Rai Way S.p.A.

Interim Financial Report at 30 September 2018

CONTENTS

Company name, share capital and registered office

Company name:	Rai Way S.p.A.
Share capital:	€ 70,176,000, fully paid up
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

Chairman
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 (Chairman)
Fabio Colasanti
Umberto Mosetti

Board of Statutory Auditors

Chairman
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 (Chairman)
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 around 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 indicators 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 September 2018 compared to the results at 30 September 2017, whilst the Statement of Financial Position data is compared with the corresponding figures at the end 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

€ / M

(figures in millions of euro; %)	9 months 2018	9 months 2017	Change	% Change
Key income statement figures				
Core revenues	163.3	162.1	1.2	0.7%
Other revenues and income	0.1	0.8	(0.7)	(92.7%)
Other operating costs	(39.8)	(40.3)	0.5	1.1%
Personnel costs	(32.9)	(33.6)	0.7	2.1%
Adjusted EBITDA	90.6	89.0	1.6	1.8%
EBIT	65.8	63.6	2.3	3.5%
Net Profit	47.2	44.0	3.2	7.2%
Key statement of financial position figures				
Investments	12.3	7.1	5.2	72.3%
of which maintenance	8.7	5.1	3.6	71.4%
Net Invested Capital	179.9	180.0	(0.0)	0.0%
Shareholders' Equity	168.1	164.0	4.0	2.5%
Net Financial Position (NFP)	11.9	16.0	(4.1)	(25.5%)
Ratios				
Adjusted EBITDA/core revenues (%)	55.5%	54.9%	0.6%	1.1%
Net profit/core revenues (%)	28.9%	27.2%	1.7%	6.4%
Capex maintenance/core revenues (%)	5.3%	3.1%	2.2%	70.2%
Cash Conversion Rate (%)	90.4%	94.3%	(3.9%)	(4.1%)
NFP / Adjusted EBITDA (%)	13.1%	17.9%	(4.8%)	(26.8%)

- Core revenues amount to €163.3 million, up 0.7% compared to 30 September 2017 due to higher revenues from Rai.
- Adjusted EBITDA, at €90.6 million, rose by €1.6 million compared to 30 September 2017, mainly due to lower operating costs and personnel costs. The Company defines this indicator as EBITDA adjusted for non-recurring expenses.
- The Adjusted EBITDA to core revenues ratio stood at 55.5%, up from the 54.9% recorded at 30 September 2017.
- EBIT amounted to €65.8 million, an increase of €2.3 million compared to 30 September 2017, driven by lower non-recurring expenses.
- Net Profit is €47.2 million, up 7.2% over 30 September 2017.
- Operating investments amounted to €12.3 million. Net Invested Capital totalled €179.9 million, with a Net Financial Position of €11.9 million and shareholders' equity of €168.1 million.

Income statement

€/M (figures in millions of euro; %)	9 months 2018	9 months 2017	Change	% Change
Revenues from RAI	138.4	135.8	2.7	2.0%
Revenues from third parties	24.8	26.3	(1.5)	(5.6%)
Core revenues	**163.3**	**162.1**	**1.2**	**0.7%**
Other revenues and income	0.1	0.8	(0.7)	(92.7%)
Personnel costs	(32.9)	(33.6)	0.7	2.1%
Other operating costs	(39.8)	(40.3)	0.5	1.1%
Adjusted EBITDA	**90.6**	**89.0**	**1.6**	**1.8%**
EBITDA margin	*55.5%*	*54.9%*	*0.6%*	*1.1%*
Adjustments	(0.4)	(0.5)	0.1	11.3%
EBITDA	**90.2**	**88.5**	**1.7**	**1.9%**
Amortization/depreciation	(24.4)	(24.9)	0.5	1.9%
Bad debt provision	0.1	(0.0)	0.1	559.8%
Provisions	-	0.0	(0.0)	(100.0%)
EBIT	**65.8**	**63.6**	**2.3**	**3.5%**
Net financial expenses	(1.0)	(1.3)	0.2	18.6%
Profit before income taxes	**64.8**	**62.3**	**2.5**	**4.0%**
Income taxes	(17.6)	(18.3)	0.7	3.6%
Net Profit	**47.2**	**44.0**	**3.2**	**7.2%**
NET PROFIT margin	*28.9%*	*27.2%*	*1.7%*	*6.4%*

Revenues amounted to €163.3 million, up by €1.2 million over the previous period (+0.7%) with higher revenues from Rai more than offsetting lower revenues from third parties.

