



**Rai**

**RAI GROUP**

Reports

and financial statements 2009





**Reports and financial statements  
at 31.12.2009**



**Rai**



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# Corporate Bodies

## Board of Directors

	(until 25 March 2009)	(from 25 March 2009)
<b>Chairman</b>	Claudio Petruccioli	Paolo Garimberti
<b>Directors</b>	Giovanna Bianchi Clerici Angelo Maria Petroni Nino Rizzo Nervo Carlo Rognoni Marco Staderini Giuliano Urbani	Giovanna Bianchi Clerici Rodolfo De Laurentiis Alessio Gorla Angelo Maria Petroni Nino Rizzo Nervo Guglielmo Rositani Giorgio Van Straten Antonio Verro

**Secretary** Nicola Claudio

## Statutory Auditors

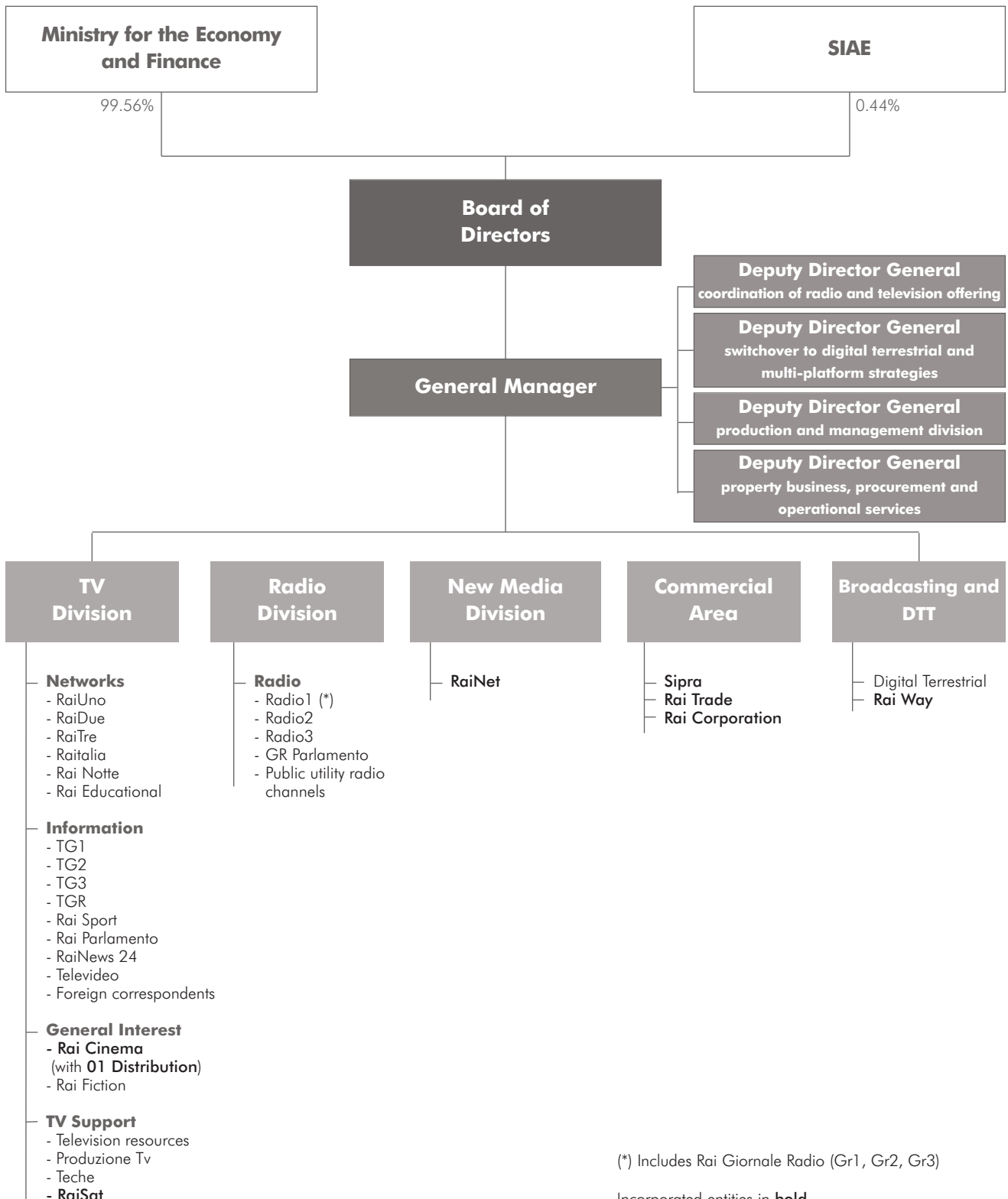
<b>Chairman</b>	Domenico Tudini
<b>Regular auditors</b>	Gennaro Ferrara Paolo Germani
<b>Alternate auditors</b>	Rosa Grimaccia Domenico Mastroianni

	(until 1 April 2009)	(from 2 April 2009)
<b>General Manager</b>	Claudio Cappon	Mauro Masi

**Independent auditors** PricewaterhouseCoopers<sup>(1)</sup>

(1) The firm has been engaged for the audit pursuant to Article 2409-bis, as approved by the shareholders' meeting on 16/07/2007.

# Organizational Structure







**Rai**



## **Report on operations**

## To the Shareholders,

In 2009, the Rai Group posted a **loss of 61.8 million euros** (loss of 7.1 million euros in 2008), with a **negative net financial position of 151.5 million euros** (positive by 21.1 million euros in 2008).

The Parent Company, Rai registered a loss of 79.9 million euros (37 million euros in 2008) and a positive net financial position of 52.5 million euros (196.8 million euros in 2008).

The negative results of 2009 can be attributed to the following significant phenomena.

The difficult situation that characterized the advertising market had a strong influence on company decisions to purchase advertising time and drastically redimensioned the budget allocated to expenditure for advertising.

In keeping with the general economic trend, the decline by Rai showed a tendency, quarter by quarter, towards progressively lower rates, closing nevertheless with a decline close to 17%.

The significant drop in revenues from advertising at consolidated level was approximately 200 million euros, which must be added to the 2008 drop of over 47 million euros.

The adaptation of the per-unit licence fee, in line with the long-term trend, was unable to do anything but marginally contrast a phenomenon of such a vast extent.

A positive contribution was assured by the dynamics of the subscribers portfolio: paying users, despite numbers growing less than last year, have almost reached the 16-million family mark.

In terms of operating costs, the tendency towards a reduction in expenditure was

confirmed – within a constant setting. This was thanks to a cost correction manoeuvre launched by the Company when the first signs of the advertising crisis began to show in the last quarter of 2008. This manoeuvre made it possible to significantly restrict the extent of the loss.

Actions to increase efficiency and rationalisation applied to all corporate areas were strengthened in the second half of the year and this had an immediate positive effect, creating the conditions to permanently consolidate the relative benefits.

The Income Statement also benefited from the stability of labour costs, thanks to the full application of the effects of the early retirement incentives implemented during 2008 and confirmed in 2009.

In greater detail, as regards revenues, the cost of the licence fee for 2009 went up by 1.4% (from 106.00 to 107.5 euros). This is a percentage which is substantially in line with the planned rate of inflation.

The policy for the annual adaptation of the per-unit licence fee has been confirmed on the same basis again for 2010, with a rise of 1.5 euros (to 109.00 euros).

The licence fee continues to be the lowest in Europe for public broadcasting companies and also holds the negative record for particularly high tax evasion, with reference to both the special fee and the ordinary licence fee, the latter being estimated at high on 30%, compared with the European average of under 10%.

A gradual alignment with the European standard, with a consequent recovery of significant resources, would require a

revision of the payment collection methods, joined by a strengthening of the regulatory instruments designed to combat evasion, which are currently blatantly inadequate.

More effective actions to considerably expand the subscriber portfolio would help Rai in the pursuit of its mission as a Public Service in a rapidly changing context which requires consist investments in technology and particularly in the products offered.

These actions would also have positive effects on viewers, thanks to the balanced distribution of the benefits resulting from the reduction in tax evasion, and also on the audiovisual industry in general.

On the basis of the results of the separate accounting for the 2008 financial year, certified by independent auditors chosen by the Italian Communications Authority, the imbalance between public resources and the costs sustained by the concession holder for the fulfilment of public-service responsibilities amounts to almost 550 million euros. This imbalance falls to 335 million euros after the allocation of the specific share of the advertising revenue from the programming.

As regards the possible developments of the macro economic framework, since March last year, tension on the financial markets has eased somewhat and the quality ratios of the real economy have begun to show signs of a slowing down of the recession. In the months that followed the rise in unemployment figures continued, as did the drop in income, accompanied by continuing volatility of the financial markets, with a negative effect on consumption and investments. The much-awaited inversion in this cycle

finally began at the beginning of 2010.

In this context, the advertising market, following the general decline of about 3% in 2008, fell by over 13% (Nielsen figures).

Television advertising posted a loss of about 10% in 2009 (Nielsen figure). The only media that have succeeded in maintaining a positive sign are the Internet and, to a lesser extent, satellite TV.

Moving on to the more specific setting of the reference market, competition entered a new phase. Traditional competition between players operating on the same broadcasting platform was joined by competition between those operating on different platforms, at an unprecedented level of intensity.

Furthermore, the transformation and hybridisation of the consolidated business model of the main and traditional market leaders increasingly proposes free television as an alternative to the pay model. The aspect that best highlights the structural change of the market is the progressive decline in 2009 of the advertising contacts issued by the general interest channels.

Consequently, while the prophecies which proclaimed the imminent demise of traditional television will not come true for a long time to come, the radical change in the market structure, which those with greater awareness perceive even in single operations, has entered forcefully into our daily viewing.

Until just a few years ago, the multiplication of the multimedia offering, which was almost customised and made for non-linear fruition, seemed to be an exclusive prerogative

of generations which have grown up in already digitalised contexts, this transformation is now involving traditional television, which is undergoing an important rethinking and repositioning phase.

The stakes are high for the entire system. For the Public Service in particular, it has become essential to make a decisive contribution to build up the elective platform of users in general, the doorway to access to the digital offering for everyone.

This process of breaking down and rebuilding the market and the offering was accelerated by the decision to make the switchover to digital terrestrial television not a purely technological issue left to the free enterprise of the single operators, but a project of the nation.

A project characterized by strictly pre-set timing with brief intervals between interventions, which initially seemed risky but is now proving to be within the system's reach, with a regulatory arrangement which intends to facilitate the admission of new players without unfairly penalising those already in operation.

Rai has chosen digital terrestrial TV as its prioritised platform, around which, in observance of the orders regarding technological neutrality and competitiveness, it is building the mission of the Public Service of the future, already with some significant and important editorial success.

The strategy of the new multi-channel digital environment is already operational and consists in flanking the regenerated and refreshed traditional offering with new specialised channels that require shared distinctive signs and languages that arouse in users a sense of belonging to a tradition and to a single editorial project.

At the end of 2009, the all digital population was about 17 million people, accounting for almost 30% of the whole population. The switchover to digital will involve five more areas of the country in 2010, taking the percentage to 70%. Consequently 2010 will be a year characterized by massive development of the platform.

Competition between the terrestrial platform and the other platforms will increase in intensity in 2010, inasmuch as the delicate switchover phases will represent the best way of intercepting "terrestrial" users who might be feeling a little disoriented, using aggressive promotional campaigns.

Rai's decision not to renew the agreement for the channels produced for the Sky pay bouquet is consistent with this context.

While, on one hand, Sky expected to link the supply of the Rai channels (RaiSat) to the free availability of the whole free offering, also in the future, of the Public Service on the pay satellite platform, on the other, the first viewing figures for the all digital areas show Rai as the clear market leader. This is partly thanks to the contribution of the former RaiSat channels, which previously represented the most important Italian editor within the Sky offering.

Both with a view to complementary broadcasting in relation to dissemination through the digital networks for territorially marginal areas or areas penalised by possible difficulties in reception, and to fulfilling the obligations imposed by the institutions with regard to technological and competitive neutrality, the Public Service concession holder is present with its entire offering also on the free satellite platform, launched in 2009 by

**Tivù**, a company partly owned by Rai together with other national broadcasters.

Rai has made significant innovations to its free editorial offering of the DTT platform, flanking the simulcast of the three general-interest channels with three specially created channels: Rai Gulp, Rai Sport Più and, more recently, in July 2008, and with immense success, Rai4. Lastly, there are the simulcasts of two satellite channels, RaiNews 24 and, more recently Rai Storia, also with national coverage.

These are new channels aimed at audiences and issues considered priority by Rai. They will allow the strengthening of the tendencies towards change which are also affecting the general-interest channels, which will continue to be central in the digital world.

As already mentioned, these are joined, in the all digital areas only, by four more specialised channels (former RaiSat): Cinema, Premium, YoYo, Extra, and Rai Scuola, as well as an experimental broadcast in HD.

The development of DTT requires a consistent financial commitment, starting with that for the construction of the network infrastructure: a technical investment which will absorb resources of about 300 million euros by 2012, much of this being concentrated in 2010, as well as significant commitments and investments in the area of contents to expand the offering.

Rai will have to face this considerable investment programme during a particularly difficult market phase, with a very negative impact for the concession holder due to the difficulties regarding the drop in advertising revenues and to the insufficiency of resources from the licence fee, which provide the main form of funding for the Public Service.

In this context, partly due to the presence of big sporting events (the World Cup), the outlook for 2010 remains negative, despite the important ongoing contribution which will ensure the pursuit of cost reduction policies which will be further strengthened, the medium-term aim of which is to structurally reduce the company deficit.

Rai is dedicating as much energy as possible to this commitment, with all the pride and responsibility of a history which assigns it the role of the country's leading cultural industry. However, the undeniable transformation of the communication system and the speed at which innovation is taking place impose a flexibility and capacity for reaction which are just as swift.

They also require financial resources which can support growth strategies if a possible slow decline or marginalisation is to be avoided.

The Public Service concession holder belongs to the country and is obliged to offer the country the best possible service, interpreting its needs and hopes, translating them into an adequate proposal. It will continue to do so with its increasingly rich and articulated free editorial offering, present on the different leading technological platforms.

The substantial belonging to the Institutions of our country, as an entity which performs a fundamental public mission on behalf of the country, subjects Rai to a series of addresses, directives and restrictions, many of which are extremely severe and which establish the details of the area of activity and, at least partially, the methods used to accomplish it.

Every three years, Rai and the Ministry of Economic Development draw up the Service Agreement, an "operating charter" which, on the basis of EU and national legislation, established the details of the single tasks that the concession holder has to perform. An Agreement which must comply with the preliminary guidelines established by the Italian Communications Authority in accordance with the Ministry of Economic Development.

The Consolidated Law on Finance makes express provision for a mechanism to guarantee the economic equilibrium of the concession holder, acknowledging that public resources must equate to the costs sustained for the performance of the activities delegated to it.

This legal order has not been respected up to now, causing enormous damage to Rai, year after year. If the principle of proportionality between costs and resources had been respected, Rai could have had income for over 1 billion euros in 2005-2008.

Even without the results of separate accounting, the instrument that certifies the deficit of public resources, Rai endures a deduction of resources which is unequalled in other European countries, due to the aforementioned anomalous extent of licence fee evasion.

The reduced annual income for Rai can be quantified at about 500/600 million euros.

The acknowledgement of public resources to Rai in an appropriate amount would have generated positive effects: on the comprehensive prospective balance of market resources, on the audiovisual industry, on the concession holder's capacity to improve its focus on the pursuit of the Public Service mission with a further advantage for the overall quality of programming.

Rai therefore believes that the recovery of the accounts and of a sustainable economic balance, as well as the restoration of a solid financial situation, require a decisive intervention on public resources.

Indeed, the aid guaranteed so often in the past by advertising in relation to the modest income from licence fees is unlikely to be able to make up for insufficient public resources in the future. In addition to this, during recessions or weak market situations, the more restrictive conditions to which Rai is subject have always amplified market difficulties.

The maintenance of the structure of the layouts and area of activity, in relation to which the independence of Rai is bound to the decisions made by the Institutions, poses an obvious limit to the extent of the benefits that can be obtained with recovery policies concentrated solely on rationalising costs, which do however continue.

The prospective economic situation, even in consideration of the extent of expected losses in relation to the turnover and actions implanted by Rai, could still be managed with structural measures, but not necessarily of exceptional nature.

Vice versa, the latter, in observance of the indications which should hypothetically come from the Institutions, would become unavoidable unless there is an intention to tackle the economic-financial deterioration with the rebalancing (even partially) of public resources.

Despite the difficulties, Rai has proven, also with the switchover to DTT, that it is in a position to win important industrial battles. In the new digital context, audiences have renewed their trust in Rai, a brand name which is synonymous with informative authority, narrative power, quality entertainment and attention to disability.

The transformation of the market, with the strong impulse towards pay TV also on DTT, will convey even more visibility to Rai and to its free offering of extensive and widespread quality, aimed at users in general, accentuating its role as and the contents expected of a Public Service.

Characteristics which jointly converge in one direction: to make the licence fee, the public resource, the main and adequate source of funding of Rai.



**Rai**



## **Rai**

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## History

It was 3 January 1954 when television broadcasting began normal operations and Rai came to the small screen with its first channel. By the end of 1954, television was in 58% of Italian homes (by 1961, it reached 97% of the Italian population). Radio broadcasts, on the other hand, had been commonplace since the early 1920s with three national stations: Primo, Secondo, and Terzo (or networks 1, 2 and 3).

Subscription rates grew constantly over the first ten years, rising from just 24,000 in 1954 to more than 6 million in 1965, and in every home and in every public meeting place, the entire neighbourhood would gather to watch TV.

Television, as a public service, was intended not only as a source of entertainment, but also as a means to educate and inform, and even to help combat widespread illiteracy. In that regard, it helped create a national language much more than schools had been able to do.

At first, programmes lasted nearly four hours, and there was no advertising. Broadcasts began at 5.30 p.m. with *La TV dei Ragazzi* ('TV for Kids'), after which there was an intermission, followed by the news at 8.45 p.m. and other broadcasts until 11.00 p.m.

In 1957, we saw the first major change with the introduction of advertising and *Carosello*, an Italian icon in which entertainment took precedent over the actual advertising. In fact, it was typical for children to stay up to watch *Carosello*, after which they would all go to bed.

While television owes its rapid rise in popularity to entertainment, news and information has remained Rai's claim to excellence, with more than 70% of the TV audience following the news.

The most popular sports were cycling and soccer, which were broadcast faithfully by Rai.

Towards the end of the decade, recording systems became more diffuse, so that television was no longer tethered to live broadcasts, but could now record, save, and rebroadcast at a later date.

In 1962, Italy's second television channel came onto the scene, and, for the first time, Italian television was able to connect via satellite with America. A few months later, the first testing of colour broadcasting began, with the official launch not coming until the mid-70s. Also in the second half of the 1970s, regional broadcasts made their debut, and the news anchorman replaced the newsreader.

In 1979, the third television network was inaugurated, with both regional and national broadcasts, and the first local commercial networks made their entrance into the Italian television marketplace.

The 1980s saw the first testing of Teletext services, subtitling for the hearing impaired, and the Auditel audience-share ratings system. This was also the decade in which the nationwide commercial networks made their debuts.

In February 1996, Rai officially joined the Internet with its website at [www.rai.it](http://www.rai.it), and by the end of 1997 the company launched its first three digital satellite theme-based channels, testing of which had begun in the early 90s.

At the end of 2003, Rai's board of directors approved the creation of the Italian association for the development of *digital terrestrial broadcasting*, and in January 2004, Rai launched its first offering on the new platform, beginning a new era in the development of the Italian television market.

## Mission

As defined by Article 1 of the 2007-2009 Service Contract signed by the Italian Ministry of Communications, the mission of general public service broadcasting is founded in the principles of the Italian Constitution and of the European Union in the 'Television Without Frontiers' Directive of 1989 and subsequent amendments, the ninth protocol on the system of public broadcasting as part of the 1993 Amsterdam Treaty, and the subsequent interpretative Communication of the Commission of the European Communities C 320 of 15 November 2001.

This mission is governed by Italian legislation and regulation, in compliance with the aforementioned principles.

Specifically, the public service obligations for 2007-2009 are defined by a series of sources, including Italian Law 249 of 31 July 1997, Law 112 of 3 May 2004, the Consolidated Broadcasting Law approved by Italian legislative decree no. 177 of 31 July 2005, and by the 2007-2009 Service Contract, in line with the guidelines issued, in agreement with the Ministry of Communications, by the Italian Communications Authority with its resolution no. 540/06/CONS.

In accordance with Article 45 of the Consolidated Broadcasting Law, general public service broadcasting must establish the minimum content requirements that can be integrated through the service contract, so as to provide for the following:

- a) the broadcast of all public service television and radio transmissions throughout Italy to the extent possible based on current science and technology;



- b) a sufficient number of hours of television and radio broadcasts dedicated to education, information, and cultural promotion, with particular emphasis on promoting theatre, cinema, television (including foreign language programmes), and music which is either of significant artistic value or particularly innovative; such number of hours is set every three years by the Communications Authority; children's entertainment broadcasts are not included in these hours;
- c) the broadcast of the programming specified under point (b) above in proportionate manner across all time periods, including those with the highest viewing figures, and across all television and radio networks;
- d) access to programming, within the limits and in accordance with the methods established by law, in favour of political parties and groups represented in Parliament and in regional assemblies and councils, of local self-government associations, national trade unions, religious groups, political movements, political and cultural associations, legally recognized national associations of the cooperative movement, associations for social promotion listed in regional and national registers, ethnic and linguistic groups, and other groups of social significance that should request it;
- e) the establishment of a company for the production, distribution, and broadcast of radio and television programming abroad for the purpose of promoting the Italian language, culture, and economy by broadcasting programmes and the nation's leading audiovisual productions;
- f) the broadcast of television and radio programming in German and Ladin for the autonomous province of Bolzano, in Ladin for the autonomous province of Trento, in French for the autonomous region of Valle d'Aosta, and in Slovenian for the autonomous region of Friuli-Venezia Giulia;
- g) the free broadcast of public service messages required by the Italian Prime Minister's Office and the broadcast of sufficient information regarding Italian roadways and traffic;
- g) the broadcast, at appropriate times, of content specifically designed for children and which takes account of the needs and sensitivities of all childhood age groups;
- i) the maintenance of radio and television archives and the guarantee of public access to such archives;
- j) the allocation of no less than 15% of total annual revenues to the production of European programming, including programmes produced by independent providers;
- k) the provision, within the terms specified by Italian Law 112 of 3 May 2004, of the infrastructure for digital terrestrial broadcasting;
- l) the provision of interactive digital public services;
- m) observance of the limits of advertising defined by Article 38 of the Consolidated Broadcasting Law;
- n) the distribution of the broadcasting company in one or more national offices and in branches in each region and, for the region of Trentino-Alto Adige, in the autonomous provinces of Trento and Bolzano;
- o) the adoption of appropriate accessibility measures for the hearing and vision impaired;
- p) the promotion and strengthening of decentralized production centres;
- q) the provision of distance learning services.

## The Service Contract

As already mentioned, as regards the regulation of the sector, the public service concession holder's broadcasting activity is regulated not only by the Law, but by the Service Contract.

In accordance with the Service Contract, the offering of quality programming, which is to be in line with Italian values and ideals, as well as with audience sensitivities and the interest of minors, is characterized by a range of content and efficiency in production that gives the public a positive image of the public service provided, and this in terms of the level of programming, the appropriateness of the mission that it is required to fulfil as compared with commercial broadcasting, and the cost of the licence fee.

To that end, the following is a list of the primary responsibilities:

- the freedom, completeness, objectivity, and pluralism of information;
- safeguarding the national identity, as well as local identities and the identities of the minority language groups;
- the nation's political and economic developments and the challenges of modernization;
- the developments in political and economic relations with European partners and the dissemination of the key aspects of their cultures;
- providing information on the politics, economies, and societies of non-EU countries, particularly the world's least-developed nations both economically and socially;
- promoting culture, history, traditions, and artistic heritage;
- respect for the environment;
- representing the reality of daily living in Italy;

- promoting employment and employment conditions;
- the issues of civil law, solidarity, feminism, equal opportunities, and integration;
- public safety, reporting violence, crime, breakdown of the social fabric and social marginalisation;
- focus on the family;
- the protection of minors, the elderly, and other groups in need of protection.

The new guidelines relating to the Service Contract issued by the Italian Communications Authority in agreement with the Ministry for Economic Development for the 2010-2012 term fall within this framework.

The following obligations have been established:

- offering the public with balanced, quality programming;
- representing every territorial, social and cultural aspect of Italy;
- promoting education and a mental aptitude towards learning and assessment;
- stimulating interest in culture and creativity, also making the most of the nation's artistic heritage;
- guaranteeing free use of quality content;
- promoting the knowledge of Italy in the world and a non-superficial knowledge of the international context in Italy;
- promoting the dissemination of the constitutional principles, the awareness of public rights and the growth of the sense of belonging of all Italians to the European Union;
- reflecting cultural and multiethnic diversity with a view to integration and social cohesion;
- extending the benefits of new technologies to as many people as possible, in an innovative and competitive context.

In short, Rai is required to fulfil more public service tasks than in the past, with an inevitable rise in costs.

Lastly, Rai's ethical code must acknowledge the Code of self-regulation on matters of representing legal issued in broadcasts, signed by the concession holder on 21 May 2009, the "Media and minors" code, as renamed by Presidential Decree no. 72 of 14 May 2007, the Code on sporting commentary broadcasts, pursuant to article 34 of the Consolidate Broadcasting Law, acknowledged with decree 21 January 2008, as well as a Code of good conduct which contains specific instructions for the various situations. The service contract must impose the respect of the Ethical Code.

## The television broadcasting market

2009 was the year of the switchover to DTT by a large part of the population. Analogue broadcasting was terminated in Western Piedmont, Val 'Aosta, Trentino Alto Adige, almost all of Lazio and in Campania, after accompanying us for over fifty years. It was replaced by the digital signal, which has made it possible to increase the number of television channels available and consequently the range of choice offered to viewers. At the end of the year, almost 30% of the population was reached exclusively by this type of signal.

The switchover to digital, which will completely replace analogue broadcasting by the end of 2012 is continuing in line with schedule and steps to make the whole of Northern Italy digital have already been laid out for 2010. This will mean that a total of 70% of Italians will be reached by the end of the year.

Further enhancement of the offering has resulted in excellent television viewing figures.

In 2009 (Auditel reference period: 4/1/2009-2/1/2010) television audiences registered the absolute record for a whole day, touching on an average of 9 and a half million viewers, reaching an average prime time figure of 24.4 million viewers, the best result of the last four years.

At the end of 2009, about 65% of households had digital television (satellite and terrestrial broadcasting), with this figure rising to 70% on an individual basis due to the increased possession by larger families with children.

This growth hinges on **DTT** (digital terrestrial television) which, boosted by the aforementioned switch-off of important areas of Italy and by sales of televisions with built-in DTT tuners – the only appliances available on the market since last April – has overtaken satellite broadcasting and is the most widespread platform, having reached a user base of about 32 million people, 56% of the population, in December 2009.

In this sphere, Rai with its eight channels – which will become 13 in the areas where the switch-off has been completed - is the broadcaster with the most extensive and attractive free offering, not only in Italy, but also in Europe.

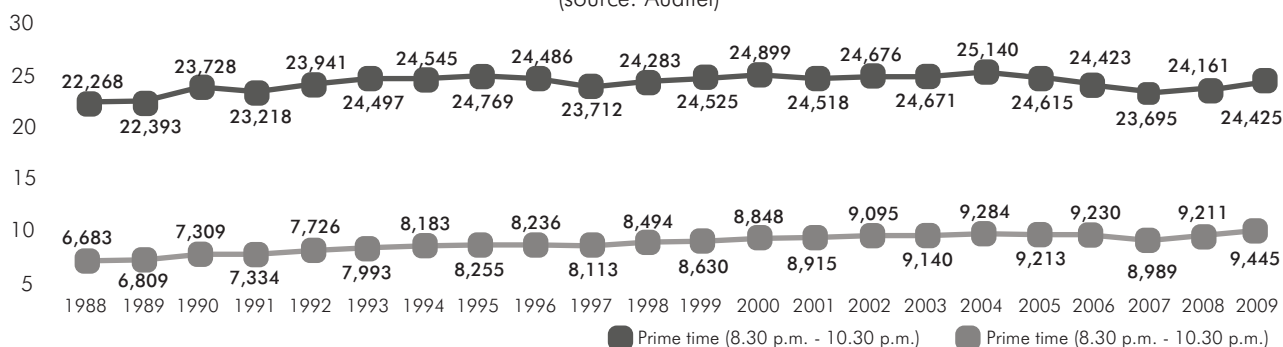
In the DTT pay segment, Mediaset's leadership with its semi-premium and premium packages reaches a subscriber base of about 2.9 million users (cards active in September 2009). The second operator is Airplus which activated its service in March 2009 with the Dahlia brand, replacing that of La7 Cartapiù, and which has a subscriber base estimated at around 400 thousand families.

Satellite has a total of 17.7 million potential viewers (31% of the total) and is still characterized by the undisputed leadership of the Pay segment, in which Sky, with 4.5 million subscriber households (virtually unchanged from 2008), reaches about 12.8 million people (22% of the population).

July 2009 witnessed the birth of TivùSat, Italy's first free satellite platform, set up

Changes in television audience

(source: Auditel)



within the scope of Tivù, a company owned jointly by Rai, Mediaset and Telecom Italia Media.

Designed to reach every area of the country, including those which will not be covered by the DTT signal even when it is fully operational, thanks to a special tuner and relative smartcard, TivùSat makes it possible to receive the whole existing television offering (including all the programmes without foreign broadcasting rights), of all the new national television channels and of a series of other Italian and international channels (such as Euronews, France 24, BBC World News, TVE International, Canal 24 Horas, Arte, Deutsche Welle, ZDF ARD and others).

The market continues to be characterized by a greater articulation of the transmission and reception platforms and by increased competition at all levels: from the acquisition of production factors (rights, content and talents), to attention (viewing figures), to public expenditure (related mainly to pay TV) and income from advertising.

In terms of offering models, innovations continue with the specialization of the television channels on the one hand, with a focus by types of audience and/or themes, and with the development of non-linear offerings on the other, released from the typical logic of programming.

This latter category includes all the video on demand services (present especially in the offering by IPTV operators) as well as the new digital video recorders (including My Sky offered by the main pay operator), which make recording and then watching television event (even while it

is being recorded and consequently with time differences of just a few minutes in relation to its actual broadcasting) extremely simple.

Rai has contributed successfully to this major offering with its specialized digital channels, all of which are free, and with an almost entirely public service programming (Rai 4, Rai Storia, Rai Sport Più, RaiNews 24, Rai Gulp, Rai Scuola, RaiSat Cinema, RaiSat Premium, RaiSat Extra and RaiSat YoYo) proving its ability to combine the tradition of general-interest TV with the innovation of specialized TV.

By strengthening its nature as a public service, Rai continues to be strongly committed also to other communication media, such as publishing, radio, film and web, diversifying and integrating the products it offers.

IPTV continues to occupy a marginal part of the Italian broadcasting market despite considerable efforts by telephone companies, particularly Telecom Italia and Fastweb, to build, articulate and promote an attractive service.

Albeit at a much slower rate than in the past, Internet continues to grow in terms of users, time spent on the Net and use of the various applications.

According to the latest estimates drawn up by Audiweb, in December 2009 about 23 million Italians logged onto the Internet at least once, either from home or at work.

In economic terms, this development is translating into rapid growth in revenues from direct expenditure by users (e.g., to purchase content), and particularly into a boom in advertising revenue.

The Net is consolidating its role as a channel for the distribution of audiovisual contents via a broad range of services differentiated considerably in terms of offering and business models, characterized by a competitive arena full of traditional operators (e.g., broadcasters) and new points of reference for users (phone companies, portals, delivery platforms such as Google/You Tube, distributors like Apple, channel aggregators, and specialized web TV stations aimed at specific communities).

In this context of rapid change, by taking advantage of its position of central importance as a general-interest television network and of its capacity to attract widely diversified audiences, Rai progressively accompanies the hybridisation of Italian media consumption and continues to positively face market change thanks to its integration strategy and exploitation of the various platforms on which it always been present.

2009 was a year full of technological and industrial challenges which will be intensified in the years to come and will make the scenario increasingly complex and competitive. Rai has succeeded in moving with agility in the past and will know how to guide change in the future offering a complete response to the needs of increasingly differentiated audiences.

## Revenues

The Italian television market in recent years has been aligning itself with longstanding trends throughout Europe, with an increasing amount of revenue from fee-based services joining public funding and advertising revenues.

In this landscape, the licence fee, despite rising in comparison with the previous year (+1.6%), shows a gradual decline in comparison to total revenues for the system. Already, the inflows generated by the various forms of pay TV have exceeded funding from the licence fee.

Historically, the parameter used to adapt public funding has been the programmed inflation rate, and not the actual rate of inflation, meaning that not only does it not allow the concession holder to recover the entire effect of inflation within the Italian economy, it also fails to consider the significant pressure on production created by the increased level of competition within the marketplace that has been growing for several years now.

In a context of such competitiveness, the Italian licence fee remains the lowest in Western Europe.

It should also be noted that in Italy, despite the steps Rai has taken to limit these effects, reliable estimates point to a significantly high rate of evasion with reference to both the ordinary licence fee and the special fee, the latter approaching 30% far and away the highest in Europe, where the average rate of evasion is 10%, with a low of 5% in the U.K. In this area, we would like to see the introduction of legislative measures that would increase the efficacy of actions to combat evasion,

measures that Rai has requested from the competent public bodies on numerous occasions.

The Italian television system will, however, continue to be funded primarily through advertising revenues, although we are seeing progressive growth in revenues from pay TV on one hand and a shift towards investments in other emerging media on the other.

The gradual decline of revenues from television advertising in recent years is common to the main public service broadcasters throughout Europe, although audience figures continue to remain quite stable.

## The regulatory framework

Financial year 2009 was characterized by legislative intervention concerning the regulation of the broadcasting industry, as detailed below.

Code on the matter of representing judicial events in broadcasts

The public and private broadcasters at national and local level and the suppliers of radio and television content who have signed code or adhered to associations which have signed it, the National Order of Journalists and the Italian National Press Federation adopted on 21 May 2009 the code of self-regulation on the matter of representing judicial events in broadcasts, undertaking to ensure that: the differences between documentation and portrayal of news and comments, between persons subject to investigation, charge and sentence, between public prosecutor and judge, between prosecution and defence, between defined and undefined character of the provisions and decisions in the evolution of the phases and degrees of proceedings and judgements are clear; to disseminate information which, assuming that those subject to investigation and charge are innocent until proven guilty, satisfies the public demand for immediate knowledge of important social facts such as the perpetration of serious crimes; to adopt communicatively expressive and technical methods which offer viewers an adequate understanding of the event, through the portrayal and explanation of the various positions of the parties implicated, taking into due consideration the informative and explanatory effect of the television media which, while amplifying

the dialectics between those involved in the case, may cause a risk of altering the perception of the facts; to respect the principle of cross-examination of the sides, ensuring the presence and equal opportunity of both sides in the dialectic confrontation.

The promotion of distribution and production of European programmes

In compliance with Articles 6 and 44 of the Consolidated Broadcasting Law (legislative decree 177/2005), television broadcasters and suppliers encourage the development and distribution of European audio-visual products and reserve most of their national broadcasting time, excluding that allocated to sport, TV quizzes, news, advertising, Telex services, debates and television sales, to such European products. With resolution no. 66/09/CONS on the regulation of programming and investment obligations in favour of European programmes made by independent producers, adopted in compliance with articles 6 and 44 of legislative decree no. 177 of 31 July 2005, the AGCOM emphasized Rai's duty to allocate to European programmes at least 15% of its comprehensive annual revenues from licence fees relating to broadcasting and advertising revenues linked to it, net of income from associations with the public authorities and the sale of goods and services, and the obligation to reserve, on all networks and distribution platforms, regardless of the encoding of the broadcasts, to European programmes produced in the last five years a minimum of 20% of broadcasting time, 10% for original Italian films wherever they may be made.

AGCOM resolution no. 60/09/CSP, on the approval of the Regulations concerning the criteria for the attribution of shares of residual rights deriving from the time limits applicable to television rights acquired by broadcasters, adopted in compliance with article 44, paragraph 4 of legislative decree no. 177 of 31 July 2005, which abrogates the previous regulations, established restrictive criteria to regulate relations between independent producers and communications operators, and also envisages the application of sanctions in the event of failure to observe the code of conduct to be implemented by broadcasting operators within six months of the entry into force of such Regulations.

After clarifying the fact that "residual rights" are the television rights remaining after the initial period of use by broadcasters – established as three years for documentaries, seven for cartoons and five for all other types of programme – the Authority establishes that any rights remaining unused after two years from the delivery of the product will return to the independent producer and the residual rights will be assigned by the broadcaster to the independent producers in proportion to the participation in the phases of development and creation of the audiovisual products.

Furthermore, the Regulations state that all rights must be quantified separately and that negotiations with the independent producers must be transparent and be completed in reasonable times, and that, within six months of entry into force of the present regulations, each broadcaster must draw up a code of conduct aimed at regulating relations with producers, in order to guarantee equal and transparent negotiations, separate for each individual entitlement.

Digital Terrestrial Television

Article 8-novies of law no. 101 of 6 June 2008, converting law decree no. 59 of 8 April 2008, containing urgent instructions for the implementation of EU obligations and the execution of the rulings of the European Community Court of Justice, in view of the censorship of the European Commission with regard to the management of broadcasting frequencies, with the motivated opinion issued within the sphere of breach procedure no. 2005/5086, amended article 15 of legislative decree no. 117 of 31 July 2005 (regulating the supply of broadcasting content on terrestrial frequencies).

The main elements of the new law are:

- a) the envisaging of the general authorisation for the activity of network operator, also during the switchover from analogue to digital terrestrial technology;
- b) the definition of a calendar for the switch-off of analogue television by territorial areas, to gradually digitalise the television networks, to be completed by the end of 2012;
- c) the definition, by the AGCOM, of the procedures for assignment of rights to use the frequencies for digital television networks.

The above to be carried out in observance of the laws in force, in accordance with which the AGCOM is the Authority appointed to draw up the National plan for the assignment of broadcasting frequencies and to approve the procedures for assignment of the relative rights to use them. Said Plan is to be drawn up on the basis of the National plan for the distribution of frequencies, prepared by the Ministry of Economic Development. With the Decree of the Ministry of Economic Development of 10

September 2008, the national calendar for the final passage to the broadcasting of DTT was defined, indicating the territorial areas implicated and the respective deadlines. With the Decree of the Ministry of Economic Development of 13 November 2008, the new National plan for the distribution of frequencies was also approved, reserving the VHF-III, UHF-IV and UHF-V bands for television broadcasting. This also allowed the assignment to the broadcaster Europa 7, implementing the order of the Government Council, the frequency relating to channel 8 of the III-VHF band for its operation in analogue and digital modes.

The current rules governing the use of DTT already contain certain provisions aimed at accessing the DTT market through the regulatory model which is based on three separate systems of authorisation for operation for the DTT broadcasting sector (content provider, service provider, network operator), the limit of 20% for DTT programmes that can be distributed by any one content provider at national level, the reserve, until the nationwide switch-off, of 40% of the broadcasting capacity of the DTT networks used by the existing operators through the so-called frequency trading, in favour of content providers independent from the network operators.

On the basis of this system, a company does not have to be "vertically" integrated to operate on the DTT market, as proven by the entry into the sector by companies which also operate as network operators.

According to the existing regulatory system, the rights to use frequencies are assigned to the network operators who are, usually, the owners of broadcasting sites and infrastructures, although the law allows them to rent these infrastructures from other companies (known as tower companies). The latter

activity requires no authorisation as it does not implicate the provision of electronic communication services. In the case of vertically integrated national operators (authorised both to manage the network and to provide programmes), the law states that the service provider and network operator must be structurally separate, i.e.: managed by separate companies, albeit belonging to the same corporate group. This separation is envisaged for DTT only and does not regard other broadcasting platforms such as satellite and cable.

In this context it is necessary to highlight that the system in force since 2001 envisages, for all analogue operators who have invested in the digitalisation process, the right to convert each analogue network to digital on a "one-to-one" basis (with one analogue network corresponding to one digital network). This right has been a fundamental factor in encouraging the companies in operation to invest in a new and consequently risk technology, and has been the factor that has drawn the digitalisation process of the Italian television networks.

#### *Criteria for the complete conversion of the terrestrial television networks to digital*

The AGCOM intends to introduce a strict limit to the number of television networks that can be obtained by existing operators in order to ensure the same development opportunities to all potential participants in the competition and to make the equality of treatment effective, respecting the principle of proportionality and non-discrimination.

#### *Digital terrestrial radio broadcasts*

On 26 November 2009, in view of the National Plan for the distribution of the frequencies approved with decree of the Ministry of Economic Development of 13 November 2008, the AGCOM, taking into account the technological innovations that have been made with regard to the standard of digital terrestrial radio, adopted, in compliance with article 24, paragraph 1 of law no. 112 of 3 May 2004, the new regulations for the launch of terrestrial radio broadcasts using digital technology.

#### *Further regulatory provisions*

On 31 January 2009, resolution no. 666/08/CONS was published in the Official Gazette. With this resolution the Authority approved new Regulations for organizing and keeping the Register of communications operators (R.O.C. - Registro degli operatori di comunicazione).

On 14 May 2009, the guidelines for the sale of sports broadcasting rights in accordance with article 6, paragraph 6 of legislative decree no. 9 of 9 January 2008, on the "regulation of ownership and sale of sports broadcasting rights and relative distribution of resources", in the final version transmitted by the Lega Nazionale Professionisti on 28 April 2009. With resolution no. 405/09/CONS, the AGCOM adopted the regulations for the exercise of audiovisual reporting rights and with resolution no. 406/09/CONS, those to exercise radio reporting rights, in view of legislative decree no. 9 of 9 January 2008, on the "regulation of ownership and sale of sports broadcasting rights and relative distribution of resources".





**Rai**



## **Rai's offering**

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# Map of Rai's offering

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## All Digital DTT Areas

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## Rai's offering

Rai covers all the platforms in the Italian marketplace, consolidating its position as the most active Italian broadcaster in digital media. This is in line with the provisions of the 2007-2009 Service Contract, which commits Rai to developing its programming activities and broadcasting rights on the various platforms in line with its position in the marketplace and its role as public service broadcaster (Article 6).

Analogue terrestrial broadcasting and FM radio remain the two segments traditionally covered by general-interest television and by radio stations.

For a detailed description of the television programming and networks and the radio stations and genres, see the chapters below concerning television and radio programming in detail.

### Digital Terrestrial Television

Digital terrestrial is the digital platform of reference for the public service broadcaster and Rai is extremely committed to a significant project for the development of programming and broadcasting, and for the support of the consolidation of the platform in line with the guidelines of the 2008-2010 Industrial Plan, contributing to the fulfilment of the plan to gradually switch over the television system to the digital standard.

It is with this in mind that Rai supports **Tivù**, the joint project launched with Mediaset and Telecom Italia Media with the aim of making digital terrestrial broadcasting a veritable television service capable of competing with that operating on other platforms.

During 2009 work continued on the redefinition of the offering parameter, which led to:

- the national launch, in February, of Rai Storia, the cultural channel curated by Rai Educational;
- the shutdown, in July, of the broadcasts by the RaiSat channels (Premium, Cinema, Extra, YoYo, Smashgirls, Gambero Rosso) on the Sky pay satellite platform;
- the launch, in August, within the areas which have already switched over to DTT, of the RaiSat Premium, RaiSat Cinema, RaiSat Extra, RaiSat YoYo channels.

At the end of 2009, Rai's offering on DTT available at national level consisted of eight free channels:

- simulcast of the three general-interest channels - RaiUno, RaiDue and RaiTre;
- five specialised channels - RaiNews 24, Rai Gulp, Rai Sport Più, Rai 4 and Rai Storia;

while in the "all digital" areas, these are joined by five more channels:

- in simulcast with free satellite TV - Rai Scuola;
- four specialised channels - RaiSat Premium, RaiSat Cinema, RaiSat Extra, RaiSat YoYo.

At the end of the digitalisation process, which will be completed in 2012, these five channels will be available nationwide.

Furthermore, in the "all digital" areas, Rai has launched an experimental broadcast in High Definition.

All this configures the broadest free offering available in Italy and among the main European countries. The profiles of the Rai specialised channels are presented below.

**Rai 4** is a channel created to stand apart from the traditional general-interest offering, targeting new communication media viewers aged 15 to 35. The programming comprises TV series, Japanese animation, extensions of general-interest TV programmes and original productions, also in foreign languages, dedicated to new trends and to Internet.

**Rai Gulp** is the channel dedicated to children up to the age of 12, with quality programming based on the experience and tradition of Rai branded children's TV. The programming is varied: cartoons, TV series, documentaries, educational programmes, magazines and musical shows involving children themselves.

**RaiNews 24** is the 24-hour news channel, with programming consisting mainly of news bulletins aired every half hour, completed with analytical programmes, theme-related live broadcasts, inquiries, weather reports, traffic reports, as well as political and cultural programmes.

**Rai Sport Più** proposes live broadcasts of Italian and international competitions in all sporting events, from the most popular to those with a smaller viewer basin made up of loyal enthusiasts. The programming is completed with news reports and analytical programmes.

**Rai Storia**, the programming of the 'memory channel', is dedicated to Italian history, art and culture. It consists of documentaries, reportages, inquiries and programmes that draw mainly on visual documents kept in Rai "Teche" and on the much appreciated productions of Rai Educational.

**Rai Scuola** is produced by Rai Educational in collaboration with the Ministry of Education, University and Research. The channel proposes educational and learning-based television products aimed primarily at students and school teachers of every level.

The programming spans from scientific divulgation to IT subjects, from humanistic issues to English language lessons.

**RaiSat Cinema** is the channel dedicated to cult films; the programming follows a path of genres and titles ranging from the new American classics to noir films, from Italian popular films to quality titles that appeal to film buffs. The channel also monitors the leading Italian and international film festivals.

**RaiSat Extra** broadcasts 'the best of Rai from the day before'. This is the public service broadcaster's showcase, in which the programmes broadcast by the Rai channels over the previous days are rerun: the programming reference genres are information, inquiries, analyses, talk shows and variety programmes.

**RaiSat Premium** is the Italian-produced television fiction channel which makes up one of the main elements of Rai's broadcasting heritage and has always been very popular with viewers. The channel proposes the best of Rai branded fiction programmed in the past or in more recent television seasons.

**RaiSat YoYo** is the learning entertainment channel dedicated to pre-school children (aged 2-5). The very safe and meticulously selected programming consists of cartoons, fairytales, original productions and container productions. The channel offers the best Rai and international productions.

2009 was also the year of the consolidation of the passage to DTT, defined by the Ministry of Economic Development on the basis of a calendar which envisages a progression on a regional basis, to be completed by the end of 2012. After Sardinia (October 2008), the switchover from analogue to DTT involved the following regions, in the order of listing: Valle D'Aosta (September), Western Piedmont (October), Trentino Alto Adige and Lazio (November) and Campania (December). The digitalisation process involved about 30% of the Italian population.

#### Digital satellite television

Rai sees satellite television as a complementary broadcasting platform with respect to digital terrestrial, which will make it possible to reach areas which are not served, even just partially, by this broadcasting technology, and to further diversify the offering in terms of breadth and business model.

As regards the theme of complementariness, from the point of view of distribution of the signal, we ought to point out the strategic choice made by Rai, together with Mediaset and Telecom Italia Media, in the wake of the decisions made for digital terrestrial broadcasting, to create a free satellite platform (**Tivù Sat**), which, launched in July 2009, offers viewers the chance to access free digital channels via satellite.

Satellite is also used to distribute Rai's international offering, which includes Raitalia, aimed at Italians living abroad, Rai Med, aimed at the Arab community, and Yes Italia, dedicated to promoting the country-system abroad. These channels are joined by Euronews, a news and information channel broadcast by a consortium of European public broadcasters, including Rai.

#### Digital Internet protocol television (IPTV)

Iptv is another complementary broadcasting channel with respect to digital terrestrial television for Rai, offering opportunities to expand and diversify its offering. Unlike digital terrestrial and satellite broadcasting, Iptv allows a high level of interaction with the public, as well as the customising of view consumption thanks largely to the video on demand (Vod) services guaranteed by this technology.

Also in this segment, which is still marginally used by Italian families, Rai has always been highly active, with the development of a dedicated offering which aims to exploit the potential of this platform.

Rai is present, only on the platform managed by the Fastweb operator, with the rebroadcasting of the general-interest channels and Rai Sport Più, and

also with a video on demand service called 'Rai On', split into several theme-based channels featuring current and past Rai programmes.

#### Internet

Together with DTT, the web represents a central platform in Rai's programming and industrial strategy, both in the light of its growing popularity with Italian families and due to its ability to determine in-depth innovation in the offering, consumption and business models.

Rai's Internet offering was renewed in terms of form and content in 2009, making it very extensive and even more well known for its wealth of multimedia elements (video, audio etc.).

Exploiting the growing diffusion of broadband among Italian households and the increased interest of users in this type of content, it is manifesting important growth trends as regards traffic.

**Rai.it** aggregates and increases the accessibility to the vast web offering of the public service broadcaster, which comprises the information websites of Rai news programmes, those of the main radio and television channels and programmes, as well as an area dedicated to children. Rai.it also proposes a series of important and interesting services for users, such as the programming guide to all Rai radio and TV channels and the community, which enables interaction with the favourite Rai personalities and programmes, as well as with other fans who share this passion. The appearance and content of Rai.it can be customised.

**Rai.tv** is the environment through which it is possible to access the whole Rai audio-video offering available on the Internet, via an advanced graphic interface.

Through Rai.tv it is possible to watch all Rai television channels live, from the general-interest channels to the specialised channels. It is also possible to listen to all the radio channels.

Tens of thousands of audio-visual items are also available on demand, some of which can even be downloaded.

The Rai.tv offering is completed with a selection of video on demand contents proposed in high quality, along with web TV channels which propose theme-based contents taken from recent and past Rai productions, as well as events or original contents produced especially for this purpose. Rai.tv can also be customised by users.

# TV product performance

In a 2009 characterised by an increasingly overcrowded and aggressive competitive setting and by the growth of the dissemination of DTT, the Rai Group maintains its market leadership both with regard to the average day and to prime time.

On an **average day**, Rai consolidates its share with 40.7% compared to Mediaset's 39.5%.

This occurs within the cope of a general increase in the shares obtained by digital channels: excluding the Rai and Mediaset networks measured by Auditel, the totality of 'satellite TV broadcasters' rises to 9.2% (+0.9 share points on 2008), while 'Other terrestrial TV broadcasters' (Local TV and DTT) reach 7.6% (+0.7%).

The positive performance of the Rai Group is largely due to the specialised channels within the offering of 'Rai Digitale', which obtain a total share of 1.4%, with an increase of +0.5 points compared to 2008, influenced mainly by Rai 4, Rai Gulp and Rai Sport Più.

This confirms Rai Italy's third digital broadcaster, after Sky and Fox and before important competitors such as Disney, Turner, Discovery Channel and Viacom.

These results partially offset the decline of the three general-interest channels, with RaiUno being confirmed as the most watched channel of all (21.2% share; -0.6% on 2008) and RaiTre at 8.9% (-0.1%). The performance of RaiDue (9.2%; -1.4%) has been affected by the impact of the switch-over of important areas (for several months the channel was visible only to part of the residents in the areas concerned) and by the absence of significant programmes such as the Olympic Games and *L'isola dei famosi*

(*I'm a celebrity, get me out of here*), which had characterised programming in 2008.

In **Prime Time** the Rai Group prevails with a share of 42.8% compared to Mediaset's 39.1%. RaiUno is confirmed at the leading channel with a 22.3% share. The prime time slot has also been characterised by a growth in 'Other TV' to the detriment of the traditional general-interest offering, with all 'Satellite TV' totalling an 8.1% share (+1.0 percentage points on the previous year) and 'Other terrestrial TV' (Local and DTT) at 7.3% (+0.7%).

Rai's results are based on the reasons already indicated for the average day: the slight decline of (-0.3%), RaiDue (-0.7%) and RaiTre (-0.6%) corresponds to an increase by Rai Digitale (1.0% share; +0.4 percentage points) drawn by Rai 4, Rai Gulp, Rai Sport Più, RaiSat Cinema and RaiSat Premium which are the most watched channels.

For details on the competitive setting for the near future, it is interesting to focus on viewing figures for November-December, when the switch-off had been completed in Piedmont, Val d'Aosta, Trentino Alto Adige, Lazio and Campania, which joined Sardinia, "digitalised" in 2008.

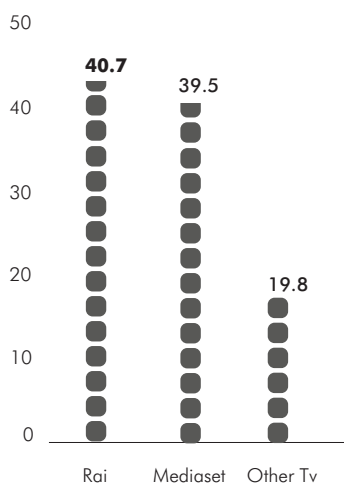
This combination of '**all digital**' regions is a sufficiently representative basin due to heterogeneity and the extent of the population involved (about 30% of the whole Italian population), and also because broadcasters have already released a broader offering than in the rest of the country.

The results coming from the all digital regions are very positive and prove the validity of the choices made by Rai.

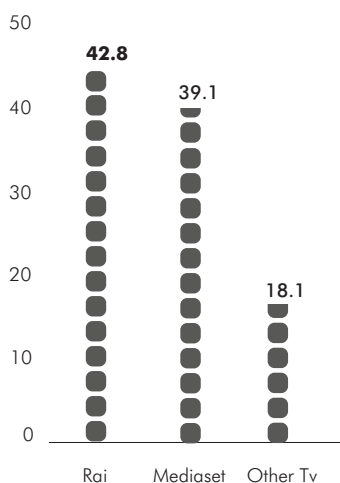
On the average day, Rai prevails over Mediaset even more than in the other areas: Rai group reaches 42.8% against Mediaset's 36.2%, with Rai's three general-interest channels overtaking those of the direct competition (38.0% against 34.0%).

Rai Digitale, with an offering on DTT divided over ten specialised channels, obtains a total share of 4.8% and places no fewer than 6 channels in the classification of the 10 most popular digital broadcasters (free and pay). Particularly evident are Rai 4 (1.3% share), RaiSat Cinema (0.8%) and RaiSat YoYo (0.7%).

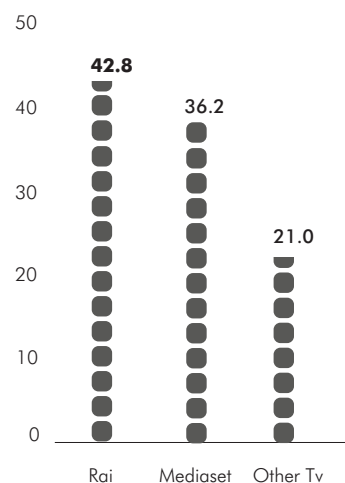
**Average daily share**  
(source: Auditel)



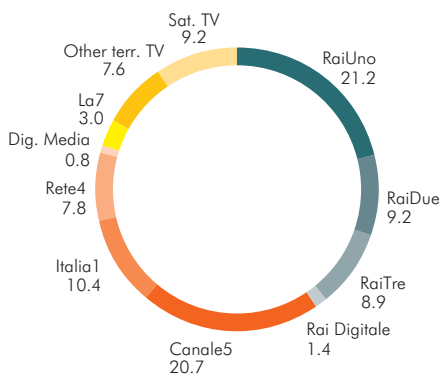
**Prime time share**  
(source: Auditel)



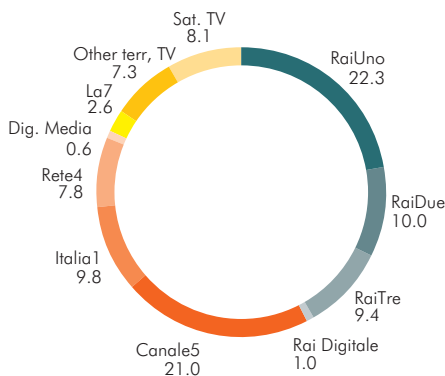
**Average daily share - all digital regions**  
(source: Auditel – Nov/Dec 2009)



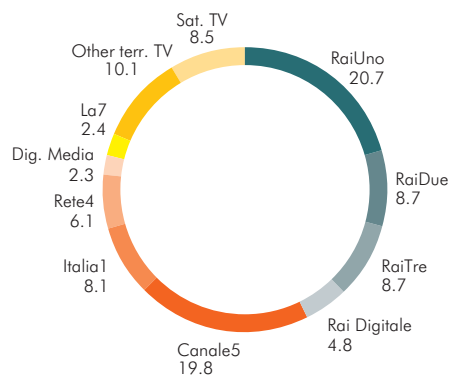
**Average daily share**  
(source: Auditel)



**Prime time share**  
(source: Auditel)

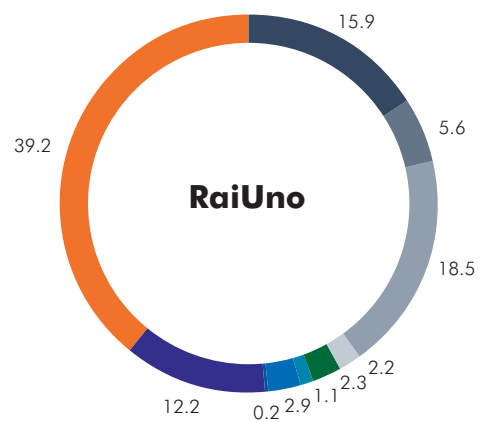
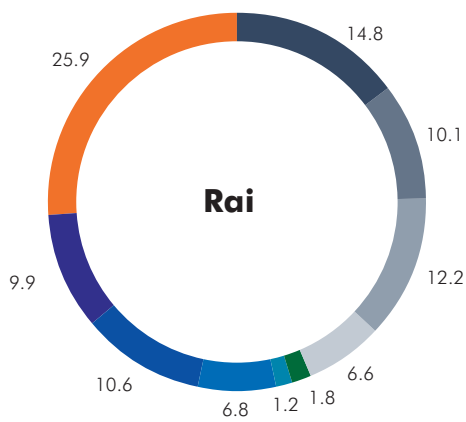


**Prime time share - all digital regions**  
(source: Auditel – Nov/Dec 2009)

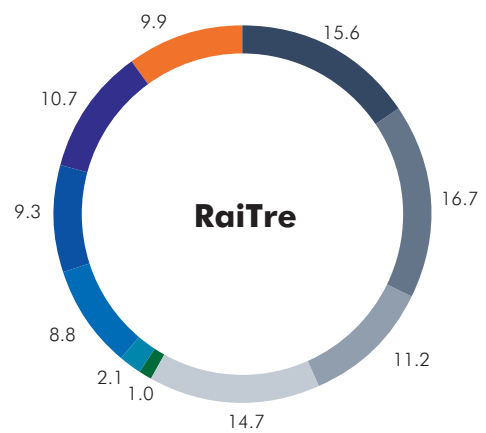
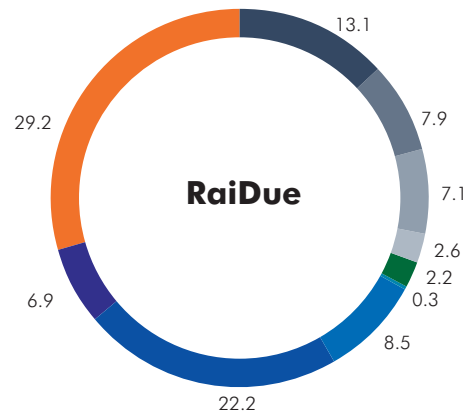




**Television programming by genre (6.00 a.m. to midnight time slot)**  
**Children account for 11.7% of audience (7.00 a.m. to 10.30 p.m. time slot)**



- News & Information
- Analysis
- Public utility
- Educational and cultural
- Tourism and territory
- Shows
- Sport
- Children
- Audiovisual promotion
- Other genres



	Public Service Genres	Other Genres
Rai Networks	74.1	25.9
RaiUno	60.8	39.2
RaiDue	70.8	29.2
RaiTre	90.1	9.9



**Rai**



## TV Division

### 32 Networks

- 32 RaiUno
- 34 RaiDue
- 36 RaiTre
- 38 Raitalia
- 40 Rai Educational
- 42 Rai Notte

### 43 News & Information

- 43 Tg1
- 44 Tg2
- 45 Tg3
- 46 TGR
- 47 Rai Parlamento
- 48 Televideo
- 49 RaiNews 24
- 50 Rai Sport
- 51 Sports broadcasting rights

### 52 Genres

- 52 Rai Cinema
- 55 Rai Fiction

### 56 Tv Support

- 56 Rai Teche
- 57 TV production
- 58 RaiSat



1



2



2009 was, for **RaiUno**, the year that marked the start of the progressive switchover from analogue TV to DTT with the consequent multiplication of the television channels available, the expansion of the television offering and the possibilities of choice by viewers.

In this new setting, in which competition is becoming increasingly fierce, not only has RaiUno confirmed its leadership in the television system, it has also maintained its viewing figures almost stable: 21.2% in the whole day and 22.3% for prime time.

Despite the context of a general economic and financial recession which has implicated the reduction of investments in the product, the "flagship channel" has succeeded in coping with the switchover and satisfying the needs of an increasingly attentive audience, without sacrificing the quality of its offering and consequently its activity as public service broadcaster. The sobriety, authority and attention to social issues that have always inspired Rai's broadcasting style have been accentuated and consolidated.

In this light, the channel's programming during the whole day pursued the aims of the broadcasting profile: combining tradition and innovation, expanding the viewer basin to new audiences, representing Italy's constantly evolving social-cultural identity and confirming its most characteristic aspects, such as reliability, closeness and ability to arouse emotion.

During day time television, the big containers and talk shows *Uno Mattina*, *Festa Italiana* and *La Vita in diretta* were re-proposed, with renewed language, style and, in some cases, presenters, and were joined by the new Saturday afternoon talk show *Le amiche del sabato*, and programmes like *Occhio alla spesa*, *La prova del cuoco* and *Verdetto Italiano*, which succeed in creating public loyalty, thanks to their provision of information, entertainment and the proposal of popular themes and narrative styles. The early evening time slot continued to be occupied by the triumphant *L'Eredità* while *Affari Tuoi* was confirmed in the access slot.

With the passage to DTT and the debut of numerous new competitors with theme-based and general-interest offerings, the role of this type of day time programme represents a fundamental part of the general-interest offering, in that it develops a direct relationship with the public, without however overlooking moments of fun and playfulness. With this in mind, the channel has built up a new structure for Sunday programming with the moment of confrontation, *Domenica in l'Arena*,

#### 1. Don Matteo

Successfully interpreted by Terence Hill

#### 2. Gianni Morandi

In the 'one man show' *Grazie a Tutti*

#### 3. Carlo Conti

In *I migliori anni*

#### 4. Un medico in famiglia

#### 5. Bruno Vespa

presents *Porta a Porta*

that of entertainment, *Domenica in 7 giorni*, and that of the quiz *L'Eredità* in the Sunday edition.

Another strength of the channel's offering, also within the new competitive setting, is represented by the late evening analysis of news and information which, with Bruno Vespa's *Porta a Porta*, covered political, social and current issues, with occasional broadcasts during prime time to coincide with events of particular importance, including the specials on the earthquake in L'Aquila and those on the dramatic events surrounding Eluana Englaro. News and information programming was completed with the traditional summer and Christmas prime time appointments with *Superquark*, presented brilliantly by Piero Angela.

As regards prime time, in the new digital perspective, the weights of the various television genres are also destined to evolve on the scale of the general-interest offering: the role of company-produced fiction and that of entertainment, with which RaiUno's programming is already strongly associated has been further enhanced, while a lesser role is taken on by fiction purchased from other producers and several sporting events for which the development of the pay TV offering and the consequent rise in the costs for broadcasting rights rule out exclusive acquisitions.

The prime time programming of 2009 reflects this trend with a significant offering of company-produced fiction, which has achieved an average of around 23%, and of entertainment, with an average of 23.3%, including special evening events like *Miss Italia* and *Premio regia TV* but excluding the *Sanremo Music Festival*.

# 21.2%

full-day share (7.00 a.m. - 2.00 a.m.)

(source: Auditel)

# 22.3%

prime time share (8.30 p.m. - 10.30 p.m.)

(source: Auditel)



3



4



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### TV series

The offering of Rai-produced TV series, which covered 135 prime time slots, was entrusted, as in the past, to mini-series devoted to historical, bibliographic and literary themes (*Giacomo Puccini, Giuseppe Di Vittorio, Enrico Mattei, David Copperfield, Pinocchio, Sangue dei Vinti, Lo Smemorato di Collegno, Bakita* etc.), while longer running TV series re-proposed classic titles of consolidated success like *Don Matteo, Un medico in famiglia* and *Butta la luna*, alongside highly innovative titles like *Tutti pazzi per amore* and *Il commissario Manara*, which tested new narrative languages, securing the interest also of a younger audience.

Finally, the whole weekend programme line-up was confirmed: with *Sabato & domenica*, and the usual Saturday slots, followed by *Domenica in* presented by Pippo Baudo, Massimo Giletti and Lorena Bianchetti. However the weekend too offered space for experimentation, on Saturday morning, with *Pongo & Peggy gli animali del cuore*: confirming the network's strong vocation for renewal.

### Entertainment

RaiUno pursued two priorities in entertainment too, covering a total of 113 evenings: maintaining leadership also in this specific genre, respecting a sombre broadcasting style, attentive to the family target, and identifying new proposals to renew and improve the list of titles and also respond to the challenge of the new television languages imposed by the new digital setting.

Classics such as *Ballando con le stelle, Affari tuoi speciale, I Raccomandati* and the highly successful titles experimented

during the previous season, *I migliori anni* and *Ti lascio una canzone* were confirmed. Innovation regarded certain formats like *Dimmi la verità, I sogni son desideri, Mettiamoci all'opera*, re-proposing brief event-cycles in the "one man show" style, considered as research and actualisation of those pleasant and elegant atmospheres of the variety shows of days gone by which the public, including younger viewers, is rediscovering and appreciating. This context comprises *Da Nord a Sud* with Vincenzo Salemme and *Grazie a tutti* with Gianni Morandi.

*In a television scene subject to transformation, RaiUno takes on a difficult challenge: the consolidation of its authority of Public Service reference broadcaster and the experimentation of new products and languages to intercept the needs and expectations of audiences which are evolving too.*

### A map of RaiUno

Emotions: *Lo Smemorato di Collegno, Bakita, L'uomo che cavalcava nel buio, I sogni son desideri, Grazie a tutti*

Commitment: *Giuseppe Di Vittorio, Butta la Luna 2, Enrico Mattei, Un caso di coscienza 4, Speciali Porta a Porta, Telethon, La partita del cuore*

Entertainment: *Scusate il disturbo, Tutti pazzi per amore, Medico in famiglia 6, Don Matteo 7, Ballando con le stelle, Il commissario Manara, I Raccomandati, Affari tuoi, L'Eredità, Da Nord a Sud*

Events: *Giacomo Puccini, Pinocchio, Il sangue dei vinti, Miss Italia, Festival di Sanremo, Premio regia TV*

Culture and science: *Superquark e Superquark speciali, Passaggio a nordovest, Pianeta terra, Heritage, Uto Ughi racconta la musica, L'Appuntamento, Mettiamoci all'opera*

Music: *I migliori anni, Ti lascio una canzone, Andrea Bocelli al Colosseo, Applausi*

News & Information: *Porta a porta*

1. **Michele Santoro**  
presents *Annozero*
2. **Laura Pausini and Tiziano Ferro**  
in the new variety *Due*
3. **Monica Setta**  
and the journalistic analysis of *Il Fatto*
4. **X Factor**  
and its new presenter Francesco  
Facchinetti



The main task of **RaiDue** is to propose a complementary offering in relation to that proposed by RaiUno, in order to enhance the choice of programmes placed at the general public's disposal by the Company. The intention is to organise programming which has a strong impact on viewing figures and is also very different from that of the 'flagship channel'.

RaiDue is a general-interest broadcaster and does not restrict its programming to specialised contexts like the theme-based and sectoral broadcasters. Its profile is not aimed at just one category, but at a vaster audience, so it uses the entire spectrum of 'genres', TV series, variety, news and information and culture, presented in an original and typical key.

The channel's 'diversity' lies in the decision to target culturally young and dynamic audience, moving away from an overly generalist and institutional model.

These lines, drawn up in agreement with the Company Management and structured as the channel's historical configuration, were also confirmed via the managerial activities during the year.

This type of choice means TV series based on series purchased outside, entertainment with an alternative style, unconventional informative analysis and a culture based on curiosity. Mass viewing is waived in favour of provocation, innovation and a sense of adventure.

Overall, once again in 2009 RaiDue succeeded in beating its direct rival, achieving a 10.4% share in prime time over the whole year, compared to Italia 1's 9.7%.

Another positive element to be highlighted is the drop in the average age of viewers during the whole day, from 52.72 years in 2008 to 52.44 in 2009.

The figures show that RaiDue has managed to securely maintain its third place in the national competitive setting, while continuing its repositioning towards younger viewer segments. These results have been achieved despite the absence of the channel's leading programme, *L'Isola dei Famosi* which was off air for a long time, being replaced by two editions of *X Factor*. In general there was an increase in 'light music' in the channel's offering. This was a strategic choice and a calculated risk, against a current opinion which sees this kind of music as being in difficulty with television viewers. A visible innovation in language took steps in this direction with *Due*, a variety programme which sacrificed the traditional role of the presenter, preferring a direct impact between its two stars, Tiziano Ferro and Laura Pausini. The experiment had excellent results and the formula will be re-proposed in 2010.

As regards TV series purchased outside, RaiDue favours a choice of multiplicity and dynamism. New formats are searched for all the time and an attempt is made to place the public in a relation with the 'World' and with other cultural worlds. This is a modern view of entertainment which cannot be shut off in a strictly nationalist and self-referential dimension, but must try to expand horizons. It isn't a question of a simple market choice in pursuit of viewers, but

the decision to give RaiDue a particular and significant profile, as requested by its broadcasting mission: a mission of generalist and never minimalist experimentation.

The strong commitment to journalistic analysis is also part of this strategy. Along with Michele Santoro's *Anno Zero* which is now a fixed point of reference in the Italian journalistic panorama, 2008 witnessed the debut of *Malpena Italia* by Gianluigi Paragone.

*Il fatto del giorno* by Monica Setta, which joined the autumn programming, was an innovative offering in a time slot, that of the early afternoon, historically entrusted to "sentiment" as opposed to journalistic analysis. This experiment was rewarded by the viewing figures, a new space dedicated to confrontation from a female point of view.

Within the sphere of more typically cultural programmes, and, as such, closer to the sensitivity of the public service, RaiDue hosts important productions by Rai Educational, like *La storia siamo noi*. This same sphere is also characterised by *Palco e Retropalco* dedicated to the theatre.

More articulated is the role of *Voyager*, presented by Roberto Giacobbo, which moves on the fine line between mystery and knowledge and is now a small factory of documentaries and specials.

RaiDue offsets outward cultural openings with a very "internal" choice with regard to the productive arrangement.





# 9.2%

full-day share (7.00 a.m. - 2.00 a.m.)  
(source: Auditel)

# 10.0%

prime time share (8.30 p.m. - 10.30 p.m.)  
(source: Auditel)

Obviously there isn't an aprioristic refusal of contracts, but an attempt is made at making widespread use of the company's means, both at the production Centre in Rome and the Production Centre in Milan. All the weekly daytime programmes are made internally, from *Affari tuoi* to *In famiglia*, from *Italia sul due* to *Il fatto del giorno*. This increases the typicality of the offering and especially favours a professional growth which is enhanced by company know-how.

The final aim assigned to RaiDue is to combine a relationship of loyalty towards its traditional public with the boost to continue innovating specific contents. The idea is maintaining the aim of a consistent share with a modern network model addressed at a more dynamic audience.

## A map of RaiDue

Entertainment: *Desperate Housewives*, *Ghost whisper*, *I Fatti vostri*, *Mattino in famiglia*, *Mezzogiorno in famiglia*

Comedy and satire: *Il Sorriso di Palco e Retropalco*, *Quelli che il calcio*, *Scorie*, *Stracult*

Music: *X-Factor*, *Due*, *Pavarotti la voce degli Angeli*

News & Information: *Anno Zero*, *Il fatto del giorno*, *Malpensa Italia*

Customs and culture: *XXII round*, *Il Grande gioco*, *La Linea d'ombra*, *Magazine 2*, *La storia siamo noi*, *Sereno Variabile*, *Un paese chiamato Po*, *Voyager*

Talk Shows: *Ci vediamo domenica*, *Italia allo specchio*, *L'Era glaciale*, *L'Italia sul due*, *Ricomincio da qui*, *Ricominciare*

Thrillers: *NCIS*, *Criminal minds*, *Cold case*, *Life on Mars*, *Lost*, *Senza traccia*, *Primeval*, *Squadra speciale Cobra 11*, *Supernatural*

TV series: *L'ispettore Coliandro*, *Nebbie e delitti 3*

Children: *Cartoon flakes*, *L'Albero azzurro*

Sport: *Domenica sportiva*, *Champions League*, *90° minuto*, *Tim Cup*, *Tour de France*

*RaiDue knows that it has a demanding and active public, which watches its programmes by choice and not out of habit, a public which knows how to move among the various platforms but appreciates the programming dynamics of RaiDue and particularly its products. A contemporary audience which shares the channel's awareness that, in an ever changing world, only movement can guarantee consistency.*



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2009 was, for **RaiTre**, the year that confirmed the network's mandate. The programming, 90% of which was accounted for by public service broadcasting genres, marked the natural evolution of the work carried out in recent years in terms of innovation and broadcasting consolidation, both with regard to news and information and for entertainment. All this makes RaiTre a network which is attentive to the defence of the general public, as individuals and consumers, to whom differentiated programming with formats of consolidated success must be offered.

The inquiries of *Report*, the political information of *Ballarò*, the investigations of *Chi l'ha visto* and the reports of *Mi manda RaiTre* flanked informative and entertainment programmes (both in the day time and prime time slots), such as *Ulisse*, *Geo & Geo*, *Elisir*, *Alle falde del Kilimangiaro* and *Cominciamo bene* which confirmed good results with audiences and critics once again in 2009.

The Specials of *Che tempo che fa* dedicated to single themes of undisputed interest were a huge success. Roberto Saviano, author of *Gomorra*, who has become the symbol of the battle against the camorra, stimulated by the direct questions posed by Fabio Fazio, told the audience about his passions and hopes, conditioned by an 'armoured' life. For the opening of the season at Milan's La Scala Theatre with Bizet's *Carmen*, Maestro Daniele Barenboim

accompanied RaiTre viewers on an unforgettable journey in the world of classical music. Another exciting evening dedicated to music, starring Fabrizio De Andrè, as remembered by his wife, colleagues and friends.

2009 also confirmed the excellent results of *Presa diretta*, the inquiry programme with which Riccardo Iacona, recommencing his journey across Italy, tackles topics related to politics and society from a different angle, generating innovative analyses. Two episodes were of particular interest, *Caccia agli zingari*, which showed viewers the less obvious aspects of the world of the Rom people, and *La stangata*, which revealed the long chain of contracts and subcontracts of the TAV (high-speed train) to seek the reasons for this veritable blow to public accounts.

In the sphere of entertainment and satire, the programme *Parla con me* increased its viewing figures compared to the previous year. The 'band' led by Serena Dandini keeps viewers company, involving and entertaining them from Tuesday to Friday with the imitations of the brilliant Neri Marcorè and Caterina Guzzanti, the irony of Dario Vergassola, the irreverence of Andrea Rivera and the comedy of the Trio Medusa.

The new scientific information programme is *Nati Liberi*, presented by Licia Colò who, with her usual elegance, presented the exclusive documentaries of National Geographic, accompanying viewers during four interesting prime time slots of immense success, dedicated to the world of animals and nature.

RaiTre's historical programmes dedicated to nature, the environment and the animal kingdom continue with unquestionable success: *Geo & Geo* and *Alle falde del Kilimangiaro*, always full of reportages and advice for informed tourism.

The increase in viewers in a time slot which is notoriously difficult for the channel, at 13.10, must be highlighted. It was conquered by the programming of *Terra nostra* which, besides being a classic soap opera which besides telling a deeply troubled love story, also realistically portrays the situation of the Italians at the end of the 19<sup>th</sup> century, as well as their hopes of leading a better life in Brazil than that reserved to them in the newly created Italy.

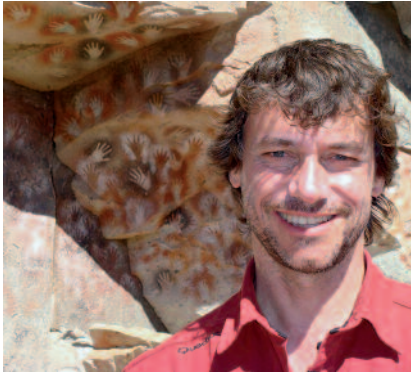
RaiTre couldn't avoid tackling the economic situation which negatively characterised 2009: the collapse of the US merchant bank Lehman Brothers, which devastated the world's stock exchanges.

And it did so with *Da Wall Street a Gran Torino*: a documentary – inquiry – lasting three months, spent travelling in America to tell of the economic recession, the collapse of Wall Street and the arrival of Fiat in Detroit.

With its usual attention to politics and current affairs, just one day after the earthquake in *L'Aquila*, *Ballarò* dedicated a whole episode to the event. It took an analytical look at the causes, the possibilities of preventing the event and the initial conditions after the earthquake.

2009 also confirmed the offering aimed at younger viewers, with *Melevisione*, *Trebisonda*, *È domenica papà*, *Il gran concerto*.





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As regards viewing figures, RaiTre, with some of its leading programmes such as *Che tempo che fa* and *Report* succeeded in reaching excellent results with younger (share above 13% for the 25-54 target) and more educated (share between 25% and 30% for the university graduate target) viewers.

RaiTre: combining public service and high ratings

RaiTre is the network where the public service achieved excellent audience figures in 2009, such as:

- 22.7% for *Che tempo che fa* (8 March);
- 21% for *Ballarò* (15 December);
- 14.8% for *Report* (19 April);
- 12.7% for *Presa diretta* (22 February).

Worthy of mention during the late-evening time slot were:

- 17.8% for *Amore criminale* (18 April);
- 16.6% for *Parla con me* (1 December);
- 14.3% for *Glob* (18 October);
- 13.9% for *Sfide* (4 September);
- 13.8% for *Un giorno in pretura* (28 March);
- 13.3% for *Storie maledette* (10 October).

Daytime television highlights included:

- 16.9% for *Geo & Geo* (2 January);
- 12.9% for *Alle falde del Kilimangiaro* (4 January);
- 10.8% for *Cominciamo Bene* (20 February).

#### A map of RaiTre

News & Information:	Ballarò, In 1/2 ora, Cominciamo bene
Inquiries:	Report, Presa Diretta, Blu notte, C'era una volta
Irony:	Che tempo che fa, Blob, Parla con me, Glob, Tatami
Memory:	La Grande Storia, Enigma, Correva l'anno, Sfide, Ritratti
Commitment:	Mi manda RaiTre, Chi l'ha visto, Racconti di vita, Doc3,
Culture:	Passepartout, Le Storie di Augias, Per un pugno di libri, Prima della prima, La musica di RaiTre
Noir:	Un giorno in pretura, Amore criminale, Storie maledette
Emotions:	Un posto al sole, Agrodolce, Terra Nostra, La scelta di Francisca, La nuova squadra, Medium, Un caso per due, Il circo
Nature and Science:	Ulisse, Superquark, Geo & Geo, Nati liberi, Elisir, Pronto Elisir
Travel:	Alle falde del Kilimangiaro
Children:	Trebisonda, Melevisione, È domenica papà, Il Gran Concerto, Mamme in glob

1. **Presa Diretta**  
with Riccardo Iacona
2. **Che tempo che fa**  
Fabio Fazio and Luciana Littizzetto
3. **Milena Gabanelli**  
in Report
4. **Alberto Angela**  
in Ulisse
5. **Serena Dandini**  
in Parla con me

*In the world of increasingly standardised contemporary TV, RaiTre has a guiding thread all of its own, it has character and it's interesting. RaiTre is a network with brand value and visibility which have been far superior to its audience shares for years.*

# 8.9%

full-day share (7.00 a.m. - 2.00 a.m.)  
(source: Auditel)

# 9.4%

prime time share (8.30 p.m. - 10.30 p.m.)  
(source: Auditel)



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2



3



**Raitalia** is the Italian public service TV conceived and designed for Italians living abroad and for those who, while not of Italian origin, love our country, our culture and our history. During 2009, Rai International pursued a series of innovations to offer a better response to the need to promote the Italian image in the world and to provide information for Italians living abroad. Through a wide variety of programmes respecting the time differences in the various continents which receive the signal, the offering is addressed at enhancing the value of the Italian language, culture and enterprise, as well as guaranteeing an adequate level of information for Italian communities abroad.

Raitalia is distributed in all the continents, with four different channels (Americas, Australia, Asia and Africa, Europe and also in Italy on Sky channel 804). It offers viewers the best of Rai's television production, of every kind: from TV series to entertainment, from information to journalistic analysis and cultural productions.

The television offering of the best of RaiUno, RaiDue and RaiTre is completed by the original productions of Raitalia and information takes on a fundamental role within this sphere. Daily information is provided by *Italia News* – a self-produced news and information programme designed for Italians abroad – and by the daily analysis of *Italia Focus*. Culture, international political and economic issues, science, European policies, Italian excellence abroad and international cooperation analysed for 30 minutes every day.

Another appointment with information comes in the evening with *Italia World*, the analytical talk show which tackles big social and political themes of interest for Italians living abroad.

The information pages close with the service broadcast, represented by *Italia chiama Italia* and *Sportello Italia*, an open window at the service of Italians living abroad to help them cope with the problems in relations with their home country. A religious slot, *Cristianità*, completes the offering of information.

A special space is dedicated to sport which, with *La Giostra dei Gol* tells Italians living abroad all about Italian football, offering all the matches played in the Serie A and Serie B Football Championships. During the programme,

broadcast every Saturday and Sunday, comments and confrontations liven up the studio.

The information programmes are joined by those of the network.

The programming of *Storie d'Italia* continued. The programme was conceived and designed for the 150<sup>th</sup> anniversary of the Unification of Italy, March 1861/2011, which provides an excellent opportunity to tell the story of our country, with immense appreciation by viewers.

*Made in Italy* tells the past and present of the men who, with their hard work and intelligence, have made and continue to make Italy great in the eyes of the whole world.

