RAI WAY S.P.A.: THE BOARD OF DIRECTORS APPROVES THE RESULTS OF THE NINE MONTHS 2015

- **Key results for the nine months ended 30 September 2015 (*vs* 30 September 2014 pro-forma[1]):**
  - **Revenues of € 158.3m (€ 155.2m at 30 September 2014);**
  - **EBITDA[2] of € 82.4m (€ 80.4m at 30 September 2014);**
  - **Operating profit (EBIT) of € 47.3m (€ 42.8m at 30 September 2014);**
  - **Net profit of € 30.2m (€ 26.9m at 30 September 2014);**
  - **Earnings per share (EPS) of € 0.1110**
- **Investments of € 14.0m, out of which € 4.9m as development capex**
- **Net debt of € 49.6m (€ 65.5m at 31 December 2014)**

Rome, 4 November 2015 – The Board of Directors of Rai Way S.p.A. (Rai Way), met today under the chairmanship of Camillo Rossotto, examined and unanimously approved the Company's Interim Financial Report for the nine months ended 30 September 2015.

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[1] The Company's New Service Contract for the broadcasting and transmission network differs from the previous one as it includes certain conditions which, from an accounting standpoint (IAS 17), mean that it now qualifies as an operating lease and no longer a financial lease. As a consequence, without any modification having occurred in the ownership of the network, which was and remains that of the Company, the representation of the contract for balance sheet and income statement purposes has undergone a significant change. For this reason, the income statement figures for the nine months ended 30 September 2014 are presented on a pro-forma basis, as if the contract were effective at 1 January 2014, an approach considered more representative for analysing the Company's performance. The income statement figures for the nine months ended 30 September 2014 were as follow: revenues of €115.1m; EBITDA of €38.7m; operating profit (EBIT) of €25.7m; net profit of €17.9m

[2]The Company defines EBITDA as profit for the year adjusted by the following items: *(i)* income taxes, *(ii)* financial charges, *(iii)* financial income, *(iv)* accruals to provisions for risks, *(v)* amortisation and depreciation and *(vi)* write-downs of receivables

Key Results for the nine months 2015

The Company's **revenues** amount to € 158.3 million in the nine months ended 30 September 2015, an increase of 2.0% over € 155.2 million for the nine months 2014 pro-forma results. Revenues from RAI, amount to € 132.3 million, reflect the new Service Contract and new 2015 initiatives. Revenues from third-party customers amount to € 26.0 million.

EBITDA amounts to € 82.4 million, an increase of 2.4% over € 80.4 million in the nine months 2014 pro-forma results, representing a margin on revenues of 52.0% (51.8% in the nine months 2014). In the nine months 2015, EBITDA includes non-recurring expenses of € 0,1 million (there were no non-recurring expenses recorded in the nine months 2014).

Operating profit (EBIT) amounts to € 47.3 million, an increase of 10.5% over € 42.8 million for the nine months 2014 pro-forma results, benefiting from lower amortisation and depreciation charges.

Net profit amounts to € 30.2 million, an increase of 12.2% compared to the nine months 2014 pro-forma results of a net profit of € 26.9 million.

In the nine months 2015, **investments** in active and passive infrastructure amount to € 14.0 million, out of which € 4.9 million to support new services to RAI (€ 11.4 million in the nine months 2014[3], fully related to maintenance activities).

Net invested capital[4] amounts to € 200.4 million, with **net debt** closing at € 49.6 million compared to € 65.5 million at 31 December 2014.

Outlook

The results of the first nine months of 2015 are in line with management's expectations. The outlook for the full year 2015, disclosed to the market on 12 March 2015 with the 31 December 2014 results, is confirmed:

[3] Capex in the nine months 2014 consists of investments in tangible assets, intangible assets and financial lease cash-out; the latter represents the value of the investments made in the network infrastructure up to 30 June 2014

[4] Net invested capital is calculated as the sum of fixed capital, working capital and non-current financial assets

- an increase of approximately € 2 million in EBITDA over the 2014 pro-forma figure;

- capex of approximately € 40 million, including those relating to the new services to RAI;

- net debt at year-end of approximately € 50 million.

