT Group

Aside from the Transaction itself, on the Information Document Date there have been no exceptional events that have had impact on DMT Group business during the period being studied.

6.4 DMT Group dependence on patents, trademarks, licenses and industrial, commercial or financing agreements or new manufacturing procedures

Except for the items provided below, on the Information Document Date, DMT Group business does not depend on any industrial property rights, industrial, commercial or financing agreements or new manufacturing procedures.

6.4.1 Loan agreements

For further information about the Loan Agreements, please refer to First Section, Chapter 22, Paragraph 22.1 of the Information Document.

As of September 30, 2011, the outstanding amount to be reimbursed under the Loans is equal to Euro 106,286,000.

6.5 Principal EI Towers activities

EI Towers is in the business of designing, planning, constructing and managing electronic communication network infrastructure and providing related services.

More specifically, EI Towers is a provider of network infrastructure and electronic communications services and provides integrated services to television companies and hosting services to telecommunication companies.

Offered services are related to hosting at transmission sites, which typically consist of items providing space for equipment and towers for installation of radiant systems and all related activities, such as the installation, testing and ordinary and extraordinary maintenance of transmission equipment, together with logistics services based at 13 operations sites throughout Italy.

As of the Information Document Date, EI Towers manages about 1,700 sites, stationed throughout the country, which host more than 6,000 Mediaset Group facilities, in addition to hundreds of equipment systems of other national and local television companies. EI Towers also hosts public utility networks — both those for public interest and those for public safety (Italian Red Cross, Civil Defense, Alpine Rescue, Military Police and so forth) — at its sites.

The table below breaks down EI Towers revenues for the nine-month period ending September 30, 2011, the half-year ending June 30, 2011 and the fiscal year ending December 31, 2010[1].

In millions of Euro

	Nine-month period ending on September 30, 2011	**Half-year ending on June 30, 2011**	**Fiscal year ending on December 31, 2010**
Towers	53.7	41.1	81.0
Contribution and signal transport services	61.5	36.7	73.8
Total Revenues	**115.2**	**77.8**	**154.8**

The services that EI Towers provides to Elettronica Industriale and some other national network operators are full-service management of turnkey networks, including the design, planning, creation and management of the same, as well as technical/operating support to guarantee the protection and regular functioning and technological growth and development of Head End and planning platforms. Those services include all the actions necessary to design and implement plan for converting television broadcasting to digital technology in accordance with the timeframe drawn up by the Ministry of Economic Development (the so called switch off Plan) that is scheduled to be completed in 2012.

EI Towers also provides Elettronica Industriale with contribution management services, using its own satellite network and fiber optic infrastructure. As a matter of fact, EI Towers has a fiber optic infrastructure that runs throughout the country, with more than 5,000 kilometers of fiber optic cable, and under multi-year contracts it has satellite capacity of 10 transponders and two Up Link platforms.

The graphic below shows the activity performed by EI Towers in offering management services for turnkey networks at the macro level.

[1] These figures were established even on the basis of the allocating to the "Towers" business unit of the revenues deriving from Elettronica Industriale financial statements as of 31 December 2010 and the financial statements as of June 30, 2011.

Planning

Planning consists of identifying appropriate locations in the country and studying specific radiant systems that will be able to provide the most effective coverage for television networks in light of any limitations posed by interference from household appliances and facilities in nearby countries. Significant experience is required to avoid interference with radio-television networks in bordering countries, due to the geographic location of Italy, which is largely surrounded by water and is the European country with the highest number of other countries nearby.

Station Design

After selecting a geographic location, EI Towers proceeds to mapping the surrounding land and investigates ownership of that land in order to enter into purchase and sale agreements or leases or, in the case of land owned by local governments, possibly to license surface rights. EI Towers then proceeds with drawing up blueprints for the facility and undertakes the appropriate administrative procedures in the form of local government and environmental filings with the appropriate bodies.

Site Creation

After obtaining local government and environmental permits, EI Towers proceeds to sign contracts for work with selected companies, overseeing the work and at the same time starting up the process of drawing up technical specifications for transmission and broadcast facilities, radiant systems and site management systems that will enable hosted clients to install equipment.

Installation

Once construction work has ended, EI Towers begins to transport all the hosting clients' equipment to the site in order to begin on-site installation. More specifically, EI Towers oversees the outfitting of the station facility (electrical system and HVAC), outfits the tower and installs aerial components, radiant systems and broadcast antennas and then proceeds to installing all of the transmission and broadcast equipment at the site. Once installation is complete, EI Towers performs testing in order to confirm for the client that the facility works properly.

Implementation

When testing has been completed successfully, EI Towers oversees the running of the facility, performing preventive and corrective maintenance in order to ensure that the network is available as described in the relevant contract and that it continues to perform over time.

Services offered and structure of the contracts

EI Towers enters into multi-year (typically 6 years with an option to renew) contracts with clients covering management of turnkey networks. These contracts provide for certain levels of service based on the degree of availability of the network on an annual basis (with monthly certification of availability).

These contracts typically cover the following services:

- planning services, which consist of identifying sites in the country and determining the characteristics of respective radiant systems, designed to provide the most effective coverage for the television broadcast networks;

- design and engineering services, which consist of planning distribution and broadcast network architecture, choosing types of facilities and identifying individual equipment that will guarantee adequate network reliability and availability;

- hosting services, which consist of making available to clients sites that are appropriately equipped to host their transmission/broadcast equipment. More specifically, EI Towers makes available vertical structures (poles, towers and so on) suitable for hosting clients' radiant systems or its own radiant systems, which may be used by more clients along with auxiliary equipment intended to make the equipment work better and be more reliable (such as emergency generators, uninterruptible power supplies, HVAC systems and so on);

- preventive and corrective maintenance services, which consist of *(i)* as to the former, regularly scheduled interventions at the sites to control that the equipment is functioning properly, with transmission parameters readjusted to target data, *(ii)* as to the latter, services timely provided in case of malfunction/breakdown of the equipment that causes service to be suspended in order to bring it back to a fully functioning state;

- monitoring services, which consist of ongoing monitoring of the working order of clients' main equipment using EI Towers' remote infrastructure and its own 24-hour operations centers in order to take immediate action to get a system up and running again after a breakdown.

Through 13 operations sites located in the major regions of Italy, EI Towers constantly monitors broadcast signal quality, as well as offering clients turnkey management services.

EI Towers enters into contracts covering management for turnkey networks, as well as: *(i)* mainly with local radio-television companies, contracts that generally set forth provisions regarding exclusively the services of hosting and maintenance of the equipment; *(ii)* with respect to cell phone operators, contracts that set forth provisions regarding exclusively the hosting of the equipment .

6.5.1 Key drivers

EI Towers management believes that the key drivers for consolidating and growing its business are the following:

- *Business model to the market approach*

EI Towers has significant experience and widespread organization in Italy in terms of both infrastructures and resources. It serves as a full service turnkey supplier of services, working mainly with national and multi-regional network operators that tend to focus their own resources on editorial content rather than transmission capacity, choosing instead to outsource network services completely. This model allows new parties to enter the market; these parties may not have experience or a dedicated technical structure, but they intend to provide their own television offerings or serve as network operators, supplying transmission capacity to content suppliers.

- *Current projects mix*

As of the Information Document Date, EI Towers is involved in negotiations and has made offers related to, among other things, its own hosting services, network creation and maintenance for companies participating in the bidding for assignment of rights of use for television band frequency for digital terrestrial radio broadcast systems, published by the Ministry of Economic Development on July 8, 2011.

- *Management experience*

EI Towers management has significant experience and, especially at a senior level, it has operated in this sector for about thirty years, which means it has followed from a close vantage point the evolution of television broadcasting from its beginnings through the most recent major technological changes and has been involved with all technical, regulatory and operating aspects of the business. The experience of EI Towers management has placed and continues to place the company in a position from which it can employ significant skill in dealing with any issues and/or specific needs that its clients may have in relation to the business in particular or any changes to the industry's regulatory framework.

- *Market attractiveness*

EI Towers believes that the market in which it operates, especially the market for services for national/multi-regional network operators, is extremely stable because the types of contracts and services offered place clients in a position in which they must enter into on-going long-term contracts, since those services rely on an infrastructure and organization that would be difficult to replicate - it would take a long time to do so and would, in any case, be prohibitively expensive.

EI Towers also believes that its market has room for growth in the near future given *(i)* the entry of new parties in the market due to assignment of the new multiplexes that were the subject of the bidding, *(ii)* the fact that because its main clients do not have their own technical structures, they must rely on the experience and organization of EI Towers to meet their own needs as their businesses grow.

6.6 Description of DMT and EI Towers markets and their competitive ranking

DMT and EI Towers conduct business in the Italian infrastructure/site (towers, poles and masts) dedicated to hosting cell phone and radio-television signal broadcasting equipment, as well as broadband and public utility connections ("Towering" or "Tower Business").

The Italian market

The Italian Tower Business market is maturing, and its future growth is linked primarily with Italy's economy; potential for growth may be linked to specific transmission technology developments that require investments in new infrastructures for equipment hosting.

Demand in the Tower Business market is represented by operators that use signals sent over the airwaves to conduct their business. The main parties involved are as follows:

- Radio-television operators;
- Land line, cell phone, Wi-Max and Wi-fi telecommunications operators;
- Government Agencies and companies that perform services solely for Government Agencies;
- Tower Operators;
- Private parties for internal connectivity purposes.

Demand in that market is relatively concentrated. There is actually a relatively small number of large national clients, mainly telephone and television operators (which frequently tend to use services from their subsidiaries), as well as a large number of smaller clients, most of them active at a local level.

In terms of supply, on the Information Document Date, cell phone operators (or subsidiaries of the same) own the largest number of sites in Italy. They possess about 90% of the total by number[2]. TIM, Vodafone, Wind and H3G are particularly notable.

Subsidiaries of the major Italian broadcasters conduct business in this market as well. These include EI Towers itself, RaiWay, a RAI subsidiary, and TiMedia Broadcasting, part of the Telecom Italia group. RaiWay is the company with the largest number of towers. It has 2,400 sites, which cover 99% of domestic territory[3].

[2] DMT and EI Towers analysis based on consensus of analysts in this field.
[3] Information publicly available on the website www.rai.it.

There are other organizations, too, that over the years have developed site management businesses as either a main focus or an auxiliary aspect of their core businesses.

These can be broken down into the following categories:

- Government Agencies (hosting only);
- Real Estate Groups, including Insurance Groups (hosting only);
- Support organizations for clergy/parishes (hosting only);
- Independent tower operators (with strengths in specific geographic areas);
- Infrastructure Operators with a national presence (such as Terna, ENEL, RFI and the Italian Highway Authority);
- Condominium buildings (Hosting only);
- Private Parties (Hosting only).

As of the Information Document Date, DMT Group has 1,500 infrastructures for the broadcast of terrestrial television, radio and telecommunications signals. For this type of infrastructure, DMT Group provides related management, maintenance, consulting and logistics services. DMT clients include telecommunications groups that do cell phone service and wireless connectivity business in Italy, as well as television and radio broadcasters hosted at the facilities. DMT also works with local and national public utility and public safety operators, hosting their equipment on its infrastructures.

As of the Information Document Date, EI Towers has approximately 1,700 infrastructures/sites that it uses mainly to host the analog and digital television signal transmission equipment that makes the Mediaset Group networks available to viewers; it also has facilities from third-party broadcasters, including DFREE, H3G, RETEA and others. Among these, EI Towers owns the land, buildings and towers at approximately 150 infrastructures/sites.

In the national operator network management market only, EI Towers offers a series of additional services in addition to turnkey offerings. These are *(i)* technical and operating support to guarantee the regular functioning and technological growth/development of Head End platforms, or Head End and planning management services; *(ii)* ongoing monitoring of major client equipment, *(iii)* systematic oversight of the quality of the broadcast signal and *(iv)* contribution management services.

After the Merger, the number of EI Towers and DMT sites/infrastructure will be approximately 3,200 managed sites, of which approximately 2,300 will be proprietary and/or available.

It is relatively difficult to appraise the market and especially market value, since there is no publicly available information that is considered reliable.

With regard to the number of sites:

(i) assuming fungibility between the sites that are largely dedicated to hosting telephone equipment and those that are dedicated to hosting radio-television equipment, the portion owned by the Company Resulting from the Merger would be expressed in single-digit percentages, since there are currently a total of more than 50,000 sites in Italy (with a large portion of those, as described above, owned by telephone company subsidiaries);

(ii) limiting the analysis to sites that are mainly dedicated to hosting radio-television equipment (and therefore discounting the effective or potential fungibility mentioned above), the Company Resulting from the Merger can be expected to claim a portion ranging from 38% to 40%. A reasonable estimate, though still an estimate, of the total of the sites in the aggregate would be about 6,000. That market share may be overestimated given the effective fungibility between “telephone” and “radio-television” sites.

It should be noted that the equipment of more than one client may be hosted at a single site. The number of equipment systems and clients per site has been growing, especially in recent years, due to the so-called site-sharing, which is most common among telephone companies.

6.7 Exceptional events relating to EI Towers

Aside from the Transaction itself, on the Information Document Date there have been no exceptional events that have had impact on EI Towers business during the period being studied.

6.8 EI Towers dependence on patents, trademarks, licenses and industrial agreements

As of the Information Document Date, EI Towers business does not depend significantly on trademarks, patents, licenses or third-party manufacturing processes, or on industrial, commercial or financing agreements considered individually, except as noted in First Section, Chapter 19, Paragraph 19.3.

Among industrial agreements there are some agreements in force between EI Towers and satellite operators Eutelsat and Telespazio, under which EI Towers guarantees back-up for Mediaset Group network transport infrastructure. Those agreements cover the leasing of satellite resources that currently are available on the market only in specific satellite orbital positions towards which satellite dishes at EI Towers sites are directed.

Those agreements have a duration tied to the estimated lifetime of the satellites and are stipulated for 12 years. The agreements provide the right of early withdrawal solely for EI Towers, to be exercised with advance notice of at least 12 months and with a penalty applied. There are also limitations on the supplier's liability for failure to provide services equal to a maximum amount of 3 months per year, unless in case of willful misconduct or gross negligence.

Under the Merger, the Company Resulting from the Merger will take the place of EI Towers in any implied and explicit legal relations connected to the agreements described above.

7. Organization of the Acquiring Company and the Target Company

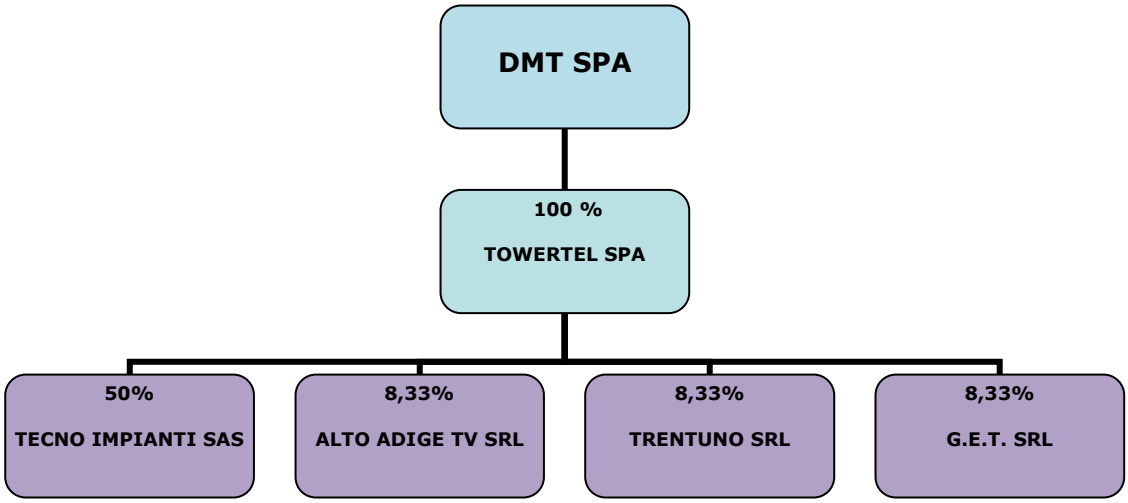
7.1 Profile of the Acquiring Company Group

DMT is not a member of any group of companies and is not subject to direction and coordination activity by any other company within the meaning of articles 2497 and following of the Italian Civil Code. Although article 2497-*sexies* of the Italian Civil Code provides that "*it is presumed, except where contrary evidence is shown, that the management and coordination activity of companies is carried out by the company or legal entity that is responsible for the drafting of the consolidated financial statement or otherwise controls such companies pursuant to article 2359 of the Italian Civil Code*", the majority shareholder Alessandro Falciai, who, on the Information Document Date holds, directly and indirectly, a share equal to 35.821% of DMT share capital, does not exercise the direction and coordination activity of the Company, as *(i)* he does not give directions to the controlled company and *(ii)* there is no significant organizational or functional link between those companies. In particular, the Company is autonomous in the negotiation of its relations with customers and suppliers, and there is no centralized treasury agreement. The Company also has enough independent directors to ensure that their opinion has a significant weight in Board decisions. The relations between Alessandro Falciai and the Company are limited exclusively to the normal exercise by Alessandro Falciai of the administrative and economic rights relating to his status as shareholder (such as, for example, exercising the right to vote at shareholders' meetings and the collection of dividends).

The Issuer is the parent company of the DMT Group and operates through its operational subsidiary Towertel (in which it has a stake, equivalent to 100% of the share capital) and through the companies controlled by that subsidiary.

As of the Information Document Date, the Issuer carry out direction and coordination activity on the DMT Group within the meaning of article 2497 of the Italian Civil Code. The provisions contained in Article 2497 and following of the Italian Civil Code provide, *inter alia*: *(i)* for the direct liability of the company exercising direction and coordination over the shareholders and creditors of the companies subject to direction and coordination activity *(ii)* the liability of the directors of the company subject to direction and coordination activity, who have failed to make the disclosures required under article 2497-*bis* of the Italian Civil Code, for any losses caused to shareholders or third parties by the absence of such knowledge; and *(iii)* specific cases of withdrawal in favor of the shareholders of companies subject to direction and coordination activity (see article 2497-*quater* of the Italian Civil Code). In particular, a shareholder of a company subject to direction and coordination activity may withdraw if the company exercising the direction and coordination has authorized a change which modifies or alters the corporate object or purpose in order to allow activities which significantly and directly impact on the financial conditions and assets of the company subject to direction and coordination activity.

The following chart represents the organization of the DMT Group owned by the Issuer on the Information Document Date.*



▫ Not included in consolidation

* On November 29, 2011, were signed the deeds regarding the mergers of Tower Service S.r.l. into Towertel S.p.A., Estense Tower S.r.l. and Stetel Ripetitori S.r.l. into Towertel S.p.A. and on December 1, 2011, the deed regarding the merger of Radioattività S.r.l. into Towertel S.p.A. was signed.

Also, on October 4, 2011, the company Media Service S.r.l. in liquidation was cancelled from the Trento Registry of Companies.

7.2 Profile of the companies in the Acquiring Company Group

As of the Information Document Date, DMT leads the DMT Group which comprises the companies listed below:

Name	Head Office	% of DMT Group	Owned by	%
Towertel S.p.A.	Lissone (MB)	100%	DMT	100%
Tecno Impianti S.a.s.	Trento	50%	Towertel	50%
Alto Adige TV S.r.l.	Bolzano	8.33%	Towertel	8.33%
G.E.T. S.r.l.	Trento	8.33%	Towertel	8.33%
Trentuno S.r.l.	Trento	8.33%	Towertel	8.33%

* On October 13, 2011, DMT completed transfer to a third party of *(i)* all of the capital stock of Tower Service S.p.A. in liquidation, DMT System S.p.A. in liquidation, which in turn owns 100% of Asteroide S.r.l., and DMT Service S.r.l. in liquidation, as well as *(ii)* all of DMT's stake in the foreign subsidiaries, currently in the process of being dismissed, DMT Limited and DMT USA, Inc..

On November 29, 2011, the deeds regarding the mergers of Tower Service S.r.l. into Towertel S.p.A., Estense Tower S.r.l. and Stetel Ripetitori S.r.l. into Towertel S.p.A. were signed and on December 1, 2011, the deed regarding the merger of Radioattività S.r.l. into Towertel S.p.A. was signed.

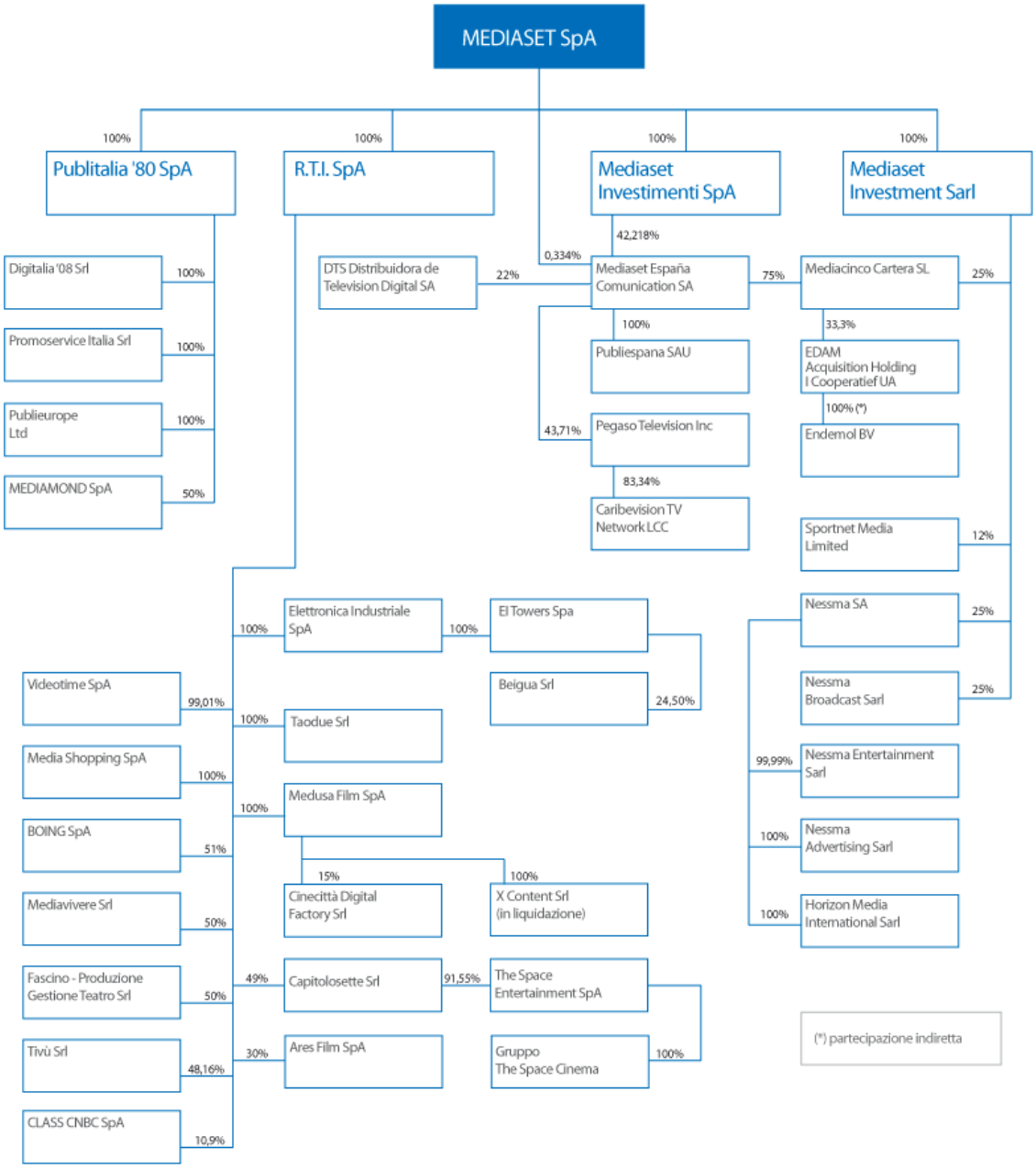
Also, on October 4, 2011, the company Media Service S.r.l. in liquidation was cancelled from the Trento Registry of Companies.

For further information about the companies directly or indirectly controlled by the Issuer, please refer to First Section, Chapter 25 of the Information Document.

7.3 Profile of the Target Company Group

EI Towers is part of the Mediaset Group and is owned entirely by Elettronica Industriale, which in turn is owned entirely by Mediaset through R.T.I.

The chart below summarizes the organization of the Mediaset Group as of the Information Document Date.



As of the Information Document Date, EI Towers is subject to direction and coordination activity by Mediaset within the meaning of article 2497 of the Italian Civil Code. The provisions of Chapter IX of Title V, Book V of the Italian Civil Code (articles 2497 and following) provide, *inter alia*: *(i)* for the direct liability of the company exercising direction and coordination over the shareholders and creditors of the companies subject to direction and coordination activity (if the company exercising those activities – acting in its own business interests or those of others – violates the principles of good business management in its direction of those companies and harms the profitability and share value or causes damage to the assets of the company, with regard to the creditors); *(ii)* the liability of the directors of the company subject to direction and coordination activity, who have failed to make the disclosures required under article 2497-*bis* of the Italian Civil Code, for any losses caused to shareholders or third parties by the absence of such knowledge; and *(iii)* specific cases of withdrawal in favor of the shareholders of companies subject to direction and coordination activity (see article 2497-*quater* of the Italian Civil Code). In particular, a shareholder of a company subject to direction and coordination activity may withdraw if the company exercising the direction and coordination has authorized a change which modifies or alters the corporate object or purpose in order to allow activities which significantly and directly impact on the financial conditions and assets of the company subject to direction and coordination activity.

7.4 Description of the companies in the Target Company Group

EI Towers holds a stake of 24.5% in the capital of Beigua S.r.l., with registered office at Via della Pineta Sacchetti 229, Rome, fiscal code and VAT number 04092220153, share capital equal to Euro 51,480. Said company is controlled by Telecom Italia Media Broadcasting S.r.l., which owns 51% of the share capital.

8. Plant, machinery and equipment of the Acquiring Company and the Target Company

8.1 Tangible assets of the Acquiring Company and the DMT Group

The table below lists the tangible assets owned by the DMT Group and/or held under leasing agreements as of September 30, 2011, June 30, 2011 and December 31, 2010.

(In millions of Euro)	**September 30, 2011**	**June 30, 2011**	**December 31 2010**
Land and buildings	69.5	69.4	71.6
Plants and machinery	0.1	0.1	0.1
Industrial and commercial equipment	0.6	0.6	0.5
Other assets	0.5	0.6	0.8
Fixed assets under construction and advances	2.3	1.6	1.6
Total tangible assets	**73.0**	**72.3**	**74.6**

As of the Information Document Date, under the Loan Agreements, all the real estate assets owned by Towertel are encumbered by first and second grade mortgages, and all the masts, sites and ancillary equipment required for the broadcasting of radio/TV and telecom signals are subject to a special lien under the terms of article 46 of Legislative Decree 385/1993.

For further information about the Loan Agreements, please refer to First Section, Chapter 22, Paragraph 22.1 of the Information Document.

8.2 Real estate leased to the Acquiring Company and the DMT Group

The following table lists the offices leased by the DMT Group on the Information Document Date.

Tenant	**Location**	**Use**	**Expiry date**
DMT	Lissone (MB)	Offices/warehouse	December 31, 2014
Towertel	Roncadelle, Via Martiri della Libertà 5	Offices	December 31, 2016
Towertel	Padua, Via Venezuela 15/A	Offices	June 12, 2020
Towertel	Cava De Tirreni (SA), Via Gaudio Maiori 37	Offices	December 31, 2014
Towertel	Trento (TN), Via Unterveger 5	Offices/workshop	January 1, 2018

8.3 Broadcasting sites of the Acquiring Company and DMT Group

As of the Information Document Date, the DMT Group has approximately 1,500 broadcasting sites at its disposal. Of these, approximately 200 are proprietary or held under other *in rem* rights, and approximately 1,300 are held under lease agreements.

8.4 Environmental issues concerning the Acquiring Company and the DMT Group

The activities of the DMT Group are subject to the environmental, health and safety laws pertaining to its industry.
The DMT Group considers that it substantially conforms to the environmental laws and authorizations applicable to its activities and on the Information Document Date, the Group is not aware of any environmental issues, which could significantly influence the use of its tangible assets.

8.5 Tangible assets of the Target Company

The table below lists the tangible assets owned by EI Towers as at September 30, 2011, June 30, 2011 and December 31, 2010 (figures relating to the Tower business unit of Elettronica Industriale which was conferred to EI Towers).

(In millions of Euro)	September 30, 2011	June 30, 2011	December 31, 2010
Land and buildings	38.1	38.0	34.6
Plants and machinery	90.4	91.5	80.7
Industrial and commercial equipment	19.1	19.2	17.4
Other assets	5.8	6.2	5.1
Fixed assets under construction and advances	28.7	24.8	34.1
Total tangible assets	182.1	179.7	171.9

As of the Information Document Date, there are no mortgages or other encumbrances on the fixed assets of EI Towers.

8.6 Real estate leased to the Target Company

The table below lists the offices leased by EI Towers on the Information Document Date.

Municipality	Address	Expiry date
Pergine Valsugana	Via al Dos de la Roda	30/09/2013
Bologna	Via del Fonditore, 18	31/05/2017
Perugia	Via S. Penna	31/12/2014
Palermo	Via Ugo La Malfa, 56-58-58/a	31/05/2016
Quartucciu	Extension to via Mandas	30/04/2017
Lissone	Via Zanella, 34	31/05/2014
Genoa	Via Multedo di Pegli, 74/78r	30/11/2015
Monteriggioni	Via P. Nenni, 108	31/12/2012
Campobasso	Via Sicilia, 164	31/12/2011
Potenza	C.da Serra, 42	31/03/2012
Reggio Calabria	Via Quarnaro, 52	31/12/2013
Reggio Calabria	Via L. da Vinci, 15	31/12/2013
Sassari	Via Dalmazia, 24/A	31/03/2015
Sassari	Via Dalmazia, ang. Via Alivia, 24/b	31/03/2015

8.7 Broadcasting sites held by the Target Company

As of the Information Document Date, EI Towers has approximately 1,700 broadcasting sites at its disposal. Of these, approximately 151 are proprietary or held under other *in rem* rights, while the remaining stations are held under lease agreements.

8.8 Environmental issues concerning the Target Company

The activities of the Target Company are subject to the same laws which apply to the Acquiring Company in relation to environmental matters and safety in the workplace pertaining to its industry.

The Target Company considers that it substantially conforms to the environmental laws, and authorizations applicable to its activities and on the Information Document Date is not aware of any environmental issues which would significantly influence the use of its tangible assets.

9. Operational and financial summary

Not applicable under article 57, paragraph 2, of the Issuers' Regulations, as it is a reverse merger in which the size of the assets of the Acquiring Company, other than the cash and financial assets that do not represent fixed assets, is less than fifty percent of the size of corresponding assets of the Target Company.

10. Financial resources

Introduction

Sections 10.1, 10.2 and 10.3 of this chapter provide an analysis of the DMT Group's financial performance for the half year ending June 30, 2011 and for the fiscal years ending December 31, 2010, 2009, and 2008. Moreover, the same information are presented for EI Towers and DMT Group Pro-forma for the half year ending June 30, 2011 and for the fiscal years ending December 31, 2010 derived by the Carve-out completed by Elettronica Industriale in order to split the assets and liabilities, the costs and expenses of its two business units. In particular, the data contained in the Information Document refer to the Towers business unit, subsequently contributed to EI Towers. Information related to Carve-out figures prior to December 31, 2010 are not available.

The consolidated figures of the DMT Group for the half year ending June 30, 2011 have been taken from the half year financial report of the DMT Group dated June 30, 2011, while the selected financial information for the fiscal years ending December 31, 2010, 2009 and 2008 have been taken from the DMT Group's consolidated financial statements for the years ending December 31, 2010, 2009 and 2008.

With reference to each period, the numerical information and comments in this section are intended to provide an overview of the DMT Group, EI Towers and DMT Group Pro-forma financial situations, of the changes occurred during the periods, and of any significant events occurred which have affected the results for the periods.

Paragraph 10.4 covers recent changes to information about financial resources and cash flows, drawn from the DMT Group interim report as of September 30, 2011, with information about the breakdown of net financial indebtedness as of September 30, 2011 and summary information about cash flows for the nine-month period ended September 30, 2011 as compared to the same period in 2010. Moreover, in the same paragraph, are shown the cash flows of EI Towers and DMT Group Pro-forma with information about the breakdown of net financial indebtedness as of September 30, 2011 and summary information about cash flows for the nine-month period ended September 30, 2011. Financial information of EI Towers derive from the accounting records as of September 30, 2011 while cash flows for the nine months period ending September 30, 2011 consists in the sum of cash flows derived by the Carve-out as of June 30, 2011 and the one resulting from the accounting records related to the period July 1 – September 30.

10.1 Information on short and long-term financial resources

Within the DMT Group, the finance division is responsible for identifying sources of funding and preparing strategies intended to optimize the management of the cash flows available in the DMT Group. The treasury department manages the operational flows of incoming funds and payments relating to ordinary activities. In operational terms, the finance division defines the financial requirements of each company in the Group and identifies the financial sources, within the Group, available to cover those requirements.

The finance division also handles the management of financial risks, the risks of fluctuation in interest rates, and liquidity risk.

The main objective of these strategies is to ensure the balance between the assets and liabilities structure.

The most commonly used instruments of finance are as follows:

- Medium to long term credit facilities with multi-year repayment plans or "bullet" repayment of capital on expiry in order to cover investments in fixed assets, including acquisition financing for the acquisition plan of the subsidiary Towertel S.p.A., as well as financial leases;

- Short-term loans and bank overdrafts in order to finance working capital.

The finance management of EI Towers is performed by the parent company Mediaset that is in charge of the centralized treasury of the Mediaset Group and subsidiaries. EI Towers has an intercompany account with the parent company Mediaset, which is the only financing used by the Company. The interest rate applied to such intercompany accounts is equal to the average Euribor 1 month plus 100 *basis point*, if negative, and equal to the average Euribor 1 month *flat*, if positive. Being an intecompany account, the agreement does not expire and does not have any guarantees, operational limits, *covenants* and *negative pledge*.

10.1.1 Analysis of net financial position as of June 30, 2011 and as of December 31, 2010, 2009 and 2008

The following table contains a breakdown of the composition and changes to net financial position as of June 30, 2011 and as of December 31, 2010, 2009 and 2008 of the Acquiring Company:

(Thousands of Euro)	June 30, 2011			December 31, 2010			December 31, 2009	December 31, 2008
	Continuing operations	Discontinued activities	Total	Continuing operations	Discontinued activities	Total	Total	Total
A. Cash	(21)	(17)	(38)	(26)	(2)	(28)	(61)	(67)
B. Other liquid assets. bank accounts	(9,867)	(78)	(9,945)	(5,073)	(1,644)	(6,717)	(22,510)	(16,164)
C. Securities	-	-	-	-	-	-	-	-
D. Cash and cash equivalent (A) + (B) + (C	(9,888)	(95)	(9,983)	(5,099)	(1,646)	(6,745)	(22,571)	(16,231)
E. Current financial receivables	-	-	-	-	-	-		
F. Bank liabilities – current portion	4,304		4,304				31,628	31,415
G. Current portion of non-current debt	15,850	13,351	29,201	15,184	18,838	34,022	15,175	12,598
H. Other current financial liabilities								
Finance lease	-	-	-	-		-	-	-
Acquisition debt	39	-	39	1,248		1,248	2,729	7,797
Other	-	-	-	-		-	118	-
I. Current financial debt (F)+(G)+(H)	20,193	13,351	33,544	16,432	18,838	35,270	49,650	51,810
J. Net current financial liquidity/debt (I) – (E) – (D).	10,305	13,256	23,561	11,333	17,192	28,525	27,079	35,579
K. Bank liabilities – non-current portion	91,539	-	91,539	99,402	-	99,402	114,079	119,164
L. Bonds issued	-	-	-	-	-	-		
M. Other non-current financial liabilities								
IRS – Interest rate swap	214	-	214	418	-	418	1,265	1,143
Finance lease	104	-	104	127	-	127	318	9
N. Non-current financial debt (K) + (L) + (M)	91,857	-	91,857	99,947	-	99,947	115,662	120,316
O. Net financial debt (J) + (N)	102,162	13,256	115,418	111,280	17,227	128,472	142,741	155,895

The following table contains a breakdown of the composition and changes to net financial position as of June 30, 2011 and as of December 31, 2010 of the Target Company:

(Thousands of Euro)	June 30, 2011	December 31, 2010
A. Cash	0	0
B. Other liquid assets. bank accounts	0	0
C. Securities	0	0
D. Cash and cash equivalent (A) + (B) + (C)	*0*	*0*
E. Current financial receivables	*0*	*0*
F. Bank liabilities – current portion	0	0
G. Current portion of non-current debt	0	0
H. Other current financial liabilities	125,000	125,000

I. Current financial debt (F)+(G)+(H)	*125,000*	*125,000*
J. Net current financial liquidity/debt (I) – (E) – (D).	*125,000*	*125,000*
K. Bank liabilities – non-current portion	0	0
L. Bonds issued	0	0
M. Other non-current financial liabilities	0	0
N. Non-current financial debt (K) + (L) + (M)	*0*	*0*
O. Net financial debt (J) + (N)	***125,000***	***125,000***

The following table contains a breakdown of the composition and changes to net financial position as of June 30, 2011 and as of December 31, 2010 of the DMT Group Pro-forma. Please refer to the aforementioned notes related to the composition and to the Section First, Chapter 20 in relation to notes of the pro-forma adjustments.

(Thousands of Euro)	**June 30, 2011**				**December 31, 2010**			
	Continuing operations	**Discontinued activities**	**Pro-forma adjustments**	**Total**	**Continuing operations**	**Discontinued activities**	**Pro-forma adjustments**	**Total**
A. Cash	(21)	(17)		(38)	(26)	(2)		(28)
B. Other liquid assets. bank accounts	(9,867)	(78)	(10,320)	(20,265)	(5,073)	(1,644)	(10,200)	(16,917)
C. Securities	0	0		0	0	0		0
D. Cash and cash equivalent (A) + (B) + (C)	*(9,888)*	*(95)*	*(10,320)*	*(20,303)*	*(5,099)*	*(1,646)*	*(10,200)*	*(16,945)*
E. Current financial receivables	*0*	*0*		*0*	*0*	*0*		*0*
F. Bank liabilities – current portion	4,304		15,300	19,604			15,300	15,300
G. Current portion of non-current debt	15,850	13,351		29,201	15,184	18,838		34,022
H. Other current financial liabilities	125,000	0		125,000	125,000			125,000
Finance lease	39	0		39	1,248			1,248
Acquisition debt	0	0		0	0			0
I. Current financial debt (F)+(G)+(H)	*145,193*	*13,351*	*15,300*	*173,844*	*141,432*	*18,838*	*15,300*	*175,570*
J. Net current financial liquidity/debt (I) – (E) – (D).	*135,305*	*13,256*	*4,980*	*153,541*	*136,333*	*17,192*	*5,100*	*158,625*
K. Bank liabilities – non-current portion	91,539	0		91,539	99,402	*0*		99,402
L. Bonds issued	0	0		0	0	*0*		0
M. Other non-current financial liabilities								
IRS – Interest rate swap	214	0		214	418	0		418
Finance lease	104	0		104	127	0		127
N. Non-current financial debt (K) + (L) + (M)	*91,857*	*0*	*0*	*91,857*	*99,947*	*0*	*0*	*99,947*
O. Net financial debt (J) + (N)	***227,162***	***13,256***	***4,980***	***245,398***	***236,280***	***17,192***	***5,100***	***258,572***

2011 vs. 2010

Cash and cash equivalents – DMT Group
The breakdown of this item is as follows:

Thousands of Euro	**Balance as of June 30, 2011**	**Balance as of December 31, 2010**

Bank deposits	9,867	5,073
Cash	21	26
Total	**9,888**	**5,099**

The deposits are remunerated at a fixed rate or indexed to the Euribor.

In relation to the acquisition finance taken out by the Tower sector, please note that the finance agreements require incoming funds to be channeled into a specific, pledged, current account, which is used not only for payments relating to the normal operations of this sector but also to repay such financings.

The balance of these pledged accounts totaled Euro 80,000 as of June 30, 2011 (Euro 150,000 as of December 31, 2010).

The available resources of the Tower sector are "framed" within the above mentioned finance agreements, and are subject to covenants preventing their use as sources of finance for infra-group relations or for the distribution of dividends given the current *"debt cover"* ratio indicated in the finance agreements. However, these resources may be used to meet the operational requirements of the Tower sector.

Cash and cash equivalents – EI Towers

This caption is equal to zero. As aforementioned the only financial instrument used is the intercompany account.

Cash and cash equivalents – DMT Group Pro-forma

The breakdown of this item is as follows. Please refer to the Section First, Chapter 20 in relation to notes of the pro-forma adjustments.

Thousands of Euro	**Balance as of June 30, 2011**	**Balance as of December 31, 2010**
Bank deposits	9,867	5,073
Cash	21	26
Total	**9,888**	**5,099**
Pro – forma adjustments	10,320	10,200
DMT Group Pro - forma	**20,208**	**15,299**

Current financial liabilities – DMT Group

The breakdown of this item is given in the following table:

Thousands of Euro	Balance as of June 30, 2011	Balance as of December 31, 2010
- Current bank payables	4,304	-
- Short-term element of credit facilities	15,850	15,184
Current financial liabilities	**20,154**	**15,184**

The balance of bank payables is made up of the portion of finance payable within 12 months, and a short term credit facility authorized by Banca Popolare di Milano S.c.a.r.l., used by DMT in order to provide a shareholder loan to DMT System S.p.A. in liquidation.

Current financial liabilities – EI Towers

Thousands of Euro	Balance as of June 30, 2011	Balance as of December 31, 2010
- Current bank payables	0	0
- Short-term element of credit facilities	0	0
- Other current financial liabilities	125,000	125,000
Current financial liabilities	**125,000**	**125,000**

Other current financial liabilities refers to the outstanding balance of the intercompany account due to the parent company Mediaset.

Current financial liabilities – DMT Group Pro-forma

The breakdown of this item is as follows. Please refer to the Section First, Chapter 20 in relation to notes of the pro-forma adjustments.

Thousands of Euro	Balance as of June 30, 2011	Balance as of December 31, 2010
- Current bank payables	4,304	0
- Short-term element of credit facilities	15,850	15,184
- Other current financial liabilities	125,000	125,000
Current financial liabilities	**145,154**	**140,184**
Pro – forma adjustments	15,300	15,300
DMT Group Pro - forma	**160,454**	**155,484**

Non-current financial liabilities – DMT Group

During the half year, bank borrowings were reimbursed in the amount of Euro 8.1 million, excluding Euro 4.3 million repaid by DMT System S.p.A. in liquidation, against a new bank loan of the same amount paid to DMT S.p.A..

Thousands of Euro	**Balance as of June 30, 2011**	**Balance as of December 31, 2010**
Bank payables	91,539	99,402
IRS - Interest rate swap:		
- effective hedge of the cash flow	214	418
- non-effective hedge of the cash flow	-	-
Other lenders liabilities	104	127
Other non-current liabilities	-	-
Total non-current financial liabilities	**91,857**	**99,947**

The financial liabilities are accounted for using the amortized cost method.

Bank borrowings as of June 30, 2011 are detailed below:

		Amount payable in respect of bank finance				
	thousands of Euro	**Within 12 months**	**Over 12 months and under 5 years**	**Over 5 years**	**Total over 12 months**	**Grand total**
a)	UniCredit – Banca IMI	15,478	90,868	-	90,868	106,346
b)	Cariveneto	176	263	-	263	439
c)	Banca Monte Parma	196	408	-	408	604
	Total	**15,850**	**91,539**	**-**	**91,539**	**107,389**

The main terms, conditions, guarantees and covenants of the bank finance agreements are given below.
For other information on the 2005 Loan and 2007 Loan, please see details in the First Section, Chapter 22, Paragraph 22.1.

Description	**Conditions**	**Guarantees**	**Financial covenants**
a) 2007 Loan in pool (lead bank Banca IMI, UniCredit Group, Efibanca, Bpm and Mps), totaling Euro 100 million, in addition to the facility of the same amount agreed in 2005 Loan with UniCredit and Banca IMI in favor of Towertel (with renegotiated conditions).	Tranche A: repayment in 13 half-yearly capital installments from 31/12/2005. Tranche B: repayment in 12 half-yearly capital installments from 31/12/2008. Tranche C: repayment in 12 half yearly capital installments from 31/12/2008. Tranche D: repayment in 8 half yearly capital installments from 31/12/2010. Rate: Euribor 1/3/6/12 months + spread based on ratio between Net Financial indebtedness (NFP)/EBITDA	Pledge on 100% of the shares of Towertel and subsidiaries, charge, and special lien on Towertel's assets, pledged on certain current accounts of Towertel, guarantee of DMT S.p.A. Funds received by the Tower sector channeled into pledged current accounts. Liquidity of Tower sector cannot be used for the distribution of dividend or granting of infra group loans.	Ratio between NFP and consolidated pro forma EBITDA of Towertel no more than 6 times until 31.12.2009; 4.5 times until 30.06.2010 and 31.12.2010; 3.6 times until 30.06.2011 and 31.12.2011; 2.6 times until 30.06.2012 and until expiry.
b) Cariveneto	Rate: Euribor 3m +1.06% Expiry 15.10.2013	Charge on real estate	None
c) Banca Monte Parma	Rate: Euribor 3m + 0.70% Expiry 01.07.2013	None	None
c) Banca Monte Parma	Rate: Euribor 3m + 0.70% Expiry 01.01.2014	None	None
c) Banca Monte Parma	Rate: Euribor 3m + 0.70% Expiry 01.07.2014	None	None

As of June 30, 2011, the Group has met all the covenants stipulated in the existing finance agreements.

With regard to the UniCredit – Banca IMI loan, interest rate swap derivatives contracts with a notional value of Euro 10 million have been signed; their fair value as of June 30, 2011 was negative in the amount of Euro 214,000.

Non-current financial liabilities – EI Towers

This caption is equal to zero. As aforementioned the only financial instrument used is the intercompany account.

Non-current financial liabilities – DMT Group Pro-forma

The following table contains a breakdown of the composition. Please refer to the aforementioned notes related to the description of the composition.

Thousands of Euro	Balance as of June 30, 2011	Balance as of December 31, 2010
Bank payables	91,539	99,402
IRS - Interest rate swap:		
- effective hedge of the cash flow	214	418
- non-effective hedge of the cash flow	-	-
Other lenders liabilities	104	127
Other non-current liabilities	-	-
Total non-current financial liabilities	**91,857**	**99,947**

2010 vs. 2009

All the data showed below are referred to the DMT Group because, as described in the Introduction, no data of the Target Company are available for the years ended December 31, 2009 and 2008.

Cash and cash equivalents

The breakdown of this item is as follows:

thousands of Euro	Balance as of Dec 31, 2010	Balance as of Dec 31, 2009
Bank deposits	5,073	22,510
Cash	26	61
Total	**5,099**	**22,571**

The cash and cash equivalent of the Technology business unit as of December 31, 2009 were Euro 8,571,000.

The bank deposits are remunerated at a fixed rate, or indexed to the Euribor.

With regard to the acquisition finance taken out by the Tower sector, please note that the finance agreements require incoming funds to be channeled into a specific, pledged, current account, which is used not only for payments relating to the normal operations of this sector but also for the repayment of such financings.

The balance of these pledged accounts totals Euro 150,000 as of December 31, 2010 (Euro 1.8 million as of December 31, 2009).

The available resources of the Tower sector are “framed” within the above mentioned finance agreements, and are subject to covenants preventing their use as sources of finance for infra-group relations or for the distribution of dividends given the current “debt cover” ratio indicated in the finance agreements. However, these resources may be used to meet the operational requirements of the Tower sector.

Current financial liabilities

The breakdown of this item is given in the following table:

Thousands of Euro	Balance as of Dec 31, 2010	Balance as of Dec 31, 2009
- Short-term bank liabilities	-	31,628
- Short-term portions of loans	15,184	15,175
Bank liabilities	15,184	46,802
Other lenders liabilities	-	119
Current financial liabilities	**15,184**	**46,921**

The balance of bank liabilities is made up of the portion of credit facilities due within 12 months, as detailed in the Note 17 "Non-current financial liabilities".
The balance as of December 31, 2009 includes the short-term financial payables relating to the Technology business unit, totaling Euro 31,744,000.

Non-current financial liabilities

The breakdown of this item as of December 31, 2010 and 2009 is as follows:

Thousands of Euro	Balance as of Dec 31, 2010	Balance as of Dec 31, 2009
Bank liabilities	99,402	114,079
IRS - Interest rate swap:		
-Effective hedge cash flow	418	1,265
-Non-effective hedge cash flow	-	-
Other lenders liabilities	127	318
Other non-current liabilities	-	-
Total	**99,947**	**115,662**

During the year 2010, bank liabilities totaling Euro 14.7 million were repaid. No new borrowings were received.

The financial liabilities are accounted for using the amortized cost method

Bank liabilities as of December 31, 2010 were granted to Towertel. This balance is broken down in the following table:

		Amounts payable to banks in respect of finance				
	thousands of Euro	**Within 12 months**	**Over 12 months and under 5 years**	**Over 5 years**	**Total over 12 months**	**Grand total**
a)	UniCredit – Banca IMI	14,815	98,546	-	98,456	113,361
b)	Cariveneto	175	350	-	350	525
c)	Banca Monte Parma	194	506	-	506	700
	Total	**15,184**	**99,402**	**-**	**99,402**	**114,586**

Borrowings from other lenders refer to leasing agreements.

The main terms, conditions, guarantees and covenants of the bank finance are detailed below. For further information on the 2005 Loan and 2007 Loan, please see details in the First Section, Chapter 22, Paragraph 22.1.