Daily appointment with *L'Almanacco di domani*, the slot which spans, with its numerous pages, from the historical events that took place on that date to advice for the day about to begin.

Culture and music are presented every week in *Il Caffè*, the lounge where Italian personalities from the worlds of culture, theatre, literature, music, film and comedy take turns at talking.

Bringing the numerous foreign viewers, but also Italians or the children and grandchildren of Italians, back to or closer to the use of our language is the ambition of *Parliamo italiano*.



4



5

Raitalia is also radio and Internet, for a complete media offering.

The **radio** with news and information and the historical broadcasts of *Taccuino Italiano* and *Notturmo Italiano*.

*Taccuino Italiano* continues its journey through literature, art, music, entertainment and society. *Notturmo Italiano*, the oldest programme in Rai galaxy, together with *La Domenica Sportiva*, on air every night from 20 past midnight to 6.00 a.m., has disseminated the tradition for Italian music of all times, also presenting, with live link-ups, come of the most important light music events that take place in Italy. The Radio offering is completed with *Racconto Italiano*, drama-documentaries and TV series which tell the life and vicissitudes of famous Italians loved all over the world.

For a complete media offering, Raitalia is also the **Internet**, with two portals, both online in English and Spanish versions too.

The first, Rai Internazionale online ([www.international.rai.it](http://www.international.rai.it)) is linked to radio and television production where users can consult the programming and enjoy TV on demand and radio via streaming. It is an information and analysis service on the TV and radio programming of Italian public television abroad and the distribution of the signal in the world.

The second portal, Italtica ([www.italica.rai.it](http://www.italica.rai.it)) is dedicated to Italian culture. A veritable virtual encyclopaedia of our country, dedicated to its history, customs and tradition, with the institutional aim of disseminating and promoting the knowledge of the Italian language and culture throughout the world.

In 2009 Rai Internazionale online and Italtica totalled about 30 million pages viewed and over 4.3 million single users (Nielsen figures).

The average monthly traffic is about 2.4 million pages viewed and 360 thousand single users.

The total number of pages online is over 90,000, with about 170,000 pictures and over 7,000 audio and video files.

The programming of the Television Channels (Raitalia Tv), the radio broadcaster (Raitalia Radio) and websites published by Rai Internazionale observe the inspiring criteria indicated by the Convention between Rai - Radiotelevisione Italiana and the Presidency of the Council of Ministers, signed in 2007, in force until 31 December 2009.

1. **Francesca Calligaro**  
presents *La giostra dei goal*
2. **Parliamo italiano**  
with Gloria De Antoni and Oreste De Fornari
3. **Cinzia Tani**  
and the appointment with *Il Caffè*
4. **Il portale di Rai Internazionale online**
5. **Il portale Italtica**

*Rai is Italy's leading cultural company and Raitalia becomes the priority vehicle for all things Italian.*

1,251/3,638<sup>hours</sup>  
of television/radio broadcast  
produced in 2009



1



2

## 1. Crash

## 2. FuoriClasse

## Rai Educational

*The present, the past and the future presented on several multimedia platforms and as part of a single line linking the reasons of a society and its prospects. A public service mission which aims to investigate history, art, science, economy, current affairs, observation and reflection. A project which comprises general-interest networks, two dedicated digital channels, interactive websites, series of DVDs, books co-published by Rai Eri, arrangements with authorities and institutions. A public service broadcasting project, to help create awareness among people of their time.*

In 2009 **Rai Educational** remained true to its public service broadcasting role, creating top quality analytical programmes, proposing them both on general-interest TV and on the two digital channels, Rai Storia and Rai Scuola. Rai Educational's big commitment to production during 2009 was rewarded, within the sphere of national and international events, with the highest number of acknowledgments compared to the other Rai Managements and Networks: a grand total of 21 awards to programmes, with 11 going to *La Storia Siamo noi*, 5 to *Magazzini Einstein*, 2 to *Explora Science Now!*, 1 to *FuoriClasse Canale Scuola lavoro*, 1 to *Un Mondo a colori e* and 1 to the RaiEdu 1 channel.

On general-interest TV, we find the titles that characterise the production of Rai Educational.

*La Storia Siamo noi* – aired in the usual morning slots on RaiTre, the very late night slot on Wednesday on RaiTre and the late night slot on Wednesday on RaiDue.

The programme's usual approach to the topics of history past and soon to be, is based on meticulous use of documents, reports by the participants and film clips.

The introduction of the new DTT theme channel, Rai Storia, enables a further expansion of the broadcasting project, via the recovery of previously unpublished materials, the combination (by analogy or contrast) with documents from Rai Teche, the proposal of the programmes to different audience targets on several days and at different times.

*Crash: contatto, impatto, convivenza* is the title of a new Rai Educational programme born of the experience of *Un mondo a colori*, broadcast on RaiDue at 9:45 a.m. and in the very late night slot on RaiTre with specials.

*Crash* is a weekly analysis programme, featuring reportages, inquiries and current affairs, in which, also with the aid of studio debates, all the aspects linked to the most important phenomenon to affect our country in recent years, immigration, are discussed.

In its mission as public service broadcaster, Rai has to constantly monitor the developments of a situation which is becoming increasingly difficult, and sometimes characterised by conflict, as time goes by and the immigrant population gets bigger and bigger.

*The aim of Crash* is to explain to television audiences what is going in Italy since our country has become a Country of mass immigration, showing the different stances taken by the political forces and the world of culture and associationism. It compares the experiences of other European countries which began taking in immigrants twenty years before Italy and tackles the delicate debate regarding intercultural exchange and inter-religious communication.

Extensive space is dedicated to the consequences of the economic recession and respect for human rights among weaker areas of the population, including immigrants: women, children, the unemployed, the problem of illegal immigration and the exploitation of workers paid cash in hand.

RaiTre's Saturday morning slot from 9 until 11 is occupied once again by *Tv Talk*, the analytical programme and talk show on TV, with the participation of communications experts, university students and professors and the television celebrities themselves. It is followed by *Art News*, the weekly programme on current affairs in the world of Italian and international art and culture.



The new titles include:

- *Teatro in corto*, on air in RaiTre very late night slot, proposes an anthological journey of about 50 years in contemporary drama.
- *Big 'Grandi ... si diventa'*, on air in RaiTre very late night slot, offers an unprecedented presentation, with a long studio interview, of the lives of public figures who have accompanied our lived with their work as artists, doctors, politicians, sportsmen and women and writers.



The biggest innovation in 2009 was definitely the consolidation within DTT of the identity of the **Rai Storia** channel. Now, over a year after its launch, Rai Storia, with a glance at the past of the Rai Teche and at the present of *La Storia Siamo Noi*, looks to the future with a richer and richer programming which combines the facts of the present with the weight of history.

Since 1 November 2009, 13 hours of new programming every day to propose the best of historical production in the European and world panorama.

RES is the programme around which the programming of Rai Storia revolves, proposing the re-broadcasting of documents taken from the Teche and making specific programmes like:

- *Come eravamo*, snippets from the past to rediscover the way we were, how we related to the television, how we expressed our feelings, with amateur films collected by the Teche or sent in by viewers;

- *100 Secondi con...*, 100 very special seconds entrusted to seven professors, one for each day of the week. Every day, from Monday to Sunday, the day's most important historical event is taken up, commented on and analysed by a historian.

Dixit, television instruments to understand the world around us, from 9 p.m. to 11 p.m., in prime time, is the new analytical programme occupying 5 evenings. A series of theme-based itineraries presented to viewers for constructive use of the documents, sources, testimonials, problems and possible solutions. From the classic appointment with the history of the Second World War to the news events of yesterday and today, to the great biographies of international politics, great scientific discoveries and, to end with, music, film and entertainment, with unprecedented clips, indiscreet anecdotes, atmospheric scenarios and unforgettable music in a single story of the uses and history of our country.

Another prime time programme was *Rewind*, broadcast on Saturday and proposing great men in great programmes.

But Rai Storia is also the consolidated production of Rai Educational: *Magazzini Einstein*, *Cult book*, *Scrittori per un anno*, *Visioni private*.

In November 2008, Rai Storia, which was still RaiEdu 2 at the time, had an average monthly share of 0.01%, registering an average monthly share of 0.11% in December 2009, which reached 0.12% in prime time.



On 19 October 2009 RaiEdu 1 became **Rai Scuola** the Rai Educational channel dedicated to learning and education.

The channel broadcasts programmes in agreement with the Ministry of Public Education:

- *In Italia*, the project dedicated by Rai Educational to teaching the Italian language to foreign adults and young adults with the ambitious aim of creating the foundations for a renewed concept of citizenship which is not inherited, but chosen.
- *Il D*, a mutliplatform project which aims to respond, through the television teaching aid accompanied by the web, to the need to the develop linguistic-communication and foreign language cultural skills of students at every level of education (particularly primary school children), to encourage the integration of families into the social fabric ad support the linguistic training of teachers.
- *Medita*, the project intended to disseminate teaching content for Italian teachers via satellite, which also makes it possible to use the audio-visual materials through a specifically designed Internet portal.
- *FuoriClasse*, the project aimed at contribution to guiding youngsters and families in choosing education and learning paths.
- *Esplora science now*, aimed at offering students, as well as a broader television audience, technical and scientific culture, with particular reference to maths and themes relating to technological innovation.



## Rai Notte

Since 1996, **Rai Notte** has been a unique experiment in Italian television, one intended to create and constantly rethink nighttime television. The result, consolidated by fourteen years of experience, is full-scale programming on all three of Rai's networks, with the aim of capturing the very essence of the night and – above all – transmitting it to the many nighttime viewers.

Night creates a different sort of focus, a different way of watching and listening. This is why designing nighttime programming means focusing as much as possible on that which, inevitably, is missing from or marginalized in daytime television.

We begin with the imaginary, with fiction and films (primarily concentrated on RaiUno). With regard to film, the programming choices are always centred around high-quality films, but without being excessively elitist. For Rai Notte, the focus is always on the preferences and differences of this particular viewing audience, which means, for example, Italian and American cinema, re-proposing the great westerns, noir films and thrillers, artistic and otherwise, science-fiction and horror. All this while leaving room for art films.

With regard to fiction series, 2009 continued Rai Notte's tradition of recalling the past. Nothing has impacted upon the imaginations of Italians more deeply than dramas from the past, so providing viewers with an opportunity to take another look is not just a pleasure, it's a cultural obligation. Some of the most appreciated broadcasts that made another appearance through Rai Notte included *La Piovra*, *Don Matteo*, *Linda e il brigadiere*, *Provaci ancora prof.*

Rai Notte's other focus is reflection. This theme is concentrated on production (particularly on RaiDue), with a series of programmes, broadcast within the "containers" *Attualità Magazine* and *Anima Magazine*, which typically deal with important social and political issues, as well as culture and the environment, using language that is as simple and direct as possible. After all, at night, we don't need complicated turns of phrase.

Rai Notte's programmes also discuss philosophy and psychology for example. Soul, Jung, Hermetic tradition and iconology. But with an attempt at keeping these words accessible to everyone, capable of bringing viewers closer to even the most complex concepts. All without sacrificing the depth of the ideas.

In 2009 this occurred in programmes such as *Inconscio e magia*, *Medicina per voi*, *Il mare di notte*, *Gli occhi dell'anima* and *Anima Good News*.

The programmes of Rai Notte also talk about justice – the justice of daily life, real justice, which tangibly affects people's lives – in *Avvocato per voi*, a programme that responds in detail to viewers' questions. It also talks about politics and information in agile programmes such as *Quarto Potere* and *Focus*, or in *Parola di...*, a programme in which the editors of leading Italian newspapers lead the audience through the lines and folds of their newspapers. And about current affairs in appointments such as *La voce dei cittadini* and *I nostri problemi*.

*The night is when we spend time with ourselves. The needs of the day are no longer pressing, the pace slows down and confusion lessens. Some people see the night as a time for dreaming; for others it's the ideal time for thinking. Rai Notte cultivates both of these souls: imagination and reflection.*

# 2,500/300

hours broadcast/produced in 2009

## 1. The Tg1 studio



**Tg1** is Rai's leading news and information product: the moment when people are able to meet the world of government agencies, politics, society, the economy, culture and religion, with considerable attention dedicated to what's going on outside of Italy.

The past year has been characterised by numerous events. In chronological order: the taking of office at the White House by America's new President, Barack Obama, the case of Eluana Englaro and the consequent debate on euthanasia, the earthquake that destroyed L'Aquila, the European elections and the G8 conference; the killing of six Italian soldiers in Kabul and the tragic floods in Messina.

In this setting, Tg1 confirmed its status and a reference point for viewers in terms of completeness, authority and promptness, remaining faithful to its elegant, institutional style, maintaining a serious yet calm approach and implementing a series of broadcasting initiatives which allowed Rai's leading news programme to improve its viewing figures in all the time slots and occupy the first 99 places in the classification of most watched TV news programmes in 2009.

The productive efforts made by Tg1 have made it possible to create a quantity of broadcasts (news reports, specials, features, analyses and special editions) totalling about 1,343 hours, compared to 1,220 hours in 2008.

The 8.00 p.m. edition of the Tg1, with an average 6,065,000 viewers and a 28.5% share, is confirmed not only as the leading source of information, but also as the most watched TV programme every day. The advantage over the Tg5 was 691,000 viewers (3.4 share points).

In 2009, the 1.30 p.m. edition of the Tg1 was confirmed as the most watched news programme in the afternoon, reaching an average number of over 4 million viewers (27.7% share).

The Tg1 Specials also achieved excellent results, especially the edition broadcast on 1 November in relation to swine flu, which reached over 2 million viewers.

The Tg1 also worked in cooperation with the production team of *Porta a Porta* to create two prime time and four later evening programmes on the earthquake in Abruzzo and the G8 Meeting in L'Aquila, which obtained average viewing figures of 3,227,000. The programme *Porta a Porta - Tg1 Speciale* broadcast to provide information on the dreadful earthquake that hit Abruzzo on 6 April 2009 gained 6,777,000 viewers and a share of 26.94%.

Since last October, alongside the 13 daily editions of the Tg1, the programming of the analytical features has been renewed and improved. There are 14 altogether, ranging from books to politics, from art to technology, from entertainment to food, offering a detailed and curious view of the world around us: *Mostre & eventi*, *Persone*, *Note*, *Atlante*, *Prime*, *Storia*, *Fa' la cosa giusta*, *Doctors*, *Tendenze*, *Turbo*, *Techno*, *Terra e sapori*, *Doreciakgulp* and *Billy*. The huge public success of the weekly broadcast *Tg1 Storia* was confirmed again in 2009, reaching an average 1,197,000 viewers with a 26.6% di share.

# 1,343

overall hours of broadcasts in 2009

Lastly, the website [www.tg1.rai.it](http://www.tg1.rai.it), recorded a considerable rise in viewing figures and will see the strengthening of the web production team in the new year, with a staff of 12 journalists.

*Once again in 2009  
Italians preferred the  
Tg1 as their leading  
source of information, a  
result which confirms the  
appreciation of the  
completeness, credibility  
and quality of the  
information offered.*



1

1 and 2. The Tg2 studio



2



**Tg2** has always been the news programme marked by innovation and in-depth analysis, key elements for a public service news programme. It can boast its own personal style, in terms of the graphical elements and of the studio layout and way of presenting the news, as well as in many other general details that define its product.

*Tg2 has accepted the challenge of digitalisation, which requires extensive investment also in terms of redefinition of the journalistic activity, confirming a vocation and courage to experiment which have always characterised it.*

The first half of 2009 was dominated by the taking of Oath at the White House by America's new President, Barack Obama, the case of Eluana Englaro, the European elections and the tragic earthquake in L'Aquila, while the second half of the year was characterised by the G8 conference, transferred from the original venue on the Isola della Maddalena to L'Aquila, the killing of six Italian soldiers in Kabul and the tragic floods in Messina.

In this context, at the end of July, the Tg2's new director, Mario Orfeo, was elected and just a few weeks after his arrival, the new broadcasting style was developed. In the space of a few months, this new style has made the Tg2 more attentive to the quality of news and information, with positive effects on critics and audiences alike. The current broadcasting style of the Tg2 is seen as being more authoritative and reliable, as well as offering broader journalistic coverage of the news.

Over the past few months, the Tg2 has undergone extensive restyling of the sets and graphics, with innovation also touching on the website, which has witnessed a marked increase in the number of accesses to multimedia content.

In 2009, the Tg2 made 3,915 broadcasts, among news programmes, specials, analytical features and live events, for a total of about 1,220 hours, corresponding to an average production force of almost 3.5 hours a day.

The 8.30 p.m. edition of the Tg2 which, with an average viewer age of 53, represents Rai's youngest news programme, reached a weighted average 2,322,000 viewers with a 10.2% share (taking into consideration the first and second part added from July).

For almost 15 years, the 1.00-2.00 p.m. time slot of the Tg2 has comprised the 1.00 p.m. edition of *Tg2 Giorno*, *Tg2 Costume e Società* and *Tg2 Medicina 33*, the long-standing health feature directed by Luciano Onder, on air at 1.50 p.m., which recorded 1,586,000 viewers and a share of 13.5%.

In 2009 the Tg2 continued its work to create numerous analytical features.

In the morning time slot, the journalistic 'container' *Tg2 Punto.it* and the feature on economy *Tg2 Nonsolosoldi*, with Friday afternoon dedicated to *Si Viaggiare* and the after midnight slot reserved for *Tg2 Mizar*, curated by the culture production team. Also: the weekly feature *Tg2-Storie* which analyses the week's most important stories; *Tg2 Punto di vista*, the weekly appointment on current affairs, celebrities and the hottest national and international issues; the consolidated *Tg2 Motori* and *Tg2 Dossier*, on air late on Saturday evening.

The special edition of the Tg2 on 6 February, on the touching and controversial issue of Eluana Englaro, was of particular significance.

**1,220**  
hours of broadcast produced in 2009





The **Tg3** is the news programme that combines authority with unpredictability, capable of surprising and breaking free from traditional restraints to be there, where things are happening, and take viewers inside the events.

The Tg3 is immediately recognisable by its originality, its live coverage, the way it tells stories, especially those which are otherwise overlooked and hidden.

The commitment is to help viewers to formulate their own opinion, providing all the useful elements, information, background and characterisers and telling the changes in society which take place every day, either right next door or far away from us.

A choice which is rewarded by viewers despite the multiplication of sources of on-line information which pre-empt more traditional media.

The main edition of the Tg3, which goes on air at 7.00 p.m., occupies a stable third place among the evening editions of all the Tg journals and has increased its viewing figures compared to last year, reaching a share of 14.62% with about 2,200,000 viewers.

The figures for the lunchtime Tg at 12.00, the only Rai national news programme broadcast from Milan, are also excellent, with a 13.84% share.

The viewing figures for *Linea Notte*, an hour of news and information presented live from midnight until one a.m., are very flattering, and this programme is highly innovative compared to the traditional nighttime news programmes.

A Tg which talks about society, with its changes, contradictions and conflicts, particularly attentive to the categories of the so-called "weak subjects" who only make a marginal appearance in traditional news programmes and find specific spaces and attention in the Tg3.

*Tg3 Lis* – on air every day, using sign language for over six hundred thousand hearing impaired viewers. *Gt Ragazzi*, a real news programme created especially for younger viewers, attentive to language and pictures.

In the informative vocation developed by Tg3 over the years, it is worth indicating the weekly appointments that focus on women, immigrants, consumers, agriculture, minor entertainment and new technologies, with the features *Shukran*, *Punto Donna*, *Agri3*, *Cifre in chiaro*, *Chi è di scena*, *Sabato notte*, *Pixel* and *Persone*.

Then there's *Agenda del mondo* with the foreign political reportages comprising the stories and everyday lives of people who are not necessarily famous but are highly representative of the situations discussed.

The Tg3 has always paid particular attention to the search for new languages in order to offer better information.

With this in mind, the Tg website is a vital instrument for seeing the editions and features again, for following events and live broadcasts on line, but also for search for all the services that have marked the thirty-year history of the Tg3.

A history characterised by continuity but also by constant renewal which, since October, has been under the direction of Bianca Berlinguer.

*Tg3 is the people's news programme, the news programme of society, attentive to social issues and rights. It keeps an eye on politics, but not 'parliament' and is particularly sensitive to issues which determine the quality of everyday life.*

14.6%

share in 2009 of the 7.00 p.m. broadcast



**1. Paolo Pardini and Stefania Battistini**  
presenters of *Buongiorno Italia*



The **TGR**, Testata Giornalistica Regionale, is: 23 production units which produce the news and information closest to the people every day, with the aim of representing the whole country through its diversities, complexities and riches.

In a setting like that of broadcasting, characterised in 2009 by profound and structural changes, Rai's regional information has strengthened its position thanks to the excellent results achieved by *Buongiorno Regione*.

The new appointment with the TGR which, from 19 January 2009 has been on air in all the regions, responded brilliantly to the rising demand for local news, giving regional information a new identity.

The programme, broadcast live on RaiTre from Monday to Friday, from 7.30 a.m. to 8.00 a.m., has enhanced the already vast offering of the TGR, extending the space dedicated to local information to the morning time slot.

The initiative has made it possible to offer a better guarantee of the interests representing the different cultures within the country.

This makes the presentation of the Testata Giornalistica Regionale stronger and more youthful as it celebrates its 30<sup>th</sup> birthday.

Rai's biggest production unit, thanks to its 707 journalists, the TGR is ready to take on the challenges that present themselves in a constantly evolving

competitive context, thanks mainly to the digitalisation process of the broadcasting network.

Under this profile, the strategic investments channelled by Rai into the birth of a channel devoted entirely to regional programming will be fundamental.

With this in mind the TGR intends to set up an organisation which is increasingly detached from the traditional production model.

Writers and cameramen must be able to respond to new requirements quicker, ensuring prompt information and being open to suggestions by the public.

From this point of view, the new Channel Management, which took up office in October 2009, immediately marked its management by launching highly innovative enterprises with regard to internal communication, with the design of a new information "relay" which will enable a more structured exchange of information between the regional departments and those of the national news programmes.

As regards television programming, the Management is studying the launch of a new informative appointment which, exploiting existing production energies, will complete the offering in the morning time slot, with a unique product in the broadcasting panorama.

In a context still characterised by an economic recession which hasn't spared the communication sector, the Testata Giornalistica Regionale has paid considerable attention to costs, adhering strictly to the budgets set and closely observing the cost containment policies.

During 2009, the TGR, has substantially confirmed the excellent results of the two main editions of the news with a 19.46% share for the 2.00 p.m. edition of the Tg and a 16.08% share for the 7.30 p.m. edition. With *Buongiorno Regione*, RaiTre's viewing figures for the specific time slot have doubled from 6.05% to 12.79%.

*Starting with the Giornale Radio at 7.20 a.m. until the Telegiornale della Notte at 10 past midnight, the TGR marks the daily lives of Italians, accounting them with a series of appointments providing news on their communities.*

**19.5%**

*share in 2009 of the 2.00 p.m. broadcast*

### 1. Tg Parlamento

### 2. La Tribuna Politica



1 TG PARLAMENTO



2 TRIBUNA POLITICA tavolo rotondo sugli sviluppi



**Rai Parlamento** is the news programme that keeps television viewers abreast of the workings of the Italian and European Parliaments, in close connection with political developments.

Rai Parlamento also produces the Tribune Politiche and Tribune Elettorali broadcasts and national publicly accessible programmes.

Rai Parlamento is a theme-specific broadcast specifically responsible for in-depth reporting on parliamentary and political activities. With three editions of the daily *Tg Parlamento* on RaiUno and RaiDue, from Monday to Friday, Rai Parlamento offers a full range of detailed and complete information on the activity of the Italian government and the two branches of Parliament, with a particular focus on the inner workings of Parliament, which do not usually fall within the range of the general-interest news programmes.

*Tg Parlamento* is broadcast on Fridays on RaiDue and hosts the feature entitled *Le Pagine della Politica*, with brief studio interviews with authors of political articles or publications, whether they are members of Parliament or the Government, journalists, professors and university students.

Debates, inquiries and parliamentary investigations, work in the permanent Commissions of the Chamber and Senate and in the bicameral Commissions are at the centre of attention of the *Tg Parlamento*. This attention is furthered in the weekly feature *Settegiorni*, which goes on air

on Saturday mornings on RaiUno: fifty minutes, not only to discuss the political week, but also to assess the affects of politics on the life of the public, with services, inquiries and interviews.

*Quello che* is a weekly programme which is on RaiDue, for 40 minutes, every Saturday at 10.50 a.m..

Inquiries, stories and testimonials which focus on current affairs and forecasts for the future, using clear and direct language to draw young people closer to the institutions and understand the world they live in.

The activity of the Italian Parliament is monitored live during Specials dedicated to broadcasting the main debates at Montecitorio and Palazzo Madama, and through the weekly broadcasting of *Question Time*, the moment dedicated to immediately answered questions that implicates harsh confrontation between members of parliament and the Government. These live broadcasts from parliament are usually well received by viewers, especially when they cover issues of particular political and social interest, or during 'hot' moments for the government agencies, like the election of the President of the Republic or the Presidents of the Chamber and Senate, or during debates with regard to confidence in the Government.

Political communication regulated by the Parliamentary Commission for the General Address and Vigilance on Broadcasting Services is the other main production branch of Rai Parlamento. The forms of political communication vary from season to season. *Tribune elettorali* uses different methods to host the confrontation between the political forces competing in general, European, regional and local elections. The theme-specific *Tribune Politiche*

hosts the confrontation between the political forces represented in Parliament during periods when there are no electoral consultation in progress. The studio presented chairs the debate with the aid of articles and films. These programmes are also broadcast on the radio.

*10'...* is the daily feature that hosts the programmes managed independently by the cultural, political and social organisations, usually expressions of private associationism, allowed by the Permanent Subcommission for Access. This is a space which has been creating a link between the general public and activities and enterprises which are only apparently "minor" for thirty years. Previously broadcast by RaiUno, since November 2009 the feature has been aired from Monday to Friday on RaiDue, as well as the usually radio broadcast.

*We give you  
in-depth politics:  
our aim  
is transparency.*

271

hours broadcast in 2009

60/4,000

indices/simultaneous pages  
on RaiUno and RaiDue

21/20,000

regional editions/simultaneous pages  
on RaiTre

**Televideo** is one of the most recognisable and timeless Rai brands, a sort of 'printed' newspaper with 26 years of history behind it, strongly based on a high vocation for public service. The teletext service is available on the three general-interest networks and the broadcast is a 'mosaic' of editorial missions also available on the web, digital terrestrial television and mobile telephone.

Televideo Nazionale, with its news pages on air 24/7, is available on RaiUno and RaiDue, offering sixty indices and four thousand pages published simultaneously. RaiTre broadcasts the 21 different editions of Televideo Regionale (an edition for each region, with two in Trentino-Alto Adige), with about thirteen thousand simultaneous pages.

The tasks with an extremely high rate of service feature guaranteed news and information for the hearing-impaired and specially programming for the blind.

In addition to news and information (with *Ultim'ora*, *Prima Pagina*, which scrolls through the events of the day both in Italy and around the world, including the economy, politics, citizens' rights, sport, culture, and entertainment), Televideo Nazionale offers a bit of everything: from the stock exchange to the labour market, from social security to taxes, from education to healthcare, from weather to transportation, from TV and radio programmes to horoscopes, from cuisine to the lottery, from the home to environmental issues and from government agencies to consumer associations.



Televideo Regionale, on the other hand, focuses on services and segments of a more regional scope, guaranteeing constant updates on local pharmacies, cinemas, theatres, the weather, traffic and sport (with over 500 championships in the various disciplines), while promoting relations between local government and its citizenry.

Not only does the huge audience gained over the years by Televideo withstand the challenge posed by the new media, it continues to grow. Almost 21 million Italians know and use Televideo, and 7.5 million people use Televideo every day. The latest research carried out certifies that "61% of users use Televideo while watching television programmes and that the remaining 39% switch on the TV specifically to use it". Besides TV programmes, the themes which receive most viewers are current events and sport. The habits of Televideo users show satisfaction with use and well as quick, easy and user-friendly communication.

Similar results have been achieved for the digital terrestrial version, which has been on the air since 2004, and above all for the web version, [www.televideo.rai.it](http://www.televideo.rai.it).

In 2009, the completely renewed Televideo website alone accounted for roughly 55% of all traffic for Rai news and information, with nearly 146 million page views and over 600 thousand single users per month.

Televideo's primary mission, together with the provision of information, is defined by the Service Contract between Rai and the Italian government. For the hearing impaired, Televideo provides live subtitles for the 1.00 p.m. edition of the Tg2, the 2.20 p.m. edition of the Tg3 and the 8.00 p.m. edition of the Tg1 every day. It also guarantees subtitles for a wide range of live or

recorded programmes – partly re-proposed on the web and differentiated by genre – (films, TV series, entertainment, documentaries, cartoons, etc.) and supplies subtitles in English for a total of over 10,600 hours of subtitling in 2009.

Along with subtitling, Televideo also plays a very delicate role in providing programming for the blind, with news and information, audio-books and musical works, not only for informative purposes but also for computerised learning. Here, the highlight is the production by Televideo of a variety of multimedia works, especially fairy stories dedicated to blind and vision-impaired children, also for educational purposes.

*Televideo maintains and expands its role in the media panorama despite growing competition between informative platforms. Users see it as "a simple communication interface, easy to use and readily available due to the fact that it sits in the heart of the home".*



## RAINEWS 24

The philosophy of **RaiNews 24** is consolidated year by year: it doesn't want to be just another news programme, but intends to add something to Rai's offering, proposing live news and information which the other news programmes can only present summaries of.

Again in 2009, the channel's tenth anniversary, RaiNews 24 showed a good capacity for relating world events, thanks in part to its possibility to use Rai correspondents and take advantage of the relationships built up over the years with non-governmental organisations, missions and Italian communities abroad.

Its strength lies increasingly in large-scale national and international live broadcasts, which support the flow of information that characterises this type of channel at world level. All-news channels have a different way of providing information, proposing the news in real time, without being obliged to repeat the complete presentation expected of the evening news programme in every edition. Furthermore, all-news channels are more flexible and can be used on different platforms, from digital to satellite, from the Internet to services for mobile phones.

Despite the fact that there are still some difficulties in obtaining all the elements needed for the development of the channel, an important event occurred during the year: the arrival of the new Sonaps server, which has been up and running since July, albeit with ample margins for development and fine tuning.

Thanks to this innovation, material can now be stored on the server for a consistent length of time, allowing processes which were previously impossible, as well as more targeted and consistent archiving, with obvious advantages both for the news ad for programming, particular at weekends.

The channel continues to grow steadily, in terms of viewers and in the way it is seen by its interlocutors, from politics to civil society.

This success is also reflected on the website [www.rainews24.rai.it](http://www.rainews24.rai.it), which has now become a real web newspaper, capable of monitoring the development of events and giving a scale of priority in real time. Members of the public participate via blog, bearing witness to the interactive potential of RaiNews 24 and to the increasing integration between web and television. The Internet production team now also produces *Scenari*, a sort of inquiry via web only.

As regards the television offering, RaiNews 24 has had to remodel its morning time slot following the launch of *Buongiorno Regione*, and alongside *Il caffè*, we have appointments like *Altre voci - Diritti negati*, on employment-related issues, disability and social difficulties, and *Noi e loro*, which discusses racism, immigration and the way immigrants are welcomed into the country. These are followed by the new "container" *Meridiana*, dedicated to the local press and big foreign issues and international politics.

*Tempi dispari* has also been restyled: initially created as an appointment with culture and entertainment, it is now also open to big news stories and national and international politics.

about **8,784**  
hours fo broadcast on the terrestrial  
networks

A special mention should go to *Il punto*, the end of the day "container" which aims to systematise and analyse the days events, also devoting attention to the prime time offering by the main international news programmes. The programme also looks at the newspapers, highlighting the headlines and offering a preview of what will be on the newsstands the day after.

*'Permanent revolution'  
continues to be RaiNews  
24's philosophy.  
Not a slogan, but the  
way forward to continue  
competing in the field of  
news and information, in  
a stimulating  
confrontation with the  
other satellite networks.*



1



2



**Rai Sport** represents the company's television offering. The big sports events, including the Serie A and B football championships, Formula One racing, the world swimming championships, the Giro d'Italia and Tour de France cycling races, the development and consolidation of the Rai's digital sport channel – Rai Sport Più and the website.

These are the main commitments in which Rai Sport has invested human and technical resources in 2009.

Let's look at the situation in detail: Rai Sport Più, visible on the digital bouquet and on the satellite platform, has increased its daily sports offering, covering the whole 24-hour period with live sporting events of various kinds, with three fixed daily appointments: the 9.00 a.m. edition of the news, taking a look at the national daily and sports newspapers, another news programme at 2.30 p.m. and a summary of the day's events at 11.30 p.m.. There are also six continuity studies throughout the day, with information, articles and analyses.

The consolidation of Rai Sport Più, with its further technical and organisational improvement, has enabled the increase in the range of products offered for the

# 37.7%

share for the Italy - Eire match  
(World Cup qualifying match)

vision of various kinds of sporting events particularly disciplines which are not broadcast by the satellite competition. The result is a tangible increase in viewers and the consequent growth of income from advertising for the public broadcasting company.

In addition to its daily work, Rai Sport succeeded in proposing an impeccable offering with regard to the two big sporting events of the year: the world swimming championships in Rome, in June and July 2009, and the world athletics championships scheduled to take place in Berlin from 15 to 23 August. These two appointments enabled Rai to achieve record viewing figures, thanks partly to the work carried out by Rai Sport reporters, with their live presentations of emotions and results every day. This success was also achieved due to the support of the Production Management.

Rai Sport was consolidated as absolute leader of the sports television offering, thanks to the Serie A football championship, which was monitored from all angles, including those of a sociological nature, with inquiries and analyses, particularly in the Monday evening programme, *Replay*, on air at 11.00 p.m., with excellent results in terms of viewing figures.

Unlike the commercial and satellite competition, Rai Sport also guaranteed its mission as a public service broadcaster offering a wide variety of sporting disciplines. The following sports were covered by the three general-interest channels and by Rai Sport Più: the world figure skating championship, the men's and women's European basketball championships, the men's and women's European volleyball championships, the world fencing championship and the world rhythmic gymnastics championship.

1. **La Formula 1**  
the Ferraris in pole position

2. **Cycling**  
big competitions on Rai Sport

3. **90° minuto**

Lastly, Rai Sport produced and broadcast international cycling: the Giro d'Italia, the Tour de France, the great classics and the world championship.

The best of Rai Sport's offering however continues to be the range of daily and weekly features and analyses: the 6.10 p.m. edition of *Tg Sport* on RaiDue, *La Domenica Sportiva*, *Dribbling*, *90° Minuto*, *Sabato Sprint*, *90° Minuto Serie B*, *Martedì Champions*, *Un Mercoledì da campioni* and the features on Formula One Racing: *Pole Position*, *Pit Lane*, *Reporto Corse*, *Numero Uno*.

*Technical skill, great personality, a capacity for communication and emotional involvement will continue to be the principles that inspire the work of Rai Sport.*

# 6.8%

percentage of sport on Rai networks

# 1,370

hours of sport on Rai networks



3

## Diritti Sportivi

The mission of the **Sports Broadcasting Rights** unit is to acquire the rights to broadcast sporting events for the entire Rai Group. In detail, it draws up the Buying Plan for sporting events and implements it by negotiating and entering into agreements with the counterparties holding the relative rights (International Organisations, Federations, brokerage agencies, etc.).

The negotiations are carried out taking care, on one hand, to purchase the rights to use on all the platforms on which Rai broadcasts, feeding not only the television programming (general-interest and theme-specific), but the radio and internet programming too, and, on the other, paying close attention to the restrictions imposed by the budgets assigned. On this matter, considerable savings were made with respect to the reference budget in 2009.

During 2009, the Sports Broadcasting Rights unit entered into agreements to purchase important broadcasting events linked to the most significant sporting disciplines. In some cases these were renewals of agreements to purchase rights already held by Rai, while in others they were new purchases, which marked the return to Rai of important events such as the men's Serie A volleyball championship.

In other words, the unit's activity focused on both the question of long-term agreements and renewals, and on the analysis and study of new buying opportunities, laying the foundations for

launching negotiations for the completion of medium/long-term agreements.

The aim of the activities illustrated is to enhance Rai's sports broadcasting rights portfolio more and more, so that it is able to continue guaranteeing the richest free offering on the reference market, as well as the consequent broadcasting on the general-interest networks or free digital theme-specific channel dedicated to sport, the potential of which is undoubtedly interesting in view of the completion of the switch-off of the analogue television signal.

Some of the important agreements which make up Rai's broadcasting rights portfolio are:

- the agreement with the FIGC for the broadcasting of the matches played by the Italian football team;
- the agreement with Lega Calcio relating to the highlights of the Serie A and B football championship matches, useable after 6.00 p.m.;
- the agreement to purchase the Coppa Italia (Italian Cup) matches played from the eighth round;
- the contract with the UEFA to broadcast the Champions League (one match for every day's play and the final phases);
- the agreements relating to the matches organised by the Lega Pro, 5-a-side football, women's football and other youth events;
- the renewal of the exclusive contract for the Giro d'Italia and other cycling events (until 2012);
- the agreement relating to the Tour de France;
- the purchase of the men's Serie A volleyball championship for the 2009-2010 season, as well as the men's world cup which will be held in Rome in autumn 2010;

- the long-term agreement relating to the downhill and cross-country World Cup Skiing seasons until 2011;
- the agreement for the broadcasting of the world swimming cup.

Other agreements for the sporting disciplines include several for the so-called 'minor' sports, which while lacking relevance in terms of viewing figures, play an important role in Rai's mission as a public service broadcaster.

Lastly, in terms of hours of programming, those dedicated to sport on the general-interest channels, among news bulletins, features and commentary amounted to a total of 1,370. These broadcasts allowed four sporting events to be among the six most watched programmes of the year.

1. *Gli amici del bar Margherita*
2. *Due partite*
3. *Lo spazio bianco*
4. *Ex*
5. *Operazione Valchiria*



## Rai Cinema

Rai Cinema's main activities are the acquisition of television broadcasting rights in compliance with the needs of Rai networks which arise in the new context of development of the television offering represented by DTT, film production and theatrical and home video distribution through the subsidiary **01 Distribution**.

While being forced to cope with constantly a falling investment capacity, Rai Cinema succeeded in maintaining a leading role in terms of weight and consideration thanks to a careful buying policy, cutting out a space of its own in a highly competitive market, thanks to consolidated relationships and fast action.

Rai Cinema pays constant attention to the continuing evolution of the types of broadcasting rights that can be purchased, considering the consolidation of ever new forms of exploitation and a Rai Group strategy based on the development of DTT and new business models and on-line offerings.

In detail, the company renewed the 2010/2012 three-year USA production agreement with CBS (Rai Cinema rights for 2011-2013). The agreement aims to guarantee the validity of the offering of Rai programming with the supply of the TV series created for CBS, the American network which is most in line with Rai's broadcasting aims in terms of quality and quantity. Also with CBS, the series *Beverly Hills 90210* and *Harper's Island*, both broadcast by RaiDue during the year, were confirmed.

The relationship with Disney, which continues despite difficulties due to the incursions of the competition, led to the formalisation of a package made up of a selected product featuring two brand new films, *Enchanted - Come d'incanto* and *Tinker Bell*, fourteen short films produced by Pixar and an important selection of renewed films, including the timeless *Pretty Woman* and *Mary Poppins*.

The new series purchased from Disney included the brilliant detective series *Castle*, the romantic *Cupid* and the adventurous swashbuckling series for younger viewers, *Legend of the Seeker*, with returns by some of RaiDue's favourite names for the latest series of *Criminal Minds*, *Ghost Whisperer*, *Private Practice*, *Army Wives*, *Desperate Housewives* and *Brothers & Sisters*.

Rai Cinema has also maintained constant relations with other majors: several Hollywood classics came from Paramount (*Operation Petticoat*, *The Mating Season*, *Roman Holiday*, *The Quiet Man* and *To Catch a Thief*), a cycle of films with Jerry Lewis (thirteen titles), a cycle of Westerns (*High Noon*, *Distant Drums*, *Shane* and *Rio Grande*) and more recent evergreens (*Saturday Night Fever*, *Flashdance*, *Terms of Endearment*); from Warner come the continuations of two of its best and most long-running series, *Cold Case* and *Without a Trace*, both renewed for the seventh season, together with the sitcom *Two and a Half Men*; from Universal comes the eighth season of *Law & Order*.

Numerous European television productions have been guaranteed to Rai Cinema stores.

Once again, Germany is the main source. From Beta, with which the company has worked in partnership for decades, come twelve new episodes of the detective series *Rex*, which RaiUno will be broadcasting, as always, during prime time. Another long-standing partner of Rai Cinema, the public network ZDF, proposes about 240 hours of excellent quality television programming: the new episodes of the detective series *Un caso per due*, *Squadra speciale Lipsia*, *Il commissario Kress* and the brand new *Soko Köln*, the family series *Il nostro amico Charlie* and the collection of TV movies *Wild Rose Valley*.

Other European series come from the BBC, such as *Survivors*, the new episodes of *Primeval* and the collection of three TV movies *Wallander*, an Anglo-Swedish co-production starring Kenneth Branagh.

As regards film premiers acquired by Rai Cinema, these include the Oscar-winning *Slumdog Millionaire*, the Golden Lion-winning *The Wrestler*, the Golden Palm winner for the best screenplay *Le Silence de Lorna*, the winner of the Special Prize of the Venetian jury *Cous Cous*, the Golden Globe winner and Oscar nominee for best foreign film *Waltz with Bashir* and *Into the Wild*.

The forecast development of the digital theme-specific offering is increasing the demand for films which, thanks to this platform can obtain prestigious exposure, with variety and extension which would otherwise be unavailable, without paying, to film lovers.

Classic films are an integral part of this design and occupied a significant part of Rai Cinema's activity for 2009: from Hollywood, we ought to highlight the important acquisition of the ITV





3

Global library (about two hundred titles ranging from Alfred Hitchcock to Laurence Olivier); among the Italian libraries, proposed by distributors such as Dania, Videac CDE, Istituto Luce and Lanterna, selected titles suited to programming in cycles, from detective titles to comedy, have been purchased.

Lastly, Rai Cinema pursued its consolidated procurement policy of the so-called "full rights", launched in 2001 and aimed at the acquisition of all the rights to exploit foreign titles in Italy for a relevant period of time. This method of acquisition allows the identification of "case-by-case" products and the formation of a valuable library with very long average license periods (12-15 years). This has allowed 01 Distribution to create composite lists, through which it has been possible to vehicle Italian-produced films in cinemas, flanking them with mostly American titles of different genres with a strong audience appeal. The titles purchased in 2009 included: *The Ghost* by Roman Polanski (which has just won the Silver Bear for best director at the Berlin Film Festival) and *The Book of Eli* by brothers Allen and Albert Hughes.

2009 was yet another year as leader for Rai Cinema branded films.

The prolific director Pupi Avati continued his excellent relationship with Italian audiences, returning to his beloved Bologna with the comedy *Gli amici del bar Margherita*, together with an excellent cast of famous names (Diego Abatantuono, Fabio De Luigi, Laura Chiatti, Luigi Lo Cascio, Neri Marcorè and Luisa Ranieri). Another outstanding cast, all-female this time (Margherita Buy, Paola Cortellesi, Carolina Crescentini,



4

Isabella Ferrari, Marina Massironi, Claudia Pandolfi and Alba Rohrwacher), starred in the film by Enzo Monteleone *Due partite*, based on Cristina Comencini's successful play.

The season of events began with the invitation to the Cannes Film Festival of the fantastic film by one the Italian masters of film, Marco Bellocchio, who, with *Vincere* (the unknown story of the first wife and illegitimate son of Benito Mussolini, left to die in a mental asylum for political reasons) obtained unanimous and enthusiastic approval by the Italian and international critics. Francesca Comencini's film *Lo spazio bianco*, based on the novel of the same name by Valeria Parrella and starring a remarkably talented Margherita Buy, was presented in the competition at the Venice Film Festival. The film won the Pro Life award.

A mention of merit goes to the box-office winner (top place for the Italian list of 01 Distribution) *Ex* by Fausto Brizzi, which opened the sophisticated Italian comedy genre, without vulgarity but with lots of Italian flavour.

While the market in general registered a decline in the number of viewers for Italian products, it enjoyed an increase in the offering in terms of original proposals, films by new talents and more consolidated authors, genre films which reached the cinema circuit in much greater numbers than before in the past decade.

Also of importance is the situation regarding second works, such as Massimo Venier's comedy *Generazione Mille Euro*, *Alza la testa* by Alessandro Angelini, *La straniera* by Marco Turco and *Fortapasc* by Marco Risi, on the tragic death of journalist Giancarlo Siani, and *L'uomo che verrà* by Giorgio Diritti, which was extremely well received



5

at the Rome Film Festival, where it won the Jury's Special Prize.

As regards films shot in 2009 and on release during the first half of 2010 Rai Cinema co-produced some of the most important names in the Italian film industry.

Ferzan Ozpetek, after an incursion into drama with *Un giorno perfetto*, returns to his favourite subjects, with the comedy *Mine vaganti*, set in the Salento region: another family-based story full of comic moments and personalities. The leading role is taken by Riccardo Scamarcio, flanked by Alessandro Preziosi. The film was very much appreciated at the Berlin Film Festival, participating outside the competition.

Gabriele Salvatores, with *Happy family*, based on a theatrical comedy, directed a fabulous cast: Diego Abatantuono, Fabrizio Bentivoglio, Margherita Buy, Fabio De Luigi and Carla Signoris, together again for a slick, brilliantly composed comedy characterised by irresistible humour.

Daniele Luchetti directed a dramatic yet comic film, *La nostra vita*, presenting a light and clearly outlined story of a young man in difficulty, left alone to bring up his young children, saved by his tenacity and the unconditional support of his family.

The projects shared by Rai Cinema in 2009 on which shooting will begin in 2010 include *Habemus Papam* by Nanni Moretti, produced by Fandango, with Michel Piccoli in the role of the pope suffering an identity crisis and the director himself in that of the psychoanalyst who is supposed to help him.



1

Pupi Avati is currently working on his new creature, a heart wrenching love story entitled *Una sconfinata giovinezza*, with Fabrizio Bentivoglio and Francesca Neri. The film should be ready for the next Venice Film Festival.

The relationship between Rai Cinema and Rai Fiction – which in the past has produced titles such as *La meglio gioventù* and *I Vicerè* – continued, with the historical saga of Federico Barbarossa and Alberto da Giussano directed by Renzo Martinelli and with the great epic on the Italian Risorgimento directed by Mario Martone, *Noi credevamo*, inspired by the homonymous romance written by Anna Banti.

Special relevance was assumed by two projects realised in 2009: for Telethon and RaiUno, the short *Il Turno* by Filippo Soldi, the story of a war reporter who, at the age of forty, upon the death of his father, finds out that he is affected by the same genetic illness; in the year of the sixtieth anniversary of the declaration of human rights, the collective film entitled *All human rights for all*, in which directors of the calibre of Vittorio De Seta, Wilma Labate, Daniele Luchetti, Marina Spada, Giovanni Veronesi and Luciano Emmer, who has just recently died, together with numerous others, presented the individual articles of the Charter in their own personal way.

Lastly, the relationship with Teche for the production of documentaries led to the creation of *Come mio padre* by Stefano Mordini, at the Torino Film Festival, outside the competition, and to the development of a project on 1960 directed by the Oscar-winner Gabriele Salvatores.

The full rights ad production activity described allowed 01 Distribution to achieve sixth place in the special film

distribution classification for the 2009 season.

The year was characterised by two completely different halves: in the first half, a series of brilliant results, particularly for *Journey to the Centre of the Earth 3D*, *Valkyrie* and *Ex*, made it possible to occupy first place for almost six months; in the second however, the presence of various films with a difficult commercial outcome took 01 Distribution to sixth place overall.

From the beginning of the 2010 season it should be back towards the top of classification. The new films by Salvatores, Ozpetek and Luchetti, respectively *Happy Family*, *Mine Vaganti* and *La nostra vita*, together with three important international titles like *The Book of Eli*, *The Ghost Writer* by Roman Polansky and *Edge of Darkness*, all on release by the end of May 2010, promise excellent box-office results.

As regards the home video segment, this is still suffering, due to increasingly devastating levels of piracy which have reduced the rental market, which was previously a flourishing channel, by 50%.



2

*Rai Cinema, combining product quality with the ability to generate financial returns, proudly supports Italian film-making by investing in young and not-so young film makers who have created the most recent chapter in the history of Italian cinema.*

#### Rai Cin

ema product on Rai networks:

- 17% of network programming throughout the day (4,446 hours)
- 29% of prime time programming (638 hours)
- 623 'pieces' (films, TV movies and series) with 385 prime time placements

#### Film:

- 156 prime time placements, of which:
  - 40 on RaiUno (18.5% audience share)
  - 36 on RaiDue (9.9% audience share)
  - 80 on RaiTre (8.3% audience share)

#### TV movies:

- 9 evenings on RaiUno with an average share of 18%;
- 17 evenings on RaiDue with an average share of 10%.

#### Series:

- 203 evenings, mainly on RaiDue
- 9.4% average share for RaiDue
- 6.9% share for RaiTre

# 165

evenings of film in 2009

# 203

evenings of TV movies in 2009

1. *Lo scandalo della Banca Romana*
2. *Tutti pazzi per amore*
3. *Pinocchio*
4. *Una casa piena di specchi*



3



4



Rai Fiction is Rai structure responsible for the production of TV fiction series and cartoons for the Rai general-interest networks and the Group's theme-based channels.

2009 witnessed the launch of production of about 500 television hours of TV fiction series.

Most of the investments were destined to the production of TV fiction series for the networks' prime time slots.

Alongside the classic format of Italian TV fiction series, based on episodes lasting 100 minutes, more and more space was allocated to series with episodes lasting 50 minutes, which are very flexible in terms of programming, particularly when it comes to repeats.

Once again, in the production of 2009, the main event titles of Rai's production were historical or contemporary mini-series, which were particularly successful with viewers and critics, particularly in the autumn season and at the beginning of 2010.

Also during 2009, the first season of the soap opera *Agrodolce* (made in cooperation with Rai Educational) was completed and the fourteenth season of the series *Un Posto al Sole* was launched.

As regards cartoons, the investment in the production of Italian and European works has become the mainstay of the two children's theme-based channels of the Rai Group (Gulp and YoYo), while continuing to constantly feed the young children's time slots on RaiDue and RaiTre.

As regards ratings, a mention must go to the immense success of the entire offering of TV fiction for the autumn 2009 guarantee season.

TV fiction was the genre most programmed by RaiUno during the guarantee period and touched an average share of 26% again – a result which had not been achieved for years and which was thought to be impossible in the new broken-down context of offering.

In the classification of the ten most-watched fiction titles during the year, no less than nine positions were occupied by Rai products, confirming its consolidated leadership in the genre.

In 2009, Rai fiction witnessed the debut of series characterised by outstanding innovation in terms of language, like *Tutti Pazzi per Amore*, and the relaunch of historical series such as *Don Matteo* and *Un Medico in Famiglia*, which enjoyed a strong relaunch of the brand and success with the public.

The success of ratings was accompanied by the positive results achieved in the festivals and international competitions, with the nomination at the Emmy Awards for *Coco Chanel*, the victory of the series *Tutti Pazzi per Amore* at the TV Oscars as best series of the year, and the victory at the FIPA by *Lo Scandalo della Banca Romana*.

The brave decision to face harsh subjects like the life of Basaglia (*C'era una volta la città dei matti*) and the tragedy of deaths at work (*Gli ultimi del Paradiso*), TV fiction programmes produced in 2009, brought this genre back to the fore on the country's leading media, with extremely positive comments by critics and experts.

As regards theme-based channels, we ought to mention the good result of the Premium channel, based almost entirely on repeats of Rai fiction series, which in the regions where the switch-off has already been completed has become one of the leading channels in the new offering.

133

evenings of Rai-produced fiction on RaiUno

8,862

viewers for the episode of *Un Medico in Famiglia* on 23 november 2009





1



2



"The future has an old heart".

These words were written by Carlo Levi way back in 1956, but never before have they so perfectly described the tasks and the mission of the Teche Management, which will have to make a determined contribution to the offering of new television channels on the DTT platform.

In this context, the ongoing enhancement of **Teche's Multimedia Catalogue (CMM)** is even more useful. The catalogue is expanded each year by digitally storing all Rai television and radio broadcasts and by gradually recovering past material: on 31 December 2009, a total of 1,585,738 hours were available for consultation in the catalogue.

Television content is being recovered, stored and catalogued all the way back to 1954. The CMM's advanced technologies make it possible to view or listen to the archived material from any corporate workstation. The 'grabber' system is operational within the Teche Management to export the material in the quality stored in the CMM onto DVD or other digital formats ('matrix' system). This utility, which was initially assigned experimentally to the New Media management and to Rai Quirinale structure, is now also operational in the regional offices of Puglia and Umbria.

Besides the documentation of the programmes broadcast every day by the three general-interest networks and the radio channels, the recovery of material from the past is also taking place in the

regional offices. This includes rough material from the TGR and Tg2, in view of the digitalisation of the programmes' production process. The national recovery of past material however has now partly diminished, due mainly to technical reasons.

Certain significant changes have taken place, such as those in the **Rights Archive**. The number of hours of material released to third parties for institutional reasons (schools, universities, local authorities, etc.) is rising constantly, with significant participations by management in events of particular importance and in agreements with cultural institutions, like the Indro Montanelli Foundation and the Museo del Vittoriano.

At the Casa del Cinema in Rome, the Teche organised the event *Quando la Rai parlava inglese*, presenting 30 drama based on English literature, broadcast at weekends from January to May.

During the Roma Fiction Festival, the Teche worked on the mystery stories in TV and on the portrayal of the first landing on the moon, 40 years later. During the Premio Italia held in Turin, management contributed to the production of the documentary *Torino gira* and created a 7-hour production using materials from the archives regarding Piedmont, which was projected all night long at Turin's Piccolo Regio Theatre. The Teche also set up a photography exhibition in the venue which hosted the Premio, entitled *Radio e TV in posa*, 150 shots in Turin. Management worked in conjunction with Rai Cinema on the production of the documentary film presented at the Torino Film Festival, *Come mio padre*, by Stefano Mordini.

Other important productions for institutional purposes were the documentaries *Il paese dove sgorga il vino*, for Rai's activities in Japan

1. **Luciano Rispoli and Gianni Buoncompagni** presenting 'La prima volta del telefono, 3131'

2. **Rai announcers** and the experimental broadcasts for Tv

(broadcast by Rai Storia) and *Il futurismo* in collaboration with the Art Quadrennial in Rome.

The research and editorial partnership with Rai Storia underwent extensive development.

The European project **Presto Prime** was launched, with management contributing in terms of organisation of the database for audiovisual broadcasting rights. Numerous technological consultancy projects were also launched during the year. The Teche renewed their website in 2009 to allow searches for materials in the Internet database as well as Rai channel database on Youtube.

February was the month in which Rai Eri volume, Teche series, *La prima volta del telefono, il 3131*, was presented, accompanied by a DVD containing lots of recordings of the history programme, photographs and films from the archives.

*Rai archive is a unique company asset and a great treasure for the country. This is why UNESCO has included Teche Rai in its official register of Italian Records.*



1



2

## Produzione Tv

In short, the **TV Production** unit is a sort of television 'factory' creativity, professionalism and technology that support the entire production process, so as to achieve the best results possible and to guarantee Rai's high quality standards.

In terms of production, 2009 was a year characterised by particular commitment. The events of international importance, which required a guarantee of high quality production standards, included:

- the Champions League Final in Rome on 27 May. The year's most-followed international event, with 109 million viewers all over the world. High Definition coverage and the spectacularity of the final were guaranteed by 38 cameras (with shooting also from a helicopter), the HD signal and stereo and Dolby Digital sound, all controlled from two mobile direction units;
- the international summit of the world's eight most-industrialised countries, the G8, held in L'Aquila from 8 to 10 July. Rai was Host Broadcaster for the production of the multilateral signal and for the technical-operational support of all the broadcasters present. Rai's overall commitment of professional figures implicated about 110 operating units;
- the World Swimming Championship in Rome, from 18 July to 2 August. The event achieved record-breaking figures (183 countries competing with 2,800 registered athletes). Two hundred hours of live broadcasts with HD signal, 70 cameras including several special aerial and underwater ones, 50 journalists and 220

technicians and assistants. In order to guarantee adequate technical support for Rai production (in its capacity as Host Broadcaster) of the event, fibre optic link-ups were developed and implemented from the Foro Italico to the Production Centre in Via Teulada;

- the 16<sup>th</sup> Mediterranean Games, from 26 June to 5 July 2009, held in sports venues in Abruzzo. Athletes and national teams from 23 countries took part. Rai supported the Organising Committee for the live television coverage of the finals. Daily availability of about 10 ENG teams for coverage of all the disciplines (or most significant phases of the events). The highlights and summaries were also broadcast on a daily basis, included in the multilateral feed programming.

We mustn't forget the new TGR product, *Buongiorno Regione*, which was launched on an experimental basis at the end of 2008 in just 4 regions and is now up and running nationwide, involving all the regional offices.

A final mention goes to the intervention of our production machine – implemented immediately – to report on the earthquake that hit Abruzzo on 6 April. This involved the large-scale use of human resources and equipment, which were sent immediately to the site of the disaster to guarantee adequate technical support for the News programmes and Editorial structures. Even after the initial emergency phase, the decision was made to monitor the situation constantly in order to guarantee link-ups for the News programmes to provide reports on the places hit by the earthquake and on the reconstruction work.

In terms of technical investments, the most significant regarded the projects related to the digitalisation of the News,

**1. programme construction**  
the filming of *SuperQuark* in chrome key to build up a virtual set around Piero Angela

**2. production and filming**  
equipment for filming in motion

with operations to introduce new formats (XDCAM) and the new integrated digital system for Rai Notizie 24.

As regards the Regional Departments, the Campobasso offices were renewed and will start work in 2010. There were also numerous adaptation and digitalisation operations to accompany the switchover to DTT, not forgetting the new system of generation and publication for the Televideo teletext service, and the preparation of new infrastructures specifically for High Definition signals.

On the subject of High Definition, investments were made in two studios, Tv3 in Rome and Tv1 in Naples, in a new recording vehicle with 12-15 cameras (systems which will be productive in 2010). The outside filming production lines were adapted in view of the realisation of big sporting events in HD (starting with the 2009 World Swimming Championship). The entire Fiction series production (*Un posto al sole*) was converted to HD in Naples, and this also implicated operations on the post-production lines. Further investments were made in the Regional Offices and in the Production Centres, with a view to adapting the systems to cope with the increasing demand for production in 16:9 for the DTT platform.



The year which has just ended represented an important moment of change in **RaiSat**'s mission within the Rai Group's broader strategies.

During the first half of the year, the management of Rai and RaiSat met the counterparty, SKY, on several occasions to assess the possibility of continuing their relationship, which expired at the end of July.

SKY decided that it couldn't carry out exclusive negotiations on the basis of a possible agreement for the supply of the RaiSat channels only (excluding Gambero Rosso Channel, not required by SKY), tying up the possible new agreement to the free availability of all Rai's free channels.

On 30 July 2009, the Boards of Directors of Rai and RaiSat acknowledged the fact that it was impossible to continue the relationship with SKY Italia and agreed that it would be best to use the RaiSat channels to expand the Group's television offering on the DTT platform in the areas implicated in the switch-off.

Consequently Rai and RaiSat drew up an agreement for the supply, initially, until 31 December 2009, of the Extra, Premium, Cinema and YoYo channels, as well as those which had already been supplied for some time (Rai Gulp and Rai 4).

This meant that the Company experienced two phases during the year: the first, until 30 July, characterised by uncertainty as to the possibility of continuing the partnership with SKY Italia, having to continue the

programming of the channels supplied to SKY Italia, and the second, from August to December, characterised by the need, for the four channels supplied to the DTT platform, to have to cope with programming needs in relation to the limited visibility of the channels throughout the country.

The business model used to supply the channels to SKY Italia, which envisaged the editorial responsibility being held by RaiSat for the channels supplied to the satellite platform, has now been abandoned, restoring the Parent Company to its role as editor for all the free channels offered by Rai.

Despite this extensive transformation phase, RaiSat did not forego its aim to produce editorial content for Rai, with significant ratings, maintaining the economic balance.

On 22 October 2009, Rai's Board of Directors resolved the internalisation of RaiSat, to be carried out in compliance with methods still to be defined.

During the session held last 4 March, following the transferral of RaiSat's activities from RCS Mediagroup to Rai, the same Board of Directors resolved to go ahead with the launch of the activities aimed at the merger by incorporation of the subsidiary into Rai.

#### Rai's digital terrestrial offering



As of 31 July 2009, the channels distributed nationwide are Rai 4 and Rai Gulp.



As regards the other channels - RaiSat Premium, Extra, Cinema and YoYo - (RaiSat Gambero Rosso and RaiSat Smash Girls ceased broadcasting on 31 July 2009), the reference audience underwent a dramatic change due to the passage from pay satellite TV distribution to free local DTT distribution restricted to the all-digital areas.

This audience increased during the second half of the year due to the progressive admission of the all-digital areas, with the Trentino Alto Adige, Valle d'Aosta, Western Piedmont, Lazio and Campania regions joining Sardinia.

With reference to the four channels supplied to SKY (and then distributed on free DTT in the all-digital areas), i.e.: RaiSat Cinema, RaiSat Extra, RaiSat Premium and RaiSat YoYo, the progressive expansion of the 'all digital' audience in the second half of 2009 contributed to the strong recovery of the editorial performance of these offerings in the months that followed the launch on the DTT platform (August 2009).

In December 2009 in particular, the comprehensive share of this bouquet on the whole television audience was, on the average day, about 1%, with RaiSat Cinema, Premium and YoYo reaching shares almost twice and three times those registered during the first seven months of 2009 on the SKY platform.

The audience figures for this offering in the regions which are currently all-digital (which reached a comprehensive share of about 3.4% in December 2009) show considerable potential for growth at national level. The performance of the channels distributed at national level (Rai 4 and Rai Gulp) allows hope for interesting audience growth rates when the next regional switch-offs take place.





**Rai**



## **Radio Division**

**62 Radio**

**64 The stations**

64 Radio1 - Giornale Radio

66 Radio2

67 Radio3

68 Public service stations

69 Gr Parlamento



For RadioRai the year ended with a focus on renewal and important signs of recovery. The top management was completely revolutionised in the summer, with the appointment of Bruno Socillo to the management of the Radio Division and with the arrival of Antonio Preziosi at the head of Radio1 and the Giornale Radio, Flavio Mucciante at Radio2, Marino Sinibaldi at Radio3, Aldo Papa at the Public service channels and Riccardo Berti at Gr Parlamento.

The Board of Directors assigned the new management the task of relaunching the presence, weight and profile of public radio, giving a strong boost to technological innovation and to operating synergies with the various Company departments, especially in terms of communication and research. A tangible way of consolidating the modern approach of radio in the age of new media.

The broadcasting offering proposed the first changes in autumn, paving the way for a more widespread reformulation of programming in 2010. Audiences responded by showing the first signs of appreciation, inverting a trend which had been critical for most of the year, both with regard to ratings and the performance of the advertising market.

The general audience began to grow again, reaching 39.1 million listeners on the average day (+2% compared to 2008), with a RadioRai quota of 10.5 million listeners, equating to a penetration of 19.8%.

**Radio1** strengthened its absolute national leadership and had 6.3 million listeners on the average day, a record which translates into a share of 8.9% and a growing advantage over the big commercial radio stations. Radio1 produces about 100 programmes on air during the year and its two websites, [www.grr.rai.it](http://www.grr.rai.it) and [www.radio1.rai.it](http://www.radio1.rai.it), supply 30 broadcasts which can be downloaded in podcast. The Giornale Radio news production unit, with its three programmes aired on Radio1, Radio2 and Radio3 presents 50 daily editions.

**Radio2** suffered noticeably compared to 2008, reaching 3.8 million listeners on the average day. With a 5.3% share, it maintains sixth place in the classification and, despite the decline, continues to be one of the leading entertainment radio stations.

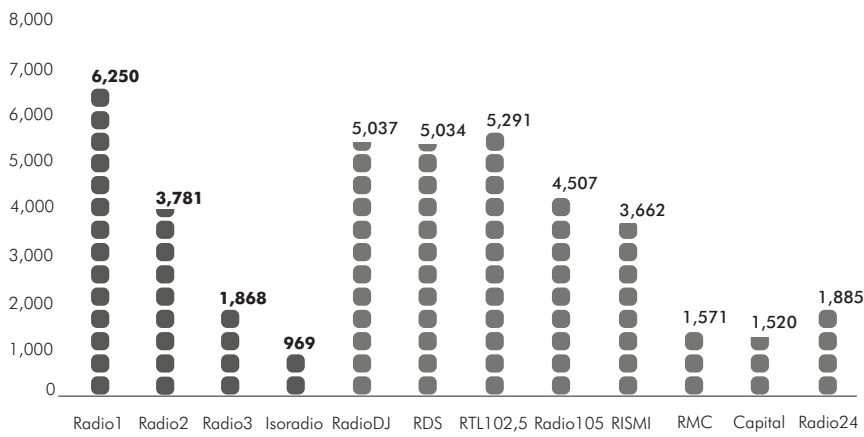
**Radio3** touched a quota of 1.9 million listeners on the average day, which translates into a share of 3.2% and eighth place in the classification.

**Isoradio**, despite figures declining compared with 2008, had almost 1 million listeners on the average day, with a 1.2% share, remaining constantly above 4 million listeners over the week. This service has a type of offering dedicated to the general public of listeners who are travelling.

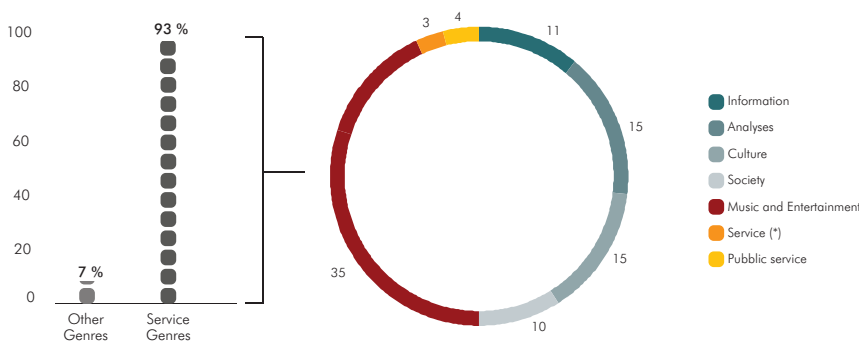
2009 was the first year of integrated surveys developed by Audiradio, thanks to a panel which supplied richer coverage figures which were helpful to commercial planning. This positive experience will be expanded in 2010 and shared by all the significant broadcasters on the market.

But naturally radio listening also includes 'expanded listening' on the web, from live streaming to mobile phone listening, the new podcasting resource, which has now become part of the lives of the more advanced audiences, which generates monthly traffic of over 1 million files downloaded from the RadiRai channel websites.

**Average listeners daily**  
(source: Audiradio - figures in thousands)



**Radio programming by genre**  
(source: Radio Division - Programmes and Scheduling Optimisation)



(\*) does not include audio descriptions for enjoyment of TV by the blind (Average 355 hours of airtime).

1. **Enrica Bonaccorti**  
presents *Tornando a Casa*
2. **Riccardo Cucchi**  
in *Tutto il calcio minuto per minuto*
3. **the Radio1 offices**



'Radio1, the news can't wait'. With this motto, which isn't simply a slogan but an authentic strategy implemented in programming choices and work plans, the main Public service radio news and information channel has relaunched its mission with live broadcasting 24/7.

At the same time, the **Giornale Radio** has reformulated the organisation of its work to comply with the increasing need for differentiation which has led to the creation of different radio news programmes on the three channels.

2009 was the year of alternation in the management of the news department between Antonio Caprarica and Antonio Preziosi. It was a period of change which the department reacted to with maturity, guaranteeing continuity in the flow of information and responding positively to the new stimuli.

Numerous big events that characterised 2009 were reported in real time, with the direct, on-site commitment of the Gr production staff and the Radio1 team.

These included the tragic earthquake that struck the people of Abruzzo, the G8 at L'Aquila, Pope Benedict 16<sup>th</sup>'s trip to the Holy Land and the floods in Messina.

## A map of Radio Rai

### Radio1

Information: GR1 (over 30 editions a day)  
 Analysis: *Questione di soldi, Radio anch'io, Tutto il calcio minuto per minuto - Serie A and B, Zapping, Zona Cesarini*  
 Culture, School and Learning: *News Generation, Con parole mie*  
 Work, Society, Social Communication: *Italia, Istruzioni per l'uso, La radio ne parla*  
 Music and Entertainment: *Festival di Sanremo, Start, Tornando a casa*  
 Service: *Oggi duemila,*  
 Variety: *Ho perso il trend*

### Radio2

Culture, School and Learning: *Dispenser*  
 Society, Work, Social Communication: *Ventotto minuti, Donne che parlano, Un giorno da pecora*  
 Music and Entertainment: *Caterpillar, Il ruggito del coniglio, Gli spostati, Radio2 Live, Grazie per averci scelto, Catersport, Hit Parade Eurosonic, Moby Dick, Decanter*  
 Variety: *Io Chiara e l'oscuro, 610 - Sei Uno Zero, Traffic, Ottovolante, Black Out*

### Radio3

Analysis: *Prima pagina, Radio3 Mondo, Pagina 3, Tutta la città ne parla, Chiodo fisso*  
 Culture, School and Learning: *Fahrenheit, Hollywood party, Ad alta voce, Radio3 Scienza, Zazà, Piazza Verdi*  
 Music and Entertainment: *I Concerti del Quirinale, Concerti Euroradio, Momus, Passioni, Radio3 Suite, Primo movimento, Sei gradi*  
 Service: *Uomini e profeti*  
 Variety: *Dottor Djembè, La Barcaccia*



1



2



3

Also: the taking of Oath by President Obama at the White House, the twentieth anniversary of the Berlin Wall and the elections in Iran with the public protests, the attack against the Prime Minister Silvio Berlusconi in Piazza del Duomo in Milan, the European elections and the Italian local elections, the Confederation Cup in South Africa and the international showcase, for Italy and Rai, of the World Swimming Championship in Rome. All these events were proposed to users with the maximum use of the workforce, long live broadcasts, on-line specials, microphones open for comments by listeners, analytical moments to offer a complete range of viewpoints, ensuring that a plurality of opinions were voiced.

The *Giornale Radio* is particularly proud of its decision to go back to Abruzzo on a regular basis to offer its support to the local people and really guarantee complete informative coverage, in compliance with its mission as a public service broadcaster.

Alongside the network's leading personalities, such as Enrica Bonaccorti (*Tornando a casa*, from 5.40 p.m. to 7.00 p.m.) and Maurizio Costanzo (*L'uomo della notte*, from Monday to Thursday, after the midnight edition of the *Gr*), new formats capable of making the most of the internal resources were tested. In particular *Start* (from Tuesday to Friday, from 10.30 a.m. to 11.30 a.m.) developed, in the strategic mid-morning slot, a synergy between the news department, Network, Internet team and *Radio1 Musica* structure capable of offering users easy entertainment while informing them promptly of the latest news updates. This model was then also exported to other time slots.

Despite being a season lacking in big events like the Olympics and the World Cup, sport succeeded in exploiting its wealth of experience to relaunch an

event which saw Rome and Italy at the centre of attention of sports enthusiasts all over the world.

We're talking about the World Swimming Championship, in which Rai played a leading role in terms of supply and services and in which *RadioRai* was also essential to the provision of complete media coverage.

The excellent work on optimising *Radio1*'s sporting programmes focused on strengthening titles like *Zona Cesarini*, *Sabato Sport* and *Domenica Sport*, which had more guests and live events, and on enhancing *A tutto campo*, the daily appointment with the analysis of sporting events on air after the 1.00 p.m. edition of the *Gr1*.

*Radio1 Musica* underwent a veritable revolution. The structure responded to the challenge launched by Antonio Preziosi's management, increasing the generalist profile of the style on which *Radio1*'s programming is based.

At the same time, it also redesigned the channel's 'sound', making a big contribution to the concept and realisation of programmes like *Start* and re-elaborating the presence of live guests, top quality artists called in not only to sing and play, but also to talk about themselves and answers questions from the public (like in *Invito personale*). Interactive mechanisms with listeners were also relaunched: live interventions, text messages and e-mail.

*Radio1* and *Giornale Radio* also multiplied their commitment and visibility on the **web**.

In view of the launch of a new unified website, envisaged for March 2010, the Internet team expanded its offering of news and information on line, contributing articles and interviews to the *Gr* and other programmes. It also realised live streaming products from the studio as well as remote events, covered the Sanremo Festival 2009 with its own reporter and enhanced its podcast offering.

Lastly, it laid the foundations for testing digital radio and using mobile phones as a source of information through text and videotext messages. All these products will be presented in the new year.

6,250<sup>thousand</sup>  
Radio1 listeners on average every day



**Radio2** is the station for entertainment and easy-listening music and is committed to developing an offering competitive with commercial radio in order to recover listeners in the young adult audience.

At the end of 2009, Radio2 consolidated sixth place in the classification of national networks and increased its lead over Radio Italia Solo Musica Italiana, the station behind it. Despite increasingly fierce competition by the commercial broadcasters, in just four months Radio2 grew by 12%, recovering a position in the classification of the top national broadcasters and earning 400 thousand listeners. Following the peak ratings of September-October, there was a slight physiological settlement.

All interventions on programming were aimed at enriching and diversifying the offering to reposition Radio2 with a young adult target.

This challenge focused on the quality of new programmes, the variety of music offered, a radio created among the people with the possibility – from February 2010 – of the show bus, the experimentation of new formats and, above all, the capacity for renewal of the Network's traditional strong points: first and foremost, *Il ruggito del coniglio*, *Gli Spostati*, *610*, *Caterpillar*, *Grazie per averci scelto*, *28'*, *Un giorno da pecora* and *Black Out*.

The Network is immediately recognisable by the new sound of *Subsonica*, with original rhythms and sounds created exclusively for the new Radio2.

Alongside the confirmation of existing programmes, new information and musical analysis programmes were broadcast.

*Moby Dick*, on air from Monday to Thursday from 9.00 p.m. to 11 p.m., explores the alternative currents of mass culture, but also looks at commercial music in an original key, airs previews of new albums, broadcasts monographic weeks ad specials dedicated to the history of rock, inviting unusual guests and inviting them to play exclusive live sets.

*Effetto notte*, from Monday to Friday at midnight, explores the numerous suggestions of contemporary entertainment in a journey among music and film, art, theatre and literature.

*Radio2 Live* encapsulates all the live music productions of Radio2, proposing music by great Italian and international artists every Friday after 9.00 p.m. Events held in Via Asiago, live outside broadcasts, reportages from the big festivals, special within the evening programmes. Radio2 Live is also part of the EBU European circuit, which proposes the big rock events offered by Europe's public radio networks.

*Twilight*: good advice for regaining contact with reality. Every day from Monday to Friday, between 5 and 6 a.m., it presents curious news and takes a look at what's happening at that time of day all over the world.

The successful summer experiment *Brave ragazze* was repropounded in another time slot, at 11.00 p.m. on Saturday and Sunday, for two hours.

Also: the weight of variety increased, with a new daily slot for *Ottovolante*; *Decanter*, a cheeky look at food and wine, is confirmed as a consolidated Rai

### 1. Sei Uno Zero

entertainment is everything. Everything and everyone can be entertainment. Programme with Lillo and Greg and Alex Braga

### 2. Caterpillar

current affairs, politics and satire on Radio2 with Massimo Cirri and Filippo Solibello

programme, with excellent revenues from co-productions, gaining an hour-long slot on Saturday from 8 to 9 p.m.. The cult programme *Dispenser* moves to 11 p.m..

In 2009 Radio2 pursued its traditional participation in outside events.

The most successful included 'coniglio point', listening groups for the programme *Il ruggito del coniglio* in bars, clubs and commercial outlets in every Italian region. Radio2 also organised important events, with extensive audience participation and the support of the local authorities involved. As a reminder of the approval of the Kyoto Protocol, February was characterised by the fifth edition of *M'illumino di meno*, the energy saving day organised by *Caterpillar*. As always, Massimo Cirri and Filippo Solibello were the animators of the twelfth *Caterraduno* and of the second edition, in Rovereto, of *Path of Peace*, an international project realised by Radio2 in conjunction with the Province of Trento to celebrate the eightieth anniversary of the end of the First World War.

The start of the new year marked the debut of the show bus from the Sanremo Festival, which will be followed by many more big appointments all over Italy.

**3,781** thousand  
Radio2 listeners on average every day

### 1. i percorsi di Stefano Bollani

one of the best-loved personalities of Radio Rai, Doctor Djembè, musical wanderings in the company of David Riondino



**Radio3** is the most authoritative cultural station, systematically dedicated to music, literature, art, science, film and theatre.

Sixty years after its first broadcast, on 1 October 1950, Radio3 is still the only free cultural station that dedicates all its programming to quality music and culture.

An expansion of themes and languages during 2009 prepared the new programming in force from 11 January 2010.

With 1,892,000 listeners in the second half of the year, it was confirmed as one of the top ten national radio stations.

The heart of Radio3's commitment to production and programming continues to be music.

During the year the network broadcast 925 live music events, with 208 actually going out live on air and about 300 recorded by the radio station. Considerable programming space was devoted to opera and musical theatre, with 104 titles broadcast and about 40 titles coming from theatres in other countries. The most prestigious appointments were the inauguration of the main Italian and foreign theatre seasons, contemporary music festivals and events focusing mainly on research.

Radio3 is also the European public radio station which dedicates most space to jazz (70 concerts broadcast live or recorded) and borderline music with a continuative and structured offering.

Radio3 also organises and directly produces important festivals and events which offer space to the best of the emerging generation.

Another project which involves Radio3 in the production of live music seasons is that of 'I Concerti di Radio3 a Palazzo Venezia'. The 2009 edition was dedicated entirely to performers from Abruzzo, as a tribute to the lively musical culture of a region devastated by an earthquake.

For the theatre, Rai3 intensified the broadcasts of live entertainment in the two auditorium halls of Via Asiago, proposing a series of arrangements – often designed or adapted for radio – which were particularly significant. These included *De Profundis* by Oscar Wilde, performed by Paolo Bonacelli, and *Caligola* by Albert Camus revisited by Roberto Latini. The Radio3 theatre began a collaboration with the ETI - Ente Teatrale Italiano - inviting some of the artists from the project *Monografie di Scena*, such as Spiro Scimone and Francesco Sframeli.

The special programmes that took Radio3 out of its studios to report on Italy's major cultural events in 2009 included *Fahrenheit* which monitored – hosting all the stars of the live events – the Turin Book Fair, Festivalletteratura in Mantua, the Philosophy Festival of Modena and that of Roma, Galassia Gutenberg in Naples, Minimondi in Parma and the small and medium publishers' fair 'Più libri più liberi' in Roma, where the 'Fahrenheit Book of the Year' award ceremony was held.

Radio3 Scienza reported on all the new scientific publications at the Turin Book Fair, the Genoa Science Festival, and the Rome Science Festival, organising and broadcasting a series of meetings dedicated to Charles Darwin live from



Rome's Palladium Theatre. *Hollywood Party* monitored all the most important film festivals, like those of Berlin, Cannes, the Torino Film Festival and the Rome Film Festival, also offering numerous previews of films in the popular Sunday appointment 'Cinema alla radio', as well as a series of special programmes presented by celebrities from the new Italian film world, like Gabriele Muccino, Filippo Timi and Marco Risi.

2009 also consolidated the huge success of the readings of major novels *Ad Alta Voce*, which was confirmed as the champion of the download classifications in Radio3's podcast offering. It was partly due to this success that the entire network was first in the RadioRai podcast classification, with over 500,000 downloads a month.

April was marked by the dreadful earthquake in Abruzzo, to which Radio3 responded with numerous analyses and a special musical programming during the days of national mourning.

Special programmes designed, produced and broadcast by Radio3 included, in May, *Serenissima* on the ancient routes from Venice to Byzantium and the new series of the innovative, sophisticated and irreverent radio variety show *Dottor Djembè* by and with Stefano Bollani and David Riondino.

1,868 thousand  
listeners on average per day





1

1. *Torchetti speaking into the Isoradio microphone*

2. *The Cciss studio*



2

The public service stations provide a range of services centred around a variety of radio offerings: Isoradio, Cciss Viaggiare Informati, Canali Metropolitani and Filodiffusione.

The unit's management has representation in the Italian National Civil Protection System, the Italian Interior Ministry's Centre for Traffic Coordination and the Italian National Motorway Security Council.

In 2009, the broadcasting programme launched the year before was developed, improving and intensifying links with the aforementioned services.

**ISO  
RADIO**

The **Isoradio** network intensified links with the Motorway Concession Holders and with the other Departments operating throughout the territory, such as the Civil Protection Corps, Highway Police, Carabinieri, Fire Brigade, Government Forestry Department and the Harbour Offices. A series of links were activated with Trenitalia and the Authorities for Regulating and Controlling the Civil Aviation System (ENAC) in order to offer a broader picture of the country's transport situation.

During the period of the earthquake in L'Aquila, programming was strengthened via links with the Civil Protection Emergency Room and with programme specialists sent by Management to monitor the developments of the emergency services operating on site.

The Channel was also kept open at night for several days after the disaster.

During the G8, a Civil Protection Corps project enabled an expansion of the area of coverage along the whole length of the A24 and A25 motorways (Rome-Teramo-L'Aquila), improving ratings.

All the work carried out during the summits of the Heads of Government were monitored, with particular attention paid to the implications on transport.



As regards the service of **Cciss-Viaggiare Informati** a tender announced by the Ministry of Transport allowed the renewal of the IT systems and TV graphics for displaying the news. Relations were also intensified with the TV News Programmes in order to increase the number of bulletins when necessary (exceptional snowfall, summer holiday traffic peaks, etc.).

**4**  
Filodiffusione

**5**  
Filodiffusione

As regards the content of **Filodiffusione**, the programming of station IV (easy-listening music) was completely renewed, while new productions were broadcast on station V (classical music) and the website was improved.

**969** thousand  
*listeners on average per day for Isoradio*



1



2

1. View of the Chamber of Ministers at Palazzo Montecitorio

2. View of the European Parliament at Strasbourg



**GR Parlamento** is the representation of the public service as a whole: it is Rai station for news and information on the activity of Republic Senate and the Chamber of Ministers. It is the radio of the government institutions which gives voice to Parliament and the representatives of the People, as well as the country's leaders, enabling them to make direct contact with the citizenry.

