EI TOWERS GROUP

HALF YEAR REPORT AS AT JUNE 30, 2017

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

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

CORPORATE BODIES

Board of Directors

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

Board of Statutory Auditors

Chairman	Antonio Aristide Mastrangelo
Standing Auditors	Francesca Meneghel Riccardo Massimo Perotta

Independent Auditors Deloitte & Touche S.p.A.

Main Income Statement Data

Euro in millions	H1 2017	H1 2016 (*)
Revenues	130.9	123.8
Adjusted EBITDA (**)	66.4	60.6
EBITDA (***)	65.7	58.2
Operating profit (EBIT)	47.0	37.6
Profit before tax	42.1	33.0
Net profit	28.8	21.9

Main Balance Sheet and Financial Data

Euro in millions	June 30, 2017	December 31, 2016
Net invested capital	793.0	780.4
Shareholders' equity	490.2	637.8
Net financial position	(302.8)	(142.6)

Personnel

	June 30, 2017	December 31, 2016
No. of employees	564	561

Main Indicators

	H1 2017	H1 2016 (*)
Adjusted EBITDA (**)/Revenues	50.8%	49.0%
EBITDA (***)/Revenues	50.2%	47.0%
EBIT/Revenues	35.9%	30.4%
Profit before tax/Revenues	32.1%	26.7%
Net profit/Revenues	22.0%	17.7%
Earning per share (Euro per share)	1.05	0.78
Diluted earning per share (Euro per share)	1.05	0.78

(*) RESTATED

(**) Corresponding to the difference between revenues and operating costs gross of non-monetary expenses related to amortisation, depreciation and write-downs (net of possible value reinstatement) of current and non-current assets, of non-ordinary items relating to business combinations pursuant to IFRS 3, to lay-off incentives for employees and any charges related to atypical and/or unusual transactions as defined in the Consob communication of July 28, 2006 no. DEM 6064293.

(***) Corresponding to the difference between revenues and operating costs gross of non-monetary expenses related to amortisation, depreciation and write-downs (net of possible value reinstatement) of current and non-current assets

INTRODUCTION

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

The Half-Year Condensed Consolidated Financial Statements have been prepared in conformity with the International Accounting Standards (IAS/IFRS) applicable according to EC Regulation no. 1606/2002 of the European Parliament and Council of July, 19, 2002 and, in particular, to IAS 34 – Interim Financial Reporting, and to the measures issued in actuation of Art. 9 of the Legislative Decree no. 38/2005, applying the same accounting standards used for the preparation of the Consolidated Financial Statements at December 31, 2016, except for, if necessary, what described in the Explanatory Notes.

The structure and content of the reclassified consolidated accounting tables contained in the Interim Report on Operations and the mandatory layouts included in this Report are consistent with those used for the preparation of the Annual Report.

The explanatory notes have been prepared in conformity with the minimum contents established by IAS 34 – Interim Financial Reporting, also taking into account the measures given by Consob in its Communication no. 6064293 of July 28, 2006. Therefore, the information contained in this Half Year Report is not the same as that contained in a complete set of Financial Statements prepared according to IAS 1.

It should be noted that the economic data related to the first half of 2016 have been restated to reflect retrospectively the effects of the final allocation process (Purchase Price Allocation) of acquired assets and liabilities following different business combinations.

These effects determined, in the first half of 2016, higher amortisation in the amount of about € 1.2m and lower taxes in the amount of about € 0.4m compared to what is outlined in the Half-Year Report as at June 30, 2016.

INTERIM REPORT ON OPERATIONS AS AT JUNE 30, 2017

Summary of Group Results and Operations

The economic and financial results of the first half of 2017 are overall in line with the business plan.

In particular, the main consolidated figures are the following:

- core revenues amounted to € 130.9m, with an increase of 5.7% compared to the same period of the previous year (€ 123.8m);
- EBITDA Adjusted[1], increased by 9.6% to € 66.4m compared to € 60.6m in the same period of the previous year, with an incidence on revenues of 50.8% (49% in the first half of 2016);
- EBITDA amounted to € 65.7m (€ 58.2m in the first half of 2016; equal to 50.2% of revenues (47% in the same period of 2016);
- operating profit (EBIT) amounted to € 47m, with a growth of 25% compared to the figure restated of the first half of last year (€ 37.6m);
- operating profitability grew from 30.4% to 35.9%;
- pre-tax profit was equal to € 42.1m compared to the figure restated of € 33m, with an increase of 27.3%;
- net profit amounted to € 28.8m, with a growth of 31.6% compared to the figure restated of the first half of 2016 (€ 21.9m);
- net financial position negative in the amount of € 302.8m compared to € 142.6m at the end of 2016;
- net invested capital was equal to € 793m (€ 780.4m at December 31, 2016).

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[1] The table below shows the reconciliation between EBITDA and Adjusted EBITDA:

Amounts in Euro thousands	**1H 2017**	**1H 2016**
EBITDA	65,741	58,154
Acquisition charges	654	2,349
Charges on lay-off incentives	45	135
Adjusted EBITDA	**66,440**	**60,638**

Outstanding Events and Operations in the First Half-Year

During the first half of the year the programme to purchase treasury shares continued in accordance with the resolution approved by the Shareholders' Meeting on April 20, 2017 and by the Board of Directors on May 4, 2017; total shares purchased in the half-year are 528,319, equal to 1.9% of the share capital.

Following these purchases, total treasury shares held at June 30 are 941,752, equal to 3.3% of the share capital.

Based on the resolution of the Shareholders' Meeting of January 12, an extraordinary dividend of € 3.60 per share was paid on February 8, by way of distribution of reserves, in the total amount of € 99.7m.

On May 24, an ordinary dividend of € 1.80 per share was paid, as resolved by the Shareholders' Meeting on April 20, for an overall consideration of € 49.4m.

During the first half of the year acquisitions of assets and companies operating in the tower business continued.

In particular, on April 3, three companies operating in Veneto and on June 22, a Ligurian company (Ganora TV S.r.l.) were acquired for a provisionally estimated overall value of € 6.2m including cash acquired. Acquisitions are subject to price adjustment on the basis of parameters under definition. The first three companies were subsequently merged into EIT Radio S.r.l.

On June 22, the company FP Tower S.r.l., wholly owned by Towertel S.p.A., was merged into the direct parent company.

In addition, during the half-year different transactions concerning purchase and issuance of surface rights on land and flat roofs on which towers stand have been carried out, as a result of which the Group took over active contracts related to assets acquired, for a total value of € 4.8m.

