Rai Way S.p.A.

Half-yearly Financial Report at 30 June 2018

CONTENTS

Company name, share capital and registered office

Company name:	Rai Way S.p.A.
Share capital:	€70,176,000 fully paid
Registered office:	Via Teulada 66, 00195 Rome
Tax and VAT code:	05820021003
Company website:	www.raiway.it

Subject to management and coordination by Rai – Radiotelevisione Italiana S.p.A.

The Company has no secondary offices.

Corporate Bodies and Committees [1]

Board of Directors

Chairperson
Raffaele Agrusti

Chief Executive Officer
Aldo Mancino

Directors
Joyce Victoria Bigio
Fabio Colasanti
Anna Gatti
Umberto Mosetti
Donatella Sciuto
Gian Paolo Tagliavia
Paola Tagliavini

Secretary to the Board
Giorgio Cogliati

Control and Risks Committee
Paola Tagliavini (Chairperson)
Fabio Colasanti
Umberto Mosetti

Board of Statutory Auditors

Chairperson
Silvia Muzi

Standing Auditors
Maria Giovanna Basile
Massimo Porfiri

Substitute Auditors
Nicoletta Mazzitelli
Paolo Siniscalco

External Auditors
PricewaterhouseCoopers S.p.A.

Remuneration and Appointments Committee
Anna Gatti (Chairperson)
Joyce Victoria Bigio
Donatella Sciuto

[1] In office at the date of this interim financial report.
Information on the powers assigned within the Board of Directors and the Company's system of corporate governance in general can be found in the Report on Corporate Governance and Ownership Structures relating to the year 2017, published on the Company website (www.raiway.it).

Rai Way S.p.A. Activities

Rai Way S.p.A. (hereinafter the Company) operates in the communications infrastructure sector providing integrated services to its customers. More specifically, Rai Way is the Rai Group company that owns the infrastructure and equipment for television and radio signal transmission and broadcasting.
The origins of the Company's activities go back to 6 October 1924, when what was then URI-Unione Radiofonica Italiana, the progenitor of today's Rai, broadcast the opening concert, thereby officially initiating radio transmission in Italy. Following the formal establishment of the Company in 1999 and the subsequent contribution by Rai (hereafter also the Parent Company or Parent) of its "Transmission and Broadcasting Unit" in 2000, today's Rai Way has acquired a heritage of technological, engineering and management know-how, as well as infrastructure, which has matured over ninety years of activity. The Company now manages the technical infrastructure enabling it to broadcast radio and television programmes to the Italian population and provides a vast range of highly complex technical services to its customers, including the Parent Rai.

Rai Way is the owner of the network which is required inter alia for the transmission and broadcasting of audio and video contents in Italy and abroad, not only by Rai in fulfilling its Public Service obligations, but also by third party operators. In particular, in carrying out its activities, the Company operates over 2,300 sites equipped with infrastructure and systems for transmitting and broadcasting radio signals throughout the whole of Italy, has 23 operating facilities distributed across the country and avails itself of a highly specialized workforce consisting of more than 600 people. Its technological assets and specialist know-how are the key resources for the Company not only for its present service offering but also for the development of new activities.
The services that the Company provides can be divided into the following four types of activity:

(i) Broadcasting services, meaning services for the terrestrial and satellite transmission of television and radio signals, through the network infrastructure, to the ultimate end users within a geographical area;

(ii) Transmission services, for the transmission of radio and television signals via the connecting network (radio links, satellite systems, fibre optic) and in particular the one-way transport of video/audio/data (a) via analogue or digital circuits between fixed sites and

(b) via radiofrequency signals from the satellite covering a geographical area of a fixed size, and connected services;

(iii) Tower Rental services, meaning (a) the hosting of transmission equipment at broadcasting sites of radio, television, mobile telephony and telecommunications signals, (b) services for the management and maintenance of the transmission equipment hosted and (c) complementary and connected services;

(iv) Network services, which consist of a vast range of heterogeneous services which the Company is able to provide in relation to electronic and telecommunications networks in general (for example planning, construction, installation, maintenance and management activities as well as consultancy, monitoring and radio protection services).

The type of customer who comes to Rai Way for the above-mentioned services can be conventionally classified as being in the category of Broadcasters (national and local radio and television broadcasters, including Rai), Telecommunications Operators (mostly mobile network operators) or Public Administration and Corporate Entities (a catch-all residual category to include general government and legal entities).

Main alternative performance measures

The Company assesses performance on the basis of certain measures not considered by IFRS. Set out below is a description of the components of the indicators that are important for the Company as stated in Recommendation CESR/05–178b.

- Gross operating profit or EBITDA – earnings before interest, taxes, depreciation and amortization: this is calculated as profit before income taxes, depreciation, amortization, write-downs and financial income and expenses. EBITDA also excludes profits and losses from managing equity investments and securities, as well as gains and losses arising on the sale of equity investments, which are classified in the financial statements as "financial income and expenses".
- Adjusted gross operating profit or Adjusted EBITDA – earnings before interest, taxes, depreciation and amortization: this is calculated as profit before income taxes, depreciation, amortization, write-downs and financial income and expenses, adjusted to exclude non-recurring expenses/income.

- Net operating profit or EBIT – earnings before interest and taxes: this is calculated as profit before income taxes and before financial income and expenses, without adjustment. EBIT also excludes profits and losses from managing equity investments and securities, as well as gains and losses arising on the sale of equity investments, which are classified in the financial statements as "financial income and expenses".
- Net Invested Capital: this is the sum of fixed assets and Net Working Capital excluding provisions.
- Net Financial Position or NFP: the format for the calculation of NFP is the one provided in paragraph 127 of CESR Recommendation 05-054b, which implements Regulation (EC) No. 809/2004.

Summary of economic and financial data

The following is a summary of the economic data of the Company at 30 June 2018 compared to the results at 30 June 2017. In addition, figures are also provided for the Company's Net Financial Position and Net Invested Capital at 30 June 2018 compared to equivalent figures at the close of the previous financial year. The differences and percentages shown in the following tables have been calculated using the amounts expressed in euros.

