



Interim Financial Report at 31 March 2015

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Company name, share capital and registered office

Company name:	Rai Way S.p.A.
Share capital:	Eur 70,176,000 fully paid
Registered office:	Via Teulada 66, 00195 Rome

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

¹In office at the approval date of this report.

Information concerning the powers assigned within the Board of Directors and the Company's system of corporate governance 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 who comes to Rai Way for the above-mentioned services can be conventionally classified as being in the category of Broadcasters (national and local radio and television broadcasters, including 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).

Summary of economic and financial data

The following section provides a summary of Rai Way's results of operations, financial position and cash flows for the first quarter of 2015 compared with the first quarter of 2014.

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 significant impact from an accounting point of view, meaning that items in the Company's 2014 financial statements are not comparable with those for 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 is provided below for the quarter ended 31 March 2014, 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; %)	1st Quarter			1st Quarter	
	2015	2014 PF	Change %	2014	Change %
Key income statement data					
Core revenues	52.4	51.8	1.2%	35.3	48.5%
EBITDA	26.1	25.1	4.0%	7.8	233.9%
EBIT	14.4	12.4	16.0%	7.6	88.8%
Profit before taxation	13.9	11.9	16.2%	9.2	51.7%
Profit for the period	9.3	7.6	22.9%	5.7	64.2%
Key balance sheet data					
Capital expenditure	3.0	1.8	62.5%	1.8	62.5%
Invested capital	220.3	N/A	N/A	191.7	14.9%
Net equity	162.9	N/A	N/A	147.4	10.6%
Net financial position	57.4	N/A	N/A	44.3	29.5%
Key ratios					
EBITDA/Core revenues	49.7%	48.4%	2.8%	22.1%	124.9%
EBIT/Core revenues	27.4%	23.9%	14.6%	21.5%	27.1%
Profit for the period/Core revenues	17.7%	14.6%	21.5%	16.0%	10.6%
Cash conversion rate	88.6%	92.7%	-4.4%	85.4%	3.8%

- Core revenues reached Eur 52.4 million, a rise of 1.2% over the first quarter of 2014.
- EBITDA amounted to Eur 26.1 million, exceeding the pro-forma result of Eur 25.1 million for the first quarter of 2014, mainly due to lower operating costs and increased revenues from Rai.

- The ratio between EBITDA and core revenues was 49.7% compared to a pro-forma 48.4% in the first quarter of 2014.
- Net operating profit (EBIT) amounted to Eur 14.4 million, representing an increase over the pro-forma figure of Eur 12.4 million for the first quarter of 2014.
- Profit for the quarter totaled Eur 9.3 million, increasing by 22.9% over the pro-forma figure for the first quarter of 2014.
- Capital expenditure amounted to Eur 3.0 million.
- Invested capital totaled Eur 220.3 million, with a net financial position of Eur 57.4 million and net equity of Eur 162.9 million.

Income statement Rai Way S.p.A.

(in euro millions)	1st Quarter		Change %	1st Quarter	
	2015	2014 PF		2014	Change %
Revenues from Rai	44,0	43,0	2,3%	26,5	66,1%
Revenues from third parties	8,4	8,8	(4,3%)	8,8	(4,3%)
TOTAL REVENUES	52,4	51,8	1,2%	35,3	48,5%
Other revenues and income	0,2	0,2	0,6%	0,2	0,6%
Personnel costs	(12,4)	(11,8)	5,2%	(11,8)	5,2%
Operating costs	(14,2)	(15,2)	(6,6%)	(15,9)	(11,0%)
EBITDA	26,1	25,1	4,0%	7,8	233,9%
<i>EBITDA margin</i>	49,7%	48,4%	2,8%	22,1%	124,9%
Amortization and depreciation	(11,6)	(12,5)	(7,7%)	(0,0)	N/A
Write-downs	(0,2)	(0,2)	(5,9%)	(0,2)	(5,9%)
Allocations	-	-	-	-	
OPERATING PROFIT	14,4	12,4	16,0%	7,6	88,8%
Financial management	(0,5)	(0,4)	10,1%	1,5	(131,2%)
PROFIT BEFORE INCOME TAXES	13,9	11,9	16,2%	9,2	51,7%
Income tax	(4,6)	(4,4)	4,6%	(3,5)	31,4%
PROFIT FOR THE PERIOD	9,3	7,6	22,9%	5,7	64,2%
<i>PROFIT margin</i>	17,7%	14,6%	21,5%	16,0%	10,6%

Rai Way's revenues totaled Eur 52.4 million, an increase of Eur 0.6 million (+1.2%) over the previous period.

