



Interim financial report at 30 September 2015

CONTENTS

Company name, share capital and registered office	4
Corporate Bodies and Committees	4
Rai Way's Activities	5
Main alternative performance measures	6
Summary of the results of operations, financial position and cash flows	7
Human resources and organization	12
Relationships with companies of the Rai Group	12
Significant events	12
Disclosures regarding the main risks and uncertainties to which the Company is subject	14
Subsequent events	14
Business outlook	14
Coordination and control	14
Interim financial statements at 30 September 2015	16
Notes to the interim financial statements at 30 September 2015	20
Introduction	20
Amendments and interpretations of existing standards effective from 1 January 2015	21
Segment information	21
Seasonality of the business	21
Comments on the main changes in the income statement	22
Revenues	22
Other revenues and income	22
Costs	23
Amortization, depreciation and write-downs	23
Financial income and expenses	24
Income tax	24

Comments on the main changes in the statement of financial position	24
Non-current assets	24
Current assets	25
Shareholders' equity	26
Non-current liabilities	26
Current liabilities	26
Earnings per share	27
Net financial position	27
Commitments and guarantees	28
Transactions deriving from abnormal and/or unusual operations	28
Other information	29
Attestation of the manager in charge of preparing the corporate accounting documents	34

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

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

Corporate Bodies and Committees¹

Board of Directors

Chairman

Camillo Rossotto

Chief Executive Officer

Stefano Ciccotti

Directors

Joyce Victoria Bigio
Fabio Colasanti
Alberto De Nigro
Anna Gatti
Salvatore Lo Giudice

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 approval 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 the results of operations, financial position and cash flows

The following section provides a summary of Rai Way's results of operations, financial position and cash flows for the nine months ended 30 September 2015, with comparatives for the nine months ended 30 September 2014. In addition, figures are also provided for the Company's net financial position and invested capital at 30 September 2015 with comparatives at the corresponding date of the previous year.

For a better understanding of the figures it should initially be noted that on 31 July 2014, with effect from 1 July 2014, the Parent Company and Rai Way signed new active and passive service agreements that had significant impact from an accounting point of view, meaning that items in the Company's condensed financial statements for the nine months ended 30 September 2014 are not comparable with those for the corresponding period in 2015.

The new active service agreement for the transmission and broadcasting services provided by Rai Way to Rai differs from the previous agreement as the result of a number of conditions which from an accounting standpoint, meaning that of IAS 17, require the agreement to be classified as an operating lease and no longer as a finance lease (as the previous agreement had been classified). As a consequence, without altering the legal ownership of the network which continues to be retained by the Company, there have been significant changes made to the way in which the contractual relationship is accounted for in the financial statements.

For this reason a pro-forma income statement for the nine months ended 30 September 2014 is provided below which presents the figures as if the agreement had been effective from 1 January 2014, as this is more representative for analyzing the Company's economic performance.

Key ratios Rai Way S.p.A.

(in euro millions; %)	9 months		
	2015	2014 PF	Change %
Key income statement data			
Core revenues	158.3	155.2	2.0%
Adjusted EBITDA	82.5	80.4	2.6%
EBITDA	82.4	80.4	2.4%
EBIT	47.3	42.8	10.4%
Profit before taxation	45.7	41.4	10.5%
Profit for the period	30.2	26.9	12.2%
Key balance sheet data(*)			
Capital expenditure	14.0	11.4	23.0%
Invested capital	200.4	n.a.	n.a.
Net equity	150.8	n.a.	n.a.
Net financial position	49.6	n.a.	n.a.
Key ratios			
Adjusted EBITDA/Core revenues	52.1%	51.8%	0.6%
EBITDA/Core revenues	52.0%	51.8%	0.5%
EBIT/Core revenues	29.9%	27.6%	8.3%
Profit for the period/Core revenues	19.1%	17.3%	10.1%
Cash conversion rate	89.0%	85.8%	3.6%

(*) Figures at 30 September 2014 are actual and not pro forma

- Core revenues reached €158.3 million, a rise of 2.0% over the pro-forma figure for the nine months ended 30 September 2014.
- Adjusted EBITDA amounted to €82.5 million, exceeding the pro-forma result for the nine months ended 30 September 2014 by €2.1 million, mainly due to increased revenues from Rai and lower operating costs. The Company defines this measure as EBITDA adjusted for non-recurring expense.
- The ratio between Adjusted EBITDA and core revenues was 52.1% compared to a pro-forma 51.8% for the nine months ended 30 September 2014.
- Net operating profit (EBIT) amounted to €47.3 million, representing an increase of €4.5 million over the pro-forma figure for the nine months ended 30 September 2014.
- Profit for the nine months totaled €30.2 million, increasing by 12.2% over the pro-forma figure for the nine months ended 30 September 2014.