Key Ratios

(in Euro millions; %)	6 months 2018	6 months 2017	Change	Change %
Key income statement data				
Core revenues	109.0	108.0	1.0	0.9%
Other revenues and income	0.0	0.0	0.0	42.7%
Operating costs	(26.9)	(27.1)	0.3	1.0%
Personnel costs	(23.0)	(24.1)	1.2	4.9%
Adjusted EBITDA	59.2	56.8	2.4	4.3%
EBIT	42.8	39.7	3.1	7.8%
Net profit	30.9	27.4	3.6	13.1%
Key balance sheet data				
Investments	7.3	4.9	2.4	47.9%
of which maintenance	5.5	3.8	1.8	46.1%
Net Invested Capital (*)	164.9	181.2	(16.4)	(9.%)
Sherholders' equity(*)	151.8	176.4	(24.6)	(14.%)
Net Financial Position (NFP) (*)	13.1	4.8	8.2	169.9%
Ratios				
Adjusted EBITDA/core revenues (%)	54.3%	52.6%	1.7%	3.3%
Net profit/core revenues (%)	28.4%	25.3%	3.1%	12.1%
Capex maintenance/core revenues (%)	5.1%	3.5%	1.6%	44.8%
Cash Conversion Rate (%)	90.6%	93.3%	(2.7%)	(2.9%)
NFP / Adjusted EBITDA (%)	22.1%	8.5%	13.6%	158.9%

* Comparative data for Net Invested Capital, Shareholders' Equity and the Net Financial Position are shown at 31 December 2017.

- Core revenues amounted to €109.0 million, up by 0.9% compared to 30 June 2017 due to higher revenues from Rai.
- Adjusted EBITDA, at €59.2 million, rose by €2.4 million compared to 30 June 2017, mainly due to lower operating costs and personnel costs. The Company defines this measure as EBITDA adjusted for non-recurring expenses.
- The Adjusted EBITDA to core revenues ratio stood at 54.3%, up from the 52.6% recorded at 30 June 2017.
- EBIT amounted to €42.8 million, an increase of €3.1 million compared to 30 June 2017, driven by lower non-recurring expenses.
- Net Profit rose to €30.9 million, up by 13.1% over 30 June 2017.

- Investments amounted to €7.3 million. Net Invested Capital totalled €164.9 million, with a Net Financial Position of €13.1 million and a shareholders' equity of €151.8 million.

Income Statement

(in Euro millions; %)	6 months 2018	6 months 2017	Change	Change %
Revenues from RAI	92,4	90,6	1,9	2,1%
Revenues from third parties	16,5	17,4	(0,9)	(5,3%)
Core Revenues	**109,0**	**108,0**	**1,0**	**0,9%**
Other revenues and income	0,0	0,0	0,0	N.M.
Personnel costs	(23,0)	(24,1)	1,2	4,9%
Operating costs	(26,9)	(27,1)	0,3	1,0%
Adjusted EBITDA	**59,2**	**56,8**	**2,4**	**4,3%**
EBITDA Margin	*54,3%*	*52,6%*	*1,7%*	*3,3%*
Adjustments	(0,3)	(0,6)	0,4	61,0%
EBITDA	**58,9**	**56,1**	**2,8**	**5,0%**
Amortisation and depreciation	(16,3)	(16,4)	0,2	1,0%
Write-downs	0,1	(0,0)	0,1	628,2%
Provisions	-	0,0	(0,0)	(100,0%)
EBIT	**42,8**	**39,7**	**3,1**	**7,8%**
Net financial charges	(0,7)	(0,8)	0,2	18,1%
Profit before income taxes	**42,1**	**38,9**	**3,2**	**8,3%**
Income tax	(11,1)	(11,5)	0,3	3,0%
Net profit	**30,9**	**27,4**	**3,6**	**13,1%**
PROFIT margin	*28,4%*	*25,3%*	*3,1%*	*12,1%*

Revenues amounted to €109.0 million, up by €1.0 million over the previous period (+0.9%).

Revenues from Rai amounted to €92.4 million, an increase of 2.1% year-on-year. The higher figure was driven in part by the indexation to the CPI on fixed-consideration and in part by new services requested by the customer ("evolutionary services"). With regard to commercial performance with other customers, revenues from third parties amounted to €16.5 million, with a drop of €0.9 million year-on-year (-5.3%).

Personnel costs stood at €23.0 million, down by €1.2 million compared to 30 June 2017. The drop was directly due to the early retirement plan started up in 2016.

Operating costs – which include consumables and goods, services and other costs – amounted to €26.9 million, down by €0.3 million year-on-year. The drop was mainly driven by lower rental costs, in particular in relation to the optimisation of the company car fleet, efficiency initiatives on service agreements with Rai and a reduction in other operating costs.

Adjusted EBITDA rose to €59.2 million, an increase of €2.4 million compared to 30 June 2017, with a margin of 54.3%.

EBIT amounted to €42.8 million, showing an improvement of €3.1 million compared to 2017.

Net profit amounted to €30.9 million, showing an increase of €3.6 million over 2017.

Capital expenditures amounting to €7.3 million were made in the first half of 2018 (€4.9 million in the same period of 2017), of which €1.8 million for development initiatives and €5.5 million for maintenance work on network infrastructure.

Balance Sheet

	6 months	31 December		
(in Euro millions; %)	**2018**	**2017**	**Change**	**Change %**
Fixed assets	191.3	200.3	(9.0)	(4.5%)
Net working capital	1.5	11.2	(9.7)	(86.9%)
Provisions for risks and charges	(27.9)	(30.3)	2.4	7.8%
NET INVESTED CAPITAL	**164.9**	**181.2**	**(16.4)**	**(9.0%)**
Shareholders' equity	151.8	176.4	(24.6)	(14.0%)
Net Financial Position	13.1	4.8	8.2	169.9%
TOTAL FUNDING	**164.9**	**181.2**	**(16.4)**	**(9.0%)**

Net Invested Capital at 30 June 2018 fell by €16.4 million compared to 31 December 2017, driven by lower Net Working Capital, which was impacted by lower trade receivables and the reduction in non-current assets. The Net Financial Position totalled €13.1 million, a rise of €8.2 million compared to 31 December 2017.

Human Resources and Organization

Rai Way had a workforce of 588 people at 30 June 2018 employed on a permanent basis: 21 senior managers, 139 middle managers, 406 technicians and office staff and 22 workers. Including the 19 people employed on a fixed-term basis, the total headcount was 607 employees.

The average number of employees fell from 613 in the first six months of 2017 to 600 in the same period of 2018.

Relationships with Rai Group Companies

Relationships mostly of a commercial nature are maintained with the Parent Company Rai – Radiotelevisione Italiana while those of a financial nature regard an intercompany current account used for residual payments. Dealings with other companies of the Rai Group are exclusively of a commercial nature. Further details may be found in the section "Related Party Transactions" in the Notes to the financial statements.

Significant events

The main events of the year are reported below:

- on 16 February 2018 the Company reported that it had submitted, with F2i Fondi Italiani per le Infrastrutture SGR S.p.A. ("F2i"), a binding joint bid, subject to certain conditions, within the process of the potential sale of Persidera S.p.A. ("Persidera") launched by the latter's shareholders. The bid, which subsequently lapsed, indicated the structure of the transaction, with the acquisition by F2i of ownership of the rights to use the frequencies currently issued to Persidera for its own DTT multiplexes, the acquisition by Rai Way of the network infrastructure, and the stipulation of a multi-year agreement for the provision of broadcasting services.

