ANNUAL CORPORATE GOVERNANCE REPORT

Approved by the Board of Directors on 16 March 2012

Prepared for the General Shareholders' Meeting of
EI Towers S.p.A. convened on 11 April at sole call

<u>**TABLE OF CONTENTS**</u>

GLOSSARY

Borsa Italiana	Indicates Borsa Italiana S.p.A., with registered office in Milan, piazza Affari n. 6
Code	The Self-Disciplinary Code of listed companies approved in March 2006 (and revised in March 2010) by the Corporate Governance Committee and promoted by Borsa Italiana S.p.A
Consob	Indicates the Commissione Nazionale per le Società e la Borsa (National Commission for Companies and the Stock Exchange), with registered office in Rome, via Martini n. 3
Board	The Board of Directors of EI Towers S.p.A.
Report Date	Indicates the date on which the Report – as defined herein – was approved by the Issuer's Board of Directors
Financial year	The company's financial year, which ended on 31 December 2011
Instructions accompanying the Borsa Rules	Instructions accompanying the Rules of the Markets organised and managed by Borsa Italiana S.p.A.
MTA	Indicates the Mercato Telematico Azionario (Online Stock Market) organised and managed by Borsa Italiana
Borsa Rules	Rules of the Markets organised and managed by Borsa Italiana S.p.A.
Issuer Regulations	The Regulations applicable to issuers introduced by Consob with resolution no. 11971, 14 May 1999, as amended and supplemented
Report	This Corporate Governance Report, prepared pursuant to articles 123-*bis*, Financial Consolidation Act
Company or Issuer	EI Towers S.p.A.
Bylaws	Indicates the Issuer's Bylaws in force at the Report Date
TUF or Financial Consolidation Act	Legislative Decree no. 58, 24 February 1998, as amended and supplemented

The aim of this Report, which in various points makes reference to the full documentation available for consultation on the website at www.eitowers.it, Investor Relations section, is fully to discharge legal and regulatory obligations, in accordance with the guide published by Assonime and by Emittente Titoli S.p.A.

The Report has been prepared based on the format defined by Borsa Italiana.

Information is reported below regarding the company's governance structure and the arguments put forward by the Board of Directors in the event of failure to introduce the recommendations of the Code.

1. ISSUER PROFILE

Corporate governance is the set of methods, models and planning, management and control systems needed by the Company's entities to operate.

EI Towers has adopted a traditional administration and control system based on the General Shareholders' Meeting, the Board of Directors (assisted by consulting committees) and the Board of Statutory Auditors. The auditing of the accounts for legal purposes is performed by an independent audit firm pursuant to the law.

The **General Shareholders' Meeting** represents all shareholders and, in ordinary session, votes to approve the annual and consolidated financial statements, to appoint the members of the Board of Directors and the Board of Statutory auditors, to determine the compensation of directors and auditors, to engage independent auditors, and to make resolutions in relation to the responsibility of directors and auditors; in extraordinary session the General Meeting votes to modify the Bylaws and to approve extraordinary operations including capital increases, mergers, demergers, etc.

The **Board of Directors** is the body charged with the broadest powers of ordinary and extraordinary administration and is responsible for corporate management strategy by means of the definition of the model of delegated powers, the attribution and termination of such delegated powers, and the examination and approval of strategic, industrial and financial plans prepared by the delegated bodies, of the group corporate structure, of the operations in which the delegated bodies are in a position of conflict of interest and which are particularly significant in economic, equity or financial terms, with special reference to operations with related parties. It also assesses the company's organisational, administrative and accounting structure on the basis of the report submitted by the delegated bodies and the general management trend.

The members of the Internal Control Committee and the Remuneration Committee sit on the Board of Directors in a propositive and consulting capacity.

The **Board of Statutory Auditors** is the body responsible for monitoring compliance with the law and the bylaws, the observance of good management principles and, in particular, the adequacy of the internal control system and the organisation, administration and accounting structure and its operation in practice.

The Board of Statutory Auditors is not responsible for auditing the accounts for legal purposes, which is performed by an **Independent Audit Firm**. The audit firm is the independent control body responsible for verifying during the course of the financial year that company accounting records are duly kept and that the management events are correctly reported in the accounting records. It is also responsible for verifying that the annual and consolidated financial statements correspond to the accounting records and assessments performed, and that such accounting documents comply with the applicable rules.

2. INFORMATION ON THE OWNERSHIP STRUCTURE (pursuant to article 123 bis, section 1 TUF)

2.1 Share capital structure

On the date of preparation of this Report, the subscribed and paid in share capital amounts to Euro 2,826,237.70, divided into no. 28,262,377 ordinary shares, each of par value 10 Euro cents and each of which grants the right to one vote at the general meeting, with the exception of no. 95,526 treasury shares, equivalent to 0.34% of the share capital, of which no. 6,000 treasury shares have been granted on loan to Mediobanca S.p.A. to perform Specialist activities pursuant to article 2.2.3, section 4 of the

Rules of the Markets Organised and Managed by Borsa Italiana and the relative accompanying Instructions. Voting rights are suspended for treasury shares held by the Company pursuant to the law (see Attachment B).

At the report date, the Company has not issued other categories of shares or financial instruments which can be converted into or exchanged for shares.

For information on stock options and stock grants, please consult the annual report and the information documents prepared pursuant to article 84 bis, Issuer Regulations.

2.2 Limitations on the transfer of securities

At the report date there were no limitations of any type on the transfer of EI Towers securities.

2.3 Significant shareholdings

On 16 March 2012, based on the entries in the register of shareholders and in consideration of the notification received pursuant to article 120, TUF and other information received, the following parties own either directly or indirectly 2% or more of the Company's share capital:

Silvio Berlusconi	**Elettronica Industriale SpA**	**18,370,720**	**65.001%**
Falciai Alessandro		**2,636,349**	**9.328%**
	Falciai Alessandro	455,767	1.613%
	Millenium Partecipazioni Srl	2,180,582	7.715%
Octavian Advisors LP as the manager of: • **Octavian Special Master Fund LP, owner of no. 1,001,325 shares equal to 3.543%** • **Tiberius OC Fund, owner of no. 167,519 shares equal to 0.59%**	**Octavian Advisors LP**	**1,168,835 (*)**	**4.136% (*)**
(*) For the purpose of presenting lists of candidates at the General Meeting of 29.02.2012, ownership was certified of no. 1,235,865 shares equal to 4.37% of the share capital.			
Permian Investment Partners LP **Owner of shares: Permian Master Fund LP**	**Permian Investment Partners LP**	**923,131**	**3.266%**

2.4 Securities which grant special rights

The Company has not issued any securities which grant special control rights.

2.5 Employee shareholdings: mechanism for exercising voting rights

At the Report Date no employee shareholding system is in place through a mechanism to exercise voting rights.

2.6 Limitations to voting rights

At the Report Date no limitations or terms are applicable to the exercising of voting rights, nor are there any financial rights connected to securities which are separate from the ownership of such securities.

2.7 Shareholder agreements

At the Report Date, the Issuer is not aware of the existence of any significant agreements pursuant to article 122, Financial Consolidation Act, with regard to the Company's shares.

2.8 Appointment or replacement of directors and amendments of the Bylaws

Appointment of directors

Pursuant to article 13 of the Bylaws, directors are appointed by the general meeting on the basis of lists in which each candidate is listed by means of a progressive number, presented by shareholders who represent, either alone or with other shareholders, at least 2.5% (two point five percent) of shares with voting rights at the ordinary general meeting, or who represent any lesser percentage as established by mandatory legal or regulatory provisions.

Each candidate may appear in only one list at risk of disqualification.

Each shareholder may present or co-present, either directly or indirectly, also through a trustee company or intermediary, one list only. In the event of violation of this provision, no account shall be taken of the support given by such shareholder to any list.

The lists signed by their presenters, accompanied by resumes of the candidates' personal and professional characteristics, and confirmation where appropriate that they may properly be classified as independent, must be lodged with the registered office of the company no later than the end of the twenty fifth day prior to the date set for the general meeting at first or single call.

Ownership of the minimum shareholding required to present lists is determined on the basis of the shares registered in the name of the member on the day in which the lists are lodged with the company.

Certification proving ownership of such shareholdings may also be produced by shareholders after the lists are presented, as long as it is produced within the term provided for the publication of lists by the issuer.

Without prejudice to the right to produce certification proving ownership of the shareholding within the term provided in the previous paragraph, on presentation of the list information must be provided indicating the identity of the members who presented the list and the total percentage shareholding held.

Together with each list and within the term indicated for its presentation, declarations from the individual candidates must be lodged in which they agree to stand and declare, on their own responsibility, that there is no reason why they cannot be elected and that they meet any requirements established for the relative positions, in addition to every other document required by applicable regulations.

Any list presented in contravention of any of the above provisions shall be considered as not presented.