The station's mission was attributed by law in 1998 and is expressed in the broadcasting Service Contract. The station, which has been independent since 2006, also manages a daily segment on Radio1 dedicated to parliamentary news and information. The programming, which begins at 7.30 a.m. is divided between live parliamentary broadcasts and major political and institutional events, news and analyses. The 14 hours of daily broadcasts (with an average of 5,000 hours of broadcasts a year) include: four radio news programmes on the political activity of Parliament during the day (7.30-8.00 a.m. - 1.30-8.30 p.m.), a look at the newspapers, the updating of the website and live broadcasts. When recorded coverage is broadcast, it concerns the whole political activity of Parliament, party congresses and conventions.

A direct, unbroken line which, every day, enables the complete monitoring, moment by moment, of the work carried out by the Chamber, the Senate, Commissions, the press conferences and interventions at Palazzo Chigi and

the Quirinale, the institutional activities of the Prime Minister, the Head of State and the Presidents of the Senate and the Chamber, as well as the most important sessions of the Constitutional Court, the Higher Magistrate's Court and the Supreme Court.

First-hand documentation which enables citizens to follow and receive constant explanations of the provisions under debate and the procedures underway, with theme-based segments, debates, interventions by experts and commentators.

In addition to the daily appointments with the Gr, the station analyses all the aspects of legislative provisions and political and parliamentary activities, with 10 weekly segments concerning the subjects of justice and security, health, the environment, diet, culture, ecumenism and sporting policy, and with specials on Saturday (*Radio7*) and Monday (*Sessantaminiuti*) on current issues, with debates and confrontations between the leaders of the institutions, politics and society. Everything is achieved while keeping company costs as low as possible, on a minimum budget.

The arrival of the digital radio age is opening interest development prospects, particularly for public service channels, on which the company ought to reflect.

5,124  
hours broadcast annually

*GR Parlamento is the first radio network that focuses on European institutions. It brings the institutions close to the people and the people close to the institutions. This goal, which represents the ultimate purpose of modern democracies, inspires all the network's programming.*



**Rai**



## **New Media Division**

72 RaiNet



1



2



**RaiNet's** mission is to bring new Internet technologies to all Italians, multiplying opportunities to enjoy Rai-produced content. Strongly focused attention on the user is the lynchpin of the editorial policies which inspire the choice of content and its arrangement on the portal, offering visitors organized access and a layout compliant with the new Internet parameters, enabling Rai to continue fulfilling its role as a public service to the best of its ability.

Over one billion pages visited, with a monthly average of 5.7 million users (+8% and +19% on 2008) are the results achieved by Rai web in 2008. This proves the growing alignment between TV and web and the growing appreciation of the public for editorial offering proposed.

The result of the video portal Rai.tv is particularly appreciable, with over 167 million pages seen, tripling the number since 2008.

The excellent results in terms of traffic confirm our decision and encourage RaiNet to carry on with the preparation of a competitive, high-quality editorial offering.

The solidity of the project and the development of activities, within an attentive cost-containment framework, made it possible to record a gratifying economic result for management and shareholders.

10 February 2009 was the launch date of the new portal Rai.it, designed and created with the following main aims:

- to give the connected offerings a better graphic identity, in order to improve the recognition by users of Rai brand and content on the web;
- to strongly highlight the multimedia contents available, such as the simulcast offering, live radio and TV broadcasts and the vodcast and podcast offering;
- highlight the increased frequency with which the editorial contents offered are updated;
- to offer dynamic, modular layouts with the possibility for the user to customise them to suit personal preference with regard to contents and graphics;
- to present the offering via flexible and streamlined interfaces based mainly on the use of CSS and graphic elements;
- to clearly highlight the latest contents published on Rai platforms (latest videos, latest launches, latest podcasts);
- to implement the search functions, offering users the chance to perform free and advanced searches;
- to implement a new, more flexible use of the Rai.it surfing bar;
- to highlight Community functionality.

The number of streaming channels on Rai.tv increased considerably, almost doubling (from 7 to 13), and enjoying remarkable success not only in terms of the number of pages visited and single users, but also in terms of on-line reputation of the Rai.tv product.

1. *home page di www.rai.it*  
the portal of Rai world produced by RaiNet

2. *the website of the Melevisione*  
produced by RaiNet

Web TV

A dedicated daily offering, arranged into a bouquet of theme-based channels for use at any time of day, regardless of timing and the rigidity of traditional programming, both in linear and video on demand formats.

Rai's offering of theme-based web TV channels, Rai.tv, was implemented during 2009, focused on segmentation and on the richness and appeal of the contents.

There are now 21 theme-based web channels available on demand on Rai.tv, available for use in specific templates accessed through the videowall of the Rai.tv hp and the 'Web channels' dedicated page.

This is an offering which is always aimed at specific groups of users, proposing daily programming of contents on demand relating to the theme of the channel.

In the second half of 2009, the offering was expanded with the addition of new channels, including several theme-based channels dedicated to a specific programme or event. The channels currently broadcast are:

- Comedy
- TV fiction series
- Primo Piano
- Rai Music
- Millepagine
- Science & Technology
- Viaggi e Paesi
- Rai Kids
- Rai Tween
- 1 su mille
- Anteprema
- Celebrity
- Trenta Secondi
- Ricette in Tv
- Salute

- Cinema
- X Factor
- Sanremo
- Mostra del Cinema di Venezia
- Scalo76 Talent
- Miss Italia

#### Figures

During 2009, with over 900 websites on line (entertainment, information, service websites), the Rai Portal achieved a new absolute record in terms of users: a total of 1,082 million pages visited and a monthly average of 5.7 million single users, recording growth of +8% and +19% respectively on 2008.

162 million videos were released, with an increase of 300% on 2008.

The most-visited websites were:

1. Rai.tv, with +93% on 2008 in terms of single users (and +252% in terms of pages seen);
2. Rai.it homepage, with +29% on 2008 in terms of single users and +12% in terms of pages seen;
3. RaiNews24, up one place with +33% for single users and +20% in terms of pages seen;
4. RadioRai, down one place with -3% on 2008 for single users but +6% in terms of pages seen;
5. Teletext, with +7% once again in terms of users and -14% for pages seen.

Here are some details of figures during the year.

The most relevant event during 2009 was recorded in February, thanks to the launch of the new Rai.it and Rai.tv portals (on 10 February) and the 59<sup>th</sup> Sanremo Festival, with 102.8 million pages seen and 6.3 million single users

(with increases of about 10% on the previous month and 30% on February 2008).

Another important peak was recorded in October, November and December, with 310 million pages seen altogether and over 6.5 million single users a month, thanks to the excellent result recorded by the Rai.tv Video Portal and to the success of the roughly 1,000 audio tracks of Sanremo Nuova Generazione.

The Internet market (excluding applications like instant messenger, media player, media sharing etc.) with 22.1 million single users during December, recorded a 2% increase on the previous month and an 8% increase on the previous year.

Comparing the monthly averages over 12 months (January-December) over the years, the Rai Portal remains stable, in line with the market trend.

As regards the foreseeable development of operation, 2010 will be characterised by web 3.0 broadcasting proposals aimed at increasing the involvement of users on the Rai portal.

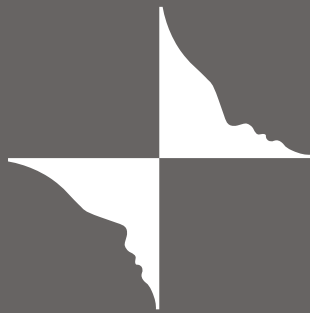
Three important broadcasting projects will characterise 2010: the launch of Replay Tv, the implementation of the Rai Mobile portal and the creation of a sort of Rai Social Network.







**Rai**



## **Commercial Division**

**76 Commercial development and coordination**

**78 Sipra**

**80 Rai Trade**

**81 Rai Eri**

The strategic lines for **commercial development and coordination** are, in relation to the organisational system:

- the identification of new revenue opportunities at Italian and international level and support for company management in the definition of the Group's overall commercial strategies and the coordination of the subsidiaries and company structures directly and indirectly responsible for the development and supervision of commercial revenues;
- the formulation of integrated value projects with Tlc operators, Public Administration and third parties in keeping with the provisions of the Service Contract and the legislative/regulator framework, focused on making the most of the brand, the Library and Rai's offering on the variety of traditional and innovative distribution platforms;
- the investigations of innovative and experimental forms of cooperation and partnership with sectoral operators, Ministries, Local Authorities, Companies, Publishing Groups and Football Clubs.

In keeping with this mission, once again intervention during 2009 focused on the development of new revenue opportunities on the multi-platform market and on the expansion and management of conventions with public administration.

The divisions that contributed most to the economic results for the year were:

#### New Business Division

- Rai made the most of the commercial opportunities of the 'must have' channels and of the remote and by-band video recording services, to offer anytime/anywhere consumption opportunities, particularly the license to supply to Fastweb and Telecom Italia Media of general-interest and satellite channels for broadcasting on the IPTV platform in simulcast.
- Consolidation of the supply on the IPTV platform of re-packaged channels that revolve around a genre/theme and are dedicated to a specific target. In particular, the commercial relationship with Telecom Italia Media for the supply of the theme-based divisions Junior, Fiction and Viva la Rai is activated via a three-year cooperation with Fastweb for the licensing of the broadcasting rights for Theme-based channels with on-demand functions for a total of 6,900 hours of programming dedicated to the following offering genres: TV fiction series, Children, News, Sport, Entertainment and Culture. The agreement with H3G in relation to the supply of Rai Channel for use on the latest mobile phones equipped with UMTS technology.
- Development of initiatives to make the most of the Sport Library owned by/available to Rai – in terms of evolution of the commercial line thanks to agreements with Football Clubs (Rai/AC Milan agreement) – and of the football organisation, with the launch of a home video initiative on the profiles of the players of U.C.

Sampdoria as an experience of direct supervision by Rai off line for the minor clubs.

- Implementation of forms of interaction in programmes via landline and/or mobile phone, which respond to the dual aim of increasing income from revenue sharing on the telephone traffic generated, programming enhancement and involvement of the young target.
- Commercial enhancement of production services in terms of professional resources and technical equipment and television studios.

#### Conventions Division

- Exploitation of the needs for institutional visibility at central and local level via the development of multi-platform integrated offering models which comprise the inclusion of the themes chosen by the central and local public administration within television programming, spaces on specially created channels or analytical theme-based divisions on DTT, distribution of contents on the Rai.it and Rai.tv.it portals and Teletideo files.
- Definition of the agreement with the Ministry of Education for the creation by Rai Educational of training projects destined for use by students and teachers.
- Development of the project *Un'idea per le Regioni*, aimed at proposing multimedia communication plans based upon the implementation of Internet portals and virtual exhibitions, to make the most of the historical, cultural and artistic aspects of local areas. Implementation of the institutional project *Rai per la Cultura*,

dedicated to the dissemination of Rai's cultural heritage by offering the public products from the Teche contained in a multimedia catalogue, available for use on a special website which allows purchases using different distribution techniques.

- Development of projects for the recovery and restoration of audiovisual materials stored in the Teche of Rai regional offices, accompanied by their commercial exploitation.
- Creation of radio and television programmes aimed at linguistic minorities.
- Commercial enhancement of territorial promotions linked to the localisation of audiovisual productions (fiction series, documentaries, TV movies, mini-series, etc.).



**Sipra's** mission is to leverage the advertising potential of Rai productions and ensure that the purpose and characteristics of the material produced are compatible with the company's communication remit and viewers' needs.

Sipra has an exclusive contract with Rai to manage the advertising space of Rai's television and radio broadcasts in analogue, digital and satellite (both free and pay), webcasts, with the portal and all the websites in the [www.rai.it](http://www.rai.it) domain, promoting the high value of the media under concession to investors, in terms of programming quality, audience ratings and less overcrowding.

2009 was another decisive year for Sipra in the pursuit of the absolute need for flexibility within its organisational layout in order to follow and, where possible, anticipate the increasingly swift evolutionary changes in the advertising market.

During the year, Sipra's organisational structure was adapted to guarantee the best conditions for promoting Rai's offering, in a competitive context heavily conditioned by the impacts linked to the passage to digital technology.

From February in particular, a complex review of the commercial structure was launched, influencing both sales and marketing.

As regards the sales structure, the main actions were represented by the formation of a single unit to monitor the general-interest and specialised

television offering and the creation of a sales network, aimed at the media centre channel, for advertising on the web.

The activities described above determined the need for a general review of the agency contracts held with the sales force, with specific reference to the customer portfolio and products assigned. Within the scope of the commercial support structures, a new unit was set up for the development of multimedia offerings and a department responsible for coordinating commercial policies.

In keeping with the new strategic lines for managing film media, the project for the digitalisation of advertising materials was launched during the year. The study and implementation of the project required the integration of different skills, as the entire operational process was fully re-engineered, with impacts on the commercial, administrative and technical management structures.

As regards advertising investments, the negative overall market situation strongly conditioned buying decisions by companies and played a decisive role in reducing advertising budgets: in 2009 the advertising market showed a decline of -13.4%, with losses of 1.3 billion euros. Apart from the web, which showed an increase of +5.1%, almost all the media suffered two-figure reductions (source: Nielsen Media Research – Net investments for 2009).

**Television advertising investments** highlighted a -10.2% reduction in 2009 and an increase in the market share from 49.4% to 51.2%. By virtue of stricter legal limits to overcrowding by advertising, Rai networks recorded an overall decline of 16.9%, while Mediaset reported a reduction of 8.4%.

It is necessary to highlight how the further decline of Rai's sales figure is strongly influenced by the structural differences between Rai products and those of the main competitor, in terms of availability of spaces, overcrowding rules and rating profile, factors which penalise advertising income on Rai, especially during periods of financial difficulty.

In order to properly analyse the change compared to the previous year, it is also necessary to consider the presence in 2008 of the European Football Championship and the Beijing Olympics, and of the General and European Elections in June 2009.

Sipra gained 137 new television customers during the year.

In line with the market as a whole, the **Radio** division also suffered an overall decline, falling 7.7% (36.6 million euros) during the year. Recording a smaller reduction than that averaged by the other media, the Radio division's market share rises from 4.8% to 5.1%. The FCP estimates on income for the whole year present a decline by the media of 8%: in this context, the commercial radio stations were more stable than RadioRai, thanks to benefits from a more competitive cost-per-contact and better profiling on commercial targets. Despite the marked decline in investments, RadioRai gained 145 new customers.

The outlook for 2010, in the absence of elements that allow hopes for a strong recovery of the economy, indicate substantial stability of investments in advertising compared to 2009, also in the presence of the World Cup in South Africa and the Winter Olympics. Operators' expectations agree with the indication of a first part of the year still characterised by slight reductions and a moderate recovery in the autumn.

Continuing on the subject of demand envisaged in 2010, the European trend which encourages investors to ask the media to maintain the number of GRPs (gross rating points), i.e.: advertising pressure, despite a drop in investments, was confirmed. Sipra's commercial policy in the first part of the year will be that of a substantial stability in tariffs, with a trend in line with that of programmed inflation. The aim is to defend the value of Rai's television advertising, which is strongly threatened by the increase in the number of competitive players and is indispensable to the need to guarantee the resources necessary to the development of the digitalisation process.

As regards digitalisation, 2010 will be an important year for Sipra and Rai.

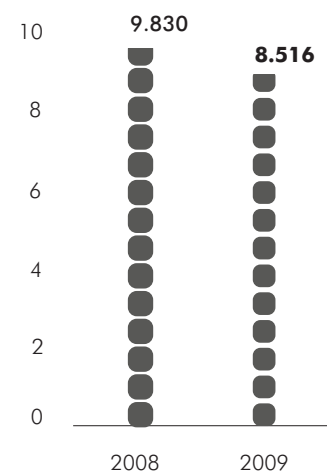
The progressive expansion of the DTT platform will implicate a growth in the ratings of the new Rai channels and a consequent forecast of growth in income from advertising.

In terms of the web, the growth aims can be pursued thanks to the forecast increase in the number of pages seen and single users of our portals, as well as the progressive development of video content.

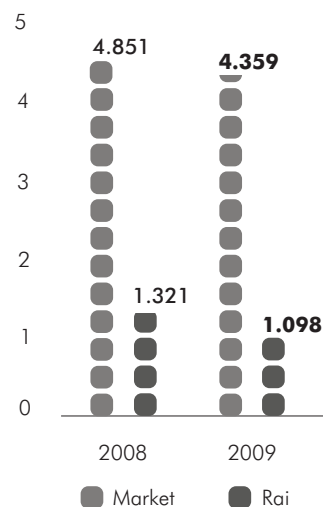
Also in terms of film, the digitalisation of advertising will allow this media, after a necessary initial trial period, to reduce the technological gap with the new media.

As regards radio, 2010 will witness structural changes to the Audioradio research which, upon completion of the experimental phase, will switch to the dissemination of information based largely on a panel survey as opposed to a telephone survey. The results of these new figures may generate effects, hopefully positive, from the autumn.

**Advertising market (\*)**  
(source: Nielsen, in billions of euros)



**Television advertising (\*)**  
(source Nielsen, in billions of euros)



(\*) estimates net of satellite TV and free press channels





1



2



**Rai Trade** promotes the intellectual property and markets the relative rights of the Rai Group with the aim of raising funds from sources other than the licence fee and advertising revenue. Rai Trade operates in several different markets and business divisions and is engaged in a variety of projects.

Turnover in 2009 amounted to 79 million euros, with a net result of 2.4 million euros, in line with 2008. This result, which is of particular significance considering the general and severe market recession, was achieved thanks to various initiatives in a number of different business areas.

#### Sport

Revenues from the sales of Sport amounted to about 22 million euros in 2009, growing compared to 2008, and contributed significantly to company margins.

The final results were characterised by the following main activities:

- the joint distribution deal with Sportfive of the international broadcasting rights for the Italian Football Championship;
- the cycling events included in the RCS packet (Giro d'Italia, Milano-Sanremo, Giro di Lombardia and Tirreno-Adriatico), the home matches played by the Italian national football team (qualifying rounds and friendly matches);
- the acquisition of the media rights to market the friendly match played by the Italian national football team against New Zealand, in South Africa;

- the international sale of the theme-based channels of Inter, Juventus and Roma, which confirmed the previous year's excellent results.

#### Musical productions and publications

During 2009, the Musical Productions and Publications Division consolidated its performance level, with revenues of over 19 million euros.

In detail: soundtracks, radio and TV productions, record production, contemporary and cultured music and prose, media wave (the customisable communication system for the management and diffusion of audio and video programming, pictures and texts in public areas).

#### Marketing of TV, Home Video and Theme-based channels

As regards foreign sales, this sector recorded a result of 5.5 million euros, despite the economic recession and the lack of serial products of international level.

The results achieved by the Cinema and TV Fiction Series sector in terms of Italian sales were satisfactory, with revenues amounting to about 8 million euros and significant growth linked to the increase in revenues from the sale of licences.

During 2009, Home Video production activities enabled the distribution of 22 series through newsagents, for a total of 225 products.

The distribution activity was made possible thanks to entry into commercial agreements with the main Italian publishers. These included:

- a set of 30 DVDs distributed by the Corriere della Sera, entitled 'Viaggio nella Scienza';

#### 1. DVD productions

*in collaboration with the main publishers*

#### 2. The theme-based football channel

*a frame from the Juventus channel*

#### 3. Rai for Culture

*the website*

#### 4. Rai Eri Catalogue

- a set of 16 DVDs distributed by La Gazzetta dello Sport and dedicated to the programme SuperGulp which went on air in the 70s, to give youngsters the chance to rediscover the legendary characters of the cartoons broadcast at the time;
- a set of 16 DVDs dedicated to the Giro d'Italia;
- a set of 13 DVDs, curated by Piero Melograni, dedicated to the Second World War.

The turnover of the Theme-based channels exceeded 7 million euros, including revenues from foreign sales.

Subscribers in 2009 were down slightly in comparison to 2008, as the permanent introduction onto the market of digital terrestrial broadcasting, the new frontier for distribution, increased the rate of cancellation of subscriptions to Sky by users of the channels dedicated to football.

The stability of revenues, in the current economic situation, was achieved by renewing the distribution agreement with Sky, subject to renegotiation during the year, at much better conditions than before.

A development plan for the relaunch of advertising income was developed, as this sector had touched extremely unsatisfactory levels in 2008, leading to the change of the concession holder by mutual agreement.

2009 confirmed the importance of the framework agreements entered into by Rai Trade to enhance the value of Rai's repertory, consolidating revenues by over 2.5 million euros. The framework agreements allowed Rai Trade to disseminate knowledge of the Teche and the heritage of the archives.



3

Initiatives within the New Media sphere

In comparison with the previous year, 2009 was particularly favourable for Digital Extension activities, with a significant improvement in sales (about two million euros compared to the one million of 2008). This was largely due to the Sanremo Web and Ballando Web initiatives developed, with a commitment towards promotion of direct interaction of the Rai programmes with viewers, also prior to their going on air, offering anyone the possibility to get up on stage during the finals of both programmes to display their talents.

These new forms of interaction were also beneficial to Rai web offering which, thanks to the above initiatives, obtained a record number of contacts and access to the website linked to the two formats.

In 2009 the first games for prizes (serials) linked to *Affari Tuoi*, *la Prova del Cuoco* and *L'Eredità* were developed, the latter having much better results than expected, which had very positive effects on economic results overall.

Lastly, the Digital Extension sector released onto the market the first application in Italy for Apple iPhone terminals linked to the television programme *X Factor* and is getting ready to launch one for *L'Isola dei Famosi* and for *RadioRai*.

Cartoons

The thirteenth edition of **Cartoons on the Bay**, the International Television Cartoons Festival, was held for the first time in Rapallo and Portofino from 5 to 8 April 2009.

Thanks to a series of factors like an opening up to cross-media, the change of location and a new editorial programme to renew content, the event was extremely successful with both audiences and the press. 404 programmes from 46 countries were chosen to compete in the Official Selection of the Festival.

Proof of the effectiveness of the new formula, which attracted a broader range of sponsors, lies in the fact that *Cartoons on the Bay* succeeded in bringing to Italy for the first time Yoshiyuki Tomino, the creator of *Gundam*, and Talus Taylor, the creator of *Barbapapa*.

Promotional events

Once again in 2009 Rai Trade Screenings and international markets represented the most important means of communication and promotion for Rai Trade, which was present with its sales force on about 25 international markets, also taking part in the most important international festivals and awards ceremonies.

Consumer product

In 2009 the Licensing sector confirmed the previous year's turnover levels; once again, the brands that contributed most to the excellent performance were those linked to the two programmes which have also been confirmed as Auditel champions for years: *Affari Tuoi* and *La Prova del Cuoco*.



4



Eri (Edizioni Radio Italiana) was established in Turin in 1949. In 1996, after being an associate of the Company, it was transformed into Rai Eri and is now part of Rai's Communication and External Relations Management.

Rai is developing its publishing activities in tandem with its television and radio programming. The objective is to give a recognisable identity to Rai library and maintain the success of Rai Eri brand in the world of culture and publishing. At the moment its catalogue contains over 500 titles and publishes about 50 books a year.

Rai Eri's offering aims to respond to the public desire for knowledge and detailed information in the various areas of culture, from narrative titles to non-fiction. One of Rai Eri's main aims is to make a contribution to the study of the world of communication and media, but also to document and analyse the best public service broadcasting activity using the written word.



**Rai**



## **Broadcasting and DTT Division**

85 **Broadcasting Terrestrial TV**

86 **Rai Way**





1



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Digital terrestrial television represents the opportunity for Rai and the Italian television system to create a far-reaching publishing innovation, keeping free television in first place in the offering of information, entertainment and culture. It is a unique opportunity to articulate the free offering on several channels, enhancing programming, experimenting and reaching the most critical public groups for traditional general-interest television. And consequently it is an opportunity to maintain the ratings, resources, creativity and centrality within the television system of free television.

Besides a broader choice of channels, DTT also offers better quality pictures: viewing in cinema format (16:9) and the possibility for broadcasting in high definition.

Upon completion of the digitalisation process, all the broadcasts will be digital and it will no longer be possible to receive the analogue signal. 2012 has been established as the final deadline for the switchover to digital television for all the EU member countries.

The EU directives have been implemented by the Italian Government, which adopted a progressive regional calendar which will lead to the complete switchover of Italian television from analogue to digital within three years.

In November 2008, Sardinia was Europe's first all-digital region. During 2009, Valle d'Aosta, Lazio, Campania, Trentino, Alto Adige and Western Piedmont (Turin and Cuneo) were all 'digitalised', with more than 30% of the population receiving the digital signal only.

By the end of 2010, with the passage of Eastern Piedmont, Lombardy, Emilia Romagna, Veneto, Friuli Venezia Giulia and Liguria to digital, over 70% of the Italian population will switch to digital (about 14 million citizens involved in 2009 and 23 in 2010 for a total of about 37 million).

#### Tivù and TivùSat

Tivù Srl was established on 24 September 2008 and became operational in January 2009, supplying services for the digital terrestrial platform. As of 31 July 2009, the company launched the free satellite platform TivùSat which, at the end of the year, had reached the target of 100,000 cards activated and 260,000 cards sold to the manufacturers of decoders and televisions, with 6 TivùSat certified decoders.

The new satellite platform replicates the free television offering available in DTT from Rai, Mediaset, la7 and other operators, via satellite, and hosts numerous international channels. With the digital offering, TivùSat proposes, free of charge, to reach those areas where terrestrial broadcasting does not arrive fully or at all. Rai's participation in the platform ensures the observance by the public service of the neutrality restriction regarding technology.

Throughout the whole of 2009, the company carried out communication campaigns, especially during the switchover, to promote the terrestrial platform (Tivù) and the satellite platform (TivùSat).

#### 1. Guida!

*The new interactive guide to TV programmes on the Digital Terrestrial platform*

#### 2. Teletexto

*the historical Rai teletext on DTT*

#### Rai's new digital terrestrial offering

The current national DTT offering consists of an increasing number of channels: 9 free in simulcast from the analogue terrestrial signal, numerous other free national channels and a growing pay TV offering. Mediaset and Rai are the broadcasters with the broadest offering and Rai has the broadest free offering.

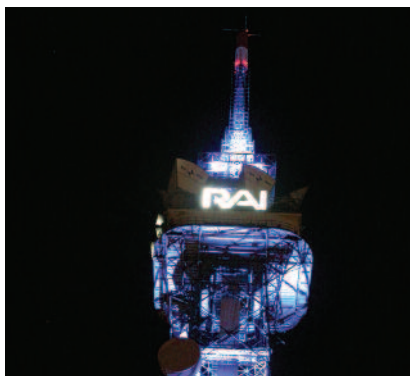
Rai's digital terrestrial offering on the national territory comprises:

- RaiUno, RaiDue, RaiTre, Rai 4, Rai Gulp, Rai Sport Più and Rai Storia.

In the switch-off areas (and consequently progressively throughout the whole country) these are joined by:

- Rai Extra, Rai Premium, Rai Cinema, Rai YoYo, RaiGulp+1, RaiEdu 1, RaiUno in High Definition, an HD test channel used so far for the broadcasting of sporting events (e.g.: Champions League matches).





**Rai Way** approaches the Italian market as a provider of network infrastructure and services for broadcasters and telecommunication operators. It seeks to maximize the network's potential by drawing on the knowledge and expertise of its staff, and offers a high quality of service to Rai and third parties.

Rai Way came into existence to manage the networks for the broadcasting and dissemination of Rai in February 2000 following the company branch contribution of the former Transmission and Broadcasting Department (*Divisione Trasmissione e Diffusione*).

The resources transferred to Rai Way included ownership of infrastructure, plants and related assets, as well as the expertise needed for the planning, design, installation, construction, operation, management and maintenance of the network for the broadcasting of voice, video and data signals.

Rai Way's main resources consist of **2,431 dedicated sites** throughout the country, **23 regional branch offices** and around **700 technicians and engineers** with top-level technological expertise in the field of transmission and the broadcasting of audiovisual signals.

The company's mission is to deliver network services, including the contribution, transmission and broadcasting on digital and analogue, terrestrial and satellite platforms, of radio and television signals. On the basis of a service contract with Rai, Rai Way is particularly dedicated to guaranteeing the functioning of Rai's radio and television network.

The coverage of the radio and television broadcasting network in Italy reaches the highest possible levels, both in relation to the population and to the territory, with a high level of quality. In this context, Rai Way's objective is to deliver its services at the lowest possible cost to the highest possible technical standards in terms of safety and flexibility.

From the operational viewpoint, Rai Way is responsible for the activation of new broadcasting technologies, and for the development, design and installation of all radio transmitting stations, overseeing the operation and maintenance of the network to ensure that the high technical standards are evenly distributed so that final users throughout the country may enjoy the best possible reception of the audiovisual signal.

During 2009, Rai Way was committed to the pursuit of the intense activities for the switchover to digital, in the activities aimed at fulfilling the Parent Company's obligations to adapt its band III VHF television frequencies to the European channelling and, as usual, in activities aimed at improving the service rendered and the containment of costs.

Within the sphere of DTT, besides the switchover in Western Piedmont, Trentino Alto Adige and Lazio (over 140 municipalities, excluding the province of Viterbo) which took place in the first six months of the year, during the second half of 2009, the switch-off of Valle d'Aosta and Western Piedmont (provinces of Turin and Cuneo), Trentino Alto Adige, Lazio and Campania was also completed.

Band III VHF was also re-channelled in compliance with the European standard. This operation involved most of

RaiUno's transmitters and repeaters, some of RaiTre's repeaters and several DTT plants operating on the old E, F and G channels, for a total of over 400 apparatus, involving over 1,600 municipalities.

In terms of digital radiophony, in 2009, the national distribution of some experimental DAB+/DMB Visual Radio services was launched.

Within the sphere of contribution services for Rai, following the positive experience in the city of Milan, the new contribution service in CoFDM technology for the Testata Giornalistica Reionale was extended to the cities of Florence, Bologna, Palermo, Trieste and Venice.

Within the scope of Rai broadcasting services, a mention must go to the hard work carried out by Rai Way during the Confederations Cup 2009 to set up a contribution network from the event venues (South Africa) and the local technical coordination of the signals. Furthermore, broadcasting services were also offered during the 2009 World Swimming Championship for which Rai was Host Broadcaster.

Also, during the meeting of the G8 held in L'Aquila, Rai Way played a significant role in terms of technical organisation and supervision of national and international links.

In particular the installation of 4 connections from the Coppito barracks of the Financial Guard Corps (the event venue) was envisaged, the destination being Rome CPTV, with 2 return links. For the entire event, Rai Way ensured constant technical supervision of the Centre of Luco dell'Aquila and the technical coordination of the international broadcasts.



Moreover, Rai Way staff in conjunction with the Civil Protection Corps, managed and controlled the radio frequencies licensed by the Ministry and assigned to the broadcasters present on site.

The communication projects that involved Rai Way most in 2009 were:

- the switchover to Digital Terrestrial Television;
- the retuning of RaiUno in relation to the re-channelling of band III VHF;
- the promotion of Digital Radio.

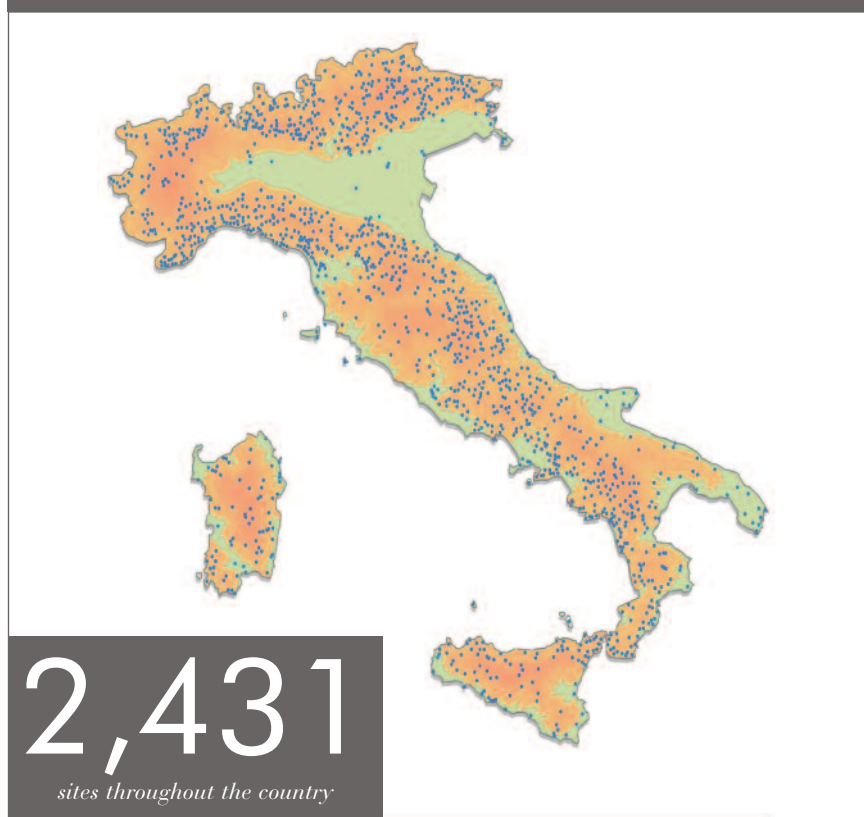
In terms of the passage to DTT, with the aim of further developing communication synergies at Group level, Rai Way participated actively in all the phases, from the definition of management to the communication process.

Adequate communication projects on the processes of conversion of DTT underway were coordinated and prepared for the various interlocutors, simultaneously exploiting different channels (televideo, running wording during the regional television news, television and radio services, Call Centres, Rai portal and Rai Way website). We also ought to remember Rai Way's commitment to the informative activity during the various Events for DTT organised by Rai in the Regional capitals.

Lastly, the activities aimed at promoting Digital radio were:

- for the initiative Mi Illumino di Meno, Rai Way, in conjunction with the programme Caterpillar on Radio2, launched the first experimentation of Visual Radio on the Group's DAB+ network;

### Sites whitin Italy



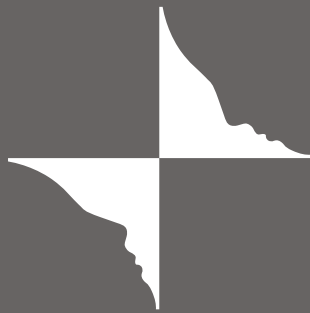
- together with Aeranti-Corallo, the publication of the first results of the experiments of Radio Digitale in Venice and Bologna was finalised;
- for the second year running, Rai Way participated as founder member of the Association for Digital Radiophony (ARD Italia), in the Radio TV Forum event, consolidating relations for exchange with the world of local and private broadcasting, also using a promotional video of Radio Digitale which highlights Rai Way's role as promoter on this new platform;

- the profitable relationship with Sapienza Innovation for the development of additional services was pursued. Particularly, with the use of BIFS techniques, a Televideo prototype was created for Visual Radio, proving the validity and suitability for use of the solution.

Once again, during 2009 Rai Way prepared and published the **Environmental Report** in order to continue the carriage of information regarding environmental impacts connected with corporate operation.



**Rai**

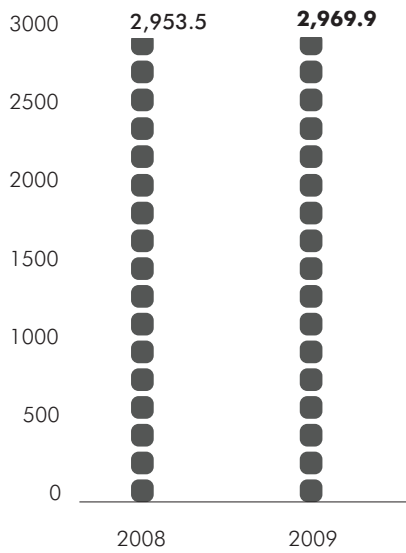


## **Parent Company's financial and earnings position**

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# Highlights (millions of euros)

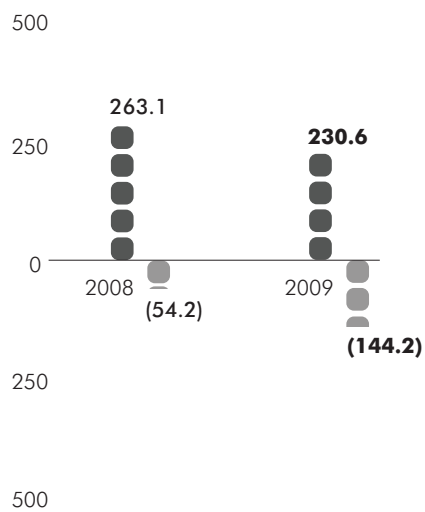
## Revenues



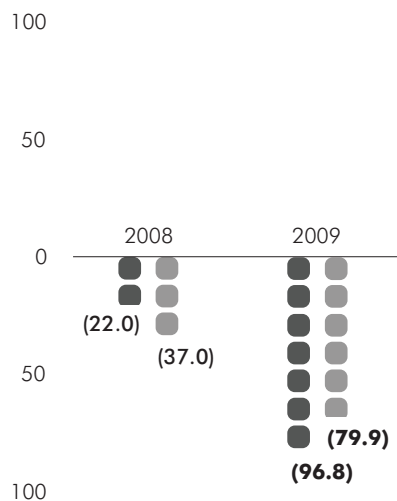
## Operating Costs



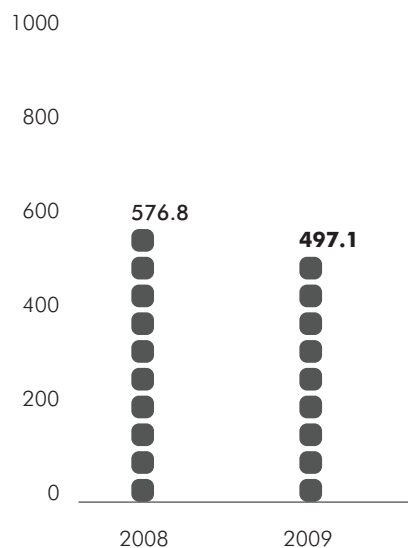
## GOM - Operating Result



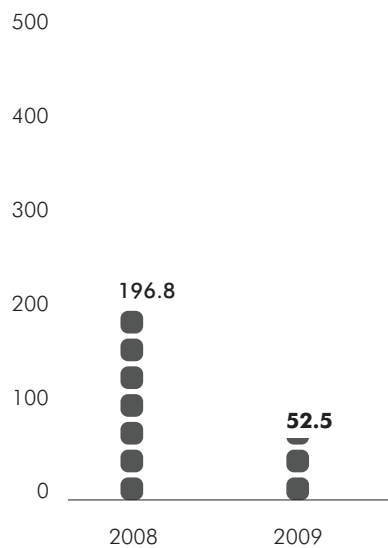
## Result before Taxes - Loss for the year



### Shareholders' equity

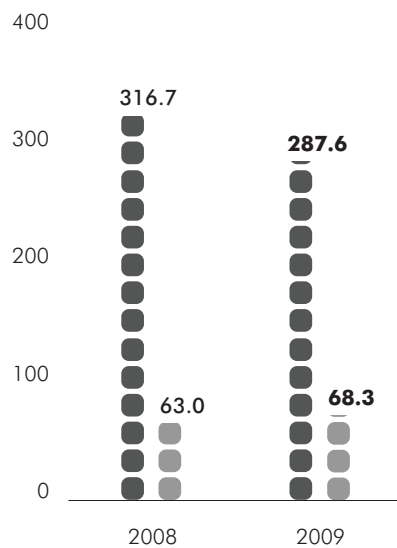


### Net Financial Position

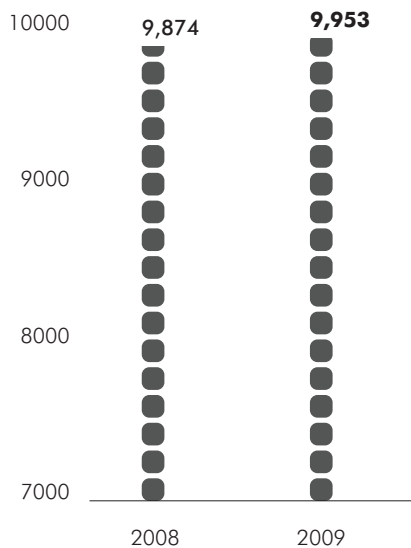


### Investments

(in programmes and other)



### Workforce at 31 December



## Reclassified financial statements

### Income Statement (millions of euros)

	2009	2008	Change	Change %
Revenues from sales and services	2,969.9	2,953.5	16.4	0.6
Internal cost capitalisations	15.4	14.7	0.7	4.8
<b>Total revenues</b>	<b>2,985.3</b>	<b>2,968.2</b>	<b>17.1</b>	<b>0.6</b>
External goods and services	(1,851.1)	(1,802.4)	(48.7)	2.7
Personnel costs	(903.6)	(902.7)	(0.9)	0.1
<b>Total operating costs</b>	<b>(2,754.7)</b>	<b>(2,705.1)</b>	<b>(49.6)</b>	<b>1.8</b>
<b>Gross operating margin</b>	<b>230.6</b>	<b>263.1</b>	<b>(32.5)</b>	<b>-12.4</b>
Amortisation of programmes	(261.2)	(255.0)	(6.2)	2.4
Depreciation and other amortisation	(78.2)	(90.3)	12.1	-13.4
Other net income (charges)	(35.4)	28.0	(63.4)	-226.4
<b>Operating result</b>	<b>(144.2)</b>	<b>(54.2)</b>	<b>(90.0)</b>	<b>166.1</b>
Net financial income	1.3	3.1	(1.8)	-58.1
Income from equity investments	47.8	28.1	19.7	70.1
<b>Result before exceptional items</b>	<b>(95.1)</b>	<b>(23.0)</b>	<b>(72.1)</b>	<b>313.5</b>
Net exceptional income (expense)	(1.7)	1.0	(2.7)	-270.0
<b>Result before taxes</b>	<b>(96.8)</b>	<b>(22.0)</b>	<b>(74.8)</b>	<b>340.0</b>
Income taxes for the year	16.9	(15.0)	31.9	-212.7
<b>Loss for the year</b>	<b>(79.9)</b>	<b>(37.0)</b>	<b>(42.9)</b>	<b>115.9</b>

### Balance Sheet (millions of euros)

	31.12.2009	31.12.2008	Change	Change %
Non-current assets	1,111.2	1,122.1	(10.9)	-1.0
Working capital	(344.2)	(407.6)	63.4	-15.6
Staff severance pay provision	(322.4)	(334.5)	12.1	-3.6
<b>Net invested capital</b>	<b>444.6</b>	<b>380.0</b>	<b>64.6</b>	<b>17.0</b>
Net equity	497.1	576.8	(79.7)	-13.8
Loss for the year	(52.5)	(196.8)	144.3	-73.3
	<b>444.6</b>	<b>380.0</b>	<b>64.6</b>	<b>17.0</b>



## Review of Balance Sheet, Income Statement and Financial situation

### Income Statement

The Parent Company income statement for 2009 recorded a **net loss of 79.9 million euros**, against a loss of 37.0 million euros in 2008.

The following section provides an overview of the main items of the Income Statement and the reasons behind the more significant changes from the previous year, taking into account the merger by incorporation of the company Rai Click, which did not have significant effects.

### Revenues from sales and services

Revenues from sales and services consist of licence fees, advertising revenues and other commercial revenues. They totalled 2,969.9 million euros, up 16.4 million euros (+0.6%) on 2008.

**Licence fees** (1,645.4 million euros). These include licence fees for the current year as well as those for previous years, collected through coercive payment following legal registration, as highlighted in the following table.

The total increase (+1.6%) is mainly attributable to an increase in the per-unit licence fee from 106.00 euros to 107.50 euros (+1.4%), with the remainder accounted for by an increase in the number of paying subscribers.

#### Revenues from sales and services (millions of euros)

	2009	2008	Change	Change %
Licence fees	1,645.4	1,619.2	26.2	1.6
Advertising revenues	908.6	1,095.7	(187.1)	-17.1
Other revenues	415.9	238.6	177.3	74.3
<b>Total</b>	<b>2,969.9</b>	<b>2,953.5</b>	<b>16.4</b>	<b>0.6</b>

#### Licence fees (millions of euros)

	2009	2008	Change	Change %
Fees for the year	1,629.7	1,603.0	26.7	1.7
Fees from coercive payment	15.7	16.2	(0.5)	-3.1
<b>Total</b>	<b>1,645.4</b>	<b>1,619.2</b>	<b>26.2</b>	<b>1.6</b>

#### TV subscriptions - changes

	2009	2008	2007	Change % 2009/2008
New	401,457	411,177	434,228	-2.4
Renewals	15,566,315	15,528,437	15,462,729	0.2
<b>Paying subscribers</b>	<b>15,967,772</b>	<b>15,939,614</b>	<b>15,896,957</b>	<b>0.2</b>
Delinquent subscribers	788,719	738,965	664,827	6.7
<b>Total registered subscribers</b>	<b>16,756,491</b>	<b>16,678,579</b>	<b>16,561,784</b>	<b>0.5</b>
Delinquent subscribers %	4.82%	4.54%	4.12%	
Cancellations	323,545	294,382	338,592	9.9
Cancellations+delinquent position	1,112,264	1,033,347	1,003,419	7.6

Once again, in 2009 the licence fee paid in Italy continues to be the lowest in Western Europe. By way of example, the table shows the annual licence fee, in Euros, in force in selected European countries.

<b>Licence fees in Europe (euros)</b>			
Switzerland	311.00	Sweden	191.00
Austria	263.63	Ireland	160.00
Norway	241.00	United Kingdom	148.00
Finland	224.30	France	116.00
Germany	215.76	Italy	107.50

**Advertising revenues** (908.6 million euros) show a drop of 187.1 million euros (-17.1%) on 2008. This decline in advertising revenues is largely determined by the severe international financial recession which characterised the end of 2008 and the whole of 2009, causing significant contractions in the Italian and international economy. This led to a considerable reduction in advertising investments, strong accentuated in 2009 by big sporting events, which had characterised the previous year.

The reference market (TV and Radio) showed an overall decline of about 9.9% (source Nielsen) in 2009.

<b>Advertising (millions of euros)</b>				
	2009	2008	Change	Change %
On general-interest channels:				
- television advertising	779.2	947.7	(168.5)	-17.8
- radio advertising	40.4	53.6	(13.2)	-24.6
- promotions and sponsorship	77.6	86.1	(8.5)	-9.9
On specialised channels	8.9	5.0	3.9	78.0
Other advertising	2.5	3.3	(0.8)	-24.2
<b>Total</b>	<b>908.6</b>	<b>1.095.7</b>	<b>(187.1)</b>	<b>-17.1</b>

**Other revenues** show an increase of 177.3 million euros (+74.3%), owing mainly to the sale to third parties, during the year, of the pay TV rights to broadcast the 2010 and 2014 World Cup matches and other minor FIFA events, for the sum of 175 million euros.

Other factors, of little significance when considered individually, are highlighted in the table on the right. Positive items included the effects of the agreement entered into with a leading sports company, booked to Sale of rights to utilise archive materials to football clubs, while negative items included lower revenues from Telephone services and Sale of rights.

<b>Other revenues (millions of euros)</b>				
	2009	2008	Change	Change %
Sale of pay TV rights for World Cup and minor events	175.0	0.0	175.0	100.0
Special services under agreement	68.8	69.1	(0.3)	-0.4
Sale of rights	37.4	43.0	(5.6)	-13.0
Service and other performances for subsidiaries	32.6	33.3	(0.7)	-2.1
Sale of rights to utilise archive materials to football clubs	32.0	16.6	15.4	92.8
Telephone services	13.1	19.2	(6.1)	-31.8
Production services	9.9	10.3	(0.4)	-3.9
Recovery of emoluments and cost of seconded staff	8.6	9.4	(0.8)	-8.5
Repayment of programme production costs	8.2	7.2	1.0	13.9
Technical services for digital terrestrial broadcasting	3.5	3.0	0.5	16.7
Other	26.8	27.5	(0.7)	-2.5
<b>Total</b>	<b>415.9</b>	<b>238.6</b>	<b>177.3</b>	<b>74.3</b>

As shown in the table on the right, the relative weights of the three components on total revenues from sales and services show an increase in the Licence Fees and Other revenues items compared with the totals for the previous year, to the detriment of the Advertising component.

% of revenues		
	2009	2008
Licence fees	55.4	54.8
Advertising revenues	30.6	37.1
Other revenues	14.0	8.1
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

## Operating costs

These total 2,754.7 million euros, rising 49.6 million euros, 1.8%, compared with 2008, as detailed below.

The item includes internal costs (labour cost) and external costs, regarding ordinary business activities, according to the following classification.

**External goods and services** - This caption includes purchases of goods and services required to make programmes of immediate use (purchases of consumables, external services, artistic collaborations, etc), filming rights for sports events, copyright, services from subsidiaries, running costs (rental and hire fees, telephone and postage costs, cleaning, maintenance, etc.) and other operating costs (direct and indirect taxes, contribution to the Authority, the public broadcasting concession fee, etc.).

As shown in the table, the caption shows an increase of 48.7 million euros (+2.7%), determined by the cost of the pay TV rights to broadcast the 2010 and 2014 World Cup matches and lesser FIFA events equating to 169.3 million euros subject to the aforementioned sale to third parties.

Net of this component, the caption amounts to 1,681.8 million euros, with a reduction of 120.6 million euros, mainly from the reduction in costs for the purchase of filming rights, mostly relating to sports broadcasting rights (-143.2 million euros). In relation to this, the absence in 2009, as in all other odd years, of important four-yearly sports events (European Cup Football Championships and the Olympic Games), which had influenced the Income Statement by 164.6 million euros, should be signalled.

**Consumption of goods and external services** (millions of euros)

	2009	2008	Change	Change %
Materials purchased	23.1	25.9	(2.8)	-10.8
External services:				
Freelance services	139.9	147.0	(7.1)	-4.8
Services for acquisition and production of programmes	268.8	257.8	11.0	4.3
Staff allowances, travel and accessory costs	38.8	49.1	(10.3)	-21.0
Signal broadcasting and transport – Rai Way	165.0	154.8	10.2	6.6
General services (postage, telephones, transport, cleaning, archive services etc.)	162.6	159.8	2.8	1.8
Other	63.2	62.5	0.7	1.1
	838.3	831.0	7.3	0.9
Use of third-party assets:				
Acquisition of viewing rights from Rai Cinema	326.8	301.6	25.2	8.4
Leases and rentals	73.0	76.7	(3.7)	-4.8
Cost of pay TV rights for World Cup and minor events sold	169.3	0.0	169.3	= =
Filming rights	215.8	359.0	(143.2)	-39.9
Utilisation rights	117.8	112.3	5.5	4.9
Other	7.3	8.1	(0.8)	-9.9
	910.0	857.7	52.3	6.1
Change in inventories	0.1	0.2	(0.1)	-50.0
Concession fee	29.5	29.2	0.3	1.0
Other operating costs:				
Prizes and winnings	12.6	14.9	(2.3)	-15.4
Authority contribution	4.2	4.1	0.1	2.4
Municipal property tax	3.6	3.6	0.0	0.0
Other indirect taxes and contributions	7.0	6.7	0.3	4.5
Newspapers, magazines, books and publications	3.1	3.2	(0.1)	-3.1
Membership fees	2.9	2.7	0.2	7.4
Other	4.4	10.5	(6.1)	-58.1
	37.8	45.7	(7.9)	-17.3
Other	12.3	12.7	(0.4)	-3.1
<b>Total</b>	<b>1,851.1</b>	<b>1,802.4</b>	<b>48.7</b>	<b>2.7</b>

**Personnel costs** – These amount to 903.6 million euros, up by a total of 0.9 million euros on the total at 31 December 2008 (0.1%), as detailed in the right-hand table.

**Personnel costs** (millions of euros)

	2009	2008	Change	Change %
Wages and salaries	653.6	651.5	2.1	0.3
Social security contributions	181.6	176.0	5.6	3.2
Staff severance pay	44.2	46.5	(2.3)	-4.9
Pension and similar costs	13.3	14.6	(1.3)	-8.9
Other	10.9	14.1	(3.2)	-22.7
<b>Total</b>	<b>903.6</b>	<b>902.7</b>	<b>0.9</b>	<b>0.1</b>

As for the previous year, the personnel cost containment trend was confirmed, recording figures well below the level of inflation.

This result is due to various managerial interventions. First of all, the positive effects of incentives in 2008 and the new incentives in 2009 made it possible to offset the economic impact deriving from the stabilisation of those on temporary work contracts and to significantly limit the physiological growth of labour costs deriving from contractual renewals, meritocratic policies and rises related to length of service.

Alongside incentive policies, interventions on all the variable captions (overtime, rises ad remuneration policies) weighed positively on the containment of labour costs, as did the reduction of the severance pay fund revaluation index.

**Personnel on payroll** at 31 December 2009 amounted to 9,953, up 79 on the same date of the previous year.

The **average number of employees**, including those on fixed-term contracts, came to 11,829, with an increase of 131 compared to the previous year, due to an increase of 77 members of staff on permanent contracts and an increase of 54 in the number of staff on fixed-term contracts.

## Gross Operating Margin

The Gross Operating Margin, as a consequence of the above, is positive for 230.6 million euros, down 32.5 million euros, or 12.4%, on the previous year.

## Amortisation of programmes

This caption is related to **investments in programmes**, which during 2009 amounted to 287.6 million euros, down 29.1 million euros (-9.2%), mainly due to TV fiction series which ends the growth trend that has characterised previous years.

<b>Investments in programmes</b> (millions of euros)				
	2009	2008	Change	Change %
Programmes:				
- Fiction	257.9	285.0	(27.1)	-9.5
- Other programmes	29.7	31.7	(2.0)	-6.3
<b>Total</b>	<b>287.6</b>	<b>316.7</b>	<b>(29.1)</b>	<b>-9.2</b>

**Amortisation** charged for the year in relation to the above captions, amounted to 261.2 million euros, rising 6.2 million euros (+2.4%) compared with the previous year. This albeit modest growth was due to the positive influence during the year in progress of the major investments made in previous years.

<b>Amortisation of programmes</b> (millions of euros)				
	2009	2008	Change	Change %
Programmes:				
- Fiction	239.8	235.5	4.3	1.8
- Other programmes	21.4	19.5	1.9	9.7
<b>Total</b>	<b>261.2</b>	<b>255.0</b>	<b>6.2</b>	<b>2.4</b>

## Depreciation and other amortisation

This is linked to investments in **tangible non-current assets** and **other investments**, the movements of which during 2009, highlighted in the following table, presented an overall increase (+5.3 million euros).

<b>Other investments</b> (millions of euros)				
	2009	2008	Change	Change %
Tangible non-current assets	59.6	59.4	0.2	0.3
Other intangible non-current assets	8.7	3.6	5.1	141.7
<b>Total</b>	<b>68.3</b>	<b>63.0</b>	<b>5.3</b>	<b>8.4</b>

**Depreciation and other amortisation** charged for the year in relation to the above captions amount to 78.2 million euros, with a drop of 12.2 million euros compared with 2008, referring almost entirely to tangible non-current assets, in relation to the progressive completion of the amortisation of assets acquired in the past, in the presence of a contained level of investment.

<b>Depreciation and amortisation of other non-current assets</b> (millions of euros)				
	2009	2008	Change	Change %
Tangible non-current assets	70.4	83.0	(12.6)	-15.2
Other intangible non-current assets	7.8	7.4	0.4	5.4
<b>Total</b>	<b>78.2</b>	<b>90.4</b>	<b>(12.2)</b>	<b>-13.5</b>

## Other net income (charges)

This caption comprises costs/revenues not directly related to the Company's core business and, in 2009, highlights net charges of 35.4 million euros (net prior-year income of 28.0 million euros). In greater detail, it comprises provisions for risks and charges (29.0 million euros), expenses for repeat-usage programmes which it is not expected will be used or repeated (25.4 million euros), provisions for the company supplementary pension fund for former employees (9.7 million euros), partially offset by net prior-year income (30.6 million euros). The drop in the caption compared to 2008 (-63.4 million euros) is largely referable to the absence of net prior-year income originated in the previous year by the results of a transaction regarding copyright.

## Operating Result

The results described above for operating revenues and costs led to a deterioration in the operating result, from -54.2 million euros in the previous year to -144.2 million euros this year, with a drop of 90.0 million euros.

## Net financial income

**Net financial income** shows a gain of 1.3 million euros (3.1 million euros in 2008). The caption shows the economic effects of financial operations and comprises bank interest expense and income as well as that relating to Group companies and net income/expense in relation to exchange rates.

The details show a drop in net interest payable to banks of 1.2 million euros against higher financial exposure to third parties, partly offset by a reduction in the rates applied. Low market interest rates also determined a relevant change (-4.6 million euros) in interest income originating from the loan to the associated companies, despite the high loan granted to them.

Exchange rate differences, mainly generated by the acquisition of rights to sports events in US dollars, were positive despite being for a limited amount, thanks to hedging activities carried out in previous years, which limited the significant oscillations recorded by the exchange rate during the year.

The average cost of loans with banks and other financial institutions, made up of credit line on current accounts, "hot cash" and stand-by loans, dropped considerably in relation to the significant reduction in the money market reference rates, setting at 2.3%.

### Net financial income on financial operations (millions of euros)

	2009	2008	Change
Net interest expense payable to banks	(3.6)	(2.4)	(1.2)
Net interest income from subsidiaries and associated companies	4.7	9.3	(4.6)
Net exchange income (expense)	0.8	(4.0)	4.8
Other net income (expense)	(0.6)	0.2	(0.8)
<b>Total</b>	<b>1.3</b>	<b>3.1</b>	<b>(1.8)</b>

## Income from equity investments

As indicated in the table below, the caption amount to a total of 47.8 million euros and includes the dividends collected during the period considered valid for the results of the previous year (49.8 million euros) ad the reductions of the value of equity investments for losses totalled during the year (2.2 million euros).

### Income from equity investments (millions of euros)

	2009	2008	Change
Dividends:			
- Rai Cinema	15.5	12.4	3.1
- Rai Way	18.6	0.0	18.6
- Sipra	5.0	9.0	(4.0)
- Rai Trade	2.5	1.7	0.8
- RaiSat	6.6	3.4	3.2
- RaiNet	1.5	0.0	1.5
- Euronews	0.1	0.0	0.1
	<b>49.8</b>	<b>26.5</b>	<b>23.3</b>
Revaluations	0.2	2.1	(1.9)
Writedowns	(2.2)	(0.5)	(1.7)
<b>Total</b>	<b>47.8</b>	<b>28.1</b>	<b>19.7</b>



### Net exceptional financial income (expense)

This caption, which highlights net exceptional income of 1.7 million euros (net income of 1.0 million Euros in 2008), was originated by expenses (6.7 million euros) for incentivised resignation linked to the implementation of the 2008 – 2010 three-year plan exceeding the fund provided in 2007, partially offset by proceeds linked to the disclosure of credit for the reimbursement of IRES following the introduction of the law that made the IRAP paid during the tax years between 2004 – 2007 (4.2 million euros) partly deductible and to the recognition of tax credit for research and development costs sustained in 2008 (0.6 million euros).

### Income taxes

The caption has a positive value of 16.9 million euros determined by the balance between current and deferred taxes, as detailed in the table.

As regards the IRES tax, no amount was booked as the year's result for tax purposes was negative.

IRAP, amounting to 26.7 million euros, shows a decrease of 2.8 million euros compared with the previous year, determined by a lower taxable amount.

Deferred tax liabilities determine a positive effect of 13.8 million euros (11.5 million euros in 2008), as a consequence of the reversal of the temporary differences of income deriving from the higher amortisation applied in 2007 for tax purposes only.

Deferred tax assets (29.8 million euros) originated from the booking of IRES credits for 26.9 million euros deriving from the year's negative taxable income, which is offset by the positive taxable income of subsidiaries, including within the scope of tax consolidation mechanism for tax year 2009.

#### Income taxes (millions of euros)

	2009	2008	Variazione
IRAP	(26.7)	(29.5)	2.8
Deferred tax liabilities	13.8	11.5	2.3
Deferred tax assets	29.8	3.0	26.8
<b>Total</b>	<b>16.9</b>	<b>(15.0)</b>	<b>31.9</b>

## Balance Sheet

### Non-current assets

**Tangible non-current assets** amount to 333.9 million euros and are represented by land and industrial buildings for 38.5%.

The decrease of 11.1 million euros with respect to 2008 represents the balance between investment (59.6 million euros), eliminations (0.3 million euros) and depreciation (70.4 million euros).

The **investments in programmes** is mainly represented by films (360.4 million euros), which accounted for the greater part of investments during the year (257.9 million euros).

The change from the previous year (+0.9 million euros) is the net result of the following factors:

- investments for 299.4 million euros;
- amortisation for 273.1 million euros;
- writedown of programmes for 25.4 million euros.

**Equity investments** fell slightly (-1.6 million euros) largely due to the writedown of the investments in Rai Corporation and NewCo Rai International following the losses recorded by the company.

**Other non-current assets** are shown in the following table.

#### Non-current assets (millions of euros)

	31.12.2009	31.12.2008	Change	Change %
Tangible non-current assets	333.9	345.0	(11.1)	-3.2
Programmes	424.4	423.5	0.9	0.2
Equity investments	306.5	308.1	(1.6)	-0.5
Other non-current assets	46.4	45.5	0.9	2.0
<b>Total</b>	<b>1,111.2</b>	<b>1,122.1</b>	<b>(10.9)</b>	<b>-1.0</b>

#### Non-current tangible assets (millions of euros)

	31.12.2009	31.12.2008	Change	Change %
Land and buildings	128.4	146.1	(17.7)	-12.1
Plant and machinery	110.5	110.3	0.2	0.2
Industrial and sales equipment	5.6	6.2	(0.6)	-9.7
Other assets	30.5	29.5	1.0	3.4
Non-current assets under development and payments on account	58.9	52.9	6.0	11.3
<b>Total</b>	<b>333.9</b>	<b>345.0</b>	<b>(11.1)</b>	<b>-3.2</b>

#### Investments in programmes (millions of euros)

	31.12.2009	31.12.2008	Change	Change %
Fiction	360.4	367.7	(7.3)	-2.0
Other	64.0	55.8	8.2	14.7
<b>Total</b>	<b>424.4</b>	<b>423.5</b>	<b>0.9</b>	<b>0.2</b>

#### Other non-current assets (millions of euros)

	31.12.2009	31.12.2008	Change	Change %
Digital terrestrial frequencies	21.3	24.6	(3.3)	-13.4
Alterations and improvements to leased properties	11.7	12.0	(0.3)	-2.5
Non-current receivables	4.7	4.7	0.0	0.0
Securities	3.8	3.8	0.0	0.0
Other	4.9	0.4	4.5	1,125.0
<b>Total</b>	<b>46.4</b>	<b>45.5</b>	<b>0.9</b>	<b>2.0</b>

## Working capital

The change from 2008 (+63.4 million euros) is due mainly to normal developments in the business.

Major changes relate to:

- **Trade receivables:** show an increase of 191.3 million euros, owing mainly to the booking of the amount receivable for the aforementioned sale of pay TV broadcasting rights (115.5 million euros) and higher amounts receivable for services rendered to the Government under contract (72.8 million euros);
- **Trade payables:** up 124.0 million euros largely due to the booking of the cost of pay TV broadcasting rights sold but not yet liquidated (87.0 million euros) and higher amounts payable to subsidiaries (40.1 million euros);
- **Provisions for risks and charges** show a reduction of 25.4 million euros, mainly owing to uses/releases of funds provided during previous years net of provisions to the funds during the year.

It should be noted that **Trade receivables** comprise, net of the relative writedowns, accounts receivable from subsidiaries, mainly Sipra, and from public entities and institutions.

## Working capital (millions of euros)

	31.12.2009	31.12.2008	Change	Change %
Inventories	0.6	0.7	(0.1)	-14.3
Trade receivables	783.1	591.8	191.3	32.3
Other assets	232.9	235.7	(2.8)	-1.2
Trade payables	(697.9)	(573.9)	(124.0)	21.6
Provisions for risks and charges	(397.6)	(423.0)	25.4	-6.0
Other liabilities	(265.3)	(238.9)	(26.4)	11.1
<b>Total</b>	<b>(344.2)</b>	<b>(407.6)</b>	<b>63.4</b>	<b>-15.6</b>

## Net financial position

The year-end net financial position is positive, despite the decline compared to the previous year (52.5 million euros compared with 196.8 million euros in 2008), and is comprised as follows.

The reduction of net available funds is due to the decrease in revenues from advertising and the liquidation of receivables in relation to services rendered to Government by contract.

## Net financial position (millions of euros)

	31.12.2009	31.12.2008	Change	Change %
Net amounts due from (to) banks and other lenders				
in the medium/long term	0.0	0.0	0.0	0.0
in the short term	(163.8)	(2.5)	(161.3)	6.452.0
cash and cash equivalents	19.9	32.2	(12.3)	-38.2
	<b>(143.9)</b>	<b>29.7</b>	<b>(173.6)</b>	<b>-584.5</b>
Net financial position with investee companies				
payables	(49.4)	(41.8)	(7.6)	18.2
receivables	245.8	208.9	36.9	17.7
	<b>196.4</b>	<b>167.1</b>	<b>29.3</b>	<b>17.5</b>
<b>Net financial position</b>	<b>52.5</b>	<b>196.8</b>	<b>(144.3)</b>	<b>-73.3</b>

These effects were partly offset by income from the aforementioned sale of pay TV broadcasting rights, outlays for important sporting events and operating expenses.

The average financial position is positive by about 66 million euros, down from the previous year (139 million euros), as a consequence of the financial profile described above.

The analysis carried out on the basis of the **balance sheet and income statement ratios** highlighted that:

- the **net invested capital coverage ratio**, calculated as the ratio between net invested capital and net equity is 0.89 (0.66 in 2008);
- the **current ratio**, identified as the ratio between current assets (inventories, current assets, cash and cash equivalents and financial receivables) and current liabilities (current liabilities and financial debts), is 1.09 (1.25 in 2008);
- the **self-coverage ratio** of fixed assets, calculated as the ratio of shareholders' equity to current assets, is 0.45 (0.51 in 2008).

The financial risks to which the Company is exposed are monitored using appropriate computerised and statistical instruments. A policy regulates financial management in accordance with best international practice, the aim being to preserve the corporate value by taking an adverse attitude towards risk, pursued via active monitoring of the exposure and the implementation of suitable hedging strategies, also acting on behalf of the Group companies.

In particular:

- The **exchange risk** is significant in relation to the exposure in US dollars generated by the acquisition of sports events rights and the funding of the associated company Rai Corporation. These commitments generated payments for about 70 million dollars during 2009. Operation takes place from the date of subscription to the commercial commitment, often lasting several years, and aims to defend the counter value in euros of commitments estimated at the time of order or in the budget. Hedging strategies are implemented using financial derivative instruments – such as forward purchases, swaps, and options structures – without ever taking on an attitude of financial speculation. The group policy envisages numerous operating limits to be observed by the hedging activity.
- The **interest rate risk** is also regulated by the company policy, particularly for medium/long-term exposure with specific operating limits. At the moment, the financial position does not contain significant long-term exposures, but sees short periods of operational liquidity alternating with overdraft positions, hedged with reversible credit lines or stand-by loans, for which it was deemed unnecessary to activate hedging operations.
- The **credit risk** on cash deployment is limited in that the company policy envisages only the use, for limited periods of cash timing differences, of low-risk financial instruments with parties with high ratings. Only tied deposits or sight deposits with remunerations close to the Euribor rate were used during 2009.
- As regards the **liquidity risk**, it should be noted that the company has short-term credit lines with the banking system, amounting to about 500 million euros. A stand-by loan for 200 million euros with a duration of three years was taken out in February 2009 with a group of seven Italian and international banks. The overall loans are sufficient to cover overdrafts although the procedure for liquidating the four deferred repayments by the Ministry of the Economy and Finance can generate tensions in the event of significant delays with respect to the quarter-end dates established by contract. To cope with the significant investments required by the DTT project (particularly considering the reduction in public funding), the company applied to the European Investment Bank for a medium/long-term loan, by virtue of the innovative nature and general interest of the new infrastructure.



**Rai**



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## Rai and Society

Owing to its public service remit, Rai is not simply a business entity but is part of the social, cultural and economic fabric of the country.

The previous chapters, which outlined Rai's mission and its Service Contract and looked in detail at the various media platforms used, clearly demonstrate that from a statutory level all the way down to the smallest corporate or editorial decision, Rai is always working to forge, vitalise and strengthen its bonds with Italian citizens at home and abroad. In carrying out its mission, Rai respects people's cultures, religions, sensitivities, languages and any physical disabilities.

The management of this relationship creates a real two-way flow.

Rai not only offers an array of programming to fulfil its responsibility to provide services, news and entertainment but, above all, it is also receptive to the trends and realities of society, which it attempts, within the limits of its remit, to reflect and represent.

This commitment, which stems first and foremost from an ethical and civil sense, and only secondarily from legal obligations and prescriptions, is present throughout the Group and is embodied in specific structures, chief among which is the Social Secretariat.



**Rai's Social Secretariat** is in charge of social communications and programming. It draws up the guidelines and reference principles for the presentation of social problems by Rai, within the sphere of the service contract between Rai and the Ministry of Communications. The Secretariat defines, proposes and/or carries out social initiatives, also in conjunction with associations and institutions, working on social issues outside as well as inside radio and television and multimedia programming. It takes care of and promotes the social issues represented by the associations and institutions operating in this direction, by directly interfacing with them, the aim being to draw as much public attention as possible to social problems.

In 2009, the work of the Social Secretariat developed throughout numerous cooperative actions and initiatives, all of which are listed on the website <http://www.sas.rai.it/agenda/agenda.html>.

They particularly include:

- The ceremony for the presentation of the '2009 International Voluntary Work Award', organised by the FOCSIV (Federazione organismi cristiani servizio internazionale volontariato) on the occasion of International Voluntary Work Day.
- The 'Italian Sport Awards 2009' organised by AG Onlus & AG Alfani Group.
- The press conference for the presentation of 'Raccontare un'altra Africa è possibile' (It's possible to

tell another Africa), during which the next mission of Medici con l'Africa Cuamm and the Social Secretariat to take Rai cameras to the hospital of Wolisso in Ethiopia was presented.

- The Award Ceremony of the second edition of the Child Guardian Award 2009, promoted by Fondazione Terre des Hommes Italia onlus.
- 59<sup>th</sup> edition of the Day for the victims of accidents in the workplace, organised by Anmil - Associazione Nazionale Mutilati ed Invalidi del Lavoro.
- The press conference for the presentation of the fund raising campaign for the construction of a highly specialised centre in Rome for the rehabilitation and social integration of the blind, promoted by the Unione Italiana Ciechi e degli Ipovedenti, with the participation of the Rai Social Secretariat.
- 15<sup>th</sup> edition of the 'Ilaria Alpi' Television Journalism Award promoted by the Regione Emilia-Romagna, Municipality of Riccione and dither Province of Rimini and organised by the Cultural Association Comunità Aperta, with the patronage of the Rai Social Secretariat.
- Presentation by the Social Secretariat of three plaques to the FAI - Fondo per l'Ambiente Italiano, for its commitment in communication to the public of the importance of the defence and exploitation of the Italian artistic and landscape heritage of the FAI.
- National Day of Solidarity for Filo d'Argento Auser, with the distribution, in squares throughout Italy, of packets of organic spaghetti made with wheat from land confiscated from the Mafia in Sicily, promoted by the Auser association in support of the telephone help-line for the elderly, with the patronage of the Rai Social Secretariat.



- in 64 Italian towns – Fifth National Day of Fondazione ABIO Italia Onlus to create awareness of the hospitalisation of children and voluntary work on children's wards, with the patronage of the Rai Social Secretariat.
- Triangular football tournament between the teams of the Italian Rai Journalists, Italian Magistrates and local Police Force within the scope of the project 'Un pallone per amico' (A football for a friend), now in its 9<sup>th</sup> edition and aimed at improving the sense of legality in the community, organised by the Catania Police Headquarters Force, with the patronage of the Rai Social Secretariat.
- 'Una canzone per ricominciare' (A song to start again), the important charity show organised by Raimo Produzioni and the Municipality of Montesilvano, in support of the people of Abruzzo in the reconstruction of L'Aquila, with the patronage of the Rai Social Secretariat.
- 18<sup>th</sup> edition of the 'Partita del Cuore' charity football match between the Italian Singers team and a team made up of sports champions captained by Alex del Piero, organised by the Associazione La Partita del Cuore - Umanità senza confini, with the patronage of the Rai Social Secretariat.
- Awareness event 'Voci nel silenzio. La violenza nega l'esistenza', to draw attention to domestic violence, organised by Piemonte Region, with the patronage of the Rai Social Secretariat.
- Fund raising at the May 1<sup>st</sup> concert for safety in the workplace, promoted by Associazione Primo Maggio.
- Awareness campaign and fund raising for Telefono Azzurro 'Fiori d'Azzurro', to support the association's activities within the scope of the Aprile Azzurro campaign, with the patronage of the Rai Social Secretariat.
- Rai Networks - 'Trenta Ore per la Vita', television fund-raising marathon, dedicated this year to the Dream programme of the Community of Sant'Egidio to prevent the spread of HIV from mother to child.
- WWF day 2009 – fund raising event partly destined to support two projects in favour of the people affected by the earthquake in Abruzzo. The WWF made its reserves available to house the homeless and organised assistance for children and youngsters involved.
- Press conference for the presentation of the initiative 'Abolizione della pena di morte in Congo' (Abolition of the death penalty in Congo), organised by Nessuno Tocchi Caino, with the participation and patronage of the Rai Social Secretariat.

The Social Secretariat is also responsible for the production of descriptive voiceovers (in collaboration with RaiUno, RaiDue, RaiTre and RadioRai) so that blind people can listen in to medium wave radio broadcasts describing the on-screen action of a number of popular television programmes.

The role played, with the aid of the Social Secretariat, by the *Sede Permanente di confronto* on social programming, which is made up of 12 members representing sections of civil society and 12 representing Rai, should also be mentioned. This is a standing committee for the monitoring of socially relevant output to ensure that the provisions of the Service Contract on respect and the quality of the spaces dedicated to social issues are implemented.

## Human Resources

In 2009, the main focus was on the adoption of staff policies in keeping with the aims defined by the 2008/2010 Industrial Plan.

With a view to rationalisation and marked attention to the need to save money, initiatives to keep down accessory remuneration and variables were strengthened.

At the same time, particular importance was attributed to negotiations and the definition of the renewals of the various labour contracts used by the company: extension to Rai of the National Labour Contract for Journalism, renewal of the company's supplementary agreement for executives, renewal of the Collective Labour Contract for middle management, white collar and blue collar workers and of that for Orchestra Professors.

In general terms, a mention must go to the coordination of the Rai Group's management policies, the gradual transferral to the Company of guidelines, standards and monitoring systems already in use or undergoing application within Rai. Theories for implementing the decision taken by the Board of Directors to internalise RaiSat were also launched, along with the extension of the insourcing process to other Group Companies.

In detail, activities were focused on operations to rationalise resources, with provisions of internal mobility and conversion of professional profiles, but also be careful use of staff, as indicated in the trade union agreement dated 4 June 2008 (entered into to implement law 247/2007) which established the issue of permanent contracts to employees who have been used under temporary contracts for a total of 36 months on 1 April 2009 and who have,

after such date, been given further temporary contracts by the same employer). As regards temporary contracts, operation was inspired by caution and severity, implemented by containing those of first use and those to replace absent staff, prioritising the use of staff in the compulsory employment areas and lists. Leaving incentives continued, tending also to offset – at least partly – numeric growth and the growth of staff costs linked to the aforementioned law 247/2007, 147 new incentive-related retirements were agreed to, 107 of which have already taken place. From the numeric viewpoint, the number of company employees in December 2009 was 9,953 as compared to 9,874 at the beginning of the year, as a result of 272 terminations (107 of which were incentive-related) and 351 new hires: 282 in application of trade union agreement, 12 transfers within the group; 30 (including entries following the arrival of the new Board of Directors) regard entries for the reformation of the workforce and to cover the new requirements of the structures (Orchestra Professors and webmasters for RaiNews 24); 27 following legal action for reintegration.

Rai SpA's payment policies for 2009 included the application of specific actions to optimise the use of available resources, taking into consideration the well known initiatives to contain costs taken at company level. The plan concentrated on particularly selective and targeted operations, mainly influencing variable payment, limiting the use of fixed provisions to strategic cases or new posts. The combined action of the above-mentioned initiatives (incentives, operations targeting payment and control of payment variables) enabled the complete achievement of the aim to control labour costs, providing results

which were even better than expected, both in the three-year plan and in the draft of the budget. Costs were lower than the previous year both in terms of overall value and average value per capita.

As regards trade union activities, on 27 March 2009, following complex negotiations last over 4 years, the Italian National Press Federation and the Italian Federation of Newspaper Publishers signed a draft for an agreement for the renewal of the National Labour Contract for Journalism, approved by the Presidency of the Council of Ministers on 5 May 2009 and then extended by written agreement dated 23 June 2009, also to Rai. In short, it was confirmed that the top figures of the Director, Co-director and Deputy Director are permanent functional posts – allowing for placement within the qualification of origin – and not qualifications as envisaged by the new CNLG (National Labour Contract for Journalism). The agreement on the re-positioning of Directors and Deputy Directors during changeovers in the top positions of the Network was reviewed, with the extension of the alternative duties that can be proposed to those concerned. The decision was also made not to go ahead with the introduction of the new qualifications of 'expert editor' and 'senior editor' envisaged by the agreement for the renewal of the CNLG. With reference to executives, the renewal of the additional company agreement was signed by Rai and Adrai on 6 August 2009. On 28 October 2009 the agreement for the renewal of the CCL for middle management, white collar and blue collar workers was reviewed, with which the economic part, in particular, was defined, deferring the debate regarding the legislative part until 2010.

With reference to the path undertaken with the trade union agreement dated 4 June 2008, professional catchment basins were established also for the Regional Offices (agreement dated 14 January) and for the Rai Group companies Rai Cinema, RaiNet, RaiSat and Rai Trade (agreement dated 20 February). Lastly, on 3 December 2009, the agreement for the renewal of the economic part of the CCL for Orchestra Professors was signed.

As regards legislation, work was carried out, partly using complex IT procedures, to prepare the consolidated book on employment, on the complete computerised management of sickness indemnities payable to blue collars with permanent employment contracts, the application of the new laws related to the detaxation of production bonuses and adaptations to be made, by request of the social security institutions, to the computerised declarations.

Within the sphere of Recruitment and Training activities, the complex project for the modernisation of the website dedicated to the recruitment activity carried out in communication with RaiNet should be remembered. In the portal [www.rai.it](http://www.rai.it) the new website 'Work with us' is destined to accept applications for jobs and announce job offers.

There is also the training project destined by Rai to a target taken from the latest recruitment of new university graduates for the processing of project-work on themes of interest to the company, with the formation of work teams made up of participants from Rai, Microsoft and Vodafone.

The Company's Health Service, besides carrying out its usual activity (5,000 inspections, 410 preventive interventions to defend the health of staff on foreign missions and health assistance for 29

important production events), worked on the preparation of preventive measures to reduce the risk of exposure to influenza A (H1N1) in the workplace. There are defibrillators and ECG diagnostic supports for cardiology emergencies in the Production Centres of Turin, Milan, Naples and Rome, preceded by training certified in compliance with European standards for medical and nursing staff.

As regards safety in the workplace, the progressive implementation of initiatives to strengthen awareness and use of instruments dedicated to preventing accidents and professional illness enabled Rai to continue benefiting for the reduction of the INAIL contributions for the second year running. Activities continued to confirm and gradually extend the Health and Safety Management System certified in compliance with OHSAS 18001 to Rai offices, extended in 2009 to the offices of Cosenza and Potenza. The documents that make up the Security System (Regulations, Form 231, Policy, etc.) were adapted to the latest legislative interventions.

Rai supplied a service to launch a coordinated activity aimed at the Subsidiaries (Rai Cinema, Rai Trade, 01 Distribution, NewCo Rai International, RaiSat and RaiNet), the objective of which is to ensure standardised assessment and behaviours in terms of prevention and the protection of employees within the Rai Group. As far as Security is concerned, a first update was made to the Data Security Programme (DSP) to align it to the new instructions issued by the Privacy Authority, also extended under the form of collaboration to all the Rai Group subsidiaries.

Finally, internal communication activities – as well as interventions by the Rai Place intranet site – included the organisation of the third edition of Bimbo Day, the day on which the company opens its doors to the children of its staff, creating an effective moment of contact between the professional and personal lives of the company's employees.

## Research and Development

The Technological Strategies Division worked on guaranteeing a single line of technological development in the Rai Group. The action is implemented by checking the consistency of the technological decisions made by the various structures with the Parent Company's overall strategies and through the functional coordination of the various internal technical operating structures to identify and exploit every synergy within the Group. Technological Strategies also comprise the Centre for Research and Technical Innovation in Turin, which also addresses Rai research towards operating projects and the implementation of new technologies in the production and dissemination system.

### Digital Regulatory Plan

With the expansion and differentiation of the distribution platforms, the Public Service broadcaster's role on the traditional platforms is confirmed and extended to those of a more innovative and multimedia nature. With this in mind, a 'Digital Regulatory Plan' has been drawn up to guide the Rai Group in its future technological choices to adapt the entire production process to the requirements of flexibility and effectiveness that convergence imposes and to feed an efficient multi-platform offering.

Activities in 2009 focused on:

- renewing the system to support the planning and broadcasting of programming;
- implementing the system for the management of content in digital format (Digital Asset Management);
- checking the advantages to using IT networks and equipment, also for audio-video contribution services, instead of IP-based solutions for national and international links.

## Staff

	31.12.2009	31.12.2008
<b>Executives &amp; equivalent</b>		
Executives	261	272
Journalists	328	330
Journalists	1,348	1,315
Middle management	1,131	1,139
White collars (including health staff)	2,476	2,491
Production staff	1,551	1,564
Cameramen	586	572
Directing staff	1,073	962
Technicians	130	131
Blue collars	944	972
Artistic staff	125	126
<b>Permanent Staff</b>	<b>9,953</b>	<b>9,874</b>

### Digital Terrestrial Television

In keeping with the deadlines set by the Ministry of Economic Development – Communications for the completion of the switchover to digital terrestrial television by 2012, during 2009, Rai went ahead with the switch-off of the analogue networks in Val d'Aosta, Western Piedmont, Trentino Alto Adige, Lazio and Campania, simultaneously activating the DTT multiplexes on the new frequencies assigned. The commitment to these issues covered various fronts. At international level, the 'Report on Transaction from Analogue to Digital Broadcasting', which intends to be an international guide to the conversion of the broadcasting networks. In terms of the switchover from analogue to digital, Rai monitored the technical quality of the service and supported users.

### High Definition Television (HDTV)

After an initial phase which witnessed, at EBU level, the Research Centre's leading role in experimentation and research with particular regard to the perception of HDTV in the various formats, Rai made a commitment to high definition, offering several proposals.

The switch-off of the analogue network made it possible to broadcast a RaiTest HD channel using one of the multiplexes. For the 2010 Vancouver Winter Olympics and the World Cup in South Africa, Rai will broadcast live in HD in the 1080i format (resolution of 1920x1080).