- on 21 March 2018, the Board of Directors approved the draft financial statements for 2017, which closed with a profit of €56.3 million, and a proposal to distribute a dividend of €0.2026 per share.
- On 23 April 2018, the Shareholders Meeting of Rai Way, among other things:
  - approved the financial statements of the Company for 2017 and the distribution of a dividend as proposed by the Board of Directors;
  - appointed the Board of Statutory Auditors for the years 2018–2020, its chairman, and determined the remuneration of the relative members;
  - approved the proposal submitted by the Board of Directors for a new authorization for the repurchase and disposal of treasury shares, after withdrawing the authorisation granted on 28 April 2017, and voted in favour of approving Section One of the Remuneration Report prepared by the Board of Directors pursuant to Article 123-ter, paragraph 6, of Italian Legislative Decree 58/1998.

Disclosures on the main risks and uncertainties faced by the Company

The pursuit of the corporate mission and the Company's operating results, financial position and cash flows are affected by various potential risk factors and uncertainties.
A detailed risk analysis is presented in the Rai Way 2017 Financial Report and Financial Statements (section "Risk factors related to the Company"), published on the Company website.

Subsequent events to 30 June 2018

On 9 July, the Company instructed Mediobanca, in its capacity as agent bank under the loan agreement entered into by the Company with Mediobanca, BNP Paribas S.A., Intesa Sanpaolo S.p.A. and UBI Banca Società Cooperativa per Azioni on 15 October 2014, to proceed as of 30 July 2018 with the full and voluntary early repayment of the term facility, amounting to €45,000,000.00 at 30 June 2018.

Business outlook

The results for the second quarter of 2018 were in line with management expectations. The economic-financial objectives announced in the 2017 financial statements are therefore confirmed:

- adjusted EBITDA has continued its organic growth;
- maintenance expenditure amounted to around 9% of core revenues; an average level of 8.5% of core revenues in the future is also confirmed.

Coordination and control

Rai Way is subject to management and coordination by Rai within the meaning of Article 2497 of the Italian Civil Code. Further details of this may be found in the Rai Way 2017 Financial Report and Financial Statements, under the section "Coordination and Control", published on the Company website.

Rome, 26 July 2018

On behalf of the Board of Directors
The Chairman
Raffaele Agrusti

Interim Report on Operations at 30 June 2018

Financial statements

Rai Way SpA Income Statement (*)

(amounts in €)	Notes (**)	6 months at 30/06/2018	6 months at 30/06/2017
Revenues	5	108,975,684	108,009,992
Other revenues and income	6	41,920	29,375
Consumables costs	7	(621,784)	(568,591)
Services costs	7	(24,802,687)	(24,871,447)
Personnel costs	7	(22,952,900)	(24,586,756)
Other costs	7	(1,702,056)	(1,880,133)
Write-downs of financial assets	7	106,646	(20,189)
Amortisation, depreciation and write-downs	8	(16,263,796)	(16,432,475)
Provisions		-	20,263
Operating profit		**42,781,027**	**39,700,039**
Financial income	9	(750)	31,332
Financial expenses	9	(693,523)	(879,308)
Total financial income and expenses		**(694,273)**	**(847,976)**
Profit before income taxes		**42,086,754**	**38,852,063**
Income tax	10	(11,146,725)	(11,492,482)
Profit for the period		**30,940,029**	**27,359,581**

Rai Way SpA Statement of Comprehensive Income (*)

(in Euro)	Notes	6 months at 30/06/2018	6 months at 30/06/2017
Profit for the period		**30,940,029**	**27,359,581**
Items that will be reclassified to the income statement			
Gains/(losses) on hedging instruments (cash flow hedge)		16,297	23,061
Tax effect		(4,638)	(6,575)
Items that will not be reclassified to the income statement			
Actuarial gains/(losses) on employee benefits		154,223	304,780
Tax effect		(37,014)	(73,147)
Comprehensive income for the period		**31,068,897**	**27,607,700**

(*) Statement prepared in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board and adopted by the European Union (IFRS).

RAI WAY STATEMENT OF FINANCIAL POSITION (*)

(in Euro)	Notes (**)	6 months at 30/06/2018	12 months at 31/12/2017
Non-current assets			
Tangible assets	11	179,825,706	188,686,465
Intangible assets	11	11,081,535	11,188,738
Non-current financial assets	11	17,452	53,846
Deferred tax assets	11	3,256,814	2,164,488
Other non-current assets	11	1,327,902	355,671
Total non-current assets		**195,509,409**	**202,449,208**
Current assets			
Inventory	12	887,389	892,161
Trade receivables	12	74,330,607	71,955,278
Other current receivables and assets	12	6,001,998	5,358,860
Current financial assets	12	301,772	146,453
Cash and cash equivalents	12	32,439,998	55,895,135
Tax receivables	12	69,853	7,656
Total current assets		**114,031,617**	**134,255,543**
Total assets		**309,541,026**	**336,704,751**
Shareholders' equity	13		
Share capital		70,176,000	70,176,000
Legal reserve		14,035,200	12,160,733
Other reserves		37,057,069	37,045,410
Retained earnings		30,513,371	57,007,959
Total shareholders' equity		**151,781,640**	**176,390,102**
Non-current liabilities			
Non-current financial liabilities	14	15,532,720	30,606,438
Employee benefits	14	15,332,509	16,443,209
Provisions for risks and charges	14	15,816,911	15,984,523
Other non-current payables and liabilities	14	311,633	-
Total non-current liabilities		**46,993,773**	**63,034,170**
Current liabilities			
Trade payables	15	34,765,890	37,690,502
Other current payables and liabilities	15	42,595,452	28,900,689
Current financial liabilities	15	30,280,574	30,279,531
Current tax payables	15	3,123,697	409,757
Total current liabilities		**110,765,613**	**97,280,479**
Total liabilities and shareholders' equity		**309,541,026**	**336,704,751**

(*) Statement prepared in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board and adopted by the European Union (IFRS).

(**) References are provided only for items commented on in these Notes.