The activities carried out for the Rai Group generated revenues of Eur 44.0 million, representing an increase of 2.3% over the same period of the previous year, mainly due to

the Service Agreement tariffs effective in 2015. Revenues of Eur 8.4 million were earned from commercial relationships with other customers, a decrease of Eur 0.4 million over the previous year (-4.3%). This decrease arose mainly from tower rental revenues (a reduction of Eur 0.3 million) and network service revenues (a reduction of Eur 0.1 million).

Other revenues and income amounted to Eur 0.2 million, in line with the same period of the previous year.

“Personnel costs” amounted to Eur 12.4 million, representing an increase of Eur 0.6 million over the same period in 2014 (Eur 11.8 million). This item is reduced by the personnel costs capitalized for work carried out on the design and installation of infrastructure, amounting to Eur 0.3 million.

The Company's workforce increased by one person in the period from 638 at 31 December 2014 to 639 at 31 March 2015. The average workforce rose from 625 in the first quarter of 2014 to 641 in the first quarter of 2015. This increase is due to the strengthening of the Company's managerial organization structure following the IPO.

Other period costs – which include purchase of consumables, cost of services and other costs – amounted to Eur 14.2 million, representing a decrease of approximately Eur 1 million over the previous year. Purchase of consumables fell by Eur 0.2 million mainly as the result of a decrease in the costs of fuel and technical materials. The cost of services decreased by Eur 1.1 million on a pro-forma basis, mainly as the result of items relating to maintenance which fell by Eur 0.3 million and lease and rental costs which decreased by Eur 0.4 million. The 2014 pro-forma figure related to the intercompany service agreement includes the adjustments to reflect the new agreement which became effective on 1 July 2014. Other costs rose by Eur 0.2 million.

The performance of operating profit, which rose by Eur 2.0 million over the corresponding period in 2014, benefited from a decrease of Eur1 million in the charge for amortization, depreciation and write-downs.

Profit for the period amounted to Eur 9.3 million, an increase of Eur 1.7 million over the same period in 2014.

Capital expenditure totaling Eur 3.0 million was made in the first quarter of 2015 (Eur 1.8 million in the same period in 2014), mainly relating to Company-owned network infrastructure.

Human Resources and Organization

Rai Way had a workforce with permanent employment contract of 624 at 31 March 2015: 17 executives, 133 middle managers, 440 technicians and office workers (including 12 apprentices) and 34 manual workers. An additional 15 workers with fixed-term employment contracts should then be added to this total.

Relationships with companies of the Rai Group

Relationships of a commercial and financial nature are maintained with the Parent Company Rai - Radiotelevisione Italiana; 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.

Subsequent events

Following the notification from El Towers S.p.A. on 10 April 2015 of the resolution to amend the tender threshold of the condition precedent to 40% of the share capital of Rai Way, on

13 April 2015 Consob notified the Offeror that amending the features of the offer is equivalent to proposing a different transaction and accordingly signifies that it is no longer possible to continue with its preliminary process for approving the Offering Document, which must therefore be considered concluded. The amendment of the tender threshold was unanimously resolved by El Towers following Consob's notification on 1 April 2015 that the intention expressed by the Italian Ministry of the Economy and Finance and by RAI-Radiotelevisione italiana S.p.A. ("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 subordinated the success of the offer, impossible to achieve, constituting an impediment to upholding the application for approval of the Offering Document.

On 16 April 2015, the Board of Directors of RAI confirmed that the majority shareholder of Rai Way would not tender any share to El Towers' offer, also following the change of the acceptance threshold.

On 22 April 2015, after analyzing RAI's press release, the Board of Directors of El Towers S.p.A. acknowledged that the conditions do not exist for continuing with the offer.

As announced on its corporate website on 17 April 2015, El Towers withdrew the communication of the transaction sent on 24 February 2015 and, as a consequence, the Italian Competition Authority ceased its preliminary review process.

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 Eur 0.1234 per share for a total payment of Eur 33.6 million.

Business outlook

The results for the first quarter 2015 are in line with management's expectations. The outlook for the full year 2015, indicated in the 2014 financial statements, is therefore confirmed:

- 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.

Rome, 5 May 2015

On behalf of the Board of Directors

The Chairman

Camillo Rossotto

Financial statements

Income statement Rai Way S.p.A.