The lists will be made public by their being lodged with the registered office of the company and by means of the other methods provided by the law as it stands at the time, according to the terms established by same.

Each party with voting rights may vote for one list only.

The directors are elected as follows:

i) the number of directors equal to the number of members of the Board of Directors less one will be elected from the list which receives the majority of votes, in the order in which they appear in the list;

ii) the remaining director will be elected from the second list which is not connected in any way, even indirectly, either with the list indicated in letter i) above, or with the members who presented or voted for

the list indicated under letter i) above, and which has received the second highest number of shareholder votes.
If after electing the candidates as indicated above not enough directors have been appointed who meet the independence criteria established for statutory auditors pursuant to article 148, section three, Legislative Decree no. 58, 28 February 1998, equal to the minimum number established by law in proportion to the total number of directors, the non-independent candidate elected last in progressive order in the list which received most votes, as set forth under letter i) of the previous section, will be substituted by the first independent candidate in progressive order not elected in the same list, or otherwise by the first independent candidate in progressive order not elected in the other lists, according to the number of votes received by each. This substitution procedure will continue until the Board of Directors is composed of a number of members with the requirements stipulated by article 148, section three, Legislative Decree no. 58/1998, equal at least to the minimum established by law. If, finally, such procedure does not produce this result, the substitution will be made by resolution of the general meeting by majority vote, after the presentation of candidates with the requirements indicated.
If a single list is presented, all the directors to elect will be taken from such list; if no list is presented, the general meeting will resolve the matter by majority vote without following the aforementioned procedure.
Without any prejudice to other different mandatory legal or regulatory provisions.

Replacement of Directors
If during the financial year one or more directors appointed by the list voting mechanism cease to be directors, they will be replaced from the candidates appearing on the same list as the director to replace, or if there are no more previously unelected candidates or candidates with the necessary requirements, the Board of Directors shall replace same pursuant to article 2386 of the Italian civil code by majority vote without list voting, as subsequently ratified by the general meeting. In any case the Board and the general meeting will make appointments in such a way as to ensure the minimum total number of independent directors pursuant to the law as it stands at the time.

Powers of the Board of Directors
The Board of Directors is charged within the limits of the company's objects with all powers of ordinary and extraordinary administration.
The Board of Directors may also resolve on the establishment or elimination of secondary head offices, on the reduction of the share capital in the event of the withdrawal of a member, on the alignment of the bylaws with legal provisions, on the transfer of the company's head office within Italy, the matters pursuant to articles 2505 and 2505 bis of the Italian civil code, also as referenced with regard to demerger by article 2506 ter of the Italian civil code, in compliance with legal limitations.

Succession plans
In consideration of the corporate structure and appointment mechanisms, the Board has decided not to introduce a succession plan for executive directors.

2.9 Delegation of powers to increase the share capital and authorisation to buy treasury shares

The general meeting of 16 September 2011 resolved to terminate the delegation of powers granted on 27 April 2007 to the Board of Directors, pursuant to article 2443 of the Italian Civil Code, to implement a paid capital increase in one or more stages no later than 31 March 2012, up to a maximum amount of a nominal Euro 250,000, by means of the issue of a maximum of no. 2,500,000 ordinary shares of par value 10 Eurocent each, to offer as an option to shareholders.

The same resolution fully terminated: the divisible capital increase of a nominal Euro 5,000, voted on 13 November 2007 by the Board of Directors of the company, to implement by issuing no. 50,000 ordinary shares to assign to the beneficiaries of the "first assignment" in the 2007 Stock Option Plan, which has not yet been subscribed, as the relative options have in part expired and the remaining part has been waived by the respective residual beneficiaries or terminated in the nominal amount of Euro 2,500; and the divisible capital increase amounting to a nominal Euro 5,000, resolved on 27 October 2008 by the Board of Directors, to be implemented by means of the issue of no. 50,000 ordinary shares to assign to the beneficiaries of the "second assignment" of the 2007 Stock Option Plan, as no. 25,000 options have expired and only no. 25,000 options remain in being; as a result of such partial termination, the aforementioned capital increase remains in being for a nominal Euro 2,500, to implement by means of the issue of no. 25,000 ordinary shares to service the "second assignment".

Article 5 of the Bylaws has therefore been amended to reflect the aforementioned changes in the Company's share capital.

Treasury shares

The General Shareholders' Meeting of 6 May 2011 authorised the purchase of treasury shares up to the maximum limit set by the law on the subject of share capital, expiring with the approval of the financial statements at 31 December 2011.

On the date of this report, the Company holds no. 95,526 treasury shares, equal to 0.34% of the share capital, of which no. 6,000 treasury shares have been loaned to Mediobanca S.p.A. to perform Specialist activities pursuant to article 2.2.3, section 4 of the Rules of the Markets Organised and Managed by Borsa Italiana, and to the relative accompanying Instructions. Voting rights are suspended for treasury shares held by the Company pursuant to the law.

2.10 *Change of control and mandatory IPO provision* clauses

Pool financing contracts stipulated with subsidiary company Towertel S.p.A. give the financing banks the right to declare the borrower lapsed as regards the benefit term and/or to withdraw from the contracts in the event of a change of control at the Company.

Pursuant to article 15, letter G) of the bylaws, the Board of Directors and any delegated bodies have the power, without the need for authorisation by the general meeting, to perform acts or operations to prevent the objectives of a takeover bid from being achieved, from the time of notification of same pursuant to article 102, section 1, Legislative Decree no. 58/1998, until the conclusion of the bid or until the offering expires, and to implement decisions taken before the start of the aforementioned period which have not yet been implemented entirely or in part, which do not form part of the company's normal activities, and the implementation of which may prevent the objectives of the takeover bid from being achieved.

2.11 Directors' indemnity in the event of resignation or the termination or ceasing of employment without due cause or following a IPO

No agreements have been stipulated between the company and the directors regarding indemnity in the event of resignation or the termination or ceasing of employment following a IPO.

3. COMPLIANCE

The Company has introduced the Self-Disciplinary Code promoted by Borsa Italiana S.p.A. and available for public consultation on the Borsa Italiana website (www.borsaitaliana.it).

The company and its subsidiaries are not subject to non-Italian legal provisions which affect the corporate governance structure of the Issuer.

4. CONTROLLING PARTY AND MANAGEMENT AND COORDINATION ACTIVITIES

From January 2, 2012 the Company is controlled pursuant to article 2359, Italian civil code, by Elettronica Industriale S.p.A., which is indirectly controlled by Mediaset S.p.A.

From the same date above, the Issuer is subject to management and coordination by Mediaset S.p.A. pursuant to article 2497 and subsequent, Italian civil code.

5. BOARD OF DIRECTORS

5.1 Composition and role of the Board of Directors

Pursuant to article 13 of the company Bylaws, the administration of the Company is entrusted to a Board of Directors comprising a minimum of 5 (five) and a maximum of 21 (twentyone) members, who may or may not be shareholders, who remain in office for a period established by the General Meeting of no more than 3 (three) financial years and may be re-elected.

By resolution of 6 May 2011, the general meeting appointed the Board of Directors following the expiry of the mandate granted to the previous management body, comprising 8 directors taken from the sole list of candidates lodged by majority shareholder Millenium Partecipazioni S.r.l., a company controlled indirectly by Ing. Alessandro Falciai.

On the same date, based on information and statements received, the Board of Directors verified independence criteria pursuant to the Financial Consolidation Act and the Code, assessing the size and composition of the Committees. Specifically, in consideration of the number of independent members present, such representation was deemed both qualitatively and quantitatively sufficient.

By resolution of 30 December 2011, the Board of Directors took note of the resignation of the Chairman of the Board of Directors and Managing Director Mr. Alessandro Falciai and Directors Carlo Samuele Pelizzari and Federico Falciai, co-opting Alberto Giussani as independent non-executive Director (Chairman) and Guido Barbieri and Valter Gottardi as executive Directors (Managing Directors).

The remaining members of the Board of Directors: Marco Almerigogna, Fabio Caccia, Carlo Ramella, Alessandro Torrisi and Raoul Giuseppe Fiano handed in their resignations effective as of the General Meeting held on 29 February 2012.

The current Board of Directors was appointed by resolution of the general meeting on 29 February 2012 and will remain in office until the general meeting to approve the financial statements for the year ended on 31 December 2014, comprising 7 members of whom six - Alberto Giussani, Guido Barbieri, Valter Gottardi, Piercarlo Invernizzi, Manlio Cruciatti, Michele Pirotta – taken from the list presented by majority shareholder Elettronica Industriale S.p.A. (List no. 1) and one - Richard Hurowitz – taken from the minority list presented by shareholder Octavian Special Master Fund LP and Tiberius OC Fund LTD (List no. 2), representing a total holding of 4.37% of the share capital of EI Towers S.p.A..

There are three executive Directors: Guido Barbieri, Valter Gottardi, Piercarlo Invernizzi.