Concerning Nettrotter S.r.l., in order to strengthen further the Company's assets in the phase of development of the business, in May the shareholders EI Towers S.p.A. and Thinktank 2000 S.L. waived receivables for an overall amount of € 1m from the aforesaid company, resulting in a consequent increase in equity reserves of Nettrotter.

Analyses of the Results

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

The form and contents of the tables of the Income Statement, Balance Sheet and Financial Situation below are shown in a restated format compared to those contained in the subsequent Financial Statement Tables, for the purpose of highlighting some interim levels of the results and the Balance Sheet and Financial Situation groupings that are believed to be the most significant ones, in order to be able to truly understand the operating performances of the Group. For these balances, even if they are not required by accounting standards, there are also supplied, in conformity with the indications contained in the Consob Communication no. 6064293 of July 28, 2006, in the Consob Communication no. 0092543 of December 3, 2015 and with ESMA 2015/1415 guidelines on alternative performance measures, i.e. “Non GAAP Measures”, the descriptions of the criteria used in preparing them and the appropriate notes regarding the references for the items contained in the mandatory tables.

The Income Statement information is given for the first half of 2017 and 2016; the Balance Sheet information is given as at June 30, 2017 and December 31, 2016, information referring to the Cash Flow is given for the first half of 2017 and 2016.

Economic Results

The following Consolidated Income Statement tables show the interim results relative to the Adjusted Gross Operating Margin (Adjusted EBITDA), to the EBITDA and to the Operating Result (EBIT).

In particular, Adjusted EBITDA is the difference between the consolidated revenues and the operating costs, gross of the non-monetary costs relative to depreciation, amortisation, provisions and write-downs (net of any reinstatement of value) of both current and non-current assets, of non-ordinary items relating to business combinations pursuant to IFRS 3, to lay-off incentives for employees and any charges related to atypical and/or unusual transactions as defined in the CONSOB Communication no. DEM 6064293 of July 28, 2006.

The Gross Operating Margin (EBITDA) is the difference between the consolidated revenues and the operating costs, gross of the non-monetary costs relative to depreciation, amortisation, provisions and write-downs (net of any reinstatement of value) of both current and non-current assets.

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

CONSOLIDATED INCOME STATEMENT *Euro in thousands*	H1 2017		H1 2016 (*)	
Revenues from sales of goods and services	**130,905**	**100.0%**	**123,835**	**100.0%**
Other income and revenues	98		1,302	
Total revenues	**131,003**		**125,137**	
Operating costs	64,563		64,499	
Adjusted EBITDA	**66,440**	**50.8%**	**60,638**	**49.0%**
Non-ordinary items	(699)		(2,484)	
Gross operating margin (EBITDA)	**65,741**	**50.2%**	**58,154**	**47.0%**
Amortisation, depreciation and write-downs	18,779		20,550	
Operating profit (EBIT)	**46,962**	**35.9%**	**37,604**	**30.4%**
Financial charges, net	(4,905)		(4,576)	
Pre-tax profit (EBT)	**42,057**	**32.1%**	**33,028**	**26.7%**
Income taxes	(13,230)		(11,116)	
Net income	**28,827**	**22.0%**	**21,912**	**17.7%**
(Profit)/loss pertaining to minority interests	41		25	
Net group income	**28,868**	**22.1%**	**21,937**	**17.7%**

(*) RESTATED

Revenues from sales of goods and services amounted in the first six months of the year to € 130,905k, and refer for € 90,191k to the use of transmission infrastructure and assistance and maintenance services, logistics, head end, design and ancillary services towards the parent company Elettronica Industriale S.p.A and for the remaining to contracts of use of the infrastructure and supply of services towards other broadcast and wireless telecommunications operators.

Revenues increased by € 7,070k (+5.7%) compared to the same period last year mainly due to the acquisitions made during the second half of 2016 and the gradual starting-up of the contract for the management of the Cairo Communication Group's network.

It should be noted that other income and revenues included in the first half of 2016 a capital gain amounting to € 1,089k related to the sale of a property.
Non-ordinary charges amounting to € 699k have been recorded during the period concerning in the amount of € 654k extraordinary acquisition transactions, included in the item Purchases, services and other costs of the Financial Statements and as regards the remaining €45k lay-off incentives for employees included in the item Personnel costs of the Financial Statements (€ 2,484k in the first half of 2016 relating in the amount of € 2,349k to extraordinary acquisition transactions and in the amount of € 135k to lay-off incentives for employees).
Excluding these charges, total operating costs amounted to € 64,563k, in line with the same period of the previous year due to the combined effect of the costs related to the companies acquired in the meantime and the start-up of the activity of Nettrotter S.r.l., which offset the reduction in costs made in the period.
Adjusted EBITDA amounted to € 66,440k, with an increase of 9.6% compared to the first half of 2016 and an incidence on revenues from 49% to 50.8%.
EBITDA amounted to € 65,741k (50.2% of revenues) compared to € 58,154k in the first six months of 2016 (47% of revenues), with a growth of € 7,587k (+13%).
The item amortisation, depreciation and write-downs amounted to € 18,779k and decreased compared to the figure restated in the first half of 2016 (€ 20,550k), which included in the amount of € 915k write-downs of receivables of uncertain collection.
The operating result (EBIT) was equal to € 46,962k (€ 37,604k the figure restated in the same period of 2016); operating profitability grew up to 35.9% compared to the previous 30.4%.
Net financial charges amounted to € 4,905k, with an increase compared to the figure of the first half of 2016 (equal to € 4,576k) mainly due to the lower liquidity deposited in bank accounts.
Pre-tax result increased to € 42,057k compared to the figure restated of € 33,028k, equal to 32.1% of revenues (26.7% in the same period of 2016).
After accounting for taxes of € 13,230k, calculated on the basis of the estimate of the weighted average rate expected for the full year, the half-year ended with a net profit of € 28,827k, equal to 22% of revenues, including € 28,868k attributable to the Group and a loss of € 41k attributable to minority shareholders and referring to the minority interest in Nettrotter S.r.l.

In the same period of the previous year the restated net income was € 21,912k, equal to 17.7% of revenues.

Balance Sheet and Financial Situation

Below are given the tables of the Condensed Consolidated Balance Sheet shown in a reclassified format for the purpose of highlighting the two macro groupings of Net Invested Capital and Net Financial Position, where this latter figure consists of Gross Financial Debt reduced by Cash and Cash Equivalents and by Other Financial Assets.

The details relative to the items in the Financial Statements that form part of the calculation of the Net Financial Position are shown in the following explanatory note no. 4.6.