RAI WAY STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (*)

(in Euro)	Share capital	Legal reserve	Other reserves	Retained earnings	Total
At 1 January 2017	**70,176,000**	**10,070,018**	**37,024,606**	**44,263,862**	**161,534,486**
Comprehensive income for the period				27,359,581	27,359,581
Gains and losses from actuarial valuation (**)				231,634	231,634
Cash flow hedge reserve (**)			16,486		16,486
Allocation of profit to reserves		2,090,715		(2,090,715)	-
Dividend distribution				(41,806,400)	(41,806,400)
At 30 June 2017	**70,176,000**	**12,160,733**	**37,041,092**	**27,957,962**	**147,335,787**
Comprehensive income for the period				28,903,647	28,903,647
Gains and losses from actuarial valuation (**)				146,350	146,350
Cash flow hedge reserve (**)			4,318		4,318
At 31 December 2017	**70,176,000**	**12,160,733**	**37,045,410**	**57,007,959**	**176,390,102**
Comprehensive income for the period				30,940,029	30,940,029
Gains and losses from actuarial valuation (**)				117,209	117,209
Retained earnings/Losses carried forward, IFRS first-time adoption				(570,159)	(570,159)
Cash flow hedge reserve (**)			11,659		11,659
Allocation of profit to reserves		1,874,467		(1,874,467)	-
Dividend distribution				(55,107,200)	(55,107,200)
At 30 June 2018	**70,176,000**	**14,035,200**	**37,057,069**	**30,513,371**	**151,781,640**

(*) Statement prepared in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board and adopted by the European Union (IFRS).

(**) The items are recognised net of any tax effects.

RAI WAY CASH FLOWS STATEMENT (*)

(in Euro)	6 months at 30/06/2018	6 months at 30/06/2017
Profit before income taxes	**42,086,754**	**38,852,063**
Adjustments for:		
Amortisation, depreciation and write-downs	16,157,150	16,452,664
Provisions (releases) to personnel and other funds	1,536,084	578,336
Net financial (income) and charges (**)	591,094	747,549
(Retained earnings)/Losses carried forward - IFRS first-time adoption	(761,128)	-
Cash flow from operating activities before changes in net working capital	**59,609,954**	**56,630,613**
Change in inventory	4,772	13,979
Change in trade receivables	(2,268,683)	(5,894,006)
Change in trade payables	(2,924,612)	(7,325,639)
Change in other assets/liabilities	3,785,001	621,039
Drawdowns of provisions for risks	(707,571)	(503,040)
Payments of benefits to employees	(2,044,446)	(1,688,832)
Taxes paid	-	(21,116,791)
Net cash flow from operating activities	**55,454,415**	**20,737,322**
Investments in property, plant and equipment	(6,854,032)	(4,650,314)
Disposals of property, plant and equipment	9,120	83,719
Investments in intangible assets	(450,922)	(289,464)
Disposals of intangible assets	-	-
Change in non-current financial assets	36,394	32,048
Business combination	-	(7,445,036)
Change in other non-current assets	(972,231)	69
Interest received	(750)	31,332
Net cash flow from investing activities	**(8,232,421)**	**(12,237,645)**
(Decrease)/Increase in medium/long-term loans	(15,078,749)	(15,076,610)
(Decrease)/Increase in current financial liabilities	(67,628)	12,181,043
Change in current financial assets	(155,319)	(107,362)
Interest paid (accrued)	(268,235)	(406,654)
Dividends distributed	(55,107,200)	(41,799,017)
Net cash flow from financing activities	**(70,677,131)**	**(45,208,600)**
Change in cash and cash equivalents	**(23,455,137)**	**(36,708,924)**
Cash and cash equivalents at the start of the period	55,895,135	81,309,420
Cash and cash equivalents from the acquired company	-	389,462
Cash and cash equivalents at the end of the period	**32,439,998**	**44,989,958**

(*) Statement prepared in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board and adopted by the European Union (IFRS).

(**) Financial charges relating to the site dismantling and restoration provision were excluded from Net financial income and (charges) since they were not considered to be of a financial nature

Notes to the Interim Report on Operations at 30 June 2018

Introduction (note 1)

The separate half-yearly financial statements at 30 June 2018, consisting of a Statement of Financial Position, an Income Statement, a Statement of Comprehensive Income, a Cash Flow Statement, a Statement of Changes in Shareholders' Equity, and these Notes, have been prepared in accordance with Article 154-ter of Italian Legislative Decree 58/1998 and subsequent amendments, as well as with the Issuer Regulations issued by Consob.

The half-yearly financial statements at 30 June 2018 have been prepared in accordance with IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board (IASB).

These abbreviated half-yearly financial statements were subjected to a limited audit by PricewaterhouseCoopers S.p.A. and were approved on 26 July 2018 by the Board of Directors, which authorized their publication.

The structure and content of the accounting schedules in the half-yearly financial statements and their mandatory formats conform to those prepared for the annual financial statements. Where applicable, the same criteria and standards adopted when drawing up the financial statements at 31 December 2017 – except for those specifically applicable to interim reporting and the half-yearly report at 30 June 2017 – were used to prepare these half-yearly financial statements. The new standards that took effect on 1 January 2018 had no significant impact on these abbreviated financial statements.

The notes were drawn up in accordance with the minimum contents required by IAS 34 – Interim Financial Reporting, and with the instructions issued by Consob in Communication No. 6064293 of 28 July 2006. In accordance with IAS 34, the notes are presented in summary form and do not include all of the disclosures required in the annual financial statements; they refer exclusively to components which, due to their amount, composition, or transactions, are essential for the purposes of understanding the Company's operating results, financial position, and cash flows. Therefore, these half-yearly financial statements must be read together with the financial statements at 31 December 2017.

These abbreviated half-yearly financial statements present comparative figures from the last financial statements of Rai Way at 31 December 2017 with regard to the balance sheet, and comparative figures from the last abbreviated half-yearly financial statements of Rai Way at 30 June 2017 with regard to the income statement.
The preparation of the half-yearly financial statements at 30 June 2018 required the use of estimates by the directors. The main areas in which significant evaluations and assumptions were conducted, and those with significant effects on the periodic situations presented, are reported below in the Notes at 30 June 2018. Some of the evaluation processes, especially the most complex ones, such as the impairment testing of non-current assets, are generally conducted in a complete manner only when preparing the annual financial statements except when there are indicators that demand an immediate estimate of updates.

Amendments and interpretations of current standards, effective as of 1 January 2018 (note 2)

With regard to application of current accounting standards and recently issued ones, please refer to the Rai Way 2017 Financial Report and Financial Statements – Note "Summary of Accounting Principles" – published on the Company website.
With the first-time application of the new accounting standards IFRS 9 and IFRS 15, the Company chose to exercise the option of recognising the effects of retrospective remeasurement in shareholders' equity at the opening of the current reporting period. As such, although not material, differences in carrying amounts resulting from the adoption of the new standards have been recognised in retained earnings at 1 January 2018, while the balances at 31 December 2017 have been measured and stated in the financial statements respectively in accordance with the previsions of IAS 39 and IAS 18, the previous accounting standards applied.
The impacts of the application of the new accounting standards on the financial position are shown in the tables below.

