

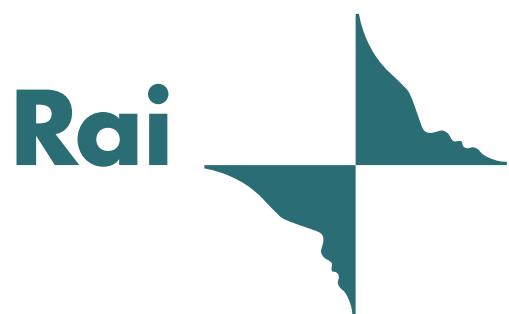


Rai

RAI GROUP

Reports

and financial statements **2008**



**Reports and financial statements
at 31.12.2008**



Rai



General contents

3	Corporate Bodies
5	Organizational Structure
7	Report on operations
13	Rai
23	Rai's offering
31	TV Division
59	Radio Division
69	New Media & DTT Division
77	Commercial Division
85	Broadcasting Division
89	Parent Company's financial and earnings position
105	Additional information
115	Recommendation to Shareholders
117	Rai SpA financial statements at 31 December 2008
185	Shareholders' Meeting
187	Consolidated financial statements of the Rai Group at 31 December 2008
267	Financial statements of Subsidiaries
323	Corporate Directory

Corporate Bodies

Board of Directors

(until 25 March 2009)

(from 26 March 2009)

Chairman

Claudio Petruccioli

Paolo Garimberti

Directors

Giovanna Bianchi Clerici
 Sandro Curzi ⁽¹⁾
 Gennaro Malgieri ⁽²⁾
 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

(until 31 December 2008)

(from 1 January 2009)

Secretary

Franco Di Loreto

Nicola Claudio

Statutory Auditors**Chairman**

Domenico Tudini

Regular auditors

Paolo Germani
 Gennaro Ferrara

Alternate auditors

Rosa Grimaccia
 Domenico Mastroianni

(until 1 April 2009)

(from 2 April 2009)

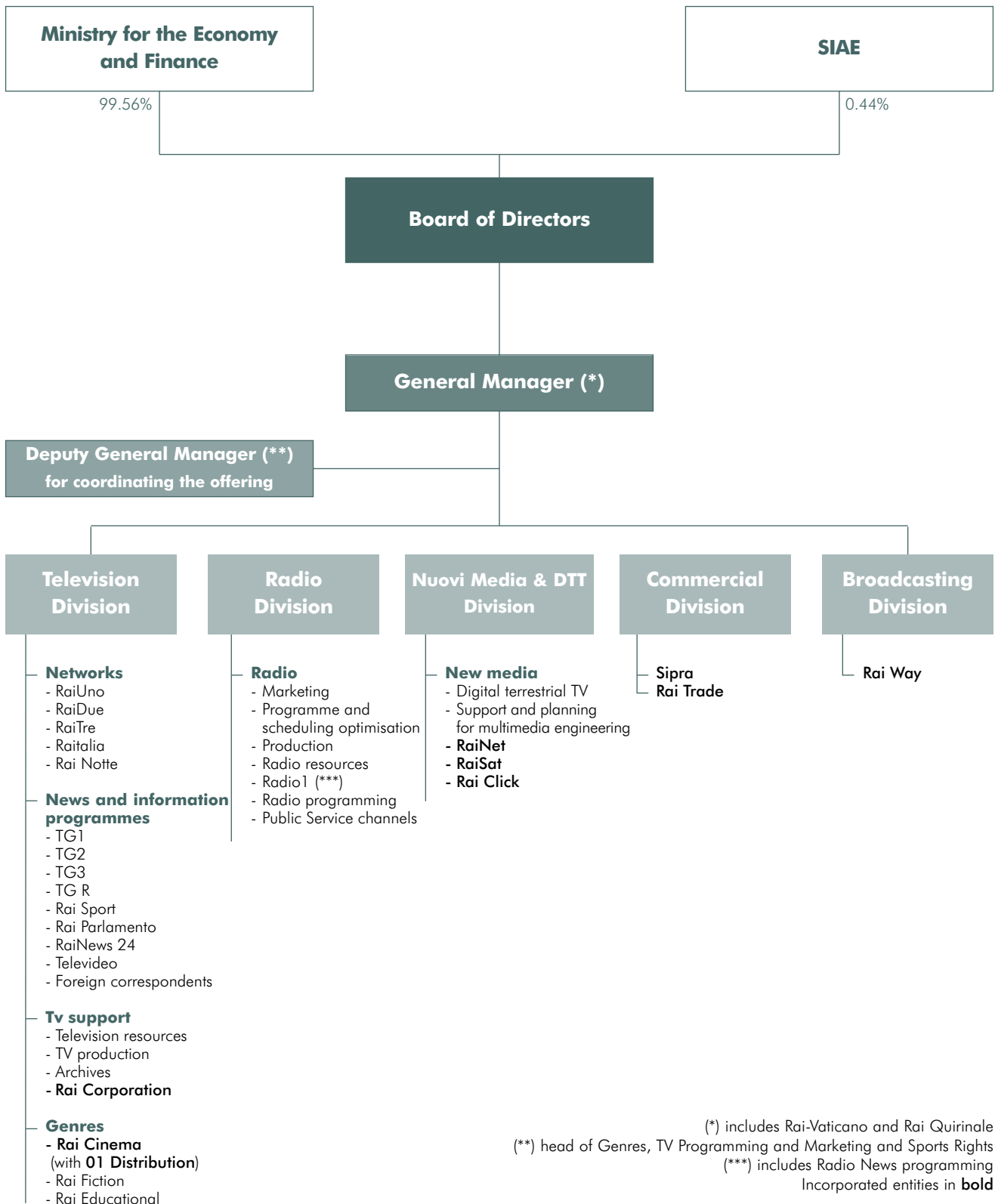
General Manager

Claudio Cappon

Mauro Masi

Independent auditorsPricewaterhouseCoopers ⁽³⁾⁽¹⁾ In office until 22 November 2008.⁽²⁾ In office until 25 September 2008.⁽³⁾ 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,

Rai posted a **loss of 7.1 million euros** (the Rai Parent Company recorded a loss of 37 million euros), with a **positive net financial position** both for Rai and for the Group (at 197 million euros and 21 million euros, respectively), despite a decline in comparison with the previous year.

The 2008 result is largely stable in relation to the final figures of the previous year which closed with a loss of 4.9 million euros, due to the following significant phenomena.

There was a significant drop in revenues from advertising: investments by advertisers highlighted a negative general trend in line with the performance of the economy: an increase in inflation during the first quarter, which slowed in the second quarter and then suffered an even more marked decline in the second half of the year, before collapsing altogether in the last quarter, with an estimate for the whole year drawn up by Nielsen highlighting a 2.8% contraction in the market in comparison to 2007.

The drop in advertising revenues for Rai came to over 40 million euros, despite benefits from income linked to the big sporting events that characterized summer programming (European Football Championships and the Olympics).

The whole decline was concentrated in the last three months of the year, as a consequence of the international financial recession triggered by the bankruptcy of Lehman Brothers last September.

The contraction of advertising revenues was offset by the rise in

revenues from licence fees, which was largely due to the increase in the per-unit licence fee, but was also aided by a rise in the number of subscribers. The number of subscribers increased by almost fifty thousand units, reaching a total of almost 16 million families.

In terms of costs, as in every 'even' year, the result was strongly influenced by expenses linked to big sporting events, which had an overall impact (including production costs) of about 180 million euros.

In overall terms, however, the performance of outside costs – net of big sporting events – remained stationary, at the same level as the previous year. This important result, considering the presence of additional charges to improve the offer of digital programmes, was achieved thanks to the continuation and strengthening of actions to increase the efficiency and rationalisation applied to all corporate areas.

The Income Statement also benefited from the containment of labour costs, largely stationary, at the same level as the previous year (+0.5% in consolidated terms). Expenses due to the renewal of contracts and the absence of welfare bonuses were, in fact, offset by efficient interventions on the variable components and by the effects of early retirement incentives implemented during the previous year and also confirmed in 2008.

In greater detail, as regards revenues, the cost of the individual licence fee for 2008 went up by 1.9% (from 104.00 to 106.00 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 2009, with a rise of 1.5 euros (to 107.50 euros).

The licence fee, which, despite recent increases continues to be the lowest in Europe for public broadcasting companies, also holds the negative record for particularly high tax evasion, estimated at around 25%, 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 have positive effects, not only on Rai, which would be aided in the pursuit of its mission as a Public Service, but also 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 2007 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 420 million euros, falling to about 160 million euros after the allocation of a share of the advertising revenue from the programming.

The international financial recession, which began in the United States and

then spread to the rest of the world, with the collapse of stock market indexes, has gradually affected the real economy, which was already showing signs of slowing down. The heavy repercussions, extended to all the main sectors of the economy, with a consequent rise in unemployment figures, have triggered a general drop in consumption.

The extent and depth of the recession have led the Governments of all countries to launch significant supporting plans, initially for the banks and secondly for the main industrial sectors.

In this context, the advertising market, already characterised by a general decline in the growth rates of the traditional compartments, closed 2008 with a decline of about 3%.

Due to the recession that hit the sector in the last quarter of 2008, traditional television advertising suffered a loss of 1.2%. The only media which have succeeded in maintaining a positive sign are the pay-TV satellite platform, Internet and, to a lesser extent, radio.

The aspect that best highlights the structural change of the market is the progressive decline of the advertising contacts issued, which has been further accentuated during this phase. This decline is even more consistent with regard to the commercial target, and is also affecting Rai's main rival, Mediaset.

The consistency of the figures and the gap in prospects between old and new media now leave no room for doubt: what seemed, until recently, way ahead in the future, has now become the market's present, the reality we have to face up to.

Within the space of a few years, viewers will find themselves projected into a multi-channel digital environment, in which general interest offerings and new theme or mini-generalist channels will compete on equal terms; advertising will follow the evolution of the offer, restructuring its allocation processes; the rights market will also be affected by this systemic change. Competition in general will gain increased importance, as will the competition between free and pay TV.

During this phase of transition in the television system, a leading role is played by the switchover to digital terrestrial television. DTT is the fulcrum, the privileged platform around which Rai is going to build the mission of the Public Service of the future.

2008 witnessed entry into a phase of acceleration and irreversibility, also due to important institutional decisions: the launch by the Italian Communications Authority of the frequency planning process, adhered to by enterprises, configuring a consensual mechanism to rationalise the spectrum and construction of the networks and the Government's implementation of the switch-off calendar by areas, with definite, close dates, such as to complete the process by 2012.

The switchover to DTT – as proven by Sardinia, Italy's first Region to 'go digital', from 31 October 2008 – requires a clear multi-channel positioning strategy. In this sense, Rai, with its 'bouquet' of 8 free channels for everyone, has proved that it can compete successfully, maintaining the shares of the general interest offering, with a clear increase in viewing figures for the digital channels.

During 2009, according to the calendar drawn up by the Government, the population of digital viewers will reach almost 17 million people, almost 30% of the Italian population. Consequently it is necessary to organize special measures in support of the development of the DTT platform, including the use of suitable communication campaigns.

In this framework and in order to build a platform with a strong and recognisable identity, Rai, together with the other national broadcasters (but also with the possibility for entry by associations of local broadcasters), has set up a company, called Tivù, which will develop - under a single brand - the services required for the best possible operation of the free digital terrestrial platform.

Moreover, for the territorially marginal areas, due to possible difficulties with reception, and therefore with a view to providing a complementary service in addition to broadcasting via the DTT networks, during 2009 Tivù will launch a free satellite platform which, for the public service concession holder, will also help with the fulfilment of the obligations imposed by the Institutions in relation to technological neutrality.

As mentioned earlier, Rai has already significantly innovated its free offering through digital terrestrial broadcasting, flanking the simulcast of the three general interest channels with three specially conceived channels: Rai Gulp, Rai Sport Più and, more recently, in July 2008, the highly successful Rai 4. Last, but not least, two satellite channels, Rai News 24 and the brand new Rai Storia, have been added in simulcast.

Each of the new free channels deserve a specific mention, because all of them are committed, successfully and within the context of a strategic unitary vision, to building the new face of the Public Service in the digital age.

These are channels aimed at audiences/themes prioritised by Rai and which will allow the strengthening of the trends towards change that are also influencing the general interest channels, which will retain their central role in the digital world.

Rai Gulp, the channel dedicated to children aged 4 to 10; **Rai Sport Più**, the channel that offers the broadest coverage of all sports, both big events and the 'minor' disciplines which are not guaranteed by the general interest channels; **Rai 4**, the channel for young adults aged 18 to 30, without age actually becoming a discriminating factor; **Rai News 24**, the public service news channel; **Rai Storia**, the educational channel which also benefits from the immense heritage of the Teche Rai.

The development of DTT does however require a consistent financial commitment, starting with the construction of the network infrastructure: a technical investment which will absorb resources for about 300 million euros in the space of just a few years, concentrated between 2009 and 2012.

Despite enjoying a healthy financial position and a good level of solidity with regard to capital, Rai will have to handle this consistent investment programme in an extremely critical market phase, with a very negative impact for Rai on the significant reduction of advertising income,

without the possibility to hazard any form of forecasting with regard to the duration.

In this difficult context, the initial indications for 2009 were laid down, according to a flexible, modular arrangement, in such a way as to be promptly adapted to suit the effective performance of the market, on the basis of challenging goals in terms of cost rationalisation, in order to minimise the impact of the recession.

These goals, shared by all areas of the Group, implicate the containing of programming costs, the reduction of investments in repeated utility products (television films and series) and the slowing down of the growth in personnel costs.

The audiovisual industry is facing an extremely turbulent period: the business model is radically changing; the number of players on the market is rising constantly, to an extent where they can determine role reversals and the inversion of hierarchies between incumbent and follower; the distribution of advertising resources will inevitably be influenced by the new balance which will be created.

As proven by the result of the past two years, Rai is well equipped to tackle these challenges. It has clearly identified the strengths and weaknesses of its competitive placement; it has irreversibly opted for the digital terrestrial platform for its broadcasts and has begun building an offering dedicated to DTT, destined to audiences which had shown a certain detachment from the public service general interest programming. This said, during 2008 it confirmed the strength of its general interest offering, remaining stationary at the levels of the previous year (44.1% of

the prime time share and 42.3% over the whole day), despite the ongoing migration of audiences to digital, with an accentuated advantage in terms of viewers over its main competitors. More recently, it has successfully extended its multiplatform vocation towards the Internet. The latter change, following those undertaken by the leading European broadcasters, has resulted in the debut of the new websites www.rai.it and www.rai.tv.

The Rai.it homepage can now be reprogrammed in terms of content and form by each individual user. The new website offers the chance to choose the contents to be displayed from 14 thematic boxes and decide how to position them on the page. A wide range of multimedia elements is available. A particularly significant item for those with an interest in the news being access – via Rai Notizie – to all information live and on demand.

Rai.tv: Rai live on the web. With 22 channels, double video quality and shorter info search times, Rai.tv expresses Rai's vision of the passage of television to the web.

The production and editorial efforts which Rai is about to make are important and cannot be deferred, despite the serious domestic and international economic situation which could justify a slowing down of the timing restrictions.

Rai has no intention of delaying the switch off calendar for the various areas as the uncertainty that this would generate for the project would be counterproductive for the whole industry and would only increase the success of the only rival platform, satellite pay TV.

However, Rai is convinced that the effort made to guarantee the nation an extensive multi-channel offering, free for everyone, forms a significant corporate project which, especially in this phase of recession, should be accompanied by a marked increase in public resources, both through tangible actions to combat tax evasion and with specific contributions in terms of investments.

In this context it also seems fundamental to guarantee Rai a clear legislative and regulatory framework which also clearly identifies the separation between the profile of managerial responsibility typical of the business activity and correlated risks, and the exercise of actions to direct, defend and protect the particular features of the Public Service.



Rai



Rai

- 14 **History**
- 14 **Mission**
- 16 **Service Contract**
- 17 **The television broadcasting market**
- 18 **Revenues**
- 19 **The regulatory framework**

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 become 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, 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;
- h) 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.

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; and the protection of minors, the elderly, and other groups in need of protection.

Service Contract

The Service Contract details the obligations established by Italian Law and, in certain cases, as allowed by said Law, establishes others.

The 2007-2009 Service Contract signed by Rai and the Italian Ministry of Communications on 5 April 2007, following the opinion released by the parliamentary commission for the general guidance and supervision of broadcasting services during the session on 14 February 2007, includes the following main changes:

- offering quality and public value (Article 3): the Contract introduces a new system of measuring quality objectives for the offering, which includes two instruments:
 1. a monitoring and analysis study concerning programming quality in terms of public value, which is able to verify user perceptions of the public service with regard to the individual aspects of the offering;
 2. a monitoring study into corporate reputation in terms of the company's ability to compete, to innovate and to increase its public service value in observance of the company's corporate and professional ethics and criteria of fairness and loyalty.

The Contract envisages the creation of a six-member scientific committee (with three members appointed by Rai, one by the National Users' Council (*Consiglio Nazionale degli Utenti*), one by the Italian Communications Authority and one by the Ministry of Communications, the latter of which shall act as committee chairman) responsible for defining the methods of operation, establishing the objectives to assign to Rai, monitoring results and carrying out assessments.
- Multimedia offering (Article 6): the Contract governs Rai's commitments in terms of defining a strategy for the development of programming production and broadcast rights on the various distribution platforms (digital terrestrial broadcasting, satellite, IPTV, mobile TV, Internet etc.) in line with its market position and its role as general public service broadcaster.
- Italian and European audio-visual products (Article 10): Rai is required to allocate at least 15% of its total annual revenues to investing in audio-visual programming produced in Italy and the rest of Europe. The two main changes from the previous contract are:
 1. financial figures of reference: in line with the provisions of the Consolidated Broadcasting Law, the minimum annual investment has gone from the previous 20% of licence fee revenues to 15% of total revenues, for an increase in absolute terms of around 140 million euros;
 2. scope of audio-visual products: for the purposes of fulfilling the quota, while the previous contract considered Rai's investments in film, television fiction, and cartoons, the current contract also includes broadcasts for the promotion of cinema and audio-visual products in general, as well as cultural broadcasts concerning live shows (theatre, dance, opera, prose, classical and easy-listening music).
- Public service information (Article 13): Rai is required to present a development project for the current Isoradio channel, aimed at defining the measures needed to broaden content for the various user segments and increase its timeliness, as well as to extend coverage of the radio broadcasting signal. The execution of the project is to be regulated by a specific convention between the Ministry of Communications, the Civil Protection Office of the Council of Ministers, and the concession holder. This convention must also define the measures needed to cover the concession holder's costs.
- Digital terrestrial broadcasting (Articles 21-27): the Contract defines the path – based on the provisions of EU and Italian legislation and in observance of the provisions approved by the various competent authorities – that Rai is required to follow in the broader transition from analogue to digital technology both directly and by participating in appropriate associations, consortiums, or companies with the other market players.
- Joint commission (Article 37): the Contract envisages the creation of an eight-member joint commission (with four members appointed by the Ministry of Communications and four by Rai) with the objective of defining, on the basis of current trends, the most effective operating procedures for applying and developing the activities and obligations outlined in the contract, as well as for ensuring that such activities and obligations are fulfilled.

The television broadcasting market

In recent years, the Italian television market has witnessed the launch and consolidation of the multi-channel platforms which have made structural changes to the competitive panorama and to the organization of the market.

Digital terrestrial broadcasting, which will have completely replaced traditional analogue broadcasts by 2012, took its first big step forward in 2008. In November, Sardinia became the first Italian region to be totally converted to digital broadcasting, enjoying the broadest offering among the main European countries. This region already has a much broader offering of digital terrestrial broadcasts than in the rest of Italy.

The new market configuration is characterized by broader articulation of the broadcasting and reception platforms and by the increase in competitive pressure at all levels: from the acquisition of production factors (rights, content and talents), to attention (viewing figures) and public expenditure (related mainly to forms of pay TV) through to revenue from advertising.

In terms of offering models, the most evident innovations concern the specialization of television channels, by means of focusing on targets and/or subjects, and the development of non-linear offerings, released from the typical logic of programming, comprising all video-on-demand services, as well as the new models of digital video recorders, such as My Sky for instance.

At the end of 2008, about 43% of households had digital television (satellite and terrestrial broadcasting), with this figure rising to 48% on an individual basis due to the increased possession by larger families with children.

Satellite is still the most popular platform, with almost 17.5 million potential viewers (31% of the total) and is characterized by the undisputed leadership of the Pay segment, in which Sky, with 4.6 million subscriber households, reaches almost 13 million people, meaning 22% of the population. Digital terrestrial broadcasting continues to grow, encouraged by the sales of televisions

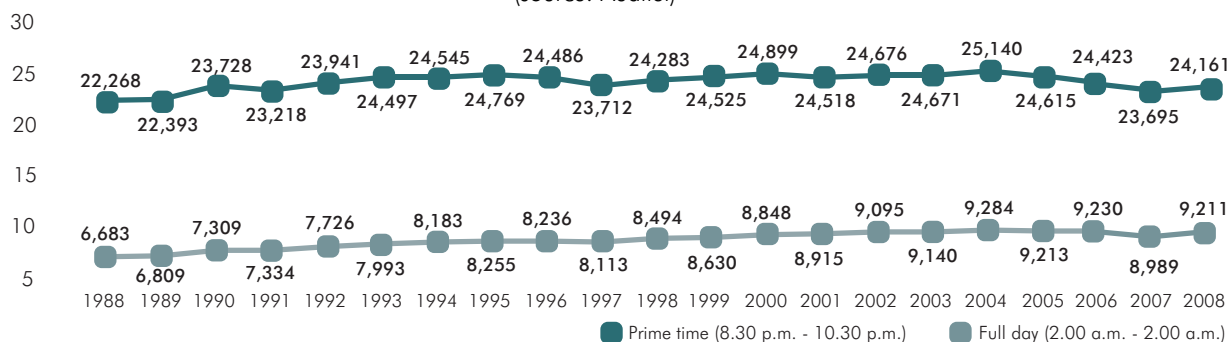
with built-in tuners and the aforementioned switch-off in Sardinia. At the end of 2008, this platform reached a user-base of about 14 million Italians, accounting for 25% of the total.

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 2008 about 22 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

Change in television audience
(source: Auditel)



of traditional operators (e.g., broadcasters) and new points of reference for users (phone companies, press publishers, portals, delivery platforms such as You Tube, distributors like Apple, channel aggregators like Joost, 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.

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 (+1.9%), 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 company to recover the entire effect of inflation within the Italian economy, it also fails to consider the significant pressure on production created by the 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 rate of evasion approaching 25%, 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 2008 was not characterized by significant legislative intervention concerning the broadcasting industry, unless we consider the promotion of the production and distribution of European programmes.

The production and distribution of European programmes

In compliance with Article 6 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, Teletext services, debates and television sales, to such European products.

This means that Italian television concession holders are required to reserve at least 10% of their broadcasting time, excluding that allocated to news, sport, TV quizzes, advertising, Teletext services, talk shows or television sales, to European programmes made by independent producers.

The general-interest public service concession holder reserves at least 20% of the appropriate time to these programmes.

Following the entry into force of Law no. 244 of 24 December 2007 (Budget Law 2008), which amended Article 44 of the Consolidated Broadcasting Law, television broadcasters, the suppliers of television content and of pay-per-view programmes have a further

obligation: not only must they continue to reserve at least 10% of their broadcasting time to European programmes (with Rai required to reserve at least 20% of its broadcasting time to such European programmes), these programmes must also have been produced within the last five years only.

To that end, we ought to point out that the Service Contract signed by Rai and the Ministry of Communications – which is now the Ministry for Economic Development – required Rai to broadcast European programmes for at least 20% of its broadcasting time, without referring to the specific fact that the programmes to be broadcast must have been produced within the last five years only.

The Service Contract for 2007-2009

With regard to the regulation of the sector, the concession holder's activity is regulated by the Service Contract for 2007 – 2009, stipulated on 5 April 2007.

In line with the provisions of Law 112/04, the Service Contract regulates the relationship between sources of discipline and the public service broadcaster.

While the Service Contract was previously linked to the contents identified in the concession access agreement, of which it was an integrative negotiating instrument (the service contract had been introduced by Law Decree 558/1993, which was never converted, but the effects of which were protected by Law 650/96, and was regulated by the Agreement between the Government and Rai dated 28 March 1994), in the current

regulatory system, it is provided for directly by the law which defines the articulation of the minimum content offered by the public service broadcaster, reserving the task of establishing further broadcasting obligations in relation to market development, technological progress and changing cultural, national and local requirements to the guidelines drawn up by the Italian Communications Authority and the Ministry of Communications.

The guidelines for the 2007-2009 Service Contract, issued in accordance with article 45, paragraph 4 of Legislative Decree 177 of 31 July 2005, with resolution 540/06/CONS, by the Authority in agreement with the Italian Ministry of Communications, fall into this setting.

With this provision, the Authority has identified the strategic aim of the public service mission as the quality of the offering, establishing that the programming of the various types of broadcasts, such as information, education and training, cultural promotion and social communication, be balanced across all time bands, including those with the highest viewing figures. The types of programmes which fall within the scope of Public Service have been identified in the guidelines, as information, social communication, education and training, Italian and European cultural promotion and children's programmes.

The guidelines assign the Service Contract the task of referring the single types of public service broadcast to the types of programme identified in the provision, recommending that the types be defined clearly and in detail so as to avoid confusion between them.

As far as children are concerned, the guidelines contain reference to Rai and its observance of the resolutions contained in the Code for the regulation of TV and minors and the recommendations and decisions made by the Committee responsible for the application of said Code. Remaining within this context, Rai is required, after consulting the Authority and the aforementioned Committee, to implement a visual signalling system to distinguish between programmes suitable for children, family viewing and adult only viewing.

In relation to the reception of programmes by people with sensorial disabilities, the Authority has decided to intervene, inviting Rai to take appropriate measures to increase the quality and quantity of news, cultural and informative programmes, broadcast during the various time bands, available to these users, also promoting technological research to facilitate access to the multimedia offering by disabled or sense-impaired people.

Also on the subject of public service broadcasting, interpreting the needs of many people who, due to Italy's orographic conformation, cannot receive the television signal on analogue terrestrial networks, the Authority has decided to guarantee all paid-up licence holders access to all Rai programmes broadcast on analogue networks, obliging the public service concession-holder to make the programmes broadcast on analogue networks available in decrypted form via satellite or cable. The technical methods used to achieve this are indicated in the Service Contract.

As regards technological innovation, the guidelines state that Rai must contribute significantly to the dissemination of new

technologies (digital terrestrial broadcasting, broadband, etc.), also developing further content for DTT.

Finally, the guidelines invite Rai to implement technical and economic management criteria such as to enable the achievement of aims in terms of corporate efficiency and rationalisation of the organizational system.

Digital Terrestrial Television

Between May 2006 and April 2007, the programme determined by resolution 163/06/CONS "Act of address - approval of a programme of initiatives aimed at promoting the rational use of broadcasting frequencies with a view towards the conversion to digital technology", was implemented.

This act of address defines, amongst other things, the need to update the regulation of digital terrestrial television in order to actually implement criteria which make the transfer of 40% of the broadcasting capacity envisaged by Law 66/2001 effective and substantial.

By implementing this provision, in order to favour pluralism and speed up the conversion to digital terrestrial broadcasting, and also to create the conditions for a high quality nationwide offering, the Authority has made provision for the allocation of 40% of the broadcast capacity of digital multiplexes of the national operators which have already completed their own networks.

Resolution 109/07/CONS amends the regulation of digital terrestrial broadcasting, pursuant to provision 435/01/CONS and subsequent amendments, and dictates the discipline of the allocation of 40% of the broadcast capacity of the digital terrestrial networks.

Subsequently, resolution 645/07/CONS approved the discipline regulating the performance of the selection procedure to identify those entitled to access the 40% of the broadcast capacity of the digital terrestrial networks.

The implementation of a competitive procedure assigned broadcasting capacity to independent broadcasters, national broadcasting companies which requested completion of the coverage of their networks and local broadcasting companies lacking digital technology systems.

Finally, resolution 449/08/CONS, falling within the scope of the procedure to select those entitled to access the 40% of the broadcast capacity of the digital terrestrial networks, approved the classifications of those entitled to access the 40% of the broadcast capacity of the digital terrestrial networks.

Further regulatory provisions

With provision 159/08/CONS, in relation to the broadcasting services market for the broadcast of contents to the end user (market no. 18 of European Commission recommendation 2003/311/EC), the Italian Communications Authority identified the regulatory obligations, including those applicable to Rai, governing access to and the use of specific network resources by national broadcasters on analogue terrestrial frequencies who request such access and use, transparency obligations in relation to the economic and technical conditions regarding the supply of the services for access to their infrastructures, which are necessary in order to install and manage a broadcasting network, as well as obligations to avoid discrimination and for the separation of accounts.

Finally, we wish to highlight provision 200/08/CONS by the Authority, on the matter of the assignment of frequencies for the conversion of the television networks in the areas to digital technology, with particular regard to the launch of the procedures and the formation of the technical tables, as well as provision 506/08/CONS, in relation to the assignment of frequencies for digital broadcasting in the Autonomous Region of Valle d'Aosta in view of the switch-off.



Rai



Rai's offering



24 **Map of Rai's offering**

26 **Rai's offering**









28 **TV product performance**

Map of Rai's offering









Analogue terrestrial

32	Rai  Uno
34	Rai  Due
36	Rai  Tre
46	

Digital terrestrial

32	Rai  Uno
34	Rai  Due
36	Rai  Tre
73	
46	
73	Rai  Gulp
54	Rai  Edu
48	Rai  Sport <i>piu</i>
70	Rainterattiva
47	RAINEWS 24

Free satellite

32	Rai  Uno
34	Rai  Due
36	Rai  Tre
73	Rai  Gulp
54	Rai  Edu
55	
47	RAINEWS 24
48	Rai  Sport <i>piu</i>
27	






International offering

38	
38	Rai  Med
	Euro News

Pay satellite

72	
72	
72	
73	
73	
73	
82	
82	
82	

IPTV

32	Rai  Uno
34	Rai  Due
36	Rai  Tre
47	RAINEWS 24
48	Rai  Sport <i>piu</i>
74	Rai  Click

Radio

62	
64	
65	
67	
66	
66	
66	
66	

Mobile

32	
34	
36	
46	
47	
48	

Cinema

50	
50	
Internet	
75	
Home Video	
82	
50	

Programming

83	
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Rai News & Information

41	
42	
43	
44	
45	
46	
47	
48	
63	

Rai's offering

In line with the provisions of the new 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), Rai covers all the platforms in the Italian marketplace, consolidating its position as the most active Italian broadcaster in digital media.

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 two 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 2008 work continued on the redefinition of the offering parameter, which led to:

- the launch of **Rai Sport Più** in May, which replaced the previous channel Rai Sport Satellite, from which it differs in terms of programming and structure;
- the launch of the first High Definition broadcasts in certain areas of Italy in June, for the European Football Championships;
- the debut of **Rai 4**, a semi-general-interest channel aimed at young-adult audiences, in July.

The project was completed in February 2009 with the national launch of Rai Storia, a cultural channel produced by Rai Educational. At the end of this process, Rai's digital terrestrial offering available nationwide consisted in a total of eight free channels:

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

All this configures the broadest free offering available in Italy and among the main European countries, on a par with the BBC.

A new project and operational phase characterised by the launch of new channels and the repositioning of the existing general-interest and specialised channels will become active within the next few months. 2008 was also the year in which the switchover to digital broadcasting began, in compliance with the calendar drawn up by the Ministry of Economic Development which envisages progress on a regional basis, to be completed by 2012. The first region to complete the switchover to digital, in October, was Sardinia, becoming the biggest 'all-digital' area in the main European countries. Viewers in this region now have dozens more channels than they had with the

analogue terrestrial system. Despite the highly complex competitive scene in Sardinia, the Rai Group has increased its audience figures, thanks to the substantial stability of the general-interest channels and the considerable growth of the specialised networks, led mainly by Rai 4, which is the seventh channel in terms of number of viewers on a full-day basis.

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 during 2008, 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 will be launched during 2009 and will offer viewers the chance to access free digital channels via satellite.

For the satellite platform too, Rai is the Italian broadcaster with the broadest, most articulate offering, currently with fifteen television channels:

- the simulcast of the three general-interest channels RaiUno, RaiDue and RaiTre;
- the simulcast of four specialised channels broadcast on digital terrestrial, RaiNews24, Rai Gulp, Rai Sport Più and Rai Storia;
- two specialised channels available on satellite only: RaiEdu 1, an educational channel dedicated to schools of every level and type, and

Rai Italia, aimed at Italians abroad, which incorporates the programming of Rai Med for the Arab-speaking communities;

- six specialised pay channels operated by the associate Rai Sat, included in the basic package (RaiSat Extra, RaiSat Premium, RaiSat Yoyo, RaiSat Smash and RaiSat Gambero Rosso Channel) and the film package (RaiSat Cinema) on the Sky Italia platform.

These are joined by Euronews, an international information channel broadcast by a consortium of European public broadcasting companies including Rai, and the channels produced by the associate Rai Trade (the three pay channels dedicated to Juventus, Inter and Roma football clubs, as well as the free channel Supertennis).

Digital Internet protocol television (IPTV)

Iptv is another complementary broadcasting channel with respect to digital terrestrial television for Rai, offering a remarkable opportunity 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. This offering is currently undergoing redefinition and will be subject to extensive renewal and relaunch in the months to come.

Internet

Together with DTT, the web represents a central platform in Rai's programming

and industrial strategy, both in the light of the 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 has been recently renewed in terms of form and content, 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. In this sense, the launch of the new version of Rai.tv, the area which aggregates and simplifies access to all the multimedia contents of Rai's web offering, via an attractive and very functional interface, with excellent quality images, in line with the highest market standards, must be remembered.

Rai.tv also enables the user to link up to:

- live broadcasts of all the Group's radio channels and of seven free TV channels (RaiUno, RaiDue, RaiTre, Rai News 24, Rai Sport Più, Rai Storia and Rai Edu 1);
- theme-based channels (e.g.: Comedy, Fiction, Analysis, Kids, Music) packaged by combining current programming or programmes from the archives and original videos. the contents of these channels can be used on the basis of a pre-set sequence or in on-demand mode;
- contents for use on demand, consisting of recent programmes or those kept in the archives, in unabridged versions or 'excerpts', also proposed in high quality;
- contents for download in podcast mode;
- interactive sections through which it is possible to send personal contents in response to special web projects (e.g.: 'New Talents') or television programmes (e.g.: 'Il Tg 1 sei tu').

TV product performance

On an **average day** in 2008, characterised by the considerable growth of the digital satellite and terrestrial offering, the Rai Group consolidates its share of the market, showing an increase of 0.10% on its average daily share, compared with drop of -1.07% recorded by Mediaset.

This result is due to the good performance of RaiDue (+0.20% share), partly attributable to the Beijing Olympics, and also to the doubling of viewing figures recorded by Rai's digital networks ('Rai Digitale'), which have shot up from a share of 0.40% in 2007 to 0.82% in 2008.

These results offset the 0.51% decline of RaiUno, accompanied by the stability of the market share held by RaiTre (-0.01%).

The positive performance of Rai Digitale is mainly influenced by the launch of the new digital channel Rai 4, but the good viewing figures of the renewed Rai Sport Più recorded during the 2008 Olympics should not be overlooked.

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

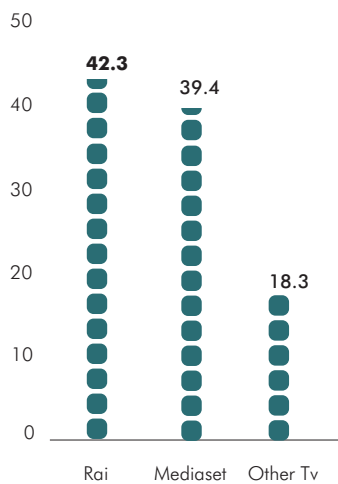
In more general terms, viewing figures for digital channels are occupying more and more space in the increasingly crowded and aggressive competitive scenario: excluding the Rai channels, 'Satellite TV' as a whole has increased its share by +0.58% compared with 2007, while 'Other Terrestrial TV' (local TV and DTT) have grown by 0.28%.

The Rai Group maintains the same result as last year for **Prime Time** (+0.01%). This result is based on the same factors highlighted for the average day: the decline by RaiUno (-0.61%) and, to a

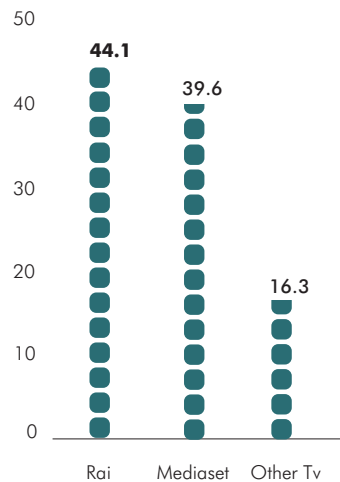
lesser extent, RaiTre (-0.09%), is offset by the good performance of RaiDue (+0.42%) and Rai Digitale (+0.29%). The market share of the Mediaset Group

has dropped (-1.09%), to the benefit of the 'Satellite TVs' (+0.47% share), 'Other terrestrial TVs' (+0.30%) and La 7 (+0.32%).

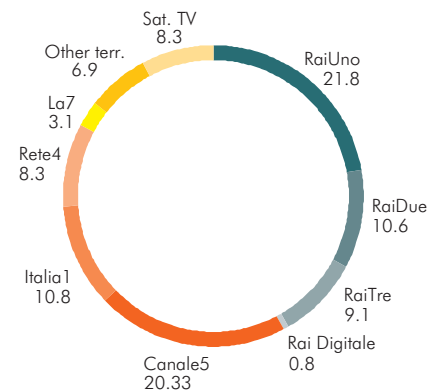
Average daily share
(source: Auditel)



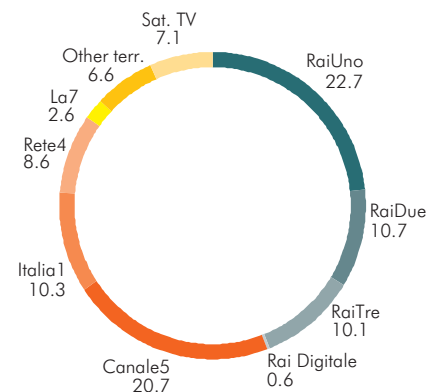
Prime time share
(source: Auditel)



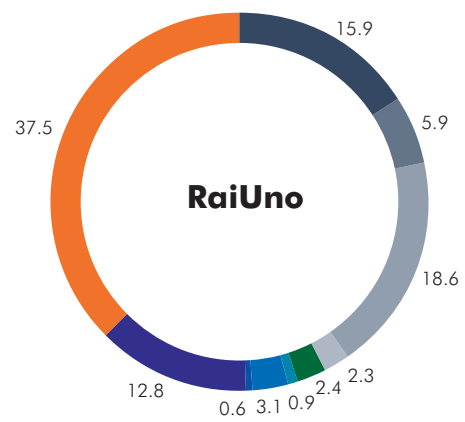
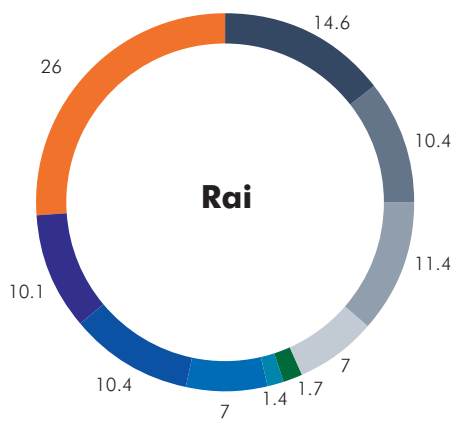
Average daily share by network
(source: Auditel)



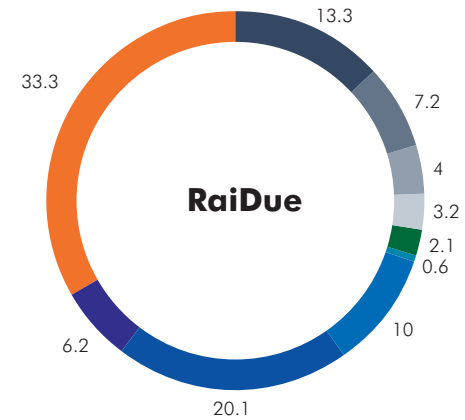
Prime time share by network
(source: Auditel)



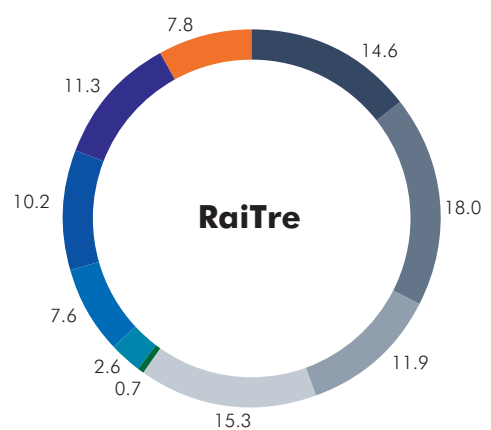
Television pogramming (analogue) by genre (6.00 a.m. to midnight time slot)
Children account for 11.6% of audience (7.00 a.m. to 10.30 p.m.)



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



	Public Services Genres	Other Genres
Rai Networks	74.0	26.0
RaiUno	62.5	37.5
RaiDue	66.7	33.3
RaiTre	92.2	7.8





Rai



TV Division

32 Networks

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

41 News & Information

- 41 Tg1
- 42 Tg2
- 43 Tg3
- 44 TgR
- 45 Rai Parlamento
- 46 Televideo
- 47 RaiNews 24
- 48 Rai Sport
- 49 Sports broadcasting rights

50 Genres

- 50 Rai Cinema
- 53 Rai Fiction
- 54 Rai Educational

56 Tv Support

- 56 Rai Teche
- 57 TV production



1



2

1. **Roberto Benigni**
reads the *Divine Comedy* in *Tuttodante*
2. **Carlo Conti**
in *I migliori anni*
3. **Antonella Clerici**
and the participants of *Ti lascio una canzone*
4. **Luca Zingaretti**
in the TV fiction series *Il Commissario Montalbano*
5. **Bruno Vespa**
celebrates the success of *Porta a Porta*



2008 was, for **RaiUno**, a year marked particularly by hard work and great investment, with the aim of strengthening and renewing its stocks of titles in two areas as fundamental as TV fiction series and entertainment, which now represent the heart of the network's offering.

Considering the difficulty experienced by RaiUno in offering classic genres such as purchased TV fiction series and films, the TV fiction series and entertainment are the areas in which it is possible to attempt to combine tradition and innovation, preserving those characteristics which are intrinsic to RaiUno's profile - such as the sense of warmth and affection - on one hand, and seeking new inspiration and ideas to portray the ever-changing world to viewers, on the other.

This operation, carried out during the twelve months of programming, witnessed the birth of new daytime and prime time entertainment products, and was also accompanied by the testing of new conditions. In terms of TV fiction series, there was a search for new forms of narration, capable of appealing to audiences also in the far from easy format of long-running serials.

The results in 2008 were already extremely positive and, more importantly, they are destined to stand the test of time, thus representing real strengths for the Company's future.

Alongside this fundamental line of programming development, RaiUno was also present at the appointment with

large-scale traditional events such as *Miss Italia* and *Sanremo*; and the channel also hosted the opening and closing of the unique event, *La Bibbia giorno e notte*. Finally, RaiUno devoted space to the 2008 European Football Championships.

Entertainment

Renewing the titles available for the fundamental genre of entertainment has become an unavoidable necessity and RaiUno made a dedicated commitment in this area, achieving excellent results, without ever losing sight of its reference audience and the need to maintain its leadership despite pursuing innovation.

Three new formats entered production, immediately showing alignment with the network's programming style and its traditional attention to the family target, with audience ratings above average for the whole system: *I migliori anni*, *Ti lascio una canzone* and *Tutti pazzi per la tele*.

21.8%

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

22.7%

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

In order to renew and strengthen the range of titles, it is also important to test new faces and possible new styles of approach to the public. With this in mind, in addition to the above-mentioned programmes, several new products were tested during the summer, some of which have already entered into production, with new presenters.

There were also some classic appointments capable of guaranteeing results, such as *Carramba* and *I raccomandati*.

TV fiction series

The driving force of RaiUno's highly successful TV fiction series is still capable of generating emotions, telling the stories of the everyday lives of famous people, as well as the incredible vicissitudes of the lives of ordinary mortals.

In the mini-series compartment, a significant role was played by the biographical format, spanning from great historical figures such as *Pope Paul VI* to great masters of art like *Caravaggio*, from adventurous minds such as *Einstein* to personalities who have characterised international habits and fashion like *Coco Chanel*; but ordinary stories capable of turning into fairytales also had fantastic results, as was the case of *Per una notte d'amore*.

Attention was devoted to bringing literary texts back to life on the small screen: from the new version of *Rebecca la prima moglie*, based on the successful romance by Daphne du Maurier adapted for the cinema by Hitchcock, to *I Vicerè* inspired by the work of Federico de Roberto, which is both a family saga and a glimpse of Italian history between the Risorgimento and unification of Italy.



3



4



5

Crowned by remarkable viewing figures came the long-awaited four new episodes of *Il commissario Montalbano*, which confirmed the powerful appeal of this series which has become one of the leading products in the whole European TV fiction series sector.

Long-running serials also enjoyed the arrival of new products, such as *Ho sposato uno sbirro* and *Tutti pazzi per amore*; the latter series succeeded in effectively combining themes dear to the public of RaiUno – such as personal relationships and the changing family – with a modern, lively language, capable of reaching a broader than usual audience, thus confirming the network's ability to innovate and experiment on the narrative front too.

Besides representing an ideal moment for testing new products, the summer season confirmed the traditional appointment with *Superquark* and with the outstanding informative experience of Piero Angela.

The mainstay of RaiUno's late evening analytical and informative programming was also confirmed with Bruno Vespa's *Porta a porta*; there was no lack of incursions into areas which are not easy for a general-interest network, such as education to the listening of great classical music, with an event like *Pierino e il lupo* (*Peter and the Wolf*) by Prokofiev, entrusted to the narrative skills of Roberto Benigni and the direction of a conductor of the prestige of Abbado. Benigni also continued his late evening appointment with *Tuttodante* in 2008; and cultured music played occupied another important space, thanks to the ten late night appointments with *Uto Ughi racconta la musica*.

Day Time

In the Monday-Friday day time programming too, the network gave out signs of continuity, confirming all the classic appointments of *Unomattina*, *Occhio alla spesa*, *La prova del cuoco*, *Festa italiana* and *La vita in diretta*, also showing a desire to experiment, testing the new morning format of *Verdetto finale*, which had excellent results and will undoubtedly be reused in the future.

Important innovations were also brought to the appointments that traditionally accompany the day of the RaiUno audience: one such case was *Festa italiana* which, no longer being broken down, gained a feeling of compactness and defined its own personal role, achieving higher viewing figures than in the past.

In the early evening and lead-up to prime time respectively, we saw *L'eredità* and *Affari tuoi*, each with new aspects that guarantee the vitality of the product while pursuing a line of continuity. Space during the prime time lead-up was also dedicated to a brief television interlude by Fiorello, with *Viva Radio 2...minuti*: a 'micro-broadcast' which, despite lasting just two weeks, had a huge media impact.

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.

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: *Carramba che fortuna*, *Per una notte d'amore*, *Rebecca la prima moglie*, *Coco Chanel*, *Artemisia Sanchez*, *Tutti pazzi per amore*

Commitment: *Paolo VI*, *I Vicerè*, *Il bambino della domenica*, *In nome del figlio*, *Don Zeno*, *Il coraggio di Angela*, *Don Matteo 6*, *Telethon*, *La partita del cuore*

Entertainment: *Affari tuoi*, *Raccomandati*, *Tutti pazzi per la tele*, *Ho sposato uno sbirro*, *Provaci ancora prof 2*

Events: *Il commissario Montalbano*, *Viva Radio 2... minuti*, *Pierino e il lupo*, *Miss Italia*, *Sanremo*, *European Football Championships*

Culture & science: *Superquark e Superquark speciali*, *Passaggio a nordovest*, *Tuttodante*, *La Bibbia giorno e notte*, *Overland*, *L'appuntamento*, *Applausi*, *Uto Ughi racconta la musica*, *Heritage*

Music: *I migliori anni*, *Ti lascio una canzone*, *Volami nel cuore*, *Ornella ancor più di me*, *Chi fermerà la musica*

News & Information: *Porta a porta*

1. **Michele Santoro**
in *Annozero*
2. **Simona Ventura**
presents the reality show *L'isola dei famosi*
3. **Roberto Giacobbo**
in the *Voyager* studio
4. **X-Factor**
and its judges



RaiDue confirmed its role as a modern network designed for a demanding and active, curious and informed audience in 2008. A general-interest channel which guarantees its public a number of voices and genres, and where taste is never wavering or uncertain. It is the only general-interest channel which, in a situation of increased fragmentation of audiences, has increased its share both in prime time and daytime, enabling the Rai Group to win the challenge with the competitors. But its success is not just quantitative. RaiDue has lowered the average age of its viewers by a year and returned to its position as third general-interest channel, not only in terms of viewing figures but also in the perception of the public, which increasingly recognises its physiognomy and languages.

In an offering which is becoming increasingly differentiated, a general-interest channel has to have a precise taste, a recognisable style which characterises the entire offering.

RaiDue has confirmed these aspects, becoming a channel which never hesitates, choosing with decision and experimenting with conviction.

2008 brought considerable innovation: a completely redesigned afternoon programming during the second half of the year, the launch of new formats which won over audiences, new episodes of the purchased series which help characterise the RaiDue brand, as well as the proposal of new programmes during the prime time and late evening slots.

Particular features of 2008 were, naturally, the Beijing Olympics, hosted entirely by RaiDue which became the Olympic Network for the duration of the event, and the matches of the Champions League broadcast in the autumn. 2008 was also the year in which *90° minuto* returned to RaiDue.

In a network which also targets young audiences, music had been missing for a long time, but 2008 witnessed a return on a big scale, with *Scalo76*, which hosted singers and bands, and *X-Factor*, which brought talent back to television, launching the musical protagonist of summer 2008.

Speaking of music and young people, both *X-Factor* and *Scalo76* proposed a veritable interactive user experience on the web, which wasn't limited to the use of video contents via streaming and VOD, but also enabled extensive user participation through the liveblog, in the case of *Scalo76*, ad the videoblog and web casting in the case of *X-Factor*.

Furthermore, for the first time, a Rai television programme like *Scalo76* entered the world of the social networks MySpace and Facebook.

But RaiDue never forgets that it is a public service broadcaster and fulfils this obligation in a modern style for an informed audience.

Without any pedagogical intent whatsoever, RaiDue is open to confrontation, giving voice to the many opinions that characterise the nation, via its analytical interventions and attention to the territory and its protagonists.

The considerable production experience of RaiDue in the north of the country also falls within this strategy to listen to the different sensitivities and instances

throughout Italy, a strategy which has definitely paid off: the average RaiDue audience has grown by about 0.5% in the north, an area which has always been 'difficult' for the Rai Group, and conquers a public with a higher level of education (the number of viewers with university degrees rising by almost 1%).

RaiDue's public definitely see it as synonymous with 'action', thanks to the successful series *NCIS*, *Criminal minds*, *Senza traccia*, *Cold case*, *Numbers* and *Cobra*, but it also stands for 'mystery', with *Ghost Whisperer* and *Lost*, and for ironic analysis of social habits, with *Desperate Housewives* and *Brothers & sisters*. Obviously we mustn't forget the forerunner of the medical series, *E.R.*

As regards the production of TV fiction series, a genre with a strong presence on RaiUno and Canale 5, making it difficult to programme on RaiDue, the difficult path towards a product more in line with the distinguishing features of the channel continued, as proven by *Zodiaco*, *Terapia d'urgenza* and the sitcom *Piloti*.

RaiDue's production continues to grow in terms of product-hours in all time slots (2008 witnessed an increase of 70 hours, 22 of which in prime time). Besides prime time successes like *L'Isola dei famosi*, *Voyager*, *AnnoZero* and *X-Factor*, the channel's late evening slots mainly hosted its own productions: *Scorie*, *Artù*, *Pirati*, *Confronti*, *Su al sud*, *Linea d'ombra*, *Stracult*.

Also, from April, the *Palcoscenico* cycle dedicated to theatre and music was brought forward to the late evening slot.



3



4

10.6%

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

10.7%

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

Viewers also showed their appreciation of the daytime productions aired throughout the week, such as *Insieme sul due*, *Cargo*, *Italia allo specchio* and *Ricomincio da qui*, and at the weekend, like *Mattina e Mezzogiorno in famiglia*, *Voyager ragazzi* and *Scalo76*.

The huge success of *Quelli che il calcio*, one of the channel's historic products, which manages to innovate and find new inspiration every year, was also confirmed.

A map of RaiDue

Entertainment: *L'isola dei famosi*, *Desperate Housewives*, *Ghost whisperer*, *Brothers & sisters*, *Mezzogiorno in famiglia*

Comedy & satire: *Quelli che il calcio*, *Scorie*, *Artù*, *Pirati*, *Piloti*

Music: *Scalo76*, *X-Factor*

News & Information: *AnnoZero*, *Confronti*, *Insieme sul due*

Current Affair and culture: *Voyager*, *Su al sud*, *La storia siamo noi*, *Palcoscenico*, *Magazine sul Due*, *XXII round*

Talk Shows: *L'Italia sul Due*, *Ricomincio da qui*

Thrillers: *NCIS*, *Criminal Minds*, *Cold case*, *Senza traccia*, *Zodiaco*, *Linea d'ombra*

Young people: *Voyager Ragazzi*

Children: *Cartoon flakes*

Sport: *Domenica sportiva*, *Olympics*, *Champions League*, *90° minuto*

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 public which shares the channel's awareness that, in an ever changing world, only movement can guarantee consistency.



1



2



3



2008 was a year of confirmation and new enterprise for **RaiTre**, which redesigned its programming. Confirmation because of the channel's continued exploration of the lines of tension that cross the company, attentive to launch a bridge between past and future with its programmes, telling of the complex world in which we live while the recession encourages a sense of intolerance of reality. New projects because, alongside certain special evening events, a different programming layout was launched during the year.

93% of RaiTre's broadcasts are public service broadcasts; news and information, enquiries, social commitment, travel and informed tourism, divulgation, culture, irony and emotion. These are the lynchpins around which the channel's service vocation are arranged, with different narrative methods, in long-standing successful formats such as *Report*, *Ballarò*, *Che tempo che fa*, *Blu notte*, *Chi l'ha visto*, *Ulisse*, *Mi manda RaiTre*, *Blob*, *Geo & Geo*, *Alle falde del Kilimangiaro* and *Cominciamo bene*.

During 2008, the channel flanked these programmes with new projects, experimenting different languages.

In the investigative sector, with:

- *La guerra infinita*, two episodes by Riccardo Iacona. 'Kosovo nove anni dopo' reconstructs the dreadful racist massacre in which Serbian Kosovans lost their lives. 'Afghanistan': the war, the bombings, seven years of military presence by NATO have failed to prevent

Afghanistan from becoming the world's biggest producer of opium and heroin, providing the armed Taliban movements with their main source of funding: 100 million dollars last year alone. This is the money that is enabling the Taliban to win the war.

- *Doppio gioco* and *Mani sulla città*, two docu-fiction which, using audio and video interceptions, witness reports contained in the repertory and reconstructions, reveal how far the mafia is infiltrated into the vital organisms of society.
- Two evening events at *Ballarò*: 'Passa una vela', dedicated to the victims of terrorism, with the theatrical reading by Luca Zingaretti, taken from 'Spingendo la notte più in là' by Mario Calabresi, now an editorial and cultural phenomenon. 'La luna spalancata', dedicated to the victims of the blaze at the ThyssenKrup plant in Turin and to the devastating levels of death in the workplace.

In talk shows, with:

- *Tatami*, presented by Camila Raznovich, dedicated to exchanges of opinions on contemporary life and habits.
- *Il cielo e la terra*, presented by Giorgio Zanchini, Italian television's first talk show on the topic of spirituality. The intention of the programme is to deal with the great questions on existence outside the boundaries of the confessionals, in an open, quick-moving debate on the meaning of life and the reality of suffering, ethics and morals, and the meaning of existence, as well as on fundamental issues to which the religious and philosophical thought of all times has always attempted to offer an answer.

In children's programmes, with:

- *Il Gran concerto*, music as a way to have fun: thirteen episodes to bring youngsters closer to classical music. The stars of RaiTre's new programme are children and the Rai National Symphony Orchestra.

Amore criminale, a programme which speaks out strongly against crimes against women was successful in the early evening slot.

A product of significant importance was the first of a series of specials by Fabio Fazio, dedicated to Andrea Bocelli, which brought *Che tempo che fa* to prime time, with a different, richer structure. The outstanding success has opened unprecedented prospects for this highly consolidated talk show.

The new programming layout of RaiTre was launched in the last quarter of the year, in line with the overall broadcasting plan.

The programming of *Blob* at 8.00 p.m. was tagged on to the end of the TV news slot and followed immediately by a double dose of soap, with the new series *Agrodolce* ahead of *Un Posto al Sole*. From Tuesday to Friday, the late evening slot was occupied by *Parla con me*, a show based on interviews and satire which, besides modernising the channels' broadcasts, has already obtained an increase in ratings.

RaiTre has continued to invest in its identity through broadcasting and structural innovation, using the strength of its programming style and its link with an attentive and demanding public as its base, without giving way to the competition.

RaiTre is the only Rai network to have kept its audience levels constant over the last five years, achieving a double-figure prime time result, 10%, for the third year running in 2008.



1. **Giovanni Floris**
in *Ballarò*
2. **Che tempo che fa**
Fabio Fazio and Luciana Littizzetto
3. **Milena Gabanelli**
in *Report*
4. **Serena Dandini**
with Lorenzo Cherubini guest star in
Parla con me
5. **Alberto Angela**
in *Ulisse*

The network's informative programmes and those based on intelligent entertainment, characteristic of its programming, are watched by a young audience, with a 14% share of the target between the ages of 25 and 54 (*Che tempo che fa*, *Report*, *Ulisse*). These kinds of programmes are watched by a 20-30% share of university graduates.

Over the last five years, RaiTre has been the Rai network which has aged least and the only one to maintain the ageing of its viewers in line with that of the presenters (+2 years), also, and above all, in relation to the advent and growth of satellite television.

RaiTre: combining public service and high ratings

RaiTre is the network where the public service achieved excellent audience figures in 2008, such as:

- 18.2% and 4.5 million viewers for *Ballarò* (13 May);
- 18% for *Che tempo che fa*, Special on Bocelli (11 December);
- 16.5% for *Report* (18 May);
- 12.8% for *Mi manda RaiTre* (16 May);
- 12.8% for *Enigma* (27 June);
- 12.8% for *Ulisse il piacere della scoperta* (13 December).

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

- 16.3% for *Un giorno in pretura* (13 December);
- 16.3% for *Blu Notte* (5 July);
- 14.5% for *Storie maledette* (17 May);
- 12.4% for *Parla con me* (20 April).

Daytime television highlights included:

- 22.7% for *Geo & Geo* (24 November);
- 12.4% for *Cominciamo Bene* (26 February).

A map of RaiTre

News & Information: *Ballarò*, *In 1/2 ora*,
RT - Rotocalco televisivo

Investigation: *La guerra infinita*, *Doppio gioco*,
Mani sulla città, *Un paese normale*, *Blu notte*,
C'era una volta

Irony: *Che tempo che fa*, *Blob*,
Parla con me, *Glob*, *Tintoria*, *Viziati*,
Non perdiamoci di vista, *Tatami*

Memories: *La Grande Storia*, *Enigma*,
Correva l'anno, *Sfide*, *Ritratti*

Commitment: *Mi Manda RaiTre*, *Chi l'ha visto*,
Racconti di vita, *Doc3*, *Il cielo e la Terra*

Culture: *Passepartout*, *Le Storie*,
Per un pugno di libri, *Gargantuà*,
Prima della prima, *La musica di RaiTre*

Film noir: *Un giorno in pretura*,
Ombre sul giallo, *Amore criminale*,
Storie maledette

Emotions: *Un posto al sole*, *Agrodolce*,
Terra Nostra, *La squadra*, *Medium*,
Un caso per due

Nature & Science: *Ulisse*, *Geo & Geo*, *Elisir*

Travel: *Alle falde del Kilimangiaro*

Children: *Trebisonda*, *Melevisione*,
È domenica Papà,
Il Gran Concerto, *Farò strada*

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.

9.1%

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

10.1%

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



1



2



3



Raitalia broadcasts the best of Rai programming throughout the world, together with original programs produced for Italians living abroad and for anyone else with an interest in or connection to this country. It operates in accordance with a convention with the Italian Prime Minister's Office to develop the public service aspect of international broadcasting and to meet the needs of the international Italian community for information and services.

Rai is the country's leading cultural entity and Raitalia becomes the privileged vehicle of all things Italian.

In the light of the Agreement stipulated between Rai–Radiotelevisione Italiana and the Prime Minister's Office in 2007, Rai Internazionale proceeded with a series of innovations in 2008 to provide a better response to the need to promote the Italian image throughout the world and provide information for Italians living abroad.

Work continued on three different fronts: reorganization of the programming, an increase in in-house productions and identification of new presenters.

The increase in original programmes rose from 10 to 20% of the total airtime and focused on complying with the requirements of the new Agreement between Rai and the Prime Minister's Office. The main aim was to propose broadcasts which could reach a range of different targets: the youngest target, on one hand, and that of third-generation emigrants who require television moments to 'get to know' the Italy of today and to 'enrich' their Italian, on the other.

Consequently, action focused on several journalistic and entertainment formats, which were strengthened and transformed with the new autumn programming.

Two important new aspects were introduced in 2008. The first is the product of large-scale audience participation. In all the meetings held with Italian communities abroad, we have always been asked to name our channel 'Italia'. Hence the birth of **Raitalia** and **Raitalia radio**, the new names assigned to the four radio and television channels. Rai Internazionale remains the name of the 'structure'.

The innovation of the name of the channels was introduced at the same time as the new graphics and the new logo, inspired by a great Italian artist,

Arnaldo Pomodoro, and by his spheres, the first of which is in front of the Ministry of Foreign Affairs while the other is outside the UN headquarters. These are two internationally famous and great monuments of Italian excellence. The sphere, with its bright colour and visible inner workings, offer a clear representation of Italian beauty and the laborious nature of our people.

The bronze colour of the spheres and their symbolisation are the 'guiding thread' for the channel's new graphics.

Raitalia is the Italian public service television conceived and designed for Italians abroad and for those who, while not being of Italian origin, love our country, our culture and our history.

Raitalia is distributed in every continent and with four different channels (Americas, Australia, Asia and Africa and Europe, as well as in Italy, on Sky channel 804). It offers viewers the best of Rai's television programmes, of every genre: from TV fiction series to entertainment, from news and information to journalistic analyses, through to cultural productions.

The television offering of the best of RaiUno, RaiDue and RaiTre is completed by the original productions of Raitalia. News and information play a fundamental role. The daily information provided by *Italia News* - a news programme produced in-house, with Italians living abroad in mind, accompanied by Italian and English subtitles - is joined by the daily analysis of *Italia Focus*. Culture, political themes and international economy, science, European policies, Italian excellence abroad and international cooperation, find space in a 30-minute daily analysis immediately after the news.



4



5

There is also an evening appointment with information in the television programming, with *Italia World*, the analytical talk show which deals with topics of social and political interest to Italians abroad, presented by the director Piero Badaloni.

The information pages close with the service page, represented by *Italia chiama Italia - Sportello Italia*, a window open to serve Italians living abroad, to help them tackle problems in their relationship with their country of origin. A religious programme, *Cristianità*, concludes the offering of information. A special space for sport is occupied by *Giostra dei Gol*, which keeps Italians abroad up to date with Italian football, offering – depending on the rights purchased – matches played on Saturdays and on Sunday evenings and some matches from the Italian football championship. During the broadcast (on air every Saturday and Sunday) comments and opinions fill the studio.

The news and information programmes are joined by those specific to the network. The celebration of the 150th anniversary of the Unity of Italy, March 1861–March 2011, offers a good opportunity to tell the story of our country. With *Storie d'Italia* Raitalia has decided to do so, for its public of Italians and those who love Italy all over the world, producing a three-year television cycle which will use the wealth of programmes, mainly TV fiction series but also several large-scale investigative productions, stored in the Rai Teche. With *Made in Italy*, touring industrial venues, design locations, fairs, exhibitions and trade shows with our cameras, we get to know the people behind everything 'Made in Italy', and tell the past and present of those who, with their hard work and intellect, merging their artistic souls and business acumen, have made and continue to make our country great in the eyes of the world.

