



Half-yearly financial report at 30 June 2016

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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
Company website:	www.raiway.it
Vat number:	05820021003

Subject to management and coordination by RAI - Radiotelevisione Italiana S.p.A

Corporate Bodies and Committees¹

Board of Directors

Chairman

Raffaele Agrusti

Chief Executive Officer

Stefano Ciccotti

Directors

Joyce Victoria Bigio

Fabio Colasanti

Alberto De Nigro

Anna Gatti

Nicola Claudio

Secretary to the Board

Giorgio Cogliati

Control and Risks Committee

Joyce Victoria Bigio (Chair)

Fabio Colasanti

Alberto De Nigro

Board of Statutory Auditors

Chairman

Maria Giovanna Basile

Standing Auditors

Giovanni Galoppi

Massimo Porfiri

Substitute Auditors

Roberto Munno

Nicoletta Mazzitelli

External Auditors

PricewaterhouseCoopers S.p.A.

Remuneration and Appointments Committee

Anna Gatti (Chair)

Joyce Victoria Bigio

Fabio Colasanti

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 which may be consulted on the Company's website (www.raiway.it).

Rai Way's Activities

Rai Way (hereafter the Company) operates in the communications infrastructure sector providing integrated services to its customers. More specifically, Rai Way is the company of the Rai Group owning the Group's infrastructure and television and radio signal transmission and broadcasting equipment.

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 transmissions 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, that has matured over ninety years of activity. The Company now manages the technical infrastructure enabling it to broadcast radio and television programs 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 for 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, fiber optic) and in particular the one-

way transport of video/audio/data (a) via analog or digital circuits between fixed sites and (b) via radiofrequency signals from the satellite within a geographical area of a suitable size, and connected services;

(iii) Tower rental services, meaning (a) the hosting in our sites of transmission equipment related to radio, television, mobile telephony and telecommunications signals and (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 (by way of mere example planning, construction, installation, maintenance and management activities as well as consultancy, monitoring and radio emissions protection services).

The type of customer that 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 also Rai), Telecommunications Operators (mostly mobile network operators) or Public Administration and Corporate Entities (a catch-all residual category to include national and regional administrative entities of the Republic of Italy and non-physical persons).

Main alternative performance measures

The Company assesses performance on the basis of certain indicators not envisaged by IFRSs. 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*. EBITDA also excludes income and expense from investment and security management as well as any gains or losses on the disposal of investments, classified in the financial statement formats as “financial income and expenses”.
- Net operating profit or EBIT – *earnings before interest and taxes before adjustments*. EBIT also excludes income and expense from investment and security management as well as any gains or losses on the disposal of investments, classified in the financial statement formats as “financial income and expenses”.

- Invested capital: this is the sum of property, plant and equipment and net working capital excluding provisions.
- Net Financial Position: the format used for the calculation is that provided in paragraph 127 of Recommendation CESR/05-054b implementing Commission Regulation (EC) No. 809/2004.

Summary of economic and financial data

The following is a summary of economic data at 30 June 2016 compared to results at 30 June 2015. In addition, figures are also provided for the Company's net financial position and invested capital at 30 June 2016 compared to equivalent figures at the close of the previous financial year. The changes and percentages shown in the following tables are calculated using values expressed in Euros.

Key ratios Rai Way S.p.A.**6 months**

<i>(in Euro millions; %)</i>	2016	2015	Change %
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Key income statement data

Core revenues	106.6	105.0	1.5%
Adjusted EBITDA	55.6	53.7	3.6%
EBITDA	52.2	53.6	(2.5%)
EBIT	30.8	30.5	0.9%
Profit before taxation	29.7	29.4	0.8%
Profit for the period	19.6	19.8	(0.8%)

Key balance sheet data (*)

Capital expenditure	4.8	7.1	(32.4%)
Invested capital	168.8	200.9	(16.0%)
Net equity	138.9	159.3	(12.8%)
Net financial position	29.9	41.6	(28.1%)

Key ratios

Adjusted EBITDA/Core revenues	52.2%	51.1%	2.1%
EBITDA/Core revenues	49.0%	51.2%	(4.3%)
EBIT/Core revenues	28.9%	29.0%	(0.5%)
Profit for the period/Core revenues	18.4%	18.8%	(2.3%)
Cash conversion rate	94.1%	88.1%	6.8%

(*) The comparative figures of Invested Capital, Net equity and the Net financial position are shown at December 31, 2015

- Core revenues were €106.6 million, an increase of 1.5% compared to 30 June 2015.
- Adjusted EBITDA was €55.6 million, an increase of €1.9 million compared to 30 June 2015, mainly due to higher revenues by RAI and lower operating costs. The Company defines this indicator as EBITDA adjusted for non-recurring expenses.
- EBITDA was €52.2 million, a decrease of €1.4 million due to expenses related to the voluntary layoff incentive.
- The ratio of Adjusted EBITDA to core revenues was 52.2% compared to 51.1% at 30 June 2015.
- Net operating profit (EBIT) was €30.8 million, an increase of €0.3 million compared to 30 June 2015.

