



## RAI WAY S.P.A.: RESULTS FOR THE FIRST HALF 2016 APPROVED, REPORTING AN INCREASE IN ADJUSTED EBITDA OF 3,6%

- **Key results for the half year ended 30 June 2016 (vs 30 June 2015):**
  - Revenues of € 106.6m (+1.5%);
  - Adjusted EBITDA of € 55.6m (+3.6%);
  - Operating profit of € 30.8m (+0.9%);
  - Net profit of € 19.6m (-0.8%);
- **Investments of € 4.8m**
- **Net debt of € 29.9m (€ 41.6m at 31 December 2015)**

Rome, 28 July 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 Financial Statements for the half-year ended 30 June 2016.

*"We have closed a positive first six months, with the tangible contribution of development and expansion activities of the offer of services to RAI implemented last year,"* Stefano Ciccotti, Rai Way CEO stated.

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### Key Results for the first half 2016

The Company's **revenues** amount to € 106.6 million in the semester ended 30 June 2016, an increase of 1.5% over € 105.0 million for the first half of 2015 results. Revenues from RAI, equal to € 89.6 million, increased by the contribution of € 1.5 million from new initiatives. Revenues from third-party customers amount to € 17.0 million.



**Adjusted EBITDA** amounts to € 55.6 million, an increase of 3.6% over € 53.7 million in the first half 2015<sup>1</sup> mainly as a result of operating leverage and cost efficiencies, with a margin on revenues of 52.2% (51.1% in the first half 2015). Including the impact of non-recurring items (€ 3.4m in the first half 2016 compared to € 0.1m in the first half 2015), **EBITDA**<sup>2</sup> amounts to € 52.2 million, a reduction of 2.5% over € 53.6 million in the first half 2015 results<sup>1</sup>.

**Operating profit (EBIT)** amounts to € 30.8 million, an increase of 0.9% over € 30.5 million in the first half 2015 results, benefiting from lower depreciation and amortisation charges.

**Net profit** amounts to € 19.6 million, broadly in line with the first half 2015 results of a net profit of € 19.8 million.

In the first half of 2016, **investments** in active and passive infrastructure amount to € 4.8 million, of which € 1.5 million to support new services to RAI (€ 7.1 million in the first six months of 2015, fully related to maintenance activities).

**Net invested capital**<sup>3</sup> amounts to € 168.8 million, with **net debt** closing at € 29.9 million compared to € 41.6 million at 31 December 2015, driven by a strong cash generation that more than offset the dividend payment.

## Outlook for 2016

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

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

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<sup>1</sup> EBITDA at 30 June 2015 adjusted to reflect the reallocation, starting from 1st of January 2016, of "Reimbursement of expenses" (€ 38k at 30 June 2015) and "Reversal of provisions" (€ 237k at 30 June 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> Net invested capital is calculated as the sum of fixed capital, working capital and non-current financial assets



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*Rai Way announces that today, Thursday 28 July 2016 at 5:30pm CET the results of the first semester 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.raiway.it](http://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; %)	2Q15	2Q16	1H15	1H16
<b>Core revenues</b>	<b>52.6</b>	<b>53.9</b>	<b>105.0</b>	<b>106.6</b>
Other revenues <sup>(1)</sup>	0.0	0.1	0.2	0.1
Purchase of consumables	(0.3)	(0.4)	(0.6)	(0.6)
Service costs <sup>(1)</sup>	(12.4)	(12.5)	(25.4)	(24.5)
Personnel costs <sup>(1)</sup>	(11.5)	(15.4)	(23.9)	(27.5)
Other costs	(0.9)	(0.9)	(1.8)	(1.8)
<b>Opex</b>	<b>(25.1)</b>	<b>(29.2)</b>	<b>(51.7)</b>	<b>(54.5)</b>
Depreciation and amortization	(11.6)	(10.7)	(23.3)	(21.3)
Provisions <sup>(1)</sup>	0.2	(0.2)	0.2	(0.2)
<b>Net Operating profit</b>	<b>16.1</b>	<b>14.0</b>	<b>30.5</b>	<b>30.8</b>
Net Finance income (expenses)	(0.6)	(0.5)	(1.0)	(1.1)
<b>Profit before income taxes</b>	<b>15.5</b>	<b>13.5</b>	<b>29.4</b>	<b>29.7</b>
Income taxes	(5.1)	(4.5)	(9.6)	(10.0)
<b>Profit for the year</b>	<b>10.5</b>	<b>8.9</b>	<b>19.8</b>	<b>19.6</b>
<b>EBITDA<sup>(1)</sup></b>	<b>27.5</b>	<b>24.8</b>	<b>53.6</b>	<b>52.2</b>
EBITDA margin	52.3%	46.0%	51.0%	49.0%
Non recurring expenses	(0.1)	(3.4)	(0.1)	(3.4)
<b>Adjusted EBITDA<sup>(1)</sup></b>	<b>27.6</b>	<b>28.3</b>	<b>53.7</b>	<b>55.6</b>
Adjusted EBITDA margin	52.5%	52.4%	51.1%	52.2%