Therefore, these tables differ compared to the Balance Sheet layout that is contained in the mandatory tables of the Financial Statements, which have been drafted according to the split between current and non-current assets and liabilities.

The item Net Working Capital includes the current assets, with the exclusion of Cash and Cash Equivalents and Current Financial Assets that are included in Net Financial Position, and current liabilities, with the exclusion of current financial liabilities that are included in Net Financial Position.

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

RECLASSIFIED CONSOLIDATED BALANCE SHEET *Euro in thousands*	June 30, 2017		December 31, 2016	
Net working capital	(10,275)	-1.3%	(22,016)	-2.8%
Goodwill	510,509		503,779	
Other non-current assets	364,366		371,897	
Non-current liabilities	(71,556)		(73,282)	
Non-current capital	803,319	101.3%	802,394	102.8%
Net invested capital	**793,044**	**100.0%**	**780,378**	**100.0%**
Net financial position	302,817	38.2%	142,559	18.3%
Group shareholders' equity	490,176	61.8%	637,777	81.7%
Minority shareholders' equity	51	0.0%	42	0.0%
Financial position and shareholders' equity	**793,044**	**100.0%**	**780,378**	**100.0%**

The increase in Net Working Capital compared to December 31, 2016, equal to € 11,741k, is mainly due to an increase in trade receivables (€ 8,496k) and to a decrease

in trade payables (€ 1,214k). It should be noted that the balance includes payables for deferred instalments of the price related to business combinations in the amount of € 12,767k (€ 12,392k at December 31, 2016).
The item Goodwill increased as a result of the definition of the final price of acquisitions made during the fourth quarter of 2016 in the amount of € 1,602k and the provisional allocation of a portion of the consideration for the acquisitions made in the first half of 2017 (€ 5,128k).
With regard to the latter, according to IFRS 3, a specific analysis of the consideration paid will be carried out within 12 months of the acquisition date in order to determine the fair value of net assets acquired and liabilities assumed.
If at the end of the evaluation period tangible and intangible assets with finite useful lives are identified, an adjustment of provisional amounts recorded at the acquisition will be carried out with retroactive effect from the acquisition date.
The decrease in other non-current assets is a consequence of the depreciation and amortisation of tangible and intangible assets accounted for the period, which were higher than the investments made.
Net debt increased mainly due to the distribution of the extraordinary dividend made in February (€ 99,705k), the ordinary dividend in May (€ 49,437k) and the buy-back of treasury shares (€ 27,328k).
Also the Shareholders' Equity at June 30, 2017 decreased for the same reasons (distribution of reserves and buy-back of treasury shares), partially offset by the profit for the period (€ 28,868k).

The following table shows the Condensed Cash Flow Statement with the indication of cash flows generated or absorbed from operating, investing and financing activities in the first half of the current and previous year.

CASH FLOW STATEMENT *Euro in thousands*	H1 2017	H1 2016 (*)
Cash flow generated (absorbed) by operating activities	40,549	47,510
Cash flow generated (absorbed) by investing activities	(19,418)	(37,659)
Cash flow generated (absorbed) by financing activities	(109,002)	(8,567)
Net cash flow for the period	(87,871)	1,284

Cash flow generated by operating activities, equal to € 40,549k, includes an absorption of working capital amounting to € 11,810k and the payment of income taxes of € 13,382k.The decrease in flows compared to the same period of the previous year, de-

spite the increase in EBITDA, is due to the higher absorption of working capital in the amount of € 9,785k and higher taxes paid amounting to € 4,763k.
The net flow absorbed by investing activities, equal to € 19,418k, consists of disbursements made for investments in technical assets in the total amount of € 5,219k, purchases of assets (land and contracts) in the amount of € 4,755k and business combinations in the amount of € 9,437K, including € 2,568k for payments of staggered instalments of price.
Cash flow related to financing activities, negative in the amount of € 109,002k, includes the net use of credit lines and bank loans in the amount of € 76,357k, negative flows in the amount of € 27,328k related to the purchase of treasury shares and in the amount of € 149,142k related to the distribution of dividends, described above, together with net interests in the amount of € 8,889k, attributable to the payment of the annual coupon of the existing bond loan.

Group Employees

The employee ending headcount of the Group at June 30, 2017 amounted to 564 people.

Related Party Transactions

The transactions carried out with related parties cannot be classed as either atypical or unusual because they fall within the categories of the normal business activities of the Group companies. All these transactions are regulated at arm’s length market conditions, taking into account the characteristics of the goods and services supplied.
The detailed information regarding the Income Statement, Balance Sheet and financial impacts of the transactions with related parties, pursuant to IAS 24, are shown in the following explanatory note no. 5.
With reference to the periodic disclosure that has to be made by the Issuers, according to the Consob Resolution no. 17221 of March 12, 2010 (Article 5, paragraph 8, of the Regulations containing measures regarding transactions with related parties), please refer to the Annual Report as at December 31, 2016. There are no news or updates in the reference period.

Amendment of Art. 37 of Consob Regulation 16191/2007 Regarding Markets

Effective from January 2, 2012 EI Towers S.p.A. is subjected to the management and coordination activity of Mediaset S.p.A.

Also according to Art. 2.6.2, paragraph 13, of the Regulation of the Markets Organized and Managed by Borsa Italiana S.p.A., we acknowledge the full conformance of EI Towers S.p.A. with the expectations of Art. 37 of Consob Regulation 16191/2007 since it:

- fulfilled and is regularly fulfilling advertising obligations provided for by Art. 2497-bis of the Italian civil code,
- has an autonomous negotiating capacity in relationships with clients and suppliers,
- has no centralized treasury relationship with Mediaset S.p.A.,
- has a Control and Risk Committee which carries out also the functions of the Related Party Committee, and a Remuneration Committee composed exclusively of independent directors according to the criteria of Art 148, paragraph 3, of the Legislative Decree 58/1998, the Corporate Governance Code of Borsa Italiana S.p.A. and Art. 37 of Consob Regulation 16191/2007. EI Towers S.p.A. has also a Board of Directors composed of a majority of independent directors.

Faculty to Waive the Obligation to Issue an Information Memorandum in the Occasion of Significant Transactions (opt-out)

According to Art. 3 of Consob Resolution no. 18079 of January 20, 2012, the Board of Directors on December 14, 2012 resolved to adhere to the opt-out regime envisaged by Art. 70, paragraph. 8 and 71 paragraph 1/bis of the Issuers' Regulation issued by Consob no. 11971/99 (and subsequent amendments), using the faculty to waive the obligation to issue an information memorandum in the occasion of significant transactions such as merger, demerger, capital increase by contributions in kind, acquisitions and disposals.