RAI WAY STATEMENT OF FINANCIAL POSITION

Effects of the application of IFRS 15 and IFRS 9 on the financial statements at 1 January 2018

(in Euro)	12 months to 31/12/2017	IFRS 15	IFRS 9	01/01/2018
Non-current assets				
Tangible assets	188,686,465	-	-	188,686,465
Intangible assets	11,188,738	-	-	11,188,738
Non-current financial assets	53,846	-	-	53,846
Deferred tax assets	2,164,488	190,968	-	2,355,456
Other non-current assets	355,671		-	355,671
Total non-current assets	**202,449,208**	**190,968**	**-**	**202,640,176**
Current assets				
Inventory	892,161	-	-	892,161
Trade receivables	71,955,278	-	(90,923)	71,864,355
Other current receivables and assets	5,358,860	-	-	5,358,860
Current financial assets	146,453	-	-	146,453
Cash and cash equivalents	55,895,135	-	-	55,895,135
Current tax receivables	7,656	-	-	7,656
Total current assets	**134,255,543**	**-**	**(90,923)**	**134,164,620**
Total assets	**336,704,751**	**190,968**	**(90,923)**	**336,804,796**
Shareholders' equity				
Share capital	70,176,000	-	-	70,176,000
Legal reserve	12,160,733	-	-	12,160,733
Other reserves	37,045,410	-	-	37,045,410
Retained earnings	57,007,959	(479,237)	(90,923)	56,437,799
Total shareholders' equity	**176,390,102**	**(479,237)**	**(90,923)**	**175,819,942**
Non-current liabilities				
Non-current financial liabilities	30,606,438	-	-	30,606,438
Employee benefits	16,443,209			16,443,209
Provisions for risks and charges	15,984,523	-	-	15,984,523
Other non-current payables and liabilities	-			-
Total non-current liabilities	**63,034,170**	**-**	**-**	**63,034,170**
Current liabilities				
Trade payables	37,690,502	-	-	37,690,502
Other current payables and liabilities	28,900,689	670,205	-	29,570,894
Current financial liabilities	30,279,531	-	-	30,279,531
Current tax payables	409,757	-	-	409,757
Total current liabilities	**97,280,479**	**670,205**	**-**	**97,950,684**
Total liabilities and shareholders' equity	**336,704,751**	**190,968**	**(90,923)**	**336,804,796**

Statement of Changes in Shareholders' Equity
Effects of the application of IFRS 15 and IFRS 9 on shareholders' equity at 1 January 2018

(in Euro)	*Share capital*	*Legal reserve*	*Other reserves*	*Retained earnings*	*Total*
At 31 December 2017	**70,176,000**	**12,160,733**	**37,045,410**	**57,007,959**	**176,390,102**
Effects of the application of the new accounting standards:					
IFRS 15				(479,237)	(479,237)
IFRS 9				(90,923)	(90,923)
Balances at 1 January 2018	**70,176,000**	**12,160,733**	**37,045,410**	**56,437,799**	**175,819,942**

The following table shows the impacts on the income statement at 30 June 2018 of the application of the new accounting standards, with respect to the provisions of the previous accounting standards applied, IAS 39 and IAS 18.

RAI WAY SpA INCOME STATEMENT (*)
Effects of the application of IFRS 15 and IFRS 9 on the financial statements at 30 June 2018

(in Euro)	**30 June 2018**	**IFRS 15 (1)**	**IFRS 9 (1)**	**30 June 2018 under the standards previous to IFRS 15 and IFRS 9**
Revenues	108,872,516	103,168		108,975,684
Other revenues and income	41,920			41,920
Consumables costs	(621,784)			(621,784)
Services costs	(24,802,687)			(24,802,687)
Personnel costs	(22,952,900)			(22,952,900)
Other costs	(1,702,056)			(1,702,056)
Write-downs of financial assets	106,646			106,646
Amortisation, depreciation & other write-downs	(16,263,796)			(16,263,796)
Provisions	-			-
EBIT	**42,677,859**	**103,168**	**-**	**42,781,027**
Financial income	(750)			(750)
Financial charges	(693,523)			(693,523)
Total financial income and expenses	**(694,273)**	**-**	**-**	**(694,273)**
Profit before income taxes	**41,983,586**	**103,168**	**-**	**42,086,754**
Income tax	(11,117,317)	(29,408)		(11,146,725)
Profit for the period	**30,866,269**	**73,760**	**-**	**30,940,029**

(1) Differential effects of the application of IFRS 15 and IFRS 9, replacing the previous standards IAS 18 and IAS 39.

In relation to new accounting standards endorsed but not yet applicable, and those not yet endorsed by the European Union, see the information reported in the specific section of the Notes in the Financial Report and Financial Statements at 31 December 2017. In addition to those standards, in the first half of 2018, the following accounting standards were endorsed:

- Amendments to IFRS 2 "Share-based Payment", adopted by European Commission Regulation No. 2018/289 of 26 February 2018. The amendments are intended to clarify how companies should apply the standard in certain specific cases. The amendments are effective for annual periods beginning on or after 1 January 2018.
- Amendments to IAS 40 "Investment Property", adopted by European Commission Regulation No. 2018/400 of 14 March 2018. The amendments clarify when an entity is authorised to transfer a property to or from "investment property". The amendments are effective for annual periods beginning on or after 1 January 2018.
- Amendments to IFRS 9 "Financial Instruments – Prepayment Features with Negative Compensation", adopted by European Commission Regulation No. 2018/498 of 22 March 2018. The amendments are intended to clarify the classification of certain prepayable financial assets. The amendments are effective for annual periods beginning on or after 1 January 2019, with early application permitted.
- IFRIC 22 "Foreign Currency Transactions and Advance Consideration", adopted by European Commission Regulation No. 2018/519 of 28 March 2018. The interpretation clarifies how to account for transactions that involve advance consideration received or paid in a foreign currency. The amendments are effective for annual periods beginning on or after 1 January 2018.

In the assessment of the Company, the aforementioned amendments will have no impact on its financial statements.

Segment information (note 3)

Segment information is provided in the 2017 Financial Report and Financial Statements, to which the reader is referred, specifically in the Report on Operations (under the section "The Company's reference market"), published on the Company's website.

Seasonality of the business (note 4)

There are no significant seasonal factors that affect the Company's performance.

Notes on principal changes in the Income Statement

Revenues (note 5)

(in thousands of Euro)	6 months 2018	6 months 2017
Revenues from the Rai Group (*)	92,450	90,568
Revenues from third parties	16,526	17,442
- System and equipment hosting fees	*15,334*	*16,145*
- Other	*1,192*	*1,297*
Total revenues from sales and services	**108,976**	**108,010**

(*) Revenues are stated net of marginal costs totalling €11,241 thousand (€11,976 thousand at 30/06/2017).

"Revenues" includes revenues accruing to the year from the provision of services that are part of the company's normal business operations.

At 30 June 2018, revenues increased by €966 thousand compared to the same period of 2017, rising from €108,010 thousand at 30 June 2017 to €108,976 thousand at 30 June 2018.