Rai also contributed to the drafting of technical specifications for the acquisition of HD products and pursued experiments on the HD Demo Channel, a satellite channel dedicated to technicians and fitters, in cooperation with Ses Astra.

Significant work was also carried out in 2009 of the 4K standard, which allows viewing 4 times more defined than current HD and reaches the quality of 35 mm film for the first time. *Torino 4k* is the first television broadcast in very high definition created using this standard.

The Technological Strategies Division also ensures the participation of Rai in HDForum Italia, the association between the main institutional or industrial parties in the television and audiovisual sector, which promotes the use of high definition content and technologies.

### Technical quality

Technological Strategies, with its sector dedicated to technical quality, is committed to coordinating activities carried out in relation to this subject in all company sectors and to the promotion of attention to quality on all Rai Group products/processes. Technical operating tables have been activated among editorial, productive, marketing and technical structures to increase the quality perceived by users on all genres.

An example of collaboration between company structures for quality, is the work team set up by the Technological Strategies Division together with NewCo Rai International to examine the technical problems lined with production, transport and dissemination of the Raitalia signal in Africa, Asia, the Americas, Australia and Europe. A system for the remote control of radio and television signals distributed via satellite in the various regions of the world has also been designed. Work is continuing in Milan, within the Rai CPTV, on the laboratory to improve the technical quality of theatre in TV and Radio, which collaborates with the main education institutions in the Milan area (Università Cattolica del Sacro Cuore, IULM and Statale, Scuole Civiche di

Milano), and with some of Milan's important theatres (CRT, Franco Parenti, Teatro I), in order to test the use of new technologies to improve the use of theatre in TV and Radio.

The commitment to quality was also aimed at constant monitoring to improve and maintain company quality standards. Activities include:

- the project to enhance the RadioRai service on MW and relative assessment of the perceived improvement;
- a new monitoring, data collection and broadcasting disservice analysis system with the preparation of reports for Company management;
- direct interfacing with users and with the Authorities following specific indications;
- the relationship with the Regional Communication Committees (Co.Re.Com.) to check and improve the quality perceived by users;
- a competition reserved for the fitters of aerials to improve the quality of Rai programming.

Glocal net-thinking: a local, national and international network

Rai is at the centre of initiatives and projects of national and international breadth to support a policy of exchanged collaboration to renew company functions. European institutions, leading companies and Universities are still the preferred partners of Technological Strategies and the Centre for Research.

Relationships have been developed with local interlocutors (e.g.: Corecom, territorial inspectorates), national interlocutors (e.g.: FUB, DGTVi, HDForum Italia, CEI) and international interlocutors (e.g.: BBC, NHK, EBU, UIT). The Division also made agreements with the worlds of industry,

standards boards and research (with organisations including Telecom Italia Lab, Microsoft, Alcatel-Lucent, Selex Communications, Vodafone, Radio Vaticana, San Marino RTV Ses Astra and Eutelsat), as well as with the academic world (Politecnico di Torino, Università La Sapienza di Roma).

Joint activities have concerned all the aspects of production and broadcasting, paying particular attention to the technological aspects which are best able to support the company's commitment to quality, innovation and the use of the service, with a few to improved efficiency and attention to the end user. The aspects focused on in 2009 were: mobile television (DVB-H and DVB-SH), Wi-Max, Open Internet TV and Web TV, infomobility, digital radio (DRM: Digital Radio Mondiale).

The strategic front of research

Rai's Centre for Research, Innovation and Tecnology (CRIT) is responsible for the on-site experimentation of new platforms and supports the Rai Group's engineering in the launch of new services, particularly for:

- High definition (HDTV), actively participating in the development of the DVB (Digital Video Broadcasting)-T2 system, capable of disseminating up to 3-4 HDTV programmes encoded in MPEG-4 for every television frequency (multiplex), thus improving the performances of first generation DVB-T. The on-site tests of the new system continued with the validation of the transmission systems and receiving equipment.
- Mobile TV and Digital Radio, with experimental services in relation to infomobility for use in mobile television systems (DVB-H and DVB-SH) and those more specific linked to the world of radiophony based on the DAB/DMB family. In both cases,

experiments in the Turin area and collaborations with the FIAT Research Centre are in progress.

- Archives, cooperating with Rai Teche and ICT for a multimedia documentation system of the company archives and an automated digitalisation system of Betacam cassettes.
- TV 'on demand', cooperating with the Company Divisions and technical standardisation organisations. Moreover a prototype system of 'Day-after TV' capable of making the content broadcast on air by the networks available on broadband by request of uses is being set up.
- Basic research, often made possible by international cooperation and funds for European and national researches, such as super-high definition television, known by technicians as '4K', 3D television and the development of innovative and patented audio recording systems, based on multi capsule microphones.
- Services for the disabled, to simplify access to information services.
- DTT, participating within the sphere of DGTVi/HDForum Italia in the definition of the specifications of the various types of receivers and relative names (SD, HD, Broadband) and supplying support for the validation and update via ether of the receiver SW on the market.

The international network

The CRIT holds prestigious assignment within the following international organisations:

- the Presidency of the Technical Committee and the Broadcasting Committee of the EBU (European Broadcasters Union);
- the leading of the DVB committee for the DVB-S2 satellite platform;
- participation in the DVB-T2, C2 and NGH technical groups.

It is also involved in various projects funded by the European Union.

## Intercompany transactions

In 2009, the Rai Group continued to function on the basis of a decentralised organisational model in which certain activities are carried out by companies specifically set up for the purpose.

Relations with subsidiaries and associated companies are all based on standard negotiations conducted with reference to current market values.

Certain services, such as accounting and administration, personnel, real estate, legal affairs, research and development, and the management of information systems, are centrally managed for some companies.

Rai also has a centralised treasury management relationship with its subsidiaries in order to ensure the coverage of financing needs and to optimise the investment of available liquidity.

**Financial highlights of subsidiaries** (in millions of euros)

Company	Revenues		Gross operating margin		Operating profit		Net profit/loss	
	2009	2008	2009	2008	2009	2008	2009	2008
Rai Cinema	376.3	372.0	319.1	291.7	64.7	36.3	40.9	16.4
01 Distribution	73.5	100.7	0.8	0.7	0.4	0.2	0.0	0.1
Rai Click	0.0	7.5	0.0	- 0.6	0.0	- 1.5	0.0	- 1.2
Rai Corporation (*)	19.2	23.3	1.3	1.4	0.0	0.1	- 0.3	0.2
NewCo Rai International	5.2	1.9	0.4	- 0.4	- 1.6	- 0.5	- 1.7	- 0.6
RaiNet	15.8	15.7	2.6	2.3	1.8	1.7	1.6	1.6
RaiSat	63.2	72.4	25.7	25.1	9.8	10.8	5.1	7.0
Rai Trade	76.4	79.2	16.5	18.1	5.1	6.5	2.4	2.6
Rai Way	205.2	195.4	65.2	57.5	25.6	22.8	15.0	19.7
Sipra	998.2	1,197.0	7.4	13.6	2.3	7.3	1.5	5.5

(\*) millions of dollars

**Equity highlights of subsidiaries** (in millions of euros)

Company	Shareholders' equity		Net financial positions		Investments		Staff (b)	
	2009	2008	2009	2008	2009	2008	2009	2008
Rai Cinema	257.9	232.5	-167.9	-198.3	227.5	243.9	59	60
01 Distribution	0.7	0.7	- 2.4	- 1.0	-	-	28	27
Rai Click	0.0	1.4	0.0	0.3	0.0	0.0	-	-
Rai Corporation (a)	9.6	9.9	4.3	2.4	0.2	0.4	46	47
NewCo Rai International	0.1	0.3	- 3.5	- 1.4	1.7	1.1	2	-
RaiNet	8.1	7.9	4.9	6.6	0.5	0.8	45	45
RaiSat	11.9	13.7	- 12.0	1.2	16.7	16.0	77	76
Rai Trade	18.2	18.3	5.5	4.3	11.3	12.1	90	89
Rai Way	117.7	121.3	- 57.5	- 6.0	76.8	59.0	653	656
Sipra	26.9	30.4	28.5	20.3	6.1	2.9	434	435

(a) millions of dollars

(b) includes staff on permanent contracts, and staff on work training and apprenticeship contracts

**Transactions between Rai and Group companies** (in thousands of euros)

	Miscellaneous trading relations				Financial relationships				Memorandum accounts		
	Receivables	Payables	Costs (a)	Revenues	Receivables	Payables	Costs	Revenues	Guarantees	Commitments	Other
Rai Corporation	161	3,570	13,261	772	-	2,600	4	-	2,499	-	-
Sipra	324,584	6,055	920	913,142	2,164	30,556	219	5,048	76,768	-	2,164
Rai Way	11,742	66,545	165,259 (b)	16,158 (b)	57,478	-	-	19,154	2,600	-	-
Rai Trade	11,503	10,664	14,853	19,188	-	6,046	56	2,500	7,488	-	-
RaiSat	16,890	35,185	26,647	14,193	11,958	-	1	6,680	-	158	-
RaiNet	1,043	6,449	12,831	2,706	-	4,913	53	1,499	-	-	-
NewCo Rai International	669	2,873	4,335	1,756	3,462	-	-	50	231	-	-
Rai Cinema	24,974	22,489	327,019	10,898	167,898	24	..	19,760	-	24,210	-
O1 Distribution	164	345	-	24	2,843	-	10	17	540	-	-
San Marino RTV	105	4,664	55	270	-	146	1	1	-	-	516
Auditel	4	-	5,925	-	-	-	11	-	2,582	-	-
Audiradio	90	-	1,508	-	-	-	-	-	-	-	-
Secemie	-	-	2,000	-	-	-	-	81	-	-	-
Sacis	4	5	-	13	-	5,045	-	-	70	-	-
Tivù	73	690	2,301	179	-	-	-	-	-	-	-
	<b>392,006</b>	<b>159,534</b>	<b>576,914</b>	<b>979,299</b>	<b>245,803</b>	<b>49,330</b>	<b>355</b>	<b>54,790</b>	<b>92,778</b>	<b>24,368</b>	<b>2,680</b>

(a) of which capitalized:

- Rai Trade	157
- Rai Cinema	40
- Rai Corporation	10
- Sipra	12

(b) of which:

- losses/gain from disposal of tangible assets	71	10
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## Significant post-period events

From 1 January 2010, the licence fee was set at 109.00 euros, rising 1.50 euros on the previous year's fee.

On 18 March 2010, Rai, within the scope of the strategy pursued for the DTT platform, also following the failure to renew the agreement with Sky, purchased the 5% investment in RaiSat held by RCS MediaGroup.

The Rai Group holds the entire share capital of RaiSat and will go ahead during the year with the merger by incorporation of the subsidiary, which has now become a productive factory for the sole benefit of the Rai Group, into the Parent Company.

## Outlook

The global economy is recovering, but not on an even basis. Growth for the advanced economies should be modest, even in comparison to previous experiences of recovery from recession. The recovery in Italy in particular is expected to be slow, with marked uncertainty linked especially to the trends of the international cycle and labour market conditions.

In this context, following a 2009 characterised by a significant reduction in income from advertising, market estimates for 2010 are still rather cautious, assuming a slightly positive sign, indicating the end of the critical phase. However, considering the high level of uncertainty and volatility, forecasts could change significantly. According to the schedule for the switchover to DTT, 2010 will be the central year, in which the platform will undergo most development and – in line with the increased competition between the platforms, the traditional business models adopted by operators will undergo an extensive review. 2010 will also be the year in which the strategic positions of the main players in the new competitive arena will be defined.

Consequently 2010 will be a particular important year for Rai.

The company has to reconcile two opposing needs: to pursue the structural recovery of the company's income statement and strengthen its role on the digital terrestrial platform, which is vital to the Company's repositioning which is, in turn, of essential importance to its future. In terms of technological investments alone, this project will use up resources of almost 100 million euros in 2010.

The economic forecasts for 2010 which, like every other year, will have to bear the cost of important international sporting events, the Vancouver Winter Olympics and the World Cup in South Africa, with an impact somewhere in the region of 120 million euros, show a downtrend.

However, Rai has set up an articulated corrective manoeuvre extended to all areas of the company and the subsidiaries, which will enable significant reduction of the prospective imbalance.

This manoeuvre includes the continuation of important interventions on operating management, with general actions to improve efficiency and rationalise costs, and the gradual launch of action to downsize non-strategic activities for the Group's prospective positioning.

However, due to the large amount of costs which cannot be reduced and also to operations carried out in 2008-2009, actions to optimise expenditure, with industrial and productive arrangements that are almost constant, may lead to improvements which do not solve the problems of the income statement.

So the handling of resources becomes of the utmost importance.

Considering that it is impossible to entrust the support of Rai's recovery and development projects to a quick recovery of the advertising market, the rebalance has to rely on public resources, which are structurally insufficient compared to the costs sustained by Rai for activities assigned by Law to the Service Contract.

Once again in 2010, the per-unit licence fee has been increased in line with inflation. Consequently, in relation to the effects on the year in progress, positive results could derive from a prompt review of the mechanisms to contrast evasion which, as we all know, are blatantly inadequate to cope with the phenomenon which is pathological.

## Supplemental information

With regard to the technical requirements associated with the obligation of preparing consolidated financial statements, pursuant to Article 16, paragraph of the Articles of Association, Rai may exercise the option envisaged under Article 2364 of the Civil Code, whereby the company may call an Ordinary Shareholders' Meeting to approve the financial statements within 180 days of the close of the financial year.

As regards the so-called 'administrative' responsibility introduced by Legislative Decree no. 231/2001, the Rai Group applies the Organisation, management and control model compliant with the aforementioned Legislative Decree, and the Oversight Committee, with independent powers of initiative and control is also operational, with the task of overseeing the implementation of the 'model' and updating it.

The 'model' is undergoing adaptation in relation to the changes introduced by the legislator regarding 'presumed' crimes, which have increased considerably in relation to initial expectations as time has gone by.

As regards privacy and data security, Rai has taken the following general measures:

- the adoption of a privacy-compliant model of organisation (in accordance with the Organisational Directive DG/0122 issued by the General Manager on 2 December 2005);
- the review, as reported, of the Rai security policy document.

Finally, we report that the company holds no treasury stock, either directly or through trust companies or other third parties, and that the company did not purchase or sell such shares during the year.

## Recommendation to Shareholders

The Board of Directors recommends:

- the approval of the draft statutory financial statements of Rai which consist of a Balance Sheet, Income Statement and Notes to the Financial Statements, which close with a loss of 79,929,950.22 euros, as well as the approval of the Report on Operations;
- the covering of the loss of 79,929,950.22 euros by the utilization of:
  - *Other Reserves – Merger surplus* for this amount.



**Rai**



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– in statutory form**
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**Rai**



**Parent Company Balance Sheet  
and Income Statement**

(Statutory form)

**Balance Sheet - Assets** (in euros)

	31.12.2009	31.12.2008
A) SUBSCRIBED CAPITAL UNPAID	-	-
B) NON-CURRENT ASSETS		
I. INTANGIBLE ASSETS		
3.- Industrial patents and intellectual property rights	234,439,822	274,704,358
4.- Concessions, licences, trademarks and similar rights	21,328,025	24,703,804
6.- Intangible assets under development and payments on account	194,908,720	150,570,413
7.- Other intangible assets	11,743,494	10,664,781
<b>TOTAL INTANGIBLE ASSETS</b>	<b>462,420,061</b>	<b>460,643,356</b>
II. TANGIBLE ASSETS		
1.- Land and buildings	128,418,385	146,095,848
2.- Plant and machinery	110,469,954	110,289,844
3.- Industrial and sales equipment	5,605,923	6,168,906
4.- Other assets	30,492,849	29,533,934
5.- Tangible assets under construction and payments on account	58,867,144	52,879,883
<b>TOTAL TANGIBLE ASSETS</b>	<b>333,854,255</b>	<b>344,968,415</b>
III. NON-CURRENT FINANCIAL ASSETS		
1.- Equity investments in		
a) subsidiaries	304,046,141	305,716,493
b) associated companies	1,611,662	1,611,662
d) other companies	777,203	708,806
	306,435,006	308,036,961
2.- Receivables		
d) other		
due within 1 year	181,710	226,416
due after 1 year	4,536,974	4,449,932
	4,718,684	4,676,348
3.- Other securities	3,762,582	3,769,420
<b>TOTAL NON-CURRENT FINANCIAL ASSETS</b>	<b>314,916,272</b>	<b>316,482,729</b>
<b>TOTAL NON-CURRENT ASSETS</b>	<b>1,111,190,588</b>	<b>1,122,094,500</b>

follows



**Balance Sheet - Assets** (in euros)

	31.12.2009	31.12.2008
C) CURRENT ASSETS		
I. INVENTORIES		
1.- Raw materials, supplies and consumables	404,456	497,094
4.- Finished goods and merchandise	221,329	215,359
<b>TOTAL INVENTORIES</b>	<b>625,785</b>	<b>712,453</b>
II. RECEIVABLES		
1.- customers	391,201,622	198,514,645
2.- subsidiaries	637,328,704	602,086,241
3.- associated companies	271,114	73,989
4.bis- tax receivables	53,250,519	36,175,265
4.ter- deferred tax assets		
due within 1 year	28,772,796	9,860,884
due after 1 year	1,240,000	842,000
5.- other		
due within 1 year	99,875,394	53,800,605
due after 1 year	12,240,374	101,277,061
<b>TOTAL RECEIVABLES</b>	<b>1,224,180,523</b>	<b>1,002,630,690</b>
III. CURRENT FINANCIAL ASSETS	-	-
IV. CASH AND CASH EQUIVALENTS		
1.- Bank and post office deposits	19,502,713	31,860,769
2.- Cheques	8,637	13,719
3.- Cash and cash equivalents on hand	380,900	327,105
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>19,892,250</b>	<b>32,201,593</b>
<b>TOTAL CURRENT ASSETS</b>	<b>1,244,698,558</b>	<b>1,035,544,736</b>
D) ACCRUED INCOME AND PREPAID EXPENSES	37,629,792	33,830,564
<b>TOTAL ASSETS</b>	<b>2,393,518,938</b>	<b>2,191,469,800</b>

**Balance Sheet - Liabilities** (in euros)

	31.12.2009	31.12.2008
A) SHAREHOLDERS' EQUITY		
I. SHARE CAPITAL	242,518,100	242,518,100
IV. LEGAL RESERVE	6,977,058	6,977,058
VII. OTHER RESERVES	327,544,027	358,444,071
VIII. PROFITS (LOSSES) BROUGHT FORWARD	-	5,861,185
IX. NET PROFIT (LOSS) FOR THE YEAR	(79,929,950)	(37,010,139)
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>497,109,235</b>	<b>576,790,275</b>
B) PROVISIONS FOR RISKS AND CHARGES		
1.- provision for pension and similar liabilities	152,614,315	153,977,957
2.- current and deferred taxes	12,564,493	26,369,003
3.- other	232,404,662	242,645,031
<b>TOTAL PROVISIONS FOR RISKS AND CHARGES</b>	<b>397,583,470</b>	<b>422,991,991</b>
C) PROVISION FOR STAFF SEVERANCE PAY	322,350,989	334,525,663
D) PAYABLES		
4.- Due to banks	163,734,075	2,377,179
6.- Advances	990,033	287,133
7.- Suppliers	537,615,914	456,591,047
9.- Subsidiaries	203,306,981	155,669,109
10.- Associated companies	5,499,973	3,260,855
12.- Tax payables	60,291,204	54,938,155
13.- Welfare and social security institutions	49,623,604	42,661,269
14.- Other payables	101,825,126	88,672,216
<b>TOTAL PAYABLES</b>	<b>1,122,886,910</b>	<b>804,456,963</b>
E) ACCRUED EXPENSES AND DEFERRED INCOME	53,588,334	52,704,908
<b>TOTAL LIABILITIES</b>	<b>2,393,518,938</b>	<b>2,191,469,800</b>

**Memorandum accounts** (in euros)

	31.12.2009	31.12.2008
1.- Unsecured guarantees granted		
a) Sureties:		
- in favour of subsidiaries	87,696,405	72,282,308
- in favour of associated companies	2,582,285	2,582,285
- in favour of others	178,933	224,166
	90,457,623	75,088,759
c) Other:		
- in favour of subsidiaries	2,498,959	2,874,183
	2,498,959	2,874,183
<b>Total unsecured guarantees granted</b>	<b>92,956,582</b>	<b>77,962,942</b>
2.- Secured guarantees granted		
b) for own commitments other than payables	3,730,000	3,762,000
c) for debt recorded in the balance sheet	50,561,130	50,561,130
<b>Total secured guarantees granted</b>	<b>54,291,130</b>	<b>54,323,130</b>
3.- Purchase and sale commitments	80,299,110	78,500,349
4.- Other	388,867,555	296,991,548
	<b>616,414,377</b>	<b>507,777,969</b>

**Income Statement** (in euros)

	31.12.2009	31.12.2008
<b>A) PRODUCTION VALUE</b>		
1.- Revenues from sales and services	2,895,617,234	2,878,438,101
2.- Changes in inventories of work in progress, semifinished and finished goods	5,969	10,681
4.- Internal cost capitalisations	15,417,502	14,727,917
5.- Other production-related income		
a) operating grants	3,191,709	2,431,704
b) gains on disposal of assets	418,427	189,507
c) other	121,032,034	161,941,036
	<u>124,642,170</u>	<u>164,562,247</u>
<b>TOTAL PRODUCTION VALUE</b>	<b>3,035,682,875</b>	<b>3,057,738,946</b>
<b>B) PRODUCTION COSTS</b>		
6.- Raw materials, supplies, consumables and merchandise	(23,054,490)	(25,941,589)
7.- Services	(838,301,736)	(831,025,936)
8.- Use of third-party assets	(910,058,059)	(857,690,095)
9.- Personnel		
a) wages and salaries	(653,621,219)	(651,492,113)
b) social security contributions	(181,565,669)	(176,029,554)
c) staff severance pay provision	(44,192,509)	(46,535,686)
d) pension and similar costs	(13,258,170)	(14,548,474)
e) other costs	(10,910,530)	(14,108,455)
	<u>(903,548,097)</u>	<u>(902,714,282)</u>
10.- Amortisation, depreciation and writedowns		
a) amortisation of intangible assets	(280,915,749)	(274,395,065)
b) depreciation of tangible assets	(70,393,784)	(82,896,158)
c) other non-current asset writedowns	(25,374,919)	(22,596,802)
d) writedowns of current receivables and cash and cash equivalents	(1,774,498)	(1,307,081)
	<u>(378,458,950)</u>	<u>(381,195,106)</u>
11.- Changes in inventories of raw materials, supplies, consumables and merchandise	(92,638)	(155,872)
12.- Provisions for risks	(27,568,945)	(13,008,576)
13.- Other provisions	(1,740,188)	(1,618,515)
14.- Miscellaneous operating costs		
a) asset disposal losses	(286,336)	(537,726)
b) concession fee	(29,519,606)	(29,179,861)
c) other	(67,239,767)	(68,894,470)
	<u>(97,045,709)</u>	<u>(98,612,057)</u>
<b>TOTAL PRODUCTION COSTS</b>	<b>(3,179,868,812)</b>	<b>(3,111,962,028)</b>
<b>Operating result</b>	<b>(144,185,937)</b>	<b>(54,223,082)</b>

follows

**Income Statement** (in euros)

	31.12.2009	31.12.2008
<b>C) FINANCIAL INCOME AND CHARGES</b>		
15.- Income from equity investments		
a) dividends from subsidiaries	49,681,979	26,519,213
b) dividends from associated companies	80,696	-
	<u>49,762,675</u>	<u>26,519,213</u>
16.- Other financial income		
a) from non-current receivables		
. other	21,932	34,353
	<u>21,932</u>	<u>34,353</u>
b) from non-current securities other than equity investments	83,233	175,711
d) financial income other than the above		
. interest and commissions from subsidiaries	5,025,233	12,238,979
. interest and commissions from associated companies	974	-
. interest and commissions from others and miscellaneous income	280,225	2,460,869
	<u>5,306,432</u>	<u>14,699,848</u>
17.- Interest and other financial charges		
a) interest and commissions payable to subsidiaries	(343,674)	(2,877,390)
b) interest and commissions payable to associated companies	(640)	(15,647)
d) interest and commissions payable to others and miscellaneous charges	(4,570,152)	(4,873,778)
	<u>(4,914,466)</u>	<u>(7,766,815)</u>
17 bis.- Foreign exchange gains and losses - net	805,853	(4,066,535)
<b>TOTAL FINANCIAL INCOME AND CHARGES</b>	<b>51,065,659</b>	<b>29,595,775</b>
<b>D) VALUE ADJUSTMENTS TO FINANCIAL ASSETS</b>		
18.- Revaluations		
a) of equity investments	199,961	2,139,526
	<u>199,961</u>	<u>2,139,526</u>
19.- Writedowns		
a) of equity investments	(2,132,970)	(559,057)
	<u>(2,132,970)</u>	<u>(559,057)</u>
<b>TOTAL VALUE ADJUSTMENTS TO FINANCIAL ASSETS</b>	<b>(1,933,009)</b>	<b>1,580,469</b>
<b>E) EXCEPTIONAL INCOME AND CHARGES</b>		
20.- Exceptional income		
b) out-of-period gains and reversal of non-existent liabilities	4,960,140	1,027,820
	<u>4,960,140</u>	<u>1,027,820</u>
21.- Exceptional charges		
c) other	(6,663,968)	-
	<u>(6,663,968)</u>	<u>-</u>
<b>TOTAL EXCEPTIONAL INCOME AND CHARGES</b>	<b>(1,703,828)</b>	<b>1,027,820</b>
<b>Result before taxes</b>	<b>(96,757,115)</b>	<b>(22,019,018)</b>
22.- Current income taxes for the year and deferred tax charges and credits	16,827,165	(14,991,121)
<b>23.- Net profit (loss) for the year</b>	<b>(79,929,950)</b>	<b>(37,010,139)</b>



**Rai**



**Notes to the Parent Company  
financial statements**



## 1) Activity of the company

Rai-Radiotelevisione italiana SpA (hereinafter Rai) is exclusively assigned the public service broadcasting of radio and television programmes using any technical media.

Following authorisation by the Italian Ministry of Communications, the company may enlist the aid of subsidiaries for activities relating to the performance of the pertinent services.

Rai's operations must be conducted in compliance with the applicable regulations in force contained in Law 103 of 14 April 1975 ("New regulations governing radio and television broadcasting"), Law 223 of 6 August 1990 ("Regulation of the public and private radio and television system"), the "Measures governing the concession holder for the public radio and television broadcasting service" issued with Law 206 of 25 June 1993 and subsequent amendments, Law 249 of 31 July 1997 on the "Establishment of the Communications Authority and regulations governing telecommunications and the radio and television system" and Law 112 of 3 May 2004 ("Regulations establishing principles for the organization of the radio and television system and Rai-Radiotelevisione Italiana SpA, as well as granting authority to the Government to issue a consolidated radio and television law"). With Legislative Decree 177 of 31 July 2005 approval was given to the Consolidated Law governing Radio and Television, incorporating additional clauses, amendments and cancellations necessary for the co-ordination of the services or their proper implementation. The Consolidated Law also contains the provisions of Law 112/04, relating to the radio and television general public service and, consequently, articles 3 and 5 of Law 206/93 not repealed by Law 112/04.

The general public radio and television service concession is assigned to Rai until 6 May 2016, on the basis of the Consolidated Law governing Radio and Television, issued with article 49 of Legislative Decree 177 of 31 July 2005.

Article 45 of the same Consolidated Law envisages that the general public radio and television service be provided by the concession holder on the basis of a National Service Agreement lasting three years, entered into with the Italian Ministry of Communications, identifying the rights and obligations of the concession holder.

With ministerial decree of 6 April 2007, published in Official Gazette no. 123 of 29 May 2007, approved the National Service Contract entered into on 5 April 2007 between the Ministry of Communications and Rai for 2007-2009.

The contract became valid the day following its publication and expired on 31 December 2009. Negotiations for its renewal are underway.

The rationale underlying the above regulatory framework lies in the public interest functions entrusted to the concession holder. Under these regulations, Rai has special institutional characteristics and operating constraints, in addition to the specific obligations undertaken with the Service Contract.

## 2) Introduction

The Parent Company financial statements at 31 December 2009 are prepared in conformity with the relevant provisions of the Italian Civil Code. They are supplemented with annexes featuring the reclassified statements comprised of tables for the analysis of the balance sheet and income statement, and of cash flows.

The financial statements are expressed in euros, without decimals; the Notes to the financial statements and the related detailed Schedules are stated in thousands of euros.

In order to render the financial statements as at 31 December 2009 fully comparable with those of the preceding year, certain items have been reclassified.

With regard to the merger by incorporation of Rai Click SpA completed during the year, schedule 42 was drawn up, disclosing the information required by the laws on the first financial statements for the year following merger.

Rai's financial statements have been audited by PricewaterhouseCoopers SpA, which has also been engaged to conduct the audit procedures under Article 2409 *bis* of the Civil Code, in accordance with the resolution of the Shareholders' Meeting of 16 July 2007.

### 3) Accounting policies

Before examining the individual items, we have provided an overview of the main accounting policies used in drafting the financial statements, which were adopted from the perspective of the Company as a going concern and comply with the provisions of Articles 2423 et seq. of the Civil Code. Such policies are unchanged from those applied in the preceding year. There are no exceptional cases requiring derogation from the requirements under Article 2423-bis et seq. of the Civil Code.

a) Industrial patents and intellectual property rights:

The acquisition and production costs of programmes, composed of external costs that can be allocated directly to each project and the cost of internal resources used to create programmes, are recorded according to the following criteria:

- 1) costs for repeat-use television productions are capitalised under intangible assets and, if such productions are usable at year-end, are carried under industrial patents and intellectual property rights and amortised on a straight-line basis over the period of their estimated useful life. If such programmes are not yet usable at year-end, the costs are carried under intangible assets under development and payments on account.

The objective difficulty of establishing an appropriate correlation between advertising revenues and licence fees and the amortisation of the rights, which is further complicated by the many ways in which they can be used, has prompted Rai to designate three years as the useful life of repeat-use programmes, represented by TV series, cartoons and comedies, and four years for that of library exploitation rights for sports events.

Costs for concession rights with a shorter duration are amortised over the period they are available.

In addition, an impairment provision has been established for programmes for which transmission or re-broadcasting is at risk.

- 2) Costs for immediate-use television programmes are expensed in a single year, which is normally that in which they are used. More specifically:

- *News, light entertainment and all radio programming.* Costs are expensed in the year in which they are incurred, which is normally the year in which the programmes are broadcast.
- *Sports events.* Costs are booked to the year in which the event takes place.
- *Documentaries.* Costs are charged against income in a single amount at the time the programmes are ready for broadcasting or the rights are usable.

- b) Software licences are carried with industrial patents and intellectual property rights net of amortisation and are amortized over three years from the year they enter service.
- c) Costs incurred for the construction of the digital terrestrial network are capitalised under intangible assets net of amortisation and amortised on a straight-line basis over the forecast period of use from the date the service is activated.
- d) Trademarks are amortized over ten years from the year they enter service.
- e) Deferred charges are carried under other intangible assets net of accumulated amortisation. They regard improvements to leased or licensed property and accessory charges applied to loans. Amortisation for leasehold improvements is determined on the basis of the shorter of the residual duration of the related contracts and the estimated period of benefit of the costs, calculated using amortisation rates which reflect the rate of economic deterioration of the relative assets. Accessory charges applied to loans are amortised in relation to the duration of the loan.
- f) Tangible non-current assets – which are shown net of accumulated depreciation – are recorded at cost, increased by internal personnel costs incurred in preparing them to enter service, and revaluations pursuant to laws. The costs of tangible non-current assets as determined above are depreciated in accordance with Article 2426 (2) of the Civil Code. Ordinary maintenance costs are expensed in the year in which they are incurred.

- g) Equity investments are carried at purchase cost adjusted in the event of permanent impairment in value. The value of companies with negative shareholders' equity is set at zero and Rai's share of the deficit is specifically provided for under the provisions for risks and charges. Adjustments for permanent impairment are reversed in the event that such impairment is subsequently recovered due to sufficient operating earnings by the investee company.
- h) Fixed-income securities carried as non-current financial assets are valued at purchase cost. Positive or negative differences between purchase cost and redemption value are taken to income in the amount accruing for the year.
- i) Non-current assets which, at the balance sheet date, have suffered a permanent impairment in value, are carried at the lower value. Should the reasons for the writedown made in previous years no longer apply, the assets are revalued within the limits of the amount of the writedown.
- j) Other securities carried under current financial assets are valued at the lower of purchase cost – determined as the weighted average cost – and estimated realisable value, which is given by market value.
- k) Inventories of raw materials, supplies and consumables (technical materials) are valued at purchase cost, which is determined on the basis of weighted average cost, written down taking account of market trends and estimated non-use due to obsolescence and slow turnover. Inventories of items for resale (relating to periodicals and book publishing) are carried at the lower of purchase cost, which is determined on the basis of weighted average cost, and estimated realisable value as determined by market prices.
- l) Accrued income and prepaid expenses, and accrued expenses and deferred income, are recorded on an accruals basis for the individual entries.
- m) Provisions for pension and similar liabilities, which comprise the provision for supplementary staff severance pay, the social security benefits provision and the company supplementary pension fund, are made in accordance with collective bargaining agreements. The Company supplementary pension fund is valued on the basis of an actuarial appraisal.
- n) The provision for taxes includes probable tax liabilities arising out of the settlement of tax disputes and includes deferred tax liabilities calculated on timing differences which have resulted in lower current taxes. Deferred tax assets arising from charges which are tax-deductible on a deferred basis and from tax losses are taken up under Current Assets caption 4 *ter* ("Deferred tax assets") if there is reasonable certainty that they will be recovered in the future.
- o) Other provisions for risks and charges include provisions to cover specific losses or liabilities, the existence of which is certain or probable, but the amount or date of occurrence of which is uncertain. They are set up on a case-by-case basis in relation to specific risk positions and their amount is determined on the basis of reasonable estimates of the liability that such positions could generate.
- p) The provision for staff severance pay is determined in conformity to applicable law and labour contracts. It reflects the accrued entitlement of all employees at the balance-sheet date net of advances already paid.
- q) Payables are shown at nominal value; receivables are carried at estimated realisable value, net of the provision for bad debts as determined on the basis of a case-by-case assessment of the solvency risks of the individual debtors.
- r) Payables and receivables denominated in currencies other than the Euro – with the exception of hedged positions, which are valued at the rate applying to the financial instrument – are recorded at the exchange rates applying at the balance sheet date. Profits and losses ensuing from such conversion are taken to the income statement as components of financial income or expense. Any net profit is taken to a specific non-distributable reserve until the profit is realised.
- s) Payments on account include advances paid by customers for services that have not yet been performed.
- t) Costs and revenues are taken to the income statement on a consistently applied accruals basis.
- u) Dividends are taken to income in the year in which they are received.

- v) Income taxes are recorded on the basis of an estimate of taxable income in conformity with applicable regulations, taking account of deferred tax positions. The tax liability to be settled on presentation of the tax declaration is carried under taxes payable, together with liabilities relating to taxes already assessed and due.

The Company has opted for the Group to be taxed on a consolidated basis and accordingly, as the consolidating entity, attends to all requirements connected with the settlement of IRES tax for all companies within the consolidated taxation arrangement.

The consolidation of the group's taxable income is regulated by an agreement between the Parent Company and the subsidiaries.

The fundamental principles at the basis of this agreement are neutrality (absence of negative effects for the single companies), proportional use of losses and their integral reintegration on the basis of the IRES rate in force at the time of use, offsetting revenues.

- w) In order to hedge interest rate and exchange rate risk, the Company uses derivative contracts to hedge net exposures arising from specific transactions. Interest differentials to be collected or paid on interest rate swaps are taken to the income statement on an accruals basis over the duration of the contract. Accrued interest differentials that have not been settled at the end of the year or which have been settled before they actually accrue are taken to accrued income and prepaid expenses, or accrued expenses and deferred income, as the case may be. Derivative contracts hedging exchange rate risks are used to cover contractual commitments in foreign currencies and entail adjusting the value of the underlying item. The premium or discount arising from the differential between the spot and future exchange rates for hedging transactions carried out via future acquisition of value and premiums paid in relation to options is taken to the income statement over the duration of the contract.

If the market value of derivatives contracts that do not fully qualify for hedge accounting presents a negative value, a specific risk provision is set up for said value.

- x) Collections are recorded by bank transaction date; for payments account is likewise taken of the instruction date.

## 4) Parent Company balance sheet

### Assets

#### Non-current assets

#### Intangible assets

This caption includes the cost of non-physical factors of production with lasting utility, net of amortisation and writedowns in the event of permanent impairment of value.

Intangible Assets (thousands of euros)											Schedule 1		
	31.12.2008 (a)			Changes during the year							31.12.2009		
	Costs	Amortisat.	Book value	Rai Click Merger			Increases and capitalis.	Reclassific.	Writedowns, eliminations and disposals	Amortisat.	Costs	Amortisat.	Book value
				Costi	Am- mort.	Tot.							
Industrial patents and intellectual property rights:													
programmes (b)	601,209	(295,254)	305,955	-	-	-	163,902	93,528	-	(294,320)	858,639	(589,574)	269,065
provision for impairment of programmes being amortised	(49,961)	18,710	(31,251)	-	-	-	-	-	(25,375)	21,258	(75,336)	39,968	(35,368)
software licenses	-	-	-	-	-	-	875	239 (e)	-	(371)	1,114	(371)	743
	<b>551,248</b>	<b>(276,544)</b>	<b>274,704</b>	-	-	-	<b>164,777</b>	<b>93,767</b>	<b>(25,375)</b>	<b>(273,433)</b>	<b>784,417</b>	<b>(549,977)</b>	<b>234,440</b>
Concessions, licences, trademarks and similar rights	128	(91)	37	8	(5)	3	-	-	(2)	(13)	134	(109)	25
Digital terrestrial	40,537	(15,870)	24,667	-	-	-	-	-	-	(3,364)	40,537	(19,234)	21,303
	<b>40,665</b>	<b>(15,961)</b>	<b>24,704</b>	<b>8</b>	<b>(5)</b>	<b>3</b>	-	-	<b>(2)</b>	<b>(3,377)</b>	<b>40,671</b>	<b>(19,343)</b>	<b>21,328</b>
Intangible assets under development and payments on account:													
programmes (c)	148,845	-	148,845	-	-	-	135,492	(93,528)	-	-	190,809	-	190,809
software licenses	239	-	239	-	-	-	1,715	(239)	-	-	1,715	-	1,715
capitalisation of leasehold improvements	1,486	-	1,486	-	-	-	1,114	(1,415)	-	-	1,185	-	1,185
other rights	-	-	-	-	-	-	1,200	-	-	-	1,200	-	1,200
	<b>150,570</b>	-	<b>150,570</b>	-	-	-	<b>139,521</b>	<b>(95,182)</b>	-	-	<b>194,909</b>	-	<b>194,909</b>
Other													
long-term costs relating to third-party property (d)	43,121	(32,606)	10,515	-	-	-	2,234	1,421 (f)	-	(3,626)	46,776	(36,232)	10,544
accessory charges on loans	-	-	-	-	-	-	1,529	-	-	(430)	1,529	(430)	1,099
other rights	250	(100)	150	-	-	-	-	-	-	(50)	250	(150)	100
	<b>43,371</b>	<b>(32,706)</b>	<b>10,665</b>	-	-	-	<b>3,763</b>	<b>1,421</b>	-	<b>(4,106)</b>	<b>48,555</b>	<b>(36,812)</b>	<b>11,743</b>
	<b>785,854</b>	<b>(325,211)</b>	<b>460,643</b>	<b>8</b>	<b>(5)</b>	<b>3</b>	<b>308,061</b>	<b>6</b>	<b>(25,377)</b>	<b>(280,916)</b>	<b>1,068,552</b>	<b>(606,132)</b>	<b>462,420</b>

(a) Includes only amounts not fully amortised at 31 December 2009, with the exception of the provision for impairment on programmes being amortised, which is shown net of the portion utilised, and of other intangible assets which include fully amortised leasehold improvement costs relating to unexpired lease contracts (see note (d))

(b) Book values:

. not fully amortised	601,209	(295,254)	305,955							556,736	(287,671)	269,065
. fully amortised	291,755	(291,755)	-							301,903	(301,903)	-
	<b>892,964</b>	<b>(587,009)</b>	<b>305,955</b>							<b>858,639</b>	<b>(589,574)</b>	<b>269,065</b>

(c) Costs for intellectual property rights under development at 31 December 2009 that are not reclassified under intangible assets being amortised by December 2008. They relate to rights accruing subsequent to 31 December 2009 or still to be defined, as well as to internally produced programmes not yet completed at that date. They relate in any event to the cost of programmes expected to be used in the future.

(d) Long-term costs relating to third-party property, with book values:

. not fully amortised	38,206	(27,691)	10,515								41,134	(30,590)	10,544
. fully amortised - with contract ongoing	4,915	(4,915)	-								5,505	(5,505)	-
	<b>43,121</b>	<b>(32,606)</b>	<b>10,515</b>								<b>46,639</b>	<b>(36,095)</b>	<b>10,544</b>
. fully amortised - with contract expired	-	-	-								137	(137)	-
	<b>43,121</b>	<b>(32,606)</b>	<b>10,515</b>								<b>46,776</b>	<b>(36,232)</b>	<b>10,544</b>

(e) changes for reclassifications of intangible assets under development and payments on account for 239 thousand euros and for tangible assets, eliminated

. costs	179
. amortisation	(179)

(f) changes for reclassifications of intangible assets under development and payments on account for 1,415 thousand euros and for tangible assets for:

. costs	6
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### Industrial patents and intellectual property rights.

As indicated in Schedule 1, they amount to 234,440 thousand euros, as follows:

- 233,697 thousand euros for the cost of television programmes available for use, and compared with the figure as at 31 December 2008, shows a net decrease of 41,007 thousand euros. The aforementioned decrease is represented by the difference between new assets for 257,430 thousand euros (of which 93,528 thousand euros transferred from *non-current assets under development and payments on account* for rights that became available during the year), a writedown against the risk of non-transmission and/or repeatability of certain programmes, amounting to 25,375 thousand euros, and the amortisation charge for the year of 273,062 thousand euros.
- 743 thousand euros refers to software licences, which amounted to zero as at 31 December 2008. This value is represented by the difference between new assets for 1,114 thousand euros (of which 239 thousand euros transferred from *non-current assets under development and payments on account* for products that became available during the year), and the amortisation charge for the year of 371 thousand euros.

As regards television programmes available for use, the overall sum, gross of the writedown, is broken down between:

- rights to television programmes owned or held under unlimited-term licences amounting to 221,868 thousand euros (at 31 December 2008: 256,974 thousand euros);
- rights to television programmes owned or held under fixed-term licences amounting to 47,197 thousand euros (at 31 December 2008: 48,981 thousand euros).

Overall investments in television programmes made in 2009 amount to 299,394 thousand euros, including 135,492 thousand euros in programmes which are not yet available at 31 December 2009, which are carried under *intangible assets under development and payments on account*.

Analysing investments by type, at 31 December 2009, 257,863 thousand euros had been invested in fiction programmes (series, miniseries, TV movies, soap operas etc), 11,811 thousand euros in documentaries, 13,100 thousand euros in cartoons and comedy programmes, 15,500 thousand euros in football libraries and 1,120 thousand euros in other categories.

**Concessions, licences, trademarks and similar rights.** The item, which is stated net of accumulated amortisation, includes costs incurred on the acquisition of licences for digital terrestrial frequencies, and own trademarks (for example, the Rai logo). They total 21,328 thousand euros, of which 21,303 thousand euros relating to digital network frequencies.

**Intangible assets under development and payments on account.** These amount to 194,909 thousand euros, of which:

- 190,809 thousand euros for television programmes still not available and therefore not subject to amortisation, and compared with the figure as at 31 December 2008, show a net increase of 41,964 thousand euros, as indicated in Schedule 1. Specifically, the aforementioned increase is equal to the balance between increases for new assets (135,492 thousand euros) and decreases for items transferred to *Industrial patents and intellectual property rights* in that they relate to productions and/or purchases which became usable during the year (93,528 thousand euros);
- 1,715 thousand euros refer to software licences and, compared with the figure as at 31 December 2008, show a net increase of 1,476 thousand euros. The aforementioned increase is equal to the balance between increases for new assets (1,715 thousand euros) and decreases for items transferred to *Industrial patents and intellectual property rights* in that they relate to productions and/or purchases which became usable during the year (239 thousand euros);
- 1,200 thousand euros refer to the cost to purchase options on agreements for the commercial exploitation of products held in football libraries;
- 1,185 thousand euros refer to alterations and improvements under way on property under leasehold or concession.

For television programmes that have not yet become available, the total of 190,809 thousand euros includes:

- 150,767 thousand euros for television programmes owned by the Company that were not ready at 31 December 2009 or for which usage rights began after 31 December 2009 (at 31 December 2008: 108,779 thousand euros);
- 40,042 thousand euros regarding third-party television programmes held on fixed-term licence beginning after 31 December 2009 (at 31 December 2008: 40,066 thousand euros).

**Other intangible assets.** The amount of 11,743 thousand euros includes:

- 10,544 thousand euros for costs incurred, net of accumulated amortisation, on alterations and improvements to property under leasehold or concession (at 31 December 2008: 10,515 thousand euros);
- 1,099 thousand euros for costs incurred, net of accumulated amortisation, on stand-by loans with a duration of three years, to be broken down throughout the loan period (zero at 31 December 2008);
- 100 thousand euros for the purchase of a right to the first negotiation and option on the broadcasting of football matches, net of amortisation calculated over the concession period (as at 31 December 2008: 150 thousand euros).

## Tangible assets

These comprise the costs and related revaluations of tangible fixed assets with a useful life of several years that are owned by the Company and used in operations. They are carried net of standard depreciation and writedowns for lasting value impairments if any.

The standard depreciation rates applied are listed below:

- Buildings and light structures
  - Offices in industrial buildings 3%
  - Other industrial buildings and roads 6%
  - Light structures 10%
- Plant and machinery
  - General and radio technical plant 12.5%
  - Transmission and television plant 19%
  - Recording plant and fitted vehicles 25%
- Industrial and sales equipment 19%
- Other assets:
  - Standard equipment 19%
  - Office furniture and equipment 12%
  - Electronic office equipment 20%
  - Transport vehicles 20%
  - Motor cars, motor vehicles and the like 25%

Tangible assets at 31 December 2009 amount to 333,854 thousand euros, showing an overall net decrease of 11,114 thousand euros on 31 December 2008 comprising the balance between 59,661 thousand euros and decreases of 70,775 thousand euros, as detailed in Schedule 2.

## Tangible assets and accumulated depreciation (thousands of euros)

Schedule 2

	31.12.2008					Changes during the year					31.12.2009					
	Costs	Rivaluat.	Write-downs	Accumulated depreciat.	Book value	Rai Click Merger Costs	Amort. Tot.	Increases and capitalis.	Reclassif.	Net Standard eliminations and transfers (a)	Costs	Rivaluat.	Write-downs	Accumulated depreciat.	Book value	
Land and buildings	436,742	605,851	(36,529)	(859,968)	146,096	-	-	2,933	1,712	(16)	(22,306)	441,289	605,742	(36,529)	(882,084)	128,418
Plant and machinery	1,182,819	24,103	-	(1,096,632)	110,290	-	-	23,501	16,369	(148)	(39,541)	1,214,201	23,886	-	(1,127,617)	110,470
Industrial and sales equipment	92,511	4,629	-	(90,971)	6,169	-	-	1,230	338	(5)	(2,125)	92,905	4,557	-	(91,856)	5,606
Other assets	136,585	2,965	-	(110,017)	29,533	63	(58)	4,990	2,485	(101)	(6,421)	141,564	2,854	-	(113,925)	30,493
Tangible assets under construction and payments on account	52,880	-	-	-	52,880	-	-	26,944	(20,910)	(48)	-	58,867	-	-	-	58,867
	<b>1,901,537</b>	<b>637,548</b>	<b>(36,529)</b>	<b>(2,157,588)</b>	<b>344,968</b>	<b>63</b>	<b>(58)</b>	<b>59,598</b>	<b>(6)</b>	<b>(318)</b>	<b>(70,393)</b>	<b>1,948,826</b>	<b>637,039</b>	<b>(36,529)</b>	<b>(2,215,482)</b>	<b>333,854</b>

(a) including:

. Costs - tangible assets	(12,187)
. Revaluations - tangible assets	(509)
. Depreciation - tangible assets	12,378
	(318)

(b) changes for reclassification under intangible assets under development.

. Costs	(185)
. Amortisation	179
	(6)



It should be noted that new tangible assets recorded, which reflect investments made in the year, comprise 5,513 thousand euros for the capitalisation of the cost of internal personnel engaged in the construction of buildings, plant and machinery.

As regards disclosure of financial lease transactions it should be noted that since 2004 only the building located in Aosta was acquired under this type of contract, to serve as the regional headquarters for Valle d'Aosta. The statements required under article 2427 (22) of the Civil Code, referred to in Document 1 of the *Organismo Italiano di Contabilità* (Italian Accounting Board), showing the effects on the balance sheet and the income statement of the so-called financial method, are presented hereunder.

Balance sheet effect (thousands of euros)		Income statement effect (thousands of euros)	
a) Outstanding contracts:			
Assets held under financial leases at end of previous year	4,463	Instalment payments of financial leases charged against income	796
+ Assets acquired under financial leases during the year	-	Financial charges on financial lease transactions	-100
- Assets under financial leases acquired through end-lease purchase option during the year	-	Depreciation charge on outstanding contracts	-359
- Depreciation for the year	-359	Value adjustments/re-adjustments to assets held under financial leases	-
+/- Value adjustments/re-adjustments	-		
Assets held under financial leases at the end of the year	4,104	Effect on result before taxes	337
		Tax effect	-112
b) Assets acquired through end-lease purchase option	-	Effect on the result for the year of accounting for financial leases using the international accounting method	225
c) Liabilities:			
Implicit debt for financial leases at end of previous year	-3,425		
+ Implicit debt arising during the year	-		
- Repayment of principal and exercise of purchase option during the year	696		
Implicit debt for financial leases at the end of the year	-2,729		
d) Total gross effect at the end of the year (a+b+c)	1,375		
e) Tax effect	-519		
f) Effect on equity	857		

The gross value of revaluations recorded under *non-current tangible assets* is reported below, listed according to the applicable regulations:

- 58,530 thousand euros gross in implementation of Law 576 of 2 December 1975 and Law 72 of 19 March 1983, the purchase cost of which was 73,759 thousand euros. This comprises property acquired by 31 December 1946, the gross value of which, amounting to 430 thousand euros, includes revaluation pursuant to Law 74 of 11 February 1952;
- 57,566 thousand euros gross in implementation of Law 413 of 30 December 1991;
- 520,943 thousand euros gross in implementation of Decree Law 263 of 29 April 1994, the effects of which were ratified by Law 650 of 23 December 1996.

### Non-current financial assets

These represent the cost of durable financial investments and related revaluations, net of any writedowns described in the comments on the individual items.

**Equity investments:** these amount to 306,435 thousand euros and include investments in shares or other forms of equity in companies, including consortiums. They are reported in the balance sheet under separate headings arranged by decreasing levels of ownership.

The components of the value of equity investments, their distribution among the individual investee companies and transactions during the period are detailed in Schedule 3. Schedule 4 shows the list of investments in subsidiaries and associated companies pursuant to article 2427, item 5, of the Civil Code.

### Non-current financial assets - Equity investments (thousands of euros)

Schedule 3

	31.12.2009			Changes during the year					31.12.2009		
	Costs	Wrtiedowns (a)	Book value	Acquisitions Subscriptions	Disposals	Wrtiedowns (-) Writebacks (+)	Rai Click Merger	Loss coverage and share capital reconstitution	Costs	Wrtiedowns (a)	Book value
<b>Subsidiaries</b>											
NewCo Rai International SpA	1,499	(1,163)	336	-	-	(1,700) (c)	-	1,502 (b)	1,299	(1,161)	138
Rai Cinema SpA	200,098	-	200,098	-	-	-	-	-	200,098	-	200,098
Rai Click SpA	1,161	-	1,161	-	-	-	(1,161)	-	-	-	-
Rai Corporation	8,713	(1,599)	7,114	-	-	(433)	-	-	8,713	(2,032)	6,681
RaiNet SpA	47,893	(39,956)	7,937	-	-	121	-	-	47,893	(39,835)	8,058
RaiSat SpA	2,451	-	2,451	-	-	-	-	-	2,451	-	2,451
Rai Trade SpA	5,165	-	5,165	-	-	-	-	-	5,165	-	5,165
Rai Way SpA	70,238	-	70,238	-	-	-	-	-	70,238	-	70,238
Sacis SpA in liquidation	103	-	103	-	-	-	-	-	103	-	103
Sipra SpA	11,114	-	11,114	-	-	-	-	-	11,114	-	11,114
	<b>348,435</b>	<b>(42,718)</b>	<b>305,717</b>	-	-	<b>(2,012)</b>	<b>(1,161)</b>	<b>1,502</b>	<b>347,074</b>	<b>(43,028)</b>	<b>304,046</b>
<b>Associated companies</b>											
Audiradio Srl	10	-	10	-	-	-	-	-	10	-	10
Auditel Srl	10	-	10	-	-	-	-	-	10	-	10
San Marino RTV SpA	258	-	258	-	-	-	-	-	258	-	258
Euronews	851	-	851	-	-	-	-	-	851	-	851
Tivù Srl	483	-	483	-	-	-	-	-	483	-	483
	<b>1,612</b>	-	<b>1,612</b>	-	-	-	-	-	<b>1,612</b>	-	<b>1,612</b>
<b>Other companies</b>											
Almaviva SpA	324	-	324	-	-	-	-	-	324	-	324
Banca di Credito Cooperativo di Roma	-	-	-	1	-	-	-	-	1	-	1
CFI	30	(30)	-	-	-	-	-	-	30	(30)	-
Consorzio Nettuno	21	(21)	-	-	-	-	-	-	21	(21)	-
Consorzio Sardegna Digitale in liquidation	13	(13)	-	-	(11) (d)	11 (d)	-	-	-	-	-
Consorzio Valle D'Aosta Digitale	7	(7)	-	-	-	-	-	-	7	(7)	-
Int. Multimedia University Umbria SpA	52	(52)	-	-	-	-	-	-	52	(52)	-
Ist. Enciclopedia Treccani SpA	478	(93)	385	-	-	67	-	-	478	(26)	452
	<b>925</b>	<b>(216)</b>	<b>709</b>	<b>1</b>	<b>(11)</b>	<b>78</b>	-	-	<b>913</b>	<b>(136)</b>	<b>777</b>

(a) net of capital replenishment

(b) including cost -1,702  
wrtiedowns 1,702  
balance -

Following the resolution dated 16/10/2009, the losses totalled as at 30/06/2009 were covered by zeroing and simultaneously replenishing the share capital for the amount of 1,300,000.00 euros

(c) including 539 thousand euros for losses referred to the period from 1/1 to 30/06/2009, settled as a result of the resolution passed during the shareholders' meeting held on 16/10/2009

(d) including cost -13  
wrtiedowns 2  
balance 11

With the resolution passed on 30/10/2009, the procedure for the liquidation of the company was completed, with the consequent distribution of the assets

## List of equity investments in subsidiaries and associated companies (thousands of euros)

Schedule 4

Name	Headquarters	Share Capital	Investee Shareholders' Equity	Profit (loss)	Portion held (%)	Portion corresponding to investee Shareholders' Equity	Book value
<b>Subsidiaries</b>							
NewCo Rai International SpA	Rome	1,300	138	(1,701)	99.954%	138	138
Rai Cinema SpA	Rome	200,000	257,884	40,874	99.997678%	257,878	200,098
Rai Corporation	New York (USA)	347 (1)	6,681 (2)	(192) (3)	100.000%	6,681	6,681
RaiNet SpA	Milan	5,160	8,067	1,621	99.900%	8,058	8,058
RaiSat SpA	Rome	2,585	11,931	5,150	94.900%	11,323	2,451
Rai Trade SpA	Rome	8,000	18,165	2,375	100.000%	18,165	5,165
Rai Way SpA	Rome	70,176	117,658	15,033	99.99926%	117,657	70,238
Sacis SpA In Liquidation	Rome	102	4,592	(17)	100.000%	4,592	103
Sipra SpA	Turin	10,000	26,883	1,517	100.000%	26,883	11,114
							<b>304,046</b>
<b>Associated companies</b>							
Audiradio Srl	Milan	258	1,126	91	30.230%	340	10
Auditel Srl	Milan	300	1,256	109	33.000%	414	10
San Marino RTV SpA	S. Marino (RSM)	516	5,806	8	50.000%	2,903	258
Euronews	Ecully (F)	3,631	16,397	1,285	22.840%	3,745	851
Tivù Srl	Rome	1,000	1,154	165	48.250%	557	483
							<b>1,612</b>

(1) USD 500,000.00 at the exchange rate as at 31.12.2009 of 0.69416 euros

(2) USD 9,624,629.00 at the exchange rate as at 31.12.2009 of 0.69416 euros

(3) USD -275,954.00 at the exchange rate as at 31.12.2009 of 0.69416 euros

The following section discusses the more significant developments in investee companies and the consequent impact on Rai financial statements:

### Equity investments in subsidiaries

- *NewCo Rai International SpA* (99.954% Rai): the share capital of 1,300 thousand euros is represented by 1,300,000 shares with a par value of 1 euro each. The extraordinary Shareholders' Meeting, held on 16 October 2009, resolved the settlement of the losses totalled at 30 June 2009, amounting to 702,892.36 euros, with the zeroing the share capital of 500,000 euros and payment by the shareholders, in proportion to the shares owned until then, of the additional sum of 202,892.36 euros. At the same time, the reconstruction and increase of the capital to the amount of 1,300,000 euros was resolved, with the issue of 1,300,000 new shares with a par value of 1 euro each. Rai subscribed to these shares for a total of 1,299,402 euros, with the remaining 598 euros worth of shares going to Rai Trade. The company ended 2009 with a loss of 1,701 thousand euros, already partially settled for the sum of 539 thousand euros. Consequently, the value of the investment was written down for the remainder.
- *Rai Cinema SpA* (99.997678% Rai): the share capital of 200,000 thousand euros is represented by 38,759,690 shares with a par value of 5.16 euros each. During 2009, the company paid a dividend for 2008 of 15,504 thousand euros, which Rai recorded under Income from equity investments in the amount pertaining to it. 2009 ended with a net profit of 40,874 thousand euros.
- *Rai Click SpA* (100% Rai): on 15 May 2009, Rai Trade sold its shares to Rai, which gained exclusive control of the company. By deed of merger dated 12 October 2009, the resolution of Rai's Board of Directors dated 30 July 2009 and the resolution of Rai Click's Extraordinary Shareholders' Meeting held on 3 August 2009 were implemented, proceeding with the merger of the two companies, via the incorporation of Rai Click SpA into RAI-Radiotelevisione Italiana SpA on the basis of the respective financial statements at 31 December 2008, effective for economic and tax purposes from 1 January 2009.

- *Rai Corporation* (100% Rai): the share capital of 500,000 thousand US\$ is represented by 50,000 shares with a par value of 10 US\$ each. The holding is carried at a gross value of 8,713 thousand euros in that this includes the payment on account of share capital of US\$ 10,000,000 which was made during 2005. At 31 December 2009 the value of the holding, already written down at 31 December 2008 for 1,599 thousand euros, was further written down for 433 thousand euros to adjust it to the equity held in the company, at the exchange rate in force on 31 December 2009.
- *Rai Net SpA* (99.9% Rai): the share capital of 5,160 thousand euros is represented by 1,000,000 shares with a par value of 5.16 euros each. During 2009, the company paid a dividend for 2008 of 1,500 thousand euros, which Rai recorded under Income from equity investments in the amount pertaining to it, equating to 1,498 thousand euros. At 31 December 2009 the value of the holding, 47,893 thousand euros which had already been written down at 31 December 2008 by 39,956 thousand euros, was revalued by 121 thousand euros in view of the profit earned by the company in 2009.
- *RaiSat SpA* (94.9% Rai): the share capital of 2,585 thousand euros is represented by 500,000 shares with a par value of 5.17 euros each. The company ended 2009 with a profit of 5,150 thousand euros. During the same period it paid a dividend of 6,900 thousand euros relating to the 2008 result, of which 6,548 thousand euros pertained to Rai, which was taken to income from equity investments. Furthermore, in 2010 Rai purchased the shares held by RCS MediaGroup and Rai Trade, becoming the sole owner of the investment.
- *Rai Trade SpA* (100% Rai): the share capital of 8,000 thousand euros is represented by 100,000 shares with a par value of 80 euros each. The company ended 2009 with a profit of 2,375 thousand euros. During 2009 it paid a dividend of 2,500 thousand euros on the result for 2008, which was taken to income from equity investments.
- *Rai Way SpA* (99.99926% Rai): the share capital of 70,176 thousand euros is represented by 13,600,000 shares with a par value of 5.16 euros each. The company ended 2009 with a profit of 15,033 thousand euros. During 2009, the company paid a dividend for 2008 of 18,632 thousand euros, which Rai recorded under Income from equity investments in the amount pertaining to it.
- *Sacis SpA* in liquidation (100% Rai): the share capital of 102 thousand euros is represented by 200,000 shares with a par value of 0.51 euros each. The company, which has been in liquidation since 23 January 1998, reported a loss of 17 thousand euros for 2009.
- *Sipra SpA* (100% Rai): the share capital of 10,000 thousand euros is represented by 100,000 shares with a par value of 100 euros each. The company ended 2009 with a profit of 1,517 thousand euros. During 2009 it paid a dividend of 5,000 thousand euros on the result for 2008, which was taken to income from equity investments.

## Equity investments in associated companies

- *Audiradio Srl* (30.23% Rai): the company ended the year with a profit of 91 thousand euros. The share capital of 258 thousand euros is represented by 258,000 shares with a par value of 1 euro each.
- *Auditel Srl* (33% Rai): the company ended the year with a profit of 109 thousand euros. The share capital of 300 thousand euros is represented by 300,000 shares with a par value of 1 euro each.
- *San Marino Rtv SpA* (50% Rai): this company was established in 1991 by Rai and E.R.A.S. - Ente di Radiodiffusione Sammarinese with an equal holding in the company. It was set up pursuant to Law 99 of 9 April 1990 ratifying the collaboration treaty between the Republic of Italy and the Republic of San Marino concerning radio and television. It closed 2009 with a net profit of 8 thousand euros. The share capital of 516 thousand euros is represented by 1,000 shares with a par value of 516.46 euros each.
- *Euronews - Société Anonyme* (22.84% Rai): following changes to the company's shareholder structure in 2009, upon completion of the merger by incorporation between Secemie (the incorporating company) and Socemie (the incorporated company), the percentage held by Rai rose from 21.25% to 22.84%. The share capital of 3,631 thousand euros is represented by 242,039 shares with a par value of 15 euros each. The company ended 2009 with a profit of 1,285 thousand euros. During the same period it paid a dividend of 298 thousand euros relating to the 2008 result, of which 81 thousand euros pertained to Rai, which was taken to income from equity investments.

- *Tivù Srl* (48.25% Rai): the company ended 2009 with a profit of 165 thousand euros. The share capital of 1,000 thousand euros is held by Rai and R.T.I. – Reti Televisive Italiane S.p.a. – each with a share of 48.25% and by TI Media – Telecom Italia Media S.p.a. – which holds the remaining 3.5%.

## Equity investments in other companies

- *Almaviva – The Italian Innovation Company SpA* (1.201% Rai): the value of the holding is unchanged from 2008, amounting to 324 thousand euros. The share capital is represented by 107,567,301 ordinary shares with a par value of 1.00 euro each.
- *Banca di Credito Cooperativo di Roma S.c.p.a.* (variable capital company; insignificant percentage held by Rai): carried at a value of 1 thousand euros, equivalent to the amount paid on 16 January 2009 to purchase 100 shares.
- *C.F.I – Consorzio per la Formazione Internazionale* (consortium for international education): the investment, which was carried at the value of the share in the consortium paid in upon joining, 30 thousand euros, has been fully written off since, under the bylaws of the consortium, withdrawal does not entitle members to reimbursement of their contribution.
- *Consorzio Nettuno – Consorzio per la realizzazione di università a distanza* (consortium for the distance learning university): the investment of 21 thousand euros, has been fully written off since, under the bylaws of the consortium, withdrawal does not entitle members to reimbursement of their contribution.
- *Consorzio Sardegna Digitale* in liquidation: the company, which has been in liquidation since 11 April 2009, completed the liquidation transactions and the Consortium Members' Meeting held on 30 October 2009 approved the distribution plan, resolving the closure of the company. Consequently the investment was zeroed.
- *Consorzio Valle d'Aosta Digitale – Consorzio per la transizione dalla televisione analogica alla televisione digitale terrestre nel territorio della regione Valle d'Aosta* (Consortium for the transition from analogue to digital terrestrial television in the Valle d'Aosta region). The investment of 7 thousand euros, has been fully written off since, under the bylaws of the consortium, withdrawal does not entitle members to reimbursement of their contribution.
- *International Multimedia University Umbria SpA* (1.533% Rai): the investment has been fully written off since there is no longer any certainty that the amounts paid in can be recovered.
- *Istituto Enciclopedia Treccani SpA* (0.83% Rai): the holding, carried at a gross value of 478 thousand euros and already written down at 31 December 2008 by 93 thousand euros, was adjusted again by 67 thousand euros to adapt the value of the investment to the company's equity. The share capital is represented by 750,000 shares with a par value of 51.65 euros each.

**Receivables:** these are booked, as highlighted in Schedule 5, for the amount of 4,719 thousand euros (at 31 December 2008: 4,676 thousand euros). They consist of 2,700 thousand euros for payments on account for mandates to sell rights add production and the distribution of initiatives regarding archive materials of football clubs, 1,540 thousand euros for cautionary deposits and 479 thousand euros for loans to employees. Schedule 9 details their distribution by maturity and Schedule 10 by geographic area.

## Non-current financial assets - Receivables (thousands of euros)

Schedule 5

	31.12.2008			Changes during the year				31.12.2009			
	Nominal value	Bad-debt provisions	Book value	Rai Click Merger	Disbursements	Reclassifications	Refunds	Writedowns (-) Write-backs (+)	Nominal value	Bad-debt provisions	Book value
Due from others:											
- employees	643	(179)	464	-	117	-	(102)	-	658	(179)	479
- guarantee deposits	1,812	-	1,812	19	55	-	(346)	-	1,540	-	1,540
- Ponteco	249	(249)	-	-	-	-	-	-	249	(249)	-
- prepayments for football library marketing	2,400	-	2,400	-	300	-	-	-	2,700	-	2,700
	<b>5,104</b>	<b>(428)</b>	<b>4,676</b>	<b>19</b>	<b>472</b>	<b>-</b>	<b>(448)</b>	<b>-</b>	<b>5,147</b>	<b>(428)</b>	<b>4,719</b>

**Other securities:** these are carried at 3,763 thousand euros and relate entirely to securities pledged as collateral; details thereof are given in Schedule 6.

## Non-current financial assets - Other securities (thousands of euros)

Schedule 6

	31.12.2008			Changes during the year					31.12.2009			Book value
	Cost	Revaluations (a)	Writedowns (a)	Book value	Acquisitions	Redemptions Disposals	Revaluations (a)	Writedowns (-) Writebacks (+) (a)	Cost	Revaluations (a)	Writedowns (a)	
Fixed-income securities:												
- B.T.P.	31	..	..	31	2,322	(31)	-	(3)	2,322	-	(3)	2,319
- C.C.T.	3,791	4	(57)	3,738	-	(2,290)	-	(4)	1,501	4	(61)	1,444
	<b>3,822</b>	<b>4</b>	<b>(57)</b>	<b>3,769</b>	<b>2,322</b>	<b>(2,321)</b>	<b>-</b>	<b>(7)</b>	<b>3,823</b>	<b>4</b>	<b>(64)</b>	<b>3,763</b>
(a) issue and trading discounts		4	(57)					(7)		4	(64)	

## Current assets

### Inventories

Inventories amount to 626 thousand euros net of the inventory provision (at 31 December 2008: 712 thousand euros). As shown in Schedule 7, they comprise:

- *Raw materials, supplies and consumables:* these amount to 405 thousand euros net of the inventory provision for 15,385 thousand euros. They consist entirely of supplies and spare parts for maintenance and the operation of equipment, considered as consumables since they are not directly incorporated into products.
- *Finished goods and merchandise:* these consist entirely of inventories associated with the book and periodicals publishing business, amounting to 221 thousand euros net of a writedown of 670 thousand euros to bring them into line with their estimated realisable value.

## Inventories (thousands of euros)

Schedule 7

	31.12.2008	Changes during the year		31.12.2009
		Increases (+) Decreases (-)	Balance of provisions made (-) and released (+)	
Raw materials, supplies and consumables	15,882	(92)	-	15,790
Inventory obsolescence provision	(15,385)	-	-	(15,385)
	<b>497</b>	<b>(92)</b>	<b>-</b>	<b>405</b>
Finished products	215	6	-	221
<b>Total</b>	<b>712</b>	<b>(86)</b>	<b>-</b>	<b>626</b>

## Receivables

Receivables total 1,224,181 thousand euros, showing a decrease of 221,550 thousand euros on 31 December 2008, as can be seen in Schedule 8, which gives a breakdown of receivables, components of value and the contribution made by the merger with Rai Click SpA, and in Schedules 9 and 11 which show their distribution by maturity, type and by currency. Their distribution by geographic area is shown in Schedule 10.

Current assets - Receivables (thousands of euros)							Schedule 8	
	31.12.2008	Changes during the year				31.12.2009		
		Rai Click	Rai Click Merger Elimination	Rai + Rai Click 1.1.2009	Balance of entries (+) (-) repayments (+) (-)		Releases/ utilisations	Allocation to provisions (-)
<b>Customers</b>								
. government and other public entities for public broadcasting services	110,920	-	-	110,920	73,287	-	-	184,207
. net receivables for licence fees	20,063	-	-	20,063	3,762	-	-	23,825
. other receivables	82,107	1,733	-	83,840	114,774	-	-	198,614
<i>less</i>								
. bad debts provision	(14,575)	(791)	-	(15,366)	-	1,696	(1,774)	(15,444)
	198,515	942	-	199,457	191,823	1,696	(1,774)	391,202
<b>Subsidiaries</b>								
. 01 Distribution Srl	1,169	-	-	1,169	1,838	-	-	3,007
. Rai Corporation	109	-	-	109	52	-	-	161
. Rai Trade SpA	14,350	-	-	14,350	(2,847)	-	-	11,503
. RaiSat SpA	10,788	-	-	10,788	18,060	-	-	28,848
. Sipra SpA	323,437	-	-	323,437	3,305	-	-	326,742
. Rai Way SpA	15,468	-	-	15,468	53,550	-	-	69,018
. RaiNet SpA	4,667	-	-	4,667	(3,624)	-	-	1,043
. Rai Cinema SpA	228,444	-	-	228,444	(35,572)	-	-	192,872
. Rai Click SpA	1,702	-	(1,702)	-	-	-	-	-
. Sacis SpA in liquidation	-	-	-	-	4	-	-	4
. NewCo Rai International SpA	1,952	-	-	1,952	2,179	-	-	4,131
	602,086	-	(1,702)	600,384	36,945	-	-	637,329
<b>Associated companies</b>								
. San Marino RTV	74	-	-	74	31	-	-	105
. Audiradio Srl	-	-	-	-	90	-	-	90
. Tivù Srl	-	-	-	-	72	-	-	72
. Auditel Srl	-	-	-	-	4	-	-	4
	74	-	-	74	197	-	-	271
<b>Holding companies</b>								
	-	4,821	(4,821)	-	-	-	-	-
<b>Tax receivables</b>	<b>36,175</b>	<b>-</b>	<b>-</b>	<b>36,175</b>	<b>17,076</b>	<b>-</b>	<b>-</b>	<b>53,251</b>
<b>Deferred tax assets</b>	<b>10,703</b>	<b>-</b>	<b>-</b>	<b>10,703</b>	<b>19,310</b>	<b>-</b>	<b>-</b>	<b>30,013</b>
<b>Others</b>								
. future sports events	114,548	-	-	114,548	(26,941)	-	-	87,607
. personnel	6,952	-	-	6,952	(452)	-	-	6,500
. payments on account to suppliers, collaborators, agents	21,154	-	-	21,154	(15,331)	-	-	5,823
. other	13,772	-	-	13,772	(378)	-	-	13,394
<i>less</i>								
. bad debts provision	(1,348)	-	-	(1,348)	-	139	-	(1,209)
	155,078	-	-	155,078	(43,102)	139	-	112,115
<b>Total</b>	<b>1,002,631</b>	<b>5,763</b>	<b>(6,523)</b>	<b>1,001,871</b>	<b>222,249</b>	<b>1,835</b>	<b>(1,774)</b>	<b>1,224,181</b>

**Receivables, accrued income and prepaid expenses,  
distributed by maturity and type** (thousands of euros)

Schedule 9

	31.12.2009				31.12.2008			
	within 1 year	from 2 to 5 years	over 5 years	Book value	within 1 year	from 2 to 5 years	over 5 years	Book value
<b>NON-CURRENT FINANCIAL RECEIVABLES</b>								
others	182	3,582	955	4,719	226	3,418	1,032	4,676
	182	3,582	955	4,719	226	3,418	1,032	4,676
<b>CURRENT RECEIVABLES</b>								
<b>Financial receivables</b>								
subsidiaries	245,804	-	-	245,804	208,908	-	-	208,908
associated companies	-	-	-	-	-	-	-	-
	245,804	-	-	245,804	208,908	-	-	208,908
<b>Trade and other receivables</b>								
customers	391,202	-	-	391,202	198,515	-	-	198,515
subsidiaries	391,525	-	-	391,525	393,178	-	-	393,178
associated companies	271	-	-	271	74	-	-	74
tax receivables	53,251	-	-	53,251	36,175	-	-	36,175
deferred tax assets	28,773	1,240	-	30,013	9,861	842	-	10,703
other:								
- future sports events	75,367	12,240	-	87,607	13,271	101,277	-	114,548
- other	24,508	-	-	24,508	40,530	-	-	40,530
	964,897	13,480	-	978,377	691,604	102,119	-	793,723
<b>TOTAL CURRENT RECEIVABLES</b>	<b>1,210,701</b>	<b>13,480</b>	<b>-</b>	<b>1,224,181</b>	<b>900,512</b>	<b>102,119</b>	<b>-</b>	<b>1,002,631</b>
Accrued income	86	-	-	86	120	-	-	120
Prepaid expenses	37,543	-	-	37,543	33,710	-	-	33,710
<b>Total</b>	<b>1,248,512</b>	<b>17,062</b>	<b>955</b>	<b>1,266,529</b>	<b>934,568</b>	<b>105,537</b>	<b>1,032</b>	<b>1,041,137</b>

**Receivables - Distribution by geographic area** (thousands of euros)

Schedule 10

	31.12.2009				31.12.2008			
	Italy	Other EU countries	Other countries	Book value	Italy	Other EU countries	Other countries	Book value
<b>Non-current financial receivables</b>								
other	4,621	85	13	4,719	4,583	80	13	4,676
	4,621	85	13	4,719	4,583	80	13	4,676
<b>Current receivables</b>								
customers	386,758	4,100	344	391,202	191,908	4,075	2,532	198,515
subsidiaries	637,168	-	161	637,329	601,977	-	109	602,086
associated companies	166	-	105	271	-	-	74	74
tax receivables	53,251	-	-	53,251	36,175	-	-	36,175
deferred tax assets	30,013	-	-	30,013	10,703	-	-	10,703
other:								
- for future sports events	58,996	8,355	20,256	87,607	2,530	7,788	104,230	114,548
- other	23,133	454	921	24,508	37,982	799	1,749	40,530
	1,189,485	12,909	21,787	1,224,181	881,275	12,662	108,694	1,002,631



**Receivables, cash and equivalents and accrued income  
in foreign currency or exposed to exchange rate risk** (thousands of euros)

Schedule 11

	31.12.2009				31.12.2008			
	In euros	In foreign currency or exposed to exchange rate risk	Bad debt provision	Book value	In euros	In foreign currency or exposed to exchange rate risk	Bad debt provision	Book value
<b>Non-current financial receivables</b>								
others	5,141	6	(428)	4,719	5,097	7	(428)	4,676
	5,141	6	(428)	4,719	5,097	7	(428)	4,676
<b>Current receivables</b>								
customers	406,221	425	(15,444)	391,202	212,118	972	(14,575)	198,515
subsidiaries	637,168	161	-	637,329	601,977	109	-	602,086
associated companies	271	-	-	271	74	-	-	74
tax receivables	53,251	-	-	53,251	36,175	-	-	36,175
deferred tax assets	30,013	-	-	30,013	10,703	-	-	10,703
other:								
- for future sports events	73,106	14,501	-	87,607	103,003	11,545	-	114,548
- other	25,572	145	(1,209)	24,508	41,768	110	(1,348)	40,530
	1,225,602	15,232	(16,653)	1,224,181	1,005,818	12,736	(15,923)	1,002,631
<b>Cash and cash equivalents</b>								
Bank and post office deposit	18,314	1,189	-	19,503	30,963	898	-	31,861
Cheques	8	-	-	8	14	-	-	14
Cash and cash equivalents on hand	381	-	-	381	327	-	-	327
	18,703	1,189	-	19,892	31,304	898	-	32,202
<b>Accrued income</b>								
	86	-	-	86	120	-	-	120
<b>Total</b>	<b>1,249,532</b>	<b>16,427</b>	<b>(17,081)</b>	<b>1,248,878</b>	<b>1,042,339</b>	<b>13,641</b>	<b>(16,351)</b>	<b>1,039,629</b>

**Receivables from customers:** these relate to trade receivables, excluding those from subsidiaries and associated companies, which are carried under separate headings. They total 391,202 thousand euros, with a nominal value of 406,646 thousand euros which has been written down by 15,444 thousand euros to bring them to their estimated realisable value and compared with 31 December 2008 they show a decrease of 192,687 thousand euros.

Details of the caption are divided into:

- *receivables for public broadcasting services to central government and other public entities:* as shown in the following table, these amount to a nominal 184,207 thousand euros, up 73,287 thousand euros on 31 December 2008, equivalent to the balance between the increase in invoices issued and for amounts accrued for 2009 less collections.

(thousands of euros)		
	2009	2008
<b>Prime Minister's Office:</b>		
- Operating grant to be transferred to San Marino RTV	4,648	3,098
- Radio, television and multimedia offering for the foreign market	98,654	63,654
- Broadcasting from Trieste in Slovenian	12,984	6,365
- Radio and television broadcasts in French for the Autonomous Region of Valle d'Aosta	3,985	1,954
- Radio and television broadcasts in German for the Province of Bolzano and radio broadcasts in Ladin for the Val Badia, Val Gardena and Val di Fassa	30,194	14,801
- Extension of the RaiUno signal to Tunisia and subsequent maintenance	2,169	1,619
<b>Total Prime Minister's Office</b>	<b>152,634</b>	<b>91,491</b>
<b>Ministries:</b>		
- Economy and Finance: management of television licence fee collection	23,483	11,776
<b>Regions:</b>		
- Autonomous Region of Valle d'Aosta: management of equipment for reception of programmes from the French-speaking area	8,090	7,653
	<b>184,207</b>	<b>110,920</b>

The following should be noted in connection with the above receivables:

- Prime Minister's Office: receivables for services deriving from the broadcasting of the television, radio and multimedia offering for foreign markets relate to services rendered in 2007 for 30,000 thousand euros, in 2008 for 35,000 thousand euros and in 2009 for 33,634 thousand euros. Receivables for broadcasting of programmes in Slovenian, French, German and Ladin, on the other hand, relate to services rendered in 2008 for 24,044 thousand euros and in 2009 for 23,119 thousand euros;
  - Ministry for the Economy and Finance: in relation to the management of television licence fee collection, the receivable of 11,931 thousand euros refers to 2008, with 11,552 referring to 2009;
  - Autonomous Region of Valle d'Aosta: the receivable of 8,090 thousand euros relates to the reimbursement of costs incurred for the operation of equipment for the reception of French-language programmes for the years from 1994 to 2009.
- *Receivables for licence fees*: these amount to 23,825 thousand euros, up 3,762 thousand euros on 31 December 2008, representing licence fees for preceding years already paid by subscribers but not yet transferred to Rai.
  - *Other receivables*: these amount to nominal value 198,614 thousand euros, up 116,507 thousand euros on 31 December 2008. They relate to the sale of rights, technical assistance to third parties etc.

**Receivables from subsidiaries:** these amount to 637,329 thousand euros (at 31 December 2008: 602,086 thousand euros). They represent the year-end balance of transactions with subsidiaries, as shown in Schedule 8. They include financial receivables of 245,804 thousand euros (208,908 thousand euros at 31 December 2008) and non-financial receivables of 391,525 thousand euros (at 31 December 2008: 393,178 thousand euros).

**Receivables from associated companies:** these amount to 271 thousand euros (31 December 2008: 74 thousand euros). They represent the balance of non-financial transactions with San Marino Rtv (105 thousand euros), Audiradio (90 thousand euros), Tivù (72 thousand euros), Auditel (4 thousand euros).

**Tax receivables:** these are carried at nominal value of 53,251 thousand euros (36,175 thousand euros at 31 December 2008). They comprise 44,283 thousand euros for the balance of Group VAT credits, 6,313 thousand euros for tax refunds requested (including credit for IRES following the introduction of the law that made the IRAP paid during previous tax years partly deductible), credit for IRAP for the year of 2,598 thousand euros and the remainder relating to minor items.