Main Risks and Uncertainties the Group is exposed to

While carrying out its activities, the Group is exposed to external risks and uncertainties, deriving from external factors connected to the general macroeconomic framework or to the specific operating sector in which the activities are carried out, in addition to risks deriving from strategic choices and internal management risks.

Risks and remedy actions have been analyzed in detail in the Interim Report on Operations, in the Financial Statements and Consolidated Financial Statements as at December 31, 2016 to which reference should be made in addition to the section “Business Outlook” of this Report in which possible updates are reported.

Other information

Regarding the proceedings initiated in 2015 by the Public Prosecutor's Office of the District Court of Milan against the pro tempore Directors of EI Towers S.p.A. - concerning the Tender and Exchange Offer on Rai Way S.p.A. ordinary shares and the alleged offence provided for by Article 185 of the Finance Consolidated Act – on July 14, 2017 the Investigating Magistrate of the Court of Milan, following the request from the Public Prosecutor's Office, issued the order of dismissal of the proceedings.

Subsequent Events at June 30, 2017

No significant events took place after June 30, 2017.

Business Outlook

The economic and financial figures of the first half are overall in line with the management’s expectations; taking into account the M&A deals carried out and expected to be closed in the second half of the year, and on the base of the current business outlook, the management confirms that Full Year Adjusted EBITDA should be slightly higher than the guidance already disclosed to the market.

Moreover, with reference to the buy-back programme, the target of buying 5% of the capital is likely to be basically achieved already by the end of this year.

Finally, the leverage (ratio between net financial debt and EBITDA) shall be in line with the target of 2.5x disclosed to the market already by year end.

For the Board of Directors

Guido Barbieri, CEO

EI TOWERS GROUP

Consolidated Accounting Tables and

Explanatory Notes

EI TOWERS GROUP

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Euro in thousands)

	Notes	June 30, 2017	Dec.31, 2016
ASSETS			
Non current assets			
Property, plant and equipment	4.1	181,150	188,091
Goodwill	4.1	510,509	503,779
Other intangible assets	4.1	173,023	176,207
Investments in associates/joint control companies		713	713
Other financial assets	4.2	3,540	946
Deferred tax assets	4.3	5,940	5,940
TOTAL NON CURRENT ASSETS		**874,875**	**875,676**
Current assets			
Inventories		3,105	3,152
Trade receivables	4.4	39,828	31,332
Tax receivables		0	6
Other receivables and current assets	4.5	13,055	11,075
Cash and cash equivalents	4.6	6,117	93,988
TOTAL CURRENT ASSETS		**62,105**	**139,553**
TOTAL ASSETS		**936,980**	**1,015,229**

EI TOWERS GROUP

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Euro in thousands)

	Notes	June 30, 2017	Dec.31, 2016
SHAREHOLDERS' EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital		2,826	2,826
Share premium reserve		144,380	194,220
Treasury shares		(44,787)	(17,459)
Other reserves		346,742	408,490
Valuation reserve		(3,076)	(3,076)
Retained earnings		15,223	8,309
Net profit for the period		28,868	44,467
Total group shareholders' equity		**490,176**	**637,777**
Profit/(loss) pertaining to minority interests		(41)	(47)
Share capital and reserves pertaining to minority interests		92	89
Shareholders' equity pertaining to minority interests		**51**	**42**
TOTAL SHAREHOLDERS' EQUITY		**490,227**	**637,819**
Non current liabilities			
Post-employment benefit plans		11,890	11,909
Deferred tax liabilities	4.7	55,283	56,567
Financial liabilities and payables	4.6	23,854	228,599
Provisions for non current risks and charges		4,383	4,806
TOTAL NON CURRENT LIABILITIES		**95,410**	**301,881**
Current liabilities			
Financial payables	4.6	54,113	680
Trade payables	4.8	33,216	34,430
Current tax liabilities	4.9	4,352	3,464
Other financial liabilities	4.6	230,967	7,268
Other current liabilities	4.10	28,695	29,687
TOTAL CURRENT LIABILITIES		**351,343**	**75,529**
TOTAL LIABILITIES		**446,753**	**377,410**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**936,980**	**1,015,229**

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

	Notes	H1 2017	H1 2016 (*)
Sales of goods and services		130,905	123,835
Other revenues and income		98	1,302
TOTAL REVENUES		**131,003**	**125,137**
Personnel expenses		22,382	21,854
Purchases, services, other costs		42,880	45,129
Amortisation, depreciation and write-downs		18,779	20,550
TOTAL COSTS		**84,041**	**87,533**
EBIT		**46,962**	**37,604**
Financial expenses		(5,068)	(4,924)
Financial income		163	348
EBT		**42,057**	**33,028**
Income taxes		13,230	11,116
NET PROFIT FOR THE PERIOD		**28,827**	**21,912**
Attributable to:			
- Parent company		28,868	21,937
- Minority interests		(41)	(25)
Earnings per share (Euro):	4.12		
- Basic		1.05	0.78
- Diluted		1.05	0.78

(*)Comparative data of the first half of 2016 differ from those published as a result of the definition of the allocation of the purchase price of companies as required by IFRS 3.

EI TOWERS GROUP

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Euro in thousands)

	H1 2017	H1 2016 (*)
CONSOLIDATED NET PROFIT(A):	**28,827**	**21,912**
Comprehensive gains/(losses) recognized in the Income Statement		
Effective portion of gains/(losses) on hedging instruments (cash flow hedge)	-	-
Comprehensive gains/(losses) not recognized in the Income Statement	-	-
Actuarial gains/(losses) on defined benefit plans	-	(1,155)
Tax effects	-	277
TOTAL OTHER COMPREHENSIVE INCOME /(LOSS) NET OF TAX EFFECTS (B)	**28,827**	**(878)**
TOTAL COMPREHENSIVE INCOME (A+B)	**28,827**	**21,034**
attributable to:		
- owners of the parent	28,868	21,059
- minority interests	(41)	(25)

(*) Comparative data of the first half of 2016 differ from those published as a result of the definition of the allocation of the purchase price of companies as required by IFRS 3.

