# DMT

## MERGER DMT – ELETTRONICA INDUSTRIALE TOWERS (“EIT”)

*July 28th, 2011*

Forward-looking Statements contained in this document, particularly the ones regarding any DMT possible or assumed future performance, are or may be forward-looking statements and in this respect they involve some risks and uncertainties.
DMT actual results and developments may differ materially from the ones expressed or implied by the above statements depending on a variety of factors.
Any reference to past performance of DMT shall not be taken as an indication of future performance.
This announcement does not constitute an offer to sell or the solicitation of an offer to buy the securities discussed herein.

- **Transaction Highlights**
- Key Figures and Expected Synergies
- Compelling for Shareholders
- Next Steps

# Highlights

**LEADING TOWER OPERATOR IN ITALY**

- Creation of a nationwide, industry-leading infrastructure for Telecommunication and Media companies
- Approx. 3,000 sites under management of which approx. 2,300 property / available sites

**RELEVANT SYNERGIES AND EFFICIENCIES EXPECTED**

- NPV of synergies and efficiencies, net of taxes, in a range of approx. €215-250m out of which:
  - NPV of one additional Mux in a range of approx. €70-80m (one out of six would be assigned)
  - NPV Opex savings and efficiencies in a range of approx. €145-170m

**DEAL ACCRETIVE FROM YEAR 1 (2012)**

- Revenues 2016 at €268m (2011-2016 CAGR approx. 4%) and EBITDA 2016 at €128m (2011-2016 CAGR approx. 11%)
- FCF per share accretive to DMT stand alone in year 1 (2012) by approx. 25%

# Transaction Structure

- **STRUCTURE**
  - All shares combination
  - Ownership and Management:
    - Shareholding structure post Merger: approx. 60% Mediaset Group ("EI") and 40% DMT Shareholders
    - Experienced Management Team
  - DMT System and all the winding-up companies of DMT Group, not related to EIT, to be disposed before the closing of the Transaction
- **VALUATION**
  - The merger ratio valued DMT at 14x EBITDA 2011 normalized and EIT at 11x EBITDA 2011 normalized
  - Combined Transaction value of approx. €1.0bn with an Equity Value of approx. €800m
  - Leverage post Transaction envisaged of approx. 3x EBITDA Combined 2011
  - Expected sustainable dividend policy
- **TIMING**
  - Expected closing at December 2011, subject to approvals of:
    - Minority shareholders of DMT - according to whitewash mechanism provided by art. 49, comma 1, lett. g) of the Issuer Regulations and, hence, in regime of Tender Offer exemption (art. 106 TUF)
    - Antitrust

# Strategic Rationale

**A Full Service Operating Model with a Premier Nationwide Network**

- The Transaction will create a nationwide infrastructure for Telecommunication and Media companies
- Relevant strategic positioning with significant scale and scope
  - National breadth and extensive local presence with approx. 2,300 property / available sites (approx. 3,000 sites under management)
  - Compelling array of communication services
    - Hosting
    - Maintenance
    - Network Management