**Deferred tax assets:** these amount to 30,013 thousand euros and represent the credit deriving from items deductible on a deferred basis for tax purposes, as explained more fully in the section dealing with *income taxes*, for 29,974 thousand euros, in addition to which there are items transferred from Group companies participating in the consolidated taxation arrangement. Details of deferred tax assets, regarding the movements in 2009, are provided in the following table:

### Deferred tax assets (thousands of euros)

	Amount of temporary IRES differences	IRES 27.5%	Amount of temporary IRAP differences	IRAP 4.567% (average)	Total
Situation at 31 December 2008:					
- Tax loss	30,000	8,250	==	==	8,250
- Estimated recovery of taxed provisions	0	0	38,512	1,755	1,755
- Statutory/fiscal difference on amortisation of programmes	0	0	245	11	11
- Deferral of effect of re-aligning tax value of assets	0	0	9,181	418	418
<b>Total</b>	<b>30,000</b>	<b>8,250</b>	<b>47,938</b>	<b>2,184</b>	<b>10,434</b>
- Deferred tax assets coming from Group companies	==	269	==	==	269
<b>Deferred tax assets at beginning of year</b>	<b>30,000</b>	<b>8,519</b>	<b>47,938</b>	<b>2,184</b>	<b>10,703</b>
Movements in the year:					
- Alignment of prior year tax loss	7,028	1,933	==	==	1,933
- This year's tax loss	98,000	26,950	==	==	26,950
- Estimated recovery of taxed provisions	0	0	27,708	1,269	1,269
- Statutory/fiscal difference on amortisation of programmes	0	0	(245)	(11)	(11)
- Deferral of effect of re-aligning tax value of assets	0	0	(9,181)	(418)	(418)
<b>Changes having effect on income</b>	<b>105,028</b>	<b>28,883</b>	<b>18,282</b>	<b>840</b>	<b>29,723</b>
Compensation of taxable amounts by effect of the consolidated taxation arrangement	(37,028)	(10,413)	0	0	(10,413)
<b>Total changes in the year</b>	<b>68,000</b>	<b>18,470</b>	<b>18,282</b>	<b>840</b>	<b>19,310</b>
Situation at 31 December 2009:					
- Tax loss	98,000	26,950	==	==	26,950
- Estimated recovery of taxed provisions	0	0	66,220	3,024	3,024
- Statutory/fiscal difference on amortisation of programmes	0	0	0	0	0
- Deferral of effect of re-aligning tax value of assets	0	0	0	0	0
<b>Total</b>	<b>98,000</b>	<b>26,950</b>	<b>66,220</b>	<b>3,024</b>	<b>29,974</b>
- Deferred tax assets coming from Group companies	==	39	==	==	39
<b>Receivable for deferred tax assets at end of year</b>	<b>98,000</b>	<b>26,989</b>	<b>66,220</b>	<b>3,024</b>	<b>30,013</b>

**Other:** these receivables from others amount to 112,115 thousand euros (at 31 December 2008: 155,078 thousand euros). Net of writedowns of 1,209 thousand euros, they reflect the value of other types of receivable as described below:

- *advances to suppliers* on sports events filming rights, carried at nominal value of 87,607 thousand euros;
- *advances to Social Security Departments* on contributions payable for artistic activities and for advance payment of severance pay, carried at nominal value of 8,909 thousand euros;
- *receivables from personnel* carried at nominal 6,500 thousand euros. They are entirely composed of advances of various types, mainly for travel expenses (2,942 thousand euros) and production expenses (1,429 thousand euros);
- *miscellaneous advances to suppliers* carried at nominal value of 5,626 thousand euros;
- *receivables from the European Union for subsidies and grants* for nominal 76 thousand euros, consisting entirely of receivables for research projects;
- *receivables from others*, carried at nominal value of 3,397 thousand euros.

## Cash and cash equivalents

These are listed in Schedule 12, and comprise:

- Bank and post office deposits: these amount to 19,502 thousand euros (at 31 December 2008: 31,861 thousand euros). They represent sight or short-term balances on deposit or current account with banks, financial institutions and the Post Office.
- Cheques: these amount to 9 thousand euros (at 31 December 2008: 14 thousand euros).
- Cash and cash equivalents on hand: these amount to 381 thousand euros (31 December 2008: 327 thousand euros) and include liquid funds in the form of cash and equivalent instruments (duty stamps, cashier's cheques or bank-guaranteed cheques etc) held by the Company at 31 December 2009.

Schedule 11 gives a breakdown of the caption by euros and other currencies and Schedule 24 shows amounts at banks and the Post Office held with Group Companies and restricted by attachments.

	Cash and cash equivalents (thousands of euros)			Schedule 12
		Changes during the year		
	31.12.2008	Balance of movements		31.12.2009
Bank and post office deposits	31,861	(12,359)		19,502
Cheques	14	(5)		9
Cash and cash equivalents on hand	327	54		381
<b>Total</b>	<b>32,202</b>	<b>(12,310)</b>		<b>19,892</b>

## Accrued income and prepaid expenses

Accrued income and prepaid expenses total 37,630 thousand euros. They are detailed in Schedule 13.

<b>Accrued income and prepaid expenses</b> (thousands of euros)		Schedule 13	
	Changes during the year		
	31.12.2008	Balance of movements	31.12.2009
<b>Prepaid expenses:</b>			
. sports event filming rights	22,586	6,145	28,731
. hire costs	4,119	(1,222)	2,897
. software licenses	1,802	275	2,077
. programme production exclusives	1,375	(300)	1,075
. insurance and accident prevention	836	21	857
. various production services	232	449	681
. premiums payable on currency hedges	1,095	(474)	621
. Rai Way service costs	345	(143)	202
. maintenance and repairs	45	44	89
. EDP	31	50	81
. commissions on guarantee policies	50	(4)	46
. rent	899	(864)	35
. documentation and information services	2	27	29
. services for third-party assets	40	(19)	21
. telephone bills	45	(44)	1
. government concession tax	109	(109)	-
. Other	99	2	101
	<b>33,710</b>	<b>3,834</b>	<b>37,544</b>
<b>Accrued income:</b>			
. premiums earned on foreign currency hedges	89	(4)	85
. interest income on securities deposited for cautionary purposes	31	(30)	1
	<b>120</b>	<b>(34)</b>	<b>86</b>
<b>Total</b>	<b>33,830</b>	<b>3,800</b>	<b>37,630</b>

## Liabilities

### Shareholders' equity

Shareholders' equity totals 497,109 thousand euros.

The components of Shareholders' equity and the effects of operations carried out in 2009 and the previous year are shown in Schedule 14.

Schedule 15 presents the classification of the Shareholders' equity items in compliance with their origin, possibility of use and distribution, as well as their use during the previous three years.

The notes indicated hereunder provide further details on the contents of the individual items.

**Shareholders' equity** (thousands of euros)

Schedule 14

	Changes during the year			Changes during the year				31.12.2009
	31.12.2007	Loss coverage for the year	Loss for the year	31.12.2008	Rai Click merger	Loss coverage for the year	Loss for the year	
Share capital (a)	242,518	-	-	242,518	-	-	-	242,518
Legal Reserve	6,977	-	-	6,977	-	-	-	6,977
Other reserves:								
. reserve fund for taxed capital grants	1,262	-	-	1,262	-	(1,262)	-	-
. merger surplus	341,144	-	-	341,144	249	(13,849)	-	327,544
. other reserves	16,039	-	-	16,039	-	(16,039)	-	-
Profits brought forward	10,731	(4,871)	-	5,860	-	(5,860)	-	-
Profit (Loss) for the year	(4,871)	4,871	(37,010)	(37,010)	-	37,010	(79,930)	(79,930)
	<b>613,800</b>	<b>-</b>	<b>(37,010)</b>	<b>576,790</b>	<b>249</b>	<b>-</b>	<b>(79,930)</b>	<b>497,109</b>
(a) no. ordinary shares	242,518,100			242,518,100				242,518,100
per-unit value	1 Euro			1 Euro				1 Euro

**Availability of Shareholders' equity** (thousands of euros)

Schedule 15

Nature - Description	Amount	Possibility for utilisation	Portion available	Utilisations in the previous three years	
				to cover losses	other
Capital	242,518	-	-		
Legal Reserve	6,977	2	6,977		
Other reserves:					
- taxed provision of contributions to capital	-	-	-	1,262	
- reserve of contribution to capital pursuant to Art. 55 Presid. Decree 917/86	-	-	-	9,364	
- merger surplus	327,544	1-2-3	327,544	13,849	
- reserve for realignment of statutory and fiscal values on company assets	-	-	-	42,750	
- other reserves	-	-	-	16,039	
Profits brought forward	-	-	-	37,266	
<b>Total available</b>			<b>334,521</b>	<b>120,530</b>	<b>-</b>
Non-distributable share:					
Legal Reserve			(6,977)		
Loss for the year			(79,930)		
<b>Total distributable</b>			<b>247,614</b>		

Key:

1: for capital increase – 2: for hedging losses – 3: for distribution to shareholders

## Share Capital

At 31 December 2009 share capital was represented by 242,518,100 ordinary shares of par value 1 euro each, owned by the Ministry of the Economy and Finance (241,447,000 shares, equal to 99.5583% of the share capital) and SIAE, the Italian Association of Authors and Publishers (1,071,100 shares, equal to 0.4417% of share capital).

## Legal Reserve

The legal reserve amounts to 6,977 thousand euros.

## Other reserves

Other reserves total 327,544 thousand euros, which refer entirely to merger surplus.

## Net loss for the year

This amounts to 79,929,950.22 euros.

## Provisions for risks and charges

These amount to 397,583 thousand euros, down 25,409 thousand euros net on 31 December 2008. The composition of these items and details of the decrease are shown in Schedule 16. The notes which follow provide additional information on the individual provisions.



## Provisions for risks and charges (thousands of euros)

Schedule 16

	31.12.2008	Rai Click	Provision made	Direct utilisations	Absorptions from income statement	Reclassifications	31.12.2009
<b>Provision for pension and similar liabilities:</b>							
- supplementary seniority benefits	2,229	-	73 (a)	(318)	(77) (h)	-	1,907
- supplementary company pension fund	442	-	6 (a)	(78)	-	(87) (i)	283
- retirement benefits	151,307	-	10,728 (b)	(11,698)	-	87 (i)	150,424
	153,978	-	10,807	(12,094)	(77)	-	152,614
<b>Provision for taxes</b>							
	26,369	-	-	(13,805)	-	-	12,564
<b>Other:</b>							
- litigation	105,500	121	14,208 (c)	(16,523)	(5,306) (h)	-	98,000
- doubtful receivables from concession holders Sipra and Rai Trade for Rai share	20,300	-	6,498 (d)	(1,398)	-	-	25,400
- renovation and restructuring of properties	23,362	-	-	(734)	-	-	22,628
- litigation with social security institutions	26,000	-	-	(942)	(3,058) (h)	-	22,000
- disputes with controlling bodies	24,396	-	16,601 (e)	(10,503)	(13,718) (h)	(175) (l)	16,601
- lease disputes	950	-	9,206 (d)	(156)	-	-	10,000
- risks of non-usability of non-current assets (*)	5,096	-	404 (d)	-	(20) (h)	-	5,480
- accrued costs	5,100	-	-	-	-	-	5,100
- staff resignation incentives	7,216	-	-	(7,216)	-	-	-
- miscellaneous:							
. for liabilities	17,225	-	1,763 (f)	(1,249)	(737) (h)	-	17,002
. for risks	7,500	-	4,118 (g)	(537)	(887) (h)	-	10,194
	242,645	121	52,798	(39,258)	(23,726)	(175)	232,405
<b>Total</b>	<b>422,992</b>	<b>121</b>	<b>63,605</b>	<b>(65,157)</b>	<b>(23,803)</b>	<b>(175)</b>	<b>397,583</b>
(*) including:							
- programmes under development	3,600						
- technical	1,500						
(a) contra-account:	item B 9 d) pension and similar liabilities			(f) contra-accounts:	item B 9 a) personnel costs		23
(b) contra-accounts:	item B 9 d) pension and similar liabilities	1,044			item B 13 other provisions		1,740
	item B 14 c) other operating costs	9,684		(g) contra-accounts:	item B 12 provisions for risks		4,081
(c) contra-accounts:	item B 9 e) other personnel costs	6,828			item C 17 d) interest and various financial charges		37
	item B 12 provisions for risks	7,380		(h) contra-account:	item A 5 c) other production-related income		
(d) contra-account:	item B 12 provisions for risks			(i) transferred:	from social security fund to pension fund		
(e) contra-accounts:	item B 9 a) personnel costs	13,119		(l) contra-account:	item D 14 b) other payables to staff		
	item B 9 b) social security contributions	3,482					

**Provision for pension and similar liabilities:** this amounts to 152,614 thousand euros and comprises the supplementary seniority benefits provision, the retirement benefits provision and the company supplementary pension fund.

- The *provision for supplementary seniority benefits* amounts to 1,907 thousand euros (at 31 December 2008: 2,229 thousand euros). It represents the liability in respect of indemnities in lieu of notice towards employees hired before 1978 who have reached the compulsory retirement age. The amount is revalued each year for consumer price inflation. In the event of early termination of employment, or changes in category, the amounts accrued are released.
- The *provision for retirement benefits* amounts to 283 thousand euros (at 31 December 2008: 442 thousand euros), includes amounts accrued until 31 December 1988 and supplementary amounts allocated in subsequent periods in order to protect the real value of the provision for eligible employees in accordance with the terms of the national collective labour agreement.

Since 1 January 1989 retirement benefits paid by Rai and withholdings from employees have been paid into CRAIPI (supplementary retirement fund for Rai employees) and FIPDRAI (supplementary retirement fund for Rai managers), associations which are responsible for managing retirement funds under the agreements entered into between Rai and the trade unions. Upon retirement, the funds accumulated by Rai, CRAIPI and FIPDRAI are paid out unless employees opt, at the time they obtain the pension rights, to obtain equivalent life annuities. In this case, Rai, FIPDRAI and CRAIPI funds remain with the associations to finance the said life annuities.

- The provision for supplementary seniority benefits amounts to 150,424 thousand euros (at 31 December 2008: 151,307 thousand euros). It includes:
  - 141,396 thousand euros for supplementary pension benefits currently being paid (at 31 December 2008: 140,836 thousand euros) consisting of funds accrued for employees who have opted for the supplementary pension plan under the trade union agreements which are kept at an adequate level to ensure said benefits, with respect to actuarial reserves.
  - 9,028 thousand euros (at 31 December 2008: 10,471 thousand Euros) for supplementary pensions that will be paid to eligible managerial staff still in service in the event that some of these opt for the supplementary pension plan. Benefits are calculated on the basis of pay earned, seniority and financial and demographic parameters normally used in similar cases.

The provision for **current and deferred taxes**: this amounts to 12,564 thousand euros (at 31 December 2008: 26,369 thousand euros). The following table shows a breakdown of the item and changes during 2009.

### Deferred tax reserve (thousands of euros)

	Amount of temporary IRES differences	IRES 27.5%	Amount of temporary IRAP differences	IRAP 4.567% (average)	Total
Situation at 31 December 2008:					
- Tax assessment 1975					297
- Capital gains	25	7	25	1	8
- Tax charge for long-term loans	0	0	==	==	0
- Neutralisation of foreign exchange valuations	0	0	==	==	0
- Tax-purpose accelerated depreciation on fixed assets	38,514	10,591	57,100	2,602	13,193
- Accelerated depreciation for tax purposes fixed assets	40,110	11,030	40,385	1,841	12,871
<b>Deferred tax liabilities at start of year</b>	<b>78,649</b>	<b>21,628</b>	<b>97,510</b>	<b>4,444</b>	<b>26,369</b>
Movements in the year					
- Tax assessment 1975					0
- Capital gains	(25)	(7)	(25)	(1)	(8)
- Tax charge for long-term loans	359	99	==	==	99
- Neutralisation of foreign exchange valuations	0	0	==	==	0
- Tax-purpose accelerated depreciation on fixed assets	(38,514)	(10,591)	(11,419)	(516)	(11,107)
- Accelerated depreciation for tax purposes fixed assets	(8,291)	(2,280)	(11,217)	(509)	(2,789)
<b>Totale variazioni del periodo</b>	<b>(46,471)</b>	<b>(12,779)</b>	<b>(22,661)</b>	<b>(1,026)</b>	<b>(13,805)</b>
Situation at 31 December 2009:					
- Tax assessment 1975					297
- Capital gains	0	0	0	0	0
- Tax charge for long-term loans	359	99	==	==	99
- Neutralisation of foreign exchange valuations	0	0	==	==	0
- Tax-purpose accelerated depreciation on fixed assets	0	0	45,681	2,086	2,086
- Accelerated depreciation for tax purposes fixed assets	31,819	8,750	29,168	1,332	10,082
<b>Deferred tax liabilities at start of year</b>	<b>32,178</b>	<b>8,849</b>	<b>74,849</b>	<b>3,418</b>	<b>12,564</b>

**Other provisions:** these amount to 232,405 thousand euros (at 31 December 2008: 242,645 thousand euros). They include provisions for costs or losses the existence of which is certain but the amount of which cannot be exactly determined, or which are probable and the amount of which can be reasonably estimated. The main items are detailed in Schedule 16. The release of the fund for costs matured is due to the application of the renewal of the national labour contract for journalism. As regards pending litigation with employees and third parties, the amount carried in the *provisions for liabilities and risks* is the best estimate of the likely liability based on the most up-to-date information available.

### Provision for staff severance pay

The provision totals 322,351 thousand euros (at 31 December 2008: 334,526 thousand euros). The provision for staff severance pay is calculated on a case-by-case basis in accordance with the provisions of Article 2120 of the Civil Code, integrated by Financial Act 2007 (Law 296 of 27 December 2006), which set the date of 1 January 2007 for the entry into force of the new legislation on pension funds (Legislative decree 252, 2005).

By effect of this legislation, provisions for staff severance pay converge into pension funds other than those inside the company, unless employees ask to maintain the severance pay within the company. In this case, the provisions are paid into a fund managed by the INPS which transfers to the company all the benefits disbursed in the event of payment of advances or termination of the employment contract, as envisaged by Article 2120 of the Civil Code.

The composition of the provision and changes during the year are shown in Schedule 17.

Provision for staff severance pay (thousands of euros)						Schedule 17
31.12.2008	Provisions	Changes during the year			Other movements	31.12.2009
		Severance pay disbursed	Staff transfers	Transfer to INPS and supplementary retirement funds		
334,526	44,192	(19,153)	259	(36,802)	(671)	322,351

## Payables

Payables amount to 1,122,887 thousand euros, up 318,430 thousand euros on 31 December 2008.

More specifically, financial debt to banks and totals 163,734 thousand euros, with a net increase of 161,357 thousand euros on the figure disclosed in the 2008 financial statements. No payables covered by collateral in the form of company assets are recorded.

A breakdown of the caption and the contribution deriving from the merger with Rai Click are given in Schedule 18, while Schedules 19 and 20 show the composition of payables by maturity, type and currency.

With regard to geographic distribution, about 88% relates to Italian residents, with about 11% relating to residents of non-EU countries.

### Payables (thousands of euros)

Schedule 18

	Variazioni dell'esercizio					31.12.2009
	31.12.2008	Rai Click merger Rai Click	Elimination	Rai + Rai Click 1.1.2009	Balance of new positions (+) and repayments (-)	
Due to banks	2,377	-	-	2,377	161,357	163,734
Advances	287	-	-	287	703	990
Suppliers	456,591	2,451	-	459,042	78,574	537,616
Subsidiaries (a)	155,669	-	(4,821)	150,848	52,459	203,307
Associated companies (b)	3,261	-	-	3,261	2,239	5,500
Holding companies	-	1,691	(1,691)	-	-	-
Tax payables	54,938	5	-	54,943	5,348	60,291
Welfare and social security institutions	42,661	1	-	42,662	6,962	49,624
Other payables	88,673	112	-	88,785	13,040	101,825
	<b>804,457</b>	<b>4,260</b>	<b>(6,512)</b>	<b>802,205</b>	<b>320,682</b>	<b>1,122,887</b>
(a) including:						
- 01 Distribution	7	-	-	7	338	345
- NewCo Rai International	1,055	-	-	1,055	1,818	2,873
- Rai Cinema	6,429	-	-	6,429	16,083	22,512
- Rai Click	4,821	-	(4,821)	-	-	-
- Rai Corporation	6,047	-	-	6,047	123	6,170
- Rai Trade	14,601	-	-	14,601	2,057	16,658
- Rai Way	54,132	-	-	54,132	12,413	66,545
- RaiNet	14,713	-	-	14,713	(3,355)	11,358
- RaiSat	13,167	-	-	13,167	22,018	35,185
- Sacis in liquidation	5,154	-	-	5,154	(104)	5,050
- Sipra	35,543	-	-	35,543	1,068	36,611
	<b>155,669</b>	<b>-</b>	<b>(4,821)</b>	<b>150,848</b>	<b>52,459</b>	<b>203,307</b>
(b) including:						
- Auditel	59	-	-	59	(59)	-
- San Marino RTV	3,202	-	-	3,202	1,608	4,810
- Tivù	-	-	-	-	690	690
	<b>3,261</b>	<b>-</b>	<b>-</b>	<b>3,261</b>	<b>2,239</b>	<b>5,500</b>

**Payables, and accrued expenses and deferred income, by maturity and type** (thousands of euros)

Schedule 19

	31.12.2009				31.12.2008			
	Amounts due				Amounts due			
	within 1 year	within 2 to 5 years	after 5 years	Book value	within 1 year	within 2 to 5 years	after 5 years	Book value
Medium/long-term financial debt	-	-	-	-	-	-	-	-
Short-term financial debt:								
Due to banks	163,734	-	-	163,734	2,377	-	-	2,377
Suppliers	123	-	-	123	123	-	-	123
Subsidiaries	49,184	-	-	49,184	41,737	-	-	41,737
Associated companies	146	-	-	146	90	-	-	90
	213,187	-	-	213,187	44,327	-	-	44,327
Trade and other payables:								
Advances	990	-	-	990	287	-	-	287
Suppliers	537,493	-	-	537,493	456,468	-	-	456,468
Subsidiaries	154,123	-	-	154,123	113,932	-	-	113,932
Associated companies	5,354	-	-	5,354	3,171	-	-	3,171
Taxes payable	60,291	-	-	60,291	54,938	-	-	54,938
Welfare and social security institutions	49,624	-	-	49,624	42,661	-	-	42,661
Other payables	101,825	-	-	101,825	88,673	-	-	88,673
	909,700	-	-	909,700	760,130	-	-	760,130
<b>Total payables</b>	<b>1,122,887</b>	<b>-</b>	<b>-</b>	<b>1,122,887</b>	<b>804,457</b>	<b>-</b>	<b>-</b>	<b>804,457</b>
<b>Accrued expenses</b>	<b>206</b>	<b>-</b>	<b>-</b>	<b>206</b>	<b>64</b>	<b>-</b>	<b>-</b>	<b>64</b>
<b>Deferred income</b>	<b>53,382</b>	<b>-</b>	<b>-</b>	<b>53,382</b>	<b>52,641</b>	<b>-</b>	<b>-</b>	<b>52,641</b>
<b>Total</b>	<b>1,176,475</b>	<b>-</b>	<b>-</b>	<b>1,176,475</b>	<b>857,162</b>	<b>-</b>	<b>-</b>	<b>857,162</b>

**Payables and accrued expenses in foreign currency or exposed to exchange rate risk** (thousands of euros)

Schedule 20

	31.12.2009			31.12.2008		
	In euros	In foreign currency or exposed to exchange rate risk	Book value	In euros	In foreign currency or exposed to exchange rate risk	Book value
<b>Payables</b>						
Due to banks	163,734	-	163,734	2,361	16	2,377
Suppliers	526,045	11,571	537,616	445,935	10,656	456,591
Subsidiaries	197,137	6,170	203,307	149,622	6,047	155,669
Associated companies	5,500	-	5,500	3,261	-	3,261
Tax payables	60,291	-	60,291	54,938	-	54,938
Welfare and social security institutions	49,624	-	49,624	42,661	-	42,661
Other payables	101,820	5	101,825	88,668	5	88,673
<b>Total payables (a)</b>	<b>1,104,151</b>	<b>17,746</b>	<b>1,121,897</b>	<b>787,446</b>	<b>16,724</b>	<b>804,170</b>
<b>Accrued expenses</b>	<b>206</b>	<b>-</b>	<b>206</b>	<b>64</b>	<b>-</b>	<b>64</b>
<b>Total</b>	<b>1,104,357</b>	<b>17,746</b>	<b>1,122,103</b>	<b>787,510</b>	<b>16,724</b>	<b>804,234</b>

(a) This does not include Payments on account

The notes indicated hereunder provide further details on the contents of the individual items.

**Due to banks:** these amount to 163,734 thousand euros (at 31 December 2008: 2,377 thousand euros) representing current account overdrafts with certain banks.

**Advances:** these amount to 990 thousand euros (at 31 December 2008: 287 thousand euros) referring totally to other advance payments.

**Suppliers:** these amount to 537,616 thousand euros (at 31 December 2008: 456,591 thousand euros) and show an increase of 81,025 thousand euros with respect to the figure disclosed for the previous year. They include financial debt for 123 thousand euros (unchanged since 31 December 2008) and non-financial payables of 537,493 thousand euros (456,468 thousand euros at 31 December 2008).

**Accounts payable to subsidiaries:** these amount to 203,307 thousand euros (at 31 December 2008: 155,669 thousand euros), as detailed in Schedule 18. They include financial debt for 49,184 thousand euros (41,737 euros at 31 December 2008) and non-financial payables of 154,123 thousand euros (113,932 thousand euros at 31 December 2008).

**Payables to associated companies:** these amount to 5,500 thousand euros (at 31 December 2008: 3,261 thousand euros), as detailed in Schedule 18. They include financial debt for 146 thousand euros (90 thousand euros at 31 December 2008) and non-financial payables of 5,354 thousand euros (3,171 thousand euros at 31 December 2008).

**Tax payables:** these amount to 60,291 thousand euros (31 December 2008: 54,938 thousand euros) and show an increase of 5,353 thousand euros with respect to the figure disclosed for the previous year. They consist of:

(thousands of euros)		
	2009	2008
- Tax withholdings on earnings of employees and free-lance workers to be paid over	31,063	31,909
- IRES under taxation arrangements on consolidated basis	23,489	17,263
- Suspended VAT	4,786	5,327
- Other withholdings and "substitute" taxes	953	420
- Other	-	19
<b>Total</b>	<b>60,291</b>	<b>54,938</b>

As regards debt in relation to IRES, as reported in the accounting policies, the company has opted for group taxation, transferring to itself, as the consolidating entity, the activities inherent in liquidation and payment of the tax with regard to the following companies: 01 Distribution, NewCo Rai International, Rai Cinema, Rai Click, Rai Way, RaiNet, RaiSat, Sipra and Rai Trade, within the consolidated taxation arrangement. All companies are entitled to make use of the consolidation tax arrangement until financial year 2009, apart from Sipra and Rai Trade, for which the last financial year available for use of this arrangement is 2010.

**Welfare and social security institutions:** these payables amount to 49,624 thousand euros (at 31 December 2008: 42,661 thousand euros). They reflect contributions due on remuneration paid to employees and consultants, to be paid over to the institutions at the scheduled dates. They consist of:

(thousands of euros)		
	2009	2008
- ENPALS	16,501	13,446
- INPGI	14,649	12,822
- Contributions on assessed remuneration	10,732	8,833
- INPS	5,584	5,561
- Other	2,158	1,999
<b>Total</b>	<b>49,624</b>	<b>42,661</b>

**Other payables:** these amount to 101,825 thousand euros (at 31 December 2008: 88,673 thousand euros), and show a net increase of 13,152 thousand euros on the previous year, as follows:

(thousands of euros)		
	2009	2008
- Employees for assessed remuneration	56,106	61,568
- Other for assessed pertinent remuneration	16,012	4,486
- CRAIPI	9,983	5
- FCPGI	9,682	9,696
- FIPDRAI	1,170	-
- Other	8,872	12,918
<b>Total</b>	<b>101,825</b>	<b>88,673</b>

## Accrued expenses and deferred income

This caption totals 53,588 thousand euros. Details and a comparison with the previous year are provided in Schedule 21.

<b>Accrued expenses and deferred income</b> (thousands of euros)		Schedule 21	
	Changes for the year		
	31.12.2008	Balance of movements	31.12.2009
<b>Deferred income:</b>			
. contribution for switchover to digital terrestrial broadcasting	48,083	1,236	49,319
. special subscriptions	261	66	327
. repayment of programme production costs	3,233	(642)	2,591
. sponsorship of minor FIFA events	354	(133)	221
. teletext	60	54	114
. investment properties	53	(1)	52
. transmission and related rights on own productions	422	271	693
. telephone facilities	119	(119)	-
. other	56	9	65
	<b>52,641</b>	<b>741</b>	<b>53,382</b>
<b>Accrued expenses:</b>			
. commitment fees on credit lines	29	67	96
. interest on short-term loans	-	75	75
. premiums payable on currency hedges	35	-	35
	<b>64</b>	<b>142</b>	<b>206</b>
<b>Total</b>	<b>52,705</b>	<b>883</b>	<b>53,588</b>

The caption contains the entire amount contributed, disbursed by the Ministry for Communications during 2007, 2008 and 2009, of 49,319 thousand euros, in support of initiatives to accelerate the switch-over to the digital terrestrial platform, consisting of operations on systems and adaptation of the site infrastructures to extend areas covered by the digital signal and improve reception and the quality of service perceived by the user.

The task of making the necessary investments is entrusted to the subsidiary Rai Way SpA, which is also responsible for the design, installation, construction, maintenance, implementation, development and operation of the telecommunications networks.

The contribution is disclosed in the income statement of each year in relation to amortisation booked by the subsidiary, considering the relationship between the amount of the contributions collected and the total investments envisaged for the accomplishment of related projects.

## 5) Memorandum accounts

Memorandum accounts amount to 616,414 thousand euros. A breakdown by type is provided in the table attached to the Parent Company balance sheet and they are analysed in detail in Schedules 22, 23 and 24.

<b>Secured guarantees granted</b> (thousands of euros)	Schedule 22	
	31.12.2009	31.12.2008
Secured guarantees on behalf of others	-	-
Secured guarantees granted for own commitments other than payables		
Assets pledged as collateral:		
- fixed-income securities	3,730	3,762
	3,730	3,762
Secured guarantees for debt recorded in the balance sheet		
Mortgages on:		
- land and buildings		
. industrial	25,281	25,281
Other secured guarantees	25,281	25,281
	50,562	50,562
<b>Total</b>	<b>54,292</b>	<b>54,324</b>

<b>Purchase and sales commitments</b> (thousands of euros)	Schedule 23	
	31.12.2009	31.12.2008
Purchase commitments:		
- Dear property complex - Rome	49,431	49,431
- regional headquarters property - Campobasso	4,850	4,400
	54,281	53,831
Sales commitments		
- regional headquarters property - Campobasso	1,650	1,650
	1,650	1,650
Derivative financial contracts on behalf of Rai Cinema:		
- future currency purchases	12,109	4,106
- options strategies acquired in foreign currencies (collars)	7,844	17,527
- call options	4,257	-
	24,210	21,633
Derivative financial contracts on behalf of RaiSat:		
- future currency purchases	158	1,386
	158	1,386
<b>Total</b>	<b>80,299</b>	<b>78,500</b>



**Other memorandum accounts** (thousands of euros)

Schedule 24

		31.12.2009	31.12.2008
<b>Secured guarantees received</b>			
Assets pledged as collateral:	(a)		
- passbook savings accounts		2	2
		2	2
<b>Unsecured guarantees received</b>			
Sureties:			
- Banca di Credito di Trieste covering loan granted to Ponteco	(b)	249	249
- Miscellaneous banks and insurance companies covering advances to suppliers for the purchase of goods and services	(a)	26,353	31,485
- Banco di Brescia covering agreement with the City of Sanremo for filming the Italian Song Festival	(a)	100	100
- Miscellaneous banks and insurance companies covering full performance of contracts for the production of radio/television programmes	(a)	160,067	159,507
- Banca San Paolo IMI covering advance granted to Michele Alberico	(a)	10	10
- Banca Antonveneta covering Fondazione Nord-Est lease agreement	(b)	480	-
- Sun Insurance Office Limited covering insurance-related advisory and assistance activity granted to AON	(a)	224	224
- Cassa di Risparmio di Padova e Rovigo covering the offer of purchase and sale of the property for the new Rai headquarters in Venice from Ape Srl	(a)	-	890
- Monte dei Paschi di Siena covering the offer to purchase Palazzo Labia by Valore Reale	(a)	3,200	3,200
- Banca Popolare di Sondrio-guarantee for Comune di Genova	(a)	37	-
- Credito Bergamasco-guarantee for Sky Italia	(a)	25,500	-
- Banca Popolare Sondrio covering the obligations undertaken with the subscription of the contractual renewal relating to the Auditorium Foro Italoico lease	(a)	285	-
Other:			
- E.RAS. comfort letters issued on behalf of San Marino RTV for credit line agreed by us	(a)	516	516
		217,021	196,181
<b>Leased assets received</b>		<b>3,004</b>	<b>3,878</b>
<b>Third party assets under development</b>		<b>-</b>	<b>-</b>
<b>Third party assets held under free loan for use, custody, leased or for similar reasons</b>		<b>..</b>	<b>..</b>
<b>Assets with third parties under development awaiting assignment</b>		<b>3,886</b>	<b>4,403</b>
<b>Third party assets held under free loan for use, custody, leased or for similar reasons</b>		<b>1,651</b>	<b>1,193</b>
<b>Guarantees granted by other parties for obligations of the company:</b>			
Against debt:			
- Banca Intesa for guarantee granted to UEFA for sports rights relating to the 2006/2009 Champions League		67,500	24,500
- Banca di Roma for guarantee granted to Lega Nazionale Professionisti for radio and television rights relating to sports events		21,750	14,850
- San Paolo IMI for guarantee granted to Michele Alberico covering an advance granted for a pre-purchase agreement relating to two documentaries		4,859	4,859
- San Paolo IMI for guarantees granted to tax authorities covering prize competitions		17,938	5,938
- Banca Popolare di Novara for guarantee granted to Enipower Trading SpA		520	420
- Banca Intesa - Cariplo for guarantee granted to Enel Trade guaranteeing electricity supply		697	697
- San Paolo IMI for guarantee granted to FIFA covering payment of sporting rights relating to the 2010 World Football Championships		35,000	35,000
- Other guarantees		12,260	1,205
		160,524	87,469
<b>Any other cases in hand:</b>			
- Bank deposits with Banca di Roma and Banca Intesa - Comit in favour of third parties		2	2
- Sums not available at various banks due to restriction by attachments		614	1,668
- Sums not available at Bancoposta due to restriction by attachments		1	32
- Sums not available in correspondence current account with the subsidiary Sipra due to restriction by attachment		2,164	2,164
		2,781	3,866
<b>Total</b>		<b>388,867</b>	<b>296,990</b>

(a) against obligations of others

(b) against receivables

The terms of the hedge contracts covering the specific company commitments or those taken on for the subsidiaries Rai Cinema SpA and RaiSat SpA relating to fair value are summarised in Schedule 25.

On the whole, hedging contracts entered into are, in observance of the Group policy, of a reasonable amount in relation to the overall entity of the commitments subject to such risks.

Purchasing commitments also include the value of the DEAR property complex, of 49,431 thousand euros, deriving from the exercise of the option envisaged in the rental agreements.

The final transfer agreement, set for 5 June 2008, was not signed, due to the failure of the counterparty to turn up for the meeting with the notary, denying Rai the right to become owner of the complex and activating legal proceedings with which the declaration of non-existence of the obligation to transfer ownership of the property was requested.

Rai, in reiterating the validity of the exercise of the pre-emption right, placed the purchase price at the disposal of the counterparty and took legal action of its own to obtain acknowledgement of its rights.

At 31 December 2009 there were no commitments of particular significance for the purchase or sale of goods and services in addition to those taken on in the normal course of business that would require specific information to be given for a better understanding of the Company's financial position.

## Fair value of derivatives

Schedule 25

	Notional 31.12.2009 thousands of USD	Fair value at 31.12.2009 thousands of euros
Derivative financial instruments for hedges		
- on exchange rates (1):		
. futures purchased and swaps	16,200	(578)
. optional currency purchase strategies (collars)	119,400	2,454
. currency options	12,000	386
	147,600	2,262
Hedges for the account of Rai Cinema		
- on exchange rates (2):		
. futures purchased and swaps	17,000	(286)
. optional currency purchase strategies (collars)	11,000	(2)
. currency options	6,300	32
	34,300	(255)
Hedges for the account of RaiSat		
- on exchange rates (2):		
. futures purchased and swaps	230	2
	230	2

(1) The transactions relate to hedging commercial agreements entered into in US\$, in observance of the Group policy.

(2) The transactions are carried out on behalf of Rai Cinema and RaiSat under a specific mandate, to hedge commercial agreements entered into by the company in US\$, in observance of the Group policy.

## 6) Income Statement

### Production value

**Revenues from sales and services:** these amount to 2,895,617 thousand euros (at 31 December 2008: 2,878,438 thousand euros). They basically include revenues pertaining to the year from licence fees and advertising. A breakdown into major components is given in Schedule 26. As can be seen from the distribution of revenues by geographic area, they almost all originate in Italy.

<b>Revenues from sales and services</b> (thousands of euros)	Schedule 26	
	Year 2009	Year 2008
Revenues from sales	1,002	647
Revenues from services:		
- Licence fees		
. private subscriptions	1,572,459	1,547,255
. special subscriptions	57,173	55,681
	1,629,632	1,602,936
- General-interest channel TV advertising:		
. tabular	779,222	947,714
. TV promotions	32,765	35,757
. sponsorships	37,832	42,128
	849,819	1,025,599
- Radio advertising:		
. tabular	40,376	53,636
. radio promotions	824	1,413
. sponsorships	6,191	6,693
	47,391	61,742
- Specialist channel TV advertising	9,053	5,410
- Other advertising	2,328	2,947
	908,591	1,095,698
- Special services under agreements	68,762	69,065
- Other services		
. sale of transmission rights and distribution of programmes	244,428	59,611
. telephone facilities	13,143	19,197
. production services	9,854	10,299
. television broadcasting services through digital terrestrial techniques	3,511	3,000
. teletext services	1,126	1,458
. miscellaneous	15,568	16,527
	287,630	110,092
	<b>2,894,615</b>	<b>2,877,791</b>
<b>Total</b>	<b>2,895,617</b>	<b>2,878,438</b>

**Changes in inventories of work in progress, semi-finished and finished goods:** these amount to 6 thousand euros (at 31 December 2008: 11 thousand euros). They are entirely attributable to the increase in the value of inventories associated with the book publishing and periodicals business.

**Internal cost capitalisations:** the amount of 15,418 thousand euros (at 31 December 2008: 14,728 thousand euros) represents internal costs associated with *non-current assets*, which were capitalised under the specific asset captions. Details are shown in Schedule 27.

<b>Internal cost capitalisations</b> (thousands of euros)	Schedule 27	
	Year 2009	Year 2008
Intangible assets	9,905	9,542
Tangible assets	5,513	5,186
<b>Total</b>	<b>15,418</b>	<b>14,728</b>

**Other production-related income:** this amounts to 124,642 thousand euros (at 31 December 2008: 164,562 thousand euros), as detailed in Schedule 28.

<b>Other production-related income</b> (thousands of euros)		Schedule 28
	Year 2009	Year 2008
Operating grants	3,192	2,432
Gains on disposals	418	189
Other		
Recovery and reimbursement of expenses	24,398	24,696
Prior-year license fees	15,726	16,223
Other out-of-period gains	26,048	84,163
Provisions released	23,938	5,201
Other income from equity investments:		
- Rai Way service contract	15,219	15,093
- Rai Cinema service contract	9,635	10,747
- RaiNet service contract	1,510	1,279
- other	3,309	3,388
Miscellaneous	1,249	1,151
	121,032	161,941
<b>Total</b>	<b>124,642</b>	<b>164,562</b>

## Production costs

This caption comprises costs and capital losses related to ordinary activities, excluding financial operations. The costs shown here do not include those relating to non-current *tangible* and *intangible* assets, which are recorded under the respective balance sheet accounts.

**Raw materials, supplies, consumables and merchandise:** these total 23,054 thousand euros (at 31 December 2008: 25,942 thousand euros), which include purchases of technical materials for inventory – excluding items used in the construction of plant, which are allocated directly to *fixed assets* – production materials (sets, costumes etc) and miscellaneous operating materials (fuel, office supplies, printed documents etc), net of discounts and allowances, as shown in Schedule 29.

<b>Purchases of raw materials, supplies, consumables and merchandise</b> (thousands of euros)		Schedule 29
	Year 2009	Year 2008
Technical materials for inventory	5,019	5,472
Miscellaneous production materials	4,690	5,303
Miscellaneous non-production materials	10,936	12,680
Other materials	2,411	2,489
Discounts, allowances and premiums on purchases of goods	(2)	(2)
<b>Total</b>	<b>23,054</b>	<b>25,942</b>

**Services:** these amount to 838,302 thousand euros (at 31 December 2008: 831,026 thousand euros) and comprise costs for freelance workers and other external services, net of discounts and allowances, as shown in Schedule 30. Among other things, they include emoluments, remuneration for special functions, attendance fees and reimbursement of expenses paid to Directors for 2,350 thousand euros and to Statutory Auditors for 192 thousand euros. To provide a complete picture of the situation, following the merger by incorporation of Rai Click Spa into Rai Spa, the caption discloses costs of 38 thousand euros for the statutory auditors of the merged company.

<b>Cost of services</b> (thousands of euros)	Schedule 30	
	Year 2009	Year 2008
Freelance services	139,946	146,996
Services for acquisition and production of programmes	207,192	175,062
Ancillary services for the acquisition and production of programmes	61,594	82,723
Allowances, travel expenses and transfer of personnel	27,753	38,157
Ancillary personnel service costs	11,001	10,935
Maintenance and repairs	20,154	18,257
Documentation and information services	47,768	45,763
Insurance and accident prevention	19,623	18,965
Advertising and promotion	6,390	7,893
General services	73,747	75,756
Supply services	20,288	19,896
Expenses for the promotion and distribution of our products	6,141	6,322
Signal broadcasting and transport under service contract and other Rai Way costs	164,988	154,834
Services under RaiNet service contract	6,606	6,509
Other	25,111	22,958
<b>Total</b>	<b>838,302</b>	<b>831,026</b>

**Use of third-party assets:** these amount to 910,058 thousand euros (at 31 December 2008: 857,690 thousand euros), and expresses costs for rents, leases, usage rights and filming rights, as detailed in Schedule 31.

<b>Use of third-party assets</b> (thousands of euros)	Schedule 31	
	Year 2009	Year 2008
Lease instalments	796	809
Rent and hire costs	72,164	75,846
Usage rights	109,759	104,240
Filming rights	385,076	358,988
Acquisition of viewing rights from RaiSat	19	403
Acquisition of viewing rights from Rai Cinema	326,803	301,625
Acquisition of viewing rights to serious music and theatrical events from Rai Trade	7,358	7,728
Other rights	8,083	8,051
<b>Total</b>	<b>910,058</b>	<b>857,690</b>

**Personnel costs:** employee-related costs amount to 903,548 thousand euros (at 31 December 2008: 902,714 thousand euros), broken down as indicated in the income statement. The average number of employees on the payroll in 2009 was 11,829, including employees on fixed-term contracts (at 31 December 2008: 11,698 units), as detailed in Schedule 32.

## Average number of employees

Schedule 32

	Year 2009			Year 2008		
	Staff on fixed-term contracts (average)	Staff on permanent contracts (average)	Total	Staff on fixed-term contracts (average)	Staff on permanent contracts (average)	Total
- Managers	261	-	261	268	-	268
- Junior managers and supervisors	1,119	-	1,119	1,105	1	1,106
- Journalists	1,661	365	2,026	1,652	346	1,998
- Office staff, production employees, camera staff, film directors' staff, technicians	5,785	1,311	7,096	5,689	1,306	6,995
- Blue-collars	954	227	1,181	986	194	1,180
- Conductors, musical directors and choir staff	125	9	134	128	11	139
- Medical staff	12	-	12	12	-	12
<b>Total</b>	<b>9,917</b>	<b>1,912</b>	<b>11,829</b>	<b>9,840</b>	<b>1,858</b>	<b>11,698</b>

**Amortisation, depreciation and writedowns:** these amount to 378,459 thousand euros (at 31 December 2008: 381,195 thousand euros). The breakdown is shown directly in the income statement. In detail, amortisation in relation to intangible assets refers basically to industrial patents and intellectual property rights for 273,433 thousand euros (at 31 December 2008: 266,965 thousand euros), while Schedules 33 and 34 provide details of amortisation of fixed assets and writedowns in relation to non-current assets. They include a writedown of capitalised programmes amounting to 25,375 thousand euros, which was made to take account of the risk that certain programmes may not be transmitted or re-broadcast.

## Depreciation of tangible assets (thousands of euros)

Schedule 33

	Year 2009	Year 2008
Land and buildings	22,306	34,445
Plant and machinery	39,541	40,020
Industrial and sales equipment	2,125	2,034
Other assets	6,421	6,397
<b>Total</b>	<b>70,393</b>	<b>82,896</b>

## Other non-current asset writedowns (thousands of euros)

Schedule 34

	Year 2009	Year 2008
Intangible assets under development	-	423
Programmes being amortised	25,375	22,174
<b>Total</b>	<b>25,375</b>	<b>22,597</b>

**Changes in inventories of raw materials, supplies, consumables and merchandise:** the amount of 93 thousand euros (at 31 December 2008: 156 thousand euros) represents the decrease in net *inventories* carried under current assets at 31 December 2009 with respect to the previous year.

**Provisions for risks:** these amount to 27,569 thousand euros (at 31 December 2008: 13,009 thousand euros) and indicate allocations to provisions for risks. The most significant items are detailed in Schedule 16.

**Other provisions:** these amount to 1,740 thousand euros (at 31 December 2008: 1,619 thousand euros). The main items are shown in Schedule 16.

**Miscellaneous operating costs:** these amount to 97,046 thousand euros (at 31 December 2008: 98,612 thousand euros). Their composition is shown directly in the income statement and further information is provided in Schedule 35.

<b>Miscellaneous operating costs</b> (thousands of euros)	Schedule 35	
	Year 2009	Year 2008
Asset disposal losses		
Tangible assets		
- land and buildings	9	67
- plant and machinery	133	233
- industrial and sales equipment	6	11
- other assets	97	202
- tangible assets under construction	41	25
	286	538
Concession fee	29,520	29,180
Other costs:		
- gifts, prize contests and entertainment expenses	14,402	16,624
- association dues	2,944	2,700
- municipal property tax	3,577	3,565
- other indirect taxes and contributions	7,024	6,670
- contribution to the Authority - Min. Decr. 16/07/99	4,198	4,092
- payment of uninsured damages, fines and penalties	1,148	7,242
- newspapers, books, periodicals, specific documentation and publications	3,057	3,160
- prior-year charges and reversal of non-existent assets	19,537	10,029
- provision for pension fund - former employees	9,685	13,207
- other	1,668	1,605
	67,240	68,894
<b>Total</b>	<b>97,046</b>	<b>98,612</b>

## Financial income and charges

**Income from equity investments:** these amount to 49,763 thousand euros (31 December 2008: 26,519 thousand euros), representing dividends distributed in 2009 by investee companies, as shown in Schedule 36.

<b>Financial income from equity investments</b> (thousands of euros)	Schedule 36	
	Year 2009	Year 2008
Dividends from subsidiaries:		
- Rai Way	18,632	-
- Rai Cinema	15,504	12,403
- RaiSat	6,548	3,416
- Sipra	5,000	9,000
- Rai Trade	2,500	1,700
- RaiNet	1,498	-
	49,682	26,519
Dividends from associated companies:		
- Euronews	81	-
<b>Total</b>	<b>49,763</b>	<b>26,519</b>

**Other financial income:** this amounts to 5,412 thousand euros (at 31 December 2008: 14,910 thousand euros) broken down as follows:

- from *non-current receivables*: booked for 22 thousand euros, they are articulated as shown in Schedule 37.

#### Other financial income from non-current receivables (thousands of euros) Schedule 37

	Year 2009	Year 2008
Other:		
- Tax advanced on staff severance pay (Law 140/97)	-	10
- Miscellaneous	22	24
<b>Total</b>	<b>22</b>	<b>34</b>

- From *non-current securities other than equity investments*: this amounts to 84 thousand euros and relates to interest accrued and capital gains on the sale of securities.
- *Financial income other than the above*: this amounts to 5,306 thousand euros and mainly relates to interest on current receivables as shown directly in the income statement and detailed even further in Schedule 38.

#### Other financial income on current receivables other than the above (thousands of euros) Schedule 38

	Year 2009	Year 2008
Interest and commissions receivable from subsidiaries	5,025	12,239
Interest and commissions receivable from associated companies	1	-
Interest and commissions receivable from others and miscellaneous income:		
- interest from banks, post office current accounts and other financial institutions	113	2,071
- default interest on customer receivables	1	11
- interest on interest rate hedges	-	182
- interest from others	166	197
	280	2,461
<b>Total</b>	<b>5,306</b>	<b>14,700</b>

**Interest and other financial charges:** these amount to 4,914 thousand euros (at 31 December 2008: 7,767 thousand euros). They relate to interest expense, commission expense for financial services received and other charges for financial operations, as shown directly in the income statement and in further detail in Schedule 39.

#### Interest and other financial charges (thousands of euros) Schedule 39

	Year 2009	Year 2008
Interest and commissions payable to subsidiaries	344	2,877
Interest and commissions payable to associated companies	1	16
Interest and commissions payable to others and miscellaneous charges:		
- interest and commissions payable to banks and other financial institutions	4,497	4,821
- interest to suppliers	28	39
- interest expense on interest rate hedges	37	-
- other interest expense and miscellaneous charges	7	14
	4,569	4,874
<b>Total</b>	<b>4,914</b>	<b>7,767</b>



**Foreign exchange gains and losses:** these show a gain of total 806 thousand euros (at 31 December 2008: a loss of 4,067 thousand euros), representing the balance of foreign exchange charges and premiums on foreign currency hedge transactions as well as the effect of translating the value of payables and receivables in foreign currencies at year-end exchange rates or the rate in force at the time of the hedge in the case of exchange risk hedges, as detailed further in Schedule 40.

<b>Foreign exchange gains and losses</b> (thousands of euros)	Schedule 40	
	Year 2009	Year 2008
Foreign exchange losses from valuation	(387)	(636)
Other foreign exchange losses	1,193	(3,431)
<b>Total</b>	<b>806</b>	<b>(4,067)</b>

### Value adjustments to financial assets

**Revaluations:** these amount to 199 thousand euros (at 31 December 2008: 2,140 thousand euros). They reflect the recovery of losses incurred by subsidiaries in previous years for 121 thousand euros, and by other investee companies for 78 thousand euros.

**Writedowns:** these total 2,133 thousand euros (at 31 December 2008: 559 thousand euros). They comprise writedowns of *non-current financial assets* following losses incurred for the year.

### Exceptional income and charges

The caption is comprised of charges of 6,664 thousand euros and income of 4,960 thousand euros and is analysed in Schedule 41.

<b>Exceptional income</b> (thousands of euros)	Schedule 41	
	Year 2009	Year 2008
Out-of-period gains and reversal of non-existent liabilities	4,960	1,028
<b>Total</b>	<b>4,960</b>	<b>1,028</b>

<b>Exceptional charges</b> (thousands of euros)		
	Year 2009	Year 2008
Costs connected with the staff voluntary resignation incentives scheme	6,664	-
<b>Total</b>	<b>6,664</b>	<b>-</b>

## Current income taxes for the year, and deferred tax charges and credits

These amount to 16,828 thousand euros. They are made up as follows:

(thousands of euros)				
	Current	Deferred liabilities	Deferred assets	Total
IRES	-	12,779	28,883	41,662
IRAP	(26,700)	1,026	840	(24,834)
	<b>(26,700)</b>	<b>13,805</b>	<b>29,723</b>	<b>16,828</b>

The following table shows the origin and effects of deferred tax items during the year.

(thousands of euros)					
	Amount of temporary IRES differences	IRES 27.5%	Amount of temporary IRAP differences	IRAP 4.567% (average)	Total
<b>DEFERRED TAX ASSETS</b>					
Movements in the year:					
- Adjustment of previous year's tax loss	7,028	1,933	==	==	1,933
- Tax loss for the year	98,000	26,950	==	==	26,950
- Estimated recovery of taxed provisions	0	0	27,708	1,269	1,269
- Statutory/fiscal difference amortisation of programmes	0	0	(245)	(11)	(11)
- Deferral of effect of re-aligning tax value of assets	0	0	(9,181)	(418)	(418)
<b>Total</b>	<b>105,028</b>	<b>28,883</b>	<b>18,282</b>	<b>840</b>	<b>29,723</b>
<b>DEFERRED TAX LIABILITIES</b>					
Movements in the year:					
- Capital gains	25	7	25	1	8
- Tax charge for long-term loans	(359)	(99)	==	==	(99)
- Tax-purpose accelerated depreciation on fixed asset programmes	0	0	==	==	0
- Maggiori ammortamenti fiscali su programmi immobilizzati	38,514	10,591	11,419	516	11,107
- Accelerated depreciation for tax purposes fixed assets	8,291	2,280	11,217	509	2,789
<b>Total</b>	<b>46,471</b>	<b>12,779</b>	<b>22,661</b>	<b>1,026</b>	<b>13,805</b>

The following table presents the estimated reconciliation between the statutory result for the year and the taxable amount for IRES and IRAP purposes.

thousands of euros)	IRES 27.5%	IRAP 4.567%
<b>Result before taxes</b>	<b>(96,757)</b>	<b>Difference between productions values and costs (144,186)</b>
Movement in taxed provisions	(17,821)	Personnel costs 903,548
Statutory fiscal difference on amortisation of programmes	38,274	Non-current asset writedowns 25,375
Deductible portion of dividends	(47,275)	Current asset writedowns 1,775
Equity investment writedowns	2,133	Provisions for risks 27,569
Reversal of tax-purpose accelerated amortisation/ depreciation	9,900	Provisions for charges 1,740
Tax-purpose accelerated depreciation following re-alignment to statutory values	(10,794)	Statutory fiscal difference on amortisation of programmes 11,175
Vehicles	2,903	Utilisation/release of taxed provisions (54,638)
Mobile phones	3,213	Provision for pension fund of former employees 9,685
Municipal property tax	3,577	Reversal of tax-purpose accelerated amortisation/ depreciation 7,292
10% IRAP deductible for the year	(2,680)	Tax-purpose accelerated depreciation following re-alignment to statutory values (10,794)
10% IRAP deductible for prior years	(4,142)	Municipal property tax 3,577
Non-deductible prior-year net expenses	8,946	Tax wedge (207,754)
Hospitality expenses other than those for employees, 25% non-deductible	1,130	Prior-year personnel costs 6,513
Other changes – increase	3,306	Income from staff secondment and emoluments reimbursed (8,528)
Other changes – decrease	(2,713)	Coordinated ongoing and occasional staff 11,017
		Other changes – increase 5,683
		Other changes – decrease (4,419)
<b>Taxable amount</b>	<b>(108,800)</b>	<b>Taxable amount 584,630</b>

On the taxable amount for IRAP, current taxes of 26,700 thousand euros have been calculated.

## 7) Result for the year

The year closed with a loss of 79,929,950.22 euros.

## 8) Other information

As regards related parties disclosures, no significant transactions outside the normal market conditions took place. For details on relations with Group companies, envisaged by art. 2428 point 3 of the Civil Code, see the Report on Operations.

**Balance Sheet - Assets** (in euros)

Schedule 42

	Rai SpA at 31.12.2008	Rai Click at 01.01.2009	Eliminations	Rai + Rai Click at 01.01.2009	Rai Click values found in Rai at 31.12.2009(*)
A) SUBSCRIBED CAPITAL UNPAID	-	-	-	-	-
B) NON-CURRENT ASSETS					
I. INTANGIBLE ASSETS					
3.- Industrial patents and intellectual property rights	274,704,358	-	-	274,704,358	-
4.- Concessions, licences, trademarks and similar rights	24,703,804	3,053	-	24,706,857	659
6.- Intangible assets under development and payments on account	150,570,413	-	-	150,570,413	-
7.- Other intangible assets	10,664,781	-	-	10,664,781	-
<b>TOTAL INTANGIBLE ASSETS</b>	<b>460,643,356</b>	<b>3,053</b>	<b>-</b>	<b>460,646,409</b>	<b>659</b>
II. TANGIBLE ASSETS					
1.- Land and buildings	146,095,848	-	-	146,095,848	-
2.- Plant and machinery	110,289,844	-	-	110,289,844	-
3.- Industrial and sales equipment	6,168,906	-	-	6,168,906	-
4.- Other tangible assets	29,533,934	5,188	-	29,539,122	-
5.- Tangible assets under construction and payments on account	52,879,883	-	-	52,879,883	-
<b>TOTAL TANGIBLE ASSETS</b>	<b>344,968,415</b>	<b>5,188</b>	<b>-</b>	<b>344,973,603</b>	<b>-</b>
III. FINANCIAL ASSETS					
1.- Equity investments in					
a) subsidiaries	305,716,493	-	(1,161,788)	304,554,705	-
b) associated companies	1,611,662	-	-	1,611,662	-
d) other companies	708,806	-	-	708,806	-
	308,036,961	-	(1,161,788)	306,875,173	-
2.- Receivables					
d) from others					
due within 12 months	226,416	18,634	-	245,050	18,634
due after 12 months	4,449,932	-	-	4,449,932	-
	4,676,348	18,634	-	4,694,982	18,634
3.- Other securities	3,769,420	-	-	3,769,420	-
<b>TOTAL FINANCIAL ASSETS</b>	<b>316,482,729</b>	<b>18,634</b>	<b>(1,161,788)</b>	<b>315,339,575</b>	<b>18,634</b>
<b>TOTAL NON-CURRENT ASSETS</b>	<b>1,122,094,500</b>	<b>26,875</b>	<b>(1,161,788)</b>	<b>1,120,959,587</b>	<b>19,293</b>

follows

**Balance Sheet - Assets** (in euros)

Schedule 42

	Rai SpA at 31.12.2008	Rai Click at 01.01.2009	Eliminations	Rai + Rai Click at 01.01.2009	Rai Click values found in Rai at 31.12.2009(*)
C) CURRENT ASSETS					
I. INVENTORIES					
1.- Raw materials, supplies and consumables	497,094	-	-	497,094	-
4.- Finished products and merchandise	215,359	-	-	215,359	-
<b>TOTAL INVENTORIES</b>	<b>712,453</b>	<b>-</b>	<b>-</b>	<b>712,453</b>	<b>-</b>
II. RECEIVABLES					
1.- customers	198,514,645	941,510	-	199,456,155	-
2.- subsidiaries	602,086,241	-	(1,701,752)	600,384,489	-
3.- associated companies	73,989	-	-	73,989	-
4.- tax receivables	-	4,820,978	(4,820,978)	-	-
4.bis- tax receivables	36,175,265	-	-	36,175,265	-
4.ter- deferred tax assets	10,702,884	-	-	10,702,884	-
5.- other					
due within 12 months	53,800,605	795	10,427	53,811,827	-
due after 12 months	101,277,061	-	-	101,277,061	-
<b>TOTAL RECEIVABLES</b>	<b>1,002,630,690</b>	<b>5,763,283</b>	<b>(6,512,303)</b>	<b>1,001,881,670</b>	<b>-</b>
III. CURRENT FINANCIAL ASSETS	-	-	-	-	-
IV. CASH AND CASH EQUIVALENTS					
1.- Bank and post office deposits	31,860,769	-	-	31,860,769	-
2.- Cheques	13,719	-	-	13,719	-
3.- Cash and cash equivalents on hand	327,105	-	-	327,105	-
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>32,201,593</b>	<b>-</b>	<b>-</b>	<b>32,201,593</b>	<b>-</b>
<b>TOTAL CURRENT ASSETS</b>	<b>1,035,544,736</b>	<b>5,763,283</b>	<b>(6,512,303)</b>	<b>1,034,795,716</b>	<b>-</b>
D) ACCRUED INCOME AND PREPAID EXPENSES	33,830,564	1,299	-	33,831,863	-
<b>TOTAL ASSETS</b>	<b>2,191,469,800</b>	<b>5,791,457</b>	<b>(7,674,091)</b>	<b>2,189,587,166</b>	<b>19,293</b>

(\*) Values granted by Rai Click which can be found, without too much difficulty, in the Rai financial statements.

**Balance Sheet - Liabilities** (in euros)

Schedule 42

	Rai SpA at 31.12.2008	Rai Click at 01.01.2009	Eliminations	Rai + Rai Click at 01.01.2009	Rai Click values found in Rai at 31.12.2009(*)
<b>A) SHAREHOLDERS' EQUITY</b>					
I. SHARE CAPITAL	242,518,100	176,800	(176,800)	242,518,100	-
II. ADDITIONAL PAID-IN CAPITAL RESERVE	-	2,462,422	(2,462,422)	-	-
IV. LEGAL RESERVE	6,977,058	-	-	6,977,058	-
VII. OTHER RESERVES	358,444,071	-	248,908	358,692,979	248,908
VIII. PROFITS (LOSSES) BROUGHT FORWARD	5,861,185	-	-	5,861,185	-
IX. PROFIT (LOSS) FOR THE YEAR	(37,010,139)	(1,228,526)	1,228,526	(37,010,139)	-
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>576,790,275</b>	<b>1,410,696</b>	<b>(1,161,788)</b>	<b>577,039,183</b>	<b>248,908</b>
<b>B) PROVISIONS FOR RISKS AND CHARGES</b>					
1.- for pension and similar liabilities	153,977,957	-	-	153,977,957	-
2.- for taxes (also deferred)	26,369,003	-	-	26,369,003	-
3.- other	242,645,031	121,400	-	242,766,431	-
<b>TOTAL PROVISIONS FOR RISKS AND CHARGES</b>	<b>422,991,991</b>	<b>121,400</b>	<b>-</b>	<b>423,113,391</b>	<b>-</b>
<b>C) PROVISION FOR STAFF SEVERANCE PAY</b>	<b>334,525,663</b>	<b>-</b>	<b>-</b>	<b>334,525,663</b>	<b>-</b>
<b>D) PAYABLES</b>					
4.- Due to banks	2,377,179	-	-	2,377,179	-
6.- Advances	287,133	-	-	287,133	-
7.- Suppliers	456,591,047	2,450,718	-	459,041,765	-
9.- Subsidiaries	155,669,109	-	(4,820,978)	150,848,131	-
10.- Associated companies	3,260,855	-	-	3,260,855	-
11.- Holding companies	-	1,691,325	(1,691,325)	-	-
12.- Tax payables	54,938,155	4,568	-	54,942,723	-
13.- Welfare and social security institutions	42,661,269	734	-	42,662,003	-
14.- Other payables	88,672,216	112,016	-	88,784,232	-
<b>TOTAL PAYABLES</b>	<b>804,456,963</b>	<b>4,259,361</b>	<b>(6,512,303)</b>	<b>802,204,021</b>	<b>-</b>
<b>E) ACCRUED EXPENSES AND DEFERRED INCOME</b>	<b>52,704,908</b>	<b>-</b>	<b>-</b>	<b>52,704,908</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>	<b>2,191,469,800</b>	<b>5,791,457</b>	<b>(7,674,091)</b>	<b>2,189,587,166</b>	<b>248,908</b>

(\*) Values granted by Rai Click which can be found, without too much difficulty, in the Rai financial statements.

**Memorandum Accounts** (in euros)

Schedule 42

	Rai SpA at 31.12.2008	Rai Click at 01.01.2009	Eliminations	Rai + Rai Click at 01.01.2009	Rai Click values found in Rai at 31.12.2009(*)
1.- Unsecured guarantees granted					
a) Sureties:					
- for subsidiaries	72,282,308	-	(2,308,972)	69,973,336	-
- for associated companies	2,582,285	-	-	2,582,285	-
- for others	224,166	-	2,308,972	2,533,138	-
	75,088,759	-	-	75,088,759	-
c) Other:					
- for subsidiaries	2,874,183	-	-	2,874,183	-
	2,874,183	-	-	2,874,183	-
<b>Total unsecured guarantees granted</b>	<b>77,962,942</b>	<b>-</b>	<b>-</b>	<b>77,962,942</b>	<b>-</b>
2.- Secured guarantees granted					
b) for own commitments other than payables	3,762,000	-	-	3,762,000	-
c) for debt recorded in the balance sheet	50,561,130	-	-	50,561,130	-
<b>Total secured guarantees granted</b>	<b>54,323,130</b>	<b>-</b>	<b>-</b>	<b>54,323,130</b>	<b>-</b>
3.- Purchase and sales commitments	78,500,349	-	-	78,500,349	-
4.- Other	296,991,548	2,308,972	(2,308,972)	296,991,548	-
	<b>507,777,969</b>	<b>2,308,972</b>	<b>(2,308,972)</b>	<b>507,777,969</b>	<b>-</b>

(\*) Values granted by Rai Click which can be found, without too much difficulty, in the Rai financial statements





**Rai**



**Parent Company  
supplementary schedules**

**Parent Company balance sheet reclassified in vertical form** (thousands of euros)

	31.12.2009	31.12.2008
<b>A.- NON-CURRENT ASSETS</b>		
Intangible assets	462,420	460,643
Tangible assets	333,854	344,968
Financial assets	314,917	316,483
	<b>1,111,191</b>	<b>1,122,094</b>
<b>B.- WORKING CAPITAL</b>		
Inventories	626	712
Trade receivables	783,073	591,850
Other assets	232,933	235,703
Trade payables	(697,961)	(573,859)
Provisions for risks and charges	(397,583)	(422,992)
Other liabilities	(265,328)	(238,976)
	<b>(344,240)</b>	<b>(407,562)</b>
<b>C.- INVESTED CAPITAL</b>		
net of current liabilities	(A+B)	766,951
		714,532
<b>D.- PROVISION FOR STAFF SEVERANCE PAY</b>		
		322,351
		334,525
<b>E.- INVESTED CAPITAL</b>		
net of current liabilities and provision for staff severance pay	(C-D)	444,600
		380,007
financed by:		
<b>F.- EQUITY</b>		
Share capital paid up	242,518	242,518
Reserves and profits brought forward	334,521	371,282
Net profit (loss) for the year	(79,930)	(37,010)
	<b>497,109</b>	<b>576,790</b>
<b>G.- NET MEDIUM/LONG-TERM FINANCIAL DEBT</b>		
	0	0
<b>H.- NET SHORT-TERM DEBT (NET CASH FUNDS)</b>		
. net short-term debt	213,187	44,326
. cash and short-term financial receivables	(265,696)	(241,109)
	<b>(52,509)</b>	<b>(196,783)</b>
<b>I.- TOTAL NET FINANCIAL DEBT</b>	(G+H)	(52,509)
		(196,783)
<b>L.- TOTAL, AS IN E</b>	(F+I)	444,600
		380,007

**Parent Company income statement reclassified in vertical form** (thousands of euros)

	31.12.2009	31.12.2008
A.- REVENUES	2,969,855	2,953,446
Change in inventories of work in progress semifinished and finished goods	6	10
Internal cost capitalisations	15,417	14,728
B.- "TYPICAL" PRODUCTION VALUE	2,985,278	2,968,184
Cost of materials and external services	(1,851,111)	(1,802,365)
C.- VALUE ADDED	1,134,167	1,165,819
Personnel costs	(903,548)	(902,714)
D.- GROSS OPERATING MARGIN	230,619	263,105
Amortisation of programmes	(261,184)	(254,975)
Other amortisation/depreciation	(78,247)	(90,326)
Other value adjustments	(27,149)	(23,904)
Provisions for risks and charges	(28,959)	(13,903)
Miscellaneous income and charges - net	20,734	65,780
E.- OPERATING RESULT	(144,186)	(54,223)
Financial income and charges	1,303	3,076
Income from equity investments	47,830	28,100
F.- RESULT BEFORE EXCEPTIONAL ITEMS AND TAXES	(95,053)	(23,047)
Exceptional income and charges - net	(1,704)	1,028
G.- RESULT BEFORE TAXES	(96,757)	(22,019)
Income taxes for the year	16,827	(14,991)
H.- NET PROFIT (LOSS) FOR THE YEAR	(79,930)	(37,010)

**Parent Company cash flow statement** (thousands of euros)

	31.12.2009	31.12.2008
A.- NET OPENING CASH FUNDS (NET OPENING SHORT- TERM FINANCIAL DEBT)	196,783	296,520
B.- CASH FLOW FROM OPERATING ACTIVITIES		
Net profit (loss) for the year	(79,930)	(37,010)
Amortisation and depreciation	339,431	345,301
(Gains) losses on disposal of non-current assets	(134)	355
(Revaluations) writedowns of non-current assets	27,312	21,010
Change in working capital	(63,322)	(34,704)
Net change in staff severance pay provision	(12,174)	(15,040)
	211,183	279,912
C.- CASH FLOW FROM INVESTING ACTIVITIES IN NON-CURRENT ASSETS		
Investment in non-current assets:		
. intangible assets	(296,251)	(320,266)
. tangible assets	(59,598)	(59,417)
. financial assets	(4,297)	(5,687)
Sale proceeds, or reimbursement value, of non-current assets and other changes	4,440	5,721
	(355,706)	(379,649)
D.- CASH FLOW FROM FINANCING ACTIVITIES		
New loans	-	-
Contributions by shareholders	-	-
Merger surplus	249	0
Capital grants	-	-
Loan repayments	0	0
Equity repayments	-	-
	249	0
E.- PROFIT DISTRIBUTION	-	-
F.- CASH FLOW FOR THE YEAR	(B+C+D+E)	(144,274)
G.- NET CLOSING CASH FUNDS (NET CLOSING SHORT- TERM FINANCIAL DEBT)	(A+F)	196,783





**Rai**



## **Report of the Board of Statutory Auditors**

## Report on Parent Company Financial Statements

To the Shareholders,

during the year which ended 31 December 2009, as regards **the activity of the Board of Statutory Auditors**, we performed the supervision activity envisaged by the Law, observing the principles of conduct recommended by the Italian Accounting Profession (*Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili*).

The auditing activities were assigned to the Independent Auditors, PricewaterhouseCoopers SpA (hereinafter "PwC").

Our activities consisted of the following.

We carried out the monitoring activities envisaged by the Law and the Company Bylaws. Furthermore - in accordance with the new legislation of Corporate Law – the Board also met with the company executives in charge of certain Corporate Divisions to obtain, among other things, the information required to assess the adequacy of the organisational structure, the internal auditing systems and the administrative-accounting system.

45 audit visits were carried out during the year, some of which were at Regional and Foreign Correspondent Offices: the results of these visits, when it was deemed necessary to do so, were reported to the Chief Executive Officer and General Manager.

Specific meetings were also held with PwC, during which information was requested also on the audit of the accounts which the firm performed in compliance with regulations. No "censurable actions" were reported to us pursuant to article 2408 of the Civil Code. We have no knowledge of other facts or aspects of such nature as to require mention to the Shareholders' Meeting.

The Oversight Committee regularly reported, informing the Board of the progress made in the introduction of the provisions envisaged by Legislative Decree 231/2001 and of some deficiencies in the system currently being updated, also reporting constantly on its activity carried out with Internal Auditing. The Board of Statutory Auditors also acknowledged the activity of the Ethical Committee in the report received on 28.01.2009.

In 2009, the Statutory Auditors attended all the meetings of the Board of Directors (43 over 48 days) during which they obtained information from the Directors on the general performance of the business and its outlook, as well as on Company operations of greater economic, financial and capital significance, in terms of size and characteristics.

We report, in addition, that the Board of Directors, in its resolutions of the meetings held on 10 and 26 May 2009, like that of 25 October 2005, delegated to its members, pursuant to article 26 of the Company Bylaws, within the context of the two specially formed Committees of Enquiry for Administration and Organisation - "special assignments", aimed particularly at enquiry into strategic problems. During the year, the Board of Statutory Auditors, for its part, issued the opinions pursuant to article 2389 (3) of the Civil Code relating to the aforementioned "special assignments".

We also report that, in 2009, 3 Shareholders' Meetings were held, all of which were attended by the Board of Statutory Auditors.

The Company has drawn up the Parent Company Financial Statements for 2009 using the accounting principles and main valuation criteria with a view to considering the Company as a going concern and in compliance with the provisions of art. 2423 of the Civil Code and subsequent articles. The financial statements of Rai SpA at 31.12.2009, which were delivered to us by the Board on 26 May 2010 and are submitted for your approval, are expressed in euros, without cents, as indicated in article 2423 (5) of the Civil Code. These financial statements consist of the Parent Company's Balance Sheet, Income Statement and Notes to the Financial Statements and are accompanied by the Directors' Report on the operations. We hereby certify, also on the basis of meetings held with the Independent Auditors, PwC, that the Parent Company financial statements have been drawn up, in all three components (Balance Sheet, Income Statement and Notes to the Financial Statements), in accordance with the provisions of law.



In the **Report on Operations**, which should be referred to for further details, the Directors describe, first and foremost, that the Parent Company financial statements as at 31 December 2009 present a loss of 79.9 million euros, while the Group Consolidated financial statements present a loss of 61.8 million euros. The Directors also explain the most important events that occurred during 2009.

As regards the performance of resources, the Directors wish to particularly highlight certain aspects concerning the licence fee and advertising, formulating specific considerations. The Board of Statutory Auditors has also devoted its attention to these aspects on several occasions.

The Directors would like to point out that the per-unit licence fee for 2009 – which rose by 1.5 euros to 107.5 euros – continues to be one of the lowest in Europe. As mentioned in the past however, it is also subject to the highest rate of tax evasion, estimated at almost 30% for the ordinary licence fee, with losses in revenue determined at around 500/600 million euros/year, and also a very high rate of tax evasion of the special fee. This negative situation could be contrasted with the introduction of new legislative tools, as has happened in other European countries, and the simultaneous revision of the collection mechanisms.

Advertising revenues fell by about 17% in 2009, largely as a result of the serious market crisis.

Only via provisions relating to public resources, enacted via measures to contrast evasion of payment of the ordinary licence fee (without adjusting the per-unit amount) could Rai have a chance to stabilise its accounts, also considering that similar measures should be adopted for the evasion of special fees, with is much higher on a percentage basis.

In terms of costs, the Directors point out that work has continued to contain costs and increase efficiency, achieved in part by intervening on the programming arrangements of all the structures.

In 2009, Rai went ahead with the merger of the subsidiary (99.94%) Rai Click, effective from 01 January 2009 (net shareholders' equity of 1.4 million euros). This operation has had no relevant influence in economic and equity terms, as can be seen in the detail reported in the various accounting schedules annexed to the financial statements.

The Directors also wish to draw attention – pursuant to art. 2428 of the Civil Code – to the Company's situation and its operating performance in general as well as in the individual sectors in which it operates through its own structures and subsidiaries. As envisaged by legislation, news is provided on research and development activities, on relations with the subsidiaries and associated companies, with regard to the outlook, on important events which occurred after the end of the financial year and also on the aims and policies concerning financial risk management and exposure to the interest rate, credit and liquidity risks, thus fulfilling the reporting obligations relating to the main risks for the Company and the Group.

Three tables have been drawn up for the economic, equity and financial analysis of operations, with the aim of offering an effective key to the reading of the financial statements.

Mention is also made of the results of Separate Accounting which was applied in 2009 – in compliance with the legislation in force – to the financial statements for the year ended 31 December 2008 (the latest approved), which were audited by Deloitte & Touche. The results highlighted that, contrary to that established by article 47 of the Consolidated Radio and Television Law, public funds (licence fees) do not entirely cover the costs of the Public Service. The deficit for 2008 was 548.4 million euros, which fell to 335.3 million after the attribution of the portion of advertising revenues (213.1 million euros) to the programming arrangement of the same Public Service.

The chapter dedicated to the Service Agreement describes the framework of the main tasks, which include the guidelines for the new Agreement for 2010-2012, which is being renewed. The last Agreement expired on 31 December 2009.

There is also a chapter dedicated to the television market which, in recent years, has witnessed the launch and consolidation

of the new multi-channel platforms, which have altered the competitive scenario characterised by the increased articulation of the distribution platforms. 2009 was characterised by the gradual switchover to the Digital Terrestrial platform, which had reached about 30% of the population. As established by the specific legislation, this platform will completely replace analogue broadcasting throughout the whole of Italy by the end of 2012, with pertinent investments of approximately 300 million euros envisaged.

Thirteen free digital channels are now offered in the areas covered by this new technology.

To cope with this extensive programme, it is therefore fundamental, as sustained by the Report, that Rai be guaranteed higher licence-fee revenues, eliminating the consistent evasion and recovering all or part of the missing 500/600 million euros in revenues per annum, as mentioned earlier, in order to combat the effects of the declining advertising market resources and limited assignment of public funding.

These assessments take on even greater importance if we consider that the Public Service is required to safeguard the wide range of radio and television communication media, but this has to occur without altering the general competitive and market principles. To achieve these aims it is necessary to guarantee the editorial and institutional independence of the public television service.

To simultaneously safeguard Rai's independence and competitive capacity it would appear to be necessary also to improve its operating efficiency, by speeding up operational action and quickly adapting its organisational structure to the changed market conditions.

In the absence of improvements in terms of revenue, such as the reduction of tax evasion with the parallel and correct use of Separate Accounting, the Board of Statutory Auditors must express its concern with regard to the deterioration of the results of the financial statements and the forecast negative result for 2010.

The **Notes to the Parent Company Financial Statements** contain a description of the accounting policies adopted and provide, with the supplementary schedules presented, the other disclosures required under article 2427 of the Civil Code; in accordance with the various regulations, information is given on revaluations made to tangible assets still carried in the balance sheet.

For all the items recorded in the Balance Sheet and Income Statement, details are given in relation to the reasons for the differences from the corresponding items of the financial statements at 31 December 2008, as envisaged by article 2423 ter (5) of the Civil Code.

Pursuant to article 2429 (3) of the Civil Code, complete copies of the latest financial statements of the subsidiaries have been deposited at the Company's registered office together with the reports of the relative Boards of Statutory Auditors and Independent Auditors, as well as a summary statement of the key data from the latest financial statements of the associated companies.

With regard to matters falling within the sphere of competence of the Board of Statutory Auditors, we report that, in connection with valuation and accounting aspects, we concur with the accounting policies reported for the individual financial statement components, which have remained unchanged from 2008, and are in accordance with the general principles indicated in article 2423 bis of the Civil Code and with the more specific provisions of the following article 2426.

In addition, we wish to point out that:

- there are no formation, start-up and expansion costs, nor deferred costs for research, development or advertising, carried under intangible assets in the balance sheet;
- deferred tax assets relate mainly to the negative taxable amount for the year, which is completely offset by the taxable amounts of subsidiaries within the 2009 scope of consolidation, and have been disclosed within the limits of the tax benefits which can be obtained in future years;
- the deferred tax provision has been reduced due to the adjustment of accelerated depreciation on tangible assets and increased amortisation on programmes allocated in previous years;
- there have been no "exceptional cases" during the year which would entail making derogations from standard accounting principles as permitted under article 2423 (4) of the Civil Code.

Since tax year 2004, Rai has opted to be taxed on a Group consolidated tax basis, pursuant to article 117 of the Consolidated Income Tax Law as amended by Legislative Decree no. 344/2003.

.....

We consider it useful, for information purposes, to supplement our report with information on the following aspects. The critical matter of evasion of the licence fee – an issue examined by the Court of Auditors in the Report presented to Parliament on 4 December 2008 – is absolutely unacceptable, especially considering the fact that it is decidedly lower than that paid in other European countries. The fight against evasion must be pursued with decision, due to the respect which should be paid to the directives of the Order and to the relative damages which it causes to the income statement of the Concession holder and to that of the Government, both in its capacity as holder of 99.56% of the shares and as owner of part of the same fee.

The considerable resources unlawfully subtracted from the Rai finances not only have potential negative effects on the quality of the company's television product, but also place the company's entire capital at risk due to the fact that, in recent years, it has no longer been possible to partially offset the problem with advertising revenues, which are currently suffering a severe decline.

Specifically, using - as is customary - information obtained from the Internal Auditing Department and from contacts with the Independent Auditors PwC, the Board of Statutory Auditors has directed its attention to the status of corporate procedures and internal control, both within Rai SpA and the Group.

As regards Rai SpA, the process for updating and completing the overall system of procedures has not yet been completed.

Therefore, the Board renews its recommendation to continue with the rapid completion and updating of the procedures manual in order to benefit from a more integrated system of internal controls. The Board recommends that a similar commitment be dedicated to the so-called "System 231", i.e.: the updating of the Organisational Model envisaged by the Decree, to the implementation of the training of those concerned and of the internal system of sanctions.

Finally, we wish to make a few brief comments on the Internal Auditing Department, the activities of which were dedicated to its inherent functions which are aimed at the systematic audit of the various corporate areas and in-depth analysis of specific operations performed following specific requests by General Management, as in the past. This type of work absorbed a significant portion of the Department's resources, to the detriment of the completion of the scheduled operations typical of this function, which is particularly important within the sphere of company operations.

On this matter, it was noted that Management continues to cooperate with the proceedings for the activities of the Oversight Committee, as requested by the latter. Moreover, it is present within all the Oversight Committees of the subsidiaries, apart from RaiNet and Rai Way.

In the light of the increasing commitments mentioned above, the Board feels that it would be wise to assess the need to take appropriate management action to permit the Internal Auditing Department to effectively perform its functions over Rai and the entire Group.

As regards relations between Rai and the Group companies, the Board of Statutory Auditors recommends action to strengthen the standardisation of Group "conduct", also with a view to developing an internal auditing system within the Group, extended also to the areas which are not strictly administrative. This would take place via the issue and formalisation of operating procedures relating to the main company processes, in compliance with a mid-term schedule.

.....

In the light of all the matters described and considered above, we express our favour for the approval of the Parent Company financial statements at 31 December 2009, as proposed by the Board of Directors, closing with a loss of 79,929,950.22 euros. We also agree with the further request, contained in the same proposal for resolution, regarding the entire coverage of the loss of 79,929,950.22 euros with the use of:

- *Other reserves – merger surplus* for the same amount.

Rome, 10 June 2010

THE STATUTORY AUDITORS

Mr Domenico TUDINI  
Prof. Gennaro FERRARA  
Prof. Paolo GERMANI



PricewaterhouseCoopers SpA

**AUDITORS' REPORT IN ACCORDANCE WITH ARTICLE 2409-TER OF THE CIVIL CODE (NOW ARTICLE 14 OF LEGISLATIVE DECREE No. 39 DATED 27 JANUARY 2010)**

To the Shareholders of  
RAI – Radiotelevisione italiana SpA

- 1 We have audited the financial statements of RAI – Radiotelevisione italiana SpA as at 31 December 2009. The directors of RAI – Radiotelevisione italiana SpA are responsible for the preparation of these financial statements in compliance with the laws governing the criteria for preparation. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2 We conducted our audit in accordance with the standards on auditing issued by the Italian Accounting Profession (CNDCEC) and recommended by CONSOB. Those standards require that we plan and perform the audit to obtain the necessary assurance about whether the financial statements are free of material misstatement and, taken as a whole, are presented fairly. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors. We believe that our audit provides a reasonable basis for our opinion.

The audit of the financial statements as at 31 December 2009 was conducted in accordance with the legislation in force during the year then ended.

For the opinion on the financial statements of the prior period, which are presented for comparative purposes as required by law, reference is made to our report dated 7 May 2009.

- 3 In our opinion, the financial statements of RAI – Radiotelevisione italiana SpA as at 31 December 2009 comply with the laws governing the criteria for their preparation; accordingly, they give a true and fair view of the financial position and of the results of operations of the Company for the year then ended.