(in euro)	1st Quarter	
	2015	2014
Revenues	52,434,777	35,307,698
Other revenues and income	215,214	213,928
Purchase of consumables	(283,493)	(433,603)
Cost of services	(12,983,087)	(14,818,526)
Personnel costs	(12,384,860)	(11,774,470)
Other costs	(922,680)	(686,626)
Amortization, depreciation and write-downs	(11,712,671)	(200,050)
Allocations	-	-
Operating profit	14,363,201	7,608,351
Financial income	15,027	1,925,064
Financial expenses	(496,047)	(382,014)
Total financial income and expenses	13,882,181	9,151,401
Income tax	(4,583,895)	(3,487,836)
Profit for the period	9,298,286	5,663,565

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

(in euro)	1st Quarter	
	2015	2014
Profit for the period	9,298,286	5,663,565
Items that will not be reclassified to the income statement		
Actuarial gains (losses) on employee benefits	(233,396)	-
Tax effect	64,184	-
Total comprehensive income for the period	9,129,074	5,663,565

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

(in euro)	31/03/2015	31/12/2014
Non-current assets		
Property, plant and equipment	234,579,571	243,126,987
Intangible assets	590,072	630,885
Non-current financial assets	562,910	577,728
Deferred tax assets	5,588,545	5,448,256
Total non-current assets	241,321,098	249,783,855
Current assets		
Inventory	897,203	900,592
Trade receivables	85,413,286	64,401,606
Other current receivables and assets	5,441,396	4,383,597
Current financial assets	213,531	676,449
Cash and cash equivalents	62,972,290	14,657,765
Tax receivables	312,685	313,688
Total current assets	155,250,390	85,333,697
TOTAL ASSETS	396,571,488	335,117,552
Shareholders' equity		
Share capital	70,176,000	70,176,000
Legal reserve	6,890,612	6,890,612
Other reserves	37,078,970	37,078,970
Retained earnings	48,773,891	39,644,818
Total shareholders' equity	162,919,473	153,790,400
Non-current liabilities		
Non-current financial liabilities	105,609,564	80,572,451
Employee benefits	21,492,158	21,326,026
Provisions for risks and charges	18,478,340	18,588,667
Other non-current payables and liabilities	-	-
Deferred tax liabilities	-	-
Total non-current liabilities	145,580,063	120,487,144
Current liabilities		
Trade payables	35,188,203	35,951,405
Other current payables and liabilities	35,222,251	21,689,239
Current financial liabilities	14,947,880	294,899
Tax payables	2,713,617	2,904,466
Total current liabilities	88,071,952	60,840,009
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	396,571,488	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				5,663,565	5,663,565
31 March 2014	70,176,000	6,298,612	37,078,970	33,804,044	147,357,626
Comprehensive income for the period				17,584,772	17,584,772
Allocation of profit to reserves		592,000		(592,000)	-
Dividend distribution				(11,152,000)	(11,152,000)
31 December 2014	70,176,000	6,890,612	37,078,970	39,644,818	153,790,400
Comprehensive income for the period				9,129,074	9,129,074
31 March 2015	70,176,000	6,890,612	37,078,970	48,773,891	162,919,473

Cash flow statement Rai Way S.p.A.

(in euro)	1st Quarter	
	2015	2014
Profit before income taxes	13,882,181	9,151,401
Amortization, depreciation and write-downs	11,712,671	200,050
Allocations to (releases from) provisions for personnel and other provisions	45,806	523,561
Net financial income	481,020	(1,543,050)
Other non-monetary items	-	-
Change in inventory	3,390	49,641
Change in trade receivables	(21,171,679)	(11,235,454)
Change in trade payables	(763,202)	(2,591,113)
Change in other assets	(1,057,799)	(3,991,686)
Change in other liabilities	9,568,012	13,652,485
Use of provision for risks	(64,513)	(105,192)
Payment of benefits to employees	(275,323)	(791,591)
Change in tax receivables and payables	(884,846)	(922,140)
Taxes paid	-	-
Net cash from operating activities	11,475,717	2,396,912
Investments in property, plant and equipment	(2,936,202)	(13,994)
Disposals of property, plant and equipment	-	-
Investments in intangible assets	(28,240)	-
Disposals of intangible assets	-	-
Investments related to financial leases	-	(1,809,780)
Collection of amounts related to financial leases	-	12,022,735
Receipt of long-term loans	-	-
Change in non-current financial assets	14,818	400
Interest collected	15,027	1,925,064
Net cash from (used in) investing activities	(2,934,597)	12,124,425
Repayment of long-term loans	(14,714,310)	-
Change in current financial assets	462,917	-
Receipt of long-term loans	39,751,423	-
(Decrease)/increase in short-term loans and other loans	14,652,981	(14,267,872)
Interest paid	(379,607)	(253,465)
Dividends distributed	-	-
Net cash from (used in) financing activities	39,773,405	(14,521,337)
Change in cash and cash equivalents	48,314,524	-
Cash and cash equivalents at the beginning of the period (*)	14,657,765	-
Cash and cash equivalents at the end of the period (*)	62,972,290	-

