EI TOWERS GROUP

QUARTERLY REPORT AS AT SEPTEMBER 30, 2017

EI TOWERS S.p.A.

Via Zanella, 21 - 20851 Lissone (MB)

Tax Code and Inscription Number

Monza and Brianza Companies Register: 12916980159

VAT Number: 01055010969

www.eitowers.it

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

INDEX

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

Professional operating within the prerogatives of Law 4/2013

CORPORATE BOARDS

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.

FINANCIAL HIGHLIGHTS

Main Income Statement Data

Euro in millions	9 months 2017	9 months 2016 (*)
Revenues	196.7	186.6
Adjusted EBITDA (**)	100.4	92.3
EBITDA (***)	99.4	89.4
Operating profit (EBIT)	70.9	58.6
Profit before tax	63.5	51.7
Net profit	43.5	34.8

Main Balance Sheet and Financial Data

Euro in millions	September 30, 2017	December 31, 2016
Net invested capital	791.1	780.4
Shareholders' equity	493.2	637.8
Net financial position	(297.9)	(142.6)

Personnel

	September 30, 2017	December 31, 2016
No. of employees	565	561

Main Indicators

	9 months 2017	9 months 2016 (*)
Adjusted EBITDA (**)/Revenues	51.0%	49.5%
EBITDA (***)/Revenues	50.6%	47.9%
EBIT/Revenues	36.1%	31.4%
Profit before tax/Revenues	32.3%	27.7%
Net profit/Revenues	22.1%	18.6%
Earning per share (Euro per share)	1.59	1.24
Diluted earning per share (Euro per share)	1.59	1.24

(*) 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 economic components related to M&A transactions according IFRS3 or layoffs, of any costs related to atypical and/or unusual deals as defined by 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 Interim Financial Report (hereinafter also "Quarterly Report") has 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 published in line with the policy approved by the Board of Directors on December 14, 2016 disclosed to the market on the same date.

This Quarterly Report has not been subject to an external audit.

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

This Quarterly Report does not contain all the information required for the Annual Report and, therefore, must be read in conjunction with the Consolidated Financial Statements as at December 31, 2016.

Pursuant to Consob Communication no. DEM 6064296 of July 28, 2006, it should be noted that during the first nine months of 2017 the Group did not execute atypical and/or unusual transactions as defined in the abovementioned Communication.

It should be noted that the economic data related to the third quarter and the first nine months 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 third quarter higher amortisation in the amount of about € 0.7m and lower taxes in the amount of about € 0.2m (higher amortisation in the amount of about € 2m and lower taxes in the amount of about € 0.6m in the first nine months) compared to what is outlined in the Quarterly Report as at September 30, 2016.

INTERIM REPORT ON OPERATIONS AT SEPTEMBER 30, 2017

Summary of Group Results and Operations

The main consolidated figures of the first nine months of the year are the following:

- Core revenues amounted to € 196.7m, with an increase of 5.4% compared to the figure of the same period of the previous year (€ 186.6m);
- Adjusted EBITDA[1], with a growth of 8.7%, came to € 100.4m compared to € 92.3m in the same period of the previous year, with a ratio on revenues at 51% (49.5% in the first nine months of 2016);
- EBITDA amounted to € 99.4m (€ 89.4m in 2016), equal to 50.6% of revenues (47.9% in the same period of 2016);
- Operating profit (EBIT) amounted to € 70.9m, with an increase of 21% compared to the figure restated of the first nine months of last year (€ 58.6m);
- Operating profitability increased from 31.4% to 36.1%;
- Pre-tax profit amounted to € 63.5m compared to the figure restated amounting to € 51.7m, with an increase of 22.9%;
- Net profit amounted to € 43.5m, with an increase of 25.3% compared to the figure restated of the first nine months of 2016 (€ 34.8m);
- Net financial position of € 297.9m compared to € 142.6m at end 2016;
- Net invested capital was equal to € 791.1m compared to € 780.4m at December 31, 2016.

Significant Events and Operations in the Third Quarter

During the third quarter the plan to purchase treasury shares in accordance with the resolution approved by the Shareholders' Meeting on April 20, 2017 and by the Board of Directors on May 4, 2017 continued; total shares purchased in the period pursuant to the aforesaid plan are 233,162, equal to 0.82% of the share capital.

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

Amounts in Euro thousands	**9M 2017**	**9M 2016**
EBITDA	99,436	89,351
Acquisition charges	773	2,506
Charges on lay-off incentives	162	439
Adjusted EBITDA	**100,371**	**92,296**

Following these purchases, total treasury shares held at September 30, 2017 are 1,174,914, equal to 4.16% of the share capital.