A daily appointment with *L'Almanacco del giorno dopo*, the programme which, with its numerous pages, spans from the historical events that occurred on that particular date to advice for the day ahead.

Culture takes centre stage once a week with *Il Caffè*, the lounge which alternates protagonists of the Italian cultural panorama, from theatre to literature, from music to film and comedy.

Offering numerous viewers the chance to learn or refresh their knowledge of the Italian language, whether they're foreigners, Italians or the children and grandchildren of Italians resident abroad, is the ambition of *Parliamo italiano*.

A daily slot which consists in a conversation with a foreign guest resident in Italy and happily integrated into our society.

Raitalia is also radio and Internet, meaning that it offers complete media coverage.

Radio with spaces for news and information and the historic broadcasts of *Taccuino Italiano* and *Notturmo Italiano*, the oldest programme still broadcast in the Rai galaxy together with *Domenica Sportiva*.

Internet, with two websites, the first linked to radio and television production where it is possible to read the programming layouts and enjoy Tv on demand (www.international.rai.it) and radio in streaming. The second, Italica (www.italica.rai.it), dedicated to Italian culture. A veritable virtual encyclopaedia devoted to the history, habits and traditions of our country. Online since 1995, the official website of Rai Internazionale www.international.rai.it offers an informative and analytical service in relation to the Italian public service broadcaster's television and radio programming abroad and on the distribution of the signal throughout the world.

1. *Italia World*

the analytical talk show with Piero Badaloni

2. *The Italia News studio*

3. *Cinzia Tani*

and the appointment with *Il Caffè*

4. *Italia chiama Italia*

5. *La giostra dei goal*

with Carlo Brienza and Francesca Calligaro

The website is aimed largely at the public which uses the contents of the Web and is the only instrument available that offers viewers information on the programming of Rai channels abroad. Updated every day, it provides a guide to the programmes broadcast, concentrating particularly on Raitalia productions, episodes of which can be watched online.

Created in 1996, Italica, www.italica.rai.it has the institutional aim of disseminating and promoting knowledge of the Italian language and culture in Italy and the world. Italica is also online in English and Spanish versions.

Used by schools, universities and Cultural Institutes, but also by users who are simply interested in or curious about the Italian cultural scene, the website offers detailed information on what's new in terms of art, books, film and music, as well as monographic updates on the most relevant subjects of Italian culture.

The Language Course *Dentro l'italiano*, available in five languages, also allows users to learn Italian easily, while they have fun.

In 2008 Rai Internazionale Online and Italica totalled about 34 million pages visited and over 5.5 million single users (Nielsen figures).

The average monthly traffic amounts to about 2.8 million pages visited and 460 thousand single users.

The total number of pages online is over 80,000, with about 160,000 pictures and over 6,000 audio and video files.

338/3,489 hours
of TV/radio programming
produced in 2008



1



2

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 thirteen 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. For about 2,500 hours a year, with over 400 programmes produced.

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, 2008 continued Rai Notte's tradition of recalling the past. Nothing has impacted upon the imaginations of Italians more deeply than scenes from the recent and distant

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 *Il Maresciallo Rocca*, *Commesse*, *Il commissario Corso*, *La porta sul buio* and *Stargate*.

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, iconology and holistic medicine. But with an attempt at keeping these words from turning into abstract, incomprehensible monsters, making them accessible and even friendly. All without sacrificing the depth of the ideas.

In 2008 this occurred in programmes such as *Medicina per voi*, *Inconscio e magia*, *L'arte dentro*, *Gli occhi dell'anima* and *Good News*.

The programmes of Rai Notte also talks about justice – the justice of daily life, real justice, which tangibly affects

people's lives – in *Avvocato risponde*, 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 heads of leading Italian news agencies lead the audience through the lines and folds of their newspapers. And about current affairs in appointments such as *La voce dei cittadini* and *Quasi le sette*.

Finally, Rai Notte often talks about good news, particularly in the show named, appropriately enough, *Buone notizie* ('good news'). A way of seeing the 'bright side' of things, to remember and remind others that, amidst so many dramatic events and so many angst-provoking news, there are always events capable of making us smile and filling us with hope.

*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.*

2,475/402

hours broadcast/produced in 2008

1. The Tg1 studio



Tg1 is Rai's flagship programme for news and information, a point of contact between the public and the institutions, politics, society, the economy, culture, and religion, with ample room for international events too.

With twelve daily editions, Rai's main news department proposes the complete view of daily news, concentrating on achieving high quality standards while respecting the principles of authority, completeness and real-time reporting of information.

Undisputed heir to the public service tradition, with over fifty years of operation, Italy's first news programme leads the viewer ratings in the most significant time slots, maintaining the gap between its main competitor.

Consequently it is a fundamental resource for Rai in the fulfilment of its public service mission, in acting as a driver for the programming of the flagship and in the equally important aspect of attracting advertising investments.

This is thanks to its constant capacity to be a recognisable product for the public, renewing its exterior aspect as time goes by while remaining loyal to its institutional graphics, to an elegant and reliable style of presentation characterised by a calm approach without generating anxiety, to its role as a window allowing Italian households to see into the institutional venues of politics and gain access to the paths of culture, news and current affairs.

2008 was a year dominated, at least in the first six months, by the demise of the Prodi Government and the return of Silvio Berlusconi to Palazzo Chigi; during the second half of the year, the race to the White House, with the victory of Barack Obama was undoubtedly the most important national news event, followed by the financial recession which hit the international banking system, with negative consequences on the world economy.

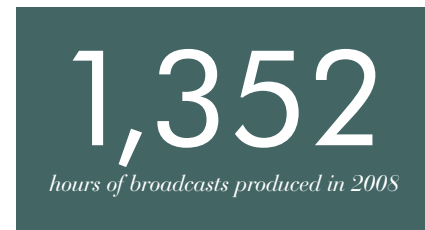
Alongside big exclusive stories, 2008 witnessed the presence in the Tg1 studio of illustrious guests, including, for the very first time live in a television news programme, the President of the Republic, Giorgio Napolitano, the UN General Secretary, Ban Ki Moon, the President of the European Commission, José Manuel Durão Barroso, the Deputy President of the European Commission, Antonio Tajani, the President of the Italian Chamber and Senate, Mr Fini and Mr Schifani, and the former President of the United States, George W. Bush.

The extensive productive efforts of the Tg1 generated an increase in the number of broadcasts (news, specials, theme-based columns, investigations and extraordinary editions) totalling approximately 1,352 hours, compared with 1,346 hours in 2007.

2008 was also the year of the Web for Tg1. A renewed graphic arrangement and improved, constantly-updated video contents are the improvements that have contributed over the past year to accesses to the website www.tg1.rai.it. The Tg1 website offers the chance to see the latest editions and a rich online archive containing details of all the programme's reports.



1



In 2008 the Tg1 broadcast at 8:00 p.m. reached an average number of 6,458,000 viewers, with an audience share of 30.7%. The advantage over the Tg5 rose from the 923,000 viewers of 2007 (4.8%) 1,100,000 in 2008 (+5.3% share).

In 2008, alongside the thirteen daily editions of the Tg1, the nine theme-based columns included in some editions was strengthened: *Personal media, XXI° Secolo, Miti d'oggi, Musica, Turbo, Italia Italia, Cinema, Enciclopedia, Teatro* and *Benjamin*. The latter, a prize launched in 2007, when it rewarded Roberto Saviano's book *Gomorra* following a public survey, assigned the 2008 award to *Harry Potter and the Deathly Hallows* by J.K. Rowling.

*Once again in 2008
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. 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.

2008 represented an important year for innovation for the news programme. Tg2 was chosen by the company to act as a pilot, experimenting the digitalisation of the news, and was happy to accept this challenge, which is implicating extensive investment also in terms of redefinition of the journalistic activity, confirming a vocation and courage to experiment which have always characterised this news programme.

Innovating a news programme in the digital sense means having to come to terms with different infrastructures, with the necessary refresher courses and even revolutionising the way of working.

Not only are the Tg2 journalists called upon to work with new technologies (already used by the major European broadcasters), they are also required to perfect them. They achieve this by participating – since last year – in different work teams in which their first-hand experience becomes a valuable and enriching aid in this passage from 'old' to 'new'.

The redesign of the Tg2 has been accomplished not only by this strategic digitalisation mission, but also by important editorial projects which have strengthened the news programme, particularly as of 2008.

One for all: *Tg2.it*, an authentic morning container with which to convey a more organic status to a space which already belonged to the programme.

An hour of news every day, featuring current affairs, links with Italy and abroad, analytical moments with studio guests and articles on medicine, culture, the economy, music, travel, food and wine.

Another daily appointment is *Tg2 punto di vista*, an evening filler which occupies the slot once dedicated to the mid-evening Tg, now replaced by an agile news summary. The formula remains that of guests called upon to debate on a theme of interest in terms of its current nature.

The Tg2's 13 columns are dedicated to analysis: from customs to health, from culture to the economy, from fashion to leisure time, problems, trends and the challenges faced by the country. It isn't rare for *Dossier* to cross frontiers to extend its views towards a European and global horizon.

Extensive innovation work has been carried out on *Tg2 motori* and *Si viaggiare*, which both have a tried and tested virtual set.

Tg2 confirms attention to novelties, debate and cultural arguments; often with analytical services which accompany (and sometimes precede) discussions on issues destined to occupy page three of the daily newspapers.

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

1,155
hours of broadcasts produced in 2008



1



2

1. Bianca Berlinguer

2. Giuliano Giubilei



Tg3 is a clear and innovative news programme. A broadcast close to the people and sensitive to social issues and rights.

Tg3 is the news broadcast that makes the most use of live feeds, voicing the facts as and where they occur. Viewers appreciate the Tg3 because they know that it explains what's happening in the world and what's going on just outside their front door. It is a Tg which offers plenty of space to international information and family life, to the economy of the stock exchange and also to household expenditure. The editorial challenge is to be able to understand what's happening in society, as well as to anticipate needs without preconceptions and prejudice, to report and explain information in order to provide the tools needed to form public opinions.

Viewer appreciation is demonstrated by the fact that Tg3 has recorded a high degree of viewer loyalty, which has led to increases in audience for all editions of the broadcast.

The 7.00 p.m. edition is in a stable third place among the evening editions, with viewing figures of 14.23%, while the midday edition, the only national Rai news programme broadcast from Milan, has posted continuous increases in audience year after year, reaching 14.15% in 2008.

Viewer ratings have rewarded the latest innovation, *Linea Notte*, which has transformed the nightly edition, offering a preview of the international news for the following day in one hour of live broadcast, from midnight to one a.m.,

innovating the habit of the night time containers and last editions of the television news programmes.

But attention isn't focused exclusively on national events: the production of the first weekly programme on foreign politics, *Agenda nel mondo*, has greatly boosted the broadcast's international news.

In the mission of news and information that Tg3 has developed over the years, it is also important to highlight segments that focus on 'disadvantaged' groups, which are typically only covered to a very limited extent in more conventional broadcasts.

Immigrants, women, consumers, lesser known shows, new technologies and agriculture are the features of *Shukran*, *Punto Donna*, *Cifre in chiaro*, *Chi è di scena*, *Sabato notte*, *Pixel*, *Agri3* and *Persone*.

Once again, *Tg Lis*, created especially for hearing-impaired viewers and presented using sign language, goes on air seven days a week.

Tg3 places particular emphasis on the younger audience, with the daily *Gt Ragazzi*, a real news programme, broadcast from Monday to Friday, designed and presented using language and pictures suited to children, without ever hiding the news, but rather by adding information to help them understand it.

Tg3 is a continual work in progress, experimenting new languages, not for the sake of attracting viewers at all costs, but rather to tell the facts in the best way possible.

Besides the information aired on TV, Internet users can also find new products designed especially for this media, communicating and interacting with the editorial staff on the web.

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.

14.25%
share in 2008 of the 7.00 p.m. broadcast



1



2

1. **Chiara Lico and Antonella Armentano**
presenters of *Buongiorno Regione Lazio*

2. **Cristina Di Domenico**
presenter of *Buongiorno Regione Toscana*



Thanks to its presence throughout the country, the regional news broadcast **TGR** is the added value of Rai, which is able to boast news coverage of the whole country through its decentralised premises and offices in every region.

As it approaches its thirtieth anniversary, the Regional News Programme has launched its most ambitious and innovative project in its history. On 20 October 2008, the four production centres began broadcasting *Buongiorno Regione*. The programme, which is broadcast live on RaiTre from Monday to Friday, from 7.30 to 8.00 a.m., extends the space dedicated to local information to the early morning. Two editions of the news, lots of traffic and weather information, a presentation of the articles featured in the regional newspapers and a look at the main appointments on the agenda. Viewers are given an opportunity to voice their opinions in *Ditelo al TGR*, sending in videos, photos or e-mails to report the issues they want to air during the programme. The half hour also includes live links dedicated to the main events occurring at local level and a column dedicated to the prices on the markets. A special watch is kept in relation to problems involving work, schools, families and the elderly: every edition ends with some 'good news', a piece of positive information.

With this new TGR editorial project, Rai aims to be even closer to the public, relaunching the role of the regional news departments thanks, in part, to extensive technological renewal and the commitment of young journalists, office staff and technicians.

And to be as close to viewers as possible, besides *Ditelo al TGR*, *Buongiorno Regione* also uses light and web links to guarantee greater flexibility in the coverage of the territory. Rai's commitment in this sense has already been rewarded by viewers, who have shown their appreciation for *Buongiorno Regione* in the initial months of programming. In the pilot region, ratings during the 7.30-8.00 a.m. time slot have doubled, reaching an average share of 11%.

Simultaneously with the renewal of programming, since 20 October, the last edition of the three daily regional news programmes has been allocated a slot within *Night Line*. A last quick, agile edition capable of offering an overview of the day's main news.

Three television news programmes and two radio news bulletins are the daily appointments with regional news and information.

However TGR is much more than this.

The offering made up of the national programmes that occupy much of the weekend programming on RaiTre is rich and decidedly varied. Financial, social, environmental and cultural issues are analysed by *I nostri soldi*, *Bellitalia*, *Ambiente Italia* and *Italia agricoltura*.

There is also a lot of information on Europe, science and technology, with *Buongiorno Europa*, *RegionEuropa*, *Leonardo* and *Neapolis*.

Relations with the neighbouring regions bordering on and closest to our country are the subject of *Levante*, *Estovest* and *Mediterraneo*.

Montagne, broadcast by RaiDue, is the analytical programme produced by TGR dedicated to life at high altitudes.

Thanks to the launch of *Buongiorno Regione* (from 19 January 2009 in all regional departments), the TGR production figures have risen significantly:

- 8,000 hours of regional news broadcasts, including 550 hours dedicated to linguistic minorities;
- some 200 hours of nationwide broadcasting;
- 6,000 hours of regional radio broadcasts, including no less than 2,000 hours dedicated to linguistic minorities;
- more than 30,000 contributions, among services and links, to national TV and radio news broadcasts and to other national network programming.

719 journalists work as part of an organization with a total of 874 staff members, in a network made up of 23 regional offices throughout Italy. These are joined by decentralised offices, correspondents and 'resident editors'.

'Information close to home', the claim of Buongiorno Regione, represents the slogan for all Rai's regional news and information.

19.67%
share in 2008 for the 2:00 p.m. edition

1. Tg Parlamento

2. Tribuna Politica



1 Tg PARLAMENTO



2 TRIBUNA POLITICA lavoro rotondo sugli svolti



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

Politics, institutions, inquiries, interviews, investigations, communications and interesting information unveil the workings of the Italian and European Parliaments, Regional Government and the other constitutional organizations, with a specific focus on the lives and problems of the general public by the weekly broadcasts, *Settegiorni*, on RaiUno, and *Quello che...*, on RaiDue, both broadcast on Saturday mornings. Considering the new Title V of the Italian Constitution, the latter programme dedicates considerable space to regional themes and federalism.

The activity of Italy's Parliament is broadcast live for the *Speciali* segments,

which are dedicated to broadcasting the most important government debates held at Montecitorio and Palazzo Madama, as well as in the weekly broadcast *Question Time*, a programme of questions and immediate answers and in-depth dialogue between members of Parliament and government.

These live parliamentary broadcasts normally attract a good deal of audience, particularly when they concern the most topical political and social issues or during key moments for government, such as the presidential and parliamentary elections or debates on government confidence.

Political communication governed by the Italian Parliamentary Commission for General Broadcasting Guidance and Oversight is the other main area of production for Rai Parlamento.

The forms of political communication vary from season to season.

The *Tribune Elettorali* broadcasts feature various means of dialogue between the political forces involved in the various regional, national, European and administrative elections and referendums.

The *Tribune Politiche* broadcasts feature dialogue between the political forces represented in Parliament during periods that are not affected by elections. The studio host moderates the debate with the help of services and filmed contributions.

10'... is a daily segment which airs from Monday to Friday on RaiUno, as well as via radio, and which hosts programmes managed by the various political, cultural, and social organizations. These broadcasts are generally expressions of the views of private associations and are allowed by the Permanent Subcommittee for Public Access.

This opportunity began thirty years ago and helps to bring lesser-known, but important, initiatives to the public's attention.

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

271

hours of broadcasts in 2008

60/4,000

indices/simultaneous pages
on RaiUno and RaiDue

21/20,000

regional editions/pages simultaneously
on RaiTre



Televideo is one of the most recognisable and timeless Rai brands, a sort of 'printed' newspaper with 25 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 televisions 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 twenty 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 320 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. In 2008, the completely renewed Televideo website alone accounted for roughly 55% of all traffic for Rai news and information, with nearly 171 million page views and over 550 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 subtitled for a wide range of live or recorded programmes, differentiated by genre (film, fiction, entertainment,

documentaries, cartoons, etc.) and supplies subtitles in English, with a total of over 7,400 hours of subtitling in 2008.

Along with subtitling, Televideo 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.

Who is the reader that incorporates Televideo into his or her media programming? The reader who expects to find both information and service on Teletext, at any time of day. Appreciation is explicit and extensive: Televideo is useful, handy, up-to-date and irreplaceable.



1. Il commento

with director Corradino Mineo

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.

RaiNews 24 exercises the art of doubt, never taking for granted that the news really is unquestionable, but rather offering a sort of permanent range of opinions and comments, to express a wide variety of sensitivities. It also gives space to international issues. In Italy there is increasing discomfort, not to say protest, with an excessively provincial information system, which always seems to boil down to the social-political-cultural debate.

Trying to lever on Non-Governmental Organizations, missions and Italian communities abroad, RaiNews 24 intends to present an Italian point of view of international stories with the cooperation of Government Agencies, starting with the Ministry of Foreign Affairs.

Rainews 24 has consolidated its free view ratings and has more than doubled the average of viewers who watch the channel using the satellite and digital terrestrial services.

Caffè, *Transatlantico* and *Tempi Dispari* have been joined by other daily segments, such as *Taglio di Cronaca*, an attentive and curious look at local information; *Visto da Nord*, a 'news programme' broadcast shortly after midday (12.40) from Milan and focusing particularly on Northern Italy, a long-standing area of innovation.

Then there's *Greenwich*, a daily programme reporting on foreign policy, broadcast at midday.

The afternoon offers a daily space dedicated to culture and society, with *Giro di Boa*.

Not forgetting the daily investigative programmes aired in the late evening time slot.

The most important innovation in progress is the radical transformation of the website www.rainews24.rai.it. It is set to become a real web newspaper, with flexible paging, capable of monitoring events and presenting a scale of priorities in real time. And there will also be a marked movement towards integrations between web and television, with the significant participation by members of the public, with the blog, where they can add written contributions and, soon, video contributions too.

Last year there was word of the permanent revolution to really transform RaiNews24 into a Rai All News channel. Unfortunately the fundamental tools required for this in-depth transformation have still not been implemented. Work to begin the construction of the new studio has been delayed and the server, which is vital to the provision of images and reproduction of sound documents without having to cancel them after 3-4 hours, as happens now, has still not been delivered.

Only the live broadcasts have become the Channel's strong points, thanks to the cooperation of the Rai Production Division. Although the lack of light media, at least in Italy's major cities, makes RaiNews 24's reflexes slower than those of SkyTg24 and forces us to work extremely hard at forecasting so we aren't always second.

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

On the subject of live broadcasts, the digital mosaic which had been promised and which would have enabled the more agile monitoring of live events, with a completely dedicated channel, has still not been put into practice.

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



Rai Sport represents the company's television sports offering. In 2008 it was distinguished by big events but also by the birth of Rai Sport Più, Rai's digital sports channel which has inherited and expanded the services of its predecessor Rai Sport Satellite.

Rai Sport Più, which can be seen on the digital and satellite platforms, has witnessed the growth of daily sport from the previous 8 hours to the current 15 hours of live, deferred and summarised broadcasts, as well as the introduction of three stable news bulletins: Rai Tg Sport, with editions at 9.00 a.m., 2.30 p.m. and 11.30 p.m..

This passage is an outstanding event for the news and information channel, which has had to organize and arrange itself in such a way as to stand up to fierce competition, offering viewers a product which has dramatically increased ratings and advertising revenues.

Despite this extra effort, Rai Sport has succeeded, as always, in offering an impeccable range of programmes during the year's two big events; the Beijing Olympics and the European Football Championships held in Austria and Switzerland.

74.1%

share for the European Football Championship match between France and Italy

With the support of the Production Management, Rai Sport guaranteed a top quality product, customising the events with hundreds of hours of broadcasts and guaranteeing recording viewing figures.

During the Beijing Olympics, Rai Sport elaborated a immense on-site production, with a dedicated studio and network, RaiDue, which took care almost exclusively of all the aspects that an event like the Olympic Games implicates, also giving space to social, political and economic aspects, as well as those of a purely sporting nature, for the month August.

For the very first time during the Olympic Games, Rai Sport, aided by RaiNet, used the websites to create a simulcast offering of several events and several disciplines, with an incredible record number of contacts.

A central studio was created in Milan for the European Football Championships, occupied by the Rai Sport reporters who monitored all the highlights of this big event.

Numerous matches registered record viewing figures, entering the top ten of the year's most-watched programmes.

Another significant fact was the return of the broadcasting rights for the Serie A football championship to Rai, making this Company the absolute leader in the television sports offering.

Besides being competitive on the market thanks to the Formula One broadcasts and the Champions League Football programmes, Rai Sport, unlike the competition, also guaranteed its public service mission, offering a wide range of sporting disciplines which were not strategic to ratings.

1. Formula 1

Ferraris in pole position

2. Cycling

major competitions on Rai Sport

3. 90° minuto

It also produced and broadcast world class cycling; from the Giro d'Italia to the Tour de France, from the World Championships, held in Italy, to the great classics.

The reference point of its offering continues to be daily reporting and weekly analysis, thanks to the sporting news programmes and columns: *Rai Tg Sport, La domenica sportiva, Dribbling, 90° minuto, Sabato sprint, 90° minuto serie B, Un mercoledì da campioni, Replay, Pole position, Pit lane, Reparto 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.

7.0%

percentage of sport on the Rai networks

1,526

hours of sport on the 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. This means not only providing content for Rai Sport and Rai Sport Più programming, but also for radio, Rai Italia and the RaiNet portal, as well as satisfying the needs of all of the broadcasters and publishers interested in sports products.

In 2008, the unit signed some four hundred contracts, including those of strategic interest in terms of programming.

These particularly concerned the following:

- the renewal of the Champions League contract for 2009-2012;
- the agreement with the Lega Nazionale Professionisti for the radio and TV rights to the Italian Football Championship which marked the return to Rai of the historical programme *90° minuto*;
- Coppa Italia (the Italian Football Cup) 08/09 – 09/10;
- the renewal of the contract for the Giro d'Italia for 2009-2012;
- the acquisition of the broadcasting rights for the World Cup Skiing seasons 08/09 – 09/10 – 10/11;
- acquisition of the broadcasting rights for the qualifying matches for the 2010 World Cup between Bulgaria-Italy and Cyprus-Italy;
- the agreement with the International Basketball Federation for the men's and women's European Championships 2009 and 2011 and the men's and women's World Championships 2010;

- the acquisition, for the very first time on Rai screens, of the American Football of the NFL, which culminated with the broadcasting of the Superbowl on 1 February 2009;
- the renewal of the contract for the Italian Serie C Football Championships.

As in previous years, agreements were made with the Federations and Leagues of the so-called 'minor sports' in order to acquire Italian Championship rights to build a pool of television products which enhance Rai Sport Più, broadcast on the digital terrestrial platform.

Rights acquisition activities, while focusing on containing costs and determining significant savings over the assigned budget, enabled the acquisition of broadcasting rights for all of the platforms on which Rai is able to operate, as well as international rights for the purposes of trade by Rai Trade.

As far as television broadcasting is concerned, sports acquisitions (excluding repeats) fed approximately 1,500 hours of analogue television programming and over 5,000 hours of digital terrestrial programming on Rai Sport Più.

By virtue of the agreements entered into, no fewer than seven sporting events were among the top ten most-watched programmes in 2008, with the European Football Championship match between France and Italy in first place.

1. *Caos Calmo*
2. *Come Dio comanda*
3. *Gomorra*
4. *Bianco e Nero*
5. *Sex and the City - the film*



1



2



Rai Cinema's main activities range from the acquisition of television broadcasting rights on behalf of the Rai networks, to film production and theatrical and home video distribution through the subsidiary **01 Distribution**.

In a context characterised by increased competition, due to the expansion of the market and new platforms, and dominated by the confirmed attention to serials, Rai Cinema consolidated its acquisition strategy, maintaining relationships with the main distributors and making the most of the opportunities available on the market via the performance of high-profile targeted operations.

In detail, the company entered the second year of the three-year exclusive agreement stipulated with CBS/Paramount to guarantee the supply of the new TV series made until 2009 (and available to Rai until 2010) which, also envisages the possibility of the passage on free TV before pay TV. The series resulting from this agreement in 2008 were the long-awaited remake of the series for teenagers *Beverly Hills 90210* and the thriller series *Harper Island*, both scheduled to go on air on RaiDue in 2009. These are joined by the new seasons of *Navy NCIS* (RaiDue's most successful series), *Numb3rs* and *Medium* (the latter for RaiTre).

Through the relationship with Disney, which continues despite difficulties due to the incursions of the competition, Rai's stores were enriched by the new seasons of some of the other most

important series offered by RaiDue; *Criminal Minds*, *Ghost Whisperer*, *Desperate Housewives*, *Brothers & Sisters*, *Lost*, *Private Practice* and *Army Wives*; among the new series, *Cupid* and *Castle* have been chosen, with a third still to be selected. As regards the cinema product, once again this year Rai Cinema concentrated on Disney branded titles, including *Cars* (the traditional Pixar film broadcast at Christmas by RaiUno), foregoing other prestigious films due to the cost which was deemed to be too high in relation to the potential performance in terms of share. The first-runs acquired including the classics (seen for the first time on free TV) *Aladdin* and *Lilo & Stitch*, the very recent *The Wild*, *Meet the Robinsons* and *Home on the Range*; as well as classic re-runs of the calibre of *The Hunchback of Notre Dame*, *Mulan*, *Dumbo*, *Monsters Inc.*, *Bug's Life*, *The Sword in the Stone*, *The Rescuers* and *The Rescuers Down Under*.

The main high-profile targeted actions took place mainly with distributors with whom the competition has a privileged relationship. These projects, besides being useful and advantageous to Rai programming, represent a strong signal of vitality and control of the market by Rai Cinema. The content is listed below:

- from Paramount/Dreamworks, the saga of *Indiana Jones*, broadcast by RaiDue with immense satisfaction in terms of ratings and the return on image;
- from MGM, the renewal of the whole *James Bond* series for prime-time on RaiTre, including the new *Casino Royale*, and the acquisition of the film *Lions for Lambs* (with Tom Cruise, Robert Redford and Meryl Streep) and two long-running series which will be very useful to RaiDue, *Las Vegas* and *American Dreams* – it

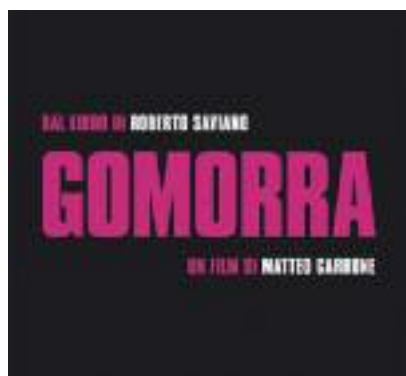
is worth noting that the MGM studios are undergoing a full-scale relaunch and the renewed relationship with Rai Cinema, despite fierce competition, opens up the way to interesting opportunities in the future;

- from Sony/Columbia, a selected product package comprising two first-run films, *The Pink Panther* (2006) and *Yours, Mine and Ours*, as well as eighty Hollywood classics, never broadcast before on Rai and useful to vary the day-time offering;
- from Beta, following the success of the previous episodes during prime-time on RaiUno, the new season of *Rex*, with more episodes set and shot in Rome, still with the "human" protagonist *Kaspar Capparoni*.

Also important were the operations which led to the acquisition of two series, snatched from the competition: *Crusoe* from Powercorp and *Flashpoint* from Telemunchen.

The TV series panorama for 2008 is completed by the new seasons of *Cold Case*, *Senza traccia*, *ER* (Warner) and *Law & Order* (Universal); from Germany *Julia*, *Un caso per due*, *Kress*, *Squadra speciale Lipsia* (ZDF), *Cobra* (Telepool) and *Un ciclone in convento* (Beta); from Australia *McLeod's Daughters*; with renewals including *Murder She Wrote* and *Derrick*.

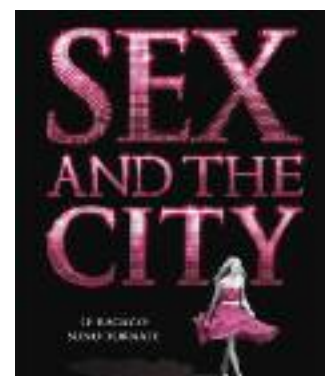
The market conditions, which see the conformation of an excessively imbalanced relationship between the price requested and television performance for big films, mean the Rai Cinema has to turn its attention to other types of product: not only TV series from America and Europe but also TV movies, Italian library content and films proposed by independent distributors.



3



4



5

As far as cartoons are concerned, once again in 2008 Rai worked constantly on acquisition, aimed at the valuable programming slots for children. The reference markets maintained a rich and varied offer, paying attention to all age groups, offering sophisticated quality and creatively using the most advanced animation technologies. A mention must go to the continued educational success of some of the products acquired, such as the renewal of the Magic English series (Disney), presented in the form of real English language education courses.

Finally, Rai Cinema pursued the consolidated policy for the acquisition of the so-called full rights, launched in 2001, with the aim of acquiring all the broadcasting rights for opportunely selected foreign titles within Italy for a relevant period of time.

This acquisition method enabled the subsidiary 01 Distribution to create attractive product ranges, with which it was possible to carry Italian produced films in theatres, flanking them with a variety of genres, mostly American and seen by the public as being immensely appealing.

Moreover, the full rights product meets the need to rationalise acquisition policies in a context of impoverished resources, enabling the identification and acquisition of products 'case by case' and the construction of a library of valuable titles, with a very long average licensing period. This acquisition policy also makes a significant contribution to the satisfaction of requirements for airing on television.

Titles purchased in 2008 include: Valkyrie by Bryan Singer, with Tom Cruise; Edge of Darkness by Martin Campbell, with Mel Gibson; the long-

awaited Nine, a musical directed by Rob Marshall featuring Nicole Kidman, Kate Hudson, Daniel Day-Lewis, Penelope Cruz and Sophia Loren; Tree of Life by the great Terrence Malick, starring Sean Penn and Brad Pitt; the fifth episode of the thriller saga Saw.

As regards Rai Cinema's film production activity, 2008 was a year of great satisfaction, both in terms of presence at the various film festivals, acknowledgements and international visibility, and of box-office results.

Once again, films drew profitably on literature, as shown in many of the films listed below. But the year was characterised especially by releases in cinemas that were immensely successful with audiences.

Noteworthy products included Parlami d'amore, Silvio Muccino's first work as a director, based on the novel of the same name, written by the director with Carla Vangelista; Caos Calmo, a film based on the novel by Sandro Veronesi (winner of the Strega Prize 2006), directed by Antonello Grimaldi, which, after many years, witnessed director Nanni Moretti in the role of actor and screenwriter; Bianco e nero, the multiethnic comedy by Cristina Comencini, with Ambra Angiolini and Fabio Volo.

Way above all of these however was the outstanding case of Gomorra, the real Italian (and international) film triumph of 2008. Based on the homonymous best seller by Roberto Saviano, the film repeated and relaunched the international success of the book; presented at the Cannes Film Festival among the films in competition, it won the Grand Prix of the Panel, triggering a debate and much more attention than any other Italian film in

years. It also won 5 EFA (film, director, screenplay, photography and actor), was unanimously chosen to represent Italy in the run up to the Oscars as best foreign language film and was nominated for the Golden Globe in the same category.

A special mention goes to the production entitled Un Giorno Perfetto by Ferzan Ozpetek, which brought one of the most popular Italian directors among the authors of Rai Cinema. The film, featuring Valerio Mastandrea and Isabella Ferrari was presents in competition at the Venice Film Festival. The Company is participating in Ozpetek's new project, which sees a welcome return to the themes of comedy.

The film Sangue Pazzo by Marco Tullio Giordana, repeating the operation already performed for La meglio gioventù by the same director, consolidated the relationship between Rai Cinema and Rai Fiction (I viceré in 2007), which continued with the creation of the film Il sangue dei vinti by Michele Soavi, based on the novel of the same name by Giampaolo Pansa and presented at the last Rome Film Festival, and with the development of a further two products for a dual destination, cinema and TV, remaining within the historical sphere: Il pugnale e la corona by Renzo Martinelli and Noi credevamo by Mario Martone.

A particularly happy event in 2008 was the debut of the screenwriter Gianni Di Gregorio in the role of director, with Il pranzo di ferragosto, presented in the Critics' Week section of the Venice Film Festival, which not only attained the award for best first work, but also enjoyed the best box-office takings at the beginning of the season in relation to the investment made.



1



2



3

The excellent year of Rai Cinema was aided by the film by Gabriele Salvatores, *Come Dio comanda*. The story is based on the novel by Niccolò Ammaniti, winner of the 2007 Strega Prize, with whom Salvatores had already worked successfully in the adaptation for the cinema of *Io non ho paura*. The result is a dark and existential noir film which conforms the great visual talent of this director from Milan who, in his next film, currently being developed with Rai Cinema, will return to the comedy style that took him down the road to winning the Oscar.

The films completed in 2008, for release in 2009, include works by the some of the leading Italian authors: *Ex*, the new choral comedy, with a very rich cast, by Fausto Brizzi, following up his success with the "notti prima degli esami" films; *Due partite* by Enzo Monteleone, another choral film, all-female this time, based on the theatrical comedy by Cristina Comencini; *Questione di cuore* by Francesca Archibugi, a transposition of the homonymous novel by the screenwriter Umberto Contarello onto the screen; *Gli amici del bar Margherita* by Pupi Avati, which plunges back into his much-loved atmospheres of Emilia Romagna in the 1950s; *Vincere!*, the new film by Marco Bellocchio which, through the vicissitudes of Ida Dalse, Mussolini's lover and mother of his first son, who was never acknowledged by the Duce, covers thirty years of Italian history.

The aforementioned activity on the front of full rights and production enabled 01 Distribution to be one of the leading companies in the sector once more in 2008, attaining 3rd place overall in the special annual classification of film distributions, bearing witness to the strong lists acquired for the company by Rai Cinema.

The most successful film title for 01 Distribution was *Gomorra*, with box-office takings amounting to over 10 million euros; other successes were *Parlami d'amore*, *Caos Calmo*, *Bianco e Nero*, *The Golden Compass* and *Sex and the City*.

In the home video sector, which is suffering a period of saturation with particular regard to rental, the company maintained 5th place, confirming its 5% market share, which can be considered an excellent result.

Once again *Gomorra* led the pack, touching on 200 thousand copies, an absolute record for 01 Distribution.

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.

157

evenings of film in 2008

198

evenings of TV movies in 2008

Rai Cinema product on Rai networks

- 17% of network programming throughout the day (4,464 hours)
- 27% of primetime programming (590 hours)
- 567 'pieces' (films, TV movies and series) with 379 primetime placements

Film:

- 162 primetime placements, of which:
 - 42 on RaiUno (18.9% audience share)
 - 33 on RaiDue (11% audience share)
 - 87 on RaiTre (9.1% audience share)

TV movies:

- 10 evenings during the summer on RaiUno with an average share of 19.8%;
- 13 evenings on RaiDue with an average share of 11.6%.

Series:

- 194 evenings, mainly on RaiDue
- 10.4% share for RaiDue, 8.4% share for RaiTre

1. *Butta la luna*
2. *Chiara e Francesco*
3. *Guerra e Pace*
4. *L'inchiesta*
5. *Raccontami*



4



5

Rai Fiction

Once again in 2008, **Rai Fiction** produced a wide variety of TV fiction series and cartoons for the Rai general-interest networks and subsequently for the theme-based satellite and digital terrestrial channels.

Rai Fiction's production now constantly exceeds 600 hours of new fiction series every year, broadcast for the first time during prime time (apart from a couple of titles destined for the lead up to prime time).

In detail, the fiction broadcast by RaiUno during prime time in 2008 reached the record level of 115 evenings, never touched before. Considering that there were just 79 first-run fiction evenings in 2003, there has been an increase of 36 evenings in the 2003-2008 offering (+46% over the five-year period).

Besides first-run fiction, in 2008 RaiUno broadcast 30 prime time repeats of Rai fiction. The total offering of fiction, consisting of 115 first-run evenings and 30 repeat evenings, reaches a total of 145 evenings and equates to 40% of the network's programming.

As regards ratings, out of the 115 first-run fiction evenings on RaiUno, a total of 90 won the evening, beating the competition. This is a success rate of 80%. This success is confirmed by the classification of the most-watched fiction titles during the year. The classification of the 10 most-watched fiction programmes includes 9 Rai productions (including the first four places) and 1 belonging to the competition.

The year's new titles included the launch of the long series *Agradolce*, produced by Rai Fiction and Rai Educational in conjunction with Regione Sicilia, and broadcast by RaiTre.

It is a popular romance which takes the shape of a daily soap (220 half-hour episodes a year), with a strong entertainment value and promotion of civil ideals.

Besides the completion of the fiction series broadcast during the years, 2008 also witnessed the launch of productions destined to go on air in 2009, with a very busy production plan, in line with the commitments undertaken in the Service Contract and with the action of Rai in support of the Italian audio-visual sector.

All Rai's fiction productions are made in conjunction with or through independent production companies, as envisaged by the EU directives and Italian regulations, to encourage pluralism in terms of ideas, culture and production.

Rai's fiction products are used, not only by the general-interest networks, but also by satellite channels like RaiSat Premium, gaining much appreciation and significant audience ratings. They were also present at international festivals and competitions, where they received 20 important acknowledgements and awards. The Rai fiction festival organized in New York in October witnessed, among other things, the presentation of the world preview of the fiction series *Puccini* at the Carnegie Hall, as well as the last cycle of films of the *Commissario Montalbano* at the Cuny University, both of which were extremely successful.

International co-productions includes the mini-series *Coco Chanel*, co-produced with the French public television and an American producer, which enjoyed excellent write-ups by critics and ratings

in all three countries. In the USA, it was nominated for the Emmy Award for the performance of Shirley MacLaine in the role of Coco Chanel.

Finally, we mustn't forget the action of Rai Fiction for the production of children's cartoons, as envisaged in the Service Contract.

The cartoons produced by Rai are mainly serial productions, destined to be broadcast on RaiDue, RaiTre and the new theme-based children's channels. Of all the Rai offering of cartoons, which presents the best international production, the two most-watched cartoons in 2008 were two Rai Fiction products: *La compagnia dei celestini*, based on the book by Stefano Benni and co-produced with France (record viewer ratings for French TV too) and *Il giovane Leonardo*, a fantastic story featuring the young Leonardo da Vinci, in 15th century Tuscany.

144

evenings of Rai-produced fiction on RaiUno

9,219

thousand viewers for the episode of *Il Commissario Montalbano* on 2 November 2008



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3

Rai Educational

A broadcasting project that follows several principles – history, art, science, the economy, Society, reflection on television, the problems of immigration – to tell about our present, our past and our future through images, interviews and documents.

The project of Rai Educational is arranged on several platforms, from general-interest television to satellite channels, from the Internet to DVDs sold by newsagents, from programming to university and school. A public service which is first and foremost about service to the public and contributing to generating awareness of peoples and individuals within the context of their time.

Rai Educational confirmed its titles from previous seasons and enriched programming with new programmes in keeping with the thematic and editorial stance.

Programmes broadcast on general-interest TV:

La Storia siamo noi, throughout 2008, went on air with 360 hour-long episodes on the general-interest networks only: in the usual morning slot on RaiTre, late on Wednesday night, once again on RaiTre, and late on Wednesday evening on RaiDue.

The programme's usual approach to the distant and recent past – based on the rigorous use of documents, interviews with those who were actually involved and films – focussed, as always, on several themes. On one hand, the memory of the Second World War, the main event of the 20th century, and on the other, terrorism, which has left a clear mark on recent Italian history, as well as the biographies of the leading personalities from the worlds of Italian politics, society and culture, and more.

There were also big investigations into the mysteries of Italy, constantly updated by monitoring in-court development, new events and new documents which emerged; the in-depth look at current events, with a 'behind-the-scenes' view of the main themes subject to contemporary debate (the economic and financial crisis, the war in Iraq and against Hamas, the US elections, etc.). A window was also opened through the best of the world's historical documentations, thanks to which Rai viewers were able to benefit from products made by ZDF, the BBC, PBS, to name but a few.

Besides gaining the unanimous approval of the critics, this work also generated acknowledgements by the leading festivals and competitions throughout the world.

Here are some of the awards assigned to *La Storia siamo noi* in 2008:

- Religion Today – International Festival of Film and Religion (Trento, 16-31 October 2008) – Best film documentary and Special Mention by the Panel of Journalists;
- DetectiveFest 2008, X International Festival (Moscow, 16-21 April 2008) - Best documentary in the "War and Peace" category;
- Shanghai International TV Festival "Magnolia Award" (Shanghai, 9-13 June 2008) – Nomination for Best historical and biographical documentary;
- Salerno International Film Festival (Salerno, 10-15 November 2008) – Trophy in the "Religious Film" category – best documentary.

Un Mondo a colori. A programme presenting in-depth intercultural information with films, investigations, reports and interviews, offered a different point of view on the themes discussed, always in keeping with the times, with current affairs and news events. The programme received the Gaspare Barbiellini Amidei Prize for Journalism in 2008 (Isola d'Elba, 2 August 2008).

Economix, on late at night on RaiTre, with thirty minutes of analysis of the leading economic and political issues arising in relation to current events.

In the Saturday morning timeslot from 9.00 to 11.00 on RaiTre, *Tv Talk* and *Art News* consolidated their relationship with viewers, achieving excellent results in terms of audience ratings and share (peaks of 500,000 viewers and an 11% share).

Tv Talk, presented by Massimo Bernardini goes on air from 9.00 until 10.30 on Saturday morning on RaiTre, and offers a critical analysis of the language used in television, voiced by the programmes two very special permanent guests, Barbara Serra, the young anchorwoman of Al Jazeera International in London, and



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Franco Schipani, from New York. The aim of the programme is to create an unprecedented and up to date confrontation between two cultures, that of the western world and that of the Arab world, showing two parallel yet opposite viewpoints. *Art News*, now in its second edition, presents information on exhibitions, events, debates and opinions, telling viewers about news on the Italian and foreign artistic and cultural front. *Art News* received the Special 'Faro d'Oro' award for the best TV magazine at the 13th edition of the International Award for Mediterranean documentary and reporting. The documentary entitled 'Le parole che il mare non dice' won the Trophy for the 'Environmental film' category, as best documentary.

E-cubo, also in its second edition, continues, with twelve episodes dedicated to the increasingly current and stringent problems of ecology, considered in their relationship with the themes of energy and paying particular attention to their economic profile. A debate consisting of divulgation, analysis and investigation, aimed first and foremost at the new generations, and therefore developed by drawing fully on the informative resources that Internet and, more generally, the new media offer. *E-cubo* won the Special Prize "for the intransigent revelation of the high level political trickery and very skilful use of the entire repertory of methods of television communication" at the 45th Green Wave – 21st Century European Festival (Koprivstitsa, Bulgaria, 4-6 July 2008).

It is important to emphasise the multi-media vocation of Rai Educational, which continues to be characterised by the concept and integrated production of projects capable of combining classic television production with the potential offered by Internet and digital television. To this end, in 2008, the Rai Educational portal and the individual websites of the programmes were subject to an intense

renewal activity in order to create more and more space for interaction with users, also with reference to schools and, in general, better appreciation of the products available.



RaiEdu1, the result of a partnership between Rai Educational and the Italian Ministry of Education, broadcast 24 hours a day, 7 days a week, with 8 hours of first-run broadcasts every day, which are specifically dedicated to the world of education.

The channel was also available on digital terrestrial television.

Its broadcasts include:

- *In Italia*, now in its second edition, is a project organized in a package of instruments/segments for education, designed around a central television product. It forms the heart of a dedicated offer for the basic teaching and dissemination of the Italian language for foreign adults who have just arrived in Italy.
- *Il D*, a multiplatform project (TV, digital satellite and digital terrestrial TV, and Web) which has flanked the products to facilitate the learning of the English language from primary school, with other products to help foreign children learn Italian and thus improve cultural integration.
- *Medita*, a 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*, a useful tool in guiding education and in making the transition from the world of education to the workforce.
- *Esplora science now*, aimed at offering students, as well as a

1. **Giovanni Minoli**
for *Rai Storia*

2. **Tv talk**

3. **Un mondo a colori**
the multicultural situation in Italy

4. **E-cubo**

broader television audience, technical and scientific culture, with particular reference to maths and themes relating to technological innovation.



The big new change for 2008 was the beginning of new programming for RaiEdu2, now **Rai Storia**, a new theme-based channel dedicated to history and culture.

The project began with the precious collaboration with Rai Teche, which places the immense audiovisual heritage of the Rai archives available to the channel, with reports by the greatest Italian journalists, artistic documentaries dedicated to the people and events that have made history, investigations into the customs of Italy and the Italians, segments on entertainment, art and culture.

In the new programming, a daily theme, highlighted and analysed with segments conceived and created specifically – grouped together under the title RES and arranged into about 260 episodes, aired from Monday to Friday, will guide 7 hours of programming: the first hour will be devoted to art and literature, followed by four hours of history, with programming completed by two hours dedicated to TV, economy and current events.

Familiar programmes like *La storia siamo noi*, *Un mondo a colori*, *Cult book*, *Magazzini Einstein* and *Economix* will be flanked by the programmes stored in the archives of the Teche Rai. Celebrities, events and anniversaries will be proposed: the television of the past, with the great investigations in customs and culture.



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"The future is a territory of the past". These words of the American sociologist Walter J. Ong provided the first headline used by the Rai Teche and they are still applicable today, in the light of the increasing use of the archive on all the digital and satellite platforms being developed by Rai as an authentic multimedia producer, in view of the renewal of the 2007-2009 Service Contract.

The 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.

The main goal of this activity has always been to document the materials in the company's archives, so that they are more quickly and more completely searchable and so that they can be used in all types of productions and for any other institutional or commercial uses.

To that end, **Teche's Multimedia Catalogue (CMM)** was created, and this catalogue is expanded each year by digitally storing all Rai television and radio broadcasts and by gradually recovering past material.

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.

In the process of recovering past productions, 2008 continued the progress of the previous year, awaiting the start of the recovery of historical film supports, now forecast for 2009. A considerable amount of progress was made by the radio archives, with the completion of the recovery of material recorded using the old Tandberg digital system and the recovery of tapes related to the historical programme 3131.

Certain significant changes have taken place, such as those in the **Rights Archive**, where there has been a significant increase in activity due to the constant increase in requests to certify the rights for individual products concerning Rai's archives, with a view to offering material to the new distribution platforms, including mobile telephones, and for sale on DVD, which has multiplied considerably during the year.

The **Teca Aperta** project, in conjunction with the Regional Office Coordination unit, has been completed with the launch of the service in all the regional offices, while the points where

1. *Proiezione Teche* meeting in Turin

2. *the cataloguing of the Teche Rai* interactive interfaces for searching and cataloguing

the Teche catalogue can be consulted outside corporate premises were joined by the media library of Palazzo dell'Innovazione e della Conoscenza in Naples.

The number of hours of material granted to third parties for institutional purposes (schools, universities, local authorities, national institutes, no-profit associations, museums and so on) increases constantly, with significant participation by the management in events of particular importance.

During the Premio Italia held in Cagliari, management created a 7-hour production using materials from the archives regarding Sardinia, which was projected all night long at Cagliari's Civic Theatre and in 15 more theatres in different locations across the island. Management worked with Rai Cinema to produce the film-documentaries 'Così mangiavamo' and 'Il mio papà' and cooperates with the production of the channel RaiEdu Storia of Rai Educazione.

The European project PRESTO SPACE came to an end, with the payments of the last instalments by the European Union and flattering results in a technical key, thanks to the contribution of the Teche Technological Support unit. Management regained an important role in the Executive Council of the International Federation of Television Archives, taking office as treasurer. The system of withdrawing and editing materials from the multimedia catalogue (grabber and matrix) developed by Teche was acquired by the New Media department and by the structure of Rai Quirinale.

The Teche archives also have their own website, which was updated during the year and enhanced with a further 1,000 video clips which are available in all multimedia formats.



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1. **programme construction**
the filming of SuperQuark in chroma key to build up a virtual set around Piero Angela
2. **production and filming**
equipment for dynamic filming

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.

2008 was a year of particular importance for TV Production. The meeting of the Board of Directors held on 5 March 2008 - followed by the Organizational Provision of the General Manager of 21 April 2008 - approved the new organizational structure with the aim of creating the television productions commissioned by the programming areas, minimising outside costs and optimising the use of internal resources.

The new TV Production organization is split up as follows:
Human Resources, Acquisitions and Tenders, Engineering, Planning and Monitoring Production Resources, Innovation and Processes, Safety and Security, News Production, Management of Big Events and Foreign Production Activities, Rome TV Production Centre, Milan TV Production Centre, Naples TV Production Centre, Turin TV Production Centre.

The TV Production Management – which was up and running at full rate as of the second half of 2008 – undertook a series of actions agreed to and coordinated with the Planning and Control department and the Programming department in order to promptly and effectively influence optimisation and the reduction of production costs.

2008 was a particularly difficult year due to sporting events like the European Football Championships held in Austria and Switzerland (June) and the Beijing Olympic (August), as well as for the delicate switchover phase to Digital terrestrial broadcasting, with the first switch-off taking place in Sardinia in October and the launch of the new channel, Rai 4, for the digital terrestrial platform.

Consequently the efforts of all the Production structures were considerable, particularly during the 2008 European Football Championships, when the matches were broadcast on the Rai HD channel on the digital terrestrial platform in the 16/9 format, implemented as standard for high definition at international level.

In terms of investments, the most significant projects - in keeping with the guidelines of Rai's 2008-2010 industrial plan – included the completion of the evolutionary renewal of the RaiNews 24 digital production system and the entry into operation of the new production platform for the national Teletext services. The production system located at Montecitorio has also been renewed in digital technology and consists of a double direction unit and annexed studio.

Also worthy of note were the upgrade to HDTV of a filming vehicle equipped with 18 cameras belonging to the Rome production Centre and the completion of the digital broadcasting systems of RaiUno, RaiDue and RaiTre, capable of powering not only the existing analogue terrestrial network but also the DTT 16/9 and HDTV networks, and the implementation of the Rai 4, Rai4 +1 and Rai Gulp +1 broadcasting systems.

Extensive action was also developed to support the new TGR product *Buongiorno Regione* via investments in

technology for the production systems of the Regional Offices and Production Centres.

The new information segment of the TGR was launched on an experimental basis in the four regions with Production Centres (Campania, Lazio, Lombardy and Piedmont) on 20 October and is scheduled to become fully operational in all Regions in 2009.



Rai



Radio Division

60 **Radio**

62 **The stations**

62 Radio1 - Giornale Radio

64 Radio2

65 Radio3

66 Public service stations

67 Gr Parlamento



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3



An exceptionally lively year has given back to RadioRai the reputation it deserves in the evolutionary media framework, thanks to the most classic public service ingredients; information, sport, variety and culture. From the Beijing Olympics to the global show of Fiorello and Baldini, from Europe's leading concert halls to the European Football Championships, from the Italian elections in spring to the election of Barack Obama, from the most innovative satire to all the UEFA Cup and Champions League matches, RadioRai is the leader in terms of listeners in a market where 19 national networks and a myriad regional and local radio stations are in direct competition with one another. The natural alliance with the web this year has increased the number of visitors to the radio websites, extended listening to audio streaming and caused an explosion of podcasting of RadioRai, which ended 2008 with a total of over 12 million downloads. *Prix Italia* has dedicated an international publication to the phenomenon of podcasting, which sees Rai way ahead of the other European public service broadcasters.

RadioRai amply guarantees the minimum quotas of public service genres required by the 2007-2009 Service Contract: about 90% for Radio1 and Radio2 (against a required minimum 70%); about 97% for Radio3 (against a required minimum 90%). Quotas aside, the programming is distinguished by the distribution and quality in social and public service terms, from info-mobility updates to segments for socially disadvantaged groups of people. The technological future of the radio, prefigured by digital standards which are currently in the experimental stage, rests on the proximity to the public, on the composite nature of a *personal medium* which might not be young but is definitely has a great future ahead of it.

In terms of audience, 2008 ended with significant positive signs. First and foremost, the positive performance of the media, which goes out to 46,285,000 listeners every week, a number which has risen in comparison to 2007 (+0.6%) and especially to 2006 (+1.8%, equating to 824,000 listeners). This result is contributed to by the so-called "expanded listening" via digital devices (streaming, podcasting etc.). Multi-platform consumption doesn't seem to penalise the identity, functions and social profile of the radio, either with the great 'analogue' public or the restricted numbers of advanced users (estimated to be above 10% in the EU area).

This said, the arrival of a new national radio broadcaster (Virgin Radio, which belongs to the Mondadori group) further expanded the competitive context in which public and private challenge each other with regard to listeners, advertising revenues and infrastructural investments (frequencies and systems).

RadioRai has attained comforting figures during the year.

Radio1, the national leader had 6,876,000 listeners on the average day during the year (+2.0% on 2007), a balance which reflects a positive stationary trend, especially in spring and in the summer, considered to be treacherous for the public service.

Radio2 obtained 4,918,000 listeners during the average day, a share which enables it to maintain fifth place in the general classification, just behind the first three commercial networks. Compared to the excellent performance in the first half of the year, the second half reflects the absence of some of one of its mainstays, *Viva Radio2* with Fiorello and Baldini, from the programming. Nevertheless, the slight decline of the annual balance (-1.4%) represents a balanced result considering the strong progress made by some networks.

Radio3 reached 1,993,000 on the average day, rising slightly from the figures for 2007 (+2.6%), which bring it close to the 2 million listener threshold. There were few changes during the year, apart from the good summer result, this season being unfairly seen as lacking in fertility for quality radio and culture.

Isoradio ended 2008 with 1,181,000 listeners on the average day, in line with the previous year (+0.3%). Once again this year, the viability, traffic and public service channel registered the typical seasonal oscillations.

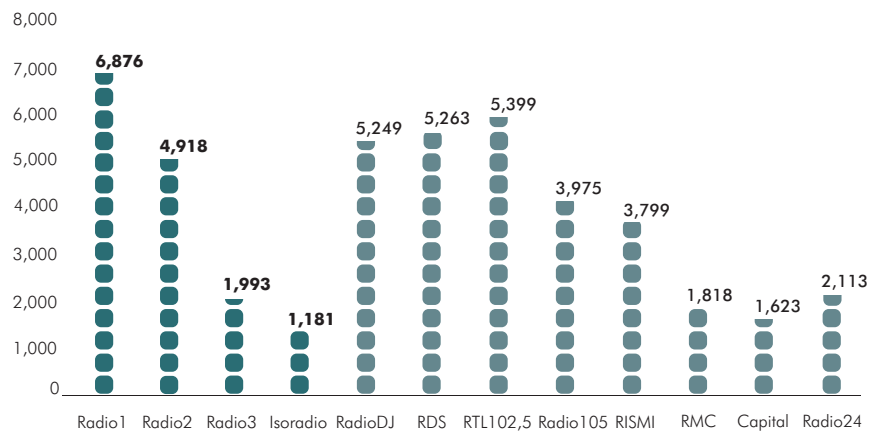
1. Roberto Saviano
reads *Gomorra* on Radio3

2. Viva Radio2
Fiorello and Marco Baldini, RadioRai's symbol programme

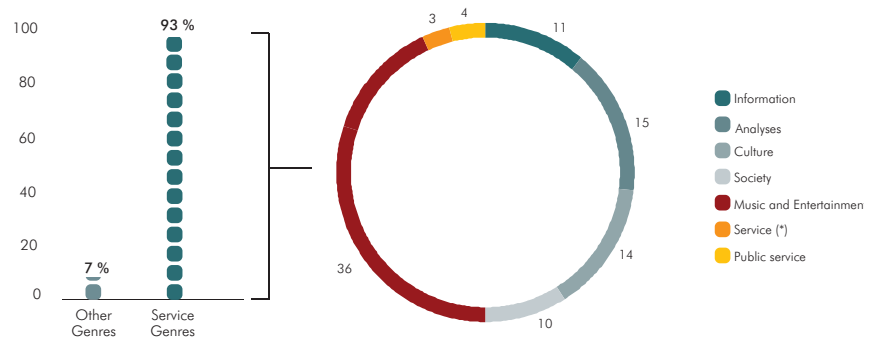
3. Marcello del Bosco, Antonio Caprarica and Maurizio Costanzo

Attention to the evolutionary fronts of production and broadcasting cannot overlook the centrality of frequency modulation, which will continue to be the dominant broadcasting resource in the Italian system for a long time to come. Consequently the strategic priority of the plan to improve the FM frequencies was confirmed and its completion is subject to careful monitoring, together with the necessary interventions to improve the technical quality of the FM signal and with the digital broadcasting tests in standard Dmb and Dab+, carried out by Rai Way on local frequencies in different regional basins.

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)



Radio1 is the station dedicated to news and information, which includes news broadcasts, special segments, and live feeds on all newsworthy issues and events. It also includes radio commentary for sporting events, regional and local information, programming for linguistic minorities, public-service segments and services for disadvantaged segments of the population.

The global economic recession, the election of a black President of the United States, the political consultations in Italy and big sporting events marked the 2008 news reporting activity of the Giornale

1. Antonio Caprarica

2. Giornale Radio

3. the offices of Radio1

Radio, a network which produces over 50 daily news bulletins aired on Radio1, Radio2, Radio3 and Isoradio, and also available on the Internet.

The station's leading personalities continued to be Enrica Bonaccorti with *Tornando a casa*, Maurizio Costanzo with *L'uomo della notte*, and Giulia Fossà with *Nudo e crudo*. *Tornando a casa*, on air from Monday to Friday (5.40 p.m. - 7.00 p.m.), discussed subjects of social, economic and cultural nature, from the most practical and contingent, to the most abstract and eternal: from the high cost of living to dignity, from the doctor - patient relationship to the certainty of punishment, from recommendations to character, and much, much more.

After the midnight *Gr*, Maurizio Costanzo, in *L'uomo della notte*, develops a reflection with listeners, drawing inspiration from current events, cultural initiatives, television programmes and more. It is a broadcast created as a result of its actual progress, without a schedule as such, following the progress of the direct relationship with listeners.

Nudo e crudo, a daily radio programme of passions, fashions and weaknesses (10.35 a.m. - 11.45 a.m.) drew attention to the problems of our times, brought social and cultural situations to the fore, lent voice to celebrities from the world of art, science, culture, politics and the economy. This generated a very dynamic Italian society: the 'thousand-euro' generation, the young 'kids', the challenge of the Web. Cities are placed under a magnifying glass, but are also joined by non-venues, anniversaries - 1968, the Foibe killings, the day to commemorate the 'Shoah' otherwise known as the Holocaust - were opportunities for debate and retrospective examination in a key which is anything but nostalgic.

A map of Radio Rai

Radio1

Information: GR1 (over 30 editions a day)
 Analysis: Beijing Olympics 2008, UEFA - Euro 2008, Radio City, Questione di soldi, Radio anch'io, Tutto il calcio minuto per minuto - Serie A e 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, Pianeta dimenticato, Nudo e Crudo
 Music and Entertainment: Radio1 Concerts (live), Speciale Festival di Sanremo, Demo, Tornando a casa
 Service: Oggi duemila, Santa Messa,
 Variety: Ho perso il trend

Radio2

Culture, School and Learning: Alle 8 della sera, Dispenser
 Society, Work, Social Communication: Ventotto minuti, Condor, Fabio e Fiamma, L'altrolato
 Music and Entertainment: Caterpillar, Il ruggito del coniglio, Gli spostati, I concerti dal vivo di Radio2, Chat, Catersport, Hit Parade Live Show, Il Cammello di Radio2, Decanter
 Variety: Viva Radio2, 610 - Sei Uno Zero, Amnesia, Ottovolante, Black Out

Radio3

Analysis: Prima pagina, Radio3 Mondo, Faccia a faccia, Tabloid
 Culture, School and Learning: Fahrenheit, Hollywood party, Ad alta voce, Radio3 Scienza, Il Consiglio teatrale, Piazza Verdi
 Music and Entertainment: I Concerti del Quirinale, Concerti Euroradio, Di tanti palpiti, Il Terzo Anello Musica, Radio3 Suite, Storyville, La scena invisibile
 Service: Uomini e profeti
 Variety: Dottor Djembè, La Barcaccia



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Sport continues to represent the pride and joy of Radio1.

Historical broadcasts like *Tutto il calcio minuto per minuto* and *Zona Cesarini* are flanked by specialised spaces dedicated to minor sports.

During the Beijing Olympics, Radio1 produced over 150 hours of live broadcasts. Listeners were able to tune in to the Games from 3 o'clock in the morning and listen to the program entitled *Pechino chiama Roma*, starting with the complete commentary of the Olympic opening and closing ceremonies.

The non-stop live broadcasts were interrupted only by the editions of the *Giornale Radio*, with services by our reporters in China. Two studios, one in Rome and the other in Beijing, operated parallel from 10.00 a.m.: the sporting events alternated with musical selections which made the sporting challenges even more exciting.

The same format was presented from 3 o'clock in the afternoon. But the need to monitor every moment of the competition imposed rapid changes to the programming, which was flexible enough to achieve a great result: all the Italian medals were subject to uninterrupted live commentary. Radio1 never lost sight of the themes which occurred parallel to the Games. What emerged was a faithful picture of China as it really is, with no self-imposed censorship. The immense problems linked with respect for human were hosted in the analytical moments, started with *Radio anch'io*.

Music and its stars continued to qualify the general-interest profile of Radio1. Cultural music explained to young people by one of the greatest contemporary artists, Uto Ughi, who introduced listeners to the great composers for violin. Live music from the legendary Room A in Via Asiago, and, once again, the Tenco-Musiculture

Award, the exclusive partnership with the big concert by Andrea Bocelli from Piazza Plebiscito in Naples and with the Lucca Summer Festival.



Giornale Radio produces more than 30 editions broadcast daily on Radio1, Radio2, and Radio3 (also available via live streaming), which vary according to the style and vocations of the specific station.

The over thirty daily editions of Gr1, with updates on news, politics, the economy, entertainment, sport and the possibility to modulate programming to accommodate major current events, confirm the editorial mission of Radio1, the information channel.

A team of reporters and radio news staff offers a picture of what's going on all over the world, in real time.

A 24-hour live line described every detail of the inauguration of the US President Barack Obama, while attention remained strongly focused on events in the Middle East, where the reporters of the Gr1 personally experienced the crisis in Gaza, with the Israeli attack against the bases of Hamas.

Then there were the inquiries of *Radio anch'io* into the emergency of deaths in the workplace, into the situation of the 'hospitals of horror', the waste emergency in Campania, immigrants, the debate regarding the biological testament and the case of Eluana Englaro. The heated Italian election campaign was accompanied by the programme *A tu per tu* presented by the station's director Antonio Caprarica, in the traditional morning slot of *Radio anch'io*.

The *Giornale Radio* news programme consolidated its informative mission, testing new formulas which will be featured in the programming for 2009. All-live, more streamlined programming, characterised by a 'guiding line' which runs throughout the entire 24 hours of the day.