Description	Conditions	Guarantees	Financial covenants
a) 2007 Loan in pool (lead bank Banca IMI, UniCredit Group, Efibanca, Bpm and Mps), totaling Euro 100 million, in addition to the facility of the same amount agreed in 2005 Loan with UniCredit and Banca IMI in favor of Towertel (with renegotiated conditions).	Tranche A: repayment in 13 half yearly capital installments from 31/12/2005. Tranche B: repayment in 12 half yearly capital installments from 31/12/2008. Tranche C: repayment in 12 half yearly capital installments from 31/12/2008. Tranche D: repayment in 8 half yearly capital installments from 31/12/2010. Rate: Euribor 1/3/6/12 months + spread based on the ratio between Net Financial indebtedness (NFP)/EBITDA	Pledge on 100% of the shares of Towertel and subsidiaries, charge, and special lien on the assets of Towertel, pledge on certain current accounts Towertel, guarantee of DMT S.p.A. Channeling of funds received by the Tower division into the pledged current accounts. The liquidity of the Tower division cannot be used for the distribution of dividends or the granting of infra-group loans.	Ratio between NFP and consolidated pro forma EBITDA of Towertel no higher than 6 times up to 31.12.2009; 4.5 times to 30.06.2010 and 31.12.2010; 3.6 times to 30.06.2011 and 31.12.2011; 2.6 times to 30.06.2012 and until expiry.
b) Cariveneto	Rate: Euribor 3m +1.06% Expiry 15.10.2013	Charge on real estate	None
c) Banca Monte Parma	Rate: Euribor 3m + 0.70% Expiry 01.07.2013	None	None
c) Banca Monte Parma	Rate: Euribor 3m + 0.70% Expiry: 01.01.2014	None	None
c) Banca Monte Parma	Rate: Euribor 3m + 0.70% Expiry: 01.07.2014	None	None

As of December 31, 2010, the Group has met the conditions of all the covenants stipulated in the existing finance agreements.

With regard to the UniCredit – Banca IMI finance, interest rate swap derivatives contracts have been signed, with a residual notional value as of December 31, 2010 of Euro 12.5 million, and the fair value on the same date was negative in the amount of Euro 418,000.

2009 vs. 2008

All the data showed below are referred to the DMT Group because, as described in the Introduction, no data of the Target Company are available for the years ended December 31, 2009 and 2008.

Cash and cash equivalents

The breakdown of this item is as follows:

thousands of Euro	Balance as of Dec 31, 2009	Balance as of Dec 31, 2008
Bank deposits	22,510	16,164
Cash	61	67
Total	**22,571**	**16,231**

The deposit remunerated at a fixed rate, or indexed to the Euribor.

In relation to the acquisition finance taken out by the Tower sector, the finance agreements require incoming funds to be channeled into a specific pledged current accounts, used not only for payments relating to the normal operations sector, but also for the repayment of such financings.

The balance of the pledged accounts amounts to Euro 1.8 million as of December 31, 2009 (Euro 750,000 as of December 31, 2008).

The available resources of the Tower sector are “framed” within the above mentioned finance agreements, and are subject to covenants which prevent, among other things, their use as sources of finance for infra-group relations or

for the distribution of dividends given the current "debt cover" ratio indicated in the finance agreements. However, these resources may be used to meet the operational requirements of the Tower sector.

Current financial liabilities

The balance of current financial liabilities is Euro 46,921,000.

Thousands of Euro	Balance as of Dec 31, 2009	Balance as of Dec 31, 2008
-Short-term bank liabilities	31,628	31,415
-Short term portions of loans	15,175	12,587
Bank liabilities	46,802	44,002
Other lenders liabilities	119	11
Total current financial liabilities	**46,921**	**44,013**

The balance of bank liabilities includes the portion of finance due within 12 months, details of which were given above in Note 17, "Non-current financial liabilities" (Euro 15,175,000).

The interest rates on advances on invoices and contracts are variable-rate and indexed to the Euribor; the ordinary current account facilities have not been utilized.

The item payables to other lenders refers to short-term leasing charges relating to broadcasting stations and motor vehicles.

Non-current financial liabilities

During the year 2009, repayments totaling Euro 12.6 million were made. The amount paid out during the period was Euro 9.5 million.

The financial liabilities are accounted for using the amortized cost method

Thousands of Euro	Balance as of Dec 31, 2009	Balance as of Dec 31, 2008
Bank liabilities	114,079	119,144
IRS - Interest rate swap:		
-Effective hedge of the cash flows	1,265	1,143
-Non-effective hedge of the cash flows	-	20
Other lenders liabilities	318	-
Other non-current liabilities	-	9
Total non-current financial liabilities	**115,662**	**120,316**

The bank finance existing as of December 31, 2009 is detailed below:

		Amounts payable to banks in respect of finance				
	thousands of Euro	**Within 12 months**	**Over 12 months and under 5 years**	**Over 5 years**	**Total over 12 months**	**Grand total**
a)	UniCredit – Banca Intesa	14,815	112,861	-	112,861	127,676
b)	Cariveneto	173	519	-	519	692
c)	Banca Monte Parma	187	699	-	699	886
	Total	**15,175**	**114,079**	**-**	**114,079**	**129,254**

The following table details the main terms, conditions, guarantees and covenants relating to the finance referred to in the above paragraph. For further information on the 2005 Loan and 2007 Loan, please see details in the First Section, Chapter 22, Paragraph 22.1.

Description	Conditions	Guarantees	Financial covenants
a) 2007 Loan in pool (lead bank Banca IMI, UniCredit Group, Efibanca, Bpm and Mps), totaling Euro 100 million, in addition to the facility of the same amount agreed in 2005 Loan with UniCredit and Banca IMI in favor of Towertel (with renegotiated conditions).	Tranche A: repayment in 13 half yearly capital installments from 31/12/2005. Tranche B: repayment in 12 half yearly capital installments from 31/12/2008. Tranche C: repayment in 12 half yearly capital installments from 31/12/2008. Tranche D: repayment in 8 half yearly capital installments from 31/12/2010. Rate: Euribor 1/3/6/12 months + spread based on NFP/EBITDA ratio	Pledge on 100% of shares of Towertel and subsidiaries, mortgage and special lien on the assets of Towertel, pledge on certain current accounts of Towertel, guarantee of DMT S,p,A. Incoming funds of Tower division channeled into pledged current accounts. Liquidity of Tower division cannot be used for distribution or the granting of infra-group loans.	Ratio between NFP and consolidated pro forma EBITDA not higher than 6 times up to 31.12.2009; 4.5 times up to 30.06.2010 and 31.12.2010; 3.6 times up to 30.06.2011 and 31.12.2011; 2.6 times up to 30.06.2012 and until expiry.
b) Cariveneto	Rate: Euribor 3m +1.06% Expiry 15.10.2013	Charge on real estate	None
c) Banca Monte Parma	Rate: Euribor 3m + 0.70% Expiry 01.07.2013	None	None
c) Banca Monte Parma	Rate: Euribor 3m + 0.70% Expiry 01.01.2014	None	None
c) Banca Monte Parma	Rate: Euribor 3m + 0.70% Expiry 01.07.2014	None	None

As of December 31, 2009, the Group has met the conditions of all the covenants stipulated in the existing finance agreements.

With regard to the UniCredit – Banca Intesa finance, interest rate swap derivatives contracts have been signed, with a notional value of Euro 39.7 million, the fair value of which was negative in the sum of Euro 1,265,000 as of December 31, 2009.

10.2 Cash flow amounts and description

10.2.1 Analysis of cash flows for the half years ending on June 30, 2011 and on June 30, 2010

DMT Group

The following table contains a summary of the cash flows generated and absorbed by operating, investments and financial activities during the half years ending on June 30, 2011 and 2010. The information has been taken from the cash flow statements included in the condensed consolidated financial statements for the six months period ended June 30, 2011.

	Half year ending on June 30,	
(In thousands of Euro)	**2011**	**2010**
Cash flow generated from operating activities	10,494	3,155
Cash flow absorbed by investing activities	(1,263)	(2,820)
Cash flow absorbed by financing activities	(4,442)	(6,845)
Total cash flow for the period	**4,789**	**(6,510)**
Cash at the beginning of the period	5,099	14,000
Cash at the end of the period	**9,888**	**7,490**

Cash flow from operating activities

	Half year ending on June 30,	
(in thousands of Euro)	**2011**	**2010**
Net profit for the year	4,371	2,465
Adjustments:		
Amortization and depreciation	5,127	4,741
Provisions and write-downs	1,139	1,000
Net change in deferred tax assets and liabilities	(1,026)	(1,113)
Change in current assets and liabilities	878	(3,769)
Change in employee indemnity fund	29	(159)
Change in provision for contingent charges	(24)	(10)
CASH FLOW GENERATED FROM OPERATING ACTIVITIES	**10,494**	**3,155**

During the first half of 2011, the cash flow generated from operating activities amounted to Euro 10,494,000. The positive performance of the Tower sector generated a net profit of Euro 4,371,000, while the profits generated during the same period in the preceding year, of Euro 2,465,000, helped to generate a net positive operational cash flow of Euro 3,155,000.
In particular, during the first half of 2011, it can be seen that compared to the same period in the preceding year, the cash generation of Euro 878,000 (cash absorption of Euro 3,769,000 in 2010) due to the reduction in trade receivables and the reduction in other receivables and payables, mainly related to taxes.

Cash flow from investing activities

	Half year ending on June 30,	
(in thousands of Euro)	**2011**	**2010**
Investments in tangible fixed assets	(1,575)	(1,563)
Divestments in tangible fixed assets	481	-
Investments in intangible assets	-	(506)
Acquisitions and business combinations, net of cash acquired	(142)	(698)
Net change in other non-current debt and liabilities	(27)	(53)
CASH FLOW ABSORBED BY INVESTING ACTIVITIES	**(1,263)**	**(2,820)**

During the first half of 2011, investments absorbed liquidity totaling Euro 1,263,000; during the same period of the preceding year, the amount of liquidity absorbed by investments was Euro 2,820,000.

In particular, during the half year ending on June 30, 2011, the company invested in tangible fixed assets relating to extraordinary maintenance works on its broadcasting systems, and on the construction of new installations made by internal workers. Investments were also made in the acquisition of a business unit.

Cash flow from financing activities

	Half year ending on June 30,	
(In thousands of Euro)	**2011**	**2010**
Net change in short-term financial liabilities	4,970	1,216
Net change in medium and long-term financial liabilities	(8,089)	(7,598)
Change in acquisition debts	(1,210)	(881)
Other changes in shareholders' equity	(113)	418
CASH FLOW ABSORBED BY FINANCING ACTIVITIES	**(4,442)**	**(6,845)**

During the half year ending on June 30, 2011, financial activities absorbed cash flow totaling Euro 4,442,000. This was related to the combined effect of:

- new finance taken out by the Issuer in relation to the liquidation of assets in the Technology sector;
- the repayment of medium and long-term finance installments falling due during the half year, by companies in the Tower sector;

- the payment of part of the payables falling due during the half year, in relation to acquisitions made by the Tower sector during previous periods.

EI Towers

The following table contains a summary of the cash flows generated and absorbed by operating, investments and financial activities during the half year ending on June 30, 2011. The information has been taken from the Carve-out as of June 30, 2011 and December 31, 2010.

Comparative information related to the half year ending on June 30, 2010 are not available.

(In thousands of Euro)	Half year ending on June 30, 2011
Cash flow generated from operating activities	23,283
Cash flow absorbed by investing activities	(21,929)
Cash flow absorbed by financing activities	(1,354)
Total cash flow for the period	**0**
Cash at the beginning of the period	(125,000)
Cash at the end of the period	**(125,000)**

DMT Group Pro-forma

The following table contains a summary of the cash flows generated and absorbed by operating, investments and financial activities during the half year ending on June 30, 2011 related to the DMT Group Pro-forma.

(In thousands of Euro)	Half year ending on June 30, 2011
Cash flow generated from operating activities	33,777
Cash flow absorbed by investing activities	(23,192)
Cash flow absorbed by financing activities	(5,796)
Total cash flow for the period	**4,789**
Cash at the beginning of the period	(119,901)
Cash at the end of the period	**(115,112)**

10.2.2 Analysis of cash flows for the years ending December 31, 2010, 2009 and 2008

All the data showed below are referred to the DMT Group because, as described in the Introduction, no data of the Target Company are available for the years ended December 31, 2009 and 2008.

The following tables provide a summary of the cash flows generated and absorbed by operations, investments and financial activities during the years ending December 31, 2010, 2009 and 2008. The figures have been taken from the cash flow statement included in the consolidated financial statements for the years ending December 31, 2010, 2009 and 2008.

	Year ending December 31,		
(in thousands of Euro)	**2010**	**2009**	**2008**
Cash flow generated from operating activities	13,232	27,095	3,607
Cash flow absorbed by investing activities	(5,895)	(14,561)	(21,363)
Cash flow absorbed by financing activities	(16,238)	(6,194)	(3,374)
Total cash flow for the period, for continuing operations	**(8,901)**	**6,340**	**(21,130)**
Cash flow absorbed by discontinued operations	**(6,925)**	**-**	**-**
Total cash flow for the period	**(15,826)**	**6,340**	**(21,130)**
Cash at the beginning of the year	22,571	16,231	37,361
Cash at the end of the period	**6,745**	**22,571**	**16,231**

Cash flow from operating activities

	Year ending December 31		
(in thousands of Euro)	**2010**	**2009**	**2008**
Net income (loss) for the period	4,200	(17,854)	(14,463)
Adjustments:			
Amortization and depreciation	9,667	15,529	14,712
Provisions and write-downs	3,459	22,627	9,277
Net change in deferred tax assets and liabilities	(1,195)	(6,169)	(850)
Change in current assets and liabilities	(2,753)	13,676	(5,406)
Change in employee indemnity fund	(262)	(569)	9
Change in provision for contingent charges	116	(145)	328
CASH FLOW GENERATED/(ABSORBED) BY OPERATING ACTIVITIES	**13,232**	**27,095**	**3,607**

During 2010, the positive performance of the Tower sector generated a net profit of Euro 4,200,000 which became a net positive cash flow from operations of Euro 13,232,000, despite the absorption of Euro 2,753,000 caused by the dynamics of working capital items.

The comparison with the figures for operating cash flow for the same period of preceding years is not significant, as those cash flows included the balances for the Technology sector; in this regard, it should be remembered that during the first half of 2010, the Issuer authorized the divestment of assets pertaining to that sector, and has therefore exposed all the assets and liabilities relating to this sector among the discontinued operations, as required under IFRS 5.

The net profit earned by the Issuer in the year ending December 31, 2009, is negative in the amount of Euro 17,854,000. That loss was mainly created by provisions and write-downs of assets in the Technology sector following the decision of Company Management to liquidate the assets in that sector. The deferred tax effects of those provisions totaled approximately Euro 6 million.

The change in current assets and liabilities created a positive cash flow of Euro 13,676,000, mainly determined by the reduced volume of stocks, the increase in trade payables, and the changes in the tax-related items.

During the year ending December 31, 2008, the Issuer recorded a loss of Euro 14,463,000, but a positive cash flow of Euro 3,607,000, as the negative result was largely determined by non-monetary items such as amortization, depreciation and provisions.

Cash flow from investing activities

	Year ending December 31,		
(in thousands of Euro)	**2010**	**2009**	**2008**
Investments in tangible fixed assets	(3,322)	(5,898)	(4,467)
Divestments in tangible fixed assets	(1,944)	(4,824)	(4,519)
Investments in intangible fixed assets	(698)	(3,199)	(13,106)
Acquisitions and business combinations, net of cash acquired	69	(640)	729
CASH FLOW ABSORBED BY INVESTING ACTIVITIES	**(5,895)**	**(14,561)**	**(21,363)**

During 2010, the Issuer made investments in tangible and intangible assets. The investments in tangible assets relate to the extraordinary maintenance of broadcasting systems.

The investments in intangible assets include the allocation to contracts of part of the goodwill generated from the business aggregations completed during the period, in accordance with IFRS 3. The significant reduction compared the preceding year was determined by the fact that the balances for that year included investment in development activities carried out by the Technology sector until 2009.

During the period, all of the share capital in Estense Tower S.r.l. was also acquired, and the acquisitions of other business units were also completed.

The investments in tangible fixed assets made during 2009 relate to the extraordinary maintenance of the broadcasting systems, the construction of new installations made by internal workers, and to the effect of the increases relating to the business aggregations completed during the period.

The investments in intangible assets with regard to the Tower sector, mainly relate to the allocation to contracts of part of the goodwill generated by the business aggregations made during the period, and with regard to the Technology sector, to the investments in development activities.

During 2009, investments were also made, equivalent to the price paid for the acquisition of all the shares in Stetel Ripetitori S.r.l. and four business units.

The investments made during 2008 were largely similar to those described above for 2010 and 2009.

With regard to investments in the business aggregations, the Group acquired all the shares in Videotelecom S.r.l. and Techno Service S.r.l. during the year.

Cash flow from finance activities

	Year ending December 31		
(in thousands of Euro)	**2010**	**2009**	**2008**
Net change in short-term financial liabilities	7	2,908	(879)
Net change in medium and long-term financial liabilities	(15,715)	(4,654)	174
Change in acquisition debts	(1,481)	(5,068)	-
Acquisition of treasury stocks	-	-	(2,378)
Other changes in shareholders' equity	951	620	(291)
CASH FLOW ABSORBED BY FINANCING ACTIVITIES	**(16,238)**	**(6,194)**	**(3,374)**

During 2010, finance activities absorbed cash flow totaling Euro 16,238,000. That result is linked to the combined effect of the repayment of installments of medium and long-term finance payable during the period, and the payment of part of the amounts due and payable in relation to acquisitions made during previous years.

During 2009, financial activities absorbed cash flow totaling Euro 6,194,000. That performance was determined by the following factors:
- the increase in short-term financial payables with particular reference to the Technology sector;
- the absorption of cash flows relating to the repayment of medium and long-term finance installments due for payment during the year, net of the amounts received during the period, for the Tower sector;
- the payment of part of the amounts due and payable in relation to acquisitions made in previous years, net of the payables incurred during the year in connection with acquisitions by the Tower sector.

During 2008, financial assets absorbed cash flow totaling Euro 3,374,000, mainly because of the acquisition of treasury stock. During the period, the amounts repaid on the medium and long-term finance installments expiring during the year, and the amount of new finance received, were substantially identical.

10.3 Changes in information about financial resources and cash flows as of September 30, 2011

DMT Group

The table below offers a breakdown of net financial indebtedness as of September 30, 2011:

(thousands of Euro)	September 30, 2011		
	Continuing operations	**Discontinued activities**	**Total**
Cash and cash equivalents	(11,626)	(140)	(11,766)
Current financial liabilities	22,367	11,306	33,673
Non-current financial liabilities	91,578	-	91,578
	102,319	**11,166**	**113,485**

Net financial indebtedness

The figures below summarize the cash flows generated and absorbed from operating assets, investment assets and financing assets during the nine-month period that ended September 30, 2011 as compared to the same period in 2010. The figures were drawn from the financial statements of the interim report as of September 30, 2011.

(In thousands of Euro)	Period ended September 30, 2011	Period ended September 30, 2010
Net cash flow generated from operating assets	11,601	6,825
Net cash flow absorbed from investment assets	(2,503)	(3,921)
Net cash flow absorbed from financing assets	(2,571)	(5,871)
Global cash flow – continuing assets	**6,527**	**(2,967)**
Cash flow – discontinued assets	(1,506)	(4,922)
Global cash flow	**5,021**	**(7,889)**
Cash at the beginning of the period	6,745	22,571
Cash at the end of the period	**11,766**	**14,682**

EI Towers

The table below offers a breakdown of net financial indebtedness as of September 30, 2011:

(thousands of Euro)	September 30, 2011
Cash and cash equivalents	(9)
Current financial liabilities	115,943
Non-current financial liabilities	0
Net financial indebtedness	**115,934**

The figures below summarize the cash flows generated and absorbed from operating assets, investment assets and financing assets during the nine-month period that ended September 30, 2011.

(In thousands of Euro)	Period ended September 30, 2011
Net cash flow generated from operating assets	32,393
Net cash flow absorbed from investment assets	(31,728)
Net cash flow absorbed from financing assets	8,401
Global cash flow	**9,066**
Cash at the beginning of the period	(125,000)
Cash at the end of the period	**(115,934)**

DMT Group Pro-forma

The table below offers a breakdown of net financial indebtedness as of September 30, 2011:

(thousands of Euro)	September 30, 2011		
	Continuing operations	Discontinued activities	Total
Cash and cash equivalents	(11,617)	(140)	(11,757)
Current financial liabilities	138,310	11,306	149,616
Non-current financial liabilities	91,578	0	91,578
Net financial indebtedness	**218,271**	**11,166**	**229,437**

The figures below summarize the cash flows generated and absorbed from operating assets, investment assets and financing assets during the nine-month period that ended September 30, 2011.

(In thousands of Euro)	Period ended September 30, 2011
Net cash flow generated from operating assets	43,994
Net cash flow absorbed from investment assets	(34,231)
Net cash flow absorbed from financing assets	5,830
Global cash flow – continuing assets	**15,593**
Cash flow – discontinued assets	(1,506)
Global cash flow	**14,087**
Cash at the beginning of the period	(118,255)
Cash at the end of the period	**(104,168)**

10.4 Information about finance requirements and financing structure

Details about finance requirements and the financing structure can be found in Paragraphs 10.1, 10.2 and 10.3 of this Chapter 10 of Section 1.

10.5 Information relating to possible limitations on the use of financial resources which have or could have significant direct or indirect repercussions on business

As mentioned earlier in this chapter, there are several financial covenants which could have significant direct or indirect repercussions on the business of the DMT Group.

As in the past, the DMT Group is still subject to an obligation to maintain Towertel's ratio between NFP and pro forma consolidated EBITDA no higher than:

- 6 times up to December 31, 2009;
- 4.4 times up to June 30, 2010 and December 31, 2010;
- 3.6 times up to June 30, 2011 and December 31, 2011;
- 2.6 times up to June 30, 2012 until expiry.

In addition, in relation to the pledge on some of Towertel's current accounts, the incoming funds received by the Tower division are channeled into the pledged accounts.

Also, the liquidity of the Tower division cannot be used for distribution, or for the granting of infra group loans.

Finally, in application of the Merger Agreement, DMT is to make outright payments to one of the DMT Group companies (DMT System S.p.A. in liquidation), which is to be disposed of prior to the Merger date, for a total of Euro 15.3 million.

The net financial indebtedness of EI Towers is not subject to restrictions or limitations.

10.6 Management of financial risks

DMT Group

Management of financial risk: objectives and criteria

The main financial liabilities of the DMT Group, other than derivatives, include bank finance and leasing agreements.

The bank finance for continuing operations relates to two acquisition finance agreements executed in 2005 and 2007, in order to support the plan of acquisitions of the subsidiary Towertel, together with two medium-term finance agreements taken out by companies which were acquired and subsequently incorporated into Towertel.

The financial liabilities of the discontinued activities relate to short-term credit facilities originally used to cover working capital requirements linked to the production of technological equipment, which terminated during the year.

The Group has carried out transactions in derivatives such as interest rate swaps in order to manage the interest rate risk linked to the financing of continuing operations.

Company Management has identified the risks of liquidity, credit and interest rates as the main risks generated by the financial instruments used by the DMT Group.

Liquidity risk

The management of liquidity risk generated by the normal activities of the DMT Group, in other words the risk of not duly meeting its foreseeable present and future financial commitments, requires the maintenance of an adequate level of short-term liquid assets, and the availability of funds through an appropriate amount of "committed" credit lines.

The Financial Management of the DMT Group monitors forecasts on the use of liquidity reserves on the basis of cash flow forecasts, and handles both the finance and cash flow management of the DMT Group companies.

The Tower sector

Given the nature of its business, the Tower business does not normally need short-term financial resources linked to the changes in working capital; its investments in maintenance and extensions to broadcasting stations are usually self-financed.

The DMT Group monitors the ratio between net financial indebtedness and EBITDA, focusing its efforts on the optimization of this ratio, partly because it is relevant for the financial covenants in the existing finance agreements.

With reference to the Tower sector, it is considered that the cash flow generated by the business unit is sufficient to meet the requirement for investments relating to maintenance and extension of the existing stations, and also for the due repayment of the installments of the medium-term finance agreements with the pool of lenders led by UniCredit and Banca IMI, which are payable in 2011.

The table below summarizes the due date of the DMT Group's liabilities as of December 31, 2010, on the basis of non-discounted contractual payments.

thousands of Euro	On demand	Less than 3 months	Between 3-12 months	1 - 5 years	Over 5 years	Total
Non-current financial liabilities	-	-	-	99.947	-	99.947
Current financial liabilities	-	-	15,184	-	-	15,184
Trade payables	4,183	5,867	253	-	-	10,303
Other payables and current liabilities	-	5,628	2,147	-	-	7,775
Acquisition debt	-	1,210	38	-	-	1,248
Income tax liabilities	-	-	6,028	-	-	6,028
Total	**4,183**	**12,705**	**23,650**	**99,947**	**-**	**140,485**

Credit risk

The customers of the Tower area are national television and radio networks, leading local TV and radio broadcasters, and mobile telephone operators based in Italy.

The revenues from the top ten customers correspond to 60% of the total revenues for the nine-months period of the 2011 related to Tower business unit. As already mentioned, the principal clients enjoy a high credit rating as they are national television networks and mobile telephone operators.

The risk of concentration is also mitigated by the fact that this sector operates through the subscription of long term lease and maintenance agreements.

Historically, the Tower sector has demonstrated a high ability to renew expiring agreements by expanding the range of services on offer.

Interest rate risk

The interest rate risk mainly regards variable rate medium and long-term finance obtained in order to finance the acquisitions of broadcasting stations.

The aim is to limit any possible increase in financial charges following the rise in rates on the interbank market. Interest rate swap contracts have been taken out with this in mind, in order to limit such risks.

Hedging transactions are booked in accordance with the cash flow hedge principle in accordance with IAS 39.

The carrying amount of the Group's financial instruments exposed to interest rate risk is as follows:

thousands of Euro		**December 31, 2010**
Fixed rate:		
Non-current liabilities	Swap	(418)
Float rate:		
Current assets	Bank deposits	5,073
Non-current liabilities	Bank facilities	(99,402)
	Other lenders liabilities	(127)
Current liabilities	Bank facilities	(15,184)
	Other lenders liabilities	-

The following table demonstrates the sensitivity of the results of the year and of the Group's net equity for 2010 to changes in interest rates which are reasonably foreseeable, assuming the other variables remain the same.

	Result for the year 2010		**Net equity December 31, 2010**	
thousands of Euro	**-0.5%/1%**	**+0.5%/1%**	**-0.5%/1%**	**+0.5%/1%**
IRS	(91)	91	(91)	91
Non-current liabilities, not hedged	649	(649)	649	(649)
Liquidity	(18)	18	(18)	18
Current liabilities, not hedged	110	(110)	110	(110)
Total	**650**	**(650)**	**650**	**(650)**

In particular, fluctuations of +/- 1% in market rates have been considered for the non-hedged financial liability (indexed to the 6-month Euribor), and the same range for forward rates for liabilities covered by IRS, whereas for liquidity (remunerated at a fixed rate or index to the 1-3 month Euribor), fluctuations of +/- 0.5% have been assumed.

Exchange risk

This risk can be found in companies operating on foreign markets as the suppliers or buyers of products and services, and generating cash flows in foreign currency which leads to exposure to the exchange risk.

The exchange risk faced by the DMT Group is substantially nil, after the termination of activities in the Technology sector, as the Tower sector now only operates in Italy.

Management of capital

With regard to the management of capital, the DMT Group's primary objective is to guarantee the maintenance of an adequate credit rating, and satisfactory capital indicators, in order to support business, maximize value for shareholders, and reduce the cost of capital.

There are no statutory or contractual restrictions on the maintenance of any given capital structure.

The Group can buy or sell its own shares in order to maintain or adjust its capital structure, while no capital repayments, new share issues or dividend payments have been authorized or planned to date.

EI Towers

Management of financial risk: objectives and criteria

The Executive Committee of Mediaset has defined a policy for managing the financial risks of the Mediaset group. The objectives of financial risk management is to reduce exposure to currency and interest rate risks: this activity is centralized at the parent company Mediaset, a company which has been entrusted with the task of assessing the financial risks and make any hedging activity. Mediaset operates directly on the market on behalf of subsidiaries and, in relation to currency risk, stipulates contracts for trading with the same matched.
EI Towers adheres to the *policies* of financial risk management defined by the parent company Mediaset; in particular, the management of liquidity risk is centralized at the parent company, while the credit risk is managed internally.
The aim of centralizing the management of financial risks at the parent company is to achieve cost savings and dedicated resources.

Interest rate risk

EI Towers is exposed to this risk especially by reason of their accounts with the parent company Mediaset, as shown below in the analysis of liquidity risk.

Liquidity risk

Liquidity risk is linked to the difficulty of finding funds to meet commitments.
EI Towers does not directly manage this risk because it is delegated to the parent company Mediaset trough, the management of cash receipts and payments through the use of automatic movements in the cash pooling on a daily basis, and also thanks to the centralization of financial management requirements to support any of its needs.

Credit risk

With regard to financial counterparties EI Towers is not characterized by significant concentrations of credit risk and solvency risk because the portfolio is made up primarily of receivables from the parent company Elettronica Industriale, and subsidiary of Mediaset Group.

Exchange risk
EI Towers is not subject to exchange risk as the debt in currencies other than euro shall not be relevant.

11. Research and development, patents and licenses of the Acquiring Company and of the Target Company

11.1 Research and development of the DMT Group

The DMT Group's principal activity is the hosting of systems on transmission infrastructures (for further information, please refer to First Section, Chapter 6, Paragraph 6.1 of the Information Document). Therefore, there are no material research and development strategies relating to the DMT Group.

11.2 Intellectual property of the DMT Group

11.2.1 Trademarks and domain names of the DMT Group

The table below contains details, on the Information Document Date, of the main trademarks used by the DMT Group, for which an application for registration has been filed with the Italian Trademarks and Patents Office.

Trade mark	Type	Classes	Filed by	Date of filing	Expiry
DMT	Italy	09-37-38-42	DMT	June 20, 2001	June 20, 2011 *
Towertel	Community	09-36-38-42	Towertel	December 23, 2005	June 23, 2015
DMT Tower Real Estate	Community	09-36-38-42	Tower Real Estate	December 23, 2005	June 23, 2015
DMT System	Community	09-35-38-42	DMT	December 21, 2006	June 21, 2016

* an application for renewal has been filed.

As of the Information Document Date, the DMT Group also owns the following domain names:

- *www.dmtonline.it*
- *www.digitalmultimediatechnologies.it*
- *www.dmtnetwork.it*
- *www.towertel.it*
- *www.towertel.com*
- *www.dmttower.com*
- *www.europeantower.it*
- *www.eurotower.it*
- *www.dmttower.it*
- *www.dmtonline.eu*
- *www.digitalmultimediatechnologies.com*
- *www.eurotower.com*
- *www.towertel.eu*
- *www.dmtonline.us*
- *www.dmtnetwork.com*
- *www.dmtonline.com*

11.2.2 Patents of the DMT Group

As of the Information Document Date, the DMT Group is not the owner or licensee of any patents.

11.3 Research and development of EI Towers

EI Towers' research and development activity is principally focused on the definition of network architectures and on the choice of equipment to be used on the network.

Research and development activities are undertaken in collaboration with other technical divisions of the Mediaset Group.

The principal areas of research concern:

- the evolution of television signal contribution and transport networks. In this area, the most important strand of activity is the qualification of equipment to be used on the new contribution networks and, in particular, on fiber optic networks;

- developments in Digital Terrestrial Television (DTT), with particular regard to the implementation of a new Head-End architecture. EI Towers has been involved in the implementation of the new architecture for DTT Head-Ends and in the installation, testing and configuration of the respective equipment. One particular and specific activity carried out is video signal quality assessment which, using sophisticated measurements and processing, has brought about significant improvements in the quality of compressed signals and, therefore, better utilization of the band resources of individual DTT Multiplexes;

- technical feasibility studies for the "All-Digital" project (Conversion of broadcasting networks from analog to digital). These technical feasibility studies concern the conversion to digital of all current Italian broadcasting networks. Specifically, in 2010, the conversion involved the regions of Piedmont East, Lombardy, Emilia Romagna, Veneto and Friuli Venezia Giulia to complete the entire North of Italy. The conversion will also continue for all other Regions and will follow the schedule drawn up by the competent authorities;

- laboratory tests on the new DVB-T2 digital terrestrial broadcasting system. In view of the fact that the first models of professional equipment and user receivers built according to the new DVB-T2 specification (second generation digital terrestrial television) are beginning to be used in Europe, EI Towers has started to check the characteristics of certain modulators and receivers and to identify the characteristics of the entire signal transport chain, from the Head-End to end users;

- participation in national and international standardization and regulation committees. EI Towers participates continuously in the work of national and international bodies aimed at standardizing and regulating the digital technologies that involve television signals, through which it has acquired and provided significant information about the planning and designing of digital networks, in particular for the DVB-T and DVB-H networks and their possible future developments;

- collaboration with the CEFRIEL consortium. EI Towers is also a member of the CEFRIEL university research consortium in Milan.

Research and development costs (including association contributions) for 2010 amount to Euro 692,703.00[4].

11.4 Intellectual property of EI Towers

On December 7, 2011, EI Towers filed the application for registration of the verbal trademark "EI TOWERS" with the number TO2011C003801, and on December 12, 2011, the application for registration of the relevant figurative trademark, with the number TO2011C003831. Both filings were for classes 9, 16, 35, 37, 38, 41, 42.

[4] Figures determined by allocating to the "Towers" business unit assets, liabilities, revenues and costs from Elettronica Industriale's financial statements for the year ended on December 31, 2010 and financial statements for the year ended June 30, 2011 of the same.

12. Trend information about the Acquiring Company and the Target Company

12.1 Recent trends on the markets in which the DMT Group operates

Over the next few years, the demand for hosting from television operators will possibly be characterized by two main phenomena: a number of local operators will sell off their equipment following the withdrawal of certain channels by the competent public authority, and at the same time new channels will be assigned.

As regards mobile operators, recent years have seen the development of agreements for mutual space sharing on stations depending on the availability of the operators themselves. This phenomenon has actually increased the relative weight of mobile operators on the market for hosting of third party systems on their sites. Please note that, with regard to the current fiscal year, particularly relevant trends were not occurred in relation to the costs and selling prices evolution which can significantly influence the results foreseen in the Business Plan 2011-2016.

Please also note that, the performance management trend until the Information Document Date of the Companies Participating to the Merger, not considering the extraordinary costs relating to the Transaction, amounting to approximately Euro 8 million, is in line with the forward-looking statements for the fiscal year 2011 (for further information, please refer to First Section, Chapter 13 of the Information Document).

12.2 Trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the DMT Group's prospects for at least the current financial year.

Based on the information available on the Information Document Date, the Issuer is not aware of any trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the prospects of the Issuer or DMT Group for at least the current financial year.

12.3 Recent trends on the markets in which EI Towers operates

In addition to the details already given about the markets in which the Acquiring Company operates, the Target Company predominantly works with the parent company Elettronica Industriale and with the latter's parent company, R.T.I.

In this regard, no significant changes are expected in the type of services supplied.

As regards the potential market made up of third party customers, possible business opportunities may arise from the assignment of new multiplexes to parties that could turn to EI Towers for the creation of part of their transmission network.

12.4 Trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on EI Towers' prospects for at least the current financial year.

Based on the information available on the Information Document Date, EI Towers is not aware of any trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on EI Towers' prospects for at least the current financial year.

13. Profit forecasts or estimates of the Acquiring Company and of the Target Company

13.1 Principal assumptions on which the projected figures are based

13.1.1 Foreword

On July 28, 2011, the Boards of Directors of EI Towers and of DMT approved the Merger Project.

EI Towers is the newly-formed company wholly owned by Mediaset, via Elettronica Industriale, to which the latter transferred, with effect from June 30, 2011, the division responsible for the supply of network infrastructures and/or electronic communication services and any related activity.

The industrial merger of the assets owned respectively by EI Towers and DMT in the broadcasting towers and telephony sector aims to create a leading operator in Italy in terms of infrastructures for electronic communication networks and related services and to create considerable synergies between the respective businesses with a view to creating value for all shareholders.

DMT will contribute its know-how and experience in the efficient and effective management of infrastructures and, specifically, in the processes for the acquisition of new tower portfolios and in the capacity to develop a customer portfolio in a dedicated and targeted manner. EI Towers' contribution to the Merger will be the experience of Elettronica Industriale S.p.A. - which will retain ownership of the rights to use the frequencies - in terms of the management, maintenance, engineering and planning of terrestrial television networks.

The Company Resulting from the Merger will operate with a portfolio of around 3,200 managed sites, of which around 2,300 are owned and/or available. The merger of the two tower portfolios will help to achieve national coverage and more widespread presence compared with that of the two infrastructures taken individually. The outcome of the merger of the two site portfolios will enable the Company Resulting from the Merger to cover a large part of the national territory in its offer of hosting services. The merger of assets by EI Towers will make way for a considerable expansion of the coverage of DMT's current portfolio of stations.

The aggregated infrastructures will enable the management of the Company Resulting from the Merger to offer efficient solutions to the market both in terms of hosting alone (as is already the case for mobile and wireless operators) and in terms of the supply of integrated services vital to the broadcasting and contribution of the radio/television signal.

The merger will not bring about any changes in the type of main businesses developed by the two companies. On July 28, 2011, the respective boards of directors approved the 2011-2016 Business Plan, which includes the potential synergies and efficiencies expected from the Merger. The boards of directors also approved the respective 2011 stand-alone Budgets and the respective 2011-2016 Stand Alone Economic/Financial Plan Guidelines.

13.1.2 2011-2016 Business Plan

On July 28, 2011 DMT presented to the financial community the document summarizing the indicators and assumptions of the 2011-2016 Business Plan, which is available to the public on the Issuer's website at www.dmtonline.com.

The 2011-2016 Business Plan was prepared using accounting principles substantially consistent with those used for DMT's consolidated financial statements and the EI Towers Carve-Out balance sheet and income statement as of December 31, 2010 and in accordance with the IFRS adopted by the European Union.

The 2011-2016 Business Plan was drawn up with considerable input from the management of EI Towers and DMT.

The 2011-2016 Business Plan includes estimates and hypotheses relating to the occurrence of future events and actions that will need to be undertaken by the management. The major assumptions that form the basis of the 2011-2016 Business Plan include assumptions relating to the macroeconomic scenario, which are outside the influence of the management, and hypothetical assumptions about the effects of specific actions or concerning future events which are only partly outside the influence of the management and which might not occur or change in the period covered by the plan, and could therefore deviate slightly or significantly from the forecasts made.

The following can thus be highlighted:

i. general and hypothetical assumptions about future events and management actions which will not necessarily occur and which depend substantially on variables which are outside of the influence of the management ("**General and Hypothetical Assumptions**");

ii. discretionary assumptions about future events that the management expects to occur and actions that it intends to undertake ("**Discretionary Assumptions**").

(i) The main general and hypothetical assumptions are summarized below:

a) completion of the Merger in accordance with the agreed terms;

b) unconditional clearance to the Merger by the Antitrust Authority, in accordance with current regulations, except for the right of EI Towers, in its sole discretion, to waive this requirement.

In this regard, on December 21, 2011, DMT and EI Towers disclosed to the market EI Towers' decision to exercise its right, provided for under the Merger Agreement, to waive the requirement of unconditional clearance by the Antitrust Authority, in light of *(i)* Antitrust Authority decision of December 14, 2011 authorizing the concentration by means of merger via incorporation of EI Towers into DMT on condition that the company resulting from the concentration comply with certain requirements specified therein and *(ii)* the subsequent resolution of the Authority dated December 15, 2011, containing further clarification of the above requirements.

DMT and Elettronica Industriale, based on the analysis of the measures prescribed by the Authority in relation to the economic conditions of the offer to customers in order to prevent any unfair offer with respect to conditions and transparency, thus discriminating customers (and in particular the operators different from the DMT Elettronica Industriale group), believe that their implementation will not result in significant effects on operations - in terms of higher costs or lower revenues - nor in the Business Plan. In fact, the Business Plan 2011-2016 is based, on one hand, on the development of the economic and contractual conditions applied by DMT and, on the other hand, on the introduction of new product offerings at conditions that are consistent with the implementation of measures.

In this regard it is noted that:

(i) the decision of the Antitrust Authority, in relation to trading measures, does not differ significantly from the commitments proposed to the same Authority by Elettronica Industriale (as shown by the comparison of the decision with the text of the proposed commitments - cf. para from 105 to 126 of the decision);

(ii) the Business Plan 2011-2016, approved by the competent bodies of the two companies on July 28, 2011 has been prepared in accordance with the content of the commitments later formalized by Elettronica Industriale to the Antitrust Authority;

(iii) in particular, within the revenues of the Business Plan 2011-2016, those generated from national *broadcasters* (specifically object of the measures of the Authority) other than the parent company Elettronica Industriale, represent a global average over the plan around 11%. The assumptions relating to the development of these revenues, both with respect to services already offered and to new kinds of services are however consistent with the measures prescribed by the Authority;

(iv) in terms of operating costs, the prescribed measures not involve the occurrence of further obligations, requirements or complexity in operations compared to what is already assumed as part of the normal business management.

c) entering into a full service management contract with one of the assignees of the multiplexes, following the invitation to tender for the assignment of 6 new national digital multiplexes ("beauty contest").

On July 8, 2011, the Italian Ministry of Economic Development, Communications Department, issued, in accordance with Consob resolution 497/10 of September 23, 2010 of the Communications Regulatory Authority, an Invitation to Tender for the assignment of rights to use television band frequencies for terrestrial digital broadcasting systems.

With specific reference to the ongoing Tender, beauty contest free of charge, of the rights to use frequencies for six national digital multiplexes and to the recent national press release that indicate the possible change of the will of the Italian Government regarding the maintenance of the assignment free of charge, it is important to note that the Government merely took notice of it and included in its own agenda the proposal of some parliamentary groups, consisting of the invitation in considering alternative scenarios for the assignment of the above frequencies. The legal framework for this operation is therefore not changed, nor other legislative or administrative indication exists to outline different scenarios resulting in significant impacts on the business. Even in the event of any delay in the timing of the assignment of the rights to use frequencies, forecasts and estimates of earnings reported in the Business Plan 2011 – 2016 remain valid, given that the assumptions in the aforementioned plan carefully estimate the start of the work related to the implementation of the multiplex network from the last quarter of 2012. Expected Ebitda of the Business Plan 2011-2016 for the year 2012 includes Euro 2 million related to the full-service management of the multiplex.

d) the current highly uncertain economic context and, consequently, the occurrence of the macroeconomic scenario hypotheses.

With reference to the effects that might occur in the Business Plan 2011-2016 resulting from the desire expressed by the Italian Government with regard to pensions, the possible effects predictable to date are not significant and, however, their effect would be reflected in the years from 2013.

(ii) The main discretionary assumptions are:

a) maintenance and renewal of existing contracts under the same conditions;

b) development of the Hosting and Maintenance contract with Elettronica Industriale;

c) incremental growth in hosting and maintenance activities;

d) synergies and efficiencies expected from the Merger.

The 2011-2016 Business Plan resulting from the assumptions set out above forecasts:

i) growth in pro-forma income from Euro 217 million in 2011 to Euro 268 million in 2016 with an average annual compound increase of 4%;

ii) increase in EBITDA from Euro 75 million pro-forma in 2011 to Euro 128 million in 2016 (average growth 11%);

iii) recurring capex of Euro 20 million per year, which represent 27% of the 2011 EBITDA and 16% of the 2016 EBITDA.

An explanation is given below about the impact and contribution of the various assumptions to the values of the combined business plan.

As regards the contributions made towards the expected growth in income, Euro 18 million will come from the full service management of one of the 6 multiplexes assigned following the invitation to tender and Euro 33 million will come from the development of the hosting and maintenance contract with Elettronica Industriale, the incremental growth in hosting and maintenance activities, maintenance and renewal of contacts under the same conditions and the expected rise in inflation.

In addition to the factors given above regarding income, the increase in EBITDA will also be the result of the following factors:

- reduction in costs of consumables for completion of digitalization activities;
- efficiency and streamlining of overheads and administrative costs owing to the reorganization of the central units resulting from the new aggregated structure;
- streamlining of infrastructure costs resulting from the Merger;
- reduction in labor costs through development of efficiencies and synergies.

In determining the projected figures, consistently with the procedures for drawing up the pro-forma consolidated financial statements set out in the First Section, Chapter 20, of the Information Document, it was decided not to calculate amortization and depreciation on possible allocations to finite-life tangible and intangible assets of the difference between the fair value of the DMT shares, which will be issued to serve the Merger, and the consolidated accounting equity of DMT.

13.2. Auditing Firm's report

The Auditing Firm has issued an examination report on the procedures carried out with respect to the Group's Projected Figures described in this Chapter 13. Such report, issued on September 28, 2011, was updated on December 22, 2011 to reflect that on December 14, 2011 the Antitrust Authority has approved the Merger subject to appropriate measures to neutralize the anticompetitive effects and that on December 16, 2011, in reference to the *multiplex*, the Italian Government has adopted the agenda proposed by some parliamentary groups, consisting of the invitation in reflecting on the various scenarios related to the hypothetical alternatives in the way used for the assignment of the above frequencies.

The conclusions of the Auditing Firm, confirmed on December 22, 2011, are the following:

"*Based on our examination of the evidence supporting the assumptions and elements used to prepare the Forecast included in Chapter 13 of the Information Document, nothing has come to our attention which causes us to believe, to date, that these assumptions and elements, do not provide a reasonable basis for the preparation of the Forecast, assuming the occurrence of the hypothetical assumptions concerning future events and actions of the Directors, described in paragraph 2. Further, in our opinion the Forecast were prepared consistently using the assumptions and elements abovementioned and they have been presented in accordance with accounting principles consistent with those applied by DMT in the preparation of the consolidated financial statements at December 31, 2010, which are prepared in accordance with International Financial Reporting Standards ("IFRS") adopted by the European Union, audited by us*.".

14. Administrative, management, and supervisory bodies and senior executive of the Acquiring Company

14.1 Corporate bodies and principal managers of the Acquiring Company

14.1.1 Board of Directors of the Acquiring Company

In accordance with Article 13 of the By-Laws, the Issuer is managed by a board of directors composed by a minimum of 5 and a maximum of 21 members, shareholders or non-shareholders, who remain in office for a period, determined by the shareholders' meeting, of no more than three years and who are eligible for re-election.

In order to ensure that the minority have the right to elect a member of the Company's board of directors, the board of directors is appointed on the basis of lists proposed by shareholders. One of the board of directors' members is appointed from the minority list that obtained the highest number of votes and which is not connected in any way, directly or indirectly, to the shareholders who proposed or voted for the list that came first in terms of number of votes.

For further information about the Issuer's By-Laws concerning the board of directors' members, please refer to First Section, Chapter 21, Paragraph 21.2.2 of the Information Document.

As of the Information Document Date, the board of directors of DMT comprises eight members, and was appointed by the shareholders' meeting on May 6, 2011 for three fiscal years.

The members of the current board of directors of DMT are listed in the table below.

Name and surname	Position	Type	Place and date of birth	Date of appointment	Date of taking up office
Alessandro Falciai	Chairman and CEO	Executive	Livorno, January 18, 1961	May 6, 2011	May 6, 2011
Marco Almerigogna ([1])([2])	Director	Non-executive	Trieste, January 15, 1959	May 6, 2011	May 6, 2011
Carlo Samuele Pelizzari	Director	Executive	Monza (MB), March 1, 1967	May 6, 2011	May 6, 2011
Carlo Ramella	Director	Executive	Bergamo, July 5, 1973	May 6, 2011	May 6, 2011
Fabio Caccia ([3])	Director	Executive	Giussano (MB), February 7, 1968	May 6, 2011	May 6, 2011
Alessandro Torrisi ([1])([2])([4])	Director	Independent	Naples, May 30, 1960	May 6, 2011	May 6, 2011
Raoul Giuseppe Fiano ([1])([2])([4])	Director	Independent	Rome, June 19, 1960	May 6, 2011	May 6, 2011
Federico Falciai	Director	Non-executive	Livorno, August 19, 1972	May 6, 2011	May 6, 2011

([1]) Member of the Internal Audit Committee.
([2]) Member of the Remuneration Committee.
([3]) Director appointed to oversee the functionality of the internal audit system, specified in the Recommendation of the Code of Conduct for Listed Companies 8.C.1 letter b).
([4]) Directors Alessandro Torrisi and Raoul Giuseppe Fiano have stated that they meet the criteria for qualifying as independent directors pursuant to Article 3 of the Code of Conduct and Articles 148, paragraph 3, and 147-ter, paragraph 4, of the Consolidated Law.

With regard to the composition of the Board of Directors of the Company Resulting from the Merger, please note that the Merger Agreement provides, *inter alia*, that, effective from the execution of the deed of Merger, Alessandro Falciai will resign from his position as director, Chairman of the board and CEO of DMT and that two other DMT directors will also resign from their office in order to allow new directors to be co-opted. The Merger Agreement also provides that the remaining current DMT board members will resign from their office, effective

on the date of the first DMT shareholders' meeting after the effective date of the Merger, scheduled within February 20, 2012, in order to renew the entire DMT board of directors (for further information about the Merger Agreement, please refer to First Section, Chapter 22, Paragraph 22.2 of the Information Document).

The following section contains a brief *curriculum vitae* of each director, highlighting their expertise and experience in business management.

Alessandro Falciai, born in Livorno on January 18, 1961, is the Chairman and CEO as well as being a founder and shareholder of DMT. He has a degree in Aerospace Engineering as well as a Master in Business Administration from the INSEAD Business School in Fontainebleau (France). He has previously held the positions of CEO of Elettronica Industriale and director of Albacom. He has also worked for the Stet Group in the role of manager for Latin America, in Brazil for Telespazio and in Holland for the European Space Agency (ESA).

Marco Almerigogna, born in Trieste on January 15, 1959, has a degree in Business Economics from Milan Bocconi University and a Master in Business Administration from the INSEAD Business School in Fontainebleau (France). Marco Almerigogna has gained professional experience both abroad and in Italy in complex business organizations, including the European Space Agency, Olivetti and the FIAT Group, where he has held roles of increasing responsibility, firstly, in operations, then marketing and sales and, finally, general management.

Carlo Samuele Pelizzari, born in Monza (MB) on March 1, 1967, graduated in Monza at the Mosé Bianchi Technical Commercial Institute. From May 1990 to December 31, 1999 he held the role of head of passive management of local units and supplier accounting at Elettronica Industriale. He has held the role, firstly at DMT S.p.A., of Administrative Manager and, following the creation of the DMT Group's major subsidiary, Towertel S.p.A., of the latter's Administrative Director. Since 2005 he has been sole director or director in subsidiaries or associates of Towertel S.p.A. Since December 2008, he has been a director and CEO of Towertel S.p.A., with extensive managerial and operational powers and since October 2009, director of the holding company DMT S.p.A.

