



**RAI WAY S.P.A.: RESULTS OF THE NINE MONTHS 2016 APPROVED, REPORTING AN INCREASE IN NET PROFIT OF 7.9%**

- **Key results for the nine months ended 30 September 2016 (vs 30 September 2015):**
  - Revenues of € 161.3m (+1.9%);
  - Adjusted EBITDA of € 86.4m (+5.1%);
  - Operating profit of € 50.7m (+7.2%);
  - Net profit of € 32.6m (+7.9%);
- **Capex of € 8.3m**
- **Net debt of € 24.5m (€ 41.6m at 31 December 2015)**

Rome, 8 November 2016 – The Board of Directors of Rai Way S.p.A. (Rai Way), met today under the chairmanship of Raffaele Agrusti, examined and unanimously approved the Company's Interim Financial Report for the nine months ended 30 September 2016.

*"A quarter that improves the visibility on 2016 target. The contribution of new services to RAI is progressively increasing and the initiatives to promote our assets with third-party customers continue, keeping a strong focus on cost optimization,"* Stefano Ciccotti, Rai Way CEO stated.

\*\*\*

**Key Results for the nine months 2016**

The Company's **revenues** amount to € 161.3 million for the nine months ended 30 September 2016, an increase of 1.9% over € 158.3 million for the nine months 2015 results. Revenues from RAI, equal to € 135.5 million, increased by the contribution of € 3.2 million



from new initiatives. Revenues from third-party customers amount to € 25.9 million, broadly stable compared to the previous year.

**Adjusted EBITDA** amounts to € 86.4 million, an increase of 5.1% over € 82.3 million in the nine months 2015<sup>1</sup> mainly as a result of operating leverage and cost efficiencies, with a margin on revenues of 53.6% (52.0% for the nine months 2015). Including the impact of non-recurring items (€ 3.5 million in the nine months 2016 compared to € 0.1 million in the same period of 2015), **EBITDA**<sup>2</sup> amounts to € 83.0 million, representing an increase of 1.0% over € 82.1 million for the nine months 2015 results<sup>1</sup>.

**Operating profit (EBIT)** amounts to € 50,7 million, an increase of 7.2% over € 47.3 million in the nine months 2015 results, benefiting from lower depreciation and amortisation charges.

**Net profit** amounts to € 32.6 million, an increase of 7.9% compared to the nine months 2015 results of a net profit of € 30.2 million.

In the nine months 2016, **investments** in active and passive infrastructure amount to € 8.3 million, of which € 2.5 million related to development activities (€ 14.0 million in the nine months of 2015, of which € 5.1 million in development activities<sup>3</sup>).

**Net invested capital**<sup>4</sup> amounts to € 176.3 million, with **net debt** closing at € 24.5 million compared to € 41.6 million at 31 December 2015, driven by a strong cash generation.

## Outlook for 2016

In view of the results of the first nine months, the Company:

- confirms the forecast for 2016 for an Adjusted EBITDA of approximately € 110 million;

---

<sup>1</sup> EBITDA at 30 September 2015 adjusted to reflect the reallocation, starting from 1st of January 2016, of "reimbursement of expenses" (€ 79k at 30 September 2015) and "reversal of provisions" (€ 237k at 30 September 2015), previously reported as "other revenues", to operating expenses and provisions respectively. These adjustments are neutral at EBIT level

<sup>2</sup> 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

<sup>3</sup> Investment in development activities at 30 September 2015 adjusted to reflect a partial reallocation (€ 171k) of certain activities from maintenance to development

<sup>4</sup> Net invested capital is calculated as the sum of fixed capital, working capital and non-current financial assets



- revises the forecast for the maintenance capex level for 2016 that is now expected to be below 8,5% of core revenues, compared to the level of "below 10% of core revenues" previously communicated.

\*\*\*

*Rai Way announces that tomorrow, Wednesday 9 November 2016 at 5:30pm CET the results of the nine months 2016 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.rairway.it](http://www.rairway.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*

\*\*\*

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.