- Net Profit was €19.6 million, a decrease of 0.8% compared to 30 June 2015 due to higher expenses related to deferred taxes.
- Investments amounted to €4.8 million. Net invested capital was €168.8 million, with a net financial position of €29.9 million and net equity of €138.9 million.

6 months				
(in Euro millions)	2016	2015	Delta	Change %
Revenues from RAI	89.6	88.0	1.6	1.8%
Revenues from third parties	17.0	17.0	(0.0)	(0.2%)
TOTAL REVENUES	106.6	105.0	1.6	1.5%
Other revenues and income	0.1	0.2	(0.1)	(66.3%)
Personnel costs	(24.2)	(23.9)	(0.3)	(1.2%)
Operating costs	(26.9)	(27.7)	0.8	3.0%
EBITDA (Adj)	55.6	53.7	1.9	3.6%
EBITDA Margin	52.2%	51.1%	1.1%	2.1%
Adjustments	(3.4)	(0.1)	(3.3)	N.M.
EBITDA	52.2	53.6	(1.4)	2.5%
Amortization and depreciation	(21.3)	(23.2)	1.9	8.0%
Write-downs	0.0	(0.2)	0.2	101.9%
Allocation	(0.2)	0.2	(0.4)	(172.3%)
OPERATING PROFIT	30.8	30.5	0.3	0.9%
Financial management	(1.1)	(1.0)	(0.0)	(4.4%)
PROFIT BEFORE INCOME TAXES	29.7	29.4	0.2	0.8%
Income tax	(10.0)	(9.6)	(0.4)	(4.2%)
PROFIT FOR THE PERIOD	19.6	19.8	(0.2)	(0.8%)
PROFIT margin	18.4%	18.8%	(0.4%)	2.3%

Rai Way had revenues of €106.6 million, an increase of €1.6 million compared to the previous period (+1.5%).

The activities carried out for the Rai Group generated revenues of €89.6 million, an increase of 1.8% compared to the same period of the previous year. The increase derived from "new services" requested by the Customer. With regard to commercial relationships with other customers, revenues from third parties were €17.0 million, slightly less than at 30 June 2015.

Other revenues and income show a decrease of €0.1 million compared to the same period of the previous year, due mainly to lower insurance reimbursements for damages and lower reimbursements of contributions and taxes.

Personnel costs on the Income Statement amounted to €24.2 million, an increase of €0.3 million compared to the same period of 2015 (€23.9 million), mainly due to a lower value of capitalized costs.

Costs of operation, which include consumables and goods, cost of services and other costs, were €26.9 million, a decrease of about €0.8 million compared to the previous period, due mainly to lower costs for utilities (electricity), maintenance, and repairs. Adjusted EBITDA was €55.6 million, an increase of €1.9 million compared to 30 June 2015, with a marginality of 52.2%.

EBITDA was €52.2 million, a decrease of €1.4 million due mainly to expenses related to voluntary layoff incentives (€3.4 million).

The operating income was €30.8 million, an increase of €0.3 million compared to 2015, due in part to lower depreciation and amortization (€2.1 million).

Net profit was €19.6 million, down slightly (€0.2 million) compared to the same period of 2015, due to higher expenses related to deferred taxes.

Investments amounting to €4.8 million were made in the first half of 2016 (€7.1 million in the same period of 2015), of which €1.5 million were for development initiatives and €3.3 million for maintenance of the network infrastructure.

<i>(in euro millions)</i>	31/06/2016	31/12/2015
Fixed assets	210	227
Net working capital	(3)	13
Net provisions	(38)	(39)
Invested capital	169	201
Net financial position	30	42
Net equity	139	159
Total funding	169	201

Net Invested Capital at 30 June 2016 decreased compared to 31 December 2015, amounting to €32 million due mainly to contraction of fixed assets because of higher value of amortizations for the period compared to the value of investments and to a contraction of net working capital. Net Financial Position was €30 million, decreased compared to 31

December 2015 due to the generation of positive cash flow in the first half of the year from operations.

Human Resources and Organization

Rai Way had a workforce of 624 people at 30 June 2016 employed on a permanent basis: 22 executives, 136 middle managers, 432 technicians or office staff (of which 12 with apprenticeship contracts), and 34 workers. In addition, 20 employees had fixed-term contracts.

The average number of employees increased from 640 in the first six months of 2015 to 642 in the same period of 2016.