Carlo Ramella, born in Bergamo on July 5, 1973, has a degree in Economics and Commerce from the University of Bergamo and started his career in 1998 at Merrill Lynch in London. Between 1999 and 2000 he worked for the accounting and consulting firm Arthur Andersen. After completing in 2001 a Master's in Corporate Finance at the Luigi Bocconi Commercial University in Milan, he worked until 2004 at HSBC Bank, in the corporate finance area. Since 2004 he has been Investor Relator for DMT S.p.A. and Business Development Manager. He is currently the Chief Operating Officer and Executive Director of DMT S.p.A. as well as director of the subsidiary Towertel S.p.A.

Fabio Caccia, born in Giussano (MB) on February 7, 1968, has been with the DMT Group since 2005 where he has occupied the role of Finance Director and M&A Manager. He is currently the DMT Group's Chief Financial Officer. After graduating with a degree in Business Economics from Milan's Cattolica University, he started to work with Mr. Zaninelli, professor of Economic History. He then worked for over ten years in the Corporate Finance area of Interbanca, Credit Lyonnais and Abaxbank.

Alessandro Torrisi, born in Naples on May 30, 1960, has a degree in Economics and Commerce from Rome's "La Sapienza" University and began his career in 1984 at Eurinvest S.p.A. From 1990 to 1998 he held various positions within companies belonging to the Finmeccanica Group. From 1998 to 2007 he was General Manager of ASE S.p.A., a company engaged in the field of aerospace systems and avionic components. From 2007 to 2010 he was Deputy Chairman and CEO of C.A.B.I. Cattaneo S.p.A., exclusive supplier of underwater vehicles and systems for the Special Forces ("Incursori") of the Italian Navy.

Raoul Giuseppe Fiano, born in Rome on June 19, 1960, has a degree in Economics and Commerce from Rome's "La Sapienza" University. He attended the Microelectronic Engineering course at the ESIEE engineering school in Paris. He has held the position of sole director of Colettron S.r.l., which operates in the broadcasting, multimedia and telecoms sector, in which he currently holds the role of general proxy as well as being the majority shareholder. He runs the Raoul Fiano Firm, Paris, which provides technical and strategic consultancy, thanks to which he has been able to gain experience in M&A, particularly in the telecom and broadcasting sector.

Federico Falciai, born in Livorno on August 19, 1972, has a degree in Economics and Commerce and worked for Kuwait Petroleum Italia S.p.A. where he gained experience in logistics, trading and internal auditing. Since 2006 he has been working for Enel S.p.A. where he has continued his experience in the international area of internal

auditing. He currently holds positions in the DMT Group's Administration, Finance and Finance Unit Control Division.

As far the Company is aware, in the previous five years none of the board of directors members has been convicted in relation to fraudulent offices, or has been declared bankrupt or has been associated, in the discharge of their duties, with bankruptcy, receivership or liquidation proceedings, with the exception of voluntary liquidation, or has been the subject of official public indictment and/or sanctions by statutory or regulatory authorities (including designated professional bodies) and/or disqualified by a court from acting as a member of the administrative, management or supervisory bodies of the Issuer or from acting in the management or conduct of the affairs of any issuer.

The table below shows all positions held by members of the board of directors as well as their shareholdings (considered material with respect to the DMT Group and excluding those held within the DMT Group or in other companies directly or indirectly controlled by the Issuer) in the previous five years, with an indication of whether they continue to hold that position and their shareholding:

Name and surname	Company	Office	Status of position/shareholding
Alessandro Falciai	Millenium Partecipazioni S.r.l.	Sole director	until annulment
	Alboran S.r.l.	Sole director	until annulment
	Millenium Directory Holding S.r.l.	Sole director	current
Marco Almerigogna	OPS Design & Management S.r.l.	Sole director	until annulment
	CJSC DB	Chairman	until annulment

14.1.2 Board of statutory auditors

The board of statutory auditors is made up of 3 statutory auditors and 2 substitute auditors, who remain in office for three years and who are eligible for re-election. The current board of statutory auditors was appointed by the shareholders' meeting on May 6, 2011 and will remain in office until the approval of the financial statements for the year ended December 31, 2013.

Please note that, following the Merger, no changes are expected in the composition of the board of statutory auditors of the Company Resulting from the Merger.

In accordance with Article 148 of the Consolidated Law and with Article 17 of the By-Laws, auditors are appointed on the basis of lists proposed by shareholders in order to ensure that the minority has the right to appoint one statutory auditor and one substitute auditor. The Chairman of the board of statutory auditors is appointed by the shareholders' meeting from among the auditors elected by the minority.

For further information about the provisions of the Issuer's By-Laws concerning the board of statutory auditors' members, please refer to First Section, Chapter 21, Paragraph 21.2.2 of the Information Document.

Members of the board of statutory auditors, with service address at the Company's registered office, are listed in the following table.

Name and surname	Office	Place and date of birth	Date of appointment	Date of office assignment
Francesco Vittadini	Chairman	Bellano (Lecco Province), May 25, 1943	May 6, 2011	May 6, 2011
Marco Armarolli	Statutory auditor	Busto Arsizio (Varese Province), January 23, 1973	May 6, 2011	May 6, 2011
Anna Girello	Statutory auditor	Turin, March 13, 1971	May 6, 2011	May 6, 2011
Giancarlo Restori	Substitute auditor	Biassono (Monza and Brianza Province), April 28, 1957	May 6, 2011	May 6, 2011

Marco Benvenuto Lovati	Substitute auditor	Rho (Milan Province), March 1, 1962	May 6, 2011	May 6, 2011

The following section summarizes the most significant details about the professional experience of the current Chairman of the board of statutory auditors and of the auditors themselves.

Francesco Vittadini, born in Bellano (LC) on May 25, 1943, has a degree in Economics and Commerce from the Luigi Bocconi Commercial University. He has been registered with the Monza and Brianza Association of Certified Accountants since October 23, 1971. He works as a Certified Accountant. He holds Auditor posts in industrial, financial, insurance, communication and media companies.

Marco Armarolli, born in Busto Arsizio (VA) on January 23, 1973, has a degree in Economics and Commerce from the University of Pavia. He is entered on the Register of Auditors and qualified to operate as a Professional Accountant and Auditor enrolled on the Register of Certified Accountants. From 1997 to 1998 he worked at Sercon S.a.s. From 1998 to 2003 he worked for the Rock firm in Milan. From 2004 to 2005 he worked for the Di Tanno e Associati firm in Milan. Since February 2005 he has been a partner of the Dottori Commercialisti Associati firm in Milan and partner of the Rock firm in Milan.

Anna Girello, born in Turin on March 13, 1971, has a degree in Economics and Commerce from the Sacro Cuore Cattolica University in Milan. She is, *inter alia*, qualified to operate as a Certified Accountant. Over her career, she has given various lectures for ISP Italia S.r.l. She is an arbitrator at the Arbitration Court in Piedmont. Partner of the Girello s.s. Dottori Commercialisti in Alba firm and partner of Eurodefi Italia, she is also a member of the Model 231 Supervisory Board in various companies and sits on various boards of auditors both as Chairman and as director.

Giancarlo Restori, born in Biassano (Monza and Brianza Province) on April 28, 1957, has a degree in Economics. From 1979 to 1984 he held the post of Chief Accountant at Viscardi Arreda. From 1985 to 1991 he held various positions within companies of the Gruppo Fontana Luigi S.p.A. Since 1985 he has been an auditor of various companies. He has been enrolled on the Register of Auditors since 1995 and is a partner of a firm in Lecco.

Marco Benvenuto Lovati, born in Rho (MI), on March 1,1962, has a degree in Economics and Commerce from the Sacro Cuore Cattolica University in Milan. From 1989 to 2003 he worked for the Rock firm in Milan. From 2004 to 2005 he worked for the Di Tanno e Associati firm in Milan. Since February 2005 he has been a partner of the Rock Commercialisti Associati firm in Milan.

As far the Company is aware, in the previous five years none of the board of statutory auditors' members has been convicted in relation to fraudulent offices, or has been declared bankrupt or has been associated, in the discharge of their duties, with bankruptcy, receivership or liquidation proceedings, with the exception of voluntary liquidation, or, has been the subject of official public indictment and/or sanctions by statutory or regulatory authorities (including designated professional bodies) and/or disqualified by a court from acting as a member of the administrative, management or supervisory bodies of the Issuer or from acting in the management or conduct of the affairs of any issuer.

The table below shows all positions held by members of the board of statutory auditors as well as their shareholdings (considered material with respect to the DMT Group and excluding those held within the DMT Group or in other companies directly or indirectly controlled by the Issuer) in the previous five years, with an indication of whether they continue to hold that position and their shareholding:

Name and surname	Company	Office	Status of position/shareholding
Francesco Vittadini	A.C. Milan S.p.A.	Chairman	current
	EI Towers S.p.A.	Chairman	current
	ASanSiro S.r.l.	Chairman	ended
	Finisvim S.p.A.	Chairman	current

Name and surname	Company	Office	Status of position/shareholding
	Fondazione Milan Onlus	Chairman	current
	Elettronica Industriale S.p.A.	Chairman	current
	Giambelli S.p.A.	Chairman	current
	Mediamond S.p.A.	Chairman	current
	Mediolanum Vita S.p.A.	Chairman	ended
	Milan Entertainment S.r.l.	Chairman	ended
	Rete Italia S.p.A. in liquidation	Chairman	current
	R.T.I. S.p.A.	Chairman	current
	Video Time S.p.A.	Chairman	current
	Auditel S.r.l.	Statutory auditor	current
	Consorzio San Siro 2000	Statutory auditor	current
	Digitalia 08 S.r.l.	Statutory auditor	current
	Fininvest S.p.A.	Statutory auditor	current
	Fondo Pens. Dip. Mediolanum Ass.	Statutory auditor	current
	Holding Italiana Prima S.p.A.	Statutory auditor	current
	Il Teatro Manzoni S.p.A.	Statutory auditor	current
	Isim S.p.A.	Statutory auditor	current
	Mediaset S.p.A.	Statutory auditor	current
	Mediolanum S.p.A.	Statutory auditor	current
	Milan Real Estate S.p.A.	Statutory auditor	current
	Promoservice Italia S.r.l.	Statutory auditor	current
	Titanus Elios S.p.A.	Statutory auditor	current
	Video Due S.r.l.	Statutory auditor	current
	Immobiliare Osio S.r.l.	Sole director	until cancellation
	Fondazione Mediolanum	Auditor	current
Marco Armarolli	Sisley Italia S.p.A.	Chairman	current
	Contel 21 S.p.A.	Statutory auditor	current
	Cristallerie Livellara S.r.l.	Statutory auditor	current
	Dmt S.p.A.	Statutory auditor	current
	G.B.M. Compagnia Finanziaria Commerciale S.p.A.	Statutory auditor	current
	Italian Green Group S.r.l.	Statutory auditor	current
	Geosteel S.p.A.	Statutory auditor	current
	Jesi Energia S.p.A.	Statutory auditor	current
	Man Credit Società Finanziaria S.r.l.	Statutory auditor	current

Name and surname	Company	Office	Status of position/shareholding
	Montefibre S.p.A.	Statutory auditor	current
	Poggio Mondello S.r.l.	Statutory auditor	current
	Sistemi di Energia S.p.A.	Statutory auditor	current
	Sarmato Energia S.p.A.	Statutory auditor	current
	The First S.p.A.	Statutory auditor	current
	Trasformazione Fibre S.r.l.	Statutory auditor	current
	Beta Skye S.p.A.	Alternate auditor	current
	Edison Energia S.p.A.	Alternate auditor	current
	Edison Energie Speciali S.p.A.	Alternate auditor	current
	Edison Energie Speciali Calabria S.p.A.	Alternate auditor	current
	Gamma Officine Meccaniche S.p.A.	Alternate auditor	current
	Lambda Skye S.r.l.	Alternate auditor	current
	MA-TRA Fiduciaria S.r.l.	Alternate auditor	current
	Nuova C.I.S.A. S.p.A. in liquidation	Alternate auditor	current
	Rondine S.p.A.	Alternate auditor	current
	Towertel S.p.A.	Alternate auditor	current
	Vimercati S.p.A.	Alternate auditor	current
	Emaze Networks S.p.A.	Auditor	current
	3 Luglio Real Estae S.r.l.	Sole director	current
Marco Benvenuto Lovati	Brands Partners 3 S.r.l.	Chairman	current
	DMT System S.p.A. in liquidation	Chairman	current
	G.B.M. Compagnia Finanziaria Commerciale S.p.A.	Chairman	current
	Moncler Enfant S.r.l.	Chairman	current
	Sata S.r.l. in liquidation	Chairman	current
	Towertel S.p.A.	Chairman	current
	Trasformazione Fibre S.r.l. in liquidation	Chairman	current
	Astrim S.p.A.	Statutory auditor	current
	Boschi Luigi e Figli S.p.A.	Statutory auditor	current
	Brands Partners 2 S.p.A.	Statutory auditor	current
	Carisma SGR S.p.A.	Statutory auditor	current
	Carnini S.p.A.	Statutory auditor	current
	Centrale del Latte di Roma S.p.A.	Statutory auditor	current

Name and surname	Company	Office	Status of position/shareholding
	Gamma Officine Meccaniche S.p.A.	Statutory auditor	current
	Industries S.p.A.	Statutory auditor	current
	JAL Group Italia S.r.l.	Statutory auditor	current
	MA-TRA Fiduciaria S.r.l.	Statutory auditor	current
	Media Parfurms S.r.l.	Statutory auditor	current
	Moncler S.r.l.	Statutory auditor	ended
	Parmalat Distribuzione Alimenti S.r.l.	Statutory auditor	current
	Progressio SGR S.p.A.	Statutory auditor	current
	Publimethod S.p.A.	Statutory auditor	current
	Publimethod Group S.p.A.	Statutory auditor	current
	Rondine S.p.A.	Statutory auditor	current
	Top Color S.p.A.	Statutory auditor	current
	Vimercati S.p.A.	Statutory auditor	current
	Contel 21 S.p.A.	Alternate auditor	current
	Dalmata S.p.A.	Alternate auditor	current
	DMT S.p.A.	Alternate auditor	current
	Sisley Italia S.r.l.	Alternate auditor	current
	Compagnia Elettrica Lombarda S.p.A. in liquidation	Liquidator	current
	DA.TO. S.r.l.	Chairman of the Board and Director	current
	PEH – Private Equity Holding S.r.l.	Director	current
	Nora 2003 S.r.l.	Sole director	current
	Trema Melas S.a.s.	General partner	current
Anna Girello	Ceretto Aziende Vitivinicole S.r.l.	Chairman	current
	FinVezza S.r.l.	Chairman	current
	Finceretto S.r.l.	Chairman	current
	Sedamyl S.p.A.	Statutory auditor	current
	Magazzini Montello S.p.A.	Statutory auditor	current
	Oikos 2006 S.r.l.	Statutory auditor	current
	H7 S.p.A.	Statutory auditor	current
	Caffè Sicli Produzione S.r.l.	Director	indefinite
	Getto Design S.r.l	Director	indefinite
	Studio Girello s.s.	Active partner	indefinite

Name and surname	Company	Office	Status of position/shareholding
	Cin Cin Land	Statutory auditor	Ended 12/24/2002
	Immobiliare Novi S.r.l.	Director	Ended 05/21/2007
	Gruppo Vezza S.p.A.	Statutory Auditor	Ended 02/22/2010
	Bellaria S.r.l.	Sole Director	Ended 12/29/2009
	Palladio S.r.l.	Director	Ended 05/10/2007
	Aniwell	Statutory auditor	Ended 02/22/2010
Giancarlo Restori	Picri S.r.l.	Sole director	Current
	Fingamma S.r.l.	Sole director	Ended
	Alison S.r.l.	Sole director	Ended
	Pert S.r.l.	Sole director	Ended
	Top Racing S.r.l.	Statutory auditor	Ended
	Colorificio Lecchese S.r.l.	Alternate auditor	Current
	Tecno-Lario S.P.A.	Alternate auditor	Current
	Invernizzi Luciano & Figli S.p.A.	Alternate auditor	Current
	C.P.T. S.r.l. Consulenze E Progettazioni Tecnologiche in Liquidation	Liquidator	Ended
	Elettra S.r.l.	Chairman of board of statutory auditors	Current
	Lario's Wine S.r.l. in Liquidation	Substitute auditor	Ended
	GISA S.r.l.	Sole director	Current
	Alison S.r.l. in Liquidation	Liquidator	Ended
	Immobiliare Spazio S.r.l.	Sole director	Current
	Calcio Lecco 1912 S.p.A.	Alternate auditor	Current
	Banca Di Credito Cooperativo di Carate Brianza - Società Cooperativa	Statutory auditor	Current
	Cooperativa di Consumo di Carate Brianza Società Cooperativa	Director	Current
	Be.ve.re.co. S.r.l.	Statutory auditor	Current
	Il Parco - Centro di Attività Sociali	Director	Current
	Nespoli S.p.A.	Statutory auditor	Current
	Consorzio Provinciale Della Brianza Milanese per lo Smaltimento dei Rifiuti Solidi Urbani	Auditor	Current
	T.P.B. (Trasporti Pubblici Della Brianza) S.p.A.	Chairman of board of statutory auditors	Insolvent
	Citterio Line S.p.A.	Substitute Auditor	Current

Name and surname	Company	Office	Status of position/shareholding
	Amici Della Cultura S.r.l.	Sole director	Current
	Acquamarina S.r.l.	Sole director	Current
	Cowboyland S.r.l. - Company in Liquidation	Liquidator	Ended
	Acsm-Agam S.p.A.	Statutory auditor	Current
	Società Cementi Bresciani S.p.A.	Statutory auditor	Current
	Cooperativa Cattolica Immobiliare Alcide De Gasperi - Società Cooperativa	Substitute auditor	Current
	Stampi Attrezzature Meccaniche S.r.l. or, in abbreviated form, S.A.M. S.r.l.	Substitute auditor	Ended
	Istituto Per L'edilizia Industrializzata S.r.l. or, in abbreviated form, Istedin S.r.l.	Statutory auditor	Ended
	Co.T.A.L. - Società Cooperativa	Substitute auditor	Current
	Ifim S.p.A.	Substitute auditor	Current
	Gelmi Inox S.r.l.	Substitute auditor	Ended
	Babcock & Brown S.r.l.	Substitute auditor	Current
	T.P.B. (Trasporti Pubblici Della Brianza) S.p.A.	Chairman of board of statutory auditors	Ended
	Consorzio Trasporti Pubblici S.p.A. in Liquidation	Substitute auditor	Current
	Euro Packaging Italia S.p.A..	Chairman of board of statutory auditors	Current
	GLS S.r.l.	Sole director	Ended
	Althea S.r.l. in Liquidation	Liquidator	Current
	Cowboyland S.r.l. - Company in Liquidation	Liquidator	Ended
	Ambiente Futuro S.r.l.	Statutory auditor	Ended
	Navigli Ambiente S.r.l.	Chairman of board of statutory auditors	Current
	Babcock & Brown Società Di Gestione Del Risparmio S.P.A. in abbreviated form B & B S.g.r. S.p.A.	Substitute auditor	Current
	Babcock & Brown Italian Infrastructure S.r.l.	Statutory auditor	Current
	Hideal Ppp S.r.l.	Statutory auditor	Current
	Effe H S.p.A.	Substitute auditor	Current
	Progr&Dire S.r.l.	Director	Current
	E.S.Co. Adriatica S.p.A.	Director	Ended
	Gowan Italia S.p.A.	Substitute auditor	Current
	Pegaso S.r.l.	Deputy chairman of board of directors	Current

Name and surname	Company	Office	Status of position/shareholding
	Steelcom Fittings S.r.l.	Statutory auditor	Current
	Malgara Chiari & Forti S.p.A.	Substitute auditor	Current
	Ellepi S.r.l.	Statutory auditor	Current

14.1.3 Senior executive

The Issuer is a company that carries out a direction and coordination activity of the DMT Group, which, on the Information Document Date, has 86 employees.

The following table shows the principal managers of the DMT Group on the Information Document Date.

Name and surname	Office	Place and date of birth
Carlo Samuele Pelizzari	CEO of Towertel S.p.A.	Monza (MB), March 1, 1967
Carlo Ramella	DMT Chief Operating Officer	Bergamo, July 5, 1973
Fabio Caccia	DMT Chief Financial Officer	Giussano (MB), February 7, 1968
Alberto Piacentini	General Manager of Towertel	Mortara, June 9, 1967

For further information about the professional experience of the principal managers of the DMT Group's companies, please refer to First Section, Chapter 14, Paragraph 14.1.1. of the Information Document.

As far the Company is aware, in the previous five years none of the principal managers abovementioned has been given any convictions in relation to fraudulent offices, or has been declared bankrupt or has been associated, in the discharge of their duties, with bankruptcy, receivership or liquidation proceedings, with the exception of voluntary liquidation, or has been the subject of official public indictment and/or sanctions by statutory or regulatory authorities (including designated professional bodies) and/or disqualified by a court from acting as a member of the administrative, management or supervisory bodies of the Issuer or from acting in the management or conduct of the affairs of any issuer.

14.1.4 Financial Reporting Officer

Pursuant to Article 19 of the By-Laws and in compliance with the provisions of Article 154-bis of the Consolidated Law, on May 6, 2011, the Issuer's board of directors has appointed Mr. Fabio Caccia as Financial Reporting Officer, for a three-financial year period, specifically for the years 2011, 2012 and 2013, until the shareholders' meeting called to approve the financial statements for the year ended December 31, 2013.

14.1.5 Founding members

The Issuer has been established for more than five years.

For further information about the date of establishment and duration of the Issuer, please refer to First Section, Chapter 5, Paragraph 5.1.3 of the Information Document.

14.1.6 Family relationships

As of the Information Document Date, it is pointed out that the Chairman of the board of directors of the Issuer, Alessandro Falciai, is the brother of the non-executive director Federico Falciai.

Other than the above, there are no family relationships, according to the meaning given in Book I, Chapter III, Title V of the Italian Civil Code, between the members of the board of directors and board of statutory auditors of the Issuer.

14.2 Conflicts of interests among administrative, management, and supervisory bodies and senior executive of the Acquiring Company

As of the Information Document Date, no member of the board of directors, board of statutory auditors or senior executive of the Issuer holds any private interests in conflict with their duties arising from the position or rank held within the Issuer, with the exception of the following:

- on the Information Document Date, Alessandro Falciai, current Chairman of the board of directors and CEO of the Issuer, holds, directly and indirectly through his subsidiary, Millenium Partecipazioni S.r.l., a 35.821% stake in the capital stock of DMT, such as to constitute de facto control of the Issuer in accordance with Article 93 of the Consolidated Law.

There are no arrangements or understandings with major shareholders, customers, suppliers or others, pursuant to which any person was appointed as a member of the administrative, management or supervisory bodies of the Company.

There are no other restrictions agreed by members of the administrative, management or supervisory bodies or by the senior executive on the disposal within a certain period of time of their shareholdings in the Issuer's securities.

15. Remuneration and benefits of the Acquiring Company

15.1 Amount of remuneration and benefits in kind of the Acquiring Company

The table below shows the amount of compensation paid and/or to be paid to the directors and to members of the board of statutory auditors of the Issuer, for the year ended December 31, 2010, including on behalf of subsidiary companies.

Board of directors

The directors Frederic Arnaud, Giuseppe De Lorenzo, Daniele Pace, Carlo Franco Papa and Cara Goldenberg, whose term of office expired at the shareholders' meeting called to approve the financial statements for the year ended December 31, 2010, were not re-elected and, therefore, on the Information Document Date, no longer act as directors of the Issuer.

Name and surname	**Office**	**Expiry of the office**	**Emoluments for the office held within the Issuer** (*EUR '000*)	**Non-monetary benefits** (*EUR '000*)	**Bonuses and other incentives** [(1)] (*EUR '000*)	**Other remuneration** (*EUR '000*)
Alessandro Falciai [(a)]	Chairman and CEO	Approval of the 2013 financial statements, by the shareholders' meeting	900	60	210	229
Marco Almerigogna [(a)]	Director	Approval of the 2013 financial statements, by the shareholders' meeting	7	1	-	31
Frederic Arnaud[(a)]	Director	Approval of the 2013 financial statements, by the shareholders' meeting	27	-	-	-
Francesco Barbaro[(b)]	Director	Approval of the 2010 financial statements, by the shareholders' meeting	30	-	-	-
Giuseppe De Lorenzo[(a)]	Director	Approval of the 2010 financial statements, by the shareholders' meeting	30	-	-	-
Domenico Ferraro[(c)]	Director	Approval of the 2010 financial statements, by the shareholders' meeting	8	-	-	-
Daniele Pace[(a)]	Director	Approval of the 2010 financial statements, by the shareholders' meeting	27	-	-	-
Franco Carlo Papa[(a)]	Director	Approval of the 2010 financial statements, by the shareholders' meeting	27	-	-	-
Carlo Samuele Pelizzari[(a)]	Director	Approval of the 2013 financial statements, by the shareholders'	7	6	-	142

		meeting				
Daniele Russo[(d)]	Director	Approval of the 2010 financial statements, by the shareholders' meeting	-	1	250	64
Fabio Caccia[(e)]	Director	Approval of the 2013 financial statements, by the shareholders' meeting	6	6	15	118
Carlo Ramella[(e)]	Director	Approval of the 2013 financial statements, by the shareholders' meeting	6	6	40	128
Cara Goldenberg[(f)]	Director	Approval of the 2010 financial statements, by the shareholders' meeting	5	-	-	-

(1) Bonuses and other incentives include variable remuneration and other one-off incentives paid by the Issuer and/or by subsidiary companies.

(a) Position held for the entire 2010 financial year.

(b) Position held until December 3, 2010.

(b) Position held until March 31, 2010.

(b) Position held until February 10, 2010.

(e) Position held since February 11, 2010.

On May 23, 2011, the annual general shareholders' meeting of DMT, which appointed the new board of directors that will remain in office until the approval of the financial statements for the year ended on December 31, 2013, also resolved to fix the total gross annual remuneration of the board of directors, for the duration of their term of office, at a maximum of Euro 200,000, distributed among those entitled according to the proportions determined by the board of directors, excluding directors vested with specific duties.

Board of statutory auditors

Name and surname	**Office**	**Expiry of the office**	**Emoluments for the office held within the Issuer** (*EUR '000*)	**Other remuneration** (*EUR '000*)
Francesco Vittadini	Chairman	Approval of the 2013 financial statements, by the shareholders' meeting	30	-
Marco Armarolli	Statutory auditor	Approval of the 2013 financial statements, by the shareholders' meeting	20	-
Anna Girello	Statutory auditor	Approval of the 2013 financial statements, by the shareholders' meeting	20	-

As of the Information Document Date, the options granted with the first grant resolved by the board of directors on September 28, 2007, in accordance with the shareholders' resolution of April 27, 2007 ("**2007 Stock Option Plan**") are partly forfeited and the remainder are waived by the relevant remaining beneficiaries.

With regard to the second grant resolved by the board of directors on March 28, 2008, it is pointed out that 25,000 options are forfeited and that, on the Information Document Date, of the remaining 25,000 options, none have been exercised.

For further information about the stock options of the board members of the Issuer, please refer to First Section, Chapter 17, Paragraph 17.2 of the Information Document.

The total amount of remuneration paid by the Issuer, or by companies directly or indirectly controlled by the latter, to senior executive for the year ended December 31, 2010 is approximately equal to Euro 555,000 (of which Euro 78,000 in bonuses and other incentives).

15.2 Total amounts set aside or hoarded by the Acquiring Company or by its subsidiaries to provide pension, termination indemnity or similar benefits

As of December 31, 2010, the total amounts set aside or hoarded by the Issuer or by its subsidiaries to provide pension, termination indemnity or similar benefits was around Euro 1 million.

16. Board of directors' usual procedure of the Acquiring Company

16.1 Term of office of members of the board of directors and board of statutory auditors of the Acquiring Company

The board of directors and board of statutory auditors of the Issuer, which are in office on the Information Document Date, were appointed by the shareholders' meeting on May 6, 2011 for a period of three financial years and, therefore, until the shareholders' meeting called to approve the Issuer's financial statements for the year ended on December 31, 2013.

16.2 Information about members of the Acquiring Company's board of directors and board of statutory auditors and senior executive's contracts providing for severance indemnity

As of the Information Document Date, no prior significant agreements have been entered into between DMT and the directors which provide for benefits in case of resignation or annulment without just cause or in case of termination of the employment contract following a takeover bid.

Please note that on the Information Document Date a non-compete agreement is in force between DMT and Alessandro Falciai, signed on July 28, 2011, for 3 (three) years from the effective date of the Merger, against payment of a total consideration of Euro 7,500,000, to be paid in more than one installment.

16.3 Information about the Acquiring Company's internal audit committee and remuneration committee

In accordance with the recommendations of the Code of Conduct, the board of directors of DMT has set up an internal audit committee and remuneration committee, both of which were renewed, in their current composition, by the board of directors on May 6, 2011.

The composition rules, the responsibilities and the operation rules of each committee are defined in separate regulations.

Details are given below about the current composition of these committees, as well as a brief description of their main characteristics and duties.

Internal audit committee

As of the Information Document Date, the internal audit committee is made up of three members - all of whom are non-executive directors and the majority of whom are independent - whose experience in accounting and financial matters is deemed adequate by the board of directors at the time of appointment.

On May 6, 2011, the board of directors of DMT appointed the directors Marco Almerigogna, Alessandro Torrisi and Raoul Giuseppe Fiano as members of the internal audit committee.

In accordance with the Code of Conduct's recommendations, the internal audit committee assists the board of directors in defining the policies of the internal audit system and in assessing the effectiveness, the actual functionality and the overall adequacy of the Issuer's and the DMT Group's internal audit system and the management of business risks. In addition, the internal audit committee:

- assesses, together with the Financial Reporting Officer and the auditing firm, the correct and consistent use of accounting principles for the drafting of the consolidated financial statements;
- at the request of the specifically appointed Executive Director, expresses opinions on specific aspects relating to the identification of the main business risks and to the design, creation and management of the internal audit system;
- examines the work plan arranged by the internal audit officer as well as the periodic reports arranged by the latter;
- assesses the proposals made by the auditing firm in seeking its appointment, as well as the work plan arranged for the audit and the results set out in the report and in any letter of suggestions;
- monitors the effectiveness of the auditing process;

- reports to the board of directors, at least half-yearly, on the occasion of the approval of the financial statements and the half-yearly financial report, on the activities performed and on the adequacy of the internal audit system;

- carries out any additional advisory and/or proposal duties which may be assigned to it by the board of directors.

Meetings of the internal audit committee are attended by the Chairman of the board of statutory auditors or by another statutory auditor designated by him.

Remuneration committee

As of the Information Document Date, the remuneration committee is made-up of three members, two of whom are independent non-executive directors and one is non-executive director.

On May 6, 2011, the board of directors of DMT appointed the directors Marco Almerigogna, Alessandro Torrisi and Raoul Giuseppe Fiano as members of the remuneration committee.

The remuneration committee ensures that there is extensive information and transparency with regard to the compensation owing to directors vested with specific duties and managers with strategic responsibilities as well as the relevant terms and conditions for determining these.

In compliance with the recommendations of the Code of Conduct, the remuneration committee are assigned the following duties:

- submit proposals to the board of directors on the remuneration of chief executive officers and other directors who perform specific duties within the Issuer, while monitoring the application of decisions adopted by the board of directors itself;

- periodically assess the criteria adopted for the remuneration of managers with strategic responsibilities, monitor their application on the basis of the information provided by the chief executive officers and give to the board of directors general recommendations on such matter.

The remuneration committee makes proposals with regard to payment and remuneration on the basis of the application criteria set out in the Code of Conduct.

Furthermore, with regard to stock options and other incentive system based on the Issuer's share, the remuneration committee presents recommendations to the board of directors about the use of such systems and about all the material technical aspects associated with the wording and application of those system. In particular, the remuneration committee submits proposals to the board concerning the incentive system deemed most appropriate and monitors the development and application of plans approved by the shareholders' meeting pursuant to Article 114-bis of the Consolidated Law.

The remuneration committee only has the remit to make proposals, whereas the power to determine the remuneration of directors vested with special duties lies in each case with the board of directors.

16.4 Acquiring Company's declaration of compliance with corporate governance rules

The Company's corporate governance system complies with the provisions of the Consolidated Law and the Code of Conduct, with the exception of the fact that the Company has not set up a nominations committee insofar as it believes that, on one side, the list voting system ensures protection for minority shareholders and, on the other, the restricted composition of the board of directors is such that it is able to carry out the same duties as the nominations committee.

The Company's ordinary and extraordinary shareholders' meeting held on November 30, 2010, minutes of which were drawn up by Notary Carlo Cafiero in Milan on December 13, 2010 (inventory 82167 file 11582), approved certain amendments to the By-Laws, in order to adapt it with the provisions introduced by the Legislative Decree no. 27 of January 27, 2010 implementing the Directive 2007/36/EC on the exercise of certain shareholders' rights in the listed companies, and include certain amendments for which the new legislation grants the Issuer a right of choice, as well as by the Legislative Decree no. 39 of January 27, 2010 implementing the Directive 2006/43/EC on annual statutory auditors. The amendments also sought to adapt the By-Laws with the provisions set forth in the Legislative Decree no. 146 of September 25, 2009, so as to enable the board of directors and its delegated

bodies, if any, to implement defensive measures that may frustrate the successful outcomes of takeover or exchange bids, without prior authorization of the shareholders' meeting. In particular, the extraordinary shareholders' meeting decided to reword Articles 9, 10, 12, 13, 15, 17, 18, 20 and 21 of the By-Laws concerning the shareholders' meeting, the appointment and replacement of members of the board of directors and of the board of statutory auditors as well as delegations of powers by the board of directors.

Specifically, Article 9 of the By-Laws expressly provides, in accordance with Article 125-bis of the Consolidated Law, that the notice of shareholders' meeting must be published on the Company's website, as well as according to the other conditions laid down by Consob whit regulation issued pursuant to Article 113-ter, paragraph 3 of the Consolidated Law, as well as stipulating the information that must be included in the notice of shareholders' meeting.

In accordance with Article 2369 of the Italian Civil Code, as amended by Legislative Decree no. 27 of January 27, 2010, the By-Laws indicates that the shareholders' meeting can also be convened in a single call.

Article 10 of the By-Laws is compliant with the current wording of Article 83-sexies of the Consolidated Law, which provides that legitimation to attend the shareholders' meeting and to exercise voting rights is certified by a notification sent to the issuer - drawn up by an intermediary for the benefit of the person entitled to vote and at the latter's request - based on the information relating to the end of the accounting day on the seventh trading day prior to the date of the shareholders' meeting ("record date"). This article is also compliant with the current wording of Article 135-*novies*, paragraph 6, of the Consolidated Law, which provides that companies must indicate in their By-Laws at least one form of electronic notification with respect to the proxy that shareholders have the right to use. In that context, DMT opted to exclude the designation of the shareholders' representative.

Article 12 of the By-Laws was amended to include the single calling of the shareholders' meeting introduced into Article 9 of the By-Laws, as previously illustrated.

Article 13 of the By-Laws is compliant with the current wording of Article 147-ter of the Consolidated Law, with particular regard to the deadline for the submission of the lists and of the certificate attesting to the ownership of the minimum shareholding required to submit such lists.

Article 15 of the By-Laws is compliant with the current wording of Article 104 of the Consolidated Law, as amended by Legislative Decree no. 146 of September 25, 2009, pursuant to which the bylaws may derogate, in whole or in part, from the provisions set out in paragraphs 1 and 1-*bis* of that article. DMT therefore allowed the board of directors and its delegated bodies, if any, without prior authorization of the shareholders' meeting, to implement defensive measures that may frustrate the successful outcome of takeover or exchange bids.

Article 17 of the By-Laws is compliant with the current wording of Article 147-*ter* of the Consolidated Law, with particular regard to the time limits for the submission of slates and of the certificate attesting to the ownership of the minimum shareholding required to submit such slates. Express mention is made of the rules governing the re-opening of time limits for the submission of slates, where only one slate is submitted, or slates are submitted by connected shareholders.

Article 18 of the By-Laws is compliant with the provisions of Legislative Decree no. 39 of January 27, 2010, which provides that statutory auditing is carried out by a person meeting the requirements set out by current regulations, that responsibility for the assignment and withdrawal of the task of statutory auditing and the determination of the respective fee lies with the ordinary shareholders' meeting following a reasoned proposal by the board of statutory auditors and that the duration of the task, the duties and the prerogatives of the party appointed to carry out statutory auditing are governed by law.

In the light of the amendment of Article 18 illustrated above, Article 20 of the By-Laws was also amended with respect to the part concerning the assignment of the auditing task for the balance sheet and the consolidated financial statements.

Article 19 of the By-Laws, in compliance with the provisions of Article 154-*bis* of the Consolidated Law, sets out the appointment procedures and requirements for the Financial Reporting Officer and states that he is appointed by the board of directors, following the mandatory but non-binding opinion of the board of statutory auditors. The Company's board of directors appointed the Financial Reporting Officer on May 6, 2011. For further information, please refer to First Section, Chapter 14, Paragraph 14.1.4 of the Information Document.

Article 21 of the By-Laws was adapt with Article 154-*ter* of the Consolidated Law with regard to the deadline for making financial reports available to the public.

Furthermore, the extraordinary shareholders' meeting of DMT, held on September 16, 2011, approved, *inter alia*, the following additional amendments to the By-Laws regarding its organizational structure.

Article 12 of the By-Laws was amended in accordance with the Article 49, paragraph 2, of the Issuers' Regulations, in order to introduce the provision according to which the contrary vote of the majority of the shareholders present in the shareholders' meeting - other than the shareholder or shareholders who hold, individually or jointly between them, the majority shareholding or relative majority, provided more than 10% - may preclude the exemption pursuant to Article 49, paragraph 1, lett. g), only where it represents at least 7.5% of the share capital with voting rights.

Article 13 of the By-Laws was amended in order to adapt it with current legislative provisions and in particular: *(i)* by specifying in letter D), in accordance with the provisions of Article 2380-*bis*, paragraph 5, of the Italian Civil Code, that the board of directors will choose its Chairman from among its members, unless the shareholders' meeting has already done so; *(ii)* by removing from letter F) the phrase "on the date on which the shareholders' meeting is held" in accordance with the provisions of Article 144-*quater* of the Issuers' Regulations; *(iii)* by inserting into letter F) a stipulation whereby the ownership of the minimum shareholding required to submit list is determined by reference to the shares that are registered in the shareholder's name on the day on which the lists are submitted to the Company, in accordance with Article 147-*ter*, paragraph 1-*bis*, of the Consolidated Law; *(iv)* by inserting into letter F) the duty to provide, when the lists are submitted, details about the identity of the shareholders who submitted the lists, indicating the overall percentage shareholding held, in accordance with the provisions of Article 144-sexies, paragraph 4, lett. a), of the Issuers' Regulations. It was also provided to move the right to appoint - under letter F) - one or more deputy chairman by the board of directors to Article 15, letter C) of the By-Laws.

Article 14 of the By-Laws was amended to give the board of directors the right to appoint the board's secretary.

Article 15 of the By-Laws was amended to: *(i)* coordinate letter C) with the moving of the Article 13, letter D) regarding the right held by the board of directors to elect one or more deputy chairmen, as well as the right to appoint and dismiss one or more chief executive officers provided for in Article 15, letter B), of the By-Laws; *(ii)* fully align letter E) with the provision contained in Article 2388 of the Italian Civil Code, mentioned therein, whereby resolutions of the board of directors are taken by an absolute majority of those present.

Article 16 of the By-Laws was amended to adapt it with the provisions regarding the appointment of one or more deputy chairmen and one or more chief executive officers under Article 15 of the By-Laws.

Article 17 of the By-Laws was amended in order to adapt it with current legislative provisions and in particular: *(i)* by removing from letter D) the phrase "on the date on which the shareholders' meeting is held" in accordance with the provisions of Article 144-*quater* of the Issuers' Regulations; *(ii)* by inserting into letter D) a stipulation whereby the ownership of the minimum shareholding required to submit lists is determined by reference to the shares that are registered in the shareholder's name on the day on which the lists are submitted to the Company, in accordance with Article 147-*ter*, paragraph 1-bis, of the Consolidated Law; *(iii)* by inserting into letter D) the duty to provide, when the lists are submitted, details about the identity of the shareholders who submitted the lists, indicating the overall percentage shareholding held, in accordance with the provisions of Article 144-*sexies*, paragraph 4, lett. a), of the Issuers' Regulations.

For further information about the Issuer's By-Laws, please refer to First Section, Chapter 21, Paragraph 21.2 of the Information Document.

In order to comply with the provisions provided for in the Italian Savings Law, the Issuer has set up a register of individuals who have access, by virtue of the duties performed, to privileged information in accordance with Article 115-bis of the Consolidated Law and Articles from 152-bis to 152-quinquies of the Issuers' Regulations.

The Issuer, recognizing the validity of the corporate governance model described in the Code of Conduct, has also adopted corporate governance principles and rules compliant with that model. In particular, the Company:

- has placed the board of directors at the heart of company management;
- has appointed 2 independent directors;
- has set up the remuneration committee and internal audit committee;

- has adopted, on November 30, 2010, a Procedure for Related Party Transactions pursuant to Article 2391-bis of the Italian Civil Code and to the Consob Regulation for Related Party Transactions no. 17221 of March 12, 2010, as subsequently amended, containing guidelines for related party transactions that have significant strategic, economic or financial importance for the Company. This Procedure is effective as from January 1, 2011;

- has adopted a shareholders' meetings rules to regulate the running of the Company's ordinary and extraordinary shareholders' meetings;

- has approved an internal rules on company information which regulates: *(i)* the management of company information, with particular regard to privileged information; *(ii)* the internal dealing procedure; and *(iii)* the creation, keeping and updating of the register of individuals who have access to privileged information;

- has adopted measures aimed at improving relations with shareholders, so as to enable them to exercise their rights in an informed manner, by improving the Company's website in order to provide the public with adequate company information. Within the above process, the director Carlo Ramella has been appointed as Investor Relation Manager.

The board of directors has appointed Fabio Caccia as the director responsible for overseeing the functionality of the internal audit system, who, pursuant to the recommendation of the Code of Conduct, Criterion 8 C.5:

- looks after the identification of the main risks faced by the Company, taking into account the characteristics of the activities performed by the issuer and by its subsidiaries, reporting it periodically to the board of directors for their examination;

- implements the policies defined by the board of directors by designing, setting up and managing of the internal audit system, while constantly checking the overall adequacy, effectiveness and efficiency of that system; furthermore, he adapts the system in response to changes in operational conditions and in the legislative and regulatory framework;

- makes proposals to the board of directors regarding the appointment, annulment and remuneration of one or more internal control officers and has access to any useful information for the performance of his duties.

Finally, the Issuer has adopted the Ethics Code and the Organization, Management and Control Model provided for by the Legislative Decree 231/2001, with the aim of setting up a structured and organic system of procedures and information flows designed to prevent the commission of crimes and/or administrative offenses from which administrative liability may arise for the Company. The Issuer's board of directors has, in accordance with current legislation, appointed the Supervisory Board, composed by the Chairman of the Internal Audit Committee, a statutory auditor of a subsidiary company and the Corporate Office Manager. This Board has been entrusted with the tasks provided for in the Legislative Decree 231/2001, as subsequently amended and supplemented.

For further information about DMT's corporate governance system, see the annual corporate governance report available at the Company's registered office and on the Company's website www.dmtonline.com.

17. Employees of the Acquiring Company and of the Target Company

17.1 Employees of the Acquiring Company and of the DMT Group

The following table shows the development in the total number of employees, broken down by main categories, employed by the DMT Group companies as of December 31, 2010, December 31, 2009 and December 31, 2008 as well as of September 30, 2011 and September 30, 2010;

	September 30		December 31		
Employees	**2011**	**2010**	**2010**	**2009**	**2008**
Managers	11	8	10	22	19
Clerks	72	73	71	200	198
Workers	4	5	4	22	27
Total	**87**	**86**	**85**	**244**	**244**

Since 2008, the DMT Group has had employees in Italy only.

17.2 Shareholdings and stock options in the Acquiring Company

The table below shows the shareholdings held, directly or indirectly, in DMT and in its subsidiary companies, by directors and statutory auditors of DMT as of December 31, 2010.

Board of directors

Name and surname	Company in which the shares are held	Number of shares	Percentage of share capital
Alessandro Falciai	Issuer	4,049,467	35.821%
Carlo Samuele Pelizzari	Issuer	49	-
Carlo Ramella	Issuer	49	-
Giuseppe De Lorenzo(a)	Issuer	4,500	-
Daniele Russo	Issuer	49	-
Marco Almerigogna	Issuer	4,000	-

Board of statutory auditors

Name and surname	Company in which the shares are held	Number of shares	Percentage of share capital
Francesco Vittadini	Issuer	-	-
Marco Armarolli	Issuer	-	-
Anna Girello	Issuer	830	-

17.3 Description of any arrangements for involving the employees in the capital of the Acquiring Company

2007 Stock Option Plan

The extraordinary shareholders' meeting held on April 27, 2007 resolved to grant the board of directors the right, pursuant to Article 2443, paragraph 2, of the Italian Civil Code, to increase the share capital, on one or more tranches, within March 31, 2012, by a maximum nominal amount of Euro 10,000 excluding the pre-emption right pursuant to Article 2441 of the Italian Civil Code, in order to serve one or more stock option plans reserved for directors and/or employees of DMT and/or of its subsidiaries.

Implementing the above resolution of the extraordinary shareholders' meeting held on April 27, 2007, the board of directors: *(i)* resolved, on November 13, 2007, to increase the share capital against payment, in divisible form, by an overall nominal amount of Euro 5,000, by issuing, within March 31, 2012, a maximum of 50,000 ordinary shares each with a nominal value of Euro 0.10, to serve the 50,000 options - which can be exercised no earlier than January 1, 2011 and no later than March 31, 2012 - to be granted to the beneficiaries of the "first grant" (the "**First Grant**") of the 2007-2012 stock options plan (the "**2007 Stock Options Plan**"), setting the subscription price at Euro 52.60 per share; *(ii)* resolved, on October 27, 2008, to increase the share capital against payment, in divisible form, by a further overall nominal amount of Euro 5,000, by issuing, within March 31, 2012, a maximum of 50,000 ordinary shares each with a nominal value of Euro 0.10, to serve the 50,000 options - which can be exercised no earlier than January 1, 2011 and no later than March 31, 2012 - to be granted to the beneficiaries of the "second grant" (the "**Second Grant**") of the 2007 Stock Options Plan, setting the subscription price at Euro 22.06 per share;

Reasons for the plan

The aim of the 2007 Stock Options Plan was to reward, retain and incentivize certain key resources of the Company and of the other DMT Group companies on the date of grant, in view of the fact that the ownership of the Company's capital by individuals who play particularly important roles contributes significantly to the creation of value.

The grants were determined according to the responsibilities of the contribution that beneficiaries have made in the past and/or are expected to make in the future to the growth and wealth of the DMT Group.

Option exercise period

The options granted with the First Grant cannot be exercised by beneficiaries before January 1, 2011, whereas the options granted with the Second Grant cannot be exercised before June 1, 2011.

The deadline for exercising the options clash with the final day of the plan, i.e. March 31, 2012.

The 2007 Stock Options Plan provides for pre-determined exercise periods - specified above - which are not subordinate upon the occurrence of performance conditions.

Forfeiture

In the event *(i)* of the termination of the employment contract or collaborative relationship of each beneficiary for any reason howsoever occurring and (ii) the notice period is pending and/or agreements have been reached leading to the termination of the relationship or these are in the course of being negotiated - and without prejudice to the scenario identified below - any options not yet exercised will be automatically extinguished. The board of directors, or the director appointed by the board, will nevertheless have the right to apply more favorable conditions to any beneficiary who finds himself in one of the situations above.

Only if the relationship is ended due to the death of the beneficiary, the heirs, jointly between them, will have the right to exercise the rights of the deceased in accordance with the time limits and procedures set out in the plan rules.

Accelerated exercise of options

The 2007 Stock Options Plan rules that - in the event of demergers or mergers of the Acquiring Company or in the event of a change in control pursuant to Article 2359 of the Italian Civil Code - beneficiaries of the 2007 Stock Option Plan or their heirs will be entitled, in the forty days following the board of directors' resolution of the of the Acquiring Company, to exercise all the options pertaining to them within the time periods indicated above.

* * *

It is pointed out that on the Information Document Date, none of the options granted under the First Grant have been exercised by the relevant beneficiaries insofar as, in part, these options have been forfeited and, in part, the respective beneficiaries have waived it.

With regard to the Second Grant, note that 25,000 options have been forfeited and that, on the Information Document Date, of the remaining 25,000 options none have been exercised.

2010 Stock Grant Plan

On November 30, 2010, the DMT shareholders' meeting resolved to approve a stock grant plan involving the free grant of Acquiring Company's shares to the top management of DMT and of the subsidiary Towertel, using treasury shares acquired by DMT (the "**2010 Stock Grant Plan**").

Specifically, the 2010 Stock Grant Plan concerned the free grant of a maximum of 110,000 DMT ordinary shares.

Beneficiaries of the 2010 Stock Grant Plan

The beneficiaries of the 2010 Stock Grant Plan are members of the board of directors of DMT and of the subsidiary Towertel as well as employees with management contracts and who play a strategic role within the business organization of the Acquiring Company or of the subsidiary Towertel.

2010 Stock Grant Plan implementation period

It is envisaged that the 2010 Stock Grant Plan will be implemented during the years 2011, 2012 and 2013 and will end on December 31, 2013.

Shares granted for each implementation period of the 2010 Stock Grant Plan

In the 2011 financial year, 30% of the total shares serving the 2010 Stock Grant Plan will be granted; in the 2012 financial year, 30% of the total shares serving the 2010 Stock Grant Plan will be granted; in the 2013 financial year, 40% of the total shares serving the 2010 Stock Grant Plan will be granted.

Conditions for exercise

The shares subject of the 2010 Stock Grant Plan will be granted to beneficiaries when Towertel achieves an EBITDA increase equal to or greater than 3% compared with the figure recorded in the previous year and provided that, on that date, the beneficiary of the shares is still in his organizational role.

Acceleration of the plan

If the control of DMT is transferred to third parties, or in the event of demergers or mergers of DMT or in the event of a change in control pursuant to Article 2359, paragraph 1, of the Italian Civil Code, beneficiaries will have the right to immediately receive shares granted under the 2010 Stock Grant Plan to each of them respectively, regardless of whether or not the EBIDTA target indicated above is reached, within 30 days of one of the events described above.

* * *

Upon the occurrence of the conditions set out in the 2010 Stock Grant Plan, the DMT shares will be granted as follows.