# Leading Operator in Italy

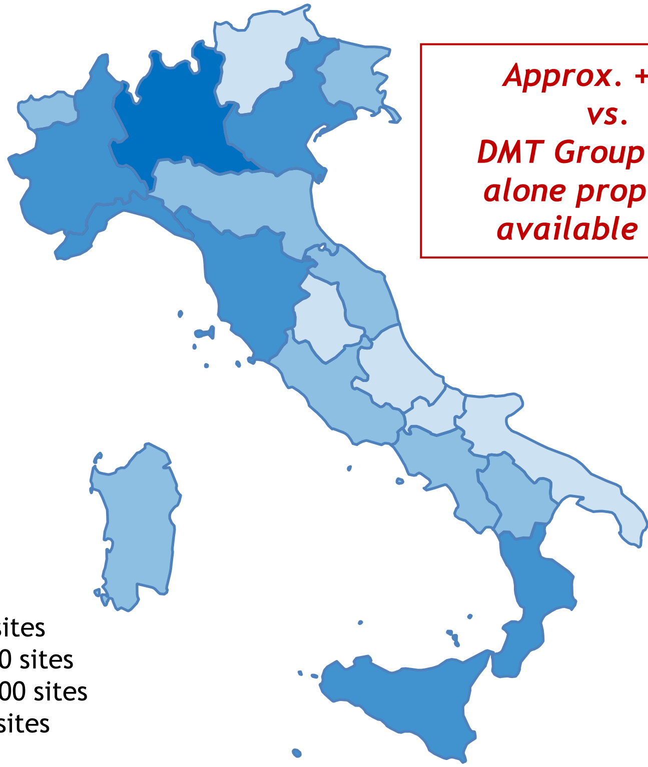
## A Leading Company to all Operators

**The new company, as per DMT, will address the following markets:**

- Broadcasters
- Telecom operators
- Radio
- Wireless operators
- Utilities, Military and Public Administration