Relationships with companies of the Rai Group

Relationships mostly of a commercial nature are maintained with the Parent Company Rai - Radiotelevisione Italiana S.p.A., while those of a financial nature regard an intercompany current account used for residual payments. Relationships 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 following significant events occurred:

- on 29 January 2016, the Board of Directors appointed Nicola Claudio as director of the Company pursuant to Art. 2986 paragraph 1 of the Italian Civil Code to replace Salvatore Lo Giudice, who had resigned in November 2015;
- on 21 March 2016, the Board of Directors approved:
 - the draft financial statements for 2015 and the proposal to distribute a dividend of €0.1432 per share, for a total of €38.9 million;
 - the proposal to authorize the purchase of treasury shares, to be conducted within eighteen months following the date of the shareholders resolution, up

to a maximum number of such shares not exceeding 10% of the share capital, at a price neither lower nor higher than 20% of the official trading price of shares registered by Borsa Italiana S.p.A. on the trading day prior to each transaction, as well as the disposal of same;

- on 21 March 2016, the Chairman of the Board of Directors, Camillo Rossotto, tendered his resignation as director (and thus as Chairman of the Board of Directors), effective at the conclusion of the next Shareholders Meeting.
- on 28 April 2016, the Shareholders Meeting of Rai Way, among other things:
 - approved the Company's financial statements and the distribution of dividends to Shareholders for €36,995,219.11 as profit for the year net of the legal reserve, and €1,955,180.89 withdrawn from the available reserve referred to in the item "Retained earnings," and the consequent distribution of a dividend of €0.1432 gross to each ordinary share in circulation;
 - resolved to integrate the Board of Directors with the appointment, with term until the expiration of the current Board (i.e., until the Shareholders Meeting called to approve the Financial Statements at 31 December 2016), of Nicola Claudio, as confirmation of the co-option previously conducted, and of Raffaele Agrusti, subsequently appointing Raffaele Agrusti as Chairman of the Board of Directors;
 - approved the proposal of the Board of Directors to authorize the purchase and disposal of treasury shares.

Disclosure on the main risks and uncertainties faced by the Company

The pursuit of the corporate mission, as well as the Company's operating results, financial position, and cash flows, are influenced by various potential risks and uncertainties.

A detailed analysis of risks was presented in the Financial Statements and Management Report at 31 December 2015 – Management Report section (Risk factors influencing the company), published on the Company's website.

Subsequent events to 30 June 2016

There are no significant events to be reported which had an effect on the Company's financial position at 30 June 2016 or on the results from its operations and its cash flows for the six months then ended.

Business outlook

Results for the first half of 2016 are in line with management expectations, confirming the economic-financial objectives specified in the 2015 financial statements:

- Adjusted EBITDA expected at around €110 million;
- maintenance capex on revenues below 10%.

Coordination and control

The Company 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 "Coordination and control activity" section of the Report on 2015 operations included in the 2015 Annual Report published on the Company's website.

Rome, 28 July 2016

for the Board of Directors

Raffaele Agrusti

Chairman

Interim financial statements at 30 June 2016

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

(in Euro)	6 months	
	2016	2015
Revenues	106,598,637	105,032,009
Other revenues and income	75,450	224,057
Purchase of consumables	(635,931)	(601,027)
Cost of services	(24,461,006)	(25,376,990)
Personnel costs	(27,537,749)	(23,879,881)
Other costs	(1,825,538)	(1,827,814)
Amortization, depreciation and write-downs	(21,291,969)	(23,344,884)
Allocations	(171,554)	237,423
Operating profit	30,750,340	30,462,892
Financial income	22,023	52,882
Financial expenses	(1,099,899)	(1,085,525)
Total financial income and expenses	(1,077,876)	(1,032,642)
Profit before income taxes	29,672,464	29,430,250
Income tax	(10,047,675)	(9,645,791)
Profit for the period	19,624,789	19,784,458

Statement of comprehensive income Rai Way S.p.A.

(in Euro)	6 months	
	2016	2015
Profit for the period	19,624,789	19,784,458
Items that will be reclassified to the income statement		
Gain (loss) on hedging instruments (cash flow hedge)	(96,928)	-
Tax effect	27,622	-
Items that will not be reclassified to the income statement		
Actuarial gains (losses) on employee benefits	(1,237,209)	491,318
Tax effect	296,930	(135,112)
Total comprehensive income for the period	18,615,204	20,140,664

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

Statement of financial position Rai Way S.p.A.(*)

<i>(in Euro)</i>	30 June 2016	31 December 2015
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Non-current assets

Property, plant and equipment	207,879,616	224,496,654
Intangible assets	1,866,977	1,830,934
Non-current financial assets	142,770	173,850
Deferred tax assets	4,519,091	4,473,254
Other non-current assets	340,426	339,150
Total non-current assets	214,748,880	231,313,843

Current assets

Inventory	930,888	1,001,152
Trade receivables	67,363,535	70,333,433
Other current receivables and assets	5,339,852	4,465,554
Current financial assets	230,448	298,572
Cash and cash equivalents	75,985,589	78,940,807
Tax receivables	316,571	485,869
Total current assets	150,166,883	155,525,386
Total assets	364,915,763	386,839,228