In addition, during the third quarter 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 € 3.4m.

During the period EIT Radio S.r.l. acquired the company Gepra S.r.l., then merged into the acquirer, for a total consideration provisionally set at €0.6m including cash acquired and EI Towers S.p.A. acquired business units for a total consideration of € 3.8m.

On September 26, the Board of Directors of EI Towers approved an unsecured loan, for a maximum amount of € 270m, to be used for the early repayment of the current Eurobond and to support the general corporate activity. The related agreement was signed on October 30.

Analysis of the Results

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

The form and contents of the tables of the Income Statement, Balance Sheet and Financial Situation below are shown in a restated format compared to those contained in the subsequent Financial Statement Tables, for the purpose of highlighting some interim levels of the results and the Balance Sheet and Financial Situation groupings that are believed to be the most significant ones, in order to be able to truly understand the operating performances of the Group. For these balances, even if they are not required by accounting standards, there are also supplied, in conformity with the indications contained in the Consob Communication No. 6064293 of July 28, 2006 and in the Recommendation of the CESR (Committee of European Securities Regulators) of November 3, 2005 (CESR/05-178b) 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.

Economic Results

In the following Consolidated Income Statement tables the interim results related to the Adjusted Gross Operating Margin (Adjusted EBITDA), to the Gross Operating Margin (EBITDA) and to the Operating Result (EBIT) are shown.

In particular, Adjusted EBITDA is the difference between the consolidated revenues and the operating costs, gross of the non-monetary costs related to depreciation, amortisation and write-downs (net of any reinstatement of the values) 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 related to depreciation, amortisation and write-downs (net of any reinstatement of the values) of both current and non-current assets.

The operating result (EBIT) is obtained by deducting from the EBITDA the non-monetary costs related to depreciation, amortisation and write-downs (net of any reinstatement of the values) of both current and non-current assets.

CONSOLIDATED INCOME STATEMENT	Progressive as at September 30th			
Euro in thousands	2017		2016 (*)	
Revenues from sales of goods and services	**196,693**	**100.0%**	**186,621**	**100.0%**
Other income and revenues	150		1,307	
Total revenues	**196,843**		**187,928**	
Operating costs	96,472		95,632	
Adjusted EBITDA	**100,371**	**51.0%**	**92,296**	**49.5%**
Non-ordinary items	(935)		(2,945)	
Gross operating margin (EBITDA)	**99,436**	**50.6%**	**89,351**	**47.9%**
Amortisation, depreciation, write-downs	28,510		30,742	
Operating result (EBIT)	**70,926**	**36.1%**	**58,609**	**31.4%**
Financial charges, net	(7,416)		(6,950)	
Pre-tax result (EBT)	**63,510**	**32.3%**	**51,659**	**27.7%**
Income taxes	(19,968)		(16,899)	
Net income	**43,542**	**22.1%**	**34,760**	**18.6%**
Profit/(loss) pertaining to minority interests	52		40	
Net Group Income	**43,594**	**22.2%**	**34,800**	**18.6%**

(*) RESTATED

CONSOLIDATED INCOME STATEMENT	Q3			
Euro in thousands	2017		2016 (*)	
Revenues from sales of goods and services	**65,788**	**100.0%**	**62,786**	**100.0%**
Other income and revenues	52		5	
Total revenues	**65,840**		**62,791**	
Operating costs	31,909		31,133	
Adjusted EBITDA	**33,931**	**51.5%**	**31,658**	**50.4%**
Non-ordinary items	(236)		(461)	
Gross operating margin (EBITDA)	**33,695**	**51.2%**	**31,197**	**49.7%**
Amortisation, depreciation and write-downs	9,731		10,192	
Operating result (EBIT)	**23,964**	**36.4%**	**21,005**	**33.5%**
Financial charges, net	(2,511)		(2,374)	
Pre-tax result (EBT)	**21,453**	**32.6%**	**18,631**	**29.7%**
Income taxes	(6,738)		(5,783)	
Net income	**14,715**	**22.3%**	**12,848**	**20.5%**
Profit/(loss) pertaining to minority interests	11		14	
Net Group Income	**14,726**	**22.4%**	**12,862**	**20.5%**

(*) RESTATED

Revenues from sales of goods and services in the first nine months of the year amounted to € 196,693k and refer in the amount of € 135,217k 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 telecommunication operators.

Revenues increased by 5.4% compared to the same period of last year mainly by effect of the acquisitions made in the meantime.

