



RAI WAY S.P.A.: RESULTS OF THE FIRST QUARTER 2016 APPROVED, RECORDING AN INCREASE IN NET PROFIT OF 14.9%

- **Key results for the quarter ended 31 March 2016 (vs 31 March 2015):**
 - Revenues of € 52.7m (+0.4% compared to € 52.4m at 31 March 2015);
 - EBITDA¹ of € 27.4m (+5.0% compared to € 26.1m at 31 March 2015);
 - Operating profit (EBIT) of € 16.8m (+16.7% compared to € 14.4m at 31 March 2015);
 - Net profit of € 10.7m (+14.9% compared to € 9.3m at 31 March 2015);
 - Earnings per share (EPS) of € 0.0393
- **Investments of € 2.1m, out of which € 0.5m as development capex**
- **Net debt of € 23.0m (€ 41.6m at 31 December 2015)**

Rome, 11 May 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 quarter ended 31 March 2016.

"2016 started in line with management expectations, confirming the visibility of the business and the capital strength of the company", Stefano Ciccotti, Rai Way CEO stated.

¹The 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 at 31 March 2016

The Company's **revenues** amount to € 52.7 million for the quarter ended 31 March 2016, an increase of 0.4% over € 52.4 million in the first quarter 2015 results. Revenues from RAI, equal to € 44.3 million, reflect the terms of the Service Contract and the contribution from new initiatives. Revenues from third-party customers amount to € 8.4 million.

EBITDA amounts to € 27.4 million, an increase of 5.0% over € 26.1 million in the first quarter 2015 mainly as a result of reduced operating costs. The margin on revenues reached 52.0% (49.7% in the first quarter 2015).

Operating profit (EBIT) amounts to € 16.8 million, an increase of 16.7% over € 14.4 million in the first quarter 2015 results, benefiting from lower amortisation and depreciation charges.

Net profit amounts to € 10.7 million, an increase of 14.9% compared to the first quarter 2015 results of a net profit of € 9.3 million.

In the first quarter of 2016, **investments** in active and passive infrastructure amount to € 2.1 million, out of which € 0.5 million to support new services to RAI (€ 3.0 million in the first three months of 2015, fully related to maintenance activities).

Net invested capital² amounts to € 192.8 million, with **net debt** closing at € 23.0 million compared to € 41.6 million at 31 December 2015, driven by the typical strong cash generation of the first quarter.

Outlook

The results of the first quarter 2016 are in line with management's expectations. The outlook for the full year 2016, disclosed to the market on 21 March 2016 with the 31 December 2015 results, is confirmed:

- Adjusted EBITDA of approximately € 110 million;
- maintenance capex below 10% of core revenues.

² Net invested capital is calculated as the sum of fixed capital, working capital and non-current financial assets



Rai Way announces that today, Wednesday 11 May 2016 at 5:30pm CET the results of the first quarter 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 in the Investor Relations section.

To take part in the conference call:

Italy: +39 02 8020911 - UK: +44 1 212818004 - USA: +1 718 7058796

Please be informed that this communication regarding results as at 31 March 2016 is provided, pursuant to work already performed, while awaiting clarifications concerning the regulatory framework delineated by Legislative Decree no. 25 of 15 February 2016, which eliminated the obligation to publish interim reports and delegates to CONSOB the task of evaluating the possible reintroduction of the obligation to publish "additional periodic financial information" within the limits and terms specified therein. Therefore, the document containing Rai Way's interim report at 31 March 2016 will be filed for public availability and published by 15 May 2016 according to the methods previous employed; specifically, it will be filed c/o the company's registered office and published on the company's website (www.rairway.it) and on the website of "1Info", the authorized storage mechanism (www.1info.it).