# Capillary National Coverage

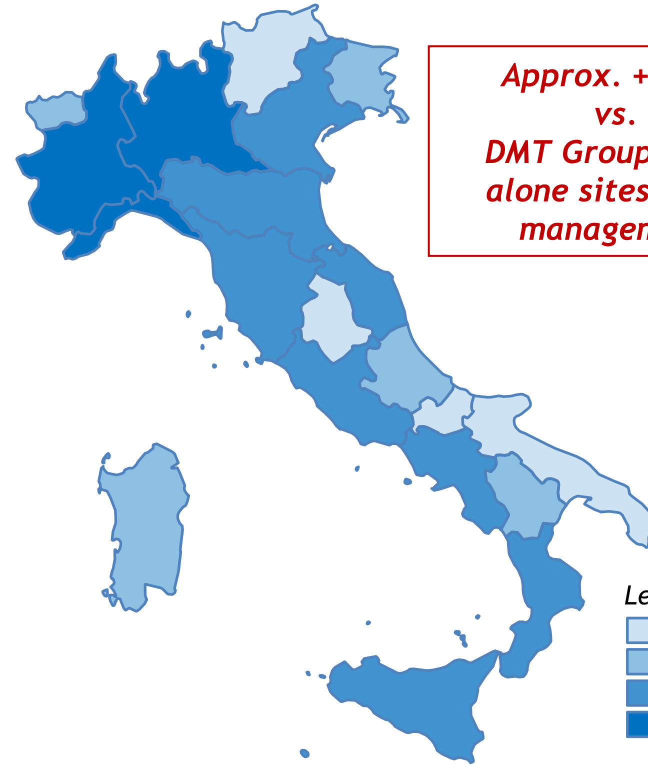
| PROPERTY / AVAILABLE SITES | SITES UNDER MANAGEMENT |
| --- | --- |



*Approx. +65%*
*vs.*
*DMT Group stand alone property / available sites*

*Legend:*
- 0-50 sites
- 51-100 sites
- 101-300 sites
- >300 sites

*Approx. 2,300 SITES*



*Approx. +100%*
*vs.*
*DMT Group stand alone sites under management*

*Legend:*
- 0-50 sites
- 51-100 sites
- 101-300 sites
- >300 sites

*Approx. 3,000 SITES*

**CAPILLARY NETWORK INFRASTRUCTURE**

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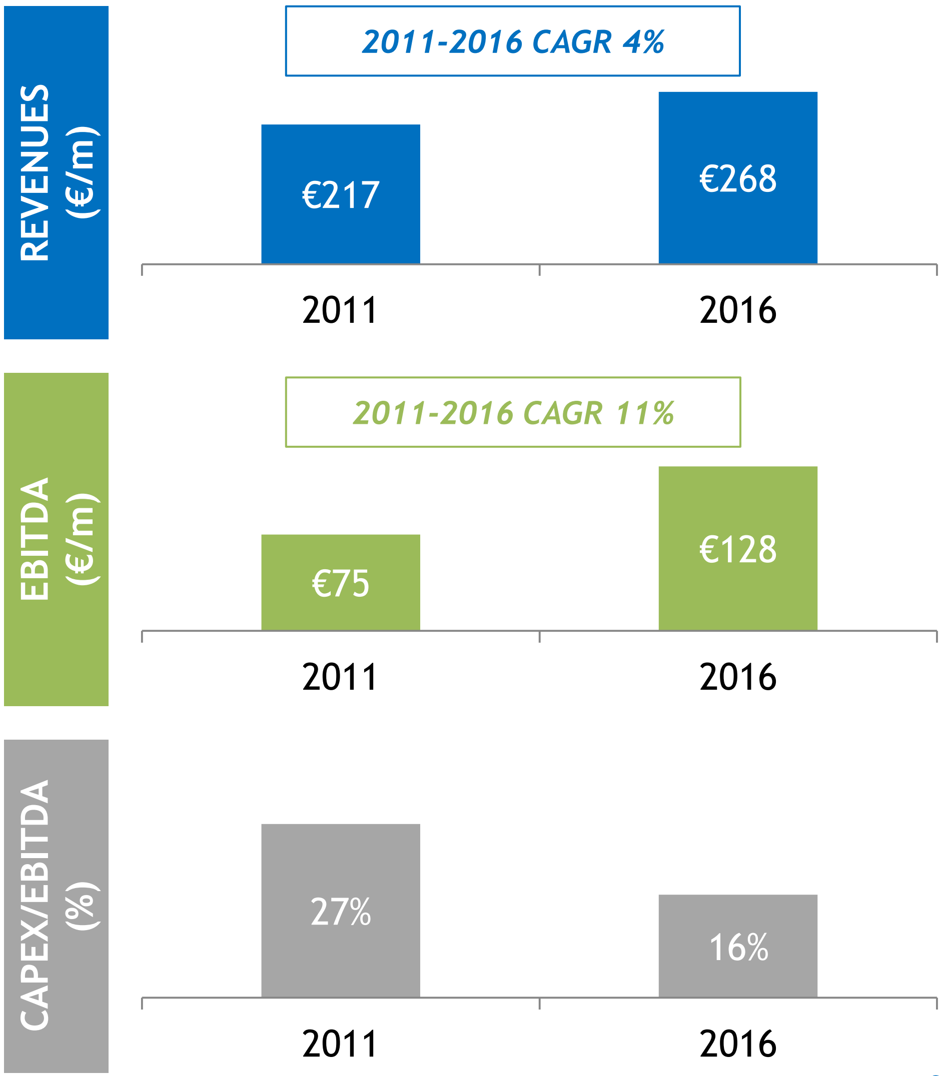
# Business Plan Overview

- **Revenues**
  - €217m in 2011 pro-forma vs €268m in 2016
  - CAGR 2011-2016 of 4%
- **EBITDA**
  - €75m in 2011 pro-forma vs €128m in 2016
  - CAGR 2011-2016 of 11%
- **CAPEX EVOLUTION**
  - €20m combined Capex per year
  - 27% on EBITDA 2011 vs 16% on EBITDA 2016