A new format for the 8.00 a.m. edition of the *Giornale Radio*, an original presentation of the day's newspapers and magazines, featuring headlines and analyses, a sports segment and a space dedicated to the "finances and lives" of Italians.

In 2008, the on-line presence of Gr and Radio1 grew even further: alongside the website of Radio1, at www.radiouno.rai.it, the *Giornale Radio* website, at www.grr.rai.it, is updated in real time with texts, images and numerous multimedia elements. Special attention is reserved to news, articles and audio services on the world of the Web, in the space of Gr web News, on the home page. And naturally the podcast offering, which gives listeners the chance to download their favourite programmes.

6,876 thousand
Radio1 listeners on average per day



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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.

In 2008 the programming of Radio2 continued to focus on Fiorello and Marco Baldini who marked the first half of the year once again with *Viva Radio2*. Contemporary Italian radio's most successful programme set the usual records, with performances shooting way ahead of every other radio station in the early afternoon timeslot.

Despite the suspension of the programme, Radio2 remained among the top five Italian broadcasters, consolidating its relationship with its public, which shows an increasingly mature and constant level of loyalty and affection to the station.

The overall performance of the afternoon timeslot in the second half of the year was highly satisfactory. The formats of *Condor* (4.00-5.00 p.m., with Luca Sofri and Matteo Bordone) and *Sei Uno Zero* (6.00-7.00 p.m., with Lillo, Greg and Alex Braga) were perfected, while *Caterpillar* (with Massimo Cirri and Filippo Solibello) recorded the absolute peak for the 6.00-7.00 p.m. timeslot at the end of the year.

In autumn, the expanded edition of *Gli Spostati* (Massimo Cervelli and Roberto Gentile) enabled the programme to acquire greater strength and become one of the classic appointments of Radio2.

The morning offered a stable position for the programme of Marco Santin (Gialappa's) *Grazie per averci scelto*. The witty language, the broadcasting venue (Milan), the quick rhythm of the presentation enable Radio2 to significantly recover ground with the 22 to 44 year-old target.

The year's most phenomenal programme was *Amnesia* (12.10-12.25). An experimental project which was featured widely in the press and enjoyed an immediate reaction from the public. The programme combines certain typical features of fiction with the usual mechanisms of live presentation, via the figure of the 'presenter' Matteo Caccia. The script, which is only partly drafted, is fed by live telephone calls from listeners. The blog of *Amnesia* has made a huge contribution to the suspense of the two levels of truth, also fed by the strictly live production.

Following experimentation in 2007, the monitoring of summer listening was institutionalised by Audiradio. This led Radio2 to devote particular care to the summer programming: diversifying the suspensions of certain programmes, strengthening new productions with familiar presences from the world of entertainment.

Summer 2008 was also characterised by big sporting events such as the European Football Championships and the Beijing Olympics. As in past editions, the European Championships were covered by the live commentary of the Gialappa's Band, in a combination of sports news and spectacular desecration typical of the Milan trio's presentation style. The coverage of the Olympics on the other hand was assigned to the *Catersport* team. Elements regarding customs stimulated by the Beijing event filled the afternoon programme *Scatole Cinesi*, presented by Laura Piazzi and Gianluca Neri.

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

New weekend elements mainly regard the format of *Hit Parade*, which goes beyond the mere listing of the tracks in the charts to involve singers and other show business and news/information celebrities, who flank the traditional voice of Federica Gentile, in a strictly live programme.

Saturday and Sunday mornings are characterised by the appearance of a summary of the successful *610 Seiunozero* with Lillo, Greg and Alex Braga, in a specially designed format.

During 2008 Radio2 continued its traditional participation in external events, usually in conjunction with Sipra and the Commercial Development Department, also organizing events of considerable importance, with extensive participation by the public and the support of the local entities involved. On 16 February, the approval of the Kyoto Protocol was remembered with the 4th edition of *M'illumino di meno*, the energy saving day organized by *Caterpillar*. The 11th edition of *Caterraduno*, *Caterpillar's* annual meeting with its listeners, was held in Senigallia from 9 to 14 June, completing the season. Finally, on 4-5 July, Rovereto hosted *Sentiero di Pace – Path of Peace*, a big new international project created by Radio2 in conjunction with the Province of Trento to celebrate the eightieth anniversary of the end of the First World War.

4,918 thousand
listeners on average per day

1. *Il Cammino*

the 'presenter-pilgrims' Piergiorgio Odifreddi, Sergio Valzania and Franco Cardini tell of their journey on foot along the historic and legendary path of Santiago

2. *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.

Like every other year, in 2008 Radio3 followed Italian and international musical programming, offering its listeners over 800 events, many of which live, from the schedules of the most prestigious Italian and foreign institutions. The relationship with the Euradio international circuit continued, enabling the link-up with the most important international theatres and concert halls. This relationship also involved the broadcasting of the best musical products recorded by Radio3 in dozens of other countries.

The main musical productions worth remembering from 2008 included the *Concerti del Quirinale* by Radio3, promoted by the President of the Italian Republic and produced by Radio3 in conjunction with Rai Quirinale. The concerts, which, in this eighth edition, were opened by Stravinsky's masterpiece 'Histoire du Soldat' in an unusual version in Neapolitan dialect by Lello Arena, are open to the public and broadcast live and midday every Sunday from the Cappella Paolina of Palazzo del Quirinale. Another project which involves Radio3 in the production of musical seasons is that of *I Concerti di Radio3* at Palazzo Venezia, an antique music festival organized in September, in conjunction with the Superintendence of the Roman Museum Centre at the cloister of Palazzo Venezia, broadcast live, of course. Of all the special projects, a special mention must go to *Radio3 Infestival*, an

important meeting with the listeners who came to Cervia in April to attend the live broadcast of numerous programmes and concerts.

The main productions included *Il cammino*, a programme aired in spring, and broadcast live every day from 6.00 to 6.45 p.m., in which the 'presenter pilgrims' Piergiorgio Odifreddi, Sergio Valzania and Franco Cardini told the story of their journey on foot from Roncisvalle to Santiago de Compostela, along the historical and legendary path of Santiago.

For the theatre, Radio3 broadcast a cycle of 12 new productions dedicated to 20th century North American theatre, as well as audio recordings of the performances of the leading Italian theatres.

Finally, there were numerous special programmes linked to the worlds of publishing and science, which took Radio3 outside of its studios to talk about the Turin Book Fair, the Genoa Science Festival, the Mantua Literature Festival, the Rome Philosophy Festival, Galassia Gutenberg in Naples and the fair dedicated to small and medium publishers in Rome, *Più libri più liberi*.

Further attention was dedicated to the world of cinema and Radio3 followed the most important events, such as the Turin Film Festival and the Rome Film Festival, as well as offering a long series of film previews during the very popular appointment with *Cinema alla radio* broadcast on Sundays.

The new programmes for autumn included daily analytical appointments during the morning of Radio3: *Faccia a faccia*, in which every week, a big name from Italian journalism interviews a currently significant personality, and *Tabloid*, the look at the press, dedicated

to cultural and society articles. At weekends, the programme *File Urbani* talks about the music from the cities of the world.

The following also deserve a mention: 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 and which featured the voices of Massimo Popolizio (*Barry Lindon*), Alessandro Benvenuti (*La vita agra*), Sandro Lombardi (*Il giardino dei Finzi-Contini*), Remo Girone (*Il bell'Antonio*), Manuela Mandracchia (*Il barone rampante*) and Marco Paolini (*Un anno sull'altipiano*), during the year. Roberto Saviano was interviewed exclusively by *Fahrenheit*, which was followed by clamorous requests by intellectuals and listeners for the unabridged reading of his book *Gomorra* for the microphones of Radio3.

Special programmes designed, produced and broadcast by Radio3 included the live appointments with science at Rome's Palladium Theatre; the long cycle of Guido Votano 30 di 180, dedicated to the thirtieth anniversary of Law 180 on mental illness; the series *La Guerra di Benedetto* dedicated to Pope Benedict XV and his activity as a messenger of peace at the threshold of the first world war; two cycles of the innovative, sophisticated and irreverent radio variety show *Dottor Djembè* by and with Stefano Bollani and David Riondino, which went on during the Easter and Christmas festivities.

1,993 thousand
listeners on average per day



1

1. *Torchetti on the microphone of Isoradio*

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 Metropolitan 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.

The Management is responsible for the concept, organization and development of the programming of Isoradio, CCISS Viaggiare Informati, Canali Metropolitan and Filodiffusione. It is part of the Italian National Civil Protection System, the Italian Interior Ministry's Centre for Traffic Coordination and the Italian National Motorway Security Council.

**ISO
RADIO**

In 2008, the **Isoradio** service 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. New broadcasts destined to the public service sector were included and there were live broadcasts dedicated to the road transport sector, which were also contributed to by listeners.

Road safety promotion campaigns were also carried out, focusing on the causes of death on Italian roads, especially at weekends.

These campaigns were joined by personalities from the worlds of culture, entertainment, politics, science and

sport, as well as students from the Universities of Udine and La Sapienza in Rome. During peak holiday traffic periods and the main holidays, broadcasts also covered the nighttime slots to offer a complete view of the traffic situation across the whole of Italy. During the heavy storms that hit most of Italy, and the capital in particular, in the autumn, the City's Canale Metropolitan (on 100.3 MHz) guaranteed the services of Isoradio for the whole areas and repeated the advice and appeals of the Civil Protection Corps.



As regards the service of **Cciss-Viaggiare Informati** Management intensified relations with the TV News Programmes in order to increase the number of bulletins during emergencies due to the exceptional snowfall and during the summer and winter holiday traffic peaks.

A fundamental innovation was represented by the editorial enhancement of the RDS-TMC (Radio Data System - Traffic Message Channel) system, the only public service in Italy to provide information on the traffic in real time, which began broadcasting dynamic as well as static information. Television systems were also created for live links with Autostrade per l'Italia, Autostrada dei Fiori and the Traforo del Frejus.

4
Filodiffusione

5
Filodiffusione

As regards the content of **Filodiffusione**: the programming of station IV has been completely renewed (easy-listening music); while a new integrated marketing strategy has been drawn up for station V, implicating the improvement of the website, the simultaneous broadcasting of informative data on the programming of FD4 and the issue to all members of a newsletter indicating news on programming.

1,181 *thousand*
listeners on average per day for Isoradio



1



2

1. View of the room of the Camera dei Deputati at Palazzo Montecitorio
2. View of the room of the European Parliament in Strasburgo



Gr Parlamento is the representation of the public service as a whole: it is the 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, 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 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 (*Sessantamini*) 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, and so far only, 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 & DTT Division

70 Digital Terrestrial Television

71 Rai Click

72 RaiSat

74 RaiNet



1



2

During 2007-2008, Rai established its digital terrestrial strategy, which enables the redirection of the Group's activities towards consistent current aims.

Digital terrestrial broadcasting is the privileged platform for the development of the free public service digital offering.

Digital terrestrial is the instrument which will innovate the television product, offering part general-interest and part theme-based television which gains significant and growing audience ratings and advertising revenues, targeting groups with which general-interest television seems to be weakening. The 2008-2010 industrial plan envisages the arrival, by the end of the period, of two new part general-interest channels (Rai4 and Rai5) and four theme-based channels (Rai Gulp, Rai Sport Più, RaiNews 24 and, from February 2009, Rai Storia), which aim between them to gain 1.5%-2% of the total audience share for analogue and digital television. The introduction of higher quality standards (16:9 and high definition) forms an essential part of the development of the offering.

The second half of 2008 represented a turnaround for digital terrestrial broadcasting in Italy.

Sardinia abandoned analogue television and switched over to the digital terrestrial platform, launching an irreversible process of transition to digital broadcasting at national level and testing a 'consent strategy' (the 'Sardinia method') through which businesses and institutions have worked together to accomplish a transformation – in regulatory, industrial, technological and social terms -, which has in-depth effects not only for business, but also, and most importantly, for the general public.

The success of Rai4 (within the digital sphere of Sardinia, but not restricted to this area) and of the other new channels created especially for the digital terrestrial platform (Rai Sport Più, Rai Gulp), shows that digital terrestrial broadcasting can offer free television an opportunity for renewal, diversification and recovery of viewers, fighting back at erosion by satellite pay-TV. Particularly for Rai, the success of RaiQuattro confirms the idea that digital terrestrial broadcasting offers the chance to improve the ability to reach audience targets which Rai has greater difficulty with.

The experience of Sardinia confirms and identifies the two strategic concepts that Rai and other broadcasters have placed at the basis of their action in relation to digital terrestrial broadcasting:

- digital terrestrial is the instrument which will innovate general-interest television, confirming the centrality and the lead of broadcasters in the Italian television system, and giving free television the capacity to compete with Sky;
- the development of the digital terrestrial platform is an aim of the Nationwide System and its accomplishment requires systemic vision and strong synergies between institutions and businesses, as well as industrial cooperation among broadcasters.

The switch off in Sardinia was completed on 31 October 2008, in compliance with the directives of the Ministry of Communications in agreement with the parties concerned, on the basis of the new planning of frequencies, formalised by the assignment decrees.

Rai operates with six multiplexes, five to be destined to standard definition and high definition television broadcasting. A sixth multiplex has been reserved for

1. Guida!

the new interactive guide to digital terrestrial TV programming

2. Televideo

Rai's traditional teletext on DTT

experimentation pursuant to article 28 of the Service Contract (TV in mobility).

Another essential aim of Rai's strategy is to make the digital terrestrial platform clearly identifiable, like Sky on the satellite platform, with services that enable easy use and offer a brand (Tivù) which lends visibility and identity to the platform, and to launch a free satellite platform (Tivù Sat) in addition to the broadcasting via digital terrestrial networks (necessary for territorially marginal areas) and functional to the respect by Rai of 'technological neutrality' (mandatory for multi-platform broadcasting).

To fulfil this aim, Tivù Srl (48.25% Rai, 48.25% Mediaset and 3.5% Telecom Italia Media) has been established, and is required to guarantee:

- the development of the services necessary to the operation of the Tivù platforms (for free digital terrestrial) and Tivù Sat (for free digital satellite);
- EPG and conditioned access (for the protection of rights, given the coverage of the signal by satellite also beyond the national boundaries);
- the promotion of Tivù and Tivù Sat (on the mass media and present in the large-scale distribution networks), such as platforms for the free digital television offering;
- action in relation to producers to guarantee the availability of decoders with the features required by Tivù Sat;
- the offer of its services to any FTA, national or local broadcaster which intends to make use of them, on unbiased bases.



Rai Click, the first Italian television channel able to offer up the vast archive of Rai content on demand, bases its specific mission on the potential of the IP platform in order to invent a new way of doing television.

In 2008, Rai Click confirmed Rai's IPTV offering on the new platforms.

At the end of 2008, the offering on Fastweb TV had about 113,205 customers, up 43% on 2007.

Also in 2008, alongside the offering on Fastweb TV and for the Alice Home TV bouquet distributed by Telecom Italia, Rai Click developed 'on demand' theme-based channels for the TV of Tiscali.

Tiscali TV has four channels offered in 'on demand' mode and via theme-based playlists which make the most of Rai's offering.

Rai Dodò

- Cartoons (*Le avventure della Pimpa, Cartoni dello Zecchino, I Così, Le avventure di Aladino, Le Storie di Anna, Winx club – the entire series*);
- Learn and play (*L'albero azzurro, Le avventure di Hocus e Lotus, La Melevisione*).

Rai Tee

- Cartoons (*Cocco Bill, Sissi la principessa, La Compagnia dei Celestini, Sandokan, Cosmic Cowboys, Winx Club* etc.);
- Learn and play (*Hit Science, Il Divertinglese, Screensaver* etc.).

Rai Fiction

- Crime (*La squadra, Nebbie e delitti, Crimini, L'ispettore Coliandro, Linda e il Brigadiere, Il maresciallo Rocca, Don Matteo*, etc.);
- Drama (*Giovanni Falcone, Assunta Spina* etc.);
- Comedy (*Provaci ancora prof, Capri, Raccontami* etc.);
- Cult – serials in black and white (*Il tenente Sheridan, Il segno del commando*, etc.);
- Soap – Sentimental (*Un posto al sole, Incantesimo 9*, etc.).

Rai di Più

The channel comprises high quality programming selected from the Rai archives.

Scoperte

- Science, travel, free time (*Pulsar, La lotta dell'uomo per la sua sopravvivenza, Superquark, La notte della luna, Passato presente e futuro*, etc.).

Top

- Artistic documentaries, inquiries by famous names, programmes on the arts: film, art, literature, and on the language of television (*Doc d'autore, Alfabeto italiano*, etc.).

Storia

History and news programmes and documentaries.

- Programmes (*Blu notte, Storie maledette, Correva l'anno, C'era una volta, C'era una volta la Russia, Assassine, Buongiorno Cina*, etc.);
- Documentaries (*Cinquant'anni di storia d'Italia, Storie dell'emigrazione, Viaggio nel Sud*, etc.).

Spettacolo

- Theatre, variety, comedy, prime time, music (*Teatro, Senza Rete, Tante Scuse, Biblioteca di studio uno, Indietro tutta, All'opera, CD Live, Doc Musica, Omaggio a*, etc.).

During 2008, Rai Click confirmed the Rai's IPTV offering for the new platforms.

At the end of 2008 a bilateral (technical and editorial) commercial agreement was reached with Fastweb for the re-acquisition of the shares held by the latter in Rai Click. Following the strategic decision made by Rai, Rai Click will merge into Rai SpA, therefore unifying Rai's activities on the IP protocol.



1. **David Letterman**
on air on RaiSat Extra
2. **Oggi cucino in...**
Simone Rugiati on Gambero Rosso
3. **Elena Sofia Ricci and Massimo Dapporto**
in *Falcone*, on RaiSat Premium
4. **Le Winx**
on RaiSat Smash
5. **Basil Brush**
the puppet on RaiSat Smash



RaiSat has been operating on the satellite platform for years, its mission being to develop the Rai's television offering on pay-TV and digital terrestrial broadcasting, with a role of outstanding innovation in the development of programming for the new media. RaiSat represents the reference point for a high profile public seeking alternatives to general-interest TV. The basic values of the RaiSat brand are the authority, reliability and appeal of the programming proposal, which is always varied and interesting, capable of informing, entertaining and involving.

RaiSat currently produces six channels for the pay-TV offering of Sky Italia (RaiSat Extra, RaiSat Premium, RaiSat Cinema, RaiSat Gambero Rosso, RaiSat Smash and RaiSat Yoyo) and the new free Rai channels on Rai's digital terrestrial platform (Rai Gulp and Rai4). With reference to the channels supplied to the Sky platform, activities to strengthen the offering launched in the previous year continued in 2008, with the arrangement of the programming of the channels, with a view to improving the mixture of viewer figure performance/external costs. Thanks to the interventions on the programming of channels and the significant increase in average ratings in comparison to 2007, RaiSat was confirmed as the main Italian editor of the Sky platform and third 'partner' editor after Fox and Disney. RaiSat also further consolidated its role with respect to the development of Rai's DTT offering, consolidating the position of Rai Gulp on the children's target and, above all, creating the Rai4 channel, in line with the forecasts of Rai's 2008-

2010 industrial plan and in compliance with the placement indications for genres and targets received from the Parent Company.

A brief summary of the RaiSat channels and their activities follows.



During 2008, the channel strengthened its competitive positioning within the Sky cinema package. The factors which contributed to the growth in performance of RaiSat Cinema are:

- programming by appointments ('horizontal' sequencing in the daytime and the presentation of daily themes for each day of the week in prime time and late evening);
- investment in the product (which has prioritised the acquisition of the titles of American 'new classics', Italian and foreign 'classic' films and titles which represent the 'stracult' genres of Italian popular films), organized and proposed in special theme-based cycles;
- programming model which re-proposes prime time titles during daytime;
- effective paging thanks to the use of original programmes (such as *Stracultsat*), and network/product promo.

Among the weekly appointments programmed throughout the whole year, the 68 cycle proposed various films which recorded high audience figures (such as *Cinque pezzi facili*, *Soldato blu*, *Il mucchio selvaggio*).

The channel also covered the big festivals such as Venice and Rome.



The channel strengthened its role as 'public service showcase' during the

year thanks to programming structured and diversified over various theme-based prime time offerings. This model offers more viewing options, in order to follow Rai's best entertainment, inquiry and analysis programmes outside the evening timeslots. Particularly during 2008, the channel was often confirmed as the 'talk show network' in its various formats (information and entertainment). The most successful programmes of 2008 included Rai variety productions (such as: *I migliori anni*, *Ti lascio una canzone*, *Ballando con le stelle*, *Festival di Sanremo*), event involving the great showmen (particularly Fiorello, Benigni, Celentano), successful Rai entertainment formats (*L'isola dei famosi*, *XFactor*) and leading talk shows linked to information (including *Ballarò* and *Annozero*).



During 2008 the channel completed its repositioning on the 'Italian fiction series' genre in its various formats, with extensive and structured programming which offers adequate visibility to the best titles and celebrities of Rai's fiction. RaiSat Premium consolidated its role as the 'Italian story channel', that talks about Italy and its lifestyles, via an offering of theme-based cycles and genres: from 'stories about history' (profiles and biographies) to melodrama seen from a female viewpoint, from detective/crime series to romantic comedy and the soap operas proposed during the daytime. Placement by 'horizontal' appointments during the daytime and by 'vertical' appointments during the evening time slots was optimised during the year, thus strengthening the relationship of loyalty with reference audiences and increasing the performance of ratings in all the time slots.



3



4



5



RaiSat Gambero Rosso Channel is the TV dedicated to food and wine culture, flavours and taste, with segments on Italian and international cuisine, special monographs on the most famous chefs and the calendar of the world's leading food and wine events.

A new programming plan was drawn up and implemented during the year, with the aim of diversifying the theme-based formats with a new proposal for outside broadcasts to present the food and wine panorama in Italy and the world in an original way. This arrangement made it possible to limit the concentration of the offering of programmes linked to recipes prepared in the studio.



During 2008 the offering of the channel dedicated entirely to a preschool audience was consolidated and enhanced, spanning from the best European cartoon series to the most famous Italian productions, paying particular attention on the most innovative animation techniques, from 2D to 3D, from puppets to stop motion. Its programming is distinguished by the proposal of real classics for younger viewers, such as *The Teletubbies*, *Pimpa*, *Postman Pat*, *The World of Peter Rabbit and Friends*.

Using exclusively programmes well known and liked by the pre-school target (*Teletubbies* in particular), the channel has increased its audience ratings compared with the previous year.



The programming of RaiSat Smash during 2008 targeted an audience between the ages of 6 and 10, offering TV series, cartoons, films and original productions. Despite an extremely varied offering, the channels performance in terms of ratings suffered due to the increased competition within Sky's offering dedicated to the reference target. Therefore, starting from the second half of 2008, the Company launched, together with Sky Italia, a project to refocus the channel for girls, with the development of a new offering for a pre-teen audience (girls aged 8 to 12) with new programming in line with the preferences and viewing habits of the new target. The project was implemented with the launch of the new offering (RaiSat SmashGirls) on 1 January 2009.



This is the channel supplied by RaiSat to the DTT Rai platform since 1 June 2007, and which continues the tradition of Rai Children's television. Having completed the experimental phase, activity to strengthen the offering was maintained during the year, optimising placements for the reference audiences and succeeding in increasing ratings, thus narrowing the gap with the direct competitor Boing. On the basis of the agreement entered into with RaiSat, as of 19 January 2009 Rai began broadcasting RaiGulp + 1 (the re-broadcast of the programming of Rai Gulp one hour later than the standard timing) in Sardinia and the other regional areas subject to switch-over.



This is the channel supplied by RaiSat for Rai's DTT platform since 14 July 2008. Rai 4 has been generated in response to Rai's need to dedicate an offering for a younger audience, traditionally distant from the offering of the Rai. In line with this aim, the new channel is aimed mainly at an independent, non-passive target audience between the ages of 18 and 45, fascinated by the possibilities of Internet, sensitive to the suggestions of new forms of communication and cult television products, particularly new American TV films, capable of stimulating attention and encouraging a strong involvement, to the point where they get viewers virtually hooked. In order to effectively reach this target, Rai 4's programming was built using the genres appreciated by young people, such as:

- brand new and highly successful American series (current and classic) including *Brothers & sisters*, *Alias*, *Veritas*, *Codice matrix*, *Six degrees*, *What about Brian*, *Dead zone*, *NY undercover*, *Quarterlife*, *Sports night*;
- films, particularly appreciated by the target (from *Elephant* to *Final destination*, *Lara Croft*, *Vanilla Sky*, *Beverly Hills Cop*, *A Love Song for Bobby Long*, *Lost in Translation*; with Italian titles including: *Febbre da cavallo*, *Fantozzi*, *Troppo forte*, *Per qualche dollaro in più* etc.);
- extended versions of reality shows and big Rai formats (backstage, out of range and shooting of *L'isola dei famosi*, *Extra Factor*, the auditions for *X-Factor*);
- programmes derived from the web (*Blog*, *Vite reali*, *Sugo*) aimed at the Internet public drawing on the broadcasting re-transmitters of the net and blogs.



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.

One billion pages visited, with an average of 4.7 million single users (+19% and +12% on 2007) 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 particular appreciable, with over 42 million pages seen, doubling the number since 2007, with roughly one thousand different contents, including live broadcasts by the three Rai networks (launched in June), video on demand and podcast. The requests for video downloads shot up in 2008, rising 70% compared to the previous year, while podcast downloads exceeded the 11 million mark.

The excellent results in terms of traffic confirm our decision and encourage us 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.

The lynchpins of the strategy and operation were the development of the offering with the elaboration of the Editorial Plan, cost optimisation actions, the focusing of operations and the best possible use of internal resources.

With a view to avoiding overlapping and making the public service more efficient, in September RaiNet News stopped its publications. The programmes journalists were transferred to the Rai news departments focused more specifically on the web.

In July 2008, following the approval of the Editorial Plan by the RaiNet Board of Directors, implementation activities began, proving to be the most significant in the whole of 2008.

Main aims:

- to give Rai.it, as a whole (along with the connected offerings), a better graphic identity, prioritising a clear, elegant and light style, with the aim of establishing the recognition and appeal of the Rai brand on the web;
- to make the Rai portal, as a whole, easier to use (with elements to simplify access to content, clear and linear movement around the portal, simplified graphic elements, which must be self-explanatory and leave no room for incorrect interpretation);
- to convey greater clarity, in terms of identity and hierarchy, to the contents of Rai.it;
- to strongly highlight the multimedia contents available, such as the simulcast offering, live radio and TV broadcasts, the growing availability of content of demand and the vodcast and podcast offering;
- to intensify and highlight the frequency with which the editorial contents offered are updated;
- to focus on functionality and customisation, offering users dynamic, modular layouts with the possibility for the to customise them to suit personal

1. Home page of www.rai.it
the Rai world portal

2. The Melevisione site
produced by RaiNet

preference with regard to contents and graphics;

- to implement a new, more flexible use of the Rai.it surfing bar and search tools;
- to highlight Community functionality;
- to offer surfing routes related to user preference, content-related advice and suggestions generated automatically depending on the behaviour of the user while logged on to the portal or the websites.

In December 2008, activities were completed for Rai.it (expected to be on line in February 2009), and almost completed for Rai.tv.

As far as the activities of the TV portals are concerned, in December 2008 the graphic design phase was completed. The Community-related area is still in the editorial and detail-planning phase. The new offering of web and TV channels went on line in September 2008, as envisaged by the editorial plan.

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, the implementation of Rai.tv during 2008 focused on segmentation and on the richness and appeal of the contents.

Also during 2008, web TV made the most of television and historical events and anniversaries via theme-based sequences characterised by the re-packaging of prestigious content from the Rai archives and the flow programming of the general-interest networks, and by the experimentation of products designed

and made especially for the Internet. The main events given space included the one hundredth anniversary of the birth of Anna Magnani, the birthdays of comedians and TV celebration, ranging from Dario Fo and Franca Valeri to Carlo Verdone, art produced by women, television couples, the sixtieth anniversary of the Italian Constitution, Memorial Day, Remembrance Day, the thirtieth anniversary of Law 180, etc. In the second half of 2008 the offering was expanded with the addition of new channels and the restructuring of the editorial profile of the live channels in the first half of the year. The channels currently broadcast live are:

- Comedy
- TV fiction series
- Rai Kids
- Rai Tween
- Viaggi e Paesi
- Primo piano
- Scienze & Technology
- Millepagine

Figures

During 2008, with over 600 websites on line (entertainment, information, service websites), the Rai Portal achieved a new absolute record in terms of users: a total of 998 million pages visited and a monthly average of 4.7 million single users, recording growth of +19% and +12% on 2007.



42 million videos were issued, up 90% on 2007. The video podcast of the Rai networks (with just 7 titles) totalled over 5.2 million download requests (+70% on 2007).

These were, in order of importance: *Un posto al sole*, *Televisione*, *Che tempo che fa* – *Luciana Littizzetto*, *La nuova*

squadra, *Albero azzurro*, followed by *Viaggio in Italia* and *Tg1 rubriche*.

The most-visited websites were:

1. Rai.tv, with +34% on 2007 in terms of single users (and +7% in terms of pages seen);
2. Rai.it homepage, with -5% in relation to users but +107% on 2007 in terms of pages seen;
3. RadioRai, stable as regards single users but with +46% for pages seen;
4. RaiNews24, with +33% for single users and +59% in terms of pages seen;
5. Televideo, with +18% once again and +22% for pages seen;
6. Rai Sport, with +10% in terms of single users and +150% in terms of pages seen.

The ranking of the Rai websites showed no significant changes in comparison to 2007 in terms of positions.

The most relevant event during 2008 was recorded in August, with the special dedicated to the Beijing Olympics: the Rai Sport website totalled 34.3 million pages seen during the 24 days of the Olympic Games (45% of the total of the Rai portal), with an average visiting time of about 11 minutes and a daily average of 88,000 single users (40% of the whole Rai portal). If these values are compared with the same period of the previous month, the number of pages seen multiplied by 35, the duration by almost 3 and single users by 15. Users particularly appreciated the possibility of watching no fewer than 8 live channels: besides the Olympic network RaiDue and RaiSat Sport Più, six channels exclusively for the web, with the best of the various competitions. This was proven by the almost 14 million requests for live flows and over a million for clips on demand, with a daily average of 96,000 single users. But also in terms of average users,

Internet proved to be extremely significant and complementary to the television: on 22 August for example, live videos on the web recorded an average of 40,000 users logged on simultaneously (between 10.00 a.m. and 6.00 p.m.) with a peak of over 67,000 at about 3.30 p.m.

There were also excellent results following the launch of the live broadcasts for the European Football Championships on all three networks, RaiUno, RaiDue and RaiTre in June 2008.

Rai's websites achieved a historical result in October, with 102 million pages seen and 5.6 million single users, thanks mainly to the last edition of *L'isola del famosi*.

The Internet market (excluding applications like instant messenger, media player, media sharing etc.) with 20.5 million single users during December, recorded a 3% increase on the previous month and an 11% decrease on the previous year.

Comparing the 12-month averages (January-December) over the years, the Rai Portal has recently recorded 6% and 30% increases on the previous periods, in line with the market growth of 10% and 30%.

As regards the predictable evolution of operations, 2009 will be characterised by the implementation and launch of the new Rai portal. The rational development of the offering accompanied by improved product quality and methods of utilisation, will involve a considerable effort both with regard to content and technology, with targeted investments and acquisitions of services. Following the analytical activities launched with Sipra, it is hoped that the collection of advertising revenues will become more efficient, leading to the recording of volumes in lines with the performances of portals similar to Rai.it.



Rai



Commercial Division

78 Commercial development and coordination

80 Sipra

82 Rai Trade

83 Rai Eri

The strategic lines for **development and commercial coordination** are divided into the following areas of operation:

- supporting General Management in setting out the overarching strategies of the Group;
- spotting new income opportunities in Italy and abroad;
- ensuring that adequate planning precedes the exploitation of opportunities, and developing action plans to achieve synergies within internal departments as well as with Sipra and Rai Trade;
- developing and managing trade agreements with branches of government (Ministries, Regional governments, etc.), business deals with telephone companies and initiatives for the dissemination and expansion of its offering to public service users;
- coordinating commercial initiatives to rationalise the use of secondary rights on the national and international markets, a task that has essentially been assigned to Rai Trade.

In keeping with this mission, once again intervention during 2008 focused on the development of new revenue opportunities on the multi-platform market – activating the appropriate synergies with the Group Companies and Management Divisions – and on the expansion and management of conventions with public authorities.

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 on the various distributive platforms and of remote and by-band video recording services, to offer anytime/anywhere consumption opportunities, particularly:
 - supply to Fastweb of content for broadcasting on the IPTV and Web platforms;
 - supply to Telecom Italia Media of content for broadcasting on Alice Home TV and Portale Rosso Alice;
 - authorisation to Tiscali of the PVR services on RaiUno, RaiDue and RaiTre;
 - agreement with H3G for simulcast of RaiUno, RaiDue and RaiTre on DVBH.

At the same time, on the mobile TV front, Rai renewed the agreement with H3G for the Rai Channel, for use on third generation terminals equipped with UMTS technology.

- Consolidation of the dissemination and distribution of cross media products created especially and relative commercial assessment based upon the customising and selection of content, in terms of re-packaged channels that revolve around a genre/theme and are dedicated to a specific target, as well as re-packaging in snippets and clips of traditional television and miscellaneous content, in relation to which agreements have been reached with:
 - Fastweb for the IPTV platform, in relation to 7 theme-based channels (formerly Rai Click);
 - Telecom Italia Media for Alice Home TV, in relation to the supply of theme-based divisions Rai Junior, Rai Fiction and Viva la Rai;

- Tiscali for the IPTV platform, in relation to the supply of theme-based divisions Rai Junior, Rai Fiction and Rai Cultura;
- Vodafone and Tim for the creation of the *Rai con te Wap* portal.

- Development of forms of interaction in programmes via landline and/or mobile phone (e.g., Televoting, Surveys, Games, Downloading), which respond to the dual aim of increasing income from revenue sharing on the telephone traffic generated and programming enhancement, with the renewal of agreements with the Telecom Group and Wind.
- Making the most of the Sport Library owned by/available to Rai thanks to agreements with Football Clubs (Rai/AS Roma agreement).
- Commercial enhancement of the corporate assets of the National Symphony Orchestra via the performance of concerts in Italy and abroad and via the licensing of the A. Toscanini Auditorium in Turin.
- Commercial enhancement of production services in terms of professional resources and technical equipment, television studios and access to the broadcasting signal.

Conventions Division

Running parallel to the creation of institutional communication plans for Public Authorities, which enhance Rai's offering on all platforms, and to the agreements entered into following participation in competitions and European projects, we should also take note of the following:

- the renewal of the agreement with the Prime Minister's Office concerning the television, radio and multimedia offering for the foreign market for 2008;
- the agreement with the Ministry of Education for the creation by Rai Educational of training projects destined for use by students and teachers;
- the implementation and development of the special project *Un'idea per le Regioni*, aimed at creating 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;
- the development of projects for the recovery and restoration of audiovisual materials in the Teche of the Rai regional offices, accompanied by their commercial exploitation;
- the creation of radio and television programmes aimed at linguistic minorities;
- the commercial enhancement of territorial promotions linked to the localisation of audiovisual productions (fiction series, documentaries, TV movies, mini-series, etc.).

Within the sphere of the role of coordination and interface performed by Management with respect to the Rai Structures and Group Companies, particularly Rai Trade, and in order to stimulate and optimise intra-group synergies, agreements have been drawn up with various football clubs for the cession and exploitation of the library, further enhancing the Rai Teche archives unit.



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 domain, promoting the high value of the media under concession to investors, in terms of programming quality, audience ratings and less overcrowding.

2008 was a decisive year for Sipra, which understood the absolute need for flexibility within its organizational layout in order to follow and, where possible, anticipate the increasingly swift evolutionary changes in the advertising market.

Therefore, in the face of difficulties in terms of revenue and the quickly and constantly evolving television market, with the passage to from analogue to the digital platform now in full swing, the Concession holder intervened in relation to its sales organization to enhance its multi-channel aspect, also expressed in terms of multi-platform, and to grasp the opportunities for technological transformation underway, to make the most of the choices to be taken by the Editor with regard to the broadcasting strategy to ensure the coherent development of the offering.

In order to make the most of each media managed, three sales management divisions have been envisaged, along with a management division for direct interlocution with the central media:

- the TV; Film and Web Sales Division;
- the Radio Sales Division;
- the Special Projects Sales Division;
- the Media and Web Centres Division.

In order to maximise multi-channel and multi-platform synergies, the Sipra Lab Division has been set up.

To continue the expansion of its digital offering and in order to better intercept the more multimedia part of television audiences, Sipra has acquired the advertising concession, from January 2009, of the RaiSat SmashGirls and RaiSat YoYo channels in order to optimise its offering, with Rai Gulp, for children. To strengthen its presence among the commercial attractive young target, the birth of Rai 4 in 2008 provides a strategic presence.

Furthermore, the editor is expanding its digital offering: this has already involved the launch of Rai Storia and the birth of Rai 5 is expected to take place by the summer.

In terms of **audience share**, the leadership of the Rai networks over the daily total was confirmed with a share of the individual targets of 41.8%, against the 39.4% obtained by the main competitor and the 9% gained by the Sat channels. Rai ratings during prime time rise to 43.4%, widening the gap with the follower (Source AGB/Auditel).

The **advertising investment market**, strongly conditioned by the negative overall market situation and its deterioration in the second part of the year, is experiencing a decline.

Estimates for the closure of 2008 drawn up by Nielsen indicate a -2.8% decline on an even basis. Only Radio, Internet and Sat TV (as well as free press) highlight growth in comparison with 2007.

Revenues from **analogue television channels** show a decline for almost all players, including the Rai Group concession holder. Only Publitalia confirms the turnover of 2007 (Source: Nielsen).

Despite the advertising market difficulties, the first 100 Sipra customers, who represent about 80% of turnover, highlight growth of +1%. The number of active customers has fallen slightly: from 510 in 2007 to 502 in 2008. The sales force intercepted 115 new users, confirming a rate of rotation in line with the previous year (24%). Particular interest was aroused by TV sponsorships, which record a rise in income of +2.8% (Source: Internal).

As regards **radio audience ratings**, the three Rai networks show growth of +2% on the individual target in the average quarter of an hour, while the commercial networks have suffered a decline of -1.0%.

Radio1 grows +2.9% thanks to the presence of the European Football Championships and the consolidation of certain programmes launched in autumn 2007.

Radiotre experiences a growth in ratings of +7.7%, while Radio2 ratings are down by -2.1% (Source: Audioradio).

While the slight decline in overall advertising revenues for Radio Rai, Special Initiatives show interesting growth rates: +30.8% for radio promotions and +5% for radio sponsorships. The sales force intercepted 412 customers, 148 of which were new (Source: Internal).

As regards the **satellite channels** Nielsen estimates that the year will close +6.9%.

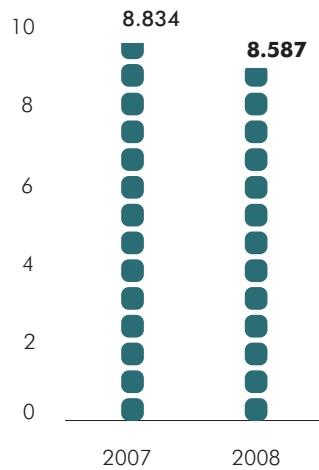
With a view to the strengthening of the offering of theme-based networks, Sipra increased its presence on the satellite platform, managing the advertising revenues of the channels of the associated company RaiSat (RaiSat Extra, RaiSat Premium and RaiSat Cinema) and Rai Trade (Inter Channel, Roma Channel, Juventus Channel) and Rete Blu (Sat2000). The strategy which involves the acquisition of new channels, both on the satellite and digital terrestrial platform, has enabled Sipra to grow by 63%, intercepting 90 new customers and recording an average turnover increase of 14%.

Internet is the media that records the highest growth (+13.9%), although the changes are slighter than in previous years (Source: Nielsen). Similarly to investments, the utilisation on on-line contents (consumption) shows a positive trend: +41% of pages seen per user, +32% of the average time per user, +14% of sessions per user (Source: Nielsen On Line).

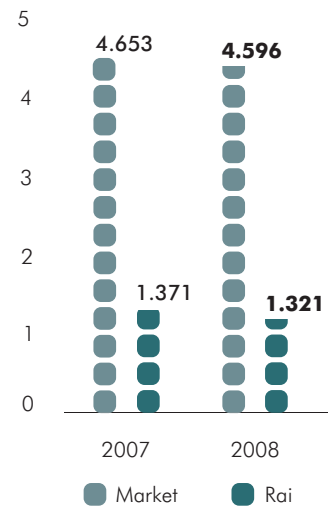
Advertising investments on the Rai.it portal show a growth of +7.8%. There are interesting prospects for advertising revenues in 2009 thanks to the launch of the new Rai.tv portal (10 February), in a completely new format, both in terms of advertising positions and content (Web 2.0).

RaiPod, Radio Rai's podcast platform, continues to provide satisfaction with regard to the user profile and the number of downloads, confirming interest in the quality of Rai's radio programmes.

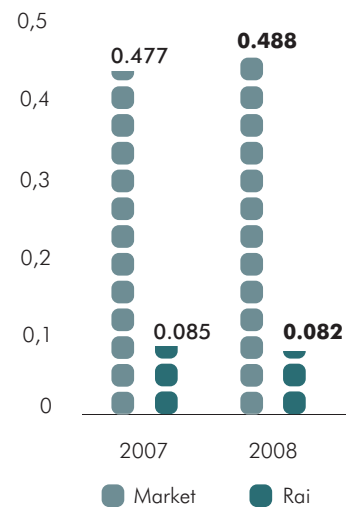
Advertising market (*)
(source: Nielsen, in billions of euros)



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



Radio 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 2008 amounted to 81 million euros, with a net result of 2.6 million euros, up compared to 2007. This result was achieved thanks to various initiatives in a number of different business areas.

Sport

Revenues from the sales of Sport amounted to about 20 million euros in 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 and the reporting rights for Italy of the European Football Championships and the Beijing Olympics;
- the distribution of certain rights acquired and/or procured directly by Rai Trade, such as several friendly matches played abroad by the Italian national football team and the Italian Cup;

- the international sale of the theme-based channels of Inter, Juventus and Roma, which highlighted significant growth.

Musical productions and publications

During 2008 the Musical Productions and Publications Division consolidated its performance level, with revenues of over 19.5 million euros, rising in comparison to 2007 and also including revenues related to the Cultured Music and Prize activity.

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

The results achieved by the Film and Fiction area in 2008 were satisfactory, with about 8.5 million in revenues, joined by income from the sale of *L'isola dei Famosi* and *X Factor* to the digital platforms.

The results achieved in this sphere were particularly significant (over 8 million in revenues).

During 2008, Home Video production activities enabled the distribution of 17 series through newsagents, for a total of 195 products.

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

- a set of 27 DVDs, distributed by the *Corriere della Sera*, dedicated to the history of mankind and prepared by Piero and Alberto Angela;
- a set of 10 DVDs dedicated to *Mina* and distributed by the *L'Espresso* publishing group;

1. DVD editions

in collaboration with leading publishers

2. Football theme channel

a 'frame' of the Juventus Channel

3. La Rai per la Cultura

the web site

4. The Rai Eri catalogue

- a set of 8 DVDs dedicated to *Marco Pantani*;
- a set of 30 DVDs covering the history of Italy's favourite sport with Rai's sports programmes and the voices of the programme "Calcio minuto per minuto".

The turnover of the Theme-based channels exceeded 7 million euros, including revenues from foreign sales, with an increase on 2007 attributable substantially to Juve Channel, which is showing progressive growth, and to the new free satellite channel dedicated to tennis, called "Super Tennis". Subscribers in 2008, amounting to 108 thousand units, were down slightly in comparison to 2007, as the permanent introduction onto the market of digital terrestrial broadcasting, the new frontier for distribution, together with progressive signs of weakness of the financial markets, have slowed down the rush to subscribe to satellite networks; promotional activity carried out during the summer performed an important supporting role and contained the trend towards an abandon of the satellite platform.

2008 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 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

Operational support for the design and creation of all the phone-in activities run with the television programmes, such as voting, gaming, SmsSinBox, News and digital gadgets continued in 2008.

The process of implementation of the services extends from the definition of the technical details and those with an impact upon digital services, to the control and management of Rai's administrative flow (agreements with TelecomItalia, TIM and WIND) and from the Service Centres (Vodafone and H3G), definition of shares with Rai and with This Parties (see Endemol, Magnolia).

Agreements were also entered into with APPLE for the exploitation of the more profitable channels in the distribution via IP (Internet Protocol), for the distribution through iTunes, which is already operational in several continents. The agreement currently envisages the distribution of Musical and Musical Video files, as well as the distribution of ring-tones for the new iPhone terminal. Contacts have also been made with Google to finalise similar agreements.

Cartoons

The twelfth edition of **Cartoons on the Bay**, the International Television Cartoons Festival, was held in Salerno from 10 to 13 April 2008. 176 programmes from 24 countries were chosen or the Official Selection of the Festival. 40 works were candidates for the Pulcinella Awards, the assignment of which was enriched by a tight programme of special events, previews, conferences and meetings. The festival was promoted by Rai Radiotelevisione Italiana and made by Rai Trade with the contribution of Rai Fiction and RaiSat and the support of Local Authorities.

Promotional events

Once again in 2008 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 2008 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 are also confirmed as Auditel champions: *Affari Tuoi* and *La Prova del Cuoco*.



4



Rai is developing its publishing activities in tandem with its television and radio programming. The objective is to give a recognisable identity to the Rai library and maintain the success of the Rai Eri brand in the world of culture and publishing.

The publishing list consists only of titles that are based on radio and television productions, and refer to media studies and works that document the important cultural role played traditionally by Rai in Italy, also through its prestigious regional branches.

The aim is to build a library of written works that not only preserve but also integrate and explore Rai's radio and television output.

Contrary to popular belief that television is killing books, Rai publications are created according to a public service ethos, intended to make a significant contribution to the promotion of personal growth and the inculcation of fundamental human values.



Rai



Broadcasting Division

86 Rai Way



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 **2,340** 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.

For the Italian radio and television system, 2008 represented the turning point in the switchover from analogue terrestrial television to the digital broadcasting platform. After several years of experimentation and progressive extension of the DTT networks within regulatory scenario which was not completely defined, the Italian Ministry of Economic Development-Communications issued a decree presenting a detailed calendar from the switch-off of the analogue television networks, region by region, to be completed by the end of 2012. Consequently, the Company's activities were focused on the implementation of the operations envisaged for 2008, culminating with the switch-off in Sardinia, thus enabling the achievement of the network coverage aims, as indicated by the Parent Company.

In terms of the advanced services offered by Rai, required in particular to second the growing public demand for high quality television content, Rai Way set up

a DTT contribution and dissemination network in the areas of Rome, Milan, Turin, Sardinia and Valle d'Aosta, in High Definition and in 16:9 standard for the broadcasting of the matches of the recent European Football Championships, this being Rai's first important experience in the High Definition field. Following the huge success of the initiative from a technical point of view, a similar experience was repeated during the Beijing Olympics, where Rai Way was active on site for the arrangement of local and international link-ups and for the coordination of broadcasts.

Remaining within the field of digital broadcasting, 2008 witnessed the consolidation of Rai Way's strategy in the area of digital radio.

This consolidation was expressed both with the extension of the experimentation and prototyping of public and commercial services, made available with Visual Radio and TPEG techniques, and via the consolidation of cooperation, particularly with the associations of local and community radios Aeranti – Corallo.

The first activity involved close internal cooperation with Sipra and with the Rai's Radio Division, with the broadcasting of pictures and texts in support of programmes during Radio Rai's radio programming; while the second was made possible by the definition of an agreement for the construction and management of infrastructure for radio broadcasting on the digital platform dedicated to local broadcasters.

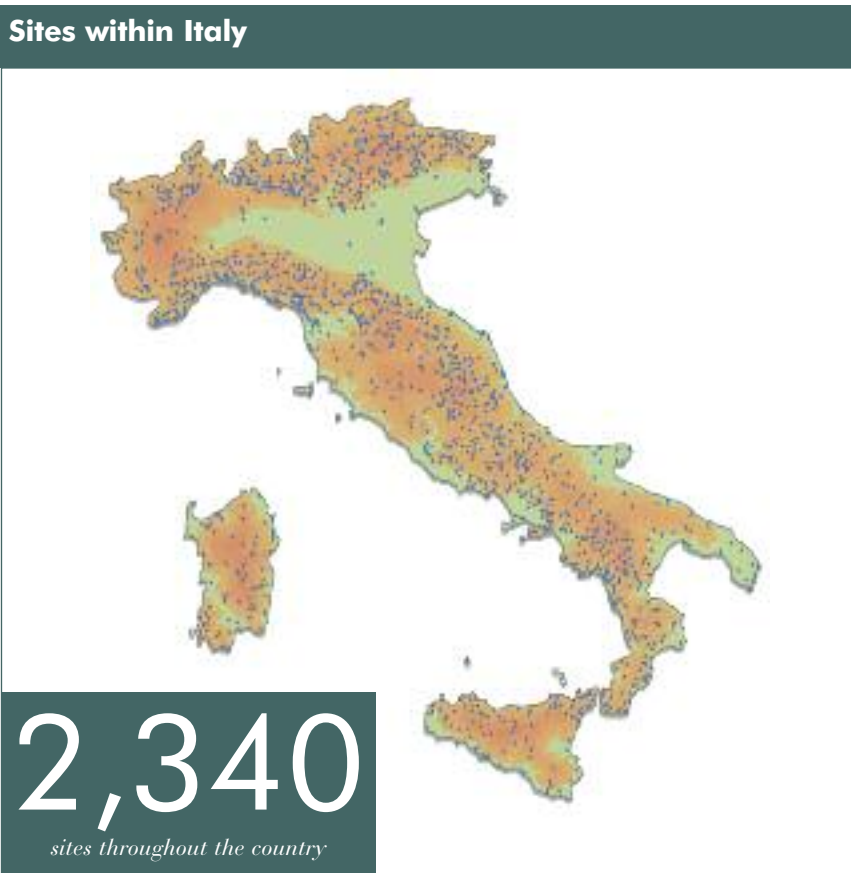
Furthermore, in order to encourage and support the definition of an effective framework law, enabling the rapid consolidation of digital radio broadcasts in Italy, the Company set up the Association for Digital Radio in Italy (ARD), together with Aeranti-Corallo and Radio Nazionali Associate (RNA).



Within the sphere of DAB+ and DMB experimentation, carried out in the Venice and Bologna areas, Rai Way, in partnership with the association Aeranti-Corallo, disseminated the broadcasts of 19 and 17 local broadcasters respectively from its premises in Campalto and Colle Barbiano. As of October, the broadcasts of the Rai Multiplex began in Rome too, together with the signals of various private national broadcasters of RNA and FRT, taking the coverage of public service digital radio to about 45% of the Italian population.

An international position of importance, capable of guaranteeing the development of new business projects and improving the visibility of the company's products and services, has always inspired Rai Way's strategic planning systems. Considering the developments underway in various European countries on the radio and television broadcasting system market, two roads were travelled at the same time: the cooperation with government partners such as the Prime Minister's Office and the Ministry for Foreign Affairs, for the identification of opportunities for new projects abroad and the attendance of the "6th Meeting of the Regional Broadcasting Operations" held in Belgrade to illustrate the activities of Rai Way's various possible partners. Furthermore, 2008 witnessed the evolution of the programme of experimentation of the T-DBM standard in the city of Tunis.

Numerous promotion and communication activities were organized by Rai Way, with particular reference to digital radio and the experimentation underway.



Examples of this are:

- the seminar day promoted by Rai Way on the theme of Visual Radio, with the participation of Sylvain Anichini, former deputy General Manager of Radio France;
- participation in the event of the RADIOTV FORUM 2008;
- the AICT study day, on which the particular features and choices made with regard to the distribution and dissemination in high definition DTT of the European Football Championships were explained;
- participation in the IAB Forum of Milan at the Rai-SIPRA stand, where media agencies and advertising

investors were introduced to the potential of new formulas and further future spaces for radio advertising on the DAB+/DMB multiplexes.

Attention to the environment, always among the company's priorities, was made tangible by the activation of the Trapani Paceco photovoltaic installation.

Once again, during 2008 Rai Way prepared and published the **Environmental Report** in order to continue the carriage of information regarding environmental impacts connected with corporate operation.



Rai

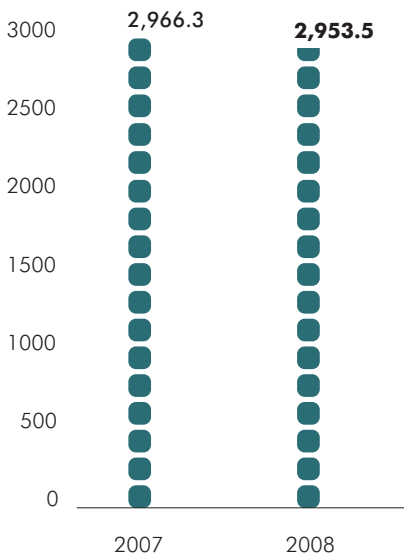


Parent Company's financial and earnings position

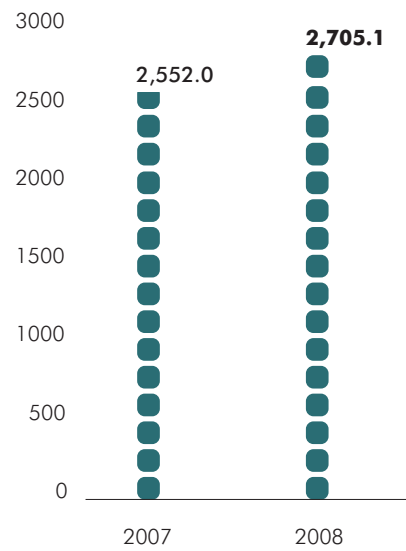
- 90 **Highlights**
- 92 **Reclassified financial statements**
- 93 **Review of Balance Sheet, Income Statement and Financial situation**

Highlights (millions of euros)

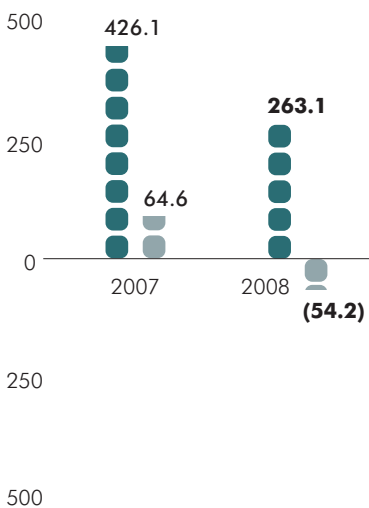
Revenues



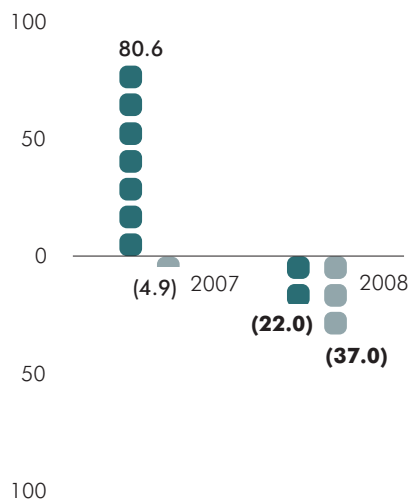
Operating Costs



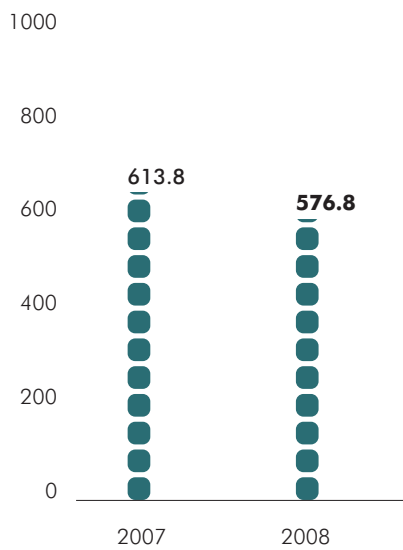
GOM - Operating Result



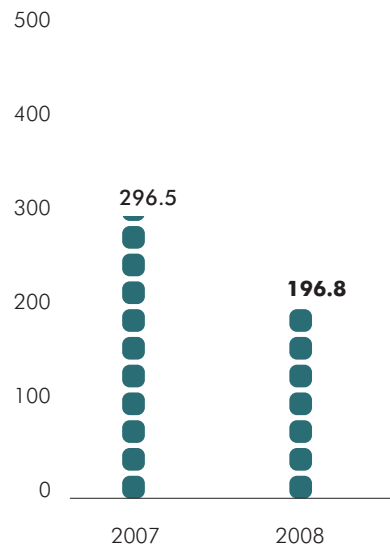
Result before Taxes - Loss for the year



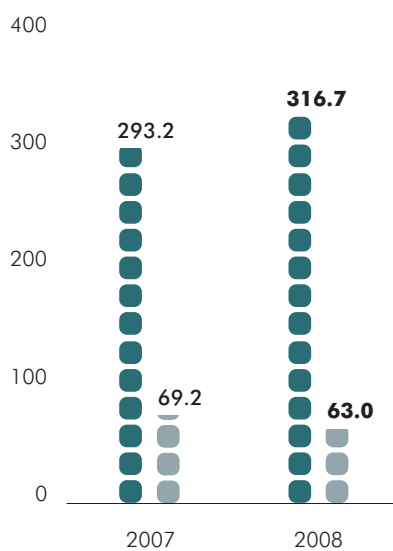
Shareholders' equity



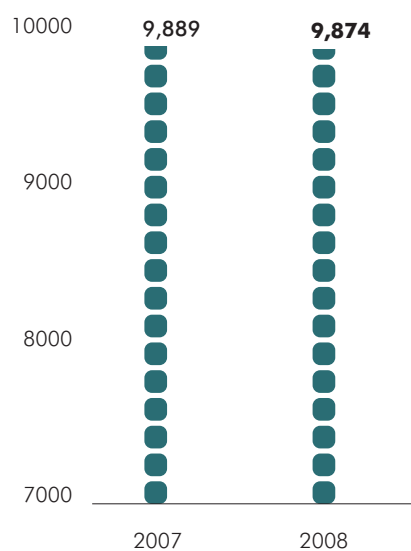
Net Financial Position



Investments (in programmes and other)



Workforce at 31 December



Reclassified financial statements

Income Statement (millions of euros)

	2008	2007	Change	Change %
Revenues from sales and services	2,953.5	2,966.3	(12.8)	-0.4
Internal cost capitalisations	14.7	11.8	2.9	24.6
Total revenues	2,968.2	2,978.1	(9.9)	-0.3
External goods and services	(1,802.4)	(1,655.9)	(146.5)	8.8
Personnel costs	(902.7)	(896.1)	(6.6)	0.7
Total operating costs	(2,705.1)	(2,552.0)	(153.1)	6.0
Gross operating margin	263.1	426.1	(163.0)	-38.3
Amortisation of programmes	(255.0)	(225.2)	(29.8)	13.2
Depreciation and other amortisation	(90.3)	(102.1)	11.8	-11.6
Other net income (charges)	28.0	(34.2)	62.2	-181.9
Operating result	(54.2)	64.6	(118.8)	-183.9
Net financial income	3.1	5.0	(1.9)	-38.0
Income from equity investments	28.1	39.4	(11.3)	-28.7
Result before exceptional items	(23.0)	109.0	(132.0)	-121.1
Total operating costs	1.0	(28.4)	29.4	-103.5
Result before taxes	(22.0)	80.6	(102.6)	-127.3
Income taxes for the year	(15.0)	(85.5)	70.5	-82.5
Loss for the year	(37.0)	(4.9)	(32.1)	655.1

Balance Sheet (millions of euros)

	31.12.2008	31.12.2007	Change	Change %
Non-current assets	1,122.1	1,109.1	13.0	1.2
Working capital	(407.6)	(442.3)	34.7	-7.8
Staff severance pay provision	(334.5)	(349.5)	15.0	-4.3
Net invested capital	380.0	317.3	62.7	19.8
Net equity	576.8	613.8	(37.0)	-6.0
Net available funds	(196.8)	(296.5)	99.7	-33.6
	380.0	317.3	62.7	19.8

Review of Balance Sheet, Income Statement and Financial situation

Income Statement

The Parent Company income statement for 2008 shows a **net loss of 37.0 million euros**, against a loss of 4.9 million euros for 2007.

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 2,953.5 million euros, down 12.8 million euros (-0.4%) on 2007.

Licence fees (1,619.2 million euros).

These include licence fees for the current year as well as those for previous years, collected through coercive payment following assessment, as highlighted in the following table.

The increase (+2.0%) is mainly attributable to an increase in the per-unit licence fee from 104.00 euros to 106.00 euros (+1.9%), with the remainder accounted for by an increase in the number of paying subscribers.

Revenues from sales and services (millions of euros)

	2008	2007	Change	Change %
Licence fees	1,619.2	1,588.0	31.2	2.0
Advertising revenues	1,095.7	1,136.8	(41.1)	-3.6
Other revenues	238.6	241.5	(2.9)	-1.2
Total	2,953.5	2,966.3	(12.8)	-0.4

Licence fees (millions of euros)

	2008	2007	Change	Change %
Fees for the year	1,603.0	1,566.9	36.1	2.3
Fees from coercive payment	16.2	21.1	(4.9)	-23.2
Total	1,619.2	1,588.0	31.2	2.0

TV subscriptions - changes

	2008	2007	2006	Change % 2008/2007
New	411,177	434,228	398,866	-5.3
Renewals	15,528,437	15,462,729	15,383,000	0.4
Paying subscribers	15,939,614	15,896,957	15,781,866	0.3
Delinquent subscribers	738,965	664,827	684,282	11.2
Total registered subscribers	16,678,579	16,561,784	16,466,148	0.7
Delinquent subscribers %	4.54%	4.12%	4.26%	
Cancellations	294,382	338,592	330,746	-13.1
Cancellations+delinquent position	1,033,347	1,003,419	1,015,028	3.0

Once again in 2008 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.

Licence fees in Europe (euros)			
Switzerland	281.00	Finland	215.45
Norway	256.00	UK	187.00
Austria	263.63	Ireland	160.00
Sweden	216.00	France	116.00
Germany	204.36	Italy	106.00

Advertising revenues (1,095.7 million euros) show a drop of 41.1 million euros (-3.6%) on 2007. This result is largely determined by a trend in advertising revenues characterised by good results in the early part of the year, aided by the presence of the European Football Championships and Olympic Games in the programming, and by a significant reduction in the second half of the year, particularly from October onwards, due to the current recession which has hit international markets. The reference market (TV and Radio) showed an overall decline of about 0.9% (source Nielsen) in 2008.

Advertising (millions of euros)				
	2008	2007	Change	Change %
Television advertising	947.7	981.7	(34.0)	-3.5
Radio advertising	53.6	57.3	(3.7)	-6.5
Promotions and sponsorship	86.1	89.5	(3.4)	-3.8
Other advertising	8.3	8.3	0.0	0.0
Total	1,095.7	1,136.8	(41.1)	-3.6

Other revenues show a slight drop of 2.9 million euros (-1.2%), due to a number of opposing factors, of little significance when considered separately, as highlighted in the table on the right. Positive items included the higher proceeds generated by the Radio, television and multimedia agreement for the foreign market, booked to *Special services under agreement*, while negative items included lower revenues from performance of services of varying nature for public entities.

Other revenues (millions of euros)				
	2008	2007	Change	Change %
Special services under agreement	69.1	64.7	4.4	6.8
Sale of rights	43.0	45.5	(2.5)	-5.5
Services for investee companies	33.3	31.3	2.0	6.4
Telephone services	19.2	20.1	(0.9)	-4.5
Sale of rights for the use of Teche material to football clubs	16.6	18.0	(1.4)	-7.8
Production services	10.3	10.2	0.1	1.0
Repayment of programme production costs	7.2	9.1	(1.9)	-20.9
Recovery of emoluments and cost of seconded staff	9.4	7.1	2.3	32.4
Technical services for digital terrestrial broadcasting	3.0	3.4	(0.4)	-11.8
Other	27.5	32.1	(4.6)	-14.3
Total	238.6	241.5	(2.9)	-1.2

As shown in the table on the right, the relative weights of the three components in total revenues from sales and services show an increase in the Licence Fees item compared with the totals for the previous year, to the detriment of the Advertising component.

% of revenues		
	2008	2007
Licence fees	54.8	53.6
Advertising revenues	37.1	38.3
Other revenues	8.1	8.1
Total	100.0	100.0

Operating costs

These total 2,705.1 million euros, rising 153.1 million euros, 6.0% compared with 2007, largely due to the presence of the aforementioned sports events held in 2008 (European Football Championships and Olympic Games).