- 4 The directors of RAI – Radiotelevisione italiana SpA are responsible for the preparation of the report on operations in accordance with the applicable laws. Our responsibility is to express an opinion on the consistency of the report on operations with the financial statements, as required by law. For this purpose, we have performed the procedures required under Auditing Standard no. 001 issued by the Italian Accounting Profession (CNDCEC). In our opinion the report on operations is consistent with the financial statements of RAI – Radiotelevisione italiana SpA as at 31 December 2009.

Rome, 10 June 2010

PricewaterhouseCoopers SpA

Signed by

Aurelio Fedele  
(Partner)

**This report has been translated from the original which was issued in accordance with Italian legislation.**

## Shareholders' Meeting Resolution

At the meeting of 29 July 2010 the Shareholders of Rai unanimously resolved:

- to approve RAI – Radiotelevisione Italiana SpA's draft statutory financial statements as at 31 December 2009, which comprise the balance sheet, income statement and notes to the financial statements closing with a loss of 79.929.950,22 euros, and the report on operations;
- to cover the loss of 79.929.950,22 euros through the utilisation of other reserve – merger surplus for the same amount;
- to acknowledge the consolidated financial statements of the Group for the year 2009 – balance sheet, income statement and notes to the consolidated financial statements – and the report on operations, closing with a loss of 61.8 million euros.





**Rai**



## **Consolidated Financial Statements at 31 December 2009**

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## Directors' Report on the Group

Shareholders,

the consolidated financial statements of the Rai Group closed with a loss of 61.8 million euros and a negative net financial position of 151.5 million euros.

The result for 2009 is worse than that for 2008, largely due to the considerable reduction in advertising income (about 200 million euros) due to the severe situation affecting the economic marketplace.

This situation strongly influenced the purchasing decisions made by companies and imposed a dramatic adjustment of the advertising expenditure budget.

The adaptation of the individual licence fee, which was in line with the historical per-unit licence fee, was unable to contrast this phenomenon, other than only marginally.

We must mention however that there has been an increase in come from licence-fees, due to the increase in the individual licence-fee from 106.00 euros to 107.50 euros, in line with the scheduled rate of inflation, and also to the number of paying subscribers, which has now reached 16 million households.

The annual increase policy of the individual licence-fee was confirmed for 2010, with a rise of 1.5 euros.

The licence fee continues to be the lowest in Europe for public broadcasting companies, with the additional drawback of a level of tax evasion of around 25%.

We must also remember that the imbalance between public resources and the costs sustained by the concession holder for the fulfilment of public-service responsibilities for 2008 amounts to almost 550 million euros, falling to 335 million euros after the allocation of the share of advertising revenue from the programming of the Public Service. These figures are recorded in the latest separate accounts.

The Group also pursued an important cost correction manoeuvre, implementing rationalisation and improvement actions, also relating to personnel costs, which made it possible to limit the effects linked to the advertising market crisis.

In a macro economic context which continues to be weak and influenced by the recession, all areas of the advertising market recorded a decline estimated at about 13% (Nielsen figures), much higher than the total for 2008 (-3%). Television advertising in particular suffered an overall effective loss of about 10%. The only media that retained a positive sign were the Internet and, to a lesser extent, satellite broadcasting.

The broadcasting scenario is undergoing extensive development, with a structural change in the competitive arena: the competition is no longer so much between the players present on the same platforms, as between different platforms, carried out by operators with a marked multi-platform vocation. The multiplication of the multimedia offering, considered to be the exclusive prerogative of the generations which have grown up with digital technology, also involved the users of traditional television, which is enjoying an important rethinking and repositioning phase.

Rai has made a conscious choice of DTT as its main platform, around which it is building the public service mission for the future. Its strategy within the new multi-channel digital environment consists in flanking the traditional offering with new specialised channels.

At the end of 2009, the all digital population was about 17 million people, accounting for almost 30% of the whole population.

The switchover to digital will involve five new areas of the country in 2010, the year characterised by the platform's main development, taking the percentage to 70% of users.

Competition between the terrestrial platform and the other platforms will increase in intensity in 2010, inasmuch as the delicate switchover phases will represent the best way of intercepting "terrestrial" users who might be feeling a little disoriented, using aggressive promotional campaigns.

The first viewing figures for the all digital areas show Rai as the market leader, thanks to the contribution of the channels belonging to RaiSat, which previously represented the most important Italian editor within the Sky offering.

The public service concession holder's entire offering is also available on the free satellite platform, launched in 2009 by **Tivù**, a company partly owned by Rai together with other national broadcasters.

Rai has made significant innovations to its free editorial offering of the DTT platform, flanking the simulcast of the three general-interest channels with three specially created channels: *Rai Gulp*, *Rai Sport Più* and, since July 2008, *Rai 4* and two satellite channels broadcast via simulcast with national coverage: *RaiNews 24* and, more recently, *Rai Storia*. These are joined, in the all digital areas only, by four more specialised channels (also former RaiSat): *Cinema*, *Premium*, *YoYo*, *Extra*, *Rai Scuola* and an experimental broadcast in HD.

For the construction of the network infrastructure, Rai will implement a significant programme of investments which will absorb resources of around 300 million euros by the end of 2012, with much of this figure being concentrated in 2010, also adding relevant commitments and investments in the area of the content to expand the offering.

The undeniable transformation of the communications system imposes flexibility and a quick capacity for reaction, as well as financial equipment which can adequately support growth strategies.

The Consolidated Broadcasting Law makes express provision, in order to protect the Concession-holder, for a mechanism which protects the company's economic balance, acknowledging that the public resources owing to Rai must cover the costs sustained by the latter for the pursuit of the public service activities assigned to it.

This law, also referred to in the Service Contract – the "operating charter which, on the basis of EU and Italian legislation, established the details of the individual tasks to be performed by the Concession-holder – has been largely ignored up to now.

If the principle of proportionality between costs and resources had been respected, Rai could have had income for over 1 billion Euros in 2005-2008.

The acknowledgement to Rai of public resources for the amount envisaged, certified by an independent auditor chosen by the Authority for the sector, would have created a better balance in terms of market resources, with benefits being extended to the audiovisual industry as a whole, and would have favoured the focus by the Concession-holder on the pursuit of its mission as a public service broadcaster.

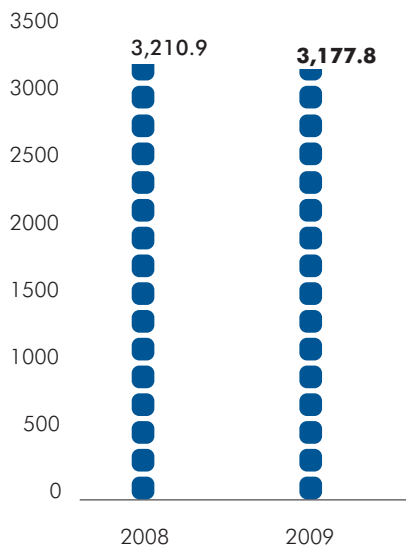
Besides being penalised in this way, Rai has also lost out in terms of public resources due to evasion of payment of the licence-fee to an extent unlike any other European country, with about 500 million euros less revenue per annum.

In a context which is increasingly focused on pay TV models and in which the public service broadcaster performs the role of bulwark of a free, diversified and attractive offering for most users, the issue of rebalancing the Concession-holder's main source of funding seems to be central importance and cannot be delayed.

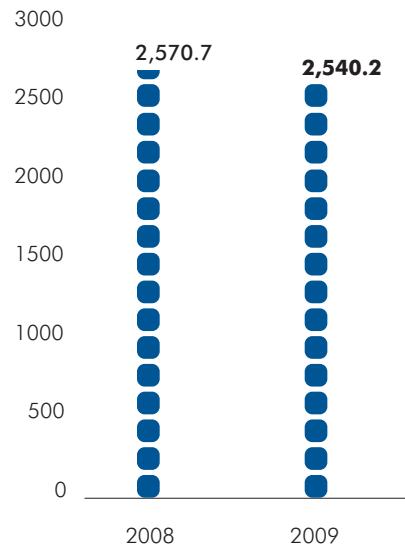
Rai is flanked in this need by public appreciation which continues to reward its offering, as proven by the first important success in the new dimension of DTT.

# Highlights (millions of euros)

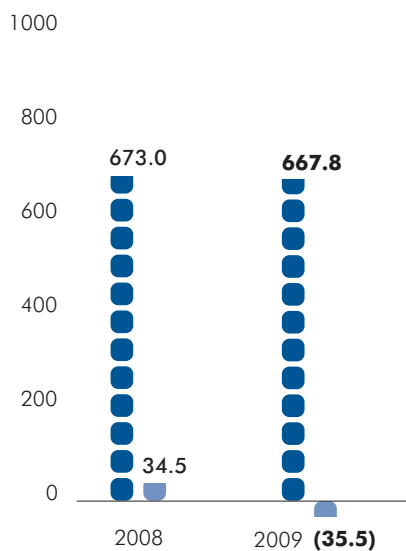
## Revenues



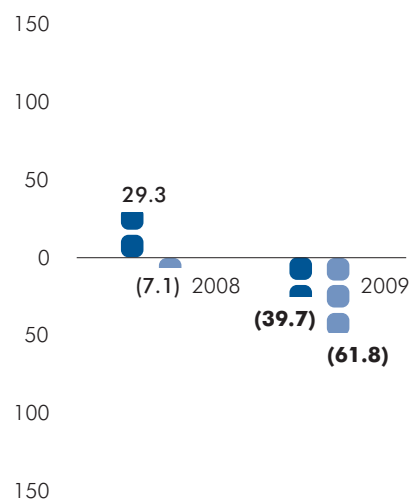
## Operating costs



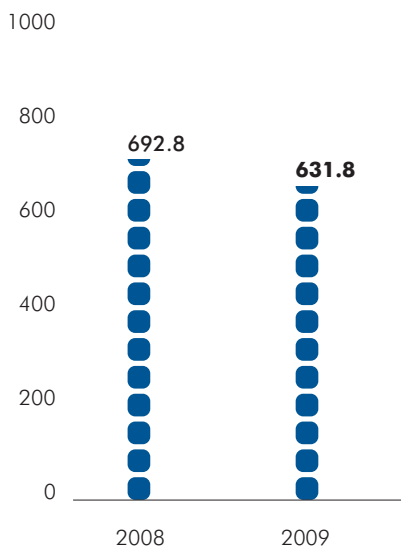
## GOM - Operating result



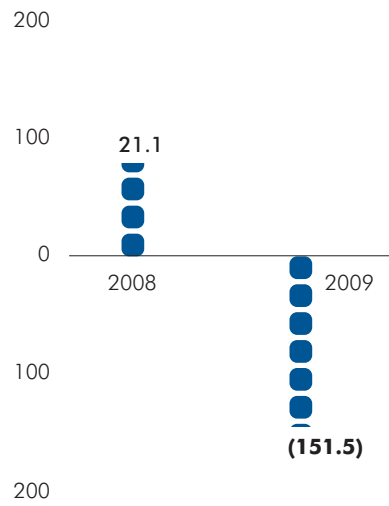
## Result before Taxes - Loss for the year



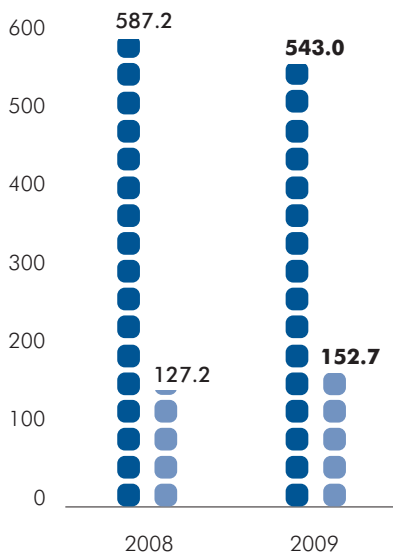
### Shareholders' Equity



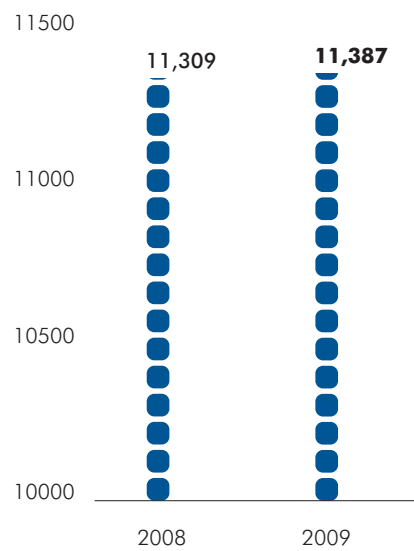
### Net financial position



### Investments (in programmes and other)



### Workforce at 31 December



## Reclassified consolidated financial statements

### Consolidated Income Statement (millions of euros)

	2009	2008	Change	Change %
Revenues from sales and services	3,177.8	3,210.9	(33.1)	-1.0
Change in inventories of work in progress, semi finished and finished products	(0.2)	0.0	(0.2)	==
Internal cost capitalisations	30.4	32.8	(2.4)	-7.3
<b>Total revenues</b>	<b>3,208.0</b>	<b>3,243.7</b>	<b>(35.7)</b>	<b>-1.1</b>
Cost of goods and external services	(1,530.6)	(1,561.1)	30.5	-2.0
Personnel costs	(1,009.6)	(1,009.6)	0.0	0.0
<b>Total operating costs</b>	<b>(2,540.2)</b>	<b>(2,570.7)</b>	<b>30.5</b>	<b>-1.2</b>
Gross operating margin	667.8	673.0	(5.2)	-0.8
Amortisation of programmes	(528.4)	(520.1)	(8.3)	1.6
Other amortisation	(122.6)	(130.4)	7.8	-6.0
Other net income (charges)	(52.3)	12.0	(64.3)	-535.8
Operating result	(35.5)	34.5	(70.0)	-202.9
Net financial charges	(4.8)	(7.9)	3.1	-39.2
Income from equity investments	0.5	3.0	(2.5)	-83.3
Result before exceptional items	(39.8)	29.6	(69.4)	-234.5
Net exceptional charges	0.1	(0.3)	0.4	-133.3
Result before taxes	(39.7)	29.3	(69.0)	-235.5
Income taxes for the year	(22.1)	(36.4)	14.3	-39.3
Loss for the year	(61.8)	(7.1)	(54.7)	770.4
<i>of which portion pertaining to minority interests</i>	0.3	0.4	(0.1)	-25.0

### Consolidated Balance Sheet (millions of euros)

	31.12.2009	31.12.2008	Change	Change %
Non-current assets	1,617.4	1,610.9	6.5	0.4
Working capital	(475.9)	(567.4)	91.5	-16.1
Staff severance pay provision	(358.2)	(371.8)	13.6	-3.7
<b>Net invested capital</b>	<b>783.3</b>	<b>671.7</b>	<b>111.6</b>	<b>16.6</b>
Net equity	631.8	692.8	(61.0)	-8.8
Net available funds	151.5	(21.1)	172.6	-818.0
	<b>783.3</b>	<b>671.7</b>	<b>111.6</b>	<b>16.6</b>

## Review of Balance Sheet, Income Statement and Financial situation

### Income Statement

The Rai Group income statement for 2009 shows a **net loss of 61.8 million euros**, against a loss of 7.1 million euros for 2008. The difference with the result of the Parent Company result, which presents a net loss of 79.9 million euros, is largely determined by the elimination of the dividends disbursed by the Group companies in relation to the previous year's results against those for the year ending.

The following section provides an overview of the main items of the Income Statement and the reasons behind the more significant changes from the previous year.

### Revenues from sales and services

Revenues from sales and services consist of licence fees, advertising revenues and other commercial revenues. They totalled 3,177.8 million euros, down 33.1 million euros (-1.0%) on 2008.

<b>Revenues</b> (millions of euros)				
	<b>2009</b>	<b>2008</b>	<b>Change</b>	<b>Change %</b>
Licence fees	1,645.4	1,619.2	26.2	1.6
Advertising	988.5	1,187.7	(199.2)	-16.8
Other revenues	543.9	404.0	139.9	34.6
<b>Total revenues</b>	<b>3,177.8</b>	<b>3,210.9</b>	<b>(33.1)</b>	<b>-1.0</b>

A breakdown of revenues from sales and services, per company and net of operations between Group companies, is presented in the following table.

<b>Revenues – by company</b> (millions of euros)				
	<b>2009</b>	<b>%</b>	<b>2008</b>	<b>%</b>
Rai	1,991.5	62.7	1,778.3	55.4
Rai Cinema	16.3	0.5	21.6	0.7
RaiNet	0.3	0.0	0.3	0.0
RaiSat	34.1	1.1	59.4	1.8
Rai Trade	59.5	1.9	60.5	1.9
Rai Way	39.1	1.2	38.5	1.2
Sipra	993.5	31.3	1,192.0	37.1
01 Distribution	42.5	1.3	56.2	1.8
Other companies	1.0	0.0	4.1	0.1
<b>Total</b>	<b>3,177.8</b>	<b>100.0</b>	<b>3,210.9</b>	<b>100.0</b>

**Licence fees** (1,645.4 million euros). These include licence fees for the current year as well as those for previous years, collected through coercive payment following legal registration, as highlighted in the following table.

<b>Licence fees</b> (millions of euros)				
	2009	2008	Change	Change %
Fees for the year	1,629.7	1,603.0	26.7	1.7
Fees from coercive payment	15.7	16.2	(0.5)	-3.1
<b>Total</b>	<b>1,645.4</b>	<b>1,619.2</b>	<b>26.2</b>	<b>1.6</b>

The increase (+1.6%) is mainly attributable to an increase in the per-unit licence fee from 106.00 Euros to 107.50 euros (+1.4%), with the remainder accounted for by an increase in the number of paying subscribers.

**Advertising revenues** (988.5 million euros) show a drop of 199.2 million euros (-16.8%) on 2008. The drop in advertising revenues was largely determined by the serious international financial recession which characterised the closing months of 2008 and the whole of 2009 and implicated significant declines in the international and domestic economies, resulting in a sharp reduction in investments in advertising. This was further accentuated by the absence of important sports events in 2009, which had characterised the previous year.

The reference market (TV, Radio, Cinema and Internet) showed an overall decline of about 8.5% (source Nielsen) in 2009.

<b>Advertising</b> (millions of euros)				
	2009	2008	Change	Change %
On general-interest channels:				
- television	809.2	985.3	(176.1)	-17.9
- radio	45.3	59.7	(14.4)	-24.1
- promotions and sponsorship	87.8	96.7	(8.9)	-9.2
On specialist channels	14.8	14.4	0.4	2.8
Other advertising	31.4	31.6	(0.2)	-0.6
<b>Total</b>	<b>988.5</b>	<b>1,187.7</b>	<b>(199.2)</b>	<b>-16.8</b>

**Other revenues** (543.9 million euros) show a decline of 139.9 million euros (+34.6%). This was mainly determined by the by the Parent Company sale to third-parties during the year of the pay TV rights to broadcast the 2010 and 2014 World Cup football matches and other minor FIFA events, for 175 million euros.

Other opposing factors, of little significance when considered separately, are highlighted in the table below. Negative items include the *Sale of rights, musical publications and theme-based satellite channels* item, the effects of the failure to renew the agreement for the supply of channels to Sky and the reduction in the *Film and home video distribution* and *Telephone services* items. Positive items include *Sale of rights to utilise archive materials* and the effects of the agreement entered into with a leading football club.

<b>Other revenues</b> (millions of euros)				
	2009	2008	Change	Change %
Sale of pay TV rights to broadcast World Cup and minor events	175.0	0.0	175.0	==
Special services under agreement	68.8	69.1	(0.3)	-0.4
Sale of rights, musical publications and theme-based satellite channels	117.7	141.3	(23.6)	-16.7
Film and home video distribution	38.0	51.3	(13.3)	-25.9
Fees for hosting plant and equipment	29.9	28.9	1.0	3.5
Telephone services	13.5	19.8	(6.3)	-31.8
Sale of rights to utilise archive materials	34.3	18.6	15.7	84.4
Signal broadcasting, circuit hire, radio bridge and link services	12.4	11.8	0.6	5.1
Repayment of programme production costs	9.7	7.2	2.5	34.7
Others	44.6	56.0	(11.4)	-20.4
<b>Total</b>	<b>543.9</b>	<b>404.0</b>	<b>139.9</b>	<b>34.6</b>



A breakdown of other revenues, per company and net of operations between Group companies, is presented in the following table.

### Other revenues – by company (millions of euros)

	2009	%	2008	%
Rai	346.0	63.6	159.1	39.4
Rai Cinema	16.3	3.0	21.6	5.3
RaiNet	0.3	0.1	0.3	0.1
RaiSat	33.6	6.2	56.7	14.0
Rai Trade	58.7	10.8	60.3	14.9
Rai Way	39.1	7.2	38.5	9.5
Sipra	6.4	1.2	7.2	1.8
01 Distribution	42.5	7.8	56.2	13.9
Other companies	1.0	0.2	4.1	1.0
<b>Totale</b>	<b>543.9</b>	<b>100.0</b>	<b>404.0</b>	<b>100.0</b>

As shown in the following table, the relative weights of the three components in total revenues from sales and services show an increase in the *Licence Fees* and *Other revenues* items compared with the totals for the previous year, to the detriment of the *Advertising* component.

### % of revenues

	2009	2008
Licence fees	51.8	50.4
Advertising revenues	31.1	37.0
Other revenues	17.1	12.6
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

### Operating costs

These total 2,540.2 million euros, falling 30.5 million euros compared with 2008, equating to 1.2%, the reasons for which are listed below.

The item includes internal costs (labour cost) and external costs, regarding ordinary business activities, classified as follows.

**Cost of goods and external services** – This caption includes purchases of goods and services required to make programmes of immediate-use (purchases of consumables, external services, artistic collaborations, etc), filming rights for sports events, copyright, running costs (rental and hire fees, telephone and postage, cleaning, maintenance, etc.) and other operating costs (direct and indirect taxes, contribution to the Authority, the public broadcasting concession fee, etc.).

As shown in the table, the caption shows a drop of 30.5 million euros (-2.0%) from contrasting phenomena. In detail, there was an increase of 169.3 million euros determined by the cost of pay TV rights to broadcast the 2010 and 2104 World Cup football matches and minor FIFA events subject to the aforementioned sale to third parties.

Net of this component, the item amounts to 1,361.3 million euros, with a drop of 199.8 million euros, mostly deriving from the reduction in costs for the purchase of filming rights, mainly relating to the broadcasting rights for sports event and the Sanremo Song Festival (-143.3 million euros). As in all odd numbered years, 2009 was characterised by the absence of important four-yearly sports events (European Football Championships and the Olympic Games) which had influenced the 2008 income statement by 164.6 million euros.

### Cost of goods and external services (millions of euros)

	2009	2008	Change	Change %
Materials purchased	29.5	33.7	(4.2)	-12.5
External services:				
Freelance services	149.1	156.7	(7.6)	-4.9
Service for acquisition and production of programmes	267.8	274.8	(7.0)	-2.5
Staff allowances, travel and accessory costs	45.4	56.8	(11.4)	-20.1
General services (postage, telephone, maintenance, transport, cleaning, archive services etc.)	199.6	202.0	(2.4)	-1.2
Other	114.6	136.5	(21.9)	-16.0
	776.5	826.8	(50.3)	-6.1
Use of third-party assets:				
Rent and hire costs	123.8	125.3	(1.5)	-1.2
Cost of pay TV rights to broadcast World Cup and minor events	169.3	0.0	169.3	==
Filming rights (mainly for sports events and the Sanremo Festival)	215.9	359.2	(143.3)	-39.9
Utilisation rights	129.9	123.9	6.0	4.8
	638.9	608.4	30.5	5.0
Change in inventories	0.1	0.0	0.1	==
Concession fee	29.5	29.2	0.3	1.0
Miscellaneous operating costs:				
Prizes and winnings	12.3	14.6	(2.3)	-15.8
Authority contribution	4.9	4.3	0.6	14.0
Municipal property tax	4.4	4.4	0.0	0.0
Other indirect taxes and contributions	9.8	9.6	0.2	2.1
Newspapers, magazines, books and publications	3.3	3.5	(0.2)	-5.7
Membership fees	3.5	3.2	0.3	9.4
Other	5.7	10.6	(4.9)	-46.2
	43.9	50.2	(6.3)	-12.5
Other	12.2	12.8	(0.6)	-4.7
<b>Total</b>	<b>1,530.6</b>	<b>1,561.1</b>	<b>(30.5)</b>	<b>-2.0</b>

A breakdown by individual Group company of the cost of goods and services, net of transactions between Group companies, is given in the following table:

<b>Cost of goods and external services</b> (millions of euros)				
	<b>2009</b>	<b>%</b>	<b>2008</b>	<b>%</b>
Rai	1,286.0	84.0	1,287.0	82.4
Rai Cinema	15.5	1.0	25.2	1.6
RaiNet	6.7	0.4	4.9	0.3
RaiSat	15.9	1.0	22.1	1.4
Rai Trade	36.9	2.4	36.4	2.3
Rai Way	77.6	5.1	75.3	4.8
Sipra	42.6	2.8	47.6	3.0
01 Distribution	38.7	2.5	48.4	3.1
Other companies	10.7	0.7	14.2	0.9
<b>Total</b>	<b>1,530.6</b>	<b>100.0</b>	<b>1,561.1</b>	<b>100.0</b>

**Personnel costs** – These amount to 1,009.6 million euros, unchanged from the total at 31 December 2008, as detailed in the table below.

<b>Personnel costs</b> (millions of euros)				
	<b>2009</b>	<b>2008</b>	<b>Change</b>	<b>Change %</b>
Wages and salaries	729.5	727.6	1.9	0.3
Social security contributions	203.9	198.3	5.6	2.8
Staff severance pay	49.4	52.2	(2.8)	-5.4
Pension and similar costs	14.7	16.0	(1.3)	-8.1
Other	12.1	15.5	(3.4)	-21.9
<b>Total</b>	<b>1,009.6</b>	<b>1,009.6</b>	<b>0.0</b>	<b>0.0</b>

The previous year's trend of personnel cost containment was confirmed, remaining well below the rate of inflation. This result is the product of various operational interventions. Firstly, the positive effects of resignation incentives in 2008 and the new 2009 incentives made it possible to considerably counteract the economic impact of the assignment of permanent employment contracts to temporary workers and to significantly limit physiological growth in labour costs deriving from contract renewals, meritocratic policies and increases for length of service.

In addition to policies regarding resignation incentives, interventions on all the variable captions (overtime, rises and payment policies) weighed positively on the containment of labour costs, as did the lowering of the severance pay fund revaluation index.

A breakdown of personnel costs by individual Group company is given in the following table.

### Personnel costs - by Group company (millions of euros)

	2009	%	2008	%
Rai	903.4	89.5	902.5	89.4
Rai Cinema	4.9	0.5	4.9	0.5
RaiNet	3.7	0.4	4.0	0.4
RaiSat	6.6	0.7	7.2	0.7
Rai Trade	6.6	0.7	6.6	0.7
Rai Way	49.3	4.9	48.4	4.8
Sipra	28.3	2.8	28.9	2.9
Other companies	6.8	0.7	7.1	0.7
<b>Total</b>	<b>1,009.6</b>	<b>100.0</b>	<b>1,009.6</b>	<b>100.0</b>

**Personnel on payroll** at 31 December 2009 (including 56 work-introduction and apprenticeship contracts) amounted to 11,387, up 78 on the same date of the previous year. In detail, Group company leavers numbered 299, of whom 121 left under resignation incentives, while engagements numbered 377, 289 of which following the signing of permanent employment contracts by temporary workers in application of trade union agreements, 29 returns to work following legal action and 4 compulsory placements.

The **average number of employees**, including those on fixed-term contracts, came to 13,352, up 116 from the previous year due to an increase of 75 in the number of staff on permanent contracts and of 41 in the number of staff on fixed-term contracts.

### Gross Operating Margin

The Gross Operating Margin, as a consequence of the above, is positive by 667.8 million euros, falling 5.2 million euros, or 0.8, on the previous year.

### Amortisation of programmes

This caption is related to **investment in programmes**, which during 2009 amounted to 543.0 million euros, down 44.2 million euros (-7.5%), mainly due to TV fiction series which halted the growth trend shown in previous years.

### Investments in programmes (millions of euros)

	2009	2008	Change	Change %
Programmes:				
- TV fiction series	333.5	360.7	(27.2)	-7.5
- Films	140.4	155.1	(14.7)	-9.5
- Other programmes	69.1	71.4	(2.3)	-3.2
<b>Total</b>	<b>543.0</b>	<b>587.2</b>	<b>(44.2)</b>	<b>-7.5</b>

A breakdown of investments in programmes by each individual company is shown in the following table:

<b>Investments in programmes - by company</b> (millions of euros)				
	2009	%	2008	%
Rai	287.6	53.0	316.7	53.9
Rai Cinema	227.4	41.9	243.3	41.4
RaiSat	16.7	3.1	16.0	2.7
Rai Trade	10.0	1.8	10.6	1.8
Other companies	1.3	0.2	0.6	0.1
<b>Total</b>	<b>543.0</b>	<b>100.0</b>	<b>587.2</b>	<b>100.0</b>

**Amortisation** charged to the above captions for the year, 528.4 million euros, shows an increase of 8.3 million euros (+1.6%) compared with the previous year. This albeit modest growth is due to the positive influence during the year of the higher investments made in past years.

<b>Amortisation of programmes</b> (millions of euros)				
	2009	2008	Change	Change %
Programmes:				
- TV fiction series	310.7	299.9	10.8	3.6
- Films	157.0	164.5	(7.5)	-4.6
- Other programmes	60.7	55.7	5.0	9.0
<b>Total</b>	<b>528.4</b>	<b>520.1</b>	<b>8.3</b>	<b>1.6</b>

### Other amortisation and depreciation

The 2009 movement in this caption, shown in the following table, is related to **investments in tangible assets and to other investments** and presents a total increase of 25.5 million euros (+20.0%) determined mainly by growth in investment in tangible assets (+19.4 million euros) made principally by Rai Way for the development of the digital terrestrial broadcasting service.

<b>Other investments</b> (millions of euros)				
	2009	2008	Change	Change %
Tangible non-current assets	138.1	118.7	19.4	16.3
Other intangible assets	14.6	8.5	6.1	71.8
<b>Total</b>	<b>152.7</b>	<b>127.2</b>	<b>25.5</b>	<b>20.0</b>
including, for the development of the digital network	58.7	29.8	28.9	97.0

The table below shows the breakdown by company and type:

### Other investments - by company (millions of euros)

	2009	%	2008	%
Rai	68.3	44.7	63.0	49.5
Rai Cinema	0.1	0.1	0.5	0.4
RaiSat	0.0	0.0	0.0	0.0
Rai Trade	0.6	0.4	0.2	0.2
Rai Way	76.8	50.3	59.0	46.4
Sipra	6.0	3.9	2.9	2.3
Other companies	0.9	0.6	1.6	1.3
<b>Total</b>	<b>152.7</b>	<b>100.0</b>	<b>127.2</b>	<b>100.0</b>

**Amortisation and depreciation** charged for the year amounts to 122.6 million euros, with a drop of 7.8 million Euros compared with 2008, referring entirely to tangible fixed assets, in relation to the progressive completion of the depreciation of assets acquired in the past.

### Amortisation/depreciation of other fixed assets (millions of euros)

	2009	2008	Change	Change %
Tangible fixed assets	111.2	119.0	(7.8)	-6.6
Other intangible assets	11.4	11.4	0.0	0.0
<b>Total</b>	<b>122.6</b>	<b>130.4</b>	<b>(7.8)</b>	<b>-6.0</b>

### Other net income (charges)

The caption, amounting to 52.3 million euros (against 12.0 million euros of net income in the previous year), comprises costs/revenues not directly related to the Company's core business. In detail, the item comprises expenses relating to repeat-usage programmes which it is not expected will be used, repeated or commercially exploited (36.4 million euros), provisions for risks and charges (26.9 million euros), provision to the bad debt provision, (13.5 million euros), provision to the supplementary pension fund for former employees (9.7 million euros), partly offset by net prior-year income (35.1 million euros).

The negative balance compared to 2008 (-64.3 million euros) is mostly related to the absence of the net prior-year income generated in 2008 by the results of a transaction agreement regarding copyright.

### Operating result

The results described above for operating revenues and costs led to a deterioration in the operating result, from 34.5 million euros in the previous year to -35.5 million euros this year, with a drop of 70.0 million euros.

## Net financial expense

**Net financial expense** shows a loss of 4.8 million euros, improving on 2008 (-7.9 million euros). The item shows the economic effects of typical financial operations and comprises bank interest expense and income as well as that relating to Group companies and net income/expense in relation to exchange rates.

### Net financial income (expense) (millions of euros)

	2009	2008	Change
Net interest expense from banks and other lenders	(3.7)	(2.5)	(1.2)
Net charges in relation to exchange rates	(0.5)	(5.2)	4.7
Other net financial expense	(0.6)	(0.2)	(0.4)
<b>Total</b>	<b>(4.8)</b>	<b>(7.9)</b>	<b>3.1</b>

Financial operations show a drop in net interest payable to banks of 1.2 million euros, due to the rise in financial exposure to third parties, partly offset by the drop in market rates.

Exchange rate differences, deriving from the purchase of sports broadcasting rights (Rai) and investments in intangible assets (Rai Cinema) in US dollars, have been reduced considerably, partly thanks to hedges implemented in prior years, which limited, at least to some extent, the marked oscillations in the exchange rate during the year.

The average cost of loans by banks and other lenders, consisting of current account credit lines, "hot cash" and stand-by loans, has fallen considerably due to the significant reduction in the money market reference rates, to 2.3%.

## Net exceptional income (charges)

The item, which highlights net exceptional income for 0.1 million euros (net exceptional charges of 0.3 million euros in 2008), was generated by charges (6.8 million euros) for resignation incentives connected to the 2008-2010 three-year plan in excess of the fund set up in 2007. It was partly offset by income linked to the amount receivable for the reimbursement of IRES following the introduction of law which made the IRAP paid between 2004 and 2007 (5.0 million euros) partly deductible, and to tax credit for research ad development expenses sustained in 2008 (0.6 million euros).

## Income taxes

These amount to 22.1 million euros and represent the balance between current and deferred taxes as shown in the table.

<b>Income taxes</b> (millions of euros)			
	<b>2009</b>	<b>2008</b>	<b>Change</b>
IRES	(27.2)	(20.3)	(6.9)
IRAP	(35.5)	(37.0)	1.5
Substitute tax	0.0	(9.2)	9.2
Deferred tax liabilities:			
- from Group company financial statements	13.8	30.4	(16.6)
- from consolidation adjustments	(0.1)	(0.2)	0.1
Deferred tax assets:			
- from Group company financial statements	26.7	0.9	25.8
- from consolidation adjustments	0.2	(1.0)	1.2
<b>Total</b>	<b>(22.1)</b>	<b>(36.4)</b>	<b>14.3</b>

IRES of 27.2 million euros presents an increase of 6.9 million euros on the previous year's figure, relating to the better economic results of certain Group companies.

No amount was recorded for IRES for the Parent Company, as the year is expected to have a negative tax result.

IRAP for 35.5 million euros shows a drop of 1.5 million euros compared with the previous year, determined by the deterioration of the taxable base related largely to the Parent Company.

Substitute tax, which amounted to 9.2 million euros in 2008, was related to the adhesion by certain Group companies to the option for the realignment of the statutory/fiscal values envisaged by article 1, paragraph 48 of Law 244/07 (Budget 2008) with the consequent release in 2008 of the previous provisions for deferred taxes for 19.9 million euros.

Deferred tax liabilities in 2009 determined a positive effect equating to 13.8 million euros (30.4 million euros in 2008), as a consequence of the recovery of timing differences in income deriving from higher amortisation carried out during 2007 by the Parent Company, purely for tax purposes.

Deferred tax assets (26.7 million euros) originated from the booking of IRES credit for 27.0 million euros, deriving from the negative taxable amount for the year, which was related mainly to the Parent Company. This was offset by the positive tax results of the subsidiaries, included within the scope of the tax consolidation mechanism for the 2009 tax year.



## Consolidated balance sheet aggregates

### Non-current assets

#### Assets (millions of euros)

	31.12.2009	31.12.2008	Change	Change %
Tangible non-current assets	581.2	555.1	26.1	4.7
Programmes	962.8	986.9	(24.1)	-2.4
Equity investments	13.3	11.5	1.8	15.7
Other non-current assets	60.1	57.4	2.7	4.7
<b>Total</b>	<b>1,617.4</b>	<b>1,610.9</b>	<b>6.5</b>	<b>0.4</b>

**Tangible non-current assets** amount to 581.2 million euros and are represented by land and industrial buildings for 30.8% and by plant and machinery for 37.2%.

#### Non-current tangible assets (millions of euros)

	31.12.2009	31.12.2008	Change	Change %
Land and buildings	179.2	198.3	(19.1)	-9.6
Plant and machinery	216.0	200.2	15.8	7.9
Industrial and sales equipment	11.1	12.4	(1.3)	-10.5
Other assets	34.5	33.8	0.7	2.1
Intangible assets under construction and payments on account	140.4	110.4	30.0	27.2
<b>Total</b>	<b>581.2</b>	<b>555.1</b>	<b>26.1</b>	<b>4.7</b>

The increase of 26.1 million euros with respect to 2008 is the balance of new investment (138.1 million euros), eliminations (0.8 million euros) and depreciation (111.2 million euros).

**Programmes** are represented mainly by TV fiction series (495.3 million euros) and films (371.0 million euros). TV fiction series accounted for the greater part of investment during the year (333.5 million euros).

The change from the previous year (-24.1 million euros) is the net result of the following factors:

- investment 543.0 million euros;
- depreciation for 528.4 million euros;
- writedown of programmes for 36.4 million euros;
- disposals for 2.3 million euros.

#### Investments in programmes (millions of euros)

	31.12.2009	31.12.2008	Change	Change %
TV series	495.3	500.1	(4.8)	-1.0
Films	371.0	398.8	(27.8)	-7.0
Other programmes	96.5	88.0	8.5	9.7
<b>Total</b>	<b>962.8</b>	<b>986.9</b>	<b>(24.1)</b>	<b>-2.4</b>

**Equity investments** amount to 13.3 million euros and present an increase on the previous year (+1.8 million euros), largely due to the carriage of investments in associated companies and subsidiaries at equity (Sacis).

**Other non-current assets** are shown in the following table:

<b>Other non-current assets</b> (millions of euros)				
	31.12.2009	31.12.2008	Change	Change %
Digital terrestrial frequencies	21.3	24.7	(3.4)	-13.8
Alterations and improvements to leased properties	15.5	16.3	(0.8)	-4.9
Non-current receivables	5.7	6.0	(0.3)	-5.0
Securities	3.8	3.8	0.0	0.0
Other	13.8	6.6	7.2	109.1
<b>Total</b>	<b>60.1</b>	<b>57.4</b>	<b>2.7</b>	<b>4.7</b>

## Working capital

The change from 2008 (+91.5 million euros) is due mainly to normal developments in the business.

<b>Working capital</b> (millions of euros)				
	31.12.2009	31.12.2008	Change	Change %
Inventories	5.0	5.2	(0.2)	-3.8
Trade receivables	779.9	594.3	185.6	31.2
Other assets	263.4	277.2	(13.8)	-5.0
Trade payables	(811.4)	(724.5)	(86.9)	12.0
Provisions for risks and charges	(413.2)	(445.1)	31.9	-7.2
Other liabilities	(299.6)	(274.5)	(25.1)	9.1
<b>Total</b>	<b>(475.9)</b>	<b>(567.4)</b>	<b>91.5</b>	<b>-16.1</b>

Major changes relate to:

- **Trade receivables:** up 185.6 million euros, mainly determined by the booking of the receivables relating to the aforementioned sale of the pay TV rights (115.5 million euros) and major receivables for services under agreement rendered to the Government (72.8 million euros).
- **Trade payables:** up by 86.9 million euros and largely related to the booking of the cost of pay TV rights sold but for which payment has still not been collected (87.0 million euros).
- **Provisions for risks and charges** showed a 31.9 million euro reduction, mainly owing to the utilisations/releases of provisions made during prior years, net of provisions made during the year.

## Net financial position

The year-end **net financial position** is negative and has deteriorated compared to the previous year (-151.5 million euros compared with +21.1 million euros in 2008), and is comprised as follows:

<b>Net financial position of the Group</b> (millions of euros)				
	31.12.2009	31.12.2008	Change	Change %
Net amounts due from (to) banks and other lenders				
in the medium/long term	(2.7)	(3.4)	0.7	-20.6
in the short term	(163.7)	(2.4)	(161.3)	6.720.8
cash and cash equivalents	20.8	32.7	(11.9)	-36.4
	(145.6)	26.9	(172.5)	-641.3
Other financial payables	(5.9)	(5.8)	(0.1)	1.7
<b>Net financial position</b>	<b>(151.5)</b>	<b>21.1</b>	<b>(172.6)</b>	<b>-818.0</b>

The undertaking of short-term debt is consequential to the reduction in advertising income, flows of commercial activity from the associated companies and liquidation of receivables for services under agreements rendered to the Government.

These effects were partly counteracted by income for the aforementioned sale of pay TV broadcasting rights and by the containment of disbursements for important sports events and the operating expenses of the Parent Company and associated companies.

The net financial position is negative for about 144 million euros, down from the previous year (-42 million euros), as a consequence of the financial profile described above.

The analysis carried out on the basis of the **financial and income structure indexes** highlighted that:

- the **net invested capital coverage ratio**, calculated as in the ratio between net invested capital and net equity, is 1.24 (0.97 in 2008);
- the **current ratio**, identified as the ratio between current assets (inventories, current assets, cash and cash equivalents and financial receivables) and current liabilities (current liabilities and financial debts) is 0.83 (0.90 in 2008);
- the **self-coverage ratio** of fixed assets, calculated as the ratio of shareholders' equity to non-current assets, is 0.39 (0.43 in 2008).

The **financial risks** to which the Group is exposed are monitored using appropriate computerised and statistical instruments. A policy regulates financial management in accordance with best international practice, the aim being to preserve the corporate value by taking an adverse attitude towards risk, pursued via active monitoring of the exposure and the centralised implementation of suitable hedging strategies by the Parent Company, also acting on behalf of the subsidiaries.

In detail:

- the **exchange risk** is significant in relation to the exposure in US dollars generated by the acquisition of rights to sports events in foreign currencies by Rai (as well as the funding of the foreign associated company Rai Corporation) and of film and television broadcasting rights by Rai Cinema. These commitments generated payments for about 170 million dollars during 2009. Operation takes place from the date of subscription to the commercial commitment, often lasting several years, and aims to defend the counter value in euros of commitments estimated at the time of order or in the budget. Hedging strategies are implemented using financial derivative instruments – such as forward purchases, swaps, and options structures – without ever taking on an attitude of financial speculation. The Group policy envisages numerous operating limits to be observed by the hedging activity.

- The **rate risk** is also regulated by the company policy, particularly for medium/long-term exposure with specific operating limits. At the moment, the financial position does not contain significant long-term and variable rate exposures, but sees short periods of operational liquidity alternating with overdraft positions through reversible credit lines or stand-by loans, for it was deemed unnecessary to activate hedging operations.
- The **credit risk** on cash deployment is extremely limited in that the company policy envisages the use of low-risk financial instruments with parties with high ratings, for limited periods of cash timing differences. Only tied deposits or sight deposits with remunerations close to the Euribor rate were used during 2009.
- As regards the **liquidity risk**, it should be noted that the Group has short-term credit lines with the banking system, which are in excess of 500 million euros. During February 2009, the Parent Company took out a stand-by loan for 200 million euros with a duration of three years, with a pool of seven Italian and international banks. The total loans are sufficient to cover the overdraft positions that occur, although the procedure to liquidate the four deferred instalments by the Ministry of the Economy and Finance could generate tension in the event of significant delays with respect to the quarter-end dates established by contract. To cope with the significant investments required by the DTT project (particularly considering the reduction in public funding), the company applied to the European Investment Bank for a medium/long-term loan, by virtue of the innovative nature and general interest of the new infrastructure.





**Rai**



**Consolidated Balance Sheet  
and Income Statement**  
(Statutory form)

**Consolidated Balance Sheet - Assets** (millions of euros)

	31.12.2009	31.12.2008
A) SUBSCRIBED CAPITAL UNPAID	-	-
B) NON-CURRENT ASSETS		
I. INTANGIBLE ASSETS		
1.- Formation, start-up and expansion costs	..	0.1
3.- Industrial patents and intellectual property rights	688.6	741.7
4.- Concessions, licences, trademarks and similar rights	21.5	24.9
6.- Intangible assets under development and payments on account	285.3	251.1
7.- Other	18.0	16.7
<b>TOTAL INTANGIBLE ASSETS</b>	<b>1,013.4</b>	<b>1,034.5</b>
II. TANGIBLE NON-CURRENT ASSETS		
1.- Land and buildings	179.2	198.3
2.- Plant and machinery	216.0	200.2
3.- Industrial and sales equipment	11.1	12.4
4.- Other assets	34.5	33.8
5.- Intangible assets under construction and payments on account	140.4	110.4
<b>TOTAL TANGIBLE ASSETS</b>	<b>581.2</b>	<b>555.1</b>
III. NON-CURRENT FINANCIAL ASSETS		
1.- Equity investments in		
a) non-consolidated subsidiaries	4.6	4.6
b) associated companies	7.9	6.2
d) other companies	0.8	0.7
	13.3	11.5
2.- Receivables		
d) from others		
. amounts due within one year	0.6	0.9
. amounts due after one year	5.1	5.1
	5.7	6.0
3.- Other securities	3.8	3.8
<b>TOTAL NON-CURRENT FINANCIAL ASSETS</b>	<b>22.8</b>	<b>21.3</b>
<b>TOTAL NON-CURRENT ASSETS</b>	<b>1,617.4</b>	<b>1,610.9</b>

follows



**Consolidated Balance Sheet - Assets** (millions of euros)

	31.12.2009	31.12.2008
C) CURRENT ASSETS		
I. INVENTORIES		
1.- Raw materials, supplies and consumables	2.1	2.3
3.- Contract work in progress	0.7	0.7
4.- Finished goods and merchandise	2.2	2.2
<b>TOTAL INVENTORIES</b>	<b>5.0</b>	<b>5.2</b>
II. RECEIVABLES		
1.- Customers		
. amounts due within one year	779.6	594.0
. amounts due after one year	-	0.1
2.- Subsidiaries	..	-
3.- Associated companies	0.3	0.1
4bis.- Tax receivables	54.0	36.7
4ter.- Deferred wtax assets		
. amounts due within one year	35.5	18.7
. amounts due after one year	1.9	2.3
5.- Others		
. amounts due within one year	115.1	76.4
. amounts due after one year	13.0	103.0
<b>TOTAL RECEIVABLES</b>	<b>999.4</b>	<b>831.3</b>
III. CURRENT FINANCIAL ASSETS	-	-
IV. CASH AND CASH EQUIVALENTS		
1.- Bank and post office deposits	20.4	32.3
2.- Cheques	..	..
3.- Cash and cash equivalents on hand	0.4	0.4
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>20.8</b>	<b>32.7</b>
<b>TOTAL CURRENT ASSETS</b>	<b>1,025.2</b>	<b>869.2</b>
D) ACCRUED INCOME AND PREPAID EXPENSES	43.9	40.2
<b>TOTAL ASSETS</b>	<b>2,686.5</b>	<b>2,520.3</b>

**Consolidated Balance Sheet - Liabilities** (millions of euros)

	31.12.2009	31.12.2008
A) SHAREHOLDERS' EQUITY		
I. PARENT COMPANY EQUITY		
I. Capital	242.5	242.5
IV. Legal Reserve	7.0	7.0
VII. Other reserves	443.8	444.2
VIII. Profits (losses) brought forward	-	5.9
IX. Group net profit (loss) for the year	(62.1)	(7.5)
TOTAL GROUP SHAREHOLDERS' EQUITY	631.2	692.1
II. MINORITY INTERESTS		
- Share capital and reserves pertaining to minority interests	0.3	0.3
- Net profit (loss) for the year pertaining to minority interests	0.3	0.4
TOTAL SHAREHOLDERS' EQUITY PERTAINING TO MINORITY INTERESTS	0.6	0.7
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>631.8</b>	<b>692.8</b>
B) PROVISIONS FOR RISKS AND CHARGES		
1.- Provision for pension and similar liabilities	153.9	155.2
2.- Current and deferred taxes	14.5	28.2
3.- Other	244.8	261.7
TOTAL PROVISIONS FOR RISKS AND CHARGES	413.2	445.1
C) PROVISION FOR STAFF SEVERANCE PAY	358.2	371.8
D) PAYABLES		
4.- Due to banks	163.7	2.4
5.- Due to other lenders		
. amounts due within one year	0.7	0.7
. amounts due after one year	2.0	2.7
6.- Advances		
. amounts due within one year	6.9	5.3
. amounts due after one year	1.5	1.6
7.- Suppliers	797.7	714.5
9.- Due to non-consolidated subsidiaries	5.1	5.1
10.- Associated companies	5.5	3.3
12.- Tax payables	70.8	68.1
13.- Social security institutions	55.6	48.5
14.- Other payables	117.5	104.6
<b>TOTAL PAYABLES</b>	<b>1,227.0</b>	<b>956.8</b>
E) ACCRUED EXPENSES AND DEFERRED INCOME	56.3	53.8
<b>TOTAL LIABILITIES</b>	<b>2,686.5</b>	<b>2,520.3</b>

**Memorandum accounts** (millions of euros)

	31.12.2009	31.12.2008
1.- Unsecured guarantees granted		
a) Sureties:		
- in favour of associated companies	2.6	2.6
- in favour of others	87.9	72.5
	90.5	75.1
c) Other:		
- in favour of others	2.5	2.9
<b>Total unsecured guarantees granted</b>	<b>93.0</b>	<b>78.0</b>
2.- Secured guarantees granted		
b) For own commitments other than payables	3.7	3.7
c) For debt recorded in the balance sheet	50.6	50.6
<b>Total secured guarantees granted</b>	<b>54.3</b>	<b>54.3</b>
3.- Purchase and sale commitments	88.2	114.2
4.- Other memorandum accounts	532.9	418.2
	<b>768.4</b>	<b>664.7</b>

**Consolidated Income Statement** (millions of euros)

	31.12.2009	31.12.2008
<b>A) PRODUCTION VALUE</b>		
1.- Revenues from sales and services	3,134.1	3,166.8
2.- Changes in inventories of work in progress, semifinished and finished goods	(0.2)	..
3.- Changes in contract work in progress	..	0.6
4.- Internal cost capitalisations	30.4	32.8
5.- Other production-related income		
a) operating grants	5.1	3.9
b) gains on disposal of assets	0.4	0.1
c) miscellaneous	97.1	137.6
	102.6	141.6
<b>TOTAL PRODUCTION VALUE</b>	<b>3,266.9</b>	<b>3,341.8</b>
<b>B) PRODUCTION COSTS</b>		
6.- Raw materials, supplies, consumables and merchandise	(29.5)	(33.7)
7.- Services	(776.5)	(826.8)
8.- Use of third-party assets	(638.9)	(608.4)
9.- Personnel		
a) wages and salaries	(729.5)	(727.6)
b) social security contributions	(203.9)	(198.3)
c) staff severance pay provision	(49.4)	(52.2)
d) pension and similar costs	(14.7)	(16.0)
e) other costs	(12.1)	(15.5)
	(1,009.6)	(1,009.6)
10.- Amortisation, depreciation and writedowns		
a) amortisation of intangible assets	(551.7)	(543.6)
b) depreciation of tangible assets	(111.2)	(119.0)
c) other non-current asset writedowns	(36.4)	(33.0)
d) writedowns of current receivables and cash and cash equivalents	(13.5)	(4.3)
	(712.8)	(699.9)
11.- Changes in inventories of raw materials, supplies, consumables and merchandise	(0.1)	..
12.- Provisions for risks	(23.4)	(18.2)
13.- Other provisions	(3.8)	(2.4)
14.- Miscellaneous operating costs		
a) capital losses on disposals	(0.5)	(0.7)
b) concession fee	(29.5)	(29.2)
c) other	(77.8)	(78.4)
	(107.8)	(108.3)
<b>TOTAL PRODUCTION COSTS</b>	<b>(3,302.4)</b>	<b>(3,307.3)</b>
<b>Operating result</b>	<b>(35.5)</b>	<b>34.5</b>

follows

**Consolidated Income Statement** (millions of euros)

	31.12.2009	31.12.2008
<b>C) FINANCIAL INCOME AND CHARGES</b>		
16.- Other financial income		
a) from non-current receivables		
. other	..	0.1
b) from non-current securities other than equity investments	0.1	0.2
d) financial income other than the above		
. interest and commissions from associated companies	..	-
. interest and commissions from others and miscellaneous income	1.0	3.3
	<hr/>	<hr/>
	1.1	3.6
17.- Interest and other financial charges		
b) interest and commissions payable to associated companies	..	..
d) interest and commissions payable to others and miscellaneous charges	(5.1)	(5.3)
	<hr/>	<hr/>
	(5.1)	(5.3)
17bis.- Foreign exchange gains and losses - net	(0.5)	(5.2)
<b>TOTAL FINANCIAL INCOME AND EXPENSE</b>	<b>(4.5)</b>	<b>(6.9)</b>
<b>D) VALUE ADJUSTMENTS TO FINANCIAL ASSETS</b>		
18.- Revaluations		
a) of equity investments	0.5	3.0
19.- Writedowns		
a) of equity investments	..	..
b) of non-current securities other than equity investments	(0.3)	(1.0)
	<hr/>	<hr/>
	(0.3)	(1.0)
<b>TOTAL VALUE ADJUSTMENTS TO FINANCIAL ASSETS</b>	<b>0.2</b>	<b>2.0</b>
<b>E) EXCEPTIONAL INCOME AND CHARGES</b>		
20.- Exceptional income		
b) out-of-period gains and reversal of non-existent liabilities	6.3	1.3
c) other	0.6	0.4
	<hr/>	<hr/>
	6.9	1.7
21.- Exceptional charges		
b) prior year taxes	..	(0.2)
c) prior-year charges and reversal of non-existent assets	..	..
d) others	(6.8)	(1.8)
	<hr/>	<hr/>
	(6.8)	(2.0)
<b>TOTAL EXCEPTIONAL INCOME AND CHARGES</b>	<b>0.1</b>	<b>(0.3)</b>
<b>Result before taxes</b>	<b>(39.7)</b>	<b>29.3</b>
22.- Current income taxes for the year and deferred tax assets and liabilities	(22.1)	(36.4)
<b>23.- Net profit (loss) for the year</b>	<b>(61.8)</b>	<b>(7.1)</b>
<b>of which:</b>		
- pertaining to Parent Company	(62.1)	(7.5)
- pertaining to minority interests	0.3	0.4



**Rai**



**Notes to the Consolidated  
financial statements**

## 1) Introduction

The Rai Group consolidated financial statements have been prepared in accordance with the provisions of the Italian Civil Code and Legislative Decree 127 of 9 April 1991. The following documents are annexed to the consolidated financial statements: the reclassified statements comprised of tables for the analysis of the balance sheet and income statement, and of cash flows.

In order to render the consolidated financial statements at 31 December 2009 fully comparable with those of the previous year, certain items have been reclassified.

The consolidated balance sheet, income statement, notes and related schedules are expressed in millions of euros.

The consolidated financial statements reporting date is 31 December 2009, which is the year-end date for all consolidated companies.

The financial statements of consolidated companies are those approved by their Shareholders and have been adjusted, where necessary, to apply accounting standards consistently.

The consolidated financial statements and the accounts of the individual consolidated companies, except for those of Rai Corporation Canada due to its small relevance, have been audited by PricewaterhouseCoopers SpA.

The reconciliation between Rai and Group results and equity for 2009 and 2008 is presented on page 256.

## 2) Scope of consolidation

Rai and all Italian and foreign companies (excluding companies in liquidation) in which the Parent Company Rai holds - directly or indirectly - the majority of voting rights at ordinary Shareholders' meetings are included in the scope of consolidation.

The following companies are consolidated on a line-by-line basis (figures for share capital are at 31 December 2009):

- *Rai Cinema SpA*; registered office in Rome, Piazza Adriana 12, share capital 200,000,000.40 euros; shareholders: Rai 99.997678%, Rai Trade 0.002322%.
- *Rai Corporation - Italian Radio TV System*; registered office in New York, 32 Avenue of the Americas; share capital 500,000 US\$; shareholders: Rai 100%.
- *Rai Corporation Canada - Italian Radio TV System*; registered office in Woodbridge (Ontario) L4H 4V9 Canada – 80 Carlauren Road - Suite 23, share capital 1,394 Canadian dollars; shareholders: Rai Corporation 100%.
- *Newco Rai International SpA*; registered office in Rome, Piazza Adriana 14, share capital 1,300,000 euros; shareholders: Rai 99.954%, Rai Trade 0.046%.
- *Rainet SpA*; registered office in Milan, Corso Sempione 27, share capital 5,160,000 euros; shareholders: Rai 99.9%, Rai Trade 0.1%.
- *Raisat SpA*; registered office in Rome, Viale Mazzini 14, share capital 2,585,000 euros; shareholders: Rai 94.9%, Rai Trade 0.1%, R.C.S. Mediagroup 5%.
- *Rai Trade SpA*; registered office in Rome, Via Umberto Novaro 18, share capital 8,000,000 euros; shareholders: Rai 100%.
- *Rai Way SpA*; registered office in Rome, Via Teulada 66, share capital 70,176,000 euros; shareholders Rai 99.99926%, Rai Trade 0.00074%.



- *Sipra SpA*; registered office in Turin, Corso Bernardino Telesio 25, share capital 10,000,000 euros; shareholders: Rai 100%.
- *01 Distribution Srl*; registered office in Rome, Piazza Adriana 12, share capital 516,456 euros; shareholders: RAI Cinema 100%.

With the deed of merger dated 12 October 2009, backdated to 1 January 2009, Rai Click was merged by incorporation into Rai.

Also in 2010, Rai purchased the shares held in RaiSat from RCS MediaGroup and Rai Trade, becoming the owner of 100% of the company's equity.

The following companies are recorded using the equity method:

- *Audiradio Srl*; registered office in Milan, Largo Toscanini 1, share capital 258,000 euros; shareholders: Rai 30.23%, others 69.77%.
- *Auditel Srl*; registered office in Milan, Largo Toscanini 1, share capital 300,000 euros; shareholders: Rai 33%, others 67%.
- *Sacis SpA – in liquidation*; registered office in Rome, Via Umberto Novaro 18, share capital 102,000 euros; shareholders: Rai 100%.
- *San Marino RTV SpA*; registered office in the Republic of San Marino, Viale Kennedy 13; share capital 516,460 euros; shareholders: Rai 50%, E.Ra.S. 50%.
- *Euronews - Société Anonyme*; registered office in Lione Ecully (France), 60 Chemin des Mouilles; share capital 3,630,585 euros; shareholders: Rai 22.84%, others 77.16%.
- *Tivù Srl*; registered office in Rome, Via di Villa Patrizi 8, share capital 1,000,000 euros; shareholders: Rai 48.25%, others 51.75%.

### 3) Consolidation principles and foreign currency translation methods

These can be summarised as follows:

- a) The book values of equity investments in consolidated companies and the corresponding portion of their net equities have been eliminated against the total incorporation of the assets, liabilities, costs and revenues of such companies (regardless of percentage of ownership); minority interests' shares in equity (and the results for the year) are shown in specific items. Any differences emerging have been taken directly to consolidated equity.
- b) Payables and receivables, expense and income, dividends and other transactions made between consolidated companies have been eliminated.
- c) Financial statements denominated in foreign currency have been translated into euros, applying to each individual asset and liability item on the balance sheet the exchange rate in force at 31 December 2009 (Euro/US\$: 1.44060; euro/Can\$: 1.51280), while the items on the income statement have been subject to application of the average exchange rate for 2009 (euro/US\$: 1.39327; euro/Can\$: 1.58519) and equity items have been valued at the historical rate. Differences arising from the change in the exchange rate used in relation to equity items compared with the previous year are taken to a special consolidated equity reserve.
- d) For consolidation purposes, the financial statements of consolidated companies have been brought into line with the accounting policies and methods described hereunder.

## 4) Accounting policies

Before examining the individual items, we have provided an overview of the main accounting policies used, which were adopted from the perspective of the Company as a going concern and comply with the provisions of Articles 2423 et seq. of the Civil Code and Legislative Decree 127 of 9 April 1991. Such policies are substantially unchanged from those applied in the previous year.

### a) Industrial patents and intellectual property rights:

The acquisition and production costs of programmes, composed of external costs that can be allocated directly to each project and the cost of internal resources used to create programmes, are recorded according to the following criteria:

- 1) costs for repeat-use television productions are capitalised under intangible assets and, if such productions are usable at year-end, are carried under industrial patents and intellectual property rights and amortised on a straight-line basis over the period of their estimated useful life. If such programmes are not yet usable at year-end, the costs are carried under intangible assets under development and payments on account.

The objective difficulty of establishing an appropriate correlation between advertising revenues and licence fees and the amortisation of the rights, which is further complicated by the many ways in which they can be used, has led to the useful life of repeat-use programmes being estimated as follows:

- three years for TV series productions or in general for all non-film productions;
- four years for football library exploitation rights;
- five years for free TV rights acquired by Rai Cinema, except for products for which the whole range of rights has been acquired (film, television, home video etc) the useful life of which is estimated at seven years.

Costs for concession rights with a shorter duration are amortised over the period they are available.

In addition, an impairment provision has been established for programmes for which transmission, re-broadcasting or commercial exploitation is at risk.

- 2) Costs for immediate-use television programmes are expensed in a single year, which is normally that in which they are used. More specifically:

- *News, light entertainment and all radio programming.* Costs are expensed in the year in which they are incurred, which is normally the year in which the programmes are broadcast.
- *Sports events.* Costs are booked to the year in which the event takes place.
- *Documentaries, classical music and drama.* Costs are charged against income in a single amount at the time the programmes are ready for broadcasting or the rights are usable.

- b) Software licences are carried with industrial patents and intellectual property rights net of amortisation and are amortised over three years from the year they enter service.
- c) Costs incurred for the construction of the digital terrestrial network are capitalised under intangible assets net of amortisation and amortised on a straight-line basis over the forecast period of use from the date the service is activated.
- d) Trademarks are amortised substantially over ten years from the year they enter service.
- e) Deferred charges are carried under other intangible assets net of accumulated amortisation. They regard improvements to leased or licensed property and accessory charges on loans. Amortisation for leasehold improvements is determined on the basis of the shorter of the residual duration of the related contracts and the estimated period of benefit of the costs, calculated using amortisation rates which reflect the rate of economic deterioration of the relative assets. Accessory charges on loans are amortised in relation to the duration of the loan.

- f) Tangible assets – which are shown net of accumulated depreciation – are recorded at cost, increased by internal personnel costs incurred in preparing them to enter service, increased following revaluations pursuant to laws.

The costs of tangible assets as determined above are amortised in accordance with Article 2426 (2) of the Civil Code.

Ordinary maintenance costs are expensed in the year in which they are incurred.

- g) Financial leases have been booked by recording the asset and relative debt in the consolidated balance sheet in amounts which, at the beginning of the contract, are equal to the normal value of the leased asset. Depreciation of such leased assets is calculated on a straight line basis at 6% per annum. Leasing instalments are split between the portion representing financial charges, which are taken to the income statement as such, and the principal portion, which is taken as a reduction to the relative debt.
- h) Equity investments in non-consolidated subsidiaries and associated companies are carried at equity; equity investments below 20% and interests in consortia are shown at cost adjusted for any permanent impairment in value. In the event of investee companies with negative equity (in deficit), the investments are written down in full and an additional amount is set up in the provisions for risks and charges for the portion of the deficit pertaining to the Group. Adjustments for permanent impairment are reversed in the event that such impairment is subsequently recovered due to sufficient operating earnings by the investee company.
- i) Fixed-income securities carried as non-current financial assets are valued at purchase cost. Positive or negative differences between purchase cost and redemption value are taken to income in the amount accruing for the year.
- j) Non-current assets which, at the balance sheet date, have suffered a permanent impairment in value, are carried at the lower value. Should the reasons for the writedown made in previous years no longer apply, the assets are revalued within the limits of the amount of the writedown.
- k) Other securities carried under current financial assets are valued at the lower of purchase cost – determined as the weighted average cost – and estimated realisable value, which is given by market value.
- l) Inventories of raw materials, supplies and consumables (technical materials) are valued at purchase cost, which is determined on the basis of weighted average cost, written down taking account of market trends and estimated non-use due to obsolescence and slow turnover. Inventories of items for resale (books, DVDs, etc.) are carried at the lower of purchase cost, which is determined on the basis of weighted average cost, and estimated realisable value as determined by market prices.
- m) Accrued income and prepaid expenses, and accrued expenses and deferred income, are recorded on an accruals basis for the individual entries.
- n) Provisions for pension and similar liabilities, which comprise the provision for supplementary staff severance pay, the social security benefits provision and the company supplementary pension fund, are made in accordance with collective bargaining agreements. The Company supplementary pension fund is valued on the basis of an actuarial appraisal.
- o) The provision for taxes includes probable tax liabilities arising out of the settlement of tax disputes and includes deferred tax liabilities calculated on timing differences which have resulted in lower current taxes. Deferred tax assets arising from charges which are tax-deductible on a deferred basis and from tax losses are taken up under Current Assets caption 4 *ter* ("Deferred tax assets") if there is reasonable certainty that they will be recovered in the future.
- p) Other provisions for risks and charges include provisions to cover specific losses or liabilities, the existence of which is certain or probable, but the amount or date of occurrence of which is uncertain. They are set up on a case-by-case basis in relation to specific risk positions and their amount is determined on the basis of reasonable estimates of the liability that such positions could generate.

- q) The provision for staff severance pay is determined in conformity to applicable law and labour contracts. It reflects the accrued entitlement of all employees at the balance-sheet date net of advances already paid.
- r) Payables are shown at nominal value; receivables are carried at estimated realisable value, net of the provision for bad debts as determined on the basis of a case-by-case assessment of the solvency risks of the individual debtors.
- s) Payables and receivables denominated in currencies other than the Euro – with the exception of hedged positions, which are valued at the rate applying to the financial instrument – are recorded at the exchange rates applying at the balance sheet date. Profits and losses ensuing from such conversion are taken to the income statement as components of financial income or expense. Any net profit is taken to a specific non-distributable reserve until the profit is realised.
- t) Payments on account include advances paid by customers for services that have not yet been performed.
- u) Costs and revenues are taken to the income statement on a consistently applied accruals basis.
- v) Dividends are taken to income in the year in which they are received.
- w) Income taxes are recorded on the basis of an estimate of taxable income in conformity with applicable regulations, taking account of deferred tax positions. The tax liability to be settled on presentation of the tax declaration is carried under taxes payable, together with liabilities relating to taxes already assessed and due. The tax charge in the Group's consolidated financial statements reflects the tax charges in the individual financial statements of consolidated companies, which have been aligned on the basis of uniform accounting policies and prepared on a prudent basis.

Companies consolidated using the line-by-line method with the exception of Rai Trade, Rai Corporation and Rai Corporation Canada, have opted to be taxed on a Group consolidated basis and have transferred to the Parent Company the duty of attending to all requirements regarding the settlement and payment of IRES tax. The procedure for the consolidation of the Group's taxable amounts is regulated by a specific agreement between the Parent Company and the subsidiaries. The fundamental standards that regulate this agreement are neutrality (absence of negative effects on the single companies), proportionality in the use of losses and their integral remuneration on the basis of the rate of IRES in force at the time of effective use, offsetting the incomes booked.

- x) During consolidation, the tax effects on consolidation adjustments resulting in timing differences on the Group's result have been recorded as prepaid taxes and deferred taxes.
- y) In order to hedge interest rate and exchange rate risk, the Company uses derivative contracts to hedge specific transactions. Interest differentials to be collected or paid on interest rate swaps are taken to the income statement on an accruals basis over the duration of the contract. Accrued interest differentials that have not been settled at the end of the year or which have been settled before they actually accrue are taken to accrued income and prepaid expenses, or accrued expenses and deferred income, as the case may be. Derivative contracts hedging exchange rate risks are used to cover contractual commitments in foreign currencies and entail adjusting the value of the underlying item. The premium or discount arising from the differential between the spot and future exchange rates for hedging transactions carried out via future acquisition of value and premiums paid in relation to options is taken to the income statement over the duration of the contract.

If the market value of derivatives contracts that do not fully qualify for hedge accounting is negative, a specific risk provision is set up for this value.

- z) Collections are recorded by bank transaction date; for payments account is likewise taken of the instruction date.

## 5) Consolidated balance sheet

### Assets

#### Non-current assets

#### Intangible assets

This caption includes the cost of non-physical factors of production with lasting utility, net of amortisation and writedowns in the event of permanent impairment of value.

These total 1,013.4 million euros, with a net increase of 21.1 million euros on the preceding year, represented by the balance between new investment (569.4 million euros), the amortisation charge for the year (551.7 million euros), and writedowns and eliminations for 38.7 million euros, as well as other decreases for 0.1 million euros.

**Formation, start-up and expansion costs.** These disclose an insignificant value (at 31 December 2008: 0.1 million euros) booked to the financial statements of NewCo Rai International (see Schedule 1).

Intangible assets (millions of euros)											Schedule 1			
	31.12.2008 (a)			Changes during the year							31.12.2009			
	Costs	Write-downs	Ammoris.	Book value	Increas. and capitalis.	Disposal (b)	Reclassific.	Write-downs/ Elim.	Ammoris.	Conversion difference	Costs	Write-downs	Ammoris.	Book value
Formation, start-up and expansion costs	0.1	-	..	0.1	-	-	-	-	(0.1)	-	0.1	-	(0.1)	..
Industrial patents and intellectual property rights:														
programmes	(c) 1,643.1	(42.5)	(859.6)	741.0	366.5	..	152.5	(33.2)	(540.3) (d)	-	2,162.1	(45.7)	(1,429.9)	686.5
other	1.5	-	(0.8)	0.7	2.1	..	0.5	-	(1.2)	-	4.1	-	(2.0)	2.1
	<b>1,644.6</b>	<b>(42.5)</b>	<b>(860.4)</b>	<b>741.7</b>	<b>368.6</b>	<b>..</b>	<b>153.0</b>	<b>(33.2)</b>	<b>(541.5)</b>	<b>-</b>	<b>2,166.2</b>	<b>(45.7)</b>	<b>(1,431.9)</b>	<b>688.6</b>
Concessions, licences, trademarks and similar rights														
digital terrestrial broadcasting	40.5	-	(15.8)	24.7	-	-	-	-	(3.4)	-	40.5	-	(19.2)	21.3
other	0.7	-	(0.5)	0.2	..	..	..	-	..	-	0.8	-	(0.6)	0.2
	<b>41.2</b>	<b>-</b>	<b>(16.3)</b>	<b>24.9</b>	<b>..</b>	<b>..</b>	<b>..</b>	<b>-</b>	<b>(3.4)</b>	<b>-</b>	<b>41.3</b>	<b>-</b>	<b>(19.8)</b>	<b>21.5</b>
Intangible assets under development and payments on account:														
programmes	(e) 245.9	-	-	245.9	188.3	(2.2)	(152.5)	(3.2)	-	-	276.3	-	-	276.3
long-term costs relating to third-party property	1.6	-	-	1.6	1.2	-	(1.4)	-	-	-	1.4	-	-	1.4
other	3.6	-	-	3.6	5.0	-	(1.0)	-	-	-	7.6	-	-	7.6
	<b>251.1</b>	<b>-</b>	<b>-</b>	<b>251.1</b>	<b>194.5</b>	<b>(2.2)</b>	<b>(154.9)</b>	<b>(3.2)</b>	<b>-</b>	<b>-</b>	<b>285.3</b>	<b>-</b>	<b>-</b>	<b>285.3</b>
Other:														
long-term costs relating to third-party property	(f) 51.7	-	(37.0)	14.7	2.5	(0.1)	1.4	-	(4.3)	(0.1)	55.4	-	(41.3)	14.1
accessory charges on loans	-	-	-	-	1.5	-	-	-	(0.4)	-	1.5	-	(0.4)	1.1
other	3.8	-	(1.8)	2.0	2.3	-	0.5	-	(2.0)	-	6.6	-	(3.8)	2.8
	<b>55.5</b>	<b>-</b>	<b>(38.8)</b>	<b>16.7</b>	<b>6.3</b>	<b>(0.1)</b>	<b>1.9</b>	<b>-</b>	<b>(6.7)</b>	<b>(0.1)</b>	<b>63.5</b>	<b>-</b>	<b>(45.5)</b>	<b>18.0</b>
	<b>1,992.5</b>	<b>(42.5)</b>	<b>(915.5)</b>	<b>1,034.5</b>	<b>569.4</b>	<b>(2.3)</b>	<b>..</b>	<b>(36.4)</b>	<b>(551.7)</b>	<b>(0.1)</b>	<b>2,556.4</b>	<b>(45.7)</b>	<b>(1,497.3)</b>	<b>1,013.4</b>

(a) Discloses only values not completely amortised as at 31 December 2008

(b) Including:

Cost	(2.3)
Revaluations	-
Writedowns	-
Amortisation	..
	<b>(2.3)</b>

(c) Programmes, with book values:

not completely amortised	1,643.1	(42.5)	(859.6)	741.0						1,580.3	(45.6)	(848.2)	686.5
completely amortised	541.5	..	(541.5)	-						581.8	(0.1)	(581.7)	-
	<b>2,184.6</b>	<b>(42.5)</b>	<b>(1,401.1)</b>	<b>741.0</b>						<b>2,162.1</b>	<b>(45.7)</b>	<b>(1,429.9)</b>	<b>686.5</b>

(d) net of the provision for impairment of programmes for 30.0 million euros

(e) Costs for intellectual property rights under development at 31 December 2008 that are not reclassified under assets being amortised by December 2009. They relate to rights accruing subsequent to 31 December 2009, as well as internal productions of programmes still to be completed on such date. However they are costs referring to programmes which are expected to be used in the future.

(f) Long-term costs relating to third-party property with book values:

not completely amortised	51.7	-	(37.0)	14.7							54.6	-	(40.5)	14.1
completely amortised	-	-	-	-							0.8	-	(0.8)	-
	<b>51.7</b>	<b>-</b>	<b>(37.0)</b>	<b>14.7</b>							<b>55.4</b>	<b>-</b>	<b>(41.3)</b>	<b>14.1</b>

**Industrial patents and intellectual property rights.** As shown in Schedule 1, these amount to 688.6 million euros, as follows:

- 686.5 million euros for the cost of television programmes and films available for use, booked mainly to the financial statements of the Parent Company and Rai Cinema, showing a net decrease of 54.4 million euros compared to the figure relating to 31 December 2008. This decrease is represented by the difference between new assets for 519.0 million euros (of which 152.5 million euros transferred from *intangible assets under development and payments on account* for rights that became available during the year), a writedown against the risk of non-transmission, repeatability and commercial exploitation of certain programmes amounting to 33.2 million euros and the amortisation charge for the year of 540.3 million euros;
- 2.1 million euros for software rights, showing a net increase of 1.4 million euros compared to the figure relating to 31 December 2008. Specifically, the aforementioned increase is represented by the difference between new assets for 2.6 million euros (of which 0.5 million euros transferred from *Intangible assets under development and payments on account* for rights that became available for use during the year) and the amortisation charge for the year of 1.2 million euros.

As regards television and film products available for use, at 31 December 2009 the item total, gross of writedowns, was split between:

- rights to television programmes owned or held under unlimited-term licences amounting to 253.7 million euros;
- rights to television programmes held under fixed-term licences amounting to 478.5 million euros.

Overall investment in television programmes made in 2009 amounts to 554.8 million euros, including 188.3 million euros in programmes which were not yet available at 31 December 2009, which are carried under *Intangible assets under development and payments on account*.

Analysing investments by type, at 31 December 2009, 333.5 million euros had been invested in fiction programmes (series, miniseries, TV movies, soap operas etc), 140.4 million euros in films, 25.0 million euros in cartoons and comedy programmes, 15.5 million euros in football libraries, 11.8 million euros in documentaries, 8.2 million euros in classical music and drama and 20.4 million euros in other categories.

**Concessions, licences, trademarks and similar rights.** These items, which are stated net of accumulated amortisation, include costs incurred on the acquisition of licences for digital terrestrial frequencies, and own trademarks. Overall, these amount to 21.5 million euros, of which 21.3 million euros with reference to digital network frequencies (see Schedule 1).

**Intangible assets under development and payments on account.** These amount to 285.3 thousand euros, including:

- 276.3 million euros for the cost of television programmes and films which are not yet available, and therefore not subject to amortisation; compared with the figure at 31 December 2008, this has shown a net increase of 30.4 million euros, as shown in Schedule 1. Specifically, the aforementioned increase is equal to the balance between increases for new assets (188.3 million euros), decreases for items transferred to *Industrial patents and intellectual property rights* in that they relate to productions and/or acquisitions which have become usable during the period in question (152.5 million euros) and eliminations for 5.4 million euros;
- 6.3 million euros for software programs and analysis, showing a net increase of 3.2 million euros compared to the figure relating to 31 December 2008. The aforementioned increase is equal to the balance between increases for new assets (3.7 million euros), decreases for items transferred to *Industrial patents and intellectual property rights* in that they relate to products that became usable during the year (0.5 million euros);
- 1.4 million euros refer to alterations and improvements under way on property under leasehold or concession (31 December 2008: 1.6 million euros);
- 1.2 euros for the cost of purchasing option rights on commercial exploitation agreements regarding football libraries booked to the Parent Company's financial statements (zero at 31 December 2008);
- 0.1 million euros for other deferred charges (at 31 December 2008: 0.5 million euros).

For television programmes and films that have not yet become available, the total of 276.3 thousand euros includes:

- 162.1 million euros for television programmes owned by the Company that were not ready at 31 December 2009 or for which usage rights began after 31 December 2009;

- 114.2 million euros regarding third-party television programmes held on fixed-term licence beginning after 31 December 2009.

**Other intangible assets.** The amount of 18.0 million euros includes:

- 14.1 million euros for costs incurred, net of accumulated amortisation, on alterations and improvements to property under leasehold or concession (at 31 December 2008: 14.7 million euros);
- 1.9 million euros relating to investments in software programs and analyses (at 31 December 2008: 1.6 million euros);
- 1.1 million euros for costs incurred during the year, net of accumulated amortisation, on stand-by loans with a duration of three years, to be broken down throughout the loan period (zero at 31 December 2008);
- 0.1 million euros for the purchase of a right to the first negotiation and option on the broadcasting of football matches granted by a leading football team, net of amortisation calculated over the concession period (at 31 December 2008: 0.2 million euros);
- 0.8 million euros relating to other deferred charges (at 31 December 2008: 0.2 million euros).

## Tangible Assets

These comprise the costs and related revaluations of tangible fixed assets with a useful life of several years that are owned by the Group and used in operations. They are carried net of standard depreciation and writedowns for lasting value impairments if any.

The standard depreciation rates applied are listed below:

<i>buildings and light structures</i>	from 3% to 10%
<i>plant and machinery</i>	from 12.50% to 25%
<i>industrial and sales equipment</i>	from 14.30% to 19%
<i>other assets:</i>	from 12% to 33.33%

At 31 December 2009, Tangible assets amount to 581.2 million euros and show, overall, a net decrease of 26.1 million euros compared with 2008, comprised of the balance between new assets for 138.1 million euros, amortisation for 111.2 million euros and disposals and other decrementing entries for 0.8 million euros, as specified in Schedule 2.

## Tangible assets and accumulated depreciation (millions of euros)

Schedule 2

	31.12.2008					Changes during the year					31.12.2009				
	Cost	Revaluat.	Write-downs	Accum. depreciat.	Book value	Increases and capitalis.	Reclassificat.	Net eliminations and transfers (a)	Depreciat.	Conversion differences	Cost	Revaluat.	Write-downs	Accum. depreciat.	Book value
Land and buildings	515.4	626.8	(36.5)	(907.4)	198.3	4.3	3.5	..	(26.9)	-	523.1	626.7	(36.5)	(934.1)	179.2
Plant and machinery	1,531.3	24.1	-	(1,355.2)	200.2	65.1	23.7	(0.6)	(72.4)	..	1,610.1	23.9	-	(1,418.0)	216.0
Industrial and sales equipment	108.0	4.6	-	(100.2)	12.4	1.9	0.7	..	(3.9)	-	109.4	4.5	-	(102.8)	11.1
Other assets	157.7	3.0	-	(126.9)	33.8	6.1	2.7	(0.1)	(8.0)	..	161.0	2.9	-	(129.4)	34.5
Assets under construction and payments on account	110.4	-	-	-	110.4	60.7	(30.6)	(0.1)	-	..	140.4	-	-	-	140.4
	2,422.8	658.5	(36.5)	(2,489.7)	555.1	138.1	-	(0.8)	(111.2)	..	2,544.0	658.0	(36.5)	(2,584.3)	581.2

(a) including:

. Costs	(16.9)
. Revaluations	(0.5)
. Depreciation	16.6
	<u>(0.8)</u>

It should be noted that new assets recorded, which reflect investments made in the year, comprise 7.7 million euros for the capitalisation of the cost of internal personnel engaged in the construction of buildings, plant and machinery.

The gross value of revaluations recorded under Tangible non-current assets is reported below, listed according to the applicable regulations:

- 0.2 million euros gross in implementation of Law 823 of 19 December 1973;
- 60.3 million euros gross in implementation of law 576 of 2 December 1975 and law 72 of 19 March 1983;
- 62.7 million euros gross in implementation of Law 413 of 30 December 1991;
- 534.8 million euros gross in implementation of Law 650 of 23 December 1996.

### Non-current financial assets

These represent the cost of durable financial investments and related revaluations, net of any writedowns described in the comments on the individual items.

These total 22.8 million euros and are comprised as follows:

- **Equity investments in non-consolidated subsidiaries.** These disclose the equity value of Sacis in liquidation (4.6 million euros).
- **Equity investments in associated companies** These relate to companies not falling within the scope of the consolidation in which interests of over 20% are held and over which a dominant influence is not exercised. Details follow:

(millions of euros)				
	Percentage holding		Book value	
	31.12.2009	31.12.2008	31.12.2009	31.12.2008
Audiradio	30.23%	30.23%	0.3	0.3
Auditel	33%	33%	0.4	0.3
San Marino	50%	50%	2.9	2.9
Euronews	22.84%	21.25%	3.7	2.2
Tivù	48.25%	-	0.6	0.5
<b>Gross value</b>			<b>7.9</b>	<b>6.2</b>
Impairment provisions			(0.0)	(0.0)
<b>Net value</b>			<b>7.9</b>	<b>6.2</b>

Equity investments in the associated companies are all held in the Rai portfolio.