Activities carried out for the Rai Group generated revenues of €138.4 million, an increase of 2.0% year on year. The increase is mainly due to new services requested by the customer ("evolutionary services"), and to a lesser extent by the effects of the contractual mechanism of adjusting tariffs to inflation. With regard to third parties, revenues amounted to €24.8 million, with a drop of €1.5 million year on year (-5.6%).

Personnel costs stood at €32.9 million, down by €0.7 million compared to 30 September 2017. The decrease was mainly due to the early retirement plan started by the Company in 2015, which led to a reduction of 10 in the workforce average compared to the same period in 2017.

Operating costs – which include consumables and goods, service and other costs – amounted to €39.8 million, down by €0.5 million year on year. The drop was mainly driven by efficiency initiatives on services provided by Rai and on rentals, particularly as regards transmission equipment and optimisation of the company car fleet, as well as the reduction in other operating costs.

Adjusted EBITDA rose to €90.6 million, an increase of €1.6 million compared to 30 September 2017, with a margin of 55.5%.

EBIT amounted to €65.8 million, showing an improvement of €2.3 million compared to 2017.

Net profit amounted to €47.2 million, an increase of €3.2 million over the same period in 2017.

Operating investments for €12.3 million were made in the first nine months of 2018 (€7.1 million in the same period of 2017), of which €3.6 million for development initiatives and €8.7 million for maintenance of the network infrastructure.

Statement of Financial Position

€ / M *(figures in millions of euro; %)*	9 months 2018	31-Dec 2017	Change	% Change
Fixed assets	188.0	200.3	(12.3)	(6.1%)
Net working capital	20.5	11.2	9.3	83.3%
Provisions for risks and charges	(28.6)	(30.3)	1.6	5.4%
NET INVESTED CAPITAL	**179.9**	**181.2**	**(1.3)**	**(0.7%)**
Shareholders' Equity	168.1	176.4	(8.3)	(4.7%)
Net Financial Position	11.9	4.8	7.0	145.4%
TOTAL FUNDING	**179.9**	**181.2**	**(1.3)**	**(0.7%)**

Net Invested Capital at 30 September 2018 fell by €1.3 million compared to 31 December 2017, driven by the combined effect of the reduction in fixed assets and the higher Net Working Capital, due to the increase in trade receivables due from RAI and third parties. The Net Financial Position totalled €11.9 million, a rise of €7.0 million compared to 31 December 2017.

Human Resources and Organization

Rai Way had a workforce of 580 people at 30 September 2018 employed on a permanent basis: 21 senior managers, 136 middle managers, 405 technicians or office staff and 18 workers. Including the 19 people employed on a fixed-term basis, the total headcount was 599 employees.

The average number of employees in the first nine months of 2018 falls to 599 from 609 in the same period of 2017.

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 are reported below:

- on 16 February 2018 the Company reported that, with F2i Fondi Italiani per le Infrastrutture SGR S.p.A. ("F2i"), it had submitted a binding joint bid, subject to certain conditions, as part of the process for the potential sale of Persidera S.p.A. ("Persidera") launched by the related 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 of the Board of Directors for a new authorization to purchase and dispose 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.

- 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, which amounted to €45,000,000.00 at 30 June 2018;
- on 25 September 2018, the Company announced its submission to Persidera S.p.A. shareholders of a binding offer, subject to certain conditions, for the acquisition of the network infrastructure and related assets of that company.

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, specifically in the Report on Operations (section "Risk factors related to the Company"), published on the Company website.

Subsequent events to 30 September 2018

There are no events to report.