It should be noted that other income and revenues included in 2016 a capital gain amounting to € 1,089k related to the sale of a property.

Non-ordinary charges amounting to € 935k have been recorded during the first nine months concerning in the amount of € 773k extraordinary acquisition transactions, included in the item Purchases, services and other costs of the Financial Statements and as regards the remaining amount of € 162k lay-off incentives for employees included in the item Personnel costs of the Financial Statements (€ 2,945k in the same period of 2016 relating in the amount of € 2,506k to extraordinary acquisition transactions and in the amount of € 439k to lay-off incentives for employees).

Excluding these charges, total operating costs amounted to € 96,472k, with an increase of € 840k compared to 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 more than offset the reduction in costs made in the meantime.
Adjusted EBITDA amounted to € 100,371k, with an increase of 8.7% compared to the first nine months of 2016, with an incidence on revenues from 49.5% to 51%.
EBITDA amounted to € 99,436k (50.6% of revenues) compared to € 89,351k in the first nine months of 2016 (47.9% of revenues), with an increase of 11.3%.
The item amortization, depreciation and write-downs amounted to € 28,510k, with a decrease compared to the figure restated in 2016 (€ 30,742k), including in the amount of € 915k write-downs of receivables of uncertain collection.
The operating result (EBIT) in the nine months amounted to € 70,926k (€ 58,609k the restated figure in the same period in 2016); operating profitability grew up to 36.1% compared to the previous 31.4%.
Net financial charges amounted to € 7,416k, with an increase compared to the figures in 2016 (€ 6,950k) due to the lower liquidity deposited in bank accounts and the use of bank credit lines.
Pre-tax result increased to € 63,510k compared to the restated figure of € 51,659k, equal to 32.3% of revenues (27.7% in the same period of 2016).
After accounting for taxes of € 19,968k, calculated on the basis of the estimate of the weighted average rate expected for the full year, the nine months ended with a net profit of € 43,542k (+25.3% compared to 2016), including € 43,594k attributable to the Group and a loss of € 52k attributable to minority share-holders and referring to the minority interest in the company Nettrotter S.r.l.

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 the Gross Financial Debt reduced by Cash and Cash Equivalents and by Other Financial Assets.
Therefore, these tables differ from 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 the cash and cash equivalents and the Current financial assets that are included in the Net Financial Position) and current liabilities (with the exclusion of current financial liabilities that are included in the Net Financial Position).

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

RECLASSIFIED CONSOLIDATED BALANCE SHEET	September 30, 2017		December 31, 2016	
Euro in thousands				
Net working capital	(12,196)	-1.5%	(22,016)	-2.8%
Goodwill	511,590		503,779	
Other non-current assets	363,464		371,897	
Non-current liabilities	(71,722)		(73,282)	
Non-current capital	803,332	101.5%	802,394	102.8%
Net invested capital	**791,136**	**100.0%**	**780,378**	**100.0%**
Net financial position	297,942	37.7%	142,559	18.3%
Shareholders' equity of the Group	493,154	62.3%	637,777	81.7%
Shareholders' equity of minority interests	40	0.0%	42	0.0%
Financial position and shareholders' equity of the Group	**791,136**	**100.0%**	**780,378**	**100.0%**

The increase in net working capital compared to December 31, 2016, equal to € 9,820k, is mainly due to an increase in trade receivables (€ 15,089k) and to a decrease in trade payables (€ 2,879k), partly offset by an increase in tax payables amounting to € 8,246k. It should be noted that the balance includes in the amount of € 12,381k payables for deferred instalments of the price related to business combinations (€ 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 € 2,145k and the provisional allocation of a portion of the consideration for the acquisitions made in the first nine months of 2017 (€ 5,666k).

With regard to provisional allocations, according to IFRS 3, a specific analysis of the consideration paid will be carried out within twelve months from 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 of tangible and intangible assets accounted for the period, which were higher than the investments made.

The Net financial position amounted at September 30, 2017 to € 297,942k, and consists of cash and cash equivalents in the amount of € 6,444k and gross financial debt in the amount of € 304,386k, including € 233,173k for the outstanding bond loan, € 41,004k for short-term lines of credit (“Hot Money”), € 29,967k for a medium-term loan and € 242k for other financial payables.

Net debt increased mainly due to the distribution of the extraordinary dividend made in February (€ 99,705k), of the ordinary dividend in May (€ 49,437k) and the buy-back of treasury shares for the period (€ 30,076k).

Also the Shareholders’ Equity at September 30, 2017 decreased for the same reasons (distribution of dividends and buy-back of treasury shares), partially offset by the profit for the period.

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 nine months of the year.