The item includes internal costs (labour cost) and external costs, regarding ordinary business activities, apart from those relating to financial operation, as indicated in the classification below.

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, services from subsidiaries, 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 an increase of 146.5 million euros (+8.8%) from the previous year mainly as a result of costs for filming rights (+142.9 million euros) relating to important four-yearly sports events (European Football Championships and the Olympic Games, equating to 164.6 million euros), partially offset by savings in relation to other sporting disciplines. Net of costs relating to the aforementioned big sports events, the caption shows a reduction, thanks to the cost containment policies implemented during the year.

Consumption of goods and external services (millions of euros)

	2008	2007	Change	Change %
Materials purchased	25.9	22.6	3.3	14.6
External services:				
Freelance services	147.0	143.4	3.6	2.5
Services for acquisition and production of programmes	257.8	260.2	(2.4)	-0.9
Staff allowances, travel and accessory costs	49.1	47.3	1.8	3.8
Signal broadcasting and transport – Rai Way	154.8	149.5	5.3	3.5
General services (postage, telephones, transport, maintenance, cleaning, archive services etc.)	159.8	158.9	0.9	0.6
Other	62.5	60.9	1.6	2.6
	831.0	820.2	10.8	1.3
Use of third-party assets:				
Acquisition of viewing rights by Rai Cinema	301.6	311.0	(9.4)	-3.0
Leases and rentals	76.7	73.2	3.5	4.8
Filming rights (mainly for sports events and the Sanremo Festival)	359.0	216.1	142.9	66.1
Utilisation rights	112.3	122.6	(10.3)	-8.4
Other	8.1	8.6	(0.5)	-5.8
	857.7	731.5	126.2	17.3
Change in inventories	0.2	0.7	(0.5)	-71.4
Concession fee	29.2	28.8	0.4	1.4
Other operating costs:				
Prizes and winnings	14.9	16.1	(1.2)	-7.5
Authority contribution	4.1	4.2	(0.1)	-2.4
Municipal property tax	3.6	3.6	0.0	0.0
Other indirect taxes and contributions	6.7	6.2	0.5	8.1
Newspapers, magazines, books and publications	3.2	3.1	0.1	3.2
Membership fees	2.7	2.8	(0.1)	-3.6
Other	10.5	4.1	6.4	156.1
	45.7	40.1	5.6	14.0
Other	12.7	12.0	0.7	5.8
Total	1.802.4	1.655.9	146.5	8.8

Personnel costs – These amount to 902.7 million euros, up by a total of 6.6 million euros on the total at 31 December 2007 (+0.7%), as detailed in the table below.

Personnel costs (millions of euros)

	2008	2007	Change	Change %
Wages and salaries	651.5	652.4	(0.9)	-0.1
Social security contributions	176.0	169.0	7.0	4.1
Staff severance pay	46.5	48.2	(1.7)	-3.5
Pension and similar costs	14.6	14.2	0.4	2.8
Other	14.1	12.3	1.8	14.6
Total	902.7	896.1	6.6	0.7

The positive effects of resignation incentives in 2007 and the new 2008 incentives have allowed us to considerably counteract the 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 certain exogenous factors, the most significant being the acceptance of the application for de-contribution for level two payment and the lowering of the severance pay fund revaluation index.

At 31 December 2008, the **entire staff** consisted of 9,874 members, 15 less than on the same date of the previous year.

The **average number of employees**, including those on fixed-term contracts, came to 11,698, rising 22 from the previous year due to an increase of 31 in the number of staff on permanent contracts and a drop of 9 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 263.1 million euros, falling 163.0 million euros, or 38.3%, on the previous year.

Amortisation of programmes

This caption is related to **investments in programmes**, which during 2008 amounted to 316.7 million euros, up 23.5 million euros (+8.0%), mainly due to TV fiction series which continued the growth trend shown in previous years.

Investments in programmes (millions of euros)				
	2008	2007	Change	Change %
Programmes:				
- Fiction	285.0	269.6	15.4	5.7
- Other programmes	31.7	23.6	8.1	34.3
Total	316.7	293.2	23.5	8.0

Amortisation charged to the above captions for the year, 255.0 million euros, shows an increase of 29.8 million euros (+13.2%), compared with the previous year, in line with the growth of investments.

Amortisation of programmes (millions of euros)				
	2008	2007	Change	Change %
Programmes:				
- Fiction	235.5	210.1	25.4	12.1
- Other programmes	19.5	15.1	4.4	29.1
Total	255.0	225.2	29.8	13.2

Depreciation and other amortisation

This is linked to investments in **tangible fixed assets** and **other investments**, the latter consisting mainly of the purchase of frequencies for the development of the digital technical network and charges sustained for improvements to third-party assets.

The 2008 movement in these assets, shown in the following table, presents a total drop (-6.2 million euros), mainly concerning costs sustained for improvements to third-party assets.

Other investments (millions of euros)				
	2008	2007	Change	Change %
Tangible fixed assets	59.4	61.5	(2.1)	-3.4
Other intangible fixed assets	3.6	7.7	(4.1)	-53.2
Total	63.0	69.2	(6.2)	-9.0

Amortisation/depreciation charged for the year amounts to 90.4 million euros, with a drop of 11.7 million euros compared with 2007, referring entirely to tangible fixed assets, in relation to the progressive completion of the amortisation of assets acquired in the past, in the presence of a contained level of investments.

Amortisation/Depreciation of other fixed assets (millions of euros)				
	2008	2007	Change	Change %
Tangible fixed assets	83.0	97.2	(14.2)	-14.6
Other intangible fixed assets	7.4	4.9	2.5	51.0
Total	90.4	102.1	(11.7)	-11.5

Other net income (charges)

Other net income, amounting to 28.0 million euros (against 34.2 million euros of net charges in the previous year), comprises costs/revenues not directly related to the Company's core business. More specifically, they consist of net prior-year income (79.3 million euros), largely generated by the outcome of a transaction agreement concerning copyright, provisions for risks and charges (13.9 million euros) and provisions for the company supplementary pension fund for former employees (13.2 million euros).

They also comprise, as was the case in prior years, charges totalling 22.6 million euros (25.7 million euros in 2007) relating to repeat-usage programmes which it is not expected will be used or repeated.

Operating Result

The results described above for operating revenues and costs led to deterioration in the operating result, from +64.6 million euros in the previous year to -54.2 million euros this year, with a drop of 118.8 million euros.

Net financial income

Net financial income shows a gain of 3.1 million euros (5.0 million euros in 2007). 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.

The results of **financial operations** show a drop in net interest payable to banks of 0.8 million euros, due to the rise in interest rates on the markets in the first six months of the year and a slight decline in the average financial position in relation to third parties.

Within the scope of Company policies to safeguard the value in euros of commitments in foreign currency estimated in the order or budget, as specified in greater detail further ahead, the considerable drop in value of the dollar against the euro during the year has determined the recording of higher charges on exchanges for about 1.2 million euros, on positions hedged against this risk, mainly relating to debts for sports filming rights. These charges were also offset by the lower cost of the purchase of such rights compared with the relative exchange value at the time of entry into the commercial contract.

Intra-year overdrafts were covered with the use of loans granted with current account overdrafts or "hot cash" credit. The average cost of debt was 4.8%, with very low spreads compared with inter-bank rates for the period. The advent of the international financial recession in the final quarter of the year generated an increase in the spreads applied to

Net financial income on financial operations (millions of euros)

	2008	2007	Change
Net interest charges from banks	(2.4)	(1.6)	(0.8)
Net interest income from subsidiaries and associated companies	9.3	9.3	0.0
Net charges in relation to exchange rates	(4.0)	(2.8)	(1.2)
Other net financial income	0.2	0.1	0.1
Total	3.1	5.0	(1.9)

loans, offset by the reduction in the reference rate. Due to the low level of average debt and its extensive loans, the company did not run into liquidity difficulties.

Income from equity investments

These amount to a total of 28.1 million euros and include dividends collected during the year in relation to the results of the previous year and adjustments of the value of equity investments determined by permanent impairment of values or consequent revaluations. The caption shows a drop of 11.3 million euros due to the reduction in dividends collected, as indicated in the table below.

Income from equity investments (millions of euros)

	2008	2007	Change
Dividends:			
- Rai Cinema	12.4	20.9	(8.5)
- Sipra	9.0	12.6	(3.6)
- Rai Trade	1.7	3.8	(2.1)
- RaiSat	3.4	2.4	1.0
	26.5	39.7	(13.2)
Revaluations	2.1	1.0	1.1
Writedowns	(0.5)	(1.3)	0.8
Total	28.1	39.4	(11.3)

Net exceptional financial income (expense)

2008 highlights net exceptional income for 1 million euros, against net exceptional expense of 28.4 million euros sustained in 2007, consisting entirely of incentivised resignation costs.

Income taxes

These amount to 15.0 million euros and represent the balance between current and deferred taxes as shown in the table.

No amount was recorded for IRES (corporate income tax), as the year is expected to have a negative tax result.

IRAP (regional tax on productive activities) for 29.5 million euros shows a drop of 9.0 million euros compared with the previous year. This amount is largely determined by the deterioration of the taxable base and by the application of the benefit known as the "tax wedge" introduced by Budget Law 2007, which took complete effect in 2008.

Income taxes (millions of euros)

	2008	2007	Change
IRAP	(29.5)	(38.5)	9.0
Deferred tax liabilities	11.5	(26.0)	37.5
Deferred tax assets	3.0	(21.0)	24.0
Total	(15.0)	(85.5)	70.5

Deferred tax liabilities in 2008 determine a positive effect equating to 11.5 million euros (-26.0 million euros in 2007), as a consequence of the recovery of timing differences in income deriving from higher amortisation, largely carried out during the previous year, purely for tax purposes.

Deferred tax assets are booked where there is reasonable certainty that there will be sufficient future taxable amounts to guarantee the relative tax benefit.

In detail, the figure for 2008 (+3.0 million euros) consists mainly of the booking of IRES credit deriving from the tax loss for the year, of 8.2 million euros, completely offset by taxable income of subsidiaries, taken into account in the calculation of taxation on a consolidated basis for tax year 2008, net of reversal of residual IRES credit booked in previous years.

Balance Sheet

Non-current assets

Tangible assets amount to 345.0 million euros and are represented by land and industrial buildings for 42.3%.

The decrease of 24.1 million euros with respect to 2007 is the balance of new investment (59.4 million euros), eliminations (0.5 million euros) and depreciation (83.0 million euros).

Investments in Programmes are mainly represented by TV fiction series (367.7 million euros), which accounted for the greater part of investment during the year (285.0 million euros).

The change from the previous year (+39.0 million euros) is the result of the following factors:

- investments for 316.2 million euros, net of eliminations of programmes being produced for 0.4 million euros;
- amortisation for 255.0 million euros;
- writedown of programmes for 22.2 million euros.

Equity investments remain substantially unchanged.

Other **non-current assets** are shown in the following table:

Non-current assets (millions of euros)				
	31.12.2008	31.12.2007	Change	Change %
Tangible assets	345.0	369.1	(24.1)	-6.5
Programmes	423.5	384.5	39.0	10.1
Equity investments	308.1	304.4	3.7	1.2
Other non-current assets	45.5	51.1	(5.6)	-11.0
Total	1,122.1	1,109.1	13.0	1.2

Non-current tangible assets (millions of euros)				
	31.12.2008	31.12.2007	Change	Change %
Land and buildings	146.1	175.5	(29.4)	-16.8
Plant and machinery	110.3	114.5	(4.2)	-3.7
Industrial and sales equipment	6.2	5.1	1.1	21.6
Other assets	29.5	30.9	(1.4)	-4.5
Intangible fixed assets under development and payments on account	52.9	43.1	9.8	22.7
Total	345.0	369.1	(24.1)	-6.5

Investments in programmes (millions of euros)				
	31.12.2008	31.12.2007	Change	Change %
Fiction	367.7	340.7	27.0	7.9
Other	55.8	43.8	12.0	27.4
Total	423.5	384.5	39.0	10.1

Other non-current assets (millions of euros)				
	31.12.2008	31.12.2007	Change	Change %
Digital terrestrial frequencies	24.6	28.0	(3.4)	-12.1
Alterations and improvements to leased properties	10.5	11.2	(0.7)	-6.2
Non-current receivables	4.7	6.2	(1.5)	-24.2
Securities	3.8	4.0	(0.2)	-5.0
Other	1.9	1.7	0.2	11.8
Total	45.5	51.1	(5.6)	-11.0

Working capital

The change from 2007 (+34.7 million euros) is due mainly to normal developments in the business.

Major changes relate to:

- **Other assets** show a drop of 43.2 million euros due to the net recovery of advances for the acquisition of rights relating to sports events (particularly the European Football Championships and the Olympic Games).
- **Trade payables** show a drop of 90.6 million euros, largely attributable to the effects of the transaction agreement already mentioned in relation to Other net income/expense.
- **Provisions for risks and charges** show a drop of 15.7 million euros, mainly due to the aforementioned change in provisions for deferred taxes (11.5 million euros).
The overall risk situation to which the Company is exposed has not undergone any significant changes in the year, so the coverage level guaranteed by the provisions made continues to be sufficient to meet future risks and charges.
- **Other liabilities** show an increase of 23.4 million euros mainly in relation to the booking of accounts payable concerning the contribution taken by the Italian Ministry of Communications to support projects to extend the digital terrestrial platform.

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)

	31.12.2008	31.12.2007	Change	Change %
Inventories	0.7	0.9	(0.2)	-22.2
Trade receivables	591.8	596.6	(4.8)	-0.8
Other assets	235.7	278.9	(43.2)	-15.5
Trade payables	(573.9)	(664.5)	90.6	-13.6
Provisions for risks and charges	(423.0)	(438.7)	15.7	-3.6
Other liabilities	(238.9)	(215.5)	(23.4)	10.9
Total	(407.6)	(442.3)	34.7	-7.8

Net financial position

The year-end net financial position is positive, despite the decline on the previous year (196.8 million euros compared with 296.5 million euros in 2007), and is comprised as follows.

The comparison of cash flows generated during this year compared to the previous one shows increased outflows towards third parties, amounting 82 million euros. The most significant concern the aforementioned transaction in relation to copyright, which implicated payment of the balance. Further increases in outflows were recorded mainly in relation to payments for the year's big sports events and for advances on futures sports events,

as well as outflows for staff severance pay (retirement pensions and payments to INPS).

As regards income from third parties, an overall decline of about 38 million euros was recorded, this being the result of lower Government settlements of credits for institutional agreements and contributions for the digital project.

As regards the inter-company component, the relative cash flow fell by about 24 million euros, determined mainly by the rise in payments to Rai Way and lower income from dividends collected during the year, partially offset by the increase in payments from Sipra.

Net financial position (millions of euros)

	31.12.2008	31.12.2007	Change	Change %
Net amounts due from (to) banks and other lenders				
medium/long term	0.0	0.0	0.0	0.0
short term	(2.5)	(5.4)	2.9	-53.7
cash and cash equivalents	32.2	125.2	(93.0)	-74.3
	29.7	119.8	(90.1)	-75.2
Net financial position with investee companies				
Payables	(41.8)	(72.2)	30.4	-42.1
Receivables	208.9	248.9	(40.0)	-16.1
	167.1	176.7	(9.6)	-5.4
Net financial position	196.8	296.5	(99.7)	-33.6

The net financial position is positive for about 139 million euros, down from the previous year (161 million euros), as a consequence of the financial profile described above. The associated companies, the financial requirements of which are almost entirely satisfied by inter-group funding, showed a reduction in the overall debt.

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 0.66 (0.52 in 2007);
- 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 1.25 (1.31 in 2007);
- the **self-coverage ratio** of fixed assets, calculated as the ratio of shareholders' equity to fixed assets, is 0.51 (0.55 in 2007).

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 110 million dollars during 2008. 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 – without ever taking on an attitude of financial speculation. The company 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 and variable rate exposures, but sees short periods of operational liquidity alternating with overdraft positions, for which the only limited hedging operations in place, defined in previous years, expired on 31 December 2008.
- The **credit risk** on cash deployment is extremely limited in that the company policy envisages only the use 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 2008 for cash timing differences.
- Coming to the **liquidity risk**, it should be noted that the company has short-term credit lines with the banking system, which are in excess of 530 million euros and are sufficient to cover the overdraft position that occur throughout the course of the year. The international financial recession has caused the whole system more difficulties and greater expense in gaining access to credit, particularly evergreen credit. Due to the low level of average debt and its extensive loans, the company did not run into liquidity difficulties. To consolidate the financial structure, the company applied to a group of several Italian and international banks for a three-year stand-by loan of 200 million euros in 2008, which was subsequently granted (February 2009).



Rai



Additional information

- 106 Rai and Society**
- 107 Human Resources**
- 110 Research and Development**
- 111 Intercompany transactions**
- 114 Significant post-period events**
- 114 Outlook**
- 115 Supplemental information**
- 115 Recommendation to Shareholders**

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 sections above, 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, vitalize 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 attention public attention as possible to social problems.

In 2008, 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.htm>. They particularly include the production, in conjunction with Tg1, of the DVD entitled *Un gesto d'amore*, in the refugee camp of Ain El Helwe in Sidone in Lebanon, and the DVD entitled *Yel Kabeyè donne e futuro a Ouagadougou* about the winner of the 2008 International Voluntary Work Award, and, with the cooperation of Headquarters and the Regional Offices for Friuli Venezia Giulia, of the DVD *40 Barcolana*.

As the Social Secretariat liaises between Rai and other bodies engaged in the communication of messages on social themes, several initiatives were accomplished with the assistance of institutional partners and associations committed to this sphere.

The initiatives included:

- the ceremony for the presentation of the "2008 International Voluntary Work Award", organized by the FOCSIV (Federazione organismi cristiani servizio internazionale volontariato) on the occasion of International Voluntary Work Day.
- Presentation of the training course for operators working in the sphere of information and social communication on the radio of Ouagadougou, run by Rai's Social Secretariat in conjunction with the TDR Division and the Production Division, in response to a proposal by the Municipal Council of Turin in cooperation with the Ministry for Foreign Affairs.
- The press conference for the presentation of XIII edition of the "Memorial and Commitment Day in remembrance of all the victims of the Mafia" organized by Libera and by Rai's Social Secretariat.
- The Award Ceremony of the first edition of the Child Guardian Award 2008, promoted by Fondazione Terre des Hommes Italia onlus.
- The seminar "Il valore dell'Aiuto – risorse per la risposta alle emergenze umanitarie" organized by AGIRE - Agenzia Italiana Risposta Emergenze, with the participation of the Secretariat.
- The press conference for the presentation of "Il tempo di Thot", a video documentary on integration in schools using art, a project promoted by Rai's Social Secretariat, Mus-e Italia Onlus and accomplished by Mus-e Torino Onlus in conjunction with Fondazione Museo delle Antichità Egizie of Turin and the Leone Fontana Primary School in Turin.
- The convention "Bambine senza parola – Il diritto all'istruzione per le bambine nei Paesi in conflitto", organized by the Province of Turin and Save The Children.

- Presentation, by the Social Secretariat of three plaques to the FAI - Fondo per l'Ambiente Italiano, for the commitment to informing the public of the importance of the FAI's work in defence and promotion of Italy's artistic and natural heritage.
- Presentation of the previously unpublished diary of Cesare Pavese and the national day of "Scuola e Scouting" (Schools and the Scout Movement) to celebrate the end of the Centennial of the Scout Movement, promoted by Federazione Italiana Scouting.
- Campaign to promote the awareness of "Human Rights day 2008".
- Campaign to promote information and awareness for Cancer Research Day, organized by AIRC - Associazione Italiana per la Ricerca sul Cancro.
- "Puliamo il mondo" the Italian edition of the international campaign "Clean Up the World" operational in 120 countries all over the world, organized by Legambiente with the cooperation of Rai and the patronage of Rai's Social Secretariat.
- Within the context of Pirella, presentation of the reportage "Un gesto d'amore", recorded in the Ain El Helwe refugee camp in Sidone, Lebanon, with the cooperation of Tg1, Terre des Hommes.
- Within the context of the International Book Fair, "Terra, omaggio alla Terra d'Israele", arranged by Rai's Social Secretariat with Fiera del Libro and Associazione Italia-Israele, with the cooperation of the OSN Rai, the CDP Rai of Turin and Teche Rai within the scope of the programme "Israele 60".
- Collection of funds at the concert held on 1 May for safety in the workplace, promoted by Associazione Primo Maggio.
- Press conference for the presentation of Handy Cup 2008 European Race for everyone Adolescentia: i luoghi dell'educare.
- 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 2008 – 130 reserves open with free admission, in all the Italian regions guided tours, exhibitions, activities for children, paths for people with disabilities, organized by the WWF, with the patronage of Rai's Social Secretariat.
- Press conference for the presentation of the Environmental analysis report of Vivicità and of the XXV edition of Vivicità, the run organized by the Uisp.

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 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 2008, the strict policy to contain labour costs continues, and the impacts of the new Laws on the matter were implemented, with particular regard to temporary employees and safety in the workplace.

Temporary Employees

The main commitment concerned the handling of the impacts generated by Law 247/2007, which envisaged the temporary employment of operators who, on 1 April 2009, were employed with a fixed-term contract for a total of 36 months and, after such date, have received further fixed-term contracts with the same employer.

Within our Company, about 1,500 resources – from the various categories and professional profiles – were identified as being in possession of the requirements envisaged by Law. Considering the consistency of the phenomenon on one hand and the cyclic nature of radio and television programming on the other (the date of 1 April falls within the 2008-2009 production season), it has been necessary to observe the timing, in respect of the legally imposed limits, to find a solution which would enable us to remain within the boundaries of sustainability envisaged in the budget and by the objectives of the Industrial Plan.

This created the need to seek and reach agreements with the parties concerned which would enable us to "spread" the obligations undertaken with resources already used for more than 36 months over the years, in compliance with Law 247, and to "sterilise" the effects for those who have still to reach this length of

service. The comparison, which was very tight, given the reach of the theme – which also implicated the involvement of the General Secretaries of the Confederal Organizations – led to the signing of agreements with Fnsi and Usigrai on 15 May and with Cgil-Cisl-Uil-Ugl-Snater-Libersind on 4 June, to accomplish the aims set.

Moves to offer temporary employees permanent contract began in 2008, with over 100 stabilisations.

Labour cost control: management and payment policies

The policies implemented for staff development and management constantly aimed to make the use of managerial levers compatible with the pressing aim for “zero growth” of labour costs in 2008 compared to the previous year, as established in the 2008/2010 Industrial Plan. Activities were mainly focused on operations to make more rational use of resources, particularly to make up for the lack of staff due to turnover or to outline parameters and needs for new activities, via internal mobility processes, for the conversion of professional profiles and the selection of specific resources, as well as the use of staff who have been re-integrated following the sentence passed by the labour tribunal.

Particularly for the launch of the new editorial initiative Buongiorno Regione – after heated confrontation with the trade unions regarding the editorial project, staff, the production model, shift planning and training – the staff required were sourced via internal mobility processes, and through an articulated and procedurally innovative selection initiative, which enabled the Company to hire highly competitive staff in terms of professional skills and general requirements.

The aim to control staff also determined the implementation of a new series of leaving incentives, which also tended to offset – at least in part – numeric growth and personnel costs linked to the effects of the aforementioned Law 247/2007. Consequently, 120 new incentive-related retirements were agreed to, 89 of which have already taken place. These join the 102 incentive-related retirements arranged during the previous year.

On the whole, from the numeric viewpoint, the policies implemented brought the number of company employees to 9,874 in December 2008, compared to 9,889 at the beginning of the year, as a result of 355 terminations (191 of which were incentive-related) and 340 new hires (60 following legal action for reintegration, 191 stabilisations of temporary staff – 39 of which are two-year contracts established in 2006 – 39 entries for the reformation of the workforce and to cover the new requirements of the structures – webmasters for RaiNews 24, product area high potential resources, Buongiorno Regione – 26 due to mobility between Group companies and 24 due to compulsory hiring or trade union agreements.

Rai SpA's payment policies for 2008 were structured – in line with cost-containment necessities – by concentrating on particularly selective and targeted operations, mainly influencing fixed payment, limiting the use of variable provisions other than those contemplated in the contractually defined bonus and performance-related systems.

This line of operation enabled a considerable recovery of value on these expense items, despite managerial planning which concerned – overall – 21% coverage of the company's staff.

Initiatives to monitor and control accessory labour services and the variable payment items in general were strengthened, making it possible to reduce costs significantly, especially with regard to overtime.

The combined action of the above-mentioned initiatives (incentives, operations targeting fixed payment and control of payment variables) enabled the complete achievement of the aim to control labour costs, with “zero growth” compared to 2007, as defined by the 2008/2010 Industrial Plan. Growth in labour costs was also kept within the limits of the increase in inflation.

Positive effects on containing labour costs will be generated in the long term, partly due to a reduction in staff on fixed-term contracts, resulting from the trade union agreements on temporary employees which link stabilisations to fewer entries and terminations.

Training and development

Moving on to training activities, the launch of the digital broadcasting of the company's news programmes has led to the drawing up, within RaiNews 24, of a training plan involving people in the journalism department, office staff and those in the technical department, with in-house teaching by Rai personnel.

For training destined to technical, specialised and managerial upgrades, specific inter-company courses were provided, offering in-depth training on themes related to specific professional skills. Further specific planning initiatives regarded compulsory training linked to “Administrative liability for corporate crimes” (Legislative decree 231/2001) and “Safety in the workplace” (Legislative decree 81/2008).

2008 marked the take-off of a renewed Self-Assessment system related to managerial performance, inspired by the Balance Scorecard logic, aimed at maximising management's efforts towards the balanced and consistent achievement of the overall short and medium-term business aims.

The weighing of executive posts took place, to offer a more detailed and transparent management of the Company's executives, in line with the forecasts of the Rai/Adrai trade union agreements, which also envisage the breakdown of management into four reference bands.

Health, safety and the environment

The Company's Health Service continued its preventive operations for the application of standards to protect health in the workplace. Particular importance was placed in the prevention activities performed this year in relation to the numerous members of staff sent to China for the Olympic Games and in general for staff on foreign missions. The articulate health application phases triggered by Legislative Decree 81/2008 – Consolidated Law on the matter of health and safety in the workplace – were launched.

As regards Safety, 2008 marked the introduction of the Health and Safety Management System certified in compliance with OHSAS 18001 in the offices of Bologna, Aosta and Genoa; this certification was validly renewed for the Bolzano office, after the first three years since the Management System was implemented.

Moreover, following the entry into force of the aforementioned Consolidated Law on the matter of health and safety in the workplace, the Company Risk Assessment Document was updated, to

include the mapping and control of risks such as work-related stress, electromagnetic pollution, etc. – both at central level and in the single installations throughout the country.

As far as Security is concerned, the combination of the overall guidelines was monitored and the planning and management of the security plan guaranteed during the Festival di Sanremo, along with cooperation in special productive events (La Bibbia giorno e notte, etc.). The project for the

introduction of an automatic system to control accesses through the company gates was launched. Finally, internal communication activities – as well as interventions by the Rai Place intranet site – included the organization, under the patronage of the Ministry for Equal Opportunities, of Bimbo Rai, the day on which the company opened 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.

Staff

	31.12.2008	31.12.2007
Executives & equivalent		
Executives	272	254
Journalists	330	342
Journalists	1,351	1,317
Supervisors	1,139	1,140
Office workers (including medical staff)	2,491	2,516
Office workers (production)	1,564	1,564
Camera crew	572	569
Programme direction	962	905
Technicians	131	131
Workers	972	1,019
Creative staff	126	132
Staff on fixed-term contracts	9,874	9,889

Research and Development

The Technological Strategies Division worked on guaranteeing a single line of technological development in the Rai Group, performing a coordinating role in the outlining of the overall strategies and technical investment plans of all the structures.

Technological Strategies also comprises 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.

A Digital regulatory Plan was drawn up to enable the implementation of new technologies and the application of new standards as an integrated part of a single organic process for the transformation of production, transport, archiving, post-production and publication systems. The aims include:

- simplifying technological processes,
- allowing the introduction of the 16:9 format and high definition,
- preparing the production system to feed a multi-platform offering.

Digital Terrestrial Television

The goal is the completion of the switch-off process of the analogue television networks in compliance with the legal deadlines (2012). To achieve this aim, the Technological Strategies Division worked during 2008 to gain the approval by the ITU (International Telecommunication Union) of the "Report on Transition from Analogue to Digital Broadcasting", which intends to be an international guide to the conversion of the broadcasting networks. Since October 2008, Rai has performed the switch-off of the analogue networks

in Sardinia, simultaneously activating 6 DTT multiplexes on the new frequencies assigned by the Ministry of Development - Communications.

High Definition Television (HDTV)

At EBU level, the Research Centre has created a library of HDTV test sequences for the various formats, focusing particularly on 1080p, envisaged in the future for in-studio production.

Tests have also been carried out on the current compression systems of studio HDTV and HDTV MPEG-4/AVC broadcasting encoders, and, in conjunction with Rai Way, encoders capable of standard definition and high definition have been certified for use in the contribution network and for the assessment of inter-operation of state-of-the-art SDH equipment.

Technical quality

To satisfy the growing demand for audiovisual quality, the company has focussed on a series of projects dedicated to improving the technical quality of the various Rai product genres. These projects are specifically operational on high definition television, films broadcast on TV, audio multi-channel experiments (5.1) or holophonic experiments (7.1), in order to increase the quality perceived by users across all genres, from TV fictions series to theatre, music and film.

In Milan, the Laboratory for improving the technical quality of theatre on TV and Radio has been launched within Rai's CPTV, cooperating with the main educational organizations in the Milan area (Università Cattolica del Sacro Cuore, IULM and Statale, Scuole Civiche di Milano) and with several important Milanese theatres (CRT,

Franco Parenti, Teatro I) with the aim of testing the use of new technologies to improve the utilisation of theatre on TV and Radio.

Work also continued on activities to improve and maintain the technical quality of Rai's television and radio services:

- the project to enhance the technical quality of RadioRai on MW and relative assessment of the perceived improvement in the quality of reception;
- the collection and monitoring of data and the analysis of radio and television service disservices, with the preparation of pertinent reports for company management;
- the planning and organization of seminars on improving the technical quality of Rai's output (music, theatre, cinema, fiction, etc.);
- 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 technical quality perceived by users.

The outcomes of the projects and reports on the seminars were published on the technical quality website.

Glocal net-thinking: a local, national and international network

Besides getting ready for the digital world, effectively monitoring the new platforms, the technological strategies Division creates test-beds thanks to agreements with the leading operators, maintaining an observatory on other phenomena, such as UGC (User Generated Content), programmes on demand and delayed viewing. Relationships have been developed with local interlocutors (e.g.: Corecom,

territorial inspectorates), national interlocutors (e.g.: DGTVi, HDForum Italia, CEI) and international interlocutors (e.g.: BBC, NHK, EBU, UIT). The Division also makes agreements with the worlds of industry, standards boards and research (with organizations including Telecom Italia Lab, Microsoft, Alcatel-Lucent, Selex Communications, Vodafone, Radio Vaticana).

Joint activities have concerned mobile television (DVB-H and DVB-SH), Wi-Max, IPTV and WebTV, infomobility, digital radio (DRM: Digital Radio Mondiale) and interactive services like the broadcasting of customised advertising, games, T-government services and those for tourism, finance and banking.

The strategic front of research

Rai's Centre for Research, Innovation and Technology (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 began at the end of 2008 (world preview).
- Mobile TV, participating in the work team on digital television broadcasting standards of systems for mobile television (DVB-H and DVBSH) and carrying out on-site experiments in the Turin area (in order to assess the quality of reception inside and outside buildings and in cars). The Technological Strategies Division, via

the Research Centre, has developed platforms for the semi-automatic generation of news bulletins extracted from the Television News programmes and Electronic Guides to multi-operator programmes ("Radiocorrieri" for mobile TV).

- Archives, cooperating with Rai Teche and ICT for a multimedia documentation system of the company archives.
- TV "on demand", cooperating with the Company Division and technical standardisation organizations;
- 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 "8K", 3D television, stereoscopic and holographic television and the development of multi-channel audio recording systems and dissemination with 22+2 audio channels. For these activities Rai, together with the BBC and NHK, received the important acknowledgement of the Special Award at the IBC-2008 in Amsterdam.
- Services for the disabled, to simplify access to information services.

The international network

The CRIT was assigned:

- 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;
- involvement in various projects funded by the European Union.

To broaden the horizons of research and use possible synergies, the Technological

Strategies Division and the Research Centre also stipulated agreements with the BBC, ZDF/ARD and with Japan's NHK, as well as with Magneti Marelli, Centro Ricerche Fiat, Telecom Italia Lab, CSP, Fondazione Ugo Bordoni and the development laboratories of important Italian and international private companies.

Intercompany transactions

In 2008, the Rai Group continued to function on the basis of a decentralized organizational 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	
	2008	2007	2008	2007	2008	2007	2008	2007
Rai Cinema	372.0	371.2	291.7	303.7	36.3	42.3	16.4	13.3
01 Distribution	100.7	99.7	0.7	0.4	0.2	0.3	0.1	-
Rai Click	7.5	5.9	- 0.6	- 0.7	- 1.5	- 1.1	- 1.2	- 0.7
Rai Corporation *	23.3	17.8	1.4	0.9	0.1	- 0.4	0.2	- 0.2
NewCo Rai International	1.9	0.1	- 0.4	- 0.6	- 0.5	- 0.6	- 0.6	- 0.4
RaiNet	15.7	14.2	2.3	1.6	1.7	1.0	1.6	0.9
RaiSat	72.4	63.3	25.1	20.6	10.8	10.5	7.0	5.6
Rai Trade	79.2	78.9	18.1	17.5	6.5	4.9	2.6	1.8
Rai Way	195.4	187.7	57.5	47.5	22.8	13.2	19.7	6.6
SIPRA	1,197.0	1,243.4	13.6	15.5	7.3	12.1	5.5	9.7

(*) millions of dollars.

Equity highlights of subsidiaries (in millions of euros)

Company	Shareholders' Equity		Net financial position		Investments		Workforce (including trainees)	
	2008	2007	2008	2007	2008	2007	2008	2007
Rai Cinema	232.5	228.5	-198.3	-204.7	243.9	258.1	60	60
01 Distribution	0.7	0.6	- 1.0	1.1	-	-	27	27
Rai Click	1.4	2.6	0.3	0.8	0.0	0.5	-	-
Rai Corporation *	9.9	9.7	2.4	2.8	0.4	0.3	47	46
NewCo Rai International	0.3	0.4	- 1.4	0.2	1.1	0.1	-	-
RaiNet	7.9	6.3	6.6	4.6	0.8	0.4	45	52
RaiSat	13.7	10.3	1.2	2.3	16.0	9.2	76	72
Rai Trade	18.3	17.4	4.3	3.8	12.1	14.0	89	88
Rai Way	121.3	101.5	- 6.0	- 36.6	59.0	28.7	656	652
SIPRA	30.4	33.9	20.3	44.6	2.9	2.7	435	432

(*) millions of dollars.

Transactions between Rai and Group companies (in thousands of euros)

	Miscellaneous trading relations				Financial relationships			Memorandum accounts			
	Receivables	Payables	Costs (*)	Revenues	Receivables	Payables	Costs (*)	Revenues	Guarantees	Commitments	Other
Rai Corporation	109	4,677	15,636	751	-	1,371	138	-	2,874	-	-
SIPRA	321,279	13,237	919	1,100,636	2,164	22,305	2,020	9,123	58,854	-	2,164
Rai Way	9,828	54,134	154,841	17,693	5,985	-	39	587	2,600	-	-
Rai Trade	14,350	9,893	16,141	20,315	-	4,760	306	1,700	7,844	-	-
Rai Click	1,702	4,492	3,981	2,168	-	329	42	2	2,309	-	-
RaiSat	10,788	11,981	9,796	16,560	-	1,186	68	3,528	-	1,386	-
RaiNet	4,729	8,071	11,262	4,236	-	6,641	225	..	-	-	-
NewCo Rai International	558	1,055	1,389	1,174	1,395	-	2	9	61	-	-
Rai Cinema	30,123	6,429	301,840	13,248	198,321	..	30	23,807	-	21,633	-
01 Distribution	126	7	-	24	1,043	-	7	2	540	-	-
San Marino RTV	74	3,113	..	212	-	89	16	-	-	-	516
Auditel	-	59	5,851	-	-	-	-	-	2,582	-	-
Audiradio	-	-	671	-	-	-	-	-	-	-	-
Secemie	-	-	2,050	775	-	-	-	-	-	-	-
Sacis	-	10	-	9	-	5,145	-	-	74	-	-
	393,666	117,158	524,377	1,177,801	208,908	41,826	2,893	38,758	77,738	23,019	2,680

(*) of which capitalized:
- Rai Trade

1,027

Significant post-period events

From 1 January 2009, the licence fee was set at 107.50 euros, rising 1.50 euros on the previous year's fee.

Furthermore, on 11 February 2009, the Board of Directors resolved to go ahead with the activities relating to the merger by incorporation of Rai Click SpA into Rai SpA.

Outlook

As far as the outlook is concerned, due to the effects of the global financial recession in autumn 2008 and the consequent accentuated decline in economic activity across all production sectors, 2009 promises to be a particularly challenging year for the concession holder, which forecasts a worse financial result than that of the previous year. In the television sector, the above-mentioned effects were felt as of the final quarter of 2008, resulting in a significant reduction in advertising investments.

In this context, in order to combat the effects of the recession, Rai has organized the management of the year in progress by establishing challenging and stringent cost rationalisation goals for the whole Group, along with the definition of new expenditure control mechanisms and special attention to the monitoring of specific expense items.

Moreover, the aforementioned cost optimisation goals and consequent assignment are not permanent, as they are susceptible to review in relation to the actual performance during the year, which could still reserve further critical situations.

In 2009 revenues from licence fees will benefit from the increase to adapt the per-unit licence fee to inflation.

Advertising revenues on the other hand – in line with market trends – will register a significant decline in comparison to the previous year, accentuated by the absence of additional revenues linked to big sporting events.

The total for the first quarter generally accentuates fears concerning the marked reduction in advertising investments.

The particular difficulty of 2009, which reflects a general recession but also the maturity of the traditional television market, is associated with the unavoidable need for Rai to draw up a good plan of technical investment for the transition to digital terrestrial broadcasting. This plan will implicate investments of around 80 million euros in 2009 alone.

The importance of the additional commitment, with the editorial costs necessary to make the platform competitive, together with the new initiatives already launched, an excellent example of public service being the launch of the "Buongiorno Regione" project, the expansion of the regional informative window during the morning timeslot of the entire country, require permanent intervention in terms of resources.

Considering the crisis on the advertising market, it is necessary to act in terms of public funding, doing everything possible, including resorting to alternative methods for collecting payment, to prevent license-fee evasion, which anomalously high in comparison to the other European public services.

Supplemental information

With regard to the technical requirements associated with the obligation of preparing consolidated financial statements, and pursuant to Article 16 (4) of the company's bylaws, 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 privacy and data security, Rai has taken the following general measures:

- the adoption of a privacy-compliant model of organization (in accordance with the Organizational 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 accompanying notes, which close with a loss of 37,010,139.30 euros, as well as the approval of the Report on Operations;
- the covering of the loss of 37,010,139.30 euros by the utilization of:
 - *Retained Earnings* for the sum of 5,861,185.07 euros;
 - *Other Reserves*, including:
 - *reserve for taxed capital grants* for the sum of 1,261,586.09 euros;
 - *merger surplus* for the sum of 13,848,977.66 euros;
 - *other* for the sum of 16,038,390.48 euros.



Rai



Parent Company Financial Statements at 31 December 2008

- 119 Parent Company Balance Sheet and Income Statement
– in statutory form**
- 127 Notes to the Parent Company financial statements**
- 171 Parent Company supplementary schedules**
- 177 Report of the Board of Statutory Auditors**
- 183 Report of the Independent Auditors**
- 185 Shareholders' Meeting Resolution**



Rai



**Parent Company Balance Sheet
and Income Statement**

(Statutory form)

Balance Sheet - Assets (in euros)

	31.12.2008	31.12.2007
A) SUBSCRIBED CAPITAL UNPAID	-	-
B) NON-CURRENT ASSETS		
I. INTANGIBLE ASSETS		
3.- Industrial patents and intellectual property rights	274,704,358	239,148,941
4.- Concessions, licences, trademarks and similar rights	24,703,804	28,080,243
6.- Intangible assets under development and payments on account	150,570,413	146,794,386
7.- Other	10,664,781	11,392,785
TOTAL INTANGIBLE ASSETS	460,643,356	425,416,355
II. TANGIBLE ASSETS		
1.- Land and buildings	146,095,848	175,508,699
2.- Plant and machinery	110,289,844	114,451,549
3.- Industrial and sales equipment	6,168,906	5,101,415
4.- Other assets	29,533,934	30,892,334
5.- Tangible assets under construction and payments on account	52,879,883	43,127,680
TOTAL TANGIBLE ASSETS	344,968,415	369,081,677
III. FINANCIAL ASSETS		
1.- Equity investments in		
a) subsidiaries	305,716,493	302,597,182
b) associated companies	1,611,662	1,129,162
d) other companies	708,806	692,188
	308,036,961	304,418,532
2.- Receivables		
d) other		
due within 1 year	226,416	2,145,691
due after 1 year	4,449,932	4,014,780
	4,676,348	6,160,471
3.- Other securities	3,769,420	4,034,012
TOTAL NON-CURRENT FINANCIAL ASSETS	316,482,729	314,613,015
TOTAL NON-CURRENT ASSETS	1,122,094,500	1,109,111,047

follows

Balance Sheet - Assets (in euros)

	31.12.2008	31.12.2007
C) CURRENT ASSETS		
I. INVENTORIES		
1.- Raw materials, supplies and consumables	497,094	652,966
4.- Finished goods and merchandise	215,359	204,678
TOTAL INVENTORIES	712,453	857,644
II. RECEIVABLES		
1.- customers	198,514,645	162,420,122
2.- subsidiaries	602,086,241	682,673,067
3.- associated companies	73,989	49,616
4.bis- tax receivables	36,175,265	28,046,389
4.ter- deferred tax assets	10,702,884	16,865,984
5.- other		
due within 1 year	53,800,605	145,606,096
due after 1 year	101,277,061	64,632,333
TOTAL RECEIVABLES	1,002,630,690	1,100,293,607
III. CURRENT FINANCIAL ASSETS	-	-
IV. CASH AND CASH EQUIVALENTS		
1.- Bank and post office deposits	31,860,769	124,795,952
2.- Cheques	13,719	785
3.- Cash and cash equivalents on hand	327,105	380,934
TOTAL CASH AND CASH EQUIVALENTS	32,201,593	125,177,671
TOTAL CURRENT ASSETS	1,035,544,736	1,226,328,922
D) ACCRUED INCOME AND PREPAID EXPENSES	33,830,564	24,100,012
TOTAL ASSETS	2,191,469,800	2,359,539,981

Balance Sheet - Liabilities (in euros)

	31.12.2008	31.12.2007
A) SHAREHOLDERS' EQUITY		
I. SHARE CAPITAL	242,518,100	242,518,100
IV. LEGAL RESERVE	6,977,058	6,977,058
VII. OTHER RESERVES	358,444,071	358,444,071
VIII. PROFITS (LOSSES) BROUGHT FORWARD	5,861,185	10,731,159
IX. NET PROFIT (LOSS) FOR THE YEAR	(37,010,139)	(4,869,974)
TOTAL SHAREHOLDERS' EQUITY	576,790,275	613,800,414
B) PROVISIONS FOR RISKS AND CHARGES		
1.- provision for pension and similar liabilities	153,977,957	150,819,245
2.- current and deferred taxes	26,369,003	37,912,092
3.- other	242,645,031	249,950,825
TOTAL PROVISIONS FOR RISKS AND CHARGES	422,991,991	438,682,162
C) PROVISION FOR STAFF SEVERANCE PAY	334,525,663	349,564,534
D) PAYABLES		
4.- Due to banks	2,377,179	5,233,030
6.- Advances	287,133	274,055
7.- Suppliers	456,591,047	530,098,458
9.- Subsidiaries	155,669,109	202,439,734
10.- Associated companies	3,260,855	3,988,556
12.- Tax payables	54,938,155	46,384,865
13.- Social security institutions	42,661,269	45,144,234
14.- Other payables	88,672,216	90,219,801
TOTAL PAYABLES	804,456,963	923,782,733
E) ACCRUED EXPENSES AND DEFERRED INCOME	52,704,908	33,710,138
TOTAL LIABILITIES	2,191,469,800	2,359,539,981

Memorandum accounts (in euros)

	31.12.2008	31.12.2007
1.- Unsecured guarantees granted		
a) Sureties:		
- in favour of subsidiaries	72,282,308	52,048,983
- in favour of associated companies	2,582,285	2,582,285
- in favour of others	224,166	269,000
	75,088,759	54,900,268
c) Other:		
- in favour of subsidiaries	2,874,183	2,717,207
	2,874,183	2,717,207
Total unsecured guarantees granted	77,962,942	57,617,475
2.- Secured guarantees granted		
b) for own commitments other than payables	3,762,000	4,019,000
c) for debt recorded in the balance sheet	50,561,130	50,561,130
Total secured guarantees granted	54,323,130	54,580,130
3.- Purchase and sale commitments	78,500,349	90,389,021
4.- Other	304,498,570	426,904,119
	515,284,991	629,490,745

Income Statement (in euros)

	31.12.2008	31.12.2007
A) PRODUCTION VALUE		
1.- Revenues from sales and services	2,878,438,101	2,889,211,893
2.- Changes in inventories of work in progress, semifinished and finished goods	10,681	(74,890)
4.- Internal cost capitalisations	14,727,917	11,767,493
5.- Other production-related income		
a) operating grants	2,431,704	639,196
b) gains on disposal of assets	189,507	35,552
c) other	161,941,036	100,563,786
	<u>164,562,247</u>	<u>101,238,534</u>
TOTAL PRODUCTION VALUE	3,057,738,946	3,002,143,030
B) PRODUCTION COSTS		
6.- Raw materials, supplies, consumables and merchandise	(25,941,589)	(22,609,281)
7.- Services	(831,025,936)	(820,211,244)
8.- Use of third-party assets	(857,690,095)	(731,493,338)
9.- Personnel		
a) wages and salaries	(651,492,113)	(652,394,564)
b) social security contributions	(176,029,554)	(169,015,081)
c) staff severance pay provision	(46,535,686)	(48,193,236)
d) pension and similar costs	(14,548,474)	(14,198,835)
e) other costs	(14,108,455)	(12,277,587)
	<u>(902,714,282)</u>	<u>(896,079,303)</u>
10.- Amortisation, depreciation and writedowns		
a) amortisation of intangible assets	(274,395,065)	(240,867,171)
b) depreciation of tangible assets	(82,896,158)	(97,169,813)
c) other non-current asset writedowns	(22,596,802)	(25,718,215)
d) writedowns of current receivables and cash and cash equivalents	(1,307,081)	-
	<u>(381,195,106)</u>	<u>(363,755,199)</u>
11.- Changes in inventories of raw materials, supplies, consumables and merchandise	(155,872)	(730,591)
12.- Provisions for risks	(13,008,576)	(10,444,396)
13.- Other provisions	(1,618,515)	(2,402,889)
14.- Miscellaneous operating costs		
a) asset disposal losses	(537,726)	(702,071)
b) concession fee	(29,179,861)	(28,841,898)
c) other	(68,894,470)	(60,207,354)
	<u>(98,612,057)</u>	<u>(89,751,323)</u>
TOTAL PRODUCTION COSTS	(3,111,962,028)	(2,937,477,564)
Operating result	(54,223,082)	64,665,466

follows

Income Statement (in euros)

	31.12.2008	31.12.2007
C) FINANCIAL INCOME AND CHARGES		
15.- Income from equity investments		
a) dividends from subsidiaries	26,519,213	39,716,482
	<u>26,519,213</u>	<u>39,716,482</u>
16.- Other financial income		
a) from non-current receivables		
. other	34,353	139,793
	<u>34,353</u>	<u>139,793</u>
b) from non-current securities other than equity investments	175,711	156,644
d) financial income other than the above		
. interest and commissions from subsidiaries	12,238,979	12,720,023
. interest and commissions from others and miscellaneous income	2,460,869	2,600,160
	<u>14,699,848</u>	<u>15,320,183</u>
	<u>14,909,912</u>	<u>15,616,620</u>
17.- Interest and other financial charges		
a) interest and commissions payable to subsidiaries	(2,877,390)	(3,391,725)
b) interest and commissions payable to associated companies	(15,647)	(17,414)
d) interest and commissions payable to others and miscellaneous charges	(4,873,778)	(4,316,706)
	<u>(7,766,815)</u>	<u>(7,725,845)</u>
17 bis.- Foreign exchange gains and losses - net	(4,066,535)	(2,854,201)
TOTAL FINANCIAL INCOME AND CHARGES	29,595,775	44,753,056
D) VALUE ADJUSTMENTS TO FINANCIAL ASSETS		
18.- Revaluations		
a) of equity investments	2,139,526	959,347
	<u>2,139,526</u>	<u>959,347</u>
19.- Writedowns		
a) of equity investments	(559,057)	(1,309,178)
	<u>(559,057)</u>	<u>(1,309,178)</u>
TOTAL VALUE ADJUSTMENTS TO FINANCIAL ASSETS	1,580,469	(349,831)
E) EXCEPTIONAL INCOME AND CHARGES		
20.- Exceptional income		
b) out-of-period gains and reversal of non-existent liabilities	1,027,820	1,223,856
	<u>1,027,820</u>	<u>1,223,856</u>
21.- Exceptional charges		
c) other	-	(29,654,298)
	<u>-</u>	<u>(29,654,298)</u>
TOTAL EXCEPTIONAL INCOME AND CHARGES	1,027,820	(28,430,442)
Result before taxes	(22,019,018)	80,638,249
22.- Current income taxes for the year and deferred tax charges and credits	(14,991,121)	(85,508,223)
23.- Net profit (loss) for the year	(37,010,139)	(4,869,974)



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 will expire on 31 December 2009.

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 2008 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.

In order to render the 2008 financial statements fully comparable with those of the preceding year, certain minor items have been reclassified.

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.

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 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 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. 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.
- 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 fixed 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.

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 is negative, a specific risk provision is set up for this 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	
	31.12.2007 (a)			Changes during the year				31.12.2008			
	Cost	Amortisat.	Book value	Increases and capitalis.	Reclassific.	Writedowns, eliminations and disposals	Amortisat.	Cost	Amortisat.	Book value	
Industrial patents and intellectual property rights:											
programmes	(b) 568,270	(301,334)	266,936	228,529	96,165	-	(285,675)	892,964	(587,009)	305,955	
provision for impairment of programmes being amortised	(27,787)	-	(27,787)	-	-	(22,174)	18,710	(49,961)	18,710	(31,251)	
	540,483	(301,334)	239,149	228,529	96,165	(22,174)	(266,965)	843,003	(568,299)	274,704	
Concessions, licences, trademarks and similar rights											
Digital terrestrial	128	(78)	50	-	-	-	(13)	128	(91)	37	
	40,537	(12,507)	28,030	-	-	-	(3,363)	40,537	(15,870)	24,667	
	40,665	(12,585)	28,080	-	-	-	(3,376)	40,665	(15,961)	24,704	
Intangible assets under development and payments on account:											
programmes	(c) 145,392	-	145,392	100,041	(96,165)	(423)	-	148,845	-	148,845	
capitalisation of leasehold improvements	1,402	-	1,402	3,410	(3,326)	-	-	1,486	-	1,486	
software	-	-	-	179	60 (e)	-	-	239	-	239	
	146,794	-	146,794	103,630	(99,431)	(423)	-	150,570	-	150,570	
Other											
long-term costs relating to third-party property	(d) 39,882	(28,689)	11,193	-	3,326 (f)	-	(4,004)	43,121	(32,606)	10,515	
other rights	250	(50)	200	-	-	-	(50)	250	(100)	150	
	40,132	(28,739)	11,393	-	3,326	-	(4,054)	43,371	(32,706)	10,665	
	768,074	(342,658)	425,416	332,159	60	(22,597)	(274,395)	1,077,609	(616,966)	460,643	

(a) Includes only amounts not fully amortised at 31 December 2008, 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	568,270	(301,334)	266,936					601,209	(295,254)	305,955
. fully amortised	252,820	(252,820)	-					291,755	(291,755)	-
	821,090	(554,154)	266,936					892,964	(587,009)	305,955

(c) Costs for intellectual property rights under development at 31 December 2008 that are not reclassified under intangible assets being amortised by December 2008. They relate to rights accruing subsequent to 31 December 2008 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	37,120	(25,927)	11,193					38,206	(27,691)	10,515
. fully amortised - with contract ongoing	2,762	(2,762)	-					4,915	(4,915)	-
	39,882	(28,689)	11,193					43,121	(32,606)	10,515
. fully amortised - with contract expired	3,781	(3,781)	-					-	-	-
	43,663	(32,470)	11,193					43,121	(32,606)	10,515

(e) Changes for reclassifications of tangible assets under development.

(f) Comprising 3,326 thousand euros from reclassification among Assets under construction and payments on account for:

. costs	(87)
. amortisation	87
	-

Industrial patents and intellectual property rights. This caption records the costs of television programmes available for use.

As indicated in schedule 1, they amount to 274,704 thousand euros, which has risen by 35,555 thousand euros during the year.

This increase is represented by the difference between new assets for 324,694 thousand euros (of which 96,165 thousand 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 and/or repeatability of certain programmes amounting to 22,174 thousand euros and the amortisation charge for the year of 266,965 thousand euros.

The total value of these items at 31 December 2008, before the writedown, comprises the following:

- rights to television programmes owned or held under unlimited-term licences amounting to 256,974 thousand euros (at 31 December 2007: 214,645 thousand euros);
- rights to television programmes owned or held under fixed-term licences amounting to 48,981 thousand euros (at 31 December 2007: 52,290 thousand euros).

Overall investment in television programmes made in 2008 amounts to 328,570 thousand euros, including 100,041 thousand euros in programmes which are not yet available at 31 December 2008, which are carried under intangible assets under development and payments on account.

Analysing investments by type, at 31 December 2008, 284,972 thousand euros have been invested in fiction programmes (series, miniseries, TV movies, soap operas etc), 11,893 thousand euros in documentaries, 17,905 thousand euros in cartoons and comedy programmes, 12,400 thousand euros in football libraries and 1,400 thousand 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 (for example, the Rai logo). They total 24,704 thousand euros, of which 24,667 thousand euros relating to digital network frequencies.

Intangible assets under development and payments on account. These amount to 150,570 thousand euros, including:

- 148,845 thousand euros for the cost of television programmes which are not yet available, and therefore not subject to amortisation; compared with the figure at 31 December 2007, this has shown a net increase of 3,453 thousand euros, as shown in schedule 1. Specifically, the aforementioned increase is equal to the balance between increases for new assets (100,041 thousand 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 (96,165 thousand euros) and eliminations for 423 thousand euros;
- 1,486 thousand euros refer to alterations and improvements under way on property under leasehold or concession;
- 239 thousand euros refer to software licences.

For television programmes that have not yet become available, the total of 148,845 thousand euros includes:

- 108,779 thousand euros for television programmes owned by the Company that were not ready at 31 December 2008 or for which usage rights began after 31 December 2008 (at 31 December 2007: 111,784 thousand euros);
- 40,066 thousand euros regarding third-party television programmes held on fixed-term licence beginning after 31 December 2008 (at 31 December 2007: 33,608 thousand euros).

Other intangible assets. The amount of 10,665 thousand euros includes:

- 10,515 thousand euros for costs incurred, net of accumulated amortisation, on alterations and improvements to property under leasehold or concession (at 31 December 2007: 11,193 thousand euros);
- 150 thousand 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.

Tangible assets

These comprise the costs and related revaluations of non-current tangible 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 2008 amount to 344,968 thousand euros, showing an overall net decrease of 24,114 thousand euros on 31 December 2007 comprising the balance between 59,417 thousand euros and decreases of 85,531 thousand euros, as detailed in schedule 2.

Tangible assets and accumulated depreciation (thousands of euros)

Schedule 2

	31.12.2007					Changes during the year				31.12.2008				
	Cost	Revaluat.	Write-downs	Accumulated depreciation	Book value	Increases and capitalis.	Reclassif.	Net eliminations and transfers (a)	Standard depreciation	Cost	Revaluat.	Write-downs	Accumulated depreciation	Book value
Land and buildings	431,759	605,886	(36,529)	(825,607)	175,509	2,940	2,173	(81)	(34,445)	436,742	605,851	(36,529)	(859,968)	146,096
Plant and machinery	1,161,355	24,728	-	(1,071,631)	114,452	24,922	11,183	(247)	(40,020)	1,182,819	24,103	-	(1,096,632)	110,290
Industrial and sales equipment	93,400	4,731	-	(93,030)	5,101	1,288	1,826	(12)	(2,034)	92,511	4,629	-	(90,971)	6,169
Other assets	137,891	3,241	-	(110,240)	30,892	3,589	1,654	(205)	(6,397)	136,585	2,965	-	(110,017)	29,533
Tangible assets under construction and payments on account	43,128	-	-	-	43,128	26,678	(16,896)	(30)	-	52,880	-	-	-	52,880
	1,867,533	638,586	(36,529)	(2,100,508)	369,082	59,417	(60) (b)	(575)	(82,896)	1,901,537	637,548	(36,529)	(2,157,588)	344,968

(a) including:

. Costs - tangible assets	(25,353)
. Revaluations - tangible assets	(1,038)
. Depreciation - tangible assets	25,816
	(575)

(b) changes for reclassification under intangible assets under development.

It should be noted that new assets recorded, which reflect investments made in the year, comprise 5,186 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	4,822	Instalment payments of financial leases charged against income	809
+ Assets acquired under financial leases during the year	-	Financial charges on financial lease transactions	-150
- 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	4,463	Effect on result before taxes	300
		Tax effect	-103
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	197
c) Liabilities:			
Implicit debt for financial leases at end of previous year	-4,084		
+ Implicit debt arising during the year	-		
- Repayment of principal and exercise of purchase option during the year	659		
Implicit debt for financial leases at the end of the year	-3,425		
d) Total gross effect at the end of the year (a+b+c)	1,038		
e) Tax effect	-406		
f) Effect on equity	632		

The gross value of revaluations recorded under *tangible* assets is reported below, listed according to the applicable regulations:

- 58,959 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 74,633 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;
- 57,627 thousand euros gross in implementation of Law 413 of 30 December 1991;
- 520,962 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 308,038 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

	31.12.2007			Changes during the year				31.12.2008			
	Cost	Wrtiedowns (a)	Book value	Acquisitions Subscriptions	Disposals	Reclassif.	Wrtiedowns (-) Writebacks (+)	Loss coverage and share capital reconstitution	Cost	Wrtiedowns (a)	Book value
Subsidiaries											
Newco Rai International SpA	999	(604)	395	500	-	-	(559)	-	1,499	(1,163)	336
Rai Cinema SpA	200,098	-	200,098	-	-	-	-	-	200,098	-	200,098
Rai Click SpA	105	-	105	1,056	-	-	-	-	1,161	-	1,161
Rai Corporation	8,712	(2,097)	6,615	-	-	-	499	-	8,712	(1,598)	7,114
RaiNet SpA	47,894	(41,581)	6,313	-	-	-	1,624	-	47,894	(39,957)	7,937
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
	346,879	(44,282)	302,597	1,556	-	-	1,564	-	348,435	(42,718)	305,717
Associated companies											
Audiradio Srl	10	-	10	-	-	-	-	-	10	-	10
Auditel Srl	10	-	10	-	-	-	-	-	10	-	10
San Marino RTV SpA	258	-	258	-	-	-	-	-	258	-	258
Euronews (formerly Secemie)	851	-	851	-	-	-	-	-	851	-	851
Tivù Srl	-	-	-	483	-	-	-	-	483	-	483
	1,129	-	1,129	-	-	-	-	-	1,612	-	1,612
Other companies											
Almaviva SpA (1)	324	-	324	-	-	-	-	-	324	-	324
CFI	30	(30)	-	-	-	-	-	-	30	(30)	-
Consorzio Nettuno	21	(21)	-	-	-	-	-	-	21	(21)	-
Consorzio Sardegna Digitale	13	(13)	-	-	-	-	-	-	13	(13)	-
Consorzio Valle D'Aosta Digitale	7	(7)	-	-	-	-	-	-	7	(7)	-
Int. Multimedia University Umbria SpA	52	(52)	-	-	-	-	-	-	52	(52)	-
Ist. Enciclopedia Treccani SpA (1)	478	(110)	368	-	-	-	17	-	478	(93)	385
	925	(233)	692	-	-	-	17	-	925	(216)	709

(a) Net of capital replenishment

(1) The fair value of the holding is determined on the basis of the percentage held in shareholders' equity at 31.12.2007.

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
Associated companies							
Newco Rai International SpA	Rome	500	336	(559)	99.953994%	336	336
Rai Cinema SpA	Rome	200,000	232,514	16,415	99.997678%	232,509	200,098
Rai Click SpA	Milan	177	1,411	(1,229)	99.940%	1,410	1,161
Rai Corporation	New York (Usa)	359 (1)	7,114 (2)	116 (3)	100.000%	7,114	7,114
RaiNet SpA	Milan	5,160	7,945	1,626	99.900%	7,937	7,937
RaiSat SpA	Rome	2,585	13,681	6,958	94.900%	12,983	2,451
Rai Trade SpA	Rome	8,000	18,289	2,627	100.000%	18,289	5,165
Rai Way SpA	Rome	70,176	121,258	19,724	99.99926%	121,257	70,238
Sacis SpA in liquidation	Rome	102	4,608	2,711	100.000%	4,608	103
Sipra SpA	Turin	10,000	30,367	5,515	100.000%	30,367	11,114
							305,717
Headquarters							
Audiradio Srl	Milan	258	1,035	64	30.230%	313	10
Auditel Srl	Milan	300	1,147	98	33.000%	379	10
San Marino RTV SpA	S. Marino (RSM)	516	5,798	2	50.000%	2,899	258
Euronews (formerly Secemie)	Ecully (F)	3,901	10,186	1,112	21.250%	2,165	851
Tivù Srl	Rome	1,000	989	(11)	48.250%	477	483
							1,612

(1) USD 500,000.00 at exchange rate of 31.12.2008 on 0.71855 euros

(2) USD 9,900,583.35 at exchange rate of 31.12.2008 on 0.71855 euros

(3) USD 161,600.88 at exchange rate of 31.12.2008 on 0.71855 euros

The following section discusses the more significant developments in investee companies and the consequent impact on the Rai financial statements:

Equity investments in subsidiaries

- *NewCo Rai International SpA* (99.953994% Rai): the share capital of 500 thousand euros is represented by 500,000 shares with a par value of 1 euro each. On 10 April 2008 the company Chairman asked the shareholders to make a capital payment, each in proportion to their shareholdings, bringing the total up to 500,000 euros. The shareholders Rai and Rai Trade both complied with the aforementioned request, making payments of 499,770 and 230 euros respectively on 28 April 2008. The shareholders' meeting held on 28 April 2008 resolved the coverage of the losses totalled at 31 December 2007 for 604,424 euros with reserves of 500,000 euros. The remaining amount of 104,424 euros was covered via reduction of the share capital from 500,000 euros to 395,576 euros. Simultaneously, the replenishment of the share capital at 500,000 euros was resolved, taking the amount necessary from the capital account. The company ended 2008 with a loss of 559 thousand euros and the value of the shareholding was written down accordingly.
- *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 2008, the company paid a dividend for 2007 of 12,403 thousand euros, which Rai recorded under *Income from equity investments* in the amount pertaining to it. 2008 ended with a net profit of 16,415 thousand euros.
- *Rai Click SpA* (99.94% Rai): the share capital of 177 thousand euros is represented by 340,000 shares with a par value of 0.52 euros each. Rai purchased the entire e.Bismedia shareholding during the year, increasing its share by 40%. The operation was completed with the share sale agreement registered on 23 December 2008. The company ended 2008 with a loss of 1,229 thousand euros, covered by the *Share premium account*.