Business outlook

The results for the third quarter of 2018 are 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, 13 November 2018

on behalf of the Board of Directors
C.E.O.
Aldo Mancino

Interim Financial Report at 30 September 2018

Financial statements

Rai Way S.p.A. Income Statement (*)

(Amounts in Euro)	Notes (**)	9 months at 30/09/2018	9 months at 30/09/2017
Revenues	5	163,261,542	162,075,674
Other revenues and income	6	56,373	777,443
Consumables purchase costs	7	(569,519)	(792,649)
Service costs	7	(37,321,826)	(37,064,031)
Personnel costs	7	(32,879,021)	(33,848,365)
Other costs	7	(2,362,890)	(2,654,235)
Write-downs of financial assets	7	92,832	(20,189)
Amortization, depreciation and other write-downs	8	(24,445,467)	(24,917,831)
Provisions		-	20,263
Operating profit		**65,832,024**	**63,576,080**
Financial income	9	7,966	80,038
Financial expenses	9	(1,035,559)	(1,342,852)
Total financial income and expenses		**(1,027,593)**	**(1,262,814)**
Profit before income taxes		**64,804,431**	**62,313,266**
Income taxes	10	(17,608,918)	(18,270,032)
Profit for the period		**47,195,513**	**44,043,234**

Rai Way S.p.A. Statement of Comprehensive Income (*)

(Amounts in Euro)	Notes	9 months at 30/09/2018	9 months at 30/09/2017
Profit for the period		**47,195,513**	**44,043,234**
Items to be reclassified to income statement			
Profit/(loss) on cash flow hedges		46,930	36,429
Tax effect		(13,370)	(10,384)
Items not reclassified to income statement			
Actuarial gains/(losses) on employee benefits		154,223	304,780
Tax effect		(37,014)	(73,147)
Total comprehensive income for the period		**47,346,282**	**44,300,912**

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

(**) Notes refer only to the items for which comments are provided in these Notes.

RAI WAY STATEMENT OF FINANCIAL POSITION (*)

(Amounts in Euro)	Notes (**)	9 months at 30/09/2018	12 months at 31/12/2017
Non-current assets			
Tangible assets	11	176,575,820	188,686,465
Intangible assets	11	11,107,311	11,188,738
Non-current financial assets	11	1,659	53,846
Deferred tax assets	11	3,012,801	2,164,488
Other non-current assets	11	1,325,381	355,671
Total non-current assets		**192,022,972**	**202,449,208**
Current assets			
Inventory	12	886,207	892,161
Trade receivables	12	85,015,866	71,955,278
Other current receivables and assets	12	6,283,156	5,358,860
Current financial assets	12	107,648	146,453
Cash and cash equivalents	12	6,716,095	55,895,135
Current tax receivables	12	72,941	7,656
Total current assets		**99,081,913**	**134,255,543**
Total assets		**291,104,885**	**336,704,751**
Shareholders' Equity	13		
Share capital		70,176,000	70,176,000
Legal reserve		14,035,200	12,160,733
Other reserves		37,078,970	37,045,410
Retained earnings		46,768,855	57,007,959
Total shareholders' equity		**168,059,025**	**176,390,102**
Non-current liabilities			
Non-current financial liabilities	14	511,920	30,606,438
Employee benefits	14	15,361,984	16,443,209
Provisions for risks and charges	14	16,283,459	15,984,523
Other non-current payables/liabilities	14	311,633	-
Total non-current liabilities		**32,468,996**	**63,034,170**
Current liabilities			
Trade payables	15	37,802,031	37,690,502
Other current payables/liabilities	15	32,662,014	28,900,689
Current financial liabilities	15	18,199,914	30,279,531
Current tax payables	15	1,912,905	409,757
Total current liabilities		**90,576,864**	**97,280,479**
Total liabilities and shareholders' equity		**291,104,885**	**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").

(**) Notes refer only to the items for which comments are provided in these Notes.

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

(Amounts 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**
Profit for the period				44.043.234	44.043.234
Gains and losses from actuarial valuation (**)				231.634	231.634
Cash flow hedge reserve (**)			26.045		26.045
Allocation of profit to reserves		2.090.715		(2.090.715)	-
Dividend distribution				(41.806.400)	(41.806.400)
At 30 September 2017	**70.176.000**	**12.160.733**	**37.050.651**	**44.641.615**	**164.028.999**
Profit for the period				12.219.994	12.219.994
Gains and losses from actuarial valuation (**)				146.350	146.350
Cash flow hedge reserve (**)			(5.241)		(5.241)
At 31 December 2017	**70.176.000**	**12.160.733**	**37.045.410**	**57.007.959**	**176.390.102**
Comprehensive income for the period				47.195.513	47.195.513
Gains and losses from actuarial valuation (**)				117.209	117.209
Retained earnings/Losses carried forward, IFRS FTA				(570.159)	(570.159)
Cash flow hedge reserve (**)			33.560		33.560
Allocation of profit to reserves		1.874.467		(1.874.467)	-
Dividend Distribution				(55.107.200)	(55.107.200)
At 30 September 2018	**70.176.000**	**14.035.200**	**37.078.970**	**46.768.855**	**168.059.025**