CASH FLOW STATEMENT *Euro in thousands*	9 months 2017	9 months 2016
Cash flow generated (absorbed) by operating activities	68,792	61,750
Cash flow generated (absorbed) by investing activities	(27,047)	(40,000)
Cash flow generated (absorbed) by financing activities	(129,289)	(10,705)
Net cash flow for the period	(87,544)	11,045

Cash flow generated by operating activities, equal to € 68,792k, includes absorption of working capital in the amount of € 17,262k and the payment of income taxes of € 13,382k.

The net flow absorbed by investing activities, equal to € 27,047k, includes purchases of assets (land, contracts and business units) in the amount of € 11,447k and business combinations in the amount of € 10,402k.

The flow related to financing activities, negative in the amount of € 129,289k, includes the net use of credit lines and bank loans in the amount of € 67,839k, negative flows in the amount of € 39,076k 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 € 8,910k, essentially attributable to the payment of the annual coupon of the existing bond loan.

Group Employees

The employee ending headcount of the Group at September 30, 2017 amounted to 565 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 below.
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, 2015.

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

Effective from January 2, 2012 EI Towers S.p.A. is subject 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. to 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 civil code,
- has an autonomous negotiating capacity in relationships with clients and suppliers,
- has no centralized treasury pooling relationship with Mediaset S.p.A.,

- has a Control and Risk Committee which carries out also the functions of the Related Party Committee, and a Remuneration Committee composed exclusively of independent directors according to the criteria of art 148, para. 3, of the Legislative Decree 58/1998, of the Corporate Governance Code of Borsa Italiana S.p.A. and of 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 of EI Towers S.p.A. on December 14, 2012 resolved to adhere to the opt-out regime envisaged by Articles 70, para. 8 and 71 para. 1/bis of the Regulations for Issuers 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, corporate capital splitting, capital increase through non-monetary contribution of assets, acquisitions and disposals.

Business Outlook

Based on the final figures for the first nine months and on the currently foreseeable operating performance, an Adjusted EBITDA of around € 130m is expected to be achieved in the year.

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)

	Sept. 30, 2017	Dec. 31, 2016
ASSETS		
Non current assets		
Property, plant and equipment	180,269	188,091
Goodwill	511,590	503,779
Other intangible assets	173,566	176,207
Investments in associates/joint control companies	713	713
Other financial assets	3,005	946
Deferred tax assets	5,911	5,940
TOTAL NON CURRENT ASSETS	**875,054**	**875,676**
Current assets		
Inventories	2,936	3,152
Trade receivables	46,421	31,332
Tax receivables	0	6
Other receivables and current assets	12,703	11,075
Cash and cash equivalents	6,444	93,988
TOTAL CURRENT ASSETS	**68,504**	**139,553**
TOTAL ASSETS	**943,558**	**1,015,229**

EI TOWERS GROUP

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Euro in thousands)

	Sept. 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	(56,535)	(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	43,594	44,467
Shareholders' equity of the Group	**493,154**	**637,777**
Profit/(loss) pertaining to minority interests	(52)	(47)
Share capital and reserves pertaining to minority interests	92	89
Shareholders' equity pertaining to minority interests	**40**	**42**
TOTAL SHAREHOLDERS' EQUITY	**493,194**	**637,819**
Non current liabilities		
Post-employment benefit plans	11,828	11,909
Deferred tax liabilities	54,642	56,567
Financial liabilities and payables	20,877	228,599
Provisions for non current risks and charges	5,252	4,806
TOTAL NON CURRENT LIABILITIES	**92,599**	**301,881**
Current liabilities		
Financial payables	50,094	680
Trade payables	31,551	34,430
Current tax liabilities	11,710	3,464
Other financial liabilities	233,415	7,268
Other current liabilities	30,995	29,687
TOTAL CURRENT LIABILITIES	**357,765**	**75,529**
TOTAL LIABILITIES	**450,364**	**377,410**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**943,558**	**1,015,229**

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

	9 months 2017	9 months 2016 (*)
Sales of goods and services	196,693	186,621
Other revenues and income	150	1,307
TOTAL REVENUES	**196,843**	**187,928**
Personnel expenses	32,226	31,852
Purchases, services, other costs	65,181	66,725
Amortisation, depreciation and write-downs	28,510	30,742
TOTAL COSTS	**125,917**	**129,319**
EBIT	**70,926**	**58,609**
Financial expenses	(7,604)	(7,414)
Financial income	188	464
EBT	**63,510**	**51,659**
Income taxes	19,968	16,899
NET PROFIT FOR THE PERIOD	**43,542**	**34,760**
Attributable to:		
- Parent company	43,594	34,800
- Minority interests	(52)	(40)
Earnings per share (Euro):		
- Basic	1.59	1.24
- Diluted	1.59	1.24