Company	Recipient	Organization	No. of DMT Shares
DMT	Rossella Agostoni	Manager (Head of Human Resources, General Services & IT)	5,000
DMT	Fabio Caccia	Director and manager (Chief Financial Officer)	30,000
DMT	Carlo Ramella	Director and manager (Chief Operating Officer)	45,000
Towertel	Carlo Samuele Pelizzari	Chief Executive Officer and manager (Administrative Manager)	20,000
Towertel	Alberto Piacentini	Manager (General Manager)	10,000

17.4 Employees of the Target Company

The following table shows the development in the total number of employees, broken down by main categories, of EI Towers as of September 30, 2011, June 30, 2011 and December 31, 2010[5].

Employees	September 30, 2011	June 30, 2011	December 31, 2010
Managers	6	7	5
Middle managers	34	38	38
Clerks	456	469	469
Total	**496**	**514**	**512**

EI Towers employees are located in Italy.

17.5 Shareholdings and stock options in the Target Company.

Not applicable.

17.6 Description of any arrangements for involving the employees in the capital of the Target Company

Not applicable.

17.7 Employees of the Company Resulting from the Merger

The following table shows the aggregate number of employees, broken down by main categories, employed by the Companies Participating to the Merger as of September 30, 2011 and December 31, 2010.

Employees	September 30, 2011	December 31, 2010
Managers	17	15
Middle managers	34	38
Clerks	528	540
Workers	4	4
Total	**583**	**597**

[5] Data as of June 30, 2011 and as of December 31, 2010 relating to the business unit contributed by Elettronica Industriale to EI Towers.

18. Major shareholders of the Acquiring Company and of the Target Company

18.1 Major shareholders of the Acquiring Company

The table below shows, on the Information Document Date, the share structure of the Acquiring Company, pursuant to Article 120 of the Consolidated Law, based on notifications received in accordance with that provision and with the relative implementing regulations, together with the information contained in the shareholder register and the other information available.

Declarer	**Direct Shareholder**	**% of the share capital**
Alessandro Falciai *of which* *directly* *and indirectly through*	 Alessandro Falciai Millenium Partecipazioni	**35.821%** 4.032% 31.789%
Octavian Advisors LP *directly*(1)	Octavian Advisors LP	**10.011%**
Permian Investment Partners LP *indirectly through*	Permiran Master Fund LP	**5.026%**
Flinn Lawrence Jr *indirectly through*	Flinn Investments LLC	**2.388%**
Fil Limited *directly*	Fil Limited	**2.150%**
Wyser Pratte Guy *indirectly through*	Wyser Pratte Management Co. Inc.	**2.049%**
Barclays Plc *indirectly through*	Barclays Capital Securities Limited	**2.041%**
	Total	**59,486%**
Own shares		***1.526 %***
Market		***38.988%***
	Total	**100%**

(1) The fund Octavian Special Master Fund LLP holds about 8.576% of the shares whose right to vote is exercised by Octavian Advisor LP.

- Octavian Advisors LP is an investment management company specialized in international investments. The company has headquarters in New York (NY).
- Permian Investment Partners LP is the investment advisor of Permian Master Fund LP, an investment fund which pursues short and long-term investment strategies focusing on the Western Europe region.
- Fil Limited is a fund management company that has been operateing on almost all the financial and international markets for over 40 years.
- Wyser Pratte Management Co., Inc. is an investment management company with registered office in New York (NY) that operates on the capital markets in Europe.

18.2 Voting rights of the major shareholders of the Acquiring Company

As of the Information Document Date, the Acquiring Company has issued ordinary shares only and, therefore, there are no categories of shares with voting rights other than shares.

18.3 Entity controlling the Acquiring Company

As of the Information Document Date, Alessandro Falciai, directly and indirectly through the company Millenium Partecipazioni, has a *de facto* control of the Acquiring Company in accordance with Article 93 of the Consolidated Law.

Upon completion of the Merger and the purchase of the shares indicated in the Purchase and Sale Agreement (as defined below) Elettronica Industriale will own a stake of around 65.001% of the share capital of the Company Resulting from the Merger.

Elettronica Industriale is in turn wholly owned by Mediaset S.p.A. through R.T.I. S.p.A., and therefore on completion of the Merger, Mediaset S.p.A. will indirectly exercise *de jure* control over the Company Resulting from the Merger.

18.4 Arrangements that may result in a change in control of the Acquiring Company

As of the Information Document Date, Alessandro Falciai, holding directly and indirectly through Millenium Partecipazioni a stake of around 35.821% in the share capital of DMT, exercises a *de facto* control over the latter in accordance with Article 93 of the Consolidated Law.

On July 28, 2011, DMT, Alessandro Falciai and EI Towers entered into the Merger Agreement (for further information on which please refer to First Section, Chapter 22, Paragraph 22.2 of the Information Document) which rules the Transaction's timetable and the course of the corporate procedure for the Merger approval.

As a result of the Merger, DMT will be *de jure* controlled by Elettronica Industriale which will hold no. 16,957,602 shares, equal to almost 60.001% of the share capital of the Company Resulting from the Merger.

Furthermore, on July 28, 2011, Elettronica Industriale entered into an agreement, as amended on December 21, 2011, with Millenium Partecipazioni and with the consent, as far as he is concerned, of Alessandro Falciai covering the purchase and sale of no. 1,413,118 ordinary shares of the Company Resulting from the Merger, equal to 5.0% of said company capital stock, for an overall gross consideration due by Elettronica Industriale to Millenium Partecipazioni equal to Euro 39,677,126.13, equal to Euro 28.08 per share, corresponding to the implicit value resulting from the Merger exchange ratio (the "**Purchase and Sale Agreement**").

Therefore, as a result of the Merger and the purchase of the shares indicated in the Purchase and Sale Agreement, the shareholdings owned by Elettronica Industriale and by Alessandro Falciai, directly and indirectly, in the Company Resulting from the Merger will be 65.001% and 9.328% respectively.

Specifically, as a result of the Merger and in consequence of the purchase by Elettronica Industriale of the shares indicated in the Purchase and Sale Agreement, the capital stock of the Company Resulting from the Merger will be allocated as follows:

Declarer	**Direct Shareholder**	**% of the stock capital**
Silvio Berlusconi[(1)] *indirectly through*	Elettronica Industriale S.p.A.	**65.001%**
Alessandro Falciai *of which* *directly* *and indirectly through*	 Alessandro Falciai Millenium Partecipazioni	**9.328**% 1.612% 7.716 %
Octavian Advisors LP *directly*	Octavian Advisor LP	**4.004%**
Permian Investment Partners LP *indirectly through*	Permiran Master Fund LP	**2.010%**
Flinn Lawrence Jr. *indirectly through*	Flinn Investments LLC	**0.956%**
Fil Limited *directly*	Fil Limited	**0.860%**
Wyser Pratte Guy *indirectly through*	Wyser Pratte Management Co. Inc.	**0.820%**
Barclays Plc *indirectly through*	Barclays Capital Securities Limited	**0.816%**
	Total	**83.795%**
Treasury stock		**0.610%**
Market		**15.595%**

Total	**100%**

(1) Mr. Silvio Berlusconi exercises a *de facto* indirect control on Mediaset, through Fininvest S.p.A. (that, according to the available information owns a participation equal to 40.26069% of the share capital of Mediaset) and Holding Italiana Seconda S.p.A. (that, according to the available information owns a participation equal to 0.18371% of the share capital of Mediaset). Mediaset, in turn, directly owns the entire share capital of R.T. I. S.p.A., which directly owns the total share capital of Elettronica Industriale.

18.5 Major shareholders of the Target Company

The Target Company is fully owned by Elettronica Industriale, a company fully owned by Mediaset through R.T.I. S.p.A., which is also wholly owned by Mediaset. Mediaset is indirectly controlled de facto by Mr. Silvio Berlusconi, through Finivest S.p.A. (that, according to the available information owns a participation equal to 40.26069% of the share capital of Mediaset) and Holding Italiana Seconda S.p.A. (that, according to the available information owns a participation equal to 0.18371% of the share capital of Mediaset).

18.6 Voting rights of the major shareholders of the Target Company

As of the Information Document Date, the Target Company has issued ordinary shares only and, therefore, there are no categories of shares with voting rights other than shares.

18.7 Entity controlling the Target Company

The Target Company de facto is controlled by Elettronica Industriale pursuant to Article 2359, paragraph 1, of the Italian Civil Code.

18.8 Arrangements that may result in a change in control of the Target Company

With the exception of the arrangements involved in the Merger Agreement, there are no arrangements that may result in a change in control of the Target Company.

19. Related Party Transactions of the Acquiring Company and of the Target Company

19.1 Related Party Transactions of the Acquiring Company

In accordance with the provisions of Article 2391-bis of the Italian Civil Code and of the Consob Regulation on Related Party Transactions no. 17221 of March 12, 2010, as subsequently amended, the board of directors of DMT adopted, on November 30, 2010, a Procedure for Related Party Transactions containing guidelines for related party transactions that have significant strategic, economic or financial importance for the Company (the "**Procedure**"). This Procedure has been in force since January 1, 2011, and is available on DMT's website www.dmtonline.com.

A briefly description of the main provisions of the Procedure is reported below:

Related Party Transactions

Referring back, as here not reported, to the document available on the Company's website, it states that, pursuant to article 4 of the Procedure – in compliance with the Consob Regulations on Related Party Transactions – are identified as "related-party transactions" the "transfers of resources, services or obligations between DMT and one or more related parties, regardless of whether it was agreed a consideration".

The related party transactions are classified – in accordance with the Consob Regulations on Related Party Transactions – into four categories so called:

- transactions of greater importance;
- transactions of lesser importance;
- transactions for small amounts;
- regular transactions.

The transactions of greater importance are those in which at least one of the relevance indexes identified in annex 3 at the Consob Regulations on Related Party Transactions exceeds the 5%, and exactly:

a) Equivalent-value relevance ratio of the transaction equivalent-value compared to the consolidated net equity – or, if greater, the capitalization – of the Company;

b) Asset relevance ratio of total asset of the entity participating to the transaction in relation to the total assets of the Company;

c) Liabilities relevance ratio of the total liabilities of the acquired entity in relation to the total assets of the Company.

The Company, since a listed small dimension company, takes advantage of the option provided for in article 10 of the Consob Regulations on Related Party Transactions which allows to adopt the same procedural rules for the approval of the transactions both of greater and lesser importance.

Therefore, if the Company intends to realize a transactions of greater importance, will apply the same procedural rules provided for the transactions of lesser importance.

The transactions of lesser importance are those that are placed below the thresholds of transactions of greater importance and for which it is provided that, following a reasoned and not binding opinion expressed by the competent committee – identified by the Company in the Internal Control Committee, established in accordance with the applicable Code of Conduct – are under the responsibility of the board of directors, or the delegated body.

The transactions for smaller amounts are instead those that have a negligible impact on the economic and financial situation of DMT Group. The board of directors has identified such operations as those the equivalent-value, for each individual transaction or at the rate of year in the case of continued long-term transaction, does not exceed Euro 150,000 or the same amount for the case of multiple transactions executed with the same related party that are homogeneous or made under a unified design.

Finally, the regular transactions are those that are completed on arm-length basis or standard terms. In any case, when a regular transaction, completed on an arm-length basis or standard terms, is a transaction of greater importance, the Company, without prejudice to what provided for in the article 114, paragraph 1, of the Consolidated Law, fulfills the following informative obligations:

(i) notify to Consob, within the period specified in the Procedure, the counterparty, the object and the consideration for the transactions that have benefited from the exclusion;

(ii) indicate in the *interim* management report and annual report which of the transactions subject to the informative obligations indicated in such last provision have been concluded based on the exclusion provided in the Procedure;

Since, following the Merger, the Company Resulting from the Merger will be indirectly controlled by Mediaset, whose shares are listed on the MTA, it will no longer be able to avail itself of the possibility to apply the procedure set forth for the transaction of smaller importance to the transactions of grater importance, and the Procedure shall be amended accordingly to what provided in the Consob Regulation. Further amendments to the Procedure may be evaluated at the completion of the Merger.

19.2 Economic/financial relations between the Acquiring Company and Related Parties

During the nine-month period ended on September 30, 2011 and the financial years ended December 31, 2010, 2009 and 2008, no atypical or unusual transactions compared with normal operations were carried out.

DMT's relations with the DMT Group companies fall within the normal activity of the parent company.

The principal intra-group activities, concluded at market price, were carried out through contractual relationships which, in particular, concerned the following services:

- management, organization, strategic coordination, finance and treasury, investor relator, corporate affairs, staff administration, legal affairs, information systems, administrative assistance and financial statements, management control;
- management of subsidiaries;
- financing activities.

Intra-group activities are carried out in accordance with the respective contractual relations, and the related costs are divided between the group's companies in accordance with contractually defined procedures, with the aim of providing a fair distribution of costs based on pre-defined parameters.

DMT's transactions with other DMT Group companies in the nine-month period that ended September 30, 2011 are summarized below.

thousands of Euro	**Non-current financial receivables**	**Current receivables**	**Current payables**	**Income from services**	**Other income**
Towertel S.p.A.	3,300	16,750	2,440	3,571	4
DMT System S.p.A. in liquidation	4,420	24,415	23,386	-	-
Tower Service S.p.A. in liquidation	-	-	148	-	-
Tower Service S.r.l.	-	134	55	-	-
DMT Ltd	-	-	-	-	-
Stetel S.r.l.	-	72	5	-	-
DMT Service S.r.l. in liquidation	-	-	-	-	-
Total Related Parties as of September 30, 2011	**7,720**	**41,371**	**26,034**	**3,571**	**4**
Total financial statements as of September 30, 2011	**7,854**	**47,851**	**30,471**	**3,571**	**343**
Incidence	98%	89%	85%	100%	1%

DMT's transactions with other DMT Group companies in the half-year that ended June 30, 2011 are summarized below.

thousands of Euro	**Non-current financial receivables**	**Current receivables**	**Current payables**	**Income from services**	**Other income**
Towertel S.p.A.	3,300	22,557	2,068	3,571	41
DMT System S.p.A. in liquidation	4,270	22,405	23,835	-	-
Tower Service S.p.A. in liquidation	-	79	224	-	-
Tower Service S.r.l.	-	89	55	-	-
DMT Ltd	-	19	175	-	-
Stetel S.r.l.	-	71	5	-	-
DMT Service S.r.l. in liquidation	-	18	79	-	-
Total Related Parties as of June 30, 2011	**7,570**	**45,238**	**26,055**	**3,571**	**41**
Total financial statements as of June 30, 2011	**7,694**	**47,224**	**29,615**	**3,571**	**206**
Incidence	98%	96%	88%	100%	20%

Transactions with other DMT Group companies in the year 2010 are summarized below.

EUR '000	**Non-current financial receivables**	**Current receivables**	**Current payables**	**Income from services**	**Other income**
Towertel S.p.A.	3,300	20,076	1,103	5,382	-
DMT System S.p.A.	-	18,743	13,886	2,687	2
Tower Service S.p.A.	-	79	219	-	-
Tower Service S.r.l.	-	15	-	-	-
DMT Ltd	-	19	174	-	-
Stetel S.r.l.	-	22	-	-	-
DMT Service S.r.l.	-	74	74	-	-
Total Related Parties as of December 31, 2010	**3,300**	**39,028**	**15,456**	**8,069**	**2**
Total financial statements as of December 31, 2010	**3,300**	**40,753**	**17,898**	**8,069**	**575**
Incidence	100%	96%	86%	100%	0%

Transactions with other DMT Group companies in the year 2009 are summarized below.

EUR '000	**Non-current financial receivables**	**Current receivables**	**Current payables**	**Income from services**	**Other income**
Towertel S.p.A.	3,300	12,425	901	2,468	432
DMT System S.p.A.	-	13,862	15,040	8,088	175
Tower Service S.p.A.	-	79	221	-	-
DMT RE S.r.l.	-	7	62	-	-
DMT Ltd	-	30	-	-	-
DMT Asia FZE	-	18	-	-	-
DMT USA Inc	830	1244	-	-	-
Tekno Si.El. S.r.l.	-	40	-	-	-
DMT Service S.r.l.	-	164	74	-	-
Total Related Parties as of December 31, 2009	**4,130**	**27,869**	**16,298**	**10,556**	**607**
Total financial statements as of December 31, 2009	**4,130**	**33,661**	**18,324**	**10,556**	**693**
Incidence	100%	83%	89%	100%	88%

Transactions with other DMT Group companies in the year 2008 are summarized below.

EUR '000	Non-current financial receivables	Current receivables	Current payables	Income from services	Other income	Other expenses	Financial income
Towertel S.p.A.	15,900	11,995	401	3,627	476	219	366
DMT System S.p.A.	-	11,414	10,043	8,745	218		
Tower Service S.p.A.	-	79	185				
DMT RE S.r.l.	-	7	60				
DMT Ltd	830	4	-	-	-	-	-
DMT Asia FZE	-	19	-	-	-	-	-
DMT USA Inc		1284	-	-	-	-	-
Tekno Si.El. S.r.l.	-	40	-	-	-	-	-
DMT Service S.r.l.	-	119		-	-	-	-
Total Related Parties as of December 31, 2008	**16,730**	**24,961**	**10,689**	**12,372**	**694**	**219**	**366**
Total financial statements as of December 31, 2008	**16,730**	**29,876**	**12,805**	**12,372**	**749**	**339**	**695**
Incidence	100%	84%	83%	100%	93%	65%	53%

For information about Related Party Transactions as at December 31, 2010, December 31, 2009 and December 31, 2008, see the directors' report on operations included in the financial statements for those fiscal years.

It is also pointed out that, on July 28, 2011, DMT and Alessandro Falciai signed a non-compete agreement for 3 (three) years from the effective date of the Merger, against payment of a total consideration of Euro 7,500,000, to be paid in more than one installment. This agreement was approved by the board of directors of DMT on July 28, 2011 and, in accordance with the Procedure for Related Party Transactions, the Related Party Transactions Committee and the Remuneration Committee were also involved in the assessment and they expressed a favorable opinion.

19.3 Economic and financial relations between the DMT Group and Related Parties

The DMT Group does not have shareholdings in associated companies. Material relations with Related Parties - consisting of relationships established with other DMT Group companies - are eliminated in the DMT Group's consolidated financial statements. Please refer to First Section, Chapter 15 above for an analysis of relations with directors and managers.

19.4 Related Party Transactions of the Target Company

In accordance with the provisions of Article 2391-*bis* of the Italian Civil Code and of the Consob Regulation on Related Party Transactions no. 17221 of March 12, 2010, as subsequently amended, the board of directors of Mediaset adopted, on November 9, 2010, a Procedure for Related Party Transactions that sets out rules for the identification, approval, execution and publicity of related party transactions carried out by Mediaset, directly or through subsidiary companies, which include EI Towers, in order to ensure the transparency and substantial and procedural correctness of such transactions, as well as the cases where the application of those rules is excluded. This Procedure has been in force since January 1, 2011.

Relations between EI Towers and its related parties

The following table shows the relations existing between EI Towers and related parties as at September 30, 2011[6]

	Revenues	Leasing costs	Personnel costs	Cost of services	Other expenses	Trade payables	Trade receivables	Financial Indebtedness
in thousands of Euro								
Elettronica Industriale	101,125						139	
Reti Televisive Italiane	72	(452)		(701)		(343)	18	

[6] Economic data determined based on accounting figures for the period from July 1 to September 30, 2011 and by allocating to the "Towers" business unit revenues and costs from Elettronica Industriale's financial statements as at June 30, 2011.

Videotime	813	(387)		(201)		(97)	307	
Mediaset				(24)		(6)		(115,310)
Mediafond			(173)		(30)			
Consorzio Colle Maddalena	187	(108)				(3)	155	
CERT consorzio emitt. Radio tv		(3)						
Consorzio Antenna Monte Conero		(16)						
Consorzio Antenna Tolentino		(5)						
Total	**102,197**	**(971)**	**(173)**	**(926)**	**(30)**	**(449)**	**619**	**(115,310)**
Total as of September 30, 2011	**115,198**	**(9,390)**	**(27,618)**	**(50,804)**	**(1,234)**	**(37,912)**	**10,401**	**(115,943)**
% incidence	88.7%	10.3%	0.6%	1.8%	2.4%	1.2%	6.0%	99.5%

The following table shows the relations existing between EI Towers and related parties as at June 30, 2011.[7]

in thousands of Euro	**Revenues**	**Leasing costs**	**Personnel costs**	**Cost of services**	**Miscellaneous operating expenses**	**Trade Payables**	**Trade Receivables**	**Other Receivables**	**Financial Indebtedness**
Elettronica Industriale	63,920						21,420	737	
Reti Televisive Italiane	145	(339)		(430)		(264)			
Videotime	542	(318)		(120)		(229)	217		
Mediaset				(18)		(14)			(125,000)
Mediafond					(20)				
Consorzio Colle Maddalena	121	(71)				(3)	156		
CERT consorzio emitt. Radio tv		(3)							
Consorzio Antenna Monte Conero		(11)							
Consorzio Antenna Tolentino		(5)							
Publitalia 80	7								
Total	**64,744**	**(657)**	**0**	**(568)**	**(20)**	**(507)**	**21,793**	**737**	**(125,000)**
Total *carve out*	**77,781**	**(6,706)**	**(19,013)**	**(33,632)**	**(863)**	**(38,201)**	**40,037**	**6,024**	**(125,000)**
% incidence	83.2%	9.8%	0.0%	1.7%	2.3%	1.3%	54.4%	12.2%	100.0%

The following table shows the relations existing between EI Towers and related parties as at December 31, 2010.[8]

in thousands of Euros	**Revenues**	**Leasing costs**	**Personnel costs**	**Cost of services**	**Miscellaneous operating expenses**	**Payables**	**Receivables**	**Financial Indebtedness**
Elettronica Industriale	133,420						13,709	
Reti Televisive Italiane	289	(473)	(14)	(765)		(274)		
Videotime	1,085	(530)		(221)		(228)	217	
Mediaset				(33)		(20)		(125,000)

[7] Data determined by allocating to the "Towers" business unit assets, liabilities, revenues and costs from Elettronica Industriale's financial statements as at June 30, 2011.
[8] Data determined by allocating to the "Towers" business unit assets, liabilities, revenues and costs from Elettronica Industriale's financial statements as at December 31, 2010.

Mediafond					(40)			
Consorzio Colle Maddalena	257	(144)				(3)	149	
CERT consorzio emitt. Radio tv		(6)						
Consorzio Antenna Monte Conero		(11)						
Arnoldo Mondadori Editore			(5)			(6)		
Beigua S.r.l.		(21)						
Digitalia '08			(65)			(101)		
Publitalia 80	14							
Total	**135,065**	**(1,185)**	**(84)**	**(1,019)**	**(40)**	**(632)**	**14,075**	**-125,000**
Total *carve out*	**154,776**	**(16,279)**	**(36,485)**	**(64,671)**	**(2,027)**	**(29,489)**	**27,944**	**(125,000)**
%	87.3%	7.3%	0.2%	1.6%	2.0%	2.1%	50.4%	100.0%

Service agreement between EI Towers and Elettronica Industriale

On July 28, 2011, EI Towers and Elettronica Industriale entered, in accordance with the above procedure, into an agreement for the supply by EI Towers of the following services to Elettronica Industriale:

- Hosting Services, which include the leasing by EI Towers, to Elettronica Industriale, of parts of equipped sites which are necessary for the hosting and correct functioning of transmission equipment;

- Assistance and Maintenance Services, which include services for operating transmission equipment and for keeping the latter in efficient working order, as well as for carrying out quality control on the signal transmitted;

- Transmission Infrastructure Usage Services, which include services for making EI Towers' fiber optic infrastructure and satellite infrastructure available to Elettronica Industriale, together with the necessary technical, operational and maintenance know-how and support, in order to enable Elettronica Industriale to integrate the infrastructures provided with its own frequency resources and with its own distribution equipment so that it can provide signal distribution and/or contribution services for its own benefit and for third parties contractually related to Elettronica Industriale;

- Head-End Services, which include encoding, multiplexing, encryption and synchronization services for signal transmission in SFN mode; and

- Design Services, which include all services necessary to enable Elettronica Industriale to build and develop digital networks and to supply transmission equipment.

The agreement provides that Elettronica Industriale will pay the following all-inclusive considerations for the provision of the above services: (i) Euro 74,040,000 for the last six months of 2011; (ii) Euro 156,080,000 for the 2012 financial year; and (iii) Euro 160,850,000 for the 2013 financial year; for the subsequent financial years the consideration will be revalue in line with the ISTAT indexes and with any adjustments necessary owing to the cost of electricity, to be defined in good faith between the parties every two years.

The total consideration for the agreement - in the absence of similar contract types on the reference market given the extent and number of the services delivered - was determined on the basis of the sum of the considerations for the individual services provided. In determining the consideration for individual services, market parameters (where present) were used or, in the absence of such parameters, the consideration was calculated on the basis of the costs incurred and of an average expected period margin in line with the average margins in the sector.

The agreement provides that: (i) the contract will not be automatically assigned in the event of the transfer, assignment or leasing of the entire business or portions of businesses of EI Towers; (ii) EI Towers will be liable to pay penalties if the performance levels guaranteed in the contract are not reached.

The contract lasts for seven years and cannot be automatically renewed and involves a commitment by the parties to renegotiate the consideration in good faith during the 12 months prior to expiry.

As a result of the Merger, the Company Resulting from the Merger will succeed to EI Towers in all the legal relationships connected with the above agreement.

Intra-group current account relationship between EI Towers and Mediaset

As part of its ordinary dealings with its subsidiaries, Mediaset has an intra-group current account relationship with EI Towers, the negative balance of which amounts, on the Information Document Date, to Euro 115,9 million. The current account relationship involves the application of an interest rate equal to the 1-month Euribor flat average for credit balances and equal to the 1-month Euribor average plus 1% for debit balances.

Treasury contract entered into between EI Towers and Mediaset

As holding company of the Mediaset Group, Mediaset provides treasury services to subsidiary companies in order to optimize cash flows within the group and to obtain better credit terms and conditions on the market. To that end, Mediaset and EI Towers signed, on July 2011, a contract on the basis of which EI Towers and Mediaset agreed to enter into a joint financial management arrangement whereby EI Towers entrusts its liquid assets to Mediaset and the latter:

- can arrange payments to third parties, in accordance with the instructions received from EI Towers and in accordance with the credit limits granted;
- can make collections on behalf of EI Towers in accordance with the instructions received from EI Towers.

On the liquid assets credited by EI Towers to Mediaset in the inter-company current account, a rate equal to the 1M Euribor will be applied. On the liquid assets that Mediaset makes available to EI Towers in the inter-company current account, the interest rate applied is equal to the 1M Euribor plus 1%.

The above contract has an indefinite duration and the parties have the right to withdraw at any time. The contract will be automatically terminated if EI Towers is no longer part of the Mediaset Group.

Service agreement between EI Towers, R.T.I. and Videotime

As of the Information Document Date, EI Towers has the following contractual relations with R.T.I.: *(i)* agreements relating to the provision by R.T.I. to EI Towers of administrative services which include, inter alia, services for detecting presences, telephony and switchboard services; *(ii*) agreements relating to the leasing by EI Towers of equipped areas in a part of the building in the production center situated in Cologno Monzese (MI); *(iii)* agreements relating to the leasing by R.T.I. of equipped areas in regional offices; *(iv)* contracts relating to technical signal encryption services provided by EI Towers.

The consideration for the above agreements is determined on the basis of the structural and incidental costs incurred by R.T.I. in carrying out the services in question (including costs of information systems, consulting, professional services, personnel). The considerations payable for leasing contracts, both as lessor and lessee, are determined at market price.

As of the Information Document Date, EI Towers also entered in agreements with Videotime concerning: *(i)* the provision of services by Videotime to EI Towers for the supply of non-specific consumer goods and services relating to EI Towers' business; *(ii)* the leasing by Videotime of areas in the technological tower situated in Cologno Monzese (MI); *(iii)* the leasing by Videotime of a part of a building situated in the Elios production studio in Rome; as well as *(iv)* the leasing by EI Towers to Videotime of equipped areas in parts of buildings in EI Towers' regional offices (for use by Videotime's production crew).

The consideration for the above agreements is determined on the basis of the structural and incidental costs incurred by Videotime in carrying out the services in question (including costs of consulting, professional services, personnel). The consideration payable for leasing contracts involving Videotime and EI Towers as lessor and lessee respectively is determined on the basis of the coverage of the historical costs (depreciation) and incidental costs incurred by the latter. The consideration for leasing contacts involving EI Towers and Videotime as lessor and lessee respectively is determined at market price.

As of the Information Document Date, EI Towers also has existing contracts with Publitalia 80 S.p.A. relating to the leasing of equipped areas in the regional office in Palermo. The consideration payable for such leasing contracts is determined at market price.

As of the Information Document Date, EI Towers also has existing contracts with Mediaset relating to internal auditing services, the consideration for which is determined on the basis of actual use. The daily cost is determined at market price.

As a result of the Merger, the Company Resulting from the Merger will succeed to EI Towers in all the legal relations connected with the above agreements.

The relationships with related parties of the Company Resulting from the Merger will not significantly change as a consequence of the integration, excepted for the relationships currently existing between DMT and Mediaset Group and Fininvest which become, as a consequence of the integration, related parties relationships. In fact, the current existing relationships between EI Towers and the companies belonging to Mediaset Group and the relationships between DMT Group and Elettronica Industriale and Monradio S.r.l. will stay in force even in the company Resulting from the Merger. Consequentially, the main relationships towards related parties of the Company Resulting from the Merger refers to the supply contract from EI Towers to Elettronica Industriale of the Hosting, assistance and maintenance of television implants services, use of the transmission infrastructures, Head End, network design and the relation of intra-group current account and treasury with the holding Mediaset. Furthermore, the contract between the company of the DMT Group Towertel and Elettronica Industriale for the Hosting services, for an annual amount of about Euro 7 millions, as well as the contract between Towertel and Monradio S.r.l., company of the Fininvest Group, for hosting and maintenance services for an annual amount of about Euro 470,000 will stand in force. Those relationships, which are currently at market prices, will not be varied as a consequence of the integration.

20. Financial information regarding the assets and liabilities, financial position and profits and losses of the Acquiring Company

20.1 Historical financial information of the Acquiring Company

Not applicable pursuant to Article 57(2) of the Issuers' Regulations.

20.2 Pro forma financial information

Background

This chapter contains the pro forma consolidated balance sheet and income statement for DMT for the nine-month interim period ended September 30, 2011, the six-month interim period ended June 30, 2011 and for the year ended December 31, 2010 (the "**Pro forma Consolidated Financial Statements**"), which present retroactively the Merger transaction.

On July 28, 2011, the boards of directors of DMT and EI Towers, in accordance with Articles 2501 *et seq*. of the Italian Civil Code, drafted and approved the Merger Projects, which determinate an exchange ratio for the shares of the Acquiring Company with the shares of the Target Company (the "**Share Exchange Ratio**") of 34 ordinary shares of DMT with a par value of EUR 0.10 for every 401 ordinary shares of EI Towers with a par value of EUR 1.00, and approved the reports of the boards of directors on the Merger Projects.

The Merger Projects provide that DMT shall issue ordinary shares in order to service the share exchange, to be assigned to Elettronica Industriale, the sole shareholder of EI Towers, in order to comply with and to implement the Share Exchange Ratio. The sole shareholder of the Target Company, on the basis of said share exchange ratio, shall receive in exchange 16,957,602 ordinary shares of the Acquiring Company with a par value of EUR 0.10, in return for 199,999,953 shares of a total of 200,000,000 shares of the Target Company held by it. In order to facilitate the swap transaction, and taking into account the small number of remaining shares (47 shares of the Target Company held by it), EI shall waive the liquidation of the remaining shares by the Acquiring Company. To fulfill the share exchange ratio resulting from the Merger, the Company shall increase its own share capital from the current EUR 1,130,477.50 to EUR 2,826,237.70, by issuing 16,957,602 shares with a par value of EUR 0.10. As a result of the application of the Share Exchange Ratio, the share capital of the Company Resulting from the Merger, at the effective date of the Merger, will be held, approximately at 60%, by Elettronica Industriale.

EI Towers and DMT also signed the Merger Agreement on July 28, 2011, with which, *inter alia* the parties defined the content of the transaction and outlined the corporate procedure for the approval of the Merger and the parties agreed the terms of certain preliminary transactions prior to the Merger.

In particular, in relation to the preliminary transactions, DMT and EI Towers have agreed that, prior to the general meeting of the shareholders of the Companies Participating to the Merger, called to ratify the Merger Projects, the following preliminary transactions shall have to be completed:

(a) definition of the terms and conditions of a financing aimed to refinance the debt of the Company Resulting from the Merger and of the Group companies existing on the effective date of the Merger; and

(b) the transfer by DMT to a third party *(i)* all of the capital stock of Tower Service S.p.A. in liquidation, DMT System S.p.A. in liquidation, which in turn owns 100% of Asteroide S.r.l., and DMT Service S.r.l. in liquidation, as well as *(ii)* all of DMT's stake in the foreign subsidiaries, currently in the process of being dismissed, DMT Limited and DMT USA Inc..

By an amendment agreement executed on September 28, 2011, DMT and EI Towers *(i)* have acknowledged that on September 20, 2011 Towertel requested to Banca IMI S.p.A., in its capacity of Agent Bank of the 2005 Loan Agreement and of the 2007 Loan Agreement, a waiver to the right to request Towertel to accelerate its re-payment obligations, to resolve before its expiration the 2005 Loan Agreement and/or of the 2007 Loan Agreement, as well as to any other remedy or right provided in said agreements as a consequence of the Merger (the "**Waiver**") and, therefore, *(ii)* have agreed to modify the agreements reached in the Merger Agreement in connection with the preceding point (a) in order to agree, in place of the obtainment of a new bank financing, the obtainment by Towertel of the Waiver by the financing banks of the 2005 Loan Agreement and of the 2007 Loan Agreement.

With a letter dated September 29, 2011, Banca IMI S.p.A., also on behalf of the others lending banks parties to the Loan Agreements, has confirmed to Towertel the Waiver its rights as referred to above, subject – *inter alia* – to the completion of the Merger.

With regard to the Preliminary Transaction provided in (b) above, on October 13, 2011 DMT completed transfer of the Discontinued Investments to a third party.

Finally, effective on the date the Merger document is signed, Alessandro Falciai shall make available his positions as director, Chairman of the board of directors and chief executive officer of DMT and he shall assume a non-compete position with the Company Resulting from the Merger for a period of three years from the effective date of the Merger. In return for said non-compete obligation, he shall receive a total sum of EUR 7.5 million to be paid in three annual tranches of equal amounts (EUR 2.5 million per annum).

The Pro Forma Consolidated Financial Statements at September 30, 2011 were prepared based on the interim report of the DMT Group at September 30, 2011 (the "**Interim report**"), the EI Towers balance sheet and income statement as of September 30, 2011 and, with reference to the EI Towers income statement for the period prior to June 30, 2011 (the date on which EI Towers began operations after Elettronica Industriale had contributed the Towers business unit) of carve-out figures for the first half of 2011, determined by attributing to the "Towers" business unit the revenues and costs of Elettronica Industriale that could be allocated to it, applying pro-forma adjustments in relation to the Merger and its preliminary, connected and consequent transactions, as described below. The Interim report was drawn up by applying the IFRS adopted by the European Union and in compliance with the provisions of Art. 82 of the "Regulation incorporating norms for executing Legislative Decree No. 58/1998 regarding issuers" (CONSOB ruling No. 19971 and later amendments). The EI Towers balance sheet and income statement as of September 30, 2011 was drawn up in compliance with the IFRS adopted by the European Union.

The Pro Forma Consolidated Financial Statements at June 30, 2011 were prepared based on the condensed half-year consolidated financial statements of the DMT Group at June 30, 2011 (the "**Condensed half-year consolidated financial statements**") and carve-out balance sheet and income statement of EI Towers at June 30, 2011 (the "**Carve-out half-year financial statements**") by applying the pro forma adjustments pertaining to the Merger and to the preliminary transactions, related or consequent thereto, as described below. The Condensed half-year consolidated financial statements of DMT and the Carve-out half-year financial statements were prepared in accordance with the IFRS adopted by the European Union. The Condensed half-year consolidated financial statements of DMT have been reviewed by E&Y, which issued its review report on July 29, 2011.

The Pro Forma Consolidated Financial Statements at December 31, 2010 were prepared based on the consolidated financial statements of the DMT Group at December 31, 2010 (the "**Consolidated financial statements"**) and the carve-out balance sheet and income statement of EI Towers at December 31, 2010 (the "**Carve-out annual statements**") and by applying the pro forma adjustments pertaining to the Merger and to the preliminary transactions, related or consequent thereto, as described below. The Consolidated financial statements and the Carve-out annual statements were prepared in accordance with IFRS adopted by the European Union. The Consolidated financial statements have been audited by E&Y, which issued its report on April 14, 2011.

The pro forma consolidated figures were obtained by applying the appropriate pro forma adjustments to the aforementioned historical financial information in order to reflect retroactively the material effects of the Merger transaction and the related financial transactions. In particular, said effects, based on the CONSOB Communication DEM/1052803 of July 5, 2001, have been retroactively reflected as if this Merger and the financial transactions related thereto had been arranged with reference to the Pro Forma Consolidated Financial Statements at September 30, 2011, on September 30, 2011 in the pro forma consolidated balance sheet and on January 1, 2011 in the pro forma consolidated income statement, with reference to the Pro Forma Consolidated Financial Statements at June 30, 2011, on June 30, 2011 in the pro forma consolidated balance sheet and on January 1, 2011 in the pro forma consolidated income statement, and, with reference to the Pro Forma Consolidated Financial Statements at December 31, 2010, as if they had been arranged on December 31, 2010 in the pro forma consolidated balance sheet and on January 1, 2010 in the pro forma consolidated income statement.

In relation to the accounting policies adopted by the DMT Group for the preparation of the consolidated historical financial information, see the notes to the Consolidated financial statements and the Condensed half-year consolidated financial statements prepared by DMT in accordance with the IFRS adopted by the European Union.

The Pro Forma Consolidated Financial Statements were prepared by accounting for the Merger as a "Reverse Acquisition" in accordance with IFRS 3, since the Company Resulting from the Merger, as earlier described, will be controlled approximately at 60% by Elettronica Industriale, currently the sole shareholder of the Target Company. It should be remembered that, as explained below, the accounting allocation process deriving from the Reverse Acquisition, required by IFRS 3, has not yet commenced. Consequently, the accounting allocations made for the purpose of preparing the pro forma consolidated figures are provisional and subject to changes. Furthermore, if on completion of the allocation process any tangible and intangible assets with a finite life are

identified, the future income statements will also reflect depreciation in relation to such allocations, not included in the accompanying pro forma consolidated income statements.

For a correct interpretation of the information obtained from the pro forma figures, the following aspects must be considered:

i) in terms of the hypothetical illustrations, if the Merger and the related financial and economic transactions had in fact been realized on the dates used as a reference for the preparation of the pro forma figures, rather than on the effective date, the historical financial information would not necessarily be identical to the pro forma figures;

ii) the pro forma figures do not reflect the forecasts, since these are prepared in order to represent only the isolated and objectively quantifiable effects of the Merger and the related financial and economic transactions, without taking into account the potential effects due to changes in management policy and operating decisions resulting from the transaction itself.

Furthermore, in consideration of the various purposes of the pro forma figures compared with the historical financial information and the different ways of calculating the effects of the Merger and the related financial transactions with reference to the balance sheet and the income statement, the consolidated pro forma financial statements should be read and interpreted separately, without seeking any accounting correlation between the two documents.

20.2.1 Pro forma consolidated balance sheet of the DMT Group at September 30, 2011

(thousands of Euro)	**DMT Group**	**EI Towers - historical figures -** *Note 1*	***Carve-out* EI Towers** *Note 2*	**Consolidation adjustments** *Note 3*	**Sale of investments** *Note 4*	**Other pro forma adjustments** *Note 5*	**Merger** *Note 6*	**DMT Group Pro-forma**
Non-current assets:								
Intangible fixed assets								
- goodwill	108,498	255,671					110,059	474,228
- other intangible assets	30,360	10,571						40,931
Tangible assets								
- property, plant and equipment	73,080	182,144						255,224
Other non-current assets	1,363	259						1,622
Deferred tax assets	2,558	2,054						4,612
Total non-current assets	215,859	450,699		0	0	0	110,059	776,617
Current assets:								
Inventories	380	5,521						5,901
Trade receivable	15,560	10,401		(93)				25,868
Other receivables and current assets	4,060	4,424						8,484
Tax receivables	6,060	2,705						8,765
Cash and cash equivalents	11,626	9						11,635
Total current assets	37,686	23,060		(93)	0	0	0	60,653
Discontinued assets	2,318	0			(2,318)			0
Total assets	**255,863**	**473,759**		**(93)**	**(2,318)**	**0**	**110,059**	**837,270**
Shareholders' equity:								
Share capital	1,130	200,000					(198,304)	2,826
Reserves	74,033	101,832			287		308,363	484,515
Shareholders' equity of the Group	75,163	301,832		0	287	0	110,059	487,341
Minority interests	0	0		0	0	0	0	0
Total shareholders' equity	75,163	301,832		0	287	0	110,059	487,341
Non-current liabilities:								0
Non-current financial liabilities	91,578	0						91,578
Employee indemnity fund	995	9,591						10,586
Deferred tax liabilities	23,106	1,319						24,425

Risks and charges liabilities	2,649	156					2,805
Total non-current liabilities	118,328	11,066	0	0	0	0	129,394
Current liabilities:							0
Current financial liabilities	22,328	115,943		12,840			151,111
Trade payables	12,115	38,606	(93)				50,628
Other payables and current liabilities	8,860	5,597					14,457
Acquisition debts	39	0					39
Tax payables	3,585	715					4,300
Total current liabilities	46,927	160,861	(93)	12,840	0	0	220,535
Discontinued liabilities	15,445	0		(15,445)			0
Total liabilities	180,700	171,927	(93)	(2,605)			349,929
Total Shareholders' equity and liabilities	**255,863**	**473,759**	**(93)**	**(2,318)**	**0**	**110,059**	**837,270**

20.2.2 Pro forma consolidated income statement of the DMT Group for the period ended September 30, 2011

	DMT Group	**EI Towers - historic data -**	**EI Towers carve-out**	**Consolidation adjustments**	**Sale of investments**	**Other pro forma adjustments**	**Merger**	**DMT Group Pro-forma**
(thousands of Euro)		*Note 1*	*Note 2*	*Note 3*	*Note 4*	*Note 5*	*Note 6*	
Revenues from sales and services	43,179	38,814	76,384	(3,644)		7,437		162,170
Other income	2,698	73	1,397	(6)				4,162
Operating costs:								
Purchases	360	1,439	4,107					5,906
Services	14,026	17,866	33,632	(1,688)		1,044		64,880
Rent, lease and similar costs	5,763	2,684	6,706	(1,962)				13,191
Personnel costs	4,959	8,605	19,013			(849)		31,728
Changes in inventories	26	(1,291)	1,382			852		969
Increase in fixed assets under construction	0	(2,529)	(7,384)			1,545		(8,368)
Other charges	1,374	371	863					2,608
Amortization and depreciation	7,691	7,449	14,380					29,520
Provisions and write-downs	1,622	27	13					1,662
Total operating costs	35,821	34,621	72,712	(3,650)	0	2,592	0	142,096
Operating income	*10,056*	*4,266*	*5,069*	*0*	*0*	*4,845*	*0*	*24,236*
Financial income	92	220	141					453
Financial charges	(3,531)	(665)	(1,495)		(396)	39		(6,048)
Pre-tax result from continuing operations	*6,617*	*3,821*	*3,715*	*0*	*(396)*	*4,884*	*0*	*18,641*
Income taxes	(1,643)	(1,439)	(2,318)	0	109	(1,532)	0	(6,823)
Net income from continuing operations	*4,974*	*2,382*	*1,397*	*0*	*(287)*	*3,352*	*0*	*11,818*
Net income (loss) deriving from discontinued operations	(8,646)	0	0		8,646			0
Income (loss) for the period	*(3,672)*	*2,382*	*1,397*	*0*	*8,359*	*3,352*	*0*	*11,818*
Minority interest (income) loss	0	0	0	0	0	0	0	0
Group net income (loss) for the period	*(3,672)*	*2,382*	*1,397*	*0*	*8,359*	*3,352*	*0*	*11,818*

20.2.3 Notes relating to the pro forma financial statements of the DMT Group at September 30, 2011

The Pro Forma Consolidated Financial Statements at September 30, 2011 present:

i) in the first column, the consolidated financial statements of the DMT Group drawn from the interim report Financial Statements;

ii) in the second column, "EI Towers – historic data," figures drawn from the EI Towers financial statements at September 30, 2011;

iii) in the third column, entitled "EI Towers carve-out," which refers solely to the consolidated pro forma income statement, the half-year carve-out Financial statements of the Elettronica Industriale "Towers" business unit for the half-year ended June 30, 2011 drawn from the carve-out performed by Elettronica Industriale (holder of 100% of EI Towers stock before the Merger transaction);

iv) in the fourth column, entitled "Consolidation adjustments," the consolidation adjustments of costs and revenue and of the related receivables and payables between the Companies Participating to the Merger;

v) in the fifth column, entitled "Sale of investments," the effects deriving from the disposal of investments in *(i)* Tower Service S.p.A. in liquidation, *(ii)* DMT System S.p.A. in liquidation, which in turn holds 100% of Asteroide S.r.l in liquidation and DMT Service S.r.l. in liquidation, in addition to *(iii)* all the share owned by DMT in the foreign subsidiaries being sold, namely DMT Limited and DMT USA, Inc.;

vi) in the sixth column, entitled "Other pro forma adjustments," all effects deriving from the pro forma adjustments made to illustrate retroactively, in the pro forma financial statements, the effects of the Merger and the transactions related and consequent thereto, as if this, in the pro forma consolidated balance sheet, had been arranged on September 30, 2011, and in the pro forma consolidated income statement on 1 January 2011;

vii) in the seventh column, entitled "Merger," the estimated accounting effects deriving from the Merger;

viii) in the eighth column, entitled "DMT Group Pro Forma," the Pro Forma Consolidated Balance Sheet at September 30, 2011 and the Pro Forma Consolidated Income Statement for the period ended September 30, 2011, calculated based on the totals of the previous columns.

Note 1. EI Towers – historic data

The column entitled "EI Towers – historic data" includes assets, and liabilities and income components of EI Towers business as of September 30, 2011.

EI Towers is a newly formed company wholly owned by Elettronica Industriale, to which the latter contributed, with effect on June 30, 2011, the Towers business unit of Elettronica Industriale. Therefore, the accounting figures on the balance sheet refer to September 30, 2011 and those on the income statement refer to the period from July 1, 2011 to September 30, 2011.

Note 2. EI Towers carve-out

The column entitled "EI Towers carve-out" includes the values of the assets and liabilities and income components of the activity carried out by EI Towers drawn from the Half-year carve-out financial statements at June 30, 2011, which represent carve-out figures from the "Towers" business unit of Elettronica Industriale (holder of 100% of EI Towers stock before the Merger transaction).

Note 3. Consolidation adjustments

The column entitled "Consolidation adjustments" includes the effects of the derecognition of transactions between the Companies Participating to the Merger. In particular, said transactions mainly refer to the technical services relating to hosting, support and maintenance of the transmission infrastructure provided during the period by the Acquiring Company to EI Towers and relating to the Towers business unit contributed to EI Towers.

Note 4. Sale of investments

The column entitled "Sale of investments" includes the effects deriving from the pro forma transfer to third parties, at the carrying amount, of the equity investments held by DMT *(i)* in TS in liquidation, *(ii)* in the System

Group, and *(iii)* in foreign subsidiaries. That sale, which occurred on October 13, 2011, was reflected in the September 30, 2011 Pro Forma Consolidated Financial Statements reflect, in this column, the derecognition of assets and liabilities relating to equity investments held for sale and the corresponding economic performance. Note that the companies to be divested had been accounted for by the Issuer in accordance with IFRS 5 as discontinued operations. Therefore, the assets and liabilities were recorded under Discontinued Assets and Discontinued Liabilities, respectively, while the income components for the period were entered on the line "Net income (loss) deriving from discontinued operations".

In relation to those sales, under the Framework Agreement, DMT will make forgivable payments to DMT System S.p.A. in liquidation in the amount of EUR 15.3 million. As of September 30, 2011, the Issuer had made payments of EUR 2.5 million, so the column entitled "Sale of investments" includes higher current financial indebtedness of EUR 12.8 million deriving from the remaining forgivable payment that DMT made in the month of October to DMT System S.p.A. in liquidation. The pro forma consolidated income statement includes EUR 396,000 from higher financial charges correlated to that greater pro-forma indebtedness.

Note that under the terms of the Merger Agreement of July 28, 2011, on October 13, 2011, DMT transferred to the third-party assignee the entire capital of DMT System S.p.A. in liquidation, undertaking to indemnify the third-party assignee against any contingent liabilities that could arise in the System Group and which are attributable to the period of management of these companies prior to the transfer. The agreed indemnity includes a maximum liability of EUR 4 million.

Note 5. Other pro forma adjustments

The column entitled "Other pro forma adjustments" includes the effects deriving from other transactions connected with the Merger. In particular, said transactions pertain to the estimate of the following pro forma adjustments:

- adjustment of fees for services carried out by EI Towers in favor of Elettronica Industriale;
- adjustment of revenue following capital expenditure on Elettronica Industriale plant;
- adjustment of operating costs;
- payment of EUR 10.2 million made by Elettronica Industriale in favor of EI Towers;
- liability on the waiver granted.

Adjustment of fees for services carried out by EI Towers in favor of Elettronica Industriale

On July 28, 2011 EI Towers and Elettronica Industriale signed a contract concerning the provision by EI Towers to Elettronica Industriale of hosting, support and maintenance services, use of the transmission infrastructure, head end (understood as encoding, multiplexing, encryption and synchronization services for the transmission of the signal in "SFN" mode), and project design.

The contract makes provision for fees for the first half of 2011 different from those included as revenue for the Towers business unit in the column entitled "EI Towers." In view of this difference, the sales and service revenue for the period has increased by EUR 5,040,000. The contract, effective July 1, 2011, resulted in EI Towers revenue in the July-September quarter of EUR 33,000,000.

Other contracts with Related Parties, described in First Section, Chapter 19, will continue under their existing conditions.