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

(**) Items are stated net of the related tax effect

RAI WAY CASH FLOW STATEMENT (*)

(Amounts in Euro)	9 months at 30/09/2018	9 months at 30/09/2017
Profit before income taxes	**64,804,431**	**62,313,266**
Adjustments for:		
Amortization, depreciation and write-downs	24,352,635	24,938,020
Provisions and (releases of) personnel and other funds	2,575,825	1,026,926
Net financial (income)/expenses (**)	872,927	1,111,678
(Retained earnings)/Losses carried forward - IFRS first-time adoption	(761,128)	-
Cash flow from operating activities before changes in net working capital	**91,844,690**	**89,389,892**
Change in inventory	5,954	18,018
Change in trade receivables	(12,967,756)	(12,355,920)
Change in trade payables	111,529	(2,806,458)
Change in other assets/liabilities	5,475,792	604,672
Drawdown of provision for risks	(756,665)	(752,357)
Payment of employee benefits	(2,576,030)	(2,757,620)
Taxes paid	(19,390,457)	(21,116,791)
Net cash flow from operating activities	**61,747,057**	**50,223,435**
Investments in tangible assets	(11,483,062)	(6,807,066)
Disposals of tangible assets	20,040	83,719
Investments in intangible assets	(790,373)	(314,508)
Disposals of intangible assets	-	-
Change in non-current financial assets	52,187	47,841
Business combination	-	(7,407,098)
Change in other non-current assets	(969,710)	60
Interest received	7,966	71,557
Net cash flow from investing activities	**(13,162,952)**	**(14,325,494)**
(Decrease)/increase in medium/long-term loans	(60,078,748)	(30,076,610)
(Decrease)/increase in current financial liabilities	17,920,383	(229,930)
Change in current financial assets	38,805	82,490
Interest expense for the period	(536,385)	(931,484)
Dividends distributed	(55,107,200)	(41,799,017)
Net cash flow from financing activities	**(97,763,145)**	**(72,954,551)**
Change in cash and cash equivalents	**(49,179,040)**	**(37,056,611)**
Cash and cash equivalents at beginning of period	55,895,135	81,309,420
Cash and cash equivalents of acquired companies	-	389,462
Cash and cash equivalents at the end of period	**6,716,095**	**44,642,271**

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

(**) Note that financial expenses for the provision for site decommissioning and restoration were excluded from net financial income and (expenses), as they are not considered to be financial in nature.

Notes to the Interim Financial Report at 30 September 2018

Introduction (note 1)

The interim financial report at 30 September 2018, consisting of the Statement of Financial Position, Income Statement, Statement of Comprehensive Income, Cash Flow Statement, Statement of changes in Shareholders' Equity and related notes, was prepared in accordance with Art. 154-ter of Italian Legislative Decree 58/1998 and subsequent amendments, as well as with Consob's Issuer Regulations.

The interim report at 30 September 2018 was prepared in accordance with IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB).

This report was approved on 13 November 2018 by the Board of Directors, which authorized its publication.

The structure and content of the accounting statements in the interim financial report and the related compulsory formats are in line with those prepared for the Annual Report. Where applicable, the same criteria and standards applied to the financial statements at 31 December 2017 – except for those specifically applicable to interim reports - were used to prepare this interim financial report.

The new standards that took effect on 1 January 2018 had no significant effect on this interim financial report.

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, this interim financial report must be read together with the financial statements at 31 December 2017.

This interim financial report presents a comparison with data from the last financial statements of Rai Way at 31 December 2017 with regard to the statement of financial position, and with data from the last interim financial report of Rai Way at 30 September 2017 with regard to the income statement.

The preparation of the interim financial report at 30 September 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 September 2018. Some of the evaluation processes, especially the most complex, such as the impairment testing of non-current assets, are generally conducted in full 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 those recently issued, please refer to the Rai Way 2017 Financial Report and Financial Statements – Note "Summary of Accounting Principles" – published on the Company website.

On first-time adoption of the accounting standards IFRS 9 and IFRS 15, the Company chose to exercise the option of recognising the effects of retrospective remeasurement of shareholders' equity opening balances for the current reporting period. As such, although not material, differences in carrying amounts resulting from 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 provisions of the previous accounting standards, IAS 39 and IAS 18.