(*) RESTATED

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

	9 months 2017	9 months 2016 (*)
CASH FLOW FROM OPERATING ACTIVITIES:		
Operating profit	70,926	58,609
+ Depreciation, amortisation and w rite-dow ns	28,510	30,742
+ Change in trade receivables	(15,089)	(15,555)
+ Change in trade payables	(2,879)	(7,586)
+ Change in other assets and liabilities	706	4,159
- income tax paid	(13,382)	(8,619)
Net cash flow from operating activities [A]	**68,792**	**61,750**
CASH FLOW FROM INVESTING ACTIVITIES:		
Investments in tangible assets	(11,447)	(8,460)
Investments in intangible assets	(6,283)	(10,409)
Changes in payables for investing activities	1,344	(903)
(Increases)/decreases in other financing activities	(259)	33
Business combinations net of cash acquired	(10,402)	(20,261)
Net cash flow from investing activities [B]	**(27,047)**	**(40,000)**
CASH FLOW FROM FINANCING ACTIVITIES:		
Changes in treasury shares	(39,076)	(2,241)
Changes in financial liabilities	67,839	-
Payment of dividends	(149,142)	-
Interests (paid)/received	(8,910)	(8,464)
Net cash from financing activities [C]	**(129,289)**	**(10,705)**
CHANGE IN CASH AND CASH EQUIVALENTS [D=A+B+C]	**(87,544)**	**11,045**
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]	**6,444**	**114,506**

(*) RESTATED

EI TOWERS GROUP
RELATED PARTY TRANSACTIONS
(Euro in thousands)

	Revenues	Operating costs	Financial income/ (charges)	Trade receivables	Trade payables	Other receivables/ (payables)
CONTROLLING ENTITIES						
Mediaset S.p.A.	-	(49)	-	-	(19)	-
R.T.I. S.p.A.	281	(1,017)	-	61	(977)	(24)
Elettronica Industriale S.p.A.	135,217	(351)	-	197	(120)	3
Total controlling entities	**135,498**	**(1,417)**	**-**	**258**	**(1,116)**	**(21)**
AFFILIATED ENTITIES						
Publitalia '80 S.p.A.	-	-	-	-	-	-
Videotime S.p.A.	64	(240)	-	-	(135)	-
Videotime Produzioni S.p.A.	32	(120)	-	39	-	-
MedioBanca S.p.a.	-	(45)	-	-	-	-
Milan Entertainment S.r.l.	80	(5)	-	-	-	-
Monradio S.r.l.	471	-	-	177	-	(8)
Radio Studio 105 SpA	360	-	-	29	-	(16)
Virgin Radio Italy SpA	212	-	-	13	-	(9)
Radio Engineering CO S.r.l.	382	-	-	73	-	(33)
Radio Subasio s.r.l.	6	-	-	6	(1)	1
Radio Auto s.r.l.	-	-	-	2	-	1
Consorzio Colle Maddalena	191	-	-	233	-	-
Promoservice Italia S.r.l.	-	-	-	-	-	-
Mediaset Premium SpA	-	(1)	-	2	(1)	-
Total affiliated entities	**1,798**	**(411)**	**-**	**574**	**(137)**	**(64)**
ASSOCIATED ENTITIES						
Società Funivie della Maddalena	-	(58)	-	-	(18)	-
Total associated entities	**-**	**(58)**	**-**	**-**	**(18)**	**-**
EXECUTIVES WITH STRATEGIC RESPONSIBILITIES	**-**	**(741)**	**-**	**-**	**-**	**(390)**
PENSION FUNDS	**-**	**-**	**-**	**-**	**-**	**(125)**
OTHER RELATED PARTIES	**-**	**(49)**	**-**	**30**	**(3)**	**1**
TOTAL RELATED PARTIES	**137,296**	**(2,677)**	**-**	**862**	**(1,274)**	**(599)**

DECLARATION OF THE EXECUTIVE RESPONSIBLE FOR THE PREPARATION OF ACCOUNTING DOCUMENTS

The Company Executive responsible for the preparation of the company accounting documents of EI Towers S.p.A., Fabio Caccia, herewith declares, pursuant to paragraph 2, article 154, second part, of the Consolidated Finance Act that the accounting information contained in this document corresponds to the contents of accounting documents, books and postings of the company.

For the Board of Directors
Guido Barbieri, CEO