Directors Alberto Giussani, Manlio Cruciatti and Michele Pirotta have asserted that they satisfy the independence criteria pursuant to article 37 of the Market Rules introduced by Consob with Resolution no. 16191, 29 October 2007, as amended and supplemented; the independence criteria pursuant to article 148, section 3, Legislative Decree 58/1998; and the independence criteria established by the Borsa Italiana Self-Disciplinary Code.

Director Richard Hurowitz, appointed from the aforementioned minority list, has asserted that he satisfies the independence criteria pursuant to article 148, section 3, Legislative Decree 58/1998 and the independence criteria established by the Borsa Italiana Self-Disciplinary Code.

On 7 March 2012, the Board assessed the independence of its members. Directors Alberto Giussani, Manlio Cruciatti, Michele Pirotta and Richard Hurowitz were found to satisfy the independence criteria pursuant to article 148, section 3, Legislative Decree 58/1998, the Borsa Italiana Self-Disciplinary Code and article 37 of the Market Rules introduced by Consob with Resolution no. 16191, 29 October 2007, as amended and supplemented.

As disclosed to the market last 29 February, the composition of the Board of Directors also complies with the measures prescribed by the Anti-Trust Authority regarding directors' independence.

The Company has not set up an Executive Committee.

The Board has periodically assessed the adequacy of the general organisation, administrative and accounting structure set up by the Managing Director; the criteria established by regulatory provisions on internal dealing was followed to identify the controlling companies of strategic importance. On the basis of these criteria, there are no controlling companies of strategic importance.

Based on the proposals drawn up by the Remuneration Committee, the Board has established the remuneration payable to the Chairman and Managing Directors and established the criteria for the division of the total compensation package determined by the general meeting held on 6 May 2011 for directors with no specific duties.

On presentation of the Interim Management Reports and the Interim Report, the Board assessed the general management trend, taking account of the information received by the Managing Director and periodically comparing the results reported against those planned.

Fully aware of its primary responsibility of establishing and pursuing the strategic objectives of the issuer and the group, the Board of Directors has adopted specific measures requiring that subsidiary companies submit significant operations for prior examination by the Board of Directors of the holding company.

The Board has not established specific criteria to identify the operations of significant strategic, economic, equity and financial importance for the Issuer, but in general terms by defining the limitations of power and competence of the delegated bodies of the issuer and its subsidiaries.

In 2011 the Board of Directors met 13 times to examine and vote on, amongst other things, the approval of the periodic quarterly and half-yearly reports, on the examination of the Budget and the Business Plan, on the co-opting of Directors, on the determination of offices and powers, on the establishment of Consulting Committees and on resolutions regarding the merger by incorporation of the Company and EI Towers S.p.A.

In 2011 Board Meetings lasted on average about 45 minutes and were called in 70% of cases with at least three days' notice before the date of call, limiting use of the urgency procedure to sporadic cases justified by extraordinary items of business on the Agenda.

The Board has not defined any general criteria regarding the maximum number of administration and control appointments that may be held in other companies, deeming that the list vote mechanism gives this responsibility to shareholders at the time of presenting candidates; the number of appointments accepted by directors in office at the close of the financial year, as can be seen in Attachment C, is limited and therefore sufficient to guarantee continuity and active participation in Board and Committee meetings.

The general meeting has not authorised waivers of the competition prohibition established by article 2390, Italian civil code, on a general and prior basis.

The resumes of the current Directors, including any administration and/or control appointments, are available for consultation on the corporate website at www.eitowers.it, Investor Relations section, and on the Borsa Italiana S.p.A. website.

Changes regarding the composition of the Board in office at the date of closure of financial 2011, cessations of office during such financial year and changes in the composition of the Board since the closure of the financial year are reported in Attachment C.

5.2 Delegated bodies

At the meeting of 6 May 2011, the Board of Directors confirmed Ing. Alessandro Falciai as Chairman and Managing Director of the Company, with powers of ordinary and extraordinary administration within the limitations of the budget and the business plan approved by the Board of Directors.

During the year the Managing Director conferred general and special powers of attorney on directors and function managers, granting them powers to perform certain acts and/or categories of act; these powers must in all cases be exercised in a manner that complies with the internal organisational procedures that regulate control and management activities and must not in any case be in contrast with the resolutions of the Board of Directors.

Pursuant to article 15 of the Company Bylaws, the delegated bodies report promptly and at least quarterly to the Board of Directors and the Statutory Auditors on the activities performed and on the most significant operations in economic, financial and equity terms performed by the Company or its subsidiaries; they report specifically on the operations in which the directors themselves have an interest, either on their own behalf or on behalf of third parties.

Pursuant to article 16 of the Company Bylaws, the Chairman and, within the limits of the powers conferred upon them, the Managing Director and the other Directors who have been granted powers by the Board, represent the Company and may affix the Company signature. Broad operating, coordination and guidance powers are held by the Chairman and Managing Director.

With regard to operating subsidiaries, Managing Directors and General Managers have been appointed and granted powers of representation with sole signature up to a value limit determined by their respective Boards of Directors.

The Chairman of the Board who was the the main officer responsible for managing the Issuer at 30 December 2011, was the controlling shareholder and founder of the Issuer; this presence since the listing of the Issuer has always been offset by a strong non-executive presence on the Board of Directors.

On 30 December 2011, Guido Barbieri and Valter Gottardi were appointed Managing Directors. On the same day Alberto Giussani was appointed Chairman of the Board of Directors. The aforementioned new directors were co-opted on the same day to replace outgoing Directors Alessandro Falciai, Carlo Samuele Pelizzari and Federico Falciai.

5.3 Other executive directors

Until 30 December 2011, the Board had not appointed any delegated bodies other than the Chairman and Managing Director Alessandro Falciai. Alessandro Falciai had granted powers and powers of attorney to executive Directors Fabio Caccia (Chief Financial Officer) and Carlo Ramella (Chief Operating Officer).
Carlo Samuele Pelizzari, executive director of the company until 30 December 2011, was also Managing Director of subsidiary Towertel S.p.A. until the same date.

From 30 December 2011 to 29 February 2012, the date of the General Meeting to re-elect the Board of Directors, the executive directors, in addition to Managing Directors Giudo Barbieri and Valter Gottardi, were: Fabio Caccia (Chief Financial Officer) and Carlo Ramella (Chief Operating Officer).

5.4 Independent directors

At the date of closure of financial 2011, Directors Alessandro Torrisi, Raoul Giuseppe Fiano and Alberto Giussani satisfied the independence criteria stipulated by current legislation and the Borsa Italiana Self-Disciplinary Code.

The Board, both after the election of 6 May 2011 and after the co-opting of directors on 30 December 2011, assessed the compliance of Non-executive Directors with independence criteria on the basis of the provisions of the Financial Consolidation Act and the Code.

The Statutory Auditors successfully verified the correct application of verification criteria and procedures introduced by the Board to assess the independence of the company's directors.

During the financial year, the independent directors did not meet without the the other directors being in attendance, regarding as sufficient the periodic meetings of Committees, followed by coordination meetings with representatives of the Trade Unions, of the Supervisory Body and the audit firm, without the attendance of executive directors.

5.5 *Lead independent director*

As described above, the Board has conferred broad management powers on the Chairman, which are justified by his extensive knowledge of the company and its activities, as he is also founder of same.

In consideration of the recommendations of the Code to appoint a lead independent director if the Chairman is also chief executive officer, the Board has decided that the number of non-executive directors is sufficient to ensure management impartiality.

The Chairman and Managing Director Ing. Alessandro Falciai handed in his resignation on 30 December 2011, concurrently with the signing of the deed of merger by incorporation of the company EI Towers S.p.A., a company controlled indirectly by Mediaset S.p.A., into DMT S.p.A..

No management powers have been conferred on Alberto Giussani, the Chairman of the Board of Directors appointed by resolution of 30 December 2011.

6. TREATMENT OF CORPORATE INFORMATION AND RELATIONS WITH INVESTORS AND SHAREHOLDERS

6.1 Management procedure for confidential information

In order to ensure that corporate information is managed correctly and in compliance with regulations in force regarding the treatment of privileged information, the Board of Directors voted to introduce, as of 1 April 2006, Rules regarding the management of such information; further, in the framework of such Rules, guidelines have been drawn up to establish and regularly update the Register of persons with access to privileged information pursuant to article 115 bis, Financial Consolidation Act.

Pursuant to this procedure, the Directors, Statutory Auditors and all the other persons who for other reasons participate, intervene in or in any case attend the meetings of the Board of Directors, the Bord of Statutory Auditors, and the Internal Control and Remuneration Committees, are obliged to keep confidential the documents and information they have access to during the performance of their duties. Specifically, they keep privileged information confidential at least until such information is made public by the Company in the manner established by the procedure.
Great care is also taken over the disclosure to the public of so-called price sensitive information, the communication of which, because of its importance, could affect the regular pricing process in the regulated markets on which the Company's shares are traded. To guarantee the utmost market

transparency, the Board has adopted a special procedure to manage investor relations and to publish press releases.
The company has created a special section on the corporate website (www.eitowers.it) to provide the public with information about the issuer; the company's aim is constantly to improve the effective and prompt diffusion of information, and the periodic or extraordinary communication of corporate and economic-financial information in particular.