**Equity investments in other companies** These total 0.8 million euros and are comprised as follows:

(millions of euros)		
	31.12.2009	31.12.2008
Almaviva	0.3	0.3
Istituto Enciclopedia Treccani	0.5	0.5
Other	0.1	0.1
<b>Gross value</b>	<b>0.9</b>	<b>0.9</b>
Impairment provisions	(0.1)	(0.2)
<b>Net value</b>	<b>0.8</b>	<b>0.7</b>



- **Receivables from others.** These amount to 5.7 million euros (at 31 December 2008: 6.0 million euro) and are comprised as follows:
  - advances paid in relation to mandates for the sale of rights for 3.0 million euros;
  - guarantee deposits of 2.2 million euros;
  - loans granted to employees of 0.5 million euros;

The composition of these items is shown in Schedule 3. Schedule 6 details their distribution by maturity and Schedule 7 by geographic area.

### Non-current financial assets - Receivables and other (millions of euros) Schedule 3

	31.12.2008			Changes during the year				31.12.2009			Book value
	Cost	Revaluat.	Write-downs	Book value	Acquisitions Subscriptions Disbursements	Disposals Redemptions	Writedowns(-) Writebacks (+)	Cost	Revaluat.	Write-downs	
Receivables:											
Others											
- employees	0.7	-	(0.2)	0.5	0.2	(0.2)	-	0.7	-	(0.2)	0.5
- guarantee deposits	2.7	-	(0.2)	2.5	0.1	(0.4)	-	2.4	-	(0.2)	2.2
- tax prepayments on provision for severance pay - Law 140/97	0.1	-	-	0.1	-	(0.1)	-	..	-	-	..
- advances of sales mandates	16.0	-	(13.1)	2.9	0.9	(0.5)	(0.3)	15.4	-	(12.4)	3.0
	19.5	-	(13.5)	6.0	1.2	(1.2)	(0.3)	18.5	-	(12.8)	5.7
Other securities	3.8	..	..	3.8	2.3	(2.3)	..	3.8	..	..	3.8

**Other securities.** These amount to 3.8 million euros (at 31 December 2008: 3.8 million euros) and are entirely comprised of collateral securities.

The composition of the item is shown in Schedule 3.

## Current assets

### Inventories

Inventories amount to 5.0 million euros net of the inventory provision (at 31 December 2008: 5.2 million euros). As shown in Schedule 4, they comprise:

- *Raw materials, supplies and consumables:* these amount to 2.1 million euros net of the inventory provision for 15.4 million euros. They consist almost entirely of supplies and spare parts for maintenance and the operation of equipment, considered as consumables since they are not directly incorporated into products.
- *Contract work in progress:* this amounts to 0.7 million euros, most of which is carried in Rai Way's financial statements, relating to costs incurred on developing the Isoradio network.
- *Finished goods and merchandise:* these amount to 2.2 million euros net of the inventory provision of 1.0 million euros, mostly relating linked to the books and periodicals business, home video distribution and inventories of items acquired in exchange for advertising.

**Inventories** (millions of euros)

Schedule 4

	31.12.2008	Changes during the year		31.12.2009
		Increases (+) Decreases (-)	Balance of provisions made (-) and released (+)	
Raw materials, supplies and consumables	17.7	(0.2)	-	17.5
Impairment provision	(15.4)	-	-	(15.4)
	<b>2.3</b>	<b>(0.2)</b>	-	<b>2.1</b>
Contract work in progress	0.7	..	-	0.7
Finished goods and merchandise	2.5	0.7	-	3.2
Depreciation fund	(0.3)	-	(0.7)	(1.0)
	<b>2.2</b>	<b>0.7</b>	<b>(0.7)</b>	<b>2.2</b>
<b>Total</b>	<b>5.2</b>	<b>0.5</b>	<b>(0.7)</b>	<b>5.0</b>

**Receivables**

Receivables total 999.4 million euros, showing a decrease of 168.1 million euros on 31 December 2008, as can be seen in Schedule 5, which gives a breakdown of receivables, and in Schedules 6 and 8 which show their distribution by maturity, type and by currency. Their distribution by geographic area is shown in Schedule 7.

**Current assets - Receivables** (millions of euros)

Schedule 5

	31.12.2008	Changes during the year			31.12.2009
		Balance of entries (+) repayments (-)	Uses/release	Provision	
<b>Customers</b>					
. government and other public entities for public broadcasting services	110.9	73.3	-	-	184.2
. net receivables for licence fees	20.0	3.8	-	-	23.8
. other receivables	523.2	117.3	-	-	640.5
<b>less</b>					
. bad debt provision	(60.0)	-	4.6	(13.5)	(68.9)
	<b>594.1</b>	<b>194.4</b>	<b>4.6</b>	<b>(13.5)</b>	<b>779.6</b>
<b>Associated companies</b>					
. Sacis	-	..	-	-	..
	-	..	-	-	..
<b>Associated companies</b>					
. Audiradio	-	0.1	-	-	0.1
. Auditel	-	..	-	-	..
. San Marino RTV	0.1	..	-	-	0.1
. Tivù	-	0.1	-	-	0.1
	<b>0.1</b>	<b>0.2</b>	-	-	<b>0.3</b>
<b>Tax receivables</b>	<b>36.7</b>	<b>17.3</b>	-	-	<b>54.0</b>
<b>Deferred tax assets</b>	<b>21.0</b>	<b>16.4</b>	-	-	<b>37.4</b>
<b>Others</b>					
. advances for sporting events	114.5	(26.9)	-	-	87.6
. social security departments	9.9	(0.9)	-	-	9.0
. personnel	7.3	(0.3)	-	-	7.0
. entities, companies, bodies and others	49.3	(23.4)	-	-	12.8
. others					
<b>less</b>					
. bad debt provision	(1.6)	-	0.2	..	(1.4)
	<b>179.4</b>	<b>(51.5)</b>	<b>0.2</b>	<b>..</b>	<b>128.1</b>
<b>Total</b>	<b>831.3</b>	<b>176.8</b>	<b>4.8</b>	<b>(13.5)</b>	<b>999.4</b>

**Receivables, accrued income and prepaid expenses,  
distributed by maturity and type** (millions of euros)

Schedule 6

	31.12.2009 Amounts due				31.12.2008 Amounts due			
	within 1 year	from 2 to 5 years	after 5 years	Book value	within 1 year	from 2 to 5 years	after 5 years	Book value
<b>NON-CURRENT FINANCIAL RECEIVABLES</b>								
others	0.6	4.1	1.0	5.7	0.9	4.0	1.1	6.0
	0.6	4.1	1.0	5.7	0.9	4.0	1.1	6.0
<b>CURRENT RECEIVABLES</b>								
<b>Financial receivables</b>								
others	..	-	-	..	..	-	-	..
	..	-	-	..	..	-	-	..
<b>Trade and other receivables</b>								
customers	779.6	-	-	779.6	594.0	0.1	-	594.1
subsidiaries	..	-	-	..	-	-	-	-
associated companies	0.3	-	-	0.3	0.1	-	-	0.1
tax receivables	54.0	-	-	54.0	36.7	-	-	36.7
deferred tax assets	35.5	1.9	-	37.4	18.7	2.3	-	21.0
due from others:								
- for future sports events	75.4	12.2	-	87.6	13.3	101.2	-	114.5
- other	39.7	0.8	-	40.5	63.1	1.8	-	64.9
	984.5	14.9	-	999.4	725.9	105.4	-	831.3
<b>Accrued income and prepaid expenses</b>								
Accrued income	0.1	-	-	0.1	0.2	-	-	0.2
Prepaid expenses	43.1	0.1	0.6	43.8	39.3	..	0.7	40.0
	43.2	0.1	0.6	43.9	39.5	..	0.7	40.2
<b>Total</b>	<b>1,028.3</b>	<b>19.1</b>	<b>1.6</b>	<b>1,049.0</b>	<b>766.3</b>	<b>109.4</b>	<b>1.8</b>	<b>877.5</b>

**Receivables - Distribution by geographic area** (millions of euros)

Schedule 7

	31.12.2009				31.12.2008			
	Italy	EU	Non-EU	Book value	Italy	EU	Non-EU	Book value
<b>Non-current financial receivables due from:</b>								
others	5.4	0.1	0.2	5.7	5.6	0.1	0.3	6.0
	5.4	0.1	0.2	5.7	5.6	0.1	0.3	6.0
<b>Current receivables</b>								
customers	744.8	15.6	19.2	779.6	558.1	16.2	19.8	594.1
subsidiaries	..	-	-	..	-	-	-	-
associated companies	0.2	-	0.1	0.3	-	-	0.1	0.1
tax receivables	54.0	-	-	54.0	36.7	-	..	36.7
deferred tax assets	37.4	-	-	37.4	21.0	-	-	21.0
others								
- for future sports events	59.0	8.3	20.3	87.6	2.5	7.8	104.2	114.5
- other	35.9	3.4	1.2	40.5	60.9	2.1	1.9	64.9
	931.3	27.3	40.8	999.4	679.2	26.1	126.0	831.3
<b>Total</b>	<b>936.7</b>	<b>27.4</b>	<b>41.0</b>	<b>1,005.1</b>	<b>684.8</b>	<b>26.2</b>	<b>126.3</b>	<b>837.3</b>

**Receivables, cash and equivalents and accrued income  
in foreign currency or exposed to exchange rate risk** (millions of euros)

Schedule 8

	31.12.2009				31.12.2008			
	In euros	In foreign currency or exposed to exchange rate risk	Bad debts provision	Book value	In euros	In foreign currency or exposed to exchange rate risk	Bad debts provision	Book value
Non-current financial receivables due from:								
others	18.2	0.3	(12.8)	5.7	19.2	0.2	(13.4)	6.0
	18.2	0.3	(12.8)	5.7	19.2	0.2	(13.4)	6.0
Current receivables								
customers	843.1	5.4	(68.9)	779.6	646.7	7.4	(60.0)	594.1
subsidiaries	..	-	-	..	-	-	-	-
associated companies	0.3	-	-	0.3	0.1	-	-	0.1
tax receivables	54.0	-	-	54.0	36.7	..	-	36.7
deferred tax assets	37.4	-	-	37.4	21.0	-	-	21.0
other:								
- for future sports events	73.1	14.5	-	87.6	103.0	11.5	-	114.5
- miscellaneous	40.0	1.9	(1.4)	40.5	66.2	0.3	(1.6)	64.9
	1,047.9	21.8	(70.3)	999.4	873.7	19.2	(61.6)	831.3
Cash and cash equivalents								
Bank and post office deposits	18.8	1.6	-	20.4	31.1	1.2	-	32.3
Cheques	..	-	-	..	..	-	-	..
Cash and cash equivalents on hand	0.4	..	-	0.4	0.4	..	-	0.4
	19.2	1.6	-	20.8	31.5	1.2	-	32.7
Accrued income	0.1	-	-	0.1	0.2	-	-	0.2
<b>Total</b>	<b>1,085.4</b>	<b>23.7</b>	<b>(83.1)</b>	<b>1,026.0</b>	<b>924.6</b>	<b>20.6</b>	<b>(75.0)</b>	<b>870.2</b>

**Receivables from customers:** These disclose trade receivables. They total 779.6 million euros, with a nominal value of 848.5 million euros which has been written down by 68.9 million euros to bring them to their estimated realisable value and compared with 31 December 2008 they show an increase of 185.5 million euros.

Details of the caption are divided into:

- *receivables from Sipra customers for advertising services sold:* exposed for a nominal value of 319.9 million euros, they show a 9.3 million euros increase on 31 December 2008;
- *receivables for services rendered by Rai to the Government under specific agreements:* as shown in the following table, these amount to a nominal 184.2 million euros, up 73.3 million euros on 31 December 2008, equivalent to the balance between the increase in invoices issued and for amounts accrued for 2009 less collections.

### Due from Government and other public entities for services rendered under specific agreement (millions of euros)

	2009	2008
Prime Minister's Office:		
- Operating grant to be transferred to San Marino RTV	4.6	3.1
- Radio, television and multimedia offering for the foreign market	98.6	63.6
- Broadcasting from Trieste in Slovenian	13.0	6.4
- Radio and television broadcasts in French for the Autonomous Region of Valle d'Aosta	4.0	2.0
- Radio and television broadcasts in German for the Province of Bolzano and radio broadcasts in Ladin for the Val Badia, Val Gardena and Val di Fassa	30.2	14.8
- Extension of the RaiUno signal to Tunisia and subsequent maintenance	2.2	1.6
<b>Total Prime Minister's Office</b>	<b>152.6</b>	<b>91.5</b>
Ministries:		
- Economy and Finance: management of television licence fee collection	23.5	11.8
Regions:		
- Autonomous Region of Valle d'Aosta: management of equipment for reception of programmes from the French-speaking area	8.1	7.6
<b>Total</b>	<b>184.2</b>	<b>110.9</b>

- *net receivables for licence fees*: these amount to 23.8 million euros, up 3.8 million euros on 31 December 2008, representing licence fees not yet transferred to Rai;
- *other receivables*: these amount to a nominal value of 320.6 million euros, up 108.0 million euros compared with 31 December 2008, and represent, among the most significant entries, receivables from customers of Rai for the sale of rights, technical assistance to third parties and others for 198.6 million euros, receivables from Rai Trade for the sale of rights for 59.2 million euros, film companies and home video customers booked to the financial statements of 01 Distribution for 24.5 million euros and receivables from customers of Rai Cinema for 15.4 million euros.

**Receivables from associated companies.** These amount to 0.3 million euros (at 31 December 2008: 0.1 million euro), and represent the balance of trade receivables from the companies Audiradio, Auditel, San Marino RTV and Tivù which are carried in the Parent Company financial statements.

**Tax receivables.** These are carried at nominal value of 54.0 million euros (at 31 December 2008: 36.7 million euros). They relate for the most part to receivables recorded in the Parent Company financial statements (53.2 million euros), to Group VAT (44.3 million euros), IRAP credit (2.6 million euros) and tax reimbursements requested (6.3 million euros).

**Deferred tax assets.** These represent the amount receivable from entries subject to deduction of deferred tax assets. They total 37.4 million euros (at 31 December 2008: 21.0 million euros) comprising deferred tax assets recorded by the individual companies (35.4 million euros) and deferred tax assets from consolidation adjustments (2.0 million euros). They are up 16.4 million euros as detailed in Schedule 9. They relate mainly to:

- 30.0 million euros taken up by the Parent Company in connection with items which are allowable on a deferred basis for tax purposes (30.0 million euros) and items transferred from group companies under the consolidated taxation mechanism (insignificant amount in million euros);
- 1.4 million euros for prepaid tax assets taken up by Rai Cinema;
- 1.2 million euros for prepaid tax assets taken up by Rai Trade;
- 1.5 million euros for prepaid tax assets taken up by Rai Way;
- 1.3 million euros for prepaid tax assets taken up by Sipra.

### Deferred tax assets (millions of euros)

Schedule 9

	IRES		IRAP		Total taxes
	Taxable amount	Taxed at 27.5%	Taxable amount	Taxed at 4.5% (average)	
Situation at 31.12.2008:					
Tax loss	31.0	8.5	0.0	0.0	8.5
Estimated recovery of provisions	21.2	5.9	47.3	2.1	8.0
Statutory/fiscal difference on amortisation of programmes	6.0	1.5	0.3	0.0	1.5
Deferral of effect of re-aligning tax value of assets	1.3	0.4	10.5	0.5	0.9
Prepaid taxes from consolidation adjustments	5.7	1.5	5.7	0.3	1.8
Other	1.2	0.3	1.1	0.0	0.3
<b>Total</b>	<b>66.4</b>	<b>18.1</b>	<b>64.9</b>	<b>2.9</b>	<b>21.0</b>
Movements in the year:					
Tax loss	67.1	18.5	0.0	0.0	18.5
Estimated recovery of provisions	(12.0)	(3.4)	25.9	1.2	(2.2)
Statutory/fiscal difference on amortisation of programmes	0.5	0.3	8.4	0.4	0.7
Deferral of effect of re-aligning tax value of assets	(0.9)	(0.3)	(10.1)	(0.5)	(0.8)
Prepaid taxes from consolidation adjustments	0.7	0.3	(0.6)	(0.1)	0.2
Other	(0.2)	(0.1)	(0.2)	0.1	0.0
<b>Total</b>	<b>55.2</b>	<b>15.3</b>	<b>23.4</b>	<b>1.1</b>	<b>16.4</b>
Situation at 31.12.2009:					
Tax loss	98.1	27.0	0.0	0.0	27.0
Estimated recovery of provisions	9.2	2.5	73.2	3.3	5.8
Statutory/fiscal difference on amortisation of programmes	6.5	1.8	8.7	0.4	2.2
Deferral of effect of re-aligning tax value of assets	0.4	0.1	0.4	0.0	0.1
Prepaid taxes from consolidation adjustments	6.4	1.8	5.1	0.2	2.0
Other	1.0	0.2	0.9	0.1	0.3
<b>Total</b>	<b>121.6</b>	<b>33.4</b>	<b>88.3</b>	<b>4.0</b>	<b>37.4</b>

**Receivables from others.** These amount to 128.1 million euros (at 31 December 2008: 179.4 million euros). Net of writedowns of 1.4 million euros, they reflect the value of other types of receivable as described below:

- *advances to suppliers* on sports events filming rights, carried at nominal value of 87.6 million euros;
- *advances to welfare and social security institutions* on contributions payable for artistic activities and for advance payments of severance pay, carried at nominal value of 9.0 million euros;
- *receivables from personnel* carried at nominal 7.0 million euros. They are entirely composed of advances of various types, mainly for travel expenses and production expenses;
- *miscellaneous advances to suppliers* carried at nominal value of 12.8 thousand euros;
- *receivables from others*, carried at nominal value of 13.1 thousand euros.

### Cash and cash equivalents

These amount to 20.8 million euros (at 31 December 2008: 32.7 million euros) relating mostly to the Parent Company which manages central treasury services. They comprise the following:

- Bank and post office deposits: these amount to 20.4 million euros (at 31 December 2008: 32.3 million euros). They represent sight or short-term balances on deposit or current account with banks, financial institutions and the Post Office.
- Cash and cash equivalents on hand: these amount to 0.4 million euros (at 31 December 2008: 0.4 million euros) and include liquid funds in the form of cash and equivalent instruments (duty stamps, cashier's cheques or bank-guaranteed cheques etc) held by the Company at 31 December 2009.

Schedule 8 gives a breakdown of cash and cash equivalents by currency.

### Accrued income and prepaid expenses

These total 43.9 million euros (at 31 December 2008: 40.2 million euros) and consist of prepaid expenses for 43.8 million euros and accrued income for 0.1 million euros.

The most relevant items are represented by prepaid expenses on:

- sports events filming rights for 28.7 million euros;
- rentals for 3.0 million euros;
- software licences for 2.1 million euros;
- services for acquisition and production of programmes for 1.5 million euros;
- insurance and accident prevention for 1.0 million euros;
- rentals for 0.9 million euros;
- maintenance and repairs for 0.5 million euros;
- other prepaid expenses for 6.1 million euros.

Schedule 6 gives details as to the periods to which these items relate.

## Liabilities

### Shareholders' equity

Shareholders' equity amounts to 631.8 million euros, down 61.0 million euros on 31 December 2008 mainly due to the loss for the year (61.8 million euros).

The components of Shareholders' equity and the effects of operations carried out in 2007 and the previous year are shown in Schedule 10.

### Statement of changes in Shareholders' equity (millions of euros)

Schedule 10

	Balance of 31.12.2007	Transfer of result	Dividends	Other movements	Conversion differences	Result for year	Balance of 31.12.2008	Transfer of result	Dividends	Other movements	Conversion differences	Result for year	Balance of 31.12.2009
Shareholders' equity:													
Group equity:													
Share Capital	242.5						242.5						242.5
Legal reserve	7.0						7.0						7.0
Other reserves:													
- Fund for contributions to capital	1.3						1.3	(1.3)					0.0
- Merger surplus	341.1						341.1	(13.8)	0.2				327.5
- Reserve for conversion differences	(1.6)				0.4		(1.2)				(0.1)		(1.3)
- Other reserves	103.0	(0.1)		0.1			103.0	13.5	1.1				117.6
Profits (losses) brought forward	10.7	(4.8)					5.9	(5.9)					0.0
Group profit (loss) for the year	(4.9)	4.9				(7.5)	(7.5)	7.5				(62.1)	(62.1)
<b>Total group Shareholders' equity</b>	<b>699.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.1</b>	<b>0.4</b>	<b>(7.5)</b>	<b>692.1</b>	<b>0.0</b>	<b>0.0</b>	<b>1.3</b>	<b>(0.1)</b>	<b>(62.1)</b>	<b>631.2</b>
Shareholders' equity attributable to minority interests:													
Minority interests capital and reserves	1.6	..	(0.2)	(1.1)			0.3	0.4	(0.3)	(0.1)			0.3
Net profit (loss) for the year pertaining to minority interests	..	..				0.4	0.4	(0.4)				0.3	0.3
<b>Total Shareholders' equity pertaining to minority interests</b>	<b>1.6</b>	<b>0.0</b>	<b>(0.2)</b>	<b>(1.1)</b>	<b>0.0</b>	<b>0.4</b>	<b>0.7</b>	<b>0.0</b>	<b>(0.3)</b>	<b>(0.1)</b>	<b>0.0</b>	<b>0.3</b>	<b>0.6</b>
<b>Total Shareholders' equity</b>	<b>700.7</b>	<b>0.0</b>	<b>(0.2)</b>	<b>(1.0)</b>	<b>0.4</b>	<b>(7.1)</b>	<b>692.8</b>	<b>0.0</b>	<b>(0.3)</b>	<b>1.2</b>	<b>(0.1)</b>	<b>(61.8)</b>	<b>631.8</b>

### Share Capital

At 31 December 2009, Rai's fully paid-in and subscribed share capital was represented by 242,518,100 ordinary shares of par value 1 euro each, owned by the Ministry of the Economy and Finance (241,447,000 shares, equal to 99.5583% of the share capital) and SIAE, the Italian Association of Authors and Publishers (1,071,100 shares, equal to 0.4417% of share capital).

### Legal Reserve

This is booked to the Parent Company financial statements for 7.0 million euros.



**Other reserves**

Other reserves total 443.8 million euros. This combination of items comprises:

- 327.5 million euros, of merger surplus;
- 116.3 million euros of other reserves.

**Group loss for the year**

This amounts to 62.1 million euros.

**Share capital and reserves pertaining to minority interests**

The portion of third-party capital and reserves equating to 0.3 million euros refers to RaiSat.

**Net profit for the year pertaining to minority interests**

Booked for 0.3 million euros, this refers to amounts due to minorities calculated on the results of RaiSat.

**Provisions for risks and charges**

These amount to 413.2 million euros, down 31.9 million euros net on 31 December 2008. The composition of these items and details of the aforementioned increase are shown in Schedule 11. The notes which follow provide additional information on the individual provisions.

## Provisions for risks and charges (millions of euros)

Schedule 11

	31.12.2008	Provisions	Direct utilisations	Any absorptions to income statement	Other movements	31.12.2009
<b>Provision for pension and similar liabilities</b>						
- Provision for supplementary seniority benefits	2.5	0.1 (a)	(0.4)	(0.1)	-	2.1
- Retirement fund	0.4	..	(0.1)	-	..	0.3
- Supplementary company pension fund	152.3	10.9 (b)	(11.7)	-	..	151.5
	<b>155.2</b>	<b>11.0</b>	<b>(12.2)</b>	<b>(0.1)</b>	<b>..</b>	<b>153.9</b>
<b>Provision for taxes</b>	<b>28.2</b>	<b>-</b>	<b>(13.7) (c)</b>	<b>-</b>	<b>-</b>	<b>14.5</b>
<b>Other:</b>						
- litigation	113.8	14.7 (d)	(17.9)	(6.1)	-	104.5
- litigation with social security institutions	26.0	-	(1.0)	(3.0)	-	22.0
- renovation and restructuring of properties	23.4	-	(0.8)	-	-	22.6
- expenses for staff resignation incentives	25.4	18.0 (e)	(11.5)	(13.7)	(0.2)	18.0
- disputes with controlling bodies	1.0	9.2 (f)	(0.2)	-	-	10.0
- lease disputes	5.1	0.4 (g)	-	-	-	5.5
- risks of non-usability of non-current assets (*)	5.2	-	-	-	-	5.2
- expenses for staff resignation incentives	8.5	0.1 (h)	(7.6)	-	(0.2)	0.8
- miscellaneous:						
. for risks	24.8	7.7 (i)	(5.2)	(1.0)	-	26.3
. for liabilities	28.5	3.9 (j)	(1.8)	(0.7)	-	29.9
	<b>261.7</b>	<b>54.0</b>	<b>(46.0)</b>	<b>(24.5)</b>	<b>(0.4)</b>	<b>244.8</b>
	<b>445.1</b>	<b>65.0</b>	<b>(71.9)</b>	<b>(24.6) (k)</b>	<b>(0.4)</b>	<b>413.2</b>
(*) including:						
- programmes under development	3.6					3.6
- technical	1.6					1.6
(a) contra-account: item B 9 d) pension and similar liabilities	0.1		(f) contra-account: item B 12 provisions for risks			9.2
(b) contra-accounts: item B 9 d) pension and similar liabilities	1.2		(g) contra-account: item B 12 provisions for risks			0.4
item B 14 c) other operating costs	9.7		(h) contra-account: item E 21 c) exceptional expense			0.1
(c) contra-account: item E 22 income taxes for the year	(13.7)		(i) contra-accounts: item B 12 provisions for risks			6.0
(d) contra-accounts: item B 9 e) other personnel costs	6.9		item A 1 revenues from sales and services			1.5
item B 12 provisions for risks	7.8		item C 17 d) other financial expense			0.2
(e) contra-accounts: item B 9 a) wages and salaries	14.2		(j) contra-accounts: item B 9 a) wages and salaries			0.1
item B 9 b) social security contributions	3.8		item B 13 other provisions			3.8
			(k) contra-account: item A 5 c) other revenues and income			(24.6)

**Provision for pension and similar liabilities:** These amount to 153.9 million euros (at 31 December 2008: 155.2 million euros) and comprise the supplementary seniority benefits provision, the retirement benefits provision and the company supplementary pension fund.

- The *provision for supplementary seniority benefits* amounts to 2.1 million euros (at 31 December 2008: 2.5 million euros). It represents the sums owed in respect of indemnities in lieu of notice towards employees of Rai, Rai Way and Rai Cinema hired before 1978 who have reached the compulsory retirement age. The amount is revalued each year in consideration of consumer price inflation. In the event of early termination of employment, or changes in category, the amounts accrued are released.
- The *provision for retirement benefits* amounts to 0.3 million euros (at 31 December 2008: 0.4 million euros), includes amounts accrued until 31 December 1988 and supplementary amounts allocated in subsequent periods in order to protect the real value of the provision for eligible Rai employees in accordance with the terms of the national collective labour agreement.

- The *provision for supplementary seniority benefits* amounts to 151.5 million euros (at 31 December 2008: 152.3 million euros). This includes the expense for supplementary pension benefits currently being paid, consisting of funds accrued for Rai and Rai Way employees who have opted for the supplementary pension plan under the trade union agreements, which are kept at an adequate level to ensure said benefits, with respect to actuarial reserves. It also includes the expense for supplementary pensions that will be paid to eligible Rai and Rai Cinema managerial staff still in service in the event that some of these opt for the supplementary pension plan calculated on the basis of pay earned, seniority and financial and demographic parameters normally used in similar cases.

Provision for **current and deferred taxes**. This amounts to 14.5 million euros (at 31 December 2008: 28.2 million euros) represented by provisions booked to the financial statements of the individual companies, particularly Rai (12.6 million euros), Rai Way (1.0 million euros) and Sipra (0.4 million euros) and those resulting from consolidation adjustments (0.5 million euros). They are down 13.7 million euros as detailed in Schedule 12.

### Provision for deferred tax liabilities (millions of euros)

Schedule 12

	IRES		IRAP		Total taxes
	Taxable amount	Taxed at 27.5%	Taxable amount	Taxed at 4.5% (average)	
Situation at 31.12.2008:					
Tax assessment 1975					0,3
Capital gains	0.1	0.0	0.1	0.0	0.0
Exchange rate valuations	0.0	0.0	0.0	0.0	0.0
Advance and deferred amortisation on assets worth less than 516 euros	82.3	22.6	97.4	4.4	27.0
Deferred taxes from consolidation adjustments	1.2	0.3	1.2	0.1	0.4
Other	1.6	0.5	0.0	0.0	0.5
<b>Total</b>	<b>85.2</b>	<b>23.4</b>	<b>98.7</b>	<b>4.5</b>	<b>28.2</b>
Movements in the year:					
Tax assessment 1975					0.0
Capital gains	(0.1)	0.0	(0.1)	0.0	0.0
Exchange rate valuations	0.1	0.0	0.0	0.0	0.0
Advance and deferred amortisation on assets worth less than 516 euros	(46.9)	(12.8)	(22.6)	(1.0)	(13.8)
Deferred taxes from consolidation adjustments	0.2	0.1	0.2	0.0	0.1
Other	0.3	0.0	0.0	0.0	0.0
<b>Totale</b>	<b>(46.4)</b>	<b>(12.7)</b>	<b>(22.5)</b>	<b>(1.0)</b>	<b>(13.7)</b>

	IRES		IRAP		Total taxes
	Taxable amount	Taxed at 27.5%	Taxable amount	Taxed at 4.5% (average)	
Situation at 31.12.2009:					
Tax assessment 1975					0.3
Capital gains	0.0	0.0	0.0	0.0	0.0
Exchange rate valuations	0.1	0.0	0.0	0.0	0.0
Advance and deferred amortisation on assets worth less than 516 euros	35.4	9.8	74.8	3.4	13.2
Deferred taxes from consolidation adjustments	1.4	0.4	1.4	0.1	0.5
Other	1.9	0.5	0.0	0.0	0.5
<b>Total</b>	<b>38.8</b>	<b>10.7</b>	<b>76.2</b>	<b>3.5</b>	<b>14.5</b>

**Other provisions.** These amount to 244.8 million euros (at 31 December 2008: 261.7 million euros). They include provisions for costs or losses the existence of which is certain but the amount of which cannot be exactly determined, or which are probable and the amount of which can be reasonably estimated. They are up 16.9 million euros as detailed in Schedule 11. The release of the fund for costs matured is due to the application of the renewal of the national labour contract for journalism. As regards pending litigation with employees and third parties, the amount carried in the *provisions for liabilities and risks* is the best estimate of the likely liability based on the most up-to-date information available.

### Provision for staff severance pay

The provision totals 358.2 million euros (at 31 December 2008: 371.8 million euros). The provision for staff severance pay is determined at individual level in conformity to the provisions of art. 2120 of the Italian Civil Code, complemented by Budget Law 2007 (Law 296 of 27 December 2006), which established the entry into force of the new legislation on pension funds (Legislative Decree 252 of 5 December 2005) as 1 January 2007.

By effect of the new legislation, provisions for staff severance pay converge into pension funds other than those inside the company, unless employees ask to maintain the severance pay within the company: In this case, the provisions are paid into a reserve managed by the INPS, which will transfer to the company all the benefits disbursed by the latter in the event of payment of advances or termination of the employment contract, as envisaged by Article 2120 of the Civil Code.

The composition of the provision and changes during the year are shown in Schedule 13.

### Provision for staff severance pay (millions of euros)

Schedule 13

31.12.2008	Change during the year						31.12.2009
	Provisions	Severance pay disbursed	Advances	Staff transfers	Transfer to INPS supplementary retirement funds	Other movements	
371.8	49.4	(20.7)	(0.4)	-	(41.1)	(0.8)	358.2

## Payables

Payables amount to 1,227.0 million euros, up 270.2 million euros on 31 December 2008. More specifically, financial debt payable to banks totals 163.7 million euros, with a net increase of 161.3 million euros on the figure disclosed in the 2008 financial statements. No payables covered by collateral in the form of company assets were recorded.

A breakdown of the caption is given in Schedule 14, while Schedules 15 and 16 show the composition of payables by maturity, type and currency.

With regard to geographic distribution, the greater part of payables (about 84%) relates to Italian residents, for an amount of about 1,033.8 million euros on a total of 1,227.0 million euros.

The notes indicated hereunder provide further details on the contents of the individual items.

<b>Payables</b> (millions of euros)		Schedule 14	
		Changes during the year	
	31.12.2008	Balance of new positions (+) and repayments (-)	31.12.2009
Due to banks	2.4	161.3	163.7
Due to other lenders	3.4	(0.7)	2.7
Advances	6.9	1.5	8.4
Suppliers	714.5	83.2	797.7
Non-consolidated subsidiaries	(a) 5.1	0.0	5.1
Associated companies	(b) 3.3	2.2	5.5
Tax payables	68.1	2.7	70.8
Social security institutions	48.5	7.1	55.6
Other payables	104.6	12.9	117.5
	<b>956.8</b>	<b>270.2</b>	<b>1,227.0</b>
(a) including:			
- Sacis in liquidation	5.1	-	5.1
(b) including:			
- Auditel	0.1	(0.1)	-
- San Marino RTV	3.2	1.6	4.8
- Tivù Srl	-	0.7	0.7
	<b>3.3</b>	<b>2.2</b>	<b>5.5</b>

**Payables, accrued expenses and deferred income,  
by maturity and type** (millions of euros)

Schedule 15

	31.12.2009				31.12.2008			
	Amounts due			Book value	Amounts due			Book value
	within 1 year	from 2 to 5 years	after 5 years		within 1 year	from 2 to 5 years	after 5 years	
<b>Medium/long-term financial debt</b>								
Due to other lenders	0.7	2.0	-	2.7	0.7	2.7	-	3.4
	0.7	2.0	-	2.7	0.7	2.7	-	3.4
<b>Short-term financial debt</b>								
Due to banks	163.7	-	-	163.7	2.4	-	-	2.4
Suppliers	0.1	-	-	0.1	0.1	-	-	0.1
Non-consolidated subsidiaries	5.1	-	-	5.1	5.1	-	-	5.1
Associated companies	0.1	-	-	0.1	0.1	-	-	0.1
Other payables	0.6	-	-	0.6	0.5	-	-	0.5
	169.6	-	-	169.6	8.2	-	-	8.2
<b>Trade and other payables</b>								
Advances	6.9	0.5	1.0	8.4	5.3	0.4	1.2	6.9
Suppliers	797.6	-	-	797.6	714.4	-	-	714.4
Non-consolidated subsidiaries	..	-	-	..	..	-	-	..
Associated companies	5.4	-	-	5.4	3.2	-	-	3.2
Tax payables	70.8	-	-	70.8	68.1	-	-	68.1
Social security institutions	55.6	-	-	55.6	48.5	-	-	48.5
Other payables	116.9	-	-	116.9	104.1	-	-	104.1
	1,053.2	0.5	1.0	1,054.7	943.6	0.4	1.2	945.2
<b>Total payables</b>	<b>1,223.5</b>	<b>2.5</b>	<b>1.0</b>	<b>1,227.0</b>	<b>952.5</b>	<b>3.1</b>	<b>1.2</b>	<b>956.8</b>
<b>Accrued expenses</b>	<b>0.2</b>	<b>-</b>	<b>-</b>	<b>0.2</b>	<b>..</b>	<b>-</b>	<b>-</b>	<b>..</b>
<b>Deferred income</b>	<b>56.1</b>	<b>-</b>	<b>-</b>	<b>56.1</b>	<b>53.8</b>	<b>-</b>	<b>-</b>	<b>53.8</b>
<b>Total</b>	<b>1,279.8</b>	<b>2.5</b>	<b>1.0</b>	<b>1,283.3</b>	<b>1,006.3</b>	<b>3.1</b>	<b>1.2</b>	<b>1,010.6</b>

**Payables and accrued expenses in foreign currency  
or exposed to exchange rate risk** (millions of euros)

Schedule 16

	31.12.2009			31.12.2008		
	In euros	In foreign currency or exposed to exchange rate risk	Book value	In euros	In foreign currency or exposed to exchange rate risk	Book value
<b>Payables</b>						
Banks	163.7	-	163.7	2.4	..	2.4
Due to other lenders	2.7	-	2.7	3.4	-	3.4
Suppliers	762.6	35.1	797.7	665.2	49.3	714.5
Non-consolidated subsidiaries	5.1	-	5.1	5.1	-	5.1
Associated companies	5.5	-	5.5	3.3	-	3.3
Tax payables	70.6	0.2	70.8	68.0	0.1	68.1
Social security institutions	55.6	-	55.6	48.5	-	48.5
Other payables	117.1	0.4	117.5	102.9	1.7	104.6
<b>Total payables (a)</b>	<b>1,182.9</b>	<b>35.7</b>	<b>1,218.6</b>	<b>898.8</b>	<b>51.1</b>	<b>949.9</b>
<b>Accrued expenses</b>	<b>0.2</b>	<b>-</b>	<b>0.2</b>	<b>..</b>	<b>-</b>	<b>..</b>
<b>Total</b>	<b>1,183.1</b>	<b>35.7</b>	<b>1,218.8</b>	<b>898.8</b>	<b>51.1</b>	<b>949.9</b>

(a) Does not include Advances.

**Due to banks.** These amount to 163.7 million euros (at 31 December 2008: 2.4 million euros), representing current account overdrafts with certain banks.

**Due to other lenders.** They total 2.7 million euros (at 31 December 2008: 3.4 million euros), and represent the balance of the amount due to the leasing company in connection with the financial lease over the building in Aosta housing the regional office.

**Advances.** These amount to 8.4 million euros (at 31 December 2008: 6.9 million euros) relating entirely to miscellaneous advances.

**Suppliers.** They total 797.7 million euros (at 31 December 2008: 714.5 million euros) and show an increase of 83.2 million euros with respect to the figure disclosed for the previous year. They consist of 0.1 million euros in financial debts (unchanged from 31 December 2008) and 797.6 million euros in commercial debts (at 31 December 2008: 714.4 million euros).

**Due to non-consolidated subsidiaries.** These amount to 5.1 million euros (at 31 December 2008: 5.1 million euros) and concern Parent Company balances with Sacis relating almost entirely to the balance of the financial current account.

**Due to associated companies.** These amount to 5.5 million euros (at 31 December 2008: 3.3 million euros) and concern Parent Company balances with San Marino RTV for 4.8 million euros and with Tivù for 0.7 million euros. They consist of 0.1 million euros in financial debts (unchanged from 31 December 2008) and 5.4 million euros in other debts (at 31 December 2008: 3.2 million euros).

**Tax payables.** These amount to 70.8 million euros (at 31 December 2008: 68.1 million euros) and show an increase of 2.7 million euros with respect to the figure disclosed for the previous year. They consist of:

(millions of euros)		
	2009	2008
- Tax withholdings on earnings of employees and free-lance workers to be paid over	34.3	35.4
- IRES	23.5	17.3
- VAT	5.6	6.0
- Other withholdings and "substitute" taxes	5.5	8.4
- IRAP	1.8	0.9
- Other	0.1	0.1
	<b>70.8</b>	<b>68.1</b>

**Welfare and social security institutions.** These payables amount to 55.6 million euros (at 31 December 2008: 48.5 million euros). They reflect contributions due on remuneration paid to employees and free-lance workers, to be paid over to the institutions at the scheduled dates. They consist of:

(millions of euros)		
	2009	2008
- ENPALS	18.3	15.3
- INPGI	14.6	12.8
- Contributions on assessed remuneration	12.1	10.1
- INPS	7.9	7.6
- Other	2.7	2.7
	<b>55.6</b>	<b>48.5</b>

**Other payables.** These amount to 117.5 million euros (at 31 December 2008: 104.6 million euros). They show a net increase of 12.9 million euros, as follows:

(milioni di Euro)		
	2009	2008
- Employees for assessed remuneration	64.7	70.6
- Other for assessed pertinent remuneration	19.6	6.4
- CRAIPI	11.4	0.1
- FCPGI	9.7	9.7
- Other	12.1	17.8
	<b>117.5</b>	<b>104.6</b>

They consist of 0.6 million euros in financial debts (at 31 December 2008: 0.5 million euros) and other debts of 116.9 thousand euros (at 31 December 2008: 104.1 million euros).

### Accrued expenses and deferred income

These total 56.3 million euros (at 31 December 2008: 53.8 million euros) and consist of prepaid expenses for 56.1 million euros and accrued income for 0.2 million euros.

The caption contains the entire amount contributed of 49.3 million euros, net of the amount already booked to the income statement, disbursed by the Ministry for Communications during 2007, 2008 and 2009, in support of initiatives to accelerate the switch-over to the digital terrestrial platform, consisting of operations on systems and adaptation of the site infrastructures to extend areas covered by the digital signal and improve reception and the quality of service perceived by the user.

The task of making the necessary investments is entrusted to the subsidiary Rai Way SpA, which is also responsible for the design, installation, construction, maintenance, implementation, development and operation of the telecommunications networks.



The contribution is disclosed in the income statement of each year in relation to amortisation booked by the subsidiary, taking into account the relationship between the amount of contributions collected and the overall investments envisaged for the accomplishment of the projects related to it.

Schedule 15 gives details as to the periods to which these items relate.

## 6) Memorandum accounts

These amount to 768.4 million euros (at 31 December 2008: 664.7 million euros), formed as indicated in consolidated balance sheet and analysed in Schedules 17 and 18.

Memorandum accounts - secured guarantees (millions of euros)	Schedule 17	
	31.12.2009	31.12.2008
Secured guarantees granted for own commitments other than payables		
Assets pledged as collateral:		
- fixed income securities	3.7	3.7
Secured guarantees for debt recorded in the balance sheet		
Mortgages on:		
- land and industrial buildings	25.3	25.3
Other secured guarantees	25.3	25.3
<b>Total</b>	<b>54.3</b>	<b>54.3</b>

Memorandum accounts - commitments and others (millions of euros)	Schedule 18	
	31.12.2009	31.12.2008
<b>Purchase and sale commitments</b>		
- Purchase commitments	80.1	96.5
- Sales commitments	8.1	17.7
	<b>88.2</b>	<b>114.2</b>
<b>Other</b>		
Secured guarantees received	1.0	1.0
Unsecured guarantees received:		
- Miscellaneous banks and insurance companies covering full performance of contracts for the production of radio/television programmes	160.1	159.5
- Other	191.6	148.7
Guarantees granted by other parties for Group obligations:		
- Banca Intesa for guarantee granted to UEFA for sports rights relating to the 2006/2009 Champions League	67.5	24.5
- Banca di Roma for guarantee granted to the Lega Nazionale Professionisti for radio and television broadcasting rights for sports events.	21.7	14.9
- Sanpaolo IMI for guarantees granted to the Financial Administration for competitions for prizes	17.9	5.9
- Sanpaolo IMI for guarantee granted to FIFA covering payment of sporting rights relating to the 2010 World Football Championships	35.0	35.0
- Other	27.8	16.8
Leased assets received	..	..
Third-part assets held by the company	-	0.1
Company assets held by third parties	9.5	9.9
Other cases	0.8	1.9
	<b>532.9</b>	<b>418.2</b>

Conditions in the hedging contracts covering specific Group commitments and the relative fair values are summarised in Schedule 19.

## Fair value of derivatives

Schedule 19

	Notional 31.12.2009 millions of USD	Fair value at 31.12.2009 millions of euros
Derivative financial instruments for hedges		
- on exchange rates (1):		
. futures purchased and swaps	33.4	(0.9)
. currency purchase optional strategies (Collars)	130.4	2.5
. call options purchased	18.3	0.4
	182.1	2.0

(1) The transactions relate to hedging commercial agreements entered into in US\$, in observance of the Group policy.

On the whole, hedging contracts entered into are, in observance of the Group Policy, of a reasonable amount in relation to the overall entity of the commitments subject to such risks.

The purchase commitments also include the DEAR property complex, with a value of 49.4 million euros, deriving from the exercise of the option right envisaged in the lease agreements.

The final transfer agreement, scheduled for 5 June 2008, was not signed due to the lack of cooperation by the other party, which failed to turn up for the appointment with the Notary Public, denying Rai the right to become owner of the property and generating legal action in which it applied for the declaration of non-existence of the obligation to transfer ownership of the asset.

In emphasising the fact that the option right had been validly exercised, Rai made the purchase price available to the other party and took legal action of its own to acquire acknowledgement of its rights.

In addition to the details provided in the memorandum accounts, the amount receivable by the Parent Company from the subsidiary Sipra, 2.2 million euros, has been attached in favour of I.N.P.G.I..

At 31 December 2009 there were no further commitments of particular significance for the purchase or sale of goods and services with respect to those taken on in the normal course of business that would require specific information to be given for a better understanding of the Company's financial position.

## 7) Income statement

### Production value

**Revenues from sales and services** These have been booked for 3,134.1 million euros, down 32.7 million euros on 31 December 2008, and mainly include revenues pertaining to the year, net of transactions between group companies, from licence fees and advertising. A breakdown into major components is given in Schedule 20.

As can be seen from the distribution of revenues by geographic area, they are almost all of national origin.

<b>Revenues from sales and services</b> (millions of euros)	Schedule 20	
	Year 2009	Year 2008
Revenues from sales	2.9	2.9
Revenues from services:		
- Licence fees		
. private subscriptions	1,572.4	1,547.3
. special subscriptions	57.2	55.7
	1,629.6	1,603.0
- Television advertising on general-interest channels:		
. tabular	809.2	985.3
. television promotions	36.9	40.2
. sponsorship	42.8	47.3
	888.9	1,072.8
- Radio advertising:		
. tabular	45.3	59.7
. radio promotions	1.0	1.6
. sponsorship	7.1	7.6
	53.4	68.9
- Television advertising on specialist channels	14.8	14.4
- Television advertising on specialist channels	31.4	31.6
	988.5	1,187.7
- Special services under agreements	68.8	69.1
- Other services		
. sale of rights, musical publications and theme-based satellite channels	327.0	159.9
. film and home video distribution	38.0	51.3
. fees for hosting plant and equipment	29.9	28.9
. income from broadcasting, circuit hire, bridge and link services	12.4	11.8
. telephone facilities	13.5	19.8
. other	23.5	32.4
	444.3	304.1
	<b>3,131.2</b>	<b>3,163.9</b>
<b>Total</b>	<b>3,134.1</b>	<b>3,166.8</b>

**Changes in inventories of work in progress, semi finished and finished goods.** These amount to 0.2 million euros (at 31 December 2008: insignificant value) and refer mainly to DVD inventories.

**Changes in contract work in progress.** Booked for an insignificant figure (at 31 December 2008: 0.6 million euros).

**Internal cost capitalisations.** The amount of 30.4 million euros (at 31 December 2008: 32.8 million euros) represents the total of internal costs associated with *non-current assets*, which were capitalised under the specific asset captions. Details are shown in Schedule 21.

**Internal cost capitalisations** (millions of euros)

Schedule 21

	Year 2009	Year 2008
Intangible assets	22.7	25.5
Tangible assets	7.7	7.3
<b>Total</b>	<b>30.4</b>	<b>32.8</b>

**Other production-related income.** This totals 102.6 million euros (at 31 December 2008: 141.6 million euros), as detailed in Schedule 22.

**Other production-related income** (millions of euros)

Schedule 22

	Year 2009	Year 2008
Operating grants	5.1	3.9
Gains on disposals	0.4	0.1
Other		
Recovery and reimbursement of expenses	19.4	19.2
Prior-year license fees	15.7	16.2
Other out-of-period gains	33.7	90.3
Provisions released	24.8	7.7
Income from real estate investments	2.2	2.2
Miscellaneous	1.3	2.0
	97.1	137.6
<b>Total</b>	<b>102.6</b>	<b>141.6</b>

**Production costs**

This caption comprises costs and capital losses, related to ordinary activities, excluding financial operations. The costs shown here do not include those relating to *fixed* and *intangible assets*, which are recorded under the respective asset accounts.

**Raw materials, supplies, consumables and merchandise.** These total 29.5 million euros (at 31 December 2008: 33.7 million euros), which includes purchases of technical materials for inventory – excluding items used in the construction of plant, which are allocated directly to *fixed assets* – production materials (sets, costumes etc) and miscellaneous operating materials (fuel, office supplies, printed documents etc), net of discounts and allowances, as shown in Schedule 23.

**Purchases of raw materials, supplies, consumables and merchandise** (millions of euros)

Schedule 23

	Year 2009	Year 2008
Technical materials for inventory	5.4	5.9
Miscellaneous programme production materials	4.9	5.6
Other materials	19.2	22.2
Discounts, allowances and premiums on purchases of goods	..	..
<b>Total</b>	<b>29.5</b>	<b>33.7</b>

**Services.** This totals 776.5 million euros (at 31 December 2008: 826.8 million euros) and comprises costs for freelance workers and other external services, net of discounts and allowances, as shown in Schedule 24. Among other things, they include emoluments, remuneration for special functions, attendance fees and reimbursement of expenses paid by the Parent Company to Directors for 2.4 million euros and to Statutory Auditors for 0.2 million euros. One Director and one Statutory Auditor on the Parent Company's payroll also performed similar roles for other subsidiaries at the same time, perceiving emoluments for a total of 0.2 million euros and 0.1 million euros respectively.

<b>Cost of services</b> (millions of euros)	Schedule 24	
	Year 2009	Year 2008
Freelance services	149.1	156.7
Services for acquisition and production of programmes	267.8	274.8
Allowances, travel expenses and transfer of personnel	32.8	44.3
Ancillary personnel service costs	12.6	12.5
Maintenance and repairs	32.6	31.1
Documentation and information services	53.9	52.2
Insurance and accident prevention	20.8	20.4
Advertising and promotion	19.8	27.6
Promotion and distribution expenses	7.9	11.1
Supply services	32.8	32.7
General services	80.3	86.0
Third-party shares of sales figure	41.6	52.9
Other	24.5	24.5
<b>Total</b>	<b>776.5</b>	<b>826.8</b>

**Use of third-party assets.** These amount to 638.9 million euros (at 31 December 2008: 608.4 million euros) and express costs for rents, leases, usage rights and filming rights, as detailed in Schedule 25.

<b>Use of third-party assets</b> (millions of euros)	Schedule 25	
	Year 2009	Year 2008
Lease instalments	..	..
Rent and hire costs	123.8	125.3
Usage rights	120.4	114.1
Filming rights	385.2	359.2
Other rights	9.5	9.8
<b>Total</b>	<b>638.9</b>	<b>608.4</b>

**Personnel costs.** Employee-related costs amount to 1,009.6 million euros (at 31 December 2008: 1,009.6 million euros), broken down as indicated in the income statement. The average number of employees on the payroll in 2009 was 13,352, including employees on fixed-term contracts, work-introduction and apprenticeship contracts (at 31 December 2008: 13,236), distributed by category and by company, as shown in Schedule 26.

**Average employment** (units)

Schedule 26

	Year 2009			Year 2008		
	Fixed-term	Permanent	Total	Fixed-term	Permanent	Total
<b>Per Company</b>						
Rai	9,917	1,912	11,829	9,840	1,858	11,698
NewCo Rai International	1	1	2	-	-	-
Rai Cinema	58	1	59	58	1	59
Rai Corporation	47	0	47	47	0	47
RaiNet	45	19	64	50	16	66
RaiSat	77	12	89	76	36	112
Rai Trade	89	6	95	88	5	93
Rai Way	649	41	690	650	35	685
Sipra	435	14	449	435	13	448
01 Distribution	28	0	28	27	1	28
	<b>11,346</b>	<b>2,006</b>	<b>13,352</b>	<b>11,271</b>	<b>1,965</b>	<b>13,236</b>
<b>Per category</b>						
Managers	336	2	338	345	2	347
Journalists	1,663	365	2,028	1,659	347	2,006
Supervisors	1,376	0	1,376	1,361	1	1,362
Office workers	6,827	1,403	8,230	6,724	1,410	8,134
Blue-collars	1,007	227	1,234	1,042	194	1,236
Orchestra and choir members	125	9	134	128	11	139
Medical staff	12	0	12	12	0	12
	<b>11,346</b>	<b>2,006</b>	<b>13,352</b>	<b>11,271</b>	<b>1,965</b>	<b>13,236</b>

**Amortisation, depreciation and writedowns.** These total 712.8 million euros (at 31 December 2008: 699.9 million euros), of which 551.7 million euros relates to amortisation of intangible assets and 111.2 million euros to depreciation of fixed assets, as detailed in Schedules 1 and 2. They include a writedown of programmes amounting to 33.2 million euros, which was made to take account of the risk that certain programmes may not be transmitted or re-broadcast, as well as the commercial exploitation of certain rights.

**Changes in inventories of raw materials, supplies, consumables and merchandise.** These are carried at nominal value of 0.1 million euros (at 31 December 2008: insignificant) and represent the decrease in net *inventories* carried under current assets at 31 December 2009 with respect to the previous year.

**Provisions for risks.** These amount to 23.4 million euros (at 31 December 2008: 18.2 million euros). They indicate allocations to provisions for risks. The most significant items are detailed in Schedule 11 and relate mainly to provisions made by the Parent Company (21.1 million euros).

**Other provisions.** These amount to 3.8 million euros (at 31 December 2008: 2.4 million euros). The most significant items are shown in Schedule 11 and relate mainly to provisions booked to the financial statements of Rai (1.7 million euros) and Rai Way (2.0 million euros).

**Miscellaneous operating costs.** These amount to 107.8 million euros (at 31 December 2008: 108.3 million euros). Their distribution is shown directly in the income statement and further information is provided in Schedule 27. For the most part they refer to costs disclosed in the Parent Company financial statements (95.8 million euros).

**Miscellaneous operating costs** (millions of euros)

Schedule 27

	Year 2009	Year 2008
Asset disposal losses:		
Tangible assets	0.5	0.7
Intangible assets	..	..
	0.5	0.7
Concession fee	29.5	29.2
Losses on current receivables	0.8	0.4
Other costs:		
- gifts, prize contests and entertainment expenses	15.1	17.5
- association dues	3.5	3.2
- municipal property tax	4.4	4.4
- other indirect taxes and contributions	9.8	9.6
- contribution to the Authority - Min. Decr. 16/07/99	4.9	4.3
- payment of uninsured damages, fines and penalties	1.0	6.0
- newspapers, books, periodicals, specific documentation and publications	3.3	3.4
- prior-year charges	23.4	14.5
- provision for pension fund - former employees	9.7	13.3
- other	1.9	1.8
	77.0	78.0
<b>Total</b>	<b>107.8</b>	<b>108.3</b>

**Financial income and charges**

**Other financial income.** This totals 1.1 million euros (at 31 December 2008: 3.6 million euros) and is divided as shown in Schedule 28.

**Financial income** (millions of euros)

Schedule 28

	Year 2009	Year 2008
Other financial income:		
from non-current receivables	..	0.1
from non-current securities other than equity investments	0.1	0.2
financial income other than the above:		
- interest on amount due from associated companies	..	-
- interest on amount due from banks	0.1	2.1
- interest on amount due from customers	0.7	0.8
- interest on interest rate hedges	-	0.2
- other	0.2	0.2
	1.0	3.3
<b>Total</b>	<b>1.1</b>	<b>3.6</b>

**Interest and other financial charges.** These amount to 5.1 million euros (at 31 December 2008: 5.3 million euros) and include interest expense, costs for commission on financial services received and other financial operating expenses, as detailed in Schedule 29.

<b>Interest and other financial charges</b> (millions of euros)		Schedule 29
	Year 2009	Year 2008
Interest and commissions payable to associated companies	..	..
Interest and commissions payable to others and miscellaneous charges:		
- interest and commissions payable to banks and other financial institutions	4.7	5.0
- interest on amounts payable to suppliers	..	0.1
- other costs	0.4	0.2
	5.1	5.3
<b>Total</b>	<b>5.1</b>	<b>5.3</b>

**Foreign exchange gains and losses.** These show a loss of total 0.5 million euros (at 31 December 2008: a loss of 5.2 million euros). This item comprises both foreign exchange charges and premiums on foreign currency hedge transactions as well as the effect of translating the value of payables and receivables in foreign currencies at year-end exchange rates or the rate in force at the time of the hedge in the case of exchange risk hedges, as detailed in Schedule 30.

<b>Foreign exchange gains and losses</b> (millions of euros)		Schedule 30
	Year 2009	Year 2008
Foreign exchange gains (losses) from valuation	(0.5)	(0.6)
Other foreign exchange gains (losses)	..	(4.6)
<b>Total</b>	<b>(0.5)</b>	<b>(5.2)</b>

## Value adjustments to financial assets

**Revaluations.** These amount to 0.5 million euros (at 31 December 2008: 3.0 million euros), determined by the booking of investments in associated companies at equity.

**Writedowns.** The provision totals 0.3 million euros (at 31 December 2008: 1.0 million euros). They comprise writedowns of *non-current financial assets* following losses incurred for the year.



## Exceptional income and charges

Exceptional items comprise income of 6.9 million euros and expense of 6.8 million euros, as detailed in Schedule 31.

<b>Exceptional income/expense</b> (millions of euros)	Schedule 31	
	Year 2009	Year 2008
Exceptional income		
b) Out-of-period gains	6.3	1.3
c) Other	0.6	0.4
	<b>6.9</b>	<b>1.7</b>
Exceptional charges		
b) Prior year taxes	..	(0.2)
c) Prior-year charges and reversal of non-existent assets	..	..
d) Other:		
- costs connected with the staff voluntary resignation incentives scheme	(6.8)	(1.8)
	<b>(6.8)</b>	<b>(2.0)</b>
<b>Total</b>	<b>0.1</b>	<b>(0.3)</b>

## Current income taxes for the year, and deferred tax assets and liabilities

The amount of 22.1 million euros is comprised of current and deferred taxes for the year disclosed in the financial statements of the individual companies, and of theoretic taxes resulting from consolidation adjustments. The breakdown of the item is shown in the following table:

(millions of euros)			
	Charged in the Statements of the individual companies	Deriving from consolidation adjustments	Total
Current taxes			
- IRES	(27.2)	-	(27.2)
- IRAP	(35.5)	-	(35.5)
Deferred tax assets	26.7	0.2	26.9
Deferred tax liabilities	13.8	(0.1)	13.7
<b>Total</b>	<b>(22.2)</b>	<b>0.1</b>	<b>(22.1)</b>

## 8) Result for the year

The year closed with a loss of 61.8 million euros pertaining almost exclusively to the Group.

## 9) Reconciliation between Rai's statutory and consolidated financial statements at 31 December 2009 and 31 December 2008

The following table shows the reconciliation between the result for the year and Shareholders' equity as appearing in the Parent Company and consolidated financial statements, including the portion pertaining to minority interests:

### Reconciliation between Rai Parent Company and consolidated financial statements (millions of euros)

	Profit for the year		Equity	
	2009	2008	2009	2008
Rai financial statements	(79.9)	(37.0)	497.1	576.8
Elimination of the book value of equity investments against the equities and the dividends distributed against profits for the year	17.0	23.2	143.6	127.4
Adjustment of the book value of associated companies on the equity method	0.3	3.0	10.8	9.1
Other consolidation adjustments	0.6	4.8	(21.3)	(21.9)
Deferred tax assets/liabilities on consolidation adjustments	0.2	(1.1)	1.6	1.4
Consolidated financial statements	(61.8)	(7.1)	631.8	692.8

## 10) Additional disclosures

As regards disclosures on related parties, no relevant operations took place within the Group outside of normal market conditions.





**Rai**



**Consolidated supplementary schedules**

**Consolidated balance sheet reclassified in vertical form** (millions of euros )

	31.12.2009	31.12.2008
<b>A. NON-CURRENT ASSETS</b>		
Intangible assets	1,013.4	1,034.5
Tangible assets	581.2	555.1
Financial assets	22.8	21.3
	<b>1,617.4</b>	<b>1,610.9</b>
<b>B. WORKING CAPITAL</b>		
Inventories	5.0	5.2
Trade receivables	779.9	594.3
Other assets	263.4	277.2
Trade payables	(811.4)	(724.5)
Provisions for risks and charges	(413.2)	(445.1)
Other liabilities	(299.6)	(274.5)
	<b>(475.9)</b>	<b>(567.4)</b>
<b>C. INVESTED CAPITAL,</b> net of current liabilities	(A+B) 1,141.5	1,043.5
<b>D. PROVISION FOR STAFF SEVERANCE PAY</b>	358.2	371.8
<b>E. INVESTED CAPITAL,</b> net of current liabilities and provision for staff severance pay	(C-D) 783.3	671.7
financed by:		
<b>F. EQUITY</b>		
Parent Company equity	631.2	692.1
Minority interest equity	0.6	0.7
	<b>631.8</b>	<b>692.8</b>
<b>G. NET MID-TERM/LONG-TERM FINANCIAL DEBT</b>	2.7	3.4
<b>H. NET SHORT-TERM FINANCIAL DEBT (NET CASH FUNDS)</b>		
- short-term financial debt	169.6	8.2
- cash and short-term financial receivables	(20.8)	(32.7)
	<b>148.8</b>	<b>(24.5)</b>
	(G+H) 151.5	(21.1)
<b>I. TOTAL, AS IN E</b>	(F+G+H) 783.3	671.7

**Consolidated income statement reclassified in vertical form** (millions of euros )

	31.12.2009	31.12.2008
A. REVENUES	3,177.8	3,210.9
Changes in inventories of work in progress, semifinished and finished products	(0.2)	..
Internal cost capitalisations	30.4	32.8
B. "TYPICAL" PRODUCTION VALUE	3,208.0	3,243.7
Cost of materials and external services	(1,530.6)	(1,561.1)
C. VALUE ADDED	1,677.4	1,682.6
Personnel costs	(1,009.6)	(1,009.6)
D. GROSS OPERATING MARGIN	667.8	673.0
Amortisation of programmes	(528.4)	(520.1)
Other amortisation and depreciation	(122.6)	(130.4)
Other value adjustments	(49.9)	(37.3)
Provisions for risks and charges	(26.9)	(19.8)
Miscellaneous income and charges - net	24.5	69.1
E. OPERATING RESULT	(35.5)	34.5
Financial income and charges	(4.8)	(7.9)
Income from equity investments	0.5	3.0
F. RESULT BEFORE EXCEPTIONAL ITEMS AND TAXES	(39.8)	29.6
Exceptional income and charges - net	0.1	(0.3)
G. RESULT BEFORE TAXES	(39.7)	29.3
Income taxes for the year	(22.1)	(36.4)
H. NET PROFIT (LOSS) FOR THE YEAR	(61.8)	(7.1)
of which:		
- pertaining to Parent Company	(62.1)	(7.5)
- pertaining to minority interests	0.3	0.4

**Consolidated cash flow statement** (millions of euros )

	31.12.2009	31.12.2008
A. NET OPENING CASH FUNDS (NET OPENING SHORT- TERM FINANCIAL DEBT)	24.5	114.5
B. CASH FLOW FROM OPERATING ACTIVITIES		
Profit (loss) for the year	(61.8)	(7.1)
Amortisation and depreciation	651.0	650.5
(Gains) losses on disposal of non-current assets	0.1	0.6
(Revaluations) writedowns of non-current assets	36.2	31.0
Change in working capital	(91.5)	(34.4)
Net change in staff severance pay provision	(13.6)	(16.7)
	520.4	623.9
C. CASH FLOW FROM INVESTING ACTIVITIES IN NON-CURRENT ASSETS		
Investment in non-current assets:		
. intangible assets	(557.6)	(595.7)
. tangible assets	(138.1)	(118.7)
. financial assets	(3.5)	(5.5)
Sale proceeds, or reimbursement value, of non-current assets and other changes	6.5	7.9
	(692.7)	(712.0)
D. CASH FLOW FROM FINANCING ACTIVITIES		
Loan repayments	(0.7)	(0.7)
Other equity movements	0.0	(1.0)
	(0.7)	(1.7)
E. PROFIT DISTRIBUTION	(0.3)	(0.2)
F. CASH FLOW FOR THE YEAR	(B+C+D+E)	(90.0)
G. NET CLOSING CASH FUNDS (NET CLOSING SHORT- TERM FINANCIAL DEBT)	(A+F)	24.5







**Rai**



**Report of the Board of Statutory Auditors**

## Report on the consolidated financial statements

*To the Shareholders,*

The **consolidated financial statements of the Rai Group** at 31 December 2009, which have been made available for your information, are expressed in millions of euros and consist of the Consolidated Balance Sheet, Income Statement and Notes to the Consolidated Financial Statements; they are also accompanied by a Directors' Report on operation.

The Consolidated Balance Sheet and Income Statement present comparative figures for 2008.

The scope of consolidation in 2009 no longer includes Rai Click which, as mentioned in the Directors' Report on the Parent Company's financial statements, has been merged by incorporation into Rai SpA.

The financial statements for 2009 close with a loss of 61.8 million euros (7.1 in 2008).

In the **Directors' Report on Operation**, they describe the overall performance of the Group, reiterating much of the information disclosed in relation to Rai SpA and accompanying this information with details on various individual aspects of activity by the various subsidiaries.

A summary of the Group's financial position and earnings is also provided to facilitate the reader's understanding of the comments on these areas: as part of this, summary information is given on the content of major income statement and balance sheet components with explanations of the changes from 2008, as well as details of their composition.

Finally, three tables analysing the balance sheet, income statement and cash flow statement have been presented to facilitate the reading of the consolidated financial statements.

The **Notes to the Consolidated Financial Statements** describe the scope of the consolidation and the valuation methods applied and provide, with the aid of the supplementary schedules presented, the other disclosures required under article 38 of Legislative Decree 127/1991.

A statement is also provided showing the reconciliation between Rai and the Group results and equity at 31 December 2009. Everything is compared with the corresponding data of the financial statements at 31 December 2008.

**With regard to matters falling within the sphere of competence of the Board of Statutory Auditors**, we report that, also on the basis of contacts with the Independent Auditors PwC, the consolidated financial statements have been drawn up, in all three of their components, in compliance with statutory requirements and correspond to the accounting records of the parent company and the information transmitted by the various companies included in the scope of consolidation.

With regard to accounting matters, we wish to draw your attention to the following:

- there have been no "exceptional cases" requiring derogations from standard accounting principles as permitted under article 29 (4) of Legislative Decree no. 127/1991;
- assets and liabilities have been valued on a consistent basis, which is unchanged from the previous year;
- deferred tax assets have been recorded for fiscal benefits obtainable in future years; they relate for the most part to provisions set up in previous years which were disallowed for tax purposes and to tax losses for the year;
- deferred tax liabilities relate mainly to timing differences, for future adjustment, determined by prior years' provisions for accelerated depreciation taken in the tax return.

.....

**In conclusion**, as a result of all the matters described above, in our opinion the consolidated financial statements of the Rai Group at 31 December 2009 and the accompanying Directors' Report on operations have been drawn up in accordance with the provisions of the aforementioned Legislative Decree 127/1991.

Rome, 10 June 2010

THE REGULAR STATUTORY AUDITORS

Mr Domenico TUDINI  
Prof. Gennaro FERRARA  
Prof. Paolo GERMANI



PricewaterhouseCoopers SpA

**AUDITORS' REPORT IN ACCORDANCE WITH ARTICLE 2409-TER OF THE CIVIL CODE (NOW ARTICLE 14 OF LEGISLATIVE DECREE No. 39 DATED 27 JANUARY 2010)**

To the Shareholders of  
RAI – Radiotelevisione italiana SpA

- 1 We have audited the consolidated financial statements of RAI – Radiotelevisione italiana SpA and its subsidiaries (RAI Group) as at 31 December 2009. The directors of RAI – Radiotelevisione italiana SpA are responsible for the preparation of these consolidated financial statements in compliance with the laws governing the criteria for preparation. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
- 2 We conducted our audit in accordance with the standards on auditing issued by the Italian Accounting Profession (CNDCEC) and recommended by CONSOB. Those standards require that we plan and perform the audit to obtain the necessary assurance about whether the consolidated financial statements are free of material misstatement and, taken as a whole, are presented fairly. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors. We believe that our audit provides a reasonable basis for our opinion.

The audit of the consolidated financial statements as at 31 December 2009 was conducted in accordance with the legislation in force during the year then ended.

For the opinion on the consolidated financial statements of the prior period, which are presented for comparative purposes as required by law, reference is made to our report dated 7 May 2009.

- 3 In our opinion, the consolidated financial statements of the RAI Group as at 31 December 2009 comply with the laws governing the criteria for their preparation; accordingly, they give a true and fair view of the financial position and of the results of operations of the Group for the year then ended.



- 4 The directors of RAI – Radiotelevisione italiana SpA are responsible for the preparation of the report on operations in accordance with the applicable laws. Our responsibility is to express an opinion on the consistency of the report on operations with the consolidated financial statements, as required by law. For this purpose, we have performed the procedures required under Auditing Standard no. 001 issued by the Italian Accounting Profession (CNDCEC). In our opinion the report on operations is consistent with the consolidated financial statements of the RAI Group as at 31 December 2009.

Rome, 10 June 2010

PricewaterhouseCoopers SpA

Signed by

Aurelio Fedele  
(Partner)

**This report has been translated from the original which was issued in accordance with Italian legislation.**





**Rai**



## **Financial Statements of Subsidiaries**

**273 Rai Cinema SpA**

**277 01 Distribution Srl**

**281 Rai Corporation - Italian Radio TV System**

**285 Rai Corporation Canada - Italian Radio TV System**

**289 NewCo Rai International SpA**

**293 RaiNet SpA**

**297 RaiSat SpA**

**301 Rai Trade SpA**

**305 Rai Way SpA**

**309 Sacis SpA - Commerciale Iniziative Spettacolo (in liquidation)**

**313 Sipra SpA - Società Italiana Pubblicità per Azioni**



## Rai Cinema SpA

<b>Name:</b>	Rai Cinema SpA
<b>Date of incorporation:</b>	1 December 1999
<b>Object:</b>	The company's objects are the purchase, in Italy and abroad, of usage rights on audiovisual, cinema, TV and multimedia products, depending on the production requirements of Rai and its associated companies; the provision to Rai and its associated companies of the above said rights and the organisation, administration and management of rights according to Rai's information, research and broadcasting requirements; distribution, marketing and sale of rights in Italy and abroad; the production of audiovisual works for the cinema, TV and video communication markets; the construction, organisation and management of distribution circuits, cinemas and multiplex cinemas.
<b>Share capital:</b>	200,000,000.40 euros 38,759,690 shares of par value 5.16 euros each Rai 99.997678 %; Rai Trade 0.002322%
<b>Ownership:</b>	01 Distribution Srl 100%
<b>Employees:</b>	59 on permanent contracts 1 on a fixed-term contract
<b>Board of Directors</b>	
<b>Chairman:</b>	Franco Scaglia
<b>Deputy Chairman:</b>	–
<b>Managing Director:</b>	Caterina D'Amico
<b>Directors:</b>	Fabio Belli Giancarlo Leone Giuseppe Gentili Guido Paglia Ugo Zanello
<b>Board Secretary:</b>	Massimiliano Orfei
<b>General Manager</b>	Paolo Del Brocco
<b>Board of Statutory Auditors</b>	
<b>Chairman:</b>	Enrico Laghi
<b>Statutory Auditors in office:</b>	Roberto Ascoli Giuseppe Ferrazza
<b>Alternate Statutory Auditors:</b>	Paolo Grassetti Piergiorgio Tomassetti

## Rai Cinema SpA

## Balance Sheet - Assets (in euros)

	31.12.2009	31.12.2008
A) SUBSCRIBED CAPITAL UNPAID	-	-
B) NON-CURRENT ASSETS		
I. INTANGIBLE ASSETS		
3.- Industrial patents and intellectual property rights	440,983,002	456,754,111
6.- Intangible assets under development and payments on account	82,896,031	94,263,067
7.- Others intangible assets	182,369	326,529
<b>TOTAL INTANGIBLE ASSETS</b>	<b>524,061,402</b>	<b>551,343,707</b>
II. TANGIBLE ASSETS		
2.- Plant and machinery	24,296	30,753
4.- Other intangible assets	66,745	99,360
<b>TOTAL TANGIBLE ASSETS</b>	<b>91,041</b>	<b>130,113</b>
III. FINANCIAL ASSETS		
1.- Equity investments in:		
a) subsidiaries	516,456	516,456
Total equity investments	516,456	516,456
2.- Receivables		
d) from others	261,136	261,136
Total receivables	261,136	261,136
<b>TOTAL NON-CURRENT FINANCIAL ASSETS</b>	<b>777,592</b>	<b>777,592</b>
<b>TOTAL NON-CURRENT ASSETS</b>	<b>524,930,035</b>	<b>552,251,412</b>
C) CURRENT ASSETS		
I. INVENTORIES		
4.- Finished goods and merchandise	545,023	851,350
<b>TOTAL INVENTORIES</b>	<b>545,023</b>	<b>851,350</b>
II. RECEIVABLES		
1.- Customers	17,071,387	13,168,686
2.- From subsidiaries	12,958,883	24,266,349
4.- Parent companies	22,512,289	6,429,231
4.ter- Deferred tax assets	1,359,132	3,704,769
5.- Others	1,899,330	259,932
<b>TOTAL RECEIVABLES</b>	<b>55,801,021</b>	<b>47,828,967</b>
III. CURRENT FINANCIAL ASSETS	-	-
IV. CASH AND CASH EQUIVALENTS	-	-
<b>TOTAL CURRENT ASSETS</b>	<b>56,346,044</b>	<b>48,680,317</b>
D) ACCRUED INCOME AND PREPAID EXPENSES	4,175,866	3,187,403
<b>TOTAL ASSETS</b>	<b>585,451,945</b>	<b>604,119,132</b>

**Rai Cinema SpA****Balance Sheet - Liabilities (in euros)**

	31.12.2009	31.12.2008
A) SHAREHOLDERS' EQUITY		
I. SHARE CAPITAL	200,000,000	200,000,000
IV. LEGAL RESERVE	9,456,660	8,635,929
VII. OTHER RESERVES	2	-
VIII. PROFITS (LOSSES) BROUGHT FORWARD	7,553,545	7,463,522
IX. NET PROFIT (LOSS) FOR THE YEAR	40,873,596	16,414,630
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>257,883,803</b>	<b>232,514,081</b>
B) PROVISIONS FOR RISKS AND CHARGES		
1.- Provision for pension and similar liabilities	498,695	383,499
2.- Current and deferred taxes	54,756	41,979
3.- Others provisions	3,096,741	5,210,680
<b>TOTAL PROVISIONS FOR RISKS AND CHARGES</b>	<b>3,650,192</b>	<b>5,636,158</b>
C) PROVISION FOR STAFF SEVERANCE PAY	1,077,334	1,320,640
D) PAYABLES		
6.- Advances	50,000	-
7.- Suppliers	112,266,074	115,585,662
9.- Subsidiaries	9,561,694	16,615,161
11.- Parent companies	192,872,132	228,444,015
12.- Tax payables	3,359,757	3,175,121
13.- Welfare and social security institutions	226,031	216,769
14.- Others payables	2,779,500	406,337
<b>TOTAL PAYABLES</b>	<b>321,115,188</b>	<b>364,443,065</b>
E) ACCRUED EXPENSES AND DEFERRED INCOME	1,725,428	205,188
<b>TOTAL LIABILITIES</b>	<b>585,451,945</b>	<b>604,119,132</b>

**Rai Cinema SpA****Memorandum accounts (in euros)**

	31.12.2009	31.12.2008
4.- Other	108,281,300	95,568,089
<b>TOTAL MEMORANDUM ACCOUNTS</b>	<b>108,281,300</b>	<b>95,568,089</b>

<b>Rai Cinema SpA</b>		<b>Income Statement (in euros)</b>	
		<b>31.12.2009</b>	<b>31.12.2008</b>
<b>A) PRODUCTION VALUE</b>			
1.- Revenues from sales and services		371,304,181	365,936,887
2.- Changes in inventories of work in progress, semifinished and finished goods		(306,327)	125,935
5.- Other production-related income			
a) operating grants		1,456,900	519,093
b) gains on disposal of assets		-	7,800
c) other		5,631,938	7,261,591
Total other production-related income		7,088,838	7,788,484
<b>TOTAL PRODUCTION VALUE</b>		<b>378,086,692</b>	<b>373,851,306</b>
<b>B) PRODUCTION COSTS</b>			
6.- Raw materials, supplies, consumables and merchandise		(1,360,373)	(2,102,104)
7.- Services		(48,370,388)	(71,454,549)
8.- Use of third-party assets		(1,470,534)	(1,489,396)
9.- Personnel			
a) wages and salaries		(3,346,745)	(3,469,288)
b) social security contributions		(989,804)	(989,464)
c) staff severance pay provision		(236,440)	(256,474)
d) pension and similar costs		(246,319)	(121,343)
e) other costs		(26,745)	(24,636)
Total for personnel		(4,846,053)	(4,861,205)
10.- Amortisation, depreciation and writedowns			
a) amortisation of intangible assets		(241,598,859)	(243,104,281)
b) depreciation of tangible assets		(49,159)	(55,659)
c) other non-current asset writedowns		(10,991,884)	(10,405,947)
d) writedowns of current receivables, cash and cash equivalents		(112,677)	(261,448)
Total amortisation, depreciation and writedowns		(252,752,579)	(253,827,335)
12.- Provisions for risks		(800,000)	(582,452)
14.- Other operating costs			
c) other		(3,799,328)	(3,248,604)
Total miscellaneous operating costs		(3,799,328)	(3,248,604)
<b>TOTAL PRODUCTION COSTS</b>		<b>(313,399,255)</b>	<b>(337,565,645)</b>
<b>Difference between production values and costs (A-B)</b>		<b>64,687,437</b>	<b>36,285,661</b>
<b>C) FINANCIAL INCOME AND CHARGES</b>			
16.- Other financial income			
a) from non-current receivables			
. other		7,737	9,592
Total income from non-current receivables		7,737	9,592
d) financial income other than the above			
. interest and commissions from parent companies		298	29,688
. interest and commissions from others and miscellaneous income		12,147	8,257
Total financial income other than the above		12,445	37,945
Total other financial income		20,182	47,537
17.- Interest and other financial charges			
c) interest and commissions payable to parent companies		(4,256,385)	(11,404,525)
d) interest and commissions payable to others and miscellaneous charges		(255,827)	(47,306)
Total interest and other financial charges		(4,512,212)	(11,451,831)
17bis.- Foreign exchange gains and losses		(979,175)	(1,305,046)
<b>TOTAL FINANCIAL INCOME AND CHARGES</b>		<b>(5,471,205)</b>	<b>(12,709,340)</b>
<b>D) VALUE ADJUSTMENTS TO FINANCIAL ASSETS</b>			
		-	-
<b>E) EXCEPTIONAL INCOME AND CHARGES</b>			
20.- Income			
b) out-of-period gains and reversal of non-existent liabilities		327,244	3,273
c) other		-	1
Total Income		327,244	3,274
21.- Charges			
b) prior year taxes		(21,466)	(163,051)
c) prior-year gains and non-existent liabilities		(19)	-
d) difference from rounding off to the nearest euro		(1)	-
e) other		(90,000)	(150,714)
Total expense		(111,466)	(313,765)
<b>TOTAL EXCEPTIONAL INCOME AND CHARGES</b>		<b>215,778</b>	<b>(310,491)</b>
<b>Result before taxes (A-B+/-C+/-D+/-E)</b>		<b>59,432,010</b>	<b>23,265,830</b>
22.- Current income taxes for the year, and deferred tax assets and liabilities		(18,558,414)	(6,851,200)
<b>23.- Net profit (loss) for the year</b>		<b>40,873,596</b>	<b>16,414,630</b>

## 01 Distribution Srl

<b>Name:</b>	01 Distribution Srl
<b>Date of incorporation:</b>	27 June 2001
<b>Object:</b>	The company's objects are the purchase and the distribution in cinemas and through home videos in Italy of TV and/or cinema movies and/or advertising films; the exploitation of any rights arising out of TV and/or cinema and/or advertising productions in which the company has an interest and/or operating role; the purchase and exploitation of licensing, merchandising and music rights.
<b>Share capital:</b>	516,456.00 euros Rai Cinema SpA 100%
<b>Employees:</b>	28 on permanent contracts
<b>Board of Directors</b>	
<b>Chairman:</b>	Adriano Coni
<b>Managing Director:</b>	Filippo Roviglioni
<b>Directors:</b>	Caterina D'Amico Paola Malanga Paolo Del Brocco
<b>Board Secretary:</b>	Giuseppe Morazio
<b>Board of Statutory Auditors</b>	
<b>Chairman:</b>	Antonio Falsetti
<b>Statutory Auditors in office:</b>	Marco Buttarelli Enrico Laghi
<b>Alternate Statutory Auditors:</b>	Marco Tani Mauro Ianiro

## 01 Distribution Srl

## Balance Sheet - Assets (in euros)

	31.12.2009	31.12.2008
A) SUBSCRIBED CAPITAL UNPAID	-	-
B) NON-CURRENT ASSETS		
I. INTANGIBLE ASSETS		
4.- Concessions, licences, trademarks and similar rights	10,905	15,710
<b>TOTAL INTANGIBLE ASSETS</b>	<b>10,905</b>	<b>15,710</b>
II. TANGIBLE ASSETS		
2.- Plant and machinery	2,544	3,271
3.- Industrial and sales equipment	4,812	8,479
4.- Other tangible assets	2,971	5,649
<b>TOTAL TANGIBLE ASSETS</b>	<b>10,327</b>	<b>17,399</b>
III. FINANCIAL ASSETS		
2.- Receivables		
d) from others		
. amounts due within one year	10,470	10,127
Total receivables	10,470	10,127
<b>TOTAL NON-CURRENT FINANCIAL ASSETS</b>	<b>10,470</b>	<b>10,127</b>
<b>TOTAL NON-CURRENT ASSETS</b>	<b>31,702</b>	<b>43,236</b>
C) CURRENT ASSETS		
I. INVENTORIES		
4.- Finished goods and merchandise	401,055	158,413
<b>TOTAL INVENTORIES</b>	<b>401,055</b>	<b>158,413</b>
II. RECEIVABLES		
1.- Customers	24,049,322	28,104,483
4.- Parent companies	9,906,296	16,622,178
4.bis- Tax receivables	-	3,694
5.- Others receivables	2,441,796	2,602,266
<b>TOTAL RECEIVABLES</b>	<b>36,397,414</b>	<b>47,332,621</b>
III. CURRENT FINANCIAL ASSETS	-	-
IV. CASH AND CASH EQUIVALENTS		
1.- Bank and post office deposits	452,236	22,418
3.- Cash and cash equivalents on hand	889	454
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>453,125</b>	<b>22,872</b>
<b>TOTAL CURRENT ASSETS</b>	<b>37,251,594</b>	<b>47,513,906</b>
D) ACCRUED INCOME AND PREPAID EXPENSES	12,779	10,036
<b>TOTAL ASSETS</b>	<b>37,296,075</b>	<b>47,567,178</b>



**01 Distribution Srl****Balance Sheet - Liabilities (in euros)**

	31.12.2009	31.12.2008
A) SHAREHOLDERS' EQUITY		
I. Capital	516,456	516,456
IV. Legal reserve	7,291	3,793
VII. Other reserves	138,515	72,057
IX. Net profit (loss) for the year	18,167	69,957
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>680,429</b>	<b>662,263</b>
B) PROVISIONS FOR RISKS AND CHARGES	-	-
C) PROVISION FOR STAFF SEVERANCE PAY	489,384	414,964
D) PAYABLES		
7.- Suppliers	19,501,850	20,437,603
11.- Parent companies	15,965,691	25,435,315
12.- Tax payables	126,432	98,486
13.- Welfare and social security institutions	105,556	110,896
14.- Others payables	426,733	407,651
<b>TOTAL PAYABLES</b>	<b>36,126,262</b>	<b>46,489,951</b>
E) ACCRUED EXPENSES AND DEFERRED INCOME	-	-
<b>TOTAL LIABILITIES</b>	<b>37,296,075</b>	<b>47,567,178</b>

**01 Distribution Srl****Memorandum accounts (in euros)**

	31.12.2009	31.12.2008
4.- Other	714,562	714,562
<b>TOTAL MEMORANDUM ACCOUNTS</b>	<b>714,562</b>	<b>714,562</b>

## 01 Distribution Srl

## Income Statement (in euros)

	31.12.2009	31.12.2008
<b>A) PRODUCTION VALUE</b>		
1.- Revenues from sales and services	43,391,751	58,807,333
2.- Changes in inventories of work in progress, semifinished and finished goods	242,642	103,273
5.- Other production-related income		
a) operating grants	256,750	745,612
c) other	29,955,688	41,501,175
Total other production-related income	30,212,438	42,246,787
<b>TOTAL PRODUCTION VALUE</b>	<b>73,846,831</b>	<b>101,157,393</b>
<b>B) PRODUCTION COSTS</b>		
6.- Raw materials, supplies, consumables and merchandise	(52,759)	(77,833)
7.- Services	(68,412,855)	(94,944,605)
8.- Use of third-party assets	(998,759)	(1,296,422)
9.- Personnel		
a) wages and salaries	(1,724,129)	(1,841,167)
b) social security contributions	(484,372)	(521,750)
c) staff severance pay provision	(127,683)	(125,364)
d) pension and similar costs	(18,017)	(17,947)
e) other costs	(30,475)	(27,974)
Total for personnel	(2,384,676)	(2,534,202)
10.- Amortisation, depreciation and writedowns		
a) amortisation of intangible assets	(4,805)	(4,805)
b) depreciation of tangible assets	(5,913)	(5,864)
d) writedowns of current receivables, cash and cash equivalents	(350,729)	(199,260)
Total amortisation, depreciation and writedowns	(361,447)	(209,929)
14.- Other operating costs		
a) capital losses on disposals	(1,548)	(1,544)
c) other	(1,273,408)	(1,844,995)
Total miscellaneous operating costs	(1,274,956)	(1,846,539)
<b>TOTAL PRODUCTION COSTS</b>	<b>(73,485,452)</b>	<b>(100,909,530)</b>
<b>Difference between production values and costs (A-B)</b>	<b>361,379</b>	<b>247,863</b>
<b>C) FINANCIAL INCOME AND CHARGES</b>		
16.- Other financial income		
d) financial income other than the above		
. interest and commissions from parent companies	9,690	6,778
. interest and commissions from others and miscellaneous income	671	76,088
Total financial income other than the above	10,361	82,866
Total other financial income	10,361	82,866
17.- Interest and other financial charges		
c) interest and commissions payable to parent companies	(17,152)	(1,842)
d) interest and commissions payable to others and miscellaneous charges	(19,925)	(22,249)
Total interest and other financial charges	(37,077)	(24,091)
17bis.- Foreign exchange gains and losses	(16,040)	(1,478)
<b>TOTAL FINANCIAL INCOME AND CHARGES</b>	<b>(42,756)</b>	<b>57,297</b>
<b>D) VALUE ADJUSTMENTS TO FINANCIAL ASSETS</b>	-	-
<b>E) EXCEPTIONAL INCOME AND CHARGES</b>		
20.- Income		
b) out-of-period gains and reversal of non-existent liabilities	15,897	22,865
c) other	1	-
Total income	15,898	22,865
21.- Charges		
b) prior year taxes	-	(102)
Total expense	-	(102)
<b>TOTAL EXCEPTIONAL INCOME AND CHARGES</b>	<b>15,898</b>	<b>22,763</b>
<b>Result before taxes (A-B+/-C+/-D+/-E)</b>	<b>334,521</b>	<b>327,923</b>
22.- Current income taxes for the year, and deferred tax assets and liabilities	(316,354)	(257,966)
<b>23.- Net profit (loss) for the year</b>	<b>18,167</b>	<b>69,957</b>

## Rai Corporation - Italian Radio TV System

<b>Name:</b>	Rai Corporation – Italian Radio TV System	
<b>Date of incorporation:</b>	20 January 1960	
<b>Object:</b>	The company operates in North America in the production, distribution and sale of radio and TV programmes. It is engaged in the development of international co-productions and provides support to Group companies.	
<b>Share capital:</b>	US\$ 500,000 50,000 shares of par value US\$ 10 each Rai 100%	
<b>Ownership:</b>	Rai Corporation Canada 100%	
<b>Employees:</b>	46 on permanent contracts	
<b>Board of Directors</b>		
<b>Chairman:</b>	(until 4 August 2009) Fabrizio Maffei	(since 4 August 2009) Massimo Magliaro
<b>Directors:</b>	Filippo Bertolino Rubens Esposito	
<b>Board Secretary:</b>	Guido Corso	
<b>General Manager</b>	Guido Corso	

The following financial statements have been drawn up in compliance with the Italian accounting standards.