- *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 8,712 thousand euros and includes the payment on account of share capital of US\$ 10,000,000 which was made during 2005. At 31 December 2008 the value of the holding, already written down at 31 December 2007 for 2,097 thousand euros, was revalued for 499 thousand euros to adjust it to the equity held in the company, at the exchange rate in force on 31 December 2008.
- *RaiNet 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. At 31 December 2008 the gross value of the holding, 47,894 thousand euros which had been written down at 31 December 2007 by 41,581 thousand euros, was revalued by 1,624 thousand euros in view of the profit earned by the company in 2008.
- *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 2008 with a profit of 6,958 thousand euros. During the same period it paid a dividend of 3,600 thousand euros relating to the 2007 result, of which 3,416 thousand euros pertained to Rai, which was taken to *income from equity investments*.
- *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 2008 with a profit of 2,627 thousand euros. During 2008 it paid a dividend of 1,700 thousand euros on the result for 2007, 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 2008 with a profit of 19,724 thousand euros.
- *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 euro each. The company, which has been in liquidation since 23 January 1998, reported a profit of 2,771 thousand euros.
- *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 2008 with a profit of 5,515 thousand euros. During 2008 it paid a dividend of 9,000 thousand euros on the result for 2007, 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 64 thousand euros. The share capital of 258,000 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 98 thousand euros. The share capital of 300,000 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 Samarinese 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 2008 with a net profit of 2 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 (formerly Secemie) - Société Anonyme* (21.25 % Rai): the company ended the year with a profit of 1,112 thousand euros. The share capital of 3,901 thousand euros is represented by 260,043 shares with a par value of 15 euros each.
- *Tivù Srl* (48.25% Rai): the company was incorporated on 24 September 2008 for the promotion and development of the digital terrestrial and satellite platform. The share capital of 1,000 thousand euros was subscribed by Rai and R.T.I. – Reti Televisive Italiane SpA – with equal shares of 48.25% and by TI Media – Telecom Italia Media SpA – for the remaining 3.5%. The company ended 2008 with a loss of 11 thousand euros, which was not written down as the company has only recently begun operation.

Equity investments in other companies

- *Almaviva – The Italian Innovation Company SpA* (1.201% Rai). The value of the holding is unchanged from 2007, 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.
- *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 – Consorzio per la transizione dalla televisione analogica alla televisione digitale terrestre nel territorio della regione Sardegna (Consortium for the transition from analogue to digital terrestrial television in the Sardinia region)*. The investment of 13 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 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 investment is carried at a gross value of 478 thousand euros, already written down at 31 December 2007 by 110 thousand euros, and has been revalued by 17 thousand euros as a result of the profit earned by the company. The share capital is represented by 750,000 shares with a par value of 51.65 euros each.

Receivables: are valued, as shown in schedule 5, at 4,676 thousand euros (at 31 December 2007: 6,160 thousand euros). Receivables consist of 2,400 thousand euros of advances paid in relation to mandates for the sale of production rights and distribution of actions concerning football club libraries, 1,812 thousand euros for guarantee deposits and 464 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

	31.12.2007			Changes during the year				31.12.2008		
	Nominal value	Bad-debt provisions	Book value	Disbursements	Reclassif.	Refunds	Writedowns (-) Writebacks (+)	Nominal value	Bad-debt provisions	Book value
Due from others:										
- employees	470	(179)	291	297	-	(124)	-	643	(179)	464
- guarantee deposits	2,104	-	2,104	354	-	(646)	-	1,812	-	1,812
- Ponteco	249	(249)	-	-	-	-	-	249	(249)	-
- tax prepayments on provision for severance pay - Law 140/97	3,765	-	3,765	-	-	(3,775)	10 (a)	-	-	-
- prepayments for football library marketing	-	-	-	2,400	-	-	-	2,400	-	2,400
	6,588	(428)	6,160	3,051	-	(4,545)	10	5,104	(428)	4,676

(a) interest income accrued during the year

Other securities: carried at 3,769 thousand euros, they relate entirely to securities pledged as collateral; details of their composition and articulation are given in schedule 6.

Non-current financial assets - Other securities (thousands of euros)

Schedule 6

	31.12.2007			Changes during the year					31.12.2008			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	-	-	-	..	31	..	..	31
- C.C.T.	4,052	4	(53)	4,003	597	(858)	-	(4)	3,791	4	(57)	3,738
	4,083	4	(53)	4,034	597	(858)	-	(4)	3,822	4	(57)	3,769
(a) issue and trading discounts		4	(53)					(4)		4	(57)	

Current assets

Inventories

Inventories amount to 712 thousand euros net of the inventory provision (at 31 December 2007: 858 thousand euros). As shown in schedule 7, they comprise:

- *Raw materials, supplies and consumables:* these amount to 497 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 215 thousand euros net of a writedown of 644 thousand euros to bring them into line with their estimated realisable value.

Inventories (thousands of euros)

Schedule 7

	31.12.2007	Changes during the year		31.12.2008
		Increases (+) Decreases (-)	Balance of provisions made (-) and released (+)	
Raw materials, supplies and consumables	16,038	(156)	-	15,882
Inventory provision	(15,385)	-	-	(15,385)
	653	(156)	-	497
Finished goods	205	10	-	215
Total	858	(146)	-	712

Receivables

Receivables total 1,002,631 thousand euros, showing a decrease of 97,663 thousand euros on 31 December 2007, as can be seen in schedule 8, which gives a breakdown of receivables, 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
	31.12.2007	Changes during the year			31.12.2008
		Balance of entries (+) repayments (-)	Releases/ utilisations of provisions (+)	Allocation to provisions (-)	
Customers					
. government and other public entities for public broadcasting services	74,390	36,530	-	-	110,920
. net receivables for licence fees	19,860	203	-	-	20,063
. other receivables:	81,890	217	-	-	82,107
<i>less</i>					
. bad debts provision	(13,719)	-	451	(1,307)	(14,575)
	162,421	36,950	451	(1,307)	198,515
Subsidiaries					
. 01 Distribution Srl	218	951	-	-	1,169
. Rai Corporation	105	4	-	-	109
. Rai Trade SpA	10,888	3,462	-	-	14,350
. RaiSat SpA	11,204	(416)	-	-	10,788
. Sipra SpA	378,486	(55,049)	-	-	323,437
. Rai Way SpA	48,329	(32,861)	-	-	15,468
. RaiNet SpA	2,398	2,269	-	-	4,667
. Rai Cinema SpA	229,219	(775)	-	-	228,444
. Rai Click SpA	1,754	(52)	-	-	1,702
. Newco Rai International SpA	72	1,880	-	-	1,952
	682,673	(80,587)	-	-	602,086
Associated companies					
. San Marino RTV	50	24	-	-	74
	50	24	-	-	74
Tax receivables	28,046	8,129	-	-	36,175
Deferred tax assets	16,866	(6,163)	-	-	10,703
Other					
. personnel	6,902	(3)	-	-	6,899
. European Union for subsidies and grants	379	(296)	-	-	83
. correspondents	50	98	-	-	148
. future sports events	180,492	(65,944)	-	-	114,548
. other	24,116	10,632	-	-	34,748
<i>less</i>					
. bad debts provision	(1,701)	-	353	-	(1,348)
	210,238	(55,513)	353	-	155,078
Total	1,100,294	(97,160)	804	(1,307)	1,002,631

**Receivables, accrued income and prepaid expenses,
distributed by maturity and type** (thousands of euros)

Schedule 9

	31.12.2008				31.12.2007			
	within 1 year	from to 5 years	over 5 years	Book value	within 1 year	from 2 to 5 years	over 5 years	Book value
NON-CURRENT FINANCIAL RECEIVABLES								
others	226	3,418	1,032	4,676	2,145	2,963	1,052	6,160
	226	3,418	1,032	4,676	2,145	2,963	1,052	6,160
CURRENT RECEIVABLES								
Financial receivables								
subsidiaries	208,908	-	-	208,908	248,937	-	-	248,937
	208,908	-	-	208,908	248,937	-	-	248,937
Trade and other receivables								
customers	198,515	-	-	198,515	162,421	-	-	162,421
subsidiaries	393,178	-	-	393,178	433,736	-	-	433,736
associated companies	74	-	-	74	50	-	-	50
tax receivables	36,175	-	-	36,175	28,046	-	-	28,046
deferred tax assets	10,703	-	-	10,703	16,866	-	-	16,866
other:								
- future sports events	13,271	101,277	-	114,548	115,560	64,932	-	180,492
- other	40,530	-	-	40,530	29,746	-	-	29,746
	692,446	101,277	-	793,723	786,425	64,932	-	851,357
TOTAL CURRENT RECEIVABLES	901,354	101,277	-	1,002,631	1,035,362	64,932	-	1,100,294
Accrued income	120	-	-	120	349	-	-	349
Prepaid expenses	33,710	-	-	33,710	23,751	-	-	23,751
Total	935,410	104,695	1,032	1,041,137	1,061,607	67,895	1,052	1,130,554

Receivables - Distribution by geographic area (thousands of euros)

Schedule 10

	31.12.2008				31.12.2007			
	Italy	Other EU countries	Other countries	Book value	Italy	Other EU countries	Other countries	Book value
Non-current financial receivables								
other	4,583	80	13	4,676	6,035	77	48	6,160
	4,583	80	13	4,676	6,035	77	48	6,160
Current receivables								
customers	191,908	4,075	2,532	198,515	160,703	1,016	702	162,421
subsidiaries	601,977	-	109	602,086	682,568	-	105	682,673
associated companies	-	-	74	74	-	-	50	50
tax receivables	36,175	-	-	36,175	28,046	-	-	28,046
deferred tax assets	10,703	-	-	10,703	16,866	-	-	16,866
other:								
- for future sports events	2,530	7,788	104,230	114,548	1,745	7,867	170,880	180,492
- other	37,982	799	1,749	40,530	24,946	217	4,583	29,746
	881,275	12,662	108,694	1,002,631	914,874	9,100	176,320	1,100,294

**Receivables, cash and equivalents and accrued income
in foreign currency or exposed to exchange rate risk** (thousands of euros)

Schedule 11

	31.12.2008				31.12.2007			
	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
Non-current financial receivables due from:								
others	5,097	7	(428)	4,676	6,548	40	(428)	6,160
	5,097	7	(428)	4,676	6,548	40	(428)	6,160
Current receivables								
customers	212,118	972	(14,575)	198,515	175,588	552	(13,719)	162,421
subsidiaries	601,977	109	-	602,086	682,568	105	-	682,673
associated companies	74	-	-	74	50	-	-	50
tax receivables	36,175	-	-	36,175	28,046	-	-	28,046
deferred tax assets	10,703	-	-	10,703	16,866	-	-	16,866
other:								
- for future sports events	103,003	11,545	-	114,548	38,038	142,454	-	180,492
- other	41,768	110	(1,348)	40,530	31,212	235	(1,701)	29,746
	1,005,818	12,736	(15,923)	1,002,631	972,368	143,346	(15,420)	1,100,294
Cash and cash equivalents								
Bank and post office deposits	30,963	898	-	31,861	123,752	1,044	-	124,796
Cheques	14	-	-	14	1	-	-	1
Cash and cash equivalents on hand	327	-	-	327	381	-	-	381
	31,304	898	-	32,202	124,134	1,044	-	125,178
Accrued income								
	120	-	-	120	349	-	-	349
Total	1,042,339	13,641	(16,351)	1,039,629	1,103,399	144,430	(15,848)	1,231,981

Receivables from customers: these relate to trade receivables, excluding those from subsidiaries and associated companies, which are carried under separate headings. They total 198,515 thousand euros, with a nominal value of 213,090 thousand euros which has been written down by 14,575 thousand euros to bring them to their estimated realisable value and compared with 31 December 2007 they show an increase of 36,094 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 110,920 thousand euros, up 36,530 thousand euros on 31 December 2007, equivalent to the balance between the increase in invoices issued and for amounts accrued for 2008 less collections.

(thousands of euros)		
	2008	2007
Prime Minister's Office:		
- Operating grant to be transferred to San Marino RTV	3,098	1,732
- Radio, television and multimedia offering for the foreign market	63,654	28,846
- Broadcasting from Trieste in Slovenian	6,365	6,365
- Radio and television broadcasts in French for the Autonomous Region of Valle d'Aosta	1,954	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	14,801	14,801
- Extension of the RaiUno signal to Tunisia and subsequent maintenance	1,619	1,352
Total Prime Minister's Office	91,491	55,050
Ministries:		
- Economy and Finance: management of television licence fee collection	11,776	12,204
Regions:		
- Autonomous Region of Valle d'Aosta: management of equipment for reception of programmes from the French-speaking area	7,653	7,136
	110,920	74,390

The following should be noted in connection with the above receivables:

- Prime Minister's Office: receivables for television, radio and multimedia broadcasts abroad in Slovenian, French, German and Ladin relate to services rendered in 2007 for 30,000 thousand euros and to services rendered in 2008 for 56,774 thousand euros;
 - Ministry for the Economy and Finance: in relation to the management of television licence fee collection, the receivable of 11,776 thousand euros refers to 2008;
 - Autonomous Region of Valle d'Aosta: the receivable of 7,653 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 2008.
- *Net receivables for licence fees*: these amount to 20,063 thousand euros, up 203 thousand euros on 31 December 2007, representing licence fees not yet transferred to Rai.
 With the internal provision issued in December 2008, the Ministry for the Economy and Finance made a reduction of 25 million euros in the provision for 2008 in balance sheet section no.3836 "licence fees for transfer to the Concession Holder", thus determining a reduction for said amount in the liquidation of the year end instalment.
 Via this reduction the Ministry allocated provisions for said amount to the new section no. 3855 "sums payable to Rai for exemption from payment of the licence fee granted to the elderly on a low income", destined to hedge costs ensuing from the abolition of payment of the licence fee for those over the age of 75, pursuant to art. 1 c. 132 of law 244 of 24/12/2007. Law no. 31 of 28/2/2008 establishes that, in relation to the charge ensuing from the abolition of the licence fee for the categories concerned, "Provision shall be made via a corresponding reduction in the provision booked, for the purposes of the financial statements for the 2008-2010 triennium, to the special current reserve of the State of prevision of the Ministry of the Economy and Finance for 2008...".
 On this basis, and in consideration of the broader framework of reference in terms of liquidation of fees to the Concession Holder, there is believed to be no reasonable doubt as to the collection of the amounts in question.
 - *Other receivables*: these amount to nominal value 82,107 thousand euros, up 217 thousand euros on 31 December 2007. They relate to the sale of rights, technical assistance to third parties etc.

Receivables from subsidiaries: these amount to 602,086 thousand euros (at 31 December 2007: 682,673 thousand euros). They represent the year-end balance of transactions with subsidiaries, as shown in schedule 8. They include financial receivables of 208,908 thousand euros (248,937 thousand euros at 31 December 2007) and non-financial receivables of 393,178 thousand euros (433,736 thousand euros at 31 December 2007).

Receivables from associated companies: these amount to 74 thousand euros (50 thousand euros at 31 December 2007). They represent the balance of transactions with San Marino Rtv.

Tax receivables: these are carried at nominal value of 36,175 thousand euros (28,046 thousand euros at 31 December 2007). They comprise 27,230 thousand euros for the balance of Group VAT credits, 7,494 thousand euros for IRAP credits and 1,391 thousand euros for tax refunds requested, with the remainder relating to minor items.

Deferred tax assets: these amount to 10,703 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 10,434 thousand euros, in addition to which there are items transferred from Group companies participating in the consolidated taxation arrangement.

Details of deferred tax assets, including the movements in 2008, 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 4.557% (average)	Total
Situation at 31 December 2007:					
- Tax loss	21,500	7,095	==	==	7,095
- Estimated recovery of taxed provisions	15,356	4,223	57,004	2,595	6,818
- Statutory/fiscal difference on amortisation of programmes	0	0	5,492	250	250
- Deferral of effect of re-aligning tax value of assets	0	0	42,873	1,952	1,952
Total	36,856	11,318	105,369	4,797	16,115
- Deferred tax assets coming from Group companies	==	751	==	==	751
Deferred tax assets at beginning of year	36,856	12,069	105,369	4,797	16,866
Movements in the year:					
- Adaptation of previous year's tax loss	4,700	1,552	==	==	1,552
- This year's tax loss	30,000	8,250	==	==	8,250
- Estimated recovery of taxed provisions	(15,356)	(4,223)	(18,492)	(840)	(5,063)
- Statutory/fiscal difference on amortisation of programmes	0	0	(5,247)	(239)	(239)
- Deferral of effect of re-aligning tax value of assets	0	0	(33,692)	(1,534)	(1,534)
Changes having effect on income	19,344	5,579	(57,431)	(2,613)	2,966
Compensation of taxable amounts by effect of the consolidated taxation arrangement	(26,200)	(9,129)	0	0	(9,129)
Total changes in the year	(6,856)	(3,550)	(57,431)	(2,613)	(6,163)
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
Total	30,000	8,250	47,938	2,184	10,434
- Deferred tax assets coming from Group companies	==	269	==	==	269
Deferred tax assets at end of year	30,000	8,519	47,938	2,184	10,703

As already mentioned in the accounting policies, receivables for deferred taxes have been provided, for their determination and recording in the financial statements, when there is reasonable certainty that they will be recovered in the future.

Other: these other receivables amount to 155,078 thousand euros (210,238 thousand euros at 31 December 2007). Net of writedowns of 1,348 thousand euros, they reflect the value of other types of receivables as described below:

- *advances to suppliers* on sports events filming rights, carried at nominal value of 114,548 thousand euros;
- *miscellaneous advances to suppliers* carried at nominal value of 20,924 thousand euros;
- *advances to Social Security Departments* on contributions payable for artistic activities, carried at nominal value of 9,581 thousand euros;
- *receivables from personnel* carried at nominal 6,899 thousand euros. They are entirely composed of advances of various types, mainly for travel expenses (3,312 thousand euros) and production expenses (1,789 thousand euros);
- *receivables from the European Union for subsidies and grants* for nominal 83 thousand euros, consisting entirely of receivables for research projects;
- *receivables from others*, carried at nominal value of 3,043 thousand euros.

Cash and cash equivalents

These are listed in schedule 12, and comprise:

- Bank and post office deposits: these amount to 31,861 thousand euros (at 31 December 2007: 124,796 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 14 thousand euros (at 31 December 2007: 1 thousand euros).
- Cash and cash equivalents on hand: these amount to 327 thousand euros (381 thousand euros at 31 December 2007) 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 2008.

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		
	31.12.2007	Changes during the year Net movements	31.12.2008
Bank and post office deposits	124,796	(92,935)	31,861
Cheques	1	13	14
Cash and cash equivalents on hand	381	(54)	327
	125,178	(92,976)	32,202

Accrued income and prepaid expenses

Accrued income and prepaid expenses total 33,830 thousand euros. They are detailed in schedule 13.

	Accrued income and prepaid expenses (thousands of euros)			Schedule 13
	31.12.2007	Changes during the year Net movements	31.12.2008	
Prepaid expenses:				
. sports event filming rights	15,065	7,521	22,586	
. hire costs	3,937	182	4,119	
. software licenses	2,110	(308)	1,802	
. programme production exclusives	140	1,235	1,375	
. premiums payable on currency hedges	348	747	1,095	
. rent	624	275	899	
. insurance and accident prevention	216	620	836	
. Rai Way service costs	498	(153)	345	
. various production services	358	(126)	232	
. government concession tax	-	109	109	
. commissions on guarantee policies	90	(40)	50	
. maintenance and repairs	129	(84)	45	
. telephone bills	3	42	45	
. services for third-party assets	56	(16)	40	
. EDP	49	(18)	31	
. documentation and information services	8	(6)	2	
. outside production of multimedia products	36	(36)	-	
. association dues	34	(34)	-	
. other	50	49	99	
	23,751	9,959	33,710	
Accrued income:				
. premiums earned on foreign currency hedges	289	(200)	89	
. interest income on securities deposited for cautionary purposes	44	(13)	31	
. interest income on bank deposits	16	(16)	-	
	349	(229)	120	
Total	24,100	9,730	33,830	

Liabilities

Shareholders' equity

Shareholders' equity totals 576,790 thousand euros.

The components of shareholders' equity and the effects of operations carried out in 2008 and 2007 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				
	31.12.2006	Loss coverage for the year	Release of reserve for investments in technological innovation	Release of reserve on gains from exchange rate valuations	Loss for the year	31.12.2007	Loss coverage for the year	Loss for the year	31.12.2008
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
. reserve for capital grants reserve under Art. 55	9,364	(9,364)	-	-	-	-	-	-	-
. merger surplus	341,144	-	-	-	-	341,144	-	-	341,144
. non-distributable reserve arising from exchange valuation gains	689	-	-	(689)	-	-	-	-	-
. reserve for investment in technological innovation	15,350	-	(15,350)	-	-	-	-	-	-
. reserve for re-alignment of asset tax-purpose values	42,750	(42,750)	-	-	-	-	-	-	-
. Other reserves	-	-	15,350	689	-	16,039	-	-	16,039
Profits brought forward	37,266	(26,535)	-	-	-	10,731	(4,871)	-	5,860
Net loss for the year	(78,649)	78,649	-	-	(4,871)	(4,871)	4,871	(37,010)	(37,010)
	618,671	-	-	-	(4,871)	613,800	-	(37,010)	576,790
(a) number of ordinary shares	242,518,100					242,518,100			242,518,100
par 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 hedge losses	other
Capital	242,518	-	-		
Legal Reserve	6,977	2	6,977		
Other reserves:					
- taxed provision of contributions to capital	1,262	1-2-3	1,262		
- reserve of contribution to capital pursuant to Art. 55 Presid. Decree 917/86	-			9,364	
- merger surplus	341,144	1-2-3	341,144		
- reserve for realignment of statutory and fiscal values on company assets	-			42,750	
- other reserves	16,039	1-2-3	16,039		
Profits brought forward	5,860	1-2-3	5,860	31,406	
Total available			371,282	83,520	-
Non-distributable share:					
Legal Reserve			(6,977)		
Total distributable			364,305		

Key:

1: for capital increase – 2: for hedging losses – 3: for distribution to shareholders

Share Capital

At 31 December 2008 the 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 358,445 thousand euros. This combination of items comprises:

- 341,144 thousand euros, of merger surplus;
- 1,262 thousand euros, in the reserve for capital grants;
- 16,039 thousand euros, in Other Reserves.

Profits brought forward

These amount to 5,860 thousand euros representing the balance of unallocated profits.

Net loss for the year

This amounts to 37,010,139.30 euros.

Provisions for risks and charges

These amount to 422,992 thousand euros, down 15,690 thousand euros net on 31 December 2007. 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

	31.12.2007	Provisions made	Direct utilisations	Absorptions from income statement	Reclassifications	31.12.2008
Provision for pension and similar liabilities:						
- supplementary seniority benefits	2,815	127 (a)	(567)	(145) (g)	(1)	2,229
- retirement benefits	616	13 (a)	(110)	-	(77)	442
- supplementary company pension fund	147,388	15,320 (b)	(11,477)	-	76	151,307
	150,819	15,460	(12,154)	(145)	(2)	153,978
Provision for taxes	37,912	-	-	(11,543) (i)	-	26,369
Other:						
- litigation	109,000	17,328 (c)	(18,197)	(2,631) (g)	-	105,500
- accrued remuneration	17,024	12,788 (e)	-	-	-	29,812
- litigation with social security institutions	31,000	481 (d)	(5,481)	-	-	26,000
- renovation and restructuring of properties	24,303	-	(941)	-	-	23,362
- doubtful receivables from concession holders Sipra and Rai Trade for Rai share	19,800	1,358 (d)	(858)	-	-	20,300
- staff resignation incentives	20,000	-	(6,522)	-	(6,262) (h)	7,216
- risks of non-usability of non-current assets (*)	5,100	-	-	-	-	5,100
- lease disputes	6,055	308 (d)	(120)	(1,147) (g)	-	5,096
- miscellaneous: . for liabilities	13,132	1,619 (f)	(1,917)	(1,006) (g)	(19) (l)	11,809
. for risks	4,537	4,307 (d)	(353)	(41) (g)	-	8,450
	249,951	38,189	(34,389)	(4,825)	(6,281)	242,645
Total	438,682	53,649	(46,543)	(16,513)	(6,283)	422,992

(*) including: - programmes under development 3,600
- technical 1,500

(a) contra-account: item B 9 d) pension and similar liabilities		(f) contra-account: item B 13 other provisions
(b) contra-accounts: item B 9 d) pension and similar liabilities	2,113	(g) contra-account: item A 5 c) other production-related income
item B 14 c) other operating costs	13,207	(h) transferred item D 14 b) other payables
(c) contra-accounts: item B 9 e) other personnel costs	10,774	(i) contra-account: item E 22 income taxes for the year
item B 12 provisions for risks	6,554	(l) transferred item D 12 taxes payable
(d) contra-account: item B 12 provisions for risks		
(e) contra-accounts: item B 9 a) personnel costs	10,148	
item B 9 b) social security contributions	2,640	

Provision for pension and similar liabilities: this amounts to 153,978 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 2,229 thousand euros (at 31 December 2007: 2,815 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 442 thousand euros (at 31 December 2007: 616 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, the Rai, FIPDRAI and CRAIPI funds remain with the associations to finance the said life annuities.

- The provision for supplementary seniority benefits amounts to 151,307 thousand euros (at 31 December 2007: 147,388 thousand euros). It includes:
 - 140,836 thousand euros for supplementary pension benefits currently being paid (at 31 December 2007: 137,888 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;
 - 10,471 thousand euros (at 31 December 2007: 9,500 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.

Provision for current and deferred taxes: this amounts to 26,369 thousand euros (at 31 December 2007: 37,912 thousand euros). The following table shows a breakdown of the item and changes during 2008.

Deferred tax reserve (thousands of euros)

	Amount of temporary IRES differences	IRES 27.5%	Amount of temporary IRAP differences	IRAP 4.557% (average)	Total
Situation at 31 December 2007:					
- Tax assessment 1975					297
- Capital gains	388	107	388	18	125
- Neutralisation of foreign exchange valuations	0	0	==	==	0
- Tax-purpose accelerated depreciation on fixed assets	68,521	18,843	68,521	3,119	21,962
- Accelerated depreciation for tax purposes fixed assets	48,448	13,323	48,448	2,205	15,528
Deferred tax reserve at beginning of year	117,357	32,273	117,357	5,342	37,912
Movements in the year					
- Tax assessment 1975					0
- Capital gains	(363)	(100)	(363)	(17)	(117)
- Neutralisation of foreign exchange valuations	0	0	==	==	0
- Tax-purpose accelerated depreciation on fixed assets	(30,007)	(8,252)	(11,421)	(517)	(8,769)
- Accelerated depreciation for tax purposes fixed assets	(8,338)	(2,293)	(8,063)	(364)	(2,657)
Total changes in the year	(38,708)	(10,645)	(19,847)	(898)	(11,543)
Situation at 31 December 2008:					
- Tax assessment 1975					297
- Capital gains	25	7	25	1	8
- 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
Deferred tax reserve at end of year	78,649	21,628	97,510	4,444	26,369

Other provisions: 242,645 thousand euros (at 31 December 2007: 249,951 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.

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 334,526 thousand euros (at 31 December 2007: 349,565 thousand 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 17.

Provision for staff severance pay (thousands of euros)						Schedule 17
Changes during the year						
31.12.2007	Provisions	Severance pay disbursed	Staff transfers	Transfer to INPS and supplementary retirement funds	Other movements	31.12.2008
349,565	46,536	(24,866)	654	(36,230)	(1,133)	334,526

Payables

Payables amount to 804,457 thousand euros, down 119,326 thousand euros on 31 December 2007. More specifically, financial debt to banks and other lenders totals 2,377 thousand euros, with a net decrease of 2,856 thousand euros on the figure disclosed in the 2007 financial statements. No payables covered by collateral in the form of company assets are recorded. A breakdown of the caption is given in schedule 18, while schedules 19 and 20 show the composition of payables by maturity, type and currency.

With regard to geographic distribution, the greater part of payables (about 94%) relates to Italian residents, for an amount of about 757 million euros on a total of 804 million euros.

Payables (thousands of euros)

Schedule 18

	Changes during the year		
	31.12.2007	Balance of new positions (+) and repayments (-)	31.12.2008
Due to banks	5,233	(2,856)	2,377
Advances	275	12	287
Suppliers	530,098	(73,507)	456,591
Subsidiaries	(a) 202,440	(46,771)	155,669
Associated companies	(b) 3,989	(728)	3,261
Tax payables	46,385	8,553	54,938
Social security institutions	45,144	(2,483)	42,661
Other payables	90,219	(1,546)	88,673
	923,783	(119,326)	804,457
(a) including:			
- 01 Distribution	-	7	7
- NewCo Rai International	507	548	1,055
- Rai Cinema	5,981	448	6,429
- Rai Click	5,181	(360)	4,821
- Rai Corporation	4,424	1,623	6,047
- Rai Trade	15,129	(528)	14,601
- Rai Way	78,830	(24,698)	54,132
- RaiNet	9,682	5,031	14,713
- RaiSat	9,874	3,293	13,167
- Sacis in liquidation	5,287	(133)	5,154
- Sipra	67,545	(32,002)	35,543
	202,440	(46,771)	155,669
(b) including:			
- Auditel	50	9	59
- Secemie	775	(775)	-
- San Marino RTV	3,164	38	3,202
	3,989	(728)	3,261

Payables, and accrued expenses and deferred income, by maturity and type (thousands of euros)

Schedule 19

	31.12.2008				31.12.2007			
	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	2,377	-	-	2,377	5,233	-	-	5,233
Suppliers	123	-	-	123	123	-	-	123
Subsidiaries	41,737	-	-	41,737	70,822	-	-	70,822
Associated companies	90	-	-	90	1,418	-	-	1,418
	44,327	-	-	44,327	77,596	-	-	77,596
Trade and other payables:								
advances	287	-	-	287	275	-	-	275
Suppliers	456,468	-	-	456,468	529,975	-	-	529,975
Subsidiaries	113,932	-	-	113,932	131,618	-	-	131,618
Associated companies	3,171	-	-	3,171	2,571	-	-	2,571
Tax payables	54,938	-	-	54,938	46,385	-	-	46,385
Social security institutions	42,661	-	-	42,661	45,144	-	-	45,144
Other payables	88,673	-	-	88,673	90,219	-	-	90,219
	760,130	-	-	760,130	846,187	-	-	846,187
Total payables	804,457	-	-	804,457	923,783	-	-	923,783
Accrued expenses	64	-	-	64	29	-	-	29
Deferred income	52,641	-	-	52,641	33,681	-	-	33,681
Total	857,162	-	-	857,162	957,493	-	-	957,493

Payables and accrued expenses in foreign currency or exposed to exchange rate risk (thousands of euros)

Schedule 20

	31.12.2008			31.12.2007		
	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
Payables						
Due to banks	2,361	16	2,377	5,233	-	5,233
Suppliers	445,935	10,656	456,591	495,000	35,098	530,098
Subsidiaries	149,622	6,047	155,669	198,016	4,424	202,440
Associated companies	3,261	-	3,261	3,989	-	3,989
Tax payables	54,938	-	54,938	46,385	-	46,385
Social security institutions	42,661	-	42,661	45,144	-	45,144
Other payables	88,668	5	88,673	90,192	27	90,219
Total payables (a)	787,446	16,724	804,170	883,959	39,549	923,508
Accrued expenses	64	-	64	29	-	29
Total	787,510	16,724	804,234	883,988	39,549	923,537

(a) Does not include Advances

The notes indicated hereunder provide further details on the contents of the individual items.

Due to banks: these amount to 2,377 thousand euros (5,233 thousand euros at 31 December 2007), representing current account overdrafts with certain banks.

Advances: these amount to 287 thousand euros (at 31 December 2007: 275 thousand euros) relating entirely to miscellaneous advances.

Suppliers: these relate to trade payables, excluding those to subsidiaries and associated companies, which are carried under separate headings. They amount to 456,591 thousand euros (at 31 December 2007: 530,098 thousand euros) and show a decrease of 73,507 thousand euros with respect to the figure disclosed for the previous year.

Accounts payable to subsidiaries: these amount to 155,669 thousand euros (at 31 December 2007: 202,440 thousand euros), as detailed in schedule 18. They include financial debt for 41,737 thousand euros (at 31 December 2007: 70,822 thousand euros) and non-financial payables of 113,932 thousand euros (at 31 December 2007: 131,618 thousand euros).

Accounts payable to associated companies: these amount to 3,261 thousand euros (at 31 December 2007: 3,989 thousand euros), as detailed in schedule 18. They include financial debt for 90 thousand euros (at 31 December 2007: 1,418 thousand euros) and non-financial payables of 3,171 thousand euros (at 31 December 2007: 2,571 thousand euros).

Tax payables: these amount to 54,938 thousand euros (at 31 December 2007: 46,385 thousand euros) and show an increase of 8,553 thousand euros with respect to the figure disclosed for the previous year. They consist of:

(thousands of euros)		
	2008	2007
- Tax withholdings on earnings of employees and free-lance workers to be paid over	31,909	30,384
- IRES under taxation arrangements on consolidated basis	17,263	9,309
- IRAP	-	3,105
- Suspended VAT	5,327	2,680
- Other withholdings and "substitute" taxes	420	907
- Other	19	-
Total	54,938	46,385

As regards debt in relation to IRES, as reported in the accounting policies, the Company has opted for group taxation, transferring to the Group, as 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.

Accounts payable to social security institutions: these amount to 42,661 thousand euros (at 31 December 2007: 45,144 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)		
	2008	2007
- ENPALS	13,446	14,035
- INPGI	12,822	11,439
- Contributions on assessed remuneration	8,833	12,127
- INPS	5,561	5,271
- Other	1,999	2,272
Total	42,661	45,144

Other payables: these amount to 88,673 thousand euros (at 31 December 2007: 90,219 thousand euros), and show a net decrease of 1,546 thousand euros on the previous year, as follows:

(thousands of euros)		
	2008	2007
- Employees for assessed remuneration	61,568	64,746
- FCPGI	9,696	8,668
- Other for assessed pertinent remuneration	4,486	7,054
- CRAIPI	5	1,499
- Other	12,918	8,252
Total	88,673	90,219

Accrued expenses and deferred income

This caption totals 52,705 thousand euros. Details and a comparison with the previous year are provided in schedule 21.

Accrued expenses and deferred income (thousands of euros)		Schedule 21	
	31.12.2007	Changes for the year Net movements	31.12.2008
Deferred income:			
. contribution for switchover to digital terrestrial broadcasting	33,000	15,083	48,083
. repayment of programme production costs	-	3,233	3,233
. transmission and related rights on own productions	114	308	422
. sponsorship of minor FIFA events	-	354	354
. special subscriptions	230	31	261
. telephone facilities	40	79	119
. teletext	82	(22)	60
. real estate investments	64	(11)	53
. other	151	(95)	56
	33,681	18,960	52,641
Accrued expenses:			
. premiums payable on currency hedges	-	35	35
. commitment fees on credit lines	29	-	29
	29	35	64
Total	33,710	18,995	52,705

The caption contains the entire amount contributed of 48,083 thousand euros, net of the amount already disclosed in the income statement, disbursed by the Ministry for Communications during 2007 and 2008, 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 for the year in relation to amortisation booked by the subsidiary following the entry into operation of the investments made.

5) Memorandum accounts

Memorandum accounts amount to 515,285 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.

Secured guarantees granted (thousands of euros)	Schedule 22	
	31.12.2008	31.12.2007
Secured guarantees on behalf of others	-	-
Secured guarantees granted for own commitments other than payables		
Assets pledged as collateral:		
- fixed-income securities	3,762	4,019
	3,762	4,019
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
Total	54,324	54,581

Purchase and sales commitments (thousands of euros)	Schedule 23	
	31.12.2008	31.12.2007
Purchase commitments:		
- Dear property complex - Rome	49,431	49,000
- regional headquarters property - Campobasso	4,400	-
	53,831	49,000
Sales commitments		
- regional headquarters property - Campobasso	1,650	-
	1,650	-
Derivative financial contracts on behalf of Rai Cinema:		
- future currency purchases	4,106	4,819
- swaps acquired in foreign currency	-	7,436
- options strategies acquired in foreign currencies (collars)	17,527	27,635
- call options	-	1,499
	21,633	41,389
Derivative financial contracts on behalf of RaiSat:		
- future currency purchases	1,386	-
	1,386	-
Total	78,500	90,389

Other memorandum accounts (thousands of euros)

Schedule 24

	31.12.2008	31.12.2007
Secured guarantees received		
Assets pledged as collateral:	(a)	
- passbook savings accounts	2	2
	2	2
Unsecured guarantees received		
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) 31,485	28,919
- Banca 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) 159,507	185,837
- Banca San Paolo IMI covering advance granted to Michele Alberico	(a) 10	10
- Banca Antonveneta covering Fondazione Nord-Est lease agreement	(b) -	5
- Sun Insurance Office Limited covering insurance-related advisory and assistance activity granted to AON	(a) 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	-
Other:		
- E.RAS. comfort letters issued on behalf of San Marino RTV for credit line agreed by us	(a) 516	516
	196,181	215,636
Leased assets received	3,878	4,752
Third party assets under development	-	-
Third party assets held under free loan for use, custody, leased or for similar reasons	..	..
Assets with third parties under development awaiting assignment	4,403	4,477
Third party assets held under free loan for use, custody, leased or for similar reasons	1,193	1,510
Guarantees granted by other parties for obligations of the company:		
Against debt:		
- Banca Intesa for guarantee granted to UEFA for sports rights relating to the 2006/2009 Champions League	24,500	73,500
- Banca di Roma for guarantee granted to UEFA for sports rights relating to the 2008 European Football Championships	-	57,000
- Banca di Roma for guarantee granted to Lega Nazionale Professionisti for radio and television rights relating to sports events	14,850	6,000
- 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	5,938	5,238
- Banca Popolare di Novara for guarantee granted to Enipower Trading SpA	420	376
- Banca Intesa - Cariplo for guarantee granted to Enel Trade guaranteeing electricity supply	697	697
- SanPaolo IMI for guarantee granted to FIFA covering payment of sporting rights relating to the 2010 World Football Championships	35,000	35,000
- Other guarantees	1,205	1,175
	87,469	183,845
Any other cases in hand:		
- Bankruptcy proceedings for cancelled receivables	7,507	7,507
- 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	1,536	1,804
- Sums not available at Bancoposta due to restriction by attachments	32	-
- Sums not available in correspondence current account with the subsidiary Sipra due to attachment	2,164	7,275
- Sums not available at Comit due to restriction by attachments	132	94
	11,373	16,682
Total	304,499	426,904

(a) against obligations of others

(b) against receivables

The terms of the hedge contracts covering the specific own 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.

The purchase commitments also include the Dear property complex, with a value of 49,431 thousand 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.

At 31 December 2008 there were no commitments, other than those highlighted among the memorandum accounts, 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 31.12.2008 thousands of USD	Fair value at 31.12.2008 thousands of euros
Derivative financial instruments for hedges		
- on exchange rates (1):		
. futures purchased and swaps	27,300	(8)
. options structures (zero cost)	152,000	8,075
. call options purchased	17,300	1,246
	196,600	9,313
Hedges for the account of Rai Cinema		
- on exchange rates (2):		
. futures purchased and swaps	5,600	(103)
. options structures (zero cost)	25,300	793
	30,900	690
Hedges for the account of RaiSat		
- on exchange rates (2):		
. futures purchased and swaps	1,940	9
	1,940	9

(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 2,878,438 thousand euros (at 31 December 2007: 2,889,212 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.

Revenues from sales and services (thousands of euros)	Schedule 26	
	Year 2008	Year 2007
Revenues from sales	647	603
Revenues from services:		
- Licence fees		
. private subscriptions	1,547,255	1,514,212
. special subscriptions	55,681	52,716
	1,602,936	1,566,928
- Advertising		
. television	947,714	981,750
. radio	53,636	57,329
. other	8,357	8,359
	1,009,707	1,047,438
- Promotion		
. television	35,757	40,907
. radio	1,413	1,073
	37,170	41,980
- Sponsorship		
. television	42,128	41,157
. radio	6,693	6,271
	48,821	47,428
- Special services under agreements	69,065	64,686
- Other services		
. sale of transmission rights and distribution of programmes	59,611	63,581
. telephone facilities	19,197	20,058
. production services	10,299	10,229
. television broadcasting services through digital terrestrial techniques	3,000	3,450
. teletext services	1,458	1,753
. miscellaneous	16,527	21,078
	110,092	120,149
	2,877,791	2,888,609
Total	2,878,438	2,889,212

Changes in inventories of work in progress, semi finished and finished goods: these amount to 11 thousand euros (at 31 December 2007: 75 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 14,728 thousand euros (at 31 December 2007: 11,767 thousand euros) represents internal costs associated with *non-current assets*, which were capitalised under the specific asset captions. Details are shown in schedule 27.

Internal cost capitalisations (thousands of euros)	Schedule 27	
	Year 2008	Year 2007
Intangible assets	9,542	6,631
Tangible assets	5,186	5,136
Total	14,728	11,767

Other production-related income: this amounts to 164,562 thousand euros (at 31 December 2007: 101,239 thousand euros), as detailed in schedule 28.

Other production-related income (thousands of euros)		Schedule 28
	Year 2008	Year 2007
Operating grants	2,432	639
Gains on disposals	189	36
Other		
Recovery and reimbursement of expenses	24,696	23,785
Prior-year license fees	16,223	21,046
Other out-of-period gains	84,163	21,326
Provisions released	5,201	2,707
Other income from equity investments:		
- Rai Way service contract	15,093	14,903
- Rai Cinema service contract	10,747	9,301
- RaiNet service contract	1,279	1,264
- other	3,388	3,188
Miscellaneous	1,151	3,044
Total	164,562	101,239

Production costs

This caption comprises costs and shortfalls related to ordinary activities, excluding financial operations. The costs shown here do not include those relating to *tangible* and *intangible* assets, which are recorded under the respective asset accounts.

Raw materials, supplies, consumables and merchandise: these total 25,942 thousand euros (at 31 December 2007: 22,609 thousand euros), which includes purchases of technical materials for inventory – excluding items used in the construction of plant, which are allocated directly to *tangible* 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.

Purchases of raw materials, supplies, consumables and merchandise (thousands of euros)		Schedule 29
	Year 2008	Year 2007
Technical materials for inventory	5,472	4,842
Miscellaneous production materials	5,303	4,289
Miscellaneous non-production materials	12,680	10,918
Other materials	2,489	2,571
Discounts, allowances and premiums on purchases of goods	(2)	(11)
Total	25,942	22,609

Services: these amount to 831,026 thousand euros (at 31 December 2007: 820,211 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 2,177 thousand euros and to Statutory Auditors for 195 thousand euros.

Cost of services (thousands of euros)	Schedule 30	
	Year 2008	Year 2007
Freelance services	146,996	143,432
Services for acquisition and production of programmes	175,062	191,160
Ancillary services for the acquisition and production of programmes	82,723	69,004
Allowances, travel expenses and transfer of personnel	38,157	36,843
Ancillary personnel service costs	10,935	10,494
Maintenance and repairs	18,257	17,446
Documentation and information services	45,763	42,847
Insurance and accident prevention	18,965	19,447
Advertising and promotion	7,893	7,622
General services	75,756	81,282
Supply services	19,896	17,244
Expenses for the promotion and distribution of our products	6,322	6,134
Signal broadcasting and transport under service contract and other Rai Way costs	154,834	149,482
Services under RaiNet service contract	6,509	6,400
Other	22,958	21,374
Total	831,026	820,211

Use of third-party assets: these amount to 857,690 thousand euros (at 31 December 2007: 731,493 thousand euros), and expresses costs for rents, leases, usage rights and filming rights, as detailed in schedule 31.

The significant increase for filming rights is due to the costs connected with the important four-yearly sports events (European Football Championships and the Olympic Games).

Use of third-party assets (thousands of euros)	Schedule 31	
	Year 2008	Year 2007
Lease instalments	809	778
Rent and hire costs	75,846	72,441
Usage rights	104,240	114,529
Filming rights	358,988	216,124
Acquisition of viewing rights from RaiSat	403	398
Acquisition of viewing rights from Rai Cinema	301,625	311,007
Acquisition of viewing rights to serious music and theatrical events from Rai Trade	7,728	8,185
Other rights	8,051	8,031
Total	857,690	731,493

Personnel costs: employee-related costs amount to 902,714 thousand euros (at 31 December 2007: 896,079 thousand euros), broken down as indicated in the income statement. The average number of employees on the payroll in 2008 was 11,698, including employees on fixed-term contracts (at 31 December 2007: 11,676 units), as detailed in schedule 32.

Average number of employees

Schedule 32

	Situation at 31.12.2008			Situation at 31.12.2007		
	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	-	268	268	-	264	264
- Junior managers and supervisors	1	1,105	1,106	2	1,101	1,103
- Journalists	346	1,652	1,998	339	1,665	2,004
- Office staff, production employees, camera staff, film directors' staff, technicians	1,306	5,689	6,995	1,355	5,610	6,965
- Blue-collars	194	986	1,180	160	1,025	1,185
- Conductors, musical directors and choir staff	11	128	139	11	131	142
- Medical staff	-	12	12	-	13	13
Total	1,858	9,840	11,698	1,867	9,809	11,676

Amortisation, depreciation and writedowns: these amount to 381,195 thousand euros (at 31 December 2007: 363,755 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 266,965 thousand euros (at 31 December 2007: 235,976 thousand euros), while schedules 33 and 34 provide details of amortisation of tangible assets and writedowns in relation to non-current assets. They include a writedown of capitalised programmes amounting to 22,174 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 2008	Year 2007
Land and buildings	34,445	44,439
Plant and machinery	40,020	44,606
Industrial and sales equipment	2,034	1,965
Other assets	6,397	6,160
Total	82,896	97,170

Other non-current asset writedowns (thousands of euros)

Schedule 34

	Year 2008	Year 2007
Intangible assets under development	423	3,937
Programmes being amortised	22,174	21,781
Total	22,597	25,718

Changes in inventories of raw materials, supplies, consumables and merchandise: the amount of 156 thousand euros (at 31 December 2007: 731 thousand euros) represents the decrease in net inventories carried under current assets at 31 December 2008 with respect to the previous year.

Provisions for risks: these amount to 13,009 thousand euros (at 31 December 2007: 10,444 thousand euros) and indicate allocations to provisions for risks. The most significant items are detailed in schedule 16.

Other provisions: these amount to 1,619 thousand euros (at 31 December 2007: 2,403 thousand euros). The main items are shown in schedule 16.

Miscellaneous operating costs: these amount to 98,612 thousand euros (at 31 December 2007: 89,751 thousand euros). Their composition is shown directly in the income statement and further information is provided in schedule 35.

Miscellaneous operating costs (thousands of euros)	Schedule 35	
	Year 2008	Year 2007
Asset disposal losses		
Tangible assets		
- land and buildings	67	256
- plant and machinery	233	284
- industrial and sales equipment	11	5
- other assets	202	118
- tangible assets under construction	25	39
	538	702
Concession fee	29,180	28,842
Other costs:		
- gifts, prize contests and entertainment expenses	16,624	17,767
- association dues	2,700	2,810
- municipal property tax	3,565	3,560
- other indirect taxes and contributions	6,670	6,182
- contribution to the Authority - Min. Decr. 16/07/99	4,092	4,164
- payment of uninsured damages, fines and penalties	7,242	1,149
- newspapers, books, periodicals, specific documentation and publications	3,160	3,142
- prior-year charges and reversal of non-existent assets	10,029	11,894
- provision for pension fund - former employees	13,207	8,256
- other	1,605	1,283
	68,894	60,207
Total	98,612	89,751

Financial income and charges

Income from equity investments: these amount to 26,519 thousand euros (31 December 2007: 39,716 thousand euros), representing dividends distributed in 2008 by investee companies, as shown in schedule 36.

Financial income from equity investments (thousands of euros)	Schedule 36	
	Year 2008	Year 2007
Dividends from subsidiaries:		
- Rai Cinema	12,403	20,930
- Sipra	9,000	12,600
- RaiSat	3,416	2,386
- Rai Trade	1,700	3,800
	26,519	39,716
Total	26,519	39,716

Other financial income: this amounts to 14,910 thousand euros (at 31 December 2007: 15,617 thousand euros) broken down as follows:

- from *non-current receivables*: this amounts to 34 thousand euros, as shown in schedule 37.

Other financial income from non-current receivables (thousands of euros) Schedule 37

	Year 2008	Year 2007
Other:		
- Tax advanced on staff severance pay (Law 140/97)	10	127
- Miscellaneous	24	13
Total	34	140

- From *non-current securities other than equity investments*: this amounts to 176 thousand euros and relates to interest receivable on securities.
- *Financial income other than the above*: this amounts to 14,700 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 2008	Year 2007
Interest and commissions receivable from subsidiaries	12,239	12,720
Interest and commissions receivable from others and miscellaneous income:		
- interest from banks, post office current accounts and other financial institutions	2,071	2,000
- default interest on customer receivables	11	6
- use of provisions for risks on interest rate hedges	-	188
- interest on interest rate hedges	182	52
- interest from others	197	354
	2,461	2,600
Total	14,700	15,320

Interest and other financial charges: these amount to 7,767 thousand euros (at 31 December 2007: 7,726 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 2008	Year 2007
Interest and commissions payable to subsidiaries	2,877	3,392
Interest and commissions payable to associated companies	16	17
Interest and commissions payable to others and miscellaneous charges:		
- interest and commissions payable to banks and other financial institutions	4,821	4,048
- interest to suppliers	39	128
- interest expense on interest rate hedges	-	83
- other interest expense and miscellaneous charges	14	58
	4,874	4,317
Total	7,767	7,726

Foreign exchange gains and losses: these show a total loss of 4,067 thousand euros (at 31 December 2007: 2,854 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.

Foreign exchange gains and losses (thousands of euros)	Schedule 40	
	Year 2008	Year 2007
Foreign exchange losses from valuation	(636)	(2,055)
Other foreign exchange losses	(3,431)	(799)
Total	(4,067)	(2,854)

Value adjustments to financial assets

Revaluations: these amount to 2,140 thousand euros (at 31 December 2007: 959 thousand euros). They reflect the recovery of losses incurred by subsidiaries in previous years for 2,123 thousand euros, and by other investee companies for 17 thousand euros.

Writedowns: these total 559 thousand euros (at 31 December 2007: 1,309 thousand euros). They comprise writedowns of *non-current financial assets* following losses incurred for the year.

Exceptional income and charges

Exceptional items comprise income of 1,028 thousand euros, as detailed in schedule 41.

Exceptional income (thousands of euros)	Schedule 41	
	Year 2008	Year 2007
Out-of-period gains and reversal of non-existent liabilities	1,028	1,224
Total	1,028	1,224

Exceptional charges (thousands of euros)		
	Year 2008	Year 2007
Costs connected with the staff voluntary resignation incentives scheme	-	29,654
Total	-	29,654

Current income taxes for the year, and deferred tax charges and credits

These amount to 14,991 thousand euros. They represent the total tax charge for the year, made up as follows:

(thousands of euros)				
	Current	Deferred liabilities	Deferred assets	Total
IRES	-	10,645	5,579	16,224
IRAP	(29,500)	898	(2,613)	(31,215)
	(29,500)	11,543	2,966	(14,991)

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 4.557% (average)	Total
DEFERRED TAX ASSETS					
Movements in the year:					
- Adjustment of previous year's tax loss	4,700	1,552	==	==	1,552
- Current year's tax loss	30,000	8,250	==	==	8,250
- Estimated recovery of taxed provisions	(15,356)	(4,223)	(18,492)	(840)	(5,063)
- Statutory/fiscal difference amortisation of programmes	0	0	(5,247)	(239)	(239)
- Deferral of effect of re-aligning tax value of assets	0	0	(33,692)	(1,534)	(1,534)
Total	19,344	5,579	(57,431)	(2,613)	2,966
DEFERRED TAX LIABILITIES					
Movements in the year:					
- Capital gains	363	100	363	17	117
- Tax-purpose accelerated depreciation on fixed asset programmes	30,007	8,252	11,421	517	8,769
- Accelerated depreciation for tax purposes fixed assets	8,338	2,293	8,063	364	2,657
Total	38,708	10,645	19,847	898	11,543

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 4.557%
Result before taxes	(22,019)	Difference between productions values and costs	(54,223)
Movement in taxed provisions	2,555	Personnel costs	902,714
Statutory fiscal difference on amortisation of programmes	30,670	Non-current asset writedowns	22,597
Deductible portion of dividends	(25,193)	Current receivable writedowns	1,307
Tax-purpose accelerated depreciation on tangible assets acquired during the year	(4,343)	Provisions for risks	13,009
Reversal of tax-purpose accelerated amortisation/ depreciation	12,695	Provisions for charges	1,619
Tax-purpose accelerated depreciation following realignment to parent company values	(33,459)	Statutory fiscal difference on amortisation of programmes	6,174
Vehicles	2,274	Utilisation/release of taxed provisions	(34,815)
Mobile phones	3,420	Provision for pension fund of former employees	13,207
10% IRAP paid during the year	(3,699)	Reversal of tax-purpose accelerated amortisation/ depreciation	8,077
Municipal property tax	3,565	Tax-purpose accelerated depreciation following realignment to parent company values	(33,459)
Other changes – increase	9,244	Municipal property tax	3,565
Other changes – decrease	(5,710)	Tax wedge	(202,873)
		Prior years' personnel costs	(5,359)
		Income from staff secondment and reimbursement of emoluments	(8,891)
		Coordinated ongoing and occasional staff	9,829
		Other changes – increase	9,302
		Other changes – decrease	(4,422)
Taxable amount	(30,000)	Taxable amount	647,358

On the taxable amount for IRAP, current taxes of 29,500 thousand euros have been calculated.

7) Result for the year

The year closed with a loss of 37,010,139.30 euros.

8) Other information

For significant events subsequent to the year-end and related-party transactions, reference should be made to the information given in the Report on operations.



Rai



**Parent Company
supplementary schedules**

Parent Company balance sheet reclassified in vertical form (thousands of euros)

	31.12.2008	31.12.2007
A.- NON-CURRENT ASSETS		
Intangible assets	460,643	425,416
Tangible assets	344,968	369,082
Financial assets	316,483	314,613
	1,122,094	1,109,111
B.- WORKING CAPITAL		
Inventories	712	858
Trade receivables	591,850	596,585
Other assets	235,703	278,872
Trade payables	(573,859)	(664,439)
Provisions for risks and charges	(422,992)	(438,682)
Other liabilities	(238,976)	(215,460)
	(407,562)	(442,266)
C.- INVESTED CAPITAL		
net of current liabilities	(A+B)	714,532
D.- PROVISION FOR STAFF SEVERANCE PAY		
	334,525	349,565
E.- INVESTED CAPITAL		
net of current liabilities and provision for staff severance pay	(C-D)	380,007
financed by:		
F.- EQUITY		
Share capital paid up	242,518	242,518
Reserves and profits brought forward	371,282	376,152
Net profit (loss) for the year	(37,010)	(4,870)
	576,790	613,800
G.- NET MEDIUM/LONG-TERM FINANCIAL DEBT	0	0
H.- NET SHORT-TERM DEBT (NET CASH FUNDS)		
. net short-term debt	44,326	77,595
. cash and short-term financial receivables	(241,109)	(374,115)
	(196,783)	(296,520)
I.- TOTAL NET FINANCIAL DEBT	(G+H)	(196,783)
L.- TOTAL, AS IN E	(F+I)	380,007

Parent Company income statement reclassified in vertical form (thousands of euros)

	31.12.2008	31.12.2007
A.- REVENUES	2,953,446	2,966,381
Change in inventories of work in progress semifinished and finished goods	10	(74)
Internal cost capitalisations	14,728	11,767
B.- "TYPICAL" PRODUCTION VALUE	2,968,184	2,978,074
Cost of materials and external services	(1,802,365)	(1,655,863)
C.- VALUE ADDED	1,165,819	1,322,211
Personnel costs	(902,714)	(896,079)
D.- GROSS OPERATING MARGIN	263,105	426,132
Amortisation of programmes	(254,975)	(225,190)
Other amortisation/depreciation	(90,326)	(102,061)
Other value adjustments	(23,904)	(25,718)
Provisions for risks and charges	(13,903)	(11,714)
Miscellaneous income and charges - net	65,780	3,216
E.- OPERATING RESULT	(54,223)	64,665
Financial income and charges	3,076	5,037
Income from equity investments	28,100	39,366
F.- RESULT BEFORE EXCEPTIONAL ITEMS AND TAXES	(23,047)	109,068
Exceptional income and charges - net	1,028	(28,430)
G.- RESULT BEFORE TAXES	(22,019)	80,638
Income taxes for the year	(14,991)	(85,508)
H.- NET PROFIT (LOSS) FOR THE YEAR	(37,010)	(4,870)

Parent Company cash flow statement (thousands of euros)

	31.12.2008	31.12.2007
A.- NET OPENING CASH FUNDS (NET OPENING SHORT- TERM FINANCIAL DEBT)	296,520	252,655
B.- CASH FLOW FROM OPERATING ACTIVITIES		
Net profit (loss) for the year	(37,010)	(4,870)
Amortisation and depreciation	345,301	327,251
(Gains) losses on disposal of non-current assets	355	666
(Revaluations) writedowns of non-current assets	21,010	25,946
Change in working capital	(34,704)	65,177
Net change in staff severance pay provision	(15,040)	(11,280)
	279,912	402,890
C.- CASH FLOW FROM INVESTING ACTIVITIES IN NON-CURRENT ASSETS		
Investment in non-current assets:		
. intangible assets	(320,266)	(300,928)
. tangible assets	(59,417)	(61,530)
. financial assets	(5,687)	(1,406)
Sale proceeds, or reimbursement value, of non-current assets and other changes	5,721	4,839
	(379,649)	(359,025)
D.- CASH FLOW FROM FINANCING ACTIVITIES		
New loans	-	-
Contributions by shareholders	-	-
Capital grants	-	-
Loan repayments	-	-
Equity repayments	-	-
	-	-
E.- PROFIT DISTRIBUTION	-	-
F.- CASH FLOW FOR THE YEAR	(B+C+D+E)	43,865
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 on 31 December 2008, as regards **the activity of the Board of Statutory Auditors**, we performed the supervision activity envisaged by the Law, adapting operations to the principles of conduct recommended by the National Council of Chartered Accountants and accounting experts.

The auditing activities were assigned to the Independent Auditors, PricewaterhouseCoopers SpA (hereinafter "PWC"), and are listed in their reports.

Our activities consisted of the following:

We carried out the monitoring activities envisaged by the Law and the Company Bylaws. Within the limits of pertinence, we gained details on and monitored the adequacy of the Company structure, observance of the principles of correct administration and the adequacy of the directions issued to the Subsidiaries, acquiring information from the managers of the pertinent company functions.

47 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 General Manager.

During the year, in accordance with the new legislation of Corporate Law, the Board also met with the company executives responsible for certain Management Divisions to obtain – among other things – information on the adequacy of the organisational structure, the internal control system and the administrative-accounting system.

Specific meetings were also held with PWC, during which information was requested also on the audit of the accounts which the firm has been appointed to perform for the 2007-2009 triennium, pursuant to article 2409 *bis* of the Civil Code. 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 Board acknowledged the progress made in the introduction of the provisions envisaged by Legislative Decree 231/2001 since the report by the Chairman of the Oversight Committee to the Board of Directors and the Board of Statutory Auditors on 29 January 2009. Said report, forwarded on 28.01.2009 also provided information on the activity of the Ethical Committee.

In 2008 the Statutory Auditors attended all the meetings of the Board of Directors (44 during 45 days) during which they obtained information from Directors on the general performance of the business and its outlook, as well as on Company operations of greater financial and capital significance, in terms of size and characteristics.

We can reasonably consider that the actions taken were compliant with the Law and the Company Bylaws and do not appear to be manifestly imprudent or such as to compromise the Company's assets or financial position.

We report, in addition, that the Board of Directors, in its meeting of 25 October 2005, delegated powers of enquiry to its members, pursuant to article 26 of the Company Bylaws. For this purpose, two Committees of Enquiry were set up within the Board of Directors, for Administration and Organisation to which "special assignments" were given, aimed especially at enquiring 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 2008, 2 Shareholders' Meetings were held. Due to subsequent adjournments of the second, the number of actual meetings totalled 14, all of which were attended by the Board of Statutory Auditors.

The Company has drawn up the Parent Company Financial Statements using the accounting principles and main valuation criteria with a view to the continued operation of the company and in compliance with the provisions of art. 2423 of the Civil Code and subsequent articles, which are the same as those applied in previous years. The financial statements of Rai SpA at 31 December 2008, which were delivered to us by the Board on 1 April 2009 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 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 the significant events which occurred during 2008. The Parent Company financial statements for 2008 present a loss of about 37.0 million euros, while the Group Consolidated financial statements present a loss of about 7.1 million euros. The Directors also explain the Company's situation and activities which are performed, overall and in the single sectors in which it operates, also through subsidiaries, pursuant to article 2428 of the Civil Code. This document also provides information on research and development, relations with subsidiaries and associated companies, the outlook for the business, significant events occurring after the end of the year and on the Company's objectives and policies regarding the management of financial risk and exposure to interest rate, credit and liquidity risks, fulfilling the informative obligations regarding the main risks of uncertainty to which the Company and Group are exposed.

In addition, three tables analysing the balance sheet, income statement and cash flow statement have been presented to provide an effective tool for a better understanding of the financial statements.

As regards the performance of resources, the Directors particular highlight certain aspects concerning the licence fee and advertising.

We ought to point out that the per-unit licence fee for 2008 – which rose by 2.0 euros to 106.0 euros – continues to be one of the lowest in Europe; it is also subject to the highest rate of tax evasion (over 26%) which could be contrasted with the introduction of new legislative tools and the revision of the collection mechanisms.

Advertising revenues fell by about 3% in 2008, largely as a result of the serious economic/financial crisis, the effects of which were felt particularly in the final months of the year.

Remaining within the sphere of the Report, the Directors point out that the separate accounting model was also applied – pursuant to the laws in force – to the latest approved financial statements for the year ended 31 December 2007, 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, with a deficit of 420 million euros, which fell to 159.0 million after the attribution of the portion of advertising revenues (261 million euros) taken by the same Public Service.

A specific section of the Directors' Report is dedicated to the Service Agreement with the Ministry of Communications (now the Ministry for Economic Development) signed on 5 April 2007 for the 2007-2009 triennium. On this matter, attention is drawn to the main innovative aspects that characterise the agreement in force pointing out that, by requesting a net increase in performances, the Institutions have imposed a significant change in the role and mission of the Public Service. Generally speaking, the strategic purpose of this Service has been identified in the quality of the offering, respecting the Country's values and identity.

The new programming arrangements will undoubtedly increase operating costs, which will inevitably be reflected on the way operations are balanced.

There is also a section dedicated to the television market which, during the last five 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; satellite for now is complimentary to the Digital Terrestrial platform; Internet Protocol Television (IPTV) continues to remain marginal; while the "web" is consolidating its role as a distribution channel for audio

visual content and is destined to become an increasingly central platform in the Rai strategy, together with the Digital Terrestrial system. The latter, which has been operational in Sardinia since October, will completely replace analogue broadcasting throughout the whole of Italy from 2012, should things go according to plan. An investment of approximately 300 million euros is envisaged to accomplish this plan.

It is therefore fundamental, as sustained by the Report, that Rai be guaranteed licence-fee revenues, eliminating the consistent evasion, in order to combat the effects of the declining advertising market resources.

In the rapidly changing context in which Rai operates, the Directors draw particular attention to the significant increase already made to the Digital Terrestrial offering. In recent years, the three traditional general-interest channels have been joined by three new channels (Rai Sport, Rai Gulp and Rai 4), as well as two satellite channels, RaiNews 24 and Rai Storia.

To this end, the Board has observed that the advent of a multi-channel and multi-platform system increases the difficulty in maintaining the recognition and diversification of the Public Service, all within a sphere in which the economic impact cannot yet be assessed.

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, *inter alia*, 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 2007, 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 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.

The reports of the Boards of Statutory Auditors and Independent Auditors are positive, each in their own right.

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 2007, 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 2008 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 Rai 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 Government finances and the income statement of the Concession holder.

Another reason for its pursuit is the fact that the considerable resources unlawfully subtracted from the Rai finances mean that the company is somewhat condition by advertising revenues, which are currently suffering a severe decline, with potential negative effects on the quality of Rai's television product.

Specifically, using - as is our custom - information obtained from the Internal Auditing Department and from contacts with the Independent Auditors PWC, we directed our 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. Another editorial protocol, approved by the General Management and formally brought to the attention of Rai during the year, has also been introduced.

However, 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.

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. The two aforementioned operations can be traced back to the type of ethical audit and also required the analysis and assessment of certain important business processes, also in relation to the provisions of Legislative Decree 231/2001; commitments of this type do however tend to increase.

On this matter, it was noted that Management continues to cooperate with the proceedings for the activities of the Body, as requested; moreover, it is present within all the Oversight Committees of the subsidiaries, apart from RaiNet and Rai Way.

Taking account 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, also evaluating the adequacy and strengthening of the number of people working in the department.