Shareholders' equity

Share capital	70,176,000	70,176,000
Legal reserve	10,070,018	8,122,901
Other reserves	37,009,664	37,078,970
Retained earnings	21,671,219	43,884,226
Total shareholders' equity	138,926,901	159,262,097

Non-current liabilities

Non-current financial liabilities	75,730,793	90,617,939
Employee benefits	20,142,718	20,319,478
Provisions for risks and charges	18,294,960	18,352,923
Other non-current payables and liabilities	-	-
Deferred tax liabilities	-	-
Total non-current liabilities	114,168,471	129,290,340

Current liabilities

Trade payables	35,006,758	37,178,889
Other current payables and liabilities	44,868,172	28,341,491
Current financial liabilities	30,349,115	30,244,854
Tax payables	1,596,346	2,521,557
Total current liabilities	111,820,391	98,286,791
Total liabilities and shareholders' equity	364,915,763	386,839,228

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

Statement of changes in equity Rai Way S.p.A. (*)

	Share capital	Legal reserve	Other reserves	Retained earnings	Total
<i>(in Euro)</i>					
1 January 2015	70,176,000	6,890,612	37,078,970	39,644,818	153,790,400
Comprehensive income for the period				19,784,458	19,784,458
Gains and losses from actuarial valuation				356,206	356,206
Allocation of profit to reserves		1,232,289		(1,232,289)	-
Dividend distribution				(33,564,800)	(33,564,800)
30 June 2015	70,176,000	8,122,901	37,078,970	24,988,392	140,366,263
Comprehensive income for the period				19,157,878	19,157,878
Gains and losses from actuarial valuation				(262,044)	(262,044)
31 December 2015	70,176,000	8,122,901	37,078,970	43,884,226	159,262,097
Comprehensive income for the period				19,624,789	19,624,789
Gains and losses from actuarial valuation				(940,279)	(940,279)
Reserve cash flow hedge			(69,306)		(69,306)
Allocation of profit to reserves		1,947,117		(1,947,117)	-
Dividend distribution				(38,950,400)	(38,950,400)
30 June 2016	70,176,000	10,070,018	37,009,664	21,671,219	138,926,901

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

Cash flow statement Rai Way S.p.A. (*)

(in Euro)	30 June 2016	30 June 2015
Profit before income taxes	29,672,464	29,430,250
Adjustments for:		
Amortization, depreciation and write-downs	21,291,969	23,344,884
Allocations to (releases from) provisions for personnel and other provisions	1,328,235	(1,278,520)
Net financial income	981,563	1,032,642
Cash flows from operating activities before changes in net working capital	53,274,231	52,529,256
Change in inventory	70,264	(87,151)
Change in trade receivables	2,973,526	(1,241,758)
Change in trade payables	(2,172,131)	(5,582,830)
Change in other assets	(874,299)	(728,324)
Change in other liabilities	8,173,814	2,045,991
Use of provision for risks	(325,830)	(129,027)
Payment of benefits to employees	(2,623,581)	485,546
Change in tax receivables and payables	(1,221,435)	(521,259)
Taxes paid	(950,570)	(12,446,757)
Net cash from (used in) operating activities	56,323,988	34,323,687
Investments in property, plant and equipment	(4,533,295)	(6,933,885)
Disposals of property, plant and equipment	52,357	62,512
Investments in intangible assets	(233,663)	(118,268)
Disposals of intangible assets	-	-
Change in non-current financial assets	31,080	30,511
Change in other non-current assets	(1,276)	-
Interest received	22,023	52,882
Net cash from (used in) investing activities	(4,662,775)	(6,906,249)
(Decrease) increase in medium/long-term loans	(15,000,000)	25,017,668
(Decrease) increase in current financial liabilities	(315,575)	14,989,952
Change in current financial assets	68,124	169,628
Interest paid	(418,580)	(853,235)
Dividends distributed	(38,950,400)	(33,564,800)
Net cash from (used in) financing activities	(54,616,431)	5,759,214
Change in cash and cash equivalents	(2,955,218)	33,176,653
Cash and cash equivalents at the beginning of the period	78,940,807	14,657,765
Cash and cash equivalents at the end of the period	75,985,589	47,834,418

(*) 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 to the half-yearly financial statements at 30 June 2016

Introduction

The separate half-yearly financial statements at 30 June 2016, consisting of a Statement of Assets and Liabilities, an Income Statement, a Statement of Comprehensive Income, a Cash Flow Statement a Statement of Changes in Shareholder Equity, and these Notes, have been prepared in accordance with Art. 154 ter of Italian Legislative Decree 58/1998 and subsequent amendments, as well as with the Issuer Regulations emanated by Consob.