Adjustment of revenue following capital expenditure on Elettronica Industriale plant

In consideration of the contribution of the Towers business unit from Elettronica Industriale to EI Towers, the part of investments in fixed assets realized by capitalizing internal costs carried out by EI Towers, previously capitalized as tangible assets of Elettronica Industriale, will be transferred to Elettronica Industriale itself. In the absence of an existing contract between the parties stipulating the tariffs and any margins to be paid to the Company Resulting from the Merger for such activities, for the purposes of the pro forma consolidated income statement, the effect deriving from the invoicing at cost of the works carried out has been included. Therefore, this adjustment includes an increase in revenue for the period of EUR 1,545,000 and a reduction in increases in capitalized production costs of EUR 1,545,000. Additionally, on October 4, 2011, EI Towers transferred to

Elettronica Industriale transmission equipment included under inventories for a carrying amount equivalent to EUR 852,000. That transfer, which occurred on October 13, 2011, was reflected in the Pro Forma Consolidated Financial Statements.

Adjustments of operating costs

Service costs have risen by EUR 1,044,000 due to the inclusion of EUR 1,875,000 as the liability arising from the share for the period of the non-compete agreement of the current Chairman and chief executive officer of DMT who, as of the effective date of the Merger, will assume non-compete obligations in favor of the Company Resulting from the Merger for a period of three years in return for a fee of EUR 7.5 million, to be paid in three equal tranches. Furthermore, operating costs include a reduction of EUR 831,000, mainly relating to administrative and general expenses previously charged by subsidiaries of the Mediaset Group to EI and allocated to the Towers business unit, which will no longer be incurred following the Merger.

Personnel costs are down EUR 849,000 as a result of the transfer of 18 EI Towers employees to Elettronica Industriale, determined after September 28, 2011.

As First Section, Chapter 17 shows, in carrying out the resolutions of the shareholders' meeting, DMT assigned to directors and/or employees of DMT and/or its subsidiaries free shares in execution of the 2010 Stock Grant Plan, which calls for accelerated exercise in the case of, among other things, the Issuer's merger or in any case a change of control according to the provisions of Article 2359, Paragraph 1 of the Italian Civil Code. Upon completion of the Merger, that exercise will result in a charge for DMT estimated at EUR 1 million. That one-time charge relating to the Merger eventually will be recorded in the Issuer's income statement on the date the Merger becomes effective and it was not included in the pro forma consolidated income statement.

Payment of EUR 10.2 million made by Elettronica Industriale in favor of EI Towers

The board of directors of Elettronica Industriale, meeting on July 19, 2011, in recognition of the financial requirements indicated by EI Towers, authorized the payment by way of a capital contribution of EUR 10.2 million in favor of EI Towers. Said payment, made on July 26, 2011, was posted to the column entitled "EI Towers" on the EI Towers balance sheet at September 30, 2011 and the related economic effect, in terms of reduced financial expenses of EUR 201,000 for the period, was recorded in the pro forma income statement as if the payment had been made on January 1, 2011.

Liability on the waiver granted

By a letter dated September 20, 2011, Towertel requested to Banca IMI S.p.A., in its capacity as Agent Bank of the 2005 Loan Agreement and of the 2007 Loan Agreement, a waiver to the right to request Towertel to accelerate its re-payment obligations, to resolve before its expiration the 2005 Loan Agreement and/or of the 2007 Loan Agreement, as well as to any other remedy or right provided in said agreements as a consequence of the Merger.

With the letter dated September 29, 2011, Banca IMI S.p.A., also on behalf of the others lending banks parties to the Loan Agreements, has confirmed to Towertel the Waiver of its rights as referred to above, subject – *inter alia* – to the completion of the Merger.

In relation to the aforementioned waiver, the estimated cost is equivalent to approximately EUR 650,000. Considering the repayment date of the Loans (June 30, 2014), the pro forma income statement at September 30, 2011 includes a charge, posted as financial expenses, of EUR 162,500.

Note 6. Merger

The "Merger" column includes the estimated accounting effects deriving from the Merger transaction. As previously mentioned, the Merger includes a "Reverse Acquisition," as the Company Resulting from the Merger will be controlled by Elettronica Industriale, currently the sole shareholder of the Target Company. Although in legal terms DMT is the Acquiring Company, in accounting terms, as required by IFRS 3, the Acquirer must be identified, defined by that standard as the entity which, following the transaction, has the power to determine the financial and management policies of the acquiree. In the case in question, the Acquirer is Elettronica Industriale, which, after the Merger will hold approximately 60% of the Company Resulting from the Merger.

Determination of the consideration for the net assets acquired

The determination of the consideration for the net assets acquired, in the case of a Reverse Acquisition, has been carried out, in accordance with IFRS 3, by considering the quantity of equity instruments that the Target Company would have to issue to provide the owners of the Acquiring Company with a percentage of the capital held in the Company Resulting from the Merger equal to that obtained by said owners in the Company Resulting from the Merger as a consequence of the reverse acquisition. The fair value of the quantity of equity instruments thus calculated should be used as the aggregate cost and thus as the consideration for the net assets acquired.

To fulfill the share exchange ratio, the Merger will give rise to the issuance of 16,957,602 shares with a par value of EUR 0.10 with a fair value determined as equivalent to the share price on September 21, 2011, or EUR 16.68. The consideration for the DMT net assets acquired was determined, in the Pro Forma Consolidated Financial Statements, by calculating the number of shares that EI Towers would have to issue to provide the owners of the Acquiring Company with a percentage equivalent to 40% of the Company Resulting from the Merger. In particular, EI Towers would have to issue 133,329,878 new shares with a fair value of EUR 1.41 each. The consideration in respect of the net assets acquired would therefore be equivalent to EUR 188.6 million.

Allocation of the consideration for the net assets acquired

	EUR million
Estimated cost of the net assets acquired	188.6
Carrying amount of the DMT net assets acquired (net of goodwill of EUR 108.5 million, recognized as assets)	(30.0)
Additional consideration in relation to the carrying amount of the net assets acquired	218.6

Goodwill of DMT Group Pro-forma, amounting to Euro 474 million and representing 56% of "Total assets", refers to:

- Euro 255 million, recognized in 2002 as a consequence of the contribution of the business related to management and development of the towers technology from the parent company R.T.I. to Elettronica Industriale. Such goodwill is reported as an asset in the balance sheet of EI Towers, following the contribution of the "Towers" business by Elettronica Industriale, of June 30, 2011;

- Euro 219 million from the preliminary accounting of goodwill that is generated as a result of the Merger, that includes the goodwill previously reported in the Consolidated financial statements at December 31, 2010 of the DMT Group (amounting to Euro 108 million). As previously described, the value of such goodwill, preliminarily determined in Euro 219 million, which will be generated by the Merger will change at the effective date of the Merger due to the different *fair value* of the equity instruments which will be issued and due to the process of measuring at *fair value* all the net assets acquired. The final goodwill will be subject to a recoverability test as required by IFRS together with the goodwill of Euro 255 million already existing in EI Towers, which will continue to be tested for impairment.

The goodwill recognized in the Consolidated financial statements at December 31, 2010 of DMT Group amounted to Euro 108 million and in the balance sheet of Elettronica Industriale at December 31, 2010 amounted to Euro 255 million were subject at year-end at the impairment test as required by IFRS (IAS 36). These tests confirmed the recoverability of the assets.

For the purpose of preparing the Pro Forma Consolidated Financial Statements, the additional consideration in relation to the carrying amount of the net assets acquired, equivalent to EUR 218.6 million, was initially booked to goodwill. Following the completion of the Merger, a specific analysis will be carried out of the consideration paid in order to determine and measure the fair value of the net assets acquired. If on completion of the allocation process, finite-life tangible and intangible assets are identified, the future income statements will also reflect the depreciation and amortization relating to such allocations, not included in the accompanying pro forma consolidated income statement.

The recognition of this positive difference as Goodwill has resulted in an increase in the Pro Forma Consolidated Financial Statements, for an equal amount, of the Shareholders' Equity. Note that the amount of EUR 110.1 million added to goodwill in this column consists of the effect of recognizing the additional consideration in relation to the carrying amount of the net assets acquired, equivalent to EUR 218.6 million, net of goodwill of

EUR 108.5 million previously posted to assets in the condensed half-year consolidated financial statements of DMT.

The effects of the Merger reported in this column of the Pro Forma Consolidated Financial Statements also include:

- the increase in share capital of the Acquiring Company equivalent to EUR 1,696,000. Therefore, the pro forma share capital following the transaction is equivalent to the share capital of the Acquiring Company increased by the par value of the shares issued as a result of the Merger;
- the elimination of the share capital of the Target Company, equivalent to EUR 200 million.

Purpose of the presentation of the pro forma consolidated data

The purpose of the presentation of the pro forma consolidated data is to reflect, retroactively, the material effects of the Merger and the related transactions, making the appropriate pro forma adjustments to the consolidated historical information. In particular, as explained earlier, the effects of the Merger and the related operations have been reflected retroactively in the pro forma consolidated balance sheet as if this transaction had been arranged on September 30, 2011, and in the pro forma consolidated income statement as if the transactions in question had been arranged on January 1, 2011.

Assumptions used in the preparation of the pro forma figures

The accounting policies adopted in preparing the Pro Forma Consolidated Financial Statements are the same as those used for the preparation of the Interim Report.

The pro forma adjustments illustrated above were made by adopting the general rule whereby the transactions reported in the balance sheet are assumed to take place on the reporting date for the period in question, while for the income statement the transactions are assumed to take place at the start of the period.

The following specific assumptions have also been adopted:

i) the rate used to estimate the increase in financial expenses as a consequence of the overall increase in pro forma net financial debt was assumed using the estimated average interest rate currently paid to the financial institutions by DMT. This rate was estimated at around 3.5%;

ii) the tax rate used to calculate the tax effects for the pro forma adjustments was estimated as being equivalent to 27.5% for the purposes of corporate tax (IRES) and equivalent to 3.9% for the purposes of regional income tax (IRAP).

Estimated costs related to activities involved in planning and executing the Merger amount to approximately EUR 8 million, of which EUR 2.7 million were included under operating costs in the DMT Group consolidated balance sheet derived from the Interim Report and EUR 0.8 million were included in the EI Towers September 30, 2011 income statement.

20.2.4 Pro forma consolidated balance sheet of the DMT Group at June 30, 2011

	DMT Group	EI Towers carve-out	Contribution adjustments	Consolidation adjustments	Sale of investments	Other pro forma adjustments	Merger	DMT Group pro forma
(thousands of Euro)		*Note 1*	*Note 2*	*Note 3*	*Note 4*	*Note 5*	*Note 6*	
Non-current assets:								
Intangible fixed assets								
- goodwill	108,484	255,671					110,059	474,214
- other intangible assets	31,123	10,787						41,910
Tangible assets								
- property, plant and equipment	72,263	179,714						251,977
Other non-current assets	1,338	358						1,696
Deferred tax assets	2,876	1,917						4,793

Total non-current assets	216,084	448,447	0	0	0	0	110,059	774,590
Current assets:								
Inventories	380	4,229						4,609
Trade receivables	14,633	40,037	(28,812)	(48)				25,810
Other receivables and current assets	6,421	6,024	(960)					11,485
Tax receivables	6,336	458	(458)					6,336
Cash and cash equivalents	9,888	0	120			10,200		20,208
Total current assets	37,658	50,748	(30,110)	(48)	0	10,200	0	68,448
Discontinued assets	4,399	0			(4,399)			0
Total assets	**258,141**	**499,195**	**(30,110)**	**(48)**	**(4,399)**	**10,200**	**110,059**	**843,038**
Shareholders' equity:								
Share capital	1,130	228,713	(28,713)				(198,304)	2,826
Reserves	77,336	89,714	(66)		(3,524)	10,200	308,363	482,023
Shareholders' equity of the Group	78,466	318,427	(28,779)	0	(3,524)	10,200	110,059	484,849
Minority interests	0	0	0	0	0	0	0	0
Total shareholders' equity	78,466	318,427	(28,779)	0	(3,524)	10,200	110,059	484,849
Non-current liabilities								
Non-current financial liabilities	91,857	0						91,857
Employee indemnity fund	1,019	9,338						10,357
Deferred tax liabilities	23,654	1,319						24,973
Risks and charges liabilities	3,228	156						3,384
Total non-current liabilities	119,758	10,813	0	0	0	0	0	130,571
Current liabilities:								
Current financial liabilities	20,154	125,000			15,300			160,454
Trade payables	10,075	38,201	85	(48)				48,313
Other payables and current liabilities	9,647	5,992	(1,417)					14,222
Acquisition debts	39	0						39
Tax payables	3,827	762						4,589
Total current liabilities	43,742	169,955	(1,331)	(48)	15,300	0	0	227,618
Discontinued liabilities	16,175	0			(16,175)			0
Total liabilities	179,675	180,768	(1,331)	(48)	(875)			358,189
Total Shareholders' equity and liabilities	**258,141**	**499,195**	**(30,110)**	**(48)**	**(4,399)**	**10,200**	**110,059**	**843,038**

20.2.5 Pro forma consolidated income statement of the DMT Group for the period ended June 30, 2011

	DMT Group	**EI Towers carve-out**	**Contribution adjustments**	**Consolidation adjustments**	**Sale of investments**	**Other pro forma adjustments**	**Merger**	**DMT Group pro forma**
(thousands of Euro)		*Note 1*	*Note 2*	*Note 3*	*Note 4*	*Note 5*	*Note 6*	
Revenues from sales and services	28,671	76,384		(3,601)		6,585		108,040
Other income	2,226	1,397		(6)				3,617
Operating costs:								
Purchases	279	4,107						4,386
Services	7,882	33,632		(1,645)		806		40,675
Rent, lease and similar costs	3,808	6,706		(1,962)				8,552
Personnel costs	3,318	19,013						22,331
Changes in inventories	26	1,382						1,408
Increase in fixed assets under construction	0	(7,384)				1,545		(5,839)
Other charges	1,069	863						1,932
Amortization and depreciation	5,126	14,380						19,506

Provisions and write-downs	1,139	13						1,152
Total operating costs	22,647	72,712	0	(3,607)	0	2,351	0	94,103
Operating income	*8,250*	*5,069*	*0*	*0*	*0*	*4,234*	*0*	*17,553*
Financial income	63	141						204
Financial charges	(2,324)	(1,495)			(264)	68		(4,015)
Pre-tax result from continuing operations	*5,989*	*3,715*	*0*	*0*	*(264)*	*4,302*	*0*	*13,742*
Income taxes	(1,618)	(2,318)	0	0	73	(1,348)	0	(5,211)
Net income from continuing operations	*4,371*	*1,397*	*0*	*0*	*(191)*	*2,954*	*0*	*8,530*
Net income (loss) deriving from discontinued operations	(4,548)	0			4,548			0
Income (loss) for the period	*(177)*	*1,397*	*0*	*0*	*4,357*	*2,954*	*0*	*8,530*
Minority interest (income) loss	0	0	0	0	0	0	0	0
Group net income (loss) for the period	*(177)*	*1,397*	*0*	*0*	*4,357*	*2,954*	*0*	*8,530*

20.2.6 Notes relating to the pro forma financial statements of the DMT Group at June 30, 2011

The Pro Forma Consolidated Financial Statements at June 30, 2011 present:

i) in the first column, the Condensed half-year consolidated financial statements of the DMT Group at June 30, 2011;

ii) in the second column, entitled "EI Towers carve-out", the half-year carve-out financial statements of EI Towers at June 30, 2011, deriving from the carve-out performed by Elettronica Industriale (which held 100% of the shares of EI Towers before the Merger) in order to distribute the assets, liabilities and costs and revenue of the two business units of which it consisted. In particular, the figures in the column in question relate to the "Towers" business unit, subsequently contributed to EI Towers;

iii) in the third column, entitled "Contribution adjustments", the figures relating to the adjustments to assets and liabilities of the Carve-out half-year financial statements of EI Towers, resulting from the carve-out performed by Elettronica Industriale and reported in order to reflect the values of the assets and liabilities contributed by Elettronica Industriale to EI Towers at June 30, 2011;

iv) in the fourth column, entitled "Consolidation adjustments", the consolidation adjustments of costs and revenue and of the related receivables and payables between the Companies Participating to the Merger;

v) in the fifth column, entitled "Sale of investments", the effects deriving from the disposal of investments by DMT in *(i)* Tower Service S.p.A. in liquidation, *(ii)* DMT System S.p.A. in liquidation, which in turn holds 100% of Asteroide S.r.l in liquidation and DMT Service S.r.l. in liquidation, in addition to *(iii)* all the share owned by DMT in the foreign subsidiaries, namely DMT Limited and DMT USA, Inc.;

vi) in the sixth column, entitled "Other pro forma adjustments", all effects deriving from the pro forma adjustments made to illustrate retroactively, in the pro forma financial statements, the effects of the Merger and the transactions related and consequent thereto, as if this, in the pro forma consolidated balance sheet, had been arranged on June 30, 2011, and in the pro forma consolidated income statement on 1 January 2011;

vii) in the seventh column, entitled "Merger", the estimated accounting effects deriving from the Merger;

viii) finally, in the eighth column, entitled "Consolidated pro forma", the Pro Forma Consolidated Balance Sheet at June 30, 2011 and the Pro Forma Consolidated Income Statement for the six months period ended June 30, 2011, calculated based on the totals of the previous columns.

Note 1 EI Towers carve-out

The column entitled "EI Towers carve-out" includes the values of the assets and liabilities and income components of the activity carried out by EI Towers.

EI Towers is a newly formed company wholly owned by Elettronica Industriale, to which the latter contributed, with effect on June 30, 2011, the Towers business unit of Elettronica Industriale.

The values of the assets and liabilities and the related income components for the period, as reported in this column, were obtained from the Carve-out half-year financial statements at June 30, 2011. The assets and liabilities of this business unit at June 30, 2011 have only been partially contributed to EI Towers, as explained below in Note 2.

Note 2 Contribution adjustments

The column entitled "Contribution adjustments" includes the effects of the adjustments made to the balance sheet at June 30, 2011 of the carve-out of the Towers business unit in EI Towers in order to determine the scope of the net assets of the business unit contributed to EI Towers, in accordance with the contractual agreements between the Companies Participating to the Merger.

The main adjustment made concerns the failure contribution of the trade receivables at June 30, 2010, which in the carve-out statement had been allocated to the Towers business unit. These receivables still belong to Elettronica Industriale.

Note 3 Consolidation adjustments

The column entitled "Consolidation adjustments" includes the effects of the derecognition of transactions between the Companies Participating to the Merger. In particular, said transactions mainly refer to the technical services relating to hospitality, support and maintenance of the transmission infrastructure provided during the period by the Acquiring Company to EI Towers and relating to the Towers business unit contributed to EI Towers.

Note 4 Sale of investments

The column entitled "Sale of investment" includes the effects deriving from the pro forma transfer to third parties, at the carrying amount, of the equity investments held by DMT (i) in TS in liquidation, *(ii)* in the System Group, and *(iii)* in foreign subsidiaries.

Furthermore, in the context of this divestment, DMT, in accordance with the Framework Agreement, will make forgivable payments to DMT System S.p.A. in liquidation for the amount of EUR 15.3 million.

The Pro Forma Consolidated Financial Statements at June 30, 2011 reflect, in the column in question, the derecognition of assets and liabilities relating to equity investments held for sale and the corresponding economic performance. Note that the companies to be divested had been accounted for by the Issuer in accordance with IFRS 5 as assets held for sale. Therefore, the assets and liabilities had been recorded under "Discontinued assets and liabilities", while the income components for the period had been entered on the line "Net income (loss) deriving from discontinued operations".

The "Sale of investments" column also includes the higher current financial debt in the amount of EUR 15.3 million arising from the forgivable payment that DMT will make to DMT System S.p.A. in liquidation. The pro forma consolidated income statement includes the effect, equivalent to EUR 264,000, deriving from the additional financial expenses relating to this higher pro forma debt.

Note that under the terms of the Merger Agreement of July 28, 2011, DMT will transfer to the third-party assignee the entire capital of DMT System S.p.A. in liquidation, undertaking to indemnify the third-party assignee for any contingent liabilities that could arise in the System Group and which are attributable to the period of management of these companies prior to the transfer. The agreed indemnity includes a maximum liability of EUR 4 million.

Note 5 Other pro forma adjustments

The column entitled "Other pro forma adjustments" includes the effects deriving from other transactions connected with the Merger. In particular, said transactions pertain to the estimate of the following pro forma adjustments:

- adjustment of fees for services carried out by EI Towers in favor of Elettronica Industriale;

- adjustment of revenue following capital expenditure on Elettronica Industriale plant;
- adjustment of operating costs;
- payment of EUR 10.2 million made by Elettronica Industriale in favor of EI Towers;
- liability on the waiver granted.

Adjustment of fees for services carried out by EI Towers in favor of Elettronica Industriale

On July 28, 2011 EI Towers and Elettronica Industriale signed a contract concerning the provision by EI Towers to Elettronica Industriale of hospitality, support and maintenance services, use of the transmission infrastructure, head end (understood as encoding, multiplexing, encryption and synchronization services for the transmission of the signal in "SFN" mode), and project design.

The contract makes provision for different fees compared with those recognized as income for the Towers business unit in the column entitled "EI Towers carve-out". In view of this difference, the sales revenue for the period has increased by EUR 5,040,000.

Other contracts with Related Parties, described in First Section, Chapter 19, will continue under their existing conditions.

Adjustment of revenue following capital expenditure on Elettronica Industriale plant

In consideration of the contribution of the Towers business unit from Elettronica Industriale to EI Towers, the part of investments in fixed assets realized capitalizing internal costs carried out by EI Towers, previously capitalized as property, plant and equipment of Elettronica Industriale, will be transferred to Elettronica Industriale itself. In the absence of an existing contract between the parties stipulating the tariffs and any margins to be paid to the Company Resulting from the Merger for such activities, for the purposes of the pro forma consolidated income statement, the effect deriving from the invoicing at cost of the works carried out has been included. Therefore, this adjustment includes an increase in revenue for the period of EUR 1,545,000 and a reduction in increases in capitalized production costs of EUR 1,545,000.

Adjustments of operating costs

Service costs have risen by EUR 806,000 due to the inclusion of EUR 1,250,000 as the liability arising from the share for the period of the non-compete agreement of the current Chairman and chief executive officer of DMT who, by the effective date of the Merger, will assume non-compete obligations in favor of the Company Resulting from the Merger for a period of three years in return for a fee of EUR 7.5 million, to be paid in three equal tranches. Furthermore, operating costs include a reduction of EUR 444,000, mainly relating to administrative and general expenses previously charged by subsidiaries of the Mediaset Group to EI and allocated to the Towers business unit, which will no longer be incurred following the Merger.

Payment of EUR 10.2 million made by Elettronica Industriale in favor of EI Towers

The board of directors of Elettronica Industriale, meeting on July 19, 2011, in recognition of the financial requirements indicated by EI Towers, authorized the payment by way of a capital contribution of EUR 10.2 million in favor of EI Towers. Said payment, made on July 26, 2011, was posted to cash and cash equivalents on the pro forma balance sheet at June 30, 2011 and the related economic effect, in terms of reduced financial expenses of EUR 176,000 for the period, was recorded in the pro forma income statement at June 30, 2011.

Liability on the waiver granted

By a letter dated September 20, 2011, Towertel requested to Banca IMI S.p.A., in its capacity of Agent Bank of the 2005 Loan Agreement and of the 2007 Loan Agreement, a waiver to the right to request Towertel to accelerate its re-payment obligations, to resolve before its expiration the 2005 Loan Agreement and/or of the 2007 Loan Agreement, as well as to any other remedy or right provided in said agreements as a consequence of the Merger.

With the letter dated September 29, 2011, Banca IMI S.p.A., also on behalf of the others lending banks parties to the Loan Agreements, has confirmed to Towertel the Waiver its rights as referred to above, subject – *inter alia* – to the completion of the Merger.

In relation to the aforementioned waiver, the estimated cost is equivalent to approximately EUR 650,000. Considering the repayment date of the Loans (June 30, 2014), the pro forma income statement at June 30, 2011 includes a charge, posted as financial expenses, of EUR 108,000.

Note 6 Merger

The "Merger" column includes the estimated accounting effects deriving from the Merger transaction. As previously mentioned, the Merger includes a "Reverse Acquisition", as the Company Resulting from the Merger will be controlled by Elettronica Industriale, currently the sole shareholder of the Target Company. Although in legal terms DMT is the Acquiring Company, in accounting terms, as required by IFRS 3, the Acquirer must be identified, defined by that standard as the entity which, following the transaction, has the power to determine the financial and management policies of the acquiree. In the case in question, the Acquirer is Elettronica Industriale, which, after the Merger will hold around 60% of the Company Resulting from the Merger.

Determination of the consideration for the net assets acquired

The determination of the consideration for the net assets acquired, in the case of a Reverse Acquisition, has been carried out, in accordance with IFRS 3, by considering the quantity of equity instruments that the Target Company would have to issue to provide the owners of the Acquiring Company with a percentage of the capital held in the Company Resulting from the Merger equal to that obtained by said owners in the Company Resulting from the Merger as a consequence of the reverse acquisition. The fair value of the quantity of equity instruments thus calculated should be used as the aggregate cost and thus as the consideration for the net assets acquired.

To fulfill the share exchange ratio, the Merger will give rise to the issuance of 16,957,602 shares with a par value of EUR 0.10 with a fair value determined as equivalent to the share price on September 21, 2011, or EUR 16.68. The consideration for the DMT net assets acquired was determined, in the Pro Forma Consolidated Financial Statements, by calculating the number of shares that EI Towers would have to issue to provide the owners of the Acquiring Company with a percentage equivalent to 40% of the Company Resulting from the Merger. In particular, EI Towers would have to issue 133,329,878 new shares with a fair value of EUR 1.41 each. The consideration in respect of the net assets acquired would therefore be equivalent to EUR 188.6 million.

Allocation of the consideration for the net assets acquired

The table below shows the provisional allocation of the consideration in respect of the Reverse Acquisition, produced for the purpose of preparing the Pro Forma Consolidated Financial Statements.

	EUR million
Estimated cost of the net assets acquired	188.6
Carrying amount of the DMT net assets acquired (net of goodwill of EUR 108.5 million, recognized as assets)	(30.0)
Additional consideration in relation to the carrying amount of the net assets acquired	218.6

Goodwill of DMT Group Pro-forma, amounting to Euro 474 million and representing 56% of "Total assets", refers to:

- Euro 255 million, recognized in 2002 as a consequence of the contribution of the business related to management and development of the towers technology from the parent company R.T.I. to Elettronica Industriale. Such goodwill is reported as an asset in the balance sheet of EI Towers, following the contribution of the "Towers" business by Elettronica Industriale, of June 30, 2011;

- Euro 219 million from the preliminary accounting of goodwill that is generated as a result of the Merger, that includes the goodwill previously reported in the Consolidated financial statements at December 31, 2010 of the DMT Group (amounting to Euro 108 million). As previously described, the value of such goodwill, preliminarily determined in Euro 219 million, which will be generated by the Merger will change at the effective date of the Merger due to the different *fair value* of the equity instruments which will be issued and due to the process of measuring at *fair value* all the net assets acquired. The final

goodwill will be subject to a recoverability test as required by IFRS together with the goodwill of Euro 255 million already existing in EI Towers, which will continue to be tested for impairment.

The goodwill recognized in the Consolidated financial statements at December 31, 2010 of DMT Group amounted to Euro 108 million and in the balance sheet of Elettronica Industriale at December 31, 2010 amounted to Euro 255 million were subject at year-end at the impairment test as required by IFRS (IAS 36). These tests confirmed the recoverability of the assets.

For the purpose of preparing the Pro Forma Consolidated Financial Statements, the additional consideration in relation to the carrying amount of the net assets acquired, equivalent to EUR 218.6 million, was initially booked to goodwill. Following the completion of the Merger, a specific analysis will be carried out of the consideration paid in order to determine and measure the fair value of the net assets acquired. If on completion of the allocation process, finite-life tangible and intangible assets are identified, the future income statements will also reflect the depreciation and amortization relating to such allocations, not included in the accompanying pro forma consolidated income statement.

The recognition of this positive difference as goodwill has resulted in an increase in the Pro Forma Consolidated Financial Statements, for an equal amount, of the shareholders' equity. Note that the amount of EUR 110.1 million added to goodwill in this column consists of the effect of recognizing the additional consideration in relation to the carrying amount of the net assets acquired, equivalent to EUR 218.6 million, net of goodwill of EUR 108.5 million previously posted to assets in the Condensed half-year consolidated financial statements of DMT.

The effects of the Merger reported in this column of the Pro Forma Consolidated Financial Statements also include:

- the increase in share capital of the Acquiring Company equivalent to EUR 1,696,000. Therefore, the pro forma share capital following the transaction is equivalent to the share capital of the Acquiring Company increased by the par value of the shares issued as a result of the Merger;
- the elimination of the share capital of the Target Company, equivalent to EUR 200 million.

Purpose of the presentation of the pro forma consolidated data

The purpose of the presentation of the pro forma consolidated data is to reflect, retroactively, the material effects of the Merger and the related transactions, making the appropriate pro forma adjustments to the consolidated historical information. In particular, as explained earlier, the effects of the Merger and the related operations have been reflected retroactively in the pro forma consolidated balance sheet as if this transaction had been arranged on June 30, 2011, and in the pro forma consolidated income statement as if the transactions in question had been arranged on January 1, 2011.

Assumptions used in the preparation of the pro forma figures

The accounting policies adopted in preparing the Pro Forma Consolidated Financial Statements are the same as those used for the preparation of the Condensed half-year consolidated financial statements at June 30, 2011 of the DMT Group, or the International Financial Reporting Standards (IFRS) adopted by the European Union.

The pro forma adjustments illustrated above were made by adopting the general rule whereby the transactions reported in the balance sheet are assumed to take place on the reporting date for the period in question, while for the income statement the transactions are assumed to take place at the start of the period.

The following specific assumptions have also been adopted:

i) the rate used to estimate the increase in financial expenses as a consequence of the overall increase in pro forma net financial debt was assumed using the estimated average interest rate currently paid to the financial institutions by DMT. This rate was estimated at around 3.5% and overall, in view of the increase in pro forma net financial debt of EUR 5.1 million, an increase in net financial expenses of EUR 88,000 has been estimated;

ii) the tax rate used to calculate the tax effects for the pro forma adjustments was estimated as being equivalent to 27.5% for the purposes of corporate tax (IRES) and equivalent to 3.9% for the purposes of regional income tax (IRAP).

20.2.7 Pro forma consolidated balance sheet of the DMT Group at December 31, 2010

(thousands of Euro)	DMT Group	EI Towers carve-out *Note 1*	Contribution adjustments *Note 2*	Consolidation adjustments *Note 3*	Sale of investments *Note 4*	Other pro forma adjustments *Note 5*	Merger *Note 6*	DMT Group Pro forma
Non-current assets:								
Intangible fixed assets								
- goodwill	108,450	255,671					110,059	474,180
- other intangible assets	32,820	10,889						43,709
Tangible assets								
- property, plant and equipment	74,591	171,964						246,555
Other non-current assets	1,211	283						1,494
Deferred tax assets	2,562	2,020						4,582
Total non-current assets	219,634	440,827	0	0	0	0	110,059	770,520
Current assets:								
Inventories	544	5,611						6,155
Trade receivables	17,689	27,943	(19,252)	(434)				25,946
Other receivables and current assets	4,837	10,571	(8,569)					6,839
Tax receivables	11,424	1,196	(1,196)					11,424
Cash and cash equivalents	5,099	0				10,200		15,299
Total current assets	39,593	45,321	(29,017)	(434)	0	10,200	0	65,663
Discontinued assets	10,369				(10,369)			0
Total assets	**269,596**	**486,148**	**(29,017)**	(434)	**(10,369)**	**10,200**	**110,059**	**836,183**
Shareholders' equity:								
Share capital	1,130	223,268	(23,268)				(198,304)	2,826
Reserves	77,030	89,611	(3,641)		(3,326)	10,200	308,363	478,237
Shareholders' equity of the Group	78,160	312,879	(26,909)	0	(3,326)	10,200	110,059	481,063
Minority interests	0	0						0
Total shareholders' equity	78,160	312,879	(26,909)	0	(3,326)	10,200	110,059	481,063
Non-current liabilities								
Non-current financial liabilities	99,947	0						99,947
Employee indemnity fund	990	9,588						10,578
Deferred tax liabilities	24,366	1,459						25,825
Risks and charges liabilities	3,252	246						3,498
Total non-current liabilities	128,555	11,293	0	0	0	0	0	139,848
Current liabilities:								
Current financial liabilities	15,184	125,000			15,300			155,484
Trade payables	10,303	29,489	109	(434)				39,467
Other payables and current liabilities	7,775	6,483	(2,217)					12,041
Acquisition debts	1,248	0						1,248
Tax payables	6,028	1,004						7,032
Total current liabilities	40,538	161,976	(2,108)	(434)	15,300	0	0	**215,272**
Discontinued liabilities	22,343				(22,343)			0
Total liabilities	191,436	173,269	(2,108)	(434)	**(7,043)**	**0**	**0**	**355,120**
Total Shareholders' equity and liabilities	**269,596**	**486,148**	**(29,017)**	**(434)**	**(10,369)**	**10,200**	**110,059**	**836,183**

20.2.8 Consolidated income statement for the year ended December 31, 2010

(thousands of Euro)	**DMT Group**	**EI Towers carve-out** *Note 1*	**Contribution adjustments** *Note 2*	**Consolidation adjustments** *Note 3*	**Sale of investments** *Note 4*	**Other pro forma adjustments** *Note 5*	**Merger** *Note 6*	**DMT Group Pro forma**
Revenues from sales and services	58,822	152,745		(7,240)		10,170		214,496
Other income	1,108	2,031		0				3,139
Operating costs:								
Purchases	1,326	12,140		(3,053)				10,413
Services	14,243	64,671		(4,187)	(15)	1,666		76,378
Rent, lease and similar costs	8,564	16,278						24,842
Personnel costs	7,692	36,484						44,176
Changes in inventories	(111)	(2,686)						(2,797)
Increase in fixed assets under construction	0	(16,446)				8,533		(7,913)
Other charges	1,560	2,027						3,587
Amortization and depreciation	9,667	27,747				(948)		36,466
Provisions and write-downs	3,459	2,278						5,737
Total operating costs	46,400	142,493	0	(7,240)	(15)	9,251	0	190,889
Operating income	*13,530*	*12,283*	*0*	*0*	*15*	*918*	*0*	*26,746*
Financial income	194	409						603
Financial charges	(5,800)	(2,144)			(536)	140		(8,339)
Pre-tax result from continuing operations	*7,924*	*10,548*	*0*	*0*	*(521)*	*1,058*	*0*	*19,010*
Income taxes	(3,724)	(6,130)	0	0	143	(327)	0	(10,038)
Net income from continuing operations	*4,200*	*4,418*	*0*	*0*	*(378)*	*732*	*0*	*8,972*
Net income (loss) deriving from discontinued operations	(5,902)				5,902			0
Income (loss) for the period	*(1,702)*	*4,418*	*0*	*0*	*5,524*	*732*	*0*	*8,972*
Minority interest (income) loss	0	0	0	0	0	0	0	0
Group net income (loss) for the period	*(1,702)*	*4,418*	*0*	*0*	*5,524*	*732*	*0*	*8,972*

20.2.9 Notes relating to the pro forma financial statements of the DMT Group at December 31, 2010

The Pro Forma Consolidated Financial Statements at December 31, 2010 present:

i) in the first column, the Consolidated financial statements of the DMT Group at December 31, 2010;

ii) in the second column, entitled "EI Towers carve-out", the Carve-out annual statements of EI Towers at December 31, 2010, deriving from the carve-out performed by Elettronica Industriale (which held 100% of the shares of EI Towers before the Merger transaction) in order to distribute the assets, liabilities and costs and revenue of the two business units of which it consisted. In particular, the figures in the column in question relate to the "Towers" business unit, subsequently contributed to EI Towers;

iii) in the third column, entitled "Contribution adjustments", the figures relating to the adjustments to assets and liabilities of the Carve-out annual statements of EI Towers, resulting from the carve-out performed by Elettronica Industriale and reported in order to reflect the values of the assets and liabilities contributed by Elettronica Industriale to EI Towers at December 31, 2010;

iv) in the fourth column, entitled "Consolidation adjustments", the consolidation adjustments of costs and revenue and of the related receivables and payables between the Companies Participating to the Merger;

v) in the fifth column, entitled "Sale of investments", the effects deriving from the disposal of investments by DMT in *(i)* Tower Service S.p.A. in liquidation, *(ii)* DMT System S.p.A. in liquidation, which in turn holds 100% of Asteroide S.r.l in liquidation and DMT Service S.r.l. in liquidation, in addition to *(iii)* all the share owned by DMT in the foreign subsidiaries, namely DMT Limited and DMT USA, Inc.;

vi) in the sixth column, entitled "Other pro forma adjustments", all effects deriving from the pro forma adjustments made to illustrate retroactively, in the pro forma financial statements, the effects of the Merger and the transactions related and consequent thereto, as if this, in the pro forma consolidated balance sheet, had been arranged on December 31, 2010, and in the pro forma consolidated income statement on 1 January 2010;

vii) in the seventh column, entitled "Merger", the estimated accounting effects deriving from the Merger;

viii) finally, in the eighth column, entitled "Pro forma Consolidated", the Pro Forma Consolidated Balance Sheet at December 31, 2010 and the Pro Forma Consolidated Income Statement for the year ended December 31, 2010 calculated based on the totals of the previous columns.

Note 1 EI Towers carve-out

The column entitled "EI Towers carve-out" includes the values of the assets and liabilities and income components of the activity carried out by EI Towers.
EI Towers is a newly formed company wholly owned by Elettronica Industriale, to which the latter contributed, with effect on June 30, 2011, the Towers business unit.

The values of the assets and liabilities and the related income components for the year, reported in this column, were obtained from the Carve-out annual financial statements at December 31, 2010. The assets and liabilities of this business unit at June 30, 2011 have only been partially contributed to EI Towers, as explained below in Note 2.

Note 2 Contribution adjustments

The column entitled "Contribution adjustments" includes the effects of the adjustments made to the balance sheet at December 31, 2010 of the carve-out of the Towers business unit in EI Towers in order to determine the scope of the net assets of the business unit contributed to EI Towers, in accordance with the contractual agreements between the Companies Participating to the Merger.

The main adjustment made concerns the failure contribution of the trade receivables at December 31, 2010, which in the carve-out statement had been allocated to the Towers business unit. These receivables still belong to Elettronica Industriale.

Note 3 Consolidation adjustments

The column entitled "Consolidation adjustments" includes the effects of the derecognition of transactions between the Companies Participating to the Merger. In particular, said transactions mainly refer to the technical services relating to hospitality, support and maintenance of the transmission infrastructure.

Note 4 Sale of investments

The column entitled "Sale of investments" includes the effects deriving from the pro forma transfer to third parties, at the carrying amount, of the equity investments held by DMT *(i)* in TS in liquidation, *(ii)* in the System Group, and *(iii)* in foreign subsidiaries.

Furthermore, in the context of this divestment, DMT, in accordance with the Framework Agreement, will make forgivable payments to DMT System S.p.A. in liquidation for the amount of EUR 15.3 million

The Pro Forma Consolidated Financial Statements at December 31, 2010 reflect, in the column in question, the elimination of assets and liabilities relating to equity investments held for sale and the corresponding economic performance. It is noted that companies to be divested had been accounted for by the Issuer in accordance with IFRS 5 as assets held for sale. Therefore, the assets and liabilities had been recorded under "Discontinued assets and liabilities", while the income components for the year had been entered on the line "Net income (loss) deriving from discontinued operations".

The "Sale of investments" column also includes the higher current financial debt in the amount of EUR 15.3 million arising from the financial resources necessary for the forgivable payment to DMT System S.p.A. in liquidation**.** The pro forma consolidated income statement includes the effect, equivalent to EUR 536,000, deriving from the additional financial expenses relating to this higher pro forma debt.

Note that, in accordance with the terms of the Merger Agreement of July 28, 2011, DMT will transfer to the third-party assignee the entire capital of DMT System S.p.A. in liquidation, undertaking to indemnify the third-party assignee for any contingent liabilities that could arise in the System Group and which are attributable to the period of management of these companies prior to the transfer. The agreed indemnity includes a maximum liability of EUR 4 million.

Note 5 Other pro forma adjustments

The column entitled "Other pro forma adjustments" includes the effects deriving from other transactions connected with the Merger. In particular, said transactions pertain to the estimate of the following pro forma adjustments:

- adjustment of fees for services carried out by EI Towers in favor of Elettronica Industriale;
- adjustment of revenue following capital expenditure on Elettronica Industriale plant;
- adjustment of operating costs;
- payment of EUR 10.2 million by Elettronica Industriale in favor of EI Towers;
- liability on the waiver granted.

Adjustment of fees for services carried out by EI Towers in favor of Elettronica Industriale

On July 28, 2011 EI Towers and Elettronica Industriale signed a contract concerning the provision by EI Towers in favor of Elettronica Industriale of hospitality, support and maintenance services, use of the transmission infrastructure, head end (understood as encoding, multiplexing, encryption and synchronization services for the transmission of the signal in "SFN" mode), and project design.

The contract makes provision for different fees compared with those recognized as income for the Towers business unit in the column entitled "EI Towers carve-out". In view of this difference, the sales revenue for the year has increased by EUR 1,636,000.

Other contracts with Related Parties, described in First Section, Chapter 19, will continue under their existing conditions.

Adjustment of revenue following capital expenditure on Elettronica Industriale plant

In consideration of the contribution of the Towers business unit from Elettronica Industriale to EI Towers, the part of investments in fixed assets realized capitalizing internal costs carried out by EI Towers, previously capitalized as property, plant and equipment of Elettronica Industriale, will be transferred to Elettronica Industriale itself. In the absence of an existing contract between the parties stipulating the tariffs and any margins to be paid to the Company Resulting from the Merger for such activities, for the purposes of the pro forma consolidated income statement, the effect deriving from the invoicing at cost of the works carried out has been included. Therefore, this adjustment includes an increase in revenue for the year of EUR 8,533,000 and a reduction in increases in capitalized production costs for the same amount.

Adjustments of operating costs

Service costs have risen by EUR 1,666,000 due to the inclusion of EUR 2,500,000 as the liability arising from the share for the period of the non-compete agreement of the current Chairman and chief executive officer of DMT who, by the effective date of the Merger, will assume non-compete obligations in favor of the Company Resulting from the Merger for a period of three years in return for a fee of EUR 7.5 million, to be paid in three equal tranches. Furthermore, operating costs include a reduction of EUR 834,000, mainly relating to administrative and general expenses previously charged by subsidiaries of the Mediaset Group to EI and allocated to the Towers business unit, which will no longer be incurred following the Merger.

Payment of EUR 10.2 million made by Elettronica Industriale in favor of EI Towers

The board of directors of EI, meeting on July 19, 2011, in recognition of the financial requirements indicated by EI Towers, authorized the payment by way of a capital contribution of EUR 10.2 million in favor of EI Towers.

Said payment, made on July 26, 2011 was posted to cash and cash equivalents on the pro forma balance sheet at December 31, 2010 and the related economic effect, in terms of reduced financial expenses of EUR 357,000 for the year, was recorded in the pro forma income statement at December 31, 2010.

Liability on the waiver granted

By a letter dated September 20, 2011 Towertel requested to Banca IMI S.p.A., in its capacity of Agent Bank of the 2005 Loan Agreement and of the 2007 Loan Agreement, a waiver to the right to request Towertel to accelerate its re-payment obligations, to resolve before its expiration the 2005 Loan Agreement and/or of the 2007 Loan Agreement, as well as to any other remedy or right provided in said agreements as a consequence of the Merger.

With the letter dated September 29, 2011, Banca IMI S.p.A., also on behalf of the others lending banks parties to the Loan Agreements, has confirmed to Towertel the Waiver its rights as referred to above, subject – *inter alia* – to the completion of the Merger.

In relation to the aforementioned waiver, the estimated cost is equivalent to approximately EUR 650,000. Considering the loan repayment date (June 30, 2014), the pro forma income statement at December 31, 2010 includes a charge, posted as financial expenses, of EUR 216,000.

Note 6 Merger

The "Merger" column includes the estimated accounting effects deriving from the Merger transaction. As previously mentioned, the Merger includes a "Reverse Acquisition", as the Company Resulting from the Merger will be controlled by Elettronica Industriale, currently the sole shareholder of the Target Company. Although in legal terms DMT is the Acquiring Company, in accounting terms, as required by IFRS 3, the Acquirer must be identified, defined by that standard as the entity which, following the transaction, has the power to determine the financial and management policies of the acquiree. In the case in question, the Acquirer is Elettronica Industriale, which, after the Merger will hold around 60% of the Company Resulting from the Merger.

Determination of the consideration for the net assets acquired

The determination of the consideration for the net assets acquired, in the case of a Reverse Acquisition, has been carried out, in accordance with IFRS 3, by considering the quantity of equity instruments that the Target Company would have to issue to provide the owners of the Acquiring Company with a percentage of the capital held in the Company Resulting from the Merger equal to that obtained by said owners in the Company Resulting from the Merger as a consequence of the reverse acquisition. The fair value of the quantity of equity instruments thus calculated should be used as the aggregate cost and thus as the consideration for the net assets acquired.

To fulfill the share exchange ratio, the Merger will give rise to the issuance of 16,957,602 shares with a par value of EUR 0.10, with a fair value determined as equivalent to the share price on September 21, 2011, or EUR 16.68. The consideration for the DMT net assets acquired was determined, in the Pro Forma Consolidated Financial Statements, by calculating the number of shares that EI Towers would have to issue to provide the owners of the Acquiring Company with a percentage equivalent to 40% of the Company Resulting from the Merger. In particular, EI Towers would have to issue 133,329,878 new shares with a fair value of EUR 1.41 each. The consideration in respect of the net assets acquired would therefore be equivalent to EUR 188.6 million.

Allocation of the consideration for the net assets acquired

The table below shows the provisional allocation of the consideration in respect of the Reverse Acquisition, produced for the purpose of preparing the Pro Forma Consolidated Financial Statements.

	EUR million
Estimated cost of the net assets acquired	188.6
Carrying amount of the DMT net assets acquired (net of goodwill of EUR 108.5 million, recognized as assets)	(30.0)
Additional consideration in relation to the carrying amount of the net assets acquired	218.6

Goodwill of DMT Group Pro-forma, amounting to Euro 474 million and representing 56% of "Total assets", refers to:

- Euro 255 million, recognized in 2002 as a consequence of the contribution of the business related to management and development of the towers technology from the parent company R.T.I. to Elettronica Industriale. Such goodwill is reported as an asset in the balance sheet of EI Towers, following the contribution of the "Towers" business by Elettronica Industriale, of June 30, 2011;

- Euro 219 million from the preliminary accounting of goodwill that is generated as a result of the Merger, that includes the goodwill previously reported in the Consolidated financial statements at December 31, 2010 of the DMT Group (amounting to Euro 108 million). As previously described, the value of such goodwill, preliminarily determined in Euro 219 million, which will be generated by the Merger will change at the effective date of the Merger due to the different *fair value* of the equity instruments which will be issued and due to the process of measuring at *fair value* all the net assets acquired. The final goodwill will be subject to a recoverability test as required by IFRS together with the goodwill of Euro 255 million already existing in EI Towers, which will continue to be tested for impairment.

The goodwill recognized in the Consolidated financial statements at December 31, 2010 of DMT Group amounted to Euro 108 million and in the balance sheet of Elettronica Industriale at December 31, 2010 amounted to Euro 255 million were subject at year-end at the impairment test as required by IFRS (IAS 36). These tests confirmed the recoverability of the assets.

For the purpose of preparing the Pro Forma Consolidated Financial Statements, the additional consideration in relation to the carrying amount of the net assets acquired, equivalent to EUR 218.6 million, was initially booked to goodwill. Following the completion of the Merger, a specific analysis will be carried out of the consideration paid in order to determine and measure the fair value of the net assets acquired.

If on completion of the allocation process, finite-life tangible and intangible assets are identified, the future income statements will also reflect the depreciation and amortization relating to such allocations, not included in the accompanying pro forma consolidated income statement.

The recognition of this positive difference as goodwill has resulted in an increase in the Pro Forma Consolidated Financial Statements for an equal amount of the shareholders' equity. Note that the amount of EUR 110.1 million added to goodwill in this column consists of the effect of recognizing the additional consideration in relation to the carrying amount of the net assets acquired, equivalent to EUR 218.6 million, net of goodwill of EUR 108.5 million previously posted to assets in the condensed half-year consolidated financial statements of DMT.

The effects of the Merger reported in this column of the Pro Forma Consolidated Financial Statements also include:

- the increase in share capital of the Acquiring Company equivalent to EUR 1,696,000. Therefore, the pro forma share capital following the transaction is equivalent to the share capital of the Acquiring Company increased by the par value of the shares issued as a result of the Merger;
- the elimination of the share capital of the Target Company, equivalent to EUR 200 million.

Purpose of the presentation of the pro forma consolidated data

The purpose of the presentation of the pro forma consolidated data is to reflect, retroactively, the material effects of the Merger and the related transactions, making the appropriate pro forma adjustments to the consolidated historical information. In particular, as explained earlier, the effects of the Merger and the related operations have been reflected retroactively in the pro forma consolidated balance sheet as if this transaction had been arranged on December 31, 2010, and in the pro forma consolidated income statement as if the transactions in question had been arranged on 1 January 2010.

Assumptions used in the preparation of the pro forma figures

The accounting policies adopted for the preparation of the Pro Forma Consolidated Financial Statements are the same as those used for the preparation of the Consolidated financial statements at December 31, 2010 of the DMT Group, or the International Financial Reporting Standards (IFRS) adopted by the European Union.

The pro forma adjustments illustrated above were made by adopting the general rule whereby the transactions reported in the balance sheet are assumed to take place on the reporting date for the period in question, while for the income statement the transactions are assumed to take place at the start of the period.

The following specific assumptions have also been adopted:

i) the rate used to estimate the increase in financial expenses as a consequence of the overall increase in pro forma net financial debt was assumed using the estimated average interest rate currently paid to the financial institutions by DMT. This rate was estimated at around 3.5% and overall, in view of the increase in pro forma net financial debt equivalent to EUR 5.1 million, an increase in net financial expenses has been estimated, including the adjustment to the new rate of the existing debt of the Companies Participating to the Merger, of EUR 179,000;

ii) the tax rate used to calculate the tax effects for the pro forma adjustments was estimated as being equivalent to 27.5% for the purposes of corporate tax (IRES) and equivalent to 3.9% for the purposes of regional income tax (IRAP).