The impact on the financial position of adoption of the new accounting standards is shown in the tables below.

RAI WAY STATEMENT OF FINANCIAL POSITION
Effects of the adoption of IFRS 15 and 9 on opening balances at 1.1.2018

(Amounts in Euro)	12 months at 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 & shareholders' equity	**336,704,751**	**190,968**	**(90,923)**	**336,804,796**

Statement of changes in shareholders' equity
Effects of the adoption of IFRS 15 and 9 on shareholders' equity opening balances at 1.1.2018

(Amounts 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 adoption of the new 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 impact on the income statement at 30 September 2018 from adoption of the new accounting standards, with respect to the provisions of the previous accounting standards applied, IAS 39 and IAS 18:

RAI WAY S.p.A. INCOME STATEMENT
Effects of the adoption of IFRS 15 and 9 on the financial statements at 30 September 2018

(Amounts in Euro)	30 September 2018 adopting IFRS 15 and IFRS 9	IFRS 15 (1)	IFRS 9 (1)	30 September 2018 adopting the previous standards IAS 18 and IAS 39
Revenues	163,261,542	154,753		163,106,789
Other revenues and income	56,373			56,373
Consumables purchase costs	(569,519)			(569,519)
Service costs	(37,321,826)			(37,321,826)
Personnel costs	(32,879,021)			(32,879,021)
Other costs	(2,362,890)			(2,362,890)
Write-downs of financial assets	92,832			92,832
Amortization, depreciation and other write-downs	(24,445,467)			(24,445,467)
Provisions	-			-
EBIT	**65,832,024**	**154,753**	**-**	**65,677,271**
Financial income	7,966			7,966
Financial expenses	(1,035,559)			(1,035,559)
Total financial income and expenses	**(1,027,593)**	**-**	**-**	**(1,027,593)**
Profit before income taxes	**64,804,431**	**154,753**	**-**	**64,649,678**
Income taxes	(17,608,918)	(44,112)		(17,564,806)
Profit for the period	**47,195,513**	**110,641**	**-**	**47,084,872**

(1) Spread effects from adoption of the new standards IFRS 15 and IFRS 9, replacing the previous standards IAS 18 and IAS 39.

In relation to 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, the following standards were endorsed in the first nine months of 2018:

- 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 reporting 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 reporting 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 reporting 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 reporting 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)

	9 months	
(in thousands of Euro)	**2018**	**2017**
Revenues from the RAI Group (*)	138,433	135,777
Revenues from third parties	24,829	26,299
- Fees for equipment hosting and devices	*22,965*	*24,168*
- Other	*1,864*	*2,131*
Total revenues from sales and services	**163,262**	**162,076**

(*) Revenues are stated net of marginal costs of €16,950 thousand (€18,590 thousand at 30/09/2017).

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

At 30 September 2018, revenues increased by €1,186 thousand compared to the same period of 2017, from €162,076 thousand at 30 September 2017 to €163,262 thousand at 30 September 2018.

"Revenues from the RAI Group" amounted to €138,433 thousand, equal to 85% of total revenues at 30 September 2018, an increase of €2,656 thousand compared to the same period of 2017. This increase derived mainly from the new services requested by the customer for additional "evolutionary" services and, to a lesser extent, by the positive effect of inflation.

"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 €1,470 thousand year on year, primarily due to reduced tower rental services.

Other revenues and income (note 6)

"Other revenues and income" amounted to €56 thousand in the first nine months of 2018, a decrease of €721 thousand compared to 30 September 2017, due mainly to lower income from insurance reimbursements for damages.

Costs (note 7)

"Consumables and goods purchase costs" decreased by €223 thousand, from €793 thousand at 30 September 2017 to €570 thousand at 30 September 2018. These costs mainly include costs for the purchase of technical materials inventory and fuel for generators and heating.

"Service costs" amounted to €37,322 thousand at 30 September 2018, increasing by €258 thousand compared to 30 September 2017, mainly due to the increase in non-recurring expenses attributable to consultancy services on non-organic development activities and utilities. Other items under "service costs" decreased compared to the same period of last year due to the positive effect of efficiency initiatives launched on the contractual provision of intercompany services and rental costs, as well as to the reduction in other operating costs.