Notes to the Interim Financial Report at 31 March 2015

Comments on the main changes in the income statement

Revenues

This item may be analyzed as follows:

(in euro thousands)	1st Quarter	
	2015	2014
Revenues from the Rai Service Agreement	43,995	26,485
Revenues from third parties	8,440	8,823
- Systems and equipment hosting fees	7,925	8,188
- Other	515	635
Total revenues	52,435	35,308

"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 Eur 17,127 thousand over the corresponding period of 2014, from Eur 35,308 thousand in the quarter ended 31 March 2014 to Eur 52,435 thousand in the quarter ended 31 March 2015.

"Revenues from the Rai Service Agreement" amounted to Eur 43,995 thousand or 83.9% of total revenues for the quarter ended 31 March 2015, increasing by Eur 17,510 thousand over the same period of the previous year. This increase is mainly due to the fact that in 2014 this item consisted of revenues earned under the 2000-2014 Service Agreement with Rai and in 2015 those earned under the New Service Agreement from 1 July 2014 onwards. The new agreement contains contractual clauses that require it to be classified as an operating lease. This in turn leads to a different accounting treatment under IAS 17 which determined this increase.

"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 Eur 383 thousand in these

revenues mainly due to a decrease in tower rental revenues and revenues for network services.

Other revenues and income

"Other revenues and income" totaled Eur 215 thousand in the first quarter of 2015, in line with those of the same period of 2014.

Costs

"Purchase of consumables" decreased by Eur 150 thousand from Eur 434 thousand in the quarter ended 31 March 2014 to Eur 283 thousand in the quarter ended 31 March 2015. This item mainly consists of the costs incurred for purchasing technical materials for the warehouse and consumables, fuel and combustibles for electricity generating groups and heating. More specifically, the decrease in these costs principally reflects a fall in fuel costs.

"Cost of services" decreased by Eur 1,836 thousand from Eur 14,819 thousand in the quarter ended 31 March 2014 to Eur 12,983 thousand in the quarter ended 31 March 2015, mainly due to a fall in costs arising from the intercompany services agreement with Rai (renegotiated with effect from 1 July 2014), lease and rental costs, maintenance costs and travelling expenses.

"Personnel costs" amounted to Eur 12,385 thousand, representing a rise of Eur 611 thousand over 2014 (Eur 11,774 thousand), due mainly to an increase in the number of employees as a result of the strengthening of the Company's managerial organization structure following the IPO.

"Other costs" increased by Eur 236 thousand from Eur 687 thousand in the quarter ended 31 March 2014 to Eur 923 thousand in the quarter ended 31 March 2015.

Amortization, depreciation and write-downs

Costs for "Amortization and depreciation", which forms part of "Amortization, depreciation and write-downs", amounted to Eur 11,713 thousand in the quarter ended 31 March 2015 (Eur 200 thousand in the quarter ended 31 March 2014). The increase of Eur 11,513 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 as described in the annual financial statements at 31 December 2014.

"Write-downs", which form part of "Amortization, depreciation and write-downs", amounted to Eur 160 thousand in the quarter ended 31 March 2015 and Eur 170 thousand in the quarter ended 31 March 2014 and consist of the allocation charged to the provision for bad and doubtful debts.

Financial income and expenses

"Interest income", which amounted to Eur 15 thousand, fell significantly by Eur 1,910 thousand. This decrease was mainly due to "Interest income for finance lease agreements", which had a nil balance in the quarter ended 31 March 2015 but in the quarter ended 31 March 2014 consisted of the income 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 Eur 496 thousand, representing an increase of Eur 114 thousand over the same period of the previous year. The main items in this balance are as follows:

- "Interest on loans" amounting to Eur 271 thousand and mainly consisting of the interest accruing on the loan granted under the 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;
- "Other interest expense" amounting to Eur 135 thousand (Eur 1 thousand in the quarter ended 31 March 2014), mostly relating to bank charges and fees arising from the above-mentioned loan agreement;
- "Interest expense payable to Parent Company" having a nil balance (Eur 250 thousand in the quarter ended 31 March 2014); this decrease is essentially due to the fact that the intercompany credit line with Rai was closed on listing.