20.2.10 Notes related to the Pro forma consolidated financial statements of the DMT Group as of September 30, 2011, June 30, 2011 and December 31, 2010

The following tables show the "net working capital" and the "EBITDA" deriving from the Pro forma consolidated financial statements of the DMT Group at September 30, 2011, June 30, 2011 and December 31, 2010.

Net working capital

The net working capital is detailed below:

thousands of Euro	**September 30, 2011 Pro-forma**	**June 30, 2011 Pro-forma**	**December 31, 2010 Pro-forma**
Inventories	5,901	4,609	6,155
Trade receivables	25,868	25,810	25,946
Other receivables and current assets	8,484	11,485	6,839
Tax receivables	8,765	6,336	11,424
Trade payables	(50,628)	(48,313)	(39,467)
Other payables and current liabilities	(14,457)	(14,222)	(12,041)
Tax payables	(4,300)	(4,589)	(7,032)
Net working capital [1]	**(20,367)**	**(18,884)**	**(8,176)**

[1] Net working capital is not identified as a GAAP measure in the IFRS. The method applied by the Issuer could be different from the method applied by other groups and, as a consequence, it could be not comparable.

Net working capital at September 30, 2011 shows a negative balance amounted to Euro 20,367,000, basically in line with the negative balance of Euro 18,884,000 at June 30, 2011.

Net working capital at June 30, 2011 shows a negative balance amounted to Euro 18,884,000, compared to a negative balance amounted to Euro 8,176,00 at December 31, 2010. The change of the period is mainly due to the increase in trade payables.

The total current liabilities, included in the Pro forma consolidated financial statements of the DMT Group at September 30, 2011, June 30, 2011 and December 31, 2010, includes current financial liabilities representing the negative outstanding in the intercompany account held by EI Towers to Mediaset. Such liability is related to a contractual obligation which will continue after the Merger. The intercompany account agreement does not include repayment obligation at a fixed date. Detailed explanations about the intercompany account agreement are included in First Section, Chapter 19, Paragraph 19.4 of the Information Document.

EBITDA

EBITDA is calculated as follows:

thousands of Euro	Period ended September 30, 2011 Pro-forma	Half-year 2011 Pro-forma	Year 2010 Pro-forma
Operating income	24,236	17,553	26,746
Amortization and depreciation	29,520	19,506	36,466
Provisions and write-down	1,662	1,152	5,737
EBITDA[1]	**55,418**	**38,211**	**68,949**

[1] EBITDA represents the operating income gross of Amortization and depreciation and Provisions and write-down. The EBITDA, defined as above, is a measure used by the Issuer to monitor and evaluate the operating performance of the Group. The EBITDA is not identified as a GAAP measure in the IFRS, and as a consequence, it could be not considered as an alternative measure to evaluate the Operating income of the Group. Considering that the composition of the EBITDA is not stated by the applicable accounting principles, the method applied by the Issuer could be different from the method applied by other groups and, as a consequence, it could be not comparable.

20.2.11 Pro forma indicators per share

Pro forma indicators per share at September 30, 2011

(in Euro)	DMT Group historic data	EI Towers historic data	Pro forma adjustments [3]	DMT Group pro forma
Basic and diluted earnings per share	(0.32)	0.01	0.73	0.42
EBITDA per share [1]	1.71	0.06	(0.19)	1.96
Cash flow per share [2]	0.50	0.05	0.97	1.52
Consolidated shareholders' equity per share	6.65	1.51	9.08	17.24

[1] EBITDA represents the operating income gross of Amortization and depreciation and Provisions and write-down. The EBITDA, defined as above, is a measure used by the Issuer to monitor and evaluate the operating performance of the Group. The EBITDA is not identified as a GAAP measure in the IFRS, and as a consequence, it could be not considered as an alternative measure to evaluate the Operating income of the Group. Considering that the composition of the EBITDA is not stated by the applicable accounting principles, the method applied by the Issuer could be different from the method applied by other groups and, as a consequence, it could be not comparable.

[2] Cash flow is conventionally defined, for the purposes of this document, as Group net income for the period plus Amortization and depreciation and Provisions and write-down.

[3] Including EI Towers carve-out for the first half of 2011.

Pro forma indicators per share at June 30, 2011

(in Euro)	DMT Group historic data	EI Towers carve-out	Pro forma adjustments	DMT Group pro forma
Basic and diluted earnings per share	(0.02)	0.01	0.32	0.31
EBITDA per share [1]	1.28	0.10	(0.03)	1.35
Cash flow per share [2]	0.54	0.08	0.42	1.04
Consolidated shareholders' equity per share	6.94	1.59	8.62	17.15

[1] EBITDA represents the operating income gross of Amortization and depreciation and Provisions and write-down. The EBITDA, defined as above, is a measure used by the Issuer to monitor and evaluate the operating performance of the Group. The EBITDA is not identified as a GAAP measure in the IFRS, and as a consequence, it could be not considered as an alternative measure to evaluate the Operating income of the Group. Considering that the composition of the EBITDA is not stated by the applicable accounting principles, the method applied by the Issuer could be different from the method applied by other groups and, as a consequence, it could be not comparable.

[2] Cash flow is conventionally defined, for the purposes of this document, as Group net income for the period plus Amortization and depreciation and Provisions and write-down.

Pro forma indicators per share at December 31, 2010

(in Euro)	DMT Group historic data	EI Towers carve-out	Pro forma adjustments	DMT Group pro forma
Basic and diluted earnings per share	(0.15)	0.02	0.46	0.33
EBITDA per share [1]	2.36	0.21	(0.13)	2.44
Cash flow per share [2]	1.01	0.17	0.64	1.82
Consolidated shareholders' equity per share	6.91	1.56	8.54	17.02

[1] EBITDA represents the operating income gross of Amortization and depreciation and Provisions and write-down. The EBITDA, defined as above, is a measure used by the Issuer to monitor and evaluate the operating performance of the Group. The EBITDA is not identified as a GAAP measure in the IFRS, and as a consequence, it could be not considered as an alternative measure to evaluate the Operating income of the Group. Considering that the composition of the EBITDA is not stated by the applicable accounting principles, the method applied by the Issuer could be different from the method applied by other groups and, as a consequence, it could be not comparable.

[2] Cash flow is conventionally defined, for the purposes of this document, as Group net income for the period plus Amortization and depreciation and Provisions and write-down.

20.3 Financial statements

Not applicable pursuant to Article 57(2) of the Issuers' Regulations.

20.4 Audit of historical annual financial information

20.4.1 Audited financial statements

The annual Consolidated Financial Statements of the DMT Group and the annual separate financial statements of DMT as of and for the years ended December 31, 2010, 2009 and 2008 have been audited by E&Y.

The Consolidated Half-Year Financial Reports as of and for the six months periods ended June 30, 2011 and 2010 of the DMT Group have been reviewed by E&Y.

The September 30, 2011 Interim Report was subject to limited review by auditing firm Reconta Ernst & Young S.p.A. solely for the purposes of issuing a report on the Pro-forma Consolidated Financial Statements.

20.4.2 Other information contained in the Information Document

The Pro Forma Consolidated Financial Statements of the DMT Group as of September 30, 2011, June 30, 2011 and December 31, 2010 and for the year then ended have been examined by E&Y, who issued the reports that are attached to the Italian original version of this Information Document.

The 2011-2016 Business Plan of the DMT Group has been examined by E&Y, who issued the report that is attached to the Italian original version of this Information Document.

20.4.3 Other audited information

The Information Document does not contain any other information audited or reviewed by the Auditing Firm.

20.5 Latest financial information

The latest annual financial information contained in this Information Document relates to the year ended December 31, 2010.

20.6 Interim and other financial information

The interim financial information contained in this Information Document relates to the nine-month period ended September 30, 2011 and the six-month period ended June 30, 2011.

20.7 Dividend policy

Pursuant to Article 22 of DMT's Charter, the net profit resulting from the financial statements duly approved by the shareholders' meeting is allocated as follows:

- 5% to the legal reserve, until this has reached one fifth of the share capital;
- the remainder at the disposal of the shareholders' meeting, to be allocated at its discretion.

Payment of dividends takes place according to the terms indicated by the shareholders' meeting with intermediaries authorized pursuant to the legislation in force.

The board of directors may authorize the payment of interim dividends according to the procedures laid down by Article 2433-*bis* of the Italian Civil Code and by Article 158 of the Consolidated Law.

All dividends not collected within five years are forfeited in favor of the Company.

DMT has not issued dividends in the periods indicated in the Information Document.

20.8 Legal and arbitration proceedings of the Issuer

At the Information Document Date, companies in the DMT Group are party to certain civil and administrative proceedings pertaining to the normal course of its business, particularly with reference to the Tower sector.

In particular, Group companies are party to administrative disputes over the refusal to grant regularization certificates and/or demolition orders and/or suspension of activities relating to certain locations.

Based on the information available, the Company considers that any unfavorable outcome of the civil and administrative disputes to which companies in the DMT Group are party as of the Information Document Date will not have a significant negative impact on the financial position, assets and cash flow of the Group. The Company has not set aside funds to cover the potential liabilities that could derive from the proceedings under way.

Below is a brief description of the most significant case as of the Information Document Date.

In a writ of summons served on October 26, 2010, Exergia S.p.A. summonsed Towertel before the Court of Varese, seeking payment of a debt claim for the supply of electricity covering the period from 2009 to the present day, and an order to pay EUR 159,364.60 for the electricity used during that period pursuant to Article 2041 of the Italian Civil Code, plus interest. On February 3, 2011, Towertel entered an appearance before the court, claiming *(i)* on an interlocutory basis, the invalidity of the summons, *(ii)* on a preliminary basis, the ineffectiveness of the security furnished during the interim proceedings and the release of the sum of EUR 50,000, *(iii)* on the merits, the dismissal of the adverse party's claims as unfounded, *(iv)* as a counterclaim, the payment of EUR 10,050.63 for invoices already settled and netted against the amount of EUR 159,364.60. Following the exchange of pleadings, the case was adjourned until September 16, 2011.

On February 25, 2011 at the hearing for the first appearance of the parties, the investigating judge (the "**G.I.**") has given the parties the term to deposit the authorized memorials pursuant to article 183, paragraph 6, no. 1-2-3 of the Italian Code of Civil Procedure respectively, to specify the preliminary and evidence to the contrary question, deferring to the hearing on September 16, 2011 the admissibility of the means of evidence. The memorials were deposited by the parties.

At the hearing on September 16, 2011, the G.I. provided with decree to the admissibility of the pre-trial means deemed relevant, ordering Towertel pursuant to article 210 of the Italian Code of Civil Procedure to exhibit the accounting documentation evidencing the electric energy payment to MPE (now E.On) (for the POD, interested from the undue switching, therefore starting from January 2009) and deferred therefore the suit to the November 15, 2011 for the examination of the witnesses.

During the ordinary proceedings before the Tribunal of Varese, Towertel filed a petition before the Guarantor of Electric Energy (hereinafter, "**AEEG**") to obtain the cancellation of the invoices object of the undue switching issued by Exergia S.p.A.. On March 8, 2011 AEEG declared itself in favor of Towertel's petition by assessing the infringements by Exergia S.p.A. for undue switching on positions for which no contract was existing, by imposing to the same company a sanction equal to Euro 788,400.00, and by ordering: a) to communicate to the competent distributing companies the drawing points for which the undue switching resulted not to be ended yet; b) to provide for the necessary writing off of the invoices that may have been issued and for the restitution of sums that may have been collected by clients to whom it was supplying energy.

On May 11, 2011 Exergia S.p.A. contested the measure issued by AEEG, summoning before the Tar Lombardia of Milan also Towertel by serving on it the appeal pursuant to article 16, paragraph 6 of the DPR no. 244/01 for the cancellation by suspension of the AEEG's measure. On June 6, 2011 Towertel appeared before the court asking preliminarily the refusal of the request for provisional suspension and on the merits that the appeal before the Tar be declared unacceptable, inadmissible and groundless.

In chambers held on July 14, 2011, the panel of judges reserved itself the decision and with decree on July 15, 2011 suspended the appealed measure in the part where it ordered Exergia S.p.A. to return the sums that may have been collected by clients to whom it was supplying energy and the injunction to pay the sanction remained effective only for one third of the ordered sum.

The panel of judges has fixed the hearing for the discussion on the merits on February 1, 2012.

On November 15, 2011, a hearing was held at which accounting documents subject to the order of exhibition pursuant to Article 210 of the Italian Code of Civil Procedure were submitted, and witnesses called to provide direct evidence were heard. After that hearing, at the request of the parties, the investigating judge arranged for court-appointed expert testimony and indicated the relative experts, postponing their official appointment to the January 31, 2012 hearing.

As of the Information Document Date EI Towers is not a party in judicial and/or arbitral proceedings which may adversely affect its economic, net asset and financial situation.

20.9 Significant changes in the financial or trading position of the Acquiring Company

As of the Information Document Date, the Issuer was not aware of any significant changes in the financial and trading position of the DMT Group subsequent to September 30, 2011.

21. Additional information about the Acquiring Company

21.1 Share capital of the Acquiring Company

21.1.1 Subscribed and paid-up share capital of the Acquiring Company

As of the Information Document Date, the fully subscribed and paid-up share capital of the Acquiring Company is equal to EUR 1,130,477.50, divided into 11,304,775 ordinary shares with a nominal value of EUR 0.10 each.

Ordinary shares are registered, indivisible and each share carries the right to one vote at ordinary and extraordinary shareholder meetings and the right to receive dividends.

At the effective date of the Merger, following the exchange transaction, the share capital of the Company Resulting from the Merger will be equal to EUR 2,826,237.70, represented by 28,262,377 ordinary shares with a nominal value of EUR 0.10 each.

For further information about the 2007 Stock Option Plan and the 2010 Stock Grant Plan, currently in effect, please refer to First Section, Chapter 17, Paragraph 17.3 of the Information Document.

21.1.2 Existence of financial instruments not representing the share capital and bearing patrimonial and/or administrative rights

As of the Information Document Date, the Acquiring Company had not issued any financial instruments not representing the share capital and bearing patrimonial and/or administrative rights.

21.1.3 Treasury shares

As of the Information Document Date, DMT held 172,526 treasury shares in its portfolio, equivalent to 1.526% of the share capital, acquired in accordance with the resolution of the shareholders' meeting held on April 30, 2009, 110,000 treasury shares of which allocated to the 2010 Stock Grant Plan.

21.1.4 Amount of convertible bonds, exchangeable bonds or cum-warrant bonds

As of the Information Document Date DMT had not issued any convertible bonds, exchangeable bonds or cum-warrant bonds.

21.1.5 Existence of acquisition rights and/or obligations over approved but unissued share capital or of undertaking to capital increase

The extraordinary shareholders' meeting of DMT on October 14, 2011 passed the increase in the share capital thereof at the service of the Merger, and therefore excluding the option right, for a maximum of Euro 1,695,760.20 by the issue of a maximum of 16,957,602 ordinary shares with a nominal value of Euro 0.10 each, which will be assigned to the sole shareholder in EI Towers, Elettronica Industriale.

21.1.6 Information about the share capital of any DMT Group company offered in option

As of the Information Document Date, the Acquiring Company is not aware of any transactions involving the share capital of any DMT Group company offered in option.

21.1.7 Changes in the share capital of the Acquiring Company in the last three financial years

Without prejudice to that indicated below, the share capital of the Issuer has not changed with reference to the period to which the historical financial information refers.

(A) By the resolution of DMT shareholders' meeting of April 27, 2007, the board of directors was vested with the power, within the meaning of and pursuant to Article 2443 of the Italian Civil Code, to increase, on a payment basis, in one or more tranches, the share capital of DMT, by the date of 31 March 2012, by a maximum nominal amount of EUR 250,000 (two hundred and fifty thousand), by issuing a maximum of 2,500,000 ordinary shares with a nominal value of EUR 0.10 each, to be offered as an option to shareholders.

(B) By the resolution of DMT shareholders' meeting of April 27, 2007, the board of directors was vested with the power, within the meaning of and pursuant to Article 2443 of the Italian Civil Code, to increase, on a payment basis, in one or more tranches, the share capital of DMT by a maximum nominal amount of EUR

10,000, excluding option rights pursuant to Article 2441 of the Italian Civil Code, to service one or more stock option plans reserved for executives and/or employees of DMT and/or its subsidiaries.

(C) The board of directors of DMT, in execution of the mandate granted to it by the shareholders' meeting referred to in subparagraph (B) above, has resolved:

(i) on 13 November 2007, to increase the share capital, on a payment basis and in tranches, by a maximum of EUR 5,000, by issuing, by 31 March 2012, 50,000 ordinary shares with a nominal value of EUR 0.10 each, to service the 50,000 options to be exercised not before January 1, 2011 and not after March 31, 2012, to be assigned to the beneficiaries of the First Allotment of the 2007 Stock Option Plan, setting the subscription price at EUR 52.60 per share;

(ii) on October 27, 2008, to increase the share capital, on a payment basis and in tranches, by a further EUR 5,000, by issuing, by March 31, 2012, 50,000 ordinary shares with a nominal value of EUR 0.10 each, to service the 50,000 options to be exercised not before June 1, 2011 and not after March 31, 2012, to be assigned to the beneficiaries of the Second Allotment of the 2007 Stock Option Plan, setting the subscription price at EUR 22.06 per share.

(D) The DMT extraordinary shareholders meeting held on September 16, 2011 has, *inter alia*, resolved to adopt, prior to the approval of the Merger Project and the increase in share capital servicing the Merger, the following resolutions in respect of DMT's share capital:

(i) the revocation of the option granted, within the meaning of and pursuant to Article 2443 of the Italian Civil Code, to the board of directors of DMT, as referred to in subparagraph (A) above;

(ii) the full revocation of the resolution to increase the share capital of DMT of November 13, 2007, as referred to in subparagraph (C)(i) above;

(iii) the partial revocation, for a nominal amount of EUR 2,500, of the resolution to increase the DMT share capital of October 27, 2008 referred to in subparagraph (C)(ii) above.

Finally, it is noted that the extraordinary shareholders' meeting of DMT on October 14, 2011 passed the increase in the share capital thereof at the service of the Merger, and therefore excluding the option right, for a maximum of Euro 1,695,760.20 by the issue of a maximum of 16,957,602 ordinary shares with a nominal value of Euro 0.10 each, which will be assigned to the sole shareholder in EI Towers, Elettronica Industriale. As of the effective date of the Merger, the share capital of DMT will therefore be equal to Euro 2,826,237.70 represented by 28,262,377 ordinary shares with a nominal value of Euro 0.10 each.

21.2 Memorandum of Incorporation and By-laws of the Acquiring Company

The Acquiring Company was formed on September 23, 1999 by deed of the Notary Public Vittorio Quagliata, deed no. 67787, vol. no. 5113.

The current version of the By-laws was ratified by DMT extraordinary shareholders meeting held on September 16, 2011, which approved, in addition to resolutions relating to the revocation of the share capital increases referred to in paragraph 21.1, subparagraph (D) above, to provide under Article 12 the *quorum* of 7.5% of the share capital represented by the majority of opposing shareholders present at the meeting – other than the shareholder acquiring the shareholding above such material threshold and other than the shareholder or shareholders who hold, individually or collectively, the absolute majority shareholding or the relative majority shareholding exceeding 10% – to preclude the approval of any merger and demerger in exemption from the offer obligation envisaged by Article 106 of the Consolidated Law, pursuant to Article 49(2) of the Issuers' Regulations, in addition to other minor modifications to the organizational structure of DMT.

21.2.1 Corporate purpose and objectives of the Acquiring Company

The corporate purpose of the Acquiring Company is described under Article 4 of its By-laws, which states that:

"The corporate purpose of the Company is to exercise, directly or through subsidiaries and/or participated organizations, the following activities:

1. the design, construction and/or management of telecommunications networks and infrastructure; the supply of turnkey systems and services for broadcast television, telecommunications, the multimedia sector,

Information and Communications Technology (ICT) and automation; telecommunications and multimedia services and consultancy;

2. the design, construction, marketing and reconditioning of devices for telecommunications, multimedia, Information and Communications Technology (ICT) and automation.

The Company may also, in its own name and/or on its own account or on behalf of third parties, purchase the raw materials and semi-finished and finished products necessary for the performance of the activities referred to in the previous paragraph.

The foregoing shall be in strict accordance with the legislation in force and thus with the exclusion of any regulated professional activity.

For the purpose and in connection with the above referred activities, the Company may:

- participate and take equity investments in companies and enterprises of any type and form, although not vis-à-vis the public;

- grant financing to company and participated organizations and grant to them technical, commercial, financial and administrative support to their activities;

- carry out, in its own interests and in the interests of its subsidiaries and participated organizations, any investment, real estate, financial or commercial transaction, including the arrangement of loans and financing and the granting, also in favor of third parties, of sureties, guarantees and other security and collateral, although not vis-à-vis the public."

21.2.2 Summary of the provisions of the By-laws of the Acquiring Company concerning members of the boards of directors, executive committee and supervisory board

Board of directors

Pursuant to Article 13 of the By-laws, the company is managed by a board of directors composed of a minimum of 5 and a maximum of 21 members, either shareholders or non-shareholders, who shall remain in office for a period determined by the shareholders' meeting, but for no more than three financial years. Board members are re-eligible for office.

At the appointment of the board of directors, the shareholders' meeting determines the number of its members subject to the aforesaid limits. The number of directors may be increased by resolution of the shareholders' meeting, in accordance with the maximum limit indicated above, even during the term of office of Board of Directors; directors thus appointed shall retire from office together with those already in office at the time of their appointment.

The board of directors, unless the shareholders' meeting has already done so, shall elect one of its members as chairman of the board of directors.

Directors are entitled to a refund of the expenses incurred in respect of their office. The shareholders' meeting may allocate to directors a fixed annual allowance or a fee proportional to the net profit for the year, and establish a severance indemnity fund and set up a pension fund according to the terms and conditions decided by the shareholders, if necessary by taking out an insurance policy. Where overall compensation is set, this is divided between the beneficiaries in the proportions decided on by the board of directors. The compensation of the chairman of the board of directors, of the members of the executive committee or of the managing directors, if appointed, is established by the board of directors – in consultation with the board of statutory auditors – without prejudice to the right of the shareholders' meeting to set an overall amount of compensation of all directors, including those vested with particular office.

Directors are appointed by the shareholders' meeting based on lists in which the candidates must be listed in sequential order, to be submitted by shareholders who represent, individually or together with other shareholders, at least 2.5% of the shares with voting rights at the ordinary general meeting, or representing such lower percentage as may be established by legal or regulatory provisions.

Ownership of the minimum shareholding required for the submission of lists is determined with regard to shares which are registered in favor of the shareholder on the day on which the lists are filed with the company.

Pursuant to Article 14 of the By-laws, the board of directors shall meet in Italy or elsewhere within the European Union, at least every three months, and whenever the chairman considers it advisable.

The notice of meeting, to be sent by registered letter or delivered by hand, fax, telegram or e-mail at least three days prior to the scheduled meeting date, shall indicate the place and time of the meeting in addition to the business on the agenda. In an emergency, the notice of meeting may be sent at least one day before the scheduled date of the meeting. Meetings of the board and its resolutions are valid, even if not formally convened, when all directors in office and regular statutory auditors, where appointed, are present.

Meetings of the board of directors are chaired by the chairman or, in the event of his absence or impediment, by the deputy chairman or by a director appointed by those present.

Pursuant to Article 15 of the By-laws, the board of directors is, within the bounds of the corporate objective, vested with all powers of ordinary and extraordinary administration. The board of directors may also decide to open or close secondary offices, reduce the share capital in the event of the withdrawal of a shareholder, amend the By-laws in accordance with the legislation, relocate the head office within the national territory, adopting the resolutions referred to in Articles 2505 and 2505-*bis* of the Italian Civil Code, also as referred to, in relation to the demerger, by Article 2506-*ter* of the Italian Civil Code, in accordance with the statutory limits.

The board of directors may delegate its powers, excluding those powers which by law may not be delegated, to an executive committee composed of some of its members or to one or more of its members (executive directors), appoint one or more general managers, if necessary chosen from among members of the board of directors, deciding on their powers, including the power to appoint attorneys and issue mandates. The board may assign the role of general director to the chief executive officer or to any of the executive directors.

Executive bodies report to the board of directors and the board of statutory auditors, generally at board meetings and at least quarterly, on the general management of the company and its outlook, in addition to the most significant transactions, with regard to their size or characteristics, carried out by the company and its subsidiaries.

If an executive committee is appointed, the majority of its members must be present in order for its resolutions to be valid. Resolutions are passed by absolute majority of those present.

The board of directors may also form one or more committees and/or commissions, solely with an advisory and/or proposal-making role, also for the purpose of adapting the system of corporate governance to the model envisaged by the code of conduct for listed companies. The board of directors, on appointing each committee and/or commission, shall decide the number of members and tasks assigned thereto.

The board of directors also has the power to elect one or more deputy chairmen and to appoint and dismiss one or more executive directors and attorneys.

The office of chairman may be combined with that of chief executive director.

For meetings of the board of directors and its deliberations to be valid, Article 2388 of the Italian Civil Code applies.

The board of directors, if necessary through the chairman or executive directors, reports in a timely fashion and at least quarterly to the board of statutory auditors on the activities carried out and on significant transactions affecting the economic, financial position and assets and liabilities implemented by the company or its subsidiaries; specifically, it reports on transactions in which directors have an interest, on their own account or on behalf of others, or that are influenced by the party responsible for management and control. This information is provided at board meetings or, when particular circumstances require it, in a written memorandum sent to the chairman of the board of statutory auditors.

Pursuant to Article 16 of the By-laws, the legal representation and the signing authority are held by the chairman and, in the event of his absence or impediment, severally by each of the deputy chairmen, if appointed; they are also held, within the bounds of the authority vested in them, by the executive directors, in addition to directors who have received a special delegation of authority from the board.

Board of statutory auditors

Pursuant to Article 17 of the By-laws, the company is supervised by a board of statutory auditors composed of three regular members and two alternate members.

Statutory auditors are appointed by the shareholders' meeting based on lists composed of two sections, one for the appointment of regular statutory auditors, the other for the appointment of alternate statutory auditors.

Shareholders who represent, individually or together with other shareholders, at least 2.5% of the shares with voting rights at the ordinary shareholders' meeting or represent such lower percentage as may be laid down by mandatory legal or regulatory provisions, are entitled to present a list.

Ownership of the minimum shareholding required for the presentation of the lists is determined based on shares which are registered in favor of the shareholder on the day on which the lists are filed with the company.

Statutory auditors remain in office for three financial years and are re-eligible for office. Their remuneration is set by the shareholders' meeting based on the tariffs of the relevant professional bodies.

In order to allow minority shareholders to appoint a regular statutory auditor and alternate statutory auditor, lists must be composed of two sections: one for the appointment of regular statutory auditors, the other for the appointment of alternate statutory auditors.

In appointing statutory auditors who for any reason have not been appointed pursuant to the voting list procedure specified above, the shareholders' meeting shall decide by statutory majority.

Statutory auditors remain in office for three financial years and are re-eligible for office.

Pursuant to Article 18 of the By-laws, the statutory audit is carried out by a person who satisfies the criteria laid down by the legislation in force.

21.2.3 Rights, privileges and restrictions associated with each existing class of shares of the Acquiring Company

The shares of the Acquiring Company are registered and indivisible and each share carries one voting right.

Pursuant to Article 22 of the By-laws of DMT, the net profits indicated in the financial statements and approved by the shareholders' meeting are allocated as follow:

- 5% to the legal reserve, until this has reached one fifth of the share capital;
- the remainder at the disposal of the shareholders' meeting, to be allocated at its discretion.

Payment of the dividends takes place according to the terms indicated by the shareholders' meeting with intermediaries authorized pursuant to the legislation in force.

The board of directors may authorize the payment of interim dividends according to the procedures laid down by Article 2433-*bis* of the Italian Civil Code and by Article 158 of the Consolidated Law.

All dividends not collected within five years are forfeited in favor of the Company.

21.2.4 Provisions of the By-laws on changes to the rights of shareholders of the Acquiring Company

Pursuant to Article 25 of the By-laws, the right of withdrawal is governed by the legislation in force. The right of withdrawal does not apply in the event of the extension of the period of operation of the Company.

In particular, Article 2437 of the Italian Civil Code provides that shareholders who do not concur with decisions relating to the following have a right to withdraw in respect of all or some of their shares:

- the amendment of the corporate purpose, when this could give rise to a significant change in the company's business activities;
- a change in the company's legal form;
- the relocation of the company's registered office to another country;
- revocation of the liquidation of the company;
- the elimination of one or more grounds for withdrawal envisaged by Article 2437(2) of the Italian Civil Code or by the By-laws;
- an amendment to the criteria for determining share value in the event of withdrawal;
- amendments to the By-laws provisions concerning voting or dividend rights.

Pursuant to Article 2437(2)(b) of the Italian Civil Code, shareholders who have not taken part in the approval of resolutions regarding the introduction or removal of barriers to the circulation of shares have a right of withdrawal.

Any shareholder agreement aimed at excluding or hindering the exercise of the right of withdrawal in the aforementioned cases is null and void.

21.2.5 Provisions of the By-laws on the convocation of shareholder meetings of the Acquiring Company

Pursuant to Article 9 of the By-laws, without prejudice to the powers of convocation provided by the specific statutory provisions, shareholder meetings are convened by the board of directors either at the registered office or at any other location in the European Union, whenever it sees fit and in the cases required by law.

Ordinary and extraordinary shareholders' meetings are convened by a notice to be published within the statutory time limit on the Company's website and in accordance with the other procedures envisaged by the applicable legislation.

The notice must contain all information required by law.

The notice of meeting may also indicate a single call or make provision for the first, second and, for extraordinary shareholders' meetings only, third call.

If the legislation in force requires the notice to be published in a daily newspaper, the notice of meeting shall be published in one of the following newspapers: "Corriere della Sera" or "Il Sole 24 Ore" or "Milano Finanza" or in the Official Gazette of the Italian Republic.

When preparing the consolidated financial statements or when there are particular requirements pertaining to the structure or purpose of the company, the ordinary general meeting held for the approval of the financial statements may be convened if necessary beyond 120 days from the end of the financial year, but not beyond 180 days from the end of the financial year, without prejudice to Article 21 of the By-laws.

Pursuant to Article 10 of the By-laws, intervention at shareholders' meetings is governed by the provisions in force and by the By-laws. Anyone who has a voting right and for whom the intermediaries have issued notification according to the terms and conditions required by law and by the applicable regulations may participate in meetings.

Anyone with a voting right and a right to participate in shareholders' meetings may be represented by another person, who does not need to be a shareholder, according to the procedures envisaged by the applicable legislation. Proxy notification may be submitted electronically using the relevant section of the Company's website, according to the procedures indicated in the notice of meeting, or alternatively by certified email, sent to the email address indicated in the notice of meeting.

The Company has not appointed the person referred to in Article 135-*undecies* of the Consolidated Law to whom proxies are granted.

21.2.6 Provisions of the By-laws that could delay, defer or prevent a change of control in the Acquiring Company

The By-laws does not contain provisions which limit participation in the share capital of the Acquiring Company, nor any other provision which has the effect of delaying, deferring or preventing a change of control in the Acquiring Company itself.

Pursuant to Article 12(c) of the By-laws, the application of the exemption, envisaged by the legislation in force, from the obligation of promoting a public offer for purchase and/or exchange consequent to merger or demerger transactions shall be precluded only if the majority of shareholders opposed to the relevant meeting resolution –to be determined in accordance with the applicable legislation – represents at least 7.5% of the share capital present at the meeting.

21.2.7 Provisions of the By-laws relating to changes in significant shareholdings

The By-laws does not contain any provisions which require the public to be informed in the event of a change in certain ownership thresholds.

The provisions of Articles 120 and following of the Consolidated Law apply.

21.2.8 Provisions of the By-laws relating to changes in the share capital of the Acquiring Company

The By-laws does not contain provisions relating to the modification of the share capital which are more restrictive than those envisaged by the applicable legal provisions.

22. Material agreements of the Acquiring Company and of the Target Company

22.1 Financial agreements of the Acquiring Company

22.1.1 Loan Agreements

On June 30, 2005, Towertel signed the 2005 Loan Agreement for Euro 100,000,000 with a pool of banks including UniCredit S.p.A. and Intesa Sanpaolo S.p.A., with maturity date on June 30, 2014.

On January 29, 2007, Towertel signed the 2007 Loan Agreement for Euro 100,000,000 with a pool of banks including UniCredit S.p.A., Intesa Sanpaolo S.p.A., Banca di Roma S.p.A., Monte dei Paschi di Siena S.p.A., Banca Popolare di Milano S.c.a.r.l. and Efibanca S.p.A., with maturity date on June 30, 2014.

These Loans were divided into four credit lines: Tranche A and Tranche B (in the 2005 Loan Agreement) and Tranche C and Tranche D (in the 2007 Loan Agreement).

The above tranches last until June 30, 2014 and are repaid in fixed half-yearly installments until the maturity date of the Loans.

The amounts borrowed are subject to a variable interest rate linked to the 1, 3, 6 or 12-month Euribor (360 days) plus a variable spread between a maximum of 275 basis points and 95 basis points.

The Loan Agreements include a series of obligations, and in particular:

- obligations to report on: *(i)* annual financial statements (pro-forma and audited) of the borrowing company and of the DMT Group companies including in consolidated form; *(ii)* agenda of shareholders' meetings; *(iii)* half-yearly reports of the borrowing company and of the DMT Group companies; *(iv)* half-yearly statements relating to the level of the financial parameters referred to below; *(v)* other information reasonably requested by the Agent Bank or in relation to legal disputes; *(vi)* annual list of towers owned by the borrowing company and related lease agreements;

- obligation of the borrowing company not to, without the prior consent of the lending banks: *(i)* change its company form or group structure or its principal activity; *(ii)* carry out extraordinary transactions or transactions involving its capital (including in relation to subsidiary companies), with the exception of the merger by incorporation into the borrowing company of other companies acquired using the Loans; *(iii)* provide security over its assets for the benefit of third parties or assume obligations for which entries are required in the memorandum accounts; *(iv)* take out other loans and/or leases with third parties or shareholders, which are not subordinated, and grant loans to third parties or shareholders; *(v)* distribute dividends or repay intercompany loans (except where the debt cover ratio at consolidated level is less than 3 and up to the maximum limit of 50% of the excess cash flow); *(vi)* buy tangible or intangible fixed assets or financial assets worth more than Euro 10,000,000; *(vii)* sell or dispose in any way of its assets to third parties;

- obligation of the borrowing company to: *(i)* take out and maintain adequate insurance cover for its plants; *(ii)* report breaches of contract; *(iii)* channel all cash flows relating to distributions and dividends into an account held with UBI; *(iv)* allocate any payments arising from the enforcement of guarantees issued for its benefit to the replenishment of its asset; *(v)* maintain a pledge on 100% of the share capital of the borrowing company; *(vi)* enter into hedging contracts to protect against the risk of fluctuation of the Euribor rate for amounts equal at any time to 50% of the portion of the loan drawn and not repaid, with a pre-emption right for the execution of such hedging contracts held by UBI; *(vii)* maintain the obligation for an international auditing firm to audit the financial statements of all DMT Group companies; *(viii)* create a mortgage or pledge (as applicable) on assets or shares of companies acquired after the signing of the loan and channel future cash flows resulting from the leasing of stations for the broadcasting of radio/TV/telecoms signals into the account opened with UBI.

- obligation of the borrowing company to ensure that on each half-yearly test date, the debt cover ratio resulting from the consolidated half-yearly figures or the consolidated pro-forma financial statements, in the relevant period, is not greater than: *(i)* 6 until December 31, 2009; *(ii)* 4.5 as from June 30, 2010; *(iii)* 3.6 as from June 30, 2011; *(iv)* 2.6 as from June 30, 2012 and until the maturity of the Loans (i.e. June 30, 2014).

The principal securities originally granted in relation to both Loan Agreements include: *(i)* first-demand guarantees issued by DMT for the maximum amount of Euro 150,000,000 each (as guarantee for each of the Loans); *(ii)* first pledge on 100% of the shares of the borrowing company as security for the 2005 Loan and

second pledge on 100% of the shares of the borrowing company as security for the 2007 Loan; *(iii)* letter of undertaking to channel all revenues from lease contracts related to the stations owned by the borrowing company for the broadcasting of radio/TV/telecoms signals into a current bank account opened by the borrowing company with UBI; *(iv)* first and second pledge (as security for the 2005 Loan and 2007 Loan respectively) on the sum of Euro 7,500,000 deposited into a current bank account opened by the borrowing company with UBI; *(v)* first and second mortgage (as security for the 2005 Loan and 2007 Loan respectively) on all real estate property owned by the borrowing company; *(vi)* first and second special lien, within the meaning of Article 46 of Legislative Decree no. 385/1993 (as security for the 2005 Loan and 2007 Loan respectively) on all stations and appurtenances owned by the borrowing company for the broadcasting of radio/TV/telecoms signals; *(vii)* first and second pledge (as security for the 2005 Loan and 2007 Loan respectively) on the borrowing company's current bank account used to channel the cash flows from the leases referred to above.

In addition to the foregoing, the following additional securities were provided on January 29, 2007, in accordance with the obligations assumed under the Loan Agreements themselves (on assets acquired by the borrowing company after the date of the 2007 Loan), having equal ranking to the collateral securities provided over the same assets for the 2007 Loan: *(i)* first mortgage on real estate properties; *(ii)* special lien, within the meaning of Article 46 of Legislative Decree no. 385/1993, on pylons and stations (and their appurtenances) for the broadcasting of radio/TV/telecoms signals.

As well as the breach of any of the obligations assumed by the borrowing company or one of the other DMT Group companies, the following scenarios also constitute grounds for the termination of the Loan Agreements: *(i)* the loss by Alessandro Falciai of a (direct or indirect) shareholding equal to at least 30% of the share capital of DMT and *(ii)* if DMT no longer holds 100% of Towertel; where not previously authorized by the lending banks, these events constitute grounds for the termination and/or withdrawal of the lending banks from the Loan Agreements.

The remaining amount to be repaid with respect to the aforesaid Loans as of September 30, 2011 is Euro 106,286,000.

With the letter dated September 20, 2011, Towertel asked Banca IMI S.p.A., in its capacity as Agent Bank for the 2005 Loan Agreement and 2007 Loan Agreement, to waive its right to call the acceleration of the loans, to terminate or to withdraw from, the 2005 Loan Agreement and/or from the 2007 Loan Agreement, as well as any other right or remedy specified therein as a result of the completion of the Merger.

With the letter dated September 29, 2011, Banca IMI S.p.A., also on behalf of the others lending banks parties to the Loan Agreements, has confirmed to Towertel the Waiver its rights as referred to above, subject – *inter alia* – to the completion of the Merger.

On July 2, 2007, Towertel, in relation to the 2007 Loan Agreement, entered into two hedging agreements, in the form of interest rate swap contracts, with UniCredit S.p.A. and Intesa Sanpaolo S.p.A. to hedge the Euribor rate.

22.2 Merger Agreement

On July 28, 2011, DMT, with the consent, as far as he is concerned, of Alessandro Falciai, on one side, and EI Towers, on the other side, entered into the Merger Agreement, under which the parties, as it is customary, set out the timetable of the Transaction and the *iter* of the corporate procedure for the approval of the Merger.

Specifically, the Merger Agreement provides, *inter alia*, that:

- the execution of the Merger is subject to the occurrence of the following two conditions precedent by December 31, 2011: *(i)* the Merger Project is approved by DMT extraordinary shareholders meeting in accordance with the majorities specified in Article 49(1)(g) of the Issuers' Regulations for the purposes of being exempted from the obligation to launch a takeover bid as provided in Article 106 of the Consolidated Law, which occurred on October 14, 2011 when the DMT extraordinary shareholders' meeting approved the Merger, without the contrary vote of any shareholders in attendance at the meeting, other than the shareholder or shareholders who hold, even in concert with one another, the majority shareholding, including relative majority, as long as it is more than 10%; and *(ii)* unconditional clearance for the Merger is obtained from the Antitrust Authority, except for EI Tower's right to, at its solely discretion, waive this condition. In this regard, on December 21, 2011, DMT and EI Towers disclosed to the market EI Towers' decision to exercise its right, provided for under the Merger Agreement, to waive the requirement of unconditional clearance by the Antitrust Authority, in light of (a) Antitrust Authority decision of December 14, 2011 authorizing the

concentration by means of merger via incorporation of EI Towers into DMT on condition that the company resulting from the concentration comply with certain requirements specified therein and (b) the subsequent resolution of the Authority dated December 15, 2011, containing further clarification of the above requirements;

- once the Merger Project has been approved by the respective extraordinary shareholders' meetings, subject to the occurrence of the conditions precedent above (or any waiver thereof), the Merger deed will be signed and the Merger will take effect on January 1, 2012; or on the date on which the latest registration with respect to the Merger deed has been made in the Monza and Brianza Companies Register pursuant to Article 2504-bis of the Italian Civil Code, if that date is later than January 1, 2012;
- as a result of the application of the exchange ratio and of the purchase of the shares object of the Purchase and Sale Agreement, the share capital of the Company Resulting from the Merger, on the effective date of the Merger, will be divided down as follows:

Declarer	**Direct Shareholder**	**% of the stock capital**
Silvio Berlusconi[(1)] *indirectly through*	Elettronica Industriale S.p.A.	**65.001%**
Alessandro Falciai *of which* *directly* *and indirectly through*	 Alessandro Falciai Millenium Partecipazioni	**9.328**% 1.612% 7.716 %
Octavian Advisors LP *directly*	Octavian Advisor LP	**4.004%**
Permian Investment Partners LP *indirectly through*	Permiran Master Fund LP	**2.010%**
Flinn Lawrence Jr. *indirectly through*	Flinn Investments LLC	**0.956%**
Fil Limited *directly*	Fil Limited	**0.860%**
Wyser Pratte Guy *indirectly through*	Wyser Pratte Management Co. Inc.	**0.820%**
Barclays Plc *indirectly through*	Barclays Capital Securities Limited	**0.816%**
	Total	**83.795%**
Treasury stock		**0.610%**
Market		**15.595%**
	Total	**100%**

(1) Mr. Silvio Berlusconi exercises a *de facto* indirect control on Mediaset, through Fininvest S.p.A. (that, according to the available information owns a participation equal to 40.26069% of the share capital of Mediaset) and Holding Italiana Seconda S.p.A. (that, according to the available information owns a participation equal to 0.18371% of the share capital of Mediaset). Mediaset, in turn, directly owns the entire share capital of R.T. I. S.p.A., which directly owns the total share capital of Elettronica Industriale.

- in the period between the date of signing the Merger Agreement and the effective date of the Merger, the activities of each of the Companies Participating to the Merger and of DMT Group companies must be consistent with the 2011-2016 Business Plan and with the budget of each of the Companies Participating to the Merger, without entering into contracts or acting outside the ordinary course of business;
- prior to the shareholders' meeting of the Companies Participating to the Merger called to resolve of the approval of the Merger Project, the following preliminary transactions (the "**Preliminary Transactions**") shall have to be completed:

  (a) terms and conditions shall be defined for a loan having the purpose to refinance the debt of the Company Resulting from the Merger and of DMT Group companies, as resulting on the effective date of the Merger.

  By virtue of an amendment agreement entered into on September 28, 2011, DMT and EI Towers *(i)* have acknowledged that on September 20, 2011, Towertel has requested Banca IMI S.p.A. – as Agent Bank under the 2005 Loan Agreement and 2007 Loan Agreement – to waive its right to call the acceleration of the loans, to terminate or to withdraw from, the 2005 Loan Agreement and/or the 2007 Loan Agreement,

as well as any other right or remedy specified therein as a result of the completion of the Merger and of the consequent change of control in favor of to the ultimate shareholder controlling DMT (the "**Waiver**"); consequently, *(ii)* they have agreed to amend the Merger Agreement in relation to point (a) above providing for the Waiver to be granted by the lending banks, in accordance with the 2005 Loan Agreement and 2007 Loan Agreement, instead of entering into a new loan.

With a letter dated September 29, 2011, Banca IMI S.p.A., also on behalf of the others lending banks parties to the Loan Agreements, confirmed to Towertel the Waiver of its rights as referred to above, subject – *inter alia* – to the completion of the Merger.

(b) the transfer by DMT to a third party *(i)* all of the capital stock of Tower Service S.p.A. in liquidation, DMT System S.p.A. in liquidation, which, in turn, owns 100% of Asteroide S.r.l., and DMT Service S.r.l. in liquidation, as well as *(ii)* all of DMT's stake in the foreign subsidiaries, currently in the process of being dismissed, DMT Limited and DMT USA, Inc. (the "**Discontinued Investments**"). On October 13, 2011 DMT completed transfer of the Discontinued Investments to a third party.

- Alessandro Falciai will, with effect from the date of entering into the Merger deed, foreseen for December 2011, resign from his positions as director, Chairman of the board of directors and CEO of DMT and two other DMT directors must also resign from their positions in DMT, in order to enable new directors to be co-opted onto the board, with effect from the date of entering into the Merger deed, and the remaining DMT directors in office must resign from office with effect from the first shareholders' meeting of DMT to be held after the effective date of the merger, due to take place by February 20, 2012 for the renewal of the entire board of directors of DMT.

22.3 Hosting Service Contract and Assistance and Maintenance Services between Elettronica Industriale and EI Towers

For a description of the Hosting Service Contract and Assistance and Maintenance Services between Elettronica Industriale and EI Towers, please refer to First Section, Chapter 19, Paragraph 19.4 of the Information Document.

23. Third party information and statement by experts and declarations of any interest

23.1 Third party information and statement by experts and declarations of any interest

In determining the exchange ratio, the board of directors of DMT called on the services of the consulting firm Equita S.I.M. S.p.A. and Numeralia Corporate Finance S.r.l. which issued a fairness opinion on the exchange ratio which is attached as Appendix to the Information Document.

In determining the exchange ratio, the board of directors of EI Towers called on the consulting services of Banca IMI S.p.A. which issued a fairness opinion on the exchange ratio which is attached as Appendix to the Information Document.

On August 1, 2011, by means of a measure issued in response to a motion from DMT and EI Towers, the presiding judge of the Court of Monza appointed the Auditing Firm Reconta Ernst & Young S.p.A. as sole expert for the issuance of the report on the adequacy of the share ratio for exchanging the Acquiring Company's shares with the shares of the Target Company. Pursuant to and in accordance with Article 2501-*sexies* of the Italian Civil Code, the firm drew up a report on the adequacy of that ratio. That report was issued on September 13, 2011 and on the same date was made available to the public, together with the Merger Project and relative directors' report, on the Company's website, www.dmtonline.com..

23.2 Statement regarding third party information and statement by experts and declarations of any interest relating to the Acquiring Company

Where indicated, the information contained in the Information Document comes from third party sources. The Company confirms that this information has been accurately reproduced by the Issuer and that, as far as the management is aware and is able to ascertain from information published by those third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.

24. Documents available to the public

For the life of the Information Document, the following documents are available for inspection at the Company's registered office and at Borsa Italiana, as well as on the Acquiring Company's website at the address www.dmtonline.com:

- Articles of association and By-laws of DMT;
- Acquiring Company's interim report for the nine months ended on September 30, 2011;
- Acquiring Company's consolidated half-yearly report as of June 30, 2011 and for the six months then ended and related report by the Auditing Firm;
- Acquiring Company's consolidated quarterly report as of March 30, 2011 and for the quarter then ended;
- Acquiring Company's consolidated and separate financial statements as of December 31, 2010 and for the year then ended, including the reports of the Auditing Firm;
- Acquiring Company's consolidated and separate financial statements as of December 31, 2009 and for the year then ended, including the reports of the Auditing Firm;
- Acquiring Company's consolidated and separate financial statements as of December 31, 2008 and for the year then ended, including the reports of the Auditing Firm.

This Information Document and the documents listed in Article 2501-*septies* of the Italian Civil Code and in Article 70, paragraph 1, of the Issuers' Regulations are also available to the public.

25. Information on holdings

25.1 Information on holdings of the Acquiring Company

The structure of the DMT Group on the Information Document Date is shown in the organization chart given in First Section, Chapter 7, Paragraph 7.2 of the Information Document.

The Acquiring Company is the lead company of the DMT Group and has management and coordination duties whereas its operational activities are carried out by its subsidiaries.

As regards the principal companies of the DMT Group, it is pointed out that*:

Towertel S.p.A., based in Lissone (Monza and Brianza Province), owns and/or has access to personal and/or real estate property, comprising pylons and/or poles and/or service rooms, suitable for the installation and operation of systems used in television and electronic communications and communication equipment in general, including structures, antennae, dishes, radio links and radio equipment, as well as ancillary equipment and also supplies ancillary maintenance services and access to stations, all of which is done to allow the creation, supply and management of suitable radio signals;

Tecno Impianti S.a.s., a limited partnership based in Trento (Trento Province), of which Towertel is a limited partner, conducts business mainly in the field of construction, management and maintenance of radio and television systems.

* On October 13, 2011, DMT completed transfer to a third party *(i)* all of the capital stock of Tower Service S.p.A. in liquidation, DMT System S.p.A. in liquidation, which in turn owns 100% of Asteroide S.r.l., and DMT Service S.r.l. in liquidation, as well as *(ii)* all of DMT's stake in the foreign subsidiaries, currently in the process of being dismissed, DMT Limited and DMT USA, Inc..

  On November 29, 2011, the deeds regarding the mergers of Tower Service S.r.l. into Towertel S.p.A., Estense Tower S.r.l. and Stetel Ripetitori S.r.l. into Towertel S.p.A. were signed and on December 1, 2011, the deed regarding the merger of Radioattività S.r.l. into Towertel S.p.A. was signed.

  Also, on October 4, 2011, the company Media Service S.r.l. in liquidation was removed from the Trento Registry of Companies.

SECOND SECTION

1. Persons responsible

1.1 Persons responsible

The persons responsible for the data and information contained in this Information Document are listed under First Section, Chapter 1, Paragraph 1.1, of the Information Document.

1.2 Statement of responsibility

For the statement of responsibility of the persons responsible for the data and information contained in this Information Document, please refer to First Section, Chapter 1, Paragraph 1.2, of the Information Document.

2. Risk factors

For a description of the risk factors relating to the Acquiring Company, to the sector in which it operates and to the Transaction, please refer to First Section, Chapter 4, of the Information Document.