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

	H1 2017	H1 2016 (*)
CASH FLOW FROM OPERATING ACTIVITIES:		
Operating profit	46,962	37,604
+ Amortisation, depreciation and w rite-dow ns	18,779	20,550
+ Change in trade receivables	(8,496)	(5,209)
+ Change in trade payables	(1,214)	(4,784)
+ Change in other assets and liabilities	(2,100)	7,968
- income taxes paid	(13,382)	(8,619)
Net cash flow from operating activities [A]	**40,549**	**47,510**
CASH FLOW FROM INVESTING ACTIVITIES:		
Investments in tangible assets	(5,792)	(7,021)
Investments in intangible assets	(2,588)	(6,504)
Changes in payables for investing activities	(1,537)	(8,695)
(Increases)/decreases in other financial assets	(64)	-
Business combinations net of cash acquired	(9,437)	(15,439)
Net cash flow from investing activities [B]	**(19,418)**	**(37,659)**
CASH FLOW FROM FINANCING ACTIVITIES:		
Changes in treasury shares	(27,328)	-
Changes in financial liabilities	76,357	-
Dividend payment	(149,142)	-
Interests (paid)/received	(8,889)	(8,567)
Net cash from financing activities [C]	**(109,002)**	**(8,567)**
CHANGE IN CASH AND CASH EQUIVALENTS [D=A+B+C]	**(87,871)**	**1,284**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD [E]	**93,988**	**103,461**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD [F=D+E]	**6,117**	**104,745**

(*) Comparative data of the first half of 2016 differ from those published as a result of the definition of the allocation of the purchase price of companies as required by IFRS 3.

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

	Share capital	Share premium reserve	Legal reserve and other reserves	Treasury shares	Actuarial reserve	Other valuation reserves	Retained earnings (accumulated losses)	Profit/ (loss) for the period	**TOTAL EQUITY OF THE GROUP**	**TOTAL EQUITY OF MINORITY INTERESTS**	**TOTAL SHAREHOLDERS' EQUITY**
Balance at January 1, 2016	**2,826**	**194,220**	**360,551**	**(1,845)**	**(2,448)**	**68**	**8,764**	**47,291**	**609,428**	**39**	**609,467**
Net profit for 2015	-	-	47,871	-	-	-	(579)	(47,291)	-	-	-
Stock option	-	-	68	-	-	(68)	-	-	-	-	-
Buy-back of treasury shares	-	-	-	-	-	-	-	-	-	-	-
Other movements	-	-	(2)	-	-	-	-	-	(2)	-	(2)
Comprehensive income/(loss)	-	-	-	-	(878)	-	-	21,937	21,059	(25)	21,034
Balance at June 30, 2016	**2,826**	**194,220**	**408,488**	**(1,845)**	**(3,326)**	**-**	**8,185**	**21,937**	**630,484**	**14**	**630,498**
Balance at January 1, 2017	**2,826**	**194,220**	**408,490**	**(17,459)**	**(3,076)**	**-**	**8,309**	**44,467**	**637,777**	**42**	**637,819**
Net profit for 2016	-	-	-	-	-	-	6,913	(6,913)	-	-	-
Dividend distribution	-	(49,840)	(61,748)	-	-	-	-	(37,554)	(149,142)	-	(149,142)
Buy-back of treasury shares	-	-	-	(27,328)	-	-	-	-	(27,328)	-	(27,328)
Other movements	-	-	-	-	-	-	-	-	-	50	50
Comprehensive income/(loss)	-	-	-	-	-	-	-	28,868	28,868	(41)	28,827
Balance at June 30, 2017	**2,826**	**144,380**	**346,742**	**(44,787)**	**(3,076)**	**-**	**15,222**	**28,868**	**490,176**	**51**	**490,227**

EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED HALF YEAR REPORT AT JUNE 30, 2017

1. Basis of preparation

For these Interim Condensed Consolidated Financial Statements, prepared according to IAS 34 – Interim Financial Reporting – there have been applied the same accounting standards and valuation criteria that were used to draw up the Consolidated Financial Statements at December 31, 2016, to which reference should be made, with the exception of the impairment tests that are aimed at ascertaining any losses in value of capitalised assets that, in the absence of indicators, events and phenomena that would be such as to change the valuations that had been done in the past, are usually carried out at the time of the drafting of the Annual Report, a time when there is available all the necessary information in order to be able to carry out this process completely.

In addition, for the purposes of the half-year report at June 30, 2017, the actuarial valuation of defined benefits plans (Employee severance indemnities – Italian TFR) has not been updated.

These Half-Year Condensed Consolidated Financial Statements do not contain all the information and explanatory notes required for the Annual Report and must therefore be read together with the Consolidated Financial Statements as at December 31, 2016.

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

The preparation of the Half-Year Condensed Consolidated Financial Statements requires the implementation of estimates and assumptions which have effect on the value of revenues, costs, assets and liabilities in the balance sheet and on the information related to possible assets and liabilities at the date of the Half-Year Report. In case these estimates and assumptions, which are based on the better valuation issued by the management at the date of this Half-Year Report, should in the future differ from the real situation, they are properly reviewed in the period in which the situation has changed. For a more detailed description of the Group's most significant evaluation processes, reference should be made to the chapter - Uses of estimates of the Consolidated Financial Statements at December 31, 2016.

Income taxes for the accounting period were calculated based on the best estimate of the weighted average tax rate expected for the whole financial year.

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

2. New accounting standards, interpretations and amendments applicable from January 1, 2017

Since no new IFRS accounting principle, amendment and interpretation is expected to enter into force starting from January 1, 2017, the Group prepared the condensed consolidated financial statements using the same accounting principles adopted for the consolidated financial statements as at December 31, 2016.

IFRS and IFRIC accounting principles, amendments and interpretations approved by the European Union, not yet obligatorily applicable and not early adopted by the Group at June 30, 2017.

- **Standard IFRS 15 – *Revenue from Contracts with Customers*** (published on May 28, 2014 and completed with additional clarification published on April 12, 2016) which is intended to replace the standards IAS 18 – Revenue and IAS 11 – Construction Contracts, and the interpretations IFRIC 13 – Customer Loyalty Programmes, IFRIC 15 – Agreements for the Construction of Real Estate, IFRIC 18 – Transfers of Assets from Customers and SIC 31 – Revenues-Barter Transactions Involving Advertising Services. The standard sets out a new framework for revenue recognition, that will apply to all contracts with customers except for those that fall within the scope of other IAS/IFRS standards as leases, insurance contracts and financial instruments. The key steps in accounting revenues according to the new framework are:
    - Identify the contract(s) with a customer;
    - Identify the performance obligations in the contract;
    - Determine the transaction price;
    - Allocate the transaction price to the performance obligations in the contract;
    - Recognize revenue when (or as) the entity satisfies a performance obligation.