As regards relations between Rai and the Group companies, the Board of Statutory Auditors recommends action to strengthen the standardisation of the 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 2008, as proposed by the Board of Directors, closing with a loss of 37,010,139.30 euros. We also agree with the further request, contained in the same proposal for resolution, regarding the entire coverage of the loss of 37,010,139.30 euros with the use of:

- “Profits brought forward” totalling 5,861,185.07 euros
- Other reserves, of which:
 - 1,261,586.09 euros from the reserve fund for taxed capital grants;
 - 13,848,977.66 euros from merger surplus;
 - 16,038,390.48 euros from other reserves.

Rome, 7 May 2009

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

To the Shareholders of
RAI – Radiotelevisione italiana SpA

- 1 We have audited the financial statements of RAI – Radiotelevisione italiana SpA as at 31 December 2008. 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 Italian standards on auditing. 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.

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 6 June 2008.
- 3 In our opinion, the financial statements of RAI – Radiotelevisione italiana SpA as at 31 December 2008 comply with the laws governing the criteria for their preparation; accordingly, they give a true and fair view of the financial and operational and of the results of operations of the Company.
- 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 art. 2409-ter, paragraph 2, letter e), of the Italian Civil Code. 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 2008.

Rome, 7 May 2009

PricewaterhouseCoopers SpA

Signed by

Aurelio Fedele
(Partner)

“This report has been translated into the English language from the original, which was issued in Italian, solely for the convenience of international readers. References in this report to the Financial Statements refer to the Financial Statements in original Italian and not to their translation.”

Shareholders' Meeting Resolution

At the meeting of 26 May 2009 the Shareholders of Rai unanimously resolved:

- to approve Rai's draft statutory financial statements as at 31 December 2008, which comprise the balance sheet, income statement and notes to the financial statements closing with a loss of 37,010,139.30 euros, and the report on operations;
- to cover the loss of 37,010,139.30 euros, in accordance with the proposal of the Board of Directors, through the utilisation of:
 - retained earnings for the sum of 5,861,185.07 euros;
 - other reserves, of which:
 - . reserve for taxes capital grants for the sum of 1,261,586.09 euros;
 - . merger surplus for the sum of 13,848,977.66 euros;
 - . other for the sum of 16,038,390.48 euros;
- to acknowledge the consolidated financial statements of the Group for the year 2008 – balance sheet, income statement and notes to the consolidated financial statements – and the report on operations, closing with a loss of 7.1 million euros.



Rai



Consolidated Financial Statements at 31 December 2008

188	Directors' Report on the Group
190	Highlights
192	Reclassified consolidated financial statements
193	Review of Balance Sheet, Income Statement and Financial situation
209	Consolidated Balance Sheet and Income Statement – in statutory form
217	Notes to the consolidated financial statements
255	Consolidated supplementary schedules
261	Report of the Board of Statutory Auditors
264	Report of the Independent Auditors
	Appendices
267	Financial Statements of Subsidiaries
317	Financial Statements of Associated Companies (summary schedules)

Directors' Report on the Group

To the Shareholders,

The consolidated financial statements of the Rai Group closed with a loss of 7.1 million euros, substantially in line with the previous year (loss of 4.9 million euros).

The Group's financial position is positive, despite a decline on the previous year (21.1 million euros compared to 110.4 million euros at 31 December 2007).

The main events that determined the year's loss are:

- the significant drop in revenues from advertising (-3.8% at consolidated level) related to the country's negative industrial economic performance. Advertising revenues, which are naturally reactive to changes on the global economic market, performed well, also aided by the presence of big sporting events, during the first half of the year, but suffered an inversion in this trend as of the middle of October, leading to the situation disclosed in the Financial Statements;
- the relevant impact, characteristic of even years, resulting from the presence of big sporting events (European Cup Football Championships and Olympic Games) which, considering the same conditions, have a significantly detrimental effect on operating costs. This was partially offset by the prompt implementation of transversal cost-saving policies which were strengthened towards the end of the year. The maintenance of the cost increase profile below the rate of inflation was significant in this sense.

We do however feel duty bound to mention the increase of revenues from licence fees, an improvement due both to the rise in the per-unit licence fee (which continues to be the lowest among Europe's public service broadcasters) and to the higher number of people who now pay their licence fee.

As regards placement within the market, the Group is currently competing in a multi-channel digital environment, in which the range of general-interest channels and new theme-based or mini general-interest channels on offer will be forced to compete for important market shares, due to increased audience mobility fed by a desire for more personalised choice of viewing; advertising will follow the evolution of the offer, restructuring its methods of allocation; the rights market too will be affected by this systemic change. In general terms, competition will become increasingly important, as will competition between free-TV, in which the public service intends to remain the leader, and pay-TV.

Until recently this competitive context in which the public service has to operate was only just imaginable, being in the very earliest stages of development, due to the inequality of the ratios of strength: awareness of this evolution has led Rai to make a precise choice: digital terrestrial broadcasting is undoubtedly the fulcrum, the privileged platform around which the public service mission of the future must be built.

In 2008 the switchover entered an accelerated and irreversible phase, partly due to the effect of important institutional decisions: the launch of the frequency planning process by the Communications Authority, adhered to by the companies, configuring a consensual mechanism for the rationalisation of the spectrum and construction of the networks and the Government's implementation of the switch-off calendar by areas, with a definite sequence of dates, so as to complete the process by 2012.

The switchover to the digital terrestrial platform – as proven by the trial in Sardinia, the country's first important regional area to abandon analogue television – must be accompanied by appropriate strategic choices, to prevent traditional broadcasters from risking the loss of important shares of their current analogue users who become disorientated by the uncertainty of being able to have a single effective place from which to benefit from the entire free offering.

During 2009, according to the calendar drawn up by the Government, the digital population will consist of about 17 million people, accounting for almost 30% of the Italian population. This means that it is necessary to take appropriate steps to support the development of the terrestrial platform, also implementing suitable communication campaigns.

Within this framework, and in order to build a platform with a strong and recognisable identity, Rai, along with the other national broadcasters (but with the possibility of entry for associations of local broadcasters too), has set up a company named Tivù, which will develop the services necessary to the improved operation of the free digital terrestrial platform.

What is more, for outlying geographic areas, with possible reception difficulties, so with a view to complementary broadcasting via digital terrestrial networks, in 2009 Tivù will launch a free satellite platform. This will also aid the public service in its fulfilment of the obligations imposed by the Institutions in relation to technological neutrality.

Rai has already made significant innovations to its offering of free programmes on the digital terrestrial platform, flanking the simulcast of the three general-interest channels with three specifically designed channels: Rai Gulp, Rai Sport Più and, in July 2008, the highly successful Rai4. Lastly, these are joined by the simulcast, once again at national level, of two satellite channels, RaiNews 24 and, more recently, Rai Storia.

The new free channels each deserve a special mention, because they are proof of Rai's commitment to building up an "updated" physiognomy of the public service's digital context, within the scope of a strategic, unitary vision, which has been rewarded by considerable success. This commitment combines tradition with a capacity for innovation.

These are channels aimed at audiences/themes of priority for Rai which, in turn, will enable the strengthening of trends towards the change already taking place in the general-interest channels, which will continue to retain their central position in the digital world.

The development of the digital terrestrial platform requires a consistent financial commitment, starting with that for the construction of the network infrastructure: a technical investment which will use about 300 million euros in resources within the space a just a few years, concentrated between 2009 and 2012.

Despite enjoying a healthy financial position and solid equity, Rai has to tackle this extenuating investment programme during an extremely critical phase for the market which has had very negative effects for Rai in relation to the significant drop in advertising revenues. At the moment we are unable to estimate how long this situation will last.

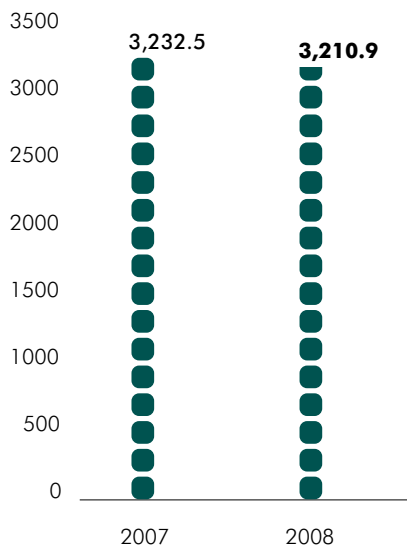
We ought to remember that, to date, as resulting from the separate accounting system, the cost of the issue of the public service is not covered entirely, as envisaged by special laws, by income from licence fees, and that Italy continues to be the European country estimated to have the highest level of evasion of this tax.

These are issues which, especially in a context characterised by clear resizing, probably in structural terms, of the capacity of advertising to offset the lack of resources from licence fees, await a solution from the legal authorities.

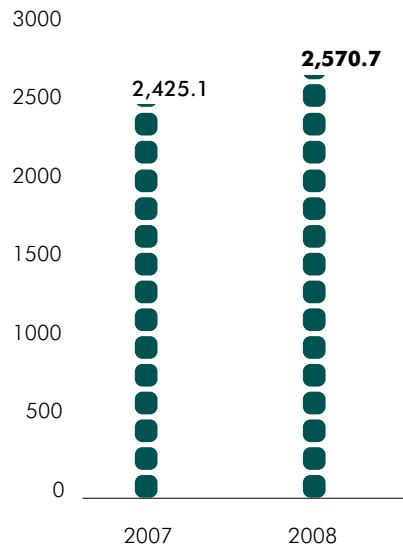
For more details on programming and on the activity of Rai and its subsidiaries, please refer to the Report on Operations of the Parent Company Financial Statements.

Highlights (millions of euros)

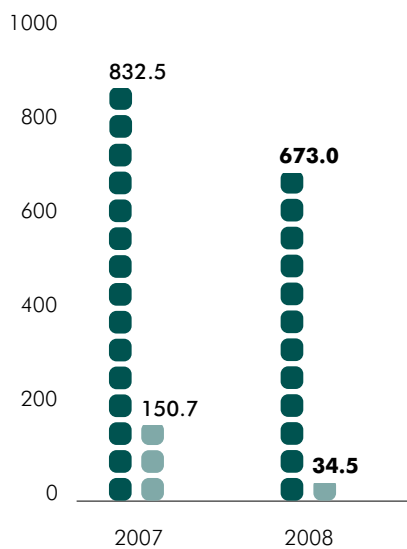
Revenues



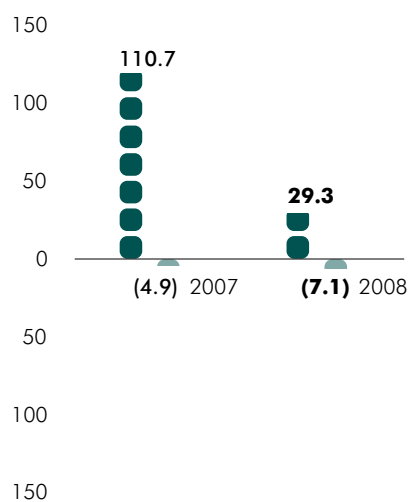
Operating costs



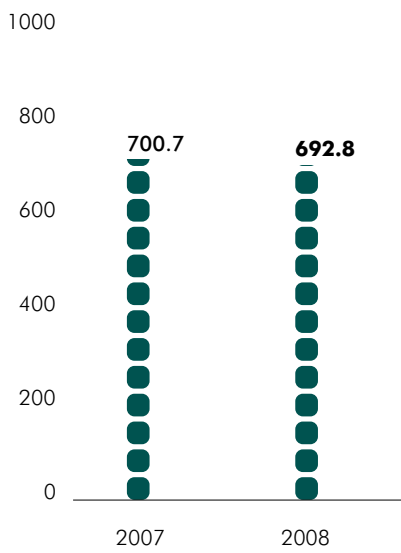
GOM - Operating result



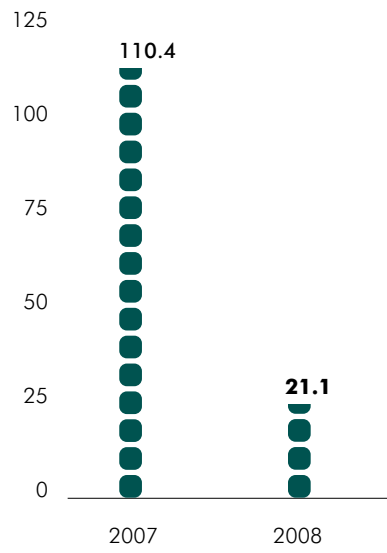
Result before Taxes - Loss for the year



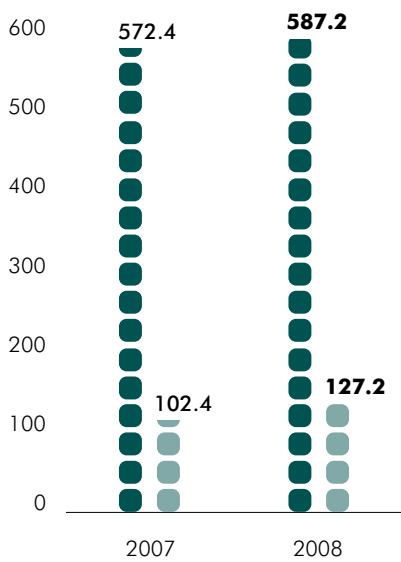
Shareholders' Equity



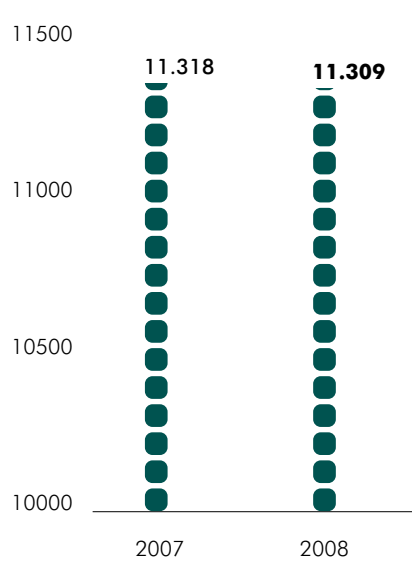
Net financial position



Investments (in programmes and other)



Workforce at 31 December



Reclassified consolidated financial statements

Consolidated Income Statement (millions of euros)

	2008	2007	Change	Change %
Revenues from sales and services	3,210.9	3,232.5	(21.6)	-0.7
Change in inventories of work in progress, semi finished and finished products	0.0	0.4	(0.4)	-100.0
Internal cost capitalisations	32.8	24.7	8.1	32.8
Total revenues	3,243.7	3,257.6	(13.9)	-0.4
Cost of goods and external services	(1,561.1)	(1,420.7)	(140.4)	9.9
Personnel costs	(1,009.6)	(1,004.4)	(5.2)	0.5
Total operating costs	(2,570.7)	(2,425.1)	(145.6)	6.0
Gross operating margin	673.0	832.5	(159.5)	-19.2
Amortisation of programmes	(520.1)	(494.6)	(25.5)	5.2
Other amortisation	(130.4)	(141.6)	11.2	-7.9
Other net income (charges)	12.0	(45.6)	57.6	-126.3
Operating result	34.5	150.7	(116.2)	-77.1
Net financial charges	(7.9)	(12.3)	4.4	-35.8
Income from equity investments	3.0	0.2	2.8	1,400.0
Result before exceptional items	29.6	138.6	(109.0)	-78.6
Net exceptional charges	(0.3)	(27.9)	27.6	-98.9
Result before taxes	29.3	110.7	(81.4)	-73.5
Income taxes for the year	(36.4)	(115.6)	79.2	-68.5
Loss for the year	(7.1)	(4.9)	(2.2)	44.9
<i>of which portion pertaining to minority interests</i>	0.4	0.0	0.4	==

Consolidated Balance Sheet (millions of euros)

	31.12.2008	31.12.2007	Change	Change %
Non-current assets	1,610.9	1,580.6	30.3	1.9
Working capital	(567.4)	(601.8)	34.4	-5.7
Staff severance pay provision	(371.8)	(388.5)	16.7	-4.3
Net invested capital	671.7	590.3	81.4	13.8
Net equity	692.8	700.7	(7.9)	-1.1
Net available funds	(21.1)	(110.4)	89.3	-80.9
	671.7	590.3	81.4	13.8

Review of Balance Sheet, Income Statement and Financial situation

Consolidated Income Statement

The Rai Group income statement for 2008 shows a **net loss of 7.1 million euros**, against a loss of 4.9 million euros for 2007. The difference with the result of the Parent Company result, which presents a net loss of 37.0 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 3,210.9 million euros, down 21.6 million euros (-0.7%) on 2007.

Revenues (millions of euros)				
	2008	2007	Change	Change %
Licence fees	1,619.2	1,588.0	31.2	2.0
Advertising	1,187.7	1,235.1	(47.4)	-3.8
Other revenues	404.0	409.4	(5.4)	-1.3
Total revenues	3,210.9	3,232.5	(21.6)	-0.7

A breakdown of revenues from sales and services, per company and net of operations between Group companies, is presented in the following table.

Revenues – by company (millions of euros)				
	2008	%	2007	%
Rai	1,778.3	55.4	1,757.8	54.4
Rai Cinema	21.6	0.7	17.9	0.6
RaiNet	0.3	0.0	0.3	0.0
RaiSat	59.4	1.8	59.1	1.8
Rai Trade	60.5	1.9	62.3	1.9
Rai Way	38.5	1.2	36.6	1.1
Sipra	1,192.0	37.1	1,238.2	38.3
01 Distribution	56.2	1.8	57.8	1.8
Other companies	4.1	0.1	2.5	0.1
Total	3,210.9	100.0	3,232.5	100.0

Licence fees (1,619.2 million euros). These include licence fees for the current year as well as those for previous years, collected through coercive payment following assessment, as highlighted in the following table.

Licence fees (millions of euros)

	2008	2007	Change	Change %
Fees for the year	1,603.0	1,566.9	36.1	2.3
Fees from coercive payment	16.2	21.1	(4.9)	-23.2
Total	1,619.2	1,588.0	31.2	2.0

The increase (+2.0%) is mainly attributable to an increase in the per-unit licence fee from 104.00 euros to 106.00 euros (+1.9%), with the remainder accounted for by an increase in the number of paying subscribers.

Advertising revenues (1,187.7 million euros) show a drop of 47.4 million euros (-3.8%) on 2007. This result is largely determined by a trend in advertising revenues characterised by good results in the early part of the year, aided by the presence of the European Football Championships and Olympic Games in the programming, and by a significant reduction in the second half of the year, particularly from October onwards, due to the current recession which has hit international markets. The reference market (TV, Radio, Cinema and Internet) showed an overall decline of about 0.3% (source Nielsen) in 2008.

Advertising (millions of euros)

	2008	2007	Change	Change %
Television advertising	985.3	1,021.3	(36.0)	-3.5
Radio advertising	59.7	63.3	(3.6)	-5.7
Promotions and sponsorship	96.8	101.2	(4.4)	-4.3
Other advertising	45.9	49.3	(3.4)	-6.9
Total	1,187.7	1,235.1	(47.4)	-3.8

Other revenues (404.0 million euros) show a decline of 5.4 million euros (-1.3%), determined by a series of negative factors highlighted in the following table. Positive items included the higher proceeds generated by the television, radio and multimedia agreement for the foreign market, booked to Special services under agreement, while the Sale of rights, musical publications and theme-based satellite channels item included higher revenues taken in this area by Rai Cinema, Rai Trade and RaiSat. Negative items included lower revenues from performance by the Parent Company of services of varying nature for public entities, booked to the Other item.

Other revenues (millions of euros)

	2008	2007	Change	Change %
Special services under agreement	69.1	64.7	4.4	6.8
Sale of rights, musical publications and theme-based satellite channels	141.3	134.6	6.7	5.0
Film and home video distribution	51.3	53.1	(1.8)	-3.4
Fees for hosting plant and equipment	28.9	27.4	1.5	5.5
Telephone services	19.8	21.2	(1.4)	-6.6
Sale of rights to utilise archive materials	18.6	19.8	(1.2)	-6.1
Signal broadcasting, circuit hire, radio bridge and link services	11.8	12.7	(0.9)	-7.1
Repayment of programme production costs	7.2	11.1	(3.9)	-35.1
Other	56.0	64.8	(8.8)	-13.6
Total	404.0	409.4	(5.4)	-1.3

The 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)

	2008	%	2007	%
Rai	159.1	39.4	169.7	41.5
Rai Cinema	21.6	5.3	17.9	4.4
RaiNet	0.3	0.1	0.3	0.1
RaiSat	56.7	14.0	53.7	13.1
Rai Trade	60.3	14.9	61.9	15.1
Rai Way	38.5	9.5	36.6	8.9
Sipra	7.2	1.8	8.9	2.2
01 Distribution	56.2	13.9	57.8	14.1
Other companies	4.1	1.0	2.6	0.6
Total	404.0	100.0	409.4	100.0

As shown in the table below, the relative weights of the three components in total revenues from sales and services show an increase in the Licence Fees item compared with the totals for the previous year, to the detriment of the Advertising component.

% of revenues

	2008	2007
Licence fees	50.4	49.1
Advertising revenues	37.0	38.2
Other revenues	12.6	12.7
Total	100.0	100.0

Operating costs

These total 2,570.7 million euros, rising 145.6 million euros, 6.0%, compared with 2007, largely due to the presence of the aforementioned sports events held in 2008 (European Football Championships and Olympic Games).

The item includes internal costs (labour cost) and external costs, regarding ordinary business activities, apart from those relating to financial operation, as indicated in the classification below.

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 140.4 million euros (+9.9%) from the previous year mainly as a result of costs for filming rights (+143.0 million euros) relating to important four-yearly sports events (European Football Championships and the Olympic Games, equating to 164.6 million euros), partially offset by savings in relation to other sporting disciplines.

Net of costs relating to the aforementioned big sports events, the caption shows a reduction, thanks to the cost containment policies implemented during the year.

Cost of goods and external services (millions of euros)

	2008	2007	Change	Change %
Materials purchased	33.7	31.9	1.8	5.6
External services:				
Freelance services	156.7	153.6	3.1	2.0
Service for acquisition and production of programmes	274.8	284.6	(9.8)	-3.4
Staff allowances, travel and accessory costs	56.8	53.5	3.3	6.2
General services (postage, telephone, maintenance, transport, cleaning, archive services etc.)	202.0	201.4	0.6	0.3
Other	136.5	134.1	2.4	1.8
	826.8	827.2	(0.4)	0.0
Use of third-party assets:				
Rent and hire costs	125.3	121.4	3.9	3.2
Filming rights (mainly for sports events and the Sanremo Festival)	359.2	216.2	143.0	66.1
Utilisation rights	114.1	117.6	(3.5)	-3.0
Other rights	9.8	18.2	(8.4)	-46.2
	608.4	473.4	135.0	28.5
Change in inventories	0.0	0.7	(0.7)	-100.0
Concession fee	29.2	28.8	0.4	1.4
Miscellaneous operating costs:				
Prizes and winnings	14.6	16.0	(1.4)	-8.8
Authority contribution	4.3	4.4	(0.1)	-2.3
Municipal property tax	4.4	4.4	0.0	0.0
Other indirect taxes and contributions	9.6	9.6	0.0	0.0
Newspapers, magazines, books and publications	3.4	3.4	0.0	0.0
Membership fees	3.2	3.3	(0.1)	-3.0
Other	11.4	5.3	6.1	115.1
	50.9	46.4	4.5	9.7
Other	12.1	12.3	(0.2)	-1.6
Total	1,561.1	1,420.7	140.4	9.9

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:

Cost of goods and external services (millions of euros)				
	2008	%	2007	%
Rai	1,287.0	82.4	1,149.5	80.9
Rai Cinema	25.2	1.6	17.0	1.2
RaiNet	4.9	0.3	3.6	0.3
RaiSat	22.1	1.4	20.6	1.4
Rai Trade	36.4	2.3	38.8	2.7
Rai Way	75.3	4.8	75.6	5.3
Sipra	47.6	3.0	52.2	3.7
01 Distribution	48.4	3.1	53.2	3.7
Other companies	14.2	0.9	10.2	0.7
Total	1,561.1	100.0	1,420.7	100.0

Personnel costs – These amount to 1,009.6 million euros, up by a total of 5.2 million euros on the total at 31 December 2007 (+0.5%), as detailed in the table below.

Personnel costs (millions of euros)				
	2008	2007	Change	Change %
Wages and salaries	727.6	728.2	(0.6)	-0.1
Social security contributions	198.3	191.0	7.3	3.8
Staff severance pay	52.2	53.9	(1.7)	-3.2
Pension and similar costs	16.0	15.5	0.5	3.2
Other	15.5	15.8	(0.3)	-1.9
Total	1,009.6	1,004.4	5.2	0.5

The positive effects of resignation incentives in 2007 and the new 2008 incentives have allowed us to considerably counteract the 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 certain exogenous factors, the most significant being the acceptance of the application for de-contribution for level two payment and 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)

	2008	%	2007	%
Rai	902.5	89.4	895.9	89.2
Rai Cinema	4.9	0.5	5.1	0.5
RaiNet	4.0	0.4	4.3	0.4
RaiSat	7.2	0.7	6.9	0.7
Rai Trade	6.6	0.7	6.6	0.7
Rai Way	48.4	4.8	48.3	4.8
Sipra	28.9	2.9	30.8	3.1
Other companies	7.1	0.7	6.5	0.6
Total	1,009.6	100.0	1,004.4	100.0

Personnel on payroll at 31 December 2008 (including 48 two-year work-introduction and apprenticeship contracts) amounted to 11,309, down 9 on the same date of the previous year. In detail, leavers numbered 401, of whom 211 left under resignation incentives, while engagements numbered 392.

The **average number of employees**, including those on fixed-term contracts, came to 13,236, a rise of 23 from the previous year due to an increase of 24 in the number of staff on permanent contracts and a drop of 1 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 673.0 million euros, down 159.5 million euros, or 19.2%, on the previous year.

Amortisation of programmes

This caption is related to **investments in programmes**, which during 2008 amounted to 587.2 million euros, up 14.8 million euros (+2.6%), mainly due to TV fiction series which continued the growth trend shown in previous years, offsetting the drop in investments in films.

Investments in programmes (millions of euros)

	2008	2007	Change	Change %
Programmes:				
- TV fiction series	360.7	340.9	19.8	5.8%
- Films	155.1	174.8	(19.7)	-11.3%
- Other programmes	71.4	56.7	14.7	25.9%
Total	587.2	572.4	14.8	2.6%

A breakdown of investments in programmes by each individual company is shown in the following table:

Investments in programmes - by company (millions of euros)				
	2008	%	2007	%
Rai	316.7	53.9	293.2	51.2
Rai Cinema	243.3	41.4	258.1	45.1
RaiSat	16.0	2.7	9.3	1.6
Rai Trade	10.6	1.8	11.8	2.1
Other companies	0.6	0.1	0.0	0.0
Total	587.2	100.0	572.4	100.0

Amortisation charged to the above captions for the year, 520.1 million euros, shows an increase of 25.5 million euros (+5,2%) compared with the previous year, in line with the growth of investments.

Amortisation of programmes (millions of euros)				
	2008	2007	Change	Change %
Programmes:				
- TV fiction series	299.9	270.2	29.7	11.0
- Films	164.5	176.9	(12.4)	-7.0
- Other programmes	55.7	47.5	8.2	17.3
Total	520.1	494.6	25.5	5.2

Depreciation and other amortisation

This is linked to investments in **tangible fixed assets** and **other investments**, the latter consisting mainly of the purchase of frequencies for the development of the digital technical network and charges sustained for improvements to third-party assets.

The 2008 movement in these investments, shown in the following table, presents a total increase (+24.8 million euros) determined mainly by growth in tangible assets (+27.7 million euros) relating principally to Rai Way for the development of the digital terrestrial network, and by a slight drop in investments in other intangible assets (-2.9 million euros) mainly concerning costs sustained for improvements to third-party assets.

Other investments (millions of euros)				
	2008	2007	Change	Change %
Tangible fixed assets	118.7	91.0	27.7	30.4
Other intangible fixed assets	8.5	11.4	(2.9)	-25.4
Total	127.2	102.4	24.8	24.2

The table below shows the breakdown by company and type:

Other investments - by company (millions of euros)

	2008	%	2007	%
Rai	63.0	49.5	69.2	67.6
Rai Cinema	0.5	0.4	0.1	0.1
RaiSat	0.0	0.0	0.0	0.0
Rai Trade	0.2	0.2	0.5	0.5
Rai Way	59.0	46.4	28.7	28.0
Sipra	2.9	2.3	2.7	2.6
Other companies	1.6	1.3	1.2	1.2
Total	127.2	100.0	102.4	100.0

Amortisation/depreciation charged for the year amounts to 130.4 million euros, with a drop of 11.2 million euros compared with 2007, referring entirely to tangible fixed 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.

Amortisation/depreciation of other fixed assets (millions of euros)

	2008	2007	Change	Change %
Tangible assets	119.0	132.6	(13.6)	-10.3
Other intangible assets	11.4	9.0	2.4	26.7
Total	130.4	141.6	(11.2)	-7.9

Other net income (expense)

Other net income, amounting to 12.0 million euros (against 45.6 million euros of net expense in the previous year), comprises costs/revenues not directly related to the Company's core business. More specifically, it consists of net prior-year income (83.4 million euros), largely generated by the outcome of a transaction agreement concerning copyright, provisions for risks and charges (19.8 million euros) and provisions for the company supplementary pension fund for former employees (13.3 million euros).

The item also comprises, as was the case in prior years, expenses totalling 32.9 million euros (35.7 million euros in 2007) relating to repeat-usage programmes which it is not expected will be used or repeated.

Operating result

The results described above for operating revenues and costs led to a deterioration in the operating result, from 150.7 million euros in the previous year to 34.5 million euros this year, with a drop of 116.2 million euros.

Net financial expense

Net financial expense shows a loss of 7.9 million euros (-12.3 million euros in 2007). The item shows the economic effects of typical financial operations and comprises bank interest expense and income and net income/expense in relation to exchange rates.

Net financial income (expense) (millions of euros)

	2008	2007	Change
Net interest charges from banks and other lenders	(2.9)	(2.3)	(0.6)
Net charges in relation to exchange rates	(5.2)	(10.8)	5.6
Other net financial income	0.2	0.8	(0.6)
Total	(7.9)	(12.3)	4.4

The results of **financial operations** show a drop in net interest payable to banks of 0.6 million euros, due to the rise in interest rates on the markets in the first six months of the year and a slight decline in the Group's average financial position.

Within the scope of Group policies to safeguard the value in euros of commitments in foreign currency estimated in the order or budget, as specified in greater detail further ahead, the considerable drop in value of the dollar against the euro during the first part of the year determined the recording of higher charges on exchanges in commercial positions hedged against the risk (5.2 million euros), clearly down on the previous year, affected by higher charges on past exchanges relating to debts for Rai Cinema investments. These expenses are offset by a lower cost for the purchase of the same rights for a relative value calculated using the exchange rate in force at the time of entry into commercial agreements, mainly during previous years.

Intra-year overdrafts were covered with the use of loans granted with current account overdrafts or "hot cash" credit. The average cost of debt was 4.8%, with minimal spreads compared with inter-bank rates for the period. The advent of the international financial recession in the final quarter of the year generated an increase in the spreads applied to loans, offset by the reduction in the reference rate. Due to the low level of average debt and its extensive loans, the company did not run into liquidity difficulties.

Income from equity investments

This item, which comprises income and expense determined by the carriage of investments in associated companies and subsidiaries at equity (Sacis), shows a value of 3.0 million euros, improving on the total for the previous year (0.2 million euros).

Net exceptional expense

2008 highlights net exceptional expense for 0.3 million euros, against 27.9 million euros sustained in 2007, consisting mainly of incentivised resignation costs.

Income taxes

These amount to 36.4 million euros and represent the balance between current and deferred taxes as shown in the table.

Income taxes (millions of euros)			
	2008	2007	Change
IRES	(20.3)	(12.3)	(8.0)
IRAP	(37.0)	(45.6)	8.6
Substitute tax	(9.2)	0.0	(9.2)
Deferred tax liabilities:			
- from Group company financial statements	30.4	(32.8)	63.2
- from consolidation adjustments	(0.2)	0.7	(0.9)
Deferred tax assets:			
- from Group company financial statements	0.9	(24.0)	24.9
- from consolidation adjustments	(1.0)	(1.6)	0.6
Total	(36.4)	(115.6)	79.2

The IRES (corporate income tax) of 20.3 million euros presents an increase of 8.0 million euros on the previous year's figure, relating to the higher taxable bases of the subsidiaries which had benefited from off-ledger tax amortisation in 2007 which are no longer possible under the new laws.

No amount was recorded for IRES for the Parent Company, as the year is expected to have a negative tax result.

IRAP (regional tax on productive activities) for 37.0 million euros shows a drop of 8.6 million euros. This lower amount is largely determined by the deterioration of the taxable base and by the application of the benefit known as the "tax wedge" introduced by Budget Law 2007, which took complete effect in 2008.

Furthermore, some Group companies took advantage of the opportunity offered by article 1, paragraph 48 of Law 244/07 (Budget 2008) which allowed the discharge of the higher tax deductions – essentially for accelerated amortisation – with payment of a substitute tax which totalled 9.2 million euros. This made it possible to achieve a positive effect on the income statement due to the difference between the release of deferred taxes allocated to provision with an ordinary rate and the cost of the substitute tax.

Deferred tax liabilities in 2008 determine a positive effect equating to 30.4 million euros, partly as a consequence of the recovery of the transaction mentioned above and partly to the recovery of timing differences in income deriving from higher amortisation carried out during previous years, purely for tax purposes.

Deferred tax assets are booked where there is reasonable certainty that there will be sufficient future taxable amounts to guarantee the relative tax benefit.

In detail, the figure for 2008 (0.9 million euros) is the result of the booking of new IRES credit deriving from the tax loss for the year, of 8.5 million euros, completely offset by taxable income taken into account in the calculation of taxation on a consolidated basis for tax year 2008, net of reversal of credit booked in previous years following the recovery of timing differences generated during the year.

Consolidated balance sheet aggregates

Non-current assets

Assets (millions of euros)

	31.12.2008	31.12.2007	Change	Change %
Tangible assets	555.1	556.7	(1.6)	-0.3
Programmes	986.9	953.4	33.5	3.5
Equity investments	11.5	8.0	3.5	43.8
Other non-current assets	57.4	62.5	(5.1)	-8.2
Total	1,610.9	1,580.6	30.3	1.9

Tangible assets amount to 555.1 million euros and are represented by land and industrial buildings for 35.7%.

Non-current tangible assets (millions of euros)

	31.12.2008	31.12.2007	Change	Change %
Land and buildings	198.3	226.3	(28.0)	-12.4
Plant and machinery	200.2	194.4	5.8	3.0
Industrial and sales equipment	12.4	8.6	3.8	44.2
Other assets	33.8	35.4	(1.6)	-4.5
Intangible assets under development and payments on account	110.4	92.0	18.4	20.0
Total	555.1	556.7	(1.6)	-0.3

The decrease of 1.6 million euros with respect to 2007 is the balance of new investments (118.7 million euros), eliminations (1.4 million euros), depreciation (119.0 million euros) and positive differences on the conversion of tangible assets expressed in foreign currency (0.1 million euros).

Programmes are represented mainly by TV fiction series (500.1 million euros) and films (398.8 million euros). TV fiction series accounted for the greater part of investment during the year (360.7 million euros).

The change from the previous year (+33.5 million euros) is the net result of the following factors:

- investments for 598.6 million euros, net of eliminations of programmes being produced and disposals for 0.4 million euros;
- amortisation for 532.2 million euros;
- writedown of programmes for 32.9 million euros.

Investments in programmes (millions of euros)

	31.12.2008	31.12.2007	Change	Change %
TV series	500.1	464.2	35.9	7.7
Films	398.8	417.2	(18.4)	-4.4
Other programmes	88.0	72.0	16.0	22.2
Total	986.9	953.4	33.5	3.5

Equity investments amount to 11.5 million euros and present an increase on the previous year (+3.5 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:

Other non-current assets (millions of euros)

	31.12.2008	31.12.2007	Change	Change
Digital terrestrial frequencies	24.7	28.0	(3.3)	-11.8
Alterations and improvements to leased properties	16.3	17.2	(0.9)	-5.2
Non-current receivables	6.0	8.1	(2.1)	-25.9
Securities	3.8	4.0	(0.2)	-5.0
Other	6.6	5.2	1.4	26.9
Total	57.4	62.5	(5.1)	-8.2

Working capital

The change from 2007 (+34.4 million euros) is due mainly to normal developments in the business.

Working capital (millions of euros)

	31.12.2008	31.12.2007	Change	Var. %
Inventories	5.2	4.7	0.5	10.6
Trade receivables	594.3	588.2	6.1	1.0
Other assets	277.2	325.2	(48.0)	-14.8
Trade payables	(724.5)	(799.8)	75.3	-9.4
Provisions for risks and charges	(445.1)	(473.0)	27.9	-5.9
Other liabilities	(274.5)	(247.1)	(27.4)	11.1
Total	(567.4)	(601.8)	34.4	-5.7

Major changes relate to:

- **Other assets**, which show a drop of 48.0 million euros due to the net recovery of advances for the acquisition of rights relating to sports events (particularly the European Football Championships and the Olympic Games).
- **Trade payables**, which show a drop of 75.3 million euros, largely attributable to the effects of the transaction agreement already mentioned in relation to Other net income (expense).
- **Provisions for risks and charges**, which show a drop of 27.9 million euros, mainly due to the aforementioned change in provisions for deferred taxes (30.2 million euros).
The overall risk situation to which the Group is exposed has not undergone any significant changes in the year, so the coverage level guaranteed by the provisions made continues to be sufficient to meet future risks and charges.
- **Other liabilities** show an increase of 27.4 million euros mainly in relation to the booking of accounts payable concerning the contribution taken by the Italian Ministry of Communications to support projects to extend the digital terrestrial platform.

Net financial position

The year-end **net financial position** is positive, despite the decline on the previous year (21.1 million euros compared with 110.4 million euros in 2007), and is comprised as follows:

Net financial position of the Group (millions of euros)				
	31.12.2008	31.12.2007	Change	Change %
Net amounts due from (to) banks and other lenders				
medium/long term	(3.4)	(4.1)	0.7	-17.1
short term	(2.4)	(5.2)	2.8	-53.8
cash and cash equivalents	32.7	127.0	(94.3)	-74.3
	26.9	117.7	(90.8)	-77.1
Other financial payables	(5.8)	(7.3)	1.5	-20.5
Net financial position	21.1	110.4	(89.3)	-80.9

The comparison of cash flows generated during this year compared to the previous one shows increased outflows towards third parties, amounting to about 81 million euros. The most significant concern the aforementioned transaction in relation to copyright, which implicated payment of the balance. Further increases are recorded by the Parent Company in relation to payments for the year's big sports events and for advances on futures sports events, as well as outflows for staff severance pay (retirement pensions and payments to IMPS). The outgoings of the associated companies remained stable, despite the increase in investments.

As regards income from third parties, an overall decline of about 45 million euros was recorded, this being the result of lower Government settlements of credits for institutional agreements and contributions for the digital project and, in the latter part of the year, the reduction of advertising revenues.

The average financial position is negative for about 42 million euros, deteriorating slightly in comparison to the previous year (35 million euros), as a consequence of the financial profile described above.

The analysis carried out on the basis of the **financial and income statement ratios** highlighted that:

- the **net invested capital coverage ratio**, calculated as the ratio between net invested capital and net equity, is 0.97 (0.84 in 2007);
- 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 0.90 (0.99 in 2007);
- the **self-coverage ratio** of fixed assets, calculated as the ratio of shareholders' equity to fixed assets, is 0.43 (0.44 in 2007).

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 237 million dollars during 2008. 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 and variable rate exposures, but sees short periods of operational liquidity alternating with overdraft positions, for which the only limited hedging operations in place, defined in previous years, expired on 31 December 2008.
- The **credit risk** on cash deployment is extremely limited in that the company policy envisages only the use 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 2008 for cash timing differences.
- Coming to the **liquidity risk**, short-term credit lines held with the banking system exceed 530 million euros and are sufficient to cover the overdraft positions that occur throughout the course of the year. The international financial recession has caused the whole system more difficulties and greater expense in gaining access to credit, particularly evergreen credit. Due to the low level of average debt and its extensive loans, the Group did not run into liquidity difficulties. To consolidate the financial structure, the Parent Company applied to a group of seven Italian and international banks for a three-year stand-by loan of 200 million euros in 2008, which was subsequently granted (February 2009).



Rai



**Consolidated Balance Sheet
and Income Statement**
(Statutory form)

Consolidated Balance Sheet - Assets (millions of euros)

	31.12.2008	31.12.2007
A) SUBSCRIBED CAPITAL UNPAID	-	-
B) NON-CURRENT ASSETS		
I. INTANGIBLE ASSETS		
1.- Formation, start-up and expansion costs	0.1	0.1
3.- Industrial patents and intellectual property rights	741.7	720.5
4.- Concessions, licences, trademarks and similar rights	24.9	28.3
6.- Intangible assets under development and payments on account	251.1	237.8
7.- Other	16.7	17.1
TOTAL INTANGIBLE ASSETS	1,034.5	1,003.8
II. TANGIBLE NON-CURRENT ASSETS		
1.- Land and buildings	198.3	226.3
2.- Plant and machinery	200.2	194.4
3.- Industrial and sales equipment	12.4	8.6
4.- Other assets	33.8	35.4
5.- Intangible assets under construction and payments on account	110.4	92.0
TOTAL TANGIBLE ASSETS	555.1	556.7
III. NON-CURRENT FINANCIAL ASSETS		
1.- Equity investments in		
a) non-consolidated subsidiaries	4.6	1.9
b) associated companies	6.2	5.4
d) other companies	0.7	0.7
	11.5	8.0
2.- Receivables		
d) from others		
. amounts due within one year	0.9	2.9
. amounts due after one year	5.1	5.2
	6.0	8.1
3.- Other securities	3.8	4.0
TOTAL NON-CURRENT FINANCIAL ASSETS	21.3	20.1
TOTAL NON-CURRENT ASSETS	1,610.9	1,580.6

follows

Consolidated Balance Sheet - Assets (millions of euros)

	31.12.2008	31.12.2007
C) CURRENT ASSETS		
I. INVENTORIES		
1.- Raw materials, supplies and consumables	2.3	2.8
3.- Contract work in progress	0.7	0.1
4.- Finished goods and merchandise	2.2	1.8
TOTAL INVENTORIES	5.2	4.7
II. RECEIVABLES		
1.- Customers		
. amounts due within one year	594.0	587.7
. amounts due after one year	0.1	-
3.- Associated companies	0.1	0.1
4bis.- Tax receivables	36.7	31.2
4ter.- Deferred tax assets		
. amounts due within one year	20.4	29.8
. amounts due after one year	0.6	0.6
5.- Others		
. amounts due within one year	76.4	165.0
. amounts due after one year	103.0	67.5
TOTAL RECEIVABLES	831.3	881.9
III. CURRENT FINANCIAL ASSETS	-	-
IV. CASH AND CASH EQUIVALENTS		
1.- Bank and post office deposits	32.3	126.5
2.- Cheques	..	..
3.- Cash and cash equivalents on hand	0.4	0.5
TOTAL CASH AND CASH EQUIVALENTS	32.7	127.0
TOTAL CURRENT ASSETS	869.2	1.013.6
D) ACCRUED INCOME AND PREPAID EXPENSES	40.2	31.5
TOTAL ASSETS	2,520.3	2,625.7

Consolidated Balance Sheet - Liabilities (millions of euros)

	31.12.2008	31.12.2007
A) SHAREHOLDERS' EQUITY		
I. PARENT COMPANY EQUITY		
I. Capital	242.5	242.5
IV. Legal Reserve	7.0	7.0
VII. Other reserves	444.2	443.8
VIII. Profits (losses) brought forward	5.9	10.7
IX. Group net profit (loss) for the year	(7.5)	(4.9)
TOTAL GROUP SHAREHOLDERS' EQUITY	692.1	699.1
II. MINORITY INTERESTS		
- Share capital and reserves pertaining to minority interests	0.3	1.6
- Net profit (loss) for the year pertaining to minority interests	0.4	..
TOTAL SHAREHOLDERS' EQUITY PERTAINING TO MINORITY INTERESTS	0.7	1.6
TOTAL SHAREHOLDERS' EQUITY	692.8	700.7
B) PROVISIONS FOR RISKS AND CHARGES		
1.- Provision for pension and similar liabilities	155.2	152.0
2.- Current and deferred taxes	28.2	58.4
3.- Other	261.7	262.6
TOTAL PROVISIONS FOR RISKS AND CHARGES	445.1	473.0
C) PROVISION FOR STAFF SEVERANCE PAY	371.8	388.5
D) PAYABLES		
4.- Due to banks	2.4	5.2
5.- Due to other lenders		
. amounts due within one year	0.7	0.7
. amounts due after one year	2.7	3.4
6.- Advances		
. amounts due within one year	5.3	7.3
. amounts due after one year	1.6	1.6
7.- Suppliers	714.5	788.4
9.- Due to non-consolidated subsidiaries	5.1	5.3
10.- Associated companies	3.3	4.0
12.- Tax payables	68.1	53.2
13.- Social security institutions	48.5	51.3
14.- Other payables	104.6	107.8
TOTAL PAYABLES	956.8	1.028.2
E) ACCRUED EXPENSES AND DEFERRED INCOME	53.8	35.3
TOTAL LIABILITIES	2,520.3	2,625.7

Memorandum accounts (millions of euros)

	31.12.2008	31.12.2007
1.- Unsecured guarantees granted		
a) Sureties:		
- in favour of associated companies	2.6	2.6
- in favour of others	72.5	52.3
	<u>75.1</u>	<u>54.9</u>
c) Other:		
- in favour of others	2.9	2.7
Total unsecured guarantees granted	78.0	57.6
2.- Secured guarantees granted		
b) For own commitments other than payables	3.7	4.0
c) For debt recorded in the balance sheet	50.6	50.6
Total secured guarantees granted	54.3	54.6
3.- Purchase and sale commitments	114.2	105.7
4.- Other memorandum accounts	425.7	525.1
	<u>672.2</u>	<u>743.0</u>

Consolidated Income Statement (millions of euros)

	31.12.2008	31.12.2007
A) PRODUCTION VALUE		
1.- Revenues from sales and services	3,166.3	3,180.5
2.- Changes in inventories of work in progress, semifinished and finished products	..	0.4
3.- Changes in contract work in progress	0.6	(0.6)
4.- Internal cost capitalisations	32.8	24.7
5.- Other production-related income		
a) operating grants	3.9	3.1
b) gains on disposal of assets	0.1	..
c) miscellaneous	138.1	82.1
	142.1	85.2
TOTAL PRODUCTION VALUE	3,341.8	3,290.2
B) PRODUCTION COSTS		
6.- Raw materials, supplies, consumables and merchandise	(33.7)	(31.9)
7.- Services	(826.8)	(827.2)
8.- Use of third-party assets	(608.4)	(473.4)
9.- Personnel		
a) wages and salaries	(727.6)	(728.2)
b) social security contributions	(198.3)	(191.0)
c) staff severance pay provision	(52.2)	(53.9)
d) pension and similar costs	(16.0)	(15.5)
e) other costs	(15.5)	(15.8)
	(1,009.6)	(1,004.4)
10.- Amortisation, depreciation and writedowns		
a) amortisation of intangible assets	(543.6)	(514.8)
b) depreciation of tangible assets	(119.0)	(132.6)
c) other non-current asset writedowns	(33.0)	(35.7)
d) writedowns of current receivables and cash and cash equivalents	(4.3)	(3.7)
	(699.9)	(686.8)
11.- Changes in inventories of raw materials, supplies, consumables and merchandise	..	(0.7)
12.- Provisions for risks	(18.2)	(10.3)
13.- Other provisions	(2.4)	(3.8)
14.- Miscellaneous operating costs		
a) capital losses on disposals	(0.7)	(1.0)
b) concession fee	(29.2)	(28.8)
c) other	(78.4)	(71.2)
	(108.3)	(101.0)
TOTAL PRODUCTION COSTS	(3,307.3)	(3,139.5)
Operating result	34.5	150.7

follows

Consolidated Income Statement (millions of euros)

	31.12.2008	31.12.2007
C) FINANCIAL INCOME AND CHARGES		
16.- Other financial income		
a) from non-current receivables		
. other	0.1	0.2
b) from non-current securities other than equity investments	0.2	0.1
d) financial income other than the above		
. interest and commissions from others and miscellaneous income	3.3	3.9
	<u>3.6</u>	<u>4.2</u>
17.- Interest and other financial charges		
b) interest and commissions payable to associated companies	..	..
d) interest and commissions payable to others and miscellaneous charges	(5.3)	(4.7)
	<u>(5.3)</u>	<u>(4.7)</u>
17bis.- Foreign exchange gains and losses - net	(5.2)	(10.8)
TOTAL FINANCIAL INCOME AND EXPENSE	(6.9)	(11.3)
D) VALUE ADJUSTMENTS TO FINANCIAL ASSETS		
18.- Revaluations		
a) of equity investments	3.0	0.3
19.- Writedowns		
a) of equity investments	..	(0.1)
b) of non-current securities other than equity investments	(1.0)	(1.0)
	<u>(1.0)</u>	<u>(1.1)</u>
TOTAL VALUE ADJUSTMENTS TO FINANCIAL ASSETS	2.0	(0.8)
E) EXCEPTIONAL INCOME AND CHARGES		
20.- Exceptional income		
b) out-of-period gains and reversal of non-existent liabilities	1.3	1.7
c) other	0.4	0.8
	<u>1.7</u>	<u>2.5</u>
21.- Exceptional charges		
b) prior year taxes	(0.2)	(0.7)
c) prior-year charges and reversal of non-existent assets	..	-
d) others	(1.8)	(29.7)
	<u>(2.0)</u>	<u>(30.4)</u>
TOTAL EXCEPTIONAL INCOME AND CHARGES	(0.3)	(27.9)
Result before taxes	29.3	110.7
22.- Current income taxes for the year and deferred tax charges and credits	(36.4)	(115.6)
23.- Net profit (loss) for the year	(7.1)	(4.9)
of which:		
- pertaining to Parent Company	(7.5)	(4.9)
- pertaining to minority interests	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 2008 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 2008, 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 2008 and 2007 is presented on page 252.

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 2008):

- *Rai Cinema SpA*; registered office in Rome, Piazza Adriana 12, share capital euro 200,000,000.40; shareholders: Rai 99.997678%, Rai Trade 0.002322%.
- *Rai Click SpA*; registered office in Milan, Corso Sempione 27, share capital euro 176,800; shareholders: Rai 99.94%, Rai Trade 0.06. On 23 December 2008, Rai acquired 40% of the shares in e.Bismedia SpA.
- *Rai Corporation - Italian Radio TV System*; registered office in New York, 32 Avenue of the Americas; share capital US\$ 500,000; 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 Canadian dollars 1,394; shareholders: Rai Corporation 100%.
- *NewCo Rai International SpA*; registered office in Rome, Viale Mazzini 14, share capital euro 500,000; shareholders: Rai 99.953994%, Rai Trade 0.046006%.
- *RaiNet SpA*; registered office in Milan, Corso Sempione 27, share capital euro 5,160,000; shareholders: Rai 99.9%, Rai Trade 0.1%.
- *RaiSat SpA*; registered office in Rome, Viale Mazzini 14, share capital euro 2,585,000; 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 euro 8,000,000; shareholders: Rai 100%.
- *Rai Way SpA*; registered office in Rome, Via Teulada 66, share capital euro 70,176,000; shareholders Rai 99.99926%, Rai Trade 0.00074%.

- *Sipra SpA*; registered office in Turin, Corso Bernardino Telesio 25, share capital euro 10,000,000; shareholders: Rai 100%.
- *01 Distribution Srl*; registered office in Rome, Piazza Adriana 12, share capital euro 516,456; shareholders: Rai Cinema 100%.

The following companies are recorded using the equity method:

- *Audiradio Srl*; registered office in Milan, Largo Toscanini 1, share capital euro 258,000; shareholders: Rai 30.23%, others 69.77%.
- *Auditel Srl*; registered office in Milan, Largo Toscanini 1, share capital euro 300,000; shareholders: Rai 33%, others 67%.
- *Sacis SpA – in liquidation*; registered office in Rome, Via Umberto Novaro 18, share capital Euro 102,000; shareholders: Rai 100%.
- *San Marino RTV SpA*; registered office in the Republic of San Marino, Via Kennedy 13; share capital euro 516,460; shareholders: Rai 50%, E.Ra.S. 50%.
- *Euronews (formerly Secemie) - Société Anonyme*; registered office in Lyon Ecully (France), 60 Chemin des Mouilles; share capital euro 3,900,645; shareholders: Rai 21.25%, others 78.75%.
- *Tivù Srl*; registered office in Rome, Via di Villa Patrizi 8, incorporated on 24 September 2008 with share capital of euros 1,000,000; 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. As regards the purchase of 40% of the Rai Click shares on 23 December 2008, as no balance sheet is available for the purchase date, reference has been made to the last financial statements approved on 31 December 2007.
- 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 2008 (euro/US\$: 1.39170; euro/Can\$: 1.69980), while the items on the income statement have been subject to application of the average exchange rate for 2008 (euro/US\$: 1.470595; euro/Can\$: 1.559285) 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 principles 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. 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.

- 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 are carried as non-current financial assets 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 with 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. During consolidation, the tax effects on consolidation adjustments resulting in timing differences on the Group's result have been recorded as deferred tax assets and liabilities.
- x) In order to hedge interest rate and exchange rate risk, derivative contracts are used 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 is negative, a specific risk provision is set up for this value.

- y) 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 1,034.5 million euros, with a net increase of 30.7 million euros on the preceding year, represented by the balance between new investment (607.5 million euros), the amortisation charge for the year (543.6 million euros), and writedowns and eliminations for 33.4 million euros, as well as other increases for 0.2 million euros.

Formation, start-up and expansion costs. These disclose a value of 0.1 million euros (unchanged from 31 December 2007) booked to the financial statements of NewCo Rai International (see schedule 1).

Intangible assets (millions of euros)								Schedule 1
	31.12.2007		Changes during the year				31.12.2008	
	Book value	Increases and capitalis.	Disposals	Reclassifications	Writedowns/ Eliminations	Amortisation	Conversion differences	Book value
Formation, start-up and expansion costs	0.1	..	-	-	-	..	..	0.1
Industrial patents and intellectual roperty rights:								
programmes	719.1 (b)	440.2	(0.1)	144.6	(30.6)	(532.2) (a)	-	741.0 (b)
other	1.4	0.4	-	0.5	(0.1)	(1.5)	-	0.7
	720.5	440.6	(0.1)	145.1	(30.7)	(533.7)	-	741.7
Concessions, licences, trademarks and similar rights								
terrestrial broadcasting	28.0	-	-	-	-	(3.3)	-	24.7
other	0.3	..	-	-	-	(0.1)	-	0.2
	28.3	..	-	-	-	(3.4)	-	24.9
Intangible assets under development and payments on account:								
programmes (c)	234.3	158.8	(0.3)	(144.6)	(2.3)	-	-	245.9
long-term costs relating to third-party property	1.7	3.5	-	(3.6)	-	-	-	1.6
other	1.8	2.4	-	(0.6)	-	-	-	3.6
	237.8	164.7	(0.3)	(148.8)	(2.3)	-	-	251.1
Other:								
long-term costs relating to third-party property	15.4	0.3	-	3.6	-	(4.8)	0.2	14.7
other	1.7	1.9	-	0.1	-	(1.7)	-	2.0
	17.1	2.2	-	3.7	-	(6.5)	0.2	16.7
	1,003.8	607.5	(0.4)	0.0	(33.0)	(543.6)	0.2	1,034.5

(a) net of utilisation of the Programme impairment provision for 28.3 million euros

(b) net of the Programme impairment provision for 42.5 million euros (at 31 December 2007: 40.2 million euros)

(c) Costs for intellectual property rights under development at 31 December 2007 that are not reclassified under assets being amortised by December 2008. They relate to rights accruing subsequent to 31 December 2008 or still to be defined, as well as to internally produced programmes not yet completed at that date. However, they are costs relating to programmes expected to be used in the future.

Industrial patents and intellectual property rights. These are carried mainly in the financial statements of the Parent Company and Rai Cinema and are comprised of 741.0 million euros for the cost of television programmes and films which are ready for use, net of accumulated amortisation and writedowns, and of 0.7 million euros from software licences.

As indicated in schedule 1, they amount to 741.7 million euros, rising by 21.2 million euros net during the year. This increase is particularly represented by the difference between new assets for 585.7 million euros (of which 145.1 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 30.6 million euros, the writedown of software utilisation rights for 0.1 million euros, disposal for 0.1 million euros and the amortisation charge for the year of 533.7 million euros.

The total value of these items at 31 December 2008, before the writedown, comprises the following:

- rights to television programmes owned or held under unlimited-term licences amounting to 285.4 million euros;
- rights to television programmes held under fixed-term licences amounting to 498.1 million euros.

Overall investment in television programmes made in 2008 amounts to 599.0 million euros, including 158.8 million euros in programmes which are not yet available at 31 December 2008, which are carried under Intangible assets under development and payments *on account*.

Analysing investments by type, at 31 December 2008, 360.7 million euros have been invested in fiction programmes (series, miniseries, TV movies, soap operas etc.), 155.1 million euros in films, 31.0 million euros in cartoons and comedy programmes, 11.8 million euros in documentaries, 7.8 million euros in classical music and drama, 12.4 million euros in football libraries and 20.2 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 24.9 million euros, of which 24.7 million euros with reference to digital network frequencies (see schedule 1).

Intangible assets under development and payments on account. These amount to 251.1 million euros, including:

- 245.9 million euros for the cost of television programmes which are not yet available, and therefore not subject to amortisation; compared with the figure at 31 December 2007, this has shown a net increase of 11.6 million euros, as shown in schedule 1. Specifically, the aforementioned increase is equal to the balance between increases for new assets (158.8 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 (144.6 million euros) and eliminations for 2.6 million euros;
- 1.6 million euros refer to alterations and improvements underway on property under leasehold or concession;
- 3.1 million euros for software programs and analyses;
- 0.5 million euros for other deferred charges.

For television programmes that have not yet become available, the total of 245.9 million euros includes:

- 140.3 million euros for television programmes owned by the Company that were not ready at 31 December 2008 or for which usage rights began after 31 December 2008;
- 105.6 million euros regarding third-party television programmes held on fixed-term licence beginning after 31 December 2008.

Other intangible assets. The amount of 16.7 million euros includes:

- 14.7 million euros for costs incurred, net of accumulated amortisation, on alterations and improvements to property under leasehold or concession (at 31 December 2007: 15.4 million euros);
- 1.6 million euros relating to investments in software programs and analyses (at 31 December 2007: 1.5 million euros);

- 0.2 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 2007: 0.2 million euros);
- 0.2 million euros relating to other deferred charges (not valued at 31 December 2007).

Non-current 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:

<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 2008, *fixed assets* amounted to 555.1 million euros and showed, overall, a net decrease of 1.6 million euros compared with 2007, comprised of the balance between new assets for 118.7 million euros, amortisation for 119.0 million euros and disposals and other decrementing entries for 1.3 million euros, as specified in schedule 2.

Tangible assets and accumulated depreciation (millions of euros)

Schedule 2

	31.12.2007					Changes during the year					31.12.2008				
	Cost	Revaluat.	Writedowns	Accumulated depreciation	Book value	Increases and capitalis.	Reclassificat.	Net eliminations and transfers (a)	Depreciat.	Conversion differences	Cost	Revaluat.	Writedowns	Accumulated depreciation	Book value
Land and buildings	504.8	626.9	(36.5)	(868.9)	226.3	5.2	5.7	(0.1)	(38.8)	-	515.4	626.8	(36.5)	(907.4)	198.3
Plant and machinery	1,472.3	24.7	-	(1,302.6)	194.4	49.9	24.8	(0.3)	(68.7)	0.1	1,531.3	24.1	-	(1,355.2)	200.2
Industrial and sales equipment	104.6	4.7	-	(100.7)	8.6	3.4	4.0	(0.1)	(3.5)	-	108.0	4.6	-	(100.2)	12.4
Other assets	158.0	3.2	-	(125.8)	35.4	4.9	1.7	(0.2)	(8.0)	..	157.7	3.0	-	(126.9)	33.8
Assets under construction and advances	92.0	-	-	-	92.0	55.3	(36.3)	(0.6)	-	..	110.4	-	-	-	110.4
	2,331.7	659.5	(36.5)	(2,398.0)	556.7	118.7	(0.1)	(1.3)	(119.0)	0.1	2,422.8	658.5	(36.5)	(2,489.7)	555.1
(a) including:															
. Costs								(27.7)							
. Revaluations								(1.1)							
. Depreciation								27.5							
								(1.3)							

It should be noted that new assets recorded, which reflect investments made in the year, comprise 7.3 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 assets* is reported below, listed according to the applicable regulations:

- 0.2 million euros gross in implementation of Law 823 of 19 December 1973;
- 60.8 million euros gross in implementation of Law 576 of 2 December 1975 and Law 72 of 19 March 1983;
- 62.8 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 21.3 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	
	31.12.2008	31.12.2007	31.12.2008	31.12.2007
Audiradio	30.23%	30.23%	0.3	0.3
Auditel	33%	33%	0.3	0.3
San Marino	50%	50%	2.9	2.9
Euronews (formerly Secemie)	21.25%	21.325%	2.2	1.9
Tivù	48.25%	-	0.5	-
Gross value			6.2	5.4
Impairment provisions			(0.0)	(0.0)
Net value			6.2	5.4

Equity investments in the associated companies are all held in the Rai portfolio.

- **Equity investments in other companies.** These total 0.7 million euros and are comprised as follows:

(millions of euros)		
	31.12.2008	31.12.2007
Almaviva	0.3	0.3
Istituto Enciclopedia Treccani	0.5	0.5
Other	0.1	0.1
Gross value	0.9	0.9
Impairment provisions	(0.2)	(0.2)
Net value	0.7	0.7

- **Receivables from others.** These amount to 6.0 million euros (at 31 December 2007: 8.1 million euros) and are comprised as follows:
 - advances paid in relation to mandates for the sale of rights for 2.9 million euros;
 - guarantee deposits of 2.5 million euros;
 - loans granted to employees of 0.5 million euros;
 - tax advanced on staff severance pay (0.1 million euros) paid in accordance with Law 140/97 and inclusive of year-end revaluation.

The composition of these items is shown in schedule 3.

Non-current financial assets - Receivables and other (millions of euros)											Schedule 3
	31.12.2007			Changes during the year				31.12.2008			
	Cost	Revaluat.	Writedowns	Book value	Acquisitions Subscriptions Disbursements	Disposals Redemptions	Writedowns (-) Writebacks (+)	Cost	Revaluat.	Writedowns	Book value
Receivables:											
Others											
- employees	0.6	-	(0.2)	0.4	0.3	(0.2)	-	0.7	-	(0.2)	0.5
- guarantee deposits	3.0	-	(0.1)	2.9	0.4	(0.8)	-	2.6	-	(0.1)	2.5
- tax prepayments on provision for severance pay - Law 140/97	4.1	-	-	4.1	-	(4.0)	-	0.1	-	-	0.1
- advances of sales mandates	13.2	-	(12.5)	0.7	3.7	(0.5)	(1.0)	16.0	-	(13.1)	2.9
	20.9	-	(12.8)	8.1	4.4	(5.5)	(1.0)	19.4	-	(13.4)	6.0
Other securities	4.0	..	..	4.0	0.6	(0.8)	..	3.8	..	..	3.8

Other securities. These amount to 3.8 million euros (at 31 December 2007: 4.0 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 5.2 million euros net of the inventory provision (at 31 December 2007: 4.7 million euros). As shown in schedule 4, they comprise:

- *Raw materials, supplies and consumables:* these amount to 2.3 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 0.3 million euros, mostly relating to inventories of books, home video distribution and inventories of items acquired in exchange for advertising.