The half-yearly financial statements have been prepared in conformity to 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 SpA and were approved on 28 July 2016 by the Board of Directors, which authorized their publication.

The structure and content of the accounting schedules in the half-yearly financial statements and of the related compulsory schemes conform to those prepared for the annual financial statements. Where applicable, the same criteria and standards applied to the consolidated financial statements at 31 December 2015 – except for those specifically applicable to interim reports - were used to prepare these abbreviated half-yearly financial statements and the half-yearly report at 30 June 2015. The new standards that took effect on 1 January 2016 had no significant effect on these abbreviated half-yearly financial statements.

The notes are written in conformity to the minimum contents required by IAS 34 – Interim Financial Reporting, and to 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 information required in the annual financial statements; they refer exclusively to components which, due to amount, composition, or transactions, are essential for 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 2015.

These abbreviated half-yearly financial statements present a comparison with data from the last financial statement of Rai Way at 31 December 2015 with regard to the balance

sheet, and with data from the last abbreviated half-yearly financial statements of Rai Way at 30 June 2015 with regard to the income statement.

The preparation of these abbreviated half-yearly financial statements at 30 June 2016 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 2016. Some of the evaluation processes, especially the most complex ones, such as the determination of impairment 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.

Changes and interpretations of current standards, effective as of 1 January 2016

With regard to the application of current accounting standards and to recently issued ones, reference is made to the Financial Statements and Management Report at 31 December 2015 – Notes, paragraph “Summary of accounting standards,” published on the Company's website, specifying that on the closing date of the half-year all of the accounting standards previously approved by the European Union became applicable.

With regard to accounting standards that have not yet been approved, reference is made to the above-mentioned paragraph in the 2015 Financial Statements with the exception of IFRS 14, whose approval is awaiting definition of the final standard, and of IFRS 10 and IAS 28, whose approval date has been postponed to a date to be determined.

Segment information

Segment information is provided in the report on operations included in the 2015 Annual Report (in the paragraph discussing the Company's reference market) published on the Company's website, and reference should be made to this.

Seasonality of the business

There are no significant seasonality factors that affect the Company's results.

Notes on principal changes to the Income Statement

Revenues

This item is broken down as follows:

(in Euro)	6 months	
	2016	2015
Revenues from the RAI Group	89,610	88,012
Revenues from third parties	16,989	17,020
- <i>Systems and equipment hosting fees</i>	16,073	16,004
- Other	916	1,016
Total revenues	106,599	105,032

"Revenues" includes revenues generated in the year by performance of services included in the company's normal operations.

At 30 June 2016, Revenues increased by €1,567 thousand compared to the same period of 2015, increasing from €105,032 thousand at 30 June 2015 to €106,599 thousand at 30 June 2016.

"Revenues from RAI Group" amount to €89,610 thousand, equal to 84.1% of total Revenues at 30 June 2016, an increase of €1,598 thousand compared to the same period of 2015. This increase derived mainly from advanced services requested by the customer.

"Revenues from third parties" mainly includes revenues generated from the services of (i) tower rental, (ii) broadcasting, (iii) transmission, and (iv) network services, that the Company provided to third parties other than Rai. These revenues are substantially in line with last year's works.

Other revenue and income

"Other revenue and income" amounted to €75 thousand in the first six months of 2016, a decrease of €149 thousand compared to 30 June 2015, due mainly to lower insurance reimbursements for damages and to the reimbursement of contributions and taxes. The release of funds, previously contained in this item, have been reclassified to provisions starting this year.

Costs

"Costs of consumables and goods" increased by €35 thousand, from €601 thousand at 30 June 2015 to €636 thousand at 30 June 2016. These costs mainly include costs for the purchase of technical materials for the warehouse, and fuels for generators and heating. Specifically, the increase derived mainly from the use of warehouse materials that was only partially offset by lower costs of fuels and technical materials.

"Cost of services" decreased by €916 thousand, from €25,377 thousand at 30 June 2015 to €24,461 thousand at 30 June 2016, mainly due to lower electricity, maintenance, repairs, and consulting costs.

"Personnel costs" amount to €27,537 thousand, an increase of €3,657 thousand compared to €23,880 thousand at 30 June 2015, due mainly to costs related to the voluntary layoff incentive. Without considering the impact of this incentive, Personnel costs are €24,174 thousand.

"Other costs" are in line with the previous year, decreasing from €1,828 thousand at 30 June 2015 to €1,826 thousand at 30 June 2016.

Amortization, depreciation and write-downs

"Amortization," included in the item "Amortization, Depreciation, and Write-downs," was €21,296 thousand at 30 June 2016 (€23,155 thousand at 30 June 2015). The change of €1,859 thousand was due mainly to completion of the amortization process for certain assets.