# Business Plan Key Assumptions

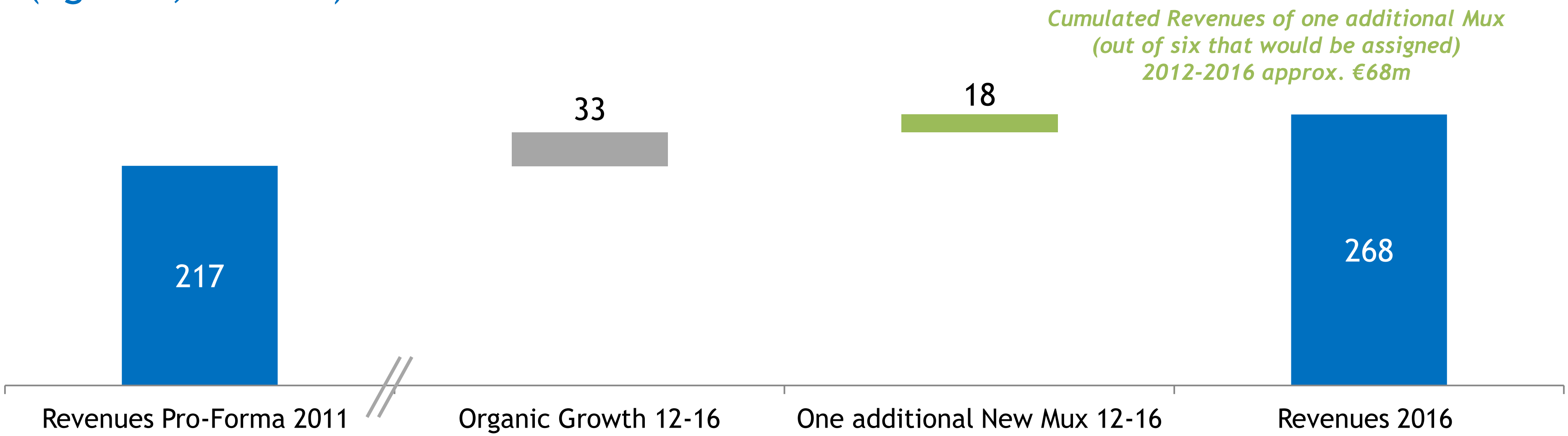
- **Revenues CAGR 2011-2016 of 4%**
  - Organic growth contribution 2012-2016 approx. €33m including:
    - Inflation growth
    - Mediaset contract development (already agreed)
    - Management expected incremental growth (Hosting and Maintenance)
  - New additional Mux contribution 2012-2016 approx. €18m
    - The new company business plan assumed to acquire a full service management contract of one additional Mux (out of six will be assigned) from a third party
- **EBITDA CAGR 2011-2016 of 11% including:**
  - Organic growth contribution 2012-2016 approx. €16m
  - New additional Mux contribution 2012-2016 approx. €12m
  - Cost savings and efficiencies contribution 2012-2016 approx. €25m

# Revenues Trend (€ in millions)

**_Revenues 2011-2016 CAGR approx. 4%_**

<u>Key assumption:</u>

- A new additional Mux (out of six that will be assigned in the Beauty Contest[1] expected in 2011) has been included in the Business Plan
- Potential new services in Broadcast (eg. new digital radio) and Telecommunications (eg. LTE, 4G etc.) have not been considered in the revenues stream