6.2 Internal Dealing Code

The Board updated the Internal Dealing Code introduced by the company on 1 April 2004, replacing same with Internal Rules that set out the new limitations and new methods of communication pursuant to article 114, section 7 of the Financial Consolidation Act, as amended, and to the relative implementation provisions contained in articles 152-sexies and subsequent of the Issuer Regulations. Pursuant to the Internal Dealing Code, the Company communicates Significant Operations (as defined in the Code), in the manner and according to the terms established in the Issuer Regulations, also on behalf of Significant Shareholders (as defined in the Code) following agreement in this sense.
On 27 March 2007, the Board of Directors amended the internal dealing procedure by introducing, with binding effect for significant persons, so-called *black out periods*, during which operations are prohibited regarding the Issuer's shares or linked financial instruments for 15 days prior to the meeting of the Board of Directors called to approve the accounts for the period (with the exception of acts to exercise stock options or option rights).

6.3 Data security policy

Group companies, where applicable, have drawn up data security policies which are periodically updated.

7. COMMITTEES

The Board has established an Internal Control Committee and a Remuneration Committee.

7.1 Appointment proposal committee

In consideration of the fact that the list vote mechanism currently used ensures that the appointment procedure is transparent and that the composition of the Board of Directors is balanced, even in the event of the replacement of directors, and specifically that there are sufficient independent directors, the Board of Directors has not deemed it necessary to establish a Committee among its members to propose the appointment of directors.

7.2. Internal control committee

Aware of the importance of a suitable internal control system, the Company has established an Internal Control Committee. The Committee has the task of providing consulting and proposals to assist the Board of Directors with its responsibilities regarding the reliability of the accounting system, financial functions and the internal control system, and the supervision of the activities performed by external auditors and the activities of the person responsible for internal control.

By resolution of 6 May 2011, the Board appointed the following directors to the Committee: Marco Almerigogna (Chairman and non-executive director), Raoul Giuseppe Fiano (independent) and Alessandro Torrisi (independent). The Committee met periodically to assess the adequacy of the internal control system and the plan of work of the person responsible for internal control, reporting to the Board of Directors.

The person responsible for internal control is Dr. Luca Fabbro, who was also appointed at the meeting of 6 May 2011. The Person Responsible performs their functions with the assistance of external consultants within the limits established by resolution of the Board of Directors, and with the assistance of the company's employees.
The Person Responsible is also authorised to request the managers of the various corporate functions to provide every document, report and information deemed necessary or useful, operating in the framework of the expense budget resolved from time to time by the Board of Directors, on the basis of action projects proposed and with the obligation of reporting on the use of the budget.

The Committee meets at least 2 times a year and whenever the Chairman recognises the need: the operation of the Committee is regulated by special rules.

In 2011 the Internal Control Committee met 5 times to define the programme of controls and for the periodic assessment of the activities performed, with special regard to the verification of the activities of the Person Responsible for Internal Control and Audit activities.

The average duration of the meetings was 55 minutes. Committee members attended all meetings, at which minutes were taken and transcribed in the appropriate register.

The Internal Control Committee also performs the functions of the Committee stipulated by the Procedure for operations with related parties, which met for this purpose two times in 2011 to determine the compensation payable to directors with special duties and to assess agreements established in the framework of the merger by incorporation of EI Towers S.p.A.

On 7 March 2012, the Board of Directors established the Control and Risks Committee among its members, comprising Directors Michele Pirotta (Chairman), Alberto Giussani and Manlio Cruciatti, all independent directors.

The calendar of scheduled meetings has not yet been defined for the current year in consideration of the Committee's recent appointment.

7.3. Remuneration committee

The Board of Directors has set up a Remuneration Committee among its members.
The Committee was appointed by the Board of Directors and is composed of three members selected from the non-executive Board Directors, the majority of whom are independent.
The Remuneration Committee elects one of its members to be Chairman by majority vote.

On 6 May 2011, the Board of Directors appointed the following Committee members: Marco Almerigogna (Chairman and non-executive director), Raoul Giuseppe Fiano (independent) and Alessandro Torrisi (independent).

At least one member of the Committee has sufficient knowledge and experience of accounting and financial matters as assessed by the Board of Directors on appointment.

Directors may not attend the meetings of the Committee in which proposals to the Board regarding their own remuneration are discussed.

The Remuneration Committee has consulting and proposal-making functions. Specifically it draws up proposals to submit to the Board regarding the remuneration of the Managing Directors and Directors with special duties in accordance with the Bylaws; the Committee has access to the corporate information and functions needed to perform its duties. The Committee has drawn on the services of external consultants with expertise in remuneration policy as regards the information needed about market standards regarding remuneration systems.

The Committee may draw up proposals to submit to the Board based on the indications provided by the directors and, in particular, by the Chairman and/or the Managing Director of the Company, with regard to the introduction of general remuneration criteria for top management which are suitable to motivate and attract persons of sufficient level and experience.

The meetings of the Committee were attended by the company's Statutory Auditors; minutes were taken of the meetings and transcribed in the appropriate register.

During 2011, the Committee met 4 times to draw up proposals and opinions regarding the division of the total emolument established by the general meeting for the directors, the determination of the compensation payable to directors with special duties and agreements established in the framework of the merger by incorporation of EI Towers S.p.A.

The average duration of the meetings was 35 minutes and committee members were always in attendance.

On 7 March 2012, the Board of Directors set up the Remuneration Committee among its members, composed of Directors Alberto Giussani (Chariman), Richard Hurowitz and Manlio Cruciatti.

The calendar of scheduled meetings has not yet been defined for the current year in consideration of the Committee's recent appointment.

For detailed information on the functions of the Remuneration Committee and on Company Policy with regard to the remuneration of directors and managers with strategic responsibilities, please consult the Remuneration Report prepared pursuant to article 123-ter, Financial Consolidation Act, and the implementation instructions issued by Consob.

8. DIRECTORS' REMUNERATION

Remuneration policy

At the annual general meeting called on 11 April 2012 to approve the Financial Statements at 31 December 2011, the Board of Directors will present the Remuneration Report prepared pursuant to article 123-ter, Financial Consolidation Act, and the implementation instructions issued by Consob. The first Section of the Report describes Corporate Policy regarding the remuneration of directors and managers with strategic responsibilities. This Section will be submitted to the General Shareholders' Meeting for approval. The Remuneration Report will be made available for public consultation according to the terms established by current legislation.

Stock option plans

As described in article 2.9 of this report, the resolution of the general meeting on 16 September 2011 fully terminated: the divisible capital increase of a nominal Euro 5,000, voted on 13 November 2007 by the Board of Directors of the company, to implement by issuing no. 50,000 ordinary shares to assign to the beneficiaries of the "first assignment" in the 2007 Stock Option Plan, which has not yet been subscribed, as the relative options have in part expired and the remaining part has been waived by the respective residual beneficiaries or terminated in the nominal amount of Euro 2,500; and the divisible capital increase amounting to a nominal Euro 5,000, resolved on 27 October 2008 by the Board of Directors, to be implemented by means of the issue of no. 50,000 ordinary shares to assign to the beneficiaries of the "second assignment" of the 2007 Stock Option Plan, as no. 25,000 options have expired and only no. 25,000 options remain in being; as a result of such partial termination, the aforementioned capital increase remains in being for a nominal Euro 2,500, to implement by means of the issue of no. 25,000 ordinary shares to service the "second assignment".

However, we draw your attention to the fact that no. 25,000 options referring to the Second Allocation have expired as they were not exercised within the term provided in the event of accelerated exercising of the options due to merger or demerger operations (see the Information Document available on the website www.eitowers.it regarding the merger by incorporation of Ei Towers S.p.A. into DMT S.p.A., which on 2 January 2012 changed name to EI Towers S.p.A.).

Stock grant plan
With reference to the Digital Multimedia Technologies S.p.A. ("DMT"), now EI Towers S.p.A., plan to grant stock to the top management of the Company and subsidiary Towertel S.p.A., by means of the use of treasury shares, introduced by resolution of the general shareholders' meeting on 30 November 2010, for the purpose of allocating free of charge a maximum of 110,000 ordinary shares (the "Stock Grant Plan"), you are informed that, following the change of control occurring with the registration of the deed of merger by incorporation of EI Towers S.p.A. into DMT S.p.A. with the Monza and Brianza Company Register on 2 January 2012, the acceleration provided for in article 12 of the Stock Grant Plan Rules (the "Rules") took place.