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:**Head of External Relations**

Patrizio Rossano

Ph. +39 06 36864409

Mob. +39 337408257

patrizio.rossano@raiway.it

Investor Relations

Giancarlo Benucci

Ph. +39 06 33173973

investor.relations@raiway.it

Media Relations**SEC and Partners**

Giancarlo Frè, Federica Elia, Fausta Tagliarini

Ph. +39 06 3222712

tagliarini@secrp.it



Income Statement

(€m; %)	1Q15	1Q16
Core revenues	52.4	52.7
Other revenues	0.2	0.0
Purchase of consumables	(0.3)	(0.3)
Service costs	(13.0)	(12.0)
Personnel costs	(12.4)	(12.1)
Other costs	(0.9)	(0.9)
Opex	(26.6)	(25.3)
Depreciation and amortization	(11.7)	(10.6)
Provisions	0.0	0.0
Net Operating profit	14.4	16.8
Net Finance income	(0.5)	(0.6)
Profit before income taxes	13.9	16.2
Income taxes	(4.6)	(5.5)
Profit for the year	9.3	10.7
EBITDA	26.1	27.4
<i>EBITDA margin</i>	49.7%	52.0%
Non recurring expenses	0.0	0.0
Adjusted EBITDA	26.1	27.4
<i>Adjusted EBITDA margin</i>	49.7%	52.0%



Balance Sheet

(€m)	2015FY	1Q2016
Non current assets		
Tangible assets	224.5	216.0
Intangible assets	1.8	1.8
Non-current financial assets	0.5	0.5
Non-current tax assets	4.5	4.2
Total non-current assets	231.3	222.5
Current assets		
Inventories	1.0	1.0
Trade receivables	70.3	81.5
Other receivables and current assets	4.5	5.7
Current financial assets	0.3	0.4
Cash	78.9	82.3
Tax assets	0.5	0.3
Total current assets	155.5	171.3
TOTAL ASSETS	386.8	393.8
Equity		
Share capital	70.2	70.2
Legal reserves	8.1	8.1
Other reserves	37.1	37.0
Retained earnings	43.9	54.6
Total equity	159.3	169.9
Non-current liabilities		
Non-current financial liabilities	90.6	75.7
Employee benefits	20.3	20.3
Provisions for risks and charges / Allowances	18.4	18.3
Other non-current liabilities	0.0	0.0
Non-current tax liabilities	0.0	0.0
Total non-current liabilities	129.3	114.3
Current liabilities		
Commercial debt	37.2	34.5
Other debt and current liabilities	28.3	43.8
Current financial liabilities	30.2	29.9
Tax liabilities	2.5	1.3
Total current liabilities	98.3	109.6
TOTAL NET EQUITY AND LIABILITIES	386.8	393.8



Cash Flow Statement

(€m)	1Q2015	1Q2016
Earnings before taxes	13.9	16.2
Depreciation and amortization	11.7	10.6
Provisions and others	0.0	0.6
Net financial Income	0.5	0.5
Other non-monetary items	0.0	0.0
Net operating CF before change in WC	26.1	27.9
Change in inventories	0.0	0.0
Change in accounts receivable	(21.2)	(11.2)
Change in accounts payable	(0.8)	(2.7)
Change in other assets	(1.1)	(1.3)
Change in other liabilities	9.6	11.0
Use of funds	(0.1)	(0.1)
Payment of employee benefits	(0.3)	(0.6)
Change in tax credit/liabilities	(0.9)	(1.8)
Taxes paid	0.0	0.0
Net operating cash flow	11.5	21.3
Investment in tangible assets	(2.9)	(2.1)
Sale of tangible assets	0.0	0.0
Investment in intangible assets	(0.0)	(0.1)
Sale of intangible assets	0.0	0.0
Financial lease cash-out	0.0	0.0
Financial lease cash-in	0.0	0.0
Change in other non-current assets	0.0	(0.0)
Change in non-current financial assets	0.0	0.0
Interest received	0.0	0.0
Investing cash flow	(2.9)	(2.1)
(Decrease)/increase in long-term debt	25.0	(15.0)
(Decrease)/increase in current liabilities	14.7	(0.3)
Change in current financial assets	0.5	(0.1)
Interest paid	(0.4)	(0.5)
Dividends paid	0.0	0.0
Financing cash flow	39.8	(15.8)
Change in cash and cash equivalent	48.3	3.4
Cash and cash eq (Beg. of Period)	14.7	78.9
Cash and cash eq (End of Period)	63.0	82.3