  The standard is effective for annual reporting periods beginning on or after January 1, 2018. Earlier application is permitted. The amendments to IFRS 15, *Clarifications to IFRS 15* **–** *Revenue from Contracts with Customers*, published by IASB on April 12, 2016, have not yet been endorsed by the European Union. In the Directors' opinion, the application of IFRS 15 could impact in particular on disclosure of revenues provided in the consolidated financial statements of the Group. However, it is not possible to make a reasonable estimate of the effects until the Group has completed a detailed analysis of customer relations.

- Final version of **IFRS 9 – *Financial Instruments*** (published on July 24, 2014). This document includes the results of the IASB's project to replace IAS 39:

  - Introduces new requirements for classification and measurement of financial assets and liabilities;
  - Concerning the impairment model, the new standard requires that the estimation of credit losses is carried out on the basis of an expected losses impairment model (and not on an incurred losses model provided for by IAS 39) by using supportable information, available without unreasonable changes or efforts which include historical data, both current and future;
  - Introduces the new general hedge accounting model (increase in the types of transactions eligible for hedge accounting, change to the accounting method for forward contracts and option when included in an hedging relationship, changes to the effectiveness test)

  The new standard is effective for annual reporting periods beginning on or after January 1, 2018.

  The Directors are assessing the impact of the application of IFRS9 on amounts and information reported on the consolidated financial statements of the Group.

IFRS accounting standards, amendments and interpretations not yet approved by the European Union

As at June 30, 2017 the competent bodies of the European Union had not yet completed the approval process necessary for the application of the above amendments and standards.

- On January 30, 2014 the IASB published the standard **IFRS 14 – *Regulatory Deferral Accounts*** which enables only those who adopt IFRSs for the first time to continue to recognize the amounts related to "*Rate Regulation Activities*" in accordance with the previous accounting standards adopted. Since the Group is not a *first-time adopter*, that standard is not applicable.
- On January 13, 2016 the IASB published the standard **IFRS 16 – *Leases*** which will replace the standard IAS 17 – *Leases,* and the interpretations IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC-15 *Operating Leases—Incentives* and SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.
  The new standard provides a new definition of lease and introduces the criterion based on the right of use of an asset to distinguish between lease contracts and service contracts, identifying as discriminating factors: the identification of the asset, the right of substitution of the asset, the right to obtain substantially all the economic benefits from that use and the right to direct the asset's use underlying the contract.

  The standard establishes a single recognition and measurement model of lease contracts for the lessee providing for the recognition of the leased asset also operating under assets against a financial liability, providing the possibility not to recognize as a lease contracts concerning "low-value assets" and leases with a lease term of 12 months or less. On the contrary, this Standard does not include significant changes for lessors.

The standard is effective for annual periods beginning on or after January 1, 2019. Earlier application is permitted only for the Entities which apply in advance IFRS 15 - *Revenue from Contracts with Customers in advance*.

In the Directors' opinion, the application of IFRS 16 is expected to significantly impact on the accounting of lease contracts and on related disclosure provided in the consolidated financial statements of the Group. However, it is not possible to provide a reasonable estimate of the effects until the Group has completed a detailed analysis of related contracts.

- Amendment to **IAS 12 "*Recognition of Deferred Tax Assets for Unrealised Losses*"** (published on January 19, 2016). The document is intended to clarify around the recognition of a deferred tax asset for unrealised losses when certain circumstances come to pass and the estimate of taxable income for future years. Those amendments, published by the IASB in January 2016 and applicable from January 1, 2017, having not yet been endorsed by the European Union, have not been adopted by the Group at June 30, 2017. The directors do not expect a significant effect on the consolidated financial statements from the adoption of these amendments.

- Amendment to **IAS 7 "*Disclosure Initiative*"** (published on January 29, 2016). The document is intended to clarify IAS7 to improve information about financial liabilities. More specifically, amendments require to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities. Those amendments, published by the IASB in January 2016 and applicable from January 1, 2017, having not yet been endorsed by the European Union, have not been adopted by the Group at June 30, 2017. The directors do not expect a significant effect on the consolidated financial statements from the adoption of these amendments.

- Amendment to **IFRS 2 "*Classification and measurement of share-based payment transactions*"** (published on June 20, 2016), contains clarifications in relation to the accounting of the effects of vesting conditions in the presence of cash-settled share-based payments, the classification of share-based payments with net settlement features and the accounting for modifications of the terms and conditions of share-based payments modifying the classification from cash-settled to equity-settled. The amendments are effective for annual periods beginning on or after January 1, 2018, but earlier application is permitted. The directors do not expect a significant effect on the consolidated financial statements from the adoption of these amendments.

- Document ***"Annual Improvements to IFRSs: 2014-2016 Cycle",*** published on December 8, 2016 (including IFRS 1 First-Time Adoption of International Financial Reporting Standards - Deletion of short-term exemptions for first-time adopters, IAS 28 Investments in Associates and Joint Ventures – Measuring investees at fair value through profit or loss: an investment-by-investment choice or a consistent policy choice, IFRS 12 Disclosure of Interests in Other Entities – Clarification of the scope of the Standard). The improvements partly integrate pre-existing standards. The directors do not expect a significant effect on the consolidated financial statements from the adoption of these amendments.

- Interpretation **IFRIC 22 *"Foreign Currency Transactions and Advance Consideration"*** (published on December 8, 2016). The interpretation is intended to provide guidelines for transactions that are denominated in a foreign currency where the entity recognises a non-monetary prepayment asset or deferred income liability, in advance of the recognition of the related asset, expense or income. The document provides guidance on how an entity shall determine the date of the transaction, and consequently, the spot rate of exchange to be used when transactions in a foreign currency occur in which the payment is made or received in advance. IFRIC 22 is effective for annual periods beginning on or after January 1, 2018, but earlier application is permitted. The directors do not expect a significant effect on the consolidated financial statements from the adoption of these changes.

- Amendment to **IAS 40 "*Transfers of Investment Property*" (**published on December 8, 2016). The amendments clarify transfers of property to, or from, investment property. More specifically, an entity shall reclassify a property into, or out of, investment properties only when there was an evident change in use of the property. A change in management's intentions for the use of a property by itself does not constitute evidence of a change in use. The amendments are effective for annual periods beginning on or after January 1, 2018, but earlier application is permitted. The directors do not expect a significant effect on the consolidated financial statements from the adoption of these amendments.