- Capital expenditure amounted to a €14.0 million, mainly relating to the maintenance of the network infrastructure.
- Invested capital totaled €200.4 million, with a net financial position of €49.6 million and net equity of €150.8 million.

Income statement Rai Way S.p.A.

<i>(Importi in milioni di Euro)</i>	9 months			9 months	
	2015	2014 PF	Change %	2014	Change %
Revenues from Rai	132.3	128.9	2.6%	88.8	49.0%
Revenues from third parties	26.0	26.3	(1.1%)	26.3	(1.1%)
TOTAL REVENUES	158.3	155.2	2.0%	115.1	37.5%
Other revenues and income	0.6	2.9	79.3%	2.9	(79.3%)
Personnel costs	(33.8)	(33.1)	(2.1%)	(33.1)	2.1%
Operating costs	(42.6)	(44.6)	(4.7%)	(46.2)	(7.8%)
EBITDA (adj)	82.5	80.4	2.6%	38.7	113.2%
EBITDA margin	52.1%	51.8%	0.6%	43.6%	19.5%
Adjustments	(0.1)	-	-	-	-
EBITDA	82.4	80.4	2.5%	38.7	112.9%
Amortization and depreciation	(34.9)	(37.4)	(6.7%)	(12.8)	N.M.
Write-downs	(0.2)	(0.2)	-	(0.2)	N.M.
Allocations	-	-	-	-	-
OPERATING PROFIT	47.3	42.8	10.4%	25.7	84.0%
Financial management	(1.6)	(1.4)	10.0%	2.6	(161.5%)
PROFIT BEFORE INCOME TAXES	45.7	41.4	10.5%	28.3	61.5%
Income tax	(15.5)	(14.5)	7.2%	(10.4)	49.0%
PROFIT FOR THE PERIOD	30.2	26.9	12.2%	17.9	68.7%
PROFIT margin	19.1%	17.3%	10.1%	15.6%	22.7%

Rai Way's revenues totaled €158.3 million, an increase of €3.1 million over the previous period (+2.0%).

The activities carried out for the Rai Group generated revenues of €132.3 million, representing an increase of 2.6% over the same period of the previous year, mainly due to the rise in tariffs in 2015 provided by the Service Agreement between Rai and Rai Way. Revenues of €26.0 million were earned from commercial relationships with other customers, a decrease of €0.3 million over the previous year (-1.1%). This decrease arose mainly from tower rental revenues and network service revenues.

Other revenues and income amounted to €0.6 million, a decrease of €2.3 million over the same period of the previous year mainly due to a lower release to income of provisions for risks and charges and lower insurance reimbursements.

Personnel costs amounted to €33.8 million, representing an increase of €0.7 million over the same period in 2014 (€33.1 million). This item is stated after capitalizing personnel costs amounting to €1.9 million incurred for designing and installing infrastructure.

Operating costs – which include consumables, the cost of services and other costs – amounted to €42.6 million, representing a decrease of approximately €2.0 million over the previous period. The cost of consumables fell by €0.2 million mainly as the result of containing costs for the purchase of technical materials. The cost of services dropped by €2.2 million on a pro-forma basis, mainly due to lower utility costs (electricity) and lower maintenance costs. The pro-forma line item in 2014 for costs arising from the intercompany service agreement includes the adjustments made to costs incurred for services provided under that agreement to the new agreement, which became effective on 1 July 2014. Other costs rose by €0.5 million.

The performance of operating income, which rose by €4.5 million over the corresponding period in 2014, benefited from a decrease of €2.5 million in the charge for amortization, depreciation and write-downs.

Profit for the period amounted to €30.2 million, an increase of €3.3 million over the same period in 2014.

Capital expenditure totaling €14.0 million was made in the first nine months of 2015 (€11.4 million in the same period in 2014), mainly relating to Company-owned network infrastructure.

Funding statement of Rai Way S.p.A.