\*\*\*

**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.

**For more information:****Investor Relations**

Giancarlo Benucci

Ph. +39 06 33173973

[investor.relations@raiway.it](mailto:investor.relations@raiway.it)

**Media Relations****SEC and Partners**

Giancarlo Frè, Federica Elia, Fausta Tagliarini

Ph. +39 06 3222712

[tagliarini@secrp.it](mailto:tagliarini@secrp.it)



## Income Statement

(€m; %)	3Q15	3Q16	9M15	9M16
<b>Core revenues</b>	<b>53.2</b>	<b>54.7</b>	<b>158.3</b>	<b>161.3</b>
Other revenues <sup>(1)</sup>	0.0	0.0	0.2	0.1
Purchase of consumables	(0.3)	(0.2)	(0.9)	(0.9)
Service costs <sup>(1)</sup>	(13.6)	(13.2)	(39.0)	(37.7)
Personnel costs	(9.9)	(9.7)	(33.8)	(37.2)
Other costs	(0.8)	(0.8)	(2.7)	(2.7)
<b>Opex</b>	<b>(24.7)</b>	<b>(24.0)</b>	<b>(76.4)</b>	<b>(78.5)</b>
Depreciation and amortization	(11.7)	(10.8)	(35.1)	(32.1)
Provisions <sup>(1)</sup>	0.0	(0.0)	0.2	(0.2)
<b>Net Operating profit</b>	<b>16.8</b>	<b>20.0</b>	<b>47.3</b>	<b>50.7</b>
Net Finance income (expenses)	(0.6)	(0.5)	(1.6)	(1.6)
<b>Profit before income taxes</b>	<b>16.3</b>	<b>19.4</b>	<b>45.7</b>	<b>49.1</b>
Income taxes	(5.9)	(6.5)	(15.5)	(16.6)
<b>Profit for the year</b>	<b>10.4</b>	<b>12.9</b>	<b>30.2</b>	<b>32.6</b>
<b>EBITDA<sup>(1)</sup></b>	<b>28.6</b>	<b>30.7</b>	<b>82.1</b>	<b>83.0</b>
<i>EBITDA margin</i>	53.6%	56.2%	51.9%	51.4%
Non recurring expenses	0.0	(0.0)	(0.1)	(3.5)
<b>Adjusted EBITDA<sup>(1)</sup></b>	<b>28.6</b>	<b>30.8</b>	<b>82.3</b>	<b>86.4</b>
<i>Adjusted EBITDA margin</i>	53.6%	56.3%	52.0%	53.6%

(1) 3Q2015 and 9M2015 figures adjusted to reflect the reallocation, starting from 1st of January 2016, of "reimbursement of expenses" (€ 79k at 30 September 2015) and "reversal of provisions" (€ 237k at 30 September 2015), previously reported as "other revenues", to operating expenses and provisions respectively. These adjustments are neutral at Net Operating Profit (EBIT) level



## Balance Sheet

(€m)	2015FY	9M2016
<b>Non current assets</b>		
Tangible assets	224.5	200.7
Intangible assets	1.8	1.9
Non-current financial assets	0.5	0.5
Non-current tax assets	4.5	4.1
<b>Total non-current assets</b>	<b>231.3</b>	<b>207.1</b>
<b>Current assets</b>		
Inventories	1.0	0.9
Trade receivables	70.3	79.6
Other receivables and current assets	4.5	5.2
Current financial assets	0.3	0.4
Cash	78.9	65.9
Tax assets	0.5	0.3
<b>Total current assets</b>	<b>155.5</b>	<b>152.4</b>
<b>TOTAL ASSETS</b>	<b>386.8</b>	<b>359.5</b>
<b>Equity</b>		
Share capital	70.2	70.2
Legal reserves	8.1	10.1
Other reserves	37.1	37.0
Retained earnings	43.9	34.6
<b>Total equity</b>	<b>159.3</b>	<b>151.9</b>
<b>Non-current liabilities</b>		
Non-current financial liabilities	90.6	60.8
Employee benefits	20.3	20.2
Provisions for risks and charges / Allowances	18.4	18.1
Other non-current liabilities	0.0	0.0
Non-current tax liabilities	0.0	0.0
<b>Total non-current liabilities</b>	<b>129.3</b>	<b>99.0</b>
<b>Current liabilities</b>		
Commercial debt	37.2	38.2
Other debt and current liabilities	28.3	38.5
Current financial liabilities	30.2	30.0
Tax liabilities	2.5	1.9
<b>Total current liabilities</b>	<b>98.3</b>	<b>108.6</b>
<b>TOTAL NET EQUITY AND LIABILITIES</b>	<b>386.8</b>	<b>359.5</b>