(1) 2Q2015 and 1H2015 figures adjusted to reflect the reallocation, starting from 1st of January 2016, of "Reimbursement of expenses" (€ 38k at 30 June 2015) and "Reversal of provisions" (€ 237k at 30 June 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	1H2016
<b>Non current assets</b>		
Tangible assets	224.5	207.9
Intangible assets	1.8	1.9
Non-current financial assets	0.5	0.5
Non-current tax assets	4.5	4.5
<b>Total non-current assets</b>	<b>231.3</b>	<b>214.7</b>
<b>Current assets</b>		
Inventories	1.0	0.9
Trade receivables	70.3	67.4
Other receivables and current assets	4.5	5.3
Current financial assets	0.3	0.2
Cash	78.9	76.0
Tax assets	0.5	0.3
<b>Total current assets</b>	<b>155.5</b>	<b>150.2</b>
<b>TOTAL ASSETS</b>	<b>386.8</b>	<b>364.9</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	21.7
<b>Total equity</b>	<b>159.3</b>	<b>138.9</b>
<b>Non-current liabilities</b>		
Non-current financial liabilities	90.6	75.7
Employee benefits	20.3	20.1
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
<b>Total non-current liabilities</b>	<b>129.3</b>	<b>114.2</b>
<b>Current liabilities</b>		
Commercial debt	37.2	35.0
Other debt and current liabilities	28.3	44.9
Current financial liabilities	30.2	30.3
Tax liabilities	2.5	1.6
<b>Total current liabilities</b>	<b>98.3</b>	<b>111.8</b>
<b>TOTAL NET EQUITY AND LIABILITIES</b>	<b>386.8</b>	<b>364.9</b>



## Cash Flow Statement

(€m)	2Q2015	2Q2016	1H2015	1H2016
<b>Earnings before taxes</b>	<b>15.5</b>	<b>13.5</b>	<b>29.4</b>	<b>29.7</b>
Depreciation and amortization	11.6	10.7	23.3	21.3
Provisions and others	(1.3)	0.8	(1.3)	1.3
Net financial Income	0.6	0.5	1.0	1.0
Other non-monetary items	0.0	0.0	0.0	0.0
<b>Net operating CF before change in WC</b>	<b>26.4</b>	<b>25.4</b>	<b>52.5</b>	<b>53.3</b>
Change in inventories	(0.1)	0.1	(0.1)	0.1
Change in accounts receivable	19.9	14.1	(1.2)	3.0
Change in accounts payable	(4.8)	0.5	(5.6)	(2.2)
Change in other assets	0.3	0.4	(0.7)	(0.9)
Change in other liabilities	(7.5)	(2.8)	2.0	8.2
Use of funds	(0.1)	(0.2)	(0.1)	(0.3)
Payment of employee benefits	0.8	(2.0)	0.5	(2.6)
Change in tax credit/liabilities	0.4	0.6	(0.5)	(1.2)
Taxes paid	(12.4)	(1.0)	(12.4)	(1.0)
<b>Net operating cash flow</b>	<b>22.8</b>	<b>35.0</b>	<b>34.3</b>	<b>56.3</b>
Investment in tangible assets	(4.0)	(2.5)	(6.9)	(4.5)
Sale of tangible assets	0.1	0.1	0.1	0.1
Investment in intangible assets	(0.1)	(0.2)	(0.1)	(0.2)
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>(4.0)</b>	<b>(2.6)</b>	<b>(6.9)</b>	<b>(4.7)</b>
(Decrease)/increase in long-term debt	(0.0)	(0.0)	25.0	(15.0)
(Decrease)/increase in current liabilities	0.3	(0.0)	15.0	(0.3)
Change in current financial assets	(0.3)	0.2	0.2	0.1
Interest paid	(0.5)	0.0	(0.9)	(0.4)
Dividends paid	(33.6)	(39.0)	(33.6)	(39.0)
<b>Financing cash flow</b>	<b>(34.0)</b>	<b>(38.8)</b>	<b>5.8</b>	<b>(54.6)</b>
Change in cash and cash equivalent	(15.1)	(6.3)	33.2	(3.0)
Cash and cash eq (Beg. of Period)	63.0	82.3	14.7	78.9
Cash and cash eq (End of Period)	47.8	76.0	47.8	76.0