"Personnel costs" amounted to €32,879 thousand, a decrease of €969 thousand compared to 30 September 2017 (€33,848 thousand), due in part to the reduction in Company headcount as a result of the redundancy initiatives.

Capitalized personnel costs amount to €1,724 thousand at 30 September 2018 (€1,358 thousand at 30 September 2017).

"Other costs" fell by €291 thousand, from €2,654 thousand at 30 September 2017 to €2,363 thousand at 30 September 2018. The drop was driven by lower costs for IMU taxes and lower indirect taxes.

"Write-downs of financial assets" posted a negative balance (positive income component) of €93 thousand at 30 September 2018, compared to a positive balance (negative income component) of €20 thousand at 30 September 2017. The decrease of €113 thousand was mainly driven by the absorption of bad debt provisions for receivables subsequently collected.

From 2018, for the correct application of IFRS 9, impairment losses (and reversals) have been reclassified from "Amortization, depreciation and write-downs" to a specific item "Write-downs of financial assets" in the statement of financial position.

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

"Amortization, Depreciation, and other Write-downs" amount to €24,445 thousand at 30 September 2018 (€24,918 thousand at 30 September 2017). The change of €472 thousand was mainly due to completion of the amortization process for certain assets.

Financial income and expenses (note 9)

"Financial income" showed a near-neutral balance, with a decrease of €72 thousand compared to 30 September 2017 due to lower interest income recorded in the reference period.

"Financial expenses" show a balance of €1,036 thousand, down €307 thousand compared to the same period of the previous year (€1,343 thousand at 30 September 2017), mainly due to a decrease in "Interest on loans" caused by the full repayment of the term facility as described under "Significant events".

Income taxes (note 10)

The item breaks down as follows:

	9 months	
(in thousands of Euro)	**2018**	**2017**
Current taxes	18,460	16,960
Deferred taxes	(708)	1,357
Taxes related to previous years	(143)	(47)
Total	**17,609**	**18,270**

"Current taxes" amounted to €18,460 thousand, showing an increase on the previous period of €1,500 thousand. The higher figure was driven by higher profit before income taxes and the higher impact this year of adjustments, mainly as a result of lower drawdowns of provisions for risks and charges.

Deferred taxes posted a negative balance of €708 thousand, a decrease of €2,064 thousand compared to 30 September 2017, due mainly to the elimination of residual taxable temporary differences arising from mismatches between the carrying amount and taxable amount of the customer portfolio. The latter originated from the deficit following the merger by acquisition of Sud Engineering, for which the Company elected to exercise the substitute tax option. The decrease is also offset by the reduced release of deferred tax assets resulting from less use of provisions relating to employee benefits and the tax effects of IFRS 15.

Notes on principal changes in the Statement of Financial Position

Non-current assets (note 11)

Tangible assets amounted to €176,576 thousand at 30 September 2018, a decrease of €12,111 thousand compared to 31 December 2017, mainly due to depreciation for the period, which was partially offset by capital expenditures made during the first nine months (€11,483 thousand).

Intangible assets amounted to €11,107 thousand, down by €81 thousand on 31 December 2017. The drop was mainly driven by amortisation for the period, partially offset by capital expenditures in software licences (for €790 thousand).

There was a deferred tax asset balance of €3,013 thousand at 30 September 2018, an increase of €848 thousand compared to 31 December 2017 due to the higher receivables due from the tax authorities for prepaid taxes.

"Other non-current assets" at 30 September 2018, totalling €1,325 thousand, rose by €970 thousand compared to the previous year, driven by the recognition of substitute tax paid on the merger deficit generated from the merger by acquisition of Sud Engineering, which became effective as of 22 June 2017. The Company opted for the ordinary regime provided by Article 176, paragraph 2-ter of the Consolidated Income Tax Law, for which substitute tax is recognised as a prepayment of current taxes.

Current assets (note 12)

Inventory amounted to €886 thousand, in line with the values at 31 December 2017.

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

Trade receivables amounted to €85,016 thousand and break down as follows:

(in thousands of Euro)	**30/09/2018**	**31/12/2017**
Receivables from RAI	64,575	58,558
Receivables from customers	22,504	15,794
Bad debt provision	(2,063)	(2,397)
Total trade receivables	**85,016**	**71,955**

The increase of €13,061 thousand during the period was driven by growth in Company receivables due from Rai under the Service Agreement and from third party customers.