3. Key information

3.1 Declaration on the working capital

Pursuant to Regulation 809/2004/EC and based on the definition of working capital – as an issuer's ability to access cash and other available liquid resources in order to meet its liabilities as they fall due - contained in the "Recommendations for consistent implementation of the Regulation of the European Commission's Regulation on Prospectuses" of CESR (Committee of European Securities Regulators), the Issuer believes that the working capital available is not sufficient, in theory, to meet the short-term needs of the Group in the 12 months following the data of the Information Document.

For a more detailed analysis of working capital, we report the detail below, with reference to the pro-forma data.

Thousands of Euro	**September 30, 2011 Pro Forma data**	**June 30, 2011 Pro Forma data**	**December 31, 2010 Pro Forma data**
Inventories	5,901	4,609	6,155
Trade receivables	25,868	25,810	25,946
Other receivables and current assets	8,484	11,485	6,839
Tax receivables	8,765	6,336	11,424
Working Capital – Assets	*49,018*	*48,240*	*50,364*
Cash and cash equivalents	11,635	20,208	15,299
Total Current assets	**60,653**	**68,448**	**65,663**
Trade payables	(50,628)	(48,313)	(39,467)
Other payables and current liabilities	(14,457)	(14,222)	(12,041)
Tax payables	(4,300)	(4,589)	(7,032)
Working Capital – Liabilities	*(69,385)*	*(67,124)*	*(58,540)*
Current financial liabilities	(151,111)	(160,454)	(155,484)
Acquisition debts	(39)	(39)	(1,248)
Total Current liabilities	**(220,535)**	**(227,617)**	**(215,272)**
Deficit of working capital	**(159.882)**	**(159.169)**	**(149.609)**

On September 30, 2011, pro-forma Deficit working capital is Euro 159,882,000.

Such amount includes:

i) debts of EI Towers towards Mediaset, the latest controlling company, of Euro 115,943,000 deriving from the intercompany account with the holding company that is the only financing used by the company;
ii) current financial debts of DMT Group amounting to Euro 23,524,000;
iii) other current assets and liabilities amounting to a net negative value of Euro 20,415,000.

The intercompany treasury account held with Mediaset referred to in i) above is contractually payable on demand, but on the basis of historical trends, and considering the fact that, as a result of the Merger, Mediaset will acquire control of the Company Resulting from the Merger, the repayment is not expected within 12 months following the date of the Information Document, in view of the fact that a possible request for repayment by Mediaset could create financial stress for the Company Resulting from the Merger with potential adverse effects in the same Mediaset.

The amount showed to iii) above is, in turn, composed by the following:

a) positive net working capital (balance of trade receivables and payables) arising out of the DMT Group for an amount equal to Euro 3,445,000.00;

b) negative net working capital (balance of trade receivables and payables) resulting from EI Towers for an amount of Euro 28,198,000.00;

c) other net assets amounting to Euro 4,338,000.00.

In order to meet the working capital deficiency in the amount of Euro 159,882,000.00 shown above, the Group intends to carry out the following actions:

a) maintenance of the intercompany treasury account held with Mediaset beyond the 12 months following the date of the Information Document;

b) maintaining the existing contract terms to customers and suppliers in terms of, respectively, times of receipts and payments: the dynamics of net working capital is, in fact, highly influenced by the contractual payment scheme with the main client of EI Towers , Elettronica Industriale, for which the collection of invoices is provided with an active period of 30 days, compared to an higher payment term resulting from the other contractual obligations.

In view of the favorable timing of receipts from customers and payments to suppliers, the Company Resulting from the Merger does not require additional financial resources for the current operations and it is believed that this condition can exist even in the 12 months following the date of the Information Document. This assessment is further supported by evidence, on a historical basis, of the pro forma data provided by the December 31, 2010, June 30 and September 30, 2011 (refer to Section One, Chapter 20 of the Information Document).

That said, however, if Mediaset will unilaterally require the partial or total repayment of the current account balance (equal to Euro 115,943,000 at 30 September 2011), and if the current activity of the Company Resulting from the Merger will not produce positive cash flow - although this event is thought to be unlikely given recent historical analysis of the main income of the fact that the economic and financial effects arising from the contract with Elettronica Industriale are predictable and that, with respect to revenues from third party customers, approximately 90% of the existing contracts will expire after 12 months from the date of the Information Document – this could determine negative effects on the economic situation and financial position of the Group.

3.2 Equity and indebtedness

The table below divides the sources of financing into equity and net financial indebtedness of the Acquiring Company in the period under consideration.

Thousands of Euro	**Balance at November 30, 2011**	**Balance at September 30, 2011**	**Balance at June 30, 2011**	**Balance at December 31, 2010**	**Balance at December 31, 2009**	**Balance at December 31, 2008**
Net financial indebtedness	115,870	113,485	115,418	128,472	142,741	155,895
Net equity	Not declared	75,163	78,466	78,160	78,857	96,091
Total sources of financing	Not declared	**188,648**	**193,884**	**206,632**	**221,598**	**251,986**

The table below divides the sources of financing into equity and net financial indebtedness of the Target Company in the period under consideration.

Thousands of Euro	Balance at November 30, 2011	Balance at September 30, 2011	Balance at June 30, 2011	Balance at December 31, 2010
Net financial indebtedness	106,997	115,934	125,000	125,000
Net equity	Not declared	301,832	289,648	312,880
Total sources of financing	Not declared	**417,776**	**414,648**	**437,880**

The table below divides the sources of financing into equity and net financial indebtedness of the DMT Group Pro Forma in the period under consideration.

Thousands of Euro	Balance at September 30, 2011	Balance at June 30, 2011	Balance at December 31, 2010
Net financial indebtedness (DMT Group + EI Towers)	229,419	240,418	253,472
Pro forma adjustment	12,840	4,980	5,100
Net Financial Indebtedness Pro Forma	**242,259**	**245,398**	**258,572**

3.2.1 Equity

Details of the composition of net equity of the Acquiring Company in the period under consideration.

Thousands of Euro	Balance at September 30, 2011	Balance at June 30, 2011	Balance at December 31, 2010	Balance at December 31, 2009	Balance at December 31, 2008
Share capital	1,130	1,130	1,130	1,130	1,130
Reserves	74,033	77,336	77,030	77,781	94,829
Group net equity	75,163	78,466	78,160	78,911	95,959
Third party net equity	-	-	-	(54)	132
Total net equity	**75,163**	**78,466**	**78,160**	**78,857**	**96,091**

Details of the composition of net equity of the Target Company in the period under consideration

Thousands of Euro	Balance at September 30, 2011	Balance at June 30, 2011	Balance at December 31, 2010
Share capital	200,000	200,000	223,268
Reserves	101,832	89,648	89,612
Group net equity	301,832	289,648	312,880
Third party net equity	0	0	-
Total net equity	**301,832**	**289,648**	**312,880**

3.2.2 Net financial indebtedness

A summary of the composition of the net financial indebtedness of the DMT Group in the period under consideration, broken down into continuing operations and discontinued assets, is shown below.

(thousands of Euro)	November 30, 2011			September 30, 2011		
	Continuing operations	Discontinued activities	Total	Continuing operations	Discontinued activities	Total
Cash and cash equivalents	(9,759)	-	(9,759)	(11,626)	(140)	(11,766)
Current financial liabilities	34,051	-	34,051	22,367	11,306	33,673

Non-current financial liabilities	91,578	-	91,578	91,578	-	91,578
Net financial indebtedness	**115,870**	**-**	**115,870**	**102,319**	**11,166**	**113,485**

The composition of the net financial indebtedness of EI Towers in the period under consideration, is shown below.

(thousands of Euro)	November 30, 2011	September 30, 2011
Cash and cash equivalents	(11)	(9)
Current financial liabilities	107,008	115,943
Non-current financial liabilities	0	0
Net financial indebtedness	**106,997**	**115,934**

The composition of the net financial indebtedness of the DMT Group as of September 30, 2011, December 31, 2010, 2009 and 2008 according to the format provided in CONSOB Notice no. DEM / 6064293 / 2006, broken down into continuing operations and discontinued assets, is shown below.

Thousands of Euro	**June 30, 2011**			**December 31, 2010**	**December 31, 2009**	**December 31, 2008**
	Continuing operations	**Discontinued activities**	**Total**	**Total**	**Total**	**Total**
A. Cash	(21)	(17)	(38)	(28)	(61)	(67)
B. Other cash equivalents, bank current accounts	(9,867)	(78)	(9,945)	(6,717)	(22,510)	(16,164)
C. Securities held for trading	-	-	-	-	-	-
D. Liquid assets (A) + (B) + (C)	*(9,888)*	*(95)*	*(9,983)*	*(6,745)*	*(22,571)*	*(16,231)*
E. Current financial receivables	-	-	-	-		
F. Current bank payables	4,304		4,304		31,628	31,415
G. Current portion of the non-current indebtedness	15,850	13,351	29,201	34,022	15,175	12,598
H. Other current financial payables						
Financial leasing	-	-	-	-	-	-
Payables on acquisitions	39	-	39	1,248	2,729	7,797
Other	-	-	-	-	118	
I. Current financial indebtedness (F)+(G)+(H)	*20,193*	*13,351*	*33,544*	*35,270*	*49,650*	*51,810*
J. Net current financial availability (indebtedness) (I) – (E) – (D)	*10,305*	*13,256*	*23,561*	*28,525*	*27,079*	*35,579*
K. Non-current bank payables	91,539	-	91,539	99,402	114,079	119,164
L. Bonds issued	-	-	-	-		
M. Other non-current financial payables						
IRS – Interest rate swap	214	-	214	418	1,265	1,143
Financial leasing	104	-	104	127	318	9
N. Non-current financial indebtedness (K) + (L) + (M)	*91,857*	-	*91,857*	*99,947*	*115,662*	*120,316*
O. Net financial indebtedness (J) + (N)	*102,162*	*13,256*	*115,418*	*128,472*	*142,741*	*155,895*

For an analysis of the Group's net financial indebtedness, please refer to First Section, Chapter 10, of the Information Document.

3.3 Interests of natural and legal persons participating in the Transaction

Furthermore, on July 28, 2011, Elettronica Industriale entered into an agreement, as amended on December 21, 2011, with Millenium Partecipazioni and with the consent, as far as he is concerned, of Alessandro Falciai covering the purchase and sale of no. 1,413,118 ordinary shares of the Company Resulting from the Merger, equal to 5.0% of said company capital stock, for an overall gross consideration due from Elettronica Industriale to Millenium Partecipazioni equal to Euro 39,677,126.13, equal to Euro 28.08 per share, corresponding to the implicit value resulting from the Merger exchange ratio (the "**Purchase and Sale Agreement**"). On July 28,

2011, DMT and Alessandro Falciai signed a non-compete agreement for a period of 3 (three) years as from the effective date of the Merger for payment of an overall consideration of Euro 7,500,000, to be paid in several installments.

3.4 Reasons for the Transaction and use of the proceeds

The Transaction consisting in the industrial integration of the respective assets of EI Towers and DMT in the electronic communication network infrastructure sector is intended to create a leading operator in Italy in the sector of electronic communication network infrastructure and related services and to realize significant synergy between the respective businesses with a view to create value for all shareholders.

DMT will contribute with its know-how and experiences in order to have an efficient and effective infrastructure management and, more specifically, in the process of acquiring a new portfolio of towers and in the process of increasing the client through a specific and tailor made action.

EI Towers will contribute its experience in the management, maintenance, engineering and planning of terrestrial television networks.

The Company Resulting from the Merger will carry on the activities, through a portfolio of approximately 3,200 managed sites, about 2,300 of which shall be the property of or available to the company, using a full service business model and adding to all the traditional services offered by a tower company (hosting and maintenance), other value-added services.

The combination of these two portfolio of towers will consent to reach a national coverage and more significant coverage than would be possible with the two separate infrastructures. As a result of combining the two portfolio of sites, the Company Resulting from the Merger will be able to offer hosting services throughout most of the Italian country.

The contribution by EI Towers of EI Towers portfolio will consent a significant increase in the coverage offered by the DMT's current site portfolio.

The common infrastructure will allow the management of the Company Resulting from the Merger to offer to the market efficient solutions for both hosting services (as already being implemented for cell phone and wireless operators) and the supply of integrated services for the broadcasting and transmission of radio-television signals.

In relation to the potential growth in revenues for the Company Resulting from the Merger, DMT and EI Towers could directly benefit from new and interesting business opportunities related to full service management of additional multiplexes acquired from third parties. The Company Resulting from the Merger will aim to expand its business so that to include also hosting services of new mobile telecommunications technologies (such as LTE) and radio technologies (such as DAB).

With regard to structural costs, through the Merger, DMT and EI Towers aim to improve the costs efficiency, especially with regard to management costs, by improving the operating leverage, making better use of their own internal resources and negotiating more advantageous contracts with their main suppliers.

Still more benefits could be derived from mapping activity so that to identify sites located near each other, in order to evaluate the opportunity to optimize their number or renegotiate the leasing contracts covering the areas where the sites are located so that to obtain better terms and conditions.

The transaction doesn't generate any revenue for DMT.

4. Information concerning the financial instruments to be offered / to be admitted to trading

4.1 Description of the financial instruments to be offered and to be admitted to trading

As of the Information Document Date, the Acquiring Company's subscribed and fully paid-up share capital is equal to Euro 1,130,477.50 and is subdivided into 11,304,775 ordinary shares with a nominal value of Euro 0.1 each.

On October 14, 2011, the extraordinary shareholders' meeting of DMT passed the increase in the share capital thereof at the service of the Merger, and therefore excluding the option right, for a maximum of Euro 1,695,760.20 by the issue of a maximum of 16,957,602 ordinary shares with a nominal value of Euro 0.10 each, which will be assigned to the sole shareholder in EI Towers, Elettronica Industriale. At the effective date of the Merger, the share capital of DMT will therefore be equal to Euro 2,826,237.70 represented by 28,262,377 ordinary shares with a nominal value of Euro 0.10 each.

The ordinary shares are registered and indivisible and each share grants the right to one vote in the ordinary and extraordinary shareholders' meetings, and the right to share in the profits.

The DMT shares issued within the scope of the increase in capital at the service of the Merger will be ordinary shares listed on the MTA.

The DMT shares have code ISIN IT0003043418.

4.2 Legislation based on which the shares have been and/or will be issued

Within the scope of the Merger, ordinary DMT shares will be issued based on Italian legislation.

4.3 Characteristics of the shares

Within the scope of the Merger, registered and indivisible ordinary DMT shares will be issued, subject to the dematerialization system laid down by Legislative Decree no. 213 of June 24, 1998, and entered in the centralized management system managed by Monte Titoli S.p.A.

4.4 Currency of issue of the shares

With the scope of the Merger, ordinary DMT shares will be issued denominated in Euro.

4.5 Description of the rights associated with the shares

The ordinary DMT shares issued within the scope of the Merger will have the same characteristics and will attribute the same financial and administrative rights as the ordinary DMT shares in circulation on the Information Document Date, and listed on the MTA.

For further information, please refer to First Section, Chapter 21, Paragraph 21.2.3, of the Information Document.

4.6 Indication of the resolution to issue the shares

On October 14, 2011, the extraordinary shareholders' meeting of DMT passed the increase in the share capital thereof at the service of the Merger, and therefore excluding the option right, for a maximum of Euro 1,695,760.20 by the issue of a maximum of 16,957,602 ordinary shares with a nominal value of Euro 0.10 each, which will be assigned to the sole shareholder in EI Towers, Elettronica Industriale.

4.7 Data planned for the issue of shares

At the effective date of the Merger, the Acquiring Company will exchange all the shares in the Target Company owned by the sole shareholder thereof, Elettronica Industriale, for the newly-issued shares in the Acquiring Company, based on an exchange ratio of 34 shares in the Acquiring Company, with a nominal value of Euro 0.10 each, for every 401 shares in the Target Company, with a nominal value of Euro 1.00 each.

In particular, Elettronica Industriale, based on the exchange ratio, will receive in exchange 16,957,602 ordinary DMT shares, with a nominal value of Euro 0.10 each, for 199,999,953 shares out of a total of 200,000,000 shares in EI Towers owned by it.

The exchange transactions will take place through the Authorized Intermediaries as from the effective date of the Merger, without any charge for expenses or fees borne by the sole shareholder of the Target Company.

4.8 Description of any limitations to the free transferability of the shares

There are no limitations to the free transferability of the DMT shares imposed by statutory clauses or by the conditions of issue.

The shares are subject to the system of circulation laid down by the dematerialization regulations referred to in Legislative Decree no. 213 of June 24, 1998, and the relative implementing provisions.

4.9 Indication of the existence of any rules concerning the obligation to make a public purchase offering and/or a residual purchase offering in relation to the shares

With regard to the change in the ownership structure as a consequence of the Merger, the extraordinary shareholders' meeting of DMT on October 14, 2011 was convened to resolve on the approval of the Merger in compliance with the majorities at shareholders' meetings laid down by article 49, paragraph 1, lett. g) of the Issuers' Regulations, for the purposes of exemption from the obligation to make a public tender offer as laid down by article 106 of the Consolidated Law.

Article 106 of the Consolidated Law requires that anyone who comes to hold more than 30% of the voting shares of a company listed on an Italian regulated market be required to make a tender offer for all shares of said company, unless one of the exemptions established in Article 106, Section 5 of the Consolidated Law and Article 49 of the Issuers' Regulations applies.

Article 49, paragraph 1, lett. g), of the Issuers' Regulations states that the acquisition of more than 30% of voting shares in a company listed on an Italian regulated market does not make a mandatory public tender offer if it takes place as the result of a merger that is "*approved by a shareholders' meeting of the company whose securities would otherwise be the subject of the offer, and without prejudice to the provisions of Articles 2368, 2369 and 2373 of the Italian Civil Code, without the contrary vote of the majority of shareholders attending the meeting, other than the shareholder acquiring the stake that is above the threshold provided and the shareholder or shareholders who hold, even in concert with one another, the majority shareholding, including relative majority, as long as it is more than 10 percent.*" Article 49, paragraph 2, of the Issuers' Regulations states that "*by-laws may establish that, for the purposes of paragraph 1, Letter g), such a majority of contrary shareholders precludes exemption solely when it represents a certain minimum portion of share capital with voting rights, which, in any case, cannot be in any event higher than 7.5 percent*". Please note that the extraordinary shareholders meeting of DMT held on September 16, 2011, approved the introduction into the Articles of Association of DMT of the provision based on which the majority of shareholders against present at the shareholders' meeting, other than the shareholder acquiring the interest exceeding the relevant threshold and the shareholder or shareholders holding, even on agreement between themselves, the relative majority interest as well, provided it exceeds 10%, shall only prevent exemption if it represents at least a share in the share capital with voting rights equal to 7.5%.

At the October 14, 2011 extraordinary shareholders' meeting of DMT, where more than 64.6% of share capital was represented, the Merger was approved with more than 99.8% of the votes, without the contrary vote of the shareholders attending the meeting, other than the shareholder or shareholders who hold, even in concert with one another, the majority shareholding, including relative majority, as long as it is more than 10 percent. Therefore, Elettronica Industriale - sole shareholder of EI Towers, which, after the Merger, will acquire the 60.001% of DMT share capital, will be exempted from the obligation to launch a tender offer to purchase DMT shares, pursuant to Article 49, paragraph 1, letter g) of the Issuers' Regulations.

4.10 Indication of public purchase offerings made by third parties on the Issuer's shares during the course of the last financial year and current financial year

The Issuer's shares have not formed the subject of any public purchase offering or public exchange offering during the course of the last financial year and current financial year.

4.11 Tax system

The information below summarizes the tax system relating to the purchase, holding and transfer of the Issuer's shares pursuant to the current Italian tax legislation and relating to specific categories of investors.
The following is not intended to provide a full examination of the tax consequences deriving from the purchase, holding and transfer of shares.
The tax system specific to the purchase, holding and transfer of shares, set out below, is based on the legislation in force and on practice existing on the Information Document Date.
It may be subject to possible changes even with retroactive effect, and therefore constitutes a mere introduction to the subject.
Investors are therefore required to consult their advisors with regard to the tax system specific to the purchase, holding and transfer of shares and to check the nature and origin of the sums received as distributions on the Issuer's shares (dividends or reserves).

Definitions

"**Transfer of Qualified Interests**": transfer of shares, other than savings shares, rights or securities through which shares may be acquired, exceeding, over a period of 12 months, the limits for the classification of Classified Interest. For the purposes of establishing the limits for the classification of transfers over 12 months, transfers made from the time at which the securities and rights owned represent a percentage of voting rights or interest exceeding the aforesaid limits are taken into account. For rights or securities through which interests may be acquired, the percentages of voting rights or interest in the capital potentially associated with the interests are taken into account.

"**Classified Interests**": interests in companies listed on regulated markets comprising the ownership of interests (other than savings shares), rights or securities, through which the aforesaid interests may be acquired, representing overall a percentage of voting rights which may be exercised at the ordinary shareholders' meeting exceeding 2% or an interest in the capital or equity exceeding 5%.

"**Non-Classified Interests**": interests in companies listed on regulated markets other than the Classified Interests.

Tax system applicable to dividends
The taxation of dividends varies depending on the recipient and depending on whether the dividend relates to a Non-Classified Interest or to a Classified Interest.

(i) Natural persons resident in Italy not carrying out business activities

Dividends paid to natural persons resident in Italy for tax purposes on shares owned outside business operations and constituting Non-Classified Interests, entered in the centralized deposit system managed by Monte Titoli (such as shares), are subject, pursuant to article 27-*ter* of Presidential Decree no. 600 of September 19, 1973 ("**Presidential Decree 600/1973**"), to a substitute tax, with the obligation of reimbursement, at a rate of 12.5% for dividends collected up to December 31, 2011, and at a rate of 20% for dividends collected as from January 1, 2012, as provided for by Decree Law no. 138 of 13 August 2011, converted into Law 148 of September 14, 2011.

Recipients are not required to indicate the dividends collected in the declaration of income.
This substitute tax is applied by resident persons with which the securities are deposited, belonging to the centralized deposit system managed by Monte Titoli, and by a tax representative appointed in Italy by non-resident persons (custodians) joining the Monte Titoli System or foreign centralized deposit systems joining the Monte Titoli System.
As from the entry into force of Legislative Decree no. 213 of June 24, 1998, on the dematerialization of securities, this taxation procedure constitutes the system normally applicable to shares traded on Italian regulated markets, such as the shares.

Dividends paid to natural persons resident in Italy for tax purposes on shares owned outside business operations and constituting Classified Interests are not subject to any withholding at source or substitute tax provided that, at the time of collection, the beneficiaries declare that the profits collected relate to Classified Interests.
Such dividends contribute partially to the formation of the shareholder's overall taxable income. The Decree of the Minister of Economy and Finance of April 2, 2008 ("**MD of April 2, 2008**") redetermined the percentage of contribution to the formation of income in an amount of 49.72%. This percentage is applied to dividends formed with profits made by the Company as from the financial year following that in progress at December 31, 2007. The percentage of 40% still applies to profits made up to the financial year in progress at December 31, 2007.

Moreover, as from the resolutions to make distributions following that relating to the profit for the financial year in progress at December 31, 2007, for the purposes of taxation of the receiving natural person, the dividends distributed are as a priority deemed to consist of profits made by the Company up to that date.
In any event, if the dividends relate to shares for which the natural person has opted for the so-called managed savings system pursuant to article 7 of Legislative Decree no. 461 of November 21, 1997, they are not subject to the system described above but contribute towards forming the overall annual result of the management to which a substitute tax is applied at a rate of 12.5% to that accrued up to December 31, 2011, and at a rate of 20% to that accrued as from January 1, 2012, as provided for by Decree Law no. 138 of August 13, converted into Law 148 of September 14, 2011.

(ii) *Natural persons resident in Italy for tax purposes carrying out business activities*

Dividends paid to natural persons resident in Italy for tax purposes on shares relating to the business are not subject to any withholding at source or substitute tax provided that the beneficiaries, at the time of collection, declare that the profits collected relate to interests relating to business activities. Such dividends contribute partially towards the formation of the shareholder's overall taxable income. The Ministerial Decree of April 2, 2008, redetermined the percentage of contribution to the formation of income in an amount of 49.72%. This percentage is applied to dividends formed with profits made by the Company as from the financial year following that in progress at December 31, 2007. The percentage of 40% still applies to profits made up to the financial year in progress at December 31, 2007. Moreover, as from the resolutions to make distributions following that relating to the profit for the financial year in progress at December 31, 2007, for the purposes of taxation of the recipient, the dividends distributed are as a priority deemed to consist of profits made by the Company up to that date.

(iii) *Limited partnerships and the like referred to in article 5 of Presidential Decree no 917 of December 22, 1986 (hereinafter the "**TUIR* **[Income Tax Consolidation Act]**"), companies and entities referred to in article 73, paragraph 1, letters a) and b), of the TUIR, resident in Italy for tax purposes*

Dividends received by limited partnerships and the like referred to in article 5 of the TUIR (excluding simple partnerships), by companies and entities referred to in article 73, paragraph 1, letters a) and b), of the TUIR, or by joint-stock companies and share partnership companies, limited liability companies, public and private entities whose sole or main objectives comprise commercial activities (so-called commercial entities), resident in Italy for tax purposes are not subject to any withholding at source in Italy and contribute towards the formation of the recipient's overall taxable income with the following procedures:

- distributions in favor of limited partnerships contribute partially towards the formation of the shareholder's overall taxable income; the Ministerial Decree of April 2, 2008, redetermined the percentage of contribution to the formation of income of shareholders who are natural persons in an amount of 49.72%. This percentage is applied to dividends formed with profits made by the Company as from the financial year following that in progress at December 31, 2007. The percentage of 40% still applies to profits made up to the financial year in progress at December 31, 2007. Moreover, as from the resolutions to make distributions following that relating to the profit for the financial year in progress at December 31, 2007, for the purposes of taxation of the recipient, the dividends distributed are as a priority deemed to consist of profits made by the Company up to that date.
- distributions in favor of joint-stock companies, limited liability companies, limited partnerships and commercial entities contribute towards the formation of the recipient's overall taxable income solely with regard to 5% of their amount, or the entire amount if they relate to securities held for trading by persons applying the IAS/IFRS.

(iv) *Entities referred to in article 73, letter c), of the TUIR, resident in Italy for tax purposes*

Dividends receipt by the entities referred to in article 73, paragraph 1, letter c), of the TUIR, or public or private entities resident in Italy for tax purposes, other than companies, whose sole or main objects do not comprise commercial activities, contribute towards the formation of the overall income solely with regard to 5% of their amount.

(v) *Exempt persons*

For shares, such as the shares, entered in the centralized deposit system managed by Monte Titoli, dividends received by resident persons exempt from corporation tax (IRES) are subject to a substitute tax at a rate of 27% applied by the person (joining the centralize deposit system managed by Monte Titoli) with which the shares are deposited up to December 31, 2011. For dividends received as from January 1, 2012, the aforesaid withholding is

fixed at a rate of 20%, as provided for by Decree Law no. 138 of August 13, 2011, converted into Law 148 of September 14, 2011.

(vi) *Italian pension funds and O.I.C.V.M.*

Profits received by Italian pension funds referred to in Legislative Decree no. 252 of December 5, 2005 ("**Decree 252**") contribute towards forming the annual overall management result accrued, liable for substitute tax at a rate of 11%.
Profits received by Italian undertakings for collective investment in transferable securities *[UCITS]* subject to the provisions laid down by article 8, paragraphs from 1 to 4, of Legislative Decree no. 461 of November 21, 1997 ("**O.I.C.V.M.**") contribute towards forming the annual overall management result accrued and subject to tax.
The distribution of income, i.e. the difference between the redemption or liquidation value of the shares and the subscription or purchase cost thereof, is subject to a withholding at source at a rate of 12.5% up to December 31, 2011. Pursuant to Decree Law no 138 of August 13, 2011, converted into Law 148 of September 14, 2011, this rate was fixed at 20% as from January 1, 2012.

(vii) *Property mutual investment funds*

Pursuant to Decree Law no. 351 of September 25, 2001 ("**Decree 351**"), converted with amendments by Law no. 410 of November 23, 2001, and following the amendments made by article 41-*bis* of Decree Law no. 269 of September 30, 2003 ("**Decree 269**"), converted, with amendments, by Law no. 326 of November 24, 2003, dividends received by property mutual investment funds established pursuant to article 37 of the Consolidated Law or article 14-*bis* of Law no. 86 of January 25, 1994 ("**Law 86**"), and by property investment funds established prior to September 26, 2001, are not subject to tax withholding or to substitute tax.

(viii) *Persons not resident in Italy for tax purposes holding shares through a permanent establishment in State territory*

Distributions of profits received by persons not resident in Italy holding an interest through a permanent establishment in Italy are not subject to any withholding in Italy or to substitute tax.
In such event, the profits contribute towards forming the overall income of the permanent establishment in an amount of 5% of their amount, or in the entire amount if they relate to securities held for trading by persons applying the accounting principles IAS/IFRS.

(ix) *Persons not resident in Italy for tax purposes not holding shares through a permanent establishment in State territory*

Dividends deriving from shares or similar securities entered in the centralized deposit system managed by Monte Titoli (such as the shares), received by persons not resident in Italy for tax purposes, with no permanent establishment in State territory to which the interest is attributable, are in principle subject to a substitute tax of 27% for dividends collected up to December 31, 2011, and a rate of 20% for dividends collected as from January 1, 2012, as provided for by Decree Law no. 138 of August 13, 2011, converted into Law 148 of September 14, 2011. Such substitute tax is applied by resident persons at which the securities are deposited, joining the centralized deposit system managed by Monte Titoli, and by a tax representative appointed in Italy, by non-resident persons joining the Monte Titoli System or foreign centralized deposit systems joining the Monte Titoli System.

Shareholders resident abroad for tax purposes, other than savings shareholders, pursuant to article 27-*ter*, paragraph 3, of Presidential Decree 600/1973, are entitled to a reimbursement of up to:

- 4/9 of the substitute tax incurred in Italy up to December 31, 2011;
- 1/4 of the substitute tax incurred in Italy as from January 1, 2012;

on the tax which they can prove they have finally paid abroad on those same profits, following production of the relative certification from the competent tax office of the foreign State.

Pursuant to the provisions of article 27-*ter*, paragraph 4, of Presidential Decree 600/1973, as an alternative to requesting reimbursement, persons resident in States with which agreements for the avoidance of double taxation are in force may request the application of the tax substituting for income tax in the (reduced) amount provided by the agreement applicable at any time.
To that end, the persons at which the shares are deposited joining the centralized deposit system managed by Monte Titoli, must obtain:

- a declaration from the non-resident person who is the actual beneficiary of the profits, containing the identity details of the person itself, the existence of all the conditions to which the application of the agreement is subject and any details required to determine the rate applicable pursuant to the agreement;
- a certificate issued by the competent tax authority of the State in which the actual beneficiary of the profits is resident, indicating its residency in the State itself pursuant to the agreement. This certificate will take effect up to March 31 of the year following that of presentation.

Such documentation must be presented to the custodian prior to the payment of dividends.

If the recipients are:

- resident for tax purposes in one of the Member States of the European Union or in one of the Acceding States to the Agreement on the European Economic Area and included in the list to be drawn up with a suitable Decree of the Ministry of Economy and Finance pursuant to article 168-*bis* of the TUIR;
- subject to corporation tax;

dividends are subject to a substitute tax equal to 1.375% of the relative amount.

It is recalled that, up to the enactment of the aforesaid Decree of the Ministry of Economy and Finance, the acceding States to the Agreement on the European Economic Area of significance for the purposes of application of the tax at the aforesaid rate of 1.375% are those included in the list referred to in the Decree of the Ministry of Finance of September 4, 1996, and subsequent amendments. Article 1, paragraph 68, of the Finance Act 2008 provided that substitute tax of 1.375% shall only apply to dividends deriving from profits made as from the financial year following that in progress at December 31, 2007.
With Ministerial Circular no. 32/E of July 8, 2011, however, in order to fully implement the judgment of the European Court of Justice of November 19, 2009, case C-540/07, clarified that a reduced rate of 1.65% applies to dividends paid to companies and entities resident in the European Union and in acceding countries to the Agreement on the European Economic Area, even if formed prior to January 1, 2008 (through the effect of the rate of IRES *[corporate income tax]* in force prior to January 1, 2008, equal to 33%).

Pursuant to article 27-*bis* of Presidential Decree 600/1973, approved in implementing Directive no. 435/90/EEC of July 23, 1990, if the dividends are received by a company:

- holding one of the forms laid down in the annex to that same Directive no. 435/90/EEC;
- resident in a Member State of the European Union for tax purposes;
- subject, in the State of residence, without the possibility of benefiting from option or exemption systems not limited in territory or in time, to one of the taxes indicated in the annex to the aforesaid Directive;
- holding a direct interest in the Issuer of not less than 10% of the share capital, for an uninterrupted period of at least one year;

such company shall be entitled to apply to the Italian tax authorities for the reimbursement of the substitute tax applied to the dividends received by it.

To that end, the non-resident company must produce:

- certification, issued by the competent tax authorities of the foreign State, certifying that the non-resident company satisfies the aforesaid requirements;
- documentation certifying that the interest has been held for at least one year.

If the minimum annual period of holding the interest in the Issuer has already passed at the time of distribution of the dividend itself, the non-resident company may, as an alternative to reimbursement, apply to the custodian for the non-application of the substitute tax following presentation of the aforesaid documentation.

If the non-resident companies are directly or indirectly controlled by non-resident persons in EU States, the aforesaid provisions may only be applied provided that those same companies can prove that they have not been set up solely or mainly to benefit from the system in question.

(x) *Distribution of reserves laid down by article 47, paragraph 5, of the TUIR*

The tax system applicable to the distribution by the Issuer – at a time other than a reduction in surplus capital, withdrawal, exclusion redemption or liquidation – of the Capital Reserves referred to in article 47, paragraph 5, of the TUIR, i.e., *inter alia*, of reserves or other funds set up with share issue premiums, with adjustment interest

paid by subscribers, with payments made by shareholders without security or on account of capital or with monetary revaluation balances exempt from tax (hereinafter also "**Capital Reserves**") is summarized below.

(1) Natural persons not carrying out business activities resident in Italy for tax purposes

Pursuant to the provisions of article 47 paragraph 1 of the TUIR, irrespective of the resolution of the shareholders' meeting, sums received by natural persons resident in Italy for tax purposes not carrying out business activities by way of distribution of capital reserves constitute profits for the recipients within the limits and in the amount in which they exist, made by the distributing company, operating profits and profit reserves (apart from the portion of them provided as an untaxed revenue).

Sums classified as profits are subject, depending on whether or not they are non-classified interests and/or do not relate to the business, to the system indicated above.

Sums received by way of distribution of Capital Reserves, net of any amount classifiable as profit, reduce the recognized cost of the interest for tax purposes by the same amount, to be considered at the time of possible transfer thereof. The Financial Authority has stipulated that sums received by way of distribution of Capital Reserves, for the portion exceeding the tax cost of the interest constitute profits.

With regard to interests for which the natural person has opted for the so-called "managed savings" system referred to in article 7 of Legislative Decree 461/1997, in the absence of any clarification by the Financial Authority, following a systematic interpretation of the rules, sums distributed by way of distribution of Capital Reserves must contribute towards forming the annual management result accrued in relation to the tax period in which the distribution took place. The value of the interests at the end of that same tax period as well (or at the time when the "managed savings" system ceases to apply, if earlier) must be included in the calculation of the annual management result accrued during the tax period, to be liable for substitute tax of 12.50% for the result accrued up to December 31, 2011, and 20% for the result accrued as from January 1, 2012, as provided for by Decree Law no.138 of August 13, 2011, converted into Law 148 of September 14, 2011.

(2) Limited partnerships and the like referred to in article 5 of the TUIR, partnerships, companies and entities referred to in article 73, paragraph 1, letters a) and b) of the TUIR and natural persons carrying out business activities, resident in Italy for tax purposes.

With regard to natural persons carrying out business activities, limited partnerships and the like (excluding simple partnerships) referred to in article 5 of the TUIR, and companies and entities referred to in article 73, paragraph 1, letters a) and b), of the TUIR, resident in Italy for tax purposes, sums received by way of distribution of the Capital Reserves constitute profits within the limits and to the extent that operating profits and profit reserve exist (apart from the portion of them provided as an untaxed revenue) for the company making the distribution. The sums classified as profits are subject to the same tax system as that indicated above.

Sums received by way of distribution of the Capital Reserves, net of any amount classifiable as profit, reduce the cost of the interest recognized for tax purposes by the same amount.

Sums received by way of distribution of the Capital Reserves, for the portion exceeding the tax cost of the interest, constitute gains and as such are subject to the system indicated in the paragraph below.

(3) Italian pension funds and O.I.C.V.M.

Based on a systematic interpretation of the rules, sums received by Italian pension funds referred to in Legislative Decree no. 252 of December 5, 2005 ("**Decree 252**") contribute towards forming the annual overall management result accrued, liable for substitute tax at a rate of 11%.

Sums received by Italian undertakings for collective investment in transferable securities [*UCITS*] subject to the provisions laid down by article 8, paragraphs from 1 to 4, of Legislative Decree no. 461 of November 21, 1997 ("**O.I.C.V.M.**") contribute towards forming the annual overall management result accrued and subject to tax.

The distribution of income, i.e. the difference between the redemption or liquidation value of the shares and the subscription or purchase cost thereof, is subject to a withholding at source at a rate of 12.5% up to December 31, 2011. Pursuant to Decree Law no 138 of August 13, 2011, converted into Law 148 of September 14, 2011, this rate was fixed at 20% as from January 1, 2012.

(4) Persons not resident in Italy for tax purposes without a permanent establishment in State territory

For persons not resident in Italy for tax purposes (whether natural persons or partnerships), without a permanent establishment in Italy, to whom the interest relates, the tax nature of the sums received by way of distribution of the Capital Reserves is the same as that indicated for natural persons resident in Italy for tax purposes. As indicated for natural persons and for partnerships resident in Italy for tax purposes, sums received by way of distribution of the Capital Reserves, net of any amount classifiable as profit, reduce the cost of the interest recognized for tax purposes by the same amount.

(5) Persons not resident in Italy for tax purposes with a permanent establishment in State territory

With regard to non-resident persons holding the interest through a permanent establishment in Italy, such sums contribute towards forming the income of the permanent establishment according to the system of taxation laid down for companies and entities referred to in article 73, paragraph 1, letters a) and b) of the TUIR.

Tax system applicable to gains deriving from the transfer of shares

(i) Natural persons resident in Italy for tax purposes not carrying out business activities

Gains, other than those made in the operation of commercial businesses, deriving from the transfer of interests for consideration, and securities or rights through which the aforesaid interests may be acquired, are subject to a different tax system depending on whether they involve a transfer of Classified Interests or of Non-Classified Interests.

Transfer of Classified Interests
Gains deriving from the transfer of a Classified Interest made outside the operation of commercial companies contribute partially towards the formation of the taxable income of the recipient. The Ministerial Decree of April 2, 2008, redetermined the percentage of contribution to the formation of income in an amount of 49.72% with reference to gains made as from January 1, 2009. The previous percentage of contribution to the formation of income, equal to 40%, still applies to gains made prior to January 1, 2009, if the related consideration is totally or partially received after that date.
Such gains are taxed at the time of the annual declaration of income.

Transfer of Non-Classified Interests
Gains not earned during the operation of commercial companies, made by transfer for consideration of Non-Classified Interests, and securities or rights through which the aforesaid interests may be acquired, are subject to a substitute tax of 12.5% for gains made up to December 31, 2011 and 20% for gains made after January 1, 2012, as provided for by Decree Law no. 138 of August 13, 2011, converted into Law 148 of September 14, 2011.
The taxpayer may opt for one of the following methods of taxation:

- Taxation based on the declaration of income. The declaration should indicate the gains and losses made during the year. The substitute tax is determined at that time on gains net of the relative losses and is paid within the deadline laid down for the payment of the balance due of income taxes based on the declaration.
  Excess losses made up to December 31, 2011, provided they are stated in the declaration of income, may be deducted, by an amount equal to 62.5% thereof, up to the amount of the relative gains during subsequent tax periods, but not beyond the fourth. They must be declared if the person does not choose one of the two systems laid down in the following points.

- Administered savings system (optional). This system may apply provided that *(i)* the shares are deposited with resident banks or property agencies or other resident persons identified by suitable Ministerial decrees and *(ii)* the shareholder opts (with signed notice sent to the agent) for the application of the administered savings system. If the person opts for that system, the substitute tax is determined and paid at the time of the individual transfer by the agent with which the shares are placed in safekeeping or administration, on each gain made. Excess losses made up to December 31, 2011, provided they are stated in the declaration of income, may be deducted, by an amount equal to 62.5% thereof, up to the amount of the relative gains during subsequent tax periods, but not beyond the fourth.

- Managed savings system (optional). For this system to be chosen, an authorized agent must be appointed for the financial management. Under this system, the substitute tax is applied by the agent at the end of each tax period on the increase in value of the managed equity accrued during the tax period, even if not received, net of income subject to withholding, exempt income or income howsoever not subject to tax, income contributing towards forming the taxpayer's overall income and income deriving from shares in Italian undertakings for collective investment in transferable securities liable for substitute tax referred to in article 7 of Legislative Decree 461/1997. Under the managed savings system, the gains made by transfer of Non-Classified Interests contribute towards forming the increase in the managed equity accrued during the tax period, subject to substitute tax. Any negative management results reported at December 31, 2011, are deducted from the management results accrued during the following four years for a portion equal to 62.5% of their amount.

(ii) Natural persons operating business activities, limited partnerships and the like referred to in article 5 of the TUIR

Gains made by natural persons in the operation of businesses, limited partnerships and the like referred to in article 5 of the TUIR deriving from the transfer for consideration of shares contribute towards forming the taxable business income for their entire amount.
If the conditions laid down in points (a), (b), (c) and (d) of the following paragraph are satisfied, the gains contribute towards forming the taxable business income to a partial extent.
The Ministerial Decree of April 2, 2008, redetermined the percentage of contribution to the formation of income in an amount of 50.28% with regard to gains made as from January 1, 2009.
Losses made relating to interests with the requirements laid down in points (a), (b), (c) and (d) of the following paragraph are deductible to a similar extent.
For the purposes of determining gains and losses relevant for tax purposes, the tax cost of the shares transferred is assumed net of impairment deducted during the previous tax periods.

(iii) Companies and entities referred to in article 73, letters a) and b), of the TUIR

Gains made by companies and entities referred to in article 73, letters a) and b), of the TUIR, i.e. by joint-stock companies and share partnership companies, limited liability companies and public and private entities whose sole or main object involves the operation of commercial activities contribute towards forming the taxable business income for their entire amount.
Pursuant to article 87 of the TUIR, however, gains made relating to shares in companies and entities indicated in article 73 of the TUIR do not contribute towards forming the taxable income as they exempt in an amount of 95%, provided the following requirements are satisfied:

(a) uninterrupted possession as from the first day of the twelfth month preceding that of the transfer, the shares purchased most recently being deemed to be transferred first;

(b) classification in the category of financial fixed assets in the first financial statements closed during the period of ownership;

(c) tax residency of the company in which an interest is held in a State or territory referred to in the Decree of the Ministry of Economy and Finance issued pursuant to article 168-*bis* of the TUIR, or, alternatively, proof, following questioning according to the procedure laid down in article 167, paragraph 5, letter b), of the TUIR, that the interests have not caused the income to be situated in States or territories other than those identified in that same Decree referred to in article 168-*bis* of the TUIR, since commencement of the period of ownership;

(d) the company in which an interest is held operates a commercial business according to the definition given in article 55 of the TUIR; such requirement does not apply to interests in companies whose securities are traded on the regulated markets, however.

The requirements laid down in points (c) and (d) must exist uninterruptedly, at the time of realization of the gain, at least since the commencement of the third tax period prior to the realization itself. Transfers of shares belonging to the category of financial fixed assets or those belonging to the category of current assets should be considered separately with regard to each category. If the aforesaid requirements are satisfied, losses made on the transfer of interests are non-deductible from business income.
For the purposes of determining gains and losses relevant for tax purposes, the tax cost of the shares transferred is assumed net of impairment deducted during the previous tax periods.
As from January 1, 2006, losses and negative differences between income and expenditure relating to shares not satisfying the requirements for exemption are not considered up to the non-taxable amount of the dividends, or their payments on account, received during the 36 months preceding their realization/achievement.
This final provision:

- applies with regard to shares purchased during the 36 months preceding the realization/achievement, provided that the conditions laid down in points (c) and (d) are satisfied;
- does not apply to persons preparing the financial statements based on the international accounting standards laid down in Regulation (EC) no. 1606/2002 of the European Parliament and of the Council, of July 19, 2002.

With regard to losses deductible from business income, it is indicated that:

- pursuant to paragraph 4, article 1, of Decree Law no. 209 of September 24, 2002, converted by Law no. 265 of November 22, 2002 – losses for an overall amount exceeding Euro5,000,000, deriving from transfers of interests constituting financial fixed assets realized, even following several acts of disposal, as from the 2002 tax period, must be notified by the taxpayer to the Revenue Agency. Details of the notices, as well as the terms and procedural conditions of said notice, are contained in the Revenue Agency order of May 22, 2003 (published in Gazzetta Ufficiale no. 138 of June 17, 2003). In the event of

a notice omitted, incomplete or inaccurate, the losses made are not deductible for tax purposes. Such obligation to give notice – through the effect of the provisions of article 1, paragraph 62, of Law no. 244 of December 24, 2007 – does not apply to persons preparing the financial statements based on the international accounting standards laid down in Regulation (EC) no. 1606/2002 of the European Parliament and of the Council, of July 19, 2002 since the 2008 financial year;

- pursuant to article 5-*quinquies*, paragraph 3, of Decree Law no. 203 of September 30, 2005, converted with amendments by Law no. 248 of December 2, 2005, n. 248, losses and negative differences for an overall amount exceeding Euro50,000, deriving from transactions carried out, even following several acts of disposal, on shares or other securities traded on Italian or foreign regulated markets, must be notified by the taxpayer to the Revenue Agency. Details of the notices, as well as the terms and procedural conditions of said notice, are contained in the Revenue Agency order of March 29, 2007 (published in Official Gazette of the Republic of Italy no. 86 of April 13, 2007). In the event of a notice omitted, incomplete or inaccurate, the losses made are not deductible for tax purposes.

(iv) Entities referred to in article 73, letter c), of the TUIR, resident in Italy for tax purposes

Gains made, outside the business activities, by resident non-commercial entities, are subject to taxation with the same rules laid down for gains made by natural persons on interests held not under the business system.

(v) Italian pension funds and O.I.C.V.M.

Gains made by Italian pension funds referred to in Legislative Decree no. 252 of December 5, 2005 ("**Decree 252**") contribute towards forming the annual overall management result accrued, liable for substitute tax at a rate of 11%.
Gains made by Italian undertakings for collective investment in transferable securities [UCITS] subject to the provisions laid down by article 8, paragraphs from 1 to 4, of Legislative Decree no. 461 of November 21, 1997 ("**O.I.C.V.M.**") contribute towards forming the annual overall management result accrued subject to taxation.
The distribution or income or the difference between the redemption or liquidation value of the shares and the subscription or purchase cost thereof is subject to a withholding at source at a rate of 12.5% up to December 31, 2011. Pursuant to Decree Law no. 138 of August 13, 2011, converted into Law 148 of September 14, 2011, that rate was fixed at 20% as from January 1, 2012.

(vi) Mutual property investment funds

Pursuant to Decree Law 351/2001, and following the amendments made by article 41-*bis* of Decree Law 269/2003, as from January 1, 2004, the income, including the gains deriving from the transfer of shares, made by the mutual property investment funds established pursuant to article 37 of the Consolidated Law and article 14-*bis* of Law 86/1994 are not subject to income taxes.

(vii) Persons not resident in Italy for tax purposes having a permanent establishment in State territory

With regard to non-resident persons holding an interest through a permanent establishment in Italy, such sums contribute towards forming the income of the permanent establishment according to the system of taxation laid down for gains made by companies and entities referred to in article 73, letters a) and b), of the TUIR, resident in Italy for tax purposes.

(viii) Persons not resident in Italy for tax purposes, not having a permanent establishment in State territory

Non-Classified Interests
Gains made by persons not resident in Italy for tax purposes, not having a permanent establishment in Italy through which the interests are held, deriving from the transfer for consideration of Non-Classified interests in Italian companies traded on regulated markets (such as the Issuer) are not subject to taxation in Italy, even if they are held there. For shareholders not resident in Italy for tax purposes to whom the administrated savings system applies or who have opted for the managed savings system referred to in articles 6 and 7 of Legislative Decree 461/1997, the benefit of exemption is subject to the presentation of self-certification certifying non-residency in Italy for tax purposes.

Classified interests
Gains made by persons not resident in Italy for tax purposes, not having a permanent establishment in Italy (through which the interests are held), deriving from the transfer for consideration of Classified interests, pursuant

to article 23 of the TUIR, are deemed to be produced in State territory and subject to taxation there. Such gains are subject to taxation only at the time of the annual declaration of income, as they cannot be subject either to the administrated savings system or to the managed savings system. The provisions laid down by the international agreements for the avoidance of double taxation, where they exist, still apply, however.

Tax on stock-exchange contracts
Pursuant to article 37 of Decree Law no. 248 of December 31, 2007 converted into Law no. 31 of February 28, 2008, the tax on stock-exchange contracts referred to in Royal Decree no. 3278 of December 30, 1923, was rescinded.

Inheritance and gift tax
Decree Law no. 262 of October 3, 2006, converted, with amendments, by Law no. 286 of November 24, 2006, established inheritance and gift tax on transfers of assets and rights on account of death, by donation or free of charge and on the formation of liens on use. With regard to anything not provided for by article 2 paragraphs from 47 to 49 and paragraphs from 51 to 54 of Law no. 286 of 2006, the provisions laid down by Legislative Decree no. 346 of October 31, 1990, apply, in the wording in force at October 24, 2001.
For resident persons, inheritance and gift tax is applied to all assets and rights transferred, wheresoever they exist. For non-resident persons, inheritance and gift tax is applied solely to assets and rights existing in Italian territory. Shares in company having their registered office or administrative office or main objects in Italy are deemed to exist in Italian territory in any event.

a) Inheritance tax
Pursuant to article 2, paragraph 48, of Law no. 286 of November 24, 2006, transfers of assets and rights owing to death are subject to inheritance tax, with the following rates, to be applied to the net overall value of the assets:
(i) for assets and reverting to the spouse and direct relatives, the rate is 4% with a deductible of Euro1,000,000 per beneficiary;
(ii) for assets and rights reverting to other relatives up to the fourth degree and direct kin, and relatives in law to the third degree, the rate is 6% (with a deductible equal to Euro100,000 solely for brothers and sisters);
(iii) for assets and rights reverting to other persons, the rate is 8% (with no deductible).