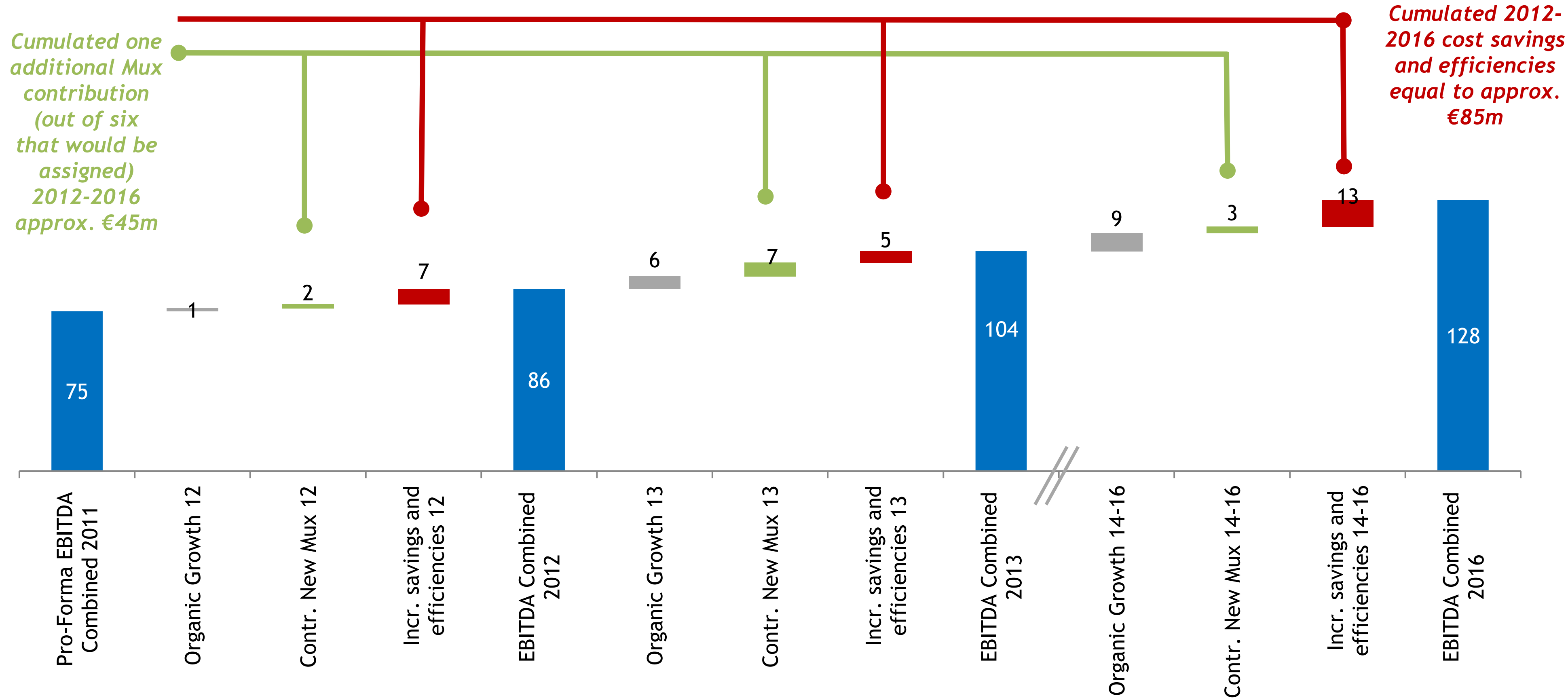



**NPV of one additional Mux in a range of approx . €70-80m[2]**

(1) Published on Italian Republic's Gazzetta Ufficiale n. 80 as of 08 July 2011
(2) Net of taxes

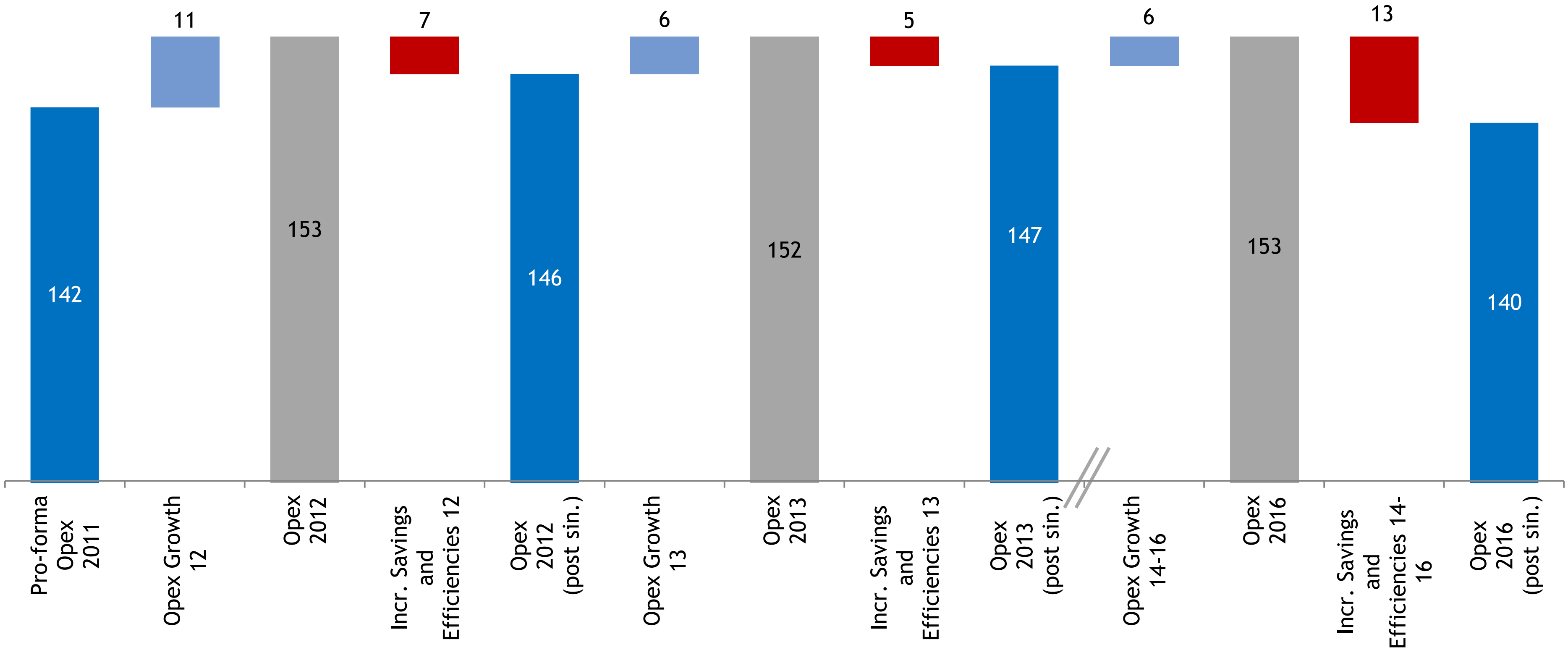
# EBITDA Bridge (€ in millions)