In accordance with the aforementioned Rules, on 1 February 2012 the beneficiaries of the Stock Grant Plant, who are directors and employees of the Company and subsidiary Towertel S.p.A. identified by the Board of Directors of DMT, received the shares allocated to each of them respectively by the Stock Grant Plan for the years after the occurrence of the change of control, or in other words regarding financial years 2012 and 2013, equal respectively to 30% and 40% of the total shares, independently of the achievement of corporate performance goals established by the Rules.

On approval of the 2011 consolidated financial statements, the Board of Directors verified the achievement of the corporate performance targets established in the Rules for the residual no. 33,000 shares relating to financial 2011, which will be consigned to the beneficiaries according to the terms originally provided.

For further information on the terms and conditions of the Stock Grant Plan and on the characteristics of the financial instruments allocated, please see the Information Document prepared pursuant to article 84-bis, Consob Regulation 11971/1999, the press release of 1 February 2012 and the attached table.

In drawing up the Stock Grant Plan, the board of directors has ensured that:
a) the shares, options and every other right allocated to directors to purchase shares or to be remunerated based on the share price trend, have a vesting period of at least three years;
b) the vesting referred to in point a) above is subject to preset and measurable performance goals;
c) the directors retain a portion of the shares allocated or purchased by exercising the rights pursuant to point a) above.

Remuneration of the executive directors
A significant portion of the remuneration of directors with delegated management powers is linked to the achievement of specific performance goals, which may also be non economic, established on a prior basis by the Board of Directors.

Remuneration of managers with strategic responsibilities
No managers with strategic responsibilities have been identified.

Incentive mechanism for the persons responsible for internal control and the manager responsible for the preparation of the company's accounting documents
There are no incentive mechanisms in place for the Person responsible for internal control, as the fixed compensation determined by the Board is deemed sufficient in consideration of the fact that the person involved is not a company employee.
The Manager responsible for preparing the company's accounting documents, being the Chief Financial Officer of the company, participates in incentive schemes. The Board of Directors has also resolved to pay the Manager Responsible a fixed compensation consistent with this position.

Remuneration of non-executive directors
The remuneration of non-executive directors is not linked to the economic results achieved by the Issuer, but commensurate with the commitment required of each of them, also in consideration of their sitting on

one or more committees. The non-executive directors are not the beneficiaries of share-based incentive plans.

Directors' indemnity in the event of resignation, termination or cessation of employment following a takeover bid
No indemnity has been established.

9. INTERNAL CONTROL SYSTEM

9.1 The internal control system, as provided by principle 8.P.1 of the Code, is the set of rules, procedures and organisational structures designed to ensure healthy, fair business management that is aligned with preset goals, by means of a suitable process of identification, measurement, management and monitoring of the main risks affecting the company.
An effective internal control system contributes to protecting the company's equity, the efficiency and effectiveness of company operations, the reliability of financial information, and the observance of laws and regulations. Although the Company has appointed the Internal Control Committee, the Board of Directors has also drawn up internal control system guidelines, asking the Committee to report on the adequacy, efficiency and effective operation of the internal control system.

The Board has assessed the activities performed by the Internal Control Committee and the report of the Person Responsible for Internal Control regarding audits conducted with the help of specialist consulting firms.

Person Responsible for Internal Control
By resolution of 6 May 2011, the Board appointed Luca Fabbro as the Person Responsible for Internal Control. This appointment was discussed with the Executive Director in charge and the Internal Control Committee. The remuneration of the person responsible for internal control was determined based on the proposal submitted by the Executive Director in charge and the Internal Control Committee, in consideration of the presence of other external consultants who provide support for audit activities.

The Person Responsible for Internal Control is not an employee of the Company and is not responsible for any operating area; the Person Responsible for Internal Control has had direct access to all useful information for the purposes of performing their assignment and reported on their work to the Internal Control Committee, the Statutory Auditors and the Executive Director in charge of supervising the operation of the internal control system during meetings held during the year.

During 2011, the Person Responsible for Internal Control assisted the Internal Control Committee, organised and managed verification activities in several areas of the company including the "Health and Security Cycle in work places" and the "Provisioning Cycle", performed with the help of consulting firms, and prepared detailed reports on the aforementioned activities.

An Internal Audit function has been appointed, the manager of which is not the Person Responsible for Internal Control. The Internal Audit manager is an employee of the company in the finance and control area.

Executive director in charge of supervising the operation of the internal control system
By Board of Directors' resolution on 6 May 2011, Dr. Fabio Caccia, executive director and Chief Financial Officer, was charged with supervising the operation of the internal control system, as recommended by the Self-Disciplinary Code of listed companies (8.C.1. letter b).

9.2 Specifically, the internal control system regarding financial reporting is the process addressed to providing reasonable certainty regarding the reliability of financial information and the ability of the financial statement preparation process to produce financial information in accordance with the relative accounting standards.

Described below are the methods used by the Group to set up its risk management and internal control system in relation to the financial reporting process at consolidated level.

Methodological approach

The applicable legislation does not provide any indications about operating methods and the instruments used by the control system. Generally speaking, reference is made to international best practices in order to ensure the greatest possible consistency between the aims of the legislation and the organisation of activities to implement same.

There is a special focus on the goals of the internal control process, which are to provide reasonable certainty regarding compliance with the timing established by legislation for the preparation of financial reporting and accounting information, and to ensure the reliability of the data, the information and the process used to prepare financial reporting and accounting information.

The Group has introduced a working methodology that involves the following logical steps:

- identification and assessment of the risks applicable to financial reporting;
- identification of controls applicable to the risks identified;
- assessment of the controls in terms of design, operation and effectiveness, to reduce the risks to a level considered “acceptable”;
- assessment of the effective application and monitoring of the control model.

Risk identification and assessment

The risk assessment process, conducted using a top-down approach, is addressed to identifying the companies/organisational entities, processes and specific activities capable of generating risks of error, which could have significant effects on financial statements, based on criteria of significance and complexity.
In detail:
a) for each significant consolidated balance sheet item, the contribution made by companies within the Group consolidation perimeter has been considered;
b) in the framework of significant businesses for the financial reporting control system, the processes which contribute to balance sheet items have been identified;
c) such processes have been mapped onto specific administrative procedures; specifically, in consideration of the two different businesses in which the Group operates, separate procedures have been drawn up where process specifics make this appropriate. These procedures have been published on the corporate Intranet;
d) for each significant process the specific financial reporting risks have been identified, with special reference to so-called balance sheet assertions (existence and occurrence, completeness, rights and obligations, assessment and registration, presentation and information disclosure);
e) specific risk mapping and assessment has been performed on the balance sheet closure process, in consideration of the specific assessment and reporting issues deriving from same.

Identification of controls

The controls in place to implement the associated control goals have been identified for the process risks mapped.
These controls can be manual or IT-based and are designed to prevent or identify any significant errors. The frequency of controls is also indicated.
The account-process matrix and relative controls constitute the instrument used to:
- represent the significant processes, the main risks and the controls established to manage such risks;
- assess the design of mapped controls to verify their ability to manage and mitigate the risk identified.

Assessment of the adequacy of controls

The adequacy of the procedures has been documented by assessing the key controls, i.e. those which satisfy the most balance sheet assertions, using special measurement matrices. The results are discussed with the persons responsible for individual procedures. In the event the controls are not adequate, corrective action is taken.

Assessment of effective application and monitoring

The activities of the Manager Responsible included the assessment of the effective application of key controls for mapped processes. The results of the tests performed are set forth in specific reports which are used to take any corrective action necessary.

During the financial year closed, verifications were performed on proceses realating to accounts payable and receivable, fixed assets, finance and treasury, and personnel.

Monitoring basically involves updating process documentation and defining and undertaking corrective action to correct any key controls deemed unsatisfactory.

10. ORGANISATION AND MANAGEMENT MODEL PURSUANT TO LEGISLATIVE DECREE NO. 231/2001

On 6 May 2011 the Board of Directors, consistently with the criteria previously established in the Organisation, Management and Control Model pursuant to Legislative Decree no. 231/2001 regarding the composition of the Supervisory Body, appointed: Marco Almerigogna (Internal Control Committee Chairman), Marco Lovati (Standing Auditor at subsidiary Towertel S.p.A.) and Sara Alberton (Corporate Affairs Office Manager).

In consideration of the extraordinary operations in which the Company was involved in 2011, a process has been set in motion to review and implement the Organisation Model.

On 7 March 2012, following the amendment of the composition criteria for the Supervisory Body provided in the Organisation Model, two non-employees were appointed as members, Michele Milano and Furio Ghezzi, and one employee, Rossella Agostoni, the Company's Human Resources Manager.

The Organisation Model is available for consultation on the Corporate website.