Inventories (millions of euros)

Schedule 4

	31.12.2007	Changes during the year		31.12.2008
		Increases (+) Decreases (-)	Balance of provisions made (-) and released (+)	
Raw materials, supplies and consumables	18.2	(0.5)	-	17.7
Depreciation fund	(15.4)	-	-	(15.4)
	2.8	(0.5)	-	2.3
Contract work in progress	0.1	0.6	-	0.7
Finished goods and merchandise	2.5	..	-	2.5
Depreciation fund	(0.7)	-	0.4	(0.3)
	1.8	..	0.4	2.2
Total	4.7	0.1	0.4	5.2

Receivables

Receivables total 831.3 million euros, showing a decrease of 50.6 million euros on 31 December 2007, 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

	31.12.2007	Changes during the year			31.12.2008
		Balance of entries (+) repayments (-)	Uses/release	Provision	
Customers					
. government and other public entities for public broadcasting services	74.4	36.5	-	-	110.9
. net receivables for licence fees	19.8	0.2	-	-	20.0
. other receivables	552.1	(28.9)	-	-	523.2
<i>less</i>					
. bad debts provision	(58.6)	-	2.9	(4.3)	(60.0)
	587.7	7.8	2.9	(4.3)	594.1
Associated companies					
. San Marino RTV	0.1	..	-	-	0.1
	0.1	..	-	-	0.1
Tax receivables	31.2	5.5	-	-	36.7
Deferred tax assets	30.4	(9.4)	-	-	21.0
Others					
. personnel	7.2	0.1	-	-	7.3
. social security departments	10.0	(0.1)	-	-	9.9
. advances for sporting events	180.5	(66.0)	-	-	114.5
. entities, companies, bodies and others	36.7	12.6	-	-	49.3
<i>less</i>					
. bad debts provision	(1.9)	-	0.3	-	(1.6)
	232.5	(53.4)	0.3	-	179.4
Total	881.9	(49.5)	3.2	(4.3)	831.3

**Receivables, accrued income and prepaid expenses,
distributed by maturity and type** (millions of euros)

Schedule 6

	31.12.2008 Amounts due				31.12.2007 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
NON-CURRENT FINANCIAL RECEIVABLES								
others	0.9	4.0	1.1	6.0	2.9	3.9	1.3	8.1
	0.9	4.0	1.1	6.0	2.9	3.9	1.3	8.1
CURRENT RECEIVABLES								
Financial receivables								
others	..	-	-	..	..	-	-	..
	..	-	-	-	-	..
Trade and other receivables								
customers	594.0	0.1	-	594.1	587.7	-	-	587.7
associated companies	0.1	-	-	0.1	0.1	-	-	0.1
tax receivables	36.7	-	-	36.7	31.2	-	-	31.2
deferred tax assets	20.4	0.6	-	21.0	29.8	0.6	-	30.4
due from others:								
- for future sports events	13.3	101.2	-	114.5	115.6	64.9	-	180.5
- other	63.1	1.8	-	64.9	49.4	2.6	-	52.0
	727.6	103.7	-	831.3	813.8	68.1	-	881.9
Accrued income and prepaid expenses								
Accrued income	0.2	-	-	0.2	0.5	-	-	0.5
Prepaid expenses	39.3	..	0.7	40.0	31.0	-	-	31.0
	39.5	..	0.7	40.2	31.5	-	-	31.5
Total	768.0	107.7	1.8	877.5	848.2	72.0	1.3	921.5

Receivables - Distribution by geographic area (millions of euros)

Schedule 7

	31.12.2008				31.12.2007			
	Italy	EU	Non-EU	Book value	Italy	EU	Non-EU	Book value
Non-current financial receivables due from:								
others	5.6	0.1	0.3	6.0	7.7	0.1	0.3	8.1
	5.6	0.1	0.3	6.0	7.7	0.1	0.3	8.1
Current receivables								
customers	558.1	16.2	19.8	594.1	561.7	12.4	13.6	587.7
associated companies	-	-	0.1	0.1	-	-	0.1	0.1
tax receivables	36.7	-	..	36.7	31.2	-	-	31.2
deferred tax assets	21.0	-	-	21.0	30.4	-	-	30.4
others								
- for future sports events	2.5	7.8	104.2	114.5	1.7	7.9	170.9	180.5
- other	60.9	2.1	1.9	64.9	49.1	0.6	2.3	52.0
	679.2	26.1	126.0	831.3	674.1	20.9	186.9	881.9
Total	684.8	26.2	126.3	837.3	681.8	21.0	187.2	890.0

**Receivables, cash and equivalents and accrued income
in foreign currency or exposed to exchange rate risk** (millions of euros)

Schedule 8

	31.12.2008				31.12.2007			
	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	19.2	0.2	(13.4)	6.0	20.6	0.3	(12.8)	8.1
	19.2	0.2	(13.4)	6.0	20.6	0.3	(12.8)	8.1
Current receivables								
customers	646.7	7.4	(60.0)	594.1	639.8	6.5	(58.6)	587.7
associated companies	0.1	-	-	0.1	0.1	-	-	0.1
tax receivables	36.7	..	-	36.7	31.2	..	-	31.2
deferred tax assets	21.0	-	-	21.0	30.4	-	-	30.4
other:								
- for future sports events	103.0	11.5	-	114.5	38.0	142.5	-	180.5
- miscellaneous	66.2	0.3	(1.6)	64.9	53.5	0.4	(1.9)	52.0
	873.7	19.2	(61.6)	831.3	793.0	149.4	(60.5)	881.9
Cash and cash equivalents								
Bank and post office deposits	31.1	1.2	-	32.3	124.9	1.6	-	126.5
Cheques	..	-	-	..	..	-	-	..
Cash and cash equivalents on hand	0.4	..	-	0.4	0.5	..	-	0.5
	31.5	1.2	-	32.7	125.4	1.6	-	127.0
Accrued income	0.2	-	-	0.2	0.5	-	-	0.5
Total	924.6	20.6	(75.0)	870.2	939.5	151.3	(73.3)	1,017.5

Receivables from customers: These disclose trade receivables. They total 594.1 million euros, with a nominal value of 654.1 million euros which has been written down by 60.0 million euros to bring them to their estimated realisable value and compared with 31 December 2007 they show an increase of 6.4 million euros.

Details of the caption are divided into:

- *receivables from Sipra customers for advertising services sold:* exposed for a nominal value of 310.6 million euros, they show a 33.0 million euros increase on 31 December 2007;
- *receivables for services rendered by Rai to the Government under specific agreements:* as shown in the following table, these amount to a nominal 110.9 million euros, up 36.5 million euros on 31 December 2007, equivalent to the balance between the increase in invoices issued and for amounts accrued for 2008 less collections.

Due from Government and other public entities for services rendered under specific agreement (millions of euros)

	2008	2007
Prime Minister's Office:		
- Operating grant to be transferred to San Marino RTV	3.1	1.7
- Radio, television and multimedia offering for the foreign market	63.6	28.8
- Broadcasting from Trieste in Slovenian	6.4	6.4
- Radio and television broadcasts in French for the Autonomous Region of Valle d'Aosta	2.0	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	14.8	14.8
- Extension of the RaiUno signal to Tunisia and subsequent maintenance	1.6	1.4
Total Prime Minister's Office	91.5	55.1
Ministries:		
- Economy and Finance: management of television licence fee collection	11.8	12.2
Regions:		
- Autonomous Region of Valle d'Aosta: management of equipment for reception of programmes from the French-speaking area	7.6	7.1
Total	110.9	74.4

- *net receivables for licence fees*: these amount to 20.0 million euros, up 0.2 million euros on 31 December 2007, representing licence fees not yet transferred to Rai.

With the internal provision issued in December 2008, the Ministry for the Economy and Finance made a reduction of 25 million euros in the provision for 2008 in balance sheet section no. 3836 "licence fees for transfer to the Concession Holder", thus determining a reduction for said amount in the liquidation of the year end instalment.

Via this reduction the Ministry allocated provisions for said amount to the new section no. 3855 "sums payable to Rai for exemption from payment of the licence fee granted to the elderly on a low income", destined to hedge costs ensuing from the abolition of payment of the licence fee for those over the age of 75, pursuant to art. 1 c. 132 of Law 244 of 24/12/2007.

Law no. 31 of 28/2/2008 establishes that, in relation to the charge ensuing from the abolition of the licence fee for the categories concerned, "Provision shall be made via a corresponding reduction in the provision booked, for the purposes of the financial statements for the 2008-2010 triennial, to the special current reserve of the State of prevision of the Ministry of the Economy and Finance for 2008.....".

On this basis, and in consideration of the broader framework of reference in terms of liquidation of fees to the Concession Holder, there is believed to be no reasonable doubt as to the collection of the amounts in question;

- *other receivables*: these amount to a nominal value of 212.6 million euros, up 4.1 million euros compared with 31 December 2007 and represent, among the most significant entries, receivables from customers of Rai Trade for the sale of rights for 60.2 million euros, receivables from film companies and home video customers booked to the financial statements of 01 Distribution for 28.2 million euros and receivables from customers of RaiSat for the sale of channels for 17.7 million euros.

Receivables from associated companies. These amount to 0.1 million euros (31 December 2007: 0.1 million euros), and represent the balance of trade receivables from the company San Marino RTV which are carried in the Parent Company financial statements.

Tax receivables. These are carried at nominal value of 36.7 million euros (31 December 2007: 31.2 million euros). They relate for the most part to receivables recorded in the Parent Company financial statements (36.2 million euros), to Group VAT (27.2 million euros), IRAP credit (7.5 million euros) and tax reimbursements requested (1.4 million euros).

Deferred tax assets. These represent the amount receivable from entries subject to deduction of deferred tax assets. They total 21.0 million euros (at 31 December 2007: 30.4 million euros) comprising deferred tax assets recorded by the individual companies (19.2 million euros) and deferred tax assets from consolidation adjustments (1.8 million euros). They are down 9.4 million euros as detailed in schedule 9. They relate mainly to:

- 10.7 million euros taken up by the Parent Company in connection with items which are allowable on a deferred basis for tax purposes (10.4 million euros) and items transferred from group companies under the consolidated taxation mechanism (0.3 million euros);
- 3.7 million euros for prepaid taxes taken up by Rai Cinema.

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 31.12.2007					
Tax loss	23.8	7.8 (a)	0.0	0.0	7.8
Estimated recovery of provisions	33.7	9.3	73.9	3.3	12.6
Statutory/fiscal difference on amortisation of programmes	6.2	1.7	11.7	0.5	2.2
Deferral of effect of re-aligning tax value of assets	7.4	2.0	50.3	2.3	4.3
Prepaid taxes from consolidation adjustments	8.6	2.4	8.6	0.4	2.8
Other	2.1	0.6	1.4	0.1	0.7
Total	81.8	23.8	145.9	6.6	30.4
Movements in the year:					
Tax loss	7.2	0.7	0.0	0.0	0.7
Estimated recovery of provisions	(12.5)	(3.4)	(26.6)	(1.2)	(4.6)
Statutory/fiscal difference on amortisation of programmes	(0.2)	(0.2)	(11.4)	(0.5)	(0.7)
Deferral of effect of re-aligning tax value of assets	(6.1)	(1.6)	(39.8)	(1.8)	(3.4)
Prepaid taxes from consolidation adjustments	(2.9)	(0.9)	(2.9)	(0.1)	(1.0)
Other	(0.9)	(0.3)	(0.3)	(0.1)	(0.4)
Total	(15.4)	(5.7)	(81.0)	(3.7)	(9.4)
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
Total	66.4	18.1	64.9	2.9	21.0

(a) Tax calculated at the rate in force (33%), relating to losses disclosed in the 2007 tax declaration.

As already mentioned in the accounting policies, deferred tax assets have been provided, for their determination and recording in the financial statements, when there is reasonable certainty that they will be recovered in the future.

Receivables from others. These amount to 179.4 million euros (at 31 December 2007: 232.5 million euros). Net of writedowns of 1.6 million euros, they reflect the value of other types of receivables as described below:

- *advances to suppliers* on sports events filming rights, carried at nominal value of 114.5 million euros;
- *advances to Social Security Departments* on contributions payable for artistic activities, carried at nominal value of 9.9 million euros;
- *receivables from personnel* carried at nominal 7.3 million euros. They are entirely composed of advances of various types, mainly for travel expenses and production expenses;
- *receivables from others*, carried at nominal value of 47.7 million euros, consisting mainly of advance payments to suppliers.

Cash and cash equivalents

These amount to 32.7 million euros (at 31 December 2007: 127.0 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 32.3 million euros (at 31 December 2007: 126.5 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 2007: 0.5 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 companies at 31 December 2008.

Schedule 8 gives a breakdown of cash and cash equivalents by currency.

Accrued income and prepaid expenses

These total 40.2 million euros (at 31 December 2007: 31.5 million euros) and consist of prepaid expenses for 40.0 million euros and accrued income for 0.2 million euros.

The most relevant items are represented by prepaid expenses on:

- sports events filming rights for 22.6 million euros;
- rentals for 4.3 million euros;
- software licences for 1.8 million euros;
- rentals for 1.7 million euros;
- services for acquisition and production of programmes for 1.0 million euros;
- other prepaid expenses for 8.6 million euros.

Schedule 6 gives details as to the periods to which these items relate.

Liabilities

Shareholders' equity

Shareholders' equity amounts to 692.8 million euros, down 7.9 million euros on 31 December 2007 mainly due to the loss for the year (7.1 million euros).

The components of shareholders' equity and the effects of operations carried out in 2008 and the previous year are shown in schedule 10.

Statement of changes in Shareholders' equity (millions of euros)

Schedule 10

	Balance of 31.12.2006	Transfer result	Dividends	Other movements	Conversion differences	Result for year	Balance of 31.12.2007	Transfer result	Dividends	Other movements	Conversion differences	Result for year	Balance of 31.12.2008
Equity:													
Group equity:													
Capital	242.5						242.5						242.5
Legal Reserve	7.0						7.0						7.0
Other reserves:													
- Reserve fund for capital grants	1.3						1.3						1.3
- Reserve for capital grants	9.4	(9.4)					0.0						0.0
- Reserve for exchange valuation gains	0.7			(0.7)			0.0						0.0
- Merger surplus	341.1						341.1						341.1
- Reserve for investments in technological innovation	15.4			(15.4)			0.0						0.0
- Reserve from re-alignment of statutory/fiscal values	42.8	(42.8)					0.0						0.0
- Reserve for conversion differences	(1.1)			0.3	(0.8)		(1.6)				0.4		(1.2)
- Other reserves	95.2	(6.8)		14.6			103.0	(0.1)		0.1			103.0
Profits (losses) brought forward	37.2	(27.8)		1.3			10.7	(4.8)					5.9
Group net profit (loss) for the year	(86.8)	86.8				(4.9)	(4.9)	4.9				(7.5)	(7.5)
Total Group equity	704.7	0.0	0.0	0.1	(0.8)	(4.9)	699.1	0.0	0.0	0.1	0.4	(7.5)	692.1
Minority interests:													
Share capital and reserves pertaining to minority interests	2.4	(0.7)		(0.1)			1.6	..	(0.2)	(1.1)			0.3
Net profit (loss) for the year pertaining to minority interests	(0.6)	0.7	(0.1)			..	..	..				0.4	0.4
Total minority interest equity	1.8	0.0	(0.1)	(0.1)	0.0	0.0	1.6	0.0	(0.2)	(1.1)	0.0	0.4	0.7
Total Shareholders' Equity	706.5	0.0	(0.1)	(0.0)	(0.8)	(4.9)	700.7	0.0	(0.2)	(1.0)	0.4	(7.1)	692.8

Share Capital

At 31 December 2008 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 444.2 million euros. This combination of items comprises:

- 341.1 million euros, of merger surplus;
- 1.3 million euros, in the reserve for capital grants;
- 101.8 million euros of other reserves.

Profits brought forward

These amount to 5.9 million euros and are comprised of the balance of unallocated profits.

Group loss for the year

This amounts to 7.5 million euros.

Share capital and reserves pertaining to minority interests

The portion of minority interest capital and reserves equating to 0.3 million euros refers to RaiSat.

Net profit (loss) for the year pertaining to minority interests

Booked for 0.4 million euros, these refer to amounts due to minority interests calculated on the results of RaiSat.

Provisions for risks and charges

These amount to 445.1 million euros, down 27.9 million euros net on 31 December 2007. 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

	31.12.2007	Provisions	Direct utilisations	Any absorptions in the income statement	Other movements	31.12.2008
Provision for pension and similar liabilities						
- Provision for supplementary seniority benefits	3.0	0.2 (a)	(0.6)	(0.1)	..	2.5
- Retirement fund	0.6	..	(0.1)	-	(0.1)	0.4
- Supplementary company pension fund	148.4	15.3 (b)	(11.5)	..	0.1	152.3
	152.0	15.5	(12.2)	(0.1)	-	155.2
Provision for taxes	58.4	-	(30.2) (c)	-	-	28.2
Other:						
- litigation	115.2	19.7 (d)	(18.4)	(2.7)	-	113.8
- litigation with social security institutions	31.0	0.5 (e)	(5.5)	-	-	26.0
- renovation and restructuring of properties	24.3	-	(0.9)	-	-	23.4
- expenses for staff resignation incentives	20.0	1.3 (f)	(6.5)	-	(6.3)	8.5
- accrued remuneration	18.1	13.9 (g)	-	(0.1)	-	31.9
- lease disputes	6.1	0.3 (h)	(0.1)	(1.2)	-	5.1
- risks of non-usability of non-current assets (*)	5.6	0.1 (i)	(0.5)	-	-	5.2
- miscellaneous:					-	
. for risks	18.8	11.3 (l)	(2.3)	(2.0)	-	25.8
. for liabilities	23.5	2.4 (m)	(2.8)	(1.1)	-	22.0
	262.6	49.5	(37.0)	(7.1)	(6.3)	261.7
	473.0	65.0	(79.4)	(7.2) (n)	(6.3)	445.1
(*) including:						
- programmes under development	3.6					3.6
- technical	2.0					1.6
(a) contra-account: item B 9 d) pension and similar liabilities	0.2		(g) contra-accounts: item B 9 a) wages and salaries			11.2
(b) contra-accounts: item B 9 d) pension and similar liabilities	2.1		item B 9 b) social security contributions			2.7
item B 14 c) other operating costs	13.2		(h) contra-account: item B 12 provisions for risks			0.3
(c) contra-account: item E 22 income taxes for the year	(30.2)		(i) contra-account: item B 13 other provisions			0.1
(d) contra-accounts: item B 9 e) other personnel costs	10.9		(l) contra-accounts: item B 9 a) wages and salaries			0.1
item B 12 provisions for risks	8.8		item B 12 provisions for risks			8.6
(e) contra-account: item B 12 provisions for risks	0.5		item B 14 c) other operating costs			2.6
(f) contra-account: item E 21 c) exceptional expense	1.3		(m) contra-accounts: item B 9 a) wages and salaries			0.1
			item B 13 other provisions			2.3
			(n) contra-account: item A 5 c) other production-related income			7.2

Provision for pension and similar liabilities. This amounts to 155.2 million euros (at 31 December 2007: 152.0 million 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 2.5 million euros (at 31 December 2007: 3.0 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 0.4 million euros (at 31 December 2007: 0.6 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 152.3 million euros (at 31 December 2007: 148.4 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.

The provision **for current and deferred taxes**. This amounts to 28.2 million euros (at 31 December 2007: 58.4 million euros) represented by provisions booked to the financial statements of the individual companies, particularly Rai (26.4 million euros), Rai Way (1.0 million euros) and Sipra (0.4 million euros) and those resulting from consolidation adjustments (0.4 million euros). They are down 30.2 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 31.12.2007:					
Tax assessment 1975					0,3
Capital gains	0.4	0.1	0.4	0.0	0.1
Exchange rate valuations	0.0	0.0	0.0	0.0	0.0
Accelerated depreciation and depreciation differences on assets costing under 516 euros	179.0	49.3	178.9	8.1	57.4
Deferred taxes from consolidation adjustments	0.7	0.2	0.7	0.0	0.2
Other	1.4	0.4	0.4	0.0	0.4
Total	181.5	50.0	180.4	8.1	58.4
Movements in the year:					
Tax assessment 1975					0.0
Capital gains	(0.3)	(0.1)	(0.3)	0.0	(0.1)
Exchange rate valuations	0.0	0.0	0.0	0.0	0.0
Accelerated depreciation and depreciation differences on assets costing under 516 euros	(96.7)	(26.7)	(81.5)	(3.7)	(30.4)
Deferred taxes from consolidation adjustments	0.5	0.1	0.5	0.1	0.2
Other	0.2	0.1	(0.4)	0.0	0.1
Total	(96.3)	(26.6)	(81.7)	(3.6)	(30.2)
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
Accelerated depreciation and depreciation differences on assets costing under 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
Total	85.2	23.4	98.7	4.5	28.2

Other provisions. These amount to 261.7 million euros (31 December 2007: 262.6 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 down 0.9 million euros as detailed in schedule 11.

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 371.8 million euros (at 31 December 2007: 388.5 thousand 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 is shown in schedule 13.

Provision for staff severance pay (millions of euros)							Schedule 13
31.12.2007	Change during the year						31.12.2008
	Provisions	Severance pay disbursed	Advances	Staff transfers	Transfer to INPS supplementary retirement funds	Other movements	
388.5	52.2	(27.0)	(0.2)	-	(40.6)	(1.1)	371.8

Payables

Payables amount to 956.8 millions euros, down 71.4 million euros on 31 December 2007. More specifically, financial debt to banks totals 2.4 million euros, with a net decrease of 2.8 million euros on the figure disclosed in the 2007 financial statements. No payables covered by collateral in the form of company assets are 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 88%) relates to Italian residents, for an amount of about 839.5 million euros on a total of 956.8 million euros.

The notes indicated hereunder provide further details on the contents of the individual items.

Payables (millions of euros)		Schedule 14	
	Changes during the year		
	31.12.2007	Balance of new positions (+) and repayments (-)	31.12.2008
Due to banks	5.2	(2.8)	2.4
Due to other lenders	4.1	(0.7)	3.4
Advances	8.9	(2.0)	6.9
Suppliers	788.4	(73.9)	714.5
Non-consolidated subsidiaries	(a) 5.3	(0.2)	5.1
Associated companies	(b) 4.0	(0.7)	3.3
Tax payables	53.2	14.9	68.1
Social security institutions	51.3	(2.8)	48.5
Other payables	107.8	(3.2)	104.6
	1,028.2	(71.4)	956.8
(a) including:			
- Sacis in liquidation	5.3	(0.2)	5.1
(b) including:			
- Auditel	0.1	-	0.1
- San Marino RTV	3.1	0.1	3.2
- Euronews (formerly Secemie)	0.8	(0.8)	-
	4.0	(0.7)	3.3

**Payables, accrued expenses and deferred income,
by maturity and type** (millions of euros)

Schedule 15

	31.12.2008				31.12.2007			
	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	
Medium/long-term financial debt								
Due to other lenders	0.7	2.7	-	3.4	0.7	3.4	-	4.1
	0.7	2.7	-	3.4	0.7	3.4	-	4.1
Short-term financial debt								
Due to banks	2.4	-	-	2.4	5.2	-	-	5.2
Suppliers	0.1	-	-	0.1	0.1	-	-	0.1
Non-consolidated subsidiaries	5.1	-	-	5.1	5.3	-	-	5.3
Associated companies	0.1	-	-	0.1	1.4	-	-	1.4
Other payables	0.5	-	-	0.5	0.5	-	-	0.5
	8.2	-	-	8.2	12.5	-	-	12.5
Trade and other payables								
Advances	5.3	0.4	1.2	6.9	7.3	0.4	1.2	8.9
Suppliers	714.4	-	-	714.4	788.3	-	-	788.3
Non-consolidated subsidiaries	..	-	-	..	..	-	-	..
Associated companies	3.2	-	-	3.2	2.6	-	-	2.6
Tax payables	68.1	-	-	68.1	53.2	-	-	53.2
Social security institutions	48.5	-	-	48.5	51.3	-	-	51.3
Other payables	104.1	-	-	104.1	107.3	-	-	107.3
	943.6	0.4	1.2	945.2	1,010.0	0.4	1.2	1,011.6
Total payables	952.5	3.1	1.2	956.8	1,023.2	3.8	1.2	1,028.2
Accrued expenses	..	-	-	..	..	-	-	..
Deferred income	53.8	-	-	53.8	35.3	-	-	35.3
Total	1,006.3	3.1	1.2	1,010.6	1,058.5	3.8	1.2	1,063.5

**Payables and accrued expenses in foreign currency
or exposed to exchange rate risk** (millions of euros)

Schedule 16

	31.12.2008			31.12.2007		
	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
Payables						
Due to banks	2.4	..	2.4	5.2	-	5.2
Due to other lenders	3.4	-	3.4	4.1	-	4.1
Suppliers	665.2	49.3	714.5	716.8	71.6	788.4
Non-consolidated subsidiaries	5.1	-	5.1	5.3	-	5.3
Associated companies	3.3	-	3.3	4.0	-	4.0
Tax payables	68.0	0.1	68.1	53.1	0.1	53.2
Social security institutions	48.5	-	48.5	51.3	-	51.3
Other payables	102.9	1.7	104.6	106.2	1.6	107.8
Total payables (a)	898.8	51.1	949.9	946.0	73.3	1,019.3
Accrued expenses	..	-	..	..	-	..
Total	898.8	51.1	949.9	946.0	73.3	1,019.3

(a) Does not include Advances.

Due to banks. These amount to 2.4 million euros (at 31 December 2007: 5.2 million euros), representing current account overdrafts with certain banks.

Due to other lenders. They total 3.4 million euros (at 31 December 2007: 4.1 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 6.9 million euros (at 31 December 2007: 8.9 million euros). This amount is broken down per company as follows:

- Rai Trade: 3.9 million euros for advances on sales contracts.
- Rai Corporation: 1.7 million euros relating to an advance received as partial repayment of the expense incurred on upgrading and improving the new offices and rent for premises in New York, due to putting the rent payments on to a fixed-amount basis over the entire duration of the contract regardless of the actual timing of the outlays.
- Sipra: 1.0 million euros for advertising services which have already been invoiced but not yet performed.
- Rai: 0.3 million euros of other advances.

Suppliers. These disclose trade payables. They total 714.5 million euros (at 31 December 2007: 788.4 million euros) and show a decrease of 73.9 million euros with respect to the figure disclosed for the previous year.

Due to non-consolidated subsidiaries. These amount to 5.1 million euros (at 31 December 2007: 5.3 million euros) and concern Parent Company balances with Sacis relating almost entirely to the financial current account.

Associated companies. These amount to 3.3 million euros (at 31 December 2007: 4.0 million euros) and concern Parent Company balances with San Marino RTV for 3.2 million euros and with Auditel for 0.1 million euros.

Tax payables. These amount to 68.1 million euros (at 31 December 2007: 53.2 million euros) and show an increase of 14.9 million euros with respect to the figure disclosed for the previous year. They consist of:

(millions of euros)		
	2008	2007
- Tax withholdings on earnings of employees and free-lance workers to be paid over	35.4	33.6
- IRES	17.3	9.3
- IRAP	0.9	3.3
- VAT	6.0	3.1
- Other withholdings and "substitute" taxes	8.4	3.9
- Other	0.1	-
	68.1	53.2

Social security institutions. These payables amount to 48.5 million euros (at 31 December 2007: 51.3 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)		
	2008	2007
- ENPALS	15.3	15.9
- INPGI	12.8	11.5
- Contributions on assessed remuneration	10.1	13.9
- INPS	7.6	7.3
- Other	2.7	2.7
	48.5	51.3

Other payables. These amount to 104.6 million euros (at 31 December 2007: 107.8 million euros). They show a net decrease of 3.2 million euros, as follows:

(millions of euros)		
	2008	2007
- Employees for assessed remuneration	70,6	76,6
- FCPGI	9,7	8,7
- Other for assessed pertinent remuneration	6,4	8,1
- CRaiPI	0,1	1,8
- Other	17,8	12,6
	104,6	107,8

Accrued expenses and deferred income

These total 53.8 million euros (at 31 December 2007: 35.3 million euros) and are comprised almost entirely of deferred income.

The caption contains the entire amount of 48.1 million euros, net of the amount already disclosed in the income statement, disbursed by the Ministry for Communications during 2007 and 2008, 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 for the year in relation to amortisation following the entry into operation of the investments made.

Schedule 15 gives details as to the periods to which these items relate.

6) Memorandum accounts

These amount to 672.2 million euros (at 31 December 2007: 743.0 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	
	31.12.2008	31.12.2007
Secured guarantees granted for own commitments other than payables		
Assets pledged as collateral:		
- fixed-income securities	3.7	4.0
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
Total	54.3	54.6

Memorandum accounts - commitments and others (millions of euros)	Schedule 18	
	31.12.2008	31.12.2007
Purchase and sale commitments		
- Purchase commitments	96.5	90.7
- Sales commitments	17.7	15.0
	114.2	105.7
Other		
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	159.5	185.8
- Other	148.7	126.8
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	24.5	73.5
- Banca di Roma for guarantee granted to UEFA for sports rights relating to the 2008 European Football Championships	-	57.0
- Banca di Roma for guarantee granted to Lega Nazionale Professionisti for radio and television rights relating to sports events	14.9	6.0
- Sanpaolo IMI for guarantee granted to FIFA covering payment of sporting rights relating to the 2010 World Football Championships	35.0	35.0
- Other	22.7	21.4
Leased assets received	..	-
Third-part assets held by the company	0.1	0.1
Company assets held by third parties	9.9	8.9
Other cases	9.4	9.6
	425.7	525.1

Conditions in the hedging contracts covering specific Group commitments and the relative fair values are summarised in schedule 19.

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.

Fair value of derivatives

Schedule 19

	Notional 31.12.2008 millions of USD	Fair value at 31.12.2008 millions of euros
Derivative financial instruments for hedges		
- on exchange rates (1):		
. futures purchased and swaps	34.8	(0.1)
. options (zero cost)	177.3	8.9
. call options purchased	17.3	1.2
	229.4	10.0

(1) The transactions relate to hedging commercial agreements entered into in US\$, in observance of the Group policy.

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 2008 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 3,166.3 million euros, down 14.2 million euros on 31 December 2007, 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.

Revenues from sales and services (millions of euros)	Schedule 20	
	Year 2008	Year 2007
Revenues from sales	2.9	4.8
Revenues from services:		
- Licence fees		
. private subscriptions	1,547.3	1,514.2
. special subscriptions	55.7	52.7
	1,603.0	1,566.9
- Advertising		
. television	985.3	1,021.3
. radio	59.8	63.3
. other	45.9	49.4
	1,091.0	1,134.0
- Promotion		
. television	40.2	46.5
. radio	1.6	1.3
	41.8	47.8
- Sponsorship		
. television	47.3	46.1
. radio	7.6	7.3
	54.9	53.4
- Special services under agreements	69.1	64.7
- Other services		
. sale of rights, musical publications and theme-based satellite channels	159.9	154.4
. film and home video distribution	51.3	53.1
. fees for hosting plant and equipment	28.9	27.4
. income from broadcasting, circuit hire, bridge and link services	11.8	12.8
. telephone facilities	19.8	21.2
. other	31.9	40.0
	303.6	308.9
	3,163.4	3,175.7
Total	3,166.3	3,180.5

Changes in inventories of work in progress, semi-finished and finished goods. Booked for an insignificant figure (at 31 December 2007: 0.4 million euros) they refer mainly to inventories of videocassettes and DVDs.

Changes in work contracts in progress. These amount to 0.6 million euros (at 31 December 2007: -0.6 million euros) and refer almost exclusively to the amount carried in the accounts of Rai Way for the completion of the Isoradio network.

Internal cost capitalisations. The amount of 32.8 million euros (at 31 December 2007: 24.7 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 2008	Year 2007
Intangible assets	25.5	19.2
Tangible assets	7.3	5.5
Total	32.8	24.7

Other production-related income. This totals 142.1 million euros (at 31 December 2007: 85.2 million euros), as detailed in schedule 22.

Other production-related income (millions of euros)

Schedule 22

	Year 2008	Year 2007
Operating grants	3.9	3.1
Gains on disposals	0.1	..
Other		
Recovery and reimbursement of expenses	19.7	23.4
Prior-year license fees	16.2	21.1
Other out-of-period gains	90.3	29.0
Provisions released	7.7	3.6
Income from investment properties	2.2	2.2
Miscellaneous	2.0	2.8
	138.1	82.1
Total	142.1	85.2

Production costs

This caption comprises costs and 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 33.7 million euros (at 31 December 2007: 31.9 million 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 23.

Purchases of raw materials, supplies, consumables and merchandise (millions of euros)

Schedule 23

	Year 2008	Year 2007
Technical materials for inventory	5.9	5.9
Miscellaneous programme production materials	5.6	4.6
Other materials	22.2	21.4
Discounts, allowances and premiums on purchases of goods	..	..
Total	33.7	31.9

Services. This totals 826.8 million euros (at 31 December 2007: 827.2 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 2.2 million euros and to Statutory Auditors for 0.2 million euros. It should be noted that one Parent Company statutory auditor has also performed statutory auditor functions in other subsidiaries for remuneration which is not of significant amount.

Cost of services (millions of euros)	Schedule 24	
	Year 2008	Year 2007
Freelance services	156.7	153.6
Services for acquisition and production of programmes	274.8	284.6
Allowances, travel expenses and transfer of personnel	44.3	41.2
Ancillary personnel service costs	12.5	12.3
Maintenance and repairs	31.1	31.1
Documentation and information services	52.2	50.2
Insurance and accident prevention	20.4	20.9
Advertising and promotion	27.6	27.1
Promotion and distribution expenses	11.1	13.3
Supply services	32.7	28.7
General services	86.0	91.4
Third-party shares of sales figure	52.9	52.9
Other	24.5	19.9
Total	826.8	827.2

Use of third-party assets. This amounts to 608.4 million euros (at 31 December 2007: 473.4 million euros), and expresses costs for rents, leases, usage rights and filming rights, as detailed in schedule 25.

The significant increase for filming rights is due to the costs connected with the important four-yearly sports events (European Football Championships and the Olympic Games).

Use of third-party assets (millions of euros)	Schedule 25	
	Year 2008	Year 2007
Lease instalments	..	..
Rent and hire costs	125.3	121.4
Usage rights	114.1	117.6
Filming rights	359.2	216.2
Other rights	9.8	18.2
Total	608.4	473.4

Personnel. Employee-related costs amount to 1,009.6 million euros (at 31 December 2007: 1,004.4 million euros), broken down as indicated in the income statement. The average number of employees on the payroll in 2008 was 13,236, including employees on fixed-term contracts, work-introduction and apprenticeship contracts (at 31 December 2007: 13,213), distributed by category and by company, as shown in schedule 26.

Average employment (units)

Schedule 26

	2008			2007		
	Fixed-term	Permanent	Total	Fixed-term	Permanent	Total
By company						
Rai	1,858	9,840	11,698	1,867	9,809	11,676
Rai Cinema	1	58	59	1	59	60
Rai Click	0	0	0	0	0	0
Rai Corporation	0	47	47	0	45	45
RaiNet	16	50	66	16	53	69
RaiSat	36	76	112	31	73	104
Rai Trade	5	88	93	5	90	95
Rai Way	35	650	685	30	664	694
Sipra	13	435	448	15	426	441
O1 Distribution	1	27	28	1	28	29
	1,965	11,271	13,236	1,966	11,247	13,213
By category						
Managers	2	345	347	2	336	338
Journalists	347	1,659	2,006	340	1,674	2,014
Supervisors	1	1,361	1,362	2	1,359	1,361
Office workers	1,410	6,724	8,134	1,451	6,708	8,159
Blue-collars	194	1,042	1,236	160	1,026	1,186
Orchestra and choir members	11	128	139	11	131	142
Medical staff	0	12	12	0	13	13
	1,965	11,271	13,236	1,966	11,247	13,213

Amortisation, depreciation and writedowns. These total 699.9 million euros (at 31 December 2007: 686.8 million euros), of which 543.6 million euros relate to amortisation of intangible assets and 119.0 million euros to depreciation of fixed assets, as detailed in schedules 1 and 2. They include a writedown of programmes amounting to 30.6 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. Booked for an insignificant figure (at 31 December 2007: 0.7 million euros) these represent the decrease in net inventories carried under current assets at 31 December 2008 with respect to the previous year.

Provisions for risks. These amount to 18.2 million euros (at 31 December 2007: 10.3 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 (11.6 million euros).

Other provisions. These amount to 2.4 million euros (at 31 December 2007: 3.8 million euros). The most significant items are shown in schedule 11 and related mainly to provisions booked to the financial statements of Rai (1.6 million euros) and Rai Way (0.7 million euros).

Miscellaneous operating costs. These amount to 108.3 million euros (at 31 December 2007: 101.0 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 (96.1 million euros).

Miscellaneous operating costs (millions of euros)

Schedule 27

	Year 2008	Year 2007
Asset disposal losses:		
Tangible assets	0.7	1.0
Intangible assets	..	..
	0.7	1.0
Concession fee	29.2	28.8
Losses on current receivables	0.4	0.7
Other costs:		
- gifts, prize contests and entertainment expenses	17.5	18.5
- association dues	3.2	3.3
- municipal property tax	4.4	4.4
- other indirect taxes and contributions	9.6	9.6
- contribution to the Authority - Min. Decr. 16/07/99	4.3	4.4
- payment of uninsured damages, fines and penalties	6.0	1.3
- newspapers, books, periodicals, specific documentation and publications	3.4	3.5
- prior-year charges	14.5	15.8
- provision for pension fund - former employees	13.3	8.3
- other	1.8	1.4
	78.0	70.5
Total	108.3	101.0

Financial income and charges

Other financial income. This totals 3.6 million euros (at 31 December 2007: 4.2 million euros) and is divided as shown in schedule 28.

Financial income (millions of euros)

Schedule 28

	Year 2008	Year 2007
Other financial income:		
from non-current receivables	0.1	0.2
from non-current securities other than equity investments	0.2	0.1
financial income other than the above:		
- interest on amount due from banks	2.1	2.1
- interest on amount due from customers	0.8	1.1
- use of provisions for risks on interest rate hedges	-	0.2
- interest on interest rate hedges	0.2	..
- other	0.2	0.5
	3.3	3.9
Total	3.6	4.2

Interest and other financial charges. These amount to 5.3 million euros (at 31 December 2007: 4.7 million euros) and include interest expense, costs for commission on financial services received and other financial operating expenses, as detailed in schedule 29.

Interest and other financial charges (millions of euros)		Schedule 29	
	Year 2008	Year 2007	
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	5.0	4.4	
- interest on amounts payable to suppliers	0.1	0.1	
- interest expense and charges on interest rate hedges	-	0.1	
- other costs	0.2	0.1	
	5.3	4.7	
Total	5.3	4.7	

Foreign exchange gains and losses. These show a loss of total 5.2 million euros (at 31 December 2007: a loss of 10.8 million euros), booked mainly to the Parent Company financial statements (4.1 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.

Foreign exchange gains and losses (millions of euros)		Schedule 30	
	Year 2008	Year 2007	
Foreign exchange gains (losses) from valuation	(0.6)	(5.2)	
Other foreign exchange gains (losses)	(4.6)	(5.6)	
Total	(5.2)	(10.8)	

Value adjustments to financial assets

Revaluations. These amount to 3.0 million euros (at 31 December 2007: 0.3 million euros), determined by the carriage of investments in associated companies at equity.

Writedowns. The provision totals 1.0 million euros (at 31 December 2007: 1.1 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 1.7 million euros and charges of 2.0 million euros, as detailed in schedule 31.

Exceptional income/expense (millions of euros)	Schedule 31	
	Year 2008	Year 2007
Exceptional income		
b) Out-of-period gains	1.3	1.7
c) Other	0.4	0.8
Total	1.7	2.5
Exceptional charges		
b) Prior year taxes	(0.2)	(0.7)
c) Prior-year charges and reversal of non-existent assets	..	-
d) Other:		
- costs connected with the staff voluntary resignation incentives scheme	(1.8)	(29.7)
	(2.0)	(30.4)
Total	(0.3)	(27.9)

Current income taxes for the year, deferred tax charges and credits

The amount of 36.4 million euros is comprised of current 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	(20.3)	-	(20.3)
- IRAP	(37.0)	-	(37.0)
Substitute tax	(9.2)	-	(9.2)
Deferred tax assets	0.9	(1.0)	(0.1)
Deferred tax liabilities	30.4	(0.2)	30.2
Total	(35.3)	(1.1)	(36.4)

8) Result for the year

The year closed with a loss of 7.1 million euros pertaining almost exclusively to the Group.

9) Reconciliation between Rai accounts and consolidated financial statements at 31 December 2008 and 31 December 2007

The following table shows the reconciliation between the result for the year and shareholders' equity as appearing in the Parent Company's accounts 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	
	2008	2007	2008	2007
Rai financial statements	(37.0)	(4.9)	576.8	613.8
Elimination of the book value of equity investments against the equities and the dividends distributed against profits for the year	23.2	(2.7)	127.4	105.1
Adjustment of the book value of associated companies on the equity method	3.0	0.2	9.1	6.1
Other consolidation adjustments	4.8	3.5	(21.9)	(26.8)
Deferred tax assets/liabilities on consolidation adjustments	(1.1)	(1.0)	1.4	2.5
Consolidated financial statements	(7.1)	(4.9)	692.8	700.7



Rai



Consolidated supplementary schedules

Consolidated balance sheet reclassified in vertical form (millions of euros)

	31.12.2008	31.12.2007
A. NON-CURRENT ASSETS		
Intangible assets	1,034.5	1,003.8
Tangible assets	555.1	556.7
Financial assets	21.3	20.1
	1,610.9	1,580.6
B. WORKING CAPITAL		
Inventories	5.2	4.7
Trade receivables	594.3	588.2
Other assets	277.2	325.2
Trade payables	(724.5)	(799.8)
Provisions for risks and charges	(445.1)	(473.0)
Other liabilities	(274.5)	(247.1)
	(567.4)	(601.8)
C. INVESTED CAPITAL,		
net of current liabilities	(A+B)	1,043.5
D. PROVISION FOR STAFF SEVERANCE PAY	371.8	388.5
E. INVESTED CAPITAL,		
net of current liabilities and provision for staff severance pay	(C-D)	671.7
financed by:		
F. EQUITY		
Parent Company equity	692.1	699.1
Minority interest equity	0.7	1.6
	692.8	700.7
G. NET MID-TERM/LONG-TERM FINANCIAL DEBT	3.4	4.1
H. NET SHORT-TERM FINANCIAL DEBT (NET CASH FUNDS)		
- short-term financial debt	8.2	12.5
- cash and short-term financial receivables	(32.7)	(127.0)
	(24.5)	(114.5)
	(G+H)	(21.1)
I. TOTAL, AS IN E	(F+G+H)	590.3

Consolidated income statement reclassified in vertical form (millions of euros)

	31.12.2008	31.12.2007
A. REVENUES	3,210.9	3,232.5
Changes in inventories of work in progress, semifinished and finished products	..	0.4
Internal cost capitalisations	32.8	24.7
B. "TYPICAL" PRODUCTION VALUE	3,243.7	3,257.6
Cost of materials and external services	(1,561.1)	(1,420.7)
C. VALUE ADDED	1,682.6	1,836.9
Personnel costs	(1,009.6)	(1,004.4)
D. GROSS OPERATING MARGIN	673.0	832.5
Amortisation of programmes	(520.1)	(494.6)
Other amortisation and depreciation	(130.4)	(141.6)
Other value adjustments	(37.3)	(39.4)
Provisions for risks and charges	(19.8)	(13.0)
Miscellaneous income and charges - net	69.1	6.8
E. OPERATING RESULT	34.5	150.7
Financial income and charges	(7.9)	(12.3)
Income from equity investments	3.0	0.2
F. RESULT BEFORE EXCEPTIONAL ITEMS AND TAXES	29.6	138.6
Exceptional income and charges - net	(0.3)	(27.9)
G. RESULT BEFORE TAXES	29.3	110.7
Income taxes for the year	(36.4)	(115.6)
H. NET PROFIT (LOSS) FOR THE YEAR	(7.1)	(4.9)
of which:		
- pertaining to Parent Company	(7.5)	(4.9)
- pertaining to minority interests	0.4	..

Consolidated cash flow statement (millions of euros)

	31.12.2008	31.12.2007
A. NET OPENING CASH FUNDS (NET OPENING SHORT-TERM FINANCIAL DEBT)	114.5	77.5
B. CASH FLOW FROM OPERATING ACTIVITIES		
Profit (loss) for the year	(7.1)	(4.9)
Amortisation and depreciation	650.5	636.2
(Gains) losses on disposal of non-current assets	0.6	1.0
(Revaluations) writedowns of non-current assets	31.0	36.4
Change in working capital	(34.4)	52.5
Net change in staff severance pay provision	(16.7)	(12.2)
	623.9	709.0
C. CASH FLOW FROM INVESTING ACTIVITIES IN NON-CURRENT ASSETS		
Investments in non-current assets:		
. intangible assets	(595.7)	(583.8)
. tangible assets	(118.7)	(91.0)
. financial assets	(5.5)	(2.7)
Sale proceeds, or reimbursement value, of non-current assets and other changes	7.9	6.2
	(712.0)	(671.3)
D. CASH FLOW FROM FINANCING ACTIVITIES		
Loan repayments	(0.7)	(0.6)
Other equity movements	(1.0)	-
	(1.7)	(0.6)
E. PROFIT DISTRIBUTION	(0.2)	(0.1)
F. CASH FLOW FOR THE YEAR	(B+C+D+E)	37.0
G. NET CLOSING CASH FUNDS (NET CLOSING SHORT- TERM FINANCIAL DEBT)	(A+F)	114.5



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 2008, 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 operations.

The Consolidated Balance Sheet and Income Statement, summarised above, present comparative figures for 2007.

The scope of consolidation is the same as for 2007.

In the **Report on Operation**, the Directors describe the overall performance and situation of the Group, accompanying this information with details on various individual aspects of activity by the various companies included within the scope of consolidation.

Particular attention is dedicated to the current situation of the television sector and the consequent strategy drawn up by Rai to tackle the challenges which have to be faced.

To this end, 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 2007, 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 2008. Everything is compared with the corresponding data of the financial statements at 31 December 2007.

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 2008 and the accompanying Directors' Report on operations have been drawn up in accordance with the provisions of the aforementioned Legislative Decree 127/1991.

Rome, 7 May 2009

THE REGULAR STATUTORY AUDITORS

Mr Domenico TUDINI
Prof. Gennaro FERRARA
Prof. Paolo GERMANI



AUDITORS' REPORT IN ACCORDANCE WITH ARTICLE 2409-TER OF THE CIVIL CODE

To the Shareholders of
RAI – Radiotelevisione italiana SpA

- 1 We have audited the consolidated financial statements of the RAI – Radiotelevisione italiana Group as at 31 December 2008. 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 Italian standards on auditing. 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 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.

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 6 June 2008.

- 3 In our opinion, the consolidated financial statements of the RAI – Radiotelevisione italiana Group as at 31 December 2008 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.

- 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 art. 2409-ter, paragraph 2, letter e), of the Italian Civil Code. 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 RAI – Radiotelevisione italiana SpA as at 31
December 2008.

Rome, 7 May 2009

PricewaterhouseCoopers SpA

Signed by

Aurelio Fedele
(Partner)

“This report has been translated into the English language from the original, which was issued in Italian, solely for the convenience of international readers. References in this report to the Financial Statements refer to the Financial Statements in original Italian and not to their translation.”



Rai



Financial Statements of Subsidiaries

269 Rai Cinema SpA

273 01 Distribution Srl

277 Rai Click SpA

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

Name:	Rai Cinema SpA
Date of incorporation:	1 December 1999
Objects:	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.
Share capital:	Euro 200,000,000.40 38,759,690 shares of par value 5.16 euros each Rai 99.997678%; Rai Trade 0.002322%
Ownership:	01 Distribution Srl 100%
Employees:	60 on permanent contracts 1 on a fixed-term contract
Board of Directors	
Chairman:	Franco Scaglia
Vice Chairman:	–
Managing Director:	Caterina D'Amico
Directors:	Fabio Belli Giancarlo Leone Giuseppe Gentili Guido Paglia Ugo Zanello
Board Secretary:	Massimiliano Orfei
General Manager	Paolo Del Brocco
Board of Statutory Auditors	
Chairman:	Enrico Laghi
Statutory Auditors in office:	Roberto Ascoli Giuseppe Ferrazza
Alternate Statutory Auditors:	Paolo Grassetti Giorgio Tomassetti

Rai Cinema SpA**Balance Sheet - Assets (in euros)**

	31.12.2008	31.12.2007
A) SUBSCRIBED CAPITAL UNPAID	-	-
B) NON-CURRENT ASSETS		
I. INTANGIBLE ASSETS		
3.- Industrial patents and intellectual property rights	456,754,111	473,432,948
6.- Intangible assets under development and payments on account	94,263,067	87,977,729
7.- Others	326,529	167,997
TOTAL INTANGIBLE ASSETS	551,343,707	561,578,674
II. TANGIBLE ASSETS		
2.- Plant and machinery	30,753	2,478
4.- Other assets	99,360	135,959
TOTAL TANGIBLE ASSETS	130,113	138,437
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	260,801
Total receivables	261,136	260,801
TOTAL NON-CURRENT FINANCIAL ASSETS	777,592	777,257
TOTAL NON-CURRENT ASSETS	552,251,412	562,494,368
C) CURRENT ASSETS		
I. INVENTORIES		
4.- Finished goods and merchandise	851,350	725,415
TOTAL INVENTORIES	851,350	725,415
II. RECEIVABLES		
1.- From customers	13,168,686	9,413,274
2.- From subsidiaries	24,266,349	26,805,450
4.- From parent companies	6,429,231	5,981,359
4.bis- Tax receivables	-	1,080,092
4.ter- Deferred tax assets	3,704,769	4,356,941
5.- Others	259,932	390,579
TOTAL RECEIVABLES	47,828,967	48,027,695
III. CURRENT FINANCIAL ASSETS	-	-
IV. CASH AND CASH EQUIVALENTS	-	-
TOTAL CURRENT ASSETS	48,680,317	48,753,110
D) ACCRUED INCOME AND PREPAID EXPENSES	3,187,403	6,983,733
TOTAL ASSETS	604,119,132	618,231,211

Rai Cinema SpA**Balance Sheet - Liabilities (in euros)**

	31.12.2008	31.12.2007
A) SHAREHOLDERS' EQUITY		
I. SHARE CAPITAL	200,000,000	200,000,000
IV. LEGAL RESERVE	8,635,929	7,971,876
VII. OTHER RESERVES	-	59,636
VIII. PROFITS (LOSSES) BROUGHT FORWARD	7,463,522	7,189,988
IX. NET PROFIT (LOSS) FOR THE YEAR	16,414,630	13,281,052
TOTAL SHAREHOLDERS' EQUITY	232,514,081	228,502,552
B) PROVISIONS FOR RISKS AND CHARGES		
1.- Provision for pension and similar liabilities	383,499	400,161
2.- Current and deferred taxes	41,979	3,828,080
3.- Others	5,210,680	3,740,443
TOTAL PROVISIONS FOR RISKS AND CHARGES	5,636,158	7,968,684
C) PROVISION FOR STAFF SEVERANCE PAY	1,320,640	1,382,978
D) PAYABLES		
7.- To suppliers	115,585,662	130,143,724
9.- To subsidiaries	16,615,161	17,184,670
11.- To parent companies	228,444,015	229,219,415
12.- Tax payables	3,175,121	3,161,665
13.- To social security institutions	216,769	243,743
14.- Others	406,337	413,473
TOTAL PAYABLES	364,443,065	380,366,690
E) ACCRUED EXPENSES AND DEFERRED INCOME	205,188	10,307
TOTAL LIABILITIES	604,119,132	618,231,211

Rai Cinema SpA**Memorandum accounts (in euros)**

	31.12.2008	31.12.2007
4.- Others	95,568,089	78,805,035
TOTAL MEMORANDUM ACCOUNTS	95,568,089	78,805,035

Rai Cinema SpA

Income Statement (in euros)

	31.12.2008	31.12.2007
A) PRODUCTION VALUE		
1.- Revenues from sales and services	365,936,887	363,935,618
2.- Changes in inventories of work in progress, semifinished and finished goods	125,935	91,986
5.- Other production-related income		
a) operating grants	519,093	1,931,145
b) gains on disposal of assets	7,800	-
c) other	7,261,591	7,856,825
Total other production-related income	7,788,484	9,787,970
TOTAL PRODUCTION VALUE	373,851,306	373,815,574
B) PRODUCTION COSTS		
6.- Raw materials, supplies, consumables and merchandise	(2,102,104)	(2,550,153)
7.- Services	(71,454,549)	(57,610,061)
8.- Use of third-party assets	(1,489,396)	(1,537,946)
9.- Personnel		
a) wages and salaries	(3,469,288)	(3,628,350)
b) social security contributions	(989,464)	(1,028,508)
c) staff severance pay provision	(256,474)	(258,584)
d) pension and similar costs	(121,343)	(105,367)
e) other costs	(24,636)	(60,524)
Total for personnel	(4,861,205)	(5,081,333)
10.- Amortisation, depreciation and writedowns		
a) amortisation of intangible assets	(243,104,281)	(253,265,303)
b) depreciation of tangible assets	(55,659)	(60,013)
c) other non-current asset writedowns	(10,405,947)	(9,509,794)
d) writedowns of current receivables, cash and cash equivalents	(261,448)	(312,590)
Total amortisation, depreciation and writedowns	(253,827,335)	(263,147,700)
12.- Provisions for risks	(582,452)	(616,305)
14.- Other operating costs		
c) other	(3,248,604)	(926,493)
Total miscellaneous operating costs	(3,248,604)	(926,493)
TOTAL PRODUCTION COSTS	(337,565,645)	(331,469,991)
Difference between production values and costs (A-B)	36,285,661	42,345,583
C) FINANCIAL INCOME AND CHARGES		
16.- Other financial income		
a) from non-current receivables		
. other	9,592	6,447
Total income from non-current receivables	9,592	6,447
d) financial income other than the above		
. interest and commissions from parent companies	29,688	182,153
. interest and commissions from others and miscellaneous income	8,257	88,379
Total financial income other than the above	37,945	270,533
Total other financial income	47,537	276,980
17.- Interest and other financial expense		
c) interest and commissions payable to parent companies	(11,404,525)	(11,022,591)
d) interest and commissions payable to others and miscellaneous charges	(47,306)	(40,727)
Total interest and other financial charges	(11,451,831)	(11,063,318)
17bis.- Foreign exchange gains and losses	(1,305,046)	(7,875,544)
TOTAL FINANCIAL INCOME AND CHARGES	(12,709,340)	(18,661,882)
D) VALUE ADJUSTMENTS TO FINANCIAL ASSETS	-	-
E) EXCEPTIONAL INCOME AND CHARGES		
20.- Income		
b) out-of-period gains and reversal of non-existent liabilities	3,273	201,098
c) other	1	2
Total Income	3,274	201,100
21.- Charges		
b) prior year taxes	(163,051)	(180,092)
c) other	(150,714)	0
Total expense	(313,765)	(180,092)
TOTAL EXCEPTIONAL INCOME AND CHARGES	(310,491)	21,008
Result before taxes (A-B+/-C+/-D+/-E)	23,265,830	23,704,709
22.- Current income taxes for the year and deferred tax charges and credits	(6,851,200)	(10,423,657)
23.- Net profit (loss) for the year	16,414,630	13,281,052

01 Distribution Srl

Name:	01 Distribution Srl
Date of incorporation:	27 June 2001
Objects:	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.
Share capital:	Euro 516,456.00 Rai Cinema SpA 100%
Employees:	27 on permanent contracts 1 on a fixed-term contract
Board of Directors	
Chairman:	Adriano Coni
Managing Director:	Filippo Roviglioni
Directors:	Caterina D'Amico Paola Malanga Paolo Del Brocco
Board Secretary:	Giuseppe Morazio
Board of Statutory Auditors	
Chairman:	Antonio Falsetti
Statutory Auditors in office:	Marco Buttarelli Enrico Laghi
Alternate Statutory Auditors:	Marco Tani Mauro Ianiro

01 Distribution Srl**Balance Sheet - Assets (in euros)**

	31.12.2008	31.12.2007
A) SUBSCRIBED CAPITAL UNPAID	-	-
B) NON-CURRENT ASSETS		
I. INTANGIBLE ASSETS		
4.- Concessions, licences, trademarks and similar rights	15,710	20,514
TOTAL INTANGIBLE ASSETS	15,710	20,514
II. TANGIBLE ASSETS		
2.- Plant and machinery	3,271	3,998
3.- Industrial and sales equipment	8,479	8,147
4.- Other assets	5,649	7,019
TOTAL TANGIBLE ASSETS	17,399	19,164
III. FINANCIAL ASSETS		
2.- Receivables		
d) from others		
. amounts due within one year	10,127	9,826
Total receivables	10,127	9,826
TOTAL NON-CURRENT FINANCIAL ASSETS	10,127	9,826
TOTAL NON-CURRENT ASSETS	43,236	49,504
C) CURRENT ASSETS		
I. INVENTORIES		
4.- Finished goods and merchandise	158,413	55,140
TOTAL INVENTORIES	158,413	55,140
II. RECEIVABLES		
1.- From customers	28,104,483	30,969,424
4.- From parent companies	16,622,178	17,184,670
4.bis- Tax receivables	3,694	-
4.ter- Deferred tax assets		
. amounts due within one year	-	8,652
. amounts due after one year	-	12,675
5.- Others	2,602,266	3,499,564
TOTAL RECEIVABLES	47,332,621	51,674,985
III. CURRENT FINANCIAL ASSETS	-	-
IV. CASH AND CASH EQUIVALENTS		
1.- Bank and post office deposits	22,418	1,095,794
3.- Cash and cash equivalents on hand	454	1,213
TOTAL CASH AND CASH EQUIVALENTS	22,872	1,097,007
TOTAL CURRENT ASSETS	47,513,906	52,827,132
D) ACCRUED INCOME AND PREPAID EXPENSES	10,036	2,036
TOTAL ASSETS	47,567,178	52,878,672

01 Distribution Srl**Balance Sheet - Liabilities (in euros)**

	31.12.2008	31.12.2007
A) SHAREHOLDERS' EQUITY		
I. Capital	516,456	516,456
IV. Legal reserve	3,793	2,823
VII. Other reserves	72,057	53,627
IX. Net profit (loss) for the year	69,957	19,400
TOTAL SHAREHOLDERS' EQUITY	662,263	592,306
B) PROVISIONS FOR RISKS AND CHARGES		
2.- Current and deferred taxes	-	28,095
TOTAL PROVISIONS FOR RISKS AND CHARGES	-	28,095
C) PROVISION FOR STAFF SEVERANCE PAY	414,964	334,290
D) PAYABLES		
7.- To suppliers	20,437,603	24,466,677
11.- To parent companies	25,435,315	27,023,439
12.- Tax payables	98,486	102,466
13.- To social security institutions	110,896	114,212
14.- Others	407,651	217,187
TOTAL PAYABLES	46,489,951	51,923,981
E) ACCRUED EXPENSES AND DEFERRED INCOME	-	-
TOTAL LIABILITIES	47,567,178	52,878,672

01 Distribution Srl**Memorandum accounts (in euros)**

	31.12.2008	31.12.2007
4.- Other	714,562	175,000
TOTAL MEMORANDUM ACCOUNTS	714,562	175,000

01 Distribution Srl

Income Statement (in euros)

	31.12.2008	31.12.2007
A) PRODUCTION VALUE		
1.- Revenues from sales and services	58,807,333	58,235,327
2.- Changes in inventories of work in progress, semifinished and finished goods	103,273	55,140
5.- Other production-related income		
a) operating grants	745,612	321,114
c) other	41,501,175	41,295,528
Total other production-related income	42,246,787	41,616,642
TOTAL PRODUCTION VALUE	101,157,393	99,907,109
B) PRODUCTION COSTS		
6.- Raw materials, supplies, consumables and merchandise	(77,833)	(87,188)
7.- Services	(94,944,605)	(94,315,468)
8.- Use of third-party assets	(1,296,422)	(1,620,368)
9.- Personnel		
a) wages and salaries	(1,841,167)	(1,705,161)
b) social security contributions	(521,750)	(470,054)
c) staff severance pay provision	(125,364)	(118,334)
d) pension and similar costs	(17,947)	(15,881)
e) other costs	(27,974)	(26,731)
Total for personnel	(2,534,202)	(2,336,161)
10.- Amortisation, depreciation and writedowns		
a) amortisation of intangible assets	(4,805)	(4,805)
b) depreciation of tangible assets	(5,864)	(5,499)
d) writedowns of current receivables, cash and cash equivalents	(199,260)	(227,974)
Total amortisation, depreciation and writedowns	(209,929)	(238,278)
14.- Other operating costs		
a) capital losses on disposals	(1,544)	-
c) other	(1,844,995)	(1,016,101)
Total miscellaneous operating costs	(1,846,539)	(1,016,101)
TOTAL PRODUCTION COSTS	(100,909,530)	(99,613,564)
Difference between production values and costs (A-B)	247,863	293,545
C) FINANCIAL INCOME AND CHARGES		
16.- Other financial income		
d) financial income other than the above		
. interest and commissions from parent companies	6,778	-
. interest and commissions from others and miscellaneous income	76,088	76,868
Total financial income other than the above	82,866	76,868
Total other financial income	82,866	76,868
17.- Interest and other financial charges		
c) interest and commissions payable to parent companies	(1,842)	-
d) interest and commissions payable to others and miscellaneous charges	(22,249)	(19,991)
Total interest and other financial charges	(24,091)	(19,991)
17bis.- Foreign exchange gains and losses	(1,478)	347
TOTAL FINANCIAL INCOME AND CHARGES	57,297	57,224
D) VALUE ADJUSTMENTS TO FINANCIAL ASSETS	-	-
E) EXCEPTIONAL INCOME AND CHARGES		
20.- Income		
b) out-of-period gains and reversal of non-existent liabilities	22,865	-
c) other	-	4
Total income	22,865	4
21.- Charges		
b) prior year taxes	(102)	(6,680)
Total charges	(102)	(6,680)
TOTAL EXCEPTIONAL INCOME AND CHARGES	22,763	(6,676)
Result before taxes (A-B+/-C+/-D+/-E)	327,923	344,093
22.- Current income taxes for the year and deferred tax charges and credits	(257,966)	(324,693)
23.- Net profit (loss) for the year	69,957	19,400

Rai Click SpA

Name:	Rai Click SpA	
Date of incorporation:	11 September 2000	
Objects:	The company's objects are the creation, distribution, broadcasting and sale of audiovisual and multimedia products, both interactive and non-interactive, through broadband Internet protocol networks.	
Share capital:	Euro 176,800 340,000 shares of par value 0.52 euros each Rai 99.94%; Rai Trade 0.06%	
Employees:	None	
Board of Directors	(until 19 December 2008)	(after 19 December 2008)
Chairman:	Franco Iseppi	Franco Iseppi
Managing Director:	Franco Iseppi	Franco Iseppi
Directors:	Alessandro Petazzi Stanislao Argenti Giovanni Moglia Roberto Sergio	Stanislao Argenti Roberto Sergio
Board Secretary:	Amedeo Alloggia	
Board of Statutory Auditors		
Chairman:	Vittorio Terrenghi	Alessandro Bognesi
Statutory Auditors in office:	Alessandro Bognesi Antonio D'Urso	Tullio Ciccolini Antonio D'Urso
Alternate Statutory Auditors:	Tullio Ciccolini Pierluigi Galbussera	

Rai Click SpA**Balance Sheet - Assets (in euros)**

	31.12.2008	31.12.2007
A) SUBSCRIBED CAPITAL UNPAID	-	-
B) NON-CURRENT ASSETS		
I. INTANGIBLE ASSETS	3,053	426,995
II. TANGIBLE ASSETS	5,188	7,517
III. FINANCIAL ASSETS	18,634	12,185
TOTAL NON-CURRENT ASSETS	26,875	446,697
C) CURRENT ASSETS		
I. INVENTORIES	-	-
II. RECEIVABLES	5,763,283	5,991,543
III. CURRENT FINANCIAL ASSETS	-	-
IV. CASH AND CASH EQUIVALENTS	-	-
TOTAL CURRENT ASSETS	5,763,283	5,991,543
D) ACCRUED INCOME AND PREPAID EXPENSES	1,299	83,474
TOTAL ASSETS	5,791,457	6,521,714

Rai Click SpA**Balance Sheet - Liabilities** (in euros)

	31.12.2008	31.12.2007
A) SHAREHOLDERS' EQUITY		
I. Share capital	176,800	176,800
II. Share premium reserve	2,462,422	3,174,656
IX. Net profit (loss) for the year	(1,228,526)	(712,234)
TOTAL SHAREHOLDERS' EQUITY	1,410,696	2,639,222
B) PROVISIONS FOR RISKS AND CHARGES	121,400	27,000
C) PROVISION FOR STAFF SEVERANCE PAY	-	-
D) PAYABLES	4,259,361	3,686,507
E) ACCRUED EXPENSES AND DEFERRED INCOME	-	168,986
TOTAL LIABILITIES	5,791,457	6,521,715

Rai Click SpA**Memorandum accounts** (in euros)

	31.12.2008	31.12.2007
4. - Others	2,308,972	1,360,014
TOTAL MEMORANDUM ACCOUNTS	2,308,972	1,360,014

Rai Click SpA**Income Statement (in euros)**

	31.12.2008	31.12.2007
A) PRODUCTION VALUE		
1.- Revenues from sales and services	7,542,798	5,897,870
5.- Other production-related income		
c) other	18,030	1,669
Total other production-related income	18,030	1,669
TOTAL PRODUCTION VALUE	7,560,828	5,899,539
B) PRODUCTION COSTS		
6.- Raw materials, supplies, consumables and merchandise	(4,528)	(5,461)
7.- Services	(8,157,107)	(6,580,879)
8.- Use of third-party assets	(3,795)	(4,542)
10.- Amortisation, depreciation and writedowns		
a) amortisation of intangible assets	(282,977)	(392,353)
b) depreciation of tangible assets	(2,329)	(2,742)
c) other non-current asset writedowns	(143,035)	-
d) writedowns of current receivables, cash and cash equivalents	(352,358)	(33,419)
Total amortisation, depreciation and writedowns	(780,699)	(428,514)
12.- Provisions for risks	(109,400)	-
14.- Other operating costs		
c) other	(42,643)	(17,353)
Total miscellaneous operating costs	(42,643)	(17,353)
TOTAL PRODUCTION COSTS	(9,098,172)	(7,036,749)
Difference between production values and costs (A-B)	(1,537,344)	(1,137,210)
C) FINANCIAL INCOME AND CHARGES		
16.- Other financial income		
d) financial income other than the above		
. interest and commissions from parent companies	41,786	81,340
. interest and commissions from others and miscellaneous income	508	4,159
Total financial income other than the above	42,294	85,499
Total other financial income	42,294	85,499
17.- Interest and other financial charges		
c) interest and commissions payable to parent companies	(1,847)	(125)
d) interest and commissions payable to others and miscellaneous charges	(283)	(220)
Total interest and other financial charges	(2,130)	(345)
TOTAL FINANCIAL INCOME AND CHARGES	40,164	85,154
D) VALUE ADJUSTMENTS TO FINANCIAL ASSETS	-	-
E) EXCEPTIONAL INCOME AND CHARGES	-	-
Result before taxes (A-B+/-C+/-D+/-E)	(1,497,180)	(1,052,056)
22.- Current income taxes for the year and deferred tax charges and credits	268,654	339,822
23.- Net profit (loss) for the year	(1,228,526)	(712,234)

Rai Corporation - Italian Radio TV System

Name:	Rai Corporation – Italian Radio TV System
Date of incorporation:	20 January 1960
Objects:	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.
Share capital:	US\$ 500,000 50,000 shares of par value US\$ 10 each Rai 100%
Ownership:	Rai Corporation Canada 100%
Employees:	47 on permanent contracts
Board of Directors:	
Chairman:	Fabrizio Maffei
Directors:	Filippo Bertolino Rubens Esposito
Board Secretary:	Guido Corso
General Manager	Guido Corso

The following financial statements have been drawn up in compliance with the Italian accounting principles.