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Rai Way announces that today, Wednesday 4 November 2015 at 5:30pm CET the results of the nine months 2015 will be presented to the financial community via conference call.
The presentation supporting the conference call will be made available in advance on the Company's website www.raiway.it in the Investor Relations section.
To take part in the conference call:
Italy: +39 02 8020911 - UK: +44 1 212818004 - USA: +1 718 7058796

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The manager in charge of preparing the corporate accounting documents, Adalberto Pellegrino, declares, pursuant to article 154-bis of the Consolidated Finance Law (TUF), that the accounting information in this release corresponds to the underlying accounting documents, books and entries.

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Disclaimer
This release contains forward-looking statements on the future events and results of Rai Way that are based on current expectations, estimates and forecasts about the sector in which Rai Way operates and on management's current opinions. By their nature these items contain an element of risk and uncertainty as they depend on the occurrence of future events. The actual results could differ, even materially, from those stated for a variety of reasons such as: global economic conditions, the effect of competition and political, economic and regulatory developments in Italy.

Rai Way S.p.A.
Rai Way manages and develops the terrestrial broadcast infrastructure which carries the television and radio signals of RAI, Italy's national public broadcasting company, and provides services to its business customers. Rai Way has an extensive experience and technological, engineering and organizational know-how in the Italian media and broadcast infrastructure market. Such a unique expertise, together with the skills and ongoing training of its 600 and more employees, makes Rai Way an ideal partner for any companies and entities seeking for integrated solutions to develop their network and transmit their signals.
Rai Way operates throughout the national territory and can rely on its headquarters in Rome, 23 local network centers and more than 2,300 sites across Italy.

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Income Statement

(€m; %)	3Q14	3Q15	9M14	9M14 PF	9M15
Core revenues	**51.7**	**53.2**	**115.1**	**155.2**	**158.3**
Other revenues	1.4	0.1	2.9	2.9	0.6
Purchase of consumables	(0.4)	(0.3)	(1.2)	(1.2)	(0.9)
Service costs	(14.9)	(13.7)	(42.8)	(41.2)	(39.1)
Personnel costs	(10.0)	(9.9)	(33.1)	(33.1)	(33.8)
Other costs	(0.6)	(0.8)	(2.2)	(2.2)	(2.7)
Opex	**(25.8)**	**(24.7)**	**(79.3)**	**(77.8)**	**(76.5)**
Depreciation and amortization	(12.8)	(11.7)	(13.0)	(37.6)	(35.1)
Provisions	0.0	0.0	0.0	0.0	0.0
Net Operating profit	**14.5**	**16.8**	**25.7**	**42.8**	**47.3**
Net Finance income	(0.6)	(0.6)	2.6	(1.4)	(1.6)
Profit before income taxes	**13.9**	**16.3**	**28.3**	**41.4**	**45.7**
Income taxes	(5.0)	(5.9)	(10.4)	(14.5)	(15.5)
Profit for the year	**8.9**	**10.4**	**17.9**	**26.9**	**30.2**

	3Q14	3Q15	9M14	9M14 PF	9M15
EBITDA	**27.2**	**28.6**	**38.7**	**80.4**	**82.4**
EBITDA margin	*52.7%*	*53.6%*	*33.6%*	*51.8%*	*52.0%*
Non recurring expenses	0.0	0.0	0.0	0.0	-0.1
Adjusted EBITDA	**27.2**	**28.6**	**38.7**	**80.4**	**82.5**
Adjusted EBITDA margin	*52.7%*	*53.6%*	*33.6%*	*51.8%*	*52.1%*