11. INDEPENDENT AUDITORS

The General Shareholders' Meeting of 22 March 2004 conferred the assignment of independent auditor of the annual and consolidated financial statements for the three-year period 2004-2006, as well as the assignment covering interim reports for the same three-year period, on "Reconta Ernst & Young S.p.A.". The general meeting of 27 April 2007, based on the reasoned proposal presented by the Statutory Auditors, resolved to extend the contract in being with the current independent auditors for a period of six years from 2007 to 2012, as provided by article 159, section 1, Legislative Decree no. 58 and article 8, Legislative Decree no. 303, 29 December 2006.

12. MANAGER RESPONSIBLE FOR THE COMPANY'S ACCOUNTING DOCUMENTS

Dr. Fabio CACCIA, Chief Financial Officer, acts as Manger Responsible for the Company's Accounting Documents.
In detail, the Manager has the power to:
1. gain direct access to all the information needed to produce accounting data without the need for authorisation;

2. participate in significant internal flows for accounting purposes;
3. approve all corporate procedures which have an impact on the economic, equity and financial situation, as well as to participate in the definition of information system structures;
4. organise his own activities, deciding on the necessary technical means and resources;
5. make provision for own budget;
6. draw on the services of other corporate functions for the purpose of mapping processes in sphere of competence;
7. use the information provided by the control body and Internal Auditing function for the performance of specific controls.

In compliance with the provisions of the Bylaws, satisfaction was verified on appointment of requirements relating to long-term experience in the administration, finance and control areas and to good standing as required by the law applicable to the office of director.

13. DIRECTORS' INTERESTS AND OPERATIONS WITH RELATED PARTIES

Following the introduction of the Consob Regulation regarding operations with related parties pursuant to resolution no. 17221, 12 March 2010, as amended by resolution no. 17389, 23 June 2010, on 30 November 2010 the Board of Directors approved a procedure which, according to the principles indicated in the Consob Regulation, ensures the transparency and the material and procedural correctness of operations with related parties.
The Internal Control Committee, composed entirely of independent directors pursuant to the aforementioned Regulation, unanimously expressed its favourable opinion of the procedure.
The procedure was introduced on 1 January 2011 to replace the Guidelines in force on the subject.
The procedure is available for public consultation on the corporate website at www.eitowers.it, Corporate Governance section.

The directors are obliged before discussing the matter to notify the Board and Statutory Auditors comprehensively about every interest, including potential interests which, on their own behalf or on behalf of third parties, they have in a certain company operation, clarifying their nature, terms, origin and scope.

14. GENERAL MEETINGS

The General Shareholders' Meeting affords the ideal opportunity to establish a profitable dialogue between shareholders and the Board of Directors.
On 22 December 2004, the Company approved a regulation to ensure that general meetings are conducted in an orderly and functional manner, in observance of the fundamental right of each shareholder to request clarification regarding the various items of business on the agenda, to express their own opinions and to present proposals.
The Rules applicable to General Meetings are available for consultation on the corporate website at www.eitowers.it, Investor Relations section.

The Board reports on its activities when periodic financial reports are released and takes the necessary action to ensure that the documentation needed to allow shareholders to make informed decisions is promptly provided.

In consideration of the make-up of the shareholder base, the Company has decided that it is not necessary to allow the use of instruments including online voting or voting by correspondence, because a direct relationship with shareholders is ensured by periodic meetings and by the Investor Relations Manager.

15. BOARD OF STATUTORY AUDITORS

The Board of Statutory Auditors is composed of three standing and two alternate auditors who, pursuant to article 17 of the Bylaws, must satisfy the integrity and professionalism requirements established by the law and/or by secondary implementation legislation, as well having been entered in the register of auditors for at least 3 years. Alternatively they must have at least three years' overall experience performing the activities pursuant to article 17, letter B). Persons may not be appointed as Statutory Auditors who, pursuant to current legislation or regulatory provisions, are not eligible or in relation to the limitation of the number of offices established by mandatory legal or regulatory provisions.

The current members of the Board of Statutory Auditors were appointed by the general meeting of 6 May 2011 and will remain in office for a three-year period which expires on the date of the general meeting to approve the 2013 financial statements and may be re-elected. Each member of the Board must satisfy the integrity and independence requirements provided by the law and the Bylaws.

This body is also elected by means of a list vote mechanism, according to which proposals to the general shareholders' meeting to appoint statutory auditors must be lodged with the company's head office (accompanied by comprehensive information regarding the personal and professional characteristics and the positions held).
The same article in the Bylaws ensures that minorities have the possibility, given appropriate organisation, to appoint a statutory auditor as required by the Financial Consolidation Act. Therefore, to ensure that the minority can appoint a Standing Auditor and an Alternate Auditor, lists are presented containing two sections: one for the appointment of the Standing Auditors and the other for the appointment of the Alternate Auditors.

The standing Board of Statutory Auditors is composed of auditors taken from the majority list, because the minority shareholders did not present any list, despite the extension of the term and the reduced thresholds provided pursuant to article 17 of the Bylaws and article 144 sexies of the Issuer Regulations:

Name	*Office*	*In office since*	*List*	*% Att. BSA*	*% Att. BoD*	*Other offices*
VITTADINI Francesco	Chairman	06/05/2011	M	100 %	93%	24
GIRELLO Anna	Standing	06/05/2011	M	100 %	100%	9
ARMAROLLI Marco	Standing	06/05/2011	M	100 %	93%	14
RESTORI Giancarlo	Alternate	06/05/2011	M			
LOVATI Marco Benvenuto	Alternate	06/05/2011	M			

The Board of Statutory Auditors met 6 times during financial 2011, verifying amongst other things the independence of its members, the continuation of such independence and the independence of the audit firm with regard both to legal provisions and to the nature and quantity of services other than accounting control performed at the Issuer and its subsidiaries by the same independent auditors and other entities in the auditor's network.

The Company requires that auditors who, on their own behalf or on behalf of third parties, have an interest in a given operation promptly and comprehensively inform the other auditors and the chairman of the Board regarding the nature, terms, original and scope of their interest.

During financial 2011, at least one auditor attended the meetings of the Committee and the Supervisory Body.
Finally, the exchange of information between the Board of Statutory Auditors and the Internal Control Committee takes place through the systematic attendance of Committee meetings by at least one auditor, whereas a representative of the Independent Auditors is periodically invited to attend Committee meetings to report on the outcome of controls performed.

The resumes of the current Statutory Auditors, are available for consultation on the corporate website at www.eitowers.it, Investor Relations section.

16. CHANGES SINCE THE CLOSURE OF THE FINANCIAL YEAR

On 30 December 2011, DMT S.p.A. and EI TOWERS S.p.A. stipulated a deed of merger by incorporation of EI TOWERS S.p.A. into DMT (the "Merger").
The Merger was effective from the date of the last entry in the Monza and Brianza Company Register, on 2 January 2012; the accounting and tax effects of the Merger began on 1 January 2012.

With effect as of the date of entry into force of the Merger, DMT changed its name to "EI Towers S.p.A." and also modified its share capital to Euro 2,826,237.70, represented by no. 28,262,377 ordinary shares of par value Euro 0.10 each.

As a result of said Merger and the collateral transfer of shares, Elettronica Industriale S.p.A., a company wholly owned by Mediaset S.p.A., has become the majority shareholder of EI Towers S.p.A. (formerly DMT S.p.A.), owning shares representing 65.001% of the share capital.

As provided by the Merger agreement, on 30 December 2011, the Chairman of the Board of Directors and majority shareholder Alessandro Falciai resigned from all his offices in DMT Group, together with two other directors. The remaining directors concurrently resigned from their offices, effective as of the general meeting held after the Merger on 29 February 2012.

The new Board of Directors was appointed on that date and will remain in office until the approval of the financial statements at 31 December 2014, comprising 7 members of whom six - Alberto Giussani, Guido Barbieri, Valter Gottardi, Piercarlo Invernizzi, Manlio Cruciatti, Michele Pirotta - were taken from the minority list presented by shareholders Octavian Special Master Fund LP and Tiberius OC Fund LTD (List N. 2), representing a total shareholding of 4.37% of the share capital of EI Towers S.p.A..

There are three executive Directors: Guido Barbieri, Valter Gottardi, Piercarlo Invernizzi.

The General Meeting appointed Alberto Giussani to the post of Chairman and the Board meeting on the same date confirmed Guido Barbieri and Valter Gottardi as Managing Directors.

After the appointment, the Board of Directors assessed the independence of its directors. Directors Alberto Giussani, Manlio Cruciatti, Michele Pirotta and Richard Hurowitz satisfy the independence criteria provided by current legislation, as well as the independence criteria set forth by the Borsa Italiana Self-Disciplinary Code, as communicated to the market on 7 March 2012.

The corresponding sections of this Report contain these changes as far as possible, even though they refer to financial 2012, to provide a complete and comprehensive picture.

ATTACHED SUMMARY TABLES

The following pages contain the comparison table between the principles and application criteria of the 2006 Self-Disciplinary Code (revised March 2006), the structure of the Board of Directors and the Committees and the structure of the Board of Statutory Auditors.