Rai Corporation	Balance Sheet - Assets (in US dollars)	
	31.12.2008	31.12.2007
A) SUBSCRIBED CAPITAL UNPAID	-	-
B) NON-CURRENT ASSETS		
I. INTANGIBLE ASSETS		
7.- Others	4,485,681	4,842,242
TOTAL INTANGIBLE ASSETS	4,485,681	4,842,242
II. TANGIBLE ASSETS		
2. Plant and machinery	1,205,749	1,795,586
4.- Other assets	415,084	587,316
5.- Tangible assets under construction and payments on account	16,097	7,732
TOTAL TANGIBLE ASSETS	1,636,930	2,390,634
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	257,991	284,186
. amounts due after one year	69,801	70,255
Total receivables	327,792	354,441
TOTAL NON-CURRENT FINANCIAL ASSETS	328,792	355,441
TOTAL NON-CURRENT ASSETS	6,451,403	7,588,317
C) CURRENT ASSETS		
I. INVENTORIES	-	-
II. RECEIVABLES		
1.- From customers	89,793	51,161
4.- From parent companies	8,415,897	6,512,242
4.bis- Tax receivables	12,066	25,205
5.- Others	226,304	229,057
TOTAL RECEIVABLES	8,744,060	6,817,665
III. CURRENT FINANCIAL ASSETS	-	-
IV. CASH AND CASH EQUIVALENTS		
1.- Bank and post office deposits	442,838	803,542
3.- Cash and cash equivalents on hand	3,000	2,000
TOTAL CASH AND CASH EQUIVALENTS	445,838	805,542
TOTAL CURRENT ASSETS	9,189,898	7,623,207
D) ACCRUED INCOME AND PREPAID EXPENSES	-	-
TOTAL ASSETS	15,641,301	15,211,524

Rai Corporation**Balance Sheet - Liabilities** (in US dollars)

	31.12.2008	31.12.2007
A) SHAREHOLDERS' EQUITY		
I. Capital	500,000	500,000
VII. Other reserves	10,000,000	10,000,000
VIII. Profits (losses) brought forward	(761,018)	(579,636)
IX. Net profit (loss) for the year	161,601	(181,382)
TOTAL SHAREHOLDERS' EQUITY	9,900,583	9,738,982
B) PROVISIONS FOR RISKS AND CHARGES		
3.- Others	25,823	25,823
TOTAL PROVISIONS FOR RISKS AND CHARGES	25,823	25,823
C) PROVISION FOR STAFF SEVERANCE PAY	1,720,189	1,622,208
D) PAYABLES		
6.- Advances		
. amounts due within one year	79,431	64,909
. amounts due after one year	2,303,552	2,382,983
7.- To suppliers	793,823	683,211
9.- To subsidiaries	1,000	1,000
11.- To parent companies	156,905	156,291
12.- Tax payables	120,996	31,640
14.- Others	538,999	504,477
TOTAL PAYABLES	3,994,706	3,824,511
E) ACCRUED EXPENSES AND DEFERRED INCOME	-	-
TOTALE LIABILITIES	15,641,301	15,211,524

Rai Corporation**Memorandum accounts** (in US dollars)

	31.12.2008	31.12.2007
3.- Purchase and sale commitments	12,884,014	13,964,303
4.- Others	4,276,775	4,301,118
TOTAL MEMORANDUM ACCOUNTS	17,160,789	18,265,421

Rai Corporation

Income Statement (in US dollars)

	31.12.2008	31.12.2007
A) PRODUCTION VALUE		
1.- Revenues from sales and services	23,294,963	17,764,036
5.- Other production-related income		
c) other	49,341	125,799
Total other production-related income	49,341	125,799
TOTAL PRODUCTION VALUE	23,344,304	17,889,835
B) PRODUCTION COSTS		
6.- Raw materials, supplies, consumables and merchandise	(231,629)	(229,300)
7.- Services	(9,374,107)	(5,472,917)
8.- Use of third-party assets	(5,205,733)	(5,072,017)
9.- Personnel		
a) wages and salaries	(5,249,356)	(4,466,741)
b) social security contributions	(1,366,444)	(1,217,233)
c) staff severance pay provision	(116,968)	(44,185)
Total for personnel	(6,732,768)	(5,728,159)
10.- Amortisation, depreciation and writedowns		
a) amortisation of intangible assets	(378,968)	(376,645)
b) depreciation of tangible assets	(960,021)	(987,339)
Total amortisation, depreciation and writedowns	(1,338,989)	(1,363,984)
12.- Provisions for risks	-	(25,823)
14.- Other operating costs		
a) capital losses on disposals	(117)	-
c) other	(334,921)	(349,359)
Total miscellaneous operating costs	(335,038)	(349,359)
TOTAL PRODUCTION COSTS	(23,218,264)	(18,241,559)
Difference between production values and costs (A-B)	126,040	(351,724)
C) FINANCIAL INCOME AND CHARGES		
16.- Other financial income		
d) financial income other than the above		
. interest and commissions from parent companies	192,324	170,678
. interest and commissions from others and miscellaneous income	15,862	39,310
Total financial income other than the above	208,186	209,988
Total other financial income	208,186	209,988
17.- Interest and other financial charges		
d) interest and commissions payable to others and miscellaneous charges	(14,967)	(19,386)
Total interest and other financial charges	(14,967)	(19,386)
17bis.- Foreign exchange gains and losses	(628)	4,990
TOTAL FINANCIAL INCOME AND CHARGES	192,591	195,592
D) VALUE ADJUSTMENTS TO FINANCIAL ASSETS	-	-
E) EXCEPTIONAL INCOME AND CHARGES		
20.- Income		
b) out-of-period gains and reversal of non-existent liabilities	538	26
Total income	538	26
TOTAL EXCEPTIONAL INCOME AND CHARGES	538	26
Result before taxes (A-B+/-C+/-D+/-E)	319,169	(156,106)
22.- Current income taxes for the year, and deferred tax charges and credits	(157,568)	(25,276)
23.- Net profit (loss) for the year	161,601	(181,382)

Rai Corporation Canada - Italian Radio TV System

Name:	Rai Corporation Canada – Italian Radio TV System
Date of incorporation:	17 December 1986
Objects:	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.
Share capital:	Can\$ 1,394 1,000 shares of par value Can\$ 1.394 each Rai Corporation 100%
Employees:	None
Board of Directors	
Chairman:	Fabrizio Maffei
Directors:	Guido Corso Rita Carbone-Fleury (replacing Arnalda Bartoli from 07/04/2008)
Board Secretary:	Rita Carbone-Fleury
General Manager	Guido Corso

The following financial statements have been drawn up in compliance with the Italian accounting principles.

Rai Corporation Canada**Balance Sheet - Assets** (in Canadian dollars)

	31.12.2008	31.12.2007
A) SUBSCRIBED CAPITAL UNPAID	1,394	1,394
B) NON-CURRENT ASSETS		
I. INTANGIBLE ASSETS	-	-
II. TANGIBLE ASSETS	-	-
III. FINANCIAL ASSETS	-	-
TOTAL NON-CURRENT ASSETS	-	-
C) CURRENT ASSETS		
I. INVENTORIES	-	-
II. RECEIVABLES	-	-
III. CURRENT FINANCIAL ASSETS	-	-
IV. CASH AND CASH EQUIVALENTS	-	-
TOTAL CURRENT ASSETS	-	-
D) ACCRUED INCOME AND PREPAID EXPENSES	-	-
TOTAL ASSETS	1,394	1,394

Rai Corporation Canada**Balance Sheet - Liabilities** (in Canadian dollars)

	31.12.2008	31.12.2007
A) SHAREHOLDERS' EQUITY		
I. Capital	1,394	1,394
TOTAL SHAREHOLDERS' EQUITY	1,394	1,394
B) PROVISIONS FOR RISKS AND CHARGES	-	-
C) PROVISION FOR STAFF SEVERANCE PAY	-	-
D) PAYABLES	-	-
E) ACCRUED EXPENSES AND DEFERRED INCOME	-	-
TOTAL LIABILITIES	1,394	1,394

Rai Corporation Canada**Income Statement** (in Canadian dollars)

	31.12.2008	31.12.2007
A) PRODUCTION VALUE	-	-
B) PRODUCTION COSTS	-	-
C) FINANCIAL INCOME AND EXPENSE	-	-
D) VALUE ADJUSTMENTS TO FINANCIAL ASSETS	-	-
E) EXCEPTIONAL INCOME AND CHARGES	-	-
22.- Current income taxes for the year and deferred tax charges and credits	-	-
23.- Net profit (loss) for the year	-	-

NewCo Rai International SpA

Name:	NewCo Rai International SpA
Date of incorporation:	28 February 2003
Objects:	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.
Share capital:	Euro 500,000 500,000 shares of par value 1.00 euro each Rai 99.953994%; Rai Trade 0.046006%
Employees:	None
Board of Directors	
Chairman:	Pierluigi Malesani
Vice Chairman:	(office vacant)
Managing Director:	Carlo Sartori
Directors:	Alessio Gorla Luca Balestrieri Pietro Badaloni
Board of Statutory Auditors	
Chairman:	Tiziano Onesti
Statutory Auditors in office:	Giuseppe De Rosa Mario Amicone
Alternate Statutory Auditors:	Antonio Falsetti Eugenio Quaglia

NewCo Rai International SpA**Balance Sheet - Assets (in euros)**

	31.12.2008	31.12.2007
A) SUBSCRIBED CAPITAL UNPAID	-	-
B) NON-CURRENT ASSETS		
I. INTANGIBLE ASSETS	1,160,060	78,297
II. TANGIBLE ASSETS	892	-
III. FINANCIAL ASSETS	-	-
TOTAL NON-CURRENT ASSETS	1,160,952	78,297
C) CURRENT ASSETS		
I. INVENTORIES	-	-
II. RECEIVABLES	1,575,424	511,244
III. CURRENT FINANCIAL ASSETS	-	-
IV. CASH AND CASH EQUIVALENTS	-	-
TOTAL CURRENT ASSETS	1,575,424	511,244
D) ACCRUED INCOME AND PREPAID EXPENSES	4,650	70,760
TOTAL ASSETS	2,741,026	660,301

NewCo Rai International SpA**Balance Sheet - Liabilities** (in euros)

	31.12.2008	31.12.2007
A) SHAREHOLDERS' EQUITY		
I. Capital	500,000	500,000
VII. Other reserves	395,576	500,000
VIII. Profits (losses) brought forward	-	(211,907)
IX. Net profit (loss) for the year	(559,314)	(392,517)
TOTAL SHAREHOLDERS' EQUITY	336,262	395,576
B) PROVISIONS FOR RISKS AND CHARGES	-	-
C) PROVISION FOR STAFF SEVERANCE PAY	393	-
D) PAYABLES	2,404,371	264,725
E) ACCRUED EXPENSES AND DEFERRED INCOME	-	-
TOTAL LIABILITIES	2,741,026	660,301

NewCo Rai International SpA**Memorandum accounts** (in euros)

	31.12.2008	31.12.2007
4.- Others	561,114	23,016
TOTAL MEMORANDUM ACCOUNTS	561,114	23,016

NewCo Rai International SpA**Income Statement (in euros)**

	31.12.2008	31.12.2007
A) PRODUCTION VALUE		
1.- Revenues from sales and services	1,889,444	80,000
5.- Other production-related income		
c) other	110	-
Total other production-related income	110	-
TOTAL PRODUCTION VALUE	1,889,554	80,000
B) PRODUCTION COSTS		
6.- Raw materials, supplies, consumables and merchandise	(5,182)	(6,664)
7.- Services	(2,001,664)	(615,694)
8.- Use of third-party assets	(101,387)	-
9.- Personnel		
a) wages and salaries	(6,839)	-
b) social security contributions	(2,234)	-
c) staff severance pay provision	(393)	-
Total for personnel	(9,466)	-
10.- Amortisation, depreciation and writedowns		
a) amortisation of intangible assets	(26,566)	(19,965)
b) depreciation of tangible assets	(99)	-
Total amortisation, depreciation and writedowns	(26,665)	(19,965)
14.- Other operating costs		
c) other	(204,623)	(22,331)
Total miscellaneous operating costs	(204,623)	(22,331)
TOTAL PRODUCTION COSTS	(2,348,987)	(664,654)
Difference between production values and costs (A-B)	(459,433)	(584,654)
C) FINANCIAL INCOME AND CHARGES		
16.- Other financial income		
d) financial income other than the above		
. interest and commissions from parent companies	2,294	11,909
Total financial income other than the above	2,294	11,909
Total other financial income	2,294	11,909
17.- Interest and other financial charges		
c) interest and commissions payable to parent companies	(8,747)	-
d) interest and commissions payable to others and miscellaneous charges	(152)	(19)
Total interest and other financial charges	(8,899)	(19)
17bis.- Foreign exchange gains and losses	93	(24)
TOTAL FINANCIAL INCOME AND CHARGES	(6,512)	11,866
D) VALUE ADJUSTMENTS TO FINANCIAL ASSETS	-	-
E) EXCEPTIONAL INCOME AND CHARGES	-	-
Result before taxes (A-B+/-C+/-D+/-E)	(465,945)	(572,788)
22.- Current income taxes for the year and deferred tax charges and credits	(93,369)	180,271
23.- Net profit (loss) for the year	(559,314)	(392,517)

RaiNet SpA

Name:	RaiNet SpA
Date of incorporation:	23 June 1999
Objects:	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.
Share capital:	Euro 5,160,000 1,000,000 shares of par value 5.16 each Rai 99.9%; Rai Trade 0.1%
Employees:	45 on permanent contracts 14 on fixed-term contracts
Board of Directors	
Chairman:	Giampaolo Rossi
Vice Chairman:	(office vacant)
Managing Director:	Pietro Gaffuri
Directors:	Alessio Gorla Fabio Belli Silvia Calandrelli
Board Secretary:	Felice Ventura
Board of Statutory Auditors	
Chairman:	Guido Tronconi
Statutory Auditors in office:	Antonio Falsetti Enrico Laghi
Alternate Statutory Auditors:	Francesco Mariani Maria Eugenia Palombo

RaiNet SpA	Balance Sheet - Assets (in euros)	
	31.12.2008	31.12.2007
A) SUBSCRIBED CAPITAL UNPAID	-	-
B) NON-CURRENT ASSETS		
I. INTANGIBLE ASSETS		
3.- Industrial patents and intellectual property rights	137,786	51,810
TOTAL INTANGIBLE ASSETS	137,786	51,810
II. TANGIBLE ASSETS		
2. Plant and machinery	95,457	34,714
3.- Industrial and sales equipment	3,579	6,820
4.- Other assets	1,043,532	898,265
5.- Tangible assets under construction and payments on account	150	15,000
TOTAL TANGIBLE ASSETS	1,142,718	954,799
III. FINANCIAL ASSETS		
2.- Receivables		
d) from others	-	413
Total receivables	-	413
TOTAL NON-CURRENT FINANCIAL ASSETS	-	413
TOTAL NON-CURRENT ASSETS	1,280,504	1,007,022
C) CURRENT ASSETS		
I. INVENTORIES	-	-
II. RECEIVABLES		
1.- From customers	1,569,189	1,766,472
4.- From parent companies	14,712,677	9,681,740
4.bis- Tax receivables	12,374	6,648
5.- Others	32,430	10,195
TOTAL RECEIVABLES	16,326,670	11,465,055
III. CURRENT FINANCIAL ASSETS	-	-
IV. CASH AND CASH EQUIVALENTS	-	-
TOTAL CURRENT ASSETS	16,326,670	11,465,055
D) ACCRUED INCOME AND PREPAID EXPENSES	361,150	288,279
TOTAL ASSETS	17,968,324	12,760,356

RaiNet SpA**Balance Sheet - Liabilities (in euros)**

	31.12.2008	31.12.2007
A) SHAREHOLDERS' EQUITY		
I. Share capital	5,160,000	5,160,000
IV. Legal reserve	131,025	83,663
VIII. Profits (losses) brought forward	1,028,045	128,177
IX. Net profit (loss) for the year	1,626,161	947,229
TOTAL SHAREHOLDERS' EQUITY	7,945,231	6,319,069
B) PROVISIONS FOR RISKS AND CHARGES		
3.- Others	990,736	890,243
TOTAL PROVISIONS FOR RISKS AND CHARGES	990,736	890,243
C) PROVISION FOR STAFF SEVERANCE PAY	548,592	666,005
D) PAYABLES		
6.- Advances	-	52,944
7.- To suppliers	3,179,836	1,595,233
11.- To parent companies	4,666,938	2,398,376
12.- Tax payables	99,231	155,952
13.- To social security institutions	146,065	222,058
14.- Others	315,148	371,824
TOTAL PAYABLES	8,407,218	4,796,387
E) ACCRUED EXPENSES AND DEFERRED INCOME	76,547	88,652
TOTAL LIABILITIES	17,968,324	12,760,356

RaiNet SpA**Memorandum accounts (in euros)**

	31.12.2008	31.12.2007
4.- Others	5,500	446,188
TOTAL MEMORANDUM ACCOUNTS	5,500	446,188

RaiNet SpA**Income Statement (in euros)**

	31.12.2008	31.12.2007
A) PRODUCTION VALUE		
1.- Revenues from sales and services	14,766,534	13,932,282
5.- Other production-related income		
c) other	958,711	332,369
Total other production-related income	958,711	332,369
TOTAL PRODUCTION VALUE	15,725,245	14,264,651
B) PRODUCTION COSTS		
6.- Raw materials, supplies, consumables and merchandise	(98,736)	(45,732)
7.- Services	(9,145,412)	(8,065,941)
8.- Use of third-party assets	(117,144)	(101,303)
9.- Personnel		
a) wages and salaries	(2,829,462)	(2,885,025)
b) social security contributions	(780,866)	(806,665)
c) staff severance pay provision	(197,774)	(211,241)
d) pension and similar costs	(51,788)	(43,567)
e) other costs	(113,000)	(362,865)
Total for personnel	(3,972,890)	(4,309,363)
10.- Amortisation, depreciation and writedowns		
a) amortisation of intangible assets	(96,735)	(76,253)
b) depreciation of tangible assets	(385,023)	(308,666)
d) writedowns of current receivables, cash and cash equivalents	(70,000)	(120,000)
Total amortisation, depreciation and writedowns	(551,758)	(504,919)
12.- Provisions for risks	(25,000)	(122,134)
13.- Other provisions	(4,000)	-
14.- Other operating costs		
c) other	(97,760)	(77,271)
Total miscellaneous operating costs	(97,760)	(77,271)
TOTAL PRODUCTION COSTS	(14,012,700)	(13,226,663)
Difference between production values and costs (A-B)	1,712,545	1,037,988
C) FINANCIAL INCOME AND CHARGES		
16.- Other financial income		
d) financial income other than the above		
. interest and commissions from parent companies	225,301	196,734
Total financial income other than the above	225,301	196,734
Total other financial income	225,301	196,734
17.- Interest and other financial expense		
c) interest and commissions payable to parent companies	(111)	-
d) interest and commissions payable to others and miscellaneous charges	(353)	(832)
Total interest and other financial charges	(464)	(832)
17bis.- Foreign exchange gains and losses	9	(15)
TOTAL FINANCIAL INCOME AND CHARGES	224,846	195,887
D) VALUE ADJUSTMENTS TO FINANCIAL ASSETS	-	-
E) EXCEPTIONAL INCOME AND CHARGES		
20.- Income		
b) out-of-period gains and reversal of non-existent liabilities	18,171	13,354
Total income	18,171	13,354
21.- Charges		
c) other	(68,401)	-
Total charges	(68,401)	-
TOTAL EXCEPTIONAL INCOME AND CHARGES	(50,230)	13,354
Result before taxes (A-B+/-C+/-D+/-E)	1,887,161	1,247,229
22.- Current income taxes for the year and deferred tax charges and credits	(261,000)	(300,000)
23.- Net profit (loss) for the year	1,626,161	947,229

RaiSat SpA

Name:	RaiSat SpA
Date of incorporation:	29 July 1998
Objects:	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.
Share capital:	Euro 2,585,000 500,000 shares of par value 5.17 euros each Rai 94.9%; Rai Trade 0.1%; minorities 5.0%
Employees:	76 on permanent contracts 37 on fixed-term contracts
Board of Directors	
Chairman:	Carlo Freccero
Vice Chairman:	Pasquale D'Alessandro
Managing Director:	Lorenzo Vecchione
Directors:	Barbara Poggiali Fabio Belli Giancarlo Leone Luca Balestrieri
Board Secretary:	Valentina Del Pezzo (replacing Alessandro Brunati from 9/12/2008)
General Manager	Giuseppe Gentili
Board of Statutory Auditors	
Chairman:	Paolo Germani
Statutory Auditors in office:	Antonino Parisi Roberto Munno
Alternate Statutory Auditors:	Antonio Santi Giovanni Naccarato

RaiSat SpA

Balance Sheet - Assets (in euros)

	31.12.2008	31.12.2007
A) SUBSCRIBED CAPITAL UNPAID	-	-
B) NON-CURRENT ASSETS		
I. INTANGIBLE ASSETS		
3.- Industrial patents and intellectual property rights	10,006,310	7,611,978
4.- Concessions, licences, trademarks and similar rights	39,382	64,965
6.- Intangible assets under development and payments on account	1,221,032	448,218
7.- Others	-	8,774
TOTAL INTANGIBLE ASSETS	11,266,724	8,133,935
II. TANGIBLE ASSETS		
2. Plant and machinery	83,043	77,022
3.- Industrial and sales equipment	22,822	34,590
4.- Other assets	31,410	50,420
TOTAL TANGIBLE ASSETS	137,275	162,032
III. FINANCIAL ASSETS		
2.- Receivables		
d) from others	11,505	11,505
Total receivables	11,505	11,505
TOTAL NON-CURRENT FINANCIAL ASSETS	11,505	11,505
TOTAL NON-CURRENT ASSETS	11,415,504	8,307,472
C) CURRENT ASSETS		
I. INVENTORIES		
4.- Finished goods and merchandise	58,385	58,385
TOTAL INVENTORIES	58,385	58,385
II. RECEIVABLES		
1.- From customers	18,589,397	18,610,772
4.- From parent companies	13,167,090	9,874,248
4.bis- Tax receivables	1,031	1,031
4.ter- Deferred tax assets		
. amounts due within one year	109,768	87,078
. amounts due after one year	454,072	371,229
5.- Others	104,893	570,755
TOTAL RECEIVABLES	32,426,251	29,515,113
III. CURRENT FINANCIAL ASSETS	-	-
IV. CASH AND CASH EQUIVALENTS		
3.- Cash and cash equivalents on hand	1,682	1,946
TOTAL CASH AND CASH EQUIVALENTS	1,682	1,946
TOTAL CURRENT ASSETS	32,486,318	29,575,444
D) ACCRUED INCOME AND PREPAID EXPENSES	597,065	156,319
TOTAL ASSETS	44,498,887	38,039,235

RaiSat SpA**Balance Sheet - Liabilities (in euros)**

	31.12.2008	31.12.2007
A) SHAREHOLDERS' EQUITY		
I. Share capital	2,585,000	2,585,000
IV. Legal reserve	639,187	639,187
VII. Other reserves	3,499,162	1,531,510
IX. Net profit (loss) for the year	6,958,121	5,567,652
TOTAL SHAREHOLDERS' EQUITY	13,681,470	10,323,349
B) PROVISIONS FOR RISKS AND CHARGES		
1.- Provision for pension and similar liabilities	7,022	7,022
2.- Current and deferred taxes	8,510	786,972
3.- Others	1,684,142	1,398,240
TOTAL PROVISIONS FOR RISKS AND CHARGES	1,699,674	2,192,234
C) PROVISION FOR STAFF SEVERANCE PAY	907,627	893,282
D) PAYABLES		
7.- To suppliers	14,957,918	11,479,102
11.- To parent companies	10,802,715	11,213,845
12.- Tax payables	706,069	385,413
13.- To social security institutions	780,140	676,123
14.- Others	941,743	770,787
TOTAL PAYABLES	28,188,585	24,525,270
E) ACCRUED EXPENSES AND DEFERRED INCOME	21,531	105,100
TOTAL LIABILITIES	44,498,887	38,039,235

RaiSat SpA**Memorandum accounts (in euros)**

	31.12.2008	31.12.2007
3.- Purchase and sale commitments	7,009,201	3,044,199
4.- Others	659,767	167,437
TOTAL MEMORANDUM ACCOUNTS	7,668,968	3,211,636

RaiSat SpA

Income Statement (in euros)

	31.12.2008	31.12.2007
A) PRODUCTION VALUE		
1.- Revenues from sales and services	71,490,735	62,364,939
2.- Changes in inventories of work in progress, semifinished and finished goods	-	58,385
5.- Other production-related income		
c) other	1,085,488	1,448,671
Total other production-related income	1,085,488	1,448,671
TOTAL PRODUCTION VALUE	72,576,223	63,871,995
B) PRODUCTION COSTS		
6.- Raw materials, supplies, consumables and merchandise	(223,606)	(272,276)
7.- Services	(27,073,759)	(24,641,844)
8.- Use of third-party assets	(12,358,892)	(9,889,980)
9.- Personnel		
a) wages and salaries	(5,058,214)	(4,771,125)
b) social security contributions	(1,771,709)	(1,787,527)
c) staff severance pay provision	(321,792)	(275,255)
d) pension and similar costs	(71,638)	(62,110)
e) other costs	(20,967)	(20,477)
Total for personnel	(7,244,320)	(6,916,494)
10.- Amortisation, depreciation and writedowns		
a) amortisation of intangible assets	(12,846,947)	(9,158,758)
b) depreciation of tangible assets	(62,735)	(72,154)
d) writedowns of current receivables, cash and cash equivalents	(94,935)	(94,385)
Total amortisation, depreciation and writedowns	(13,004,617)	(9,325,297)
12.- Provisions for risks	(324,055)	(482,147)
14.- Other operating costs		
c) other	(1,590,675)	(1,816,190)
Total miscellaneous operating costs	(1,590,675)	(1,816,190)
TOTAL PRODUCTION COSTS	(61,819,924)	(53,344,228)
Difference between production values and costs (A-B)	10,756,299	10,527,767
C) FINANCIAL INCOME AND CHARGES		
16.- Other financial income		
d) financial income other than the above		
. interest and commissions from parent companies	68,378	5,759
Total financial income other than the above	68,378	5,759
Total other financial income	68,378	5,759
17.- Interest and other financial charges		
c) interest and commissions payable to parent companies	(111,999)	(265,813)
d) interest and commissions payable to others and miscellaneous charges	(18,269)	(9,825)
Total interest and other financial charges	(130,268)	(275,638)
17bis.- Foreign exchange gains and losses	15,951	(13,495)
TOTAL FINANCIAL INCOME AND CHARGES	(45,939)	(283,374)
D) VALUE ADJUSTMENTS TO FINANCIAL ASSETS	-	-
E) EXCEPTIONAL INCOME AND CHARGES		
20.- Income		
b) out-of-period gains and reversal of non-existent liabilities	5,615	-
c) other	2	-
Total income	5,617	-
21.- Charges		
b) prior year taxes	-	(22,776)
c) other	-	(1)
Total charges	-	(22,777)
TOTAL EXCEPTIONAL INCOME AND CHARGES	5,617	(22,777)
Result before taxes (A-B+/-C+/-D+/-E)	10,715,977	10,221,616
22.- Current income taxes for the year and deferred tax charges and credits	(3,757,856)	(4,653,964)
23.- Net profit (loss) for the year	6,958,121	5,567,652

Rai Trade SpA

Name:	Rai Trade SpA
Date of incorporation:	27 June 1997
Objects:	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.
Share capital:	Euro 8,000,000 100,000 shares of par value 80 euros each Rai 100%
Ownership:	Immobiliare Editori Giornali Srl 1.75% Rai Cinema SpA 0.002322% RaiNet SpA 0.1% Rai Way SpA 0.00074% RaiSat SpA 0.1% Rai Click SpA 0.06% NewCo Rai International SpA 0.046006%
Employees:	89 on permanent contracts 6 on fixed-term contracts
Board of Directors	
Chairman:	Renato Parascandolo
Vice Chairman:	Alba Calia
Managing Director:	Carlo Nardello
Directors:	Adriano Coni Barbara La Porta Scaramucci Giuseppe Pasciucco Michele Lo Foco (replacing Deborah Bergamini from 16/04/2008)
Board Secretary:	Marco Fioretti
Board of Statutory Auditors	
Chairman:	Carlo Cesare Gatto
Statutory Auditors in office:	Antonio Falsetti Nicola Ceconato
Alternate Statutory Auditors:	Mauro Liberatori Pier Luca Tabellini

Rai Trade SpA**Balance Sheet - Assets (in euros)**

	31.12.2008	31.12.2007
A) SUBSCRIBED CAPITAL UNPAID	-	-
B) NON-CURRENT ASSETS		
I. INTANGIBLE ASSETS		
3.- Industrial patents and intellectual property rights	219,230	777,906
4.- Concessions, licences, trademarks and similar rights	93,692	100,732
6.- Intangible assets under development and payments on account	1,045,104	924,600
7.- Others	161,866	132,198
TOTAL INTANGIBLE ASSETS	1,519,892	1,935,436
II. TANGIBLE ASSETS		
2. Plant and machinery	615,017	743,510
4. Other assets	328,267	418,576
TOTAL TANGIBLE ASSETS	943,284	1,162,086
III. FINANCIAL ASSETS		
1.- Equity investments in:		
d) other companies	32,406	32,176
Total equity investments	32,406	32,176
2.- Receivables		
d) from others		
. amounts due within one year	391,673	386,000
. amounts due after one year	81,396	351,879
Total receivables	473,069	737,879
TOTAL NON-CURRENT FINANCIAL ASSETS	505,475	770,055
TOTAL NON-CURRENT ASSETS	2,968,651	3,867,577
C) CURRENT ASSETS		
I. INVENTORIES		
3.- Contract work in progress	23,311	22,904
4.- Finished goods and merchandise	347,091	603,545
TOTAL INVENTORIES	370,402	626,449
II. RECEIVABLES		
1.- From customers		
. amounts due within one year	49,340,032	40,694,839
. amounts due after one year	157,500	-
4.- From parent companies	14,601,141	15,128,446
4.bis- Tax receivables	30,521	1,354,009
4.ter- Deferred tax assets		
. amounts due within one year	1,323,317	1,770,986
. amounts due after one year	140,398	187,400
5.- Others		
. amounts due within one year	3,502,662	3,740,642
. amounts due after one year	1,750,000	2,550,000
TOTAL RECEIVABLES	70,845,571	65,426,322
III. CURRENT FINANCIAL ASSETS	-	-
IV. CASH AND CASH EQUIVALENTS		
1.- Bank and post office deposits	334	441
3.- Cash and cash equivalents on hand	8,455	7,962
TOTAL CASH AND CASH EQUIVALENTS	8,789	8,403
TOTAL CURRENT ASSETS	71,224,762	66,061,174
D) ACCRUED INCOME AND PREPAID EXPENSES	838,552	796,529
TOTAL ASSETS	75,031,965	70,725,280

Rai Trade SpA**Balance Sheet - Liabilities (in euros)**

	31.12.2008	31.12.2007
A) SHAREHOLDERS' EQUITY		
I. Share capital	8,000,000	8,000,000
IV. Legal reserve	1,600,000	1,600,000
VII. Other reserves	6,062,764	6,011,549
IX. Net profit (loss) for the year	2,626,529	1,751,212
TOTAL SHAREHOLDERS' EQUITY	18,289,293	17,362,761
B) PROVISIONS FOR RISKS AND CHARGES		
3.- Others	5,290,795	4,660,923
TOTAL PROVISIONS FOR RISKS AND CHARGES	5,290,795	4,660,923
C) PROVISION FOR STAFF SEVERANCE PAY	1,907,638	1,912,136
D) PAYABLES		
4.- Due to banks	-	86
6.- Advances	3,958,796	3,900,738
7.- To suppliers	25,641,469	26,672,644
11.- To parent companies	14,349,968	10,888,185
12.- Tax payables	275,374	206,430
13.- To social security institutions	380,555	423,088
14.- Others	4,938,077	4,698,289
TOTAL PAYABLES	49,544,239	46,789,460
E) ACCRUED EXPENSES AND DEFERRED INCOME	-	-
TOTAL LIABILITIES	75,031,965	70,725,280

Rai Trade SpA**Memorandum accounts (in euros)**

	31.12.2008	31.12.2007
3.- Purchase and sale commitments	35,845,135	32,049,137
4.- Others	7,844,405	5,323,451
TOTAL MEMORANDUM ACCOUNTS	43,689,540	37,372,588

Rai Trade SpA

Income Statement (in euros)

	31.12.2008	31.12.2007
A) PRODUCTION VALUE		
1.- Revenues from sales and services	77,361,749	78,328,453
2.- Changes in inventories of work in progress, semifinished and finished goods	(255,938)	221,864
3.- Changes in work contracts in progress	408	4,936
5.- Other production-related income		
b) gains on disposal of assets	94	57
c) other	3,814,449	3,412,738
Total other production-related income	3,814,543	3,412,795
TOTAL PRODUCTION VALUE	80,920,762	81,968,048
B) PRODUCTION COSTS		
6.- Raw materials, supplies, consumables and merchandise	(692,418)	(791,838)
7.- Services	(42,234,679)	(42,417,685)
8.- Use of third-party assets	(11,060,074)	(11,549,677)
9.- Personnel		
a) wages and salaries	(4,490,440)	(4,577,658)
b) social security contributions	(1,423,409)	(1,506,767)
c) staff severance pay provision	(353,185)	(360,072)
d) pension and similar costs	(263,056)	(137,117)
e) other costs	(53,771)	(30,657)
Total for personnel	(6,583,861)	(6,612,271)
10.- Amortisation, depreciation and writedowns		
a) amortisation of intangible assets	(11,105,715)	(11,594,888)
b) depreciation of tangible assets	(339,174)	(328,374)
c) other non-current asset writedowns	(14,193)	(457,470)
d) writedowns of current receivables, cash and cash equivalents	(624,680)	(418,433)
Total amortisation, depreciation and writedowns	(12,083,762)	(12,799,165)
11.- Changes in inventories of raw materials, supplies, consumables and merchandise	(516)	-
12.- Provisions for risks	(521,000)	(873,430)
14.- Other operating costs		
a) capital losses on disposals	-	(211,419)
c) other	(1,213,174)	(1,824,883)
Total miscellaneous operating costs	(1,213,174)	(2,036,302)
TOTAL PRODUCTION COSTS	(74,389,484)	(77,080,368)
Difference between production values and costs (A-B)	6,531,278	4,887,680
C) FINANCIAL INCOME AND CHARGES		
15.- Income from equity investments		
c) dividends from other companies	3,888	3,001
Total income for equity investments	3,888	3,001
16.- Other financial income		
d) financial income other than the above		
. interest and commissions from parent companies	306,028	266,166
. interest and commissions from others and miscellaneous income	25	5,405
Total financial income other than the above	306,053	271,571
Total other financial income	306,053	271,571
17.- Interest and other financial charges		
c) interest and commissions payable to parent companies	-	(34,399)
d) interest and commissions payable to others and miscellaneous charges	(18,952)	(18,228)
Total interest and other financial charges	(18,952)	(52,627)
17bis.- Foreign exchange gains and losses	120,647	(156,169)
TOTAL FINANCIAL INCOME AND CHARGES	411,636	65,776
D) VALUE ADJUSTMENTS TO FINANCIAL ASSETS		
19.- Writedowns		
b) of non-current securities other than equity investments	(1,018,976)	(1,022,905)
Total writedowns	(1,018,976)	(1,022,905)
TOTAL VALUE ADJUSTMENTS TO FINANCIAL ASSETS	(1,018,976)	(1,022,905)
E) EXCEPTIONAL INCOME AND CHARGES		
20.- Income		
c) other	1	-
Total income	1	-
21.- Charges		
b) prior year taxes	(68,067)	(101,090)
c) other	-	(3)
Total charges	(68,067)	(101,093)
TOTAL EXCEPTIONAL INCOME AND CHARGES	(68,066)	(101,093)
Result before taxes (A-B+/-C+/-D+/-E)	5,855,872	3,829,458
22.- Current income taxes for the year and deferred tax charges and credits	(3,229,343)	(2,078,246)
23.- Net profit (loss) for the year	2,626,529	1,751,212

Rai Way SpA

Name:	Rai Way SpA
Date of incorporation:	29 July 1999
Objects:	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.
Share capital:	Euro 70,176,000 13,600,000 shares of par value 5.16 euros each Rai 99.99926%; Rai Trade 0.00074%
Employees:	656 on permanent contracts 35 on fixed-term contracts
Board of Directors	
Chairman:	Francesco De Domenico
Vice Chairman:	Franco Modugno
Managing Director:	Stefano Ciccotti
Directors:	Cesare Tullio Bossetti Giovanni Galoppi Luca Balestrieri Marco Zuppi (replacing Benito Benassi from 21/04/2008)
Board Secretary:	Enrico Alfonsi
General Manager	Aldo Mancino
Board of Statutory Auditors	
Chairman:	Giulio Andreani
Statutory Auditors in office:	Maurizio Mancianti Pietro Pilello
Alternate Statutory Auditors:	Marcello Ronconi Roberto Munno

Rai Way SpA

Balance Sheet - Assets (in euros)

	31.12.2008	31.12.2007
A) SUBSCRIBED CAPITAL UNPAID	-	-
B) NON-CURRENT ASSETS		
I. INTANGIBLE ASSETS		
3.- Industrial patents and intellectual property rights	397,942	876,707
6.- Intangible assets under development and payments on account	2,973,316	2,060,902
7.- Others	218,257	90,487
TOTAL INTANGIBLE ASSETS	3,589,515	3,028,096
II. TANGIBLE ASSETS		
1.- Land and buildings	41,862,527	41,070,383
2.- Plant and machinery	88,256,138	77,850,909
3.- Industrial and sales equipment	6,201,534	3,392,960
4.- Other assets	141,029	87,307
5.- Tangible assets under construction and payments on account	57,555,068	48,885,470
TOTAL TANGIBLE ASSETS	194,016,296	171,287,029
III. FINANCIAL ASSETS		
2.- Receivables		
d) from others		
. amounts due within one year	64,853	-
. amounts due after one year	171,891	514,149
Total receivables	236,744	514,149
TOTAL NON-CURRENT FINANCIAL ASSETS	236,744	514,149
TOTAL NON-CURRENT ASSETS	197,842,555	174,829,274
C) CURRENT ASSETS		
I. INVENTORIES		
1.- Raw materials, supplies and consumables	1,865,494	2,188,003
3.- Contract work in progress	669,360	117,559
TOTAL INVENTORIES	2,534,854	2,305,562
II. RECEIVABLES		
1.- From customers	8,549,456	10,659,079
4.- From parent companies	54,131,594	78,829,871
4.bis- Tax receivables	310,295	446,054
4.ter- Deferred tax assets	1,713,234	3,147,530
5.- Others	422,044	507,409
TOTAL RECEIVABLES	65,126,623	93,589,943
III. CURRENT FINANCIAL ASSETS	-	-
IV. CASH AND CASH EQUIVALENTS	-	-
TOTAL CURRENT ASSETS	67,661,477	95,895,505
D) ACCRUED INCOME AND PREPAID EXPENSES	909,074	688,989
TOTAL ASSETS	266,413,106	271,413,768

Rai Way SpA**Balance Sheet - Liabilities (in euros)**

	31.12.2008	31.12.2007
A) SHAREHOLDERS' EQUITY		
I. Share capital	70,176,000	70,176,000
IV. Legal reserve	2,431,612	2,101,612
VII. Other reserves	28,925,577	22,661,010
IX. Net profit (loss) for the year	19,724,436	6,594,567
TOTAL SHAREHOLDERS' EQUITY	121,257,625	101,533,189
B) PROVISIONS FOR RISKS AND CHARGES		
1.- Provision for pension and similar liabilities	799,638	802,117
2.- Current and deferred taxes	1,034,326	14,800,658
3.- Others	17,846,851	16,343,195
TOTAL PROVISIONS FOR RISKS AND CHARGES	19,680,815	31,945,970
C) PROVISION FOR STAFF SEVERANCE PAY	22,927,215	23,846,880
D) PAYABLES		
7.- To suppliers	70,614,897	54,984,439
11.- To parent companies	15,468,405	48,329,046
12.- Tax payables	7,520,036	1,834,850
13.- To social security institutions	2,095,791	2,236,038
14.- Others	5,732,000	5,217,955
TOTAL PAYABLES	101,431,129	112,602,328
E) ACCRUED EXPENSES AND DEFERRED INCOME	1,116,322	1,485,401
TOTAL LIABILITIES	266,413,106	271,413,768

Rai Way SpA**Memorandum accounts (in euros)**

	31.12.2008	31.12.2007
3.- Purchase and sale commitments	-	10,000,000
4.- Others	32,413,261	31,341,995
TOTAL MEMORANDUM ACCOUNTS	32,413,261	41,341,995

Rai Way SpA

Income Statement (in euros)

	31.12.2008	31.12.2007
A) PRODUCTION VALUE		
1.- Revenues from sales and services	194,576,964	187,905,027
3.- Changes in work contracts in progress	551,801	(582,602)
4.- Internal cost capitalisations	1,975,731	355,375
5.- Other production-related income		
a) operating grants	202,043	209,710
b) gains on disposal of assets	52	-
c) other	5,342,798	2,735,830
Total other production-related income	5,544,893	2,945,540
TOTAL PRODUCTION VALUE	202,649,389	190,623,340
B) PRODUCTION COSTS		
6.- Raw materials, supplies, consumables and merchandise	(2,787,335)	(2,903,872)
7.- Services	(46,626,055)	(46,209,898)
8.- Use of third-party assets	(39,133,828)	(39,725,677)
9.- Personnel		
a) wages and salaries	(35,203,805)	(34,636,090)
b) social security contributions	(9,358,286)	(9,138,212)
c) staff severance pay provision	(2,693,603)	(2,814,813)
d) pension and similar costs	(895,411)	(904,979)
e) other costs	(250,925)	(841,285)
Total for personnel	(48,402,030)	(48,335,379)
10.- Amortisation, depreciation and writedowns		
a) amortisation of intangible assets	(1,287,155)	(1,397,564)
b) depreciation of tangible assets	(33,793,400)	(33,086,245)
d) writedowns of current receivables, cash and cash equivalents	(160,000)	(96,000)
Total amortisation, depreciation and writedowns	(35,240,555)	(34,579,809)
11.- Changes in inventories of raw materials, supplies, consumables and merchandise	(322,508)	65,471
12.- Provisions for risks	(2,063,000)	(210,000)
13.- Other provisions	(662,147)	(1,330,033)
14.- Other operating costs		
a) capital losses on disposals	(179,218)	(79,016)
c) other	(4,438,803)	(4,086,087)
Total miscellaneous operating costs	(4,618,021)	(4,165,103)
TOTAL PRODUCTION COSTS	(179,855,479)	(177,394,300)
Difference between production values and costs (A-B)	22,793,910	13,229,040
C) FINANCIAL INCOME AND EXPENSE		
16.- Other financial income		
a) from non-current receivables		
. other	5,641	10,201
Total income from non-current receivables	5,641	10,201
d) financial income other than the above		
. interest and commissions from parent companies	38,579	9
. interest and commissions from others and miscellaneous income	2,772	28
Total financial income other than the above	41,351	37
Total other financial income	46,992	10,238
17.- Interest and other financial expense		
c) interest and commissions payable to parent companies	(586,567)	(1,382,062)
d) interest and commissions payable to others and miscellaneous charges	(81,784)	(31,251)
Total interest and other financial charges	(668,351)	(1,413,313)
17bis.- Foreign exchange gains and losses	3,600	28,076
TOTAL FINANCIAL INCOME AND CHARGES	(617,759)	(1,374,999)
D) VALUE ADJUSTMENTS TO FINANCIAL ASSETS	-	-
E) EXCEPTIONAL INCOME AND CHARGES		
20.- Income		
b) out-of-period gains and reversal of non-existent liabilities	243,515	305,212
Total income	243,515	305,212
21.- Charges		
b) prior year taxes	-	(392,486)
c) other	(1,504,622)	-
Total charges	(1,504,622)	(392,486)
TOTAL EXCEPTIONAL INCOME AND CHARGES	(1,261,107)	(87,274)
Result before taxes (A-B+/-C+/-D+/-E)	20,915,044	11,766,767
22.- Current income taxes for the year and deferred tax charges and credits	(1,190,608)	(5,172,200)
23.- Net profit (loss) for the year	19,724,436	6,594,567

Sacis SpA - Commerciale Iniziative Spettacolo

(in liquidation – resolution of 23 January 1998)

Name:	Sacis SpA - Commerciale Iniziative Spettacolo
Date of incorporation:	4 June 1955
Objects:	The company's objects are to engage in activities pertinent to show business.
Share capital:	Euro 102,000 200,000 shares of par value 0.51 euros each Rai 100%
Employees:	None
Liquidator:	Eugenio Quaglia
Board of Statutory Auditors	
Chairman:	Roberto Ascoli
Statutory Auditors in office:	Michele Giura Francesco Mariani
Alternate Statutory Auditors:	Paolo Saraceno Pier Giorgio Tomassetti

Sacis SpA**Balance Sheet - Assets (in euros)**

	31.12.2008	31.12.2007
A) SUBSCRIBED CAPITAL UNPAID	-	-
B) NON-CURRENT ASSETS		
I. INTANGIBLE ASSETS	-	-
II. TANGIBLE ASSETS	-	-
III. FINANCIAL ASSETS		
2.- Receivables		
d) from others	-	36,152
Total receivables	-	36,152
TOTAL NON-CURRENT FINANCIAL ASSETS	-	36,152
TOTAL NON-CURRENT ASSETS	-	36,152
C) CURRENT ASSETS		
I. INVENTORIES	-	-
II. RECEIVABLES		
1.- From customers	10,329	10,329
4.- From parent companies	5,154,232	5,286,599
4.bis- Tax receivables	13,643	36,481
5.- Others	1,446	1,446
TOTAL RECEIVABLES	5,179,650	5,334,855
III. CURRENT FINANCIAL ASSETS	-	-
IV. CASH AND CASH EQUIVALENTS		
3.- Cash and cash equivalents on hand	342	7
TOTAL CASH AND CASH EQUIVALENTS	342	7
TOTAL CURRENT ASSETS	5,179,992	5,334,862
D) ACCRUED INCOME AND PREPAID EXPENSES	-	-
TOTAL ASSETS	5,179,992	5,371,014

Sacis SpA**Balance Sheet - Liabilities (in euros)**

	31.12.2008	31.12.2007
A) SHAREHOLDERS' EQUITY		
I. Share capital	102,000	102,000
IV. Legal reserve	20,400	20,400
VII. Other reserves	1,774,866	1,863,595
IX. Net profit (loss) for the year	2,711,171	(88,730)
TOTAL SHAREHOLDERS' EQUITY	4,608,437	1,897,265
B) PROVISIONS FOR RISKS AND CHARGES		
1.- Provision for pension and similar liabilities	1,115	1,115
3.- Others	490,469	3,344,085
TOTAL PROVISIONS FOR RISKS AND CHARGES	491,584	3,345,200
C) PROVISION FOR STAFF SEVERANCE PAY	-	-
D) PAYABLES		
7.- To suppliers	73,982	128,549
12.- Tax payables	5,989	-
TOTAL PAYABLES	79,971	128,549
E) ACCRUED EXPENSES AND DEFERRED INCOME	-	-
TOTAL LIABILITIES	5,179,992	5,371,014

Sacis SpA**Memorandum accounts (in euros)**

	31.12.2008	31.12.2007
4.- Others	1,529	1,529
TOTAL MEMORANDUM ACCOUNTS	1,529	1,529

Sacis SpA**Income Statement** (in euros)

	31.12.2008	31.12.2007
A) PRODUCTION VALUE		
1.- Revenues from sales and services	-	15.136
5.- Other production-related income		
c) other	2,853,615	11,899
Total other production-related income	2,853,615	11,899
TOTAL PRODUCTION VALUE	2,853,615	27,035
B) PRODUCTION COSTS		
6.- Raw materials, supplies, consumables and merchandise	-	(5)
7.- Services	(105,290)	(77,702)
8.- Use of third-party assets	(10,404)	(23,994)
14.- Other operating costs		
c) other	(22,051)	(23,017)
Total miscellaneous operating costs	(22,051)	(23,017)
TOTAL PRODUCTION COSTS	(137,745)	(124,718)
Difference between production values and costs (A-B)	2,715,870	(97,683)
C) FINANCIAL INCOME AND CHARGES		
17.- Interest and other financial charges		
d) interest and commissions payable to others and miscellaneous charges	(283)	(266)
Total interest and other financial charges	(283)	(266)
TOTAL FINANCIAL INCOME AND CHARGES	(283)	(266)
D) VALUE ADJUSTMENTS TO FINANCIAL ASSETS	-	-
E) EXCEPTIONAL INCOME AND CHARGES		
20.- Income		
b) out-of-period gains and reversal of non-existent liabilities	51,458	9,371
Total income	51,458	9,371
21.- Charges		
c) other	(55,874)	(152)
Total charges	(55,874)	(152)
TOTAL EXCEPTIONAL INCOME AND CHARGES	(4,416)	9,219
Result before taxes (A-B+/-C+/-D+/-E)	2,711,171	(88,730)
22.- Current income taxes for the year, and deferred tax charges and credits	-	-
23.- Net profit (loss) for the year	2,711,171	(88,730)

Sipra SpA - Società Italiana Pubblicità per Azioni

Name:	Sipra – Società Italiana Pubblicità per Azioni
Date of incorporation:	9 April 1926
Objects:	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.
Share capital:	Euro 10,000,000 100,000 shares of par value 100 euros each Rai 100%
Employees:	435 on permanent contracts 13 on fixed-term contracts
Board of Directors	
Chairman:	Roberto Sergio
Managing Director:	Maurizio Braccialarghe
Directors:	Andrea Lorusso Caputi Fabio Belli Giuliana Del Bufalo
Board Secretary:	Laura Paschetto
General Manager	Aldo Reali
Board of Statutory Auditors	
Chairman:	Salvatore Randazzo
Statutory Auditors in office:	Marco Tani Pier Giorgio Tomassetti
Alternate Statutory Auditors:	Enrico Laghi Eugenio Quaglia

Sipra SpA

Balance Sheet - Assets (in euros)

	31.12.2008	31.12.2007
A) SUBSCRIBED CAPITAL UNPAID	-	-
B) NON-CURRENT ASSETS		
I. INTANGIBLE ASSETS		
7.- Others	2,088,297	2,059,908
TOTAL INTANGIBLE ASSETS	2,088,297	2,059,908
II. TANGIBLE ASSETS		
1.- Land and buildings	27,830,713	28,577,928
4.- Other assets	2,325,450	2,503,184
TOTAL TANGIBLE ASSETS	30,156,163	31,081,112
III. FINANCIAL ASSETS		
2.- Receivables		
d) from others	34,713	122,871
Total receivables	34,713	122,871
TOTAL NON-CURRENT FINANCIAL ASSETS	34,713	122,871
TOTAL NON-CURRENT ASSETS	32,279,173	33,263,891
C) CURRENT ASSETS		
I. INVENTORIES		
4.- Finished goods and merchandise	540,262	98,384
TOTAL INVENTORIES	540,262	98,384
II. RECEIVABLES		
1.- From customers	302,174,275	334,914,838
4.- From parent companies	33,378,786	60,269,984
4.bis- Tax receivables	165,114	246,497
4.ter- Deferred tax assets	1,037,814	820,279
5.- Others	15,517,259	13,640,125
TOTAL RECEIVABLES	352,273,248	409,891,723
III. CURRENT FINANCIAL ASSETS	-	-
IV. CASH AND CASH EQUIVALENTS		
1.- Bank and post office deposits	60,385	84,903
3.- Cash and cash equivalents on hand	41,735	100,243
TOTAL CASH AND CASH EQUIVALENTS	102,120	185,146
TOTAL CURRENT ASSETS	352,915,630	410,175,253
D) ACCRUED INCOME AND PREPAID EXPENSES	1,636,565	671,378
TOTAL ASSETS	386,831,368	444,110,522

Sipra SpA**Balance Sheet - Liabilities** (in euros)

	31.12.2008	31.12.2007
A) SHAREHOLDERS' EQUITY		
I. Share 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	11,738,290	11,002,519
IX. Net profit (loss) for the year	5,514,528	9,735,771
TOTAL SHAREHOLDERS' EQUITY	30,366,688	33,852,160
B) PROVISIONS FOR RISKS AND CHARGES		
2.- Current and deferred taxes	387,496	760,002
3.- Others	8,152,925	5,412,771
TOTAL PROVISIONS FOR RISKS AND CHARGES	8,540,421	6,172,773
C) PROVISION FOR STAFF SEVERANCE PAY	8,014,309	8,798,880
D) PAYABLES		
6.- Advances	1,017,267	3,104,473
7.- To suppliers	11,433,091	11,804,298
11.- To parent companies	321,272,622	371,210,209
12.- Tax payables	1,028,105	900,795
13.- To social security institutions	2,059,032	2,213,935
14.- Others	2,632,051	5,594,407
TOTAL PAYABLES	339,442,168	394,828,117
E) ACCRUED EXPENSES AND DEFERRED INCOME	467,782	458,592
TOTAL LIABILITIES	386,831,368	444,110,522

Sipra SpA**Memorandum accounts** (in euros)

	31.12.2008	31.12.2007
3.- Purchase and sale commitments	6,638,666	2,129,015
4.- Others	59,187,230	43,773,398
TOTAL MEMORANDUM ACCOUNTS	65,825,896	45,902,413

Sipra SpA

Income Statement (in euros)

	31.12.2008	31.12.2007
A) PRODUCTION VALUE		
1.- Revenues from sales and services	1,191,055,075	1,237,255,206
5.- Other production-related income		
b) gains on disposal of assets	4,648	14,870
c) other	6,542,158	6,851,244
Total other production-related income	6,546,806	6,866,114
TOTAL PRODUCTION VALUE	1,197,601,881	1,244,121,320
B) PRODUCTION COSTS		
6.- Raw materials, supplies, consumables and merchandise	(3,898,751)	(5,055,837)
7.- Services	(1,146,237,071)	(1,187,593,481)
8.- Use of third-party assets	(3,058,042)	(2,812,406)
9.- Personnel		
a) wages and salaries	(19,657,300)	(20,362,236)
b) social security contributions	(6,512,153)	(6,380,783)
c) staff severance pay provision	(1,600,430)	(1,634,602)
e) other costs	(1,076,069)	(2,376,613)
Total for personnel	(28,845,952)	(30,754,234)
10.- Amortisation, depreciation and writedowns		
a) amortisation of intangible assets	(1,732,466)	(1,694,445)
b) depreciation of tangible assets	(2,064,764)	(2,156,849)
Total amortisation, depreciation and writedowns	(3,797,230)	(3,851,294)
11.- Changes in inventories of raw materials, supplies, consumables and merchandise	441,878	1,793
12.- Provisions for risks	(2,908,500)	-
13.- Other provisions	(88,658)	(92,296)
14.- Other operating costs		
a) capital losses on disposals	(2,631)	(4,091)
c) other	(1,913,245)	(1,840,845)
Total miscellaneous operating costs	(1,915,876)	(1,844,936)
TOTAL PRODUCTION COSTS	(1,190,308,202)	(1,232,002,691)
Difference between production values and costs (A-B)	7,293,679	12,118,629
C) FINANCIAL INCOME AND CHARGES		
16.- Other financial income		
a) from non-current receivables		
. other	294	3,303
Total income from non-current receivables	294	3,303
d) financial income other than the above		
. interest and commissions from parent companies	2,020,364	2,531,713
. interest and commissions from others and miscellaneous income	777,103	1,092,090
Total financial income other than the above	2,797,467	3,623,803
Total other financial income	2,797,761	3,627,106
17.- Interest and other financial charges		
c) interest and commissions payable to parent companies	(123,342)	(26,749)
d) interest and commissions payable to others and miscellaneous charges	(33,455)	(34,258)
Total interest and other financial charges	(156,797)	(61,007)
17bis.- Foreign exchange gains and losses	(2,308)	611
TOTAL FINANCIAL INCOME AND CHARGES	2,638,656	3,566,710
D) VALUE ADJUSTMENTS TO FINANCIAL ASSETS	-	-
E) EXCEPTIONAL INCOME AND EXPENSE		
20.- Income		
b) out-of-period gains and reversal of non-existent liabilities	3,679	-
c) other	384,350	756,327
Total income	388,029	756,327
21.- Charges		
c) prior-year charges and reversal of non-existent assets	(8,482)	-
Total charges	(8,482)	-
TOTAL EXCEPTIONAL INCOME AND CHARGES	379,547	756,327
Result before taxes (A-B+/-C+/-D+/-E)	10,311,882	16,441,666
22.- Current income taxes for the year and deferred tax charges and credits	(4,797,354)	(6,705,895)
23.- Net profit (loss) for the year	5,514,528	9,735,771

Rai



**Financial Statements
of Associated Companies**
(summary schedules)

Audiradio Srl

Date of incorporation:	22 March 1996
Objects:	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.
Share capital:	Euro 258,000
Held by:	Rai 30.23%; minorities 69.77%

Auditel Srl

Date of incorporation:	03 July 1984
Objects:	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.
Share capital:	Euro 300,000
Held by:	Rai 33%; minorities 67%

Euronews (formerly Secemie)- Soci t  Anonyme

Date of incorporation:	30 June 1992
Objects:	The company engages in multilanguage satellite news broadcasting.
Share capital:	Euro 3,900,645
Held by:	Rai 21.25%; minorities 78.75%

San Marino RTV SpA

Date of incorporation:	08 August 1991
Objects:	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.
Share capital:	Euro 516,460
Held by:	Rai 50%; ERAS 50%
Ownership:	Servizi Contabili e Fiscali – S.C.F. Srl 95%

Tivù Srl

Date of incorporation:	24 September 2008
Objects:	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.
Share capital:	Euro 1,000,000
Held by:	Rai 48.25%; R.T.I. 48.25%; TI Media 3.5%

Summary financial statements of Associated Companies

Balance Sheet - Assets at 31.12.2008

	AUDIRADIO	AUDITEL	SAN MARINO RTV	EURONEWS formerly SECEMIE	TIVÙ
SUBSCRIBED CAPITAL UNPAID	-	-	-	-	-
NON-CURRENT ASSETS					
Intangible assets	16,286	257,977	64,826	2,591,743	14,237
Tangible assets	18,058	116,122	306,936	3,578,745	-
Financial assets	50,770	31,284	16,639	374,986	-
CURRENT ASSETS					
Inventories	-	-	4,525	182,451	-
Receivables	130,615	1,618,697	3,552,302	22,083,024	9,805
Current financial assets	-	-	2,500,042	7,902,433	-
Cash and cash equivalents	3,808,416	661,489	866,188	795,145	984,761
ACCRUED INCOME AND PREPAID EXPENSES	3,208	29,154	46,440	639,073	-
TOTAL	4,027,353	2,714,723	7,357,898	38,147,600	1,008,803

Balance Sheet - Liabilities at 31.12.2008

	AUDIRADIO	AUDITEL	SAN MARINO RTV	EURONEWS formerly SECEMIE	TIVÙ
SHAREHOLDERS' EQUITY					
Share capital, reserves and shareholder contributions to capital	970,696	1,048,954	5,796,750	9,074,048	1,000,000
Net profit (loss) for the year	64,248	98,369	1,604	1,112,253	(10,789)
PROVISIONS FOR RISKS AND CHARGES	50,000	-	425,756	3,260,315	-
PROMSION FOR STAFF SEVERANCE PAY	53,345	477,507	154,277	-	-
PAYABLES	2,888,645	1,089,893	970,827	23,822,512	19,592
ACCRUED EXPENSES AND DEFERRED INCOME	419	-	8,684	878,472	-
TOTAL LIABILITIES	4,027,353	2,714,723	7,357,898	38,147,600	1,008,803
MEMORANDUM ACCOUNTS	12,073	64,089,926	626,113	-	-

Income Statement at 31.12.2008

	AUDIRADIO	AUDITEL	SAN MARINO RTV	EURONEWS formerly SECEMIE	TIVÙ
PRODUCTION VALUE	4,029,120	16,705,871	4,986,855	57,085,790	25
PRODUCTION COSTS	(3,985,947)	(16,633,612)	(5,135,932)	(56,254,735)	(16,035)
FINANCIAL INCOME AND CHARGES	77,227	100,501	139,150	587,392	1,144
VALUE ADJUSTMENTS TO FINANCIAL ASSETS	-	-	-	-	-
EXCEPTIONAL INCOME AND CHARGES	-	16,164	11,531	(319,025)	-
Income taxes for the year	(56,152)	(90,555)	-	12,831	4,077
NET PROFIT (LOSS) FOR THE YEAR	64,248	98,369	1,604	1,112,253	(10,789)



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

Tuscany

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

Sicily

Viale Strasburgo, 19
90146 Palermo

Sardinia

Viale Bonaria, 124
09100 Cagliari

Rai SpA	Viale Mazzini, 14 00195 Rome Tel. 06.38781
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Rai Click SpA	Viale Mazzini, 14 00195 - Rome Tel. 06.36864493
Rai Corporation	32 Avenue of the Americas 25 th Floor New York - NY 10013 USA Tel. 001.212.468.2500
Rai International SpA	Viale Mazzini, 14 00195 - Rome Tel. 06.36869583
RaiNet SpA	Via Teulada, 66 00195 - Rome Tel. 06.38781 rai-net@rai.it
RaiSat SpA	Viale Mazzini, 14 00195 - Rome Tel. 06.68182754
Rai Trade SpA	Via Umberto Novaro, 18 00195 - Rome Tel. 06.374981 info@raitrade.it
Rai Way SpA	Via Teulada, 66 00195 - Rome Tel. 800.111.555 raiway@rai.it
Sipra SpA	Corso Bernardino Telesio, 25 10146 - Turin Tel. 011.7441111
01 Distribution Srl	Piazza Adriana, 12 00193 - Rome Tel. 06.684701

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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