<i>(in euro millions)</i>	30/09/2015	31/12/2014
Fixed assets	223	244
Net working capital	11	9
Net provisions	(34)	(34)
Invested capital	200	219
Net financial position	49	65
Net equity	151	154
Total funding	200	219

Invested capital at 30 September 2015 decreased by €19 million over the balance at 31 December 2014 mainly as the result of a reduction in fixed assets due to the fact that the

charge for depreciation and amortization for the period exceeded capital expenditure; this was partially offset by an increase in net working capital.

The net financial position of €49 million at 30 September 2015 improved compared to the figure at 31 December 2014 due to the positive generation of cash from operations in the first nine months of the year which enabled the payment of dividends in May to be fully funded.

Human resources and organization

Rai Way had a workforce of 620 people at 30 September 2015 employed on a permanent basis: 17 executives, 138 middle managers, 431 technicians and office workers (including 12 apprentices) and 34 manual workers. An additional 19 workers with fixed-term employment contracts should then be added to this total.

The average number of employees rose from 624 in the first nine months of 2014 to 639 in the corresponding period in 2015 due to a strengthening of the organizational structure following the Company's listing.

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

On 24 February 2015, by way of a communication, El Towers S.p.A. (hereafter the Offeror) announced that its Board of Directors had unanimously resolved to proceed with a voluntary public purchase and exchange offer on the 272,000,000 ordinary shares of Rai Way S.p.A., representing the whole of the Company's share capital.

The aim of this offer – made pursuant to and in accordance with article 102 and article 106, paragraph 4 of Legislative Decree no. 58 of 24 February 1998 as amended and the relative

implementation provisions – was to withdraw the shares of Rai Way S.p.A. from listing on the Italian Stock Exchange (MTA) or purchase an interest representing at least 66.67% of Rai Way's share capital.

Further information on the terms and conditions of the offer may be found in the above-mentioned communication.

Subsequently, following the communication of 10 April 2015 in which El Towers S.p.A. announced that it had resolved to reduce the tender threshold of the condition precedent to 40%, on 13 April 2015 Consob stated that by amending the features of the Offer that company had added another factor to the creation of a different transaction, meaning accordingly that it was no longer possible for Consob to continue with its preliminary process for approving the offer document and such offer was therefore to be considered concluded. In particular, El Towers had resolved to amend the tender threshold of the condition precedent after Consob notified the Offeror on 1 April 2015 that the intention expressed by the Italian Ministry of the Economy and Finance and by Rai to retain an interest of 51% in the share capital of Rai Way made the "condition" of reaching the minimum threshold of 66.67% to which the Offeror had subordinated the success of the Offer impossible to achieve, constituting an impediment to upholding the application for approving the Offering Document.

On 16 April 2015, the Board of Directors of Rai - Radiotelevisione italiana S.p.A. confirmed that the controlling shareholder would in no way have subscribed to the offer made by El Towers in any case, even after the amendment had been made. Finally, on 22 April 2015, after analyzing Rai's press release, El Towers announced that its Board of Directors "has consequently acknowledged that even before the beginning of the offer period the conditions did not exist for continuing with such".

The proceeding before the Italian Competition Authority was also interrupted after El Towers, as announced on its website on 17 April 2015, withdrew the communication of the concentration transaction that had been sent on 24 February 2015.

On 28 April 2015, the Shareholders' Meeting of Rai Way approved the Company's annual financial statements, in addition resolving the distribution of a dividend of €0.1234 per share for a total payment of €33.6 million.

On 28 September 2015 the Board of Directors of Rai Way S.p.A. unanimously approved the 2015-2019 Business Plan.

Disclosures regarding the main risks and uncertainties to which the Company is subject

The pursuit of the corporate mission and the Company's financial position, results from operations and cash flows are affected by various risk factors and uncertainties.

A detailed risk analysis is provided in the section of the Report on 2014 operations included in the 2014 Annual Report (in the paragraph Risk factors related to the Company) published on the Company's website.

Subsequent events

There are no significant events to be reported which had an effect on the Company's financial position at 30 September 2015 or on the results from its operations or its cash flows for the nine months then ended.

Business outlook

The results for the first nine months of the year are in line with management's expectations. The economic and financial targets indicated in the 2014 financial statements are therefore confirmed, namely:

- an increase of approximately Eur 2 million in EBITDA over 2014 figure;
- capex of approximately Eur 40 million, including investments relating to the new services to be provided to Rai;
- net debt at year end of approximately Eur 50 million.

Coordination and control

The Company is subject to management and coordination by Rai - Radiotelevisione Italiana S.p.A. 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 2014 operations included in the 2014 Annual Report published on the Company's website.