Provisions

"Provisions" has a balance of €172 thousand, represented mainly by the provision to the civil litigation and legal expenses fund, with an increase of €409 thousand caused by the previous year release of €237 thousand in funds for potential liabilities.

Financial Income and Expenses

"Financial Income" are €22 thousand, decreased by €31 thousand compared to €53 thousand at 30 June 2015, due mainly to contraction of overdue interest on receivables from customers.

"Financial expenses" are €1,100 thousand, increased by €14 thousand compared to the same period of last year. Financial expenses include the interests payable on the

financing agreement stipulated with Mediobanca, BNP Paribas S.A., Intesa Sanpaolo S.p.A., and UBI Banca Società Cooperativa per Azioni in the fourth quarter of 2014. Specifically, the change derived mainly from the increase in the interests payable on the above-mentioned financing agreement and from interests on employee-benefit bonds partially offset by the contraction of adjustment interests on the dismantling and repair provision, whose discounting rate has remained unchanged because deemed consistent with respect to 31 December 2015.

Income Tax

This item may be analyzed as follows:

(in Euro)	6 months	
	2016	2015
Current taxes	9,715	9,645
Deferred taxes	279	(8)
Taxes pertaining to previous years	54	9
Total	10,048	9,646

Profit for the period

Profit for the period is €19,625 thousand, with a slight decrease of €160 thousand compared to the same period of 2015 due to higher expenses related to deferred taxes.

Notes on principal changes to the Balance Sheet

Non-current assets

At 30 June 2016, Rai Way had tangible assets amounting to €207,879 thousand, a decrease of €16,617 thousand compared to 31 December 2015 due to depreciation of €21,365 thousand, investments of €4,534 thousand in the period, and other minor changes. Specifically, the investments mainly regarded "Tangible assets under construction and advances," mostly with respect to the Company's infrastructure network and related equipment. The Company's intangible assets amount to €1,867 thousand, a slight increase

of €36 thousand compared to 31 December 2015 due to investments of €234 thousand in the period, offset by amortizations of €198 thousand.

Non-current financial assets amount to €143 thousand, a decrease of €31 thousand compared to 31 December 2015.

Deferred tax assets amount to €4,519 thousand, an increase of €46 thousand due mainly to decreased tax credits for prepaid taxes and a simultaneous reduction of the allowance for deferred tax liabilities.

Current assets

Inventory amounts to €931 thousand, a decrease of €70 thousand compared to 31 December 2015.

Inventory consists of contract work in progress and stocks and spare parts for the maintenance and use of technical business assets. Trade receivables, amounting to €67,364 thousand, are broken down as follows:

(in Euro thousands)	30 June 2016	31 December 2015
Receivables from Rai	61,808	59,914
Receivables from customers	7,125	11,992
Provision for bad and doubtful debts	(1,569)	(1,573)
Total trade receivables	67,364	70,333

The decrease of €2,969 thousand in the period is mainly attributable to a €4,867 decrease in "Trade receivables" net of the provision for doubtful accounts determined mainly by collection of such receivables, offset by an increase of €1,894 thousand in "Receivables from RAI" not yet due.

At 30 June 2016, "Other current receivables and assets" amount to €5,340 thousand, an increase of €874 thousand compared to 31 December 2015 due mainly to higher prepaid expenses relating to costs deferred to the subsequent period.

Tax credits amount to €317 thousand, a decrease of €169 thousand compared to 31 December 2015 mainly due to a change in the balance of corporate income tax (IRAP).

Shareholders' equity

At 30 June 2016, the Company's Shareholders' equity was €138,927 thousand, a decrease of €20,335 thousand due mainly to the distribution of profits last year, partially offset by the recognition of profit for the period.

Non-current liabilities

At 30 June 2016, "Non-current financial liabilities" amount to €75,731 thousand, a decrease of €14,887 thousand compared to 31 December 2015 due mainly to reclassification to short-term of the instalment of the "term" facility included as part of the loan agreement entered into in the fourth quarter of 2014 with Mediobanca, BNP Paribas S.A., Intesa Sanpaolo S.p.A. and UBI Banca Società Cooperativa per Azioni, as an effect of the repayment instalment scheduled for 31 March 2017..

"Employee benefits" amount to €20,143 thousand, a decrease of €177 thousand compared to 31 December 2015.

"Provisions" amount to €18,295 thousand, a decrease of €58 thousand compared to 31 December 2015.

Current liabilities

Trade payables, which amounted to €35,007 thousand may be analyzed as follows:

<i>(in Euro thousands)</i>	30 June 2016	31 December 2015
Payables to suppliers	27,087	32,328
Payables to the Parent Company	7,920	4,839
Payable to other companies of the Rai Group	-	12
Total trade payables	35,007	37,179

At 30 June 2016, "Other current payables and liabilities" amount to €44,868 thousand, an increase of €16,527 thousand compared to 31 December 2015 due mainly to higher payables:

- to the Parent Company as a result of the tax consolidation (€8,352 thousand) and for group VAT (€826 thousand);
- to employees (€5,587 thousand), mainly attributable to the voluntary layoff incentive;

to which is added higher deferred income of €1,210 thousand referred mainly to revenue not accrued in the period in question.