<b>Rai Corporation</b>	<b>Balance Sheet - Assets (in US dollars)</b>	
	<b>31.12.2009</b>	<b>31.12.2008</b>
A) SUBSCRIBED CAPITAL UNPAID	-	-
B) NON-CURRENT ASSETS		
I. INTANGIBLE ASSETS		
7.- Others intangible assets	4,111,182	4,485,681
<b>TOTAL INTANGIBLE ASSETS</b>	<b>4,111,182</b>	<b>4,485,681</b>
II. TANGIBLE ASSETS		
2. Plant and machinery	510,847	1,205,749
4.- Other tangible assets	220,878	415,084
5.- intangible assets under construction and payments on account	44,000	16,097
<b>TOTAL TANGIBLE ASSETS</b>	<b>775,725</b>	<b>1,636,930</b>
III. FINANCIAL ASSETS		
1.- Equity investments in:		
a) subsidiaries	1,000	1,000
Total equity investments	1,000	1,000
2.- Receivables		
d) from others		
. amounts due within one year	286,018	257,991
. amounts due after one year	67,701	69,801
Total receivables	353,719	327,792
<b>TOTAL NON-CURRENT FINANCIAL ASSETS</b>	<b>354,719</b>	<b>328,792</b>
<b>TOTAL NON-CURRENT ASSETS</b>	<b>5,241,626</b>	<b>6,451,403</b>
C) CURRENT ASSETS		
I. INVENTORIES	-	-
II. RECEIVABLES		
1.- Customers	99,004	89,793
4.- Parent companies	8,888,645	8,415,897
4.bis- Tax receivables	-	12,066
5.- Others	279,796	226,304
<b>TOTAL RECEIVABLES</b>	<b>9,267,445</b>	<b>8,744,060</b>
III. CURRENT FINANCIAL ASSETS	-	-
IV. CASH AND CASH EQUIVALENTS		
1.- Bank and post office deposits	531,577	442,838
3.- Cash and cash equivalents on hand	3,000	3,000
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>534,577</b>	<b>445,838</b>
<b>TOTAL CURRENT ASSETS</b>	<b>9,802,022</b>	<b>9,189,898</b>
D) ACCRUED INCOME AND PREPAID EXPENSES	-	-
<b>TOTAL ASSETS</b>	<b>15,043,648</b>	<b>15,641,301</b>

**Rai Corporation****Balance Sheet - Liabilities** (in US dollars)

	31.12.2009	31.12.2008
A) SHAREHOLDERS' EQUITY		
I. Capital	500,000	500,000
VII. Other reserves	10,000,000	10,000,000
VIII. Profits (losses) brought forward	(599,417)	(761,018)
IX. Net profit (loss) for the year	(275,954)	161,601
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>9,624,629</b>	<b>9,900,583</b>
B) PROVISIONS FOR RISKS AND CHARGES		
3.- Others	25,823	25,823
<b>TOTAL PROVISIONS FOR RISKS AND CHARGES</b>	<b>25,823</b>	<b>25,823</b>
C) PROVISION FOR STAFF SEVERANCE PAY	1,728,656	1,720,189
D) PAYABLES		
6.- Advances		
. amounts due within one year	159,466	79,431
. amounts due after one year	2,144,086	2,303,552
7.- Suppliers	645,858	793,823
9.- Subsidiaries	1,000	1,000
11.- Parent companies	250,919	156,905
12.- Tax payables	203,552	120,996
14.- Others payables	256,159	538,999
<b>TOTAL PAYABLES</b>	<b>3,661,040</b>	<b>3,994,706</b>
E) ACCRUED EXPENSES AND DEFERRED INCOME	3,500	-
<b>TOTAL LIABILITIES</b>	<b>15,043,648</b>	<b>15,641,301</b>

**Rai Corporation****Memorandum accounts** (in US dollars)

	31.12.2009	31.12.2008
3.- Purchase and sale commitments	12,158,672	12,884,014
4.- Others	3,861,211	4,276,775
<b>TOTAL MEMORANDUM ACCOUNTS</b>	<b>16,019,883</b>	<b>17,160,789</b>

## Rai Corporation

## Income Statement (in US dollars)

	31.12.2009	31.12.2008
<b>A) PRODUCTION VALUE</b>		
1.- Revenues from sales and services	19,123,317	23,284,463
5.- Other production-related income		
c) other	110,910	59,841
Total other production-related income	110,910	59,841
<b>TOTAL PRODUCTION VALUE</b>	<b>19,234,227</b>	<b>23,344,304</b>
<b>B) PRODUCTION COSTS</b>		
6.- Raw materials, supplies, consumables and merchandise	(151,065)	(231,629)
7.- Services	(6,328,898)	(9,374,107)
8.- Use of third-party assets	(5,091,964)	(5,205,733)
9.- Personnel		
a) wages and salaries	(4,784,967)	(5,249,356)
b) social security contributions	(1,296,824)	(1,366,444)
c) staff severance pay provision	(8,707)	(116,968)
Total for personnel	(6,090,498)	(6,732,768)
10.- Amortisation, depreciation and writedowns		
a) amortisation of intangible assets	(379,701)	(378,968)
b) depreciation of tangible assets	(941,429)	(960,021)
Total amortisation, depreciation and writedowns	(1,321,130)	(1,338,989)
14.- Other operating costs		
a) capital losses on disposals	-	(117)
c) other	(266,478)	(334,921)
Total miscellaneous operating costs	(266,478)	(335,038)
<b>TOTAL PRODUCTION COSTS</b>	<b>(19,250,033)</b>	<b>(23,218,264)</b>
<b>Difference between production values and costs (A-B)</b>	<b>(15,806)</b>	<b>126,040</b>
<b>C) FINANCIAL INCOME AND CHARGES</b>		
16.- Other financial income		
d) financial income other than the above		
. interest and commissions from parent companies	5,918	192,324
. interest and commissions from others and miscellaneous income	3,691	15,862
Total financial income other than the above	9,609	208,186
Total other financial income	9,609	208,186
17.- Interest and other financial charges		
d) interest and commissions payable to others and miscellaneous charges	(14,060)	(14,967)
Total interest and other financial charges	(14,060)	(14,967)
17bis.- Foreign exchange gains and losses	(407)	(628)
<b>TOTAL FINANCIAL INCOME AND CHARGES</b>	<b>(4,858)</b>	<b>192,591</b>
<b>D) VALUE ADJUSTMENTS TO FINANCIAL ASSETS</b>	-	-
<b>E) EXCEPTIONAL INCOME AND CHARGES</b>		
20.- Income		
b) out-of-period gains and reversal of non-existent liabilities	3,703	538
Total income	3,703	538
<b>TOTAL EXCEPTIONAL INCOME AND CHARGES</b>	<b>3,703</b>	<b>538</b>
<b>Result before taxes (A-B+/-C+/-D+/-E)</b>	<b>(16,961)</b>	<b>319,169</b>
22.- Current income taxes for the year, and deferred tax assets and liabilities	(258,993)	(157,568)
<b>23.- Net profit (loss) for the year</b>	<b>(275,954)</b>	<b>161,601</b>

## Rai Corporation Canada - Italian Radio TV System

<b>Name:</b>	Rai Corporation Canada – Italian Radio TV System
<b>Date of incorporation:</b>	18 February 1987
<b>Object:</b>	The company is wholly owned by Rai Corporation and its objects are the distribution in Canada of programmes produced by Rai for foreign viewing; it performs representation functions for Rai Corporation and assists this company in the production of radio and TV programmes in Canada.
<b>Share capital:</b>	Can\$ 1,394 1,000 shares of par value Can\$ 1.394 each Rai Corporation 100%
<b>Employees:</b>	none
<b>Board of Directors</b>	
<b>Chairman:</b>	(until 4 August 2009) Fabrizio Maffei (from 4 August 2009) Massimo Magliaro
<b>Directors:</b>	Guido Corso Rita Carbone-Fleury
<b>General Manager</b>	Guido Corso

The following financial statements have been drawn up in compliance with the Italian accounting standards.

**Rai Corporation Canada****Balance Sheet - Assets** (in Canadian dollars)

	31.12.2009	31.12.2008
A) SUBSCRIBED CAPITAL UNPAID	1,394	1,394
B) NON-CURRENT ASSETS		
I. INTANGIBLE ASSETS	-	-
II. TANGIBLE ASSETS	-	-
III. FINANCIAL ASSETS	-	-
C) CURRENT ASSETS		
I. INVENTORIES	-	-
II. RECEIVABLES	-	-
III. CURRENT FINANCIAL ASSETS	-	-
IV. CASH AND CASH EQUIVALENTS	-	-
D) ACCRUED INCOME AND PREPAID EXPENSES	-	-
<b>TOTAL ASSETS</b>	<b>1,394</b>	<b>1,394</b>



**Rai Corporation Canada****Balance Sheet - Liabilities** (in Canadian dollars)

	31.12.2009	31.12.2008
A) SHAREHOLDERS' EQUITY		
I. Capital	1,394	1,394
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>1,394</b>	<b>1,394</b>
B) PROVISIONS FOR RISKS AND CHARGES	-	-
C) PROVISION FOR STAFF SEVERANCE PAY	-	-
D) PAYABLES	-	-
E) ACCRUED EXPENSES AND DEFERRED INCOME	-	-
<b>TOTAL LIABILITIES</b>	<b>1,394</b>	<b>1,394</b>

**Rai Corporation Canada****Income Statement** (in Canadian dollars)

	31.12.2009	31.12.2008
A) PRODUCTION VALUE	-	-
B) PRODUCTION COSTS	-	-
C) FINANCIAL INCOME AND CHARGES	-	-
D) VALUE ADJUSTMENTS TO FINANCIAL ASSETS	-	-
E) EXCEPTIONAL INCOME AND CHARGES	-	-
22.- Current income taxes for the year, and deferred tax assets and liabilities	-	-
<b>23.- Net profit (loss) for the year</b>	<b>-</b>	<b>-</b>

## NewCo Rai International SpA

<b>Name:</b>	NewCo Rai International SpA
<b>Date of incorporation:</b>	28 February 2003
<b>Object:</b>	The company's objects are the production, co-production, total or partial purchase in any form or manner of radio and TV programmes, and the broadcasting and distribution abroad of these programmes, with any means, standard mode and system permitted by present-day or future technology, directly or through other Italian or foreign enterprises, for this purpose preparing and signing all necessary and appropriate deeds, negotiations, contracts and agreements with Italian and foreign legal and natural persons, public and private entities, in particular with RAI – Radiotelevisione Italiana SpA which is the concession-holder of the public service TV broadcasting, or its subsidiaries.
<b>Share capital:</b>	1,300,000 euros 1,300,000 shares of par value 1.00 euros each Rai 99.954%, Rai Trade 0.046%
<b>Employees:</b>	2 on permanent contracts
<b>Board of Directors</b>	
<b>Chairman:</b>	Pierluigi Malesani
<b>Deputy Chairman:</b>	(vacant office)
<b>Managing Director:</b>	Carlo Sartori
<b>Directors:</b>	Alessio Gorla Luca Balestrieri Pietro Badaloni
<b>Board of Statutory Auditors</b>	
<b>Chairman:</b>	Tiziano Onesti
<b>Statutory Auditors in office:</b>	Giuseppe De Rosa Mario Amicone
<b>Alternate Statutory Auditors:</b>	Antonio Falsetti Eugenio Quaglia

## NewCo Rai International SpA

## Balance Sheet - Assets (in euros)

	31.12.2009	31.12.2008
A) SUBSCRIBED CAPITAL UNPAID	-	-
B) NON-CURRENT ASSETS		
I. INTANGIBLE ASSETS		
Values gross of amortisation and writedowns	2,901,651	1,208,157
Amortisation and writedowns	(581,423)	(48,097)
<b>TOTAL INTANGIBLE ASSETS</b>	<b>2,320,228</b>	<b>1,160,060</b>
II. TANGIBLE ASSETS		
Values gross of depreciation and writedowns	34,120	991
Depreciations and writedowns	(3,610)	(99)
<b>TOTAL TANGIBLE ASSETS</b>	<b>30,510</b>	<b>892</b>
III. FINANCIAL ASSETS	-	-
<b>TOTAL NON-CURRENT ASSETS</b>	<b>2,350,738</b>	<b>1,160,952</b>
C) CURRENT ASSETS		
I. INVENTORIES	-	-
II. RECEIVABLES	3,312,689	1,575,424
<b>TOTAL RECEIVABLES</b>	<b>3,312,689</b>	<b>1,575,424</b>
III. CURRENT FINANCIAL ASSETS	-	-
IV. CASH AND CASH EQUIVALENTS	-	-
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>-</b>	<b>-</b>
<b>TOTAL CURRENT ASSETS</b>	<b>3,312,689</b>	<b>1,575,424</b>
D) ACCRUED INCOME AND PREPAID EXPENSES	14,912	4,650
<b>TOTAL ASSETS</b>	<b>5,678,339</b>	<b>2,741,026</b>

<b>NewCo Rai International SpA</b>		<b>Balance Sheet - Liabilities (in euros)</b>	
		<b>31.12.2009</b>	<b>31.12.2008</b>
A) SHAREHOLDERS' EQUITY			
I. Capital		1,300,000	500,000
VIII. Profits (losses) brought forward		-	395,576
IX. Net profit (loss) for the year		(1,700,721)	(559,314)
partial coverage of loss for the year		539,154	-
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>138,433</b>	<b>336,262</b>
B) PROVISIONS FOR RISKS AND CHARGES		32,117	-
<b>TOTAL PROVISIONS FOR RISKS AND CHARGES</b>		<b>32,117</b>	<b>-</b>
C) PROVISION FOR STAFF SEVERANCE PAY		2,253	393
D) PAYABLES		5,505,536	2,404,371
<b>TOTAL PAYABLES</b>		<b>5,505,536</b>	<b>2,404,371</b>
E) ACCRUED EXPENSES AND DEFERRED INCOME		-	-
<b>TOTAL LIABILITIES</b>		<b>5,678,339</b>	<b>2,741,026</b>

<b>NewCo Rai International SpA</b>		<b>Memorandum accounts (in euros)</b>	
		<b>31.12.2009</b>	<b>31.12.2008</b>
4.- Others		230,768	561,114
<b>TOTAL MEMORANDUM ACCOUNTS</b>		<b>230,768</b>	<b>561,114</b>

## NewCo Rai International SpA

## Income Statement (in euros)

	31.12.2009	31.12.2008
<b>A) PRODUCTION VALUE</b>		
1.- Revenues from sales and services	5,231,387	1,889,444
5.- Other production-related income		
c) other	95,088	110
Total other production-related income	95,088	110
<b>TOTAL PRODUCTION VALUE</b>	<b>5,326,475</b>	<b>1,889,554</b>
<b>B) PRODUCTION COSTS</b>		
6.- Raw materials, supplies, consumables and merchandise	(34,541)	(5,182)
7.- Services	(4,510,346)	(2,001,664)
8.- Use of third-party assets	(121,132)	(101,387)
9.- Personnel		
a) wages and salaries	(57,193)	(6,839)
b) social security contributions	(37,441)	(2,234)
c) staff severance pay provision	(3,208)	(393)
Total for personnel	(97,842)	(9,466)
10.- Amortisation, depreciation and writedowns		
a) amortisation of intangible assets	(536,838)	(26,665)
b) depreciation of tangible assets	(1,529,600)	-
Total amortisation, depreciation and writedowns	(2,066,438)	(26,665)
12.- Provisions for risks	(32,117)	-
14.- Other operating costs	(83,352)	(204,623)
<b>TOTAL PRODUCTION COSTS</b>	<b>(6,945,768)</b>	<b>(2,348,987)</b>
<b>Difference between production values and costs (A-B)</b>	<b>(1,619,293)</b>	<b>(459,433)</b>
<b>C) FINANCIAL INCOME AND CHARGES</b>		
16.- Other financial income		
d) financial income other than the above		
. interest and commissions from parent companies	-	2,294
Total financial income other than the above	-	2,294
Total other financial income	-	2,294
17.- Interest and other financial charges		
c) interest and commissions payable to parent companies	(49,687)	(8,747)
d) interest and commissions payable to others and miscellaneous charges	(122)	(152)
Total interest and other financial charges	(49,809)	(8,899)
17bis.- Foreign exchange gains and losses	1,278	93
<b>TOTAL FINANCIAL INCOME AND CHARGES</b>	<b>(48,531)</b>	<b>(6,512)</b>
D) VALUE ADJUSTMENTS TO FINANCIAL ASSETS	-	-
E) EXCEPTIONAL INCOME AND CHARGES	-	-
<b>Result before taxes (A-B+/-C+/-D+/-E)</b>	<b>(1,667,824)</b>	<b>(465,945)</b>
22.- Current income taxes for the year, and deferred tax assets and liabilities	(32,897)	(93,369)
<b>23.- Net profit (loss) for the year</b>	<b>(1,700,721)</b>	<b>(559,314)</b>

## RaiNet SpA

<b>Name:</b>	RaiNet SpA
<b>Date of incorporation:</b>	23 June 1999
<b>Object:</b>	The company's objects are the production, distribution and sale of interactive and multimedia products and services for any media platform, making no distinction as to the distribution means, directed to private customers, business customers, the public administration and other authorities; the organisation and sale of third parties' products and services of the kind stated above; the organisation, production and distribution of any kind of product and service that is economically relevant to the development of the Internet and of other interactive services.
<b>Share capital:</b>	5,160,000 euros 1,000,000 shares of par value 5.16 euros each Rai 99.9%, Rai Trade 0.1%.
<b>Employees:</b>	45 on permanent contracts 20 on fixed-term contracts
<b>Consiglio di Amministrazione</b>	
<b>Chairman:</b>	Giampaolo Rossi
<b>Deputy Chairman:</b>	(vacant office)
<b>Managing Director:</b>	Pietro Gaffuri
<b>Directors:</b>	Alessio Gorla Fabio Belli Silvia Calandrelli
<b>Board Secretary:</b>	Felice Ventura
<b>Board of Statutory Auditors</b>	
<b>Chairman:</b>	Guido Tronconi
<b>Statutory Auditors in office:</b>	Antonio Falsetti Enrico Laghi
<b>Alternate Statutory Auditors:</b>	Francesco Mariani Maria Eugenia Palombo

<b>RaiNet SpA</b>	<b>Balance Sheet - Assets (in euros)</b>	
	<b>31.12.2009</b>	<b>31.12.2008</b>
A) SUBSCRIBED CAPITAL UNPAID	-	-
B) NON-CURRENT ASSETS		
I. INTANGIBLE ASSETS		
3.- Industrial patents and intellectual property rights	147,481	137,786
<b>TOTAL INTANGIBLE ASSETS</b>	<b>147,481</b>	<b>137,786</b>
II. TANGIBLE ASSETS		
2. Plant and machinery	92,028	95,457
3.- Industrial and sales equipment	843	3,579
4.- Other tangible assets	1,005,980	1,043,532
5.- Tangible assets under construction and payments on account	-	150
<b>TOTAL TANGIBLE ASSETS</b>	<b>1,098,851</b>	<b>1,142,718</b>
III. FINANCIAL ASSETS	-	-
<b>TOTAL NON-CURRENT ASSETS</b>	<b>1,246,332</b>	<b>1,280,504</b>
C) CURRENT ASSETS		
I. INVENTORIES	-	-
II. RECEIVABLES		
1.- Customers	1,609,598	1,569,189
4.- Parent companies	11,388,529	14,712,677
4.bis- Tax receivables	744	12,374
5.- Others	43,033	32,430
<b>TOTAL RECEIVABLES</b>	<b>13,041,904</b>	<b>16,326,670</b>
III. CURRENT FINANCIAL ASSETS	-	-
IV. CASH AND CASH EQUIVALENTS	-	-
<b>TOTAL CURRENT ASSETS</b>	<b>13,041,904</b>	<b>16,326,670</b>
D) ACCRUED INCOME AND PREPAID EXPENSES	243,560	361,150
<b>TOTAL ASSETS</b>	<b>14,531,796</b>	<b>17,968,324</b>



**RaiNet SpA****Balance Sheet - Liabilities (in euros)**

	31.12.2009	31.12.2008
A) SHAREHOLDERS' EQUITY		
I. Capital	5,160,000	5,160,000
IV. Legal reserve	212,333	131,025
VII. Other reserves	9	-
VIII. Profits (losses) brought forward	1,072,889	1,028,045
IX. Net profit (loss) for the year	1,621,480	1,626,161
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>8,066,711</b>	<b>7,945,231</b>
B) PROVISIONS FOR RISKS AND CHARGES		
3.- Others	1,011,095	990,736
<b>TOTAL PROVISIONS FOR RISKS AND CHARGES</b>	<b>1,011,095</b>	<b>990,736</b>
C) PROVISION FOR STAFF SEVERANCE PAY	526,576	548,592
D) PAYABLES		
7.- Suppliers	3,306,383	3,179,836
11.- Parent companies	1,042,530	4,666,938
12.- Tax payables	111,583	99,231
13.- Welfare social security institutions	175,418	146,065
14.- Others payables	291,500	315,148
<b>TOTAL PAYABLES</b>	<b>4,927,414</b>	<b>8,407,218</b>
E) ACCRUED EXPENSES AND DEFERRED INCOME	-	76,547
<b>TOTAL LIABILITIES</b>	<b>14,531,796</b>	<b>17,968,324</b>

**RaiNet SpA****Memorandum accounts (in euros)**

	31.12.2009	31.12.2008
4.- Others	382,812	5,500
<b>TOTAL MEMORANDUM ACCOUNTS</b>	<b>382,812</b>	<b>5,500</b>

## RaiNet SpA

## Income Statement (in euros)

	31.12.2009	31.12.2008
<b>A) PRODUCTION VALUE</b>		
1.- Revenues from sales and services	15,508,552	15,263,359
5.- Other production-related income		
c) other	348,414	461,886
Total other production-related income	348,414	461,886
<b>TOTAL PRODUCTION VALUE</b>	<b>15,856,966</b>	<b>15,725,245</b>
<b>B) PRODUCTION COSTS</b>		
6.- Raw materials, supplies, consumables and merchandise	(120,988)	(98,736)
7.- Services	(9,059,584)	(9,145,412)
8.- Use of third-party assets	(313,329)	(117,144)
9.- Personnel		
a) wages and salaries	(2,595,286)	(2,829,462)
b) social security contributions	(748,826)	(780,866)
c) staff severance pay provision	(183,386)	(197,774)
d) pension and similar costs	(50,589)	(51,788)
e) other costs	(29,406)	(113,000)
Total for personnel	(3,607,493)	(3,972,890)
10.- Amortisation, depreciation and writedowns		
a) amortisation of intangible assets	(120,171)	(96,735)
b) depreciation of tangible assets	(424,633)	(385,023)
d) writedowns of current receivables, cash and cash equivalents	(129,883)	(70,000)
Total amortisation, depreciation and writedowns	(674,687)	(551,758)
12.- Provisions for risks	(92,742)	(25,000)
13.- Other provisions	-	(4,000)
14.- Other operating costs		
a) losses on disposal	(6,545)	-
c) other	(161,114)	(97,760)
Total miscellaneous operating costs	(167,659)	(97,760)
<b>TOTAL PRODUCTION COSTS</b>	<b>(14,036,482)</b>	<b>(14,012,700)</b>
<b>Difference between production values and costs (A-B)</b>	<b>1,820,484</b>	<b>1,712,545</b>
<b>C) FINANCIAL INCOME AND CHARGES</b>		
16.- Other financial income		
d) financial income other than the above		
. interest and commissions from parent companies	53,079	225,301
Total financial income other than the above	53,079	225,301
Total other financial income	53,079	225,301
17.- Interest and other financial charges		
c) interest and commissions payable to parent companies	-	(111)
d) interest and commissions payable to others and miscellaneous charges	(380)	(353)
Total interest and other financial charges	(380)	(464)
17bis.- Foreign exchange gains and losses	(2,354)	9
<b>TOTAL FINANCIAL INCOME AND CHARGES</b>	<b>50,345</b>	<b>224,846</b>
<b>D) VALUE ADJUSTMENTS TO FINANCIAL ASSETS</b>	-	-
<b>E) EXCEPTIONAL INCOME AND CHARGES</b>		
20.- Income		
b) out-of-period gains and reversal of non-existent liabilities	14,256	18,171
Total income	14,256	18,171
21.- Charges		
c) other	(17,605)	(68,401)
Total expense	(17,605)	(68,401)
<b>TOTAL EXCEPTIONAL INCOME AND CHARGES</b>	<b>(3,349)</b>	<b>(50,230)</b>
<b>Result before taxes (A-B+/-C+/-D+/-E)</b>	<b>1,867,480</b>	<b>1,887,161</b>
22.- Current income taxes for the year, and deferred tax assets and liabilities	(246,000)	(261,000)
23.- Net profit (loss) for the year	1,621,480	1,626,161

## RaiSat SpA

<b>Name:</b>	RaiSat SpA
<b>Date of incorporation:</b>	29 July 1998
<b>Object:</b>	The company's objects are the creation of TV and audio theme channels, events, on-line multimedia products, also by means of purchase from third parties production services and rights on audiovisual products (movies, cartoons, entertainment, documentaries, news, sports events, cultural events, music events, etc) and their inclusion in programmes to be distributed on free and pay channels.
<b>Share capital:</b>	2,585,000 euros 500,000 shares of par value 5.17 euros each Rai 94.9%; Rai Trade 0.1%; minorities 5.0%
<b>Employees:</b>	77 on permanent contracts 12 on fixed-term contracts
<b>Board of Directors</b>	
<b>Chairman:</b>	Carlo Freccero
<b>Deputy Chairman:</b>	Pasquale D'Alessandro
<b>Managing Director:</b>	Lorenzo Vecchione
<b>Directors:</b>	Fabio Belli Giancarlo Leone Giorgio Cogliati Luca Balestrieri
<b>Board Secretary:</b>	Valentina Del Pezzo
<b>General Manager</b>	Giuseppe Gentili
<b>Board of Statutory Auditors</b>	
<b>Chairman:</b>	Paolo Germani
<b>Statutory Auditors in office:</b>	Antonino Parisi Roberto Munno
<b>Alternate Statutory Auditors:</b>	Antonio Santi Giovanni Naccarato

## RaiSat SpA

## Balance Sheet - Assets (in euros)

	31.12.2009	31.12.2008
A) SUBSCRIBED CAPITAL UNPAID	-	-
B) NON-CURRENT ASSETS		
I. INTANGIBLE ASSETS		
3.- Industrial patents and intellectual property rights	10,655,621	10,006,310
4.- Concessions, licences, trademarks and similar rights	13,799	39,382
6.- Intangible assets under development and payments on account	1,467,691	1,221,032
<b>TOTAL INTANGIBLE ASSETS</b>	<b>12,137,111</b>	<b>11,266,724</b>
II. TANGIBLE ASSETS		
2. Plant and machinery	72,325	83,043
3.- Industrial and sales equipment	11,053	22,822
4.- Other assets	22,313	31,410
<b>TOTAL TANGIBLE ASSETS</b>	<b>105,691</b>	<b>137,275</b>
III. FINANCIAL ASSETS		
2.- Receivables		
d) from others	11,505	11,505
Total receivables	11,505	11,505
<b>TOTAL NON-CURRENT FINANCIAL ASSETS</b>	<b>11,505</b>	<b>11,505</b>
<b>TOTAL NON-CURRENT ASSETS</b>	<b>12,254,307</b>	<b>11,415,504</b>
C) CURRENT ASSETS		
I. INVENTORIES		
4.- Finished goods and merchandise	-	58,385
<b>TOTAL INVENTORIES</b>	<b>-</b>	<b>58,385</b>
II. RECEIVABLES		
1.- Customers	7,387,133	18,589,397
4.- Parent companies	35,184,972	13,167,090
4.bis- Tax receivables	101,373	1,031
4.ter- Deferred tax assets		
. amounts due within one year	-	109,768
. amounts due after one year	-	454,072
5.- Others	115,603	104,893
<b>TOTAL RECEIVABLES</b>	<b>42,789,081</b>	<b>32,426,251</b>
III. CURRENT FINANCIAL ASSETS	-	-
IV. CASH AND CASH EQUIVALENTS		
3.- Cash and cash equivalents on hand	1,478	1,682
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>1,478</b>	<b>1,682</b>
<b>TOTAL CURRENT ASSETS</b>	<b>42,790,559</b>	<b>32,486,318</b>
D) ACCRUED INCOME AND PREPAID EXPENSES	201,504	597,065
<b>TOTAL ASSETS</b>	<b>55,246,370</b>	<b>44,498,887</b>

**RaiSat SpA****Balance Sheet - Liabilities (in euros)**

	31.12.2009	31.12.2008
A) SHAREHOLDERS' EQUITY		
I. Capital	2,585,000	2,585,000
IV. Legal reserve	639,187	639,187
VII. Other reserves	3,557,282	3,499,162
IX. Net profit (loss) for the year	5,149,703	6,958,121
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>11,931,172</b>	<b>13,681,470</b>
B) PROVISIONS FOR RISKS AND CHARGES		
1.- Provision for pension and similar liabilities	7,022	7,022
2.- Current and deferred taxes	8,159	8,510
3.- Others	1,856,883	1,684,142
<b>TOTAL PROVISIONS FOR RISKS AND CHARGES</b>	<b>1,872,064</b>	<b>1,699,674</b>
C) PROVISION FOR STAFF SEVERANCE PAY	826,223	907,627
D) PAYABLES		
7.- Suppliers	9,769,861	14,957,918
11.- Parent companies	28,863,311	10,802,715
12.- Tax payables	367,749	706,069
13.- Welfare and social security institutions	574,778	780,140
14.- Others payables	1,041,206	941,743
<b>TOTAL PAYABLES</b>	<b>40,616,905</b>	<b>28,188,585</b>
E) ACCRUED EXPENSES AND DEFERRED INCOME	6	21,531
<b>TOTAL LIABILITIES</b>	<b>55,246,370</b>	<b>44,498,887</b>

**RaiSat SpA****Memorandum accounts (in euros)**

	31.12.2009	31.12.2008
3.- Purchase and sale commitments	3,831,154	7,009,201
4.- Others	602,960	659,767
<b>TOTAL MEMORANDUM ACCOUNTS</b>	<b>4,434,114</b>	<b>7,668,968</b>

## RaiSat SpA

## Income Statement (in euros)

	31.12.2009	31.12.2008
<b>A) PRODUCTION VALUE</b>		
1.- Revenues from sales and services	63,152,508	71,490,735
2.- Changes in inventories of work in progress, semifinished and finished goods	(58,385)	-
5.- Other production-related income		
c) other	531,335	1,085,488
Total other production-related income	531,335	1,085,488
<b>TOTAL PRODUCTION VALUE</b>	<b>63,625,458</b>	<b>72,576,223</b>
<b>B) PRODUCTION COSTS</b>		
6.- Raw materials, supplies, consumables and merchandise	(120,600)	(223,606)
7.- Services	(21,438,368)	(27,073,759)
8.- Use of third-party assets	(9,132,343)	(12,358,892)
9.- Personnel		
a) wages and salaries	(4,658,453)	(5,058,214)
b) social security contributions	(1,467,985)	(1,771,709)
c) staff severance pay provision	(296,794)	(321,792)
d) pension and similar costs	(67,591)	(71,638)
e) other costs	(17,920)	(20,967)
Total for personnel	(6,508,743)	(7,244,320)
10.- Amortisation, depreciation and writedowns		
a) amortisation of intangible assets	(15,789,256)	(12,846,947)
b) depreciation of tangible assets	(61,707)	(62,735)
d) writedowns of current receivables, cash and cash equivalents	(39,119)	(94,935)
Total amortisation, depreciation and writedowns	(15,890,082)	(13,004,617)
12.- Provisions for risks	(172,741)	(324,055)
14.- Other operating costs		
c) other	(547,728)	(1,590,675)
Total miscellaneous operating costs	(547,728)	(1,590,675)
<b>TOTAL PRODUCTION COSTS</b>	<b>(53,810,605)</b>	<b>(61,819,924)</b>
<b>Difference between production values and costs (A-B)</b>	<b>9,814,853</b>	<b>10,756,299</b>
<b>C) FINANCIAL INCOME AND CHARGES</b>		
16.- Other financial income		
d) financial income other than the above		
. interest and commissions from parent companies	1,229	68,378
Total financial income other than the above	1,229	68,378
Total other financial income	1,229	68,378
17.- Interest and other financial charges		
c) interest and commissions payable to parent companies	(131,963)	(111,999)
d) interest and commissions payable to others and miscellaneous charges	(13,944)	(18,269)
Total interest and other financial charges	(145,907)	(130,268)
17bis.- Foreign exchange gains and losses	(201,153)	15,951
<b>TOTAL FINANCIAL INCOME AND CHARGES</b>	<b>(345,831)</b>	<b>(45,939)</b>
<b>D) VALUE ADJUSTMENTS TO FINANCIAL ASSETS</b>	-	-
<b>E) EXCEPTIONAL INCOME AND CHARGES</b>		
20.- Income		
b) out-of-period gains and reversal of non-existent liabilities	129,263	5,615
c) other	1	2
Total income	129,264	5,617
<b>TOTAL EXCEPTIONAL INCOME AND CHARGES</b>	<b>129,264</b>	<b>5,617</b>
<b>Result before taxes (A-B+/-C+/-D+/-E)</b>	<b>9,598,286</b>	<b>10,715,977</b>
22.- Current income taxes for the year, and deferred tax assets and liabilities	(4,448,583)	(3,757,856)
<b>23.- Net profit (loss) for the year</b>	<b>5,149,703</b>	<b>6,958,121</b>

## Rai Trade SpA

<b>Name:</b>	Rai Trade SpA
<b>Date of incorporation:</b>	27 June 1997
<b>Object:</b>	formerly NUOVA ERI - Edizioni RAI-Radiotelevisione Italiana SpA incorporated on 23 July 1987  The company's objects are the production and exchange, in Italy and abroad, of goods and services in connection with radio and TV programmes and their recording on any support material, audiovisual products with any content (e.g.: sports, movies, TV series, etc) and relevant usage rights; setting up and operation, in Italy and abroad, of publishing, printing, journalist industries (with the exception of newspapers in compliance with the provisions of Articles 18 and 19 of Law 416 of 6 August 1981 as subsequently amended), book, music, audiovisual, record industries and industries producing goods and services with any other technology as the media development may bring; the sale (wholesale, retail sale and by mail) of the relative products and the relative resultant and merchandising rights; the control and supervision of advertising on Rai networks.
<b>Share capital:</b>	8,000,000 euros 100,000 shares of par value 80 euros each Rai 100%
<b>Ownership:</b>	Immobiliare Editori Giornali Srl 1.75% Rai Cinema SpA 0.002322% RaiNet SpA 0.1% Rai Way SpA 0.00074% RaiSat SpA 0.1% NewCo Rai International SpA 0.046%
<b>Employees:</b>	90 on permanent contracts 7 on fixed-term contracts
<b>Board of Directors</b>	
<b>Chairman:</b>	Renato Parascandolo
<b>Deputy Chairman:</b>	Alba Calia
<b>Managing Director:</b>	Carlo Nardello
<b>Directors:</b>	Adriano Coni Barbara La Porta Scaramucci Giuseppe Pasciucco Michele Lo Foco
<b>Board Secretary:</b>	Marco Fioretti
<b>Board of Statutory Auditors</b>	
<b>Chairman:</b>	Carlo Cesare Gatto
<b>Statutory Auditors in office:</b>	Antonio Falsetti Nicola Ceconato
<b>Alternate Statutory Auditors:</b>	Mauro Liberatori Pier Luca Tabellini

## Rai Trade SpA

## Balance Sheet - Assets (in euros)

	31.12.2009	31.12.2008
A) SUBSCRIBED CAPITAL UNPAID	-	-
B) NON-CURRENT ASSETS		
I. INTANGIBLE ASSETS		
3.- Industrial patents and intellectual property rights	202,999	219,230
4.- Concessions, licences, trademarks and similar rights	91,809	93,692
6.- Intangible assets under development and payments on account	791,773	1,045,104
7.- Others	239,120	161,866
<b>TOTAL INTANGIBLE ASSETS</b>	<b>1,325,701</b>	<b>1,519,892</b>
II. TANGIBLE ASSETS		
2. Plant and machinery	685,945	615,017
4. Other tangible assets	277,845	328,267
<b>TOTAL TANGIBLE ASSETS</b>	<b>963,790</b>	<b>943,284</b>
III. FINANCIAL ASSETS		
1.- Equity investments in:		
d) other companies	31,438	32,406
Total equity investments	31,438	32,406
2.- Receivables		
d) from others		
. amounts due within one year	247,922	391,673
. amounts due after one year	39,520	81,396
Total receivables	287,442	473,069
<b>TOTAL NON-CURRENT FINANCIAL ASSETS</b>	<b>318,880</b>	<b>505,475</b>
<b>TOTAL NON-CURRENT ASSETS</b>	<b>2,608,371</b>	<b>2,968,651</b>
C) CURRENT ASSETS		
I. INVENTORIES		
3.- Contract work in progress	8,654	23,311
4.- Finished goods and merchandise	289,284	347,091
<b>TOTAL INVENTORIES</b>	<b>297,938</b>	<b>370,402</b>
II. RECEIVABLES		
1.- Customers		
. amounts due within one year	47,249,784	49,340,032
. amounts due after one year	-	157,500
4.- Parent companies	16,657,972	14,601,141
4.bis- Tax receivables	80,875	30,521
4.ter- Deferred tax assets		
. amounts due within one year	1,087,240	1,323,317
. amounts due after one year	136,111	140,398
5.- Others receivables		
. amounts due within one year	4,196,145	3,502,662
. amounts due after one year	775,000	1,750,000
<b>TOTAL RECEIVABLES</b>	<b>70,183,127</b>	<b>70,845,571</b>
III. CURRENT FINANCIAL ASSETS	-	-
IV. CASH AND CASH EQUIVALENTS		
1.- Bank and post office deposits	193	334
3.- Cash and cash equivalents on hand	6,999	8,455
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>7,192</b>	<b>8,789</b>
<b>TOTAL CURRENT ASSETS</b>	<b>70,488,257</b>	<b>71,224,762</b>
D) ACCRUED INCOME AND PREPAID EXPENSES	855,526	838,552
<b>TOTAL ASSETS</b>	<b>73,952,154</b>	<b>75,031,965</b>



**Rai Trade SpA****Balance Sheet - Liabilities** (in euros)

	31.12.2009	31.12.2008
A) SHAREHOLDERS' EQUITY		
I. Capital	8,000,000	8,000,000
IV. Legal reserve	1,600,000	1,600,000
VII. Other reserves	6,189,290	6,062,764
IX. Net profit (loss) for the year	2,375,221	2,626,529
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>18,164,511</b>	<b>18,289,293</b>
B) PROVISIONS FOR RISKS AND CHARGES		
3.- Others	5,678,687	5,290,795
<b>TOTAL PROVISIONS FOR RISKS AND CHARGES</b>	<b>5,678,687</b>	<b>5,290,795</b>
C) PROVISION FOR STAFF SEVERANCE PAY	1,843,413	1,907,638
D) PAYABLES		
6.- Advances	4,943,579	3,958,796
7.- Suppliers	28,888,861	25,641,469
11.- Parent companies	11,503,198	14,349,968
12.- Tax payables	406,703	275,374
13.- Welfare and social security institutions	384,118	380,555
14.- Others payables	2,139,084	4,938,077
<b>TOTAL PAYABLES</b>	<b>48,265,543</b>	<b>49,544,239</b>
E) ACCRUED EXPENSES AND DEFERRED INCOME	-	-
<b>TOTAL LIABILITIES</b>	<b>73,952,154</b>	<b>75,031,965</b>

**Rai Trade SpA****Memorandum accounts** (in euros)

	31.12.2009	31.12.2008
3.- Purchase and sale commitments	14,887,929	35,845,135
4.- Others	7,487,741	7,844,405
<b>TOTAL MEMORANDUM ACCOUNTS</b>	<b>22,375,670</b>	<b>43,689,540</b>

## Rai Trade SpA

## Income Statement (in euros)

	31.12.2009	31.12.2008
<b>A) PRODUCTION VALUE</b>		
1.- Revenues from sales and services	76,022,074	77,361,749
2.- Changes in inventories of work in progress, semifinished and finished goods	(57,807)	(255,938)
3.- Changes in work contracts in progress	(14,657)	408
5.- Other production-related income		
b) gains on disposal of assets	35	94
c) other	2,757,925	3,814,449
Total other production-related income	2,757,960	3,814,543
<b>TOTAL PRODUCTION VALUE</b>	<b>78,707,570</b>	<b>80,920,762</b>
<b>B) PRODUCTION COSTS</b>		
6.- Raw materials, supplies, consumables and merchandise	(579,243)	(692,418)
7.- Services	(39,824,893)	(42,234,679)
8.- Use of third-party assets	(12,707,641)	(11,060,074)
9.- Personnel		
a) wages and salaries	(4,529,843)	(4,490,440)
b) social security contributions	(1,428,642)	(1,423,409)
c) staff severance pay provision	(325,816)	(353,185)
d) pension and similar costs	(108,418)	(263,056)
e) other costs	(40,936)	(53,771)
Total for personnel	(6,433,655)	(6,583,861)
10.- Amortisation, depreciation and writedowns		
a) amortisation of intangible assets	(10,361,604)	(11,105,715)
b) depreciation of tangible assets	(350,476)	(339,174)
c) other non-current asset writedowns	(67,949)	(14,193)
d) writedowns of current receivables, cash and cash equivalents	(1,313,219)	(624,680)
Total amortisation, depreciation and writedowns	(12,093,248)	(12,083,762)
11.- Changes in inventories of raw materials, supplies, consumables and merchandise	-	(516)
12.- Provisions for risks	(671,635)	(521,000)
14.- Other operating costs		
c) other	(1,331,226)	(1,213,174)
Total miscellaneous operating costs	(1,331,226)	(1,213,174)
<b>TOTAL PRODUCTION COSTS</b>	<b>(73,641,541)</b>	<b>(74,389,484)</b>
<b>Difference between production values and costs (A-B)</b>	<b>5,066,029</b>	<b>6,531,278</b>
<b>C) FINANCIAL INCOME AND CHARGES</b>		
15.- Income from equity investments		
c) dividends from other companies	9,638	3,888
Total income for equity investments	9,638	3,888
16.- Other financial income		
d) financial income other than the above		
. interest and commissions from parent companies	55,920	306,028
. interest and commissions from others and miscellaneous income	16	25
Total financial income other than the above	55,936	306,053
Total other financial income	55,936	306,053
17.- Interest and other financial charges		
d) interest and commissions payable to others and miscellaneous charges	(18,944)	(18,952)
Total interest and other financial charges	(18,944)	(18,952)
17bis.- Foreign exchange gains and losses	(54,512)	120,647
<b>TOTAL FINANCIAL INCOME AND CHARGES</b>	<b>(7,882)</b>	<b>411,636</b>
<b>D) VALUE ADJUSTMENTS TO FINANCIAL ASSETS</b>		
18.- Revaluations		
b) of financial non-current assets other than equity investments	2,296	-
Total revaluations	2,296	-
19.- Writedowns		
a) of equity investments	(1,553)	-
b) of non-current securities other than equity investments	(295,410)	(1,018,976)
Total writedowns	(296,963)	(1,018,976)
<b>TOTAL VALUE ADJUSTMENTS TO FINANCIAL ASSETS</b>	<b>(294,667)</b>	<b>(1,018,976)</b>
<b>E) EXCEPTIONAL INCOME AND CHARGES</b>		
20.- Income		
b) out-of-period gains and reversal of non-existent liabilities	124,975	-
c) other	2	1
Total income	124,977	1
21.- Charges		
b) prior year taxes	(434)	(68,067)
Total expense	(434)	(68,067)
<b>TOTAL EXCEPTIONAL INCOME AND CHARGES</b>	<b>124,543</b>	<b>(68,066)</b>
<b>Result before taxes (A-B+/-C+/-D+/-E)</b>	<b>4,888,023</b>	<b>5,855,872</b>
22.- Current income taxes for the year, and deferred tax assets and liabilities	(2,512,802)	(3,229,343)
<b>23.- Net profit (loss) for the year</b>	<b>2,375,221</b>	<b>2,626,529</b>

## Rai Way SpA

<b>Name:</b>	Rai Way SpA
<b>Date of incorporation:</b>	29 July 1999
<b>Object:</b>	The company's objects are the design, development and maintenance of software and telecommunications networks, and the installation, implementation and management of these networks; the development and management of a commercial, distribution and assistance network aiming at the transmission, distribution and broadcasting of any kind of telecommunications services in the territory of the Republic of Italy, San Marino and the Vatican City of signals, sound and video programmes of Rai and its subsidiaries. The company's purpose also includes the provision of wireless infrastructure and relevant services to wireless operators, including the leasing of sites/antennas and co-leases, built-to-suit services, network programming and design, site research and purchase, site design and construction, network optimisation, infrastructure maintenance, network management and maintenance and relevant microwave or fibre transmission services.
<b>Share capital:</b>	70,176,000 euros 13,600,000 shares of par value 5.16 euros each Rai 99.99926 %, Rai Trade 0.00074%
<b>Employees:</b>	653 on permanent contracts 46 on fixed-term contracts
<b>Board of Directors</b>	
<b>Chairman:</b>	Francesco De Domenico
<b>Deputy Chairman:</b>	Franco Modugno
<b>Managing Director:</b>	Stefano Ciccotti
<b>Directors:</b>	Cesare Tullio Bossetti Giovanni Galoppi Luca Balestrieri Marco Zuppi
<b>Board Secretary:</b>	Corrado Bontempi (since 01/07/2009) (replacing Enrico Alfonsi who retired on 01/07/2009)
<b>General Manager</b>	Aldo Mancino
<b>Board of Statutory Auditors</b>	
<b>Chairman:</b>	Giulio Andreani
<b>Statutory Auditors in office:</b>	Maurizio Mancianti Pietro Pilello
<b>Alternate Statutory Auditors:</b>	Marcello Ronconi Roberto Munno

## Rai Way SpA

## Balance Sheet - Assets (in euros)

	31.12.2009	31.12.2008
A) SUBSCRIBED CAPITAL UNPAID	-	-
B) NON-CURRENT ASSETS		
I. INTANGIBLE ASSETS		
3.- Industrial patents and intellectual property rights	1,035,281	397,942
6.- Intangible assets under development and payments on account	4,228,267	2,973,316
7.- Others intangible assets	169,927	218,257
<b>TOTAL INTANGIBLE ASSETS</b>	<b>5,433,475</b>	<b>3,589,515</b>
II. TANGIBLE ASSETS		
1.- Land and buildings	40,449,169	41,862,527
2.- Plant and machinery	104,254,015	88,256,138
3.- Industrial and sales equipment	5,475,133	6,201,534
4.- Other tangible assets	382,655	141,029
5.- Tangible assets under construction and payments on account	78,719,957	57,555,068
<b>TOTAL TANGIBLE ASSETS</b>	<b>229,280,929</b>	<b>194,016,296</b>
III. FINANCIAL ASSETS		
2.- Receivables		
d) from others		
. amounts due within one year	-	64,853
. amounts due after one year	174,080	171,891
Total receivables	174,080	236,744
<b>TOTAL NON-CURRENT FINANCIAL ASSETS</b>	<b>174,080</b>	<b>236,744</b>
<b>TOTAL NON-CURRENT ASSETS</b>	<b>234,888,484</b>	<b>197,842,555</b>
C) CURRENT ASSETS		
I. INVENTORIES		
1.- Raw materials, supplies and consumables	1,638,789	1,865,494
3.- Contract work in progress	672,225	669,360
<b>TOTAL INVENTORIES</b>	<b>2,311,014</b>	<b>2,534,854</b>
II. RECEIVABLES		
1.- Customers	11,707,136	8,549,456
4.- Parent companies	66,544,553	54,131,594
4.bis- Tax receivables	321,758	310,295
4.ter- Deferred tax assets	1,520,872	1,713,234
5.- Others receivables	705,100	422,044
<b>TOTAL RECEIVABLES</b>	<b>80,799,419</b>	<b>65,126,623</b>
III. CURRENT FINANCIAL ASSETS	-	-
IV. CASH AND CASH EQUIVALENTS	-	-
<b>TOTAL CURRENT ASSETS</b>	<b>83,110,433</b>	<b>67,661,477</b>
D) ACCRUED INCOME AND PREPAID EXPENSES	907,417	909,074
<b>TOTAL ASSETS</b>	<b>318,906,334</b>	<b>266,413,106</b>

**Rai Way SpA****Balance Sheet - Liabilities** (in euros)

	31.12.2009	31.12.2008
A) SHAREHOLDERS' EQUITY		
I. Capital	70,176,000	70,176,000
IV. Legal reserve	3,418,612	2,431,612
VII. Other reserves	29,031,012	28,925,577
IX. Net profit (loss) for the year	15,032,506	19,724,436
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>117,658,130</b>	<b>121,257,625</b>
B) PROVISIONS FOR RISKS AND CHARGES		
1.- Provision for pension and similar liabilities	796,608	799,638
2.- Current and deferred taxes	1,013,705	1,034,326
3.- Others	16,269,484	17,846,851
<b>TOTAL PROVISIONS FOR RISKS AND CHARGES</b>	<b>18,079,797</b>	<b>19,680,815</b>
C) PROVISION FOR STAFF SEVERANCE PAY	22,566,869	22,927,215
D) PAYABLES		
7.- Suppliers	77,321,186	70,614,897
11.- Parent companies	69,017,772	15,468,405
12.- Tax payables	4,926,024	7,520,036
13.- Welfare and social security institutions	2,493,846	2,095,791
14.- Others payables	6,072,749	5,732,000
<b>TOTAL PAYABLES</b>	<b>159,831,577</b>	<b>101,431,129</b>
E) ACCRUED EXPENSES AND DEFERRED INCOME	769,961	1,116,322
<b>TOTAL LIABILITIES</b>	<b>318,906,334</b>	<b>266,413,106</b>

**Rai Way SpA****Memorandum accounts** (in euros)

	31.12.2009	31.12.2008
4.- Others	41,944,201	32,413,261
<b>TOTAL MEMORANDUM ACCOUNTS</b>	<b>41,944,201</b>	<b>32,413,261</b>

## Rai Way SpA

## Income Statement (in euros)

	31.12.2009	31.12.2008
<b>A) PRODUCTION VALUE</b>		
1.- Revenues from sales and services	204,679,988	194,576,964
3.- Changes in work contracts in progress	2,865	551,801
4.- Internal cost capitalisations	2,047,840	1,975,731
5.- Other production-related income		
a) operating grants	205,413	202,043
b) gains on disposal of assets	15,451	52
c) other	3,246,270	5,342,798
Total other production-related income	3,467,134	5,544,893
<b>TOTAL PRODUCTION VALUE</b>	<b>210,197,827</b>	<b>202,649,389</b>
<b>B) PRODUCTION COSTS</b>		
6.- Raw materials, supplies, consumables and merchandise	(2,329,133)	(2,787,335)
7.- Services	(46,156,829)	(46,626,055)
8.- Use of third-party assets	(42,111,756)	(39,133,828)
9.- Personnel		
a) wages and salaries	(35,082,892)	(35,203,805)
b) social security contributions	(9,604,725)	(9,358,286)
c) staff severance pay provision	(2,524,427)	(2,693,603)
d) pension and similar costs	(913,940)	(895,411)
e) other costs	(193,857)	(250,925)
Total for personnel	(48,319,841)	(48,402,030)
10.- Amortisation, depreciation and writedowns		
a) amortisation of intangible assets	(675,146)	(1,287,155)
b) depreciation of tangible assets	(38,430,773)	(33,793,400)
d) writedowns of current receivables, cash and cash equivalents	(164,000)	(160,000)
Total amortisation, depreciation and writedowns	(39,269,919)	(35,240,555)
11.- Changes in inventories of raw materials, supplies, consumables and merchandise	(226,705)	(322,508)
12.- Provisions for risks	(300,000)	(2,063,000)
13.- Other provisions	(2,020,000)	(662,147)
14.- Other operating costs		
a) capital losses on disposals	(160,403)	(179,218)
c) other	(3,726,474)	(4,438,803)
Total miscellaneous operating costs	(3,886,877)	(4,618,021)
<b>TOTAL PRODUCTION COSTS</b>	<b>(184,621,060)</b>	<b>(179,855,479)</b>
<b>Difference between production values and costs (A-B)</b>	<b>25,576,767</b>	<b>22,793,910</b>
<b>C) FINANCIAL INCOME AND EXPENSE</b>		
16.- Other financial income		
a) from non-current receivables		
. other	2,789	5,641
Total income from non-current receivables	2,789	5,641
d) financial income other than the above		
. interest and commissions from parent companies	-	38,579
. interest and commissions from others and miscellaneous income	6,872	2,772
Total financial income other than the above	6,872	41,351
Total other financial income	9,661	46,992
17.- Interest and other financial charges		
c) interest and commissions payable to parent companies	(522,246)	(586,567)
d) interest and commissions payable to others and miscellaneous charges	(90,920)	(81,784)
Total interest and other financial charges	(613,166)	(668,351)
17bis.- Foreign exchange gains and losses	(21,674)	3,600
<b>TOTAL FINANCIAL INCOME AND CHARGES</b>	<b>(625,179)</b>	<b>(617,759)</b>
<b>D) VALUE ADJUSTMENTS TO FINANCIAL ASSETS</b>	-	-
<b>E) EXCEPTIONAL INCOME AND CHARGES</b>		
20.- Income		
b) out-of-period gains and reversal of non-existent liabilities	409,812	243,515
Total income	409,812	243,515
21.- Charges		
e) other	-	(1,504,622)
Total expense	-	(1,504,622)
<b>TOTAL EXCEPTIONAL INCOME AND CHARGES</b>	<b>409,812</b>	<b>(1,261,107)</b>
<b>Result before taxes (A-B+/-C+/-D+/-E)</b>	<b>25,361,400</b>	<b>20,915,044</b>
22.- Current income taxes for the year and deferred tax charges and credits	(10,328,894)	(1,190,608)
<b>23.- Net profit (loss) for the year</b>	<b>15,032,506</b>	<b>19,724,436</b>

## Sacis SpA - Commerciale Iniziative Spettacolo

(in liquidation – resolution of 23 January 1998)

<b>Name:</b>	Sacis SpA - Commerciale Iniziative Spettacolo	
<b>Date of incorporation:</b>	4 June 1955	
<b>Object:</b>	The company's objects are to engage in activities pertinent to show business.	
<b>Share capital:</b>	102,000 euros 200,000 shares of par value 0.51 euros each Rai 100%	
<b>Employees:</b>	none	
<b>Liquidator:</b>	(until 6 May 2009) Eugenio Quaglia	(from 7 May 2009) Massimo Cappelli
<b>Board of Statutory Auditors:</b>		
<b>Chairman:</b>	Roberto Ascoli	
<b>Statutory Auditors in office:</b>	Michele Giura Francesco Mariani	
<b>Alternate Statutory Auditors:</b>	Paolo Saraceno Pier Giorgio Tomassetti	

**Sacis SpA****Balance Sheet - Assets (in euros)**

	31.12.2009	31.12.2008
A) SUBSCRIBED CAPITAL UNPAID	-	-
B) NON-CURRENT ASSETS		
I. INTANGIBLE ASSETS	-	-
II. TANGIBLE ASSETS	-	-
III. FINANCIAL ASSETS		
C) CURRENT ASSETS		
I. INVENTORIES	-	-
II. RECEIVABLES		
1.- Customers	-	10,329
4.- Parent companies	5,049,860	5,154,232
4.bis- Tax receivables	4,229	13,643
5.- Other receivables	-	1,446
<b>TOTAL RECEIVABLES</b>	<b>5,054,089</b>	<b>5,179,650</b>
III. CURRENT FINANCIAL ASSETS	-	-
IV. CASH AND CASH EQUIVALENTS		
3.- Cash and cash equivalents on hand	153	342
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>153</b>	<b>342</b>
<b>TOTAL CURRENT ASSETS</b>	<b>5,054,242</b>	<b>5,179,992</b>
D) ACCRUED INCOME AND PREPAID EXPENSES	-	-
<b>TOTAL ASSETS</b>	<b>5,054,242</b>	<b>5,179,992</b>



**Sacis SpA****Balance Sheet - Liabilities (in euros)**

	31.12.2009	31.12.2008
A) SHAREHOLDERS' EQUITY		
I. Capital	102,000	102,000
IV. Legal reserve	20,400	20,400
VII. Other reserves	4,486,037	1,774,866
IX. Net profit (loss) for the year	(16,581)	2,711,171
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>4,591,856</b>	<b>4,608,437</b>
B) PROVISIONS FOR RISKS AND CHARGES		
1.- Provision for pension and similar liabilities	-	1,115
3.- Others	429,937	490,469
<b>TOTAL PROVISIONS FOR RISKS AND CHARGES</b>	<b>429,937</b>	<b>491,584</b>
C) PROVISION FOR STAFF SEVERANCE PAY	-	-
D) PAYABLES		
7.- Suppliers	28,439	73,982
11.- Parent companies	4,010	-
12.- Tax payables	-	5,989
<b>TOTAL PAYABLES</b>	<b>32,449</b>	<b>79,971</b>
E) ACCRUED EXPENSES AND DEFERRED INCOME	-	-
<b>TOTAL LIABILITIES</b>	<b>5,054,242</b>	<b>5,179,992</b>

**Sacis SpA****Memorandum accounts (in euros)**

	31.12.2009	31.12.2008
4.- Others	-	1,529
<b>TOTAL MEMORANDUM ACCOUNTS</b>	<b>-</b>	<b>1,529</b>

**Sacis SpA****Income Statement** (in euros)

	31.12.2009	31.12.2008
A) PRODUCTION VALUE		
5.- Other production-related income		
c) other	60,533	2,853,615
Total other production-related income	60,533	2,853,615
<b>TOTAL PRODUCTION VALUE</b>	<b>60,533</b>	<b>2,853,615</b>
B) PRODUCTION COSTS		
6.- Raw materials, supplies, consumables and merchandise	(5)	-
7.- Services	(78,789)	(105,290)
8.- Use of third-party assets	(10,187)	(10,404)
14.- Other operating costs		
c) other	(26,219)	(22,051)
Total miscellaneous operating costs	(26,219)	(22,051)
<b>TOTAL PRODUCTION COSTS</b>	<b>(115,200)</b>	<b>(137,745)</b>
<b>Difference between production values and costs (A-B)</b>	<b>(54,667)</b>	<b>2,715,870</b>
C) FINANCIAL INCOME AND CHARGES		
17.- Interest and other financial charges		
d) interest and commissions payable to others and miscellaneous charges	(212)	(283)
Total interest and other financial charges	(212)	(283)
<b>TOTAL FINANCIAL INCOME AND CHARGES</b>	<b>(212)</b>	<b>(283)</b>
D) VALUE ADJUSTMENTS TO FINANCIAL ASSETS	-	-
E) EXCEPTIONAL INCOME AND CHARGES		
20.- Income		
b) out-of-period gains and reversal of non-existent liabilities	48,959	51,458
Total income	48,959	51,458
21.- Charges		
c) other	(10,661)	(55,874)
Total expense	(10,661)	(55,874)
<b>TOTAL EXCEPTIONAL INCOME AND CHARGES</b>	<b>38,298</b>	<b>(4,416)</b>
<b>Result before taxes (A-B+/-C+/-D+/-E)</b>	<b>(16,581)</b>	<b>2,711,171</b>
22.- Current income taxes for the year, and deferred tax assets and liabilities	-	-
<b>23.- Net profit (loss) for the year</b>	<b>(16,581)</b>	<b>2,711,171</b>

## Sipra SpA - Società Italiana Pubblicità per Azioni

<b>Name:</b>	Sipra – Società Italiana Pubblicità per Azioni
<b>Date of incorporation:</b>	09 April 1926
<b>Object:</b>	The company's objects are the acquisition and exploitation of any kind of advertising, specifically advertising through radio broadcasting stations; the acquisition of control or a share, both directly or indirectly, in the exploitation of any radio-electric application. The company may also acquire, grant and sell equity investments in similar companies, in accordance with Article 2361 of the Italian Civil Code and the limitations imposed by Law 103 of 14 April 1975, in any company provided that the Board of Directors believes it is in the interest of the Company. It may perform any commercial, industrial, financial, securities or real estate transactions, in order to pursue the company's objects.
<b>Share capital:</b>	10,000,000 euros 100,000 shares of par value 100 euros each Rai 100%
<b>Employees:</b>	434 on permanent contracts 16 on fixed-term contracts
<b>Board of Directors</b>	
<b>Chairman:</b>	Roberto Sergio
<b>Managing Director:</b>	Maurizio Braccialarghe (who resigned on 18 November 2009)
<b>Directors:</b>	Andrea Lorusso Caputi Fabio Belli Giuliana Del Bufalo
<b>Board Secretary:</b>	Laura Paschetto
<b>General Manager</b>	Aldo Reali
<b>Board of Statutory Auditors</b>	
<b>Chairman:</b>	Salvatore Randazzo
<b>Statutory Auditors in office:</b>	Marco Tani Pier Giorgio Tomassetti
<b>Alternate Statutory Auditors:</b>	Enrico Laghi Eugenio Quaglia

## Sipra SpA

## Balance Sheet - Assets (in euros)

	31.12.2009	31.12.2008
A) SUBSCRIBED CAPITAL UNPAID	-	-
B) NON-CURRENT ASSETS		
I. INTANGIBLE ASSETS		
6.- Intangible assets under development and payments on account	635,301	-
7.- Other intangible assets	2,165,495	2,088,297
<b>TOTAL INTANGIBLE ASSETS</b>	<b>2,800,796</b>	<b>2,088,297</b>
II. TANGIBLE ASSETS		
1.- Land and buildings	26,592,456	27,830,713
4.- Other assets	2,083,692	2,325,450
5.- Tangible assets under construction and payments on account	2,801,138	-
<b>TOTAL TANGIBLE ASSETS</b>	<b>31,477,286</b>	<b>30,156,163</b>
III. FINANCIAL ASSETS		
2.- Receivables		
d) from others	51,931	34,713
Total receivables	51,931	34,713
<b>TOTAL NON-CURRENT FINANCIAL ASSETS</b>	<b>51,931</b>	<b>34,713</b>
<b>TOTAL NON-CURRENT ASSETS</b>	<b>34,330,013</b>	<b>32,279,173</b>
C) CURRENT ASSETS		
I. INVENTORIES		
4.- Finished goods and merchandise	780,805	540,262
<b>TOTAL INVENTORIES</b>	<b>780,805</b>	<b>540,262</b>
II. RECEIVABLES		
1.- Customers	309,684,724	302,174,275
4.- Parent companies	34,446,847	33,378,786
4.bis- Tax receivables	188,571	165,114
4.ter- Deferred tax assets	1,332,396	1,037,814
5.- Other receivables	5,194,566	15,517,259
<b>TOTAL RECEIVABLES</b>	<b>350,847,104</b>	<b>352,273,248</b>
III. CURRENT FINANCIAL ASSETS	-	-
IV. CASH AND CASH EQUIVALENTS		
1.- Bank and post office deposits	38,832	60,385
3.- Cash and cash equivalents on hand	59,497	41,735
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>98,329</b>	<b>102,120</b>
<b>TOTAL CURRENT ASSETS</b>	<b>351,726,238</b>	<b>352,915,630</b>
D) ACCRUED INCOME AND PREPAID EXPENSES	969,435	1,636,565
<b>TOTAL ASSETS</b>	<b>387,025,686</b>	<b>386,831,368</b>

**Sipra SpA****Balance Sheet - Liabilities (in euros)**

	31.12.2009	31.12.2008
A) SHAREHOLDERS' EQUITY		
I. Capital	10,000,000	10,000,000
II. Share premium reserve	1,113,870	1,113,870
IV. Legal reserve	2,000,000	2,000,000
VII. Other reserves	12,252,818	11,738,290
IX. Net profit (loss) for the year	1,516,639	5,514,528
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>26,883,327</b>	<b>30,366,688</b>
B) PROVISIONS FOR RISKS AND CHARGES		
2.- Current and deferred taxes	358,768	387,496
3.- Others	8,484,191	8,152,925
<b>TOTAL PROVISIONS FOR RISKS AND CHARGES</b>	<b>8,842,959</b>	<b>8,540,421</b>
C) PROVISION FOR STAFF SEVERANCE PAY	7,356,382	8,014,309
D) PAYABLES		
6.- Advances	846,014	1,017,267
7.- Suppliers	12,409,002	11,433,091
11.- Parent companies	324,578,110	321,272,622
12.- Tax payables	949,813	1,028,105
13.- To social security institutions	2,041,176	2,059,032
14.- Others payables	2,644,288	2,632,051
<b>TOTAL PAYABLES</b>	<b>343,468,403</b>	<b>339,442,168</b>
E) ACCRUED EXPENSES AND DEFERRED INCOME	474,615	467,782
<b>TOTAL LIABILITIES</b>	<b>387,025,686</b>	<b>386,831,368</b>

**Sipra SpA****Memorandum accounts (in euros)**

	31.12.2009	31.12.2008
3.- Purchase and sale commitments	5,132,581	6,638,666
4.- Others	77,006,635	59,187,230
<b>TOTAL MEMORANDUM ACCOUNTS</b>	<b>82,139,216</b>	<b>65,825,896</b>

## Sipra SpA

## Income Statement (in euros)

	31.12.2009	31.12.2008
<b>A) PRODUCTION VALUE</b>		
1.- Revenues from sales and services	992,500,433	1,191,055,075
5.- Other production-related income		
b) gains on disposal of assets	10,982	4,648
c) other	6,814,722	6,542,158
Total other production-related income	6,825,704	6,546,806
<b>TOTAL PRODUCTION VALUE</b>	<b>999,326,137</b>	<b>1,197,601,881</b>
<b>B) PRODUCTION COSTS</b>		
6.- Raw materials, supplies, consumables and merchandise	(3,064,369)	(3,898,751)
7.- Services	(954,331,879)	(1,146,237,071)
8.- Use of third-party assets	(3,579,214)	(3,058,042)
9.- Personnel		
a) wages and salaries	(19,346,199)	(19,657,300)
b) social security contributions	(6,370,347)	(6,512,153)
c) staff severance pay provision	(1,484,586)	(1,600,430)
e) other costs	(1,097,337)	(1,076,069)
Total for personnel	(28,298,469)	(28,845,952)
10.- Amortisation, depreciation and writedowns		
a) amortisation of intangible assets	(1,939,713)	(1,732,466)
b) depreciation of tangible assets	(2,048,194)	(2,064,764)
d) writedowns of receivables carried as current assets and cash and cash equivalents	(1,500,000)	-
Total amortisation, depreciation and writedowns	(5,487,907)	(3,797,230)
11.- Changes in inventories of raw materials, supplies, consumables and merchandise	240,543	441,878
12.- Provisions for risks	(317,000)	(2,908,500)
13.- Other provisions	(78,098)	(88,658)
14.- Other operating costs		
a) capital losses on disposals	(317)	(2,631)
c) other	(2,101,698)	(1,913,245)
Total miscellaneous operating costs	(2,102,015)	(1,915,876)
<b>TOTAL PRODUCTION COSTS</b>	<b>(997,018,408)</b>	<b>(1,190,308,202)</b>
<b>Difference between production values and costs (A-B)</b>	<b>2,307,729</b>	<b>7,293,679</b>
<b>C) FINANCIAL INCOME AND CHARGES</b>		
16.- Other financial income		
a) from non-current receivables		
. other	384	294
Total income from non-current receivables	384	294
d) financial income other than the above		
. interest and commissions from parent companies	219,350	2,020,364
. interest and commissions from others and miscellaneous income	644,526	777,103
Total financial income other than the above	863,876	2,797,467
Total other financial income	864,260	2,797,761
17.- Interest and other financial charges		
c) interest and commissions payable to parent companies	(47,800)	(123,342)
d) interest and commissions payable to others and miscellaneous charges	(28,366)	(33,455)
Total interest and other financial charges	(76,166)	(156,797)
17bis.- Foreign exchange gains and losses	59	(2,308)
<b>TOTAL FINANCIAL INCOME AND CHARGES</b>	<b>788,153</b>	<b>2,638,656</b>
<b>D) VALUE ADJUSTMENTS TO FINANCIAL ASSETS</b>	-	-
<b>E) EXCEPTIONAL INCOME AND EXPENSE</b>		
20.- Income		
b) out-of-period gains and reversal of non-existent liabilities	307,289	3,679
c) other	545,496	384,350
Total income	852,785	388,029
21.- Charges		
c) prior-year charges and reversal of non-existent assets	(1,088)	(8,482)
Total charger	(1,088)	(8,482)
<b>TOTAL EXCEPTIONAL INCOME AND CHARGES</b>	<b>851,697</b>	<b>379,547</b>
<b>Result before taxes (A-B+/-C+/-D+/-E)</b>	<b>3,947,579</b>	<b>10,311,882</b>
22.- Current income taxes for the year and deferred tax charges and credits	(2,430,940)	(4,797,354)
<b>23.- Net profit (loss) for the year</b>	<b>1,516,639</b>	<b>5,514,528</b>

**Rai**



**Financial Statements  
of Associated Companies**  
(summary schedules)

## Audiradio Srl

<b>Date of incorporation:</b>	22 March 1996
<b>Object:</b>	The company engages in the objective and impartial measurement with appropriate, modern methodologies and systematic dissemination of Italian radio audience data for the national, regional and local levels for advertising purposes.
<b>Share Capital:</b>	258,000 euros
<b>Held by:</b>	Rai 30.23%, minorities 69.77%

## Auditel Srl

<b>Date of incorporation:</b>	03 July 1984
<b>Object:</b>	The company engages in the objective and impartial measurement with appropriate, modern methodologies and systematic dissemination of Italian television audience data for the national, regional and local levels for advertising purposes.
<b>Share Capital:</b>	300,000 euros
<b>Held by:</b>	Rai 33%, minorities 67%

## Euronews - Soci t  Anonyme

<b>Date of incorporation:</b>	30 June 1992
<b>Object:</b>	The company engages in multilanguage satellite news broadcasting.
<b>Share Capital:</b>	3,630,585 euros 242,039 shares of par value 15.00 euros each
<b>Held by:</b>	Rai 22.84%, minorities 77.16%.



## San Marino RTV SpA

<b>Date of incorporation:</b>	08 August 1991
<b>Object:</b>	The company operates the concession for radio and television broadcasting in the Republic of San Marino. More specifically, it engages in: the installation and operation of radio and television broadcasting equipment; the exclusive operation of radio broadcasting in the Republic of San Marino, which is a public interest service; the production and sale of radio and television programmes, the organisation of shows, sports events and cultural events, including in cooperation with the government, other agencies and companies operating in these sectors; any other activity considered useful to ensuring the cost efficiency of the radio and television broadcaster, provided that such activity is connected or instrumental to the business.
<b>Share Capital:</b>	516,460 euros 1,000 shares of par value 516.46 euros each
<b>Held by:</b>	Rai 50%; ERAS 50%

## Tivù Srl

<b>Date of incorporation:</b>	24 September 2008
<b>Object:</b>	The company engages in the following activities: promotion of the "Tivù" digital terrestrial platform and the "Tivù Sat" free digital satellite platform; the offer of services connected and/or instrumental to the digital terrestrial and satellite platforms; the development of every other activity necessary to allow the dissemination of digital terrestrial platform and the complementary satellite platform.
<b>Share Capital:</b>	1,000,000 euros
<b>Held by:</b>	Rai 48.25%; R.T.I. 48.25%; TI Media 3.5%

## Summary financial statements of Associated Companies

### Balance Sheet - Assets at 31.12.2009

	AUDIRADIO	AUDITEL	SAN MARINO RTV	EURONEWS	TIVÙ
SUBSCRIBED CAPITAL UNPAID	-	-	-	-	-
NON-CURRENT ASSETS					
Intangible assets	7,469	200,751	86,443	2,495,201	72,815
Tangible assets	16,906	98,505	258,626	4,870,332	78,683
Financial assets	850	31,284	8,149	207,408	-
CURRENT ASSETS					
Inventories	-	-	3,746	112,389	480
Receivables	248,036	1,168,758	5,020,524	24,172,314	2,382,823
Current financial assets	-	-	-	19,375,310	-
Cash and cash equivalents	4,134,849	1,223,119	1,812,192	2,200,912	553,149
ACCRUED INCOME AND PREPAID EXPENSES	5,282	33,168	66,521	1,277,208	28,293
<b>TOTAL ASSETS</b>	<b>4,413,392</b>	<b>2,755,585</b>	<b>7,256,201</b>	<b>54,711,074</b>	<b>3,116,243</b>

### Balance Sheet - Liabilities at 31.12.2009

	AUDIRADIO	AUDITEL	SAN MARINO RTV	EURONEWS	TIVÙ
SHAREHOLDERS' EQUITY					
Share capital, reserves and shareholder contributions to capital	1,034,944	1,147,326	5,798,354	15,111,614	989,211
Net profit (loss) for the year	90,730	109,006	8,048	1,285,348	165,084
PROVISIONS FOR RISKS AND CHARGES	-	-	137,500	3,344,506	1,032
PROMSION FOR STAFF SEVERANCE PAY	61,464	525,677	157,474	-	200
PAYABLES	3,225,514	973,576	1,091,276	34,356,279	1,960,489
ACCRUED EXPENSES AND DEFERRED INCOME	740	-	63,549	613,327	227
<b>TOTAL LIABILITIES</b>	<b>4,413,392</b>	<b>2,755,585</b>	<b>7,256,201</b>	<b>54,711,074</b>	<b>3,116,243</b>
MEMORANDUM ACCOUNTS	-	52,205,798	965,357	-	-

**Income Statement** at 31.12.2009

	AUDIRADIO	AUDITEL	SAN MARINO RTV	EURONEWS	TIVÙ
PRODUCTION VALUE	6,867,337	17,339,493	5,331,190	52,253,065	5,848,554
PRODUCTION COSTS	(6,734,594)	(17,259,641)	(5,380,306)	(51,268,871)	(5,593,562)
FINANCIAL INCOME AND CHARGES	25,680	132,937	56,685	(20,659)	10,598
VALUE ADJUSTMENTS TO FINANCIAL ASSETS	-	-	-	-	-
EXCEPTIONAL INCOME AND CHARGES	-	-	479	307,701	1
Income taxes for the year	(67,693)	(103,783)	-	14,112	(100,507)
<b>NET PROFIT (LOSS) FOR THE YEAR</b>	<b>90,730</b>	<b>109,006</b>	<b>8,048</b>	<b>1,285,348</b>	<b>165,084</b>



**Rai**



**Corporate Directory**

## Corporate Directory

### Management headquarters

Viale Mazzini, 14  
00195 Rome

Via Cernaia, 33  
10121 Turin

### Research

Corso Giambone, 68  
10135 Turin

### Radio production

Via Asiago, 10  
00195 Rome

### TV production

Largo Willy De Luca, 4  
00188 Rome

### Production

Corso Sempione, 27  
20145 Milan

### Production

Via Verdi, 16  
10124 Turin

### Production

Via Marconi, 9  
80125 Naples

### Valle d'Aosta

Loc. Grande Charriere, 70  
11020 Saint Christophe (AO)

### Liguria

Corso Europa, 125  
16132 Genoa

### Veneto

Palazzo Labia  
Campo San Geremia, 275  
30131 Venice

### Trento

Via F.lli Perini, 141  
38100 Trento

### Bolzano

Piazza Mazzini, 23  
39100 Bolzano

### Friuli Venezia Giulia

Via Fabio Severo, 7  
34133 Trieste

### Emilia Romagna

Viale della Fiera, 13  
40127 Bologna

### Toscana

Largo Alcide De Gasperi, 1  
50136 Florence

### Marche

Piazza della Repubblica, 1  
60131 Ancona

### Umbria

Via Masi, 2  
06121 Perugia

### Abruzzo

Via de Amicis, 29  
65123 Pescara

### Molise

Viale Principe di Piemonte, 59  
86100 Campobasso

### Calabria

Via G. Marconi  
87100 Cosenza

### Basilicata

Via dell'Edilizia, 2  
85100 Potenza

### Puglia

Via Dalmazia, 104  
70121 Bari

### Sicilia

Viale Strasburgo, 19  
90146 Palermo

### Sardegna

Viale Bonaria, 124  
09100 Cagliari

<b>Rai SpA</b>	Viale Mazzini, 14 00195 Rome Tel. 06.38781
<b>Rai Cinema SpA</b>	Piazza Adriana, 12 00193 - Rome Tel. 06.684701 info@raicinema.it
<b>01 Distribution Srl</b>	Piazza Adriana, 12 00193 - Rome Tel. 06.684701
<b>Rai Corporation</b>	32 Avenue of the Americas 25 <sup>th</sup> Floor New York - NY 10013 USA Tel. 001.212.468.2500
<b>Rai International SpA</b>	Viale Mazzini, 14 00195 - Rome Tel. 06.36869583
<b>RaiNet SpA</b>	Via Teulada, 66 00195 - Rome Tel. 06.38781 rai-net@rai.it
<b>RaiSat SpA</b>	Viale Mazzini, 14 00195 - Rome Tel. 06.68182754
<b>Rai Trade SpA</b>	Via Umberto Novaro, 18 00195 - Rome Tel. 06.374981 info@raitrade.it
<b>Rai Way SpA</b>	Via Teulada, 66 00195 - Rome Tel. 800.111.555 raiway@rai.it
<b>Sipra SpA</b>	Corso Bernardino Telesio, 25 10146 - Turin Tel. 011.7441111

## **RAI - Radiotelevisione italiana SpA**

### **Parent Company**

**Company name:** RAI - Radiotelevisione italiana SpA  
**Share capital:** 242,518,100.00 euros fully paid in  
**Registered office:** Viale Giuseppe Mazzini, 14 - 00195 Rome

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