Rome, 4 November 2015

On behalf of the Board of Directors

The Chairman

Camillo Rossotto

Interim financial statements at 30 September 2015

Income statement Rai Way S.p.A.

(in euro)	9 months	
	2015	2014
Revenues	158,254,973	115,077,331
Other revenues and income	559,016	2,940,335
Purchase of consumables	(946,008)	(1,192,163)
Cost of services	(39,052,494)	(42,813,815)
Personnel costs	(33,804,144)	(33,136,015)
Other costs	(2,650,162)	(2,184,510)
Amortization, depreciation and write-downs	(35,060,638)	(13,007,655)
Allocations	-	-
Operating profit	47,300,542	25,683,508
Financial income	83,506	4,076,573
Financial expenses	(1,668,530)	(1,482,807)
Total financial income and expenses	(1,585,024)	2,593,767
Profit before income taxes	45,715,518	28,277,274
Income tax	(15,532,986)	(10,353,388)
Profit for the period	30,182,532	17,923,886

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

(in euro)	9 months	
	2015	2014
Profit for the period	30,182,532	17,923,886
Items that will not be reclassified to the income statement		
Actuarial gains (losses) on employee benefits	491,318	(1,355,819)
Tax effect	(135,112)	372,850
Total comprehensive income for the period	30,538,738	16,940,917

Statement of financial position Rai Way S.p.A.

(in euro)	30/09/2015	31/12/2014
Non-current assets		
Property, plant and equipment	222,066,630	243,126,987
Intangible assets	701,061	630,885
Non-current financial assets	528,822	577,728
Deferred tax assets	4,839,033	5,448,256
Total non-current assets	228,135,546	249,783,855
Current assets		
Inventory	981,170	900,592
Trade receivables	75,878,495	64,401,606
Other current receivables and assets	5,358,560	4,383,597
Current financial assets	416,568	676,449
Cash and cash equivalents	71,245,479	14,657,765
Tax receivables	314,511	313,688
Total current assets	154,194,783	85,333,697
Total assets	382,330,329	335,117,552
Shareholders' equity		
Share capital	70,176,000	70,176,000
Legal reserve	8,122,901	6,890,612
Other reserves	37,078,970	37,078,970
Retained earnings	35,386,465	39,644,818
Total shareholders' equity	150,764,336	153,790,400
Non-current liabilities		
Non-current financial liabilities	90,645,547	80,572,451
Employee benefits	20,636,727	21,326,026
Provisions for risks and charges	18,129,901	18,588,667
Other non-current payables and liabilities	-	-
Deferred tax liabilities	-	-
Total non-current liabilities	129,412,175	120,487,144
Current liabilities		
Trade payables	35,880,411	35,951,405
Other current payables and liabilities	33,105,928	21,689,239
Current financial liabilities	30,627,869	294,899
Tax payables	2,539,610	2,904,466
Total non-current liabilities	102,153,818	60,840,009
Total liabilities and shareholders' equity	382,330,329	335,117,552

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 2014	70,176,000	6,298,612	37,078,970	28,140,479	141,694,061
Comprehensive income for the period				16,940,917	16,940,917
Allocation of profit to reserves		592,000		(592,000)	-
Dividend distribution				(11,152,000)	(11,152,000)
30 september 2014	70,176,000	6,890,612	37,078,970	33,337,396	147,482,978
Comprehensive income for the period				6,307,422	6,307,422
31 December 2014	70,176,000	6,890,612	37,078,970	39,644,818	153,790,400
Comprehensive income for the period				30,538,738	30,538,738
Allocation of profit to reserves		1,232,289		(1,232,289)	-
Dividend distribution				(33,564,800)	(33,564,800)
30 september 2015	70,176,000	8,122,901	37,078,970	35,386,465	150,764,336

Cash flow statement Rai Way S.p.A.