Income tax

This item may be analyzed as follows:

<i>(in euro thousands)</i>	1st Quarter	
	2015	2014
Current taxes	4,660	2,780
Deferred taxes	(76)	708
Taxes pertaining to previous years	-	0
Total	4,584	3,488

Comments on the main changes in the statement of financial position

Non-current assets

Property, plant and equipment amounted to Eur 234,580 thousand at 31 March 2015, a decrease of Eur 8,547 thousand arising from a depreciation charge of Eur 11,484 thousand, capital expenditure of Eur 2,936 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 Eur 590 thousand, a decrease of Eur 41 thousand due to an amortization charge of Eur 69 thousand and investments of Eur 28 thousand made in the period.

Non-current financial assets, amounting to Eur 563 thousand, are essentially in line with those at 31 December 2014, with a decrease of Eur 15 thousand.

Deferred tax assets totaled Eur 5,589 thousand, representing an increase of Eur 140 thousand.

Current assets

Inventory amounted to Eur 897 thousand, in line with 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 Eur 85,413 thousand, may be analyzed as follows:

<i>(in euro thousands)</i>	31/03/2015	31/12/2014
Receivables from Rai	65,035	56,478
Receivables from customers	24,320	11,706
Provision for bad and doubtful debts	(3,942)	(3,782)
Total trade receivables	85,413	64,402

The increase Eur 21,011 thousand during the period is mainly due to the following:

- an increase of Eur 8,557 thousand in "Receivables from Rai", which consists of the amounts payable to the Company by Rai under the Service Agreement;
- an increase of Eur 12,614 thousand in "Receivables from customers", due to a rise in receivables overdue by less than 30 days.

"Other current receivables and assets" amounted to Eur 5,441 thousand at 31 March 2015, an increase of Eur 1,058 thousand over the balance at 31 December 2014 due to a rise in prepayments.

Tax receivables consist of an amount of Eur 313 thousand due for VAT, and have not changed over the period.

Shareholders' equity

Shareholders' equity totaled Eur 162,919 thousand at 31 March 2015. The increase of Eur 9,129 thousand over the period is due to the profit for the first three months of the year.

Non-current liabilities

"Non-current financial liabilities" amounted to Eur 105,610 thousand at 31 March 2015, an increase of Eur 25,037 thousand, mainly as the result of drawing down an amount of Eur 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. The first instalment of the repayment of this loan, amounting to Eur 15,000 thousand, has been classified as current financial liabilities as it falls due on 31 March 2016.

There have been no significant changes, compared to 31 December 2014, in the balances for "Employee benefits", amounting to Eur 21,492 thousand at 31 March 2015, and "Provisions for risks and charges", amounting to Eur 18,478 thousand.

Current liabilities

"Current financial liabilities" totaled Eur 14,948 thousand at 31 March 2015. The increase of Eur 14,653 thousand over the balance at 31 December 2014 is mainly due to the reclassification of the current portion of the term facility amounting to Eur 15,000 thousand,

which under 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 falls due on 31 March 2016.

Trade payables, which amounted to Eur 35,188 thousand may be analyzed as follows:

<i>(in euro thousands)</i>	31/03/2015	31/12/2014
Payables to suppliers	(25,990)	(30,393)
Payables to the Parent Company	(9,198)	(5,558)
Payables to other companies of the Rai Group	-	-
Total trade payables	(35,188)	(35,951)

"Other current payables and liabilities", amounting to Eur 35,222 at 31 March 2015, increased by Eur 13,533 thousand over 31 December 2014, mainly due to an increase of Eur 3,965 thousand in payables due to the Parent Company for tax consolidation and of Eur 8,119 thousand in deferred income arising from invoices issued in advance as contractually provided.

Tax payables amounted to Eur 2,714 thousand, representing a decrease of Eur 191 thousand over the balance at 31 December 2014.

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 granted 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 Eur 120 million (nominal value, term facility) at 31 March 2015, of which Eur 15 million is classified as current liabilities and Eur 105 million as non-current liabilities.

The loan agreement also includes a revolving credit facility of Eur 50 million that had not been utilized at the date of the Interim Financial Report.