If the beneficiary has a handicap recognized as serious pursuant to Law no. 104 of February 5, 1992, inheritance tax is only applied to that part of the value of the share or legacy exceeding the sum of the Euro1,500,000.

b) Gift tax
Pursuant to article 2, paragraph 49, of Law no. 286 of November 24, 2006, for donations and deeds of transfer free of charge of assets and rights and the formation of liens on use of assets, gift tax is determined by the application of the following rates to the overall value of the assets and rights, net of charges payable by the beneficiary, or, if the gift is made jointly in favor of several persons or if the same deed includes several acts of disposal in favor of different persons, to the value of the portions of assets or rights attributable:
(i) in the event of a donation or transfer free of charge in favor of the spouse or direct relatives, gift tax is applied at a rate of 4% with a deductible of Euro1,000,000 per beneficiary;
(ii) in the event of a donation or transfer free of charge in favor of other relatives to the fourth degree and direct kin, and relatives in law to the third degree, inheritance tax is applied at a rate of 6% (with a deductible equal to Euro100,000 solely for brothers and sisters);
(iii) in the event of a donation or transfer free of charge in favor of other persons, inheritance tax is applied at a rate of 8% (with no deductible).

If the beneficiary has a handicap recognized as serious pursuant to Law no. 104 of February 5, 1992, gift tax is only applied to that part of the value exceeding the sum of Euro1,500,000.

5. Conditions of the Offering

Introduction

On March 30, 2011, Elettronica Industriale and DMT announced that they had begun to discuss a project concerning the industrial integration between the assets respectively owned by Elettronica Industriale and by the DMT Group in the industry of electronic communication networks infrastructure. The Transaction is designed to create a leader in Italy in the business of electronic communication networks infrastructure and the related, as well as to create key synergies between the respective businesses, in the light to increase value for all shareholders.

On July 28, 2011, the EI Towers board of directors and the DMT board of directors, among other things: *(i)* approved the Merger Project; *(ii)* approved the board of directors report illustrating the Merger; *(iii)* approved the respective financial statements as of June 30, 2011, used as the basis for the Merger; *(iv)* having examined the reports from their respective advisors (for DMT, the companies Equita S.I.M. S.p.A. and Numeralia Corporate Finance S.r.l., and for EI Towers, Banca IMI S.p.A., which issued a fairness opinion regarding the exchange ratio), determined an exchange ratio of 34 shares of the Acquiring Company, face value of 0.10 Euro each, for every 401 shares of the Target Company, face value of 1.00 Euro each; *(v)* approved the Merger Agreement; *(vi)* approved the 2011-2016 Business Plan for the Company Resulting from the Merger; and *(vii)* voted to convene extraordinary shareholders' meetings in October for the companies to approve the Merger.

As standard practice, on July 28, 2011, DMT and EI Towers also executed a protocol that sets a timeframe for the Transaction, as well as the steps in the corporate procedure for approving the Merger (Merger Agreement).

On August 1, 2011, by means of a measure issued in response to a motion from DMT and EI Towers, the presiding judge of the Court of Monza appointed the Auditing Firm Reconta Ernst & Young S.p.A. as sole expert for the issuance of the report on the adequacy of the share ratio for exchanging the Acquiring Company's shares with the shares of the Target Company. Pursuant to and in accordance with Article 2501-*sexies* of the Italian Civil Code, the firm drew up a report on the adequacy of that ratio. That report was issued on September 13, 2011 and on the same date was made available to the public, together with the Merger Project and relative directors' report, on the Company's website, www.dmtonline.com.

On October 14, 2011, the DMT and EI Towers extraordinary shareholders' meetings approved the Merger.

In order to comply with the exchange ratio, the DMT extraordinary shareholders' meeting also approved a capital increase from the current 1,130,477.50 Euro to 2,826,237.70 Euro by issuing 16,957,602 shares with a face value of 0.10 Euro each, to be assigned to the sole shareholder of EI Towers, Elettronica Industriale, against 199,999,953 shares out of a total of 200,000,000 shares of the Target Company. In order to ease the exchange transactions and in light of the small number of remaining shares (47 shares of the Target Company), Elettronica Industriale waived its right with respect to those remaining shares.

Furthermore, on July 28, 2011, Elettronica Industriale entered into an agreement, as amended on December 21, 2011, with Millenium Partecipazioni and with the consent, as far as he is concerned, of Alessandro Falciai covering the purchase and sale of no. 1,413,118 ordinary shares of the Company Resulting from the Merger, equal to 5.0% of said company capital stock, for an overall gross consideration due from Elettronica Industriale to Millenium Partecipazioni equal to Euro 39,677,126.13, equal to Euro 28.08 per share, corresponding to the implicit value resulting from the Merger exchange ratio (the "**Purchase and Sale Agreement**"). After the Merger and after said Purchase and Sale Contract has been executed, the holdings of Elettronica Industriale and of Alessandro Falciai, directly and indirectly, in the Company Resulting from the Merger, shall be 65.001% and 9.328%, respectively.

As a consequence of the Merger and of the purchase of the shares object of the Purchase and Sale Contract by Elettronica Industriale, the share capital of the Company resulting from the Merger is dived as follows:

Declarer	**Direct Shareholder**	**% of the stock capital**
Silvio Berlusconi[(1)] *indirectly through*	Elettronica Industriale S.p.A.	**65.001%**
Alessandro Falciai *of which*		**9.328**%
directly	Alessandro Falciai	1.612%

and indirectly through	Millenium Partecipazioni	7.716 %
Octavian Advisors LP *directly*	Octavian Advisor LP	**4.004%**
Permian Investment Partners LP *indirectly through*	Permiran Master Fund LP	**2.010%**
Flinn Lawrence Jr. *indirectly through*	Flinn Investments LLC	**0.956%**
Fil Limited *directly*	Fil Limited	**0.860%**
Wyser Pratte Guy *indirectly through*	Wyser Pratte Management Co. Inc.	**0.820%**
Barclays Plc *indirectly through*	Barclays Capital Securities Limited	**0.816%**
	Total	**83.795%**
Treasury stock		**0.610%**
Market		**15.595%**
	Total	**100%**

(1) Mr. Silvio Berlusconi exercises a *de facto* indirect control on Mediaset, through Fininvest S.p.A. (that, according to the available information owns a participation equal to 40.26069% of the share capital of Mediaset) and Holding Italiana Seconda S.p.A. (that, according to the available information owns a participation equal to 0.18371% of the share capital of Mediaset). Mediaset, in turn, directly owns the entire share capital of R.T. I. S.p.A., which directly owns the total share capital of Elettronica Industriale.

On July 28, 2011, DMT and Alessandro Falciai also signed a non-compete agreement for 3 (three) years from the effective date of the Merger, against payment of a total consideration of 7,500,000 Euro, to be paid in more than one installment.

On the effective date of the Merger, the Acquiring Company's By-laws shall be amended to reflect changes related to the increase in capital stock for the Merger, as described above, and to indicate that the company name has been changed from "Digital Multimedia Technologies S.p.A." to "EI Towers S.p.A."

The newly issued shares of the Acquiring Company will share in the profits effective on the same date that the shares of the Acquiring Company outstanding on the date of the Merger Project. Therefore, all DMT shares will have the same enjoyment. Upon completion of the Merger, the shares of the Company Resulting from the Merger will continue to be listed on the MTA.

The Merger will have its legal effects starting from the latest registration in the Registry of Companies, as provided in Article 2504, paragraph 2 of the Italian Civil Code, or from a later date indicated in the deed of Merger.

The Target Company's transactions shall be reflected on the Acquiring Company's balance sheet beginning on the first day of the fiscal year (i.e., January 1) in which the Merger takes effect. The Merger shall become effective for tax purposes as of the same date.

On the date that the Merger becomes effective, the Acquiring Company will succeed the Target Company in all legal relationships, whether entailing rights or obligations.

Values attributed to the Companies Participating to the Merger, criteria followed to determine the exchange ratio and exchange methods and valuation methods

A. Valuations made by the board of directors of DMT

For the purposes of examining the integration between DMT and EI Towers, the board of directors of DMT considered that such Transaction should be examined taking into account the aggregation of the civil and technological infrastructures of EI Towers and DMT and the development of the potential synergies deriving from the integration itself.

For the purposes of the valuation analysis made, the board of directors of DMT mainly referred to the methodologies normally adopted in market practice in relation to similar transactions, and also took into account the specific characteristics of EI Towers and DMT and, in general, the whole transaction.

The following valuation criteria were therefore used: *(i) Unlevered Discounted Cash Flow* – UDCF, generated by the *business* of the Companies Participating to the Merger, both on a *stand-alone* basis than taking into account the potential synergies and efficiencies expected from the combination; these potential synergies and efficiencies were reattributed based on the expected economic and financial profiles of each of the Companies Participating to the Merger; *(ii)* method of multiples expressed by the EBITDA of companies listed on regulated markets, using a sample of companies operating in the reference sector and considered comparable by type of *business* (*trading multiples*) applied taking into account the various cash generating profiles of the Companies Participating to the Merger; *(iii)* method of implicit multiples of the EBITDA registered during the course of previous *M&A* transactions in the same sector (*transaction multiples*).

The board of directors also analyzed the stock-exchange prices of the DMT shares during the periods prior to notification to the market of the prospective Merger transaction. However the results of this analysis have not been adopted, in order to determine the exchange ratio, considering the industrial purpose of the transaction and because this analysis could not be speculatively carried out on EI Towers, as its shares are not quoted on regulated markets. In such an event, in fact, values obtained would not be comparable and methodologically uniform.

The board of directors of DMT also made use of the *fairness opinion* prepared by the financial *advisors* Equita S.I.M. S.p.A. and Numeralia Corporate Finance S.r.l. for the analysis of congruity of the exchange ratio from a financial point of view.

The reference date of the valuations is fixed at June 30, 2011.

Limits of the analysis and difficulties of valuation

The valuations made by the board of directors of DMT in order to determine the exchange ratio, whose congruity from a financial point of view has also been supported by the financial advisors Equita S.I.M. S.p.A. and Numeralia Corporate Finance S.r.l., should be considered in the light of several limits and difficulties which, in this case, can be summarized as follows:

- several valuation methodologies were applied using estimated economic and financial data based on the current economic, financial and market conditions;
- the projections relating to the 2011-2016 period, whether *stand-alone* or regarding the Company Resulting from the Merger, have been estimated on the basis of the guidelines of the 2011-2016 *stand-alone* economic and financial plan approved by the boards of directors of the Companies Participating to the Merger. Due to their nature, these estimates present profiles of uncertainty and indeterminateness;
- the valuations do not take into account any events after the reference date of the analyses;
- little presence of recent fully comparable transactions.

Valuation methodologies adopted

In the case in question, in the valuation of EI Towers and DMT, the board of directors of DMT took into consideration the Transaction overall, considering the industrial purpose and the specific nature of the integration planned with the possible benefits deriving from the integration of the business plans of EI Towers and DMT.

Furthermore, the board of directors of DMT also considers the Merger between EI Towers and DMT to be a *reverse takeover* and, therefore, aimed at Elettronica Industriale' acquiring control of the Company Resulting from the Merger.

In this context, according to a consolidated principle in valuation practice, it should be preferred the principle of uniformity of the valuation criteria applied as the object of the valuations in similar transactions is not so much to determine the absolute economic values of the companies involved but obtaining values which are comparable with each other.

For that reason, the aforesaid valuations assume significance in their relative profile and cannot be considered as estimates of the absolute value of the companies involved in the transaction, but they must be considered an inseparable part of a single valuation procedure.

In the light of these considerations, the valuation methodologies adopted are indicated and described in detail below.

a) Unlevered Discounted Cash Flow

Based on this methodology, the value of a company's economic capital is equal to the sum of *(i)* the discounted net operating cash flows which the company will presumably be able to generate during a specific period of analytical estimate; *(ii)* the discounted net operating cash flows estimated after the specific period of analytical estimate (the end value, calculated as the current value of a perpetual income for an amount equal to a net operating cash flow considered sustainable in "*Perpetuity*"); *(iii)* the alleged value of any surplus assets not included in the operating cash flows (therefore including the value of the non-consolidated tied-up interests), net of (iv) financial indebtedness and minority interests, as expressed by the following formula:

$$W = \sum_{t=1}^{n} \frac{FC_t}{(1+WACC)^t} + \frac{VT}{(1+WACC)^n} + SA - IFN_{t0} - M$$

where:

W= Value of the company's economic capital

FCt= Annual net operating cash flow expected in period t

VT= Terminal value

SA= Surplus Assets

IFN= Net financial indebtedness at time t=0

M= Minority interests (minorities)

n= Number of periods of projection

WACC = Weighted Average Cost of Capital

The net operating cash flows relate to the characteristic activity of the company that is subject of valuation. These flows can be estimated as follows:

+ Operating income

– figurative tax effect on the operating income

= NOPAT (Net Operating Profits After Taxes)

+ amortization

+ non-monetary allocations

± Δ net working capital

± Δ other liabilities/assets

– net investments

= Net operating cash flow

The Terminal Value, however, represents the current value of the net operating cash flows estimated for the period after the specific reference time span; it is estimated as follows:

$$VT = FCF_{n+1} / (WACC - g)$$

where:

g = nominal perpetual growth rate of the net operating cash flow expected during the period after the specific period;

FCF_{n+1} = (sustainable) normalized operating cash flow as from the first year after the specific period of estimate (n).

WACC = Weighted Average Cost of Capital

The rate used to discount the expected net operating cash flows and the end value is calculated as the weighted average cost of capital and indebtedness by means of the following formula:

$$\text{WACC} = [D/(D+E)] \times K_d \times (1-t) + [E/(E+D)] \times K_e$$

where:

D = net financial indebtedness;

E= current value of net equity ;

Kd= cost of indebtedness;

Ke= cost of equity.

In particular, the cost of the debt capital represents the long-term financing rate applicable to companies or economic activities with a similar risk adjusted by the tax component. The cost of equity reflects the return expected by the investor and is estimated in prevalent practice based on the Capital Asset Pricing Model (CAPM), defined by the following formula:

$$K_e = r_f + \beta \times (r_m - r_f)$$

where:

r_f = rate of return on risk-free activities;

β = correlation factor between the actual return of a share and the overall return of the reference share market;

r_m = overall return of the reference market;

$(r_m - r_f)$ =return premium requested by the reference share market in relation to risk-free investments (Equity Risk Premium).

Based on these assumptions, applying the Unlevered Discounted Cash Flow methodology and taking into account the potential synergies and industrial efficiencies expected by the combination, the board of directors of DMT considers that:

- the valuation range of DMT's economic capital is equal to Euro 297-380 million with an implicit value per DMT share equal to Euro 26.3-33.6. The Weighted Average Cost of Capital used for the discounting of DMT's cash flows falls within a range of 7.4% and 7.6%;
- the valuation range of EI Towers' economic capital is equal to Euro 446-582 million with an implicit value per EI Towers share equal to Euro 2.2-2.9. The Weighted Average Cost of Capital used for the discounting of EI Towers' cash flow falls within a range of 7.1% and 7.4%.

This Weighted Average *Cost of Capital* of EI Towers is lower than that of DMT due to a different cost of indebtedness (Kd).

b) Stock Exchange multiples

The Stock Exchange multiples methodology consists in determining the value of a business by observing the valuations expressed by the financial markets for businesses with similar characteristics.

The application of this method provides firstly for the calculation of the multiples of companies that are comparable by sector, business model, size and stage of life of the company.

The raw data expressing business performances are then adjusted to eliminate any extraordinary components and, more generally, to correct financial statement policies.

After calculating the multiples of the comparable companies, the multiples representing the reference sample are identified, generally determined in practice as mean or median values.

Finally, the application of the aforesaid multiples to the economic and financial magnitudes of the company forming the subject of valuation allow to determine the value of the economic capital.

The multiples most commonly used, the so-called "asset side" multiplies such as "EV/Sales", "EV/EBITDA" – of particular significance in this context, together with the multiples that refer to the cash-generating capacity of the company forming the subject of valuation - or "EV/EBIT", lead to the determination of an estimate of the company's enterprise value. In order to reach a definition of the value of the economic capital, the value of any surplus assets is added to enterprise value and the amount of financial indebtedness and minority interests is deducted from the enterprise value.

This methodology assumes that the market valuations of comparable companies express the value of a minority share excluding any premium associated with the acquisition of a controlling share.

Based on the analyses conducted on recent market transactions relating to the acquisition of controlling shares this controlling premium is included between 20%–30%

Applying a controlling premium of 25% to the results of the reference sample, the board of directors considers that the economic capital of DMT has a valuation range equal to Euro 266-345 million with an implicit value per DMT share equal to Euro 23.5-30.5.

Applying the same valuation methodology without applying any controlling premium, the board of directors considers that the economic capital of EI Towers has a valuation range equal to Euro 408-509 million with an implicit value per share equal to Euro 2.0-2.5.

c) Comparable Transactions multiples

The Comparable Transactions multiples methodology consists in determining the value of a company by applying the implicit multiples expressed in acquisition transactions of businesses with similar characteristics to the company to be valued.

Applying this valuation method, which by nature already incorporates a controlling premium, the board of directors of DMT considers that a valuation range of DMT's economic capital is equal to Euro 282-324 million with an implicit value per DMT share equal to Euro 24.9-28.6.

The board of directors of DMT, taking into account the controlling premium implicit in the market transactions, does not consider this valuation methodology to be applicable to EI Towers.

Results of valuations supporting the determination of the exchange ratio

The board of directors of DMT considered that the valuations relating to the respective economic capitals of DMT and EI Towers deriving from the application of the methods described above confirm the congruity of values resulting from the application of the parameters identified in the agreements reached between Elettronica Industriale and DMT and formalized on March 29, 2011. For the purposes of determining the exchange ratio of the merger, these agreements provided that the multiples used for the valuation of the business of EI Towers and DMT were equal to 11x for EI Towers and 14x for DMT of the respective EBITDAs estimated and normalized for 2011, taking into account the respective net financial positions at June 30, 2011, and certain adjustments.

These valuations express a value of the economic capital of DMT equal to Euro 317.4 million, i.e. equal to a unit value per DMT share of Euro 28.08, and a value of the economic capital of EI Towers equal to Euro 476.1 million, i.e. equal to a value per EI Towers share of Euro 2.38.

The board of directors of DMT, considering: *(i)* the stand-alone plans of each of the Companies Participating to the Merger prepared by the management in accordance with the guidelines approved by the respective boards of directors; *(ii)* the economic values resulting from the application of parameters established in the agreements signed on 29 March 2011 between Elettronica Industriale and DMT; and *(iii)* the valuation analyses made by the application of the usual valuation methodologies indicated above, gave ratios equal to 34 DMT shares, with a nominal value of Euro 0.10 each, for every 401 EI Towers shares, with a nominal value of Euro 1.00 each, to be attributed to the sole shareholder in EI Towers, i.e. Elettronica Industriale.

The table below provides details of the number of newly-issued shares in the Acquiring Company at the service of the Merger that results applying the exchange ratio.

	DMT	**EI Towers**
Number of shares issued	11,304,775	200,000,000
Exchange ratio	**34**	**401**
Dedicated increase of capital (number of new DMT shares)	16,957,602	
Number of DMT shares after increase of capital	**28,262,377**	

The number of DMT shares used to calculate the exchange ratio, equal to 11,304,775, represents the totality of the DMT shares issued.

The number of EI Towers shares, equal to 200,000,000, represents all the EI Towers shares issued.

On the basis of such exchange ratio the sole shareholder in EI Towers, i.e. Elettronica Industriale, will receive in exchange 16,957,602 ordinary DMT shares, with a nominal value of Euro 0.1 each, for 199,999,953 EI Towers shares out of a total of 200,000,000 shares that it owns.

To facilitate the exchange transactions and taking into account the small number of remaining shares (equal to 47 EI Towers shares owned by it), Elettronica Industriale waives its rights towards the Acquiring Company to the liquidation of those remaining shares.

No cash adjustments are provided for.

B. Valuations made by the board of directors of EI Towers

For the purposes of analyzing the integration between DMT and EI Towers, the board of directors of EI Towers considered that this Transaction should be examined taking into account the aggregation of the civil and technological infrastructures of EI Towers and DMT and the development of the potential synergies deriving from the integration itself.

For the purposes of the valuation analysis made, the board of directors of EI Towers referred to the methodologies normally adopted in market practice relating to similar transactions, and also took into account the specific characteristics of EI Towers and DMT and, in general, of the Transaction as a whole.

The following valuation criteria were therefore used: *(i)* Unlevered Discounted Cash Flow – UDCF, generated by the business of the Companies Participating to the Merger, both on a stand-alone basis and taking into account the potential synergies and efficiencies expected from their combination; these potential synergies and efficiencies were reattributed based on the expected economic and financial profiles expected of each of the Companies Participating to the Merger; *(ii)* method of multiples expressed by the EBITDA of companies listed on regulated markets, using a sample of companies operating in the reference sector and considered comparable by type of business (trading multiples) applied taking into account the various cash generating profiles of the Companies Participating to the Merger; *(iii)* method of implicit multiples of the EBITDA recorded in the previous M&A transactions in the same sector (transaction multiples).

The board of directors of EI Towers also analyzed the stock-exchange prices of the DMT shares during the periods prior to notification to the market of the prospective Merger transaction. The analysis' results have not been adopted, however, in order to determine the exchange ratio, considering the industrial purpose of the transaction and because this analysis could not be carried out speculatively on EI Towers, as its shares are not

quoted on regulated markets. In such an event, in fact, values obtained would not comparable and methodologically uniform.

The board of directors of EI Towers also made use of the fairness opinion prepared by Banca IMI S.p.A. analyzing the congruity of the exchange ratio from a financial point of view and the implicit valuation of the DMT share in the exchange ratio.

The reference date of the valuations is fixed at June 30, 2011.

Limits of the analysis and difficulties of valuation

The valuations made by the board of directors of EI Towers in order to determine the exchange ratio, whose congruity from a financial point of view has also been supported by the fairness opinion prepared by Banca IMI S.p.A., should be considered in the light of several limits and difficulties which, in the case, can be summarized as follows:

- several valuation methodologies were applied using estimated economic and financial data based on the current economic, financial and market conditions;
- the projections relating to the 2011-2016 period, whether stand-alone or regarding the Company Resulting from the Merger, have been estimated on the basis of the guidelines of the 2011-2016 stand-alone economic and financial plan approved by the boards of directors of the Companies Participating to the Merger. Due their nature, these estimates present profiles of uncertainty and indeterminateness;
- the valuations do not take into account any events after the reference date of the analyses;
- little presence of recent fully comparable transactions.

Valuation methodologies adopted

From a valuation point of view, the board of directors of EI Towers examines the merger of DMT and EI Towers in its overall framework characterized by industrial purposes and specific operations and with particular reference to the potential benefits in terms of efficiencies and synergies.

In particular, the board of directors of EI Towers considers the Merger realized through the incorporation of EI Towers into DMT as a strategic transaction with many industrial values aimed at: *(i)* setting up a leading national operator in the sector of electronic communication network infrastructures and relative services, by means of the aggregation of the civil and technological infrastructures of EI Towers and DMT; *(ii)* establishing corporately and operationally a new economic person, specializing in the management of electronic communication network infrastructures and services which, although controlled indirectly by Mediaset, is independent from it and listed on the stock exchange; *(iii)* indicates the value, which is not expressed at the moment, of the network infrastructure asset considered to be "captive" up till now in relation to the Mediaset Group; *(iv)* catching the potential opportunities for further development in Italy and abroad.

In this strategic and industrial context, the board of directors of EI Towers considers the Merger transaction between DMT and EI Towers to be a "reverse takeover" aimed at acquiring control of the Company Resulting from the Merger.

In the light of these considerations, the valuation methodologies adopted are indicated and described in detail below.

a) Unlevered Discounted Cash Flow

Based on this methodology, the value of a company's economic capital is equal to the sum of *(i)* the discounted net operating cash flows which the company will presumably be able to generate during a specific period of analytical estimate; *(ii)* the discounted net operating cash flows estimated after the specific period of analytical estimate (the end value, calculated as the current value of a perpetual income for an amount equal to a net operating cash flow considered sustainable in "Perpetuity"); *(iii)* the alleged value of any surplus assets not included in the operating cash flows (therefore including the value of the non-consolidated tied-up interests), net of *(iv)* financial indebtedness and minority interests, as expressed by the following formula:

$$W = \sum_{t=1}^{n} \frac{FC_t}{(1+WACC)^t} + \frac{VT}{(1+WACC)^n} + SA - IFN_{t0} - M$$

where:

W= Value of the company's economic capital

FCt= Annual net operating cash flow expected in period t

VT= Terminal value

SA= Surplus Assets

IFN= Net financial indebtedness at time t=0

M= Minority interests (minorities)

n= Number of periods of projection

WACC = Weighted Average Cost of Capital

The net operating cash flows relate to the characteristic activity of the company that is subject of valuation. These flows can be estimated as follows:

+ Operating income

– figurative tax effect on the operating income

= NOPAT (Net Operating Profits After Taxes)

+ amortization

+ non-monetary allocations

± Δ net working capital

± Δ other liabilities/assets

– net investments

= Net operating cash flow

The Terminal Value, however, represents the current value of the net operating cash flows estimated for the period after the specific reference time span; it is estimated as follows:

$$VT = FCF_{n+1} / (WACC - g)$$

where:

g = nominal perpetual growth rate of the net operating cash flow expected during the period after the specific period;

FCF_{n+1} = (sustainable) normalized operating cash flow as from the first year after the specific period of estimate (n).

WACC = Weighted Average Cost of Capital

The rate used to discount the expected net operating cash flows and the end value is calculated as the weighted average cost of capital and indebtedness by means of the following formula:

$$\text{WACC} = [D/(D+E)] \times K_d \times (1-t) + [E/(E+D)] \times K_e$$

where:

D = net financial indebtedness;

E= current value of net equity ;

Kd= cost of indebtedness;

Ke= cost of equity.

In particular, the cost of the debt capital represents the long-term financing rate applicable to companies or economic activities with a similar risk adjusted by the tax component. The cost of equity reflects the return expected by the investor and is estimated in prevalent practice based on the Capital Asset Pricing Model (CAPM), defined by the following formula:

$$K_e = r_f + \beta \times (r_m - r_f)$$

where:

r_f = rate of return on risk-free activities;

β = correlation factor between the actual return of a share and the overall return of the reference share market;

r_m = overall return of the reference market;

$(r_m - r_f)$ =return premium requested by the reference share market in relation to risk-free investments (Equity Risk Premium).

Based on these assumptions applying the Unlevered Discounted Cash Flow methodology and taking into account the potential synergies and industrial efficiencies expected by the combination, the board of directors of EI Towers considers that:

- the valuation range of DMT's economic capital is equal to Euro 297-380 million with an implicit value per DMT share equal to Euro 26.3-33.6. The Weighted Average Cost of Capital used for the discounting of DMT's cash flows falls within a range of 7.4% and 7.6%;
- the valuation range of EI Towers' economic capital is equal to Euro 446-582 million with an implicit value per EI Towers share equal to Euro 2.2-2.9. The Weighted Average Cost of Capital used for the discounting of EI Towers' cash flow falls within a range of 7.1% and 7.4%. This Weighted Average Cost of Capital of EI Towers is lower than that of DMT owing to a different cost of indebtedness (Kd).

b) Stock Exchange multiples

The Stock Exchange multiples methodology consists in determining the value of a business by observing the valuations expressed by the financial markets for businesses with similar characteristics.

The application of this method provides firstly for the calculation of the multiples of comparable companies by sector, business model, size and stage of life of the company.

The raw data expressing business performances are then adjusted to eliminate any extraordinary components and, more generally, to correct financial statement policies.

After calculating the multiples of the comparable companies, the multiples representing the reference sample are identified, generally determined in practice as mean or median values.

Finally, the application of the aforesaid multiples to the economic and financial magnitudes of the company forming the subject of valuation consists in determining the value of the economic capital.

The multiples most commonly used, the so-called "asset side" multiplies such as "EV/Sales", "EV/EBITDA" – of particular significance in this context, together with the multiples that refer to the cash-generating capacity of the company forming the subject of valuation - or "EV/EBIT", lead to the determination of an estimate of the

company's enterprise value to which, in order to reach a definition of the value of the economic capital, the value of any surplus assets is added and the amount of financial indebtedness and minority interests is deducted.

This methodology assumes that the market valuations of comparable companies express the value of a minority share excluding any premium associated with the acquisition of a controlling share.

Based on the analyses conducted on recent market transactions relating to the acquisition of controlling shares this possible controlling premium is included between 20%–40%.

Applying a controlling premium of 30% to the results of the reference sample (between 10.7x and 12.3x EV/EBITDA), the board of directors of EI Towers considers that the economic capital of DMT has a valuation range equal to Euro 300-345 million with an implicit value per DMT share equal to Euro 26.5-30.5.

Applying the same valuation methodology without applying any controlling premium, the board of directors of EI Towers considers that the economic capital of EI Towers has a valuation range equal to Euro 461-548 million with an implicit value per share equal to Euro 2.3-2.7.

c) Comparable transactions multiples

The Comparable Transactions multiples methodology consists in determining the value of a company by applying the implicit multiples expressed in acquisition transactions of businesses with similar characteristics to the company to be valued.

Based on the application of this valuation method, which by nature already incorporates a controlling premium, the board of directors of EI Towers considers that a valuation range of DMT's economic capital is equal to Euro 264-402 million with an implicit value per DMT share equal to Euro 23.3-35.5.

The board of directors of EI Towers, taking into account the controlling premium that is implicit in the market transactions, does not consider this valuation methodology to be applicable to EI Towers.

Results of valuations supporting the determination of the exchange ratio

The board of directors of EI Towers considered that the valuations relating to the respective economic capitals of DMT and EI Towers deriving from the application of the methods described above confirm the congruity of values resulting from the application of the parameters identified in the agreements reached between Elettronica Industriale and DMT, formalized on March 29, 2011. For the purposes of determining the exchange ratio of the merger, these agreements provided that the multiples used for the valuation of the business of EI Towers and DMT were equal to 11x for EI Towers and 14x for DMT of the respective EBITDAs estimated and normalized for 2011, taking into account the respective net financial positions at June 30, 2011, and certain adjustments.

These valuations express a value of the economic capital of DMT equal to Euro 317.4 million, i.e. equal to a unit value per DMT share of Euro 28.08, and a value of the economic capital of EI Towers equal to Euro 476.1 million, i.e. equal to a value per EI Towers share of Euro 2.38.

The board of directors of EI Towers, based on: *(i)* the stand-alone plans of each of the Companies Participating to the Merger prepared by the management following the guidelines approved by the respective boards of directors; *(ii)* the economic values resulting from the application of the individual parameters to the agreements arranged between Elettronica Industriale and DMT, formalized on 29 March 2011; and *(iii)* the valuation analyses made by the application of the usual valuation methodologies indicated above, gave ratios equal to 34 DMT shares, with a nominal value of Euro 0.10 each, for every 401 EI Towers shares, with a nominal value of Euro 1.00 each, to be attributed to the sole shareholder in EI Towers, i.e. Elettronica Industriale.

The table below provides details of the number of newly-issued shares in the Acquiring Company at the service of the Merger applying the exchange ratio.

	DMT	**EI Towers**
Number of shares issued	11,304,775	200,000,000
Exchange ratio	**34**	**401**
Dedicated increase of capital (number of new DMT	16,957,602	

shares)	
Number of DMT shares after increase of capital	**28,262,377**

The number of DMT shares used to calculate the exchange ratio, equal to 11,304,775, represents all the DMT shares issued.

The number of EI Towers shares, equal to 200,000,000, represents all the EI Towers shares issued.

The sole shareholder in the Acquiring Company, Elettronica Industriale, based on that exchange ratio, will receive in exchange 16,957,602 ordinary shares in the Acquiring Company with a nominal value of Euro 0.10 each, for 199,999,953 shares out of a total of 200,000,000 shares in the Target Company owned by it. To facilitate the exchange transactions and taking into account the small number of remaining shares (equal to 47 shares in the Target Company owned by it), Elettronica Industriale waives its rights towards the Acquiring Company to the liquidation of those remaining shares.

No cash adjustments are provided for.

5.1 Conditions, statistics relating to the Transaction, schedule and acceptance procedure

5.1.1 Conditions for the Merger

Without prejudice to the provisions of applicable laws, the Merger Agreement states that the Merger may be completed subject to the following conditions precedent being met by December 31, 2011.

(i) Approval of the Merger Project by the DMT extraordinary shareholders' meeting in accordance with the shareholders' meeting majority provided under Article 49, paragraph 1, lett. g), of the Issuers' Regulations for the purposes of exemption from the mandatory tender offer provided by Article 106 of the Consolidated Law.

Article 106 of the Consolidated Law requires that anyone who comes to hold more than 30% of the voting shares of a company listed on an Italian regulated market be required to make a tender offer for all shares of said company, unless one of the exemptions established in Article 106, paragraph 5, of the Consolidated Law and Article 49 of the Issuers' Regulations applies.

Article 49, paragraph 1, lett. g), of the Issuers' Regulations states that the acquisition of more than 30% of voting shares in a company listed on an Italian regulated market does not make a mandatory public tender offer if it takes place as the result of a merger that is "*approved by a shareholders' meeting of the company whose securities would otherwise be the subject of the offer, and without prejudice to the provisions of Articles 2368, 2369 and 2373 of the Italian Civil Code, without the contrary vote of the majority of shareholders attending the meeting, other than the shareholder acquiring the stake that is above the threshold provided and the shareholder or shareholders who hold, even in concert with one another, the majority shareholding, including relative majority, as long as it is more than 10 percent.*" Article 49, paragraph 2, of the Issuers' Regulations states that "*by-laws may establish that, for the purposes of paragraph 1, Letter g), such a majority of contrary shareholders precludes exemption solely when it represents a certain minimum portion of share capital with voting rights, which, in any case, cannot be in any event higher than 7.5 percent.*"

On October 14, 2011, the DMT extraordinary shareholders' meeting approved the Merger without the contrary vote of any shareholders in attendance at the meeting, other than the shareholder or shareholders who hold, even in concert with one another, the majority shareholding, including relative majority, as long as it is more than 10 percent. Therefore, Elettronica Industriale, sole shareholder of EI Towers, which, after the Merger, will acquire a DMT stake of 60.001% of share capital of the latter, is exempted from the obligation to make a tender offer to purchase DMT shares, pursuant to Article 49, paragraph 1, letter g) of the Issuers' Regulations.

(ii) Unconditional clearance to the Merger by the Antitrust Authority, pursuant to regulations in force.

The Antitrust Authority was informed of the Transaction with notification pursuant to Article 16 of Law 287/90 by Elettronica Industriale on August 4, 2011; that notification was supplemented further on September 9, 2011.

On October 5, 2011, the Antitrust Authority ruled on undertaking preliminary proceedings for the Transaction pursuant to Article 16, Paragraph 4 of Law 287/90 toward Elettronica Industriale and DMT.

On December 14, 2011, at the end of the proceedings started on October 5, 2011, once received the advice of the Authority for the Communication, the Antitrust Authority authorized the Merger through incorporation of EI Towers in DMT with the obligation of the Company Resulting from the Merger to comply with some measures specified in the decision (for a more detailed description of the decision of the Antitrust Authority and of the relative measures please refer to Chapter 5, Paragraph 5.5.2. of the Information Document).

On December 21, 2011, DMT and EI Towers disclosed to the market EI Towers' decision to exercise its right, provided for under the Merger Agreement, to waive the requirement of unconditional clearance by the Antitrust Authority, in light of (i) Antitrust Authority decision of December 14, 2011 authorizing the concentration by means of merger via incorporation of EI Towers into DMT on condition that the company resulting from the concentration comply with certain requirements specified therein and (ii) the subsequent resolution of the Authority dated December 15, 2011, containing further clarification of the above requirements.

Preliminary Transactions

In the Merger Agreement, DMT and EI Towers also agreed on completion of the following preliminary transactions ("**Preliminary Transactions**") prior to the shareholders' meeting of the Companies Participating to the Merger convened to resolve on the approval of the Merger Project:

(a) definition of the terms and conditions of a financing aimed to refinance the debt of the Company Resulting from the Merger and of the DMT Group companies existing on the effective date of the Merger; and

(b) transfer by DMT to a third party *(i)* all of the capital stock of Tower Service S.p.A. in liquidation, DMT System S.p.A. in liquidation, which in turn owns 100% of Asteroide S.r.l., and DMT Service S.r.l. in liquidation, as well as *(ii)* all of DMT's stake in the foreign subsidiaries, currently in the process of being dismissed, DMT Limited and DMT USA, Inc. ("**Discontinued Investments**").

With regard to the Preliminary Transaction provided in (a) above, by means of an amendment agreement executed on September 28, 2011, DMT and EI Towers *(i)* have acknowledged that on September 20, 2011 Towertel requested from Banca IMI S.p.A., in its capacity of Agent Bank of the 2005 Loan Agreement and of the 2007 Loan Agreement, a waiver to the right to request Towertel to accelerate its re-payment obligations, to resolve before its expiration the 2005 Loan Agreement and/or of the 2007 Loan Agreement, as well as to any other remedy or right provided in said agreements as a consequence of the Merger and of the subsequent change of control by ultimate controlling shareholder of DMT (the "**Waiver**") and, therefore, *(ii)* have agreed to modify the agreements reached in the Merger Agreement in connection with the preceding point (a) in order to agree, in place of the obtainment of a new bank financing, the obtainment by Towertel of the Waiver by the financing banks of the 2005 Loan Agreement and the 2007 Loan Agreement.

With a letter dated September 29, 2011, Banca IMI S.p.A., also on behalf of the others lending banks parties to the Loan Agreements, has confirmed to Towertel the Waiver to its rights as referred to above, subject – *inter alia* – to the completion of the Merger.

With regard to the Preliminary Transaction provided in (b) above, on October 13, 2011 DMT completed transfer of the Discontinued Investments to a third party.

5.1.2 Total amount of the offering

The October 14, 2011 extraordinary shareholders' meeting of DMT passed the increase of DMT's share capital to serve the Merger, and with the exclusion of the option right, for a maximum of Euro 1,695,760.20 to be executed by the issue of a maximum of 16,957,602 ordinary shares with a nominal value of Euro 0.10 each, which will be assigned to Elettronica Industriale, who is the sole shareholder in EI Towers. At the effective date of the Merger, the share capital of DMT will therefore be equal to Euro 2,826,237.70 and will be represented by 28,262,377 ordinary shares with a nominal value of Euro 0.10 each.

The rate of exchange was established by the boards of directors of DMT and of EI Towers in 34 shares of the Acquiring Company, with a nominal value of Euro 0.10 each, for every 401 shares of the Target Company, with a nominal value of Euro 1.00 each.

No cash adjustments are provided for.

5.1.3 Period of validity of the offer, including possible amendments, and description of the subscription procedure

Not applicable.

5.1.4 Information on revocation and suspension of the offer

Not applicable.

5.1.5 Reduction in subscription and reimbursement procedure

Not applicable.

5.1.6 Minimum and/or maximum amount of subscription

On the basis of exchange ratio of 34 shares in the Acquiring Company, with a nominal value of Euro 0.10 each, for every 401 shares in the Target Company, with a nominal value of Euro 1.00 each, the sole shareholder in EI Towers, i.e. Elettronica Industriale, will receive in exchange no. 16,957,602 ordinary DMT shares, with a nominal value of Euro 0.10 each, for no. 199,999,953 shares out of a total of no. 200,000,000 shares in EI Towers that it owns.

To facilitate the exchange transactions and taking into account the small number of remaining shares (equal to 47 shares in the EI Towers owned by it), Elettronica Industriale waives its right towards the Acquiring Company of liquidation of those remaining shares.

No cash adjustments are provided for.

5.1.7 Withdrawal and/or revocation of subscription

Not applicable.

5.1.8 Methods and terms of payment and delivery of shares

On the basis the rate of exchange of 34 shares in the Acquiring Company, with a nominal value of Euro 0.10 each, for every 401 shares in the Target Company, with a nominal value of Euro 1.00 each, the sole shareholder in EI Towers, i.e. Elettronica Industriale, will receive in exchange 16,957,602 ordinary DMT shares, with a nominal value of Euro 0.10 each, for 199,999,953 shares out of a total of 200,000,000 shares in EI Towers that it owns.

The exchange transactions will take place through the Authorized Intermediaries as from the effective date of the Merger, without any charge for expenses or fees borne by the sole shareholder of the Target Company.

5.1.9 Results of the offering

Not applicable.

5.1.10 Procedure for the exercise of a possible right of pre-emption owing to the negotiability of the subscription rights and handling of subscription rights not exercised

The Company's By-Laws do not provide for any pre-emption right on the shares.

5.2 Distribution and allocation plan

5.2.1 Addressees and markets of the offering

Not applicable.

5.2.2 Undertakings to subscribe for the shares

Not applicable.

5.2.3 Information to be provided prior to the allocation

Not applicable.

5.2.4 Procedure for notification of allocations to subscribers

Not applicable.

5.2.5 Over Allotment and Greenshoe option

Not applicable.

5.3 Establishment of the offering price

5.3.1 Offering price and costs borne by subscribers

The Merger will take place based on the values of the economic capital of DMT equal to Euro 317.4 million and of EI Towers equal to Euro 476.1 million, which derive from an implicit valuation of Euro 28.08 each DMT share and of Euro 2.38 each EI Towers share. From this valuation derives the exchange ratio of 34 new ordinary DMT shares for every 401 ordinary EI Towers shares.

5.3.2 Notification of the offering price

Not applicable.

5.3.3 Reason for exclusion of the option right

The new DMT shares are issued in connection with the Merger and therefore the right of option laid down by article 2441 of the Italian Civil Code does not apply.

5.3.4 Possible difference between the offering price of the shares and the price of the shares paid during the previous year or payable by members of the administrative, governing and supervisory bodies, principal managers and affiliated persons

Furthermore, on July 28, 2011, Elettronica Industriale entered into an agreement, as amended on December 21, 2011, with Millenium Partecipazioni and with the consent, as far as he is concerned, of Alessandro Falciai covering the purchase and sale of no. 1,413,118 ordinary shares of the Company Resulting from the Merger, equal to 5.0% of said company capital stock, for an overall gross consideration due from Elettronica Industriale to Millenium Partecipazioni equal to Euro 39,677,126.13, equal to Euro 28.08 per share, corresponding to the implicit value resulting from the Merger exchange ratio (the "**Purchase and Sale Agreement**")

5.4 Placement and subscription

5.4.1 Name and address of the persons responsible for the placement of the offering and placement officers

Not applicable.

5.4.2 Bodies responsible for the financial service

Not applicable.

5.4.3 Subscription and guarantee undertakings

Not applicable.

5.4.4 Date on which the subscription and guarantee agreements have been or will be concluded

Not applicable.

6. Admission to trading and trading procedures

6.1 Application for admission to trading

The Company's ordinary shares are admitted to official trading on the MTA.

As this is a reverse merger transaction pursuant to Article 117-*bis* of the Consolidated Law and Stock Exchange Regulations, the shares resulting from the increase in capital at the service of the Merger will be admitted to official trading on the MTA, in the same way as the Issuer's shares currently in circulation, upon issue, by the Sponsor, of the declarations referred to in article 2.3.4, paragraph 2, letters c) and d). For that purpose, UniCredit Bank AG, Milan Branch, has been appointed the Sponsor pursuant to and for the purposes of article 2.3.1, paragraph 2, of the Stock Exchange Regulations.

On December 12, 2011 the Board of Director of DMT after hearing the opinion of the Board of Statutory Auditors, has stated that it has adopted a system of management oversight that allows management to periodically and punctually create a sufficiently complete overview of the Company's economic and financial standing and that of the main group companies reporting to it so that it may properly:

- monitor major key performance indicators and risk factors for the Company and the main group companies reporting to it;
- produce figures and information, especially financial information, for the kind of analysis required by the type of business, complexity of the organization and management's specific informational needs;
- process figures for financial forecasts for the business plan and budget, as well as verify that company goals have been met through analysis of variations.

On December 23, 2011, the Sponsor's statements were issued to the Italian Stock Exchange in compliance with the purposes and effects of the article 2.3.4, paragraph 2, letter c) and d) of the Stock Exchange Regulation, in which:

- based on the above Issuer statement and study conducted by E&Y stated that it did not become aware of any elements that might make it believe that, at the time its statement was issued, DMT and the main Group companies had not adopted an appropriate internal management oversight system compliant with the provisions of the oversight and management system described in the memorandum on the oversight and management system approved by the Company Board of Directors on December 12, 2011 (the "**Memorandum**"), after hearing the opinion of the Board of Statutory Auditors, and that, as declared from the company in the Memorandum, this oversight and management system has not critical aspects;
- based on the study conducted by E&Y stated that it was convinced that the provisional figures provided by DMT in the 2011-2016 Business Plan regarding the fiscal year in progress on the date its statement was issued and with regard to fiscal year 2012 were established by DMT after close and careful examination of the Company's and the DMT Group's documented economic and financial forecasts.

For the purposes of the statements regarding the management oversight system, the Acquiring Company was referenced as the Company Resulting from the Merger.

6.2 Other regulated markets

At the Date of the Information Document, the Company's shares are traded solely on the MTA.

6.3 Other transactions related to the shares

Except for the capital increase in DMT at the service of the Merger and for the Purchase and Sale Agreement referred to in Second Section, Chapter 5, Paragraph 5.3.4 of the Information Document, no other subscription transactions or private placements of financial instruments of the same category are planned in the period close to the Merger.

6.4 Intermediaries in transactions on the secondary market.

Not applicable.

6.5 Stabilization

Not applicable.

7. Owners of the financial instruments for sale

7.1 Information on the persons offering the financial instruments for sale

Not applicable.

7.2 Number and classes of financial instruments offered by each of the owners of the financial instruments for sale

Not applicable.

7.3 Lock-up agreements

Except for the undertaking contained in the agreement signed on July 28, 2011, between Elettronica Industriale and Millenium Partecipazioni, that provides for the obligation of Millenium Partecipazioni not to transfer its shares in DMT to third parties for the time period between the date of signature of the agreement and the date of transfer of the shares (for further information, please refer to Second Section, Chapter 5, Paragraph 5.3.4), there are no lock-up agreements binding DMT shareholders within the scope of the Transaction.

8. Costs connected with the Transaction

8.1 Total net income and estimated total costs connected with the Transaction

The overall amount of the costs connected with the Merger is estimated at around Euro 8 million.

9. Dilution

The share capital increase in DMT at the service of the Merger and the exclusion of the option right, regarding a maximum of Euro 1,695,760.20 to be realized through the issue of a maximum of 16,957,602 ordinary shares with a nominal value of Euro 0.10 each will be assigned to the sole shareholder in EI Towers, Elettronica Industriale, will cause, at the Date of the Information Document, a dilution effect on DMT shareholders equal to around 60%.

10. Additional information

10.1 Persons participating in the Transaction

The Companies Participating to the Merger are:

- Acquiring Company: Digital Multimedia Technologies S.p.A., with registered office at via Giacomo Zanella n. 21, Lissone (MB), registered in the Register of Companies of Monza and Brianza under no. 12916980159.

- Target Company: EI Towers S.p.A., with registered office at via Filippo Turati n. 7, Lissone (MB), registered in the Register of Companies of Monza and Brianza under no. 07468460964.

UniCredit Bank AG, Milan Branch located in Milan at Via Tommaso Grossi No. 10, registered in the Milan Registry of Companies, tax identification code and VAT No. 09144100154 acts as Sponsor pursuant to and for the purposes of art. 2.3.1, paragraph 2, of the Stock Exchange Regulations.

10.2 Other information contained in Second Section subject to audit or review by the Auditing Firm

Second Section of the Information Document does not contain any information subject to audit or review by the Auditing Firm.

10.3 Expert opinions or reports

In determining the exchange ratio, the boards of directors of EI Towers and of DMT made use of the advice of the respective advisors (for DMT the companies Equita S.I.M. S.p.A. and Numeralia Corporate Finance S.r.l., and for EI Towers Banca IMI S.p.A.) which issued an appropriate fairness opinion on the exchange ratio.

On August 1, 2011, by means of a measure issued in response to a motion from DMT and EI Towers, the presiding judge of the Court of Monza appointed the Auditing Firm Reconta Ernst & Young S.p.A. as sole expert for the issuance of the report on the adequacy of the share ratio for exchanging the Acquiring Company's shares with the shares of the Target Company. Pursuant to and in accordance with Article 2501-*sexies* of the Italian Civil Code, the firm drew up a report on the adequacy of that ratio. That report was issued on September 13, 2011 and on the same date was made available to the public, together with the Merger Project and relative directors' report, on the Company's website, www.dmtonline.com.

10.4 Information provided by third parties and indication of sources

Where indicated, the information contained in the Information Document comes from third party sources. The Company confirms that this information has been reproduced faithfully by the Issuer and, as far as the management is aware, based on information published by the third parties in question as well, no facts have been omitted that could render the information reproduced incorrect or deceitful.

APPENDICES

The documents listed herein are included in the original Italian version of the Italian Information Document

1. Explanatory reports referred to in article 2501-*quinquies* of the Italian Civil Code drawn up by the members of the governing bodies of the Companies Participating to the Merger.

2. Merger Project referred to in article 2501-*ter* of the Italian Civil Code.

3. Asset statements referred to in article 2501-*quater* of the Italian Civil Code of the Companies Participating to the Merger.

4. Expert report referred to in article 2501-*sexies* of the Italian Civil Code.

5. *Fairness opinion* issued by Equita S.I.M. S.p.A. and Numeralia Corporate Finance S.r.l. to the board of directors of DMT.

6. *Fairness opinion* issued by Banca IMI S.p.A. to the board of directors of EI Towers.

7. Examination reports of the Auditing Firm on the *Pro Forma* Consolidated Financial Statements of the Companies Participating to the Merger as of December 31, 2010, June 30, 2011 and September 30, 2011.

8. Examination report of the Auditing Firm on the procedures carried out with respect to the Group's Projected Figures of the Acquiring Company referred to in First Section Chapter 13 of the Information Document.

9. Audit report of the Auditing Firm on the consolidated financial statements of the Acquiring Company as of December 31, 2010, 2009 and 2008 and for the years then ended.

10. Interim report of the Acquiring Company for the nine-month period ended September 30, 2011.

11. Review report of the Auditing Firm on the interim consolidated financial statements of the Acquiring Company as of June 30, 2011 and for the six months then ended.