<i>(in euro)</i>	30/09/2015	30/09/2014
Profit before income taxes	45,715,518	28,277,274
Amortization, depreciation and write-downs	35,060,638	13,007,655
Allocations to (releases from) provisions for personnel and other provisions	(1,245,556)	(407,000)
Net financial income	1,585,024	(2,536,240)
Other non-monetary items	-	(181,694)
Change in inventory	(80,577)	16,126
Change in trade receivables	(11,636,889)	(20,554,232)
Change in trade payables	(70,994)	(43,204,829)
Change in other assets	(974,964)	(857,088)
Change in other liabilities	9,529,783	8,816,413
Use of provision for risks	(193,540)	(249,743)
Payment of benefits to employees	433,915	(1,810,580)
Change in tax receivables and payables	(1,090,893)	(802,933)
Taxes paid	(12,446,757)	(5,334,202)
Net cash from (used in) operating activities	64,584,710	(25,821,073)
Investments in property, plant and equipment	(13,700,121)	(4,696,158)
Disposals of property, plant and equipment	75,705	13,561
Investments in intangible assets	(286,041)	(230,059)
Disposals of intangible assets	-	-
Investments related to financial leases	-	(6,439,797)
Receipt of amounts related to financial leases	-	31,101,642
Change in non-current financial assets	48,906	(141,290)
Interest received	83,506	4,068,307
Net cash from (used in) investing activities	(13,778,046)	23,676,621
(Decrease) increase in long-term loans	10,073,096	(70,744)
(Decrease) increase in short-term loans and other loans	30,332,970	14,459,501
Change in current financial assets	259,880	-
Interest paid	(1,320,097)	(1,092,305)
Dividends distributed	(33,564,800)	(11,152,000)
Net cash from (used in) financing activities	5,781,050	2,144,452
Change in cash and cash equivalents	56,587,714	-
Cash and cash equivalents at the beginning of the period (*)	14,657,765	-
Cash and cash equivalents at the end of the period (*)	71,245,479	-

(*) For a better understanding of the contents of the table it should be noted that, at 30 september 2014, under a centralised treasury agreement, the company's financial management is entrusted to the Parent Company RAI through a cash-pooling system that provides for the daily transfer of the positive and negative balances arising from operations to an intercompany current account; as a consequence, the net balance of cash flows generated or used by operating, investing and financing activities is recognised as a receivable from or payable to Rai under the item "short-term financing and other financing". The company's cash balance is therefore always zero

Notes to the interim financial statements at 30 September 2015

Introduction

The interim financial statements at 30 September 2015, consisting of a statement of financial position, an income statement, a statement of comprehensive income, a cash flow statement and a statement of changes in equity, together with the notes, have been prepared pursuant to article 154-ter of Legislative Decree no. 58/1998 as amended and the Issuers' Regulations promulgated by Consob.

The interim financial statements at 30 September 2015 have been prepared in accordance with IAS 34 *Interim Financial Reporting* issued by the International Accounting Standard Board (IASB).

The interim financial statements at 30 September 2015 were approved on 4 November 2015 by the Board of Directors which also authorized publication.

The format and contents of the interim financial statements and the relative mandatory schedules are consistent with those used in the preparation of the Annual Report. Where applicable, in the preparation of these interim financial statements the same accounting principles and policies have been used as those adopted in the preparation of the consolidated financial statements at 31 December 2014 – except for those specifically applicable to interim situations. The new principles applied from 1 January 2015 did not lead to significant effects on these interim financial statements.

The notes to the financial statements have been prepared in accordance with the minimum disclosures required by IAS 34 *Interim Financial Reporting*, also taking into account the requirements included 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 the information required for the preparation of annual financial statements, referring solely to those items which, by amount, composition or transaction are essential for an understanding of the Company's financial position and performance. As a result these interim financial statements should be read in conjunction with the financial statements at 31 December 2014.

The interim financial statements present comparative figures at 31 December 2014 for the statement of financial position, taken from the Company's most recent annual financial statements, and for the nine months ended 30 September 2014 for the income statement.

For a better understanding of the figures it should initially be noted that on 31 July 2014, with effect from 1 July 2014, the Parent Rai and Rai Way signed new active and passive service agreements that had a significant impact from an accounting point of view, meaning that items in the Company's interim income statement for the nine months ended 30 September 2014 are not comparable with those for 2015.

The preparation of the interim financial statements at 30 September 2015 required the directors to make estimates: the main areas in which measurements and estimates were of a material nature and those having a significant effect on the interim situations presented are reported below in the notes at 30 September 2015. These valuation processes, and especially those of a more complex nature such as the determination of impairment losses on non-current assets, are generally performed during the preparation of the annual financial statements unless there are any indications which require an immediate estimate of any revisions.

Amendments and interpretations of existing standards effective from 1 January 2015

Reference should be made to the section "Summary of Accounting Principles" in the notes to the financial statements in the 2014 Annual Report published on the Company's website.

Segment information

Segment information is provided in the report on operations included in the 2014 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.