"Revenues from the RAI Group" amounted to €92,450 thousand, equal to 85% of total revenues at 30 June 2018, an increase of €1,882 thousand compared to the same period of 2017. The higher figure was mainly driven by the positive effect of inflation and new services requested by the customer for additional performance capacity ("evolutionary services").

"Revenues from third parties" mainly includes revenues from (i) tower rental services, (ii) broadcasting services, (iii) transmission services, and (iv) network services, which the Company provided to third parties other than Rai. These revenues were down by €916 thousand year-on-year, primarily due to lower tower rental services.

Other revenues and income (note 6)

"Other revenues and income" amounted to €41 thousand in the first six months of 2018, showing an increase of €12 thousand compared to 30 June 2017, but remaining in line with figures for the previous year.

Costs (note 7)

"Costs for consumables and goods" remained substantially in line with figures from the previous year, rising slightly from €569 thousand at 30 June 2017 to €622 thousand at 30 June

2018. These costs mainly include costs for the purchase of technical materials for the warehouse, and fuels for generators and heating.
"Services costs" amounted to €24,803 thousand at 30 June 2018, showing a drop of €69 thousand compared to 30 June 2017, mainly driven by lower leasing and rental costs and the positive effects of cost efficiency initiatives targeting services covered by the intercompany service agreement.
"Personnel costs" in the income statement amounted to €22,953 thousand, a decrease of €1,634 thousand compared to 30 June 2017 (€24,587 thousand). The drop was driven in part by the downsizing of the Company headcount, mainly as a result of redundancy incentives, and in part by lower other extraordinary cost components.
Capitalised personnel costs amounted to €1,281 thousand at 30 June 2018 (€1,025 thousand at 30 June 2017).
"Other costs" fell by €178 thousand, from €1,880 thousand at 30 June 2017 to €1,702 thousand at 30 June 2018. The drop was driven by lower costs for TASI and IMU taxes and lower indirect taxes.
"Write-downs of financial assets" posted a negative balance (positive income component) of €107 thousand at 30 June 2018, compared to a positive balance (negative income component) of €20 thousand at 30 June 2017. The drop of €127 thousand was mainly driven by the reversal of bad debt provisions for receivables that were subsequently collected.
As of the year 2018, for the correct application of IFRS 9, impairment losses (and reversals) have been reclassified from "Amortisation, depreciation and write-downs" to the separate balance sheet item "Write-downs of financial assets".

Amortization, depreciation and other write-downs (note 8)

"Amortization, depreciation and write-downs" amounted to €16,264 thousand at 30 June 2018 (€16,432 thousand at 30 June 2017). The change of €169 thousand was mainly due to the completion of the amortization process for certain assets.

Financial income and expenses (note 9)

"Financial income" posted a negative balance (negative income component) of €1 thousand, showing a drop of €32 thousand compared to 30 June 2017. The decrease was driven by lower interest income on deposit accounts and by fluctuations in exchange rates. "Financial expenses" posted a balance of €694 thousand, showing a drop of €186 thousand year-on-year (€879 thousand at 30 June 2017). The decrease was mainly driven by lower "interest on loans", due to the lower outstanding principal due on the loan agreement entered into with Mediobanca, BNP Paribas, Intesa Sanpaolo and UBI Banca on 15 October 2014.

Income tax (note 10)

The item breaks down as follows.

	6 months	
(in thousands of Euro)	**2018**	**2017**
Current taxes	12,230	10,660
Deferred taxes	(943)	878
Taxes related to previous years	(140)	(46)
Total	**11,147**	**11,492**

"Current taxes" amounted to €12,230 thousand, showing an increase on the previous period of €1,570 thousand. The higher figure was driven by higher earnings before income tax and lower drawdowns of provisions for risks and charges.

Deferred taxes posted a negative balance of €943 thousand, a decrease of €1,821 thousand compared to 30 June 2017. The lower figure was mainly driven by the elimination of residual taxable temporary differences arising from mismatches between the carrying amount and taxable amount of the customer portfolio, originated by the merger surplus from the merger by acquisition of Sud Engineering, for which the Company elected to exercise the substitute tax option to settle the relative tax liability.

Notes on principal changes in the Balance Sheet

Non-current assets (note 11)

Tangible assets amounted to €179,826 thousand at 30 June 2018, a decrease of €8,861 thousand compared to 31 December 2017, mainly due to depreciation for the period, which was partially offset by capital expenditures made during the first half (€6,854 thousand).

Intangible assets amounted to €11,081 thousand, down by €107 thousand on 31 December 2017. The drop was mainly driven by amortisation for the period, which was partially offset by capital expenditures in software licences.

Deferred tax assets showed a balance of €3,257 thousand at 30 June 2018, an increase of €1,093 thousand compared to 31 December 2017, driven by higher tax credits for prepaid taxes and lower provisions for deferred taxes, as reported in the section "Income Taxes".

"Other non-current assets" at 30 June 2018, totalling €1,328 thousand, rose by €972 thousand compared to the previous year, driven by the recognition of substitute tax paid on the merger surplus resulting from the merger by acquisition of the company Sud Engineering, which became effective as of 22 June 2017. In this regard, the Company opted for the ordinary regime provided by Article 176, paragraph 2-ter of the Consolidated Income Tax Law, for which the substitute tax was recognised as a prepayment of current taxes.

Current assets (note 12)

Inventory amounted to €887 thousand, in line with the values at 31 December 2017.

Inventory include contract work in progress and stocks and spare parts for the maintenance and use of technical business assets.

Trade receivables amounted to €74,331 thousand and break down as follows.

(in thousands of Euro)	**30/06/2018**	**31/12/2017**
Receivables from Rai	64,661	58,558
Receivables from customers	12,051	15,794
Bad debt provision	(2,381)	(2,397)
Total trade receivables	**74,331**	**71,955**

The increase of €2,376 thousand during the period was driven by growth in receivables due to the Company from Rai under the Service Agreement in place, which was partially offset by lower receivables due from third party customers.

"Other current receivables and assets" totalled €6,002 thousand at 30 June 2018, up by €643 thousand compared to 31 December 2017, mainly due to higher prepaid expenses for costs not accruing to the period.

"Current financial assets" amounted to €302 thousand at 30 June 2018, an increase of €156 thousand on the previous year, mainly due to higher financial receivables from the Parent.

"Cash and cash and cash equivalents" amounted to €32,440 thousand at 30 June 2018.

The decrease of €23,455 thousand for the period was mainly driven by the payment of dividends, which was partly offset by cash flow generated by operating activities.

Current income tax receivables amounted to €70 thousand at 30 June 2018, a rise of €62 thousand compared to the previous year. The higher figure was due to substitute tax paid on the merger surplus, as reported above in the section on "Other non-current assets".