"Other current receivables and assets" totalled €6,283 thousand at 30 September 2018, up by €924 thousand compared to 31 December 2017, mainly due to higher prepaid expenses for costs not accruing to the period.

At 30 September 2018, "Current financial assets" amount to €108 thousand, a decrease of €39 thousand from the prior year principally related to the decrease in financial receivables due from the Parent Company.

"Cash and cash equivalents" amount to €6,716 thousand at 30 September 2018.

The decrease of €49,179 thousand for the period was mainly driven by the payment of dividends and repayment of the term facility, as described under "Significant events", to which reference should be made for further details.

Current tax receivables amounted to €73 thousand at 30 September 2018, a rise of €65 thousand compared to the previous year. The higher figure was due to substitute tax paid on the merger deficit, as reported above in the section on "Other non-current assets".

Shareholders' equity (note 13)

At 30 September 2018, the Company's shareholders' equity amounted to €168,059 thousand, a decrease of €8,331 thousand 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 €512 thousand at 30 September 2018, a decrease of €30,095 thousand compared to 31 December 2017 (€30,606 thousand) due to full repayment of the term facility.

"Employee benefits" amounted to €15,362 thousand, showing a drop of €1,081 thousand compared to 31 December 2017. The lower figure was mainly due to downsizing of the average workforce, also in relation to the redundancy incentive plan introduced by the Company.

"Provisions for risks and charges" totalled €16,283 thousand, up by €299 thousand on 31 December 2017 (€15,985 thousand), mainly due to the increase in provisions for charges.

The timing of drawdowns of "Provisions for risks and charges" cannot be estimated with 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 deficit, as reported in the section on "Non-current assets".

Current liabilities (note 15)

Trade payables amounted to €37,802 thousand and break down as follows.

(in thousands of Euro)	**30/09/2018**	**31/12/2017**
Payables to suppliers	34,659	33,428
Payables to the Parent Company	3,143	4,262
Total trade payables	**37,802**	**37,690**

"Other current payables and liabilities" amounted to €32,662 thousand at 30 September 2018, up by €3,761 thousand on the end of 2017. The increase was essentially due to higher deferred income for revenues not accruing to the period, in part as a result of the introduction of IFRS 15, offset by lower payables to Rai under the tax consolidation and reduced tax payables.

At 30 September 2018, "Current financial liabilities" amount to €18,200 thousand, a decrease of €12,080 thousand compared to 31 December 2017, principally as a result of the early repayment of the term facility as described in greater detail under "Significant events".

Current tax payables totalled €1,913 thousand at 30 September 2018, up by €1,503 thousand on 31 December 2017 due to the IRAP tax payable and recognition of the first two instalments of substitute tax on the merger deficit, as specified in the section "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.

	9 months	
(in Euro)	**2018**	**2017**
Profit for the period	47,195,513	44,043,234
Average number of ordinary shares	272,000,000	272,000,000
Earnings per share (basic and diluted)	**0.17**	**0.16**

Diluted earnings per share are 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 components 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.

As described under "Significant events", to which reference should be made, on 30 July 2018 full early repayment was made on the term facility.

The loan agreement also includes a revolving credit facility of €50 million, with €18,000 thousand of this used as at 30 September 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 2017 Financial Report and Financial Statements (section "Current and Non-Current Financial Assets and Liabilities"), published on the Company website.

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

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

	(in thousands of Euro)	At 30 September 2018	At 31 December 2017
A.	Cash	7	7
B.	Bank and postal cheques and deposits	6,709	55,888
C.	Securities held for trading	-	-
D.	**Liquidity (A) + (B) + (C)**	**6,716**	**55,895**
E.	**Current financial receivables**	**108**	**146**
F.	Current bank debt	(18,116)	(30,196)
G.	Current portion of non-current debt	-	-
H.	Other current financial payables	(84)	(84)
I.	**Current financial indebtedness (F) + (G) + (H)**	**(18,200)**	**(30,280)**
J.	**Net current financial indebtedness (I) - (E) - (D)**	**(11,376)**	**25,761**
K.	Non-current bank debt	(279)	(30,335)
L.	Bonds issued	-	-
M.	Other non-current payables	(233)	(271)
N.	**Non-current financial indebtedness (K) + (L) + (M)**	**(512)**	**(30,606)**
O.	**ESMA net financial indebtedness/Net financial position**	**(11,888)**	**(4,845)**

Commitments and guarantees (note 18)

Commitments, referring only to technical investments, amount to €8.4 million at 30 September 2018 (€10.3 million at 31 December 2017).