Comments on the main changes in the income statement

Revenues

This item may be analyzed as follows:

<i>(in euro)</i>	9 months	
	2015	2014
Revenues from the Rai service agreement	132,227	88,776
Revenues from other services	67	-
Revenues from third parties	25,961	26,301
- <i>Systems and equipment hosting fees</i>	24,363	24,671
- <i>Other</i>	1,598	1,630
Total revenues	158,255	115,077

"Revenues" consist of revenues relating to the period arising from the provision of services forming part of the Company's ordinary operations.

Total revenues rose by €43,178 thousand over the corresponding period of 2014, from €115,077 thousand in the nine months ended 30 September 2014 to €158,255 thousand in the nine months ended 30 September 2015.

"Revenues from the Rai service agreement" amounted to €132,227 thousand or 83.6% of total revenues for the nine months ended 30 September 2015, increasing by €43,451 thousand over the same period of 2014. This increase is mainly due to the fact that from 1 July 2014 the new service agreement with Rai is classified as an operating lease under IAS 17 and no longer as a finance lease as required by the terms of the previous agreement.

"Revenues from third parties" consist mainly of service revenues relating to (i) tower rental, (ii) broadcasting, (iii) transmission and (iv) network services which the Company renders to third party customers other than Rai. There was a decrease of €340 thousand in these revenues mainly due to a reduction in tower rental revenues and revenues for network services.

Other revenues and income

"Other revenues and income" totaled €559 thousand in the first nine months of 2015, a decrease of €2,381 thousand over the nine months ended 30 September 2014, mainly due to a lower release to income of provisions for risks and charges and lower insurance reimbursements.

Costs

"Purchase of consumables" decreased by €246 thousand from €1,192 thousand in the nine months ended 30 September 2014 to €946 thousand in the nine months ended 30 September 2015. This item mainly consists of the costs incurred for purchasing technical materials for the warehouse, fuel and combustibles for electricity generating groups and heating. More specifically, the decrease in these costs principally reflects a fall in costs for fuel and the purchase of tooling.

"Cost of services" decreased by €3,762 thousand from €42,814 thousand in the nine months ended 30 September 2014 to €39,052 thousand in the nine months ended 30 September 2015, mainly due to a fall in costs arising from the intercompany services agreement with Rai (renegotiated with effect from 1 July 2014), electricity costs and maintenance costs.

"Personnel costs" amounted to €33,804 thousand, representing a rise of €668 thousand over the nine months ended 30 September 2014 (€33,136 thousand), due mainly to the increase in the number of employees as a result of the strengthening of the Company's managerial organization structure following the Company's listing.

"Other costs" increased by €467 thousand from €2,183 thousand in the nine months ended 30 September 2014 to €2,650 thousand in the nine months ended 30 September 2015, mostly arising from an increase in energy production taxes and local taxes.

Amortization, depreciation and write-downs

The charge for "Amortization and depreciation", which forms part of "Amortization, depreciation and write-downs", amounted to €35,061 thousand in the nine months ended 30 September 2015 (€13,008 thousand in the nine months ended 30 September 2014). The increase of €22,053 thousand is mainly due to the different treatment used to account for the Rai service agreement that was effective until 30 June 2014; under IAS 17 this had been accounted for as a finance lease while under the new agreement (effective from 1 July 2014) the renting out of infrastructure takes the form of an operating lease.

"Write-downs", which form part of "Amortization, depreciation and write-downs", amounted to €160 thousand in the nine months ended 30 September 2015 and €310 thousand in the nine months ended 30 September 2014 and consist of the allocation to the provision for bad and doubtful debts.

Financial income and expenses

"Financial income" which amounted to €84 thousand fell significantly, by €3,992 thousand, compared to the nine months ended 30 September 2014. This decrease was mainly due to "Interest income for finance lease agreements" which had a nil balance in the nine months ended 30 September 2015 but in the nine months ended 30 September 2014 consisted of the income of €3,903 thousand accruing on the loan granted to Rai as part of the finance lease implicit in the Service Agreement that was effective until 30 June 2014.

"Financial expenses" amounted to €1,669 thousand, representing an increase of €186 thousand over the same period of the previous year: financial expenses consist of the interest accruing on the loan taken out under an 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.