- On June 7, 2017 the IASB published the interpretative document **IFRIC 23 – *Uncertainty over Income Tax Treatments***. This document addresses the uncertainties over income tax treatments to be adopted.
  The document lays down that uncertainties as regards the determination of deferred tax liabilities and deferred tax assets are recorded in the financial statements when it is probable that the entity will pay or recover the amount concerned. In addition, the document does not contain any new disclosure requirements. Instead it highlights that the entity shall determine whether it will be necessary to provide information on the considerations by the management and related to the uncertainty concerning the recording of taxes, in accordance with IAS 1.

  The new interpretation is effective for annual periods beginning on or after January 1, 2019, but earlier application is permitted. The directors do not expect a significant effect on the consolidated financial statements of the Group from the adoption of this interpretation.

- On September 11, 2014 the IASB published an amendment to **IFRS 10 and IAS 28 *"Sales or Contribution of Assets between an Investor and its Associate or Joint Venture".*** This document has been published in order to solve the current conflict between IAS 28 and IFRS 10 related to the recognition of a gain or loss resulting from the sale or contribution of non-monetary assets to a joint venture or associate in return of an equity stake. The IASB deferred indefinitely the application of this amendment.

The Group did not adopt in advance any other principle, interpretation or amendment that was issued but not yet entered into force.

3. Main corporate operations and changes in the consolidation area

The following tables summarize the consideration paid, the fair value of acquired assets and assumed liabilities at the acquisition date of the operations made in the first half of year 2017:

Rova Group

Net acquired assets	**Carrying values of the group of acquired companies at the date of acquisition (provisional allocation)**
Other intangible assets	-
Tangible assets	259
Deferred tax assets/(liabilities)	-
Other assets/(liabilities)	398
Financial assets/(liabilities)	-
Cash and cash equivalents	529
Total net acquired assets (a)	**1,186**
Minority shareholders' interests (b)	-
Total net assets acquired pro-rata (a-b)	**1,186**
Total acquisition cost	**5,484**
Goodwill	**4,298**

Cash and cash equivalents acquired	529
Purchase price	5,484
Portion of price not paid at June 30, 2017	823
Net cash flows absorbed by the acquisition	**(4,132)**

Ganora TV S.r.l.

Net acquired assets	Carrying values of the acquired company at the date of acquisition (provisional allocation)
Other intangible assets	-
Tangible assets	15
Deferred tax assets/(liabilities)	-
Other assets/(liabilities)	(115)
Financial assets/(liabilities)	(7)
Total net acquired assets (a)	**(107)**
Minority shareholders' interests (b)	-
Total net assets acquired pro-rata (a-b)	**(107)**
Total acquisition cost	**723**
Goodwill	**830**

Cash and cash equivalents acquired	(7)
Purchase price	723
Portion of price not paid at June 30, 2017	523
Net cash flows absorbed by the acquisition	**207**

For the preparation of this half-year report the allocation of the consideration on assets acquired has not been defined yet and therefore the difference between the consideration and the net accounting assets has been provisionally recognized as Goodwill pursuant to FRS 3.

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

4.1 Intangible and tangible assets

Euro in thousands	Dec. 31, 2016	Changes in the consolidation area	Increases	Decreases	Amortisation	June 30, 2017
Goodwill	503,779	5,128	1,602	-	-	510,509
Other intangible assets	176,207	-	2,595	(7)	(5,772)	173,023
Tangible assets	188,091	274	5,842	(50)	(13,007)	181,150

The item Goodwill increased as a result of the definition of the final price of acquisitions made during the fourth quarter of 2016 in the amount of € 1,602k and the provisional allocation of part of the consideration for the acquisitions made in the first half of 2017 in the amount of € 5,128k.
The increase in tangible assets includes in the amount of € 274k the assets of the companies acquired in the half-year, and for the remaining part technical investments in apparatuses and equipment related to the broadcasting network and purchases of land and towers.
In the case of the latter, the Group also took over active contracts related to land and towers acquired and therefore part of the investment made has been allocated, in the amount of € 2,595k, to the item Customer relations included in Intangible assets.
It should also be noted that, on the account of the Group's performance in line with the forecasts made and the basic parameters used for impairment tests at December 31, 2016, which did not experience significant fluctuations, there was no evidence of impairment indicators and therefore the results of the test carried out previously are still considered valid.

4.2 Other financial assets

This item mainly includes guarantee deposits and the amounts paid as advance payments of acquisitions; in particular, the increase compared to December 31, 2016 refers to advances made for the acquisition of companies and business units.

4.3 Deferred tax assets

The item Deferred tax assets amounted to € 5,940k and corresponds to deferred tax assets determined based on temporary differences between the value recorded in the balance sheet and corresponding values recognized for fiscal purposes, mainly attributable to the Provision for doubtful trade and other receivables.

4.4 Trade receivables

Trade receivables amounted to € 39,828k (€ 31,332k at December 31, 2016), including € 945k from related parties (€ 1,028k at December 31, 2016), as described in detail in note 5.
Short-term trade receivables have been recorded net of Provision for doubtful receivables of € 9,436k (€ 9,584k at December 31, 2016).

4.5 Other receivables and current assets

The item Other receivables and current assets mainly includes VAT receivables (€ 1,420k) and tax receivables (€ 448k), advance payments to suppliers (€ 651k) and to employees for business trips (€ 224k), in addition to prepayments and accrued income (€ 7,914k).

4.6 Net Financial Position

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

	June 30, 2017	Dec. 31, 2016
Cash in hand	11	13
Cash and cash equivalents	6,106	93,975
Securities and other current financial assets	-	-
Total Liquidity	**6,117**	**93,988**
Current financial receivables	-	-
Current payables due to banks	(48,008)	(680)
Current portion of non-current financial debt	(236,814)	(6,080)
Payables and other current financial liabilities	(258)	(1,188)
Current financial debt	**(285,080)**	**(7,948)**
Current Net Financial Position	**(278,963)**	**86,040**
Non-current payables due to banks	(23,854)	-
Corporate bond	-	(228,599)
Payables and other non-current financial liabilities	-	-
Non- current financial debt	**(23,854)**	**(228,599)**
Net Financial Position	**(302,817)**	**(142,559)**

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

The item Current payables due to banks refers to the uses of short-term credit lines ("Hot Money").

The Current portion of non-current financial debt includes the share due within 12 months of a medium-term bank loan expiring May 2020 and the assessment of the bond loan expiring April 2018, both measured at amortized cost.

The item Payables and other current financial liabilities refers to a Finance lease held by EIT Radio S.r.l.

The item Non-current payables due to banks refers to the share due over 12 months of the medium-term bank loan already mentioned.

4.7 Deferred tax liabilities

The item Deferred tax liabilities amounted to € 55,283k (€ 56,567k at December 31, 2016) and corresponds to deferred tax liabilities determined based on temporary differences between the value recorded in the balance sheet and corresponding values recognized for fiscal purposes.