We clarify that the tables attached under B and C were prepared based on the format suggested by the "Guide" published by Assonime and by Emittenti Titoli S.p.A., while the summary table sub A was supplemented and completed with further information in consideration of obligations pursuant to article 89-bis of the Issuer Regulations.

The main documents referring to the Corporate Governance structure are available on the website www.eitowers.it

Lissone, 16 March 2012

The Chairman of the Board of Directors
(Dr. Alberto Giussani)

Allegato A - Sintesi del confronto con i principi e i criteri applicativi del Codice di Autodisciplina

	Sì	NO	Sintesi delle motivazioni dell'eventuale scostamento dalle raccomandazioni del codice
Ruolo del Consiglio di Amministrazione			
Al Consiglio di Amministrazione sono riservati l'esame e l'approvazione dei Piani strategici, industriali e finanziari della Società e del Gruppo e del sistema di governo della Società e della Struttura del Gruppo?	X		
Il Consiglio di Amministrazione valuta l'adeguatezza dell'assetto organizzativo, amministrativo e contabile generale dell'emittente e delle controllate, predisposto dagli amministratori delegati, con particolare riferimento al sistema di controllo interno e alla gestione dei conflitti di interesse?	X		
Il Consiglio di Amministrazione determina, esaminate le proposte dell'apposito comitato e sentito il Collegio sindacale, la remunerazione dell'Amministratore delegato?	X		
Il Consiglio di Amministrazione valuta il generale andamento della gestione, tenendo in considerazione, in particolare, le informazioni ricevute dagli organi delegati, nonché confrontando, periodicamente, i risultati conseguiti con quelli programmati?	X		
Al Consiglio di Amministrazione sono riservate l'esame e l'approvazione preventiva delle operazioni Significative della Società, delle sue controllate, con Parti correlate e nel caso in cui uno o più amministratori siano portatori di un interesse per conto proprio o di terzi?	X		
Il Consiglio di Amministrazione ha effettuato la valutazione, annuale, sulla composizione, dimensione e funzionamento del Consiglio stesso e dei suoi Comitati?	X		
Composizione del Consiglio di Amministrazione			
Nella composizione del Consiglio di Amministrazione si sono seguiti i principi previsti dal Codice per la nomina di amministratori esecutivi e non esecutivi?	X		
Uno o più consiglieri hanno ricevuto deleghe gestionali?	X		Il Presidente e Amministratore delegato Ing. Falciai fino al 30.12.2011.
Il Presidente del Consiglio di Amministrazione ha ricevuto deleghe gestionali?	X		
Gli organi delegati hanno riferito al Consiglio di Amministrazione e al Collegio sindacale, circa l'attività svolta con periodicità?	X		Almeno trimestralmente
Nel Consiglio di Amministrazione vi sono altri consiglieri da considerarsi esecutivi?	X		I Consiglieri Carlo Samuele Pelizzari in quanto Amministratore Delegato della controllata Towertel S.p.A. rimasto in carica fino al 30.12.2011; il *Chief Financial Officer* Fabio Caccia ed il *Chief Operating Officer* Carlo Ramella hanno rassegnato le dimissioni per la carica di amministratori in data 29.02.2012, mantenendo i predetti ruoli organizzativi.

	Sì	NO	Sintesi delle motivazioni dell'eventuale scostamento dalle raccomandazioni del codice
Il Consiglio di Amministrazione ha designato un amministratore indipendente quale lead independent director?		X	Il Consiglio di Amministrazione non ha individuato, tra gli amministratori indipendenti, un *lead indipendent director* in quanto il numero di consiglieri non esecutivi è ritenuto sufficiente a garantire l'imparzialità nella gestione.
Il Consiglio di Amministrazione ha definito criteri generali circa il numero massimo di incarichi che può essere considerato compatibile con un efficace svolgimento del ruolo di amministratore		X	Il Consiglio Amministrazione ha ritenuto che tale valutazione spetti ai soci in sede di designazione degli amministratori
Amministratori indipendenti			
Gli amministratori indipendenti sono adeguatamente rappresentati in Consiglio?	X		
Il Consiglio di Amministrazione ha seguito le indicazioni del Codice in materia di valutazione dell'indipendenza degli amministratori?	X		
Il Collegio sindacale ha verificato la corretta applicazione delle procedure di accertamento adottate dal Consiglio di Amministrazione per valutare annualmente l'indipendenza dei suoi membri ed ha reso noto l'esito di tale controllo al mercato?	X		
Gli amministratori indipendenti si sono riuniti nel corso dell'esercizio in assenza degli altri amministratori?	X		
Trattamento delle informazioni societarie			
Il Consiglio di Amministrazione, su proposta degli amministratori delegati ha adottato una procedura per la gestione interna e la comunicazione all'esterno di documenti ed informazioni riguardanti l'emittente, con particolare riferimento alle informazioni privilegiate ?	X		
Istituzione e funzionamento dei Comitati interni al Consiglio di Amministrazione			
Il Consiglio di Amministrazione ha istituito al proprio interno uno o più Comitati con funzione propositive e consultive?	X		Il Consiglio di Amministrazione ha istituito il Comitato per il Controllo Interno e il Comitato per la remunerazione
La composizione, i compiti e le modalità di svolgimento delle riunioni dei Comitati sono conformi alle prescrizioni del Codice?	X		

Nomina degli amministratori			
	Sì	**NO**	**Sintesi delle motivazioni dell'eventuale scostamento dalle raccomandazioni del codice**
Il Consiglio di Amministrazione ha valutato se istituire un Comitato per le nomine?		X	In considerazione della struttura dell'azionariato esistente e della conseguente disciplina di *corporate governance* assunta dalla società non si è ritenuto opportuno istituire un Comitato per le nomine.
Il deposito delle candidature alla carica di amministratore è avvenuto con almeno quindici giorni di anticipo, ed è stato accompagnato da esauriente informativa anche con riguardo all'eventuale indipendenza?	X		
Remunerazione degli amministratori			
Il Consiglio di Amministrazione ha valutato se istituire un Comitato di remunerazione?	X		
Il Comitato è composto da non esecutivi, la maggioranza dei quali indipendenti?	X		
Il Comitato presenta al consiglio proposte per la remunerazione degli amministratori delegati e degli amministratori che ricoprono particolari cariche e valuta periodicamente i criteri adottati per la remunerazione dei dirigenti con responsabilità strategiche, vigila sulla loro applicazione e formula al Consiglio di Amministrazione raccomandazioni generali in materia?	X		
La remunerazione degli amministratori esecutivi è legata, in parte, ai risultati economici della Società ed ad obiettivi specifici?	X		
Sistema di controllo interno			
Il Consiglio di Amministrazione ha valutato se istituire un Comitato per il Controllo Interno?	X		
Il Comitato è composto da amministratori non esecutivi, la maggioranza dei quali indipendenti?	X		
Almeno un componente del comitato possiede una esperienza in materia contabile e finanziaria, ritenuta adeguata dal consiglio di amministrazione al momento della nomina?	X		
Il Consiglio di Amministrazione definisce le linee di indirizzo, valuta l'adeguatezza, l'efficacia ed il funzionamento del sistema di controllo interno ed ha individuato un amministratore esecutivo che ne sovrintenda alle funzionalità?	X		

	Sì	NO	Sintesi delle motivazioni dell'eventuale scostamento dalle raccomandazioni del codice
Il Comitato assiste il Consiglio di Amministrazione, valuta il corretto utilizzo dei principi contabili, esprime pareri, esamina il piano di lavoro e le relazioni del preposto al controllo interno, valuta sulle proposte della Società di revisione e vigila sull'efficacia del processo di revisione nonché riferisce, semestralmente, al Consiglio sull'attività svolta e sull'adeguatezza del Sistema di controllo interno?	X		
Ai lavori del comitato per il controllo interno partecipa il Presidente del Collegio sindacale o altro sindaco da lui designato?	X		
L'Amministratore esecutivo incaricato di sovrintendere alle funzionalità del sistema di controllo interno cura l'identificazione dei principali rischi aziendali e dà esecuzione alle linee di indirizzo definite dal Consiglio di Amministrazione?	X		
Il Consiglio di Amministrazione ha nominato il Preposto al controllo interno su proposta dell'amministratore esecutivo incaricato di sovrintendere alla funzionalità del sistema di controllo interno?	X		
Il Preposto al controllo interno verifica sull'idoneità del sistema di controllo interno, non è responsabile e non dipende gerarchicamente da alcun responsabile, ha accesso a tutte le informazioni utili per il suo incarico e riferisce del suo operato al Comitato per il controllo interno ed al Collegio sindacale?	X		
L'emittente ha istituito una funzione di *internal audit* e il responsabile è il Preposto al controllo interno che si identifica con il responsabile della funzione di *internal* audit?		X	La società ha nominato un internal audit e un preposto al controllo interno, che collaborano fattivamente nell'ambito del sistema del controllo interno
L'emittente ha adottato un modello organizzativo ai sensi del decreto legislativo 231/2001?	X		
Interessi degli amministratori e operazioni con parti correlate			
Il Consiglio di Amministrazione ha adottato soluzioni operative idonee ad agevolare l'individuazione ed una adeguata gestione delle situazioni in cui un amministratore sia portatore di un interesse per conto proprio o di terzi?	X		
Il Consiglio di Amministrazione ha definito apposite procedure per l'esame e approvazione delle operazioni con parti correlate?	X		
Il Consiglio di Amministrazione, nel determinare le modalità di approvazione e di esecuzione delle operazioni con parti correlate, ha definito le specifiche operazioni ovvero ha determinato i criteri per individuare le operazioni che debbono essere approvate dal consiglio?	X		