## Cash Flow Statement

(€m)	3Q2015	3Q2016	9M2015	9M2016
<b>Earnings before taxes</b>	<b>16.3</b>	<b>19.4</b>	<b>45.7</b>	<b>49.1</b>
Depreciation and amortization	11.7	10.8	35.1	32.1
Provisions and others	0.0	0.6	(1.2)	1.9
Net financial Income	0.6	0.5	1.6	1.5
Other non-monetary items	0.0	0.0	0.0	0.0
<b>Net operating CF before change in WC</b>	<b>28.6</b>	<b>31.2</b>	<b>81.1</b>	<b>84.5</b>
Change in inventories	0.0	0.0	(0.1)	0.1
Change in accounts receivable	(10.4)	(12.2)	(11.6)	(9.3)
Change in accounts payable	5.5	3.1	(0.1)	1.0
Change in other assets	(0.2)	0.1	(1.0)	(0.8)
Change in other liabilities	7.5	(11.5)	9.5	(3.4)
Use of funds	(0.1)	(0.3)	(0.2)	(0.6)
Payment of employee benefits	(0.1)	(0.5)	0.4	(3.1)
Change in tax credit/liabilities	(0.6)	15.9	(1.1)	14.7
Taxes paid	0.0	(16.5)	(12.4)	(17.5)
<b>Net operating cash flow</b>	<b>30.3</b>	<b>9.3</b>	<b>64.6</b>	<b>65.7</b>
Investment in tangible assets	(6.8)	(3.4)	(13.7)	(8.0)
Sale of tangible assets	0.0	0.0	0.1	0.1
Investment in intangible assets	(0.2)	(0.1)	(0.3)	(0.3)
Sale of intangible assets	0.0	0.0	0.0	0.0
Financial lease cash-out	0.0	0.0	0.0	0.0
Financial lease cash-in	0.0	0.0	0.0	0.0
Change in other non-current assets	0.0	0.0	0.0	0.0
Change in non-current financial assets	0.0	(0.0)	0.0	(0.0)
Interest received	0.0	0.0	0.1	0.0
<b>Investing cash flow</b>	<b>(6.9)</b>	<b>(3.5)</b>	<b>(13.8)</b>	<b>(8.2)</b>
(Decrease)/increase in long-term debt	(14.9)	(15.1)	10.1	(30.1)
(Decrease)/increase in current liabilities	15.3	(0.0)	30.3	(0.3)
Change in current financial assets	0.1	(0.2)	0.3	(0.1)
Interest paid	(0.5)	(0.6)	(1.3)	(1.1)
Dividends paid	0.0	0.0	(33.6)	(39.0)
<b>Financing cash flow</b>	<b>0.0</b>	<b>(15.9)</b>	<b>5.8</b>	<b>(70.5)</b>
Change in cash and cash equivalent	23.4	(10.1)	56.6	(13.0)
Cash and cash eq (Beg. of Period)	47.8	76.0	14.7	78.9
Cash and cash eq (End of Period)	71.2	65.9	71.2	65.9