At 30 June 2016, "Current financial liabilities" amount to €30,349 thousand, an increase of €104 thousand compared to 31 December 2015.

Tax payables are €1,596 thousand, a decrease of €925 thousand compared to 31 December 2015, due mainly to a lower payable for VAT in tax deferral.

Earnings per Share

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

<i>(in Euro thousands)</i>	30 June 2016	30 June 2015
Profit for the period	19,625	19,784
Average number of shares	272,000,000	272,000,000
Earnings per share (basic and diluted) in Euro	0.07	0.07

Diluted earnings per share is the same as basic earnings per share because at the reference date of this Report there are no dilutive elements and it is in line with the previous year.

Net Financial Position

The Company's net financial position, calculated in conformity to the requirements of paragraph 127 of the recommendations contained in document no. 81 of 2011, issued by the ESMA, implementing EC Regulation 809/2004, is presented below.

The main component of Rai Way's net financial position is the loan taken out under the agreement entered into 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 this loan amounted to € 105 million (nominal value, term facility) at 30 June 2016, of which €30 million has been reclassified in current liabilities and €75 million in non-current liabilities.

The loan agreement also includes a revolving credit facility of € 50 million that had not been utilized as of 30 June 2016.

Interest is charged at the aggregate of the Euribor rate for the period of reference and a spread (100 bps for the term facility, 120 bps for the revolving facility).€

<i>(in Euro thousands)</i>		30 June 2016	31 December 2015
A.	Cash	-	-
B.	Cheques and bank and post office deposits	75,986	78,941
C.	Securities held for trading	-	-
D.	Cash and cash equivalents (A) + (B) + (C)	75,986	78,941
E.	Current financial receivables	230	299
F.	Current bank debt	(30,241)	(30,169)
G.	Current portion of non-current debt	-	-
H.	Other current financial payables	(108)	(76)
I.	Current debt (F) + (G) + (H)	(30,349)	(30,245)
J.	Net current debt (I) - (E) - (D)	45,867	48,995
K.	Non-current bank debt	(75,338)	(90,193)
L.	Bonds issued	-	-
M.	Other non-current payables	(393)	(425)
N.	Net non-current debt (K) + (L) + (M)	(75,731)	(90,618)
O.	Net debt - ESMA	(29,864)	(41,623)

Commitments and guarantees

Commitments referring only to technical investments amount to €14.0 million at 30 June 2016 (€10.2 million at 31 December 2015).

At 30 June 2016, guarantees amount to €72,906 thousand (€71,341 thousand at 31 December 2015) 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

Pursuant to Consob Communication no. DEM 6064293 of 28 July 2006 it is hereby stated that during the first six months of 2016 the Company was not party to any abnormal and/or unusual operations as defined in that communication.

Other information

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 use causes with the radio and/or television signals 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 outside law firms assisting the Company.

The Company is also party to a number of law suits brought by employees and former employees in relation to alleged faulty application of the current regulations governing employee agreements. As previously noted, as far as this type of litigation is concerned the Company again makes use of support provided by leading law firms during the court proceedings, in this case those specializing in labor law, as well as employing the services of its in-house legal department. The amounts recognized in the financial statements to provide against the risk of losing litigation have been calculated by 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 Rai Way, taking into consideration the present stage of the litigation.

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 supplementary information on the matters discussed above, it should forthwith be stated that in carrying out its ordinary operations the Company avails itself of the hosting services of third parties to position its installations on the land, buildings or structures of such parties. Considering that such hosting services are generally formalized through contracts or similar legal instruments (by way of 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 incurrence of these costs, not at present quantifiable with any certainty, in the near future. The Company accordingly believes that it is probable that it may in the future have to incur costs to satisfy the claims it has received, and in this respect has created a site dismantling and restoration provision in the financial statements for this purpose.

If in the future the circumstances discussed above should undergo developments that make it probable that the Company will incur costs that exceed the amount recognized in the site dismantling and restoration provision, all the necessary measures will be taken to protect the Company's interests and recognize the effects of the changed scenario in the financial statements in an adequate manner.

Related party transactions

Details of the transactions the Company conducted with related parties in the six months ended 30 June 2016 and 2015 are provided in the following; related parties are identified on the basis of IAS 24 *Related Party Disclosures*. The company carries out transactions mainly of a commercial and financial nature with the following related parties:

- Rai;

- the Group's key management personnel ("Key management personnel");
- other subsidiaries of RAI and/or companies in which the Parent has an interest ("Other related parties").

Related party transactions are conducted under normal market conditions.