Income tax

This item may be analyzed as follows:

(in euro)	9 months	
	2015	2014
Current taxes	15,050	10,092
Deferred taxes	474	230
Taxes pertaining to previous years	9	31
Total	15,533	10,353

Comments on the main changes in the statement of financial position

Non-current assets

Property, plant and equipment amounted to €222,067 thousand at 30 September 2015, a decrease of €21,060 thousand arising from a depreciation charge of €34,685 thousand, capital expenditure of €13,700 thousand and other smaller changes. More specifically, capital expenditure led to an increase in "Assets under construction and advances" and mainly related to investments in Company-owned network infrastructure. Intangible assets

totaled €701 thousand, an increase of €70 thousand arising from an amortization charge of €216 thousand and investments of €286 thousand made in the period.

Non-current financial assets, amounting to €529 thousand, decreased by €49 thousand over the balance at 31 December 2014.

Deferred tax assets totaled €4,839 thousand, representing a decrease of €609 thousand due mainly to a reduction in the balance receivable from the tax authorities in respect of prepaid taxes.

Current assets

Inventory amounted to €981 thousand, a slight increase of €81 thousand over the balance at 31 December 2014.

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 €75,878 thousand, may be analyzed as follows:

<i>(in euro thousands)</i>	30/09/2015	31/12/2014
Receivables from Rai	58,703	56,478
Receivables from customers	20,820	11,706
Provision for bad and doubtful debts	(3,645)	(3,782)
Total trade receivables	75,878	64,402

The increase over the period of €11,476 thousand, net of the decrease of €160 thousand in the provision for bad and doubtful debts, is mainly due to the following:

- an increase of €2,225 thousand in "Receivables from Rai";
- an increase of €9,114 thousand in "Receivables from customers", net of the provision for bad and doubtful debts, due mainly to an increase in receivables overdue by less than 30 days.

"Other current receivables and assets" amounted to €5,359 thousand at 30 September 2015, an increase of €975 thousand over the balance at 31 December 2014 principally due to an increase in prepayments.

Tax receivables consist of an amount of €315 thousand due for VAT, and are essentially in line with the balance at 31 December 2014.

Shareholders' equity

Shareholders' equity totaled €150,764 thousand at 30 September 2015. The decrease of €3,026 thousand is mainly due to the distribution of 2014 profits and part of retained earnings and the recognition of profit for the period net of the increase in the legal reserve.

Non-current liabilities

"Non-current financial liabilities" amounted to €90,646 thousand at 30 September 2015, an increase of €10,073 thousand over the balance at 31 December 2014 mainly as the result of the drawdown of €40,000 thousand at nominal value 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. A portion of this loan amounting to €29,765 thousand has been classified as current financial liabilities as the first two repayment instalments fall due on 31 March 2016 and 30 September 2016.

"Employee benefits" amounting to €20,637 thousand at 30 September 2015 decreased by €689 thousand over the balance at 31 December 2014, mainly due to the adjustment made to the actuarial value of the employees' severance pay liability (TFR), while the balance for "Provisions for risks and charges", amounting to €18,130 thousand, decreased by €459 thousand over 31 December 2014 mainly due to utilizations and releases to income.

Current liabilities

Trade payables, which amount to €35,880 thousand, may be analyzed as follows:

<i>(in euro thousands)</i>	30/09/2015	31/12/2014
Payables to suppliers	(27,572)	(30,393)
Payables to the Parent Company	(8,258)	(5,558)
Payable to other companies of the Rai Group	(50)	-
Total trade payables	(35,880)	(35,951)

"Other current payables and liabilities", amounting to €33,106 thousand at 30 September 2015, increased by €11,417 thousand over 31 December 2014 mainly due to an increase of €7,358 thousand in deferred income and of €4,404 thousand in liabilities to the Parent Company for the tax consolidation and group VAT.

"Current financial liabilities" amounted to €30,628 thousand at 30 September 2015, an increase of €30,333 thousand over 31 December 2014, mainly as the result of the reclassification of the first two instalments totaling €29,765 thousand of the term loan which pursuant to 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 are due for repayment on 31 March 2016 and 30 September 2016. Tax payables amounted to €2,540 thousand, representing a decrease of €364 thousand over the balance at 31 December 2014.

Earnings per share

The following table sets out the calculation of basic and diluted earnings per share for the period of reference.

<i>(in euro thousands)</i>	9 months	
	2015	2014
Profit for the period	30,183	17,924
Average number of shares	272,000,000	13,600,000
Earnings per share (basic and diluted) (euro)	0.11	1.32

Diluted and basic earnings per share are equal since there were no dilutive items at the balance sheet date.