Balance Sheet

(€m)	2014FY	9M2015
Non current assets		
Tangible assets	243.1	222.1
Intangible assets	0.6	0.7
Non-current financial assets	0.6	0.5
Non-current tax assets	5.4	4.8
Total non-current assets	**249.8**	**228.1**
Current assets		
Inventories	0.9	1.0
Trade receivables	64.4	75.9
Other receivables and current assets	4.4	5.4
Current financial assets	0.7	0.4
Cash	14.7	71.2
Tax assets	0.3	0.3
Total current assets	**85.3**	**154.2**
TOTAL ASSETS	**335.1**	**382.3**
Equity		
Share capital	70.2	70.2
Legal reserves	6.9	8.1
Other reserves	37.1	37.1
Retained earnings	39.6	35.4
Total equity	**153.8**	**150.8**
Non-current liabilities		
Non-current financial liabilities	80.6	90.6
Employee benefits	21.3	20.6
Provisions for risks and charges / Allowances	18.6	18.1
Other non-current liabilities	0.0	0.0
Non-current tax liabilities	0.0	0.0
Total non-current liabilities	**120.5**	**129.4**
Current liabilities		
Commercial debt	36.0	35.9
Other debt and current liabilities	21.7	33.1
Current financial liabilities	0.3	30.6
Tax liabilities	2.9	2.5
Total current liabilities	**60.8**	**102.2**
TOTAL NET EQUITY AND LIABILITIES	**335.1**	**382.3**

Cash Flow Statement

(€m)	3Q2014	3Q2015	9M2014	9M2015
Earnings before taxes	**13.9**	**16.3**	**28.3**	**45.7**
Depreciation and amortization	12.8	11.7	13.0	35.1
Provisions and others	(0.3)	0.0	(0.4)	(1.2)
Net financial Income	0.6	0.6	(2.5)	1.6
Other non-monetary items	0.4	0.0	(0.2)	0.0
Net operating CF before change in WC	**27.4**	**28.6**	**38.2**	**81.1**
Change in inventories	(0.0)	0.0	0.0	(0.1)
Change in accounts receivable	(11.6)	(10.4)	(20.6)	(11.6)
Change in accounts payable	2.9	5.5	(43.2)	(0.1)
Change in other assets	7.8	(0.2)	(0.9)	(1.0)
Change in other liabilities	7.0	7.5	8.8	9.5
Use of funds	(0.1)	(0.1)	(0.2)	(0.2)
Payment of employee benefits	(0.5)	(0.1)	(1.8)	0.4
Change in tax credit/liabilities	0.1	(0.6)	(0.8)	(1.1)
Taxes paid	(0.1)	0.0	(5.3)	(12.4)
Net operating cash flow	**32.9**	**30.3**	**(25.8)**	**64.6**
Investment in tangible assets	(4.7)	(6.8)	(4.7)	(13.7)
Sale of tangible assets	0.0	0.0	0.0	0.1
Investment in intangible assets	(0.2)	(0.2)	(0.2)	(0.3)
Sale of intangible assets	0.0	0.0	0.0	0.0
Financial lease cash-out	0.0	0.0	(6.4)	0.0
Financial lease cash-in	0.0	0.0	31.1	0.0
Change in non-current financial assets	(0.1)	0.0	(0.1)	0.0
Interest received	0.2	0.0	4.1	0.1
Investing cash flow	**(4.9)**	**(6.9)**	**23.7**	**(13.8)**
(Decrease)/increase in long-term debt	0.0	(14.9)	(0.1)	10.1
(Decrease)/increase in current liabilities	(27.4)	15.3	14.5	30.3
Change in current financial assets	0.0	0.1	0.0	0.3
Interest paid	(0.6)	(0.5)	(1.1)	(1.3)
Dividends paid	0.0	0.0	(11.2)	(33.6)
Financing cash flow	**(28.0)**	**0.0**	**2.1**	**5.8**
Change in cash and cash equivalent	(0.0)	23.4	0.0	56.6
Cash and cash eq (Beg. of Period)(*)	0.0	47.8	0.0	14.7
Cash and cash eq (End of Period)(*)	0.0	71.2	0.0	71.2

* For a better understanding of the contents of the table it should be noted that, in the 3Q2014 and 9M2014, under a centralised treasury agreement, the Company's financial management is entrusted to the Parent Company RAI through a cash-pooling system that provides for the daily transfer of the positive and negative balances arising from operations to an intercompany current account; as a consequence, the net balance of cash flows generated or used by operating, investing and financing activities is recognised as a receivable from or payable to Rai under the item "short-term financing and other financing". The Company's cash balance is therefore always zero.