***EBITDA 2011-2016 CAGR of 11%***



# Cost Savings and Efficiencies (€ in millions)

*Cumulated Cost Savings and Efficiencies in 2012-2016 of approx. €85m*

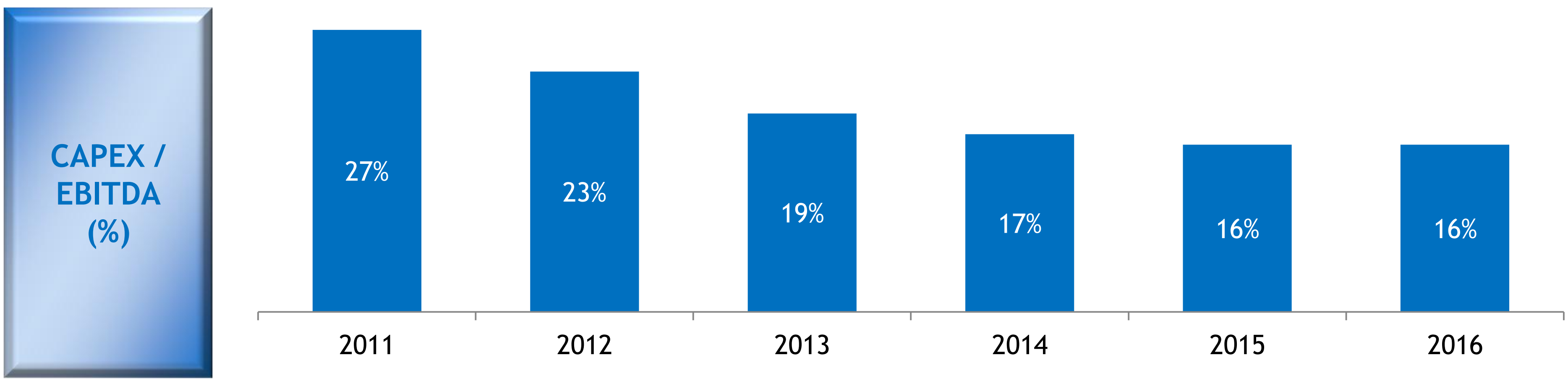



**NPV cost savings and efficiencies in a range of approx. €145-170m(1)**

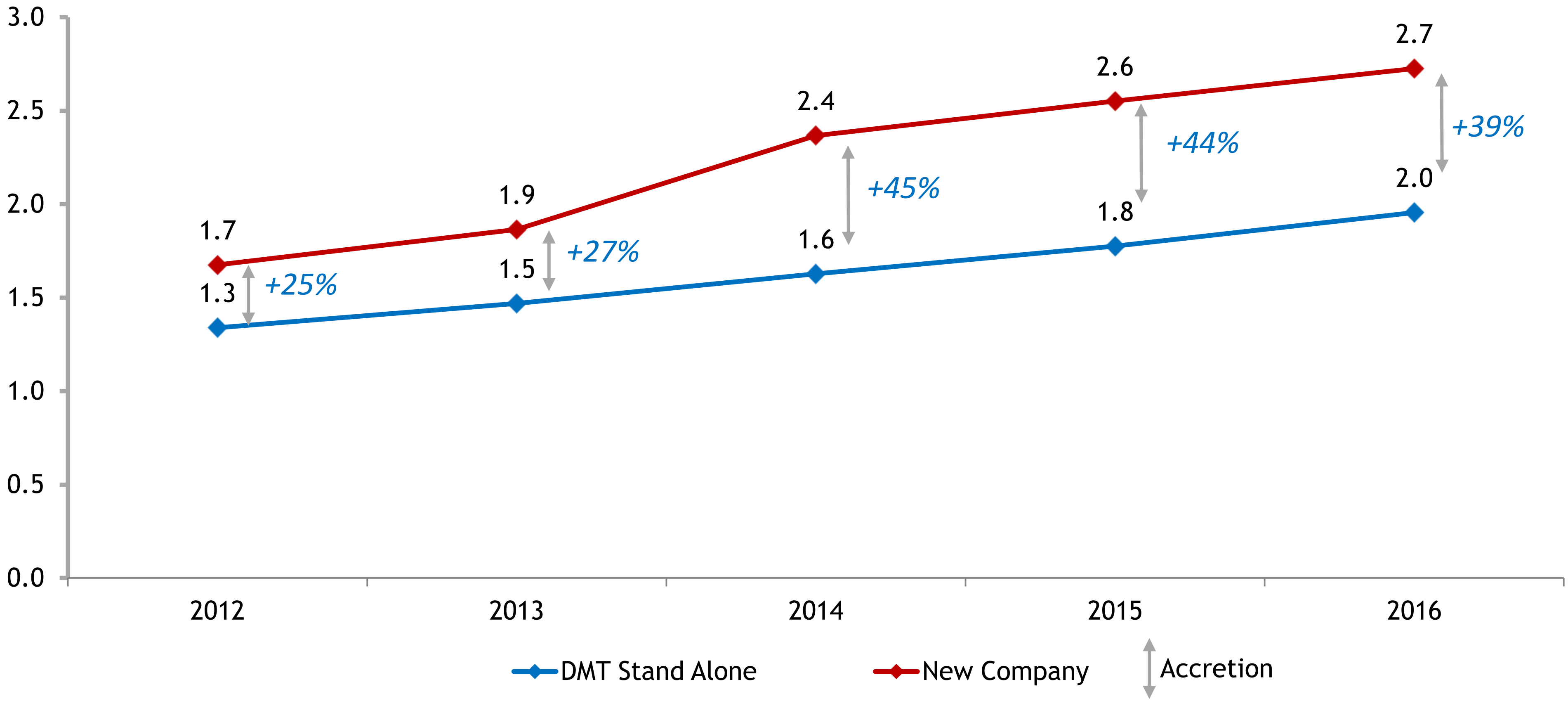
(1) Net of taxes

# Capex Evolution

- Approx. €20m recurring combined capex over the Business Plan period 2011-2016



# FCF Per Share Accretion




**ACCRETIVE FROM YEAR 1 (2012) APPROX. +25%**

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# Compelling for Shareholders

1. *Strategic Transaction in terms of size*
2. *Capillary national coverage*
3. *Experienced management team to effectively perform the integration*
4. *FCF accretion since closing (+25%)*
5. *Expected sustainable dividend policy*

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# Next Steps

- July 28 , 2011: Transaction approved by DMT/EIT's BoDs
- September 15-20, 2011: DMT Shareholders meeting to change company by-laws
- October 14, 2011: DMT/EIT Shareholders meeting for the Transaction approval
- End of December 2011: Merger completion

- On July 28, 2011, Transaction approved by DMT/EIT Board of Directors
- On July 29, 2011, Transaction notified to Antitrust authority
- By the end of September 2011, change of DMT's by-laws by the company Shareholders meeting
- By the end September 2011, deposit in the company headquarter, on the company's web site, in Borsa Italiana S.p.A., as well as sent to Consob the Merger documentation
- Between September-October 2011, envisaged Road Show for International Institutional Investors
- On 14 October, 2011, Merger project approval by DMT/EIT's extraordinary Shareholders meeting
- By the end of December 2011 Merger completion