



**RAI WAY: RESULTS OF THE FIRST QUARTER 2017 APPROVED, RECORDING
AN INCREASE IN NET PROFIT OF 29%**

- **Key results for the quarter ended 31 March 2017 (vs 31 March 2016):**
 - Revenues of € 53.8m (+2.2%);
 - EBITDA of € 28.3m (+3.3%);
 - Operating profit of € 20.1m (+20.0%);
 - Net profit of € 13.8m (+29.0%);
- **Investments of € 8.9m**
- **Net debt of € 5.6m (€ 9.4m at 31 December 2016)**

Rome, 11 May 2017 – The Board of Directors of Rai Way S.p.A. (Rai Way) met today under the chairmanship of Raffaele Agrusti and examined and unanimously approved the Company's Interim Financial Report for the quarter ended 31 March 2017.

"Our growth path continues. The market environment remains healthy, efficiency combines with the emphasis on business development and innovation and the agreement with Norba Group is already showing results," Aldo Mancino, Rai Way CEO stated.

Key Consolidated Results at 31 March 2017

The Company's **revenues** amount to € 53.8 million for the quarter ended 31 March 2017, an increase of 2.2% over € 52.7 million in the first quarter 2016. Revenues from RAI, equal to € 45.1 million, increased by the contribution of € 1.0 million from new initiatives. Revenues from third-party customers amount to € 8.7 million and reflect the first contribution of the agreement with the Norba Group.



EBITDA¹ amounts to € 28.3 million, an increase of 3.3% over € 27.4 million in the first quarter 2016 as a result of higher revenues and cost control. The margin on revenues reached 52.6% (52.0% in the first quarter 2016).

Operating profit (EBIT) amounts to € 20.1 million, an increase of 20.0% over € 16.8 million in the first quarter 2016 results, benefiting from lower depreciation and amortisation charges.

Net profit amounts to € 13.8 million, an increase of 29.0% compared to the first quarter 2016 results of a net profit of € 10.7 million.

In the first quarter of 2017, **investments** amount to € 8.9 million, of which € 7.7 million relate to development and M&A activities (€ 2.1 million in the first three months of 2016, of which € 0.5 million in development activities).

Net invested capital² amounts to € 180.9 million, with **net debt** closing at € 5.6 million compared to € 9.4 million at 31 December 2016.

Outlook

The results of the first quarter 2017 are in line with Company's expectations. The outlook for the full year 2017, disclosed to the market on 9 March 2016, is therefore confirmed. In particular, Rai Way is forecasting:

- Adjusted EBITDA to continue in the growth trajectory of recent years;
- Maintenance capex to remain in line with long-term target.

The Board of Directors also approved to start the process of merger by incorporation of the wholly owned company Sud Engineering S.r.l. into Rai Way.

¹ 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

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



Rai Way announces that today, Thursday 11 May 2017 at 5:30pm CET the results of the first quarter 2017 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:

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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.

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:

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Consolidated Income Statement

(€m; %)	1Q16	1Q17
Core revenues	52.7	53.8
Other revenues	0.0	0.0
Purchase of consumables	(0.3)	(0.3)
Service costs	(12.0)	(12.1)
Personnel costs	(12.1)	(12.3)
Other costs	(0.9)	(0.8)
Opex	(25.3)	(25.5)
Depreciation and amortization	(10.6)	(8.2)
Provisions	0.0	0.0
Net Operating profit	16.8	20.1
Net Finance income (expenses)	(0.6)	(0.5)
Profit before income taxes	16.2	19.7
Income taxes	(5.5)	(5.9)
Profit for the year	10.7	13.8
EBITDA	27.4	28.3
<i>EBITDA margin</i>	<i>52.0%</i>	<i>52.6%</i>
Non recurring expenses	0.0	0.0
Adjusted EBITDA	27.4	28.3
<i>Adjusted EBITDA margin</i>	<i>52.0%</i>	<i>52.6%</i>



Consolidated Balance Sheet

(€m)	2016FY	1Q2017
Non current assets		
Tangible assets	205.2	200.5
Intangible assets	2.2	10.2
Financial assets, holdings and other non-current assets	0.5	0.5
Non-current tax assets	5.0	4.0
Total non-current assets	212.8	215.1
Current assets		
Inventories	0.9	0.9
Trade receivables	67.0	81.5
Other receivables and current assets	4.4	6.1
Current financial assets	0.2	0.2
Cash	81.3	72.1
Tax assets	0.3	0.4
Total current assets	154.1	161.2
TOTAL ASSETS	366.9	376.3
Equity		
Share capital	70.2	70.2
Legal reserves	10.1	10.1
Other reserves	37.0	37.0
Retained earnings	44.3	58.0
Total equity	161.5	175.3
Non-current liabilities		
Non-current financial liabilities	60.7	45.7
Employee benefits	18.7	19.0
Provisions for risks and charges / Allowances	18.8	19.4
Other non-current liabilities	0.0	0.0
Non-current tax liabilities	0.0	0.0
Total non-current liabilities	98.2	84.1
Current liabilities		
Commercial debt	41.2	35.0
Other debt and current liabilities	33.6	47.4
Current financial liabilities	30.3	32.2
Tax liabilities	2.2	2.3
Total current liabilities	107.2	116.9
TOTAL NET EQUITY AND LIABILITIES	366.9	376.3



Consolidated Cash Flow Statement

(€m)	1Q2016	1Q2017
Earnings before taxes	16.2	19.7
Depreciation and amortization	10.6	8.2
Provisions and others	0.6	0.9
Net financial Income	0.5	0.4
Other non-monetary items	0.0	0.0
Net operating CF before change in WC	27.9	29.2
Change in inventories	0.0	0.0
Change in accounts receivable	(11.2)	(14.4)
Change in accounts payable	(2.7)	(7.6)
Change in other assets	(1.3)	(1.7)
Change in other liabilities	11.0	8.7
Use of funds	(0.1)	(0.0)
Payment of employee benefits	(0.6)	(0.5)
Change in tax credit/liabilities	(1.8)	(0.9)
Taxes paid	0.0	0.0
Net operating cash flow	21.3	12.7
Investment in tangible assets	(2.1)	(1.7)
Sale of tangible assets	0.0	0.0
Investment in intangible assets	(0.1)	(0.0)
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 holdings	0.0	0.0
Change in non-current financial assets	0.0	0.0
Interest received	0.0	0.0
Companies consolidation	0.0	(7.2)
Investing cash flow	(2.1)	(8.9)
(Decrease)/increase in medium/long-term debt	(15.0)	(15.0)
(Decrease)/increase in current financial liabilities	(0.1)	1.9
Change in current financial assets	(0.3)	(0.0)
Interest paid	(0.5)	(0.3)
Dividends paid	0.0	0.0
Financing cash flow	(15.8)	(13.4)
Change in cash and cash equivalent	3.4	(9.6)
Cash and cash equivalent (beginning of period)	78.9	81.3
Cash and cash equivalent of newly consolidated companies (beginning of period)	0.0	0.4
Cash and cash equivalent (end of period)	82.3	72.1