4.8 Trade payables

This item was made up as follows:

- Due to suppliers equal to € 32,073k (€ 32,732k at December 31, 2016) mainly referring to purchases concerning the supply of goods and services for the management of infrastructures;
- Due to related parties equal to € 1,145k (€ 1,698k at December 31, 2016). Reference should be made to note 5.

4.9 Tax payables

This item, amounting to € 4,352k, represents the debt of the companies of the Group to the tax authorities for IRES (Corporate tax) and Irap (Regional Corporate Tax), net of advances made.

4.10 Other current liabilities

The item, equal to € 28,695k, includes accrued charges and deferred income of € 6,797k, payables to employees of € 3,282k and other payables of € 18,616, including the amounts payable to the assignors of companies and assets amounting to € 12,767k.

4.11 Income statement

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

4.12 Earnings per share

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

	H1 2017	H1 2016
Net profit for the period (Euro in thousands)	28,868	21,912
Weighted average number of ordinary shares (without own shares)	27,557,000	28,199,851
Basic EPS (Euro)	1.05	0.78
Weighted average number of ordinary shares for the diluted EPS computation	27,557,000	28,199,851
Diluted EPS (Euro)	1.05	0.78

Earnings per share are calculated by dividing the Group's net profit by the weighted average number of shares in circulation during the period, net of treasury shares.

Diluted earnings per share are calculated by taking into account in the calculation the number of shares in circulation and the potential diluting impact of the assignment of treasury shares to the beneficiaries of stock option plans already due.

5. Related party transactions

In the following summary table the details related to each company that is the counterpart of these transactions are given for the main Income Statement/Balance Sheet groupings, which are identified pursuant to IAS 24 and grouped by the main transaction types.

	Revenues	Operating costs	Financial income/ (charges)	Trade receivables	Trade payables	Other receivables/ (payables)
CONTROLLING ENTITIES						
Mediaset S.p.A.	-	(34)	-	-	(21)	-
R.T.I. S.p.A.	182	(719)	-	159	(727)	(48)
Elettronica Industriale S.p.A.	90,191	(240)	-	104	(86)	-
Total controlling entities	**90,373**	**(993)**	**-**	**263**	**(835)**	**(48)**
AFFILIATED ENTITIES						
Publitalia '80 S.p.A.	-	-	-	-	-	-
Videotime S.p.A.	64	(240)	-	39	(293)	-
MedioBanca S.p.a.	-	(23)	-	-	-	23
Milan Entertainment S.r.l.	80	(5)	-	-	-	-
Monradio S.r.l.	312	-	-	174	-	-
Radio Studio 105 SpA	226	-	-	36	-	(12)
Virgin Radio Italy SpA	122	-	-	14	-	(7)
Radio Engineering CO S.r.l.	244	-	-	156	-	(33)
Consorzio Colle Maddalena	127	-	-	233	-	-
Promoservice Italia S.r.l.	-	-	-	-	-	-
Mediaset Premium SpA	-	-	-	-	-	-
Total affiliated entities	**1,175**	**(268)**	**-**	**652**	**(293)**	**(30)**
ASSOCIATED ENTITIES						
Società Funivie della Maddalena	-	(23)	-	-	(12)	-
Total associated entities	**-**	**(23)**	**-**	**-**	**(12)**	**-**
EXECUTIVES WITH STRATEGIC RESPONSIBILITIES	**-**	**(499)**	**-**	**-**	**-**	**(265)**
PENSION FUNDS	**-**	**-**	**-**	**-**	**-**	**(245)**
OTHER RELATED PARTIES	**-**	**(41)**	**-**	**30**	**(6)**	**1**
TOTAL RELATED PARTIES	**91,548**	**(1,824)**	**-**	**945**	**(1,145)**	**(587)**

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

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

Revenues and trade receivables from affiliated entities are relative to hosting and maintenance services to Monradio S.r.l. and radio companies belonging to the Mediaset Group; costs and trade payables due to affiliated entities are mainly attributable to leases (Videotime) and to specialist services on the Italian market (MTA – Mercato Telematico Azionario) provided by Mediobanca S.p.A.

Data related to other related parties include relationships with some associations mainly carrying out activities connected to the operating management of TV signal transmission.

6. Personal guarantees given and commitments

With reference to personal guarantees given and existing commitments at June 30, 2017 no significant changes are reported compared to December 31, 2016.

7. Transactions arising from atypical and/or unusual operations

Pursuant to Consob Communication of July 28, 2006 no. DEM 6064296, it is underlined that during the first half of 2017 the Group has not put in place any atypical and/or unusual operations, as these are defined by the aforesaid Communication.

For the Board of Directors

Guido Barbieri, CEO

EI TOWERS GROUP

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

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

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

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

of the administrative and accounting procedures for building up the Half-Year Condensed Financial Statements, during the first half of 2017.

2. The evaluation of the adequacy of the administrative and accounting procedures for building up the Half-Year Condensed Financial Statements as at June 30, 2017 was carried out based on the rules and methodologies defined by EI Towers S.p.A. in line with the model *Internal Control – Integrated Framework* issued by the *Committee of sponsoring Organizations of the Treadway Commission* which represents a body of general reference principles for the system of internal controls that is generally accepted at international level.

3. Furthermore, it is also attested that:

3.1 the Half Year Condensed Consolidated Financial Statements:

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

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

Lissone - July 25, 2017

For the Board of Directors	The Assigned Executive for the drafting
The Chief Executive Officer	of the company accounting documents
Guido Barbieri	Fabio Caccia

Deloitte.

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

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

Introduction

We have reviewed the accompanying half-year condensed consolidated financial statements of EI Towers S.p.A. and subsidiaries (the "EI Towers Group"), which comprise the interim consolidated statement of financial position as at June 30, 2017 and the interim consolidated income statement, the interim consolidated statement of comprehensive income, interim consolidated statement of changes in equity and the interim consolidated cash flow statement for the six month period then ended, and a summary of significant accounting policies and other explanatory notes. The Directors are responsible for the preparation of this interim financial information in accordance with the International Accounting Standard applicable to the interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying half-year condensed consolidated financial statements of EI Towers Group as at June 30, 2017 are not prepared, in all material respects, in accordance with the International Accounting Standard applicable to the interim financial reporting (IAS 34) as adopted by the European Union.

DELOITTE & TOUCHE S.p.A.

Signed by
Patrizia Arienti
Partner

Milan, Italy
August 2, 2017

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