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).

(in euro thousands)		31/03/2015	31/12/2014
A.	Cash		-
B.	Cheques and bank and post office deposits	62,972	14,658
C.	Securities held for trading	-	-
D.	Cash and cash equivalents (A) + (B) + (C)	62,972	14,658
E.	Current financial receivables	214	676
F.	Current bank debt	(14,872)	(219)
G.	Current portion of non-current debt	-	-
H.	Other current financial payables	(76)	(76)
I.	Current debt (F) + (G) + (H)	(14,948)	(295)
J.	Net current debt (I) - (E) - (D)	48,238	(15,039)
K.	Non-current bank debt	(105,109)	(80,072)
L.	Bonds issued	-	-
M.	Other non-current payables	(501)	(501)
N.	Net non-current debt (K) + (L) + (M)	(105,610)	(80,573)
O.	Net debt - ESMA	(57,372)	(65,534)

Commitments and guarantees

Commitments and guarantees amounted to Eur 63,986 thousand at 31 March 2015 (Eur 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.

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 causes with the radio and/or television signal transmitted by other industry operators. All disputes are constantly monitored by the Company's legal office, which to this purpose engages the support of leading law firms specializing in administrative disputes. The amounts recognized in the financial statements as provisions for risks and charges represent management's best

estimate of the outcome of the pending disputes and have been calculated by taking into account the opinions of the 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 makes use of support provided by leading law firms specializing in labor law during the litigation proceedings 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 the 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, also taking into account the professional opinions formulated by these firms concerning the expected outcome of the pending disputes, the Company has recognized as provisions for risks and charges in its financial statements the amounts that management considers it probable that it will be required to pay should it lose the cases.

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 by way of 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 determination of these costs, on the other hand not at present quantifiable, in the near future. The Company accordingly believes

that the possibility exists that it may in the future have to incur costs to satisfy the claims it has received, and in this respect has created a 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 provision for site dismantling and restoration, 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 carried out with related parties in the quarters ended 31 March 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 ("Parent Company" in the tables below)
- 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 31 March 2015 and 31 December 2014:

<i>(in euro thousands)</i>	Parent Company	Key management personnel	Other related parties	Total
Non-current financial assets				
31/12/2014	-	-	-	-
31/03/2015	-	-	-	-
Current financial assets				
31/12/2014	365	-	-	365
31/03/2015	142	-	-	142
Current trade receivables				
31/12/2014	56,478	-	67	56,545
31/03/2015	65,035	-	110	65,145
Other current receivables and assets				
31/12/2014	2,718	-	10	2,728
31/03/2015	2,718	-	7	2,725
Current financial liabilities				
31/12/2014	-	-	-	-
31/03/2015	-	-	-	-
Trade payables				
31/12/2014	5,558	-	-	5,558
31/03/2015	9,198	-	-	9,198
Other current payables and liabilities				
31/12/2014	11,215	-	-	11,215
31/03/2015	16,818	-	5	16,823

The following table sets out details of the Company's transactions with related parties for the quarters ended 31 March 2015 and 2014:

<i>(in euro thousands)</i>	Parent Company	Key management personnel	Other related parties	Total
Revenues				
31/03/2014	26,485	-	-	26,485
31/03/2015	43,993	-	48	44,041
Other revenues and income				
31/03/2014	-	-	-	-
31/03/2015	-	-	-	-
Purchase of consumables				
31/03/2014	2	-	-	2
31/03/2015	1	-	-	1
Cost of services				
31/03/2014	4,246	-	13	4,259
31/03/2015	3,311	-	3	3,314
Personnel costs				
31/03/2014	1	359	-	360
31/03/2015	6	341	-	347
Other costs				
31/03/2014	1	-	-	1
31/03/2015	2	-	-	2
Financial income				
31/03/2014	-	-	-	-
31/03/2015	4	-	-	4
Financial expenses				
31/03/2014	251	-	-	251
31/03/2015	-	-	-	-

Parent Company

Relationships with the Parent Company at 31 March 2015 mainly arose from the Service Agreement renegotiated on 31 July 2014 which relates to the provision of new integrated network services by the Company, the Rai service 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 finally an intercompany current account agreement 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 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 provides leasing services and receives transmission services from Rai Way.

Rome, 5 May 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 31 March 2015 corresponds to the underlying books and records and the accounting entries.

Rome, 5 May 2015

Adalberto Pellegrino
Manager in charge of
preparing the corporate accounting document