The following table sets out details of the Company's balances with related parties at 30 June 2016 and 31 December 2015:

	Parent Company	Key management personnel	Other related parties	Total
(in Euro thousands)				
Non-current financial assets				
31 December 2015	-	-	-	-
30 June 2016	-	-	-	-
Current financial assets				
31 December 2015	228	-	-	228
30 June 2016	165	-	-	165
Current trade receivables				
31 December 2015	59,914	-	164	60,078
30 June 2016	61,808	-	42	61,850
Other current receivables and assets				
31 December 2015	2,456	-	10	2,466
30 June 2016	2,456	-	4	2,460
Current financial liabilities				
31 December 2015	-	-	-	-
30 June 2016	-	-	-	-
Trade payables				
31 December 2015	4,839	-	12	4,851
30 June 2016	7,920	-	-	7,920
Other current payables and liabilities				
31 December 2015	18,173	169	123	18,465
30 June 2016	27,349	224	613	28,186
Employee benefits				
31 December 2015	-	247	109	356
30 June 2016	-	273	109	382

The following table sets out details of the Company's transactions with related parties for the six months ended 30 June 2016 and 2015:

	Parent Company	Key management personnel	Other related parties	Total
(in Euro thousands)				
Revenues (*)				
30 June 2015	88,008	-	15	88,023
30 June 2016	89,536	-	91	89,627
Other revenues and income				
30 June 2015	-	-	-	-
30 June 2016	-	-	-	-
Purchase of consumables				
30 June 2015	1	-	-	1
30 June 2016	-	-	-	-
Cost of services				
30 June 2015	6,657	-	6	6,663
30 June 2016	6,330	-	6	6,336
Personnel costs				
30 June 2015	5	1,257	483	1,745
30 June 2016	-3	1,346	482	1,825
Other costs				
30 June 2015	21	-	-	21
30 June 2016	16	-	-	16
Financial income				
30 June 2015	4	-	-	4
30 June 2016	14	-	-	14
Financial expenses				
30 June 2015	-	-	-	-
30 June 2016	-	-	-	-

(*) Figures are net of the costs of services accounted at margin

Parent Company

Relationships with the Parent Company at 30 June 2016 mainly regard the Service Agreement renegotiated on 31 July 2014 which relates to the provision of new integrated network services by the Company, the Rai supply agreement (regarding personnel administration, general services, IT systems, administration and treasury and the research and technological innovation center), the agreement for leases and for the performance of connected services by Rai, the domestic tax consolidation, the VAT legislation consolidation and lastly an agreement for an intercompany current account used to deal with residual payments.

Key management personnel

"Key management personnel" means key executives who have the power and direct and indirect responsibility for planning, managing and controlling the Company's activities, and includes among others the directors.

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, 28 July 2016

for the Board of Directors

Raffaele Agrusti

Chairman

Attestation pursuant to article 154-bis paragraph 5 of Legislative Decree no. 58/1998

- The undersigned Stefano Ciccotti as Chief Executive Officer and Adalberto Pellegrino as manager in charge of preparing the corporate documents of Rai Way S.p.A. certify the following, taking into account the provisions of article 154-bis, paragraphs 3 and 4 of Legislative Decree no. 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 2016.

- The assessment of the adequacy of the administrative and accounting procedures for the preparation of the Half-yearly Report at 30 June 2016 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.

- We also certify that:

- the Half-yearly Financial Report of Rai Way S.p.A. at 30 June 2016:

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) agrees with 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, 28 July 2016

Stefano Ciccotti

Chief Executive Officer

Adalberto Pellegrino

Manager in charge of
preparing the corporate accounting documents

Auditor's Report



REVIEW REPORT ON CONDENSED INTERIM FINANCIAL STATEMENTS

To the shareholders of
Rai Way SpA

Foreword

We have reviewed the accompanying condensed interim financial statements of Rai Way SpA as of 30 June 2016, comprising the income statement, statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and related notes. The directors of Rai Way SpA are responsible for the preparation of the condensed interim financial statements in accordance with International Accounting Standard 34 applicable to interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of review

We conducted our work in accordance with the criteria for a review recommended by Consob in Resolution no. 10867 of 31 July 1997. A review of condensed interim financial statements consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than a full-scope audit conducted in accordance with International Standards on Auditing (ISA Italia) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the condensed interim financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements of Rai Way SpA as of 30 June 2016 are not prepared, in all material respects, in accordance with International Accounting Standard 34 applicable to interim financial reporting (IAS 34) as adopted by the European Union.

Rome, 29 July 2016

PricewaterhouseCoopers SpA

Signed by

Pier Luigi Vitelli
(Partner)

PricewaterhouseCoopers SpA

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This report has been translated into English from the Italian original solely for the convenience of international readers. We have not examined the translation of the condensed interim financial statements referred to in this report