Shareholders' equity (note 13)

At 30 June 2018, the Company's shareholders' equity amounted to €151,782 thousand, a decrease of €24,608 thousand. The lower figure was due mainly to the payment of dividends relating to the previous year, which was partially offset by profit for the period.

Non-current liabilities (note 14)

"Non-current financial liabilities" amounted to €15,533 thousand at 30 June 2018, a decrease of €15,074 thousand compared to 31 December 2017 (€30,606 thousand). The lower figure was substantially due to instalments paid on the term facility on 31 March 2018. The loan agreement in question provides for general commitments and covenants binding on the Company, and includes an Events of Default clause in line with market practice for loans of a similar amount and nature, but does not place limitations or restrictions on the distribution of dividends by the Company, as reported in the Notes to the Rai Way Financial Report and Financial Statements for 2017 (section "Current and Non-Current Financial Assets and Liabilities"), published on the Company website.

At 30 June 2018, none of the aforementioned general commitments and covenants had been breached.

"Employee benefits" amounted to €15,333 thousand, showing a drop of €1,110 thousand compared to 31 December 2017. The lower figure was mainly due to the downsizing of the workforce under the redundancy incentive plan introduced by the Company.
"Provisions for risks and charges" totalled €15,817 thousand, down by €168 thousand compared to 31 December 2017 (€15,985 thousand), mainly due to lower provisions for charges.
The timing of drawdowns of provisions for risks and charges cannot be estimated with any certainty as they mainly depend on the timeframes of court proceedings and strategic and/or legislative decisions on the composition and nature of the radio and television broadcasting network, which currently cannot be foreseen.
"Other non-current payables and liabilities" totalled €312 thousand and included the non-current portion of substitute tax to be paid on the merger surplus, as reported in the section on "non-current assets".

Current liabilities (note 15)

Trade payables amounted to €34,766 thousand and break down as follows.

(in thousands of Euro)	**30/06/2018**	**31/12/2017**
Payables to suppliers	31,494	33,428
Payables to the Parent Company	3,272	4,262
Total trade payables	**34,766**	**37,690**

"Other current payables and liabilities" amounted to €42,596 thousand at 30 June 2018, up by €13,695 thousand on the end of 2017. The increase was essentially due to higher payables to Rai under Group tax and VAT consolidation arrangements and higher deferred income for revenues not accruing to the period, in part as a result of the introduction of IFRS 15.
"Current financial liabilities" amounted to €30,280 thousand at 30 June 2018, in line with the figure for the previous year.
"Current tax payables" totalled €3,124 thousand at 30 June 2018, up by €2,714 thousand compared to 31 December 2017. The higher figure was driven by IRAP tax payable and the

recognition of the first two instalments of substitute tax due on the merger surplus, as reported in the section on "Non-current assets".

Earnings per share (note 16)

The following table shows the determination of basic and diluted earnings per share in the reference period.

	6 months	
(in Euro)	**2018**	**2017**
Profit for the period	30,940,029	27,359,581
Average number of ordinary shares	272,000,000	272,000,000
Earnings per share (basic and diluted)	**0.11**	**0.10**

Diluted earnings per share is the same as basic earnings per share because there were no dilutive elements at the reporting date.

Net Financial Position (note 17)

The Company's net financial position, calculated in compliance with the requirements of paragraph 127 of the recommendations contained in ESMA Document No. 81 of 2011, implementing Regulation (EC) No. 809/2004, is presented below.

One of the main component of Rai Way's net financial position is the loan agreement entered into by the Company on 15 October 2014 with Mediobanca, BNP Paribas S.A., Intesa Sanpaolo S.p.A. and UBI Banca Società Cooperativa per Azioni. The balance on the loan at 30 June 2018 amounted to €44,929 thousand (nominal value, term facility), of which €29,937 thousand was reclassified under current liabilities and €14,992 thousand under non-current liabilities.

The loan agreement also provides for a €50 million revolving credit facility, which at 30 June 2018 had not been drawn down.

Interest is charged at the Euribor rate for the period of reference plus a spread (100 bps for the term facility, 120 bps for the revolving facility), with a floor of zero in the case of a negative Euribor.

	(in thousands of Euro)	At 30 June 2018	At 31 December 2017
A.	Cash	7	7
B.	Cheques and bank and post office deposits	32,433	55,888
C.	Securities held for trading	-	-
D.	**Cash and cash equivalents (A) + (B) + (C)**	**32,440**	**55,895**
E.	**Current financial receivables**	**302**	**146**
F.	Current bank debt	(30,196)	(30,196)
G.	Current portion of non-current debt	-	-
H.	Other current financial payables	(84)	(84)
I.	**Current financial debt (F) + (G) + (H)**	**(30,280)**	**(30,280)**
J.	**Current net financial debt (I) - (E) - (D)**	**2,462**	**25,761**
K.	Non-current bank debt	(15,300)	(30,335)
L.	Bonds issued	-	-
M.	Other non-current payables	(233)	(271)
N.	**Non-current financial debt (K) + (L) + (M)**	**(15,533)**	**(30,606)**
O.	**Net financial debt ESMA/Net financial position**	**(13,071)**	**(4,845)**

Commitments and guarantees (note 18)

Commitments referring only to technical capital expenditures amounted to €5.2 million at 30 June 2018 (€10.3 million at 31 December 2017). The decrease was mainly due to the stipulation of new agreements.

At 30 June 2018, guarantees amounted to €56,557 thousand (€65,803 thousand at 31 December 2017) and mainly consisted of unsecured guarantees received on third-party obligations and third-party guarantees provided for the Company's obligations on bonds and debts.

Transactions deriving from abnormal and/or unusual operations (note 19)

Pursuant to Consob Communication No. DEM 6064293 of 28 July 2006, we report that during the first six months of 2018 the Company was not party to any abnormal and/or unusual operations as defined in that communication.

Other Information (note 20)

Continent liabilities

The Company is party to certain legal disputes pending before Regional Administrative Courts relating to the use of radio and television signal transmission frequencies. In particular, the issue in dispute is the interference that this causes with the radio and/or television signal transmitted by other industry operators. All disputes are constantly monitored by the Company's legal office, which to this purpose engages the support of leading law firms specializing in administrative disputes. The amounts recognized in the financial statements as provisions for risks and charges represent management's best estimate of the outcome of the pending disputes and have been calculated by taking into account the opinions of the external legal counsel assisting the Company.

Rai Way is also party to a number of law suits brought by employees and former employees in relation to alleged misapplication of current labour law governing employment agreements. As noted above, with respect to these types of disputes, the Company uses both its own internal legal department in addition to leading law firms that specialise in labour law litigation. The amounts recognized in the financial statements to provide against the risk of losing litigation have been calculated by senior management by estimating, on the basis of the professional assessment of the external lawyers representing the Company in court, the probable cost to be borne by the Company, considering the current state of progress of the dispute.