At 30 September 2018, guarantees amount to €57,382 thousand (€63,635 thousand at 31 December 2017) and refer mainly to personal guarantees received on third-party obligations and to 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, during the first nine months of 2018, the Company was not party to any abnormal and/or unusual operations as defined in that communication.

Other Information (note 20)

Contingent 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 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.

Lastly, Rai Way is 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 land by the Company's owned installations is calculated.
Although it is arguing its case before the relevant courts, assisted in this by the support of specialized law firms, the Company has recognized amounts in the financial statements as provisions for risks and charges that management considers will probably be payable should it lose the cases, 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, 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 land usage 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 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 it is probable that costs may be incurred in the future to meet the claims made, and has therefore 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, 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 September 2018. The Group carries out transactions mainly of a commercial and financial nature with the following related parties:

- Rai;
- the Group's key managers ("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 statement of financial position balances held with related parties at 30 September 2018 and 31 December 2017.

Transactions with Related Parties (Statement of Financial Position)

(in thousands of Euro)	Parent Company	Senior Mgt	Other rel. parties	Total
Non-current financial assets				
At 30 September 2018				**-**
At 31 December 2017				**-**
Current financial assets				
At 30 September 2018	37			**37**
At 31 December 2017	76			**76**
Current trade receivables				
At 30 September 2018	64,575		284	**64,859**
At 31 December 2017	58,558		255	**58,813**
Other current receivables and assets				
At 30 September 2018	2,426		1	**2,427**
At 31 December 2017	2,538		10	**2,548**
Current financial liabilities				
At 30 September 2018				**-**
At 31 December 2017				**-**
Trade payables				
At 30 September 2018	3,143			**3,143**
At 31 December 2017	4,262			**4,262**
Other current payables and liabilities				
At 30 September 2018	15,866	219	123	**16,208**
At 31 December 2017	17,311	849	-	**18,160**
Employee benefits				
At 30 September 2018			118	**118**
At 31 December 2017		120	117	**237**

Reported below is the breakdown of statement of financial position balances held with related parties at 30 September 2018 and 30 September 2017.

Transactions with Related Parties (Income Statement)

(in thousands of Euro)	Parent Company	Senior Mgt	Other rel. parties	Total
Revenues (*)				
At 30 September 2018	154,574		809	**155,383**
At 30 September 2017	153,610		777	**154,387**
Other revenues and income				
At 30 September 2018	-		-	**-**
At 30 September 2017				**-**
Consumables purchase costs				
At 30 September 2018				**-**
At 30 September 2017	1			**1**
Service costs				
At 30 September 2018	8,345		9	**8,354**
At 30 September 2017	8,914		9	**8,923**
Personnel costs				
At 30 September 2018	15	1,726	585	**2,326**
At 30 September 2017	(11)	1,779	639	**2,407**
Other costs				
At 30 September 2018	84		-	**84**
At 30 September 2017	16			**16**
Financial income				
At 30 September 2018	-		-	**-**
At 30 September 2017	13			**13**
Financial expenses				
At 30 September 2018	-		-	**-**
At 30 September 2017				**-**

(*) Amounts are shown gross of marginal costs of the Parent Company for €16,391 thousand (€18,060 thousand at 30/09/2017) and of Other related parties for €559 thousand (€530 at 30/09/2017)

Parent Company

Dealings with the Parent Company, Rai, at 30 September 2018 mainly consisted of: the Service Agreement renegotiated on 31 July 2014 for the provision of new integrated network and evolutionary 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 managers who have the power and direct and indirect responsibility for planning, managing and controlling the activities of Rai Way, *inter alia* including 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, 13 November 2018

on behalf of the Board of Directors

C.E.O.

Aldo Mancino

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

The manager in charge of preparing the corporate accounting documents of Rai Way S.p.A., Adalberto Pellegrino, declares, pursuant to article 154-bis, paragraph 2 of the Consolidated Finance Act, that the accounting information contained in this interim financial report at 30 September 2018 corresponds to the supporting documentation, accounting books and records.

Rome, 13 November 2018

Adalberto Pellegrino

Manager in charge of preparing the
corporate accounting documents