	Sì	NO	Sintesi delle motivazioni dell'eventuale scostamento dalle raccomandazioni del codice
Sindaci			
L'emittente prevede che il sindaco che, per conto proprio o di terzi, abbia un interesse in una determinata operazione dell'emittente informi tempestivamente e in modo esauriente gli altri sindaci e il Presidente del Consiglio di Amministrazione circa natura, termini, origine e portata del proprio interesse?	X		
Il Collegio sindacale vigila sull'indipendenza della Società di revisione, verificando tanto il rispetto delle disposizioni normative in materia, quanto la natura e l'entità dei servizi diversi dal controllo contabile prestati all'emittente ed alle sue controllate da parte della stessa società di revisione e delle entità appartenenti alla rete della medesima?	X		
Il Collegio sindacale, nello svolgimento della propria attività, si è coordinato con la funzione di *internal audit* e con il comitato per il controllo interno? Il Collegio sindacale ha seguito le indicazioni del Codice in materia di valutazione dell'indipendenza dei sindaci?	X		
Il deposito delle candidature alla carica di sindaco è avvenuto con almeno quindici giorni di anticipo ed accompagnate da esauriente informativa?	X		
Rapporto con gli azionisti			
L'emittente ha istituito un'apposita sezione nell'ambito del proprio sito internet, facilmente individuabile ed accessibile, nella quale sono messe a disposizione le informazioni che rivestono rilievo per i propri azionisti, in modo da consentire a questi ultimi un esercizio consapevole dei propri diritti?	X		
La società ha approvato un Regolamento di Assemblea?	X		
Il Consiglio di Amministrazione ha riferito in assemblea sull'attività svolta e programmata e si è adoperato per assicurare agli azionisti un'adeguata informativa circa gli elementi necessari perché essi potessero assumere, con cognizione di causa, le decisioni di competenza assembleare?	X		
Nel corso dell'esercizio si sono verificate variazioni significative nella capitalizzazione di mercato delle azioni dell'emittente o nella composizione della sua compagine sociale?	X		V. par. 16 della presente Relazione
La società ha nominato un responsabile *investor relations*?	X		**Dr. Carlo RAMELLA** Investor Relator EI Towers SpA Via Zanella, 21 - 20851 Lissone (MB) – Italy Tel +39 039 2432 1 Fax +39 039 2432 367 investor.relations@eitowers.it

<u>**ALLEGATO B: INFORMAZIONI sugli ASSETTI PROPRIETARI**</u>

STRUTTURA DEL CAPITALE SOCIALE				
	N. azioni	**% rispetto al capitale sociale**	**Quotato / non quotato**	**Diritti e obblighi**
Azioni ordinarie	**28.262.377**	**100%**	**Quotato**	**ordinari**
Azioni con diritto di voto sospeso	**95.526***	**0,34%**	**Quotato**	**Sospesi diritti di voto**
Azioni prive del diritto di voto	–	–	–	–

*** di cui n. 6.000 azioni proprie sono concesse in prestito a Mediobanca S.p.A. per lo svolgimento dell'attività di Specialista ai sensi dell'art. 2.2.3, comma 4 del Regolamento dei Mercati Organizzati e Gestiti da Borsa Italiana nonché delle relative Istruzioni al Regolamento**

<table>
<tr><th colspan="4">PARTECIPAZIONI RILEVANTI NEL CAPITALE</th></tr>
<tr><th>Dichiarante</th><th>Azionista diretto</th><th>Quota % su capitale ordinario</th><th>Quota % su capitale votante</th></tr>
<tr><td>Silvio Berlusconi</td><td>Elettronica Industriale SpA</td><td>18.370.720</td><td>65,001%</td></tr>
<tr><td>Falciai Alessandro</td><td></td><td>2.636.349</td><td>9,328%</td></tr>
<tr><td></td><td>Falciai Alessandro</td><td>455.767</td><td>1,613%</td></tr>
<tr><td></td><td>Millenium Partecipazioni Srl</td><td>2.180.582</td><td>7,715%</td></tr>
<tr><td rowspan="2">Octavian Advisors LP

in qualità di gestore di:

- Octavian Special Master Fund LP, proprietario di n. 1.001.325 pari al 3,543%
- Tiberius OC Fund, proprietario di n. 167.519 pari allo 0,59%

(*) Ai fini della presentazione delle liste di candidati nell’Assemblea del 29.02.2012, è stato attestato il possesso al 4/2/2012 di complessive n. 1.235.865 azioni pari al 4,37% del capitale sociale.</td><td>Octavian Advisors LP</td><td rowspan="2">1.168.835 (*)</td><td rowspan="2">4,136% (*)</td></tr>
<tr><td></td></tr>
</table>

ALLEGATO C

STRUTTURA DEL CdA E DEI COMITATI AL 31.12.2011

Consiglio di Amministrazione										Comitato Controllo Interno		Comitato Remunerazione	
Carica	Componenti	In carica dal	In carica fino a	Lista (M/m)	esec	non esec	Indip	*% CdA*	N. incarichi **	***	****	***	****
Presidente	GIUSSANI Alberto	30.12.2011	*Rinnovato con assemblea 29.02.2012*	-			X	=	8				
Amministratore e AD	BARBIERI Guido	30.12.2011	*Rinnovato con assemblea 29.02.2012*	-	X			=	=				
Amministratore e AD	GOTTARDI Valter	30.12.2011	*Rinnovato con assemblea 29.02.2012*	-	X			=	=				
Amministratore	ALMERIGOGNA Marco	06.05.2011	*Assemblea 29.02.2012*	M		X		100	=	X	100%	X	100%
Amministratore	RAMELLA Carlo	06.05.2011	*Assemblea 29.02.2012*	M	X			100	=				
Amministratore	CACCIA Fabio	06.05.2011	*Assemblea 29.02.2012*	M	X			100	=				
Amministratore	FIANO Raoul Giuseppe	06.05.2011	*Assemblea 29.02.2012*	M		X	X	100	=	X	100%	X	100%
Amministratore	TORRISI Alessandro	06.05.2011	*Assemblea 29.02.2012*	M		X	X	90	=	X	100%	X	100%

AMMINISTRATORI CESSATI DURANTE L'ESERCIZIO DI RIFERIMENTO

Consiglio di Amministrazione										**CCI**		**CR**	
Carica	Componenti	In carica dal	In carica fino a	Lista (M/m)	esec	non esec	Indip	*% CdA*	N. incarichi **	***	****	***	****
Amministratore	ARNAUD Fredéric	29.04.2008	06.05.2011	m		X	X	70%	=	X	100%		
Amministratore	PAPA Franco Carlo	29.04.2008	06.05.2011	M		X	X	100%	5			X	100%
Amministratore	PACE Daniele	29.04.2008	06.05.2011	M		X	X	70%	=			X	100%
Amministratore	DE LORENZO Giuseppe	29.04.2008	06.05.2011	M		X	X	100%	=	X	100%		
Amministratore	GOLDENBERG Cara	30.04.2010	06.05.2011	-		X	X	70%	=				
Presidente e Amministratore Delegato	FALCIAI Alessandro	06.05.2011	30.12.2011	M	X			100%	=				
Amministratore	PELIZZARI Carlo Samuele	06.05.2011	30.12.2011	M	X			100%	=				
Amministratore	FALCIAI Federico	06.05.2011	30.12.2011	M		X		100%	=				

Indicare il *quorum* richiesto per la presentazione delle liste in occasione dell'ultima nomina: 2,5%

Numero di riunioni svolte durante l'esercizio:
Consiglio di Amministrazione: 13
Comitato di Controllo Interno: 5
Comitato per la Remunerazione: 4

NOTE
**In questa colonna è indicato il numero di incarichi di amministratore o sindaco ricoperti dal soggetto interessato in altre società quotate in mercati regolamentati, anche esteri, in società finanziarie, bancarie, assicurative o di rilevanti dimensioni.
***In questa colonna è indica con una "X" l'appartenenza del membro del CdA al Comitato.
**** In questa colonna è indicata la percentuale di partecipazione degli amministratori ai Comitati.