Finally, Rai Way is a party to a number of law suits of a civil nature relating to the way in which the fee due for the occupation of public space by the Company's owned installations is calculated.

Although it is arguing its case in the applicable courts, assisted in this by the support of specialized law firms, the Company has recognized the amounts that management considers it probable that it will be required to pay should it lose the cases as provisions for risks and charges in the financial statements, also taking into account the professional opinions formulated by these firms concerning the expected outcome of the pending disputes.

In order to provide additional information on the matters discussed above, the Company Rai Way uses the hosting services of third parties in its standard operations to position its installations on land, buildings or structures of other parties. Since these hosting services are generally formalized through contracts or similar legal instruments (for example: transfers of surface rights, concessions of public spaces, etc.), the Company may have to incur costs for the removal of network infrastructures in the event that the contractual relationships with the third party hosts are not renewed or expire. A number of specific disputes are currently in progress on this matter, which could lead to the determination of these costs, at present not quantifiable, in the near future. The Company accordingly believes that it is probable that it may have to bear some costs in the future to meet the claims made, and therefore has recognised a site dismantling and restoration provision in the financial statements for this purpose.
If the circumstances discussed above should change in the future, with the likelihood of the Company having to incur costs that exceed the amount recognized in the site dismantling and restoration provision becoming more probable, all necessary measures will be taken to protect the Company's interests and adequately portray the changed situation in the financial statements.

Related party transactions

Details are provided below of transactions between the Company and its related parties, identified on the basis of IAS 24 "Related Party Disclosures", for the period ended 30 June 2018. The Group carries out transactions mainly of a commercial and financial nature with the following related parties:

- Rai;
- the Group's key management ("Senior Management");
- other subsidiaries of RAI and/or companies in which the Parent holds an equity interest ("Other related parties").

Related party transactions are carried out on an arm's length basis.

Reported below is the breakdown of balance sheet balances held with related parties at 30 June 2018 and 31 December 2017.

Related Party Transactions (balance sheet)

(in thousands of Euro)	Parent Company	Senior management	Other related parties	Total
Non-current financial assets				
At 30 June 2018				**-**
At 31 December 2017				**-**
Current financial assets				
At 30 June 2018	233			**233**
At 31 December 2017	76			**76**
Current trade receivables				
At 30 June 2018	64.661		252	**64.913**
At 31 December 2017	58.558		255	**58.813**
Other current receivables and assets				
At 30 June 2018	2.205		4	**2.209**
At 31 December 2017	2.538		10	**2.548**
Current financial liabilities				
At 30 June 2018				**-**
At 31 December 2017				**-**
Trade payables				
Al 30 giugno 2018	3.272			**3.272**
Al 31 dicembre 2017	4.262			**4.262**
Other current payables and liabilities				
At 30 June 2018	27.847	275	112	**28.234**
At 31 December 2017	17.311	849	-	**18.160**
Employee benefits				
At 30 June 2018			118	**118**
At 31 December 2017		120	117	**237**

Reported below is the breakdown of income statement balances held with related parties at 30 June 2018 and 30 June 2017.

Related Party Transactions (income statement)

(in thousands of Euro)	Parent Company	Senior Management	Other related parties	Total
Revenues (*)				
At 30 June 2018	103,156		518	**103,674**
At 30 June 2017	102,015		518	**102,533**
Other revenues and income				
At 30 June 2018	17		-	**17**
At 30 June 2017				**-**
Purchase costs of consumables				
At 30 June 2018				**-**
At 30 June 2017				**-**
Costs of services				
At 30 June 2018	5,635		6	**5,641**
At 31 June 2017	6,029		6	**6,035**
Personnel costs				
At 30 June 2018	11	1,378	156	**1,545**
At 30 June 2017		1,359	462	**1,821**
Other costs				
At 30 June 2018	49		-	**49**
At 30 June 2017	13			**13**
Financial income				
At 30 June 2018	-		-	**-**
At 30 June 2017	13			**13**
Financial expenses				
At 30 June 2018	-		-	**-**
At 30 June 2017				**-**

(*) Amounts are stated inclusive of marginal costs towards the Parent totalling €10,887 thousand (€11,622 thousand at 30/06/2017) and towards other related parties totalling €354 thousand (€354 at 30/06/2017)

<u>Parent Company</u>

Dealings with the Parent Company, Rai, at 30 June 2018 mainly consisted of: the Service Agreement renegotiated on 31 July 2014 for the provision of new integrated network services by the Company; the Rai Service Agreement (for personnel administration, general services, IT systems, administration and treasury services and the research and technological innovation centre); a lease agreement and agreement for the provision of connected services by Rai; the domestic tax consolidation arrangement; the VAT consolidation arrangement; and, lastly, an intercompany current account agreement for residual payments.

Senior Management

"Senior Management" refers to key executives who have the power and direct and indirect responsibility for planning, managing and controlling the activities of Rai Way, and includes, inter alia, the members of the Board of Directors of the Company.

Other related parties

The Company has dealings of a commercial nature with other related parties and in particular with:

- Rai Com S.p.A., to which the Company provides transmission services;
- San Marino RTV, which receives transmission services from Rai Way;
- Supplementary employee and executive pension funds.

Rome, 26 July 2018

On behalf of the Board of Directors
The Chairman
Raffaele Agrusti

Declaration pursuant to article 154-bis paragraph 5 of Italian Legislative Decree No. 58/1998

• The undersigned Aldo Mancino, in the capacity of Chief Executive Officer, and Adalberto Pellegrino, in the capacity of Manager in charge of preparing the corporate documents of Rai Way S.p.A., hereby certify the following, taking into account the provisions of Article 154-bis, paragraphs 3 and 4 of Italian Legislative Decree 58 of 24 February 1998:

- the adequacy in relation to the characteristics of the business and
- the effective application of the administrative and accounting procedures for the preparation of the Half-yearly Financial Report at 30 June 2018.

• The assessment of the adequacy of the administrative and accounting procedures for the preparation of the Half-yearly Report at 30 June 2018 was performed on the basis of the process defined by Rai Way S.p.A., taking as reference the criteria established in the model "Internal Controls – Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission.

• It is also certified that:

- the Half-yearly Financial Report of Rai Way S.p.A. at 30 June 2018:

a) has been prepared in accordance with the applicable international accounting standards adopted by the European Union pursuant to Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002;

b) corresponds to the balances on the books of account and the accounting entries;

c) gives a true and fair view of the financial position, results of operations and cash flows of the issuer.

- The report on operations includes a reliable analysis of the performance and results for the period as well as the issuer's position, together with a description of the main risks and uncertainties to which it is exposed.

Rome, 26 July 2018

Aldo Mancino	**Adalberto Pellegrino**
Chief Executive Officer	Manager in charge of preparing the corporate accounting documents