Net financial position

The following table sets out the Company's net financial position, determined in accordance with paragraph 127 of ESMA document no. 81 of 2011 implementing Regulation (EC) no. 809/2004.

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 €120 million (nominal value, term facility) at 30 September 2015, of which €30 million is classified as current liabilities and €90 million as non-current liabilities.

The loan agreement also includes a revolving credit facility of €50 million that had not been utilized at 30 September 2015.

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

<i>(in euro thousands)</i>	30/09/2015	31/12/2014
A. Cash		-
B. Cheques and bank and post office deposits	71.246	14.658
C. Securities held for trading	-	-
D. Cash and cash equivalents (A) + (B) + (C)	71.246	14.658
E. Current financial receivables	417	676
F. Current bank debt	(30.552)	(219)
G. Current portion of non-current debt	-	-
H. Other current financial payables	(76)	(76)
I. Current debt (F) + (G) + (H)	(30.628)	(295)
J. Net current debt (I) - (E) - (D)	41.035	15.039
K. Non-current bank debt	(90.183)	(80.072)
L. Bonds issued	-	-
M. Other non-current payables	(463)	(501)
N. Net non-current debt (K) + (L) + (M)	(90.646)	(80.573)
O. Net debt - ESMA	(49.611)	(65.534)

Commitments and guarantees

Commitments and guarantees amounted to €68,310 thousand at 30 September 2015 (€64,498 thousand at 31 December 2014) and mainly relate to personal guarantees received for third party obligations and third party guarantees pledged for the Company's liabilities for obligations and debts. The increase of €3,813 thousand is mainly due to sureties received from suppliers as guarantees for obligations deriving from contracts entered into with the Company.

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 nine months of 2015 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 nine months ended 30 September 2015 and 2014 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 September 2015 and 31 December 2014:

	Parent Company	Key management	Other related parties	Total
<i>(in euro thousands)</i>				
Non-current financial assets				
31/12/2014	-	-	-	-
30/09/2015	-	-	-	-
Current financial assets				
31/12/2014	365	-	-	365
30/09/2015	343	-	-	343
Current trade receivables				
31/12/2014	56,478	-	67	56,545
30/09/2015	58,703	-	226	58,929
Other current receivables and assets				
31/12/2014	2,718	-	10	2,728
30/09/2015	2,718	-	1	2,719
Current financial liabilities				
31/12/2014	-	-	-	-
30/09/2015	-	-	-	-
Trade payables				
31/12/2014	5,558	-	-	5,558
30/09/2015	8,258	-	50	8,308
Other current payables and liabilities				
31/12/2014	11,215	-	-	11,215
30/09/2015	15,640	-	7	15,647

The following table sets out details of the Company's transactions with related parties for the nine months ended 30 September 2015 and 2014:

Transactions between the Company and related parties affecting the income statement

	Parent Company	Key management personnel	Other related parties	Total
<i>(in euro thousands)</i>				
Revenues				
30/09/2014	88,776	-	-	88,776
30/09/2015	132,227	-	87	132,314
Other revenues and income				
30/09/2014	-	-	-	-
30/09/2015	-	-	-	-
Purchase of consumables				
30/09/2014	-	-	-	-
30/09/2015	1	-	-	1
Cost of services				
30/09/2014	11,192	622	26	11,840
30/09/2015	9,623	-	9	9,632
Personnel costs				
30/09/2014	8	212	-	220
30/09/2015	13	1,766	-	1,779
Other costs				
30/09/2014	-	-	-	-
30/09/2015	21	-	-	21
Financial income				
30/09/2014	3,903	-	-	3,903
30/09/2015	4	-	-	4
Financial expenses				
30/09/2014	1,007	-	-	1,007
30/09/2015	-	-	-	-

Parent Company

Relationships with the Parent Company at 30 September 2015 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, 4 November 2015

On behalf of the Board of Directors

The Chairman

Camillo Rossotto

Attestation of the manager in charge of preparing the corporate accounting documents

The manager in charge of preparing the corporate accounting documents of Rai Way S.p.A., Adalberto Pellegrino, declares, pursuant to paragraph 2 of article 154-bis of the Consolidated Finance Act, that the accounting information contained in this interim financial report at 30 September 2015 corresponds to the underlying books and records and the accounting entries.

Rome, 4 November 2015

Adalberto Pellegrino

Manager in charge of
preparing the corporate accounting document